



BAY COMMERCIAL BANK REPORTS FIRST QUARTER 2016 RESULTS

WALNUT CREEK, California – April 21, 2016 -- Bay Commercial Bank (OTCBB:BCML) (the “Bank”) today announced its first quarter 2016 operating results.

The Bank reported total assets as of March 31, 2016 of \$633.0 million including loans outstanding of \$494.0 million compared to March 31, 2015 total assets of \$614.0 million and total loans outstanding of \$405.0 million. At March 31, 2016, total deposits were \$552.9 million compared to total deposits of \$530.8 million at March 31, 2015. The Bank’s net income for the first quarter 2016 was \$1,349,000 or income per share of \$0.25 per share compared to net operating income for the same period in 2015 of \$5,389,000, or \$1.01 per share.

Net income in the first quarter of 2015 was higher than the same period in 2016 primarily due to merger related revenue net of expenses. Excluding merger related revenue and expenses from 2015 results, net operating income in 2016 are higher than in 2015 by \$0.16 per share. This increase is due to higher net interest income and lower loan loss provisions partially offset by higher operating expenses. As of March 31, 2016 and 2015, our book value per share was \$13.41 and \$13.16, respectively.

George J. Guarini, Chief Executive Officer of the Bank, stated “Our emphasis on organic growth performance, combined with seizing opportunities in the M&A space continues to be a strategy that works well for us. We continue to extend our market reach, diversify the markets in which we serve and work toward having regional locations supporting meaningful client relationships. With our strong capital position and growing earnings the Bank is in an excellent position to expand both organically and through mergers.”

Guarini continued “The addition of Charles Yun, our new Chief Lending Officer, has already moved the needle on creating a performance driven environment geared toward satisfying corporate goals. We are proud that our efforts to develop an organic platform have added significantly to our bottom line as demonstrated by our 1st quarter loan growth and operating earnings. We believe that having a strong organic platform is paramount to maximizing opportunities through mergers and external growth.”

Guarini added “with Charles on our team, we believe our organic growth will continue to expand and more importantly diversify. This will position us to quickly and effectively integrate potential merger partners into our organic platform. We feel very fortunate to have Charles as part of the Bay Commercial Bank family.”

Guarini closed with “Our performance since the day we opened in 2004, including the worst downturn in 80 years, has demonstrated that we are exemplary shepherds of capital and not simply a bank doing well in better times. Our consistent operating performance in all economic operating environments continues to be a source of pride.”

Bay Commercial Bank offers a full-range of loans, including SBA, FSA 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. 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.

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

March 31, 2016

	Year Ending <u>12/31/2015</u>	Year Ending <u>12/31/2014</u>	Quarter Ending <u>3/31/2016</u>	Quarter Ending <u>3/31/2015</u>
<i><u>Balance Sheet</u></i>				
(dollars in thousands)				
Total Assets	\$ 623,304	\$ 504,391	\$ 632,976	\$ 613,955
Total Loans	464,400	325,699	493,962	404,970
Total Deposits	543,304	437,941	552,936	530,772
Shareholders' Equity	72,380	58,174	73,215	71,798
<i><u>Operating Results</u></i>				
(dollars in thousands)				
Interest income	\$ 25,715	\$ 19,637	\$ 7,143	\$ 5,679
Interest expense	3,140	2,580	795	724
Net interest income	22,575	17,057	6,348	4,955
Provision for loan losses	1,412	1,074	(4)	422
Non-interest income	6,902	3,705	339	6,538
Non-interest expense	18,902	12,793	4,434	5,777
Net Income before tax	9,163	6,895	2,257	5,294
Income tax	1,711	1,717	908	(95)
Net Income	<u>\$ 7,452</u>	<u>\$ 5,178</u>	<u>\$ 1,349</u>	<u>\$ 5,389</u>

Ratios and Data

Net interest margin	3.91%	3.91%	4.16%	3.79%
Efficiency ratio	64.1%	61.6%	66.3%	50.3%
Book value per share period end	\$ 13.18	\$ 11.93	\$ 13.41	\$ 13.16
Common shares outstanding	5,493,209	4,875,787	5,459,003	5,455,857
Leverage capital ratio	10.6%	11.1%	10.7%	11.9%
Income per share - basic	\$ 1.37	\$ 1.09	\$ 0.25	\$ 1.04
Common stock - weighted average	5,437,790	4,740,152	5,471,072	5,172,267
Income per share - diluted	\$ 1.36	\$ 1.08	\$ 0.25	\$ 1.01
Common stock - diluted - weighted average	5,493,398	4,780,345	5,491,366	5,312,474

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