

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2005.

Commission File Number 0-10658

BWC FINANCIAL CORP.

Incorporated pursuant to the Laws of California

Internal Revenue Service – Employer Identification No. 94-2621001

1400 Civic Drive, Walnut Creek, California 94596
(925) 932-5353

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X
No _____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes _____
NO X

Indicate the number of shares outstanding of each of the issuer's classes of common stock as the latest practicable date. As of April 30, 2005, there were 4,224,705 shares of common stock, no par value outstanding.

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BWC FINANCIAL CORP.
CONSOLIDATED BALANCE SHEETS

In thousands	March 31, 2005	December 31, 2004	March 31, 2004
Assets	(Unaudited)		(Unaudited)
Cash and Due From Banks	\$ 15,613	\$ 10,315	\$ 11,987
Federal Funds Sold	36,500	8,500	33,331
Other Short-term Investments	155	173	50
Total Cash and Cash Equivalents	52,268	18,988	45,368
Investment Securities:			
Available-for-Sale	48,424	62,220	55,607
Held-to-Maturity (approximate fair value of \$17,752, \$17,947, \$19,228 respectively)	17,826	17,846	18,951
Loans	385,377	380,682	356,696
Allowance for Credit Losses	(7,694)	(7,670)	(7,251)
Net Loans	377,683	373,012	349,445
BWC Mortgage Services Loans-Held-for-Sale	10,899	14,966	20,185
Bank Premises and Equipment, Net	3,987	4,051	4,026
Interest Receivable and Other Assets	10,628	10,275	9,219
Total Assets	\$ 521,715	\$ 501,358	\$ 502,801
Liabilities and Shareholders' Equity			
Liabilities			
Deposits:			
Noninterest-bearing	\$ 142,196	\$ 131,252	\$ 112,334
Interest-bearing:			
Money Market Accounts	167,874	156,236	152,503
Savings and NOW Accounts	56,399	63,220	54,414
Time Deposits:			
Under \$100,000	22,339	22,473	36,252
\$100,000 or more	20,118	19,758	45,599
Total Interest-bearing	266,730	261,687	288,768
Total Deposits	408,926	392,939	401,102
Federal Home Loan Bank Borrowings	49,778	43,313	32,141
BWC Mortgage Services Borrowings	10,695	14,511	20,155
Interest Payable and Other Liabilities	4,114	3,314	3,665
Total Liabilities	473,513	454,077	457,063
Shareholders' Equity			
Preferred Stock, no par value:			
5,000,000 shares authorized, none outstanding	-	--	-
Common Stock, no par value:			
25,000,000 shares authorized; issued and outstanding - 4,224,705, 4,228,459 and 3,909,132 respectively	46,940	47,054	39,019
Retained Earnings	1,778	436	6,144
Accumulated other comprehensive (loss)/income, Net	(516)	(209)	575
Total Shareholders' Equity	48,202	47,281	45,738
Total Liabilities and Shareholders' Equity	\$ 521,715	\$ 501,358	\$ 502,801

The accompanying notes are an integral part of these consolidated statements.

BWC FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF INCOME

In thousands except per-share amounts.

	For the Three Months Ended March 31,	
	2005	2004
	(Unaudited)	(Unaudited)
Interest Income		
Loans, Including Fees	\$ 7,373	\$ 6,181
Investment Securities:		
Taxable	450	470
Non-taxable	121	138
Federal Funds Sold	76	29
Total Interest Income	8,020	6,818
Interest Expense		
Deposits	838	610
Federal Funds Purchased	4	4
FHLB Borrowings	524	393
Other Borrowed Funds	146	101
Total Interest Expense	1,512	1,108
Net Interest Income	6,508	5,710
Provision For Credit Losses	-	450
Net Interest Income After Provision For Credit Losses	6,508	5,260
Noninterest Income		
BWC Mortgage Services - Commissions	2,014	2,040
BWC Mortgage Services - Fees & Other	821	751
Service Charges on Deposit Accounts	212	231
Gains (loss) on Security Transactions	3	14
Other	352	415
Total Noninterest Income	3,402	3,451
Noninterest Expense		
Salaries and Related Benefits	3,047	3,017
BWC Mortgage Services - Commissions	1,789	1,493
BWC Mortgage Services - Fees & Other	98	210
Occupancy	552	548
Furniture and Equipment	197	197
Other	1,332	1,307
Total Noninterest Expense	7,015	6,772
BWC Mortgage Services - Minority Interest	104	187
Income Before Income Taxes	2,791	1,752
Provision For Income Taxes	1,111	678
Net Income	\$ 1,680	\$ 1,074
Basic Earnings Per Share	\$ 0.40	\$ 0.25
Diluted Earnings Per Share	\$ 0.39	\$ 0.25
Weighted Average Basic Shares	4,228,838	4,293,293
Weighted Average Diluted Share Equivalents Related to Options	55,308	35,943
Weighted Average Diluted Shares	4,284,146	4,329,236

The accompanying notes are an integral part of these consolidated statements.

