



## **BAY COMMERCIAL BANK REPORTS THIRD QUARTER 2010 RESULTS**

WALNUT CREEK, California – October 29, 2010 -- Bay Commercial Bank (OTCBB:BCML) today reported third quarter and year to date 2010 operating results.

The Bank reported total assets as of September 30, 2010 of \$164.0 million including loans outstanding of \$127.6 million compared to September 30, 2009 total assets of \$154.1 million and total loans outstanding of \$129.3 million. At September 30, 2010, total deposits were \$130.2 million compared to total deposits at September 30, 2009 of \$132.7 million. The Bank's operating income for the third quarter 2010 was \$91,000 or \$0.03 per share compared to net income for the same period in 2009 of \$93,000 or \$0.06 per share. For the first nine months of 2010, the Bank reported net income of \$585,000 compared to net income of \$132,000 for the first nine months of 2009. For the most recent nine month period, the net income to shareholders was \$0.16 per share, compared to \$0.09 per share for the first nine months of 2009. The increase in operating income for the nine month period ended September 30, 2010 compared to the same period in 2009 was comprised primarily of higher net interest income partially offset by higher loan loss provisions, operating expenses and income tax expenses.

George J. Guarini, Chief Executive Officer of Bay Commercial Bank, stated "We are pleased with the Bank's financial performance so far for 2010. We will continue to maintain our focus on liquidity and credit quality, which we believe represent the key ingredients to success in today's volatile environment. The capital raised in the third quarter will permit us to focus our attention on implementing our growth plans through acquisitions."

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. Bay Commercial Bank is a member of FDIC and is an Equal housing lender. Bay Commercial Bank is traded on the bulletin board under the symbol BCML.OB and the Bank can be found at [www.baycommercialbank.com](http://www.baycommercialbank.com). The Bankers Exchange Services Division can be found at [www.BES1031.com](http://www.BES1031.com). The Bank now offers business Escrow Services.

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 anticipated in any forward-looking statements as a result of certain factors, including those set forth in "Risk Factors" and elsewhere in its Offering Circular and are incorporated herein by reference. 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**

**September 30, 2010**

	Quarter Ending <u>9/30/2010</u>	Quarter Ending <u>9/30/2009</u>	Year to Date <u>9/30/2010</u>	Year to date <u>9/30/2009</u>	Year Ending <u>12/31/2009</u>
<i><u>Balance Sheet</u></i>					
(dollars in thousands)					
Total Assets	\$ 164,028	\$ 154,067	\$ 164,028	\$ 154,067	\$ 143,408
Total Loans	127,597	129,282	127,597	129,282	131,820
Total Deposits	130,168	132,680	130,168	132,680	126,550
Shareholders' Equity	33,458	15,798	33,458	15,798	16,035

*Operating Results*

(dollars in thousands)

Interest income	\$ 2,031	\$ 2,011	\$ 6,044	\$ 5,155	\$ 7,225
Interest expense	434	724	1,347	1,875	2,509
Net interest income	1,597	1,287	4,697	3,280	4,716
Provision for loan losses	502	138	756	300	430
Non-interest income	86	81	258	207	299
Non-interest expense	1,024	1,054	3,196	2,933	3,955
Net Income before tax	157	176	1,003	254	630
Income tax	66	83	418	122	271
Net Income	\$ 91	\$ 93	\$ 585	\$ 132	\$ 359

*Ratios and Data*

Net interest margin	4.09%	3.49%	4.42%	3.41%	3.55%
Efficiency ratio	60.8%	77.0%	64.5%	84.1%	78.9%
Leverage capital ratio	21.6%	10.3%	21.6%	10.3%	10.4%
Income per share - basic	\$ 0.03	\$ 0.06	\$ 0.16	\$ 0.09	\$ 0.23
Common stock	3,549,794	1,549,794	3,549,794	1,549,794	1,549,794
Income per share - diluted	\$ 0.03	\$ 0.06	\$ 0.16	\$ 0.09	\$ 0.23
Common stock - diluted	3,559,862	1,549,794	3,559,862	1,549,794	1,562,057

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