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**Community Bank of the Bay
Announces 2018 Second-Quarter Results
145% Increase in Earnings and Continued Loan and Deposit Growth**

OAKLAND, CA - Community Bank of the Bay (CBYAA), a San Francisco Bay Area commercial bank with full service offices in Oakland, Danville and San Mateo, reported unaudited financial results for its quarter ending June 30, 2018.

2018 Second-Quarter Financial Highlights

- Net income for the quarter ending June 30, 2018 totaled \$998 thousand, an increase of \$470 thousand from the prior quarter, and an increase of \$590 thousand, or 144.6 percent, from the same quarter a year ago. Earnings per common share totaled \$0.15 in the second quarter of 2018, compared to \$0.08 in the prior quarter and \$0.06 in the same quarter a year ago. Earnings in the second quarter benefited from \$445 thousand of SBA premium income and a \$233 Bank Enterprise Award from the Community Development Fund of the US Treasury.
- Total assets at June 30, 2018 were \$373 million, an increase of \$41.0 million, or 12.3 percent, from the prior quarter, and an increase of \$86.3 million, or 30.1 percent, from a year ago. Average earning assets for the quarter reached \$336.1 million, an increase of \$34.6 million, or 11.5 percent, compared with the prior quarter, and an increase of \$71.4 million, or 27.0 percent, from the same quarter a year ago.
- Deposits totaled \$318.2 million at June 30, 2018 and were up \$34.8 million, or 12.3 percent, from the prior quarter, and up \$68.9 million, or 27.6 percent, from a year ago. 72 percent of second quarter deposit growth was in non-interest bearing demand deposit accounts.
- Loans totaled \$295.8 million at June 30, 2018, an increase of \$35.1 million, or 13.5 percent, from the prior quarter, and an increase of \$95.1 million, or 47.4 percent, compared to the same quarter a year ago. During the last twelve months secured commercial real estate lending, including owner-occupied increased \$49 million and unsecured commercial and industrial lending increased \$22.8 million.
- Non-performing assets increased \$517 thousand to \$2.2 million in the second quarter and now represents 0.74 percent of total loans. The allowance for loan losses represents 1.24 percent of total loans at quarter end.
- Net interest margin for the second quarter totaled 3.98 percent compared with 4.02 percent for the prior quarter and 3.82 percent in the same quarter a year ago. The decrease from the prior quarter primarily relates to an overall increase in deposit costs, while the improvement from the same quarter a year ago is primarily due to the increase in earning assets.
- Total equity as of June 30, 2018 of \$39.2 million increased \$1.0 million, or 2.7 percent, from the prior quarter. The Bank's capital levels are well above FDIC "Well Capitalized" standards as of June 30, 2018, with a total capital ratio of 14.16 percent, a tier 1 capital ratio of 12.92 percent, and a common equity tier 1 capital ratio of 11.58 percent. Total equity includes \$4.1 million of Preferred Stock that the Bank expects to redeem in the coming year. If Preferred Stock were to have been redeemed at quarter end the total capital ratio would have been approximately 12.82 percent.
- Book value per common share totaled \$5.29 as of June 30, 2018, an increase of 6.6 percent from the same quarter one year ago.

"The Bank recorded another exceptional quarter of quality deposit and loan growth. Since raising \$12 million of new capital in March 2017 we have grown the bank by almost \$100 million. This higher level of earning assets is now starting to translate to increased profitability and we are eagerly looking forward to

the second half of the year,” said William S. Keller, President, and Chief Executive Officer. “We also note that our recent Bank Enterprise Award marks the seventeenth year in which the Bank has received this award from the Community Development Financial Institutions Fund of the US Treasury. This particular Award was for 2016 activities and the Fund expects to announce its 2017 Awards before the end of this calendar year. The Bank’s consistent recognition by the CDFI Fund is confirmation that we remain true to our mission of enhancing the economic development and sustainability of the communities we serve.”

