



Seacoast Commerce Bank Announces Largest Profit in Bank's History

CHULA VISTA, Calif. – October 6, 2008 – Seacoast Commerce Bank (OTCBB: SCCB) today announced the results of its operations for the third quarter of 2008. The Bank reported a net profit of \$222 thousand for the third quarter ended September 30, 2008, the highest quarterly profit in the Bank's history, which compared to a net loss of \$305 thousand for the third quarter of 2007.

Assets climbed \$8.8 million, or 13.2%, to \$75.0 million, compared to assets of \$66.2 million at September 30, 2007, with \$7.8 million, or 11% growth year to date. Loans grew \$5.0 million, or 9.0%, to \$60.6 million, compared to loans of \$55.5 million at September 30, 2007, with \$2.5 million, or 4.3% growth year to date. Deposits were up \$3.6 million, or 7.0%, to \$54.5 million, compared to deposits of \$50.9 million at September 30, 2007, with \$2.1 million, or 4.0% growth year to date.

Quarter to quarter results showed loans decreasing \$4.2 million primarily due to the pay off of \$3.0 million in non-performing loans and the planned sale of \$2.4 million in SBA loans, while deposits decreased \$4.5 million due to the planned repayment of \$6.4 million in brokered deposits; both events further improved the strength of the Bank's balance sheet and operating ratios.

The Bank also added \$3.4 million in new capital through a private placement of common stock. It is anticipated that the private placement will add \$3.75 million in new capital once complete. With the new capital and third quarter earnings, the Bank's Capital stood at \$10.8 million at September 30, 2008. The Bank's Capital ratios continue to be very strong, exceeding the highest designation, "Well-Capitalized", as recognized by the FDIC, with Total Risked Based Capital over 19% at September 30, 2008, almost double the FDIC's highest designation.

Asset quality continues to improve with the reduction of construction loans outstandings to just 7.5% of all loans at September 30, 2008, down significantly from 30% of all loans at December 31, 2007. In addition, non-current loans were significantly reduced in the third quarter to \$3.1 million, down 56% from \$7.1 million at June 30, 2008, all accomplished with no charge-offs and no "OREO".

Richard M. Sanborn, President & Chief Executive Officer commented, "We had a good quarter. We recorded the highest profit in the Bank's history; significantly reduced our non-current loans; increased our capital 47% through a private placement

of common stock; and improved our liquidity ratio by over 100%. All in all, we are very pleased with our results in this difficult environment."

Sanborn continued "Through the hard work and dedication of all of our staff, major progress has been made this quarter to ensure the bank remains a safe and stable institution for our customers and shareholders. We are fortunate that our Bank never engaged in the lending practices nor made investments in any of the products that have forced many banks into trouble or out of business."

Allan W. Arendsee, Chairman of the Board stated, "The Board of Directors and the Management Team have increased their significant ownership in the bank through the Private Placement of common stock and we are all committed to the Bank's success. We are here for the long term and are dedicated to making Seacoast Commerce Bank the best business and service oriented bank in Southern California."

Sanborn concluded, "As we discussed in detail at our Annual Meeting of Shareholders and after the last quarter, the clean-up process was going to be difficult and take time, however, we expect continued improvement going forward which is consistent with our turn-around plan."

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.scombank.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**

	Qtr End	Qtr End	Change	Qtr End	Change
For the Quarters Ended	<u>9/30/2008</u>	<u>9/30/2007</u>	<u>9/30 - 9/30</u>	<u>6/31/2008</u>	<u>6/30 - 9/30</u>
Balance Sheet Items					
Gross Loans	60,563,000	55,542,000	9.0%	64,735,000	(6.4%)
Total Deposits	54,512,000	50,957,000	7.0%	59,020,000	(7.6%)
Total Assets	74,961,000	66,196,000	13.2%	75,918,000	(1.2%)
Shareholders' Equity	10,842,000	11,890,000	(8.8%)	7,385,000	47%
Income Statement Items					
Total Interest Income	1,151,000	1,189,000	(3.2%)	1,126,000	(1.8%)
Total Interest Expense	461,000	534,000	(13.7%)	490,000	(5.9%)
Net Interest Income	690,000	655,000	5.3%	636,000	1.4%
Non-Interest Income	547,000	151,000	262%	301,000	102%
Non-Interest Expense	1,015,000	985,000	3.0%	933,000	8.4%
Operating Income (Loss)	222,000	(179,000)	224%	5,000	4,340%
Provision For Losses	0	125,000		1,775,000	
Net Income (Loss)	222,000	(305,000)		(1,770,000)	