



California Bank of Commerce

... defined by the company we keep.SM

Terry Peterson
President & CEO

Randy Greenfield
Chief Financial Officer

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Executive Vice President

Raymond James Investor Tour
Symbol: CABC
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Chicago, Illinois

Forward-Looking Statements

During the course of the presentation and any transcript that may result, written or otherwise, the Bank may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks.

Although the Bank may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

Information disclosed today is private and confidential and may contain *insider information*.

Our Business Model



What we do:

- Middle market C&I (\$5-\$100M in revenues)
 - Minimum Relationship of \$500,000 in Deposits or \$1,000,000 in Loans
- Target: 50% C&I loan portfolio and 40% NIB
- Select owner occupied commercial real estate for our clients
- CRE “rationed” for relationship borrowers
- Asset-Based Lending Division launched in 2010
- SBA Division launched in 2016

What we do not do:

- Transaction lending (with no primary deposit relationship)
- Technology lending
- Mortgage banking
- Consumer banking
- Cash based retail business

Our Growth Model – Present and Future



How we Grow:

- Targeted RM and Executive acquisition is key to organic growth
- Customized Client Solutions on a Digital Banking Platform
 - We use technology instead of traditional branches to gather deposits
- Postured to take advantage of scale via targeted M&A Opportunity
 - Closed acquisition of Pan Pacific Bank on 12-31-2015
- Maintain strong and transparent relationships with our Regulators, shareholders, clients and staff

Growth Targets

- 10-15% organic growth while maintaining disciplined and patient posture towards M&A
- Banks > \$1 billion in total assets have higher market and terminal valuations, better access to capital and operate with higher efficiency
- ROA: 1% ROTCE: 10% = target date: 2018
 - Growth is expensive
 - NIAT accelerates as we grow into our recent investments

Expanding in Growing Markets

- Oakland September 2015: Commercial Production Office with Executives
- San Jose October 2015: Commercial Banking team acquired
- San Jose December 2015: New Branch Office through acquisition
- Fremont December 2015: New Branch Office through acquisition
- Fremont February 2016: New SBA Division
- San Francisco or Mid-Peninsula (Future?)

Our Business Plan Execution

People

- Retain, grow and hire experienced C&I bankers
 - Use compensation tools that align bankers with shareholders
 - 99% officer, executive and board retention

Deposits

- 99% of our deposits arrive electronically
 - We have proven that we do not need traditional branches to gather relationship deposits
 - We average over \$2.5 billion in digital deposit receipts annually

Loans

- All loan relationships are sponsored by an Executive Vice President
 - Confirmed with an active committee process

