



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces Growth in Profitability

SANTA CLARITA, CALIFORNIA – April 26, 2017. Bank of Santa Clarita (BSCA) today announced that it again has achieved a record level of earnings during the first quarter of 2017. The Bank reported net earnings of \$454,000, an improvement of 88% over the Bank's first quarter 2016 earnings, and the greatest quarterly net earnings in the Bank's history.

The Bank reported that during the first quarter of 2017, both total loans and total deposits declined from their respective year-end 2016 totals, with loans declining 1.7% and deposits declining 0.4%; however, the Bank noted that total loans and deposits were 4% and 15%, respectively, greater than those totals as of a year earlier (March 31, 2016). In addition, the Bank continues to have excellent credit quality in its loan portfolio, as it had no nonaccrual loans at March 31, 2017.

In reviewing first quarter 2017 earnings, the Bank reported a year over year growth in first quarter net interest income of \$156,000, or 8%, as well as an improvement in noninterest income of \$43,000 (27%).

"We are very pleased to report a continuing trend of growth in net earnings, to another record quarterly level," said Frank Di Tomaso, Chairman and Chief Executive Officer. "We increased our total revenues, which resulted in another quarterly increase in total net earnings."

At March 31, 2017, shareholders' equity totaled \$27.7 million and the Bank's total capital ratio was 12.81%, 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 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 twelve years, 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, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2016</u>
		<i>(In thousands)</i>	
ASSETS			
Cash and Due From Banks	\$ 9,255	\$ 6,068	\$ 6,555
Interest Bearing Deposits at Other Financial Institutions	59,873	33,813	54,316
Federal Funds Sold	3,003	3,000	3,000
Investment Securities	17,981	20,837	24,765
Loans, Net	205,689	209,346	197,819
Other Assets	22,049	20,527	20,708
Total Assets	<u><u>\$ 317,850</u></u>	<u><u>\$ 293,591</u></u>	<u><u>\$ 307,163</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits			
Interest-Bearing			
Money Market, Savings and Demand	\$ 95,516	\$ 97,336	\$ 92,685
Time	67,389	62,257	46,026
Total Interest-Bearing	162,905	159,593	138,711
Noninterest-Bearing	81,974	86,356	74,471
Total	244,879	245,949	213,182
Borrowings	43,000	19,000	67,000
Other Liabilities	2,304	1,545	973
Total Liabilities	290,183	266,494	281,155
Stockholders' Equity	27,667	27,097	26,008
Total Liabilities & Stockholders' Equity	<u><u>\$ 317,850</u></u>	<u><u>\$ 293,591</u></u>	<u><u>\$ 307,163</u></u>

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended March 31,	
	2017	2016
	<i>(In thousands)</i>	
Interest Income		
Loans	\$ 2,239	\$ 2,043
Interest Bearing Deposits at Other Financial Institutions	143	91
Investment Securities	68	116
Federal Funds Sold	6	3
Total Interest Income	2,456	2,253
Interest Expense		
Interest Bearing Demand Deposits	16	12
Money Market and Savings Deposits	105	97
Time Deposits	171	146
Borrowings	132	122
Total Interest Expense	424	377
Net Interest Income	2,032	1,876
Provision for Loan Losses	(40)	170
Net Interest Income after Provision for Loan Losses	2,072	1,706
Noninterest Income	200	157
Noninterest Expense	1,502	1,477
Net Earnings Before Income Taxes	770	386
Income Tax Expense	316	145
Net Earnings	\$ 454	\$ 241