



## 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 Announces Continued Improvement in Earnings**

SANTA CLARITA, CALIFORNIA – October 28, 2014. Bank of Santa Clarita (OTC BB: BSCA.OB) today announced its results of operations for the third quarter of 2014. For the third quarter of 2014 the Bank reported net earnings of \$341,000, 8% greater than the amount reported in the third quarter of 2013, and the second-greatest quarterly net earnings ever recorded by the Bank; moreover, pre-tax earnings for the third quarter totaled \$572,000, which total was the greatest quarterly pre-tax earnings ever recorded by the Bank. The Bank also reported year-to-date net earnings of \$897,000, 5% higher than the amount reported in the first three quarters of 2013.

The Bank reported that its loans totaled \$164.8 million at quarter-end, an increase of \$11.7 million or 8% from the September 30, 2013 total. In addition, total deposits increased \$3.9 million over the total at September 30, 2013; however core deposits increased \$8.6 million or 6% over core deposit balances from the year-earlier date.

The Bank continues to experience very good credit quality in its loan portfolio, as nonaccrual loans totaled approximately \$858,000 or 0.52% of total loans as of September 30, 2014.

Frank Di Tomaso, Chairman and CEO stated, "We are very pleased to report to our stakeholders our strong operating results and continuing improvement in profitability. We remain enthused by the steady growth in our assets and the continued increase in business activity year over year. The Bank's growth in loans and core deposits are positive indicators. We believe our controlled growth strategy has allowed us to continue to produce consistent earnings, while maintaining sound asset quality."

At September 30, 2014, shareholders' equity totaled \$23.7 million and the Bank's total risk-based regulatory capital ratio was 13.85%, exceeding the "well-capitalized" level of 10% which is 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 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 our 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 is celebrating its 10-Year Anniversary this month, and we truly cherish the relationships we've made with many of our neighbors, including individuals, businesses and local non-profits, and invite any of those in the community who do not yet know us well to visit us, and together we can build an even better 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, 2014	December 31, 2013	September 30, 2013
		<i>(In thousands)</i>	
<b>ASSETS</b>			
Cash and Due From Banks	\$ 8,277	\$ 3,142	\$ 4,580
Interest Bearing Deposits at Other Financial Institutions	54,476	32,162	32,128
Federal Funds Sold	2,000	2,000	900
Investment Securities	29,829	34,580	33,692
Loans, Net	164,785	161,888	153,127
Other Assets	20,675	16,614	15,987
<b>Total Assets</b>	<b>\$ 280,042</b>	<b>\$ 250,386</b>	<b>\$ 240,414</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Noninterest Bearing Demand Deposits	\$ 59,730	\$ 53,390	\$ 51,968
Interest Bearing Demand Deposits	9,225	12,409	11,386
Money Market and Savings Deposits	59,780	56,917	53,207
Time Deposits	52,020	58,457	60,330
Total Deposits	180,755	181,173	176,891
Borrowings	74,000	46,000	40,500
Other Liabilities	1,607	1,448	1,379
Total Liabilities	256,362	228,621	218,770
Stockholders' Equity	23,680	21,765	21,644
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$ 280,042</b>	<b>\$ 250,386</b>	<b>\$ 240,414</b>

## STATEMENTS OF EARNINGS

*Unaudited*

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2014	2013	2014	2013
	<i>(In thousands except per share amounts)</i>			
<b>Interest Income</b>				
Loans	\$ 2,165	\$ 1,960	\$ 6,130	\$ 5,683
Interest Bearing Deposits at Other Financial Institutions	39	30	117	78
Investment Securities	115	207	547	558
Federal Funds Sold	-	-	1	1
<b>Total Interest Income</b>	<b>2,319</b>	<b>2,197</b>	<b>6,795</b>	<b>6,320</b>
<b>Interest Expense</b>				
Interest Bearing Demand Deposits	8	7	27	23
Money Market and Savings Deposits	72	58	206	161
Time Deposits	178	209	578	637
Borrowings	125	80	364	297
<b>Total Interest Expense</b>	<b>383</b>	<b>354</b>	<b>1,175</b>	<b>1,118</b>
<b>Net Interest Income</b>	<b>1,936</b>	<b>1,843</b>	<b>5,620</b>	<b>5,202</b>
Provision for Loan Losses	-	15	61	(5)
<b>Net Interest Income after Provision for Loan Losses</b>	<b>1,936</b>	<b>1,828</b>	<b>5,559</b>	<b>5,207</b>
Noninterest Income	190	112	493	448
Noninterest Expense	1,554	1,461	4,574	4,303
<b>Net Earnings Before Income Taxes</b>	<b>572</b>	<b>479</b>	<b>1,478</b>	<b>1,352</b>
Income Tax Expense	231	163	581	499
<b>Net Earnings</b>	<b>\$ 341</b>	<b>\$ 316</b>	<b>\$ 897</b>	<b>\$ 853</b>
<b>Basic Earnings Per Share</b>	<b>\$ 0.15</b>	<b>\$ 0.14</b>	<b>\$ 0.40</b>	<b>\$ 0.38</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.15</b>	<b>\$ 0.14</b>	<b>\$ 0.40</b>	<b>\$ 0.38</b>