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**Ojai Community Bank**  
**Santa Paula Community Bank**  
*a division of Ojai Community Bank*  
402 W. OJAI AVE.  
OJAI, CA 93023

## 3RD QUARTER SHAREHOLDER'S REPORT

September 30, 2008



**Ojai Community Bank**  
**Santa Paula Community Bank**  
*a division of Ojai Community Bank*

# LETTER TO OUR SHAREHOLDERS

Dear Investors:

Ojai Community Bank enjoyed a successful third quarter. Earnings for the period were \$85,000, marking the highest earning quarter in the Bank's history. This was primarily due to increased loan volume and greater efficiencies accomplished through growing total assets. Gross loans increased 6.51% to \$33,164,000, an increase of \$2,027,000 over June 30, 2008. In addition, total assets grew by \$1,745,000 to \$50,746,000 as of September 30, 2008.

In September and October we moved forward with our acquisition of two branches of Santa Barbara Bank and Trust, located in the City of Santa Paula. Through late September and early October we received Shareholder consent to complete the acquisition transaction, and it is scheduled to close during the fourth quarter. We also successfully completed a Private Placement of common shares, providing an additional \$2,000,000 of capital as an extra cushion to support our growth. The branches in Santa Paula will operate as Santa Paula Community Bank, a wholly owned division of Ojai Community Bank. The combined banks will have total assets of approximately \$110,000,000, more than doubling our current size. Significant benefit will also flow from the greater efficiency achieved by spreading our fixed overhead over more earning assets and enhancing earnings.

We were gratified that local individuals supported our vision of small community banks serving defined local areas, and contributed the additional capital to complete the acquisition. Even as the financial news became stormy in September and October, our loyal Shareholders came forward to support our growth, seeing the value in our business plan of operating very small banks that are directly tied to the area they serve.

Considering all of the confusing and conflicting news we have heard lately, we want to reassure you that there are many banks, including our own, in the nation that are sound and serving their customers well. Ojai Community Bank was not involved in the sub-prime and predatory loan market, nor did we hold Freddie Mac or Fannie Mae preferred stock. The vast majority of community bankers have held steady through these turbulent times and are well situated to offer credit and opportunities to both business and consumers. No bank is completely immune to the effects of a deep recession, however, most have adequate capital and liquidity, and have managed their assets in a prudent manner. Ojai Community Bank's capital and liquidity are significantly above regulatory guidelines and we are well positioned to continue making quality loans in our communities.

All banks do take some loan losses from time to time, as Ojai Community Bank did in the first half of 2008 from a small local business failure. As of September 30, 2008, we had sufficient net earnings to completely erase that loss and show a profit year to date.

At Ojai Community Bank we take seriously our responsibility to support local non profits, small businesses, and consumers. We offer credit to qualified borrowers, support through donations and volunteer efforts to charitable organizations, and are readily available to discuss needs and offer ideas. Our best opportunities lie ahead, as we perform our role as an integral part of our communities of Ojai and Santa Paula.

Shari Skinner  
President/CEO

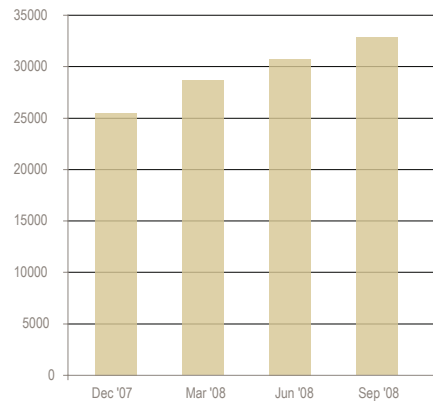
Donald Scanlin  
Chairman

*This statement has not been reviewed, or confirmed for accuracy or relevance, by the Federal Deposit Insurance Corporation.*