BWC FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the periods ending December 31, 2004, and March 31, 2005

In thousands except share amounts

	Number of Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total	Comprehensive Income
Balance, January 1, 2004	3,909,132	\$ 39,019	\$ 5,305	\$ 499	\$ 44,823	
Net Income as of December 31, 2004	-	-	5,713	-	5,713	5,713
Other Comprehensive Loss, net of tax benefit of \$133	-	-	-	(708)	(708)	(708)
Comprehensive Income	-	-	-	-	-	\$ 5,005
Stock options exercised	15,008	197	-	-	197	
Repurchase and retirement of shares by the Corporation	(79,842)	(1,749)	-	-	(1,749)	
Cash Dividend Paid	-	-	(1,011)	-	(1,011)	
10% stock dividend including payment of fractional shares	384,161	9,567	(9,571)	-	(4)	
Tax benefit from the exercise of stock options	-	20	-	-	20	
Balance, December 31, 2004	<u>4,228,459</u>	<u>\$ 47,054</u>	<u>\$ 436</u>	<u>\$ (209)</u>	<u>\$ 47,281</u>	
Net Income as of March 31, 2005	-	-	1,680	-	1,680	1,680
Other Comprehensive Loss, net of tax benefit of \$320	-	-	-	(307)	(307)	(307)
Comprehensive Income	-	-	-	-	-	\$ 1,373
Stock options exercised	2,746	42	-	-	42	
Repurchase and retirement of shares by the Corporation	(6,500)	(162)	-	-	(162)	
Cash Dividend Paid	-	-	(338)	-	(338)	
Tax benefit from the exercise of stock options	-	6	-	-	6	
Balance, March 31, 2005 (Unaudited)	<u>4,224,705</u>	<u>\$ 46,940</u>	<u>\$ 1,778</u>	<u>\$ (516)</u>	<u>\$ 48,202</u>	

The accompanying notes are an integral part of these consolidated statements.

BWC FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands

	For the Three Months Ended March 31,	
	2005	2004
	(Unaudited)	(Unaudited)
	\$	\$
OPERATING ACTIVITIES:		
Net Income	1,680	1,074
Adjustments to reconcile net income to net cash provided:		
Provision for credit losses	-	450
Depreciation on fixed assets	179	144
Amortization and accretion on securities	(10)	206
Gain on sale of securities available-for-sale	(3)	(14)
Increase/(decrease) in BWC Mtg. Loans Held-for-Sale	4,067	(15,042)
Benefit from exercise of stock options	6	-
(Increase)/decrease in accrued interest receivable and other assets	(353)	321
Increase/(decrease) in accrued interest payable and other liabilities	800	(80)
Net Cash Provided by Operating Activities	6,366	(12,941)
INVESTING ACTIVITIES:		
Proceeds from maturities of investment securities	5,525	4,500
Proceeds from the sales and calls of available-for-sale investment securities	7,998	15,334
Purchase of investment securities	-	(7,854)
Loans originated, net of collections	(4,672)	(19,469)
Purchase of bank premises and equipment	(115)	(278)
Net Cash Provided(Used) by Investing Activities	8,736	(7,767)
FINANCING ACTIVITIES:		
Net increase in deposits	15,987	30,938
Increase/(decrease) in Federal Home Loan Bank borrowings	6,465	(1,211)
Increase/(decrease) in BWC Mortgage Services borrowings	(3,816)	15,084
Cash dividends paid	(338)	(235)
Proceeds from the exercise of stock options	42	-
Cash paid for the repurchase of common stock	(162)	-
Net Cash Provided(Used) by Financing Activities	18,178	44,576
CASH AND CASH EQUIVALENTS:		
Increase in cash and cash equivalents	33,280	23,868
Cash and cash equivalents at beginning of year	18,988	21,500
Cash and Cash Equivalents at period end	\$ 52,268	\$ 45,368
ADDITIONAL CASH FLOW INFORMATION:		
Interest Paid	\$ 1,478	\$ 915
Income Taxes Paid	\$ -	\$ -

The accompanying notes are an integral part of these consolidated statements.

BWC FINANCIAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

In the opinion of management, the unaudited interim consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position at March 31, 2005 and the results of operations for the three months ended March 31, 2005 and 2004 and cash flows for the three months ended March 31, 2005 and 2004.

Certain information and footnote disclosures presented in the Corporation's annual consolidated financial statements are not included in these interim financial statements. Accordingly, the accompanying unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Corporation's 2004 10-K. The results of operations for the three months ended March 31, 2005, and the results of interim periods presented, are not necessarily indicative of the operating results for the full year.

Diluted earnings per share are computed using the weighted average number of shares outstanding during the period, adjusted for the dilutive effect of stock options. All per-share amounts have been restated to reflect the 10% stock dividend declared in December 2004.

2: INVESTMENT SECURITIES

An analysis of the investment security portfolio at March 31, 2005 follows:

In thousands

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale				
U.S. Treasury Securities	\$ 266	\$ -	\$ 6	\$ 260
Securities of U.S. Government Agencies	25,088	-	458	24,630
Taxable Securities of State and Political Subdivisions	13,610	10	272	13,348
Corporate Debt Securities	10,296	7	117	10,186
Total	49,260	17	853	48,424
Held-to-maturity				
Obligations of State and Political Subdivisions	17,826	58	132	17,752
Total Investment Securities	\$ 67,086	\$ 75	\$ 985	\$ 66,176

In 2005 the Corporation received proceeds from sale of available-for-sale investment securities of \$7,991,000. Gross realized gains/(losses) included in other noninterest income totaled \$37,000 and (\$34,000), respectively.

The maturities of the investment security portfolio at March 31, 2005 follow:

In thousands

	Held-to-maturity		
	Amortized Cost	Estimated Fair Value	Effective Yield
Within one year	\$ 6,426	\$ 6,427	3.38%
After one year through five years	10,508	10,419	3.86%
Over five years through ten years	892	906	5.13%
Total	<u>\$ 17,826</u>	<u>\$ 17,752</u>	<u>3.81%</u>

	Available-for-Sale		
	Amortized Cost	Estimated Fair Value	Effective Yield
Within one year	\$ 15,922	\$ 15,880	3.37%
After one year through five years	33,338	32,544	3.08%
Total	<u>\$ 49,260</u>	<u>\$ 48,424</u>	<u>3.17%</u>

At March 31, 2005 securities with a book value of \$15,958,000 were pledged to secure public deposits.

Market value of these same securities on that date was \$15,651,000.

