



BAY COMMERCIAL BANK DECLINES TO PARTICIPATE IN THE CAPITAL PURCHASE PROGRAM

WALNUT CREEK, California – December 10, 2008 -- Bay Commercial Bank (OTCBB:BCML) today announces it has decided not to participate in the Treasury’s Capital Purchase program under the Troubled Asset Restructuring Program, referred to as TARP. The Bank does, however, intend to participate in the Liquidity Guarantee Program offered by the Federal Deposit Insurance Corporation.

George J. Guarini, Chief Executive Officer of Bay Commercial Bank, stated “After careful consideration and analysis, we determined that the Bank could not profitably invest the additional unneeded capital.” Guarini went on to say, “Despite the challenging economic environment, the Bank continues to be well capitalized, has strong credit quality, maintains an operating profit and a strong liquidity position. The Bank has no non-performing assets and has not incurred a significant loan loss since its inception in 2004. However, in this economic climate, we believe it is important for our clients to know that their deposits are insured to the maximum amount possible.”

The Bank reported total capital as of September 30, 2008 of \$15.5 million and regulatory capital ratios as follows:

	September 30, 2008	
	<u>Bay Commercial Bank</u>	<u>Well Capitalized</u>
Leverage Ratio	15.4%	5.0%
Tier I Risk-based Capital Ratio	16.0%	6.0%
Total Risk-based Capital Ratio	17.2%	10.0%

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.

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