



CBBN Top Banker Panel 2019
November 4, 2019

Presented By:
David V. Heald, President & CEO

DEMOGRAPHICS

Santa Cruz County is the Bank's primary market.

Population of approximately 274,673. There are \$6.3 billion in deposits as of 6/30/19 reported by FDIC in this market, indicating considerable banking opportunity.

Nearly 14% (one out of every six jobs) countywide are in the visitor serving/hospitality sector.

Agricultural products from the region totaled \$638 Million in 2018 and \$4.3 billion for Monterey County*.

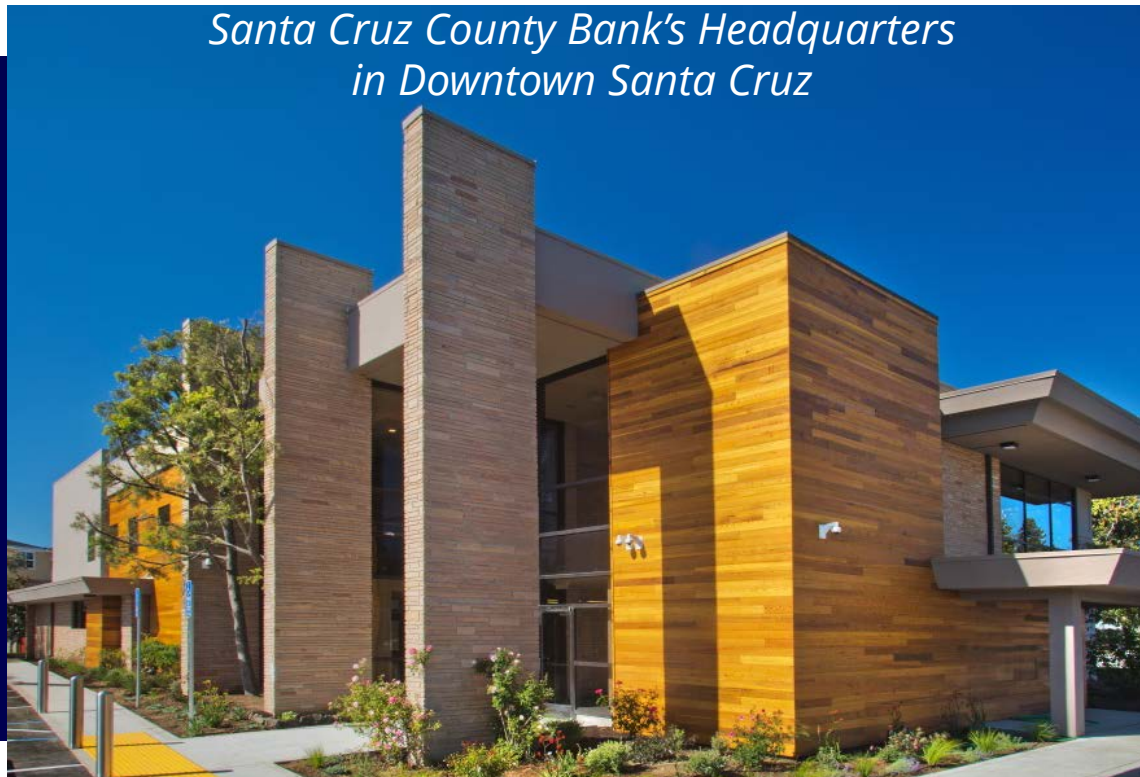
Strong & expanding geographic footprint:

- 6 full service banking offices in Santa Cruz County, 1 in Silicon Valley
- *Plans to expand into Salinas/Monterey County



COMMITMENT TO FUNDAMENTALS

- Liability-driven organization with strong core deposits
- 44% non-interest bearing deposits
- Low cost of funds: 0.30% (YTD 9/30/19)
- Establish sustainable stream of non-interest income
- Strong reputation
- Relationship banking



