

September 5, 2016

Dear Commonwealth Business Bank Board Members,

This letter is a follow-up to our original letter dated July 13, 2016, ([link](#)) in which we advocated exploring the Company's strategic options in light of the relatively opportune market conditions for a sale of the Company.

Thank you for your July 19 letter in response ([link](#)). In the letter you state that "carrying out the Bank's standalone strategic plan, which includes seeking growth organically and potentially through acquisitions, will result in continued strong returns on equity and will maximize shareholder value over the long-term."

Our issue is not with management's respectable, current profitability, but with the value of the shares over the medium-to-long term. Buying smaller banks with our deflated currency is not in the best interest of shareholders, and growing to \$1 billion in assets – an often stated goal – is also not an astute strategy. We feel the Board has not fully explored what the franchise is worth by discussing strategic options with potential buyers.

If these buyers were to express that the Company is not worth more than its current trading value on the open market, then a board decision to stay the course would seem logical. However, if buyers were to offer a higher valuation to Commonwealth shareholders, then we feel it is the Board's fiduciary duty to represent this value to outside shareholders, or to pay outside shareholders a commensurate price and run the Company privately.

We continue to believe that the Company's worth to an acquirer is 1.7X to 1.9X tangible book value per share – up to \$19 per share, or 65% higher than where the shares trade now. The two most

acquisitive banks in the Korean-American banking space, Hanmi Financial (HAFC) and Hope Bancorp (HOPE) (formerly BBCN Bancorp), continue to trade at premiums to the rest of the sector.

Our goal is not to nominate an outside slate of directors, as we are hopeful the current board will act in shareholders' best interests. However we retain the right to explore all alternatives. Since our original letter we have been contacted by a number of like-minded outside shareholders, who believe that the board should unlock shareholder value through genuine engagement with potential buyers of the Company.

We encourage shareholders interested in supporting the positions expressed in this letter to contact board members at the Company as well as us. Expressions of support are highly appreciated and effective.

Thank you,

Peter Bortel, Tiburon Opportunity Fund LP
tel. (253) 858-7866

John Spence, Spence Limited, LP

Hope Willard Lundt, CFA, Managing Partner, Spence Limited, LP
tel. (615) 383-2654

Josiah Hornblower, Blue Pine Financial Opportunities Fund II, LP