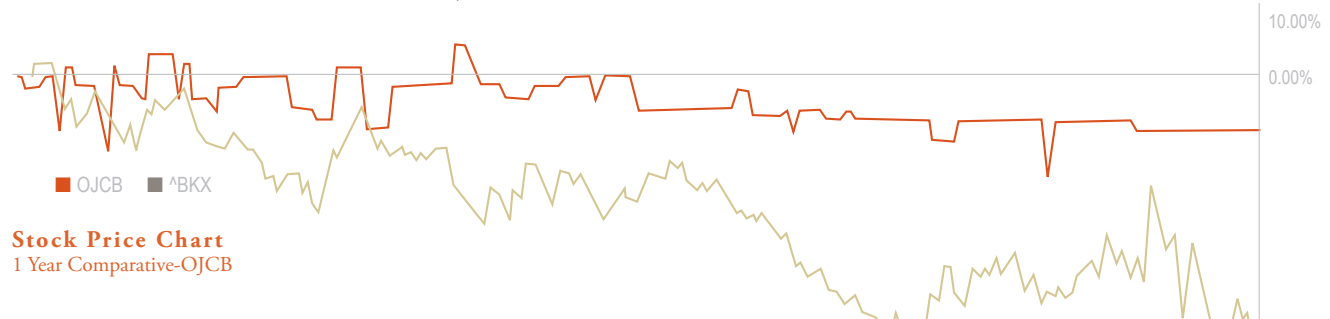
## Balance Sheet (unaudited, pre-branch acquisition)

	9/30/08 (In 000's)	12/31/07 (In 000's)
<b>Assets</b>		
Cash & Due from Banks	\$ 2,105	\$ 2,004
Investments/Securities	14,306	17,360
Bank Premises	608	457
<b>Loans</b>		
Commercial	7,290	5,951
Real Estate	22,734	16,633
Other	3,140	3,265
Loans, Gross	33,164	25,849
Deferred Loan Fees & Costs	34	-45
Loan Loss Reserve	-401	-336
Loans, Net	32,797	25,468
Other Assets	930	643
<b>Total Assets</b>	<b>\$50,746</b>	<b>\$45,932</b>
<b>Liabilities</b>		
<b>Deposits</b>		
Non Interest Demand	\$9,076	\$8,511
Interest Bearing Demand	1,627	1,376
Savings & Money Mkt	12,055	11,117
Certificates of Deposit	16,598	14,310
<b>Total Deposits</b>	<b>39,356</b>	<b>35,314</b>
Other Liabilities	826	57
Shareholders Equity	10,564	10,561
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>\$50,746</b>	<b>\$45,932</b>
Shares Outstanding	1,374,974	1,374,974

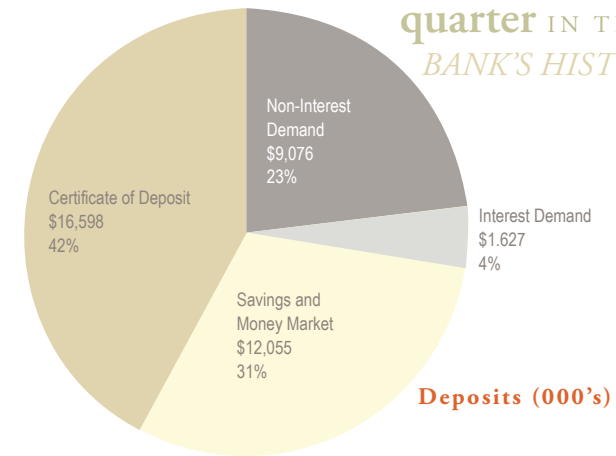
## Net Loans (000's)



## Stock Price Chart 1 Year Comparative-OJCB



highest  
earning  
quarter IN THE  
BANK'S HISTORY



Deposits (000's)

## Income & Expenses (unaudited, pre-branch acquisition)

	1/1/2008 to 9/30/08 (In 000's)	1/1/2007 to 9/30/2007 (In 000's)
<b>Interest Income</b>		
Interest & Fees on Loans	\$1,760	\$1,296
Interest on Investments	329	686
<b>Total Interest Income</b>	<b>2,089</b>	<b>1,982</b>
<b>Interest Expense</b>		
Interest Expense	-611	-604
<b>Net Interest Income</b>	<b>1,478</b>	<b>1,378</b>
Provision for Credit Losses	-211	-31
<b>Net Interest Income after Provision</b>	<b>1,267</b>	<b>1,347</b>
<b>Other Income</b>		
Service Charges on Deposit Accounts	60	58
Other Fees & Misc. Income	29	17
<b>Total Other Income</b>	<b>89</b>	<b>75</b>
<b>Operating Expenses:</b>		
Salaries & Benefits	732	694
Occupancy, Equipment	192	167
Promotion	69	97
Supplies	58	69
Professional Services	211	154
Insurance	43	33
Other	48	47
<b>Total Operating Expenses</b>	<b>1,353</b>	<b>1,261</b>
<b>Profit (Loss) for Period</b>	<b>\$ 3</b>	<b>\$ 161</b>