



Commonwealth Business Bank

July 19, 2016

Mr. Peter Bortel  
Tiburon Opportunity Fund, LP  
13313 Point Richmond Beach Road NW  
Gig Harbor, WA 98332

Mr. Josiah Hornblower  
Blue Pine Financial Opportunities Fund II LP  
964 Fifth Avenue  
San Diego, CA 92101

Dear Mr. Bortel and Mr. Hornblower,

Thank you for your letter of July 13, 2016 to the Board of Directors (the "Board") of Commonwealth Business Bank (the "Bank"). The Board has discussed the letter and asked us to respond to you. We very much appreciate the views you have provided about the Bank. Please know that the Board has explored various strategic opportunities in the past and, consistent with its fiduciary duties, will consider opportunities in the future, as appropriate, to expand the Bank's franchise and create shareholder value. However, in light of the current opportunities realistically available to the Bank and the Bank's current growth trajectory, our Board, after considering, among other things, the views set forth in your letter, has determined that selling the Bank is not in the best interest of our shareholders at this time. The Board believes 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. As you note, the Bank's directors and officers own a significant portion of the Bank's equity, which aligns their interests with the interests of our other shareholders.

For your reference, we have enclosed an *American Banker* article indicating that the Bank ranks 11 out of 684 publicly traded banks and thrifts with less than \$2 billion in assets with respect to return on average equity. While our business plan does not include such a ranking as an objective, we are gratified that our execution of our plan to date has translated into actual and relative strong performance.

Very truly yours,



Soon Han Pak  
Chairwoman



Joanne Kim  
President & CEO

cc: CBB Bank Board of Directors