Santa Cruz County Bank Reports
Earnings for the Third Quarter Ended September 30, 2015
Record year to date performance

SANTA CRUZ, CA – October 23, 2015: Santa Cruz County Bank (OTCQX: SCZC), a top rated, locally owned and operated full-service community bank headquartered in Santa Cruz County, today announced unaudited net income for the quarter ended September 30, 2015 of $1.38 million or $0.64 basic earnings per share.

President and CEO David V. Heald commented, "Our consistent, strong financial performance continues as the result of our Management team and Board of Directors' focus on strategic initiatives which deliver shareholder value. The third quarter was no exception. We take great pride in the Bank's quarter over quarter earnings which accrue to the benefit of our shareholders. We have again achieved record year to date performance."

Selected financial information is presented in the following table:

	Nine-months ended Sept. 30, 2015	2014	Year ended 12/31/14
Balance Sheet			
Total assets	$ 523,665,738	$ 447,158,173	$ 459,794,882
Gross loans	343,091,423	296,683,465	315,621,461
Allowance for loan losses	7,003,638	6,213,113	6,402,752
Non interest-bearing deposits	228,422,322	193,884,773	191,789,387
Total deposits	473,897,222	413,930,091	413,986,333
Shareholders' equity	42,591,628	37,147,917	38,629,400
Net Income	$ 3,980,348	$ 3,095,520	$ 4,371,187
Ratios			
Net interest margin	4.11%	4.17%	4.11%
Tier 1 leverage ratio	8.23%	8.26%	8.39%
Return on average assets	1.09%	0.96%	1.00%
Return on average equity	12.98%	11.59%	12.04%
Efficiency ratio	58.00%	63.69%	61.54%
Share and Per Share Data			
Basic earnings per common share	$1.85	$1.46	$2.05
Book value per common share	$19.81	$17.37	$18.04
Total common shares outstanding	2,149,969	2,138,637	2,141,253

Third Quarter Earnings

Net income of $1.4 million for the quarter ended September 30, 2015 increased 2% compared to the prior quarter and increased 29% comparing the first nine-months of 2015 to the same nine-month period in 2014. Basic earnings per share increased $0.39, a 27% increase over the

prior year. Improvement in net income and earnings per share resulted from a continued increase in interest income due to the successful deployment of deposit growth into higher interest yielding, high quality loans.

Pretax income for the nine-months ended September 30, 2015 was $6.6 million, an increase of $1.5 million, 30%, compared to $5.0 million for the prior year nine-month period.

Basic earnings per share for the third quarter increased to $0.64 compared to $0.57 the prior year.

Key Highlights:

- Return on Average Assets and Equity of 1.05% and 12.94%, respectively
- Net Interest Margin of 3.91%
- Growth in loans of $46 million over the last twelve months
- Growth in deposits of $60 million over the last twelve months
- Well capitalized with a total risk based capital ratio of 13.37%
- Continued exceptional credit quality with no loans on non-accrual or past due 90 days or more
- Year to date earnings per share increased to $1.85, up from $1.46 for the prior nine-month period
- Paid tenth cash dividend of $0.05 on Oct. 15, 2015
- Santa Cruz County Bank stock (SCZC) was recently added to the OTCQX Banks Index (OTCQXBK).

Loans, Asset Quality & Deposits
Total asset growth of $23 million to $524 million follows a $67 million increase for the same nine-month period in 2014. The bank's asset quality remained exceptional with zero nonperforming loans. The bank's reputation as a leading lender with responsive decision making has continued to drive its loan production. For the third quarter, gross loans increased by $6 million, and year over year increased $46 million, 16% to $343 million.

Deposits grew by 14%, $60 million since September 30, 2014. Approximately $35 million of this growth occurred in the non-interest bearing deposit category, furthering the bank's core strength of generating low cost of funds, which year to date remains among the best in the nation.

Non-interest income and Net Interest Margin
Comparing the nine-month period ended September 30, 2015 to the same period in 2014, non-interest income declined by $99,438. This was attributable to forgoing in the third quarter gains we typically generated from SBA loan sales. This was a strategic decision made to retain high yielding variable rate assets for future earnings and due to a non-recurring insurance reimbursement of previously recognized expenses. Although non-interest expense totals grew slightly year over year, when expressed as a percentage of average assets, the ratio has improved to 2.69% year to date 2015 from 3.06% year to date 2014, demonstrating Management's commitment and ability to control expenses.

Third quarter 2015 net interest income at $4.9 million exceeded the same period last year by $591 thousand or 14% and also slightly exceeded second quarter 2015. Year-to-date 2015 net interest income exceeded the same period last year by $1.7 million or 13%.

Net interest margin was 3.91% and 3.93% for the quarters ended September 30, 2015 and 2014, respectively and 4.11% and 4.17% for the nine-month periods ended September 30, 2015 and 2014, respectively. The Bank typically experiences slightly lower net interest margins in the third quarter of each year as deposit inflows peak and are temporarily invested in shorter term lower yielding instruments until deployed as higher yielding loans or investments.

