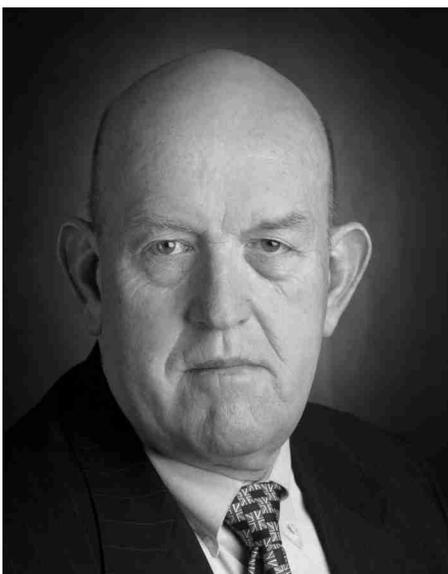


**After Raising \$7 Million In Capital And Expanding Into Two New Markets,
Community Bank of the Bay Is Well Positioned To Take Advantage Of The Exodus
From Big Banks As Customers Search For A More High-Touch/High-Trust Approach**

**Financial
Regional – Pacific Banks
(CBYAA-OTC: BB)**

Community Bank of the Bay

**1750 Broadway
Oakland, CA 94612
Phone: 510-433-5400**



**Brian K. Garrett
Chief Executive Officer**

BIO: Brian K. Garrett, Director, President and Chief Executive Officer, joined Community Bank of the Bay in August 2002. Mr. Garrett brings more than 40 years of banking experience during which time he has served as the chief executive officer of four community banks. Previously, he was the founding CEO of Service 1st Bank in Stockton, President and CEO of East County Bank and a founding officer and Chief Credit Officer at Bank of Walnut Creek. In addition to his management experience, Mr. Garrett's extensive background includes commer-

cial, consumer and real estate lending, as well as specialized expertise in leasing, SBA, and accounts receivable finance. He has served as a director and chairman of several community bank associations and as a committee member on the American Bankers Association Federal Government Affairs Committee. He holds a B.A. from the University of Washington and is a graduate of the Pacific Coast Banking School at the University of Washington.

Company Profile:

Community Bank of the Bay serves the financial needs of a variety of commercial customers including businesses, professional service firms, non-profit organizations and churches. Community Bank of the Bay has offices in the East Bay and South Bay regions of the San Francisco Bay Area.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Garrett, every bank has its own focus; what is the story of Community Bank of the Bay?

Mr. Garrett: Most recently, we embarked on a capital campaign to raise additional capital to finance expansion of two new offices in two new markets. It is probably the worst market for banking in eighty years and we have been successful. We did it on a best efforts basis, we did it without any investment bankers, without any private equity, we reached out to the public. We held a number of investment meetings with individuals who were interested in hearing our story. We raised over \$7 million and our goal is to raise more and we think we will do it.

CEOCFO: Would you tell us about the area you serve and the area you are expanding into?

Mr. Garrett: We are in the East Bay and South Bay regions of the San Francisco Bay Area market. The bank started in Oakland in 1996. At the end of 2009, we opened an office in Danville, which is a high-end suburban hub for service businesses and professionals. We also opened an office in the early part of 2010 in the San Jose/Silicon Valley market. This market, which is probably the largest business market in the Bay Area, will allow us to focus on the high-tech market.

CEOCFO: Why are people banking with you?

Mr. Garrett: It is very interesting. Before, community banks were all high-touch/high-tech banks as opposed to the big banks, which were high-tech and no touch. Now we are finding that people are banking with us because of a whole mantra in which people are tired of how the big banks are destroying the economy. We have seen a lot of movement from the major banks into the small banks throughout California. Community banks in California have banded together to form an "I Bank Local" campaign to recognize this social movement away from big banks and toward small banks.

CEOCFO: Why choose Community Bank of the Bay from the other local competitors?

Mr. Garrett: We are well-capitalized and we are actually lending money. We have the best bankers in each market. The president of our Silicon Valley Region has been in that market for 35 years, and is recognized one of the top bankers in the Silicon Valley market; if not the

top banker, The people that run our Danville office are well known in that market. They were operators of small banks that were sold and they know that market very well. We are fortunate to have them join us since in community banking, it is all about the people.

CEOCFO: Do most of your customers do all of their banking with you?

