



Seacoast Commerce Bank Announces First Quarter Profit, Asset Growth and Credit Improvement

CHULA VISTA, Calif. – April 22, 2010 – Seacoast Commerce Bank (OTCBB: SCCB) today announced its unaudited results of operations for the first quarter-ending March 31, 2010. The Bank reported a pre-provision expense ("PPE") operating profit of \$203 thousand for the quarter versus a PPE operating loss of \$139 thousand for the same period last year; a significant improvement. The Bank's net profit after provisions for loan losses in the first quarter of 2010 was \$53 thousand, compared to a net loss of \$434 thousand for the same period last year.

Selected highlights for the first quarter of 2010 versus the first quarter of 2009:

- Asset growth of \$31.7 million, or 39.4%, to a record \$112.3 million;
- Liquidity growth, defined as cash, due from banks and investment securities, of \$14.6million, or 92.1%, to \$30.4 million;
- Loan growth of \$15.5 million, or 23.7%, to a record \$81.1 million;
- SBA loan portfolio growth of \$9.5 million, or 149%, to a record \$15.8 million;
- Deposit growth of \$34.4 million, or 59.2%, to \$92.5 million;
- Core deposit growth, defined as demand deposits, savings, money market accounts and certificates of deposit under \$100 thousand of \$23.7 million;
- Core deposits make up 68.2% of the Bank's total deposit base;
- Wholesale funding reduced 77% from \$18.4 million to \$4.2 million.

Selected other financial highlights:

- Brokered deposits reduced 57.3% to only \$4.2 million, or 3.8% of assets;
- Allowance for Loan and Lease Losses ("ALLL") of \$2.65 million, or 3.26% of loans;
- Non-performing loans reduced 41.7% standing at only \$1.8 million;
- ALLL to non-performing loans of 148%;
- Non-performing assets to Tier 1 Capital plus ALLL (Texas Ratio) of 26.4%;
- Construction loans completely eliminated.

The Bank initiated a private placement to raise additional capital on February 22, 2010 with the proceeds targeted to support the Bank's growth. Through March 31, 2010, the Bank had raised \$3.2 million, of which \$1.2 million or 37.4% was contributed by the Bank's Directors and Officers. All \$3.2 million was taken into capital at quarter-end with additional capital expected prior to the end of the second quarter. The Bank has always been "well capitalized" as validated by the FDIC, and with the additional capital in place, the Bank's capital ratios were as follows:

	FDIC "Well Capitalized" Level	
• Tier 1 Capital Ratio:	10.90%	5.00%
• Tier 1 Risk-Based Capital Ratio:	14.74%	6.00%
• Total Risk-Based Capital Ratio:	16.02%	10.00%

As previously reported, the Bank made a substantial commitment to small business lending through its new SBA Division in an effort to assist small business owners in purchasing real estate while other banks have decreased or stopped lending in that area. The Bank's SBA Division has produced \$11.5 million in new loans to small businesses in the first quarter of 2010, with U.S. Small Business Administration guaranteeing up to 90% of the loan balances. The Bank sold \$9.9 million of those loans and recorded a \$960 thousand gain on that sale. As reported by the U.S. Small Business Administration, Seacoast Commerce Bank was ranked the #1 lender in the San Diego District, the 4th largest lender in the State, and the 24th largest SBA lender in the Nation, on an SBA year-to-date basis, when ranked by total dollars approved; a testament to our commitment to helping small businesses.

Richard M. Sanborn, President & Chief Executive Officer, commented, "We had a very good quarter on most all fronts. We raised an additional \$3.2 million in new capital; we reduced our problem loans; we earned a profit for our shareholders, both pre-provision and post-provision expense; we increased our liquidity and virtually eliminated our wholesale (brokered) deposits and borrowings." Sanborn continued, "I'm most proud of our team which is working diligently to help many business owners obtain financing to purchase real estate for their businesses. Contrary to what's being reported in the press about the banking industry, we are lending to small businesses" Sanborn concluded.

Allan W. Arendsee, Chairman of the Board stated, "We have a great team at Seacoast, and their hard work and persistence is having a tremendous impact on our Bank. I am proud of the effort everyone is making to return our bank to profitability and I'm especially pleased with our focus on increasing shareholder value." Arendsee concluded.

Seacoast Commerce Bank is a business bank operating in San Diego, California, with loan production offices in Orange County, Los Angeles, and Sacramento, CA, Bellevue, Washington and Phoenix Arizona. For more information on the bank please visit our website at www.sccombank.com or contact Richard M. Sanborn, President and Chief Executive Officer at 619-409-5762.

Certain statements in this press release, including statements regarding the anticipated development and expansion of the Bank's business, and the intent, belief or current expectations of the Bank, its directors or its officers, are "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such "forward-looking" statements. These risks and uncertainties include, but are not limited to, risks related to the local and national economy, the Bank's performance and regulatory matters.

Seacoast Commerce Bank
Selected Financial Data – Unaudited (000)

	For the Quarter Ended		%
	<u>03/31/2010</u>	<u>03/31/2009</u>	<u>Change</u>
Balance Sheet Items			
Liquidity	30,365	15,809	97.7%
Gross Loans	81,091	65,547	23.7%
Total Deposits	<u>92,484</u>	<u>58,077</u>	59.2%
Total Assets	<u>112,256</u>	<u>80,555</u>	39.4%
Shareholders' Equity	<u>11,411</u>	<u>12,849</u>	(11.2%)
Income Statement Items			
Total Interest Income	1,334	990	34.7%
Total Interest Expense	<u>401</u>	<u>376</u>	6.6%
Net Interest Income	<u>933</u>	<u>613</u>	52.2%
Provision for Loan Losses	150	295	(49.2%)
Non-Interest Income	1,150	181	535.4%
Non-Interest Expense	<u>1,881</u>	<u>933</u>	101.6%
Net Income (Loss)	<u><u>53</u></u>	<u><u>(434)</u></u>	112.2%