3. ALLOWANCE FOR CREDIT LOSSES

In thousands

	For the Three Months Ended March 31,	
	2005	2004
Total loans outstanding at end of period, before deducting allowance for credit losses (1)	<u>\$ 385,377</u>	<u>\$ 356,696</u>
Allowance for credit losses at beginning of period	7,670	6,692
Charge-offs	(10)	(30)
Recoveries	34	139
Net (charge-offs)/recoveries	<u>24</u>	<u>109</u>
Provisions	-	450
Allowance for credit losses at end of period	<u>\$ 7,694</u>	<u>\$ 7,251</u>
Ratio of allowance for credit losses to loans	2.00%	2.03%

(1) Excludes BWC Mortgage Services Loans-Held-for-Sale. Due to the low credit risk on these loans, no reserves are allocated for them.

The components of other comprehensive income for the three months ended March 31, 2005 and 2004 are as follows:

In thousands	2005	2004
Unrealized gain(loss) arising during the period, net of tax	\$ (305)	\$ 95
Reclassification adjustment for net realized gains of securities available-for-sale included in net income during the year, net of tax	2	19
Net unrealized gain(loss) included in other comprehensive income	\$ (307)	\$ 76

5. BUSINESS SEGMENTS

The Corporation is principally engaged in community banking activities through its seven Bank branches. In addition to its community banking activities, the Corporation provides mortgage brokerage services through its joint venture, BWC Mortgage Services. These activities are monitored and reported by Corporation management as a separate operating segment. The separate banking offices have been aggregated into a single reportable segment, Community Banking.

The Corporation's community banking segment provides loans, leases and lines of credit to local businesses and individuals. This segment also derives revenue by investing funds that are not loaned to others in the form of loans, leases or lines of credit, into investment securities. The business purpose of BWC Mortgage Services is the origination and placement of long-term financing for real estate mortgages and mortgage banking services.

Summarized financial information for the periods ended March 31, 2005 and 2004 concerning the Corporation's reportable segments is shown in the following table.

For the Three Months

Ended 03/31/2005

In thousands	Community Banking	Mortgage Services	Adjustments	Total
Total Interest Income	\$ 7,673	\$ 353	\$ (6)	\$ 8,020
Commissions Received	-	2,014	-	2,014
Total Interest Expense	1,371	147	(6)	1,512
Salaries & Benefits	2,474	573	-	3,047
Commissions Paid	-	1,789	-	1,789
Segment Profit before Tax	2,759	209	(177)	2,791
Total Assets	\$ 509,924	\$ 13,200	\$ (1,409)	\$ 521,715

For the Three Months

Ended 03/31/2004

In thousands	Community Banking	Mortgage Services	Adjustments	Total
Total Interest Income	\$ 6,523	\$ 301	\$ (6)	\$ 6,818
Commissions Received	-	2,040	-	2,040
Total Interest Expense	1,013	101	(6)	1,108
Salaries & Benefits	2,457	560	-	3,017
Commissions Paid	-	1,493	-	1,493
Segment Profit before Tax	1,662	374	(284)	1,752
Total Assets	\$ 481,704	\$ 22,508	\$ (1,411)	\$ 502,801

6. Accounting for Stock-based Compensation

The Corporation uses the intrinsic value method to account for its stock option plans (in accordance with the provisions of Accounting Principles Board Opinion No. 25). Under this method, compensation expense is recognized for awards of options to purchase shares of common stock to employees under compensatory plans only if the fair market value of the stock at the option grant date (or other measurement date, if later) is greater than the amount the employee must pay to acquire the stock. Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* (SFAS 123) permits companies to continue using the intrinsic value method or to adopt a fair-value-based method to account for stock option plans. The fair-value-based method results in recognizing as expense over the vesting period the fair value of all stock-based awards on the date of grant. The Corporation has elected to continue to use the intrinsic value method. The pro forma disclosures illustrating the impact on net income of applying the fair-value method are reflected in the following table.

In thousands except per-share amounts	For the Three Months Ended March 31,	
	2005	2004
Net income, as reported	\$ 1,680	\$ 1,074
Deduct: Total stock-based compensation expense determined under the fair-value-based method for all awards, net of related taxes	39	38
Pro forma net income	\$ 1,641	\$ 1,036
Basic income per share, as reported	\$ 0.40	\$ 0.25
Pro forma basic income per share	\$ 0.39	\$ 0.24
Diluted income per share, as reported	\$ 0.39	\$ 0.25
Pro forma diluted income per share	\$ 0.38	\$ 0.24
Weighted Average Basic Shares	4,228,838	4,293,293
Weighted Average Diluted Shares	4,284,146	4,329,236

Adjusted for the 10% stock dividend declared December 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Except for historical financial information contained herein, certain matters discussed in the Annual Report of BWC Financial Corp. constitute “forward-looking statements” within the meaning of the Securities Exchange Act of 1934, as amended. Forward-looking statements are subject to risks and uncertainties that may cause actual future results to differ materially. Such risks and uncertainties with respect to BWC Financial Corp.(Corporation), Bank of Walnut Creek (Bank) and BWC Real Estate, (a 51% owner of BWC Mortgage Services, a joint venture) include, but are not limited to, those related to the economic environment, particularly in the areas in which the Company and the Banks operate, competitive products and pricing, loan delinquency rates, fiscal and monetary policies of the U.S. government, changes in governmental regulations affecting financial institutions, including regulatory fees and capital requirements, changes in prevailing interest rates, acquisitions and the integration of acquired businesses, credit risk management and asset/liability management, the financial and securities markets, and the availability of and costs associated with sources of liquidity.

Selected Financial Data - Summary:

The following table provides certain selected consolidated financial data as of and for the three month periods ended March 31, 2005 and 2004.

