



## BAY COMMERCIAL BANK REPORTS SECOND QUARTER 2014 RESULTS

WALNUT CREEK, California – July 30, 2014 -- Bay Commercial Bank (OTCQB: BCML) (the “Bank”) today announced its second quarter 2014 operating results.

The Bank reported total assets as of June 30, 2014 of \$509.5 million including loans outstanding of \$338.9 million compared to June 30, 2013 total assets of \$325.7 million and total loans outstanding of \$243.9 million. At June 30, 2014, total deposits were \$447.2 million compared to total deposits of \$270.7 million at June 30, 2013. The Bank’s net operating income for the second quarter 2014 was \$1,820,000 or \$0.38 per share compared to net income for the same period in 2013 of \$636,000, or \$0.13 per share. The increase in net operating income for the second quarter 2014 compared to the same period in 2013 was comprised primarily of the bargain purchase gain totaling \$2.3 million related to the merger partially offset by merger related expenses, additional write-down on the carrying value of other real estate owned and higher provision for loan losses.

For the first six months of 2014, the Bank reported net income of \$2,344,000 compared to net income of \$1,267,000 for the first six months of 2013. For the most recent six month period, the net income to shareholders was \$0.50 per share, compared to \$0.26 per share for the first six months of 2013.

George J. Guarini, Chief Executive Officer of the Bank, stated “We would like to welcome the staff, clients and friends of Community Bank of San Joaquin into the Bay Commercial Bank family.”

“In addition to favorable financial metrics, the acquisition contributed toward the achievement of a milestone as we closed the quarter with total assets in excess of \$500 million. With seven offices regionally serving five contiguous counties, we are looking forward to continued organic growth as we evaluate other merger and acquisition opportunities.”

Bay Commercial Bank offers a full-range of loan, including SBA and USDA guaranteed loans, and deposit products and services to businesses and their affiliates throughout the Greater Bay Area. Bay Commercial Bank also offers business escrow services and facilitates tax free exchanges through its Bankers Exchange Division. Its full service branches in California are located at 500 Ygnacio Valley Road, Walnut Creek; 155 Grand Avenue, Oakland; 3895 E. Castro Valley Blvd, Castro Valley; 700 E. El Camino Real, Mountain View; 960 School Street, Napa; 22 W. Yokuts Ave, Stockton; and 4426 E. State Highway 88 on Waterloo Road, Stockton.

Bay Commercial 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. The Bank can be found on the web at [www.baycommercialbank.com](http://www.baycommercialbank.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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<b>Selected Financial Data</b>						
<b>June 30, 2014</b>						
	Quarter Ending	Quarter Ending	Year to Date	Year to Date	Year Ending	
	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>12/31/2013</u>	
<i>Balance Sheet</i>						
(dollars in thousands)						
Total Assets	\$ 509,486	\$ 325,699	\$ 509,486	\$ 325,699	\$ 342,304	
Total Loans	338,902	243,957	338,902	243,957	254,178	
Total Deposits	447,206	270,705	447,206	270,705	286,464	
Shareholders' Equity	54,613	51,938	54,613	51,938	52,322	
<i>Operating Results</i>						
(dollars in thousands)						
Interest income	\$ 4,647	\$ 3,677	8,396	7,141	\$ 14,915	
Interest expense	637	523	1,164	1,055	2,080	
Net interest income	4,010	3,154	7,232	6,086	12,835	
Provision for loan losses	645	136	869	147	348	
Non-interest income	2,465	164	2,629	330	628	
Non-interest expense	4,306	2,099	6,574	4,111	8,526	
Net Income before tax	1,524	1,083	2,418	2,158	4,589	
Income tax	(296)	447	74	891	1,899	
Net Income	\$ 1,820	\$ 636	\$ 2,344	\$ 1,267	\$ 2,690	
<i>Ratios and Data</i>						
Net interest margin	3.66%	4.10%	4.65%	3.98%	4.07%	
Efficiency ratio	66.5%	63.3%	66.7%	64.1%	63.3%	
Leverage capital ratio	10.3%	16.0%	10.3%	16.0%	15.7%	
Income per share - basic	\$ 0.38	\$ 0.13	\$ 0.50	\$ 0.26	\$ 0.56	
Common stock	4,727,457	4,830,457	4,727,457	4,830,457	4,811,512	
Income per share - diluted	\$ 0.38	\$ 0.13	\$ 0.49	\$ 0.26	\$ 0.54	
Common stock - diluted	4,782,445	4,830,457	4,742,907	4,830,457	4,971,213	
Book value per share	\$ 11.55	\$ 10.75	\$ 11.55	\$ 10.75	\$ 10.87	

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