Mr. Garrett: Unfortunately, no. If we can get the largest percentage of “share of their wallet”, that would be great. We consider ourselves lucky to get 50%. We know that they have accounts in other banks, whether they are business or personal accounts. I would love to say we could capture 100%, but that is not a realistic goal. We aim for the most profitable aspect and sometimes it is the personal account and other times it is the business account. Yesterday, we were able to turn around a decision in 24 hours on a million-dollar loan for the executive of a company that had a tremendous background in advertising. He had moved to California to join an advertising agency after being in New York, as a very senior executive of one of the largest ad agencies. He was now going out on his own. A major bank took a month to give its approval on a loan and then backed out of the deal. A mutual friend called me and told me of the situation. We turned it around in 24 hours. From that transaction, not only do we have a good loan, where he is bringing in over a million dollars in balances; but he is also referring our bank to other professionals. I got the call on Monday and turned it around on Tuesday. He has become an evangelist for us. This transaction is a good example of the power of local decision making.

CEOCFO: What about your Bay Area Green Fund?

Mr. Garrett: Our Bay Area Green Fund is doing well. We were the first bank to come up with the idea to give people the ability to direct what their money supports. Everybody is concerned now as they saw their deposits at Wells Fargo or Washington Mutual going into subprime lending. This could put them at risk of

losing their deposits, because these banks were using the money for what some people might say were greedy purposes or using their money for purposes that don't fit their values. We use the money from the Bay Area Green Fund to finance a number of environmental and sustainable programs. It could be a local organic restaurant that has been the talk of the Bay Area. We financed a company that does retrofitting of streetlights with the new LED lights. Conserving electricity is a goal for many of our Bay Area Green Fund clients. It could also be solar panels on homes, solar panels on businesses, or anything like that. People feel better if their deposits are being used in a kindler, gentler way.

CEOCFO: How did you get people to invest in the bank?

We are well-capitalized and we are actually lending money. We have the best bankers in each market. The president of our Silicon Valley Region has been in that market for 35 years, and is recognized one of the top bankers in the Silicon Valley market; if not the top banker, The people that run our Danville office are well known in that market. They were operators of small banks that were sold and they know that market very well. We are fortunate to have them join us since in community banking, it is all about the people. - Brian K. Garrett

Mr. Garrett: First of all they had to believe in us. I am old enough to remember the bad times and I knew it was going to get bad, so my chairman and I decided that in 2008 that we would start doing everything we could to get ready for what we saw as very difficult times. We never did a lot of things that the other banks did such as using brokered deposits, we never went past a loan to deposit ratio of 80% and we didn't engage in a lot of commercial real estate lending. We stayed in the middle of the road. We cleaned up our loan portfolio and we aggressively collected the ones that we felt had to be collected. For most of 2008 and 2009 we were getting for this offering. Because we focused on the balance sheet, most of the ratios that are discussed in banking circles such as Texas ratios, net core funding and non-performing assets, we are way below the norms right now. Many

banks have 5% to 15% of their assets in non-performing loans and we are below 1%. Our Texas ratio is significantly less. The FDIC came and went and they were very happy with what we had done to get ready for the “new normal”. When we went to the marketplace, we could show potential investors a clean bill of health. We could tell them what we were doing in our new Danville and San Jose markets. In fact, half the money that we raised came from the San Jose market, even though it is a new market. The Silicon Valley President has such a good reputation that he drew in a number of new investors to us.

CEOCFO: Other than the general challenges, what are you on the look-out for?

Mr. Garrett: We are hiring. We are looking for new people in the Danville market. We actually interviewed and made an offer last night for a senior credit officer in the San Jose market. So we think that given the banks that are still around, a lot of banks are looking backwards dealing with the problems on their books. Since we don't have that issue, we are aggressively marketing for new business. We know that the loan to value figures on real estate is probably much more realistic in 2010 than they were in 2008. We have the benefit of that knowledge. Any businesses now that have been through the stress of the last couple of years are survivors and we are going to look at them and get to know them. We think it is going to be a huge advantage for us in the future

CEOCFO: Final thoughts, why should potential investors be interested in Community Bank of the Bay?

Mr. Garrett: We think we have a unique story. We have a clean balance sheet, we basically took everything we could, got rid of the trash, and basically started with a brand-new infrastructure, a whole new portfolio that we could grow from a clean slate in markets that historically have been very good. In addition, we know the technology sector is doing well. There was a report today that PC sales were expecting a huge increase in 2010. We

are going to take advantage of news such as that. Because of the robustness of the technology sector, we think that in 2 to 3 years the majority of our loans are going to be out of the Silicon Valley. Coming

out of the recession; the high tech sector will probably be the number-one rebound area in California and we want to be a part of it. We think that our stock is a great opportunity; especially at its current

stock price of \$3.50. We anticipate seeing a rise in the price somewhere in the 3rd or 4th quarter as that will be after we close the offering at the end of June.



Community Bank of the Bay
1750 Broadway
Oakland, CA 94612
Phone: 510-433-5400