



PRESS RELEASE

Contact: James D. Hicken
President and Chief Executive Officer
(661) 362-6001

For Immediate Release

Bank of Santa Clarita Reports Record Pre-Tax Earnings

SANTA CLARITA, CALIFORNIA – February 3, 2012. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced record pre-tax earnings and strong loan growth for 2011.

Bank of Santa Clarita, the only commercial bank headquartered in the Santa Clarita Valley, reported net earnings for the fourth quarter of 2011 totaling \$223,000 as compared to \$104,000 for the fourth quarter of 2010. The Bank also reported a \$418,000 growth in pre-tax earnings, which totaled \$380,000 for the fourth quarter of 2011, as compared to pre-tax loss of \$38,000 for the fourth quarters of 2010. Net earnings for the Bank totaled \$381,000 and \$569,000 for the years ended December 31, 2011 and 2010, respectively, while pre-tax earnings totaled \$613,000 and \$267,000, respectively, for those two years. As announced in the second quarter of 2011, the Bank initiated certain facilities-related transactions which are designed to provide for efficient and productive facilities supporting the Bank's operations and likely growth in those operations for the foreseeable future. The facilities plan transactions included the early termination of the lease on our former headquarters facility, which resulted in an expense of \$250,000 for the early-termination fee, which was recorded during the second quarter of 2011. The significant factors which generated our operating results are described below.

Net Interest Income: The Bank reported \$6.63 million of net interest income for the year ended December 31, 2011, as compared to the \$5.98 million reported for the year 2010. This growth was the result of an increase in the net margin from 3.48% in 2011 from 3.31% in 2010, which improvement was largely driven by a significant reduction in the cost of deposits, as the Bank has seen the average cost of deposits for 2011 decline to 1.04%, from 1.48% for 2010.

During 2011 the Bank experienced growth in its loan portfolio, as net loan balances totaled \$135.5 million at December 31, 2011, as compared to \$128.3 million at December 31, 2010, reflecting growth of \$7.2 million or 6%.

Noninterest Expense: The Bank experienced an increase in total noninterest expenses, from \$6.22 million in 2010 to \$6.63 million in 2011; this \$416,000 increase resulted from several factors, the most significant of which was the \$250,000 related to the cost of terminating a facilities lease, as described above.

Income Tax Expense (Benefit): The Bank reported \$232,000 of income tax expense during the year ended December 31, 2011, as compared to a \$302,000 income tax benefit reported for 2010. The tax benefit in 2010 primarily resulted from the Bank's recognition in 2010 (and in 2008 and 2009) of all of the income tax benefits relating to pre-tax losses reported in the initial four years of the Bank's operations (2004 – 2007), for which no income tax benefits had then been recorded. Such income tax benefits reported amounted to \$417,000 during 2010 and \$0 in 2011, as the entire amount of the initial years' income tax benefits was recorded during 2008 through 2010.

"We are very pleased with our operating results, as the Bank reported a record level of pre-tax earnings, an improvement in our net interest margin, and continuing excellent asset quality, with no charge-offs in 2011 and nonaccrual loans totaling only \$16,000 at December 31, 2011. Moreover, considering the second quarter charge we took resulting from our decision to exercise our option to terminate early a lease on one of our facilities, the Bank's core profitability has improved. Our facilities-related decisions will have the effects of providing both substantial cost savings over the next three years and also the physical space needed to accommodate our growth for the future" said James D. Hicken, President and Chief Executive Officer. Mr. Hicken added "We feel the Bank continues to be well positioned for the current environment, and we remain focused on our traditional core values which have guided us well through these challenging times."

Frank Di Tomaso, Executive Chairman of the Bank, commented that "2011 represented a challenging yet exciting year for the Bank. We moved into our new headquarters office, consolidated a branch office and eliminated an expensive building lease; moreover, we have seen growth in loans and significantly decreased our cost of deposits. As we now look to 2012 with great excitement, we believe that we are well-positioned to continue our loan and deposit growth by providing high quality service to our local community."

At December 31, 2011, shareholders' equity totaled \$20.8 million and the Bank's total risk-based regulatory capital ratio was 15.15%, 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.

Bank of Santa Clarita, Corporate Headquarters
23780 Magic Mountain Parkway
Santa Clarita, California 91355
(661) 362-6004
www.bankofsantaclarita.com

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.