Shareholders' Equity
Total shareholders' equity was $42.6 million at September 30, 2015, a $5.4 million, 15% increase over September 30, 2014. The increase was due to continued strong earnings which also supported continuous payment of cash dividends to our shareholders. This increase was offset by previous cash dividends paid. Common stock cash dividends totaled $418 thousand or $0.20 per share for the year ended December 31, 2014. A cash dividend of $0.05 was declared in September to shareholders of record as of September 30, 2015, which was paid on October 15, 2015. Year to date, the bank has paid cash dividends totaling $428 thousand or $0.05 per share. Historically, the bank has paid ten $0.05 cash dividends totaling over $1.0 million to shareholders since July 2013.

For the nine month period ended September 30, 2015, the bank's return on average equity was 12.98% and return on average assets was 1.09%. The book value per share of Santa Cruz County Bank's common stock at September 30, 2015 was $19.81, up from $17.37 for the same period in 2014.

ABOUT SANTA CRUZ COUNTY BANK
Santa Cruz County Bank, founded in 2004, is a locally owned and operated community bank with offices located in Aptos, Capitola, Santa Cruz, Scotts Valley and Watsonville. The bank offers a variety of competitive deposit and lending solutions for businesses and individuals; including business loans, lines of credit, commercial real estate financing, agricultural loans, SBA and USDA government guaranteed loans, credit cards, merchant services, remote deposit capture, mobile and online banking, bill payment, and cash management. For the past nine years, the Bank's SBA Department has been recognized as a top SBA lender in Santa Cruz County.

Santa Cruz County Bank stock is publicly traded on the OTCQX marketplace under the stock symbol SCZC. Stock purchase orders may be placed through a brokerage firm or one of the Market Makers listed in the Investor Relations section of the bank's website. For more information about Santa Cruz County Bank, please visit our website www.sccountybank.com.

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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Selected Financial Data (unaudited)

	Quarter ended 9/30/15	Quarter ended 9/30/14	Change $	Change %	Quarter ended 6/30/15	Change $	Change %	Nine-months ended 9/30/15	Nine-months ended 9/30/14	Change $	Change %
Balance Sheet											
Total assets	$ 523,665,738	$ 457,158,173	$ 66,507,565	15%	$ 500,494,009	$ 23,171,729	5%				
Gross loans	343,091,423	296,683,465	46,407,958	16%	336,999,353	6,092,070	2%				
Allowance for loan losses	7,003,638	6,213,113	790,525	13%	6,812,866	190,772	3%				
Non interest-bearing deposits	228,422,322	193,884,773	34,537,549	18%	193,775,744	34,646,578	18%				
Total deposits	473,897,222	413,930,091	59,967,131	14%	452,438,802	21,458,420	5%				
Shareholders' equity	42,591,628	37,147,917	5,443,711	15%	41,225,768	1,365,860	3%				
Income Statement											
Interest income	5,057,717	4,457,467	600,250	13%	5,047,939	9,778	0%	14,812,328	13,124,408	$ 1,687,920	13%
Interest expense	116,119	107,368	8,751	8%	114,424	1,695	1%	341,370	309,034	32,336	10%
Net interest income	4,941,598	4,350,099	591,499	14%	4,933,515	8,083	0%	14,470,958	12,815,374	1,655,584	13%
Provision for loan losses	187,500	187,500	-	0%	187,500	-	0%	562,500	562,500	-	0%
Non-interest income	570,876	938,444	(367,568)	-39%	1,050,029	(479,153)	-46%	2,529,590	2,629,028	(99,438)	-4%
Non-interest expense	3,045,384	3,126,210	(80,826)	-3%	3,525,802	(480,418)	-14%	9,861,567	9,841,282	20,285	0.2%
Net income before taxes	2,279,590	1,974,833	304,757	15%	2,270,242	9,348	0.4%	6,576,481	5,040,620	1,535,861	30%
Income tax expense	900,017	768,520	131,497	17%	919,618	(19,601)	-2%	2,596,133	1,945,100	651,033	33%
Net income after taxes	$ 1,379,573	$ 1,206,313	173,260	14%	$ 1,350,624	28,949	2%	$ 3,980,348	$ 3,095,520	884,828	29%
Basic earnings per share	$ 0.64	$ 0.57			$ 0.63			$ 1.85	$ 1.46		
Book value per share	$ 19.81	$ 17.37			$ 19.18			$ 19.81	$ 17.37		
Ratios											
Net interest margin	3.91%	3.93%			4.26%			4.11%	4.17%		
Tier 1 leverage ratio	8.23%	8.26%			8.61%						
Return on average assets	1.05%	1.05%			1.12%						
Return on average equity	12.94%	13.01%			13.22%						
Efficiency ratio	55.20%	59.00%			58.92%						

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