About Community Bank of the Bay

Community Bank of the Bay (OTCBB: CBYAA) is headquartered in Oakland and 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, with offices in Oakland, Danville and San Mateo. It is also California’s first FDIC-insured certified Community Development Financial Institution and one of only four now operating in the Northern California market. The bank is recognized for establishing the Bay Area Green Fund to provide dedicated 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
(Dollars in thousands, except book value per share)

BALANCE SHEET	At Period End				
	2018 June 30	2018 March 31	Qtr over Qtr % Change	2017 June 30	Year over Year % Change
ASSETS					
Total cash and investments	\$ 72,261	\$ 67,086	7.7%	\$ 80,977	-10.8%
Loans, net of unearned income	295,766	260,674	13.5%	200,715	47.4%
Loan loss reserve	(3,666)	(3,505)	4.6%	(3,065)	19.6%
Other assets	9,077	8,194	10.8%	8,506	6.7%
Total Assets	<u>373,438</u>	<u>332,449</u>	<u>12.3%</u>	<u>287,133</u>	<u>30.1%</u>
LIABILITIES AND SHAREHOLDERS EQUITY					
Non-interest bearing demand deposits	128,834	103,755	24.2%	105,224	22.4%
Interest bearing deposits	189,376	179,618	5.4%	144,061	31.5%
Total deposits	<u>318,210</u>	<u>283,373</u>	<u>12.3%</u>	<u>249,285</u>	<u>27.6%</u>
Total borrowings and other liabilities	<u>16,010</u>	<u>10,900</u>	<u>46.9%</u>	<u>858</u>	<u>1766.0%</u>
Total Liabilities	<u>\$ 334,220</u>	<u>\$ 294,273</u>	<u>13.6%</u>	<u>\$ 250,143</u>	<u>33.6%</u>
Total equity	<u>39,218</u>	<u>38,176</u>	<u>2.7%</u>	<u>36,990</u>	<u>6.0%</u>
Total Liabilities and Total Equity	<u>\$ 373,438</u>	<u>\$ 332,449</u>	<u>12.3%</u>	<u>\$ 287,133</u>	<u>30.1%</u>
Book value per common share	\$ 5.29	\$ 5.14	3.0%	\$ 4.96	6.6%

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(Dollars in thousands, except earnings per share)

INCOME STATEMENT	Three Months Ended				
	2018 June 30	2018 March 31	Qtr over Qtr % Change	2017 June 30	Qtr over Yr Ago Qtr % Change
Interest income	\$ 3,818	\$ 3,289	16.1%	\$ 2,750	38.8%
Interest expense	483	298	62.1%	231	109.1%
Net interest income before provision	<u>3,335</u>	<u>2,991</u>	<u>11.5%</u>	<u>2,519</u>	<u>32.4%</u>
Provision for Loan Losses	<u>100</u>	<u>-</u>		<u>75</u>	<u>33.3%</u>
Net interest income after provision	<u>3,235</u>	<u>2,991</u>	<u>8.2%</u>	<u>2,444</u>	<u>32.4%</u>
Non-interest income	838	149	462.4%	168	398.8%
Non-interest expense	<u>2,609</u>	<u>2,369</u>	<u>10.1%</u>	<u>1,933</u>	<u>35.0%</u>
Income before provision for income taxes	<u>1,464</u>	<u>771</u>	<u>89.9%</u>	<u>679</u>	<u>115.6%</u>
Provision for income taxes	<u>466</u>	<u>243</u>	<u>91.8%</u>	<u>271</u>	<u>72.0%</u>
Net income	<u>\$ 998</u>	<u>\$ 528</u>	<u>89.0%</u>	<u>\$ 408</u>	<u>144.6%</u>
Less: preferred dividends	<u>20</u>	<u>20</u>	<u>0.0%</u>	<u>20</u>	<u>0.0%</u>
Net income available for common stockholders	<u>\$ 978</u>	<u>\$ 508</u>	<u>92.5%</u>	<u>\$ 388</u>	<u>152.1%</u>
Basic earnings per common share	\$ 0.15	\$ 0.08	92.4%	\$ 0.06	151.9%
Weighted average common shares outstanding	6,641,601	6,639,718		6,634,306	
Return on average assets	1.18%	0.67%		0.58%	
Return on average common equity	11.49%	6.05%		4.67%	