

BAY NATIONAL CORP
Form 8-K
January 26, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): January 25, 2007

Bay National Corporation
(Exact Name of Registrant as Specified in its Charter)

Maryland 000-51765 52-2176710
(State of Incorporation) (Commission File Number) (I.R.S. Employer Identification
No.)

2328 West Joppa Road
Lutherville, Maryland 21093
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: 410-494-2580

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition.

On January 25, 2007, Bay National Corporation (the "Company") issued a press release announcing its earnings for the quarter and year ended December 31, 2006.

Among other figures, the press release presents a comparison of diluted net income per share before income taxes for the quarterly and twelve month periods ended December 31, 2006 compared to net income per diluted share for the quarterly and twelve month periods ended December 31, 2005. Because the Company had an income tax benefit during the periods ended December 31, 2005, a comparison of the Company's net income per diluted share, which would include the impact of income tax expense for the periods ended December 31, 2006, could obscure the impact of changes in the Company's operations. Therefore, management believes that the comparison provides investors with a more accurate period-to-period comparison of the per-share impact of changes in the Company's operations.

The press release also reports that core deposits rose 33.5% year-over-year to \$189.4 million at December 31, 2006. Core deposits, which management categorizes as all deposits other than national market certificates of deposit, deposits purchased through the certificate of deposit account registry service (CDARS) program and all but \$3.0 million in deposits from select accounts with highly variable balances, are closely monitored by management because they consider them not only a relatively stable source of funding but also reflective of the growth of commercial and consumer depository relationships.

The press release is furnished as Exhibit 99.1 hereto.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is filed herewith:

99.1 Press Release dated January 25, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BAY NATIONAL CORPORATION

By: /s/ Hugh W. Mohler
Hugh W. Mohler, President

Date: January 25, 2007