



## **BAY COMMERCIAL BANK REPORTS SECOND QUARTER 2010 RESULTS**

WALNUT CREEK, California – August 6, 2010 -- Bay Commercial Bank (OTCBB:BCML) today reported second quarter and year to date 2010 operating results.

The Bank reported total assets as of June 30, 2010 of \$141.8 million including loans outstanding of \$127.4 million compared to June 30, 2009 total assets of \$150.2 million and total loans outstanding of \$122.1 million. At June 30, 2010, total deposits were \$124.7 million compared to total deposits at June 30, 2009 of \$129.9 million. The Bank's operating income for the second quarter 2010 was \$206,000 or \$0.13 per share compared to net income for the same period in 2009 of \$1,000, or \$0.0 per share. For the first six months of 2010, the Bank reported net income of \$494,000 compared to net income of \$39,000 for the first six months of 2009. For the most recent six month period, the net income to shareholders was \$0.32 per share, compared to \$0.03 per share for the first six months of 2009. The increase in operating income for both the three and six month periods ended June 30, 2010 compared to the same periods in 2009 was comprised primarily of higher net interest income partially offset by higher loan loss provisions, operating expenses and income tax expenses.

George J. Guarini, Chief Executive Officer of Bay Commercial Bank, stated "We are pleased with the Bank's financial performance so far for 2010. With our successful capital raise last week, we are focused on implementing our growth plans through acquisitions. We will be judged not on our ability to raise the capital but on how we utilize the capital. We will continue to maintain our focus on liquidity and credit quality, which we believe represent the key ingredients to success in today's volatile environment."

The Bank offers a full range of loan and deposit products and services to businesses and their affiliates throughout the Bay Area. Its full services branches in California are located at 1280 Civic Drive, Walnut Creek, 155 Grand Avenue, Oakland, and 3895 E. Castro Valley Blvd, Castro Valley. Bay Commercial Bank is a member of FDIC and is an Equal housing lender. Bay Commercial Bank is traded on the bulletin board under the symbol BCML.OB and the Bank can be found at [www.baycommercialbank.com](http://www.baycommercialbank.com). The Bankers Exchange Services Division can be found at [www.BES1031.com](http://www.BES1031.com).

The Bank has made forward-looking statements in this Press Release that are subject to risks and uncertainties. Forward-looking statements include information concerning the Bank's possible or assumed future results of operations. Also, when the Bank uses such words as "believe," "expect," "anticipate," "plan," "could," "intend," or similar expressions, it is making forward-looking statements. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Bank's actual results could differ materially from those anticipated in any forward-looking statements as a result of certain factors, including those set forth in "Risk Factors" and elsewhere in its Offering Circular and are incorporated herein by reference. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

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**Selected Financial Data**

**June 30, 2010**

	Quarter Ending <u>6/30/2010</u>	Quarter Ending <u>6/30/2009</u>	Year to Date <u>6/30/2010</u>	Year to Date <u>6/30/2009</u>	Year Ending <u>12/31/2009</u>
<i><u>Balance Sheet</u></i>					
(dollars in thousands)					
Total Assets	\$ 141,796	\$ 150,218	\$ 141,796	\$ 150,218	\$ 143,408
Total Loans	127,445	122,066	127,445	122,066	131,820
Total Deposits	124,737	129,854	124,737	129,854	126,550
Shareholders' Equity	16,536	15,693	16,536	15,693	16,035

*Operating Results*

(dollars in thousands)

Interest income	\$ 1,994	\$ 1,711	\$ 4,013	\$ 3,144	\$ 7,225
Interest expense	450	639	913	1,151	2,509
Net interest income	1,544	1,072	3,100	1,993	4,716
Provision for loan losses	209	122	254	162	430
Non-interest income	87	71	172	126	299
Non-interest expense	1,069	1,010	2,172	1,879	3,955
Net Income before tax	353	11	846	78	630
Income tax	147	10	352	39	271
Net Income	<u>\$ 206</u>	<u>\$ 1</u>	<u>\$ 494</u>	<u>\$ 39</u>	<u>\$ 359</u>

*Ratios and Data*

Net interest margin	4.53%	3.19%	4.45%	3.28%	3.55%
Efficiency ratio	65.5%	88.4%	66.4%	88.7%	78.9%
Leverage capital ratio	11.6%	11.5%	11.6%	11.5%	10.4%
Income per share - basic	\$ 0.13	\$ 0.00	\$ 0.32	\$ 0.03	\$ 0.23
Common stock	1,549,794	1,549,794	1,549,794	1,549,794	1,549,794
Income per share - diluted	\$ 0.13	\$ 0.00	\$ 0.32	\$ 0.03	\$ 0.23
Common stock - diluted	1,567,253	1,549,794	1,567,253	1,549,794	1,562,057

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