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## Community Bank of the Bay Announces Unaudited 2012 Fourth Quarter and Full Year Earnings

OAKLAND, CA - Community Bank of the Bay (CBYAA.OB), a San Francisco Bay Area commercial bank with locations in Oakland, Danville and San Jose, announced unaudited operating results for its fourth quarter and fiscal year ending December 31, 2012.

### 2012 Fourth Quarter and Full Year Financial Highlights

- Net Income for the 2012 Fourth Quarter totaled \$791 thousand, or \$0.19 earnings per share. Year-to-date net income totaled \$1,389 thousand, or \$0.33 earnings per share.
- During the Fourth Quarter the Bank received a \$415 thousand Bank Enterprise Award (“BEA”) from the US Treasury’s Community Development Fund. This is the seventh consecutive year that the Bank has received an award under this program and the twelfth in the Bank’s history.
- Fourth Quarter Net Income included non-recurring income of \$691 thousand due to the reversal of a previously accrued deferred liability.
- Deposits increased \$6.4 million to \$130.9 million in the Fourth Quarter of 2012, and represented a 5.1% increase from the prior quarter. Deposits increased \$25.7 million or 24.4% from the prior year.
- Loans increased \$10.5 million to \$109.9 million in the Fourth Quarter of 2012, and represented a 10.5% increase from the prior quarter. Loans increased \$12.0 million or 12.2% from the prior year.
- Non-Accrual Loans decreased \$167 thousand to \$3.2 million in the Fourth Quarter, and represent 2.91 percent of Total Loans. Other Assets Owned, including real estate decreased \$226 thousand to \$339 thousand in the Fourth Quarter. Combined Non-performing Assets totaled \$3.5 million, and represent 2.28 percent of Total Assets.
- Net Interest Margin increased five basis points to 4.50 percent, compared with 4.45 percent for the 2012 Third Quarter and decreased eighteen basis points from 4.68 percent for the 2011 Fourth Quarter.
- Capital Levels remain well above FDIC “Well Capitalized” standards. Fourth Quarter 2012 Equity of \$16.7 million resulted in Tier 1 Leverage of 11.30 percent and Tier 1 Risk-Based and Total Risk-Based Capital Ratios of 15.45 percent and 16.71 percent respectively.

Net income for 2012 totaled \$1,389 thousand, or \$0.19 earnings per share, versus a loss of \$6 thousand for 2011. Net Income exclusive of the BEA and non-recurring events, such as the deferred liability reversal totaled \$308.4 thousand, versus a loss in 2011 of \$505.5 thousand.

Total assets at December 31, 2012 were \$155.1 million compared to \$128.5 million at December 31, 2011. Average earning assets for the 2012 fourth quarter reached \$134.6 million, an increase of \$13.8 million, or 11.4 percent, compared with the 2011 fourth quarter.

"We are pleased with the Bank’s progress in 2012. We have taken important steps in assuring that the Bank has a solid foundation from which to continue its growth. During the past year the Bank added thirteen new members to our team and increased net staffing by seven. We relocated our Danville office to a new full service location, closed on the sale of our Oakland

headquarters building, and most importantly, we added a significant number of new clients to our portfolio as evidenced by loan and deposit growth of 12.2% and 24.4% respectively.

We are especially gratified to have been recognized for the twelfth time with a Bank Enterprise Award ("BEA") from the Community Development Financial Institution Fund of the US Treasury. Moreover, this is the third year in a row where the Fund has granted the Bank the maximum Award available based on its active participation in the marketplace. This Award is a clear indication that the Bank is making a real difference to the communities we serve.

As we look to 2013 we expect to benefit from the increased earning asset base and anticipated cost savings from our new Oakland headquarters while we continue to make investments in personnel, especially in the important San Jose and Mid-Peninsula market areas," stated William S. Keller, President and Chief Executive Officer.

### **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 and San Jose, CA. It is also one of only two certified Community Development Financial Institutions in the Northern California market. The bank is recognized for establishing the Bay Area Green Fund to provide financing to sustainable businesses and supports environmentally responsible values. Additional information on the bank is available online at [www.communitybankbay.com](http://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.*