



BAY COMMERCIAL BANK REPORTS SECOND QUARTER 2012 RESULTS

WALNUT CREEK, California – July 20, 2012 -- Bay Commercial Bank (OTCBB:BCML) (the “Bank”) today announced its second quarter 2012 operating results.

The Bank reported total assets as of June 30, 2012 of \$280.4 million including loans outstanding of \$233.8 million compared to June 30, 2011 total assets of \$168.6 million and total loans outstanding of \$144.9million. At June 30, 2012, total deposits were \$228.0 million compared to total deposits of \$134.0 million at June 30, 2011. The Bank’s net operating income for the second quarter 2012 was \$409,000 or \$0.08 per share compared to net income for the same period in 2011 of \$302,000, or \$0.09 per share. The increase in net operating income for the second quarter 2012 compared to the same period in 2011 was comprised primarily of higher net interest margin and other non-interest revenue partially offset by operating expenses.

For the first six months of 2012, the Bank reported net income of \$789,000 compared to net income of \$96,000 for the first six months of 2011. For the most recent six month period, the net income to shareholders was \$0.16 per share, compared to \$0.06 per share for the first six months of 2011. The increase in operating income for the six month periods ended June 30, 2012 compared to the same periods in 2011 was primarily the result of higher loan loss provisions in 2011.

George J. Guarini, Chief Executive Officer of the Bank, stated “We are cautiously optimistic about the economic environment and improving credit quality in our marketplace. We continue to look for prudent growth opportunities through mergers and acquisitions. In addition, we have been fortunate to have considerable organic growth within our core markets around the greater Bay Area as demonstrated by the growth in our loan portfolio.”

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; 700 E. El Camino Mountain View; and 960 School Street, Napa. The Bank is a member of FDIC and is an Equal housing lender. It is traded on the Over the Counter Bulletin Board under the symbol BCML.OB and the Bank can be found on the web at www.baycommercialbank.com. The Bankers Exchange Services Division can be found at 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 expressed in any forward-looking statements as a result of certain factors, including (1) changes in interest rates, (2) significant changes in banking laws or regulations, (3) increased competition in the markets served by the entities, (4) other-than-expected credit losses due to adverse changes in the economy, (5) earthquake or other natural disasters impacting the condition of real estate collateral, (6) unexpected difficulties in the post-merger integration, and (7) legal, tax and accounting changes. 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, 2012						
	Quarter	Quarter	Year to	Year to	Year	
	Ending	Ending	Date	Date	Ending	
	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>12/31/2011</u>	
<i>Balance Sheet</i>						
(dollars in thousands)						
Total Assets	\$ 168,621	\$ 280,375	\$ 168,621	\$ 280,375	\$ 269,611	
Total Loans	144,934	233,795	144,934	233,795	212,387	
Total Deposits	134,018	227,992	134,018	227,992	219,815	
Shareholders' Equity	33,696	49,306	33,696	49,306	48,517	
<i>Operating Results</i>						
(dollars in thousands)						
Interest income	\$ 2,257	\$ 3,746	4,451	7,157	\$ 10,323	
Interest expense	386	578	771	1,204	1,775	
Net interest income	1,871	3,168	3,680	5,953	8,548	
Provision for loan losses	175	634	1,108	858	1,687	
Non-interest income	126	154	282	298	8,237	
Non-interest expense	1,303	1,905	2,512	3,829	7,765	
Net Income before tax	519	783	342	1,564	7,333	
Income tax	217	374	146	775	19	
Net Income	\$ 302	\$ 409	\$ 196	\$ 789	\$ 7,314	
<i>Ratios and Data</i>						
Net interest margin	4.71%	4.71%	4.68%	4.47%	4.62%	
Efficiency ratio	65.2%	57.3%	63.4%	61.3%	46.3%	
Leverage capital ratio	20.1%	17.3%	20.1%	17.3%	20.6%	
Income per share - basic	\$ 0.09	\$ 0.08	\$ 0.06	\$ 0.16	\$ 1.92	
Common stock	3,549,794	4,830,294	3,549,794	4,830,294	3,809,402	
Income per share - diluted	\$ 0.09	\$ 0.08	\$ 0.06	\$ 0.16	\$ 1.92	
Common stock - diluted	3,549,794	4,830,294	3,549,794	4,830,294	3,809,402	

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