



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Reports 2008 Results

Increasing Profitability and Continuing Financial Strength

SANTA CLARITA, CALIFORNIA – February 4, 2009. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced financial results for 2008.

Bank of Santa Clarita, the only commercial bank headquartered in the Santa Clarita Valley, reported significantly improved earnings in 2008 over 2007. It reported that net income for the fourth quarter of 2008 grew to \$351,000 compared to \$73,000 for the fourth quarter of 2007, and that net income for the full year of 2008 was \$552,000, as compared to a net loss of \$331,000 for 2007. The fourth quarter of 2008 included the recognition of a portion of the income tax benefits resulting (but not recognized) from the Bank's net operating losses recorded during the initial four years of its operations; absent this benefit recognition, on a *pro forma* basis the Bank's net earnings for 2008's fourth quarter and full year would have been approximately \$60,000 and \$179,000, respectively, and estimated 2007 results would have been fourth quarter earnings of approximately \$43,000 and full-2007 results would have been a loss of approximately \$194,000.

The Bank reported that net interest income increased to \$1.41 million for the quarter ended December 31, 2008, as compared to the \$1.23 million reported for the same quarter of 2007. Year-to-date results also reflect strong growth, as the Bank reported \$5.30 million of net interest income for 2008, an increase of 16% over the \$4.57 million reported for 2007.

"Executive management is very pleased with the Bank's results for 2008" said James D. Hicken, President and Chief Executive Officer. "Banks' are operating in a very difficult environment today and we believe as reflected through our results for 2008 that Bank of Santa Clarita is properly positioned to take advantage of opportunities as they occur. The Bank's loan portfolio continues to be performing very well, which is due to management's conservative underwriting standards, with minimal loans past due 90 or more days or classified as nonaccrual at the end of the year."

At December 31, 2008, shareholders' equity was \$19.22 million and the Bank's total risk-based regulatory capital ratio was 15.89%, substantially exceeding the "well-capitalized" level of 10% prescribed under regulatory requirements. Moreover, the Bank continues to maintain a strong liquidity position, retaining significant balances of on-balance sheet liquidity as well as available collateralized borrowings.

As was announced during November 2008, the Bank's Executive Management and Board of Directors, while generally supportive of the U.S. Government's innovative and far-reaching approach to managing and minimizing the effects of the current economic crisis, determined that it would not be in the best interests of the Bank or its shareholders to apply for aid from the U.S. Treasury under the Treasury's capital assistance program. This conclusion was reached based on the Bank's strong capital position relative to reasonably

foreseeable needs and opportunities, as well as the restrictions that would likely accompany this governmental capital infusion. Mr. Hicken noted at the time "We recognize that these are obviously not normal times, and no one can predict the depth and duration of the current economic problems, but we have carefully reviewed our capital position and are confident that the Bank will remain well-capitalized under these severe conditions without government assistance. We believe that we can access traditional capital sources should we be required to raise capital in order to fund an acquisition or other business expansion."

The Bank has also announced that it is participating in the FDIC's program which provides its customers with unlimited deposit insurance coverage, through December 31, 2009, on their non-interest bearing checking accounts. Mr. Hicken noted "We believe that the U.S. Government's decision to offer this additional level of security to checking account holders is an opportunity that the Bank will accept in order to benefit our clients." He added that "Both our consumer and business clients will greatly appreciate the safety and security added by this expanded level of deposit insurance coverage which automatically covers the entire balances of our customers' non-interest-bearing checking accounts through December 31, 2009."

The Bank plans to open its third retail banking office in March 2009 – a 4,000 square foot facility in Canyon Country, California, which will be located in The Plaza at Golden Valley, which is a new 620,000 square foot retail Power Center located off of Highway 14 in the eastern Santa Clarita Valley. With the opening of this branch, the Bank expects to increase its focus on the retail consumer banking market while continuing to develop products and services for its small to mid-sized business clientele.

Bank of Santa Clarita, founded in 2004, is the only independent, full service commercial bank headquartered in Santa Clarita and generally serves the needs of small to mid-sized businesses, professionals, entrepreneurs, and high-net worth individuals. The Bank provides local, experienced decision-making and the personalized service that growing businesses need on a daily basis. Bank clients have direct access to executive management and professional staff members to address their SBA and other credit requirements, and also technology-based services that include online bill-paying, remote capture depositing, check imaging and initiating online wire transfers, among other cash management facilities, which services enable local businesses to effectively and efficiently manage their cash and credit needs.

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FORWARD LOOKING STATEMENTS

Certain matters discussed in this release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to the Bank's current expectations regarding deposit and loan growth, operating results and the strength of the local economy. These forward-looking statements are subject to certain risks and uncertainties that could cause the actual results, performance or achievements to differ materially from those expressed, suggested or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to: the impact of changes in interest rates, a decline in economic conditions and increased competition among financial service providers as these factors may impact the Bank's operating results, its ability to attract deposit and loan customers, the quality of the Bank's earning assets and government regulation. The Bank does not undertake, and specifically disclaims, any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.