



## PRESS RELEASE

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**Chairman of the Board of Directors and**  
**Chief Executive Officer**  
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*For Immediate Release*

### **Bank of Santa Clarita Again Reports Record Earnings**

SANTA CLARITA, CALIFORNIA – April 16, 2018. Bank of Santa Clarita (BSCA) today announced that for the first quarter of 2018 it again achieved record levels of earnings, as net earnings totaled \$609,000, a 34% improvement over the first quarter of 2017.

In reviewing 2018 results, the Bank reported a year-over-year growth in net interest income of 9%. While a significant contributor to the Bank's growth in net earnings was the reduction in the Federal statutory income tax rate, the Bank noted that pre-tax earnings for the first quarter of 2018 exceeded pre-tax earnings during 2017's first quarter by 16%.

The Bank reported total net loans of \$222.8 million at March 31, 2018, an increase of 8% over the year-earlier date. The Bank also continues to have excellent credit quality in its loan portfolio, as it had no nonaccrual loans at March 31, 2018.

"We are pleased with our first quarter record breaking operating results," stated Frank Di Tomaso, Chairman of the Board and Chief Executive Officer. He continued, "This was accomplished through the hard work and effort of our entire team and the support of our community.

"Moving forward, we continue to focus our efforts on improving 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. Additionally, we are also pleased with our sustained asset quality, which is a reflection of the Bank's historically strong underwriting standards."

At March 31, 2018, shareholders' equity totaled \$29.9 million and the Bank's total capital ratio was 13.20%, significantly exceeding the "well capitalized" level 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 October 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 the 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 experienced 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 Bank of Santa Clarita has served the Santa Clarita Valley's residents, including individuals, small businesses and non-profit organizations, since 2004, and we cherish the relationships we've made with many of our neighbors, and invite any of those in the community who do not yet know us well to visit us, and together we can continue to build an even more vibrant and healthy 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*

|   | <u>March 31,<br/>2018</u> | <u>December 31,<br/>2017</u> | <u>March 31,<br/>2017</u> |
|---|---------------------------|------------------------------|---------------------------|
|   | <i>(In thousands)</i>     |                              |                           |
| <b>ASSETS</b>   |                           |                              |                           |
| Cash and Due From Banks                                   | \$ 9,937                  | \$ 6,595                     | \$ 9,255                  |
| Interest Bearing Deposits at Other Financial Institutions | 53,127                    | 41,200                       | 59,873                    |
| Federal Funds Sold  | 101                       | 1,000                        | 3,003                     |
| Investment Securities                                     | 18,216                    | 15,989                       | 17,981                    |
| Loans, Net  | 222,780                   | 221,612                      | 205,689                   |
| Other Assets  | 21,805                    | 21,820                       | 22,049                    |
| <b>Total Assets</b>                                       | <b><u>\$ 325,966</u></b>  | <b><u>\$ 308,216</u></b>     | <b><u>\$ 317,850</u></b>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>               |                           |                              |                           |
| Deposits  |                           |                              |                           |
| Interest-Bearing  |                           |                              |                           |
| Money Market, Savings and Demand                          | \$ 92,412                 | \$ 92,156                    | \$ 95,516                 |
| Time  | 60,261                    | 59,058                       | 67,389                    |
| Total Interest-Bearing                                    | 152,673                   | 151,214                      | 162,905                   |
| Noninterest-Bearing                                       | 81,037                    | 79,067                       | 81,974                    |
| Total   | 233,710                   | 230,281                      | 244,879                   |
| Borrowings  | 60,000                    | 46,000                       | 43,000                    |
| Other Liabilities   | 2,374                     | 2,778                        | 2,304                     |
| Total Liabilities   | 296,084                   | 279,059                      | 290,183                   |
| Stockholders' Equity                                      | 29,882                    | 29,157                       | 27,667                    |
| <b>Total Liabilities &amp; Stockholders' Equity</b>       | <b><u>\$ 325,966</u></b>  | <b><u>\$ 308,216</u></b>     | <b><u>\$ 317,850</u></b>  |

## STATEMENTS OF EARNINGS

*Unaudited*

|  | For the Three Months Ended March 31, |               |
|--|--------------------------------------|---------------|
|  | 2018                                 | 2017          |
|  | <i>(In thousands)</i>                |               |
| <b>Interest Income</b>   |                                      |               |
| Loans  | \$ 2,471                             | \$ 2,239      |
| Interest Bearing Deposits at Other Financial Institutions      | 227                                  | 143           |
| Investment Securities  | 92                                   | 68            |
| Federal Funds Sold   | 1                                    | 6             |
| <b>Total Interest Income</b>                                   | <b>2,791</b>                         | <b>2,456</b>  |
| <b>Interest Expense</b>  |                                      |               |
| Interest Bearing Demand Deposits                               | 19                                   | 16            |
| Money Market and Savings Deposits                              | 109                                  | 105           |
| Time Deposits  | 186                                  | 171           |
| Borrowings   | 253                                  | 132           |
| <b>Total Interest Expense</b>                                  | <b>567</b>                           | <b>424</b>    |
| <b>Net Interest Income</b>                                     | <b>2,224</b>                         | <b>2,032</b>  |
| Provision for Loan Losses                                      | 13                                   | (40)          |
| <b>Net Interest Income after<br/>Provision for Loan Losses</b> | <b>2,211</b>                         | <b>2,072</b>  |
| Noninterest Income   | 157                                  | 200           |
| Noninterest Expense  | 1,472                                | 1,502         |
| <b>Net Earnings Before Income Taxes</b>                        | <b>896</b>                           | <b>770</b>    |
| Income Tax Expense   | 287                                  | 316           |
| <b>Net Earnings</b>  | <b>\$ 609</b>                        | <b>\$ 454</b> |