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Expiration Date: 09/30/2017**INTERAGENCY BANK MERGER ACT APPLICATION**

Public reporting burden for this collection of information is estimated to average 30 and 18 hours for nonaffiliate and affiliate transactions, respectively, including the time to gather and maintain data in the required form, to review instructions, and to complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429; Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Licensing Policy and Systems Division, Comptroller of the Currency, 250 E Street, S.W., Washington, DC 20219; or Corporate Activities Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552; and to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503.

An organization or a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

**GENERAL INFORMATION AND INSTRUCTIONS****Preparation and Use**

This application is used to effect a transaction under section 18(c) of the Federal Deposit Insurance Act (FDIA), as amended (12 U.S.C. 1828(c)), and for national banks, 12 U.S.C. 215, 215a. This application is used for a merger, consolidation, or other combining transaction between nonaffiliated parties as well as to effect a corporate reorganization between affiliated parties (affiliate transaction).

An affiliate transaction refers to a merger, consolidation, other combination, or transfer of any deposit liabilities, between depository institutions that are controlled by the same holding company. It includes a business combination between a depository institution and an affiliated interim institution. Applicants proposing affiliate transactions are not required to complete questions 12 through 14 of this form.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is "none," "not applicable," or "unknown," so state. Answers of "unknown" should be explained.

The questions in the application are not intended to limit the Applicant's presentation nor are the questions intended to duplicate information supplied on another form or in an exhibit. For such information, a cross reference to the information is acceptable. *Any such cross reference must be made to a specific cite or location in the documents, so the information can be located easily.* Supporting information for all relevant factors, setting forth the basis for Applicant's conclusions, should accompany the application. The regulatory agency may request additional information. Provide the approximate approval date needed to consummate.

For additional information regarding the processing procedures and guidelines and any supplemental information that may be required, please refer to the appropriate regulatory

agency's procedural guidelines (i.e., *Comptroller's Licensing Manual*, the FDIC's Rules and Regulations [12 C.F.R. 303] and Statement of Policy on Bank Merger Transactions, or the OTS' *Application Processing Handbook*) or contact the agency directly for specific instruction. The Applicant may contact the agency directly for specific instruction or visit the website at [www.fdic.gov](http://www.fdic.gov), [www.occ.treas.gov](http://www.occ.treas.gov), [www.ots.treas.gov](http://www.ots.treas.gov), and [www.federalreserve.gov](http://www.federalreserve.gov).

### **Insurance Fund Conversions and Oakar Transactions**

With the prior approval of the FDIC, Section 5(d)(2) of the FDIA (12 U.S.C. 1815(d)(2)) allows an insured depository institution to convert from a Bank Insurance Fund (BIF) member to a Savings Association Insurance Fund (SAIF) member or from a SAIF to a BIF member. Insurance fund exit and entry fees apply.

Section 5(d)(3) of the FDIA (12 U.S.C. 1815(d)(3)), pertaining to Oakar transactions, permits a direct merger or a purchase and assumption transaction by which a member of BIF or SAIF assumes deposits insured by the other insurance fund subject to the satisfaction of certain conditions.

If applying for approval of a transaction covered by either Section 5(d)(2) or 5(d)(3), check the appropriate box on Page 1 of this form.

### **Interim Charters and Federal Deposit Insurance**

An interim state or federal depository institution charter may be used to facilitate a merger or consolidation. An interim institution is one that does not operate independently but exists, usually for a very short period of time, solely as a vehicle to accomplish a combination (for example, to facilitate the acquisition of 100 percent of the voting shares of an existing depository institution). The processing procedures and guidelines for chartering an interim institution may be found in the guidelines of the appropriate regulatory agency.

Applicants should contact the FDIC to discuss relevant deposit insurance requirements. An application for deposit insurance is not required in connection with a merger (other than a purchase and assumption) between a federally chartered interim institution and an existing FDIC-insured depository institution, including those instances in which the resulting institution is to operate under the charter of the federal interim institution. However, an application for deposit insurance is required if a state-chartered interim bank or savings association is to be insured. Mergers between an FDIC-insured institution and a noninsured institution are subject to FDIC approval under section 18(c)(1) of the FDIA (12 U.S.C. 1828(c)(1)).

