

Seacoast Commerce Bank Pays Off TARP and Participates in the Small Business Lending Fund to Support Small Business Lending

CHULA VISTA, CA – September 1, 2011 – Seacoast Commerce Bank (OTC: SCCB) today announced that it has completely repaid the U.S. Treasury on its \$1.8 million Preferred stock investment into the bank under the Treasury's TARP Capital Purchase Program. Those funds, received in December of 2008, allowed Seacoast to provide additional credit to small businesses when many credit markets were frozen.

In a separate transaction, Seacoast received \$4 million from the U.S. Treasury through a Preferred stock investment under the Treasury's Small Business Lending Fund (the "SBLF"). The SBLF is a \$30 billion voluntary program intended to encourage small business lending at qualified banks by providing capital at favorable rates. The initial rate on the SBLF funds will be 5% and may be decreased to as low as 1% if growth in certain small business lending is achieved by the bank.

On a Proforma basis, assuming the SBLF funds had been received on June 30, 2011, Seacoast Commerce Bank's capital ratios would have been:

| | FDIC | "Well Capitalized" Level | As Stated | Proforma |
|---|----------------------------------|--------------------------|-----------|----------|
| • | Tier 1 Capital Ratio: | 5.00% | 12.00% | 13.66% |
| • | Tier 1 Risk-Based Capital Ratio: | 6.00% | 17.75% | 20.22% |
| • | Total Risk-Based Capital Ratio: | 10.00% | 19.03% | 21.50% |

Richard M. Sanborn, President & Chief Executive Officer, commented, "The most sustainable way to get our Nation's economy growing again is by job creation, and we will use this new capital to lend to qualified small businesses who intend to create new jobs. Seacoast has been focused on small business lending for close to two years now, and as a result has become one of the largest SBA lenders in the country. Our growth in small business lending over the past year exceeds what is required to achieve the lowest dividend rate of 1% on SBLF funds, which makes this new capital extremely attractive." Sanborn concluded.

Seacoast Commerce Bank is a business bank operating in San Diego, California, with loan production offices in San Diego County, Orange County, Los Angeles, and Sacramento, California; Bellevue, Washington; Phoenix, Arizona and Dallas, Texas. 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.

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