



Bank of Commerce Reports Fourth Quarter Results and Year-to-Date

CHARLOTTE, January 24, 2012 -- Bank of Commerce (BONC.OB) posted a net loss available to common shareholders of \$847,000 for the quarter ending December 31, 2011, compared to net loss available to common shareholders of \$1,271,000 for the same period last year.

"In 2011 we continued to work diligently on improving asset quality by charging down balances on loans where repayment may be partially or fully dependent on the sale of real estate. As area real estate values continued to decline in 2011, we responded accordingly and charged-down \$3.0 million in loans and foreclosed properties. We remain well capitalized and are positioned to serve the borrowing needs of our small business customer in 2012," said Wes Sturges, President & CEO.

The Bank's net loss available to common shareholders for the year ended December 31, 2011 was \$1,814,000, compared to \$999,000 for 2010. Total assets were \$145.2 million at December 31, 2011 down from \$171.0 million at December 31, 2010.

Bank of Commerce serves the needs of independently owned businesses in the Charlotte, N.C. area. From a midtown Charlotte office at 100 Queens Road, we offer guidance to clients from experienced loan officers, in addition to start-up financing and other banking products, services and information. Online banking, courier service and extended deposit hours are additional hallmarks of the Bank of Commerce. The Bank's common stock is quoted in the over-the-counter market through the OTC Bulletin Board under the symbol "BONC.OB." For additional information, contact Bank of Commerce Headquarters, 100 Queens Road, Charlotte, N.C. (telephone 704-971-7000) or visit www.BankofCommerceNC.com.

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Bank of Commerce. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of the Bank and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like "expect," "anticipate," "estimate" and "believe," variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. The Bank does not undertake an obligation to update any forward-looking statements.

Bank of Commerce
2011 Fourth Quarter Report

Balance Sheets

In Thousands	December 31, 2011	December 31, 2010
Assets	<i>(unaudited)</i>	*
Cash	\$ 1,233	\$ 9,355
Federal funds sold	6,915	1,788
Investment securities	34,127	39,778
Loans, gross	97,255	113,239
Allowance for loan losses	(2,099)	(2,081)
Foreclosed properties	2,075	2,971
Other assets	5,722	5,972
Total assets	<u>\$ 145,228</u>	<u>\$ 171,022</u>
Liabilities and Shareholders' Equity		
Deposits	\$ 100,148	\$ 123,665
Borrowed funds	31,672	32,868
Other liabilities	878	590
Shareholders' equity	12,530	13,899
Total liabilities and shareholders' equity	<u>\$ 145,228</u>	<u>\$ 171,022</u>

* Derived from audited financial statements

Statements of Operations

In Thousands	For the Quarter Ending		For the Year Ending	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Total interest income	\$ 1,498	\$ 1,812	\$ 6,608	\$ 7,672
Total interest expense	383	626	1,995	2,681
Net interest income	1,115	1,186	4,613	4,991
Provision for loan losses	928	85	2,024	1,136
Net interest income after provision for loan losses	187	1,101	2,589	3,855
Securities gains	136	315	472	968
Other non-interest income	71	69	281	277
Total non-interest income	207	384	753	1,245
Loss on foreclosed properties	170	1,598	966	1,814
Other non-interest expense	1,063	1,110	4,101	4,093
Total non-interest expense	1,233	2,708	5,067	5,907
Loss before taxes	(839)	(1,223)	(1,725)	(807)
Provision for income taxes	-	-	-	-
Net loss	(839)	(1,223)	(1,725)	(807)
Preferred stock dividend	8 **	48	89	192
Net loss attributable to common shareholders	<u>\$ (847)</u>	<u>\$ (1,271)</u>	<u>\$ (1,814)</u>	<u>\$ (999)</u>

** The FDIC did not grant the Bank permission to pay the last two scheduled dividends on preferred stock issued to the Treasury under the Capital Purchase Program.