In making its determination to grant deposit insurance under section 5(a) of the FDIA (12 U.S.C. 1815(a)), the FDIC will consider the factors enumerated in section 6 of the FDIA (12 U.S.C. 1816). If applying for deposit insurance under section 5(a), check the appropriate boxes on the top of Page 1 of this form and include with this application any additional relevant information.

### **Establishment of Branches and Branch Closings**

This Interagency Bank Merger Act Application will be deemed to constitute an application pursuant to section 9 of the Federal Reserve Act (12 U.S.C. 321) in the case of state member banks, section 18(d) of the FDIA (12 U.S.C. 1828(d)) for other state-chartered banks, and 12 U.S.C. 36 for national banks to operate the Target Institution's branches.

If a branch is closed as a result of a merger, consolidation, or other combination, refer to the Interagency Policy Statement on Branch Closings and applicable law for branch closure notice requirements (12 U.S.C. 1831r-1).

### **Notice of Publication**

An Applicant must publish notice of the proposed acquisition in a newspaper of general circulation in the community or communities in which the main office of each of the parties to the transaction is located (12 U.S.C. 1828(c)(3)). Contact the appropriate regulatory agency for the specific requirements of the notice of publication.

### **Electronic Submission**

In addition to an original application and the appropriate number of signed copies, the regulatory agencies would like to have an electronic copy of the information in the application, especially of the financial projections. Submission of an electronic copy is voluntary. It will be used only for internal review and processing and will not be released to the public. The electronic copy may be provided on a computer diskette, using common word processing and spreadsheet software. For E-mail submissions, contact the appropriate regulatory agency for instructions and information about secure transmission of confidential material.

### **Confidentiality**

Any Applicant desiring confidential treatment of specific portions of the application must submit a request in writing with the application. The request must discuss the justification for the requested treatment. The Applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 U.S.C. 552). Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the application (by reference to the confidential section); (2) separately bound; and (3) labeled "Confidential." The Applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the application.

The Applicant should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information will be treated as confidential and will advise the Applicant of any decision to make available to the public information labeled as "Confidential."

INTERAGENCY BANK MERGER ACT APPLICATION

Check all that apply:

- |   |   |   |
|---|---|---|
| <b>Type of Filing</b>   | <b>Form of Transaction</b>                              | <b>Filed Pursuant to</b>                              |
| <input type="checkbox"/> Affiliate/Corporate Reorganization                 | <input checked="" type="checkbox"/> Merger              | <input checked="" type="checkbox"/> 12 U.S.C. 1828(c) |
| <input type="checkbox"/> Combination with Interim<br>Depository Institution | <input type="checkbox"/> Consolidation                  | <input type="checkbox"/> 12 U.S.C. 1815(d)(2)         |
| <input checked="" type="checkbox"/> Nonaffiliate Combination                | <input type="checkbox"/> Purchase and Assumption        | <input type="checkbox"/> 12 U.S.C. 1815(d)(3)         |
| <input type="checkbox"/> Other _____  | <input type="checkbox"/> Branch Purchase and Assumption | <input type="checkbox"/> 12 U.S.C. 215, 215a          |
|   | <input type="checkbox"/> Other _____                    | <input type="checkbox"/> 12 U.S.C. 1815(a)            |
|   |   | <input type="checkbox"/> Other _____                  |

**Applicant Depository Institution**

CALIFORNIA BANK OF COMMERCE 58583  
Name Charter/Docket Number

Lafayette CA 94549  
City State ZIP Code

**Target Institution**

PAN PACIFIC BANK 57989  
Name Charter/Docket Number

47065 Warm Springs Blvd.  
Street

Fremont CA 94539-7454  
City State ZIP Code

**Resultant Institution (if different than Applicant)**

N/A  
Name Charter/Docket Number

\_\_\_\_\_  
Street

\_\_\_\_\_  
City State ZIP Code

**Contact Person**

ERNEST J. PANASCI, Attorney STINSON LEONARD STREET LLP  
Name Title/Employer

Greenwood Village CO 80111  
City State ZIP Code

303.376.8402 303.578.7976  
Telephone Number Fax Number

## INTERAGENCY BANK MERGER ACT APPLICATION

**1. Describe the transaction's purpose, structure, significant terms and conditions, and financing arrangements, including any plan to raise additional equity or incur debt.**

