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**Community Bank of the Bay
Announces Record Earnings for 2013 Third Quarter
Seventh Straight Profitable Quarter**

OAKLAND, CA - Community Bank of the Bay (CBYAA.OB), a San Francisco Bay Area commercial bank with locations in Oakland, Danville and San Jose, reported Net Income of \$381 thousand for the quarter ended September 30, 2013.

2013 Third Quarter Financial Highlights

- Net Income for the 2013 Third Quarter totaled \$381 thousand, or \$0.09 earnings per share. Operating Income net of a \$63 thousand deferred tax asset totaled \$319 thousand, or \$0.08 per share, an increase of \$75 thousand, or 31 percent, from the 2013 Second Quarter and an increase of \$215 thousand, or 207 percent from the 2012 Third Quarter.
- Year to date Net Income at September 30, 2013 totaled \$1.6 million, including a deferred tax asset of \$777 thousand, or \$0.37 earnings per share compared to \$598 thousand, or \$0.14 earnings per share for the same period in 2012.
- Total assets at September 30, 2013 were \$173.3 million compared to \$148.6 million at September 30, 2012. Average earning assets for the 2013 third quarter reached \$150.3 million, an increase of \$19.1 million, or 14.6 percent, compared with the 2012 third quarter.
- Deposits increased \$2.4 million to \$150.5 million in the Third Quarter of 2013, and represented a 1.6 percent increase from the prior quarter. Deposits increased \$25.9 million or 20.8 percent from the prior year.
- Loans increased \$9.9 million to \$129.0 million in the Third Quarter of 2013, and represented a 8.3 percent increase from the prior quarter. Loans increased \$29.5 million or 29.7 percent from the prior year.
- Total Non-performing Assets including Non-Accrual Loans, OREO and Other Assets Owned remained unchanged at \$3.1 million in the Third Quarter, and represent 2.43 percent of Total Loans.
- Net Interest Margin increased fifty-two basis points to 4.79 percent, compared with 4.27 percent for the 2013 Second Quarter and increased thirty-four basis points from 4.45 percent for the 2012 Third Quarter.
- Capital Levels remain well above FDIC “Well Capitalized” standards. Third Quarter 2013 Equity of \$18.3 million resulted in Tier 1 Leverage of 11.36 percent and Tier 1 Risk-Based and Total Risk-Based Capital Ratios of 14.20 percent and 15.46 percent respectively.

“We are very pleased with the Bank’s continued progress. The recently completed quarter saw records in Total Loans, Total Deposits and core Net Income excluding Bank Enterprise Awards or other potentially one time events, stated William S. Keller, President and Chief Executive Officer.

“We have also made significant progress in developing the infrastructure and resources that will allow us to execute our long term strategic plan. We have strong commitment from all members of our team, especially our Board who recently elected William Purcell as Chairman and Gunter Unruh as Vice Chairman. These two successful entrepreneurs from the East Bay and South Bay

respectively, reflect the bank's core focus on the small and mid sized businesses and service organizations that are important drivers of the economic health of our communities. All of us are excited about the Bank's future and look forward to presenting new initiatives over the next few quarters."

Chairman Purcell added, "We have made tremendous progress in the past few years and are now positioned to bring true relationship banking to an even broader market. As the first certified Community Development Financial Institution in California, we remain committed to making a positive impact on the success of the businesses and organizations we serve".

About Community Bank of the Bay

Community Bank of the Bay (OTCBB: CBYAA) is headquartered in Oakland, California and is the first financial institution in California to be certified as a Community Development Financial Institution by the US Treasury. The bank serves the financial needs of small to mid sized, closely held businesses, professional service firms 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 with offices in Oakland, Danville and San Jose. The bank is recognized for establishing the Bay Area Green Fund in 2006 to provide financing to sustainable businesses and support environmentally responsible values. Additional information on the bank is available online at www.communitybankbay.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.