



FOR IMMEDIATE RELEASE

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Stonebridge Financial Corp. Reports Earnings Per Share increased 18.6%, Asset Growth of 11.3% Year over Year, and 7.3% Increase in Net Income.

West Chester, Pa. February 15, 2007 -- Stonebridge Financial Corp., parent company of Stonebridge Bank, the Delaware Valley's Local Internet Bank™, today announced earnings of \$1.6 million for the year ended December 31, 2006, a 7.3% increase over 2005's results of \$1.5 million. Total assets at December 31, 2006 were \$409.3 million, an increase of \$41.6 million or 11.3% over December 31, 2005. Both basic and diluted earnings per share grew by 18.6% in 2006. The difference between the growth experienced in net income versus earnings per share is primarily due to the redemption of preferred stock in 2005, resulting in greater net income available to common shareholders.

President and CEO of Stonebridge Financial Corp., Joseph C. Spada, stated: "We went into 2006 with an emphasis on improving our operations. We feel we have made significant progress toward this goal. We are particularly pleased we achieved our performance, income and growth goals while maintaining credit quality in a difficult economic and interest rate environment. In 2007, we look to build on the momentum the organization has experienced with the hiring of several new lenders, which will continue the organic growth of our loan portfolio."

Basic and diluted earnings per share of \$0.51 in 2006 were up \$0.08 per share over 2005. Net income for the quarter ended December 31, 2006 was \$457,000, an increase of \$437,000 from the same period in 2005. Basic and diluted earnings per share for the quarter ended December 31, 2006, were \$0.15 per share compared to \$0.01 per share for the same period in 2005. All per share information has been restated to reflect the 5 for 4 stock split paid September 15, 2006.

Loans at December 31, 2006, were \$274.4 million compared to \$262.6 million at December 31 2005. During 2006, loans originated by the Stonebridge lending group increased by \$30.9 million, while repayments of loans and leases purchased from others totaled \$19.1 million. Stonebridge Bank has not purchased any loans or leases in 2006, as the Bank's strategy has been to generate loans internally.

Deposits at December 31, 2006 were \$316.0 million compared to \$277.5 million at December 31, 2005, a 13.9% increase year over year.

Net interest income of \$9.8 million for the year ended December 31, 2006 increased \$955,000 or 10.8% compared to 2005. Net interest income of \$2.4 million for the quarter ended December 31, 2006 increased \$318,000, or 15.0% compared to the fourth quarter of 2005. This increase was primarily due to the growth of our internally generated loans and the overall growth of the Bank.

Non-interest income was \$628,000 for the year ended December 31, 2006, a decrease of \$272,000 compared to the same period in 2005. This decrease can be attributed to several unusual events that increased non-interest income in 2005, including the receipt of a life insurance death benefit, partially offset by an impairment charge taken on a security available for sale. Non-interest income was \$159,000 for the quarter ended December 31, 2006, compared to a loss of \$80,000 in 2005. The fourth quarter of 2005 included the \$257,000 impairment charge on a security.

For the year ended December 31, 2006, non-interest expense of \$7.8 million increased \$545,000 compared to the same period in 2005 primarily due to increased compensation for additional employees, along with higher advertising and occupancy expenses related to the overall growth of the Bank. In the fourth quarter 2006, non-interest expense increased \$86,000 over the same period in 2005 to \$1.9 million.

Stockholder's equity increased \$2.1 million or 11.5% in 2006 primarily due to retaining 2006's net income combined with an increase in market value of the Bank's available for sale securities.

Stonebridge Financial Corp.
 SELECTED BALANCE SHEET DATA
 (in thousands)

	Dec 31, 2006	Dec 31, 2005
	(unaudited)	
Securities	\$ 122,650	\$ 94,272
Loans	274,436	262,594
Allowance for Loan and Lease Losses	3,139	2,895
Total Assets	409,263	367,652
Total Deposits	315,999	277,487
Stockholder's Equity	20,250	18,163

Stonebridge Financial Corp.
 SELECTED INCOME STATEMENT DATA
 (in thousands, except per share data)

	Year ended December 31,		Quarter ended December 31,	
	2006 (unaudited)	2005 (1)	2006 (unaudited)	2005 (1) (unaudited)
Interest income	\$ 24,965	\$ 19,821	\$ 6,658	\$ 5,252
Interest expense	15,135	10,946	4,213	3,125
Net interest income	9,830	8,875	2,445	2,127
Provision for loan and lease losses	325	472	-	185
Non-interest income	628	900	159	(80)
Non-interest expense	7,822	7,277	1,944	1,858
Pre-tax income	2,311	2,026	660	4
Tax expense	701	526	203	(18)
Net income	\$ 1,610	\$ 1,500	\$ 457	\$ 22
Earnings per share-basic	\$ 0.51	\$ 0.43	\$ 0.15	\$ 0.01
Earnings per share-diluted	\$ 0.51	\$ 0.43	\$ 0.15	\$ 0.01

(1) Per share information for 2005 has been restated for a 5 for 4 stock split paid September 15, 2006.

Cautionary Statement

This news release may contain “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Act of 1995, such as statements of the Corporation’s goals, targets, plans, expectations, projections, estimates and intentions. Stonebridge Financial Corp. cautions potential investors that results and events subject to forward-looking statements could differ materially due to the following factors: possible changes in economic and business conditions, possible changes in monetary and fiscal policies, laws and regulations; possible changes in credit worthiness of customers and the possible impairment of loans; the effects of changing interest rates and other risks and factors.

About Stonebridge Financial Corp.

Stonebridge Bank is positioned as the Delaware Valley's Local Internet Bank™, combining community banking with advanced online technology. Based in West Chester, PA, Stonebridge Bank serves commercial banking customers through its three full-service banking offices in West Chester, Exton and Warminster, Pennsylvania, and a loan production office in Bel Air, MD. In addition, Stonebridge Bank offers customers around the nation a complete range of retail banking services through its website, www.stonebridgebank.com.