



PRESS RELEASE

Contact: Frank Di Tomaso
Chairman of the Board of Directors and
Chief Executive Officer
(661) 362-6000

For Immediate Release

Bank of Santa Clarita Announces Record Earnings

SANTA CLARITA, CALIFORNIA – October 24, 2016. Bank of Santa Clarita (BSCA) today announced that it again has achieved a record level of earnings. During the third quarter of 2016 the Bank reported net earnings of \$462,000, an improvement of 19% over the Bank's previous quarter, and an increase of 80% over the third quarter of 2015. Moreover, net earnings for the three quarters ended September 30, 2016 were \$1,092,000, an improvement of 19% over the initial three quarters of 2015. The Bank noted that this improvement in 2016 is the result of several factors, most notably the large growth in loans and also the third quarter 2016 reduction in the necessary level of reserves for losses on loans, reflecting the continuing excellent credit quality within the loan portfolio.

In addition, the Bank reported significant growth in loans for 2016, as total loans grew to \$205.7 million, a growth rate of 12% in the first three quarters of 2016; moreover, the Bank noted that from September 30, 2015 to September 30, 2016, its loan portfolio had increased from \$180.9 million, a growth rate of 14% from the year-earlier total. As noted above, the Bank continues to have excellent credit quality in the loan portfolio, as it had no nonaccrual loans at September 30, 2016, and also for the eleventh consecutive quarter the Bank had no net loan charge-offs.

"We are beginning to realize the earnings benefits of the strong growth in assets during the first three quarters of this year," said Chief Executive Officer Frank Di Tomaso. "In fact, this year's operations resulted in the most profitable quarter (and also the most profitable three quarters) in the Bank's history." Mr. Di Tomaso added "The positive trends in earnings and other financial measures reflect the Bank's continued focus on high-quality asset growth, including conservative, sound underwriting practices, and also on expense control and relationship banking."

At September 30, 2016, shareholders' equity totaled \$26.96 million and the Bank's total capital ratio was 12.68%, 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 community.

Bank of Santa Clarita, Corporate Headquarters
23780 Magic Mountain Parkway
Santa Clarita, California 91355
(661) 362-6000
www.bankofsantaclarita.com

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, 2016	December 31, 2015
	<i>(In thousands)</i>	
ASSETS		
Cash and Due From Banks	\$ 6,967	\$ 5,336
Interest Bearing Deposits at Other Financial Institutions	58,723	40,258
Federal Funds Sold	3,000	3,000
Investment Securities	22,207	25,118
Loans, Net	205,725	183,221
Other Assets	20,297	20,853
Total Assets	\$ 316,919	\$ 277,786
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Interest-Bearing		
Money Market, Savings and Demand	\$ 88,129	\$ 90,329
Time	62,735	43,496
Total Interest-Bearing	150,864	133,825
Noninterest-Bearing	79,290	87,028
Total	230,154	220,853
Borrowings	58,600	30,000
Other Liabilities	1,210	1,447
Total Liabilities	289,964	252,300
Stockholders' Equity	26,955	25,486
Total Liabilities & Stockholders' Equity	\$ 316,919	\$ 277,786

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Interest Income				
Loans	\$ 2,291	\$ 2,015	\$ 6,613	\$ 6,000
Interest Bearing Deposits at Other Financial Institutions	105	48	306	141
Investment Securities	88	57	327	276
Federal Funds Sold	4	2	11	5
Total Interest Income	2,488	2,122	7,257	6,422
Interest Expense				
Interest Bearing Demand Deposits	11	10	33	30
Money Market and Savings Deposits	99	73	297	217
Time Deposits	196	153	529	487
Borrowings	138	77	412	252
Total Interest Expense	444	313	1,271	986
Net Interest Income	2,044	1,809	5,986	5,436
Provision for Loan Losses	(129)	86	176	166
Net Interest Income after Provision for Loan Losses	2,173	1,723	5,810	5,270
Noninterest Income	195	204	551	720
Noninterest Expense	1,585	1,497	4,533	4,478
Net Earnings Before Income Taxes	783	430	1,828	1,512
Income Tax Expense	321	174	736	598
Net Earnings	\$ 462	\$ 256	\$ 1,092	\$ 914