



Seacoast Commerce Banc Holdings Announces Second Quarter 2015 Results

SAN DIEGO, CA – July 16, 2015 – [Seacoast Commerce Banc Holdings](#) (OTC: SCBH) (“Company”), and its wholly owned subsidiary [Seacoast Commerce Bank](#) (“Bank”), today announced its consolidated unaudited results of operations for the second quarter ended June 30, 2015. For the second quarter of 2015 the Company reported net income of \$1.4 million, compared to net income of \$1.3 million in the first quarter of 2015, and \$501 thousand in the second quarter of 2014. This was the Bank’s 20th consecutive quarterly profit.

The following is a comparison of the SBA Division’s year-to-date results, which is the Bank’s primary lending driver:

	06/30/2015	Year-to-date (in millions)		
		6/30/2014	\$ Change	% Change
SBA Loan Production	\$102.6	\$77.4	\$25.2	32.6%
SBA 7(a) Guaranteed Loan Sales	\$30.3	\$48.4	(\$18.1)	(37.4%)
Growth in SBA Guaranteed Loan Inventory	\$40.8	\$4.4	\$36.4	827.3%
Period-end SBA Guaranteed Loan Inventory	\$256.4	\$167.4	\$89.0	53.2%

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

Selected highlights for the Bank’s second quarter 2015 versus second quarter 2014 results:

Balance Sheet Metrics

- Asset growth of \$107.1 million, or 30.1%, to a record \$463.5 million;
- Loan growth of \$78.5 million, or 26.3%, to a record \$377.0 million;
- SBA loans held for sale up \$89.0 million, or 53.2%, to a record \$256.4 million;
- Deposit growth of \$93.7 million, or 28.9%, to a record \$417.5 million;
- Non-Interest Bearing deposit growth of \$87.2 million or 157.7%, to a record \$142.4 million;
- Non-Interest Bearing deposits represent 34.1% of total deposits, up from 17.1%;
- Shareholders’ Equity growth of \$5.1 million, or 17.6%, to a record \$34.2 million.

Income Statement Metrics

- Interest Income of \$5.5 million, up \$1.1 million, or 25.4%;
- Interest Expense of \$483 thousand, down \$32 thousand, or (6.2%);
- Net Interest Income of \$5.0 million, up \$1.2 million, or 29.6%;
- Non Interest Income of \$3.0 million, up \$2.0 million, or 183.2%;
- Non-Interest Expenses of \$5.5 million, up \$1.5 million or 37.7%;
- Positive operating leverage with growth in revenue of \$3.2 million versus growth in non-interest expenses of \$1.5 million.

Other Metrics

- SBA loans funded QTD of \$52.0 million, up \$6.3 million, or 13.9%;
- SBA loans funded YTD of \$102.6 million, up \$25.2 million, or 32.6%;
- Quarter-end ALLL of \$5.4 million was 4.47% of loans held for investment;
- Quarter-end ALLL was 343% of non-performing loans;
- Non-performing loans to total gross loans was 0.42%;
- Non-performing assets to Tier 1 Capital plus ALLL (Texas Ratio) was 5.52%;
- Since inception of the Bank's SBA program over five years ago, the bank has funded 1,073 loans for \$820 million in small business financing;
- The Bank services a total of 937 SBA loans for \$633.2 million, of which \$269.4 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 June 30, 2015, as follows:

	"Well Capitalized" Level	
• BASEL Tier 1 Capital Ratio:	8.96%	5.00%
• BASEL Common Equity Tier 1 Ratio:	18.94%	7.00%
• BASEL Tier 1 Risk-Based Capital Ratio:	18.94%	8.50%
• BASEL Total Risk-Based Capital Ratio:	20.21%	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 consistent quarter of performance. With year-over-year loan, deposit, and asset growth all meaningful, we are seeing the benefits of our 'hold strategy'. This growth is driving our income statement results where we had a 30% increase in core net-interest income, before any gain-on-sale of loans income. We are also mindful of expected interest rate increases, which, with our balance sheet structure should prove to be another advantage to our strategy. 93% of our loans are adjustable with the overwhelming majority adjusting quarterly, so we should benefit from rising rates. 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 second quarter of 2015 was again a continuation of the board's plan to focus on consistency and quality, not purely 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 since the inception of our SBA program in late 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 6/30 - 6/30
	06/30/2015	03/31/2015	06/30/2014	
Balance Sheet Items				
Total Gross Loans	377,011	368,845	298,527	26.3%
<i>SBA Loans Available for Sale (Memo Only)</i>	256,441	220,186	167,427	53.2%
Total Assets	463,525	436,876	356,412	30.1%
Total Deposits	417,449	392,176	323,787	28.9%
<i>Non-Interest DDA (Memo Only)</i>	142,438	122,270	55,278	157.7%
Shareholders' Equity	34,233	32,768	29,117	17.6%
Income Statement Items				
Total Interest Income	5,526	5,176	4,407	25.4%
Total Interest Expense	483	408	515	(6.2%)
Net Interest Income	5,043	4,768	3,892	29.6%
Provision for Loan Losses	250	250	100	150.0%
Non-Interest Income	3,030	3,021	1,070	183.2%
Non-Interest Expense	5,521	5,291	4,010	37.7%
Pre-Tax Income	2,302	2,248	851	170.5%
Our Fair Share of Income Taxes (40.75%)	938	913	350	168.1%
Net Income	1,363	1,335	501	172.1%
QTD Basic Earnings per Share	\$0.24	\$0.23	\$0.09	166.2%
Book Value per Share	\$5.31	\$5.05	\$4.46	18.9%
Return on Average Assets	1.20%	1.28%	0.58%	107.6%
Return on Average Common Equity	18.45%	19.80%	7.87%	134.3%
Ending Shares Outstanding	5,698,534	5,697,634	5,629,238	1.2%
Stock Price	\$12.04	\$11.50	\$10.20	18.0%
Market Capitalization	\$68,610,349	\$65,522,791	\$57,418,228	13.9%

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