



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Reports 2009 Results – Earnings Growth Continues; Asset Quality Remains High

SANTA CLARITA, CALIFORNIA – January 21, 2010. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced financial results for 2009.

Bank of Santa Clarita, the only commercial bank headquartered in the Santa Clarita Valley, reported that its earnings have continued to improve over 2008, as net earnings for the year totaled \$609,000 as compared to \$552,000 for 2008. Net earnings for the fourth quarter of 2009 totaled \$262,000 compared to fourth quarter 2008 earnings of \$351,000. The Bank reported year over year increases in net interest income of \$141,000 and \$636,000 for the three- and twelve-month periods ended December 31, 2009, as compared to those periods of 2008, representing, in each case, growth of more than 10%.

During 2009 the Bank experienced a 21% growth in its deposits and a 3% growth in its loan portfolio. Consistent with the loan growth and its ongoing evaluation of prevailing economic conditions, during 2009 the Bank increased its allowance for loan losses as a percentage of total loans to approximately 1.31% from approximately 1.21% at December 31, 2008. .

As previously reported, during the first quarter of 2009 the Bank opened its third full-service branch office, located in the East Santa Clarita Valley. This office is intended to serve retail consumers as well as small businesses, and is the first Bank branch office to focus on that retail consumer banking segment. The 2009 results include nearly \$500,000 of operating expenses directly related to this new branch, which the Bank considers to be an investment in the development of this market segment. Additionally, in 2009 the Bank paid \$250,000 for FDIC deposit insurance, more than double the \$101,000 paid during 2008. Also, in 2009 the Bank received only \$3,000 in dividends on the shares of the Federal Home Loan Bank of San Francisco stock that it is required to maintain as a member of the FHLB of San Francisco, compared to the \$42,000 received in 2008, due to reduced FHLB of San Francisco earnings and increased reserves. The combination of the increased FDIC deposit insurance premiums and the reduced FHLB dividends had the effect of reducing the Bank's earnings reported for 2009 by \$188,000 as compared to 2008.

“We are very pleased with the Bank's continuing improvement in performance through 2009” said James D. Hicken, President and Chief Executive Officer. “During the year our net interest margin continued to improve, largely based on our efforts to position the Bank for today's interest rate environment. The growth in both loans and deposits primarily reflects an expanding market opportunity and the benefit the Bank has in being the Santa Clarita Valley's only locally headquartered commercial bank. Additionally, the credit quality inherent in the Bank's loan portfolio remained strong, as nonaccrual loans at the end of 2009 totaled \$15,000, as compared to the \$23,000 reported at the end of 2008.”

At December 31, 2009, shareholders' equity was \$19.9 million and the Bank's total risk-based regulatory capital ratio was 15.78%, significantly exceeding the “well-capitalized” level of 10% prescribed under

regulatory requirements. Moreover, the Bank continues to maintain substantial liquidity positions, retaining significant balances of liquidity as well as 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 Santa Clarita 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 local businesses 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.