



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

CHULA VISTA, Calif. – April 20, 2011 – Seacoast Commerce Bank (OTC: SCCB) today announced its unaudited results of operations for the first quarter ending March 31, 2011. The Bank reported net income of \$457 thousand for the quarter, compared to net income of \$53 thousand for the same period last year, a 762% improvement.

Selected highlights for the first quarter of 2011 versus the first quarter of 2010:

- Asset growth of \$3.0 million, or 2.7%, to \$115.3 million;
- Loan growth of \$13.0 million, or 16.1%, to \$93.8 million;
- Deposit growth of \$1.2 million, or 1.3%, to \$93.7 million;
- Core deposit growth, defined as demand deposits, savings, money market accounts and CD's under \$100 thousand, of \$8.2 million, or 13.0%;
- Core deposits as a percent of total deposits up 11.7%, to 76.2% of total deposit;
- Brokered deposits reduced to \$692 thousand.
- Shareholders' Equity growth of \$2.5 million, or 22.0%, to \$13.9 million;
- Allowance for Loan and Lease Losses ("ALLL") increased \$281 thousand in Q1, or 11.0%, to \$2.8 million, or 3.0% of loans, after net charge-offs of \$19 thousand;
- Non-performing loans reduced 49.1% to \$910 thousand, or 0.97% of loans;
- Other Real Estate owned ("ORE") reduced \$1.1 million, or 56.6%, to \$825 thousand;
- ALLL to non-performing loans of 308%;
- Non-performing assets to Tier 1 Capital plus ALLL (Texas Ratio) of 10.7%;

The Bank has always maintained capital levels well above the FDIC's highest designation, "well capitalized", and had capital ratios at March 31, 2011 as follows:

		FDIC "Well Capitalized" Level
• Tier 1 Capital Ratio:	10.23%	5.00%
• Tier 1 Risk-Based Capital Ratio:	17.60%	6.00%
• Total Risk-Based Capital Ratio:	18.88%	10.00%

As reported by the U.S. Small Business Administration, Seacoast Commerce Bank was ranked the 2nd largest SBA lender in the San Diego District, the 5th largest SBA lender in the State, and the 12th largest SBA lender in the Nation, on an SBA year-to-date basis (six months) when ranked by total dollars approved of \$104 million. During the same period, the Bank funded a total of \$68 million of the approved loans, with \$36 million funded in the 4th quarter of 2010 and \$32 million funded in the 1st quarter of 2011, (typically a slower funding quarter), with a significant portion still in process. The \$32 million funded in the 1st quarter of 2011 was a \$20

million increase in fundings, or 178%, from the 1st quarter of 2010; a testament to our commitment to helping small businesses.

Richard M. Sanborn, President & Chief Executive Officer, commented, "We had another very good quarter. We reported a solid net profit which resulted in a 13.8% annualized return on shareholders' average equity, after adding \$300 thousand to our reserves; we continued to reduce our exposure to problem loans and other real estate owned, and our SBA loan pipeline remains strong. Our whole team is focused on our continued improvement, both in asset quality and financial performance, and we are on track with our goal to provide \$120 million in much needed credit to qualified small businesses in our market areas. 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, "Our goal has always been to provide a consistently superior return to our shareholders, while operating in a safe and sound manner, and I'm pleased we are delivering on that goal, having done so for the last three consecutive quarters. I'm confident our long-term focus is in line with shareholders expectations and our continued improvement is due to the execution of the plan and strategies committed to by our team," 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, 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.

Seacoast Commerce Bank
Selected Financial Data – Unaudited (000)

	For the Quarter Ended		%
	<u>03/31/2011</u>	<u>03/31/2010</u>	
Balance Sheet Items			
Liquidity	19,786	30,365	(34.8%)
Gross Loans	93,832	80,853	16.1%
Total Deposits	<u>93,654</u>	<u>92,484</u>	1.3%
Total Assets	<u>115,261</u>	<u>112,256</u>	2.7%
Shareholders' Equity	<u>13,918</u>	<u>11,411</u>	22.0%
Income Statement Items			
Total Interest Income	1,798	1,334	34.8%
Total Interest Expense	<u>507</u>	<u>401</u>	26.4%
Net Interest Income	<u>1,291</u>	<u>933</u>	38.4%
Provision for Loan Losses	300	150	100%
Non-Interest Income	2,105	1,150	83.0%
Non-Interest Expense	<u>2,639</u>	<u>1,881</u>	40.3%
Net Income (Loss)	<u><u>457</u></u>	<u><u>53</u></u>	762%
Basic Earnings per Share	0.10	0.01	900%
Book Value per Share	2.76	2.69	2.60%
Return on Average Assets*	1.38%	0.20%	590%
Return on Average Equity*	13.82%	2.65%	422%

*Annualized