



## Seacoast Commerce Bank Reports 4<sup>th</sup> Quarter Profit and Record Growth

**CHULA VISTA, Calif.** – January 21, 2009– Seacoast Commerce Bank (OTCBB: SCCB) today announced the unaudited results of its operations for the fourth quarter and year ending December 31, 2008. The Bank reported a net profit of \$58 thousand for the fourth quarter of 2008 compared to a net loss of \$2.9 million for the fourth quarter of 2007, with a net loss of \$1.6 million for the year ended 2008 compared to a net loss of \$3.6 million for the year ending 2007. Although profitable for the last two quarters, the loss for the year was attributable to a \$1.8 million provision for loan losses set aside in the second quarter of 2008, as previously disclosed.

Assets climbed \$14 million, or 21%, to \$81 million, compared to assets of \$67 million at December 31, 2007. Loans grew \$3 million, or 5%, to \$61 million, compared to loans of \$58 million at December 31, 2007. Deposits were up \$6 million, or 11%, to \$58 million, compared to deposits of \$52 million at December 31, 2007.

Asset quality continued to improve as non-performing loans that were on non-accrual status as of December 31, 2008, decreased 13% to just \$1.8 million, net of government guarantees. All but \$50 thousand of the non-performing non-accrual loans were secured by either a 1<sup>st</sup> Trust Deed on real estate, or a 1<sup>st</sup> Trust Deed on a leasehold interest in real estate. In addition, the Bank had \$1.2 million in loan loss reserves to protect against future potential loan losses.

As previously disclosed, the Bank added \$4 million in new capital through its oversubscribed private placement of common stock in October of 2008, and added \$1.8 million in additional capital through the sale of Preferred stock to the US Treasury under their Capital Purchase Program. With both transactions complete, the Bank's capital ratios continued to be very strong. The Bank's Tier 1 Risk-Based Capital Ratio was 20.7% as of December 31, 2008; more than triple the FDIC's highest designation of "Well-Capitalized", and Total Risk-Based Capital stood at 21.9%.

Richard M. Sanborn, President & Chief Executive Officer commented, "We had another good quarter. We had record growth, improved net income, reduced our non-performing loans, increased our capital, and improved our liquidity ratios. All in all, we are pleased with our results considering the difficult environment we are in. The challenging economy and actions by the Government are unprecedented and we are fully aware of the impact they may have on our industry and on our performance, and we remain focused on running a safe and sound institution."

Allan W. Arendsee, Chairman of the Board stated, "2008 was certainly a difficult year for all banks, but we were fortunate in that our team addressed our problems early, had a plan to correct them, and the plan is working. The management team and the Board are 100% committed to the success of the organization, and our efforts will always be centered on improving long-term shareholder value."

Seacoast Commerce Bank was founded in June of 2003 and operates out of its Main Office in Chula Vista. For more information on the bank please visit our website at [www.sccombank.com](http://www.sccombank.com) or contact Richard M. Sanborn, President and Chief Executive Officer at 619-409-5762 or [rsanborn@sccombank.com](mailto:rsanborn@sccombank.com).

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

For the Quarters Ended	Qtr End <u>12/31/2008</u>	Qtr End <u>12/31/2007</u>	Change 12/31 - 12/31	Qtr End <u>9/30/2008</u>	Change 9/30 - 12/31
<b>Balance Sheet Items</b>					
Gross Loans	61,059,000	58,055,000	5.2%	60,563,000	.82%
Total Deposits	<u>58,301,000</u>	<u>52,432,000</u>	11.2%	<u>54,512,000</u>	7.0%
Total Assets	<u>81,176,000</u>	<u>67,142,000</u>	20.9%	<u>74,961,000</u>	8.3%
Shareholders' Equity	<u>13,255,000</u>	<u>9,153,000</u>	44.8%	<u>10,842,000</u>	22.3%
<b>Income Statement Items</b>					
Total Interest Income	1,170,000	1,201,000	(2.6%)	1,105,000	5.9%
Total Interest Expense	<u>397,000</u>	<u>600,000</u>	(33.8%)	<u>461,000</u>	(13.9%)
Net Interest Income	<u>773,000</u>	<u>601,000</u>	28.6%	<u>644,000</u>	20.0%
Non-Interest Income	238,000	181,000	31.5%	593,000	(59.9%)
Non-Interest Expense	<u>953,000</u>	<u>1,450,000</u>	(34.3%)	<u>1,014,000</u>	(6.0%)
<b>Operating Income (Loss)</b>	<b><u>58,000</u></b>	<b><u>(668,000)</u></b>	<b>109%</b>	<b><u>222,000</u></b>	<b>(73.9%)</b>
Provision For Losses		2,208,000		0	
<b>Net Income (Loss)</b>	<b><u>58,000</u></b>	<b><u>(2,876,000)</u></b>	<b>102%</b>	<b><u>222,000</u></b>	<b>(73.9%)</b>