SUMMARY INCOME STATEMENT (Unaudited in thousands except share data)	Quarter Ended March 31,	
	2005	2004
Interest Income (not taxable equivalent)	\$ 8,020	\$ 6,818
Interest Expense	1,512	1,108
Net Interest Income	6,508	5,710
Allowance for Credit Losses	-	450
Net Interest Income after allowance for credit losses	6,508	5,260
Non-interest Income	3,402	3,451
Non-interest Expenses	7,015	6,772
Minority Interest	104	187
Income before income taxes	2,791	1,752
Provision for income taxes	1,111	678
Net Income	\$ 1,680	\$ 1,074

Per share:

(Share and share equivalents have been adjusted for the stock dividend granted in December 2004)

Net Income - basic	\$ 0.40	\$ 0.25
Net Income - diluted	\$ 0.39	\$ 0.25
Weighted avg. shares used in Basic E.P.S calculation	4,228,838	4,293,293
Weighted avg. shares used in Diluted E.P.S calculation	4,284,146	4,329,236
Cash dividends	\$ 0.08	\$ 0.06
Bookvalue at period-end	\$ 11.41	\$ 10.82
Ending Shares	4,224,705	4,228,459

Selected Financial Data - Summary (cont.)

Financial Ratios:

	2005	2004
Return on Average Assets	1.40%	0.94%
Return on Average Equity	14.33%	9.49%
Net Interest Margin (taxable equivalent yield)	5.59%	5.22%
Net loan losses (recoveries) to avg. loans	(0.00)	(0.03)
Efficiency Ratio (Bank only)	59.29%	65.02%

SUMMARY BALANCE SHEET

In thousands

	2005	2004
Assets:		
Cash and Equivalents	\$ 52,268	\$ 45,368
Investments	66,250	74,558
Loans	385,377	356,696
Allowance for Credit Losses	(7,694)	(7,251)
BWC Mortgage Services		
Loans-Held-for-Sale	10,899	20,185
Other Assets	14,615	13,245
Total Assets	\$ 521,715	\$ 502,801
Deposits:	\$ 408,926	\$ 401,102
FHLB Borrowings	49,778	32,141
BWC Mortgage Services Borrowings	10,695	20,155
Other Liabilities	4,114	3,665
Total Liabilities	473,513	457,063
Equity	48,202	45,738
Total Liabilities and Equity	\$ 521,715	\$ 502,801

General

Prime rate averaged 5.44% during the first quarter of 2005, compared to 4.00% for the first quarter of 2004, an increase of 1.44% between the comparable quarters. Due to the Corporation's asset-sensitive position, the increase in interest rates has resulted in a broadening of the Corporation's net interest margin which averaged 5.59% for the first quarter of 2005, as compared to 5.22% in 2004. Continued increases in interest rates will have a positive effect on net interest income in 2005.

Total assets of the Corporation at March 31, 2005 of \$521,715,000 increased \$18,914,000, or 4%, as compared to March 31, 2004. Total loans of the Bank of \$385,377,000 at March 31, 2005 increased \$28,681,000, or 8%, during the same period. BWC Mortgage Services began a Mortgage Banking service in April 2003 and their Loans Held-for-Sale as of March 31, 2005 were \$10,899,000 as compared to \$20,185,000 as of March 31, 2004. The rise in interest rates has had a negative impact on the home mortgage activity. Total deposits of \$408,926,000 increased \$7,824,000, or 2%, during the same period. Although this is only a modest increase in total deposits, it represents a 12% growth in core deposits, offsetting a 50% drop in short-term time deposits. During the first quarter of 2004 the Corporation had marketed a successful time deposit campaign, raising over \$40,000,000 in new short-term time deposits. As of March 31, 2005 time deposits had decreased approximately 50%, or \$39,000,000 from the prior year having been replaced by core deposits.

The Corporation's loan-to-deposits-plus-FHLB borrowings ratio as of March 31, 2005 and 2004 was 84% and 82%, respectively. A significant portion of the Bank's commercial real-estate lending is fixed-rate and funded, not by deposits, but by fixed-rate borrowings, of similar duration, from the Federal Home Loan Bank. A yield maintenance provision is incorporated in the Bank's loan documents, to its borrowers, so that in the event of

prepayment of the borrower's loan, the borrower's prepayment charges will be sufficient to cover the charges assessed by the FHLB when the Bank prepays the supporting loan from the FHLB.

Since the beginning of the year, total assets have increased \$20,357,000, or approximately 4%. BWC Mortgage Services loans-held-for-sale decreased \$4,067,000 during this period whereas the Bank's loan portfolio grew by \$4,695,000. The majority of the increase was in Fed Funds Sold, which increased \$28,000,000. The Corporation has allowed its Fed Funds Sold position to grow because the increasing rate environment provides the opportunity to make longer-term investments at higher rates in the future.

Net Income

Net income for the first three months in 2005 of \$1,680,000 reflects an increase of \$606,000 from the first three months in 2004. This represented a return on average assets during the quarter of 1.40% as compared to 0.94% in 2004, and a return on average equity of 14.33% as compared to 9.49% in 2004. The increase in rates of return is the result of the increase in the prime and market rates from their historically low levels during 2004. Since most of the Corporation's loans are indexed to the prime rate, increases in this index result in increases in the Corporation's return on assets to a greater extent than increases in its interest-bearing deposits and borrowings.

Earning assets averaged \$477,152,000 during the first quarter of 2005, an increase of \$33,340,000 from the comparable period in 2004. During this same period, loans of the Bank averaged \$381,233,000, an increase of \$32,019,000 over 2004; and loans of BWC Mortgage Services averaged \$10,941,000, an increase of \$1,326,000 over the comparable period of 2004. Deposits averaged \$398,080,000, an increase of \$21,527,000 from 2004. FHLB fixed-rate borrowings and other borrowings averaged \$44,441,000 during the first quarter of 2005, an increase of \$10,250,000 over 2004. Borrowings of BWC Mortgage Services averaged \$10,943,000 during the first quarter of 2005, an increase of \$1,414,000 over the first quarter of 2004.

