

BAY COMMERCIAL BANK REPORTS SECOND QUARTER 2008 RESULTS

WALNUT CREEK, California – July 30, 2008 -- Bay Commercial Bank (OTCBB:BCML) today announces its 2nd quarter 2008 operating results.

The Bank reported total assets as of June 30, 2008 of \$98.7 million including loans outstanding of \$88.1 million compared to June 30, 2007 total assets of \$82.3 million and total loans outstanding of \$64.6 million. At June 30, 2008, total deposits were \$77.8 million compared to total deposits at June 30, 2007 of \$67.5 million. The Bank's operating income for the second quarter 2008 was \$57,000 or \$0.04 per share compared to net income for the same period in 2007 of \$204,000, or \$0.13 per share. The Bank's 2008 year to date operating income was \$167,000 or \$0.11 per share compared to net income for the same period in 2007 of \$403,000, or \$0.26 per share. The Bank's 2008 operating results are on a fully taxed basis as the Bank utilized all of its net operating loss tax benefit in 2007.

George J. Guarini, Chief Executive Officer of Bay Commercial Bank, stated "The compression of net interest rate margin clearly has had its effect on the banking industry, however asset quality remains our priority. We are using these uncertain economic conditions as an opportunity to raise the bar and are fortunate to be in a position to make strategic investments in our core business lines. 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.

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Selected Financial Data
June 30, 2008

	Quarter Ending <u>6/30/2008</u>	Quarter Ending <u>6/30/2007</u>	Year to Date <u>6/30/2008</u>	Year to Date <u>6/30/2007</u>	Year Ending <u>12/31/2007</u>
<i><u>Balance Sheet</u></i>					
(dollars in thousands)					
Total Assets	\$ 98,651	\$ 82,298	\$ 98,651	\$ 82,298	\$ 90,710
Total Loans	88,105	64,613	88,105	64,613	79,766
Total Deposits	77,837	67,489	77,837	67,489	69,793
Shareholders' Equity	15,446	14,383	15,446	14,383	15,238

Operating Results

(dollars in thousands)

Interest income	\$ 1,379	\$ 1,535	\$ 2,878	\$ 3,038	\$ 6,354
Interest expense	467	621	1,039	1,261	2,508
Net interest income	912	914	1,839	1,777	3,846
Provision for loan losses	78	45	108	87	232
Non-interest income	291	43	450	111	275
Non-interest expense	1,014	708	1,865	1,397	2,856
Net Income before tax	111	204	316	404	1,033
Income tax (benefit)	54	-	149	1	(174)
Net Income	\$ 57	\$ 204	\$ 167	\$ 403	\$ 1,207

Ratios and Data

Net interest margin	3.83%	4.81%	3.98%	4.68%	4.81%
Efficiency ratio	84.3%	74.0%	81.5%	74.0%	69.3%
Leverage capital ratio	15.5%	18.5%	15.5%	18.5%	17.2%
Income per share - basic	\$ 0.04	\$ 0.13	\$ 0.11	\$ 0.26	\$ 0.78
Common stock	1,549,794	1,549,794	1,549,794	1,549,794	1,548,211
Income per share - diluted	\$ 0.04	\$ 0.13	\$ 0.11	\$ 0.25	\$ 0.77
Common stock - diluted	1,549,891	1,595,693	1,550,716	1,596,358	1,559,192

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