NORCAL COMMUNITY BANCORP

ISSUER INFORMATION AND DISCLOSURE STATEMENT
PURSUANT TO RULE 15c2-11(a)(5)

For the Period ended September 30, 2012

This statement has not been filed with the NASD or any other regulatory agency

The following information is compiled, maintained and made available pursuant to Rule 144(c)(2) and Rule 15c2-11(a)(5)(i)-(xiv) and (a)(5)(xvi) of the Securities and Exchange Commission. The Company is not subject to Section 13 or 15(d) of the Securities and Exchange Act and does not file periodic reports with the SEC. In the absence of such filings, this information is intended to satisfy the requirement that adequate current public information with respect to an issuer be available as a condition to the resale of certain securities of the issuer under Rule 144.

i. the exact name of the issuer and its predecessor (if any);

NorCal Community Bancorp and its predecessor and current subsidiary Bank of Alameda

ii. the address of its principal executive offices;

1701 Harbor Bay Parkway, Suite 100, Alameda, CA 94502
telephone: (510) 748-8450
website: www.bankofalameda.com

for investor relations issues, contact:

Jeanette E. Reynolds, EVP/CFO
2125 Oak Grove Road, Suite 124
Walnut Creek, CA 94598
telephone: (510) 748-8454

iii. the state of incorporation, if it is a corporation;

California; incorporated in 2002 to act as the holding company for Bank of Alameda

iv. the exact title and class of the security; and
v. the par or stated value of the security;

a. 10,610,716 shares of NorCal Community Bancorp Common Stock, no par value, issued and outstanding as of September 30, 2012; Stock Ticker Symbol – NCLC; Cusip #655484-10-3; approximately 248 shareholders of record.

vi. the number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year;

10,610,716 shares of NorCal Community Bancorp Common Stock, no par value, issued and outstanding as of December 31, 2011.

List of offerings since December 31, 2002:

Class	Nature of Offering	Jurisdiction where registered	Number of Shares	Offering Price
Preferred	Private placement Under SEC Regulation D	Exempt in California	65,932 (shares automatically converted to82,415 common shares in 2008)	$16.00
Common	Private placement Under SEC Regulation D	Exempt in California	7,450,000	$1.00
Common(1)	Option plan for employees, officers, and directors of the company and its bank subsidiary	California	770,850 shares reserved for issuance; options for 35,250 shares granted and outstanding at September 30, 2012.	Fair market value at time of option grant
Common	Equity plan for employees, officers, and directors of the company and its bank subsidiary	California	400,000 shares reserved for issuance; 80,000shares granted and outstanding at September 30, 2012.	Fair market value at time of grant

(1) Option plan expired in May 2008. No other options will be granted under this plan.

The range of exercise prices of the outstanding options is $1.50 to $12.67. The weighted average exercise price of the outstanding options at September 30, 2012 was $5.65.

vii. the name and address of the transfer agent;

Computershare Trust Company, N.A.
P. O. Box 43070, Providence, RI 02940
(800) 962-4284
www.computershare.com

viii. the nature of the issuer's business;

NorCal Community Bancorp (the “Company”) is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. The Company was incorporated under the laws of the State of California in 2002 for the principal purpose of engaging in activities permitted for a bank holding company. As a bank holding company, the Company is authorized to engage in the activities permitted under the Bank Holding Company Act of 1956, as amended, and the regulations thereunder. The Company’s principal office is located at 1701 Harbor Bay Parkway, Suite 100, Alameda, California 94502 and its telephone number is (510) 748-8450.

The Company owns 100% of the issued and outstanding shares of common stock (the only class of shares outstanding) of its banking subsidiary, Bank of Alameda.

Bank of Alameda (the "Bank") was incorporated under the laws of the State of California on October 2, 1997, and with the approval of the Department of Financial Institutions and the Federal Deposit Insurance Corporation the Bank opened for business on March 23, 1998. The Bank operates four full service offices in Alameda County, including the head office located at 2130 Otis Drive, Alameda, CA 94501. In addition the Bank operates an Administrative Office located at 1701 Harbor Bay Parkway, Suite 100, Alameda CA 94502 and an Accounting Department Office located at 2125 Oak Grove Rd., Suite 124, Walnut Creek, CA 94598.

The Bank's deposits are insured by the Federal Deposit Insurance Corporation up to applicable legal limits. The Bank's primary business is providing a wide array of financial products with an exemplary level of personal service to small and medium sized businesses, professionals and individuals preferring quality personal attention. The Bank's principal service area is Alameda and Contra Costa counties, and the Bank utilizes electronic banking systems and a courier service to provide personalized banking services throughout its service areas. The Bank accepts checking and savings deposits, offers secured and unsecured commercial and industrial loans, secured real estate loans, other installment and term loans and other customary banking services. The Bank is a California state chartered commercial bank.

The mission of Bank of Alameda is to provide customized financial services to Alameda and Contra Costa county businesses, professionals, and individuals who desire a high degree of personalized attention.

The Company's Primary SIC Code is 6022, state commercial bank.

For discussion of regulation and supervision of the Company and the Bank, see Appendix A.

At September 30, 2012 the Company had 62 full-time equivalent employees.

ix. the nature of products or services offered;

Bank of Alameda is a full service community bank that specializes in providing financial services to small and medium sized businesses primarily in Alameda and Contra Costa Counties. The products and the marketing focus of the Bank are designed to meet the demands of the Bank's target market. In addition to providing products and services, the Bank emphasizes the establishment of long standing relationships with its customers, and regularly modifies the products and services it offers to meet the unique demands of its customers. The following discussion is a review of the base or core products and services that the Bank offers and is prepared to structure to meet customer needs.

Commercial Lending

The Bank provides a full array of commercial credit products:

- Lines of Credit to finance seasonal cash flow fluctuation.

- Term Loans to finance equipment purchases, business acquisitions and other growth needs.
- Account Receivables / Inventory Lines to finance business with ongoing working capital requirements.
- Standby Letters of Credit in lieu of performance bonds or guarantees.

The Bank's commercial and industrial loans have a high degree of industry diversification. A substantial portion of commercial and industrial loans that are not secured by real estate are secured by accounts receivables, inventory, equipment or other collateral. The remainder of the Bank's commercial and industrial loans are unsecured. Both secured and unsecured loans are underwritten based on the underlying historic and projected cash flow of the borrower.

Commercial and Construction Real Estate Lending

The Bank provides real estate financing for both construction and mortgage purposes. Although many real estate borrowers are owners / users of the property constructed and / or permanently financed, the Bank also provides real estate financing for developers. The products offered by the Bank include:

- Construction Loans for both residential and commercial projects.
- Commercial Mortgage financing with maturities ranging to ten years with longer amortizations.
- Lot Development Loans, which are ordinarily replaced by a construction loan in the normal cycle of development.
- Multifamily Residential mortgages for residential properties with five or more dwelling units.

Real estate construction loans consist of loans to individuals and residential developers that are secured by single-family and multi-family residential properties and to owner-users and developers that are secured by commercial properties. Repayment of construction loans is generally from long-term mortgages.

Agriculture Lending

The Bank provides term financing for vineyard properties located primarily in Napa and Sonoma counties. Most loans are secured by real property and have terms of three to ten years, with longer amortizations. Borrowers are small family-owned growers and wineries with significant experience and operating histories.

Personal Loan Products

For individuals, the Bank offers lines of credit on a secured and unsecured basis, home equity lines of credit and automobile loans to qualified borrowers.

Real estate mortgage loans are secured by deeds of trust on residential and commercial property.

