



BAY COMMERCIAL BANK REPORTS THIRD QUARTER 2008 RESULTS

WALNUT CREEK, California – October 27, 2008 -- Bay Commercial Bank (OTCBB:BCML) today announces its 3rd quarter 2008 operating results.

The Bank reported total assets as of September 30, 2008 of \$104.1 million including loans outstanding of \$93.1 million compared to September 30, 2007 total assets of \$85.7 million and total loans outstanding of \$75.0 million. At September 30, 2008, total deposits were \$80.7 million compared to total deposits at September 30, 2007 of \$70.4 million. The Bank's operating income for the third quarter 2008 was \$69,000 or \$0.04 per share compared to net income for the same period in 2007 of \$434,000, or \$0.28 per share. The Bank's 2008 year to date operating income was \$236,000 or \$0.15 per share compared to net income for the same period in 2007 of \$837,000, or \$0.54 per share. The Bank's 2008 operating results are on a fully taxed basis as the Bank recognized all of its net operating loss tax benefit in 2007.

George J. Guarini, Chief Executive Officer of Bay Commercial Bank, stated "Despite the challenging economic environment, the Bank continues to maintain an operating profit, be well capitalized, and maintains a strong liquidity position. We continue to be focused on credit quality. During the third quarter we noted an increase in deposits into our CDAR's product (www.cdars.com), designed specifically for large depositors, as it allows for expanded FDIC insurance protection (currently up to \$50 million). The Bank continues to provide relationship guided loans to our clients and prospects. We remain steadfast in our vision to search for opportunities to grow our franchise both organically and externally."

The Bank offers a full range of loan and deposit products and services to businesses and their affiliates throughout the Bay Area. Its full services branches are located at 1280 Civic Drive, Suite 100, Walnut Creek, California and at 155 Grand Avenue, Suite 100, Oakland, California. The Bank also has an office at 5820 Stoneridge Mall Road, Suite 100, Pleasanton, 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 Bankers Exchange Services Division can be found at www.BES1031.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.

Contact:

Bay Commercial Bank, Walnut Creek, California

Keary Colwell, 925-476-1800

keary.colwell@baycommercialbank.com

Selected Financial Data

September 30, 2008

	Quarter Ending <u>9/30/2007</u>	Quarter Ending <u>9/30/2008</u>	Year to date <u>9/30/2007</u>	Year to Date <u>9/30/2008</u>	Year Ending <u>12/31/2007</u>
<i>Balance Sheet</i>					
(dollars in thousands)					
Total Assets	\$ 85,746	\$ 104,149	\$ 85,746	\$ 104,149	\$ 90,710
Total Loans	74,960	93,122	74,960	93,122	79,766
Total Deposits	70,384	80,670	70,384	80,670	69,793
Shareholders' Equity	14,837	15,531	14,837	15,531	15,238

Operating Results

(dollars in thousands)

Interest income	\$ 1,641	\$ 1,456	\$ 4,679	\$ 4,334	\$ 6,354
Interest expense	606	510	1,867	1,549	2,508
Net interest income	1,035	946	2,812	2,785	3,846
Provision for loan losses	85	100	172	208	232
Non-interest income	61	307	172	757	275
Non-interest expense	738	1,021	2,135	2,886	2,856
Net Income before tax	273	132	677	448	1,033
Income tax (benefit)	(161)	63	(160)	212	(174)
Net Income	\$ 434	\$ 69	\$ 837	\$ 236	\$ 1,207

Ratios and Data

Net interest margin	5.15%	3.82%	4.84%	3.91%	4.81%
Efficiency ratio	67.3%	81.5%	71.5%	81.5%	69.30%
Leverage capital ratio	18.2%	15.4%	18.2%	15.4%	17.2%
Income per share - basic	\$ 0.28	\$ 0.04	\$ 0.54	\$ 0.15	\$ 0.78
Common stock	1,549,794	1,549,794	1,549,794	1,549,794	1,548,211
Income per share - diluted	\$ 0.28	\$ 0.04	\$ 0.54	\$ 0.15	\$ 0.77
Common stock - diluted	1,549,794	1,572,090	1,550,405	1,580,666	1,559,192

END