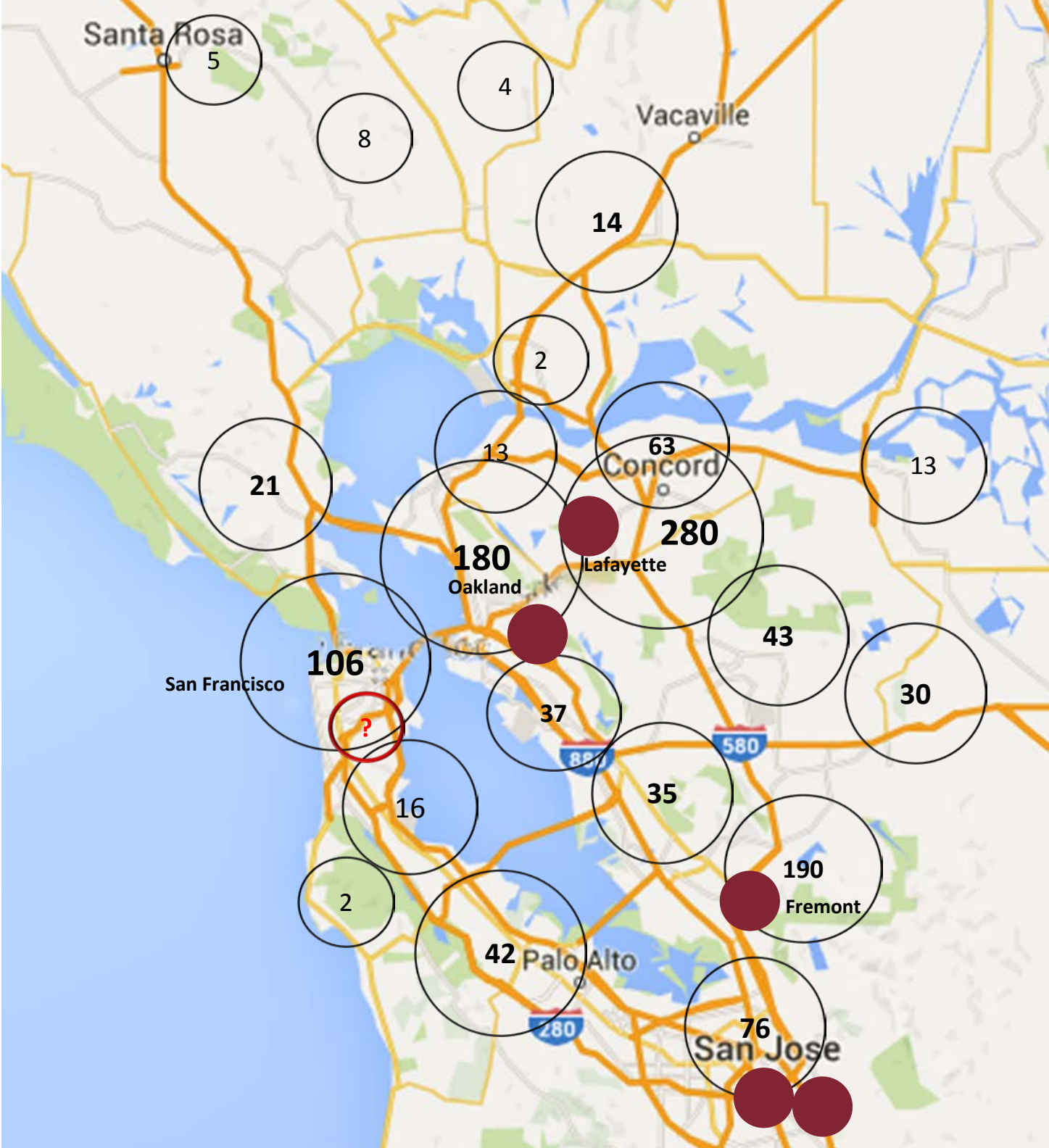
Information Technology – A Core Competency

- Hybrid models allows for customization of products and services
 - Outsourced core processing
 - Best of breed product acquisition
- In-house IT Staff
 - Subject matter experts
 - Ability to customize product offering to clients
 - Enhanced cyber security

Client acquisition

- We choose our clients on purpose
 - 100% of our clients are acquired via referral or targeted by our officers
 - We lead with a focus on comprehensive non-maturity deposit relationships
 - Clients are willing to pay for experience and fast decisions
 - We stick with what we know

Clients Are Located in Bay Area Business Corridors



 Office Locations

Bubble Map of client locations in the Bay Area

Impact of Acquisition



Pan Pacific Bank Merged Into CBC

- Announced September 18, 2015
- Closed December 31, 2015 (Total Assets \$131 million)

New Locations Augment New CBC Commercial Teams

- Two Regional Presidents lead expanded geography
- New commercial banking team in San Jose “lifted out” concurrent with acquisition
- Acquired San Jose branch provides established base for new commercial team