Cash Management Services

For business customers, the Bank offers an extensive array of cash management products, which can be customized to meet specific customer requirements.

Cash management products for both businesses and individuals are accessible via the Internet.

Deposit Products

Bank of Alameda offers a wide variety of both interest bearing and non-interest bearing transactional accounts for both businesses and individuals. In addition to providing access to deposit accounts via Online (Internet) Banking, the Bank also provides extensive Courier Service throughout Alameda County so that customers' deposit and other banking needs may be served without the customer having to make a trip to the Bank. The Bank also offers savings accounts, money market deposit accounts and certificates of deposits for businesses and individuals.

Competition

The Bank's primary market area consists of Alameda and Contra Costa Counties. In California generally, and in the Bank's service areas specifically, major banks and local regional banks dominate the commercial banking industry. By virtue of their larger capital bases, such institutions have substantially greater lending limits than those of the Bank, as well as more locations, more products and services, greater economies of scale and greater ability to make investments in technology for the delivery of financial services.

As an independent bank, the Bank's principal competitors for deposits and loans are other banks (particularly major banks), savings and loan associations, credit unions, thrift and loans, mortgage brokerage companies and insurance companies. Other institutions, such as mutual funds, brokerage houses, credit card companies and even retail establishments have offered new investment vehicles, such as money-market funds, that also compete with banks. The direction of federal legislation in recent years favors competition between different types of financial institutions and encourages new entrants into the financial services market.

To compete with larger financial institutions in its service area, the Bank relies upon specialized services, responsive handling of customer needs, local promotional activity, and personal contacts by its officers, directors and staff, compared to large multi-branch banks that compete primarily on interest rates and location of branches. The Bank also assists customers requiring services not offered by the Bank to obtain such services from its correspondent banks. For customers whose loan demands exceed the Bank's lending limits, the Bank seeks to arrange funding for such loans on a participation basis with other independent commercial banks or its correspondent banks. No assurance can be given that the Bank will be able to compete successfully for such loans. Even if the Bank is successful in making such larger loans, larger

and stronger borrowers may be more creditworthy and therefore may be able to negotiate for lower interest rates on their loans, which in turn may reduce the Bank's net interest margin.

x. the nature and extent of the issuer's facilities;

The Company and Bank of Alameda lease all six of their premises.

The Company's Administrative Office is located at 1701 Harbor Bay Parkway, Suite 100, Alameda, California. These premises consist of approximately 7,856 square feet on the first floor of a two story commercial office building. The Company leases these premises under an operating lease with a term expiring in 2013. The lease contains a schedule of fixed rent increases.

The Bank's Main Office is located at 2130 Otis Drive, Alameda, California. The Main Office premises consist of approximately 4,913 square feet in a free-standing commercial building. The Bank leases its Main Office premises under an operating lease with a term expiring December 31, 2013. The lease contains a schedule of fixed rent increases.

The Bank's Park Street branch office opened in March 1999 and is located at 1416 Park Street, Alameda, California. These premises consist of approximately 2,541 square feet in a free-standing commercial building. The Bank leases these premises under an operating lease with terms expiring in 2009. The lease contains two options to renew for five-year periods. The first option was exercised and commenced effective April 2009 and will expire in March 2014. Annual rent increases are tied to changes in the San Francisco-Oakland-San Jose Consumer Price Index in March of each year compared to March 1999.

The Bank's Emeryville branch office opened in January 2002 and is located at 2200 Powell Street, Suite 105, Emeryville, California. These premises consist of approximately 1,305 square feet on the first floor of a twelve story commercial office building. The Bank leases these premises under an operating lease with a term expiring in January 2013.

The Bank's Oakland branch office opened in March 2004 and relocated in December 2006 to 155 Grand Avenue, Suite 100, Oakland, California. These premises consist of approximately 7,500 square feet on the first floor of a ten story commercial office building. The Bank leases these premises under an operating lease with a term expiring in July 2013. The lease contains a schedule of fixed rent increases.

The Bank's Accounting Department Office opened in August 2004 and is located at 2125 Oak Grove, Suite 124, Walnut Creek, California. These premises consist of approximately 2,302 square feet on the first floor of a two story commercial office building. The Bank leases these premises under an operating lease with a term which expire March 2013. The lease contains a fixed rent rate for the remainder of the lease.

xi. the names of the chief executive officer and members of the board of directors;

Name	Age	Position With Company	Director Since[1]	Principal Occupation, Business Experience During Past Five Years and Other Information
Stephen G. Andrews	55	President, CEO and Director	1998	President and CEO of NorCal Community Bancorp, 2002 to present. President and CEO of Bank of Alameda, 1998 to present.
Eric C. Cross	60	Director	1998	Retired real estate broker and President and CEO of Cross & Associates, Inc.
James B. Davis	82	Chairman and Director	1998	Chairman of the Board of NorCal Community Bancorp, 2002 to present. Chairman of the Board of Bank of Alameda, 1998 to present. Former Chairman of Alameda Federal Savings and Loan Association. Retired managing partner of the law firm of Davis, Craig and Young and its successors.
Gregory R. Gersack	46	Director	2011	Managing Principal, FIG Partners. LLC 2008 to present. Former board member and director of bank equity sales and trading, Howe Barnes Hoefer and Arnett.
Michael G. Gorman	67	Director	1998	Vice Chairman and Director of Bank of Alameda since 1998. Vice President of FVS Enterprises, Inc., an entertainment management company.
Kenneth M. Karmin	51	Director	2012	Principal of High Street Holdings, a diversified investment company, and CEO of Ortho Mattress Inc.
Kevin Kennedy	45	Director	2009	Registered investment advisor. President of Kevin Kennedy, LLC.
James L. McKenna	76	Director	1998	Certified public accountant; retired partner of Armanino McKenna, LLP. Former director of California Bancshares, Inc.

Name	Age	Position With Company	Director Since[1]	Principal Occupation, Business Experience During Past Five Years and Other Information
Joel Vuylsteke	82	Director	1998	Former director, President and CEO of Alameda First National Bank.

[1] Includes service as a director of Bank of Alameda, the predecessor institution of the Company.

Within the past five years, none of the above persons has been convicted in a criminal proceeding or is currently named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses); has been enjoined, barred, suspended or otherwise limited by financial order, judgment or decree in his or her involvement in any type of business, securities, commodities or banking activities; has been the subject of any judicial or administrative proceeding resulting from involvement in mail or wire fraud; has been the subject of any judicial or administrative proceeding based on violations of Federal or state securities, commodities, banking or insurance laws and regulations, or any settlement to such actions; has been the subject of any disciplinary sanctions or orders imposed by a stock, commodities or derivatives exchange or other self-regulatory organization has been subject to a final finding, judgment or order of a courts, the SEC, the CFTC or a state securities regulator of a violation of federal or state securities or commodities law; or has been barred, suspended or otherwise limited by an order of a self-regulatory organization in his or her involvement in any type of business or securities activities.

There are no family relationships among any of the Company's Executive Officers and directors.

Principal Shareholders

As of September 30, 2012, the only person or entity known to management to hold, directly or indirectly, more than five percent of the Company's issued and outstanding shares of common stock is the Newberg Family Trust, which owned a total of 800,000 shares representing 7.54% of the Company's issued and outstanding shares of common stock.

Security Ownership of Management

The following table sets forth the information as of September 30, 2012 pertaining to beneficial ownership of the Company's common stock. The information in the following table has been obtained from the Company's records, or from information furnished directly by the individual or entity to the Company.

