

Seacoast Commerce Bank Announces First Quarter Results With Record Loan, Deposit and Asset Growth

SAN DIEGO, CA – April 17, 2013 – Seacoast Commerce Bank (OTCQB: SCCB) today announced its unaudited results of operations for the first quarter-ended March 31, 2013. The Bank reported net income of \$250 thousand, compared to net income of \$34 thousand for the first quarter of 2012, a 635% increase. Assets reached a record \$225 million, up \$78 million or 53%; loans reached a record \$191 million, up \$97 million or 105%; deposits reached a record \$186 million, up \$59 million or 46%. This is the bank's eleventh consecutive quarterly profit.

As has been previously discussed, the bank planned to manage its net income down to a minimal level as it focused on reducing loan sales and retaining more of the guaranteed portions of the SBA loans funded. Retaining, versus selling loans, not only results in more balance sheet growth, but over time, produces more consistent, predictable and reoccurring interest income, and more long-term value for shareholders.

The Bank's growth and long-term shareholder value creation strategy is based on holding more saleable SBA loans. The Bank grew its inventory of guaranteed, saleable SBA loans by \$16 million in the first quarter, versus growth of \$4 million in the first quarter of 2012.

Had the bank sold its first quarter growth in saleable SBA loans, now held in the portfolio, it could have generated an additional \$1 million in net income in the first quarter based on actual gains received on the loans that were sold. The benefit to shareholders when loans are retained versus sold is that the bank will receive almost three-times more income over the life of the loan, which adds significantly to shareholder value over the long run.

Selected highlights for the first quarter of 2013 versus 2012:

- Asset growth of \$78 million, or 53%, to \$225 million;
- Loan growth of \$97 million, or 104%, to \$191 million;
- SBA loans funded increased \$11 million, or 40%, to \$37 million;
- First quarter increase in SBA loans held for sale of \$16 million;
- SBA loans held for sale in total up \$71 million, or 349%, to \$91 million;
- SBA portfolio of loans serviced (all self-originated) reached 561 loans for \$368 million, of which \$193 million has been sold in the secondary market;
- Deposit growth of \$59 million, or 46%, to \$186 million;
- Non-Interest Bearing deposit growth of \$16 million or 68%, to \$40 million;
- Shareholders' Equity growth of \$6.3 million, or 35%, to \$25 million;
- Net-Interest Income growth of \$1.3 million, or 98%, to \$2.6 million;
- Other Real Estate owned ("ORE") reduced to \$0, from \$1 million;
- Non-performing loans to total loans down to 0.23%;
- Non-performing assets to Tier 1 Capital plus ALLL (Texas Ratio) down to 1.82%.

The Bank has always maintained capital levels well above the FDIC's highest designation, "well capitalized," and had capital ratios at March 31, 2013, as follows:

FDIC "Well Capitalized" Level

•	Tier 1 Capital Ratio:	9.65%	5.00%
•	Tier 1 Risk-Based Capital Ratio:	15.33%	6.00%
•	Total Risk-Based Capital Ratio:	16.60%	10.00%

Seacoast Commerce Bank continues to be one of the top SBA loan production banks in the Nation. As reported by the U.S. Small Business Administration ("SBA") for the first six months of their fiscal year ended March 31, 2013, Seacoast Commerce Bank was the 7th largest SBA lender in the Nation, up from the 14th largest lender in 2012 and the 18th largest in 2011. SBA rankings are based on total dollars approved, with Seacoast having \$97 million in approved loans in the first six months.

Richard M. Sanborn, President & Chief Executive Officer, commented, "We're off to a good start in 2013, continuing on our theme from 2012, which was to hold as many SBA loans as possible. Across the board, our whole team is contributing to our continued success. SBA loan production is up nicely; problem loans are at their lowest level in five years; and our deposit generation efforts are going well. We look forward to communicating more about our strategy at our annual shareholder's meeting in May", Sanborn concluded.

Allan W. Arendsee, Chairman of the Board, stated, "Our strategy has been consistent; operate our bank in a safe and sound manner with an emphasis on producing superior, long-term shareholder value, and our management team is doing just that. The Board of Directors is very pleased with the success we've been able to accomplish over the last few years and look forward to another successful year", Arendsee concluded.

Seacoast Commerce Bank is a business bank headquartered in San Diego, California, with offices in San Diego, Chula Vista, Orange County, Los Angeles, Palm Desert, Sacramento and San Ramon, California; Phoenix, Arizona; Las Vegas and Reno, Nevada; Dallas and Houston, Texas; Salt Lake City, Utah; and Bellevue, Washington. 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 858-432-7001.

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.

This press release contains some non-GAAP financial analysis provided to supplement information regarding the Bank's performance, and to enhance investors' overall understanding of such financial performance.

Seacoast Commerce Bank Selected Financial Data – Unaudited (000)

	For the Year Ended		%
	03/31/2013	03/31/2012	Change
Balance Sheet Items	<u> </u>		
Total Loans (Net)	190,576	93,156	105%
SBA Loans Available for Sale (Memo Only)	91,058	20,281	349%
Total Assets	224,704	146,630	53%
Total Deposits	185,832	127,044	46%
Shareholders' Equity	24,511	18,223	35%
Income Statement Items			
Total Interest Income	2,824	1,578	79%
Total Interest Expense	226	262	(14%)
Net Interest Income	2,598	1,315	98%
Provision for Loan Losses	500	150	233%
Non-Interest Income	1,829	1,831	(0.0%)
Non-Interest Expense	3,444	2,962	16%
Pre-Tax Income	482	34	1,318%
Income Tax (Benefit)	232	0	-
Net Income	250	34	635%
Economic Value (EVA) of loans not sold	1,696	454	347%
Net Income with EVA (after tax)*	1,285	288	347%
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Basic Earnings per Share	\$0.05	\$0.01	525.2%
Basic Earnings per Share* with EVA	\$0.25	\$0.07	280.1%
Book Value per Share	\$3.94	\$3.21	22.7%
Book Value per Share with EVA	\$4.13	\$3.27	26.3%
Return on Average Assets	0.47%	0.09%	403.4%
Return on Average Assets* with EVA	2.41%	0.79%	206.1%
Return on Average Common Equity	5.25%	0.78%	576.5%
Return on Average Equity* with EVA	26.94%	6.55%	311.3%

^{*}Excludes Tax Benefit

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