Commerce National Bank

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Commerce National Bank Announces Fourth Quarter and 2010 Year to Date Results

NEWPORT BEACH, CA--(Marketwire - January 28, 2011) - Commerce National Bank (OTCBB: CNBF), a community business bank in its eighth year of operation, announced its financial results for the fourth quarter and full year of 2010.

For the three month period ended December 31, 2010, the Bank reported a net profit of $154,000 as compared to a net loss of $421,000 for the same period in 2009. For the twelve month period ended December 31, 2010, the Bank reported a net profit of $102,000 as compared to a net loss of $551,000 for the same period in 2009. For the three and twelve month periods ended December 31, 2010, respectively, the Bank recorded provisions for loan and lease losses of $100,000 and $1,475,000 as compared to provisions of $730,000 and $1,455,000 for the similar periods in 2009. For the three and twelve month periods ended December 31, 2010, respectively, the Bank recognized no losses in its investment portfolio for the portion of an investment that is considered to be Other Than Temporarily Impaired (OTTI) as compared to zero and $427,000, respectively, for the similar periods in 2009. The Bank ceased absorbing OTTI losses in its investment portfolio in 2010 as a result of upgraded credit quality in the bonds held by the mutual fund in which the Bank invested.

Net interest income increased $355,000 and $861,000 for the three and twelve month periods ended December 31, 2010, respectively, compared to the same periods of the prior year, primarily due to lower deposit interest rates. Non-interest income increased by $350,000 and $32,000 for the three and twelve month periods ended December 31, 2010, as compared to the same periods last year. The changes in non-interest income were primarily due to fees generated by gains on the sales of SBA loans. For the three month period ended December 31, 2010, non-interest expense increased $401,000; while for the twelve month period ended December 31, 2010, non-interest expense increased $565,000, compared to the same periods in 2009. The changes in non-interest expense were primarily due to write downs in 2010 of the value of other real estate owned.

As of December 31, 2010, the Bank reported total assets of $256.3 million, representing an increase of $27.2 million from December 31, 2009. Total deposits at December 31, 2010 were $212.1 million, an increase of $26.2 million from the prior year. Net loans at December 31, 2010 were $148.5 million, representing an increase of $16.8 million from the prior year. Total shareholders' equity as of December 31, 2010 was $27.5 million, an increase of $0.2 million from the prior year. At December 31, 2010 the Bank had regulatory capital ratios of 10.38% for Tier 1 leverage and 18.36% for total risk-based capital and continued to be well capitalized.

With its headquarters office in Newport Beach near John Wayne airport, the Bank is well positioned to serve businesses, professionals and selected real estate customers throughout Orange County. The Bank is staffed by experienced business bankers who are committed to providing exemplary service to their customers in the business community.

Forward-Looking Statement

This news release contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates and projections about Commerce National Bank's business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including those described above and the following: Commerce National Bank's timely development of new products and services, technological changes, changes in consumer spending and savings habits and other risks discussed from time to time in Commerce National Bank's reports and filings with the Office of the Comptroller of the Currency. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions. Such forward-looking statements speak only as of the date on which they are made, and Commerce National Bank does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release.

Condensed Statements of Operations
000's Omitted (Except Per Share Amounts) - Unaudited

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	**2009**	**2010**	**2009**
Interest Income	$ 2,729	$ 2,546	$ 10,458	$ 10,399
Interest Expense	377	549	1,614	2,416
Net Interest Income	2,352	1,997	8,844	7,983
Provision for Loan Losses	100	730	1,475	1,455
Net Interest Income After Provision for Loan Losses	2,252	1,267	7,369	6,528
Non Interest Income	536	186	997	965
Non Interest Expense	2,451	2,050	8,164	7,599
OTTI Charges on AFS Investment Securities	0	0	0	427
Profit / (Loss) Before Income Taxes	337	(598)	202	(533)
Income Tax Expense (Benefit)	183	(177)	100	17
Net Profit / (Loss)	$ 154	($421)	$ 102	($551)
Basic Profit / (Loss) Per Share	$ 0.06	($0.16)	$ 0.04	($0.21)
Diluted Profit / (Loss) Per Share	$ 0.06	($0.16)	$ 0.04	($0.21)

Condensed Statements of Financial Condition
000's Omitted - Unaudited

	December 31,	
Assets	**2010**	**2009**
Cash & Due From Banks	$ 2,580	$ 2,154
Federal Funds Sold & Excess Balances at FRB	13,231	5,359
Investments	83,939	83,120
Loans (Net)	148,491	131,667
Other Assets	8,051	6,800
Total Assets	$ 256,292	$ 229,100
Liabilities & Shareholders' Equity		
Demand Deposits	$ 50,502	$ 45,875
Money Market, Savings and NOW Accounts	47,309	35,753
Certificates of Deposit	114,261	104,206
Total Deposits	212,072	185,834
Other Borrowings	14,688	15,000
Other Liabilities	1,987	912
Shareholders' Equity		
Common Stock and Surplus	31,994	31,916
Accumulated Deficit	(3,752)	(3,854)
Unrecognized Loss on AFS Securities	(697)	(708)
Total Shareholders' Equity	27,545	27,354
Total Liabilities & Shareholders' Equity	$ 256,292	$ 229,100

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