



## 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 Reports Another Banner Year**

SANTA CLARITA, CALIFORNIA – January 23, 2020. Bank of Santa Clarita (BSCA) today announced that for the fourth quarter and full year of 2019, Bank earnings continue at sound levels, as net earnings for the quarter totaled \$658,000, moreover, net after-tax earnings for 2019 totaled \$3,217,000, reflecting a slight 1% increase over the net earnings recorded in 2018.

In reviewing operating results for 2019, the Bank reported \$9,251,000 of net interest income, representing a slight 2.4% decrease from 2018. Considering the continued drop in prime interest rates over the last year this slight decrease was fully anticipated. The Bank's continued significant overhead efficiencies led to a drop in year over year non-interest expenses of \$116,000, while non-interest income increased \$127,000 for 2019. Both these factors promoted the Bank's slight improvement in net annual earnings despite the changing market conditions.

The Bank reported total net loans of \$232.9 million at December 31, 2019, an increase of 1.5% over the total reported at the end of 2018.

"We are happy to report continued record year-over-year earnings growth, including a return on beginning-of-the-year equity of 9.7%," said Frank Di Tomaso, the Bank's Chairman and Chief Executive Officer. "We are equally pleased with our asset quality, which is always a focus, and the Bank's very strong capital position. As we move in to the new year we are just as excited about the prospect of further building upon these results. We are also grateful for the customer loyalty, diligent employee efforts and shareholder support that has allowed us to better position the Bank for sustainable future growth."

At December 31, 2019, shareholders' equity totaled \$36.9 million and the Bank's total capital ratio was 15.56%, 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 deposit capture, 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 over fifteen 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>2019</b>	<b>2018</b>
	<i>(In thousands)</i>	
<b>ASSETS</b>		
Cash and Due From Banks	\$ 4,903	\$ 4,574
Interest Bearing Deposits at Other Financial Institutions	33,659	36,000
Federal Funds Sold	109	104
Investment Securities	8,985	14,645
Loans, Net	232,935	229,456
Other Assets	23,792	22,630
<b>Total Assets</b>	<b>\$ 304,383</b>	<b>\$ 307,409</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits		
Interest-Bearing		
Money Market, Savings and Demand	\$ 83,563	\$ 74,132
Time	63,875	58,453
Total Interest-Bearing	147,438	132,585
Noninterest-Bearing		
Total	84,639	97,435
Borrowings	34,000	42,000
Other Liabilities	1,391	2,306
Total Liabilities	267,468	274,326
Stockholders' Equity	36,915	33,083
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$ 304,383</b>	<b>\$ 307,409</b>

## STATEMENTS OF EARNINGS

*Unaudited*

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2019	2018	2019	2018
<b>Interest Income</b>				
Loans	\$ 2,629	\$ 2,614	\$ 10,808	\$ 10,371
Interest Bearing Deposits at Other Financial Institutions	201	246	981	979
Investment Securities	49	114	238	353
Federal Funds Sold	-	1	3	3
<b>Total Interest Income</b>	<b>2,879</b>	<b>2,975</b>	<b>12,030</b>	<b>11,706</b>
<b>Interest Expense</b>				
Interest Bearing Demand Deposits	14	26	76	96
Money Market and Savings Deposits	144	103	454	435
Time Deposits	299	252	1,296	918
Borrowings	169	147	953	776
<b>Total Interest Expense</b>	<b>626</b>	<b>528</b>	<b>2,779</b>	<b>2,225</b>
<b>Net Interest Income</b>	<b>2,253</b>	<b>2,447</b>	<b>9,251</b>	<b>9,481</b>
Provision for Loan Losses	55	70	(40)	(50)
<b>Net Interest Income after Provision for Loan Losses</b>	<b>2,198</b>	<b>2,377</b>	<b>9,291</b>	<b>9,531</b>
Noninterest Income	174	174	743	616
Noninterest Expense	1,431	1,447	5,522	5,638
<b>Net Earnings Before Income Taxes</b>	<b>941</b>	<b>1,104</b>	<b>4,512</b>	<b>4,509</b>
Income Tax Expense	283	309	1,295	1,325
<b>Net Earnings</b>	<b>\$ 658</b>	<b>\$ 795</b>	<b>\$ 3,217</b>	<b>\$ 3,184</b>