



PRESS RELEASE

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For Immediate Release

Bank of Santa Clarita Announces First Quarter Results

SANTA CLARITA, CALIFORNIA – April 26, 2016. Bank of Santa Clarita (BSCA) today announced significant growth in loans for the first quarter of 2016, as total loans grew from \$183.2 million to \$197.8 million, a growth of 8% in that quarter; moreover, the Bank noted that from March 31, 2015 to March 31, 2016, its loan portfolio had increased from \$167.6 million to \$197.8 million, a growth rate of 18%.

The Bank also reported quarterly earnings of \$241,000, a reduction from the \$347,000 reported for the first quarter of 2015. This reduction is largely attributable to the reported provision for loan losses, which provision is related to the Bank's growth in loans noted above (and is not related either to charge-offs recorded or to any deterioration of credit quality in the portfolio), and the accounting rules that require that an allowance for losses be provided for the loan portfolio, including any growth in that portfolio; for the ninth consecutive quarter the Bank has had negative net charge-offs (wherein recoveries of previously charged-off amounts exceeded that quarter's charge-offs, if any). Finally, as may be inferred from the foregoing, the Bank continues to experience excellent credit quality in its loan portfolio, as the Bank had no nonaccrual loans at the end of the quarter.

"The Bank experienced a record quarter in loan growth of \$14.6 million," noted Frank Di Tomaso, Chairman and Chief Executive Officer. "At the same time, a corresponding provision for loan losses of \$170,000 was recorded primarily in response to the significant loan growth, which acted to reduce earnings for the quarter. The quarter was also marked by continued excellent credit quality in its loan portfolio and no net loan charge-offs. Overall, we are proud of our continued 'organic growth' in both loans and core deposits, which is a testament to our strong foundation and infrastructure, and the relationships that we have built over the last 12 years."

At March 31, 2016, shareholders' equity totaled \$26.0 million and the Bank's total capital ratio was 12.85%, 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 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 ten 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.

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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

	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2015</u>
	<i>(In thousands)</i>		
ASSETS			
Cash and Due From Banks	\$ 6,555	\$ 5,336	\$ 6,493
Interest Bearing Deposits at Other Financial Institutions	54,316	40,258	40,123
Federal Funds Sold	3,000	3,000	3,000
Investment Securities	24,765	25,118	28,635
Loans, Net	197,819	183,221	167,573
Other Assets	20,708	20,853	20,623
Total Assets	<u>\$ 307,163</u>	<u>\$ 277,786</u>	<u>\$ 266,447</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits			
Interest-Bearing			
Money Market, Savings and Demand	\$ 92,685	\$ 90,329	\$ 76,859
Time	46,026	43,496	48,594
Total Interest-Bearing	138,711	133,825	125,453
Noninterest-Bearing	74,471	87,028	61,662
Total	213,182	220,853	187,115
Borrowings	67,000	30,000	53,000
Other Liabilities	973	1,447	1,819
Total Liabilities	281,155	252,300	241,934
Stockholders' Equity	26,008	25,486	24,513
Total Liabilities & Stockholders' Equity	<u>\$ 307,163</u>	<u>\$ 277,786</u>	<u>\$ 266,447</u>

STATEMENTS OF EARNINGS
Unaudited

	For the Three Months Ended March 31,	
	2016	2015
	<i>(In thousands)</i>	
Interest Income		
Loans	\$ 2,043	\$ 2,041
Interest Bearing Deposits at Other Financial Institutions	91	45
Investment Securities	116	119
Federal Funds Sold	3	2
Total Interest Income	2,253	2,207
Interest Expense		
Interest Bearing Demand Deposits	12	9
Money Market and Savings Deposits	97	73
Time Deposits	146	170
Borrowings	122	103
Total Interest Expense	377	355
Net Interest Income	1,876	1,852
Provision for Loan Losses	170	32
Net Interest Income after Provision for Loan Losses	1,706	1,820
Noninterest Income	157	179
Noninterest Expense	1,477	1,438
Net Earnings Before Income Taxes	386	561
Income Tax Expense	145	214
Net Earnings	\$ 241	\$ 347