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Community Bank of the Bay Announces First Quarter 2015 Results

OAKLAND, CA - Community Bank of the Bay (CBYAA), a San Francisco Bay Area commercial bank with full service offices in Oakland and Danville, and two business offices in the Silicon Valley, reported unaudited earnings results for its quarter ending March 31, 2015.

2015 First Quarter Financial Highlights

- Pre-tax operating income for the quarter ending March 31, 2015 totaled \$768 thousand, an increase of \$323 thousand, or 72.6 percent, from \$445 thousand reported in the same period a year ago. Net profit after tax totaled \$459 thousand, or \$0.10 earnings per common share, compared to \$355 thousand reported in 2014. This 29.3 percent increase in after tax profit occurred despite a \$219 thousand increase in tax expenses as the Bank is now estimating its all in tax rate at 40 percent.
- Total assets at March 31, 2015 were \$239.1 million, an increase of \$45.9 million, or 23.7 percent from \$193.3 million at March 31, 2014. Average earning assets for first quarter of 2015 reached \$216.4 million, an increase of \$45 million, or 26.3 percent, compared with \$171.3 million in 2014.
- Deposits increased \$14.1 million, or 7.1 percent to \$212.9 million in the first quarter of 2015 compared to \$198.8 million at December 31, 2014. Deposits increased \$43.5 million or 25.7 percent from the first quarter of 2014.
- Loans increased \$1.9 million, or 1.1 percent to \$177 million in the first quarter of 2015 compared to \$175.1 million at December 31, 2014. Loans increased \$46.8 million or 35.9 percent from the first quarter of 2014.
- Non-performing assets decreased \$409 thousand to \$2.1 million compared to the prior quarter, and \$1.7 million from the same quarter a year ago. During the first quarter the Bank sold its only OREO asset and charged off \$150 thousand associated with non-performing assets. Non-performing assets now represent 1.2 percent of total loans.
- Net interest margin for the first quarter decreased one basis point to 4.40 percent, compared with 4.41 percent for the prior quarter and increased fifteen basis points from 4.25 percent for the 2014 first quarter.
- Capital levels remain well above FDIC “Well Capitalized” standards. March 31, 2015 Equity of \$21.5 million increased 10.8 percent from the prior year and resulted in Tier 1 Leverage of 9.34 percent, and Tier 1 Capital and Total Capital ratios of 11.36 percent and 12.60 percent respectively.

"After experiencing significant loan growth in the second half of 2014 the Bank saw its loan growth moderate in the first quarter while deposit growth, especially non-interest bearing deposit growth remained strong. As a result the quarter brought record levels of total assets, deposits, loans and pre-tax income" said William S. Keller, President and Chief Executive Officer. "And given our strong pipeline we expect loan growth to resume in the coming quarters."

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 Mateo and Campbell, CA. It is also California's first FDIC-insured 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.

COMMUNITY BANK OF THE BAY
UNAUDITED SUMMARY FINANCIAL STATEMENTS
(In thousands except earnings per share)

INCOME STATEMENT			Three Months Ended			
	2015	2014	Qtr over Qtr	2014	Year over Year	
	March 31	December 31	% Change	March 31	% Change	
Interest income	\$ 2,536	\$ 2,460	3.1%	\$ 1,965	29.1%	
Interest expense	189	172	9.9%	136	39.0%	
Net interest income before provision	2,347	2,286	2.7%	1,796	30.7%	
Provision for Loan Loss Reserve	200	225	-11.1%	50	300.0%	
Net interest income after provision	2,147	2,061	4.2%	1,746	23.0%	
Non-interest income	555	379	46.4%	360	54.2%	
Non-interest expense	1,934	1,822	6.1%	1,661	16.4%	
Income before provision for income taxes	768	619	24.1%	445	72.6%	
Provision for income taxes	309	178	73.6%	90	243.3%	
Net income	\$ 459	\$ 441	4.1%	\$ 355	29.3%	
Less: preferred dividends	20	20	0.0%	20	0.0%	
Net income available for common stockholders	\$ 439	\$ 421	4.3%	\$ 335	31.0%	
Basic earnings per common share	\$ 0.10	\$ 0.10	4.3%	\$ 0.08	30.1%	
Common shares outstanding EP	4,220,795	4,220,795		4,191,443		
Return on average assets	0.76%	0.81%		0.73%		
Return on average common equity	10.19%	10.07%		8.83%		

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BALANCE SHEET			Three Months Ended			
ASSETS	2015	2014	Qtr over Qtr	2014	Year over Year	
	March 31	December 31	% Change	March 31	% Change	
Total cash and investments	\$ 57,638	\$ 44,340	30.0%	\$ 58,718	-1.8%	
Loans, net of unearned income	176,989	175,096	1.1%	130,230	35.9%	
Loan loss reserve	(2,839)	(2,783)	2.0%	(2,505)	13.3%	
Other real estate owned	-	971	-100.0%	-	-	
Other assets	7,363	6,947	6.0%	6,846	7.6%	
Total Assets	239,151	224,571	6.5%	193,289	23.7%	
LIABILITIES AND SHAREHOLDERS EQUITY						
Non-interest bearing deposits	68,903	57,964	18.9%	60,123	14.6%	
Interest bearing deposits	143,981	140,857	2.2%	109,223	31.8%	
Total deposits	212,884	198,821	7.1%	169,346	25.7%	
Total borrowings and other liabilities	4,724	4,713	0.2%	4,493	5.1%	
Total Liabilities	\$ 217,608	\$ 203,534	6.9%	\$ 173,839	25.2%	
Shareholders equity	21,543	21,037	2.4%	19,449	10.8%	
Total Liabilities and Shareholders Equity	\$ 239,151	\$ 224,571	6.5%	\$ 193,288	23.7%	
Book value per common share	\$ 4.14	\$ 4.02	3.0%	\$ 3.67	12.8%	