



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces Record Earnings for 2013

SANTA CLARITA, CALIFORNIA – January 28, 2014. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced its results of operations for the year ended December 31, 2013, which net earnings exceeded the amount reported by the Bank in any previous year. The Bank, which is the only commercial bank headquartered in the Santa Clarita Valley, reported net earnings for 2013 totaling \$1,004,000, which was 80% greater than the \$559,000 reported for 2012. These results were largely driven by the improvement in the Bank's operating efficiency, as noninterest expenses for the 2013 totaled \$5,802,000, an improvement of \$571,000 or 9% over those costs reflected in 2012.

The Bank reported that its loan portfolio grew from \$155.9 million as of December 31, 2012 to \$161.9 million as of December 31, 2013, representing an increase of 4%, and also reported that total deposits at the end of 2013 were \$181.2 million, which represented an increase of \$13.3 million or 8% over the amount reported a year earlier. As a result of the growth in average net interest-earning assets during 2013, the Bank's net interest income grew by 2% to \$7.01 million.

The Bank continues to experience good credit quality in its loan portfolio, as nonaccrual loans totaled approximately \$903,000 or 0.56% of total loans as of December 31, 2013.

"This past year was highlighted by the Bank earning a record level of net income, as we achieved both solid deposit and loan growth," stated Frank Di Tomaso, Chairman and Chief Executive Officer. He continued, "We made excellent progress in achieving our 2013 goals, and we continue to take the steps necessary to achieve long-term success."

At December 31, 2013, shareholders' equity totaled \$21.8 million and the Bank's total risk-based regulatory capital ratio was 13.54%, 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

| | December 31, | |
|---|-----------------------|-------------------|
| | 2013 | 2012 |
| | <i>(In thousands)</i> | |
| ASSETS | | |
| Cash and Due From Banks | \$ 3,142 | \$ 3,635 |
| Interest Bearing Deposits at Other Financial Institutions | 32,162 | 25,852 |
| Federal Funds Sold | 2,000 | 2,000 |
| Investment Securities | 34,580 | 32,195 |
| Loans, Net | 161,888 | 155,925 |
| Other Assets | 16,614 | 13,710 |
| Total Assets | \$ 250,386 | \$ 233,317 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Noninterest Bearing Demand Deposits | \$ 53,390 | \$ 49,232 |
| Interest Bearing Demand Deposits | 12,409 | 7,861 |
| Money Market and Savings Deposits | 56,917 | 50,349 |
| Time Deposits | 58,457 | 60,422 |
| Total Deposits | 181,173 | 167,864 |
| Borrowings | 46,000 | 42,000 |
| Other Liabilities | 1,448 | 2,047 |
| Total Liabilities | 228,621 | 211,911 |
| Stockholders' Equity | 21,765 | 21,406 |
| Total Liabilities and Stockholders' Equity | \$ 250,386 | \$ 233,317 |

STATEMENTS OF EARNINGS

Unaudited

| | For the Three Months Ended December 31, | | For the Twelve Months Ended December 31, | |
|--|--|----------------|--|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| | <i>(In thousands except per share amounts)</i> | | | |
| Interest Income | | | | |
| Loans | \$ 1,909 | \$ 1,958 | \$ 7,592 | \$ 7,792 |
| Interest Bearing Deposits at Other Financial Institutions | 36 | 23 | 114 | 77 |
| Investment Securities | 231 | 193 | 789 | 821 |
| Federal Funds Sold | - | - | 2 | 2 |
| Total Interest Income | 2,176 | 2,174 | 8,497 | 8,692 |
| Interest Expense | | | | |
| Interest Bearing Demand Deposits | 8 | 7 | 31 | 26 |
| Money Market and Savings Deposits | 71 | 47 | 232 | 200 |
| Time Deposits | 214 | 227 | 852 | 947 |
| Borrowings | 75 | 158 | 372 | 645 |
| Total Interest Expense | 368 | 439 | 1,487 | 1,818 |
| Net Interest Income | 1,808 | 1,735 | 7,010 | 6,874 |
| Provision for Loan Losses | 189 | 114 | 184 | 235 |
| Net Interest Income after Provision for Loan Losses | 1,619 | 1,621 | 6,826 | 6,639 |
| Noninterest Income | 122 | 201 | 570 | 621 |
| Noninterest Expense | 1,499 | 1,397 | 5,802 | 6,373 |
| Net Earnings Before Income Taxes | 242 | 425 | 1,594 | 887 |
| Income Tax Expense | 91 | 171 | 590 | 328 |
| Net Earnings | \$ 151 | \$ 254 | \$ 1,004 | \$ 559 |
| Basic Earnings Per Share | \$ 0.07 | \$ 0.11 | \$ 0.45 | \$ 0.25 |
| Diluted Earnings Per Share | \$ 0.07 | \$ 0.11 | \$ 0.45 | \$ 0.25 |