



Bank of Commerce Reports Profit in the Fourth Quarter

CHARLOTTE, January 12, 2010 -- Bank of Commerce (BONC.OB) posted a net income of \$124,000 available to common shareholders for the quarter ending December 31, 2009, compared to net income of \$74,000 for the same period in 2008. Total assets have grown from \$145.5 million at December 31, 2008 to \$173.4 million as of December 31, 2009 with gross loans increasing to \$122.4 million and deposits increasing to \$118.7 million.

“The general expectation is that the economic recovery will continue to be slow and challenging; therefore, we see the potential in our market for additional business failures and as a result, loan defaults. Given this possibility, we have continued to build our loan loss reserves accordingly,” said Wes Sturges, President & CEO. “I am pleased that even while building this reserve we were able to achieve profitability in the fourth quarter.”

The Bank’s net loss for the year ended December 31, 2009 was \$3,863,000, compared to net income of \$275,000 for last year. During the year, \$4,921,000 was added to the allowance for loan losses primarily as a result of loan charge-offs of \$4,608,000.

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 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.” The FDIC has extended its coverage from \$100,000 to \$250,000 until December 31, 2013. Additionally, the Bank participates in the Transactional Account Guarantee Program that fully guarantees all balances in non-interest bearing transaction accounts until June 30, 2010. 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				
2009 Fourth Quarter Report				
Balance Sheets				
In Thousands				
	December 31,			
	2009	2008		
Assets	<i>(unaudited)</i>	<i>(audited)</i>		
Cash	\$ 4,061	\$ 555		
Federal funds sold	859	3,805		
Investment securities	41,403	29,438		
Loans, gross	122,365	108,379		
Allowance for loan losses	(1,836)	(1,523)		
Other assets	6,511	4,796		
Total assets	\$ 173,363	\$ 145,450		
Liabilities and Shareholders' Equity				
Deposits	\$ 118,738	\$ 83,820		
Borrowed funds	39,074	43,557		
Other liabilities	571	2,241		
Shareholders' equity	14,980	15,832		
Total liabilities and shareholders' equity	\$ 173,363	\$ 145,450		
Statements of Operations (Unaudited)				
In Thousands				
	For the Quarter Ending		For the Year Ending	
	December 31,	December 31,	December 31,	December 31,
	2009	2008	2009	2008
Total interest income	\$ 2,004	\$ 1,792	\$ 7,729	\$ 6,545
Total interest expense	740	735	3,143	2,611
Net interest income	1,264	1,057	4,586	3,934
Provision for loan losses	270	114	4,921	528
Net interest income (loss) after provision for loan losses	994	943	(335)	3,406
Total other income	113	100	565	345
Total other expense	934	969	3,905	3,476
Income (loss) before taxes	173	74	(3,675)	275
Provision for income taxes	-	-	-	-
Net income (loss)	173	74	(3,675)	275
Preferred stock dividend	49	-	188	-
Net income (loss) applicable to common shareholders	\$ 124	\$ 74	\$ (3,863)	\$ 275