NEWS RELEASE **for Immediate Release** – July 25, 2019

Media Contacts: William S. Keller, President & CEO, 510-433-5404 wkeller@BankCBB.com

Community Bank of the Bay
Announces 2019 Second-Quarter Results
74% Increase in Earnings Driven by Growth and Margin Improvement

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, 2019.

2019 Second-Quarter Financial Highlights

- Net income available to common stockholders for the quarter ending June 30, 2019 totaled $930 thousand, an increase of $148 thousand from the prior quarter, and an decrease of $48 thousand from the same quarter a year ago when earnings were augmented by a $233 thousand Bank Enterprise Award and $446 thousand from the gain on sale of SBA Loans. After adjusting for these two intermittent contributions, quarterly pre-tax earnings increased 73.8 percent in Q2 2019 compared to Q2 2018. Earnings per common share totaled $0.11 in the second quarter of 2019, compared to $0.10, in the prior quarter and $0.15 in the same quarter a year ago. Core second quarter EPS would have increased 40 percent if not for the BEA and SBA sales gains in 2018. The strong improvement in operating net income in the second quarter of 2019 compared to the same quarter a year ago reflects a $1.0 million increase in net interest income offset by a $365 thousand increase in noninterest expenses and a $100 thousand increase in the provision for loan loss reserve.

- Total assets at June 30, 2019 were $454.4 million, an increase of $30.3 million, or a 7.2 percent increase from the prior quarter, and an increase of $80.9 million, or 21.7 percent from a year ago. Average total earning assets for the quarter totaled $417.7 million, an increase of $24.6 million, or 6.3 percent, compared with the prior quarter, and an increase of $82.8 million, or 24.6 percent, from the same quarter a year ago.

- Deposits totaled $365.5 million at June 30, 2019 and were up $9.1 million, or 2.5 percent, from the prior quarter, and up $47.3 million, or 14.9 percent, from a year ago. Deposit growth from the prior quarter was highlighted by a $16.0 million increase in non-interest bearing deposits offset by a $10.3 million decrease in money market deposits.

- Loans totaled $362.9 million at June 30, 2019, an increase of $32.4 million, or 9.8 percent, from the prior quarter, and an increase of $67.8 million, or 23.0 percent, compared to the same quarter a year ago. Almost all of the last twelve month's loan growth came in four key categories with $27.4 million in Commercial Real Estate, $14.0 million in Construction, $13.6 million in Commercial & Industrial and $12.6 million in participations or acquired loans, all of which are fully guaranteed by federal or state agencies.

- Non-performing assets totaled $706 thousand at June 30, 2019 and now represent 0.19 percent of total loans. The allowance for loan losses represents 1.05 percent of total loans at quarter end.

- Net interest margin for the second quarter totaled 4.17 percent compared with 4.18 percent for the prior quarter and 3.96 percent in the same quarter a year ago. The slight decline in margin from the prior quarter was primarily due to a $19.5 million increase in Federal Home Loan Bank borrowings that allowed us to add duration to our liabilities during a period of reduced interest rates. The improvement from the same quarter a year ago is primarily due to a 65 basis point increase in the average yield on loans verse a 37 basis point increase in the overall Cost of Funds.

- Total equity as of June 30, 2019 of $53.4 million increased $2.5 million, or 5.0 percent, from the prior quarter as the operating profit was augmented by an additional $1.3 million of net proceeds from the final close of a stock sale that generated total net proceeds of $15.8 million, as the Bank issued an additional 165,000 shares priced at $7.50 per share. The Bank's capital levels are well above FDIC "Well Capitalized" standards as of June 30, 2019, with a total capital ratio of 14.64 percent, a tier 1 capital ratio of 13.64 percent, and a tier 1 leverage ratio of 12.20 percent.

- Book value per common share totaled $6.15 as of June 30, 2019, an increase of 16.1 percent from the same quarter one year ago.

"We are very pleased with the results for the first half of 2019 and how we are positioned for the rest of the year, said William S. Keller, President and Chief Executive Officer. "Total Assets are up 21% and core pre-tax earnings increased 74% from the prior year. We took advantage of the decline in interest rates by borrowing $19.5 million from the FHLB at rates well below our marginal cost of funds that added liquidity and duration to our liabilities. And we closed the final tranche of a successful capital campaign that not only strengthened our capital levels and positioned us for further growth, but provided an opportunity for many of our valued clients and community supporters to have a direct stake in our long term success."

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 full service branches in Danville and San Mateo. It is also California's first FDIC-insured certified Community Development Financial Institution and one of only three operating in the Bay Area 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.