Diluted earnings per average common share and common equivalent shares for the first three months of 2005 were \$0.39 as compared to \$0.25 for 2004.

Net Interest Income

Interest income represents the interest earned by the Corporation on its portfolio of loans, investment securities, and other short-term investments. Interest expense represents interest paid to the Corporation's depositors, as well as to others from whom the Corporation borrows funds on a temporary basis.

Net interest income is the difference between interest income on earning assets and interest expense on deposits and other borrowed funds. The volume of loans, deposits, and interest rate fluctuations caused by economic conditions greatly affect net interest income.

The following table delineates the impacts of changes in the volume of earning assets, changes in the volume of interest-bearing liabilities, and changes in interest rates on net interest income for the three-month period ended March 31, 2005 and 2004.

	Quarter Ended March 31, 2005			Quarter Ended March 31, 2004		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Average Yield/ Rate (1)
EARNING ASSETS:						
Loans (3,4,5)	\$ 381,233	\$ 7,024	7.47%	\$ 349,214	\$ 5,884	6.76%
Investment Securities, Fed Funds, Other (2)	84,978	647	3.38%	84,983	637	3.34%
BWC Mtg Banking - Loans	10,941	349	12.94%	9,615	297	12.39%
TOTAL EARNING ASSETS	\$ 477,152	\$ 8,020	6.87%	\$ 443,812	\$ 6,818	6.23%
INTEREST BEARING LIABILITIES:	Avg. Volume	YTD Int.	Rate	Avg. Volume	YTD Int.	Rate
Interest-bearing Deposits	\$ 263,256	\$ 838	1.29%	\$ 262,696	\$ 610	0.93%
FHLB & Other Borrowings - Bank	44,441	528	4.82%	34,191	399	4.68%
BWC Mortgage Services - Borrowings	10,943	145	5.37%	9,529	99	4.17%
TOTAL INTEREST-BEARING LIABILITIES	\$ 318,640	\$ 1,511	1.92%	\$ 306,416	\$ 1,108	1.45%
NET EARNING ASSETS, NET INTEREST INCOME AND NET INTEREST MARGIN	\$ 158,512	\$ 6,509	5.59%	\$ 137,396	\$ 5,710	5.22%

1. Minor rate differences from a straight division of interest by average assets are due to the rounding of average balances.
2. Amounts calculated on a fully tax-equivalent basis where appropriate (2005 and 2004 Federal Statutory Rate was 34%).
3. Nonaccrual loans of \$0 and \$111,000, respectively, as of March 31, 2005 and 2004 have been included in the average loan balance. Interest income is included on nonaccrual loans only to the extent to which cash payments have been received.
4. Average loans are net of average deferred loan origination fees of \$1,220,000 and \$1,485,000 in 2005 and 2004, respectively.
5. Loan interest income includes loan origination fees of \$786,000 and \$776,000 in 2005 and 2004, respectively.

Net interest income during the first three months of 2005 was \$6,509,000, or \$799,000 greater than the comparable period in 2004. This increase is the result of increase in both volume and rate of earning assets. An analysis of the changes indicates that net interest income increased \$439,000 due to volume and \$360,000 due to increases in rates.

Provision for Credit Losses

An allowance for credit losses is maintained at a level considered adequate to provide for losses that can be reasonably estimated and is in accordance with SFAS 5. The allowance is increased by provisions charged to expense and reduced by net charge-offs. Management continually evaluates the economic climate, the performance of borrowers, and other conditions to determine the adequacy of the allowance.

The ratios of the allowance for credit losses to total loans as of March 31, 2005 was 2.00%, as compared to 2.03% for the period ending March 31, 2004. The Corporation's ratios for both periods are considered adequate to provide for losses inherent in the loan portfolio.

The Corporation performs a quarterly analysis of the adequacy of its allowance for credit losses. As of March 31, 2005 the Corporation had \$6,768,000 in allocated reserves and \$926,000 in unallocated reserves. The Corporation's management believes that the amount of unallocated reserves is reasonable, due to the growth of the Bank's loan portfolio and the type of credit products that comprise the portfolio.

The Corporation had net credit recoveries of \$24,000 during the first quarter of 2005, as compared to net credit recoveries of \$109,000 during the comparable period in 2004.

The following table provides information on past-due and nonaccrual loans:

	<u>For the Three Months Ended March 31,</u>	
	<u>2005</u>	<u>2004</u>
Loans Past Due 90 Days or More	\$ 27,000	\$ 0
Nonaccrual Loans	<u>0</u>	<u>111,000</u>
Total	\$ 27,000	\$ 111,000

As of March 31, 2005 and 2004, no loans were outstanding that had been restructured. No interest earned on nonaccrual loans that was recorded in income during 2005 remains uncollected. Interest foregone on nonaccrual loans was approximately \$0 as of March 31, 2005 and \$89,000 as of March 31, 2004.

The Allowance for Loan and Lease Loss Reserve Methodology requires that certain loans be reviewed under the directives of the Federal Financial Institutions Examination Council's (FFIEC) policy statement dated July 6, 2001 and FASB 114, to determine whether or not the loan is impaired and necessitates a Specific Reserve. By Bank policy all loans and leases that are classified Substandard (Risk Rating 6) or Doubtful (Risk Rating 7) are reviewed to determine if they are impaired. An impaired loan, defined by FASB 114, is one which "based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement". *All amounts due according to the contractual terms* means "that both the contractual interest payments and contractual principal payments will be collected as scheduled in the loan agreement".

