



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces Continued Improvement in Earnings

SANTA CLARITA, CALIFORNIA – May 1, 2014. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced its results of operations for the first quarter of 2014, which included net earnings of \$248,000, representing a growth of 6% in the amount reported over the amount recorded in the first quarter of 2013. The Bank, which is the only commercial bank headquartered in the Santa Clarita Valley, also reported that net interest income for the first quarter of 2014 totaling \$1.8 million was the greatest quarterly amount reported by the Bank.

The Bank reported that its quarter-end total loans were \$158.3 million, an increase from the March 31, 2013 total of \$151.9 million of \$6.4 million or 4%. In addition, deposits totaled \$186.8 million at March 31, 2014, an increase of \$11.4 million or 6% over the year-earlier date, more than 90% of which increase was comprised of core deposits. Included in the growth in deposits was an increase of \$4.9 million (or 8%) in noninterest-bearing demand deposit account balances.

The Bank continues to experience very good credit quality in its loan portfolio, as nonaccrual loans totaled approximately \$887,000 or 0.56% of total loans as of March 31, 2014.

“We are pleased with this quarter’s positive operating results,” stated Frank Di Tomaso, Chairman and Chief Executive Officer. “This was accomplished through the hard work and effort of our staff and also the support of our community.”

He continued, “Moving forward, we continue to focus our efforts on developing strategies to improve the Bank’s profit potential while maintaining its high level of service. These strategies further enhance our ability to better serve our clients and increase our potential to generate even stronger financial results on behalf of our shareholders.”

At March 31, 2014, shareholders’ equity totaled \$22.0 million and the Bank’s total risk-based regulatory capital ratio was 14.11%, exceeding the “well-capitalized” level of 10% which is prescribed in the applicable capital regulations. The Bank also continues to maintain substantial liquidity positions, retaining significant balances of liquidity on its balance sheet as well as readily available collateralized borrowings and other potential sources of liquidity.

Founded in 2004, Bank of Santa Clarita is the only full service commercial bank headquartered in the Santa Clarita Valley and is focused on the needs of our community and its businesses. We promote face-to-face interaction with our clients, which in turn leads to deeper relationships overall. 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 credit requirements from commercial lines of credit to SBA loans to commercial real estate and other commercial loans, 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.

We are proud of the fact that later this year Bank of Santa Clarita will celebrate its 10-Year Anniversary, and we truly value the relationships we've made with many of our neighbors, including individuals, businesses and local non-profits, and invite any of those in the community who do not yet know us well to visit us, and together we can build an even better community.

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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.

BANK OF SANTA CLARITA

BALANCE SHEETS

Unaudited

	March 31, 2014	December 31, 2013	March 31, 2013
		<i>(In thousands)</i>	
ASSETS			
Cash and Due From Banks	\$ 3,100	\$ 3,142	\$ 4,135
Interest Bearing Deposits at Other Financial Institutions	35,399	32,162	29,474
Federal Funds Sold	2,000	2,000	2,000
Investment Securities	33,872	34,580	33,348
Loans, Net	158,281	161,888	151,867
Other Assets	16,254	16,614	14,748
Total Assets	<u>\$ 248,906</u>	<u>\$ 250,386</u>	<u>\$ 235,572</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Noninterest Bearing Demand Deposits	\$ 62,925	\$ 53,390	\$ 58,012
Interest Bearing Demand Deposits	10,995	12,409	7,293
Money Market and Savings Deposits	54,909	56,917	51,460
Time Deposits	57,948	58,457	58,616
Total Deposits	186,777	181,173	175,381
Borrowings	39,000	46,000	37,500
Other Liabilities	1,128	1,448	1,180
Total Liabilities	226,905	228,621	214,061
Stockholders' Equity	22,001	21,765	21,511
Total Liabilities & Stockholders' Equity	<u>\$ 248,906</u>	<u>\$ 250,386</u>	<u>\$ 235,572</u>

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended March 31,	
	2014	2013
	<i>(In thousands except per share amounts)</i>	
Interest Income		
Loans	\$ 1,975	\$ 1,788
Interest Bearing Deposits at Other Financial Institutions	37	22
Investment Securities	230	171
Total Interest Income	2,242	1,981
Interest Expense		
Interest Bearing Demand Deposits	10	9
Money Market and Savings Deposits	67	52
Time Deposits	206	213
Borrowings	113	132
Total Interest Expense	396	406
Net Interest Income	1,846	1,575
Provision for Loan Losses	0	0
Net Interest Income after Provision for Loan Losses	1,846	1,575
Noninterest Income	147	196
Noninterest Expense	1,564	1,383
Net Earnings Before Income Taxes	429	388
Income Tax Expense	181	154
Net Earnings	\$ 248	\$ 234
Basic Earnings Per Common Share	\$ 0.11	\$ 0.11
Diluted Earnings Per Common Share	\$ 0.11	\$ 0.10