



BAY COMMERCIAL BANK REPORTS 2015 OPERATING RESULTS

WALNUT CREEK, California – February 2, 2016 -- Bay Commercial Bank (OTCQB: BCML) (the “Bank”) today announced its operating results for 2015.

The Bank reported total assets as of December 31, 2015 of \$623.7 million including loans outstanding of \$464.4 million, compared to December 31, 2014 total assets of \$504.4 million and loans outstanding of \$325.7 million. At December 31, 2015, total deposits were \$543.3 million, compared to total deposits of \$437.9 million at December 31, 2014.

For the full year 2015, the Bank reported net income of \$7.5 million, or \$1.36 per share, compared to net income of \$6.2 million, or \$1.30 per share for 2014. The increase in income for the year ended December 31, 2015 compared to 2014 was primarily the result of higher bargain purchase gain. In addition, excluding the higher loan loss provision, net operating income was higher for 2015 than 2014. The higher loan loss provision in 2015 was primarily related to the increase in total loans outstanding related to organic loan growth.

In the fourth quarter 2015, the Bank recognized an adjustment to the value of the provisional measurement on certain assets acquired in its merger with Valley Community Bank earlier in the year. New information was obtained in the fourth quarter, and within the measurement period, resulting in the reduction of the bargain purchase gain.

George J. Guarini, Chief Executive Officer of the Bank, stated, “The Bank is poised to continue to develop our organic platform as demonstrated by the growth in total loans outstanding during the fourth quarter of 2015. To that end, we are very pleased with our operating results and we continue to see organic and strategic growth opportunities ahead.”

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. The Bank has ten full service branches in Northern California. Bay Commercial Bank is a member of FDIC and is an Equal Housing Lender. It is traded on OTCQB 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.

Contact:
 Bay Commercial Bank, Walnut Creek, California
 Keary Colwell, 925-476-1800
kcolwell@bcb-ca.com

Selected Financial Data

December 31, 2015

	Quarter Ending <u>12/31/2015(a)</u>	Quarter Ending <u>12/31/2014</u>	Year Ending <u>12/31/2015</u>	Year Ending <u>12/31/2014</u>
<i>Balance Sheet</i>				
(dollars in thousands)				
Total Assets	\$ 623,704	\$ 504,391	\$ 623,704	\$ 504,391
Total Loans	464,400	325,699	464,400	325,699
Total Deposits	543,304	437,941	543,304	437,941
Shareholders' Equity	72,380	58,174	72,380	58,174

Operating Results

(dollars in thousands)				
Interest income	\$ 6,764	\$ 5,769	\$ 25,715	\$ 19,637
Interest expense	801	712	3,140	2,580
Net interest income	5,963	5,057	22,575	17,057
Provision for loan losses	502	36	1,412	1,074
Non-interest income	364	179	1,491	920
Bargain Purchase Gain	(1,995)	-	5,410	3,785
Non-interest expense	4,285	3,033	18,901	12,793
Net Income before tax	(455)	2,167	9,163	7,895
Income tax expense	565	889	1,711	1,717
Net Income	\$ (1,020)	\$ 1,278	\$ 7,452	\$ 6,178

Ratios and Data

Net interest margin	3.91%	4.08%	3.90%	3.91%
Efficiency ratio	98.9%	57.9%	64.1%	58.8%
Book value per shares outstanding	\$ 13.47	\$ 11.93	\$ 13.47	\$ 11.93
Leverage capital ratio	10.6%	11.1%	10.6%	11.1%
Income per share - basic	\$ (0.18)	\$ 0.27	\$ 1.36	\$ 1.30
Common stock - weighted average	5,521,457	4,764,249	5,466,468	4,740,152
Income per share - diluted	\$ (0.18)	\$ 0.27	\$ 1.34	\$ 1.29
Common stock - diluted weighted average	5,622,768	4,804,442	5,567,780	4,780,345

(a) fourth quarter 2015 includes adjustments to provisional amounts recognized for the valuation of certain asset in accordance with ASC 810-10 - Business Combinations.

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