

NEWS RELEASE

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Media Contact:

William S. Keller, President & CEO

510-433-5404 wkeller@BankCBB.com

**Community Bank of the Bay
Announces Record Operating Income for
First Quarter 2016**

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, 2016.

2016 First Quarter Financial Highlights

- Pre-tax operating income for the quarter ending March 31, 2016 totaled \$1.02 million, an increase of \$257 thousand, or 33.4 percent, from \$768 thousand reported in the same period a year ago. Net profit after tax totaled \$613 thousand, or \$0.14 earnings per common share, compared to \$459 thousand reported in 2015
- Total assets at March 31, 2016 were \$247.6 million, an increase of \$8.5 million, or 3.6 percent from \$239.1 million at March 31, 2015. Average earning assets for the quarter reached \$233.6 million, an increase of \$17.1 million, or 7.95 percent, compared with \$216.4 million in 2015.
- Deposits totaled \$223 million at March 31, 2016 and represented an increase of \$5.1 million or 2.5 percent from the prior quarter, and \$10.1 million, or a 4.8 percent increase from the prior year.
- Loans totaled \$195 million at March 31, 2016 and represented a decrease of \$5 million or 2.5 percent from the prior quarter, and an increase of \$18.3 million, or 10.3 percent from the prior year.
- Non-performing assets decreased \$1.1 million, or 28 percent to \$2.8 million compared to the prior quarter and now represent 1.4 percent of total loans. Our Allowance for Loan Losses represents 1.69 percent of Total Loans.
- Net interest margin for the first quarter increased nine basis points to 4.34 percent, compared with 4.26 percent for the prior quarter and decreased six basis points from 4.40 percent in the year ago quarter.
- Capital levels remain well above FDIC "Well Capitalized" standards. March 31, 2016 equity of \$23.5 million increased 9.3 percent from the prior year and resulted in a common equity tier 1 capital ratio of 8.7 percent, and a tier 1 capital and total capital ratio of 10.53 percent and 11.78 percent respectively.
- Book value per common share increased to \$4.52 as of March 31, 2016 from \$4.37 at December 31, 2015 and \$4.41 at March 31, 2015.

"2016 marks the Bank's 20th anniversary, and we have reached an important milestone, earning our first \$1 million operating profit in a quarter. It is exciting that the Bank started the year with such a significant accomplishment. We hope that this quarter's results prove to be a prescient start to a year that appropriately celebrates the many clients, employees and investors who have believed in and supported our Bank throughout the years," said William S. Keller, President and Chief Executive Officer. "Our prior earnings report referenced a troubled credit relationship that negatively impacted our 2015 fourth quarter earnings. While the Bank continues to work through the collection process, we are pleased to report that in the first quarter we collected a significant portion of this credit, and we have now either collected, charged-off or fully reserved for all of the loans associated with this account."

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)						
BALANCE SHEET		Three Months Ended				
		2016	2015	Qtr over Qtr	2015	Year over Year
ASSETS		March 31	December 31	% Change	March 31	% Change
Total cash and investments	\$ 47,872	\$ 36,407	31.5%	\$ 57,638	-16.9%	
Loans, net of unearned income	195,240	200,271	-2.5%	176,989	10.3%	
Loan loss reserve	(3,308)	(3,488)	-5.2%	(2,839)	16.5%	
Other real estate owned	-	-	0.0%	-	-	
Other assets	7,859	8,135	-3.4%	7,363	6.7%	
Total Assets	247,663	241,325	2.6%	239,151	3.6%	
LIABILITIES AND SHAREHOLDERS EQUITY						
Non-interest bearing deposits	80,236	72,390	10.8%	68,903	16.4%	
Interest bearing deposits	142,809	145,580	-1.9%	143,981	-0.8%	
Total deposits	223,045	217,970	2.3%	212,884	4.8%	
Total borrowings and other liabilities	1,064	785	35.5%	4,724	-77.5%	
Total Liabilities	\$ 224,109	\$ 218,755	2.4%	\$ 217,608	3.0%	
Total equity	23,554	22,570	4.4%	21,543	9.3%	
Total Liabilities and Total Equity	\$ 247,663	\$ 241,325	2.6%	\$ 239,151	3.6%	
Book value per common share	\$ 4.52	\$ 4.37	3.3%	\$ 4.17	8.3%	

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(In thousands except earnings per share)						
INCOME STATEMENT	Three Months Ended					
	2016 March 31	2015 December 31	Qtr over Qtr % Change	2015 March 31	Year over Year % Change	
Interest income	\$ 2,719	\$ 2,725	-0.2%	\$ 2,536	7.2%	
Interest expense	196	199	-1.5%	189	3.7%	
Net interest income before provision	2,523	2,526	-0.1%	2,347	7.5%	
Provision for Loan Loss Reserve	-	850	-100.0%	200	-100.0%	
Net interest income after provision	2,523	1,676	50.5%	2,147	17.5%	
Non-interest income	477	591	-19.3%	555	-14.1%	
Non-interest expense	1,975	2,150	-8.1%	1,934	2.1%	
Income before provision for income taxes	1,025	117	776.1%	768	33.5%	
Provision for income taxes	412	30	1273.3%	309	33.3%	
Net income	\$ 613	\$ 87	604.6%	\$ 459	33.6%	
Less: preferred dividends	20	20	0.0%	20	0.0%	
Net income available for common stockholders	\$ 593	\$ 67	785.1%	\$ 439	35.1%	
Basic earnings per common share	\$ 0.14	\$ 0.02	768.2%	\$ 0.10	31.2%	
Common shares outstanding EP	4,314,858	4,232,435		4,191,443		
Return on average assets	0.97%	0.11%		0.64%		
Return on average common equity	12.48%	1.47%		10.50%		