California Bank of Commerce, Lafayette, California ("CABC") has entered into an Agreement and Plan of Reorganization with Pan Pacific Bank, Fremont, California ("PPFC"), dated September 18, 2015 (the "Merger Agreement") whereby PPFC will be merged with and into CABC (the "Bank Merger"). CABC will be the resulting institution in the Bank Merger ("Resulting Bank"), and the former offices of PPFC will operate as branches of CABC under the name "California Bank of Commerce." Concurrent with this filing, a copy of this Application will be filed with the Commissioner of the California Department of Business Oversight (the "California Department").

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Bank Merger (the "Effective Time"), PPFC shall merge with and into CABC in accordance with the Merger Agreement and the applicable provisions of the California Financial Code ("CFC") and the California General Corporation Law ("CGCL"). At the Effective Time, the separate corporate existence of PPFC shall cease and CABC shall survive and continue to exist as a bank incorporated under the laws of California.

The articles of incorporation and bylaws of the Resulting Bank immediately after the Bank Merger shall be the CABC Articles of Incorporation and the CABC Bylaws as in effect immediately prior to the Bank Merger.

The directors of the Resulting Bank immediately after the Bank Merger shall be the directors of CABC immediately prior to the Bank Merger, each of whom shall serve until his or her successor shall be duly elected and qualified in accordance with the CABC Articles and CABC Bylaws, plus, on the Closing Date one PPFC director, who shall be Wayne Doiguchi (the current CEO and Chairman of the Board of PPFC). Subsequent to the Closing Date, the CABC Board shall add another South Bay community-based director and all current PPFC directors will be considered during this process. The executive officers of the Resulting Bank immediately after the Bank Merger shall be the executive officers of CABC immediately prior to the Bank Merger, each of whom shall serve until such time as their successors shall be duly elected and qualified.

The authorized capital stock of the Resulting Bank upon consummation of the Bank Merger shall be as set forth in the CABC Articles of Incorporation immediately prior to the Bank Merger. At the Effective Time, the effect of the Bank Merger shall be as provided in accordance with the CFC. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of PPFC shall vest in the Resulting Bank, and all debts, liabilities, obligations, restrictions, disabilities and

duties of PPFC shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Resulting Bank.

If, at any time after the Effective Time, the Resulting Bank shall consider that any further assignments or assurances in law or any other acts are necessary or desirable to (i) vest, perfect, record or otherwise confirm the Resulting Bank's right, title or interest in, to or under any of the rights, properties or assets of PPFC acquired or to be acquired by the Resulting Bank as a result of, or in connection with, the Bank Merger, or (ii) otherwise carry out the purposes of the Merger Agreement, PPFC, and its proper officers and directors, acting in such corporate capacity and not individually, and, subject to applicable law, shall be deemed to have granted to the Resulting Bank an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such rights, properties or assets in the Resulting Bank and otherwise to carry out the purposes of the Merger Agreement, and the proper officers and directors of the Resulting Bank are fully authorized in the name of the Resulting Bank or otherwise to take any and all such action.

Conversion of Shares. . At the Effective Time, by virtue of the Bank Merger and without any action on the part of a holder of shares of PPFC Common Stock:

(i) CABC Common Stock. Each share of CABC Common Stock that is issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding and shall be unchanged by the Bank Merger.