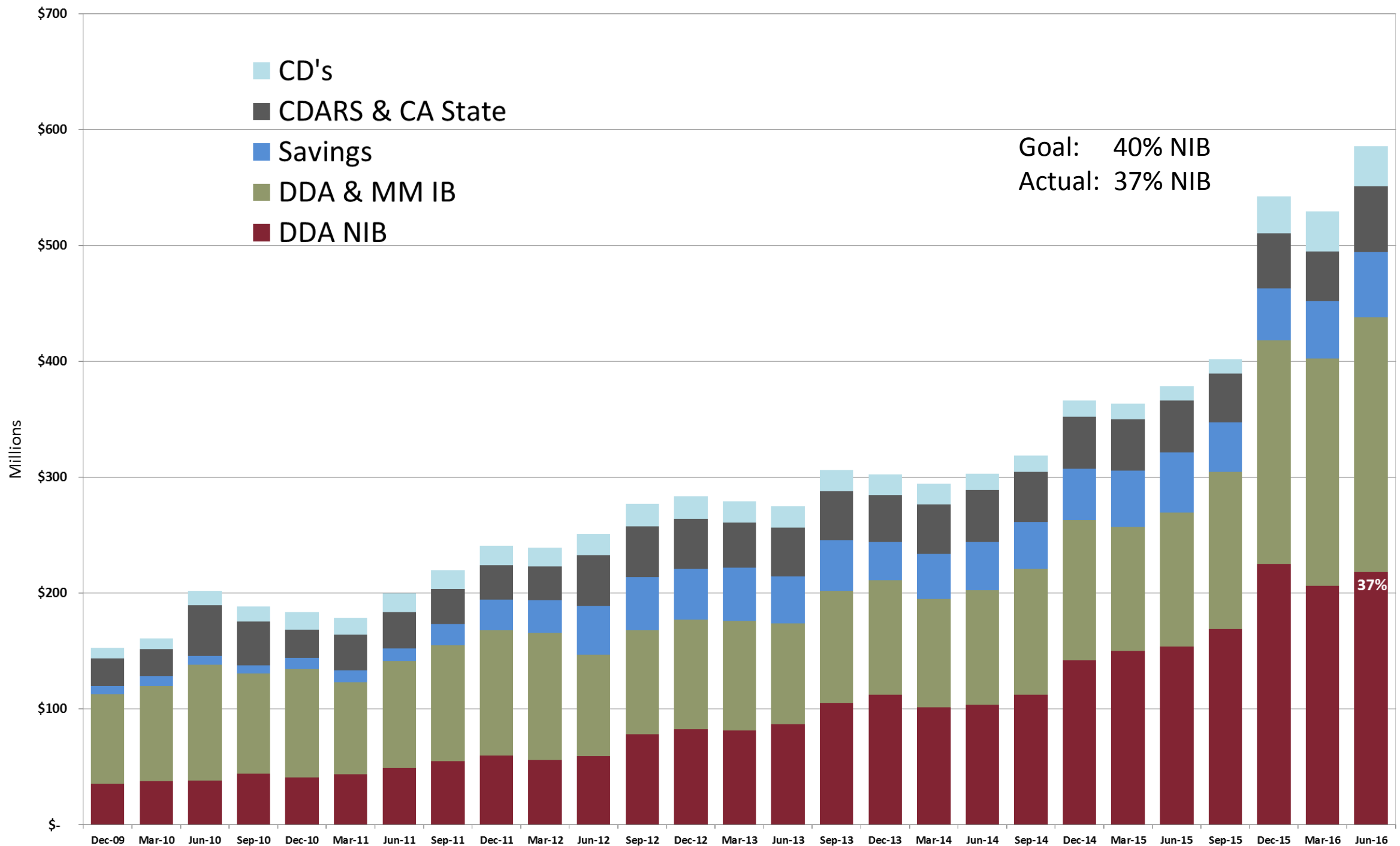
Incremental Financial Impact

- Total Assets \$131 million
- Total Deposits \$114 million
- Total Loans \$111 million
- 3.5 year Tangible Book Value dilution payback period
- Total deal value \$24.5 million and 1.34 x BV
- YTD non-recurring non-interest expenses = \$535 thousand

