SACRAMENTO, Calif., Oct. 15, 2013 /PRNewswire/ -- GREATER SACRAMENTO BANCORP (OTC: GSCB.OB) – For the 3
rd
Quarter 2013 ended
September 30, 2013
Greater Sacramento Bancorp (GSB), parent company of Bank of
Sacramento
(BOS), reported Net Income of
$710,000
(
$.27
per share diluted) representing a 23% increase over the
$576,000
(
$.22
per share diluted) reported in the 3
rd
Quarter 2012.

Compared to the 2nd Quarter 2013 Net Income of $886,000 ($.33 per share diluted) 3rd Quarter 2013 income was down 20%. This was primarily attributable to non-recurring expenses related to consideration of growth and strategic opportunities which may result in enhanced returns in the future.

For the nine months of 2013, GSB reported Net Income of $2,146,000 ($.80 per share diluted) up 8% from the $1,979,000 ($.75 per share diluted) reported for nine months of 2012. The Net Income for both the 3rd Quarter and the nine months was driven by improved Net Interest Income, the core revenue generator for GSB. For the 3rd Quarter 2013 Net Interest Income of $3,774,000 was 19% greater than the $3,171,000 reported for the 3rd Quarter 2012. And for nine months Net Interest Income was up 13% at $10,877,000 compared to $9,595,000 in 2012. Improved loan volume and slightly improved yields for both loans and securities all contributed to the Net Interest Income improvement.

As a result of fewer gains from the sale of securities and fewer extraordinary gains from recovered loan expenses incurred during the recession, total Non-Interest Income for the nine months of 2013 was down 43% at $1,142,000 from $2,014,000 for the nine months of 2012.

Non-Interest Expense for both the 3rd Quarter 2013 and the nine months of 2013 were up 7% over the comparative 2012 periods. Salary expenses for the 3rd Quarter 2013 were up slightly (3%) over 3rd Quarter 2012 with Other Operating Expenses in the 3rd Quarter 2013 up 22% over 3rd Quarter 2012 as a result of the aforementioned non-recurring expenses.

Net Interest Margin which has been under downward pressure because of the protracted period of low interest rates showed improvement in the 3rd Quarter and for the nine months. Net

Interest Margin for 3rd Quarter 2013 was 3.58% compared to 3.37% for 3rd Quarter 2012. For the comparative nine months periods the Margin for 2013 was 3.54% representing a slight improvement over the 2012 Margin of 3.47%. Our ability to employ our funds into loans rather than lower yielding securities as well as slightly improved yields in our securities portfolio resulted in the improved Margin.

Regarding GSB's performance through nine months of 2013, CEO and Chairman William J. Martin commented, "We are very pleased that both our improved loan volume and our continued loan quality have resulted in improved earnings. It is also important to note that the loan and income growth have been achieved during a still lackluster local economy. The need to aggressively seek out quality lending relationships remains a priority."

GSB's Net Income over the past five quarters follows:

9/30/13

6/30/13

3/31/13

12/31/12

9/30/12

Net Income

$710,000

$886,000

$550,000

$1,072,000

$576,000

$ Per Share Diluted

$.27

$.33

$.21

$.40

$.22

As of September 30, 2013 the Bank's Tier One Capital stood at $44,504,000 and GSB's Tier One Capital was $ 44,981,000 . The Leverage Capital Ratio for BOS and GSB were 9.53% and 9.63%, respectively. By all regulatory measures the Bank and GSB are considered well capitalized.

Comparing balance sheets for the quarters ending September 30, 2013 and September 30, 2012 , the following highlights are noted:

Total Loans

9/30/13

9/30/12

% Increase

$271,308,000

$234,213,000

16%

Total Deposits

9/30/13

9/30/12

% (Decrease)

$377,373,000

$386,473,000

(2%)

Total Assets

9/30/13

9/30/12

% Increase

$459,484,000

$433,886,000

6%

A copy of the company's information and disclosure statement pursuant to Securities and Exchange Commission Rule 15c2-11 can be found on the home page of the company's website at www.bankofsacramento.com under the title Investor Relations.

Contact: William J. Martin, CEO and Chairman, 916-648-2100

This report may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, and competition within the business areas in which the Company is conducting its operations, including the real estate market in California and other factors beyond the Company's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Greater Sacramento Bancorp

Consolidated Statement of Condition

(IN THOUSANDS)

Unaudited

DOLLAR

PERCENT

9/30/2013

9/30/2012

CHANGE

CHANGE

ASSETS

Cash and due from banks

$ 6,874

$ 23,864

$ (16,990)

-71%

Federal funds sold

-

-

-

-

Securities, available-for-sale and held-to-maturity

159,691

156,537

3,154

2%

Loans

Construction

4,374

7,118

(2,744)

-39%

Commercial Real Estate

226,060

184,877

41,183

22%

Commercial and Industrial

38,489

40,107

(1,618)

