

July 18, 2006
Walnut Creek, CA . .

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BWC FINANCIAL CORP. ANNOUNCES 2006 SECOND QUARTER & FIRST HALF EARNINGS

James L. Ryan, Chief Executive Officer and Chairman of the Board of BWC Financial Corp. and its subsidiary Bank of Walnut, announced net income for the six month period ending June 30, 2006.

The Corporation reported net income of \$4,214,000 or \$1.01 diluted earnings per share for the six months ended June 30, 2006, compared to income of \$3,662,000 or \$0.86 diluted earnings per share for the same period in 2005. Earnings for first half 2006 represent 1.52% return on average assets (ROA) and 15.96% return on average equity (ROE), compared to 1.45% return on average assets (ROA) and 15.30% return on average equity for first half 2005.

For second quarter 2006, net income was \$2,138,000 or \$0.51 diluted earnings per share, compared to net income of \$1,982,000 or \$0.46 diluted earnings per share for the same period in 2005. Return on average assets for second quarter 2006 was 1.52% and return on average equity was 15.92% compared to second quarter 2005 return on average assets of 1.54% and return on average equity of 16.50%. The Corporation's second quarter earnings were adversely affected by expenses of approximately \$350,000 related to merger activities.

In conjunction with the proposed merger of Bank of Walnut Creek and First Republic Bank, BWC Financial Corp. sold its majority interest in BWC Mortgage to the minority partner, resulting in the discontinuance of this subsidiary.

Total assets of the Corporation at June 30, 2006 were \$569,966,000, compared to total assets of \$551,688,000, at June 30, 2005.

Founded in 1980, Bank of Walnut Creek's headquarters and main office are at 1400 Civic Drive, Walnut Creek. Additional branch offices are in Orinda, San Ramon, Danville, Pleasanton, and Livermore, with a regional commercial banking office in San Jose.

Additional details may be found in the Summary of Consolidated Financial Results for second quarter and first half 2006:

Selected Financial Data - Summary:

The following table provides certain selected consolidated financial data as of and for the three month and six-month periods ended June 30, 2006 and 2005.

SUMMARY INCOME STATEMENT (Unaudited in thousands except share data)	Quarter Ended		Year to Date	
	June 30,		June 30,	
	2006	2005	2006	2005
Interest Income	\$ 10,551	\$ 8,232	\$ 20,258	\$ 15,904
Interest Expense	2,912	1,722	5,332	3,092
Net Interest Income	7,639	6,510	14,926	12,812
Non-interest Income	594	603	1,154	1,170
Non-interest Expense	4,819	4,117	9,402	8,300
Income from Continuing				
Operations Before Income Taxes	3,414	2,996	6,678	5,682
Income Taxes	1,287	1,159	2,514	2,231
Net Income from Continuing Operations	\$ 2,127	\$ 1,837	\$ 4,164	\$ 3,451
Income from Operations of Discontinued				
Subsidiary, net of tax	\$ 11	\$ 145	\$ 50	\$ 211
Total Net Income	\$ 2,138	\$ 1,982	\$ 4,214	\$ 3,662