For purposes of the following table, shares issuable pursuant to stock options which may be exercised within 60 days of the above date are deemed to be issued and outstanding and have been treated as outstanding in determining the amount and nature of beneficial ownership and in

calculating the percentage of ownership of those individuals possessing such interest, but not for any other individuals.

Name and Address of Beneficial Owner(1)	Relationship with Company or Bank	Amount and Nature of Beneficial Ownership(2)	Exercisable Options(2)(3)	Percent of Class(2)
Stephen G. Andrews	*President, CEO and Director, Company and Bank*	183,142(4)	19,375	1.72%
Eric C. Cross	*Director, Company and Bank*	213,125(5)	-0-	2.01%
James B. Davis	*Chairman of the Board and Director, Company and Bank*	215,894(6)	19,375	2.03%
Gregory R. Gersack	*Director, Company and Bank*	275,000	-0-	2.59%
Michael G. Gorman	*Director, Company and Vice Chairman, Bank*	248,500(7)	-0-	2.34%
Kenneth M. Karman	*Director, Company and Bank*	350,000(8)	-0-	3.30%
Kevin Kennedy	*Director, Company and Bank*	152,711(9)	-0-	1.44%
James L. McKenna	*Director, Company and Bank*	198,812(10)	-0-	1.87%
Jeanette E. Reynolds	*Executive Vice President, Chief Financial Officer and Secretary, Company and Bank*	39,363	16,375	0.37%
Joel Vuylsteke	*Director, Company and Bank*	232,050(11)	-0-	2.19%
P. Troy Williams	*Executive Vice President, Chief Operating and Chief Lending Officer, Company and Bank*	92,669(12)	16,375	0.87%
All directors and executive officers as a group (10 in number)		2,201,266	71,500	20.61%

(1) The address for all persons is c/o NorCal Community Bancorp, 1701 Harbor Bay Parkway, Suite 100, Alameda, California, 94502.

(2) Includes exercisable options shown in the next column. In calculating the percentage of ownership, all shares which the identified person or persons have the right to acquire by exercise of options are deemed to be outstanding for the purpose of computing the percentage of the class owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person.

(3) Indicates number of shares subject to options currently exercisable or exercisable within 60 days of the Record Date.

(4) Includes 154,217 shares held in a living trust of which Mr. Andrews is a trustee and with respect to which he shares voting and investment power.

(5) Includes 25,312 shares held by Cross & Associates Pension Trust Plan of which Mr. Cross is a trustee and with respect to which he shares voting and investment power, 33,750 shares held by Cross & Associates Profit Sharing Trust of which Mr. Cross is also a trustee and with respect to which he shares voting and investment power, and 50,000 shares held jointly with Mr. Cross's spouse.

(6) Includes 190,686 shares held in a trust of which Mr. Davis is a trustee and with respect to which he has sole voting and investment power.

(7) Includes 172,000 shares held in a family trust of which Mr. Gorman is a trustee and with respect to which he shares voting and investment power and 75,000 shares held by Frederica Von Stade Enterprises Defined Benefit Pension Plan and Trust of which Mr. Gorman is also a trustee and with respect to which he shares voting and investment power.

(8) Includes 350,000 shares held in a family trust of which Mr. Karmin is a trustee and with respect to which he has voting and investment power.

(9) Includes 52,711 shares held in a trust of which Mr. Kennedy is a trustee and with respect to which he has sole voting and investment power.

(10) Includes 197,312 shares held in a Profit Sharing Plan with respect to which Mr. McKenna holds voting and investment power, and 625 shares in a living trust of which Mr. McKenna is a trustee and with respect to which he shares voting and investment power.

(11) Includes 230,050 shares held in a family trust of which Mr. Vuylsteke is a trustee and with respect to which he has voting and investment power.

(12) Includes 20,208 shares held jointly with Mr. Williams's spouse.

xii. the issuer's most recent balance sheet and profit and loss and retained earnings statements;

Please refer to the Company's un-audited consolidated balance sheets as of September 30, 2012 and December 31, 2011, the related consolidated statements of operations for the three and nine month periods ended September 30, 2012 and 2011, and the changes in shareholders' equity for the nine months ended September 30, 2012 and each of the years in the two-year period ended December 31, 2011.

NORCAL COMMUNITY BANCORP and SUBSIDIARY
Unaudited Consolidated Balance Sheet
September 30, 2012 and December 31, 2011
(In thousands, except number of shares)

	September 30, 2012	December 31, 2011
Assets		
Cash and due from banks	$ 4,030	$ 1,703
Interest-bearing deposits held in other banks	37,702	15,900
Total cash and cash equivalents	41,732	17,603
Securities:		
Available-for-sale	48,496	48,974
Held-to-maturity	15,627	15,162
Total securities	64,123	64,136
Loans, net of allowance for loan and lease losses of $4,467 in 2012 and $4,807 in 2011	158,081	161,036
Other real estate	1,635	1,844
Premises and equipment, net	265	143
Federal Home Loan Bank stock	1,276	1,022
Accrued interest receivable and other assets	4,782	2,345
Total Assets	$ 271,894	$ 248,129
Liabilities and Shareholders' Equity		
Deposits:		
Non-interest bearing	$ 80,869	$ 64,694
Interest bearing	159,353	153,089
Total deposits	240,222	217,783
Accrued interest payable and other liabilities	3,730	1,149
Subordinated debentures	8,248	8,248
Total Liabilities	252,200	227,180
Shareholders Equity:		
Preferred stock-no par value; 10,000,000 shares authorized; no shares issued and outstanding		
Common stock-no par value; 30,000,000 shares authorized; Issued and outstanding 10,610,716 shares in 2012 and 2011	19,301	19,273
Retained (loss) earnings	(61)	1,528
Accumulated other comprehensive income, net of taxes	454	148
Total Shareholders' Equity	19,694	20,949
Total Liabilities and Shareholders' Equity	$ 271,894	$ 248,129

NORCAL COMMUNITY BANCORP and SUBSIDIARY
Unaudited Consolidated Statement of Operations
(In thousands, except per share data)

	For the three months ended September 30,		For the nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
Interest income:				
Interest and fees on loans and leases	$ 2,174	$ 2,303	$ 6,658	$ 6,920
Interest on interest-bearing balances with other banks	16	19	41	62
Taxable	354	314	1,094	772
Exempt from Federal income taxes	12	16	39	63
Total interest income	2,556	2,652	7,832	7,817
Interest expense:				
Interest on deposits	144	160	426	539
Interest on subordinated debentures	58	52	173	163
Total interest expense	202	212	599	702
Net interest income before provision for loan and lease losses	2,354	2,440	7,233	7,115
Provision for loan and lease losses	-	150	2,650	750
Net interest income after provision for loan and lease losses	2,354	2,290	4,583	6,365
Non-interest income:				
Service charges	95	106	313	290
Gain on sale of securities	3	-	174	-
Mortgage loan packaging fees	305	69	608	135
Other	96	186	257	348
Total non-interest income	499	361	1,352	773
Non-interest expense:				
Salaries and employee benefits	1,463	1,240	4,217	3,734
Occupancy and equipment	363	364	1,048	1,136
Other	762	933	2,257	2,370
Total non-interest expense	2,588	2,537	7,522	7,240
Income (loss) before provision for income taxes	265	114	(1,587)	(102)
Provision for income tax expense	-	16	2	90
Net income (loss)	$ 265	$ 98	$ (1,589)	$ (192)
Basic and diluted income (loss) per share	$ 0.02	$ 0.01	$ (0.15)	$ (0.02)
Average shares outstanding	10,650,716	10,613,244	10,630,716	10,613,244
Diluted average shares outstanding	10,652,137	10,613,244	10,632,048	10,613,244