-4%

Consumer

2,385

2,111

274

13%

Total Loans outstanding

271,308

234,213

37,095

16%

Less: Allowance for Loan Losses

4,150

3,981

169

4%

Loans, net

267,158

230,232

36,926

16%

Bank premises and equipment, net

193

295

(102)

-35%

FHLB, FRB and PCBB restricted stock

2,909

2,747

162

6%

Other Real Estate Owned

2,845

2,918

(73)

-3%

Bank Owned Life Insurance

10,821

10,465

356

3%

Accrued interest and other assets

8,993

6,828

2,165

32%

TOTAL ASSETS

$ 459,484

$ 433,886

$ 25,598

6%

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Deposits

Noninterest bearing

$ 114,823

$ 111,793

$ 3,030

3%

NOW Accounts

19,890

20,467

(577)

-3%

Money Market and Savings

139,068

142,230

(3,162)

-2%

Time Deposits

103,592

111,983

(8,391)

-7%

Total Deposits

377,373

386,473

(9,100)

-2%

FHLB borrowings

35,000

-

35,000

N.A.

Accrued interest and other liabilities

4,573

3,485

1,088

31%

Junior subordinated debentures

8,248

8,248

-

0%

TOTAL LIABILITIES

425,194

398,206

26,989

7%

SHAREHOLDERS' EQUITY

Preferred convertible stock; Issued and outstanding, none in 2013 and 2012

-

-

-

Common stock; Issued and outstanding, 2,610,687 in 2013, and 2,600,731 in 2012

22,551

22,514

37

0%

Paid in Capital

506

326

180

55%

Retained earnings

14,289

11,071

3,218

29%

Accumulated other comprehensive income (loss), net of tax

(3,056)

1,769

(4,825)

-273%

TOTAL SHAREHOLDERS' EQUITY

34,290

35,680

(1,390)

-4%

TOTAL LIABILITIES & SHAREHOLDERS' EQUITY

$ 459,484

$ 433,886

$ 25,598

6%

Book Value per common share

$ 13.13

$ 13.72

$ (0.59)

-4%

Tier 1 Leverage ratio

9.63%

9.66%

Allowance for Loan Losses coverage ratio

1.53%

1.70%

Greater Sacramento Bancorp

Consolidated Statement of Income

(IN THOUSANDS)

Unaudited

Results of Operation

Results of Operation

Three Months Ending

PERCENT

Year to Date

PERCENT

9/30/2013

9/30/2012

CHANGE

9/30/2013

9/30/2012

CHANGE

Interest Income

Interest and fees on Loans

$ 3,255

$ 2,926

11%

$ 9,584

$ 8,750

10%

Interest on Investments

909

742

23%

2,519

2,277

11%

Total Interest Income

4,164

3,668

14%

12,103

11,027

10%

Interest Expense

Interest on Deposits

316

435

-27%

1,013

1,227

-17%

Interest on Borrowed Funds

74

62

19%

213

205

4%

Total Interest Expense

390

497

-22%

1,226

1,432

-14%

Net Interest Income

3,774

3,171

19%

10,877

9,595

13%

Non-interest Income

Service charges and other fees

190

290

-34%

517

1,077

-52%

Gain on the sale of securities

6

328

-98%

625

937

-33%

Total Non-interest Income

196

618

-68%

1,142

2,014

-43%

Total Revenue

3,970

3,789

5%

12,019

11,609

4%

Non-interest Expense

Salaries and employee benefits

1,748

1,695

3%

5,370

4,883

10%

Occupancy expense

205

225

-9%

664

718

-8%

Furniture and equipment expense

151

141

7%

439

457

-4%

Other Operating expense

921

753

22%

2,468

2,298

7%

Total Non-interest Expense

3,025

2,814

7%

8,941

8,356

7%

Income from Operations

945

975

-3%

3,078

3,253

-5%

Provision for possible loan losses

-

-

-

120

-100%

OREO Expense and Valuation Allowance

7

127

-94%

255

360

-29%

Total Provision/OREO Expense

7

127

-94%

255

480

-47%

Income before taxes

938

848

11%

2,823

2,773

2%

Income taxes

228

272

-16%

677

794

-15%

NET INCOME

$ 710

$ 576

23%

$ 2,146

$ 1,979

8%

Earnings per share: basic

$ 0.27

$ 0.22

$ 0.82

$ 0.76

Earnings per share: diluted

$ 0.27

$ 0.22

$ 0.80

$ 0.75

Net Interest Margin (tax equivalent)

3.58%

3.37%

3.54%

3.47%

Return on Average Assets

0.60%

0.53%

0.62%

0.64%

Return on Average Equity

7.60%

6.83%

7.92%

8.04%

SOURCE Greater Sacramento Bancorp

RELATED LINKS https://www.bankofsacramento.com