



Seacoast Commerce Banc Holdings Announces First Quarter 2015 Results

SAN DIEGO, CA – April 22, 2015 – [Seacoast Commerce Banc Holdings](#) (OTCQB: SCBH) (“Company”), and its wholly owned subsidiary [Seacoast Commerce Bank](#) (“Bank”), today announced its consolidated unaudited results of operations for the first quarter ended March 31, 2015. For the first quarter of 2015, the Company reported net income of \$1.3 million, compared to net income of \$830 thousand in the fourth quarter of 2014, and \$2.0 million in the first quarter of 2014. This was the Bank’s 19th consecutive quarterly profit.

First quarter of 2014 results included a large amount of gain-on-sale income which was generated to provide additional capital to the Bank, which was not needed in the first quarter of 2015, as the Company received a \$7.0 million loan from NexBank SSB, in Dallas, TX, in March of 2015, of which \$6.0 million was provided to the Bank as additional capital to support future growth. For comparative purposes, the first quarter of 2014 had loan production of \$31.8 million; loan sales of \$48.4 million; gain-on-sale of loans income of \$4.6 million; and a reduction in SBA guaranteed loan inventory of \$27.5 million. For the first quarter of 2015, the Bank had loan production of \$50.7 million; loan sales of only \$27.3 million; gain-on-sale of loans income of \$2.7 million; and growth in SBA guaranteed loan inventory of \$4.6 million.

As had been previously discussed, the Company’s growth and long-term shareholder value creation strategy is based on generating and holding more saleable SBA loans. Holding loans, versus selling for a one-time gain, ultimately results in more consistent, predictable, and re-occurring spread income.

Selected highlights for the consolidated first quarter of 2015, versus the first quarter of 2014:

Balance Sheet Metrics

- Asset growth of \$91.2 million, or 26.4%, to a record \$436.9 million;
- Loan growth of \$103.8 million, or 39.2%, to a record \$368.8 million;
- SBA loans funded of \$50.7 million, up \$18.9 million, or 59.5%;
- SBA loans held for sale up \$84.7 million, or 62.5%, to a record \$220.2 million;
- Deposit growth of \$78.4 million, or 25.0%, to a record \$392.2 million;
- Non-Interest Bearing deposit growth of \$71.5 million or 141.0%, to a record \$122.3 million;
- Non-Interest Bearing deposits represent 31.2% of total deposits, up from 16.2%;
- Shareholders’ Equity growth of \$4.3 million, or 15.0%, to a record \$32.8 million.

Income Statement Metrics

- Net Interest Income of \$4.8 million, up \$1.2 million, or 35.1%;
- Gain-on-sale of loans income of \$2.7 million, down \$1.9 million, or 41.3%;
- Non-Interest Expenses of \$5.3 million up \$298 thousand, or 6.0%;
- Positive operating leverage with growth in net interest income of 35.1% versus growth in non-interest expenses of 6.0%.

Other Metrics

- Quarter-end ALLL of \$5.3 million was 3.58% of loans held for investment;
- Quarter-end ALLL was 320% of non-performing loans;
- Non-performing loans to total gross loans was 0.45%;
- Non-performing assets to Tier 1 Capital plus ALLL (Texas Ratio) was 5.26%;
- Since inception of the Bank's SBA program over five years ago, the bank has funded 1,010 loans for \$778.8 million in small business financing.
- The Bank services a total of 896 SBA loans for \$608.9 million, of which \$253.7 million has been sold in the secondary market.

The Bank has always maintained capital levels well above the regulatory highest designation, "well capitalized", and had capital ratios at March 31, 2015, as follows:

	"Well Capitalized" Level	
• BASEL Tier 1 Capital Ratio:	8.98%	5.00%
• BASEL Common Equity Tier 1 Ratio:	17.15%	7.00%
• BASEL Tier 1 Risk-Based Capital Ratio:	17.15%	8.50%
• BASEL Total Risk-Based Capital Ratio:	18.41%	10.50%

As reported by the U.S. Small Business Administration ("SBA") for their 2nd quarter ended March 31, 2015, Seacoast Commerce Bank was the 12th largest SBA lender in the Nation. SBA rankings are based on total dollars approved, with Seacoast having \$118.6 million approved so far in 2015. In addition to being ranked the 12th largest SBA lender in the Nation, Seacoast was the 4th largest SBA lender in the State of California.

