



PRESS RELEASE

BCB REPORTS NET INCOME OF \$5.16 MILLION

(Hamilton, Bermuda, November 12, 2008) - The Directors of Bermuda Commercial Bank Limited ("BCB" or "the Bank") are pleased to announce the annual results of the Bank for the financial year ending September 30, 2008.

BCB's net income for the year ended September 30, 2008 was \$5.16 million. This compares to net income of \$5.94 million in 2007. Basic and diluted earnings per share for the year ended September 30, 2008 are \$1.06 and \$0.85, respectively. Basic and diluted earnings per share for the year ended September 30, 2007 were \$1.36 and \$1.08, respectively. The difference between basic and diluted earnings per share is a consequence of considering the 1,800,000 outstanding options as at September 30, 2008 in the calculation.

Mr. John Sainsbury, President, stated that "While 2008 net income failed to match 2007 levels we did not see any of the large losses which are currently having such a devastating impact on global banking profitability. BCB has no credit investments and no derivatives and our liquidity is second to none. We did not invest in any of the markets or products that are now causing such problems around the world. BCB's long-standing conservative approach to managing our capital and our clients' deposits meant the Bank did not fully share in the fruits of the boom years. However, this strategy is currently serving us very well. The Bank has not, however, been totally immune to the current financial turmoil. Many of our clients have been affected by the crisis which has curtailed their financial activity through the Bank. Also, the U.S. Federal Reserve has decreased base interest rates to historically low levels. As a result of these two items our net interest income decreased by \$1.85 million from \$10.51 million in 2007 to \$8.66 million for the year ended September 30, 2008."

Total assets were \$486.84 million at September 30, 2008 compared to \$621.55 million at September 30, 2007, a decrease of \$134.71 million or 21.7%. Mr. Sainsbury stated that "This reflects a corresponding \$147.91 million decrease in client deposits. BCB is banker to many large mutual and hedge fund clients which over the last number of months have seen their subscription levels drop dramatically. Our asset quality and liquidity remains excellent and as with prior years, at September 2008 our assets were 100% cash with 99% of this having maturities of less than one month."

Fee and other income decreased by \$0.16 million to \$5.05 million for the year ended September 30, 2008. This decrease resulted despite \$0.47 million in gains associated with the Visa and MasterCard IPOs. The Bank's shareholders' equity has also increased by an additional \$0.27 million in unrealised gains from the Visa IPO. Custody and fund administration revenues decreased by \$0.48 million being negatively impacted by the withdrawal of a number of large clients in the second half of the year. The Bank's Chief Operating Officer, Horst Finkbeiner, stated that "Although we are disappointed by the loss of this valuable business, the departures were out of our control and resulted from jurisdictional changes. Our new business pipeline is currently very strong and we are confident of shortly offsetting a large portion of this lost fee revenue."

Total expenses for the year ended September 30, 2008 were \$8.56 million compared to \$9.77 million for the prior year, a decrease of \$1.21 million or 12.40%. Mr. Finkbeiner noted that “While we have certainly managed to control and reduce costs in light of the reduction in net interest and fee incomes, the majority of this decrease results from the inclusion in the 2007 figures of an additional \$0.81 million of expenses relating to the sale process.”

The Bank’s outstanding warrants expired on May 30, 2008 and since September 30, 2007, 1,363,794 warrants were converted to common shares at \$7.50 resulting in a \$10.23 million addition to shareholders’ equity.

Mr. Sainsbury stated that “The Board of Directors of the Bank has approved a half-yearly dividend of \$0.40, or \$0.80 per share for the year. This dividend represents 88.9% of annual 2008 earnings and generates an annual yield of 7.1% based on the average fiscal year 2008 trading price of \$11.28 for the Bank’s common stock.” He cautioned, however, that “If current low interest rates continue, and we expect that they will, this will have a negative impact on the Bank’s profitability levels for 2009 and it will not be possible to maintain the current dividend level.”

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

Summary Financial Data

Statement of Operations for the year ended

	September 30, 2008	September 30, 2007
Net interest income	\$ 8,657,176	\$ 10,506,972
Total revenues	\$ 13,712,384	\$ 15,715,598
Total expenses	\$ 8,555,340	\$ 9,777,180
Net income	\$ 5,157,044	\$ 5,938,418

Balance Sheet as at

	September 30, 2008	September 30, 2007
Total assets	\$ 486,837,287	\$ 621,546,371
Cash and cash equivalents	\$ 484,531,421	\$ 618,598,554
Total customer deposits	\$ 407,642,784	\$ 555,545,620
Half yearly dividend	\$ 2,301,075	\$ 1,755,557
Shareholders' equity	\$ 71,618,989	\$ 60,161,113

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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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