



## PRESS RELEASE

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**Chairman of the Board of Directors and**  
**Chief Executive Officer**  
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*For Immediate Release*

### **Bank of Santa Clarita Again Reports Record Levels of Earnings**

SANTA CLARITA, CALIFORNIA – January 18, 2019. Bank of Santa Clarita (BSCA) today announced that for the fourth quarter and full year of 2018, Bank earnings continue at record levels, as net earnings for the quarter totaled \$795,000, more than doubling its earnings for the fourth quarter of 2017; moreover, net earnings for 2018 totaled \$3,184,000, 73.5% greater than it recorded in 2017.

In reviewing operating results for 2018, the Bank reported \$9,481,000 of net interest income, representing a growth of 10.8% over 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 2018 totaled \$4,509,000, and exceeded pre-tax earnings for 2017 by 29.7%.

The Bank reported total net loans of \$229.5 million at December 31, 2018, an increase of 3.5% over the total reported at the end of 2017.

"We once again are very pleased to report our most profitable year in the Bank's history, recording a return on beginning-of-the-year equity of 10.9%," said Frank Di Tomaso, the Bank's Chairman and Chief Executive Officer. "Further, we are proud to remain a safe, strong bank, and I commend our team of banking professionals for its commitment to serve our clients, community and shareholders with excellence, which has always been the key driver of our success."

At December 31, 2018, shareholders' equity totaled \$33.1 million and the Bank's total capital ratio was 14.48%, 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 2004, is the only full-service commercial bank headquartered in the Santa Clarita Valley, and is focused on meeting the banking 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 banking 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*

	<b>December 31,</b>	
	<b>2018</b>	<b>2017</b>
	<i>(In thousands)</i>	
<b>ASSETS</b>		
Cash and Due From Banks	\$ 4,574	\$ 6,595
Interest Bearing Deposits at Other Financial Institutions	36,000	41,200
Federal Funds Sold	104	1,000
Investment Securities	14,645	15,989
Loans, Net	229,456	221,612
Other Assets	22,630	21,820
<b>Total Assets</b>	<b>\$ 307,409</b>	<b>\$ 308,216</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits		
Interest-Bearing		
Money Market, Savings and Demand	\$ 74,132	\$ 92,156
Time	58,453	59,058
Total Interest-Bearing	132,585	151,214
Noninterest-Bearing	97,435	79,067
Total	230,020	230,281
Borrowings	42,000	46,000
Other Liabilities	2,306	2,778
Total Liabilities	274,326	279,059
Stockholders' Equity	33,083	29,157
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$ 307,409</b>	<b>\$ 308,216</b>

## STATEMENTS OF EARNINGS

*Unaudited*

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2018	2017	2018	2017
		<i>(In thousands)</i>		
<b>Interest Income</b>				
Loans	\$ 2,614	\$ 2,495	\$ 10,371	\$ 9,425
Interest Bearing Deposits at Other Financial Institutions	246	205	979	737
Investment Securities	114	83	353	324
Federal Funds Sold	1	3	3	24
<b>Total Interest Income</b>	<b>2,975</b>	<b>2,786</b>	<b>11,706</b>	<b>10,510</b>
<b>Interest Expense</b>				
Interest Bearing Demand Deposits	26	17	96	66
Money Market and Savings Deposits	103	126	435	482
Time Deposits	252	185	918	711
Borrowings	147	204	776	693
<b>Total Interest Expense</b>	<b>528</b>	<b>532</b>	<b>2,225</b>	<b>1,952</b>
<b>Net Interest Income</b>	<b>2,447</b>	<b>2,254</b>	<b>9,481</b>	<b>8,558</b>
Provision for Loan Losses	70	4	(50)	98
<b>Net Interest Income after Provision for Loan Losses</b>	<b>2,377</b>	<b>2,250</b>	<b>9,531</b>	<b>8,460</b>
Noninterest Income	174	180	616	756
Noninterest Expense	1,447	1,419	5,638	5,740
<b>Net Earnings Before Income Taxes</b>	<b>1,104</b>	<b>1,011</b>	<b>4,509</b>	<b>3,476</b>
Income Tax Expense	309	621	1,325	1,641
<b>Net Earnings</b>	<b>\$ 795</b>	<b>\$ 390</b>	<b>\$ 3,184</b>	<b>\$ 1,835</b>