



## **BAY COMMERCIAL BANK REPORTS FIRST QUARTER 2011 RESULTS**

WALNUT CREEK, California – May 13, 2011 -- Bay Commercial Bank (OTCBB:BCML) (the “Bank”) today announced its first quarter 2011 operating results.

The Bank reported total assets as of March 31, 2011 of \$162.9 million including loans outstanding of \$137.4 million compared to March 31, 2010 total assets of \$143.2 million and total loans outstanding of 124.8 million. At March 31, 2011, total deposits were \$128.7 million compared to total deposits of \$126.3 million at March 31, 2010. The Bank’s net operating loss for the first quarter 2011 was \$106,000 or a loss of \$0.03 per share compared to net income for the same period in 2010 of \$288,000, or \$0.19 per share. The decrease of \$394,000 in net operating income for the first quarter 2011 compared to the same period in 2010 was comprised primarily of higher a loan loss provision partially offset by higher net interest income and non-interest income.

George J. Guarini, Chief Executive Officer of the Bank, stated “We are disappointed to report our first quarterly loss since early 2006. The higher loan loss provision was primarily related to one loan, and is not an indication of deterioration in the Bank’s loan portfolio. Our non-performing assets as a percent of total capital remain well below industry averages. We remain focused on maintaining strong credit quality and liquidity.”

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. 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](http://www.baycommercialbank.com). The Bankers Exchange Services Division can be found at [www.BES1031.com](http://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

[keary.colwell@baycommercialbank.com](mailto:keary.colwell@baycommercialbank.com)

**Selected Financial Data**  
**March 31, 2011**

	Quarter Ending <u>3/31/2011</u>	Quarter Ending <u>3/31/2010</u>	Year Ending <u>12/31/2010</u>	Year Ending <u>12/31/2009</u>
<i><u>Balance Sheet</u></i>				
(dollars in thousands)				
Total Assets	\$ 162,889	\$ 143,228	\$ 173,977	\$ 143,408
Total Loans	137,360	124,824	136,195	131,820
Total Deposits	128,748	126,339	139,457	126,550
Shareholders' Equity	33,392	16,327	33,496	16,035
<i><u>Operating Results</u></i>				
(dollars in thousands)				
Interest income	\$ 2,194	\$ 2,019	\$ 8,127	\$ 7,225
Interest expense	385	463	1,782	2,509
Net interest income	1,809	1,556	6,345	4,716
Provision for loan losses	933	45	1,431	430
Non-interest income	156	85	365	299
Non-interest expense	1,209	1,103	4,278	3,955
Net Income before tax	(177)	493	1,001	630
Income tax	(71)	205	380	271
Net Income	\$ (106)	\$ 288	\$ 621	\$ 359
<i><u>Ratios and Data</u></i>				
Net interest margin	4.59%	4.58%	4.33%	3.55%
Efficiency ratio	61.5%	67.2%	63.8%	78.9%
Leverage capital ratio	20.1%	11.3%	20.1%	10.4%
Income per share - basic	\$ (0.03)	\$ 0.19	\$ 0.26	\$ 0.23
Common stock	3,549,794	1,549,794	2,344,315	1,549,794
Income per share - diluted	\$ (0.03)	\$ 0.19	\$ 0.26	\$ 0.23
Common stock - diluted	3,549,794	1,549,794	2,344,315	1,562,057

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