



## Bank of Santa Clarita Reports Fourth Quarter and Full Year 2020 Results

SANTA CLARITA, Calif.--(BUSINESS WIRE)--Bank of Santa Clarita (OTC: BSCA) today reported financial results for the fourth quarter and year ended December 31, 2020.

Net income for the three months ended December 31, 2020 was \$881,000 compared with \$658,000 for the same quarter in 2019. Net income for year ended December 31, 2020 was \$3,235,000 compared with \$3,217,000 reported for 2019. The Bank's total assets grew by \$68.6 million to \$373.0 million at December 31, 2020 spearheaded by \$51.4 million in loan growth.

Frank Di Tomaso, Chairman and Chief Executive Officer commented: "As we continue to serve our communities during these unprecedented times, we are very proud of our team delivering on these results as evidenced by our strong profits and significant loan growth year over year. The coming months will bring further challenges, as we roll out the second round of Payroll Protection Plan ("PPP") loans but we are determined to use them as opportunities to help our communities, customers, and employees succeed. We have been working with our clients on the forgiveness of PPP loans from the first round. Bank of Santa Clarita continues to maintain strong capital levels, excess liquidity, and excellent credit quality which will allow us to continue to support the communities we serve and navigate through this pandemic."

### Income Statement

For the three months ended December 31, 2020, total interest and dividend income was \$3.0 million compared with \$2.9 million in the fourth quarter of 2019. Interest and dividend income for the full year 2020 was \$11.5 million compared with \$12.0 million reported for the previous year.

Interest expense for the 2020 fourth quarter decreased to \$0.4 million from \$0.6 million for the same quarter in 2019. Interest expense for the full year 2020 decreased to \$1.9 million from \$2.8 million reported for the previous year.

Net interest income for the 2020 fourth quarter improved to \$2.6 million from \$2.3 million for the fourth quarter of 2019. Net interest income for the full year 2020 was \$9.6 million and exceeded 2019 by \$338 thousand.

Net interest margin was 3.05% for the 2020 fourth quarter, versus 3.28% in the 2019 fourth quarter. For the full year 2020, net interest margin was 2.98% compared with 3.32% for the full year 2019.

In light of the significant loan growth in 2020, the Bank recorded a \$135 thousand provision for loan losses during the fourth quarter 2020 bringing the total provision of the year to \$255 thousand. For the full year 2019, the Bank recorded a reversal of provision of \$40 thousand.

Non-interest income was \$233,000 for the 2020 fourth quarter and topped the previous year's \$174 thousand for the same period. For the full year 2020, the Bank's non-interest income was \$719,000 compared with \$743,000 for the previous full year.

Non-interest expense for the fourth quarter 2020 was \$1,557,000, compared with \$1,431,000 for the same period last year. Non-interest expense for the full year 2020 was \$5,559,000, compared with \$5,522,000 for 2019.

The Bank's efficiency ratio continues to be among the best in the industry. For the full year 2020, the Bank's efficiency ratio was 53.9%.

## **Balance Sheet**

At December 31, 2020, net loans increased to \$284.3 million from \$232.9 million at December 31, 2019. The Bank's deposits rose to \$283.0 million at the end of the 2020 from \$232.1 million at December 31, 2019. Non-interest-bearing deposits increased to 39.3% of total deposits at December 31, 2020, versus 36.5% at December 31, 2019. Total assets increased to \$373.0 million at the close of the 2020 an increase of \$68.6 million from \$304.4 million at December 31, 2019.

At December 31, 2020, The Bank remained "well-capitalized" under all regulatory categories, with a total risk-based capital ratio of 15.60%, a tier 1 risk-based capital ratio of 14.64%, a common equity tier 1 capital ratio of 14.64%, and a tier 1 leverage ratio of 10.78%. The minimum ratios for capital adequacy for a well-capitalized bank are 10.00%, 8.00%, 6.50% and 5.00%, respectively.

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 and non-profits. 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 15 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. The Bank provides experienced decision-making and the personalized service that growing businesses and other organizations 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.

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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

## Statements of Income (Unaudited)

(in thousands)

	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2020	2019	2020	2019
<b>Interest Income</b>				
Loans	\$ 2,936	\$ 2,629	\$ 11,024	\$ 10,808
Interest Bearing Deposits at Other Financial Institutions	59	201	373	981
Investment Securities	36	49	88	238
Federal Funds Sold	-	-	-	3
<b>Total Interest Income</b>	<b>3,031</b>	<b>2,879</b>	<b>11,485</b>	<b>12,030</b>
<b>Interest Expense</b>				
Demand	11	14	49	76
Money Market and Savings	77	144	356	454
Time Deposits	143	299	783	1,296
Borrowings	162	169	708	953
<b>Total Interest Expense</b>	<b>393</b>	<b>626</b>	<b>1,896</b>	<b>2,779</b>
<b>Net Interest Income</b>	<b>2,638</b>	<b>2,253</b>	<b>9,589</b>	<b>9,251</b>
Provision for Loan Losses	135	55	255	(40)
<b>Net Interest Income after Provision for Loan Losses</b>	<b>2,503</b>	<b>2,198</b>	<b>9,334</b>	<b>9,291</b>
Noninterest Income	233	174	719	743
Noninterest Expense	1,557	1,431	5,559	5,522
<b>Net Earnings Before Income Taxes</b>	<b>1,179</b>	<b>941</b>	<b>4,494</b>	<b>4,512</b>
Income Tax Expense	298	283	1,259	1,295
<b>Net Earnings</b>	<b>\$ 881</b>	<b>\$ 658</b>	<b>\$ 3,235</b>	<b>\$ 3,217</b>

# BANK OF SANTA CLARITA

## Balance Sheets (Unaudited)

(in thousands)

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
<b>Assets</b>		
Cash and Due From Banks	\$ 6,720	\$ 4,903
Interest Bearing Deposits at Other Financial Institutions	41,150	33,659
Federal Funds Sold	-	109
Investment Securities	13,104	8,985
Loans, Net	284,298	232,935
Other Assets	27,708	23,792
<b>Total Assets</b>	<b><u>\$ 372,980</u></b>	<b><u>\$ 304,383</u></b>
 <b>Liabilities and Stockholders' Equity</b>		
Deposits		
Interest-Bearing		
Money Market, Savings and Demand	\$ 93,584	\$ 83,563
Time	78,231	63,875
Total Interest-Bearing	171,815	147,438
Noninterest-Bearing	111,152	84,639
Total Deposits	282,967	232,077
Borrowings	43,000	34,000
Other Liabilities	6,239	1,391
Total Liabilities	332,206	267,468
Stockholders' Equity	40,774	36,915
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b><u>\$ 372,980</u></b>	<b><u>\$ 304,383</u></b>