SANTA CRUZ COUNTY MARKETSHARE PRO FORMA

Rank	Institution	# of Branches	2019 Total Deposits	2019 Market Share %
1	WELLS FARGO	8	1,631,120	22.89%
2	BANK OF AMERICA	5	1,029,097	14.44%
3	JP MORGAN CHASE	6	899,867	12.63%
4	SANTA CRUZ COUNTY BANK PRO FORMA	6	857,327	12.03%
4	COMERICA	6	629,023	8.83%
5	SANTA CRUZ COUNTY BANK	5	614,934	8.63%
6	MUFG UNION BANK	3	369,537	5.18%
7	BANK OF THE WEST	2	355,392	4.99%
8	LIGHTHOUSE BANK	1	242,393	3.40%
9	US BANK	6	139,291	1.95%
10	LIBERTY BANK	2	137,887	1.93%
11	CITIBANK	1	114,000	1.60%
12	RABOBANK	2	107,246	1.50%
	Total for Institutions in the Market	47	\$6,269,787	

COMMUNITY ENGAGEMENT



Walk A Mile "Pre-Lap"

Some Non-Profits We Support:

Walk A Mile In Her Shoes
Bowl for Kids' Sake
Agri-Culture
United Way Giving Campaign

Relay for Life
Stuff the Bus
Make a Difference Day
Santa Cruz County Fair

Holiday Food Drive
The Human Race
CASA Gift Drive
Community Giving Fridays

Community Awards



*Volunteer Center's
Be the Difference Award*



DRIVERS OF SUCCESS

Focus on Core Banking Fundamentals

Disciplined Lender

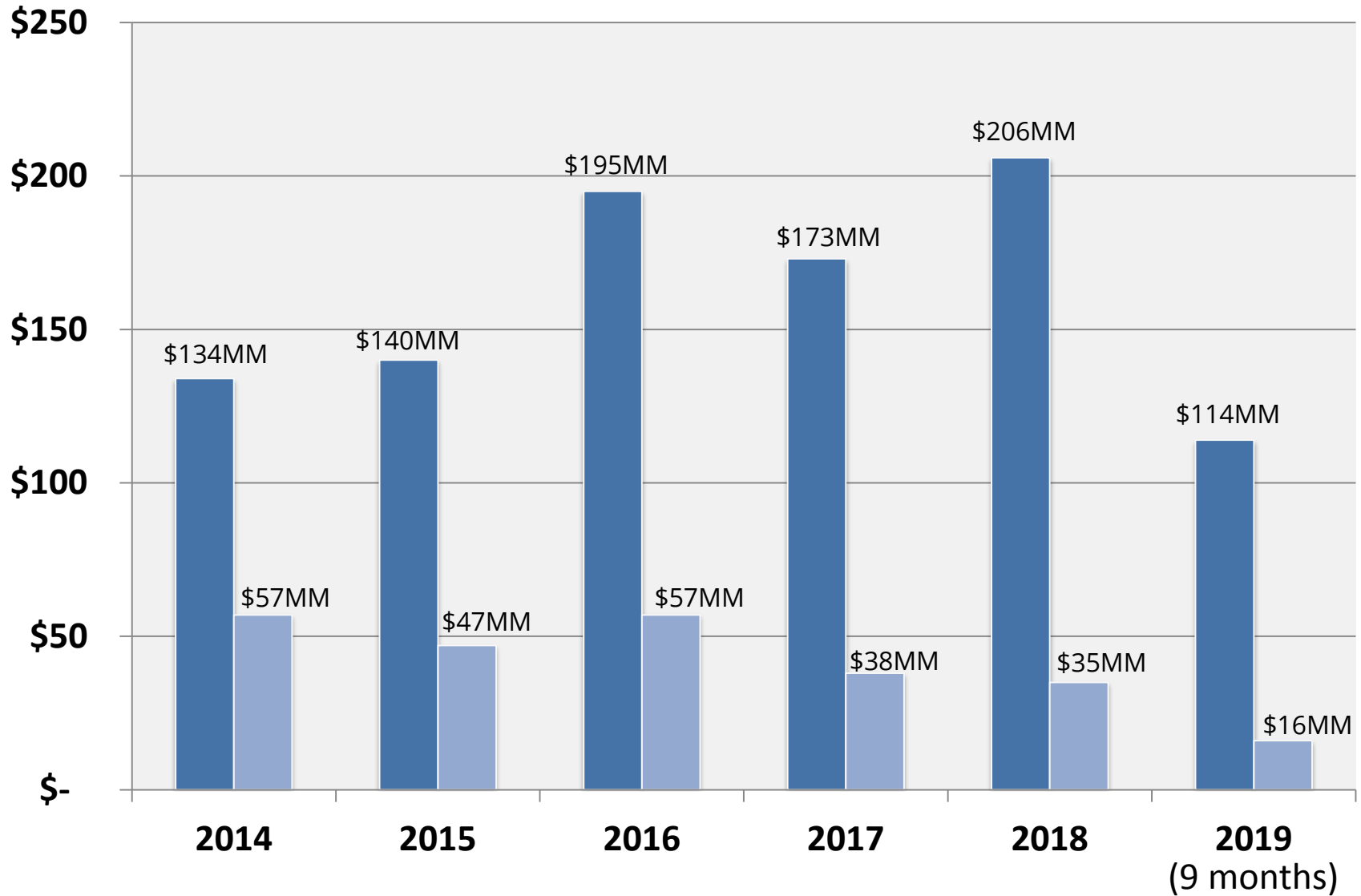
Community Partner

Solid Board and Management Team Longevity

Earnings Per Share & Book Value



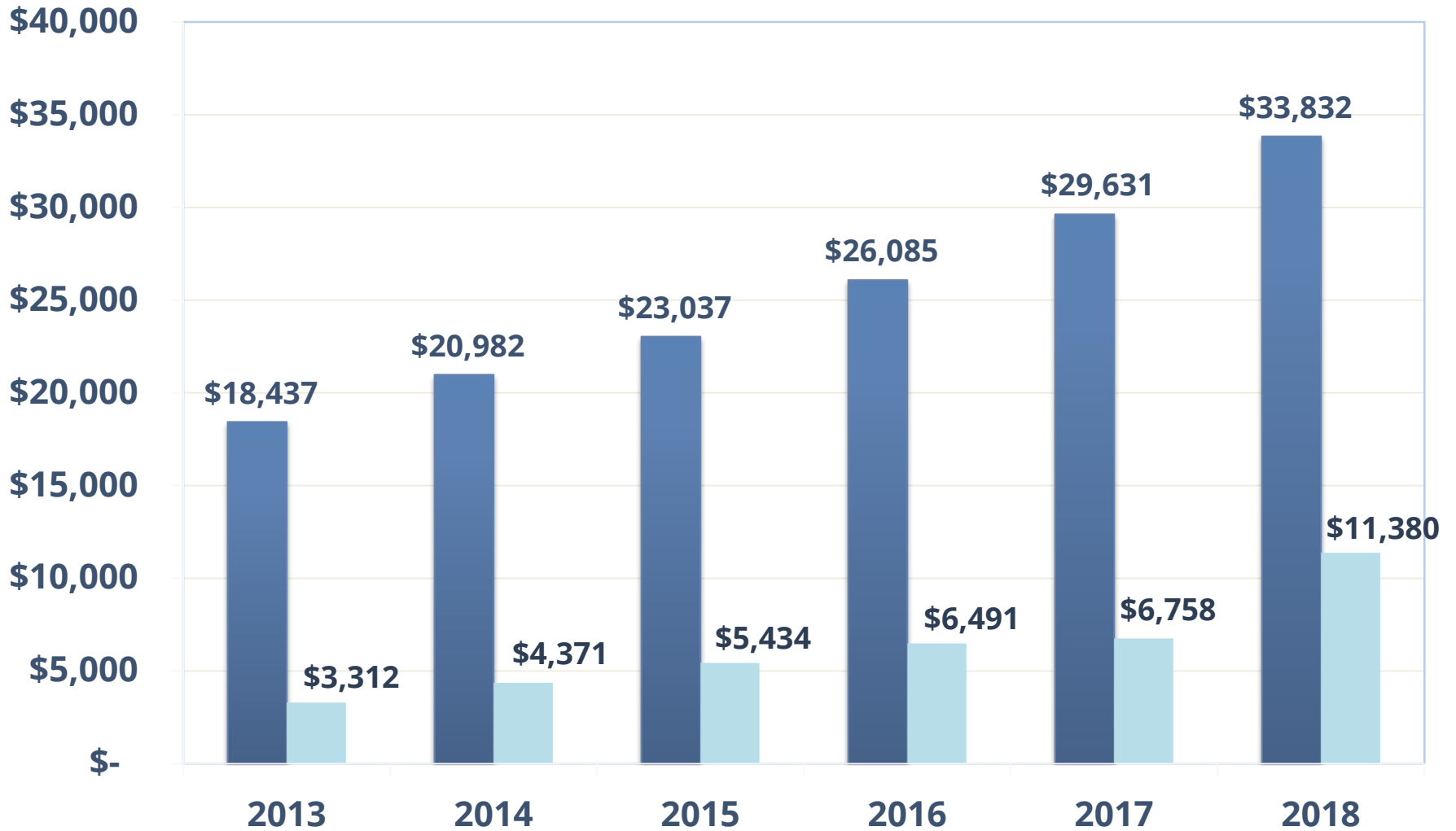
6 YEAR LOAN PRODUCTION & GROWTH



EXCELLENCE IN LENDING

- Exceptional asset quality
- Well respected community lender
- Bank does not offer residential mortgage lending
- Loan loss reserves = 2.10%
- Target to achieve and maintain loan to deposit ratio of 80%
- Maintain minimal non-performing assets (0.21% at 9/30/19)
- The Bank's market is small to medium-sized commercial, retail, healthcare, agribusiness, non-profits, and local professionals
- Seasoned lenders with deep community ties
- Preferred SBA lender, USDA Farm Service Agency (FSA) and Business & Industry (B&I) Loans, Farmer MAC

6 YEAR REVENUE AND NET INCOME



STRATEGIC GOALS ACHIEVED

	2014	2015	2016	2017	2018	2019 YTD 9/30/19
Maintain Low Cost of Funds	0.11%	0.10%	0.11%	0.14%	0.23%	0.30%
Loan Growth	\$315 MM 22%	\$358 MM 13%	\$415 MM 16%	\$453 MM 9%	\$488 MM 8%	\$504 MM 3%
Efficiency Ratio	60.62%	55.04%	53.64%	50.14%	49.04%	49.74%
Non-Interest Income	\$3.31 MM	\$3.11 MM	\$3.76 MM	\$3.32 MM	\$3.22 MM	\$2.68 MM

PROVEN RECORD OF CONSISTENT GROWTH (IN MILLIONS)