NORCAL COMMUNITY BANCORP and SUBSIDIARY
Unaudited Consolidated Statement of Changes in Shareholders' Equity and Comprehensive Income (Loss)
For the nine months ended September 30, 2012 and years ended December 31, 2011 and 2010
(In thousands, except number of shares)

	Common Stock		Retained	Accumulated Other Comprehensive Income (Loss)	Total Shareholders'	Total Comprehensive
	Shares	Amount	Earnings	(Net of taxes)	Equity	Income (Loss)
Balance, January 1, 2010	3,166,755	$ 11,821	$ 7,473	$ 20	$ 19,314	
Comprehensive loss:						
Net loss			(5,957)		(5,957)	$ (5,957)
Other comprehensive loss, net of taxes:						
Net change in unrealized gain on available-for-sale investment securities				(20)	(20)	(20)
Total comprehensive loss						$ (5,977)
Common stock issuance, net of costs	7,450,000	7,051			7,051	
Restricted common stock compensation expense		221			221	
Repurchase of common stock under equity incentive plan	(3,511)	(10)			(10)	
Balance, December 31, 2010	10,613,244	19,083	1,516	-	20,599	
Comprehensive income:						
Net income			12		12	$ 12
Other comprehensive income, net of taxes:						
Net change in unrealized gain on available-for-sale investment securities				148	148	148
Total comprehensive income						$ 160
Restricted common stock compensation expense		194			194	
Repurchase of common stock under equity incentive plan	(2,528)	(4)			(4)	
Balance, December 31, 2011	10,610,716	19,273	1,528	148	20,949	
Comprehensive loss:						
Net loss			(1,589)		(1,589)	$ (1,589)
Other comprehensive income, net of taxes:						
Net change in unrealized gain on available-for-sale investment securities				306	306	306
Total comprehensive loss						$ (1,283)
Restricted common stock compensation expense		28			28	
Balance, September 30, 2012	10,610,716	19,301	(61)	454	19,694	

xiii. similar financial information for such part of the 2 preceding fiscal years as the issuer or its predecessor has been in existence;

Please refer to the Company's audited balance sheets as of December 31, 2011 and December 31, 2010 and related consolidated statements of operations, statements of changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2011 in conformity with generally accepted accounting principles together with the report of independent certified public accountants included in NorCal Community Bancorp's 2010 Annual Report.

A copy of the Company's 2011 Annual Report can be found on the home page of the Company's web site www.bankofalameda.com under the title Investor Relations.

xiv. whether a broker or dealer or any associated person is affiliated, directly or indirectly with the issuer;

Mr. Gregory Gersack is a managing principal of FIG Partners, LLC, a registerered broker dealer. No other broker or dealer or any associated person is affiliated, directly or indirectly, with the issuer in connection with any shares of the Company's common stock that may be resold under Rule 144. One or more brokers or dealers facilitate trades in the Company's common stock and may act as informal market makers. However, no broker or dealer has any obligation to purchase or sell any of the Company's shares of common stock at any time and may discontinue any market making activities at any time.

xv. [omitted]

xvi. whether the quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, and, if so, the name of such person, and the basis for any exemption under the federal securities laws for any sales of such securities on behalf of such person.

To the best knowledge of the issuer, there is no quotation being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, or at the request of any promoter for the issuer.

As of the date of this disclosure, officers or directors of the Company for whose account a broker or dealer is offering to sell shares of the Company's common stock include the following: **NONE as of September 30, 2012**

This information has been prepared by the Company. If this information is made available by a broker or dealer to other persons pursuant to a request under Rule 15c2-11, delivery of this information to other persons shall not constitute a representation by the broker or dealer that the information is accurate.

Date on which this information was last revised: **September 30, 2012**

No dealer, salesman or any other person has been authorized to give any information or to make any representations not contained herein in connection with the issuer. Such information or representations, if made, must not be relied upon as having been authorized by the issuer.

Delivery of this information file does not at any time imply that the information contained herein is correct as of any time subsequent to the date above.

Appendix A

SUPERVISION AND REGULATION

Recent Developments

In June 2012, the Board of Governors of the Federal Reserve System and other banking agencies issued three related proposals to revise their risk-based and leverage capital requirements consistent with agreements reached by the Basel Committee on Banking Supervision (Basel III). The proposed rules would apply to all insured banks and savings associations, top-tier bank holding companies domiciled in the United States with more than $500 million in assets, and savings and loan holding companies that are domiciled in the United States. Because the Company is a “small bank holding company” that currently has less than $500 million in assets, it would not be immediately affected by adoption of these rules, but Bank of Alameda would be separately covered by certain provisions of the proposals.

Provisions of the first proposal (the “Basel III NPR”) include (i) implementation of a new common equity tier 1 minimum capital requirement, a higher minimum tier 1 capital requirement, and, for the largest banking organizations, a supplementary leverage ratio that incorporates a broader set of exposures, and (ii) limits on a banking organization's capital distributions and certain discretionary bonus payments if the banking organization does not hold a specified "buffer" of common equity tier 1 capital (generally 2.5% after full phase-in) in addition to the minimum risk-based capital requirements. The Basel III NPR also would revise the agencies' prompt corrective action framework by incorporating the new regulatory capital minimums and updating the definition of tangible common equity.

The second proposal (the “the Standardized Approaches NPR”) would revise the calculation of risk-weighted assets for certain exposures and provide for more favorable capital treatment for certain derivatives cleared through central counterparties (as compared to the treatment for bilateral transactions) in order to create an incentive for banking organizations to enter into cleared transactions. It would also impose disclosure requirements that would apply to top-tier banking organizations domiciled in the United States with $50 billion or more in total assets that are not subject to disclosure requirements under the current “advanced approaches” rule.

The third proposal (the “Advanced Approaches and Market Risk NPR”) amends the calculation of market risk to better characterize the risks facing a particular institution. It applies to a banking organization with aggregate trading assets and liabilities equal to 10 percent of total assets, or $1 billion or more. Changes include a reduction in the role of credit ratings in favor of alternative standards of creditworthiness when determining the capital requirements for securitization positions.

Dodd Frank Act

In response to the nation’s current economic difficulties, there have been competing proposals for new federal or state laws and regulations regarding lending, funding practices,

capital and liquidity standards. Financial institution regulatory agencies have been aggressive in responding to concerns and trends identified in examinations resulting in an increase in the number of formal regulatory enforcement actions.

In July 2010, Congress adopted and President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd Act"). The Dodd Act provides for significant changes to the structure of federal financial regulation and new substantive requirements that apply to a broad range of market participants, including public companies that are not financial institutions. It includes corporate governance and executive compensation reforms, new registration requirements for hedge fund and private equity fund advisers, heightened regulation of over-the-counter derivatives and asset-backed securities and new rules for credit rating agencies. Among other things, the Dodd Act:

- Requires significant changes to the authority of the Federal Reserve and the Securities and Exchange Commission as well as enhanced oversight and regulation of banks and non-bank financial institutions.

- Creates a new Financial Stability Oversight Council whose purpose is to identify risk and respond to threats to the financial stability of the United States economy arising from large, inter-connected financial firms and impose special assessments on the nation's largest financial firms to raise up to $19 billion to offset the cost of the Dodd Act.

- Gives the FDIC the authority to oversee the wind down of a failing financial company whose failure threatens the nation's financial stability.

- Establishes a new Consumer Financial Protection Bureau within the Federal Reserve. This agency will be authorized to adopt rules for consumer protections applicable to all financial institutions.

