



Press Release

BCB Reports Net Loss of \$0.38 Million

(Hamilton, Bermuda, November 25, 2009) - Details of the financial results and operations of Bermuda Commercial Bank Limited ("BCB" or "the Bank") for the financial year ending September 30, 2009 are as follows:

Bermuda Commercial Bank Limited recorded a net operating loss of \$0.38 million for the year ended September 30, 2009 compared to a net profit of \$5.16 million in 2008. However there was a net gain in shareholders' equity, due to a \$1.81 million unrealized gain in investments in securities.

The financial turmoil over the last year has deeply impacted all levels of business and few companies remain untouched by the initial credit crisis or the lingering hangover in the financial markets. As a service provider to primarily financial companies, BCB has suffered the effects of the crisis as many of our clients have experienced reduced fortunes and continue to do so. In 2009 client attrition has outpaced new business.

BCB's business model has always been vulnerable to reductions in base interest rates – it is the trade-off we accepted for our low risk balance sheet approach. In 2009 this vulnerability has been severely tested by an unprecedented interest rate environment which has decimated our core interest income. Short term U.S. interest rates finished the year close to zero and resulted in the Bank's interest income being reduced dramatically to \$6.51 million from \$19.26 million. While this was to some extent offset by lower interest expense, the net result was a \$3.76 million decrease in our net interest income.

On the plus side, the Bank does not have any of the credit derivative investments or high risk lending exposure that has caused problems for banks around the world and BCB therefore posted no related investment or credit losses. Both our liquidity and the safety of our client deposits remain exemplary. In 2009 our capital base reached its highest level ever, surpassing \$75 million.

Fee and other income decreased by \$1.70 million to \$2.88 million for the year ended September 30, 2009. This decrease was driven by reduced Custody and Fund Administration revenues compared to 2008 levels. In the second half of 2008 the Bank saw a number of large clients move their assets to other jurisdictions and the general tenor of our remaining clients' business remains low. Foreign exchange income also reduced significantly following a slow-down in client activity.

The Bank's total assets were \$423.35 million at September 30, 2009 compared to \$486.84 at September 30, 2008 a decrease of \$63.49 million or 13.0%. The Bank's asset quality and liquidity remains excellent and at September 2009 our assets were 96.5% cash, money market funds and term deposits with 98.3% of this having maturities of less than one month. However, deposit levels at the Bank remain lower than previous years as many of our corporate and fund clients suffer reduced business activity at this time.

At September 30, 2009 the Bank's shareholders' equity stood at \$75.05 million compared to \$71.62 million a year earlier. In light of the Bank's recorded operating loss for the year and continued historically low interest rates, the Board reluctantly decided to withhold any dividend payments during the year. Management considers that any economic recovery will be slow but could bring increased interest rates and stronger corporate client activity as 2010 progresses. The Bank is well placed to benefit when this occurs.

As this letter goes to press we are seeing some signs of a muted recovery within the Bank. Downward trends appear to be leveling off and pipeline business is strengthening, albeit from a very weak base.

The following table depicts selected financial data to accompany the preceding narrative.

Summary Financial Data

Statement of Operations for the year ended

	September 30, 2009	September 30, 2008
Net interest income	\$ 4,901,402	\$ 8,657,176
Total revenues	\$ 7,905,866	\$ 13,712,384
Total expenses	\$ 8,280,880	\$ 8,555,340
Net (loss) income	\$ (375,014)	\$ 5,157,044
Basic (loss) earnings per common share	\$ (0.06)	\$ 1.06
Diluted (loss) earnings per common share	\$ (0.06)	\$ 0.85

Balance Sheet as at

	September 30, 2009	September 30, 2008
Total assets	\$ 423,354,027	\$ 486,837,287
Cash, money market funds and term deposits	\$ 408,633,506	\$ 484,531,421
Total customer deposits	\$ 345,550,694	\$ 407,642,784
Half yearly dividend	\$ 0	\$ 2,301,075
Shareholders' equity	\$ 75,052,584	\$ 71,618,989

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About Bermuda Commercial Bank

Bermuda Commercial Bank is one of Bermuda's four licensed banks, established in 1969 and listed on the Bermuda Stock Exchange. Bermuda Commercial Bank is a corporate and private wealth bank, offering a range of services through its subsidiaries International Corporate Management of Bermuda, BCB Trust Company Limited, Bercom Nominees Limited and BCB (Mauritius) Limited. Bermuda Commercial Bank takes pride in ensuring clients' assets are safely and professionally managed at our Hamilton based office. For more information on the Bank please visit our website www.bcb.bm.

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