(ii) PPFC Common Stock. As consideration for the Bank Merger, CABC will, on the closing date, in exchange for all issued and outstanding shares of PPFC, issue to PPFC holders of PPFC common stock, cash and shares of CABC common stock (which PPFC common stock is valued at \$4.75 per share) for each outstanding share of PPFC common stock. The merger consideration to be issued by CABC will be paid 66% in shares of CABC common stock to be valued at \$13.85 per share of CABC common stock and 34% in cash. Currently, there are 4,984,861 shares of PPFC common stock outstanding. Therefore, in the Bank Merger, CABC will issue to the PPFC holders of the 4,984,861 shares of PPFC common stock 1,128,342 shares of CABC common stock along with \$8,050,550 in cash. As long as the "CABC Average Closing Price" (determined in the manner provided in the Merger Agreement), remains within the collars set forth in the Merger Agreement and discussed in Confidential Exhibit 1 to this Application, the consideration payable by CABC in the Bank Merger for the 4,984,861 shares of PPFC common stock will not fluctuate, but will be equal to 1,128,342 shares of CABC common stock along with \$8,050,550 in cash. All Confidential Exhibits are bound separately and identified as "Confidential" due to the fact that it includes non-public Bank Merger information in the Merger Agreement and financial projections, the public disclosure of which would cause competitive harm to the Resulting Bank.

(iii) PPFC Options. Each PPFC stock option (a "**PPFC Option**"), which is outstanding as of the closing and for which the holder of such PPFC Option has not indicated in writing a binding agreement to exercise the PPFC Option prior to the "**Determination Date**" (as defined in the Merger Agreement), at the Effective Time, shall be cancelled in exchange for the right to receive from CABC, as soon as reasonably practicable after the Effective Time, but in no event later than three (3) days after the Effective Date, a single lump sum cash payment equal to the product of (i) the aggregate number of shares of PPFC Common Stock subject to such PPFC Option immediately prior to the Effective Time, multiplied by (ii) the excess, if any, of the "**CABC Average Closing Price**" (determined in the manner provided in the Merger Agreement), less any applicable federal and state taxes required to be withheld with respect to such payment. If the exercise price per share of any such PPFC Option is equal to or greater than the Per Share Cash Consideration (as defined in the Merger Agreement), such PPFC Option shall be canceled without any cash payment being made. As of the date of execution of the Merger Agreement, the CABC common stock was trading at \$13.85 per share. Also, as of such date, there were 250,412 PPFC Options outstanding with a weighted average strike price of \$2.36. Therefore, as of such date, the PPFC Options, if none are exercised prior to the Determination Date and the CABC Average Closing Price was \$13.85, the holders of PPFC Options would be entitled to receive in the aggregate \$598,309. However, any PPFC Options that are exercised prior to the Determination Date (and the holder of such PPFC Option receives PPFC common stock) prior to the Determination Date will be entitled to receive 66% of his or her merger consideration in the form of CABC common stock and 34% in cash, thus lowering the amount of cash that CABC will be issuing in the Bank Merger.

(iii) Consideration Limitation. The foregoing computation of cash and CABC Common Stock to be issued in the Bank Merger is limited in the Merger Agreement to the following:

(a) At the Effective Time: the number of shares of CABC Common Stock to be issued in the Bank Merger shall be equal to and not exceed: (a) 1,128,323, plus (b) the product of the number of shares of PPFC Common Stock issued between the date of this Agreement and the Effective Date pursuant to the exercise of PPFC Options, including shares of PPFC Common Stock which may be issued to holders of PPFC Options who have provided notice of exercise prior to the Option Exercise Notice Deadline in accordance with Section 3.08 of the Merger Agreement, times .22635, minus (c) .22635 times the number of Dissenting Shares (the "**Aggregate CABC Stock Consideration**"); and

(b) The Aggregate Cash Consideration shall be equal to (a) \$8,050,551, plus (b) the product of the number of shares of PPFC Common Stock issued between the date of

the Merger Agreement and the Effective Date pursuant to the exercise of PPFC Options, including shares of PPFC Common Stock which may be issued to holders of PPFC Options who have provided notice of exercise prior to the Option Exercise Notice Deadline in accordance with Section 3.08 of the Merger Agreement, times \$1.62, minus (c) \$1.62 times the number of Dissenting Shares (the “**Aggregate Cash Consideration**”).

A chart setting forth examples of the Aggregate CABC Stock Consideration and the Aggregate Cash Consideration is attached hereto as **Confidential Exhibit 2**.

