



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita's Record-Level Earnings Continues

SANTA CLARITA, CALIFORNIA – October 11, 2018. Bank of Santa Clarita (BSCA) today announced that for the third quarter of 2018, Bank earnings continue to achieve record levels, as net earnings for the quarter totaled \$914,000, a 71% growth over its earnings for the third quarter of 2017; moreover, net earnings for the first three quarters of 2018 totaled \$2,389,000, 65% greater than it recorded during the first three quarters of 2017.

In reviewing operating results for the first three quarters of 2018, the Bank reported \$7,034,000 of net interest income, representing a growth of 12% over the first three quarters of 2017. While a significant contributor to the Bank's year-over-year growth in net earnings was the reduction in the Federal statutory income tax rate, the Bank noted that pre-tax earnings for the first three quarters of 2018 exceeded pre-tax earnings during the same period of 2017 by 38%.

The Bank reported total net loans of \$223.0 million at September 30, 2018, an increase of 4% over the total reported at the year-earlier date. The Bank also noted that deposits totaled \$244.9 million at September 30, 2018, representing a growth rate of 2% over the total at the year-earlier date. In addition, the Bank continues to have excellent credit quality in its loan portfolio, as it had only \$11,000 of nonaccrual loans at September 30, 2018.

"Bank of Santa Clarita's continued solid earnings growth this quarter coupled with the effects of the 2017 tax reform legislation have enabled us to post record earnings through the first three quarters of 2018, which improvements have been further supported by favorable economic conditions and through the hard work of our team," stated Frank D. Di Tomaso, Chairman of the Board and Chief Executive Officer. "That said, we remain focused on asset quality in light of the rising interest rate environment, flattening yield curve and the realities of an unusually long economic recovery."

At September 30, 2018, shareholders' equity totaled \$32.1 million and the Bank's total capital ratio was 14.50%, 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 for fourteen years, 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

	September 30, 2018	December 31, 2017	September 30, 2017
	<i>(In thousands)</i>		
ASSETS			
Cash and Due From Banks	\$ 5,713	\$ 6,595	\$ 9,967
Interest Bearing Deposits at Other Financial Institutions	35,339	41,200	52,544
Federal Funds Sold	103	1,000	1,000
Investment Securities	15,502	15,989	16,882
Loans, Net	223,015	221,612	214,354
Other Assets	21,557	21,820	22,201
Total Assets	\$ 301,229	\$ 308,216	\$ 316,948
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits			
Interest-Bearing			
Money Market, Savings and Demand	\$ 80,592	\$ 92,156	\$ 102,704
Time	60,546	59,058	59,228
Total Interest-Bearing	141,138	151,214	161,932
Noninterest-Bearing	103,722	79,067	78,317
Total	244,860	230,281	240,249
Borrowings	21,000	46,000	45,000
Other Liabilities	3,302	2,778	2,929
Total Liabilities	269,162	279,059	288,178
Stockholders' Equity	32,067	29,157	28,770
Total Liabilities & Stockholders' Equity	\$ 301,229	\$ 308,216	\$ 316,948

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest Income				
Loans	\$ 2,696	\$ 2,427	\$ 7,756	\$ 6,930
Interest Bearing Deposits at Other Financial Institutions	259	212	733	241
Investment Securities	99	95	240	533
Federal Funds Sold	-	8	2	21
Total Interest Income	3,054	2,742	8,731	7,725
Interest Expense				
Interest Bearing Demand Deposits	25	16	70	49
Money Market and Savings Deposits	114	139	332	356
Time Deposits	252	174	665	525
Borrowings	173	204	630	490
Total Interest Expense	564	533	1,697	1,420
Net Interest Income	2,490	2,209	7,034	6,305
Provision for Loan Losses	(50)	25	(120)	94
Net Interest Income after Provision for Loan Losses	2,540	2,184	7,154	6,211
Noninterest Income	130	179	442	576
Noninterest Expense	1,366	1,445	4,191	4,322
Net Earnings Before Income Taxes	1,304	918	3,405	2,465
Income Tax Expense	390	382	1,016	1,020
Net Earnings	\$ 914	\$ 536	\$ 2,389	\$ 1,445