

For Immediate Release
October 24, 2008

Company Press Release

NorCal Community Bancorp Announces Results for the Third Quarter 2008

ALAMEDA, Calif. – (BUSINESS WIRE) – October 24, 2008. NorCal Community Bancorp (the “Company”) (OTC Bulletin Board: NCLC), parent company for Bank of Alameda, today announced results for the quarter ended September 30, 2008. Net income for the three months ended September 30, 2008 totaled \$102,000, compared to \$855,000 in the same period of 2007. Diluted earnings per share were \$0.03 in the third quarter of 2008, compared to \$0.26 in the third quarter of 2007. Net income for the nine months ended September 30, 2008 decreased \$1.246 million or 56% to \$990,000, compared to net income of \$2.236 million for the same period in 2007. Earnings per diluted share decreased 57% to \$0.30 per share for the nine months ended September 30, 2008, compared to \$0.69 for the nine months ended September 30, 2007.

These results reflect the substantial increase in the provision for loan and lease losses in 2008. The Company provided to its allowance for loan and lease losses \$715,000 and \$1.305 million for the three and nine months ended September 30, 2008, respectively, compared to \$70,000 and \$110,000 for the like periods in 2007. “We recognize that during these tumultuous times it is important for management to remain diligent in identifying problems in our loan portfolio,” said Stephen G. Andrews, President and CEO. “Our early identification of credit issues, and sound management of our problem assets will serve us in the future and provide for a stronger balance sheet,” said Andrews.

The allowance for loan and lease losses stood at 1.64% of total loans and leases at September 30, 2008. At September 30, 2008, non-performing loans and OREO as a percentage of total assets was 3.62% or \$10.1 million. “It is unclear when this economic downturn will bottom out. Management believes it critical to build its reserves to manage through this period,” stated Troy Williams, Chief Credit Officer. “We believe that we have exercised sound judgment in our approach to analyzing the potential risk in our current loan portfolio,” stated Williams.

The Company and its subsidiary, Bank of Alameda both remain “well capitalized” as defined under regulatory capital guidelines. The total risk-based capital ratio at September 30, 2008 stood at 15.46% and 14.60%, respectively, at the Company and Bank, well in excess of the 10% required by regulators to maintain “well capitalized” status. “The Board of Directors exercised sound capital strategies and was able to capitalize on opportunities to strengthen its capital position prior to the meltdown of Wall Street,” said Andrews.

“Although we have seen a decline in our earnings so far this year, we are pleased to be profitable in a time when many financial institutions are experiencing losses. In addition, I think it is important to point out our strengths and accomplishments,” commented Andrews.

- Bank of Alameda continues to remain a safe and sound financial institution. The Bank does not hold any common or preferred stock of either Fannie Mae or Freddie Mac, has not participated in any subprime lending, and does not hold any mortgage-backed investment securities.

- Our liquidity position continues to strengthen. As of September 30, 2008, Federal Home Loan Bank advances decreased to \$4.0 million which consisted of fixed rate term borrowings, compared to \$20.0 million in overnight and fixed term FHLB advances at June 30, 2008. Cash and cash equivalents have increased \$11.3 million, or 174%, at September 30, 2008 compared to June 30, 2008.
- Total deposits increased \$21.2 million to \$238.4 at September 30, 2008 compared to \$217.2 at September 30, 2007. Bank of Alameda remains a highly regarded and safe community bank.
- Our net interest margin continues to remain above our peers equaling 5.22% for the nine months ended September 30, 2008 and 4.92% for the three month period ended September 30, 2008. It should be noted that the “de-leveraging” of the balance sheet and the successful tactics taken to reduce our liquidity risk is expected to contract the net interest margin in future periods, a strategic trade-off to strengthen our financial condition.
- Non-interest expense control measures are underway which has helped reduce expenses in each successive quarter in 2008.

In closing, the Board of Directors, management and staff would like to pay tribute to our highly respected and deeply regarded director, Dr. David S. Oliver whose untimely passing took place in July 2008. His wisdom, guidance and dedication will be greatly missed by all who worked side-by-side with him.

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 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)

FOR THE PERIOD:	Three Months Ended			Nine Months Ended		
	Sept 30, 2008	Sept 30, 2007	% Change	Sept 30, 2008	Sept 30, 2007	% Change
Net interest income	\$ 3,289	\$ 3,895	-16%	\$ 10,494	\$ 11,141	-6%
Provision for loan and lease losses	715	70	921%	1,305	110	1086%
Noninterest income	202	188	7%	508	543	-6%
Noninterest expense	2,691	2,609	3%	8,245	7,917	4%
Income before provision for income taxes	85	1,404	-94%	1,452	3,657	-60%
Provision for income taxes	(17)	549	-103%	462	1,421	-67%
Net income	\$ 102	\$ 855	-88%	\$ 990	\$ 2,236	-56%
Net income per basic share	\$ 0.03	\$ 0.28	-89%	\$ 0.33	\$ 0.75	-56%
Net income per diluted share	\$ 0.03	\$ 0.26	-88%	\$ 0.30	\$ 0.69	-57%
Average shares outstanding	3,116,475	3,040,654		3,007,064	2,999,659	
Diluted average shares	3,231,216	3,229,628		3,262,472	3,225,796	

SELECTED FINANCIAL RATIOS (Annualized):

Return on average assets	0.15%	1.26%	0.48%	1.07%
Return on average equity	1.48%	13.25%	4.85%	12.06%
Average shareholders' equity to average assets	9.96%	9.54%	9.82%	8.85%
Net interest margin	4.92%	5.97%	5.22%	5.89%
Efficiency ratio	77.08%	63.90%	74.94%	69.83%

AT PERIOD END:

Loans and leases	\$ 241,594	\$ 238,220
Allowance for loan and lease losses	\$ 3,953	\$ 2,997
Assets	\$ 279,200	\$ 264,693
Shareholders' equity	\$ 27,403	\$ 26,070
Deposits	\$ 238,378	\$ 217,202
Total risk-based capital ratio - Consolidated	15.46%	14.87%
Total risk-based capital ratio - Bank of Alameda	14.60%	12.86%
Allowance for loan and lease losses to total loans and leases	1.64%	1.26%
Non-performing assets to total assets	3.62%	0.04%
Common shares outstanding	3,175,988	3,047,522