



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces Record Earnings

SANTA CLARITA, CALIFORNIA – July 29, 2013. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced its results of operations for the second quarter and first half of 2013, which earnings exceeded the amount ever reported by the Bank during these periods. The Bank, which is the only commercial bank headquartered in the Santa Clarita Valley, reported net earnings for the second quarter of 2013 totaling \$303,000, which was more than eight times the \$35,000 reported for the second quarter of 2012. The Bank also reported net earnings for the six months ending June 30, 2013 totaling \$537,000, more than five times the \$102,000 reported for the first half of 2012. These results reflect the improvement in the Bank's operating efficiency, as noninterest expenses for the first half of 2013 totaled \$2,842,000, an improvement of \$703,000 or 20% as compared to the first half of 2012.

The Bank reported that its loan portfolio grew from \$145.5 million as of June 30, 2012 to \$152.7 million as of June 30, 2013, representing an increase of 5%, and also reported that total deposits at June 30, 2013 were \$169.1 million, which represented an increase of \$9.3 million or 6% during the preceding four quarters; this growth in deposits was primarily the result of an increase of \$8.7 million in noninterest-bearing demand deposits.

The Bank continues to experience excellent credit quality in its loan portfolio, as nonaccrual loans totaled approximately \$5,000 as of June 30, 2013, and have totaled less than \$15,000 at each of the past six quarter-end dates (March 31, 2012 through June 30, 2013).

"We are pleased to report another quarter of strong operating performance, as we continue to key in on our core earnings," stated Frank Di Tomaso, Chairman and Chief Executive Officer. He continued, "We also believe that this continued improvement in our performance demonstrates the Bank's commitment to achieving meaningful growth and returns for our shareholders."

At June 30, 2013, shareholders' equity totaled \$21.3 million and the Bank's total risk-based regulatory capital ratio was 14.04%, exceeding the "well-capitalized" level of 10% which is prescribed in the 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

	<u>June 30, 2013</u>	<u>December 31, 2012</u>	<u>June 30, 2012</u>
		<i>(In thousands)</i>	
ASSETS			
Cash and Due From Banks	\$ 3,630	\$ 3,635	\$ 4,312
Interest Bearing Deposits at Other Financial Institutions	29,398	25,852	20,561
Federal Funds Sold	1,200	2,000	900
Investment Securities	31,540	32,195	23,320
Loans, Net	152,712	155,925	145,504
Other Assets	15,569	13,710	12,487
Total Assets	<u>\$ 234,049</u>	<u>\$ 233,317</u>	<u>\$ 207,084</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Noninterest Bearing Demand Deposits	\$ 53,359	\$ 49,232	\$ 44,658
Interest Bearing Demand Deposits	8,261	7,861	6,386
Money Market and Savings Deposits	49,809	50,349	46,346
Time Deposits	57,632	60,422	62,392
Total Deposits	169,061	167,864	159,782
Borrowings	42,500	42,000	24,000
Other Liabilities	1,185	2,047	2,161
Total Liabilities	212,746	211,911	185,943
Stockholders' Equity	21,303	21,406	21,141
Total Liabilities & Stockholders' Equity	<u>\$ 234,049</u>	<u>\$ 233,317</u>	<u>\$ 207,084</u>

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
	<i>(In thousands except per share amounts)</i>			
Interest Income				
Loans	\$ 1,936	\$ 2,037	\$ 3,723	\$ 3,922
Interest Bearing Deposits at Other Financial Institutions	25	18	48	35
Investment Securities	180	209	351	450
Federal Funds Sold	-	-	1	1
Total Interest Income	2,141	2,264	4,123	4,408
Interest Expense				
Interest Bearing Demand Deposits	7	7	16	13
Money Market and Savings Deposits	51	53	103	98
Time Deposits	216	239	429	487
Borrowings	84	164	216	325
Total Interest Expense	358	463	764	923
Net Interest Income	1,783	1,801	3,359	3,485
Provision for Loan Losses	(20)	49	(20)	108
Net Interest Income after Provision for Loan Losses	1,803	1,752	3,379	3,377
Noninterest Income	140	204	336	319
Noninterest Expense	1,458	1,901	2,842	3,545
Net Earnings Before Income Taxes	485	55	873	151
Income Tax Expense	182	20	336	49
Net Earnings	\$ 303	\$ 35	\$ 537	\$ 102
Basic Earnings Per Share	\$ 0.14	\$ 0.02	\$ 0.24	\$ 0.05
Diluted Earnings Per Share	\$ 0.13	\$ 0.02	\$ 0.24	\$ 0.05