



BAY COMMERCIAL BANK REPORTS THIRD QUARTER 2012 RESULTS

WALNUT CREEK, California – October 18, 2012 -- Bay Commercial Bank (OTCBB:BCML) (the “Bank”) today announced its third quarter 2012 operating results.

The Bank reported total assets as of September 30, 2012 of \$316.5 million including loans outstanding of \$235.5 million compared to September 30, 2011 total assets of \$188.0 million and total loans outstanding of \$157.4 million. At September 30, 2012, total deposits were \$263.1 million compared to total deposits of \$153.4 million at September 30, 2011. The Bank’s net operating income for the third quarter 2012 was \$742,000 or \$0.15 per share compared to net income for the same period in 2011 of \$316,000, or \$0.09 per share. The increase in net operating income for the third quarter 2012 compared to the same period in 2011 was comprised primarily of higher net interest margin and other non-interest revenue partially offset by operating expenses and income tax expenses.

For the first nine months of 2012, the Bank reported net income of \$1,531,000 compared to net income of \$512,000 for the first nine months of 2011. For the most recent nine month period, the net income to shareholders was \$0.32 per share, compared to \$0.14 per share for the first nine months of 2011. The increase in operating income for the nine month periods ended September 30, 2012 compared to the same periods in 2011 was primarily the result of higher net interest margin partially offset by higher operating costs and income tax expense in 2012.

George J. Guarini, Chief Executive Officer of the Bank, stated “While we are pleased with our core operating performance, we remain steadfast in our belief that banks must be larger in order to remain relevant. We therefore are guided by a two pronged approach, one focused on organic growth and the other emphasizing growth through mergers and acquisitions. Our merger with Global Trust Bank is in our rear view mirror and enhanced the viability and value of the combined franchise. We look forward to more of the same”.

Guarini further stated the following, “It is clear that margin compression is in full swing. We believe that a continued focus on earnings, capital, efficiency and culture are important ingredients to growing a successful franchise”.

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; 700 E. El Camino Mountain View; and 960 School Street, Napa. The 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.OB and the Bank can be found on the web at www.baycommercialbank.com. The Bankers Exchange Services Division can be found at www.BES1031.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						
September 30, 2012						
	Quarter	Quarter	Year to	Year to	Year	
	Ending	Ending	Date	Date	Ending	
<i>Balance Sheet</i>	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>9/30/2011</u>	<u>9/30/2012</u>	<u>12/31/2011</u>	
(dollars in thousands)						
Total Assets	\$ 188,036	\$ 316,481	\$ 188,036	\$ 316,481	\$ 269,611	
Total Loans	157,447	235,544	157,447	235,544	212,387	
Total Deposits	153,372	263,080	153,372	263,080	219,815	
Shareholders' Equity	34,013	50,049	34,013	50,049	48,517	
<i>Operating Results</i>						
(dollars in thousands)						
Interest income	\$ 2,544	\$ 3,893	6,995	11,050	\$ 10,323	
Interest expense	399	560	1,170	1,764	1,775	
Net interest income	2,145	3,333	5,825	9,286	8,548	
Provision for loan losses	249	262	1,357	1,120	1,687	
Non-interest income	156	251	438	549	8,237	
Non-interest expense	1,534	1,992	4,046	5,821	7,765	
Net Income before tax	518	1,330	860	2,894	7,333	
Income tax	202	588	348	1,363	19	
Net Income	\$ 316	\$ 742	\$ 512	\$ 1,531	\$ 7,314	
<i>Ratios and Data</i>						
Net interest margin	5.05%	4.95%	4.76%	4.56%	4.62%	
Efficiency ratio	66.7%	55.6%	64.6%	59.2%	46.3%	
Leverage capital ratio	19.5%	17.3%	19.5%	19.5%	20.6%	
Income per share - basic	\$ 0.09	\$ 0.15	\$ 0.14	\$ 0.32	\$ 1.92	
Common stock	3,549,794	4,830,294	3,549,794	4,830,294	3,809,402	
Income per share - diluted	\$ 0.09	\$ 0.15	\$ 0.14	\$ 0.32	\$ 1.92	
Common stock - diluted	3,549,794	4,830,294	3,549,794	4,830,294	4,830,294	
Book Value per share	\$ 9.58	\$ 10.36	\$ 9.58	\$ 10.36	\$ 10.04	

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