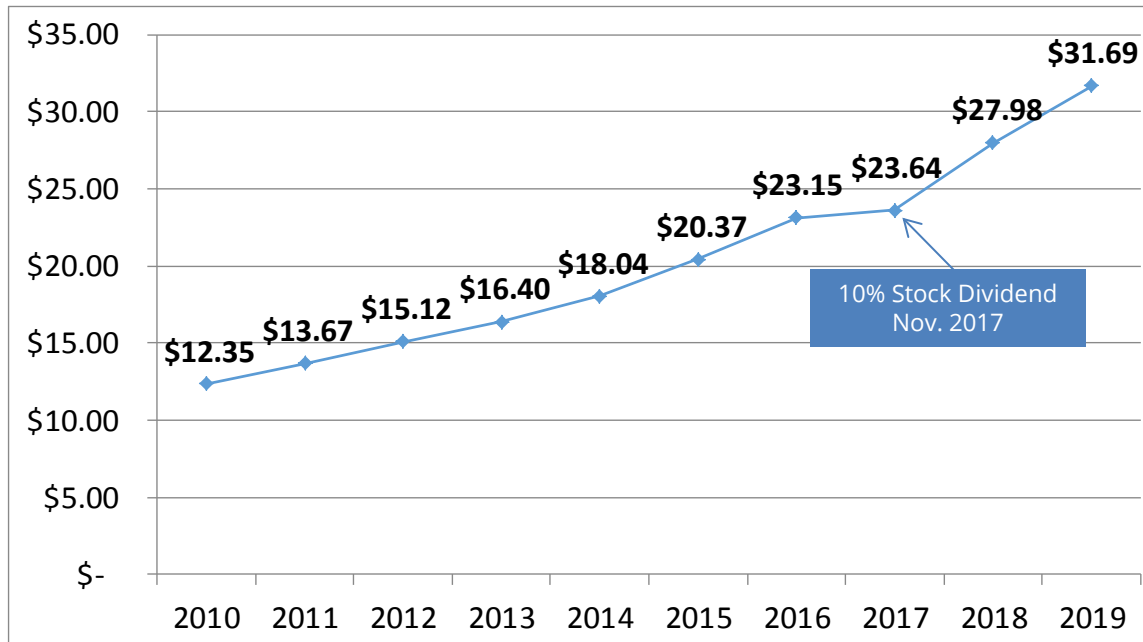
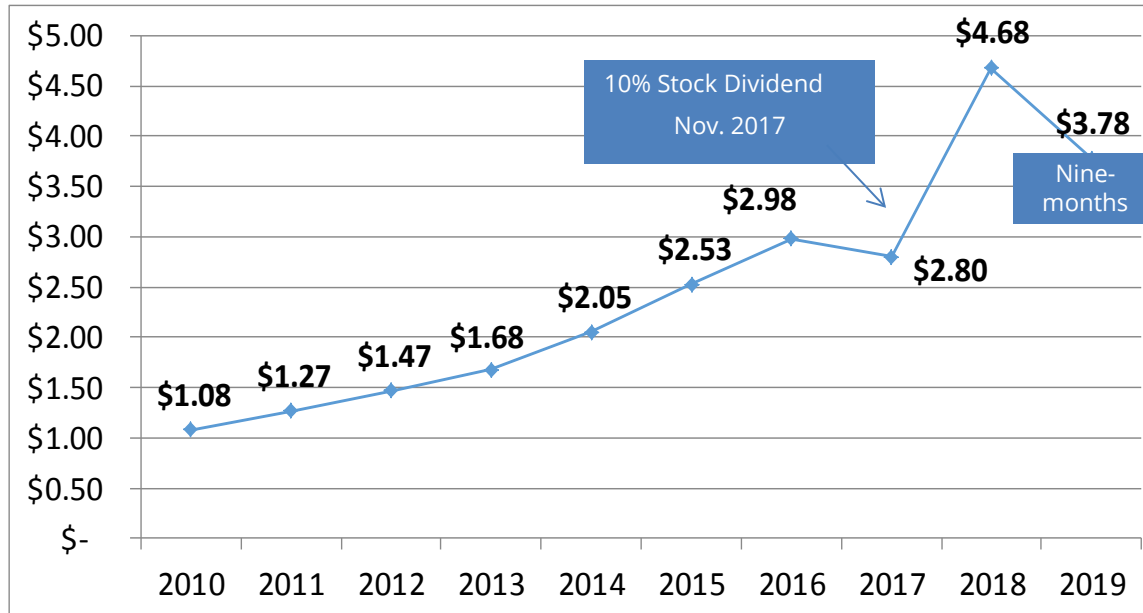
Year	Total Assets	Deposits	Loans	Shareholder Equity	Net Income
2019 YTD	\$722,872	\$631,411	\$503,519	\$77,808	\$9,259
2018	\$662,408	\$584,126	\$487,813	\$68,523	\$11,380
2017	\$629,964	\$562,659	\$452,827	\$57,281	\$6,758
2016	\$588,232	\$529,311	\$414,985	\$50,716	\$6,491
2015	\$513,409	\$462,235	\$357,909	\$44,030	\$5,434
2014	\$459,795	\$413,986	\$315,621	\$38,629	\$4,371

