



Ojai Community Bank

Ventura Community Bank

a division of Ojai Community Bank

Santa Paula Community Bank

a division of Ojai Community Bank

2nd QUARTER SHAREHOLDERS REPORT

June 30, 2013

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:

Each quarter we look forward to sharing our progress with friends, neighbors and shareholders as we continue to work diligently to build a thriving, reputable and caring financial institution. The bank remains strong, stable and growth remains positive.

Total assets were \$146,369,000 as of June 30, 2013, up \$11.9 million, or 8.9% from December 31, 2012. Total loans increased \$11.7 million or 15% since December 31, 2012, ending at \$86,114,000 as of June 30, 2013. These figures are an excellent sign of long-term growth and future earnings for the bank and its shareholders.

The dramatic loan growth for this quarter has, in large part, been due to strategies put in place late last year. These include hiring new key personnel, expanding into new markets and offering new services. While this record loan growth has validated these efforts, the additional income to be generated typically lags for a period when operational costs are disproportionate to income. We are now in the midst of this transition period and are greatly encouraged as we expect the momentum to continue to build. With our high level of liquidity invested at today's minimal federal funds rate, we have significant capacity to continue to drive income through the generation of new market rate loans for some time to come.

However, partially offsetting this and because of our recent success, we have now fully utilized all of our remaining tax loss carry forward accounts, leaving current net income subject to corporate income tax. Net income for the first six months of 2013 was \$125,000 after tax provisions. This is reduced from last year, but strongly influenced by the growth and tax issues mentioned above. As the new market rate loans continue to add meaningful income and additional loans are obtained in the current favorable economic climate, your Board continues to seek conservative growth through both additional key personnel and expanded markets.

Credit quality remains stable. We hold no foreclosed property at quarter-end and have had borrowers reporting improved financial results, which leads to fewer write downs, better loan quality, and less negative impact on the income statement. Our allowance for loan loss reserve is approximately \$1.36 million, or 1.57% of total loans. This level is comparable to our peer banks and we believe, based on the internal qualitative factors, sufficient at this time.

The mortgage department is doing very well. Rates have increased in recent weeks, and volume has slowed. Once consumers re-acclimate, we feel confident volume will return to projected levels.

Officers

Dave Brubaker

President/CEO

Michael Orman

Chief Operating Officer

Michelle Henson

Chief Credit Officer

Susan Lagos

Chief Financial Officer

Don Tello

Santa Paula Division President

George Tabata

Commercial Lending

Santa Paula is steady, deposits remain solid, and loan volume is increasing slightly. Ventura continues on track as we expand in that market, and the community response is positive. The positive community response not only provides us with encouraging signs for the potential in this market, but also excellent opportunities to gain additional market share.

Shareholders approved the creation of a bank holding company in May of this year. We are in the process of completing the necessary applications to start regulatory approval for the holding company, arrange financing, and pay off TARP. We expect completion by the end of the year.

We believe community banking is strong and well valued. Daily, we receive positive feedback from our customers because we are able to make local decisions, offer comparable products and services, and provide real solutions to current needs.

Our shares continue to trade in the \$6.00 to \$6.50 range. Our book value continues to grow which helps market price overall. We continue to focus on improving the bank and ultimately our stock performance and return.

We thank you for your loyalty and 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,

David F. Brubaker
President/CEO

Donald 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
6/30/13

Balance Sheet
(unaudited)

ASSETS	6/30/13 (In 000's)	12/31/12 (In 000's)
Cash & Due from Banks	4,976	4,847
Investments/Securities	51,946	50,738
Bank Premises	1,168	1,435
Loans		
Commercial	9,564	5,678
Real Estate	75,656	67,645
Other	974	1,167
Loans, Gross	86,194	74,490
Deferred Loan Fees & Costs	-80	-76
Loan Loss Reserve	-1,356	-1,364
Loans, Net	84,758	73,050
Other Assets	3,521	4,379
Total Assets	146,369	134,449
 LIABILITIES		
Deposits		
Non Interest Demand	40,899	35,735
Interest Bearing Demand	11,413	12,139
Savings & Money Mkt	43,732	37,430
Certificates of Deposit	34,287	33,398
Total Deposits	130,331	118,702
Other Liabilities	452	252
Shareholders Equity	15,586	15,495
Total Liabilities & Shareholders Equity	146,369	134,449
 Shares Outstanding	 2,080,778	 2,080,778

Income & Expenses
(unaudited)

	1/1/2013 to 6/30/13 (In 000's)	1/1/2012 to 6/30/12 (In 000's)
Interest Income		
Interest & Fees on Loans	2,203	2,432
Interest on Investments	106	98
Total Interest Income	2,309	2,530
Interest Expense	-125	-205
Net Interest Income	2,184	2,325
Provision for Credit Losses	0	0
Net Interest Income after Provision	2,184	2,325
 Other Income		
Service Charges on Deposit Accts	131	127
Mortgage Broker Fees	67	0
Other Fees & Misc Income	87	94
Total Other Income	285	221
Operating Expenses:		
Salaries & Benefits	1,124	951
Occupancy, Equipment	260	232
Promotion	107	82
Supplies	78	69
Professional Services	331	354
Insurance/FDIC	99	117
Other	245	209
Total Operating Expenses	2,244	2,014
Net Operating Income Before Income Taxes	225	532
Income Tax Expense	97	0
Profit (Loss) for Period	128	532