Deposit Mix

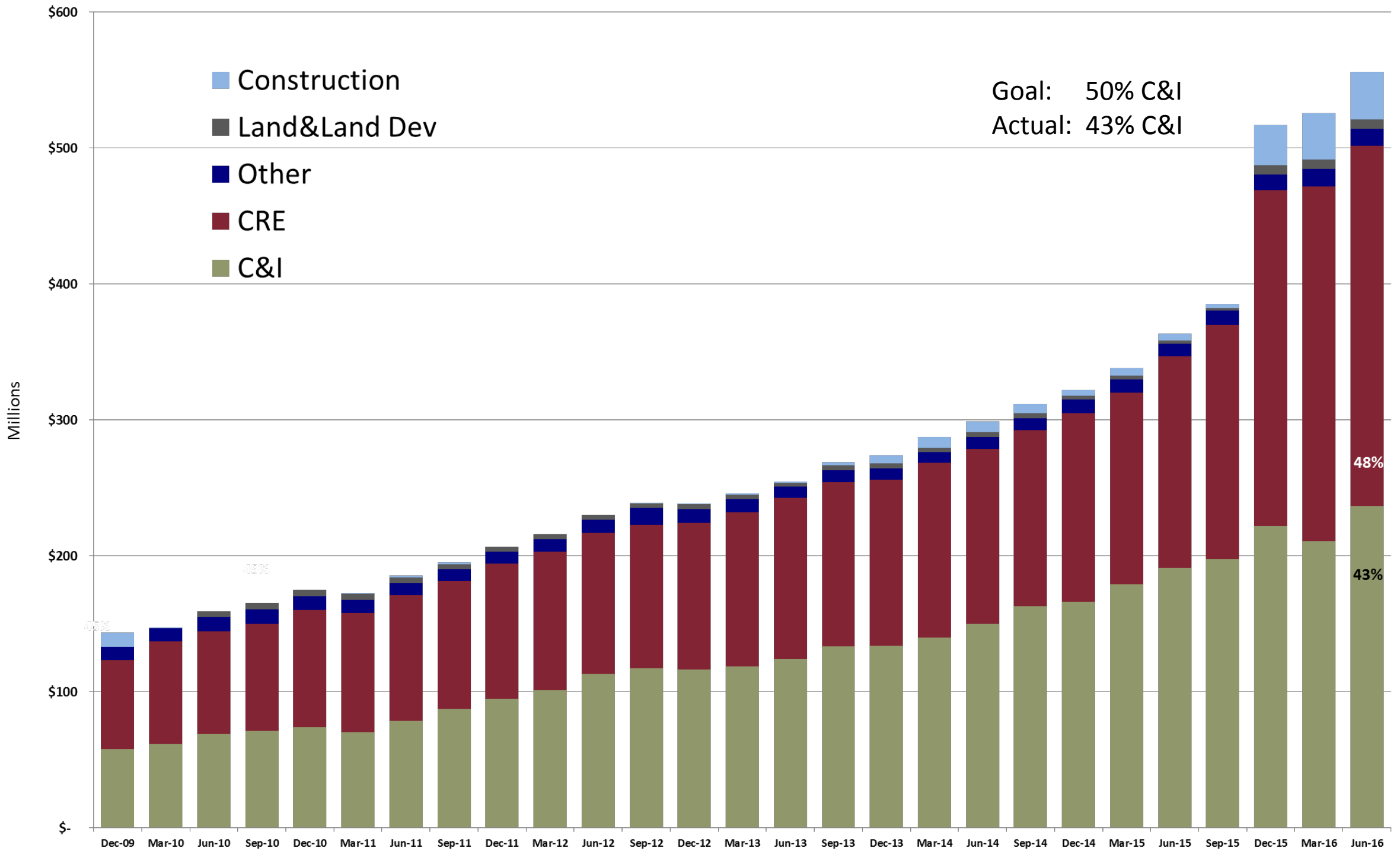


Steady Annual Core Deposit Growth and High NIB Ratio



Loan Mix

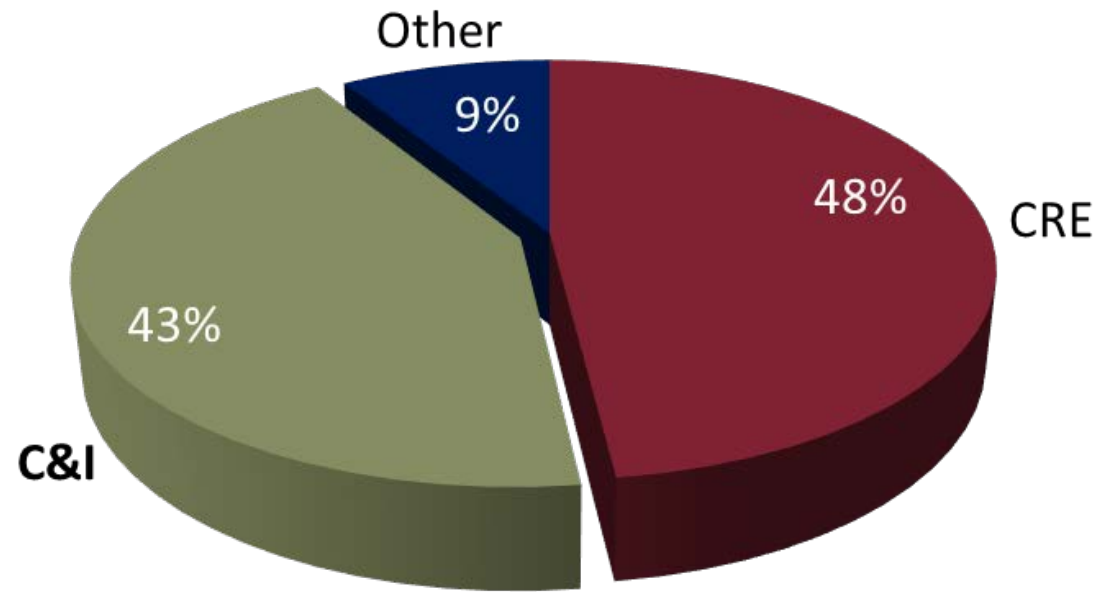
C&I Will Approach 50%



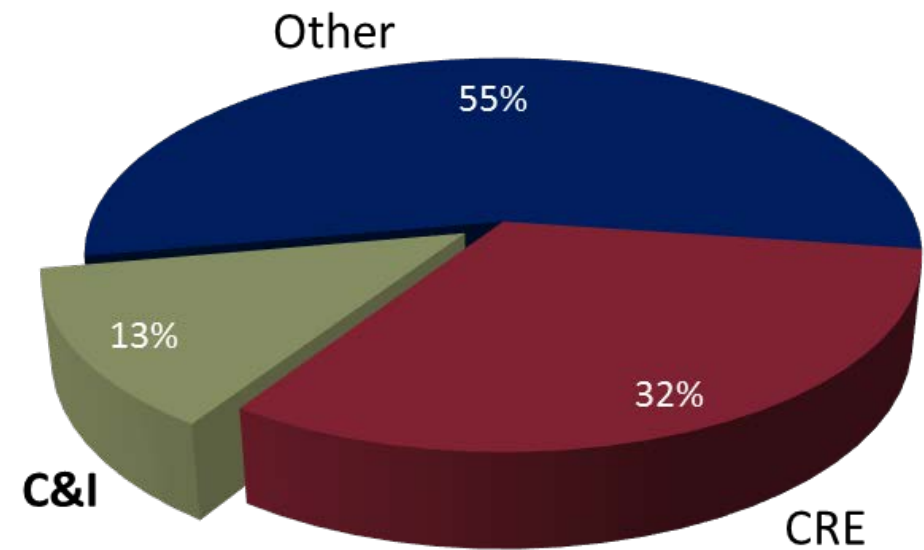
CBC Loan Mix Vs. Peer Group



California Bank of Commerce



PG 3 (\$300M to \$1B)



Source: FDIC UBPR 3/31/2016
"Other" = C&D, residential/family RE, other RE loans.

A Clean Portfolio and Strong Reserves