OUTSTANDING PERFORMANCE

Key Operating Statistics: 6 Year Comparative

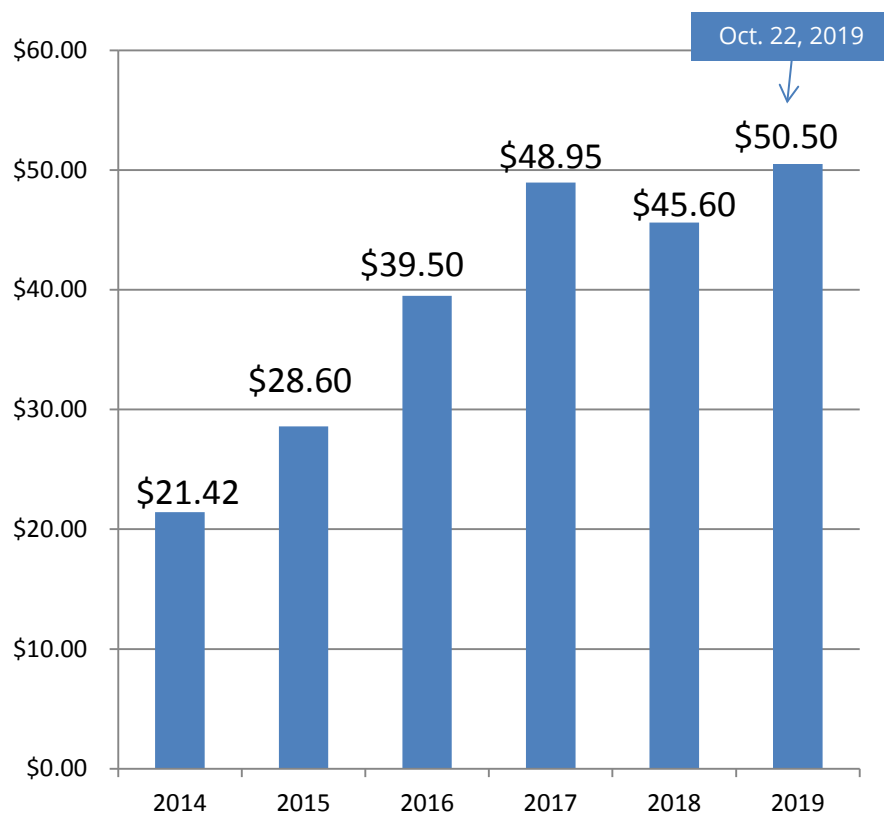
Key Operating Statistics	December 31,	2014	2015	2016	2017	2018	2019 YTD 9/30/19
Cost of Funds		0.11%	0.10%	0.11%	0.14%	0.23%	0.30%
Net Interest Margin		4.11%	4.05%	4.05%	4.33%	4.66%	4.83%
Non-Interest Income		\$3,311,446	\$3,107,477	\$3,762,539	\$3,318,709	\$3,221,993	\$2,682,286
Retained Earnings		\$14,368,514	\$19,372,645	\$25,427,885	\$21,966,055	\$32,335,096	\$40,976,892
Pretax Income		\$7,154,674	\$8,890,763	\$10,703,010	\$13,437,564	\$15,866,471	\$13,139,315
Return on Average Assets		1.00%	1.09%	1.17%	1.11%	1.75%	1.78%
Return on Average Equity		12.19%	13.29%	13.58%	12.27%	18.05%	16.82%
Efficiency Ratio		61.54%	53.05%	55.09%	50.14%	49.04%	49.74%
Gross Loans/Total Deposits		76.24%	77.60%	78.40%	80.48%	83.51%	79.75%
Allowance for Uncovered Loans		2.26%	2.33%	2.14%	2.13%	2.10%	2.10%
Total Non Performing Assets / Total Assets		0.00%	0.00%	0.00%	0.00%	0.00%	0.21%
Non Performing Loans over 90 days + non accrual to assets		0.00%	0.00%	0.00%	0.00%	0.00%	0.21%
Earnings Per Share (basic)		\$2.05	\$2.53	\$2.98	\$2.80	\$4.68	\$3.78
Book Value Per Share		\$18.04	\$20.37	\$23.15	\$23.64	\$27.98	\$31.69
% of Non-Interest Bearing Deposits		46%	45%	46%	43%	44%	45%

EPS & BOOK VALUE PER SHARE



SCZC PRICE & MARKET CAP

Stock Price



Market Capitalization in (000's)

