

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) October 26, 2017

**SEACOAST BANKING CORPORATION OF FLORIDA**

(Exact Name of Registrant as Specified in Charter)

**Florida**

(State or Other Jurisdiction  
of Incorporation)

**0-13660**

(Commission  
File Number)

**59-2260678**

(IRS Employer  
Identification No.)

**815 Colorado Avenue, Stuart, FL**

(Address of Principal Executive Offices)

**34994**

(Zip Code)

Registrant's telephone number, including area code (772) 287-4000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.)

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## SEACOAST BANKING CORPORATION OF FLORIDA

### Item 2.02 Results of Operations and Financial Condition

On October 26, 2017, Seacoast Banking Corporation of Florida (“Seacoast” or the “Company”) announced its financial results for the quarter ended September 30, 2017.

A copy of the press release announcing Seacoast’s results for the quarter ended September 30, 2017 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

### Item 7.01 Regulation FD Disclosure

On October 27, 2017, Seacoast held an investor conference call to discuss its financial results for the quarter ended September 30, 2017. A transcript of this conference call is attached hereto as Exhibit 99.2 and incorporated herein by reference. Also attached as Exhibit 99.3 are charts (available on the Company’s website at [www.seacoastbanking.net](http://www.seacoastbanking.net)) containing information used in the conference call and incorporated herein by reference. All information included in the transcript and the charts is presented as of September 30, 2017, and the Company does not assume any obligation to correct or update said information in the future.

The information in Items 2.02 and 7.01, as well as Exhibits 99.1, 99.2 and 99.3, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<a href="#"><u>99.1</u></a>	<a href="#"><u>Press Release dated October 26, 2017 with respect to Seacoast’s financial results for the quarter ended September 30, 2017</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Transcript of Seacoast’s investor conference call held on October 27, 2017 to discuss the Company’s financial results for the quarter ended September 30, 2017</u></a>
<a href="#"><u>99.3</u></a>	<a href="#"><u>Data on website containing information used in the conference call held on October 27, 2017</u></a>

Exhibits 99.1, 99.2 and 99.3 referenced herein contain “forward-looking statements” within the meaning of Section 28A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements about future financial and operating results, ability to realized deferred tax assets, cost savings, enhanced revenues, economic and seasonal conditions in our markets, and improvements to reported earnings that may be realized from cost controls and for integration of banks that we have acquired, as well as statements with respect to Seacoast’s objectives, expectations and intentions and other statements that are not historical facts. Actual results may differ from those set forth in the forward-looking statements.

Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance or achievements of Seacoast to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You should not expect us to update any forward-looking statements.

You can identify these forward-looking statements through our use of words such as “may,” “will,” “anticipate,” “assume,” “should,” “support,” “indicate,” “would,” “believe,” “contemplate,” “expect,” “estimate,” “continue,” “further,” “point to,” “project,” “could,” “intend” or other similar words and expressions of the future. These forward-looking statements may not be realized due to a variety of factors, including, without limitation: the effects of future economic and market conditions, including seasonality; governmental monetary and fiscal policies, as well as legislative, tax and regulatory changes; changes in accounting policies, rules and practices; the risks of changes in interest rates on the level and composition of deposits, loan demand, liquidity and the values of loan collateral, securities, and interest sensitive assets and liabilities; interest rate risks, sensitivities and the shape of the yield curve; the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in our market areas and elsewhere, including institutions operating regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the Internet; and the failure of assumptions underlying the establishment of reserves for possible loan losses. The risks of mergers and acquisitions, include, without limitation: unexpected transaction costs, including the costs of integrating operations; the risks that the businesses will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; the potential failure to fully or timely realize expected revenues and revenue synergies, including as the result of revenues following the merger being lower than expected; the risk of deposit and customer attrition; any changes in deposit mix; unexpected operating and other costs, which may differ or change from expectations; the risks of customer and employee loss and business disruption, including, without limitation, as the result of difficulties in maintaining relationships with employees; increased competitive pressures and solicitations of customers by competitors; as well as the difficulties and risks inherent with entering new markets.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2016 under “Special Cautionary Notice Regarding Forward-Looking Statements” and “Risk Factors”, and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC’s Internet website at <http://www.sec.gov>.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SEACOAST BANKING CORPORATION OF FLORIDA  
(Registrant)

Date: October 31, 2017

By: /s/ Charles M. Shaffer  
Charles M. Shaffer  
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
<a href="#"><u>99.1</u></a>	<a href="#"><u>Press Release dated October 26, 2017 with respect to Seacoast's financial results for the quarter ended September 30, 2017</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Transcript of Seacoast's investor conference call held on October 27, 2017 to discuss the Company's financial results for the quarter ended September 30, 2017</u></a>
<a href="#"><u>99.3</u></a>	<a href="#"><u>Data on website containing information used in the conference call held on October 27, 2017</u></a>

Charles M. Shaffer  
Executive Vice President  
Chief Financial Officer  
(772) 221-7003  
Chuck.Shaffer@seacoastbank.com