- Extends the FDIC's Transaction Account Guarantee program for non-interest bearing accounts to December 31, 2012.

- Permanently increases FDIC insurance coverage limit to $250,000.

- Phases out (over three years beginning in 2013) Tier 1 capital treatment for trust preferred securities issued on or before May 19, 2010 by companies with more than $15 billion in assets at December 31, 2009, and allows only certain companies with less than $500 million in assets to treat trust preferred securities issued after May 19, 2010, as Tier 1 capital.

Although the Dodd Act is intended to address many of the perceived causes of the current financial crisis and improve the functioning of financial market, the consequences of the Dodd Act cannot be reasonably estimated at this time, but the act certain aspects of the Dodd Act could have adverse implications on the financial industry, the competitive environment and our operations by reducing revenue and increasing operating costs. Accordingly, the ultimate effects of other earlier legislation and regulation intended to address the nation's economic difficulties,

including the Emergency Economic Stabilization Act of 2008, the American Recovery and Reinvestment Act of 2009, and numerous programs adopted under these acts, such as the Troubled Asset Relief Program ("TARP") and Temporary Liquidity Guaranty program, are still uncertain.

Previous Measures

Emergency Economic Stabilization Act and TARP. On October 3, 2008, Congress adopted the Emergency Economic Stabilization Act ("EESA"), including a Troubled Asset Relief Program ("TARP"). TARP gave the United States Treasury Department ("Treasury") authority to deploy up to $700 billion into the financial system for the purpose of improving liquidity in capital markets. On October 14, 2008, Treasury announced plans to direct $250 billion of this authority into preferred stock investments in banks and bank holding companies through a Capital Purchase Program.

After careful consideration, the Board of Directors decided not to participate in the Capital Purchase Program.

Temporary Liquidity Guarantee Program. On November 21, 2008, the Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") adopted a final rule relating to the Temporary Liquidity Guarantee Program ("TLG Program"). Under the TLG Program as amended to date, the FDIC will (i) guarantee, through the earlier of maturity or December 31, 2012, certain newly issued senior unsecured debt issued by participating institutions on or after October 14, 2008, and before October 31, 2009 and (ii) provide full FDIC deposit insurance coverage for non-interest bearing transactions deposit accounts, Negotiable Order of Withdrawal ("NOW") accounts paying less than 0.50% interest per annum and Interest on Lawyers Trust Accounts ("IOLTA") accounts held at participating FDIC insured institutions through December 31, 2010. The Dodd Act extends the program to December 31, 2012, except for NOW accounts. Coverage under the TLG Program was available for the first 30 days without charge. The fee assessment for coverage of senior unsecured debt ranges for 50 basis points to 100 basis points per annum, depending on the initial maturity of the debt.

Regulatory Programs. On February 10, 2009, the U.S. Treasury, the Federal Reserve Board, the FDIC, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision all announced a comprehensive set of measures to restore confidence in the strength of the U.S. financial institutions and restart the critical flow of credit to households and businesses. The core program elements included programs known as the Capital Assistance Program, the Public-Private Investment Fund, expansion of the Term Asset-Backed Securities Lending Facility ("TALF"), and new governance and oversight conditions related to lending, dividends and executive compensation.

America Reinvestment and Recovery Act . The America Reinvestment and Recovery Act of 2009 (also known as the "stimulus bill"), adopted on February 17, 2009, contained broad new restrictions on executive compensation for financial institutions and other companies participating in the TARP program.

Regulatory Environment

The banking and financial services industry is extensively regulated. Statutes, regulations and policies affecting the industry are frequently under review by Congress and state legislatures, and by the federal and state agencies charged with supervisory and examination authority over banking institutions. Changes in the banking and financial services industry can be expected to occur in the future. Some of the changes may create opportunities for NorCal Community Bancorp and the Bank to compete in financial markets with less regulation. However, these changes also may create new competitors in geographic and product markets which have historically been limited by law to bank institutions, such as the Bank. Changes in the statutes, regulations, or policies that impact NorCal Community Bancorp and the Bank cannot necessarily be predicted and may have a material effect on their business and earnings.

The operations of bank holding companies and their subsidiaries are affected by the credit and monetary polices of the Board of Governors of the Federal Reserve System ("FRB"). An important function of the FRB is to regulate the national supply of bank credit. Among the instruments of monetary policy used by the FRB to implement its objectives are open market operations in U.S. government securities, changes in the discount rate on bank borrowings, and changes in reserve requirements on bank deposits. These instruments of monetary policy are used in varying combinations to influence the overall level of bank loans, investments and deposits, the interest rates charged on loans and paid for deposits, the price of the dollar in foreign exchange markets, and the level of inflation. The credit and monetary policies of the FRB will continue to have a significant effect on the Bank and on NorCal Community Bancorp.

Set forth below is a summary of significant statutes, regulations and policies that apply to the operation of banking institutions. This summary is qualified in its entirety by references to the full text of such statutes, regulations and policies.

Bank Holding Company Act

As a bank holding company, NorCal Community Bancorp is subject to regulation under the Bank Holding Company Act of 1956, as amended ("BHC Act"), and is required to register as such with, and subject to examination by, the FRB. Pursuant to the BHC Act, NorCal Community Bancorp is subject to limitations on the kinds of businesses in which it can engage directly or through subsidiaries. It is permitted to manage or control banks. Generally, however, it is prohibited, with certain exceptions, from acquiring direct or indirect ownership or control of more than five percent of any class of voting shares of an entity engaged in nonbanking activities, unless the FRB finds such activities to be "so closely related to banking" as to be deemed "a proper incident thereto" within the meaning of the BHC Act.

Bank acquisitions by bank holding companies are also regulated. A bank holding company may not acquire more than five percent of the voting shares of any domestic bank without the prior approval of the FRB.

The BHC Act subjects bank holding companies to minimum capital requirements. See "—Regulatory Capital Requirements." Regulations and policies of the FRB also require a bank

holding company to serve as a source of financial and managerial strength to its subsidiary banks. The FRB's policy is that a bank holding company should stand ready to use available resources to provide adequate capital funds to a subsidiary bank during periods of financial stress or adversity and should maintain the financial flexibility and capital-raising capacity to obtain additional resources for assisting a subsidiary bank. Under certain conditions, the FRB may conclude that certain actions of a bank holding company, such as a payment of a cash dividend, would constitute an unsafe and unsound banking practice.

Regulation and Supervision of the Bank of Alameda

The Bank is a California state-chartered commercial bank. The Bank's deposits are insured by the FDIC and thus are subject to the rules and regulations of the FDIC pertaining to deposit insurance, including deposit insurance assessments. The Bank also is subject to regulations and supervision by the California Department of Financial Institutions. Applicable federal and state regulations address many aspects of the Bank's business and activities, including investments, loans, borrowings, transactions with affiliates, branching, acquisitions of other banks or branches of other banks, reporting and other areas.

Dividends

A California corporation such as NorCal Community Bancorp may make a distribution to its shareholders if the corporation's retained earnings equal at least the amount of the proposed distribution or if the value of the corporations' assets after the distribution will equal or exceed its liabilities and any unpaid dividends on preferred securities, if any.

