



BAY COMMERCIAL BANK REPORTS THIRD QUARTER 2006 RESULTS

WALNUT CREEK, California – (BUSINESS WIRE) – October 27, 2006 -- Bay Commercial Bank (OTCBB:BCML) today announces its 3rd quarter and year to date 2006 operating results.

The Bank reported total assets as of September 30, 2006 of \$69.7 million including loans outstanding of \$51.4 million compared to September 30, 2005 total assets of \$48.1 million and total loans outstanding of \$32.7 million. At September 30, 2006, total deposits were \$55.8 million compared to total deposits at September 30, 2005 of \$34.5 million. The Bank's operating income for the third quarter 2006 was \$96,000 or \$0.06 per share compared to a loss for the same period in 2005 of \$109,000, or a loss of \$0.07 per share. The Bank's operating income for year to date ended September 30, 2006 was \$97,000 or \$0.06 per share compared to a loss for the same period in 2005 of \$540,000, or a loss of \$0.35 per share.

George J. Guarini, Chief Executive Officer of Bay Commercial Bank, stated "The recent months have been very active. As of November 1, 2006, we will relocate our Oakland office to its new client friendly location: 155 Grand Avenue, Oakland. In addition, we are pleased to announce that Mr. David Meyer has joined the Bank as Senior Vice President. Mr. Meyer has an extensive background in banking including a specialization in commercial lending. Finally, Mr. Wai-Yew Lam will join the Bank as Vice President to manage our Bankers Exchange Services division. The Bankers Exchange Services division was formed to market I. R. C. Section 1031 exchange services, directly to investors and existing clients. We look forward to the business opportunities these individuals bring to the Bank and its clients."

Mr. Lloyd Kendall, Jr., tax attorney and former president of Lawyers Asset Management, Inc., and a Director of Bay Commercial Bank, stated "I believe Bay Commercial Bank is well positioned to provide 1031 exchange services directly to investors and to other third party intermediaries. I look forward to working with the Bank as it expands its business development efforts to include this market segment."

The Bank offers a full range of loan and deposit products and services to businesses and their affiliates throughout the Bay Area. Its headquarter office is located at 1280 Civic Drive, Suite 100, Walnut Creek, California. The Bank has one branch at 155 Grand Ave, Oakland, California. Bay Commercial Bank is a member of FDIC and is an Equal housing lender. Bay Commercial Bank is traded on the bulletin board under the symbol BCML.OB and the Bank can be found at www.baycommercialbank.com.

The Bank has made forward-looking statements in this Press Release that are subject to risks and uncertainties. Forward-looking statements include information concerning the Bank's possible or assumed future results of operations. Also, when the Bank uses such words as "believe," "expect," "anticipate," "plan," "could," "intend," or similar expressions, it is making forward-looking statements. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Bank's actual results could differ materially from those anticipated in any forward-looking statements as a result of certain factors, including those set forth in "Risk Factors" and elsewhere in its Offering Circular and are incorporated herein by reference. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Selected Financial Data**9/30/06**

	Quarter Ending <u>9/30/2006</u>	Quarter Ending <u>9/30/2005</u>	Year to Date <u>9/30/2006</u>	Year to Date <u>9/30/2005</u>	Year Ending <u>12/31/2005</u>
<u>Balance Sheet</u> (dollars in thousands)					
Total Assets	\$ 69,720	\$ 48,135	\$ 69,720	\$ 48,135	\$ 43,347
Total Loans	51,429	32,668	51,429	32,668	35,908
Total Deposits	55,804	34,532	55,804	34,532	29,748
Shareholders' Equity	13,655	13,387	13,655	13,387	13,406
<u>Operating Results</u> (dollars in thousands)					
Interest Income	\$ 1,173	\$ 691	\$ 2,974	\$ 1,559	\$ 2,330
Interest Expense	414	207	968	388	639
Net Interest Income	759	484	2,006	1,171	1,691
Provision for Loan Losses	105	75	200	245	295
Non-interest Income	24	18	69	43	62
Non-interest Expense	582	536	1,778	1,509	1,984
Net Income(Loss)	<u>\$ 96</u>	<u>\$ (109)</u>	<u>\$ 97</u>	<u>\$ (540)</u>	<u>\$ (526)</u>
<u>Ratios and Data</u>					
Net Interest Margin	5.53%	4.60%	5.53%	4.68%	4.71%
Efficiency Ratio	74%	107%	86%	124%	113%
Leverage Capital Ratio	24.4%	41.2%	24.4%	41.2%	29.6%
Income(Loss) Per Share - basic	\$ 0.06	\$ (0.07)	\$ 0.06	\$ (0.35)	\$ (0.34)
Shares of Common Stock	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000

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