



For Immediate Release

SANTA CRUZ COUNTY BANK REPORTS FOURTH QUARTER, YEAR END RESULTS

Deposits increase 38% over 2005
Gross loans increase 28% over 2005
Assets increase 36% over 2005

SANTA CRUZ, CA – January 29, 2007 -Santa Cruz County Bank, the only locally owned and operated commercial bank in Santa Cruz County, today announced financial results for the year and quarter-ended December 31, 2006.

Total deposits were \$113.0 million on December 31, 2006, up 5% from \$107.4 million on September 30, 2006 and up 38% from \$81.7 million on December 31, 2005.

Gross loans on December 31, 2006 were \$82.5 million, nearly even with the prior quarter-ended September 30, 2006 after showing solid growth through the summer. On a year-to-year basis, gross loans increased 28% from \$64.7 million at December 31, 2005 to December 31, 2006.

Total assets increased 6%, or \$7.3 million, to \$132.5 million from \$125.1 million on September 30, 2006 and 36%, \$35.0 million, from \$97.5 million on December 31, 2005.

The Bank reported pre-tax net income of \$485,057 for the quarter-ended December 31, 2006, compared to \$468,595 reported for the quarter-ended September 30, 2006. Year-to-date pre-tax net income of \$1,480,655 increased by \$1,849,929, from a loss of \$414,274 for the year-ended December 31, 2005.

Net interest income of \$1,788,653 for the quarter-ended December 31, 2006 represented a \$26,433 decrease from the \$1,815,086 reported for the quarter-ended September 30, 2006. On a year-to-year basis, net interest income improved by \$2,874,728, or 76%, to \$6,655,390 for the year-ended December 31, 2006, as compared to \$3,780,662 for the year-ended December 31, 2005.

During the fourth quarter, the Bank upgraded its online banking systems to a state of the art personal security system, providing even greater protection to safeguard the identity and privacy of the financial information of our clients.

“Our financial results for 2006 confirm that Santa Cruz County Bank continues to achieve financial growth combined with strong performance and profitability. It also confirms the community’s support of their local bank. The Bank’s total deposits, gross loans and total assets all registered double digit percentage increases over 2005,” commented David V. Heald, President and Chief Executive Officer.

The Bank’s Annual Meeting of Shareholders will be held on May 15, 2007 at the University Inn and Conference Center at 3pm.

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Santa Cruz County Bank Reports Fourth Quarter, Year End 2006 Results

Put your money where your life is.

Founded by local business people who share a common commitment to this County, Santa Cruz County Bank is a full service commercial bank and member of the FDIC. The Bank was founded to serve the banking needs of individuals and businesses throughout Santa Cruz County. The Bank first opened its doors for business on February 3, 2004, shortly after the close of its initial public stock offering.

Santa Cruz County Bank's common stock is listed on the Over the Counter (OTC) Bulletin Board under the stock symbol SCZC. More information on the bank may be obtained through its website: www.sccountybank.com or by calling (831) 457-5000.

This release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, and competition within the business areas in which the Bank is conducting its operations, including the real estate market in California and other factors beyond the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

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Bank Directors

Kenneth Chappell, George Gallucci (Chairman), Thomas Griffin, Tila Guerrero, William Hansen (Vice-Chairman), David Heald, Steven John, and Gary Reece.

Bank Organizers

Richard Alderson, Joseph Anzalone, Victor Bogard, Anthony & Rebecca Campos, Charles Canfield, Kenneth Chappell, Kate & Fred Chen, Marshall Delk, George Gallucci, Thomas Griffin, Tila Guerrero, William Hansen, David Heald, Mark Holcomb, Steven John, Mateo Lettunich, Robert Lockwood, William Moncovich, Stuart Mumm, George Ow, Jr., Louis Rittenhouse, John Rossell, Frank Saveria, and Robert & Bjorg Yonts.



Selected Financial Data (unaudited)

	Quarter ended		Change		Quarter ended		Change	
	12/ 31/ 06	9/ 30/ 06	\$	%	12/ 31/ 05	\$	%	
Balance Sheet								
Total assets	\$ 132,485,059	\$ 125,141,566	\$ 7,343,493	6%	\$ 97,528,343	\$ 34,956,716	36%	
Gross loans	82,538,994	82,510,391	28,603	0%	64,671,489	17,867,505	28%	
Allowance for loan losses	1,276,000	1,206,000	70,000	6%	840,000	436,000	52%	
Non interest-bearing deposits	33,693,998	33,041,295	652,703	2%	22,361,481	11,332,517	51%	
Total deposits	112,981,543	107,432,366	5,549,177	5%	81,684,851	31,296,692	38%	
Shareholders' equity	17,627,507	16,784,124	843,383	5%	15,347,894	2,279,613	15%	

	Year-to-Date		Change		Year-to-Date		Change				
	Period Ended	Period Ended	\$	%	12/ 31/ 06	12/ 31/ 05	\$	%			
Income Statement											
Interest income	2,402,181	2,385,793	\$ 16,388	1%	\$ 1,545,534	\$ 856,647	55%	\$ 8,693,540	\$ 4,525,238	\$ 4,168,302	92%
Interest expense	613,528	570,707	42,821	8%	288,995	324,533	112%	2,038,150	744,576	1,293,574	174%
Net interest income	1,788,653	1,815,086	(26,433)	-1%	1,256,539	532,114	42%	6,655,390	3,780,662	2,874,728	76%
Provision for loan losses	70,000	68,000	2,000	3%	127,000	(57,000)	-45%	436,000	433,000	3,000	1%
Non-interest income	218,887	139,439	79,448	57%	92,756	126,131	136%	771,146	407,620	363,526	89%
Non-interest expense	1,452,483	1,417,930	34,553	2%	1,137,382	315,101	28%	5,509,881	4,169,556	1,340,325	32%
Net income (loss) before taxes	485,057	468,595	16,462	4%	84,913	400,144	471%	1,480,655	(414,274)	1,894,929	n/ a
Income tax (credit)/ expense	(795,000)	-	(795,000)	n/ a	-	(795,000)	n/ a	(794,200)	800	(795,000)	n/ a
Net income (loss) after taxes	\$ 1,280,057	\$ 468,595	\$ 811,462	173%	\$ 84,913	\$ 1,195,144	1407%	\$ 2,274,855	\$ (415,074)	\$ 2,689,929	n/ a

Ratios				
Net interest margin	6.01%	6.16%		5.73%
Equity capital-to-total assets	13.3%	13.4%		15.8%