The primary source of funds for payment of dividends by NorCal Community Bancorp to its shareholders will be the receipt of dividends and management fees from the Bank. NorCal Community Bancorp's ability to receive dividends from the Bank will be limited by applicable state and federal law. Under Section 642 of the California Financial Code, funds available for cash dividend payments by a bank are restricted to the lesser of; (i) retained earnings; or (ii) the Bank's net income for its last three fiscal years (less any distributions to shareholders made during such period). However, under Section 648 of the California Financial Code, with the prior approval of the Commissioner, a bank may pay cash dividends in an amount not to exceed the greater of the: (1) retained earnings of the bank; (2) net income of the bank for its last fiscal year; or (3) net income of the bank for its current fiscal year. However, if the state finds that the shareholders' equity of the bank is not adequate or that the payment of a dividend would be unsafe or unsound, the Commissioner may order such bank not to pay a dividend to shareholders.

Additionally, under the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), a bank may not make any capital distribution, including the payment of dividends, if after making such distribution the bank would be in any of the "undercapitalized" categories under the FDIC's Prompt Corrective Action regulations. A bank is undercapitalized for this purpose if its leverage ratios, Tier 1 risk-based capital level and total risk-based capital ratio are not at least four percent, four percent and eight percent, respectively. See "—Regulatory Capital Requirements."

The FRB and the DFI have authority to prohibit a bank holding company or a bank from engaging in practices which are considered to be unsafe and unsound. Depending on the financial condition of the Bank and upon other factors, the FRB or the DFI could determine that payment of dividends or other payments by NorCal Community Bancorp or the Bank might constitute an unsafe or unsound practice. Finally, any dividend that would cause a bank to fall below required capital levels could also be prohibited. See "—Regulatory Capital Requirements."

Effect of Governmental Policies and Legislation

Banking is a business that depends in large part on rate differentials. In general, the difference between the interest rate paid by the Bank on its deposits and its other borrowings and the interest rate received by the Bank on loans extended to its customers and securities held in the Bank's portfolio comprise the major portion of the Bank's earnings. These rates are highly sensitive to many factors that are beyond the control of the Bank. Accordingly, the earnings and growth of the Bank are subject to the influence of domestic and foreign economic conditions, including inflation, recession and unemployment.

The commercial banking business is not only affected by general economic conditions but is also influenced by the monetary and fiscal policies of the federal government and the policies of regulatory agencies, particularly the Federal Reserve Board. The FRB implements national monetary polices (with objectives such as curbing inflation and combating recession) by its open-market operations in the United States government securities, by adjusting the required level of reserves for financial institutions, subject to its reserve requirements, and by varying the discount rates applicable to borrowings by depository institutions. The actions of the FRB in theses areas influence the growth of the bank loans, investments, and deposits and also affect interest rates charged on loans and paid on deposits. The monetary policies of the FRB have had a significant effect on the operating results of commercial banks in the past and are expected to do so in the future. However, the effect, if any, such polices on the future business and earnings of the Bank cannot be accurately predicted.

Regulatory Capital Requirements

Federal regulations establish guidelines for calculating "risk-adjusted" capital ratios. These guidelines, which apply to banks and bank holding companies, establish a systematic approach of assigning risk weights to bank assets and commitments, making capital requirements more sensitive to differences in risk profiles among banking organizations. For these purposes, "Tier 1" capital consists of common equity, non-cumulative perpetual preferred stock and minority interests in the equity accounts of consolidated subsidiaries and excludes goodwill. "Tier 2" capital consists of cumulative perpetual preferred stock, limited-life preferred stock, mandatory convertible securities, subordinated debt and (subject to a limit of 1.25% of risk-weighted assets) general loan loss reserves. In calculating the relevant ratio, a bank's assets and off-balance sheet commitments are risk-weighted; thus, for example, generally loans are included at 100% of their book value while assets considered less risky are included at a percentage of their book value (20%, for example, for interbank obligations and Government

Agency securities, and 0% for vault cash and U.S. Government securities).

Under these regulations, to be considered adequately capitalized, banks and bank holding companies are required to maintain a risk-based capital ratio of 8%, with Tier 1 risk-based capital (primarily shareholders' equity) constituting at least 50% of total qualifying capital or 4% of risk-weighted assets.

Assets and credit equivalent amounts of off-balance sheet items are assigned to one of several broad risk classifications, according to the obligor or, if relevant, the guarantor or the nature of the collateral. The aggregate dollar value of the amount in each risk classification is then multiplied by the risk weight associated with that classification. The resulting weighted values from each of the risk classifications are added together. This total is the bank's total risk weighted assets.

Risk weights for off-balance sheet items, such as unfunded loan commitments, letters of credit and recourse arrangements, are determined by a two-step process. First, the "credit equivalent amount" of the off-balance sheet items is determined, in most cases by multiplying the off-balance sheet item by a credit conversion factor. Second, the credit equivalent amount is treated like any balance sheet asset and is assigned to the appropriate risk category according to the obligor or, if relevant, the guarantor or the nature of the collateral. This result is added to the bank's risk weighted assets and comprises the denominator of the risk-based capital ratio.

Additionally, regulators have adopted a minimum leverage capital ratio standard. This standard is designed to ensure that all financial institutions, irrespective of their risk profile, maintain minimum levels of core capital, which by definition excludes the allowance for loan losses. These minimum standards for top rated institutions may be as low as 3%; however, regulatory agencies have stated that most institutions should maintain ratios at least 1 to 2 percentage points above the 3% minimum.

Capital ratios for the Company and the Bank are shown in the footnotes to the audited financial statements.

Regulations also define "well capitalized" institutions as those with a leverage ratio of 5% or above, a Tier 1 risk-based capital ratio of 6% or above (not applicable to bank holding companies), and a total risk-based capital ratio of 10% or above. Well capitalized bank holding companies that are considered well managed are entitled to certain expedited processing of applications and notices filed with the FRB under the BHC Act. California state banks that are adequately capitalized are entitled to similar processing of applications and notices filed with the DFI. The Bank and the Company meet the requirements pertaining to the definition "well capitalized."

Federal regulations have established five tiers of capital measurement ranging from "well capitalized" to "critically undercapitalized." Federal bank regulatory authorities are required to take prompt corrective action with respect to inadequately capitalized banks. If a bank does not meet the minimum capital requirements set by its regulators, the regulators are compelled to take certain actions, which may include a prohibition on payment of dividends to a parent holding company and requiring adoption of a capital restoration plan which must be guaranteed by the

Bank's holding company. Failure to comply will result in further sanctions, which may include orders to raise capital, merge with another institution, restrict transactions with affiliates, limit asset growth or reduce asset size, divest certain investments and/or elect new directors. It will be NorCal Community Bancorp's policy to maintain risk-based capital ratios for the Bank at or above the minimum for the "well capitalized" levels (6% Tier 1 risk-based; 10% total risk-based; 5% leverage ratio).

Adoption of proposed rules issued in June 2012 will further increase capital requirements. See "Recent Developments."

Safety and Soundness Standards

The federal banking agencies have adopted final guidelines establishing safety and soundness standards for all insured depository institutions. Those guidelines relate to internal controls, information systems, internal audit systems, loan underwriting and documentation, compensation and interest rate exposure.

In general, the standards are designed to assist the federal banking agencies in identifying and addressing problems at insured depository institutions before capital becomes impaired. If an institution fails to meet these standards, the appropriate federal banking agency may require the institution to submit a compliance plan and may institute enforcement proceedings if an acceptable compliance plan is not submitted.

Premiums for Deposit Insurance

The FDIC has developed a risk-based assessment system providing that the assessment rate for an insured depository institution varies according to the level of risk incurred in its activities. Institutions are classified into one of four risk categories. The FDIC is able to assess higher rates to institutions with a significant reliance on secured liabilities or a significant reliance on brokered deposits but, for well-managed and well-capitalized institutions, only when accompanied by rapid asset growth.