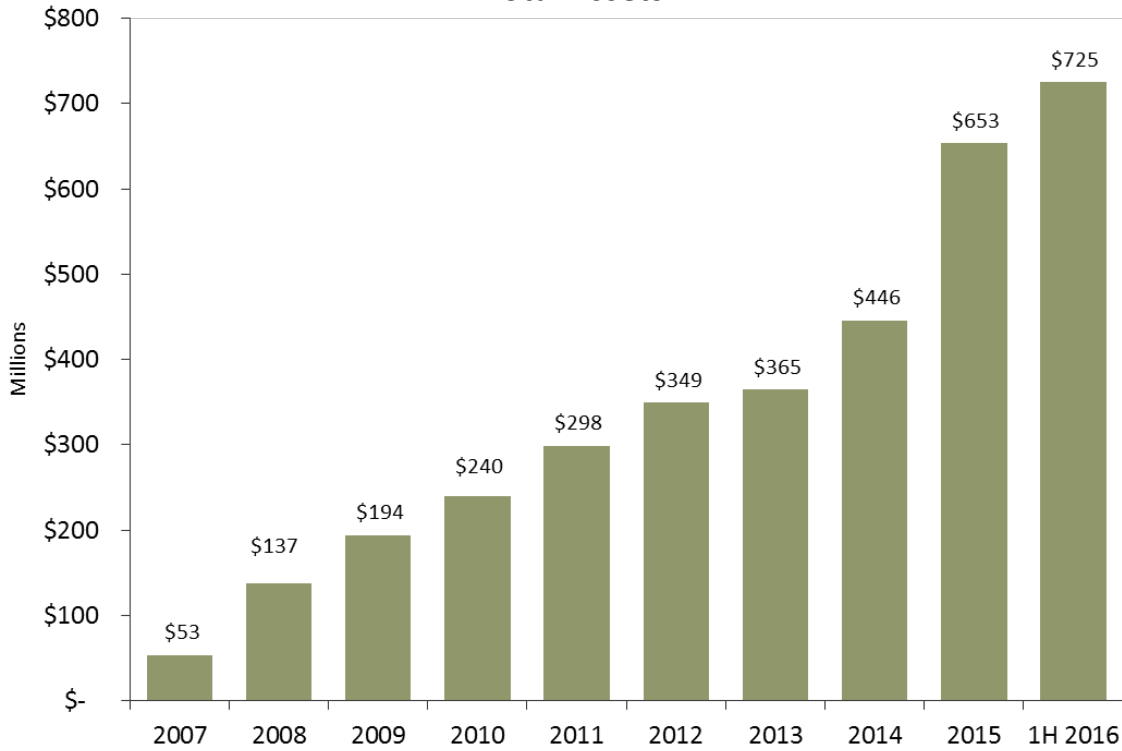
Ratios	6/30/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011
ALLL	\$6,635,000	\$5,875,000	\$5,560,000	\$5,250,000	\$4,675,000	\$4,175,000
LLR / Total Loans	1.14%*	1.13%*	1.64%	1.86%	1.90%	2.01%
Non current / Total Loans	0.38%	0.35%	0.38%	0.48%	0.64%	0.47%
LLR / Total NPAs	303.07%	198.28%	113.45%	206.80%	105.99%	70.20%
NPA / Total Assets	0.30%	0.45%	1.10%	0.70%	1.26%	1.99%

