



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces its Results for the Fourth Quarter and Full Year 2012

SANTA CLARITA, CALIFORNIA – January 28, 2013. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced its operating results for the fourth quarter and full year 2012.

Bank of Santa Clarita, the only commercial bank headquartered in the Santa Clarita Valley, reported net earnings for the three months ending December 31, 2012 totaling \$254,000, which represented a growth rate of more than 10% over the \$223,000 reported for the fourth quarter of 2011.

Year-to-date net earnings for the years ended December 31, 2012 and 2011 were \$559,000 and \$381,000, respectively. The Bank also reported that 2012 pre-tax earnings, both for the fourth quarter and the full year, were at record levels, as pre-tax earnings for 2012, totaling \$887,000, exceeded the \$613,000 recorded in 2011 by \$274,000, or approximately 45%. These totals for 2012 include the 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 \$154.4 million as of December 31, 2012, grew \$18.9 million or 14.0% from the \$135.5 million reported as of December 31, 2011. The Bank also reported a growth in deposits of \$17.3 million or 11.5% during 2012, which growth included an increase of \$5.9 million or 13.7% 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 year ended December 31, 2012 increased \$239,000 or 3.6% over the amount recorded in 2011, as the Bank has seen the overall effective cost of deposits in 2012 decline to 0.75%, as compared to 1.04% for 2011. The Bank's 2012 earnings also benefited from the 2011 facility lease termination, as total facilities and other fixed asset-related costs declined to \$868,000 in 2012 from \$1,318,000 in 2011, in improvement of 34%.

The Bank continues to experience excellent credit quality in its loan portfolio, as nonaccrual loans totaled \$6,000 at December 31, 2012, as compared to \$16,000 at December 31, 2011 and \$18,000 at December 31, 2010.

“In light of a challenging economic and regulatory environment, we are pleased with our fourth Quarter operating results and with the year’s overall financial performance, which was marked by continued loan and deposit growth and an improvement in earnings,” stated Frank D. Di Tomaso, Chairman and Chief Executive Officer. Mr. Di Tomaso continued, “We are further encouraged by the bank’s positive momentum, as it benefits from a long-term strategic plan that focuses on investment in the franchise through enhanced products and services, exceptional customer service, and a strong commitment to our community.”

At December 31, 2012, shareholders’ equity totaled \$21.4 million and the Bank’s total risk-based regulatory capital ratio was 13.52%, 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

	December 31,	
	2012	2011
	<i>(In thousands)</i>	
ASSETS		
Cash and Due From Banks	\$ 3,635	\$ 4,033
Interest Bearing Deposits at Other Financial Institutions	25,852	22,928
Federal Funds Sold	2,000	1,855
Investment Securities	32,195	32,757
Loans, Net	154,406	135,480
Other Assets	13,710	11,433
Total Assets	\$ 231,798	\$ 208,486
LIABILITIES AND STOCKHOLDERS' EQUITY		
Noninterest Bearing Demand Deposits	\$ 49,232	\$ 43,308
Interest Bearing Demand Deposits	7,861	7,493
Money Market and Savings Deposits	50,349	34,087
Time Deposits	60,422	65,643
Total Deposits	167,864	150,531
Borrowings	42,000	36,500
Other Liabilities	528	698
Total Liabilities	210,392	187,729
Stockholders' Equity	21,406	20,757
Total Liabilities and Stockholders' Equity	\$ 231,798	\$ 208,486

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2012	2011	2012	2011
	<i>(In thousands except per share amounts)</i>			
Interest Income				
Loans	\$ 1,958	\$ 1,943	\$ 7,792	\$ 7,664
Interest Bearing Deposits at Other Financial Institutions	23	20	77	73
Investment Securities	193	252	821	1,086
Federal Funds Sold	-	-	2	2
Total Interest Income	2,174	2,215	8,692	8,825
Interest Expense				
Interest Bearing Demand Deposits	7	7	26	27
Money Market and Savings Deposits	47	46	200	206
Time Deposits	227	284	947	1,305
Borrowings	158	160	645	652
Total Interest Expense	439	497	1,818	2,190
Net Interest Income	1,735	1,718	6,874	6,635
Provision for Loan Losses	114	(66)	235	50
Net Interest Income after Provision for Loan Losses	1,621	1,784	6,639	6,585
Noninterest Income	201	136	621	659
Noninterest Expense	1,397	1,540	6,373	6,631
Net Earnings Before Income Taxes	425	380	887	613
Income Tax Expense	171	157	328	232
Net Earnings	\$ 254	\$ 223	\$ 559	\$ 381
Basic and Diluted Earnings Per Share	\$ 0.11	\$ 0.10	\$ 0.25	\$ 0.17