Richard M. Sanborn, President & Chief Executive Officer, commented, "We are pleased to report another good, consistent, quarter of performance. With year-over-year loan, deposit, and asset growth all being meaningful, and all above 25%, we are seeing the benefits of our 'hold strategy'. This growth is fueling our income statement results where we experienced a 35.1% increase in net-interest income, excluding any gain-on-sale of loans, with only a 6.0% increase in non-interest expenses. It has always been our focus to grow our balance sheet with high-quality assets that can provide a consistent, predictable, re-occurring income stream, which we believe will result in shareholder returns exceeding our peers." Sanborn concluded.

Allan W. Arendsee, Chairman of the Board, stated, "The first quarter of 2015 was a continuation of our board's plan to focus on consistency and quality, not pure quantity, and to do so in a safe and sound manner. Based on our growth trajectory, we are poised to surpass two significant benchmarks soon; exceeding \$500 million in assets, and funding more than \$1 billion in SBA loans to small business owners, since the inception of our SBA program in 2009. We are extremely excited about approaching those benchmarks. It is also important to note, as presented in our Proxy, that the board and management team are all significant shareholders, and are highly invested in the long-term success of our company." Arendsee concluded.

About [Seacoast Commerce Banc Holdings](#): Seacoast Commerce Banc Holdings is a bank holding company with one wholly-owned banking subsidiary, [Seacoast Commerce Bank](#). Both the holding company and the bank are headquartered in San Diego, California, with the Bank having full-service banking branches in San Diego, Chula Vista, and Glendale, California, and production offices in San Diego, Orange County, Los Angeles, Sacramento and San Ramon, California; Phoenix, Arizona; Denver, Colorado; Portland, Oregon; Las Vegas and Reno, Nevada; Houston and Dallas, Texas; and Bellevue, Washington. For more information on [Seacoast Commerce Banc Holdings](#), please visit www.scbholdings.com; to learn more about [Seacoast Commerce Bank](#), visit www.sccombank.com, or contact Richard M. Sanborn, President and Chief Executive Officer at 858-432-7001.

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.

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 Banc Holdings
Selected Financial Data
Consolidated and Unaudited (000)

	For the Quarters Ended			% Change 3/31 - 3/31
	03/31/2015	12/31/2014	03/31/2014	
Balance Sheet Items				
Total Gross Loans	368,845	357,084	265,029	39.2%
<i>SBA Loans Available for Sale (Memo Only)</i>	220,186	215,625	135,516	62.5%
Total Assets	436,876	410,404	345,651	26.4%
Total Deposits	392,176	362,144	313,803	25.0%
<i>Non-Interest DDA (Memo Only)</i>	122,270	93,707	50,727	141.0%
Shareholders' Equity	32,768	31,301	28,498	15.0%
Income Statement Items				
Total Interest Income	5,176	5,056	4,099	26.3%
Total Interest Expense	408	408	569	(28.4%)
Net Interest Income	4,768	4,648	3,529	35.1%
Provision for Loan Losses	250	-0-	250	0.0%
Non-Interest Income	3,021	1,189	5,208	(42.0%)
Non-Interest Expense	5,291	4,600	4,993	6.0%
Pre-Tax Income	2,248	1,237	3,494	(35.7%)
Our Fair Share of Income Taxes (40.60%)	913	407	1,488	(38.6%)
Net Income	1,335	830	2,006	(33.4%)
QTD Basic Earnings per Share	\$0.23	\$0.15	\$0.36	(36.1%)
Book Value per Share	\$5.05	\$4.85	\$4.35	16.1%
Return on Average Assets	1.28%	0.90%	2.33%	(45.1%)
Return on Average Common Equity	19.80%	12.50%	34.42%	(42.5%)
Ending Shares Outstanding	5,697,634	5,631,838	5,629,038	1.2%
Stock Price	\$11.50	\$12.05	\$9.00	27.8%
Market Capitalization	\$65,522,791	\$67,863,648	\$50,661,342	29.3%

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