



**For Immediate Release**

July 29, 2011

**Company Press Release**

## **NorCal Community Bancorp Announces Second Quarter and First Half 2011 Financial Results**

ALAMEDA, Calif. – (BUSINESS WIRE) – July 29, 2011. NorCal Community Bancorp (the “Company”) (OTC Bulletin Board: NCLC), parent company for Bank of Alameda, today reported a 2011 second quarter net loss of \$95,000, or (\$0.01) per diluted share, compared to a net loss of \$720,000, or (\$0.23) per diluted share, for the same period a year ago. For the six months ended June 30, 2011 the Company reported a net loss of \$290,000, or (\$0.03) per diluted share, compared to a net loss of \$2.8 million, or (\$0.89) per diluted share for the same period in 2010.

“This quarter continues to reflect the improvement of our asset quality, as indicated by marked reductions in non-performing assets, net charge-off activity and loan loss provisioning,” stated Stephen G. Andrews, President and Chief Executive Officer. “Significant progress has been made with non-performing assets decreasing over \$14.1 million, or 57% to \$10.8 million at June 30, 2011 compared to \$24.9 million at June 30, 2010.”

As of June 30, 2011, total assets were \$247.5 million, up from \$245.8 million at June 30, 2010. Total loans and leases have decreased \$22.1 million, or 12% to \$159.6 million at June 30 2011 compared to \$181.7 million at June 30, 2010. Total deposits decreased to \$217.6 million at June 30, 2011, compared to \$219.7 million at June 30, 2010.

Andrews stated, “We have worked diligently to reduce the risk profile of our loan portfolio and in doing so have greatly reduced our real estate construction and land development exposure.” At June 30, 2011 this segment equaled \$10.0 million, or 6% of the total loan and lease portfolio, compared to \$30.6 million, or 17% at June 30, 2010.

The Bank’s total cost of deposits continues to remain very favorable. For the three and six month period ended June 30, 2011 this ratio was 0.34% for both periods. This compares to 0.47% and 0.50%, for the same period in 2010.

Total Risk-based Capital and Tier 1 Leverage Ratio at June 30, 2011, on a consolidated basis was 17.68% and 10.96, respectively, compared to 14.50% and 8.85%, at June 30, 2010. In November 2010, the Company reported raising over \$7.4 million in new capital through a private placement transaction.

Andrews closed with stating, “Our focusing on the key components of core operations - service, community involvement and local decision making – will serve to further improve the value of our franchise and the return to profitability.”

A copy of the Company's information and disclosure statement pursuant to Securities and Exchange Commission Rule 15c2-11 can be found on the home page of the Company's website at [www.bankofalameda.com](http://www.bankofalameda.com) under the Investor Relations section.

Cautionary Statement: This release may contain certain forward-looking statements that are subject to risks and uncertainties that could cause actual results and events to differ materially from those stated herein. Words such as "anticipate," "believe," "estimate," "expect," "should," "intend," "project," and words or phrases of similar meaning are intended to identify forward-looking statements. Management's assumptions and projections are based on their anticipation of future events and actual performance may differ materially from that projected.

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**NorCal Community Bancorp**  
**FINANCIAL HIGHLIGHTS**

(Dollar amounts in thousands, except share and per share data)  
(Unaudited)

	<b>Three Months Ended</b>			<b>Six Months Ended</b>		
	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>% Change</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>% Change</b>
<b>FOR THE PERIOD</b>						
Total interest income	\$ 2,623	\$ 2,785	-6%	\$ 5,166	\$ 5,807	-11%
Total interest expense	241	317	-24%	490	666	-26%
Net interest income	2,382	2,468	-3%	4,676	5,141	-9%
Provision for loan and lease losses	300	1,025	-71%	600	3,535	-83%
Noninterest income	221	188	18%	412	476	-13%
Noninterest expense	2,326	2,349	-1%	4,704	4,884	-4%
Loss before provision for income taxes	(23)	(718)	97%	(216)	(2,802)	92%
Provision for income tax expense	72	2		74	2	
Net loss	<u>\$ (95)</u>	<u>\$ (720)</u>	87%	<u>\$ (290)</u>	<u>\$ (2,804)</u>	90%
Basic loss earnings per share	\$ (0.01)	\$ (0.23)	96%	\$ (0.03)	\$ (0.89)	97%
Diluted loss earnings per share	\$ (0.01)	\$ (0.23)	96%	\$ (0.03)	\$ (0.89)	97%
Average shares outstanding	10,613,244	3,166,755		10,613,244	3,166,755	
Diluted average shares for the period	10,613,244	3,166,755		10,613,244	3,166,755	
<b>SELECTED FINANCIAL RATIOS</b> <b>(Annualized)</b>						
Return on average assets	-0.15%	-1.16%		-0.23%	-2.24%	
Return on average equity	-1.84%	-16.76%		-2.84%	-31.02%	
Yield on earning assets	4.32%	4.62%		4.22%	4.78%	
Cost of funds	0.61%	0.72%		0.62%	0.76%	
Net interest margin	3.92%	4.09%		3.82%	4.23%	
Efficiency ratio	89.34%	88.47%		92.46%	86.96%	
Net charge-offs as a percentage of average loans and leases	1.64%	2.50%		2.13%	3.28%	
Loan loss provision as a percentage of average loans and leases	0.74%	2.21%		0.75%	3.72%	

## Financial Highlights - Continued

	As of		
	June 30, 2011	June 30, 2010	% Change
<b>CONSOLIDATED BALANCE SHEET</b>			
<b>ASSETS</b>			
Cash and due from banks			
Interest bearing	\$ 1,704	\$ 2,238	-24%
Non-interest bearing	37,060	30,603	21%
Investment securities	46,136	25,460	81%
Loans and leases	159,610	181,687	-12%
Allowance for loan and lease losses	(4,712)	(5,816)	-19%
Net loans and leases	154,898	175,871	-12%
Other assets	7,701	11,652	-34%
<b>TOTAL ASSETS</b>	<b>\$ 247,499</b>	<b>\$ 245,824</b>	<b>1%</b>
<b>LIABILITIES</b>			
Deposits			
Non-interest bearing	\$ 71,376	\$ 54,958	30%
Interest bearing	146,215	164,770	-11%
Total deposits	217,591	219,728	-1%
Other liabilities	9,318	9,473	-2%
<b>TOTAL LIABILITIES</b>	<b>226,909</b>	<b>229,201</b>	<b>-1%</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>20,590</b>	<b>16,623</b>	<b>24%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 247,499</b>	<b>\$ 245,824</b>	<b>1%</b>
Book value per share	\$ 1.94	\$ 5.25	
<b>REGULATORY CAPITAL RATIOS</b>			
Leverage ratio	10.96%	8.85%	
Tier 1 risk-based capital ratio	15.76%	11.90%	
Total risk-based capital ratio	17.68%	14.50%	
<b>ASSET QUALITY METRICS</b>			
ALLL as a percentage of total loans and leases	2.95%	3.20%	
Non-performing assets as a percentage of total loans and leases + OREO	6.60%	13.40%	
Non-performing assets as a percentage of total equity + ALLL (Texas ratio)	42.66%	111.12%	