The executive officers and directors of PPFC have entered into standard voting agreements whereby they agree to vote their shares of PPFC common stock in favor of the Bank Merger at the PPFC shareholders meeting to be held to approve the Bank Merger. Collectively, these individuals own 26.92% of the outstanding shares of PPFC common stock. Also, the CABC executive officers and directors have entered into standard voting agreements whereby they agree to vote their shares of CABC common stock in favor of the Bank Merger at the CABC shareholders meeting to approve the Bank Merger. Collectively, these individuals own approximately 11.1% of the outstanding shares of CABC common stock.

The Transaction is not contingent on raising any equity capital, obtaining specific financing, obtaining any consent of any lender or any other such requirements.

2. **Provide a copy of (a) the executed merger or transaction agreement, including any amendments, (b) any board of directors' resolutions related to the transaction, and (c) interim charter, names of organizers, and related documents, if applicable.**

Attached as **Confidential Exhibit 3**, is a copy of the executed Merger Agreement dated September 18, 2015 (Applicant is requesting Confidential Treatment for all Exhibits enclosed in the Confidential Section of this Application), a copy of the resolutions adopted by the Board of Directors of CABC at its meeting of the board of directors, and a copy of the resolutions adopted by the Board of Directors of PPFC at its special meeting are attached hereto as **Non-Confidential Exhibits 1 & 2**.

3. **Describe any issues regarding the permissibility of the proposal with regard to applicable state or Federal laws or regulations (for example, nonbank activities, branching, qualified thrift lender's test).**

The Bank Merger is governed and permitted by (i) 12 U.S.C. 1828(c) and 1828(u) and Section 303.62 of the FDIC rules and regulations; and (ii) the CFC. The Bank Merger will not result in any nonconforming activities under any state or Federal laws or regulations.

4. **Describe any nonconforming or impermissible assets or activities that Applicant or Resultant Institution may not be permitted to retain under relevant law or regulation, including the method**



of and anticipated time period for divestiture or disposal.

The directors of PFFC that own PFFC common stock (other than Mr. Taylor) have agreed to a restrictive covenant not to compete with CABC and PFFC for two years after the closing. In addition, all directors of PFFC have agreed to not solicit the customers and employees of PFFC for two years after the closing. Copies of these agreements are attached hereto **Confidential Exhibit 4**.

5. Provide the indicated financial information and describe the assumptions used to prepare the projected statements, including those about the effect of the merger transaction. Material changes between the date of the financial statements and the date of the application should be disclosed. If there are no material changes, a statement to that effect should be made.
  - a. Pro Forma Balance Sheet, as of the end of the most recent quarter and for the first year of operation after the transaction. Indicate separately for the Applicant and Target Institution each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet. Goodwill and all other intangible assets should be listed separately on the balance sheet. Indicate the amortization period and method used for any intangible asset and the accretion period of any purchase discount on the balance sheet.
  - b. Projected Combined Statement of Income for the first year of operation following consummation.
  - c. Pro Forma and Projected Regulatory Capital Schedule, as of the end of the most recent quarter and for the first year of operation, indicating:
    - Each component item for Tier 1 (Core) and Tier 2 (Supplementary) Capital, Subtotal for Tier 1 and Tier 2 Capital (less any investment in unconsolidated or nonincludable subsidiaries), Total Capital (*include Tier 3 if applicable*).
    - Total risk-weighted assets.
    - Capital Ratios: (1) Tier 1 capital to total risk-weighted assets; (2) Total capital to total risk-weighted assets; and (3) Tier 1 capital to average total consolidated assets (leverage ratio).

Attached as **Confidential Exhibit 5** are the Pro Forma Balance Sheet, the Projected Combined Statement of Income, and Pro Forma and Projected Regulatory Capital Schedule, for which confidential treatment is requested. All **Confidential Exhibits** are bound separately and identified as "**Confidential**" due to the fact that they include non-public information and financial projections, the public disclosure of which would cause competitive harm to the Resulting Bank.

6. List the directors and senior executive officers of the Resultant Institution and provide the name, address, position with and shares held in Resultant Institution or holding company, and principal occupation (if a director).

Executive Officers. As part of the Bank Merger, PPFC will be merged with and into CABC, and PPFC's former offices will be operated as branches of CABC.

The current officers of CABC will remain as officers of CABC, with the addition of the following officers from PPFC: Leland Ong, Richard Hagarty and Wayne Doiguchi. Mr. Doiguchi has agreed to work for CABC for six months after the closing to assist with the transition.

