



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 Profitability

SANTA CLARITA, CALIFORNIA – January 31, 2017. Bank of Santa Clarita (BSCA) today announced that it again has achieved a record level of earnings during 2016. The Bank reported net earnings of \$1.367 million, an improvement of 12.0% over the Bank's 2015 earnings. The Bank noted that this improvement in 2016 was the result of several factors, most notably the growth to record levels for both total loans and total deposits.

As noted above, the Bank reported record levels of loans and deposits at the end of 2016, as total loans grew to \$209.4 million, a growth rate of 14%; moreover, the Bank noted that total deposits were also at a record level at December 31, 2016, totaling \$245.9 million, which equates to a growth of 11.4% during the year. As noted above, the Bank continues to have excellent credit quality in the loan portfolio, as it had no nonaccrual loans at December 31, 2016, and also for the third consecutive year the Bank had no net loan charge-offs.

In reviewing 2016 earnings, the Bank reported that the growth in loans and deposits was the key factor in the Bank reporting a year over year growth in net interest income of \$749,000, or 10.2%. In addition, following an analysis of the remaining operations and utility of a leased site that had been a Bank branch, but which had been utilized for other administrative purposes during the past year, the Bank concluded that its contribution to Bank operations and earnings did not warrant the continued usage of that site. As a result, the Bank recorded a non-recurring charge for the remaining payments due under the lease as well as the remaining book value of the associated furniture and fixtures, which total amounted to a pre-tax charge to earnings of approximately \$379,000, which is included in the determination of net earnings as noted above, and which is the primary reason for the reported increase in noninterest expenses.

"We are pleased to report another year of record earnings," said Frank Di Tomaso, Chairman and Chief Executive Officer. "We increased our total revenues by way of growth in loans, deposits and client relationships, and kept our overall expenses in-check, which resulted in yet another favorable year in earnings. These trends have positioned us well, and as we look to the new year we expect to further strengthen our overall performance."

At December 31, 2016, shareholders' equity totaled \$27.1 million and the Bank's total capital ratio was 12.86%, 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

	December 31,	
	2016	2015
	<i>(In thousands)</i>	
ASSETS		
Cash and Due From Banks	\$ 6,068	\$ 5,336
Interest Bearing Deposits at Other Financial Institutions	33,813	40,258
Federal Funds Sold	3,000	3,000
Investment Securities	20,837	25,118
Loans, Net	209,346	183,221
Other Assets	20,527	20,853
Total Assets	\$ 293,591	\$ 277,786
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Interest-Bearing		
Money Market, Savings and Demand	\$ 97,336	\$ 90,329
Time	62,257	43,496
Total Interest-Bearing	159,593	133,825
Noninterest-Bearing	86,356	87,028
Total	245,949	220,853
Borrowings	19,000	30,000
Other Liabilities	1,545	1,447
Total Liabilities	266,494	252,300
Stockholders' Equity	27,097	25,486
Total Liabilities & Stockholders' Equity	\$ 293,591	\$ 277,786

STATEMENTS OF EARNINGS

Unaudited

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2016	2015	2016	2015
	<i>(In thousands except per share amounts)</i>			
Interest Income				
Loans	\$ 2,282	\$ 2,033	\$ 8,894	\$ 8,033
Interest Bearing Deposits at Other Financial Institutions	123	55	429	196
Investment Securities	76	128	403	404
Federal Funds Sold	4	2	15	7
Total Interest Income	2,485	2,218	9,741	8,640
Interest Expense				
Interest Bearing Demand Deposits	15	11	48	41
Money Market and Savings Deposits	102	86	399	303
Time Deposits	159	146	687	633
Borrowings	126	91	538	343
Total Interest Expense	402	334	1,672	1,320
Net Interest Income	2,083	1,884	8,069	7,320
Provision for Loan Losses	44	24	220	190
Net Interest Income after Provision for Loan Losses	2,039	1,860	7,849	7,130
Noninterest Income	254	195	805	915
Noninterest Expense	1,827	1,536	6,360	6,014
Net Earnings Before Income Taxes	466	519	2,294	2,031
Income Tax Expense	191	212	927	810
Net Earnings	\$ 275	\$ 307	\$ 1,367	\$ 1,221