

PRESS RELEASE

Pacific Commerce Bank (PFCI.OB) News Release

PACIFIC COMMERCE BANK ANNOUNCES 1ST QUARTER 2010 PROFIT

LOS ANGELES, CA – (Business Wire) – April 26, 2010 – Pacific Commerce Bank (OTC BB: PFCI), located at 420 E. Third Street, Los Angeles, California announced its first quarter of 2010 results.

Net income for the first quarter of 2010 was \$204,000 compared to \$75,000 for the same quarter a year ago, an increase of \$129,000. This increase was attributable primarily to decreases in interest expense and provision for loan losses of \$335,000 and \$53,000, respectively. This was offset by increases in noninterest expense and income tax expense of \$131,000 and \$116,000, respectively. In 2009, the bank had recognized income tax benefits of \$103,000. The core operating income (before loan loss provision, stock options expense, and income tax benefits) was higher by \$181,000 to \$465,000 compared to \$284,000 a year ago.

Total non-performing loans totaled \$6,314,000 at March 31, 2010, an increase of \$4,772,000 from the same quarter a year ago, but a decrease of \$2,686,000 from December 31, 2009. The decrease was attributable to collection in full of a non-accrual mortgage loan for \$690,000 and transfer of a non-accrual construction loan for \$1,996,000 into OREO, which is pending sale.

The ratio of non-performing loans to total loans was approximately 4.57%. Net charge-offs for the quarter were approximately \$252,000.

The following are balance sheet highlights at March 31, 2010,

- Total assets increased by 9% to \$196,844,000 at March 31, 2010 from \$180,794,000 a year ago;
- Investment portfolio increased by 107% to \$46,460,000 from \$22,463,000 a year ago;
- Gross loans decreased by 6% to \$138,039,000 from \$147,007,000 for the same quarter last year;
- Allowance for loan losses was \$4,002,000 (2.90% of outstanding loans), net of charge-offs, versus \$2,363,000 (1.61% of outstanding loans) a year ago;
- Total deposits increased 14% to \$169,874,000 from \$148,933,000 a year ago; and
- Tier 1 Leverage Ratio and Total Risk-Based Capital Ratio were approximately 8.64% and 13.23%, respectively.

Highlights of results of operations for the period ended March 31, 2010 include the following:

- Net interest income for the quarter was \$1,868,000 compared to \$1,555,000 for the same period a year ago, an increase of 20%;
- Noninterest income was little changed at \$174,000 compared to \$175,000 a year ago;
- Noninterest expense was \$1,576,000 compared to \$1,446,000 a year ago, an increase of 9%; and
- Net interest margin for the quarter was 3.96% compared to 3.92% a year ago.

Brian H. Kelley, President and CEO, commented, "Obviously, 2009 was a challenging year. During the past year, we set aside \$2.8 million in loan loss provisions in order to assure that we had sufficient reserves to protect the bank against a deteriorating credit market. On the brighter side, we enjoyed solid growth in our core operating margins throughout the past year, and were able to rely on those core earnings to cover the lion's share of the reserve requirement. For the First Quarter, we have seen a distinct improvement in both our level of delinquencies and non-performing assets. While it is too early to declare that the economy or the bank has turned the corner, we are certainly seeing improved margins and a decrease in credit issues. Despite setting aside another \$227,000 in loan loss provisions, we still were able to report a First Quarter net profit of \$204,000, a result we were very happy with."

Established in 2002, Pacific Commerce Bank is a community bank with offices in Downtown Los Angeles and West Los Angeles. Founded by local business owners and professionals, it is focused on meeting the varied needs of those clients. It is publicly traded on the OTC Bulletin Board under the stock symbol PFCI. The bank offers small business loans, asset-based loans, construction and permanent real estate financing, SBA government-guaranteed loans, as well as personal and professional credit lines. Information on the bank as well as a copy of the bank's most recent newsletter and financial summary can be accessed through its website: "pacificcommercebank.com" or by calling between 9:00am and 5:00pm at 213-617-0082.

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995:

The financial information in this press release is based on our unaudited financial results. Certain statements in this press release, including statements regarding the anticipated development and expansion of the bank's business, and the intent, belief, and 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). Such forward-looking statements are subject to risks and uncertainties and therefore the bank's actual results may differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that the bank is subject to include, but are not limited to, risks related to the local and national economy, including fluctuations in interest rates and costs and changes in economic policy; the ability of the bank to perform in accordance with its plans; competition; regulatory matters; and other risks detailed in its filings with the State of California Department of Financial Institutions and the Federal Deposit Insurance Corporation. The bank cautions readers not to place undue reliance on any forward-looking statements. The bank does not undertake, and specifically disclaims any obligation, to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

SOURCE: Pacific Commerce Bank
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Financial Highlights

BALANCE SHEET (unaudited)

(In thousands, except for shares outstanding and book value per share)

	03/31/2010	03/31/2009	\$ Change	% Change
Total Assets	\$196,844	\$180,794	\$16,050	8.9%
Total Investments	\$46,460	\$22,463	\$23,997	106.8%
Total Loans	\$138,039	\$147,007	(\$8,968)	-6.1%
Deferred Loan Fees	(\$213)	(\$290)	\$77	-26.6%
Allowance for Loan Losses	(\$4,002)	(\$2,363)	(\$1,639)	69.4%
Net Loans	\$133,824	\$144,354	(\$10,530)	-7.3%
Total Deposits	\$169,874	\$148,933	\$20,941	14.1%
Total Borrowings	\$7,504	\$11,506	(\$4,002)	-34.8%
Total Stockholders' Equity	\$18,502	\$19,379	(\$877)	-4.5%
Non-performing assets	\$6,314	\$1,542	\$4,772	309.4%
Non-performing assets/Total loans	4.57%	1.05%		
QTD Net Interest Margin	3.96%	3.92%		
Net Loans to Deposits	78.8%	96.9%		
Tangible equity ratio	9.4%	10.7%		
Tier 1 Leverage Ratio	8.64%	10.01%		
Total Risk-Based Capital Ratio	13.23%	13.75%		
Ending shares outstanding	2,444,255	2,444,255		
Ending book value per share	\$5.91	\$6.27		

For the Three Months Ended March 31,

STATEMENT OF OPERATIONS (unaudited)

(In thousands)

	2010	2009
Total interest income	\$2,212	\$2,234
Total interest expense	<u>344</u>	<u>679</u>
Net interest income	1,868	1,555
Total non-interest income	<u>174</u>	<u>175</u>
Total Income	2,042	1,730
Total non-interest expense	<u>1,576</u>	<u>1,446</u>
Income before loan loss provision, stock options and income tax expenses	<u>465</u>	<u>284</u>
Provision for loan losses	227	280
Stock option expense	22	33
Income tax expense / (benefit)	<u>13</u>	<u>(103)</u>
Net Income	<u>\$204</u>	<u>\$75</u>
Adjusted income before loan loss provision, stock option expense, and income tax benefits	<u>\$465</u>	<u>\$284</u>
EPS	\$0.08	\$0.03
EPS of adjusted income before loan loss provision, stock option expense, and income tax benefits	\$0.19	\$0.12