



Ojai Community Bank

Ventura Community Bank

a division of Ojai Community Bank

Santa Paula Community Bank

a division of Ojai Community Bank

3rd QUARTER SHAREHOLDERS REPORT

September 30, 2012

Board of Directors

Don Scanlin

Chairman of the Board

John Russell

Vice-Chairman

Dave Brubaker

George Melton

Martin A. Pops, MD

Dietrich Schmidt

Bill Sechrest

Esther Wachtell

Larry Wilde

Dear Shareholders:

On behalf of the Board of Directors and the management of Ojai Community Bank, I am pleased to report on the Bank's performance this quarter.

We are delighted that the Bank continues to increase in profitability and strength. We project record earnings for 2012 and, as of September 30, 2012, had no 30 day past due loans. This is remarkable.

Our staff has performed at extraordinary high levels and at an unrelenting pace, and we are grateful for their dedication. We are also grateful for our shareholders, many of whom have worked closely with us to insure profitability. We believe in building value together in this process.

Net income year-to-date ending September 30, 2012, was a record \$827,000, a 174% increase as compared to \$300,000 for the same period last year.

Since September 30, 2011, our assets have increased approximately \$7 million to \$136 million; deposits have been the largest contributor to increase our balance sheet, increasing approximately \$7 million. Loans are a little harder to come by in this economy and we have experienced a slight decline of 4%, or \$3 million, to \$74 million. As a result, we remain very liquid and are assertively looking for safe lending opportunities.

During the third quarter, we implemented our plan to consolidate the Santa Paula offices to the Harvard location. The consolidation was successful and many of the employees were relocated. We continue to support and service the Santa Paula market efficiently. No significant deposit runoff has occurred as a result of this strategy.

On October 4, 2012, we launched Ventura Community Bank, a division of Ojai Community Bank at 3130 Telegraph Road near Five Points in Ventura. George Tabata, Vice President, Commercial Lending, and three operations staff work in the small office. The new location offers both lobby and drive-up banking and ATM access. We feel this is a fiscally prudent way to enter this new market and begin to build our brand.

Additionally, we have opened a mortgage department, which focuses on originating and selling conforming 1-4 single-family real estate loans. Peter Hart, a longtime bank and mortgage expert will lead this department. As more regulation is implemented, we feel that there will be more demand for regulated lenders, such as banks, filling the void left by the decline of the previous mortgage origination participants. We anticipate this area will provide positive impact to our bottom line in 2013.

Our levels of classified loans remain low and stable, slightly below \$2.7 million. These loans are paid current, but have an identified weakness that requires classification. Loans on non-accrual remain low at approximately \$220,000.

Annually, we closely review a majority of our loans, and currently do not see signs of

Officers

Dave Brubaker

President/CEO

Michelle Henson

Chief Credit Officer

Susan Lagos

Chief Financial Officer

Don Tello

Santa Paula Division President

George Tabata

Commercial Lending

further credit quality issues. We watch our loan portfolio closely to insure proper classification, so that proper remedies are implemented immediately.

During this quarter, we sadly accepted the resignation of one of our founding Board members, Rob Rossi. Rob had an instrumental role in the Bank's founding and initial operation. He resides in San Luis Obispo and the demands on his time made it increasingly difficult to participate in his Bank obligations while tending to his daily business responsibilities. We thank Rob for his insight and help throughout the years. We look forward to a continued excellent relationship with him.

Of key importance to management is increasing outstanding loan balances. This is critical to continued earnings growth and success. We see signs of more positive activity in our markets, and believe that the opening of the Ventura will provide assistance in this area. We are confident we will see good results as we move into 2013.

As the banking industry continues to recover, we will be well positioned to benefit from resurgence in bank stock valuations. Market value continues in the \$4.75 to \$5.25 range, which is a slight discount to book value. We believe this is a function of supply and demand as we continue to move forward in this choppy economy. Our stock symbol is OJCB.

We are always available to answer your questions. Contact Dave Brubaker, President/CEO, at the main office located at 402 W. Ojai Avenue, Ojai CA 93023, dbrubaker@ojaicommunitybank.com or 805-646-9909..

Sincerely,

Dave Brubaker
President/CEO

Don Scanlin
Chairman

This letter includes forward-looking information, which is subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act and the Private Securities Litigation Reform Act of 1995. When the Bank uses or incorporates by reference in this letter the words "anticipate," "estimate," "expect," "project," "intend," "commit," "believe," and similar expressions, the Company intends to identify forward-looking statements. Our actual results may differ materially from those projected in any forward-looking statements, as they will depend on many factors about which we are unsure, including many factors that are beyond our control.

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



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Shareholder Quarterly Report
9/30/12

Balance Sheet
(unaudited)

	9/30/12 (In 000's)	12/31/11 (In 000's)
ASSETS		
Cash & Due from Banks	3,922	4,225
Investments/Securities	53,884	44,939
Bank Premises	1,401	1,428
Loans		
Commercial	5,563	5,593
Real Estate	67,557	70,594
Other	1,238	1,112
Loans, Gross	<u>74,358</u>	<u>77,299</u>
Deferred Loan Fees & Costs	-83	-95
Loan Loss Reserve	<u>-1,386</u>	<u>-1,753</u>
Loans, Net	72,889	75,451
Other Assets	<u>3,747</u>	<u>2,301</u>
Total Assets	<u><u>135,843</u></u>	<u><u>128,344</u></u>
LIABILITIES		
Deposits		
Non Interest Demand	37,539	32,282
Interest Bearing Demand	11,826	11,454
Savings & Money Mkt	35,625	31,284
Certificates of Deposit	<u>35,978</u>	<u>39,279</u>
Total Deposits	120,968	114,299
Other Liabilities	163	158
Shareholders Equity	<u>14,712</u>	<u>13,887</u>
Total Liabilities & Shareholders Equity	<u><u>135,843</u></u>	<u><u>128,344</u></u>
Shares Outstanding	2,080,778	2,055,776

Income & Expenses
(unaudited)

	1/1/2012 to 9/30/12 (In 000's)	1/1/2011 to 9/30/11 (In 000's)
Interest Income		
Interest & Fees on Loans	3,615	3,711
Interest on Investments	<u>152</u>	<u>137</u>
Total Interest Income	3,767	3,848
Interest Expense	<u>-289</u>	<u>-456</u>
Net Interest Income	3,478	3,392
Provision for Credit Losses	<u>0</u>	<u>-490</u>
Net Interest Income after Provision	3,478	2,902
Other Income		
Service Charges on Deposit Accts	191	220
Other Fees & Misc Income	<u>172</u>	<u>77</u>
Total Other Income	363	297
Operating Expenses:		
Salaries & Benefits	1,433	1,333
Occupancy, Equipment	351	386
Promotion	117	92
Supplies	103	99
Professional Services	528	492
Insurance/FDIC	151	272
Other	<u>331</u>	<u>225</u>
Total Operating Expenses	3,014	2,899
Profit (Loss) for Period	<u><u>827</u></u>	<u><u>300</u></u>