When a loan is determined to be impaired, the extent of impairment is based on the expected future cash flows discounted at the loan's effective interest rate. However, as a practical expedient, FASB 114 permits a creditor to measure impairment based on the fair value of the collateral. It is this latter form of measurement that the Bank has elected to use, as personal or real property assets collateralize a large percentage of the Bank's loans.

In selecting this approach to determining the necessity of Specific Reserves, the Bank documents:

- How the fair value of the collateral was determined, e.g. current appraisal (real property, equipment or inventory), method for valuation of collectable accounts or notes receivable, method for valuation of other assets.
- Supporting rationale for adjustments to appraisals or loan-to-value discount applied to determine the collateral value.
- The determination of the cost to sell or liquidate the collateral.

- The qualifications, expertise and independence of the appraiser.

For purposes of the Bank's Credit Policy regarding this section of the ALLL methodology, the following practices and definitions apply.

- An appraisal will be considered "current" for the initial assessment of a loan under FASB 114, if it is less than six months old. In subsequent annual assessments, the appraisal may not be older than twelve months. Where we are assessing accounts or notes receivable, we should order a receivables audit to assist in the initial assessment and refresh it every six months.
- In developing the rationale to support appraisal adjustments or the loan-to-value discount on personal property, external comps and collateral audits should be used as much as possible.
- All costs to sell or liquidate the collateral, except legal expenses, are to be included. An estimate may be used where definitive amounts are not available.

The calculation of the Specific Reserve follows:

Gross Collateral Value

Less: Cost to Sell

Less: Loan-To-Value Discount (1)

Equals: Net Collateral Value

Less: Current Principal Outstanding

If the calculation produces a collateral excess, it is not appropriate to assign a Specific Reserve. If the calculation results in a collateral shortfall, the Specific Reserve should equal the amount of the shortfall.

- (1) The loan-to-value discount does not have to follow the Bank standard if the rationale for an adjustment warrants a greater or lesser amount.

Noninterest Income

Noninterest income during the first quarter of 2005 of \$3,402,000, was \$49,000 less than during the comparable quarter of 2004. The Corporation reflected a decrease in service charges of \$19,000 from the prior year, related to its free checking program. There was also a reduction in income related to the sale of SBA loans which occurred during the first quarter in 2004 but not in 2005.

Noninterest Expense

Noninterest expense during the first quarter of 2005 was \$7,015,000, which was \$243,000 greater than during the comparable quarter of 2004. The increase in 2005 was primarily related to increases in BWC Mortgage Services commissions paid which were up \$296,000.

Salaries, bonuses and benefits expense of \$3,047,000 increased \$30,000 from the prior year. This increase is related to the continued growth and increased activity of BWC Mortgage Services and the Bank and on merit and cost-of-living increases. The Bank averaged 113 FTE during the first quarter of 2005 as compared to 120 during the same period in 2004.

Occupancy expense of \$552,000 increased \$4,000 during the first quarter of the current year, as compared to the prior year.

Furniture and equipment expense of \$197,000 was unchanged from the prior year.

Other expenses of \$1,332,000 was up only \$25,000 from the prior year.

Other Real Estate Owned

As of March 31, 2005, the Corporation had no "other real-estate-owned" assets (assets acquired as the result of foreclosure on real estate collateral) on its books.

Capital Adequacy

In 1989, the Federal Deposit Insurance Corporation (FDIC) established risk-based capital guidelines requiring banks to maintain certain ratios of "qualifying capital" to "risk-weighted assets". Under the guidelines, qualifying capital is classified into two tiers, referred to as Tier 1 (core) and Tier 2 (supplementary) capital. Currently, the bank's Tier 1 capital consists of shareholders' equity, while Tier 2 capital also includes the eligible allowance for loan losses. The Bank has no subordinated notes or debentures included in its capital. Risk-weighted assets are calculated by applying risk percentages specified by the FDIC to categories of both balance-sheet assets and off-balance-sheet assets.

The Bank's Tier 1 and Total (which included Tier 1 and Tier 2) risk-based capital ratios surpassed the regulatory minimum of 4% and 8% at March 31 for both 2005 and 2004. The FDIC also adopted a leverage ratio requirement. This ratio supplements the risk-based capital ratios and is defined as Tier 1 capital divided by the quarterly average assets during the reporting period. The requirement established a minimum leverage ratio of 3% for the highest-rated banks.

During the first quarter of 2005 the Corporation authorized the spending of up to \$2,000,000 for the repurchase and retirement of Corporation stock, during the year, should opportunities to do so present themselves.

The following table shows the Corporation's risk-based capital ratios and leverage ratio as of March 31, 2005, December 31, 2004, and March 31, 2004.

Risk-based capital ratios:	Capital Ratios			Minimum Regulatory Requirements
	March 31, 2005	December 31, 2003	March 31, 2004	
Current guidelines				
Tier 1 capital	10.73%	11.18%	10.45%	4.00%
Total capital	11.97%	12.42%	11.68%	8.00%
Leverage ratio	9.98%	9.63%	9.89%	3.00%

Liquidity

The objective of liquidity management is to ensure that the cash flow requirements of depositors and borrowers, as well as the operating cash needs of the Corporation, are met, taking into account all on- and off-balance-sheet funding demands. Liquidity management also includes ensuring cash flow needs are met at a reasonable cost. Liquidity risk arises from the possibility the Corporation may not be able to satisfy current or future financial commitments, or the Corporation may become unduly reliant on alternative funding sources. The Corporation maintains a liquidity risk management policy to address and manage this risk. The policy identifies the primary sources of liquidity, establishes procedures for monitoring and measuring liquidity, and establishes minimum liquidity requirements which comply with regulatory guidance. The policy also includes a contingency funding plan to address liquidity needs in the event of an institution-specific or a systemic financial market crisis. The liquidity position is continually monitored and reported on monthly to the Asset/Liability Management Committee.