Assessments are now based on the average consolidated total assets less tangible equity capital of a financial institution, rather than on deposits as in the past. Assessment rates range from 2.5 to 9 basis points on the broader assessment base for banks in the lowest risk category ("well capitalized" and CAMELS I or II) and up to 30 to 45 basis points for banks in the highest risk category.

In February 2009, the FDIC announced a proposed special emergency assessment of 20 basis points, with the possibility of an additional emergency assessment. The FDIC ultimately adopted a special assessment of 5 basis points times an institution's assets less its Tier 1 capital, not to exceed 10 basis points times its deposit assessment base. In addition, in December 2009, the FDIC assessed an estimate of the insurance premiums for 2010, 2011 and 2012 totaling $1,347,000. This prepaid amount will be amortized to expense over 2010, 2011 and 2012.

The Dodd-Frank Act resulted in additional changes in assessments for deposit insurance,

including a revised range of assessment rates against a base determined by reference to assets and capital rather than to deposits.

Liability of Commonly Controlled Institutions

An FDIC-insured depository institution can be held liable for any loss incurred or expected to be incurred by the FDIC in connection with another FDIC-insured institution under common control with that institution being "in default" or "in danger of default" (commonly referred to as "cross-guarantee" liability). An FDIC claim for cross-guarantee liability against a depository institution is generally superior in right of payment to claims of the holding company and its affiliates against the depository institution.

Orderly Liquidation of Bank Holding Companies

The Dodd Act provides for the orderly liquidation of certain financial services companies (including bank holding companies) through the appointment of the FDIC as receiver upon insolvency and the occurrence of certain other events.

Audit Requirements

Like all California state-chartered commercial banks, the Bank is required to have an annual independent audit and to prepare all financial statements in accordance with generally accepted accounting principles. The Bank is audited on a consolidated basis with the Company. The Bank is also required to have an independent audit committee comprised entirely of outside directors.

Community Reinvestment Act

Pursuant to the Community Reinvestment Act ("CRA") of 1977, the federal regulatory agencies that oversee the banking industry are required to use their authority to encourage financial institutions to help meet the credit needs of the local communities in which such institutions are chartered, consistent with safe and sound banking practices. When conducting an examination of a financial institution such as the Bank, the agencies assess the institution's record of meeting the credit needs of its entire community, including low- and moderate- income neighborhoods. This record is taken into account in an agency's evaluation of an application for creation or relocation of domestic branches or for merger with another institution. Failure to address the credit needs of a bank's community may also result in the imposition of certain other regulatory sanctions, including a requirement that corrective action be taken.

The federal banking regulators have promulgated regulations to implement the Community Reinvestment Act. These agencies determine a bank's CRA rating by evaluating its performance on lending, service, and investment tests, with the lending test as the most important. The tests are intended to be applied in an "assessment context" that is developed by the agency for a particular institution. The assessment context takes into account demographic data about the community, the community's characteristics and needs, the institution's capacities and constraints, the institution's product offerings and business strategy, the institution's prior

performance, and data on similarly situated lenders. Since the assessment context is developed by the regulatory agencies, a particular bank does not know until it is examined whether its CRA programs and efforts have been sufficient.

Larger institutions are required to compile and report certain data on their lending activities in order to measure performance. Some of this data is also required under other laws, such as the Equal Credit Opportunity Act. Small institutions are examined on a "streamlined assessment method." The streamlined method focuses on the institution's loan to deposit ratio, degree of local lending, record of lending to borrowers and neighborhoods of differing income levels, and record of responding to complaints.

Potential Enforcement Actions

FDICIA requires the federal banking agencies to take prompt corrective action to resolve the problems of insured depository institutions, including but not limited to those that fall below one or more prescribed minimum capital ratios. Each of the federal banking agencies has issued regulations defining the following five categories in which an insured depository institution will be placed, based on the level of its capital ratios: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. An insured depository institution generally will be classified in the following categories based on the capital measures indicated below:

Capital Category	**Total Risk-Based Capital Ratio**	**Tier 1 Risk-Based Capital Ratio**	**Tier 1 Leverage Ratio**
Well capitalized	10.0%	6.0%	5.0%
Adequately capitalized	8.0%	4.0%	4.0%
Undercapitalized	<8.0%	<4.0%	<4.0%
Significantly undercapitalized	<6.0%	<3.0%	<3.0%
September 30, 2012			
Bank of Alameda	**16.84%**	**15.58%**	**10.28%**
NorCal Community Bancorp	**16.74%**	**13.72%**	**9.07%**

An institution is critically undercapitalized if it has a ratio of tangible equity to total assets that is equal to or less than 2.0 percent.

Adoption of proposed rules issued in June 2012 will increase certain capital requirements for prompt corrective action purposes. See "Recent Developments."

An institution that, based upon its capital levels, is classified as well-capitalized, adequately capitalized or undercapitalized may be treated as though it were in the next lower capital category if the appropriate federal banking agency, after notice and an opportunity for hearing, determines that an unsafe or unsound condition or an unsafe or unsound practice warrants such treatment. At each successive lower capital category, an insured depository institution is subject to more restrictions. The federal banking agencies, however, may not treat

an institution as “critically undercapitalized” unless its capital ratio actually warrants such treatment.

If an insured depository institution is undercapitalized, it will be closely monitored by the appropriate federal banking agency. Undercapitalized institutions must submit an acceptable capital restoration plan. If the institution is owned by a holding company, the capital restoration plan must include a guarantee of performance issued by the holding company. Further restrictions and sanctions are required to be imposed on insured depository institutions that are critically undercapitalized. The most important additional measure is that the appropriate federal banking agency is required to either appoint a receiver for the institution within 90 days or obtain the concurrence of the FDIC in another form of action.

In addition to measures taken under the prompt corrective action provisions, commercial banking organizations may be subject to potential enforcement actions by the federal regulators for unsafe or unsound practices in conducting their businesses or for violations of any law, rule, regulation or any condition imposed in writing by the agency or any written agreement with the agency. Enforcement actions may include the imposition of a conservator or receiver, the issuance of a cease-and-desist order that can be judicially enforced, the termination of insurance of deposits (in the case of a depository institution), the imposition of civil money penalties, the issuance of directives to increase capital, the issuance of formal and informal agreements, the issuance of removal and prohibition orders against institution-affiliated parties and the enforcement of such actions through injunctions or restraining orders based upon a prima facie showing by the agency that such relief is appropriate. Additionally, a holding company’s inability to serve as a source of strength to its subsidiary banking organizations could serve as an additional basis for a regulatory action against the holding company.

Financial Privacy and Protection Laws

In November 2007, federal banking agencies together with the NCUA and FTC adopted regulations under the Fair and Accurate Credit Transactions Act of 2003 to require financial institutions and other creditors to develop and implement a written identity theft prevention program to detect, prevent and mitigate identity theft in connection with consumer accounts and other accounts that present a reasonably foreseeable risk of identity theft. In addition, the Right to Financial Privacy Act requires for financial institutions to provide privacy protections to consumers, disclosures to consumers of its privacy policy, and state the rights of consumers to direct their financial institution not to share their nonpublic personal information with third parties. The Gramm-Leach-Bliley Financial Services Modernization Act imposes further obligations and requirements on financial institutions with respect to the handling and protection of customer information. See “Financial Services Modernization Act,” below. Penalties for noncompliance or violations under these laws may include fines, reimbursement and other penalties.

