



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces Improving Earnings

SANTA CLARITA, CALIFORNIA – October 16, 2019. Bank of Santa Clarita (BSCA) today announced an improvement in its earnings during the first three quarters of 2019, when it recorded net earnings of \$2,559,000, representing an improvement of 7% over the first three quarters of 2018; net earnings for the third quarter of 2019 were essentially equal to the Bank's net earnings during the third quarter of 2018.

The Bank reported that it had net loans totaling \$227.3 million at September 30, 2019, an increase of 2% over the total from the year-earlier date. The Bank also continues to have excellent credit quality in its loan portfolio, as it had no nonaccrual loans at September 30, 2019.

"We are satisfied with our results thus far in 2019," stated Frank Di Tomaso, Chairman and Chief Executive Officer. "So far this year we have exceeded last year's earnings by 7% despite the broader economy presenting a challenging environment as it relates to deposit and loan acquisition. That said, we believe that the local economy served by the Bank is healthy, and that the Bank is well positioned for the remainder of 2019."

At September 30, 2019, shareholders' equity totaled \$36.2 million and the Bank's total capital ratio was 15.5%, 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.

Bank of Santa Clarita, founded in October 2004, 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 and non-profits. 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 and other organizations 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 15 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, 2019	December 31, 2018	September 30, 2018
	<i>(In thousands)</i>		
ASSETS			
Cash and Due From Banks	\$ 20,831	\$ 4,574	\$ 5,713
Interest Bearing Deposits at Other Financial Institutions	35,005	36,000	35,339
Federal Funds Sold	106	104	103
Investment Securities	10,296	14,645	15,502
Loans, Net	227,333	229,456	223,015
Other Assets	23,062	22,630	21,557
Total Assets	\$ 316,633	\$ 307,409	\$ 301,229
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits			
Interest-Bearing			
Money Market, Savings and Demand	\$ 74,034	\$ 74,132	\$ 80,592
Time	81,113	58,453	60,546
Total Interest-Bearing	155,147	132,585	141,138
Noninterest-Bearing	89,097	97,435	103,722
Total	244,244	230,020	244,860
Borrowings	34,000	42,000	21,000
Other Liabilities	2,198	2,306	3,302
Total Liabilities	280,442	274,326	269,162
Stockholders' Equity	36,191	33,083	32,067
Total Liabilities & Stockholders' Equity	\$ 316,633	\$ 307,409	\$ 301,229

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
		<i>(In thousands)</i>		
Interest Income				
Loans	\$ 2,750	\$ 2,696	\$ 8,179	\$ 7,756
Interest Bearing Deposits at Other Financial Institutions	268	259	779	733
Investment Securities	11	99	189	240
Federal Funds Sold	-	-	2	2
Total Interest Income	3,029	3,054	9,149	8,731
Interest Expense				
Interest Bearing Demand Deposits	14	25	62	70
Money Market and Savings Deposits	110	114	310	332
Time Deposits	390	252	998	665
Borrowings	185	173	783	630
Total Interest Expense	699	564	2,153	1,697
Net Interest Income	2,330	2,490	6,996	7,034
Provision for Loan Losses	(125)	(50)	(95)	(120)
Net Interest Income after Provision for Loan Losses	2,455	2,540	7,091	7,154
Noninterest Income	175	130	568	442
Noninterest Expense	1,399	1,366	4,089	4,191
Net Earnings Before Income Taxes	1,231	1,304	3,570	3,405
Income Tax Expense	318	390	1,011	1,016
Net Earnings	\$ 913	\$ 914	\$ 2,559	\$ 2,389