

July 13, 2016

Dear Commonwealth Business Bank Board Members,

We believe that the time is right for the Company to explore a sale of the franchise. History suggests that the window of opportunity to maximize shareholder value in the current credit cycle and bank stock market is closing.

As quality loans become difficult to find and underwrite at attractive pricing, and general credit quality metrics soften, bank stocks suffer. As the punishing bear markets of the previous two bank stock cycles have shown, and as members of the board have experienced, even profitable franchises like Commonwealth are not immune.

Despite management's commendable efforts, the value of Commonwealth's shares trade at the same level they did three years ago, and at a substantial discount to the ultimate value in a sale of the franchise. Our Company's shares trade at approximately 9 times trailing earnings per share, and near tangible book value, as they have for a number of years. Selling the franchise is the only way to maximize full value for shareholders. We estimate the shares are worth 70% to 90% more than their current trading value, and the Company would be worth upwards of \$19 per share to a buyer in an M&A transaction.

Interim actions such as share buybacks, cash and stock dividends, or a NASDAQ listing would produce only marginal effects on the stock price, we believe. While profitability is fine so far in this credit cycle, it cannot be sustained when the cycle turns negative.

The pool of potential acquirers is shallow, with only a few large Korean-American banks such as Hanmi Financial (HAFC) and BBCN Bancorp (BBCN) maintaining the wherewithal to pay Commonwealth shareholders fair value. The Board should explore partnering with these banks and other larger entities while their higher valuations still enable them to pay full value.

The Board and management own approximately 32% of the Company, as of the most recent proxy statement, and other shareholders own the rest. If the Board is unwilling to explore and potentially consummate the sale of Commonwealth at a substantially higher price, then we believe the Board should buy out all other shareholders at this higher price and fair value.

We are confident that the Board will act in the best interests of all shareholders.

Thank you,

Peter Bortel- Tiburon Opportunity Fund LP

Josiah Hornblower-Blue Pine Financial Opportunities Fund II LP