



## PRESS RELEASE

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**Chief Executive Officer**  
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*For Immediate Release*

### **Bank of Santa Clarita Announces Third Quarter Results**

SANTA CLARITA, CALIFORNIA – October 24, 2012. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced its operating results for the third quarter of 2012.

Bank of Santa Clarita, the only commercial bank headquartered in the Santa Clarita Valley, reported net earnings for the three months ending September 30, 2012 totaling \$203,000, which represented a growth rate of more than 10% over the \$184,000 reported for the third quarter of 2011.

Year-to-date net earnings for the nine months ended September 30, 2012 and 2011 were \$305,000 and \$158,000, respectively. The results for 2012 increased by \$147,000, or more than 90% over the total reported for the same period of 2011. These totals for 2012 include non-recurring costs announced earlier in 2012 and the Bank expects to benefit from the resulting lower cost structure in future periods.

The Bank's net loan portfolio totaling \$145.0 million as of September 30, 2012, had grown \$9.5 million or 7.0% from the balance as of December 31, 2011. The Bank also reported a net growth in deposits of \$11.4 million or 7.6% during the first three quarters of 2012, which net growth included an increase of \$8.4 million or 19.4% in noninterest bearing demand deposits.

Largely resulting from the growth in loans and deposits (and particularly the growth in noninterest-bearing deposits noted above), the Bank's net interest income for the nine months ended September 30, 2012 increased \$221,000 or 4.5% over the amount recorded in the first three quarters of 2011, as the Bank has seen the overall effective cost of deposits in 2012 decline to 0.78%, as compared to 1.10% for the first three quarters of 2011. The Bank's 2012 earnings also benefited from the 2011 facility lease termination, as total facilities and other fixed asset-related costs declined from \$1,003,000 for the first three quarters of 2011 to \$646,000 for the same period of 2012.

The Bank continues to experience excellent credit quality in its loan portfolio, as nonaccrual loans totaled \$8,000 at September 30, 2012, as compared to \$16,000 as of December 31, 2011 and \$18,000 as of September 30, 2011.

“We are pleased to announce another excellent quarter for Bank of Santa Clarita, which is the result of the Bank’s conservative approach to managing risk and strong balance sheet growth. Total assets for the Bank now exceed \$218 million, as our commercial lending and depository production continued to perform exceptionally well.” stated Chairman and Chief Executive Officer Frank Di Tomaso.

At September 30, 2012, shareholders’ equity totaled \$21.6 million and the Bank’s total risk-based regulatory capital ratio was 14.32%, exceeding the “well-capitalized” level of 10% which is prescribed in applicable capital regulations. The Bank also continues to maintain substantial liquidity positions, retaining significant balances of liquidity on its balance sheet as well as readily available collateralized borrowings and other potential sources of liquidity.

Bank of Santa Clarita, founded in 2004, is the only independent, full service commercial bank headquartered in the Santa Clarita Valley and generally serves the needs of retail consumers, 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 its clients 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.

# BANK OF SANTA CLARITA

## BALANCE SHEETS

*Unaudited*

	September 30, 2012	December 31, 2011	September 30, 2011
		<i>(In thousands)</i>	
<b>ASSETS</b>			
Cash and Due From Banks	\$ 2,735	\$ 4,033	\$ 3,632
Interest Bearing Deposits at Other Financial Institutions	26,630	22,928	22,008
Federal Funds Sold	1,200	1,855	1,440
Investment Securities	30,909	32,757	32,869
Loans, Net	145,009	135,480	140,471
Other Assets	12,237	11,433	11,770
<b>Total Assets</b>	<b><u>\$ 218,720</u></b>	<b><u>\$ 208,486</u></b>	<b><u>\$ 212,190</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Noninterest Bearing Demand Deposits	\$ 51,707	\$ 43,308	\$ 41,784
Interest Bearing Demand Deposits	6,572	7,493	8,220
Money Market and Savings Deposits	43,263	34,087	33,102
Time Deposits	60,462	65,643	66,617
Total Deposits	162,004	150,531	149,723
Borrowings	34,500	36,500	41,000
Other Liabilities	580	698	758
Total Liabilities	197,084	187,729	191,481
Stockholders' Equity	21,636	20,757	20,709
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b><u>\$ 218,720</u></b>	<b><u>\$ 208,486</u></b>	<b><u>\$ 212,190</u></b>

## STATEMENTS OF EARNINGS

*Unaudited*

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	<i>(In thousands except per share amounts)</i>			
<b>Interest Income</b>				
Loans	\$ 1,912	\$ 1,961	\$ 5,834	\$ 5,721
Interest Bearing Deposits at Other Financial Institutions	19	20	54	53
Investment Securities	178	271	628	834
Federal Funds Sold	1	1	1	1
<b>Total Interest Income</b>	<b>2,110</b>	<b>2,253</b>	<b>6,517</b>	<b>6,609</b>
<b>Interest Expense</b>				
Interest Bearing Demand Deposits	6	6	19	19
Money Market and Savings Deposits	55	50	153	159
Time Deposits	234	349	721	1,024
Borrowings	162	165	487	491
<b>Total Interest Expense</b>	<b>457</b>	<b>570</b>	<b>1,380</b>	<b>1,693</b>
<b>Net Interest Income</b>	<b>1,653</b>	<b>1,683</b>	<b>5,137</b>	<b>4,916</b>
Provision for Loan Losses	12	37	120	115
<b>Net Interest Income after Provision for Loan Losses</b>	<b>1,641</b>	<b>1,646</b>	<b>5,017</b>	<b>4,801</b>
Noninterest Income	101	228	421	523
Noninterest Expense	1,431	1,567	4,976	5,092
<b>Net Earnings Before Income Taxes</b>	<b>311</b>	<b>307</b>	<b>462</b>	<b>232</b>
Income Tax Expense	108	123	157	74
<b>Net Earnings</b>	<b>\$ 203</b>	<b>\$ 184</b>	<b>\$ 305</b>	<b>\$ 158</b>
<b>Basic and Diluted Earnings Per Share</b>	<b>\$ 0.09</b>	<b>\$ 0.08</b>	<b>\$ 0.14</b>	<b>\$ 0.07</b>