Financial Services Modernization Act

The Gramm-Leach-Bliley Financial Services Modernization Act of 1999 eliminates most barriers to affiliations among banks and securities firms, insurance companies, and other

financial service providers, and enables full affiliations to occur between such entities. The legislation permits bank holding companies to become "financial holding companies" and thereby acquire securities firms and insurance companies and engage in other activities that are financial in nature. A bank holding company may become a financial holding company if each of its subsidiary banks is well capitalized under the FDICIA prompt corrective action provisions, is well managed, and has at least a satisfactory rating under the Community Reinvestment Act. A bank holding company becomes a financial holding company by filing a declaration that it wishes to do so. No regulatory approval is required for a financial holding company to acquire a company (other than a bank or saving association) that is engaged in activities that are financial in nature or incidental to activities that are financial in nature, as determined by the Federal Reserve Board.

The Gramm-Leach-Bliley Act defines "financial in nature" to include securities underwriting, dealing and market making; sponsoring mutual funds and investment companies; insurance underwriting and agency activities; merchant banking activities; and other activities that the Board has determined to be closely related to banking. In addition, a national bank also may engage, through a financial subsidiary of the bank and subject to limitations on investment, in activities that are financial in nature, other than insurance underwriting, insurance company portfolio investment, real estate development and real estate investment. To be eligible to engage in such activities the bank must be well capitalized, well managed and have at least a satisfactory CRA rating. Also, in order to continue to engage in activities that are financial in nature without regulatory actions or restrictions, subsidiary banks of a financial holding company or national banks with financial subsidiaries must continue to be well capitalized and well managed. Failure to remain well capitalized and well managed can result in the imposition of regulatory actions or restrictions, which could include divestiture of the subsidiary. In addition, a financial holding company or a bank may not acquire a company that is engaged in activities that are financial in nature unless each of the subsidiary banks of the financial holding company or the bank has a CRA rating of satisfactory or better.

The Gramm-Leach-Bliley Act also reformed the overall regulatory framework of the financial services industry. In order to implement its underlying purposes, The Gramm-Leach-Bliley Act preempted state laws that would restrict the types of financial affiliations that are authorized or permitted under The Gramm-Leach-Bliley Act, subject to specified exceptions for state insurance laws and regulations. With regard to securities laws, The Gramm-Leach-Bliley Act removed the blanket exemption for banks from being considered brokers or dealers under the Exchange Act and replaced it with a number of more limited exemptions. Thus, previously exempted banks may become subject to the broker-dealer registration and supervision requirements of the Exchange Act. The exemption that prevented bank holding companies and banks that advise mutual funds from being considered investment advisers under the Investment Advisers Act of 1940 was also eliminated.

Separately, the Gramm-Leach-Bliley Act imposes customer privacy requirements on any company engaged in financial activities. Under these requirements, a financial company is required to protect the security and confidentiality of customer nonpublic personal information. Also, for customers that obtain a financial product such as a loan for personal, family or household purposes, a financial company is required to disclose its privacy policy to the customer at the time the relationship is established and annually thereafter, including its policies

concerning the sharing of the customer's nonpublic personal information with affiliates and third parties. If an exemption is not available, a financial company must provide consumers with a notice of its information sharing practices that allows the consumer to reject the disclosure of its nonpublic personal information to third parties. Third parties that receive such information are subject to the same restrictions as the financial company on the reuse of the information. Finally, a financial company is prohibited from disclosing an account number or similar item to a third party for use in telemarketing, direct mail marketing or other marketing through electronic mail.

The federal bank regulatory agencies have also established standards for safeguarding nonpublic personal information about customers that implement provisions of the Gramm-Leach-Bliley Act. Among other things, these guidelines require each financial institution, under the supervision and ongoing oversight of its Board of Directors or an appropriate committee thereof, to develop, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, to protect against any anticipated threats or hazards to the security or integrity of such information, and to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.

Other Consumer Protection Laws and Regulations

The bank regulatory agencies closely monitor an institution's compliance with consumer protection laws and regulations. The examination and enforcement activities conducted by these agencies are intense, and banks have been advised to focus on compliance with consumer protection laws and their implementing regulations. The Dodd Act establishes the Bureau of Consumer Financial Protection, which has broad authority to regulate providers of credit, savings, payment and other consumer financial products and services.

Due to heightened regulatory concern related to compliance with consumer protection laws and regulations generally, the Bank may incur additional compliance costs or be required to expend additional funds for investments in the local communities it serves.

The California Corporate Disclosure Act

The California Corporate Disclosure Act, or CCD, was enacted in response to the "Enron scandal." It increased the frequency and expanded the scope of information required in filings by publicly traded companies with the California Secretary of State. In addition to basic information about a corporation's executive officers and directors, it requires disclosure of the following:

- The name of the independent auditor for the publicly traded company, a description of the services rendered by the auditor during the previous 24 months, the date of the last audit and a copy of the report;

- The annual compensation paid to each director and executive officer, including options or shares granted to them that were not available to other employees of the company;

- A statement indicating whether any bankruptcy has been filed by any of the company's executive officers or directors during the past 10 years.

- A statement indicating whether any of the company's executive officers or directors were convicted of fraud during the past 10 years.

For purposes of the CCD, a "publicly traded company" is any company with securities that are listed on or admitted to trading on a national or foreign exchange, or is the subject of a two-way quotation, such as both "bid" and "asked" prices, that is regularly published by one or more broker-dealers in the National Daily Quotations Service or a similar service.

Nontraditional Mortgage Product Risk

In September 2006 the federal bank regulatory agencies issued an Interagency Guidance on Nontraditional Mortgage Product Risk to address the risks posed by residential mortgage products that allow borrowers to defer repayment of principal and sometimes interest. Nontraditional mortgage loans, referred to variously as "nontraditional," "alternative," or "exotic" mortgage loans, include "interest-only" mortgages and "payment option" adjustable-rate mortgages which typically allow borrowers to exchange lower payments during an initial period for higher payments later. The bank regulatory agencies noted that while some of these products have been available for many years the number of institutions offering them has been expanding rapidly and that these products are offered to a wide spectrum of borrowers who may not otherwise qualify for a similar-size mortgage under traditional terms and underwriting standards. The Interagency Guidance was released due to concerns that some borrowers may not fully understand the risks of these products, a concern that is elevated with nontraditional mortgage products because of the lack of principal amortization and the potential for negative amortization. In addition, the Interagency Guidance points out that institutions are increasingly combining these loans with other features that may compound risk, such as making simultaneous second-lien mortgages and relying on reduced or no documentation in evaluating an applicant's creditworthiness.

Recently the increasing number of defaults related to sub-prime and nontraditional residential mortgage loans has led to mortgage loan liquidity problems as the funding sources for such loans (and to some extent for more traditional mortgage loan products as well) have been greatly reduced. Although residential mortgage loans are a relatively small part of the Bank's loan portfolio, problems with the availability of funds for residential mortgage loans may affect the availability of funds for other types of loans as well and may therefore have an impact on the results of the Bank's operations.

Legislation and Proposed Regulations

The Dodd Act requires various agencies to conduct numerous studies and adopt a substantial number of new regulations. No prediction can be made as to the impact that new studies or regulations might have on the Company.

Conclusions

It is impossible for the Company to predict with any degree of accuracy the competitive impact the laws and regulations described above will have on commercial banking in general and on the business of the Company in particular, or to predict whether or when any of the proposed legislation and regulations described above will be adopted. The Company anticipates that banking will continue to be a highly regulated industry. Additionally, there has been a continued lessening of the historical distinction between the services offered by financial institutions and other businesses offering financial services. Also, the trend toward nationwide interstate banking is expected to continue. As a result of these factors, the Company anticipates that banks will experience increased competition for deposits and loans and, possibly, further increases in their cost of doing business.