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Community Bank of the Bay Announces Record Asset Growth for 2014 First Quarter

OAKLAND, CA - Community Bank of the Bay (CBYAA.OB), a San Francisco Bay Area commercial bank with locations in Oakland, Danville, San Jose and San Mateo, reported Net Income of \$538 thousand for the quarter ended March 31, 2014, including a tax loss carry forward of \$93 thousand.

2014 First Quarter Financial Highlights

- Net Income for the 2014 First Quarter totaled \$538 thousand, or \$0.13 earnings per common share. Operating Income net of the tax loss carry forward totaled \$445 thousand, or \$0.10 earnings per common share, an increase of \$235 thousand, or 105 percent, from \$217 thousand reported in the 2013 First Quarter.
- Total assets at March 31, 2014 were \$193.5 million compared to \$163.2 million at March 31, 2013. Average earning assets for the 2014 First Quarter reached \$171.3 million, an increase of \$31.9 million, or 22.8 percent, compared with the 2013 First Quarter.
- Deposits increased \$18.8 million to \$169.3 million in the First Quarter of 2014, and represented a 12.5 percent increase from the prior quarter. Deposits increased \$30.2 million or 21.7 percent from the prior year.
- Loans increased \$2.5 million to \$130.2 million in the First Quarter of 2014, and represented a 2.0 percent increase from the prior quarter. Loans increased \$19.1 million or 17.2 percent from the prior year.
- Non-Accrual Loans increased \$864 thousand to \$3.9 million in the First Quarter, and represent 2.96 percent of Total Loans. The entire increase is attributed to a single loan secured by owner-occupied commercial real estate and partially guaranteed by the California State Loan guaranty program.
- Net Interest Margin increased twelve basis points to 4.25 percent, compared with 4.13 percent for the 2013 Fourth Quarter and decreased twenty-nine basis points from 4.54 percent for the 2013 First Quarter.
- Capital Levels remain well above FDIC “Well Capitalized” standards. First Quarter 2014 Equity of \$19.6 million resulted in Tier 1 Leverage of 10.78 percent and Tier 1 Risk-Based and Total Risk-Based Capital Ratios of 14.14 percent and 15.40 percent respectively.

"First quarter deposit growth was very strong and driven by both new relationships and increases in existing client balances. While loan growth was modest in comparison, our pipeline remains robust and we are extremely pleased with the number of new business opportunities that we are seeing," said William S. Keller, President and Chief Executive Officer. "As a result pre-tax earnings for the first quarter more than doubled the year ago period and fell only \$7 thousand short of last quarter's pre-tax record earnings when we benefited from the receipt of the CDFI Fund's Bank Enterprise Award."

About Community Bank of the Bay

Community Bank of the Bay (OTCBB: CBYAA) serves the financial needs of closely held businesses and professional service firms, as well as their owner-operators and non-profit organizations throughout the San Francisco Bay Area. Community Bank of the Bay is a member of the FDIC, an SBA Preferred Lender, and a CDARS depository institution, headquartered in Oakland, with offices in Danville, San Jose and San Mateo, CA. It is also California's first certified Community Development Financial Institution and one of only three operating in the Northern California market. The bank is recognized for establishing the Bay Area Green Fund to provide financing to sustainable businesses and projects and supports environmentally responsible values. Additional information on the bank is available online at www.BankCBB.com.

Forward-Looking Statements

This release may contain forward-looking statements, such as, among others, statements about plans, expectations and goals concerning growth and improvement. Forward-looking statements are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, including the real estate market in California and other factors beyond the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Bank does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether to reflect new information, future events, or otherwise, except as required by law.