## SEACOAST REPORTS THIRD QUARTER 2017 RESULTS

**Net Income Increased 85% Quarter-Over-Quarter to \$14.2 Million; Net Revenue Increased 5% to \$57.2 Million**

**Record Quarter for Commercial Originations; Loan Pipeline Near Record Level Entering Q4**

STUART, Fla., October 26, 2017 /PRNewswire/ — Seacoast Banking Corporation of Florida (“Seacoast” or “the Company”) (NASDAQ: SBCF) today reported net income of \$14.2 million for the third quarter of 2017, a 56% or \$5.1 million increase from the third quarter of 2016. Year to date net income as of September 30, 2017 was \$29.8 million, a 62% or \$11.4 million increase compared to the prior year period. The Company reported third quarter adjusted net income <sup>1</sup> of \$15.1 million, representing a 37% or \$4.1 million increase from the third quarter of 2016. Year to date adjusted net income <sup>1</sup> was \$38.1 million, a 40% or \$10.8 million increase compared to prior year to date results.

For the third quarter 2017, return on average tangible assets was 1.12%, return on average tangible shareholders’ equity was 12.4%, and the efficiency ratio was 58.9%, compared to 0.88%, 10.9%, and 68.6%, respectively, in the third quarter of 2016. Adjusted return on average tangible assets <sup>1</sup> was 1.16%, adjusted return on average tangible shareholders’ equity <sup>1</sup> was 12.8%, and the adjusted efficiency ratio <sup>1</sup> was 57.7%, compared to 1.01%, 12.6%, and 63.1%, respectively, in the third quarter of 2016.

Dennis S. Hudson, III, Seacoast’s Chairman and CEO, said “Our record third quarter results show the investments we have made over the past two years to modernize our banking platform and how we serve customers are resonating. We are successfully transforming Seacoast into an integrated financial services provider that is providing better experiences for our customers and creating value for our shareholders.”

“We continue to execute our balanced growth strategy, expanding loans and households organically; maintaining portfolio granularity, to manage risk; and completing disciplined, accretive acquisitions. On October 20, we completed the acquisition and integration of NorthStar Bank, bolstering our presence in the attractive Tampa market, and expect to close and integrate Palm Beach Community Bank next month, expanding our presence into South Florida. Both transactions are on track to perform as we expected at announcement.”

Charles M. Shaffer, Seacoast’s Chief Financial Officer and Head of Strategy, said “At our investor day in early 2017, we laid out a vision for 2020 that showed significant improvement in Seacoast’s return on assets, return on tangible common equity and efficiency. This quarter’s performance demonstrates that we are on track to achieve these goals. Seacoast continues to show strong momentum in top line revenue, while continuing to create operating leverage using the data analytics and the digital tool set we built over the past three years.”

### **Guidance**

The Company is reiterating its previous guidance of \$1.28 to \$1.32 adjusted earnings per share <sup>1</sup> for full year 2017.

<sup>1</sup> Non-GAAP measure, see “Explanation of Certain Unaudited Non-GAAP Financial Measures”

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

---

### **Impact of Hurricane Irma on Third Quarter 2017 Results**

In early September, the State of Florida was preparing for the potential impact of dangerous category 5 Hurricane Irma. This caused a full two weeks of business interruption as a week was spent on preparation and a week on recovery. Ultimately, the storm made landfall in the Florida Keys as a category 4 storm and a second landfall in Marco Island in southwest Florida.

The impact of Hurricane Irma on the quarter was approximately \$0.01 per share. Revenue was impacted in the form of waived service charges, slower activity in wealth management, and delayed closings on loans. Direct expenses totaled \$0.4 million, comprised of compensation for staff working throughout the storm to ensure our customers had digital and web access at all times, remote support from our backup site in Nashville, Tennessee, and recovery expenses to bring our branch network back on-line. These direct incremental expenses were removed from the presentation of adjusted results.

In the days following the storm, we conducted site visits and inquiries with commercial customers throughout our markets to help assess potential recovery needs. We had direct conversations with commercial customers covering 69% of the commercial portfolio, and expect any credit-related impacts to be nominal.

Our branches and operations facilities suffered no meaningful damage.