Funds are available from a number of sources, including the securities portfolio, the core deposit base, the capital markets, the Federal Home Loan Bank, the Federal Reserve Bank, and through the sale and securitization of various types of assets including the sale of BWC Mortgage Services Loans-Held-for-Sale.

An additional liquidity source began during the second quarter of 2003 with the creation of mortgage banking services provided through BWC Mortgage Services. This activity, supported by borrowings under lines-of-credit, created a pre-sold pool of mortgages reflected on the balance sheet as "Loans Held-for-Sale". The average duration of these loans is three weeks before they are converted to cash and, therefore, it represents a source of liquidity for the Corporation.

Loans Held-for-Sale represented 2%, 3% and 4% of total assets as of March 31, 2005, December 31, 2004 and March 31, 2004. Cash, investment securities, Loans Held-for-Sale, and other temporary investments represent 25%, 23% and 28% of total assets at March 31, 2005, December 31, 2004 and March 31, 2004.

Core deposits, the most significant source of funding, comprised approximately 75%, 74% and 71% as of March 31, 2005, December 31, 2004 and March 31, 2004.

The Corporation's management has an effective asset and liability management program, and carefully monitors its liquidity on a continuing basis. Additionally, the Corporation has available from correspondent banks, Federal Fund lines of credit totaling \$30,000,000. In addition, the Corporation has approximately \$33,750,000 in secured borrowing capacity with the Federal Home Loan Bank and a \$1,000,000 secured borrowing line with the Federal Reserve Bank. The Corporation can also raise funds through the sale of SBA and Commercial Real Estate loans into the secondary market.

At the holding company level, the Corporation uses cash to repurchase common stock and pay for professional services and miscellaneous expenses. The main sources of funding for the holding company include dividends and returns of investment from its subsidiaries.

During the past two years, the primary source of funding for the holding company has been receipts from dividends, stock options exercised, and returns of investment from its subsidiaries. No dividends were declared from the subsidiaries of the Corporation to the holding company in the first quarter of 2005 and 2004, however, a \$2,000,000 dividend was declared by the Bank to the Holding Company during the fourth quarter of 2004. The subsidiaries also provided liquidity to the Corporation in the form of returns of capital during the first quarter of 2005 and 2004 of \$1,752,000 and \$1,171,000, respectively. As of January 1, 2005, the amount of dividends the bank subsidiary can pay to the parent company without prior regulatory approval was \$13,410,000, versus \$13,318,000 at January 1, 2004. The subsidiary bank is subject to regulation and, among other things, may be limited in their ability to pay dividends or transfer funds to the holding company. Accordingly, consolidated cash flows as presented in the consolidated statements of cash flows may not represent cash immediately available to the holding company.

Refer to the Statement of Cash Flows for additional information on sources and uses of cash.

Quantitative and Qualitative Disclosures about Market Risk: Interest-Rate Risk Management

Movement in interest rates can create fluctuations in the Corporation's income and economic value due to an imbalance in the re-pricing or maturity of assets or liabilities. The components of interest-rate risk which are actively measured and managed include re-pricing risk and the risk of non-parallel shifts in the yield curve. Interest-rate risk exposure is actively managed with the goal of minimizing the impact of interest-rate volatility on current earnings and on the market value of equity.

In general, the assets and liabilities generated through ordinary business activities do not naturally create offsetting positions with respect to re-pricing or maturity characteristics. Therefore, the Corporation uses a variety of measurement tools to monitor and control the overall interest-rate risk exposure of the on-balance-sheet positions. For each measurement tool, the level of interest-rate risk created by the assets and liabilities is a function primarily of their contractual interest-rate re-pricing dates and contractual maturity (including principal amortization) dates. The Corporation employs a variety of modeling tools to monitor interest-rate risks. One of the earlier and more basic models is GAP reporting. The net difference between the amount of assets and liabilities within a cumulative calendar period is typically referred to as the "rate sensitivity position."

As part of the GAP analysis to help manage interest-rate risk, the Corporation also performs an earnings simulation analysis to identify the interest-rate risk exposures resulting from the Corporation's asset and liability positions, such as its loans, investment securities and customer deposits. The Corporation's policy is to maintain a risk of a 2% rate shock to net interest income at risk to a level of not more than 15%. The earnings simulation analysis as of March 31, 2005 estimated that a 2% interest-rate shock (decrease) could lower net interest income by \$1,867,000, which was 32.7% of 2005 annualized net interest income.

This earnings simulation does not account for the potential impact of loan prepayments, deposit drifts, or other balance sheet movements in response to modeled changes in interest rates, and the resulting effect, if any, on the Corporation's simulated earnings analysis.

Interest Rate Sensitivity

Proper management of the rate sensitivity and maturities of assets and liabilities is required to provide an optimum and stable net interest margin. Interest rate sensitivity spread management is an important tool for achieving this objective and for developing strategies and means to improve profitability. The schedules shown below reflect the interest-rate sensitivity position of the Corporation as of March 31, 2005. In a rising interest-rate environment, the Corporation's net interest margin and net interest income will improve. A falling interest-rate environment will have the opposite effect. Management believes that the sensitivity ratios reflected in these schedules fall within acceptable ranges, and represent no undue interest-rate risk to the future earnings prospects of the Corporation.

