



BAY COMMERCIAL BANK REPORTS 2014 OPERATING RESULTS

WALNUT CREEK, California – January 29, 2015 -- Bay Commercial Bank (OTCQB: BCML) (the “Bank”) today announced its operating results for 2014.

The Bank reported total assets as of December 31, 2014 of \$504.4 million including loans outstanding of \$325.7 million compared to December 31, 2013 total assets of \$342.3 million and loans outstanding of \$254.2 million. At December 31, 2014, total deposits were \$437.9 million compared to total deposits of \$286.5 million at December 31, 2013. The Bank’s net operating income for the fourth quarter 2014 was \$1,278,000, or \$0.27 per share, compared to net income for the same period in 2013 of \$789,000, or \$0.17 per share. The increase in net operating income for the fourth quarter 2014 compared to the same period in 2013 was related to higher net interest income partially offset by higher operating costs.

For the full year 2014, the Bank reported net income of \$5,178,000, or \$1.09 per share, compared to net income of \$2,690,000, or \$0.56 per share for 2013. The increase in operating income for the year ended December 31, 2014 compared 2013 was primarily the result of higher net interest income partially offset by higher operating expenses, higher non-interest revenue as a result of the recognition of the bargain purchase gain, and higher loss provisions in 2014 to cover higher charge-offs as compared to 2013.

George J. Guarini, Chief Executive Officer of the Bank, stated, “While we are very pleased with our operating results, we place great emphasis on achieving economies of scale. To that end, we continue to see organic and strategic growth opportunities ahead.

We anticipate that we will close our fourth acquisition in February 2015. From concept to closing, our pending acquisition of Valley Community Bank will have been consummated in slightly more than 120 days.

Once completed we will have 10 branch offices regionally serving the 5 contiguous counties of Napa, Contra Costa, Alameda, San Joaquin and Santa Clara.”

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.

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.

Contact:

Bay Commercial Bank, Walnut Creek, California

Keary Colwell, 925-476-1800

kcolwell@bcb-ca.com

Selected Financial Data

December 31, 2014

	Quarter Ending	Quarter Ending	Year Ending	Year Ending
<u>Balance Sheet</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
(dollars in thousands)				
Total Assets	\$ 504,391	\$ 342,304	\$ 504,391	\$ 342,304
Total Loans	325,699	254,178	325,699	254,178
Total Deposits	437,941	286,464	437,941	286,464
Shareholders' Equity	58,174	52,322	58,174	52,322

Operating Results

(dollars in thousands)

Interest income	\$ 5,769	\$ 4,016	\$ 19,637	\$ 14,915
Interest expense	712	516	2,580	2,080
Net interest income	5,057	3,500	17,057	12,835
Provision for loan losses	36	90	1,074	348
Non-interest income	179	145	3,705	628
Non-interest expense	3,033	2,209	12,793	8,526
Net Income before tax	2,167	1,346	6,895	4,589
Income tax expense(benefit)	889	557	1,717	1,899
Net Income	\$ 1,278	\$ 789	\$ 5,178	\$ 2,690

Ratios and Data

Net interest margin	4.08%	4.29%	3.91%	4.07%
Efficiency ratio	57.9%	60.6%	61.6%	63.3%
Book value per shares outstanding \$	11.93	\$ 11.07	\$ 11.93	\$ 11.07
Leverage capital ratio	11.1%	15.7%	11.1%	15.7%
Income per share - basic	\$ 0.27	\$ 0.17	\$ 1.09	\$ 0.56
Common stock - weighted average	4,764,249	4,755,294	4,740,152	4,811,512
Income per share - diluted	\$ 0.27	\$ 0.16	\$ 1.08	\$ 0.54
Common stock - diluted weighted average	4,804,442	4,914,996	4,780,345	4,971,213

- END -