



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces Growing Profitability

SANTA CLARITA, CALIFORNIA – July 26, 2017. Bank of Santa Clarita (BSCA) today announced that it again has achieved a record level of earnings during the first half of 2017. The Bank reported net earnings of \$909,000, an improvement of more than 40% over the Bank's earnings during the first half of 2016, and the largest first-half net earnings in the Bank's history.

The Bank reported that total loans grew to \$215.2 million during the first half of 2017, and continues to have excellent credit quality in its loan portfolio, as it had no nonaccrual loans at June 30, 2017. In reviewing first half 2017 earnings, the Bank reported a year over year growth in net interest income of 4%, as well as improvements in both noninterest income and noninterest expenses.

"At the mid-point of 2017, our results demonstrate an upward trend of loan growth, improved operating efficiency and strong earnings. Additionally, the Bank's asset quality metrics continue to be strong, as evidenced by the Bank having no nonaccrual loans at quarter end," said Frank D. Di Tomaso, Chairman and Chief Executive Officer. "What is particularly notable about this year's operating performance is our earnings, which are up 40% from the same period last year."

At June 30, 2017, shareholders' equity totaled \$28.2 million and the Bank's total capital ratio was 12.77%, 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 more than 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

	June 30, 2017	December 31, 2016	June 30, 2016
	<i>(In thousands)</i>		
ASSETS			
Cash and Due From Banks	\$ 5,631	\$ 6,068	\$ 11,121
Interest Bearing Deposits at Other Financial Institutions	56,405	33,813	48,140
Federal Funds Sold	3,000	3,000	3,000
Investment Securities	17,307	20,837	23,292
Loans, Net	215,218	209,346	209,527
Other Assets	22,153	20,527	20,727
Total Assets	\$ 319,714	\$ 293,591	\$ 315,807
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits			
Interest-Bearing			
Money Market, Savings and Demand	\$ 95,254	\$ 97,336	\$ 88,308
Time	60,406	62,257	46,099
Total Interest-Bearing	155,660	159,593	134,407
Noninterest-Bearing	82,339	86,356	78,238
Total	237,999	245,949	212,645
Borrowings	51,000	19,000	75,500
Other Liabilities	2,522	1,545	1,160
Total Liabilities	291,521	266,494	289,305
Stockholders' Equity	28,193	27,097	26,502
Total Liabilities & Stockholders' Equity	\$ 319,714	\$ 293,591	\$ 315,807

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
	<i>(In thousands)</i>			
Interest Income				
Loans	\$ 2,265	\$ 2,276	\$ 4,503	\$ 4,320
Interest Bearing Deposits at Other Financial Institutions	177	110	321	202
Investment Securities	78	124	146	239
Federal Funds Sold	8	4	14	7
Total Interest Income	2,528	2,514	4,984	4,768
Interest Expense				
Interest Bearing Demand Deposits	16	11	33	23
Money Market and Savings Deposits	112	101	217	198
Time Deposits	182	186	353	332
Borrowings	154	152	285	274
Total Interest Expense	464	450	888	827
Net Interest Income	2,064	2,064	4,096	3,941
Provision for Loan Losses	109	135	69	305
Net Interest Income after Provision for Loan Losses	1,955	1,929	4,027	3,636
Noninterest Income	196	200	397	356
Noninterest Expense	1,375	1,471	2,877	2,948
Net Earnings Before Income Taxes	776	658	1,547	1,044
Income Tax Expense	322	270	638	415
Net Earnings	\$ 454	\$ 388	\$ 909	\$ 629