Repricing within:	3	3-6	12	1-5	Over 5	
In thousands	Months	Months	Months	Years	Years	Totals
Assets:						
Federal Funds Sold & Short-term						
Investments	\$ 36,555	\$ 100	\$ -	\$ -	\$ -	\$ 36,655
Investment securities	7,712	5,903	8,691	43,052	892	66,250
Construction & Real Estate Loans	158,563	6,061	5,883	10,514	37,300	218,321
Commercial Loans	95,125	2,110	619	2,919	666	101,439
Installment Loans	46,298	4	7	29	-	46,338
Leases	1,939	2,087	3,789	11,464	-	19,279
BWC Mortgage Loans Held-for-Sale	10,899	-	-	-	-	10,899
Interest-bearing assets	<u>\$ 357,091</u>	<u>\$ 16,265</u>	<u>\$ 18,989</u>	<u>\$ 67,978</u>	<u>\$ 38,858</u>	<u>\$ 499,181</u>
Liabilities:						
Money market accounts	\$ 83,937	\$ 83,937	\$ -	\$ -	\$ -	\$ 167,874
Time deposits <\$100,000	8,640	5,809	4,592	3,298	-	22,339
Time deposits >\$100,000	6,544	5,700	3,418	4,456	-	20,118
Federal Funds Borrowed	-	-	-	-	-	-
Federal Home Loan Bank Borrowings	322	5,213	583	6,125	37,535	49,778
BWC Mortgage Services Borrowings	10,695	-	-	-	-	10,695
Interest-bearing liabilities	<u>\$ 110,138</u>	<u>\$ 100,659</u>	<u>\$ 8,593</u>	<u>\$ 13,879</u>	<u>\$ 37,535</u>	<u>\$ 270,804</u>
Rate-sensitive gap	\$ 246,953	\$ (84,394)	\$ 10,396	\$ 54,099	\$ 1,323	\$ 228,377
Cumulative rate-sensitive gap	<u>\$ 246,953</u>	<u>\$ 162,559</u>	<u>\$ 172,955</u>	<u>\$ 227,054</u>	<u>\$ 228,377</u>	
Cumulative rate-sensitive ratio	3.24	1.77	1.79	1.97	1.84	

Controls and Procedures:

(a) **Evaluation of Disclosure Controls and Procedures:** An evaluation of the Registrant's disclosure controls and procedures (as defined in Section 13(a)-14(c) of the Securities Exchange Act of 1934 (the "Act")) was carried out under the supervision and with the participation of the Registrant's Chief Executive Officer, Chief Financial Officer and several other members of the Registrant's senior management as of the filing date of this quarterly report. The Registrant's Chief Executive Officer and Chief Financial Officer concluded that the Registrant's disclosure controls and procedures as currently in effect are effective in ensuring that the information required to be disclosed by the Registrant in the reports it files or submits under the Act is (i) accumulated and communicated to the Registrant's management (including the Chief Executive Officer and Chief Financial Officer) in a timely manner, and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

(b) **Changes in Internal Controls:** In the quarter ended March 31, 2005, the Registrant did not make any significant changes in, nor take any corrective actions regarding, its internal controls or other factors that could significantly affect these controls.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

Neither the Corporation, nor the Bank, is a defendant in any legal actions at this time. BWC Mortgage Services, a joint venture in which 51% is owned by BWC Real Estate, which in turn is a wholly owned subsidiary of the Corporation, is a defendant in one legal action arising from normal business activities. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the Corporation's financial position.

Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3 - Defaults Upon Senior Securities

None

Item 4 - Submission of Matters to a Vote of Security Holders

None

Item 5 - Other Information

An \$0.08 per share cash dividend was declared by the Board of Directors on January 25, 2005 to Shareholders of Record as of February 7, 2005 and again on April 19, 2005 to Shareholders of Record as of April 29, 2005.

Item 6 - Exhibits and Reports on Form 8-K

a) Index to Exhibits

The following exhibits are attached hereto and filed herewith:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
31.1	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

b) Reports on Form 8-K

The registrant furnished a report on form 8-K dated January 24, 2005 which contained a press release announcing financial results for the quarter and year-to-date ended December 31, 2004.

An 8-K report was filed on January 25, 2005 and again on April 19, 2005, which contained press releases announcing \$0.08 per share cash dividends declared by the Board of Directors to Shareholders of Record as of February 7, 2005 and April 29, 2005 respectively.

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 thereunto duly authorized.

BWC FINANCIAL CORP.
(Registrant)

May 13, 2005

Date

James L. Ryan
Chairman and Chief Executive Officer

May 13, 2005

Date

Leland E. Wines
CFO and Corp. Secretary

Certification:

I, Leland E. Wines, EVP/CFO, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BWC Financial Corp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-13(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-13(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervisions, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the Audit Committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 13, 2005

Leland E. Wines
EVP/CFO

Exhibit 31.1

Certification:

I, James L. Ryan, Chairman and CEO, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BWC Financial Corp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-13(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-13(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervisions, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the Audit Committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 13, 2005

James L. Ryan
Chairman and CEO

Exhibit 31.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of BWC Financial Corp. (the "Corporation") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leland E. Wines, Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Corporation.

DATE: May 13, 2005

LELAND E. WINES
EVP/CFO & Corp. Secretary

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of BWC Financial Corp. (the "Corporation") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James L. Ryan, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Corporation.

DATE: May 13, 2005

JAMES L. RYAN
Chairman and CEO

Exhibit 32.2

Where You Can Find More Information

Under the Securities Exchange Act of 1934 Sections 13 and 15(d), periodic and current reports must be filed with the SEC. The Corporation electronically files the following reports with the SEC: Forms 10-K (Annual Report), Forms 10-Q (Quarterly Report), Forms 8-K (Report of Unscheduled Material Events), and Form DEF 14A (Proxy Statement). The Corporation may file additional forms. The SEC maintains an Internet site, www.sec.gov, in which all forms filed electronically may be accessed. Additionally, 10-K and 10-Q forms filed with the SEC and additional shareholder information is available free of charge on the Corporation's website: www.bowc.com. The Corporation posts these reports to its website as soon as reasonably practicable after filing them with the SEC. None of the information on or hyperlinked from the Corporation's website is incorporated into this Quarterly Report on Form 10-Q.