Seacoast Commerce Bank announces Results of Operations

CHULA VISTA, Calif. – October 19, 2007 – Seacoast Commerce Bank (OTCBB: SCCB) today announced results of operations as of September 30, 2007. Year-to-date the bank reported a net loss of $672 thousand, or -$0.44 per share, as compared to net income of $302 thousand, or $0.20 per share for the same period in 2006. Assets grew $8.7 million to $66.2 million representing 15.2% growth as compared to assets of $57.5 million at the end of the third quarter of 2006. During the same period net loans increased $7.9 million or 16.9% to $54.9 million from $47.5 million, and total deposits grew $561 thousand or 1.1% to $51.0 million from $50.4 million.

Net interest income for the comparative periods decreased $46 thousand to $2.2 million due to lower loan yields and higher deposit costs associated with the current interest rate environment. Total non-interest income for the comparative periods increased $96 thousand to $304 thousand due to increased gains on sale of loans.

Non-interest expenses for the comparative periods increased $814 thousand to $2.9 million due to higher salaries and premises expense associated with the company's move to its new headquarters.

Loan delinquencies increased to $2.2 million or 3.83% of loans as of September 30, 2007 as compared to 0.00% in 2006 with classified assets of $1.7 million and year-to-date charge-offs of $196 thousand. The bank recorded a provision for loan losses of $290 thousand to help offset charge-offs and to support growth in the loan portfolio. "Our delinquencies and classified assets are much higher than we would like, and we are working diligently to reduce those amounts in the coming months." stated Mark A. Nugent, Chief Credit Officer.

"During these difficult economic times for our industry we will continue to diligently manage our institution." stated Bruce A. Nunes, Chairman of Seacoast Commerce Bank. "Improving shareholder value while operating in a safe and sound manner are our key principals." continued Nunes.

Seacoast previously announced the appointment of Richard M. Sanborn as the new President and Chief Executive Officer, and the appointments of Allan Arendsee, Rick Levenson and Ron Bedell to the board.

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.seacoastcommercebank.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.