



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita's Earnings Continue to Grow Significantly

SANTA CLARITA, CALIFORNIA – July 13, 2018. Bank of Santa Clarita (BSCA) today announced that for the second quarter of 2018, earnings again reached record levels, as net earnings totaled \$867,000, a 91% growth over its earnings for the second quarter of 2017; moreover, first half 2018 earnings totaled \$1,476,000, 62% greater than it recorded in the first half of 2017.

In reviewing operating results for the first half of 2018, the Bank reported \$4,543,000 of net interest income, representing a growth of 11% over the first half of 2017. 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 half of 2018 exceeded pre-tax earnings during 2017's first half by 36%.

The Bank reported total net loans of \$222.6 million at June 30, 2018, an increase of 3% over the total reported at the year-earlier date. The Bank also noted that deposits totaled \$247.4 million at June 30, 2018, representing a growth rate of 4% over the year-earlier total. In addition, the Bank continues to have excellent credit quality in its loan portfolio, as it had only \$12,000 of nonaccrual loans at June 30, 2018.

Frank Di Tomaso, Chairman of the Board and Chief Executive Officer, commented "We are proud to announce another quarter of record operating results, largely driven by continued healthy growth in loans and deposits, and also due to maintaining a conservative credit culture within the Bank. Specifically, Bank of Santa Clarita posted net earnings for the first half of 2018 totaling \$1.48 million, representing a 62% year-over-year growth rate." Mr. Di Tomaso added "This strong performance is the result of our efforts to meet the banking needs of our community while positioning the Bank for the effects of increasing interest rates, and also changes in the regulatory environment."

At June 30, 2018, shareholders' equity totaled \$31.1 million and the Bank's total capital ratio was 13.78%, 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 truly appreciate 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

	June 30, 2018	December 31, 2017	June 30, 2017
	<i>(In thousands)</i>		
ASSETS			
Cash and Due From Banks	\$ 6,674	\$ 6,595	\$ 5,631
Interest Bearing Deposits at Other Financial Institutions	42,935	41,200	56,405
Federal Funds Sold	102	1,000	3,000
Investment Securities	16,560	15,989	17,307
Loans, Net	222,647	221,612	215,218
Other Assets	21,256	21,820	22,153
Total Assets	<u>\$ 310,174</u>	<u>\$ 308,216</u>	<u>\$ 319,714</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits			
Interest-Bearing			
Money Market, Savings and Demand	\$ 88,499	\$ 92,156	\$ 95,254
Time	63,668	59,058	60,406
Total Interest-Bearing	152,167	151,214	155,660
Noninterest-Bearing	95,239	79,067	82,339
Total	247,406	230,281	237,999
Borrowings	29,000	46,000	51,000
Other Liabilities	2,662	2,778	2,522
Total Liabilities	279,068	279,059	291,521
Stockholders' Equity	31,106	29,157	28,193
Total Liabilities & Stockholders' Equity	<u>\$ 310,174</u>	<u>\$ 308,216</u>	<u>\$ 319,714</u>

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	<i>(In thousands)</i>			
Interest Income				
Loans	\$ 2,591	\$ 2,265	\$ 5,060	\$ 4,503
Interest Bearing Deposits at Other Financial Institutions	247	177	474	321
Investment Securities	48	78	141	146
Federal Funds Sold	-	8	2	14
Total Interest Income	2,886	2,528	5,677	4,984
Interest Expense				
Interest Bearing Demand Deposits	26	16	45	33
Money Market and Savings Deposits	109	112	218	217
Time Deposits	228	182	414	353
Borrowings	203	154	457	285
Total Interest Expense	566	464	1,134	888
Net Interest Income	2,320	2,064	4,543	4,096
Provision for Loan Losses	(68)	109	(70)	69
Net Interest Income after Provision for Loan Losses	2,388	1,955	4,613	4,027
Noninterest Income	154	196	312	397
Noninterest Expense	1,353	1,375	2,824	2,877
Net Earnings Before Income Taxes	1,189	776	2,101	1,547
Income Tax Expense	322	322	625	638
Net Earnings	\$ 867	\$ 454	\$ 1,476	\$ 909