- In accordance with ASC 805, the acquired bank's allowance for loan losses are eliminated. This balance is expected increase over time as the Bank assess quarterly allowance for loan losses. Without ASC 805, our ALLL = 1.33%

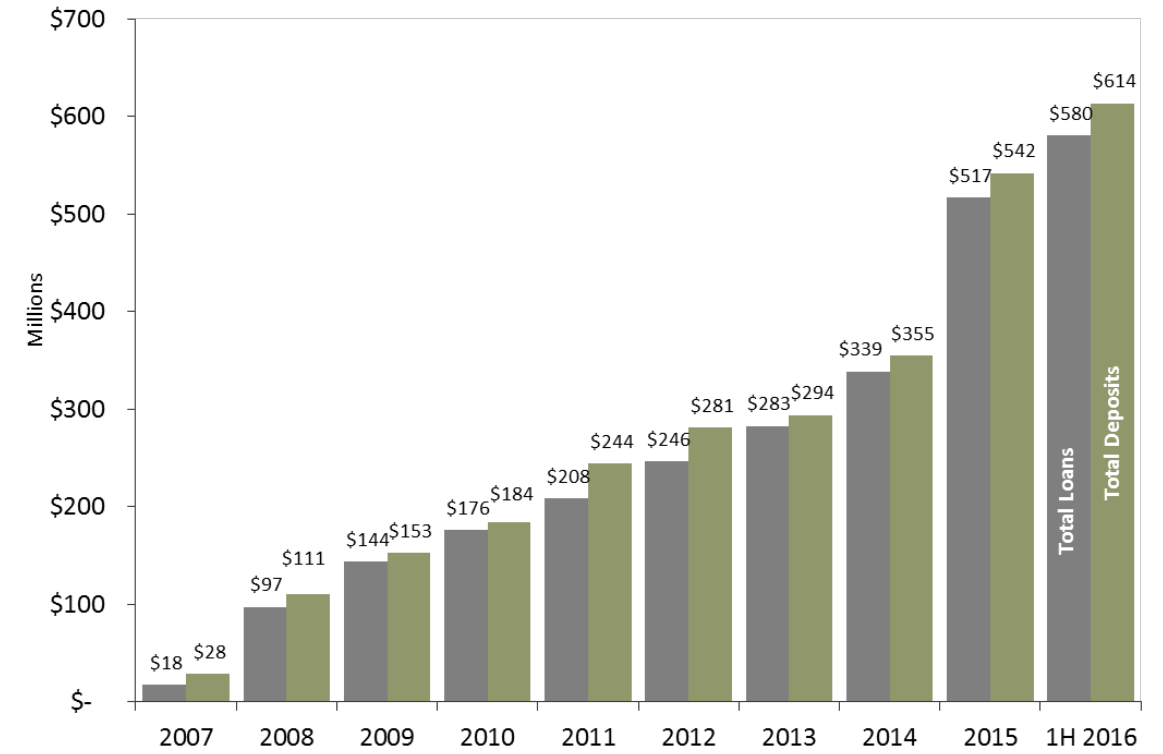
ALLL Target = 1.40%

Financial Highlights

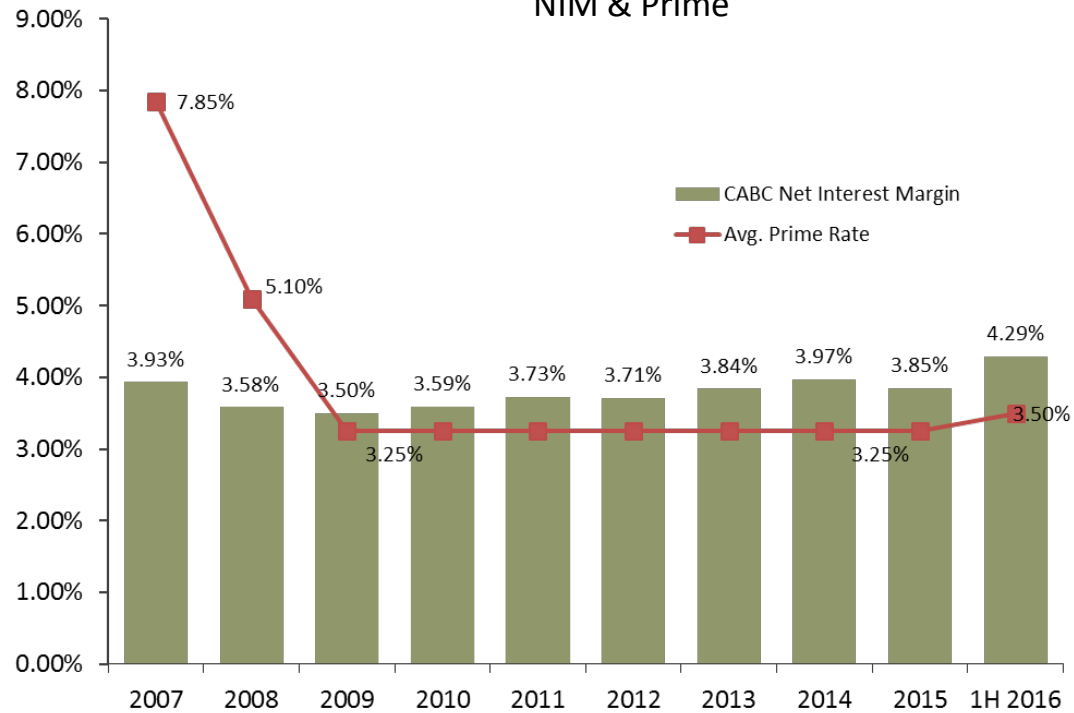
Total Assets



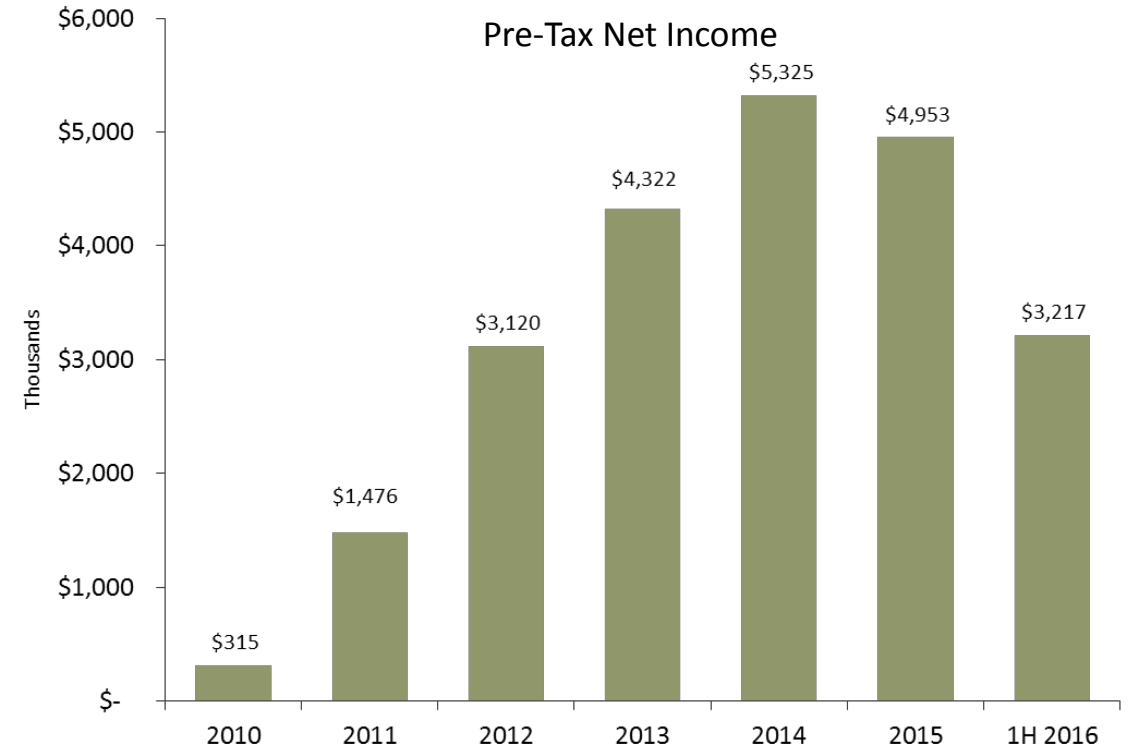
Loans & Deposits



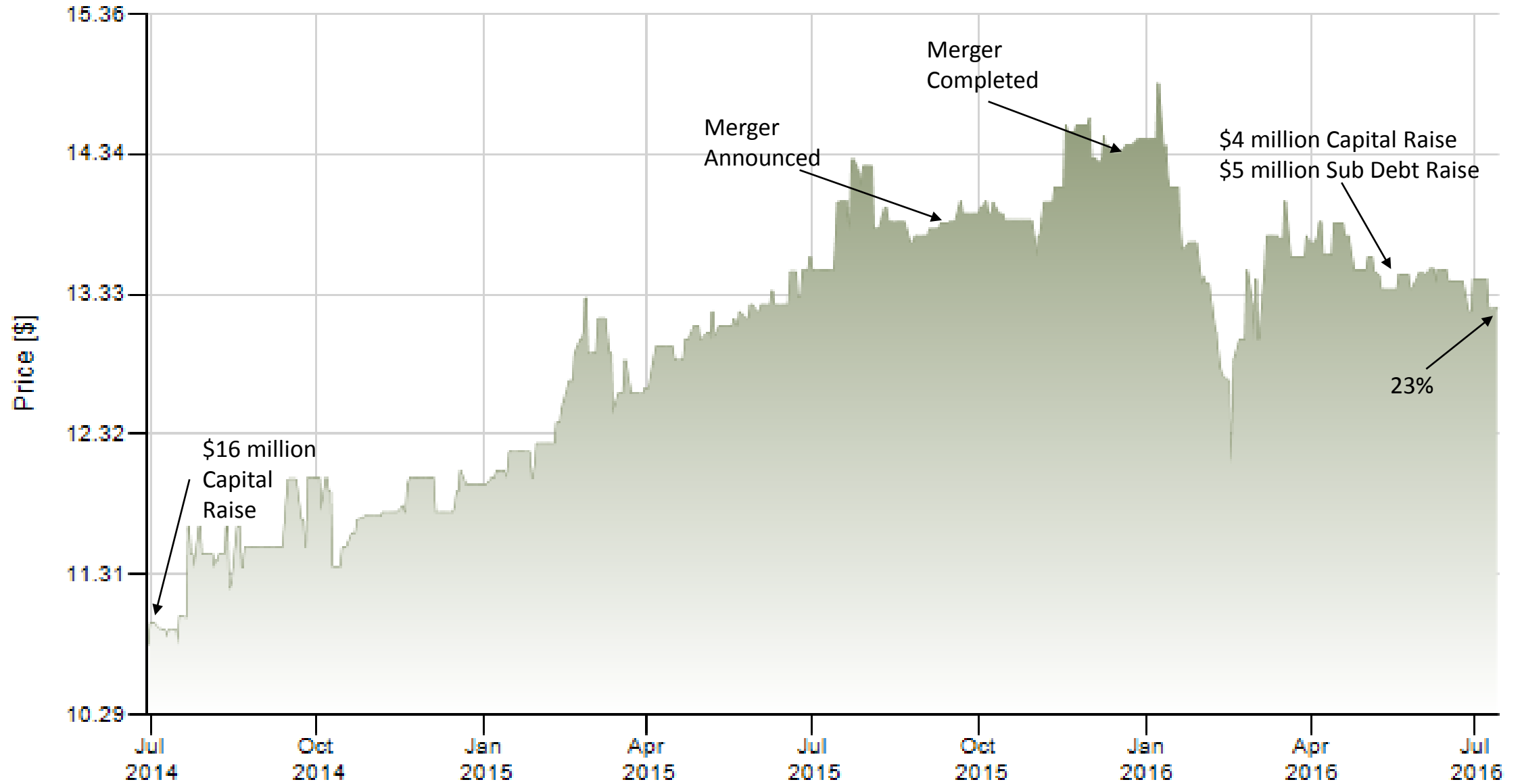
NIM & Prime



Pre-Tax Net Income



CABC Share Price Since Our June 2014 Capital Raise





Please send questions to ir@bankcbc.com
or call (510) 457-3615

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