Employment Agreements. There are four Employment Agreements that have been entered into by four employees of PPFC with CABC that take effect as of the closing. Copies of the Employment Agreements are attached hereto as Confidential Exhibit 6.

Continuing Directors of Resulting Bank. After the closing of the Bank Merger, the board of directors of CABC will include members of the board of directors of CABC as constituted immediately prior to the Effective Date, plus one current member of the PPFC board, Wayne Doiguchi. Subsequent to the Closing Date, the CABC board of directors shall add another South San Francisco Bay Area community-based director and all current community-based PPFC directors will be considered during this process.

A list of the Executive Officers and Directors of CABC after the Bank Merger is attached as Non-Confidential Exhibit 3. A list of the shares held by executive officers and directors of the Resulting Bank are set forth on Confidential Exhibit 7.

- 7. Describe how the proposal will meet the convenience and needs of the community. For the combining institutions, list any significant anticipated changes in services or products that will result from the consummation of the transaction. If any services or products will be discontinued, describe and explain the reasons.**

The parties believe that the convenience and needs of the market area serviced by PPFC and CABC will be enhanced by the Bank Merger. Although CABC is larger in size, CABC and PPFC share a community banking philosophy and strategy that emphasizes responsiveness to local markets and delivery of personalized service through locally managed banks. PPFC has a complementary market focus that will blend with CABC's existing business model and PPFC's deposit mix will enhance the overall deposit mix of the Resulting Bank. CABC recognizes the importance of maintaining continuity for PPFC's customers and, to that end, intends to retain certain of the current PPFC personnel and operate PPFC's main office location and its one branch as branches of CABC.

CABC currently operates three offices (its headquarters in Lafayette, California and two loan production offices—one in Oakland, California and the other in San Jose, California). PPFC's two offices are located in Fremont (its headquarters) and a branch San Jose, California. PPFC's main office and one branch will remain open after the Bank Merger and both will become branches of CABC. The combination of CABC and PPFC will provide the Resulting Bank with excellent growth opportunities, in terms of both loans and deposits. The Bank Merger will result in:

### **Strategic Partnership**

- Combination creates \$620 million business bank in the San Francisco Bay Area
- Strong organic growth track record
- The San Francisco Bay Area offers an unparalleled opportunity for middle market business banks

### **Cultural Similarities**

- Both banks are focused on mid-sized businesses as target clients for relationship banking
- High quality deposit base (~40% noninterest bearing deposits)
- Conservative credit cultures and similar loan portfolio mix
- Management team comprised of veteran Bay Area business bankers

### **Complementary strengths provide opportunities for enhanced growth**

- Best in class group of business banking professionals
- Pro forma banking offices covering East Bay

The parties believe that not only will the Bank Merger provide enhanced services and resources to customers of PFFC in the counties it currently serves, but it will provide an opportunity to compete more effectively in the banking environment. The combined synergies of the two financial institutions, particularly with CABC's products, will create a resulting institution with a diversified market and business strategy.

CABC, as an independent community bank, offers a full range of commercial banking services primarily to the business communities located in and around Contra Costa and Santa Clara Counties and neighboring communities. Since commencing operations in 2007, CABC has focused on funding and placing into portfolio loans to small to medium sized businesses.

CABC's business and marketing strategy is to profitably operate its existing banking main office by emphasizing its high quality client service and by primarily focusing on the financial needs of medium-sized businesses and professionals located in the San Francisco Bay Area. CABC's management believes that an integral part of CABC's growth and success is dependent on a team of employees that is highly experienced, motivated, personable and professional. The organization's employees have been carefully selected and recruited based upon their years of banking experience, business development skills, knowledge and integrity. PFFC and its employees are complimentary to the client-centric focus of CABC and bring with them the same business banking values that are CABC's.

CABC offers commercial banking products and services, including Internet banking. CABC offers a full range of commercial banking products and services, including the following: checking accounts, checking accounts with interest, savings accounts, money market accounts, certificates of deposit, NOW accounts and debit cards.

The Bank Merger is also expected to provide certain cost benefits to the Resulting Bank