### **Third Quarter 2017 Financial Highlights**

#### ***Income Statement***

- **Net income** was \$14.2 million, or \$0.32 per average common diluted share, compared to \$7.7 million or \$0.18 for the prior quarter and \$9.1 million or \$0.24 for the third quarter of 2016. For the nine months ended September 30, 2017, net income was \$29.8 million compared to \$18.4 million for the nine months ended September 30, 2016. Adjusted net income<sup>1</sup> was \$15.1 million, or \$0.35 per average common diluted share, compared to \$12.7 million or \$0.29 for the prior quarter and \$11.1 million or \$0.29 for the third quarter of 2016. For the nine months ended September 30, 2017, adjusted net income<sup>1</sup> was \$38.1 million compared to \$27.3 million for the nine months ended September 30, 2016.
- **Net revenues** were \$57.2 million, an increase of \$2.5 million or 5% compared to the prior quarter, and an increase of \$9.7 million or 21% from the third quarter of 2016. For the nine months ended September 30, 2017, net revenues were \$159.9 million, an increase of \$29.9 million or 23% compared to the nine months ended September 30, 2016. Adjusted revenues<sup>1</sup> were \$57.2 million, an increase of \$2.6 million, or 5%, from the prior quarter and an increase of \$10.0 million, or 21% from the third quarter of 2016. For the nine months ended September 30, 2017, adjusted revenues<sup>1</sup> were \$159.9 million, an increase of \$30.7 million or 24% compared to the nine months ended September 30, 2016.
- **Net interest income** totaled \$45.7 million, an increase of \$1.6 million or 4% from the prior quarter and an increase of \$8.3 million or 22% from the third quarter of 2016. For the nine months ended September 30, 2017, net interest income totaled \$128.1 million, an increase of \$25.9 million or 25% compared to the nine months ended September 30, 2016.
- **Noninterest income** totaled \$11.4 million, an increase of \$0.9 million or 9% compared to the prior quarter and an increase of \$1.4 million or 14% from the third quarter of 2016. For the nine months ended September 30, 2017, noninterest income totaled \$31.8 million, an increase of \$4.0 million or 14% compared to the nine months ended September 30, 2016. Mortgage banking fees increased quarter over quarter, primarily due to a \$57.7 million sale of conforming salable mortgages originated in prior quarters, which resulted in \$0.8 million in mortgage banking fee income. In addition, late in the third quarter the Company made a \$30 million investment in bank owned life insurance at a first-year tax equivalent return of 6.2%.

<sup>1</sup> Non-GAAP measure, see “Explanation of Certain Unaudited Non-GAAP Financial Measures”

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

---

- **Net interest margin** was 3.74% in the current quarter compared to 3.84% in the prior quarter and 3.69% in the third quarter of 2016. The decrease quarter over quarter was the result of lower accretion on both securities and loans when compared to the prior quarter, as well as higher interest expense on deposits and borrowings.
- The **provision for loan losses** was \$0.7 million compared to \$1.4 million in the prior quarter and \$0.6 million in the third quarter of 2016, reflecting the effect of sustained positive credit trends and lower net loan growth in the quarter.
- **Noninterest expense** was \$34.4 million compared to \$41.6 million in the prior quarter and \$33.4 million in the third quarter of 2016. For the nine months ended September 30, 2017, noninterest expense was \$110.7 million compared to \$100.6 million for the nine months ended September 30, 2016.
  - Merger related charges and costs related to several branch closures resulted in elevated expenses in the prior quarter totaling \$7.0 million, compared to \$0.4 million in the current quarter.
  - Adjusted noninterest expense <sup>1</sup> was \$32.8 million compared to \$33.8 million in the prior quarter, and \$30.1 million in the third quarter of 2016. For the nine months ended September 30, 2017, adjusted noninterest expense <sup>1</sup> was \$97.6 million compared to \$85.4 million for the nine months ended September 30, 2016.
- Seacoast recorded a \$7.9 million **income tax provision** in the current quarter, compared to \$3.9 million in the prior quarter and \$4.3 million in the third quarter of 2016. Tax benefits in excess of stock-based compensation were \$137 thousand in the current quarter, compared to \$331 thousand in the prior quarter.
- Third quarter 2017 **adjusted revenues** <sup>1</sup> increased 5% compared to prior quarter, while adjusted noninterest expense <sup>1</sup> decreased 3%, providing 8% operating leverage.
- The **efficiency ratio** was 58.9% compared to 73.9% in the prior quarter and 68.6% in the third quarter of 2016. The adjusted efficiency ratio <sup>1</sup> decreased to 57.7% compared to 61.2% in the prior quarter and 63.1% in the third quarter of 2016.

<sup>1</sup> Non-GAAP measure, see “Explanation of Certain Unaudited Non-GAAP Financial Measures”

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

---

## **Balance Sheet**

- At September 30, 2017, the Company had **total assets** of \$5.3 billion and total shareholders' equity of \$594.4 million. Book value per share was \$13.67 and tangible book value per share was \$10.95, compared to \$13.29 and \$10.55, respectively, at June 30, 2017.
- **Loan production** was robust across all categories, despite the disruption of Hurricane Irma. Net loans totaled \$3.4 billion at September 30, 2017, an increase of \$54.7 million or 2% compared to June 30, 2017, and an increase of \$612 million or 22% from September 30, 2016. Excluding acquisitions, loans increased \$365 million or 13% from the third quarter of 2016.
  - Commercial originations reached a new record high of \$146 million, up 34% compared to prior year quarter.
  - Consumer and small business originations were \$86.9 million during the current quarter.
  - We continue to prudently manage CRE exposure. At 50% and 207% of total risk-based capital respectively, construction and land development and commercial real estate loan concentrations remain well below regulatory guidance.
  - Closed residential loans retained during the current quarter were \$74 million.
- **Pipelines** (loans in underwriting and approval or approved and not yet closed) were \$155 million in commercial, \$64 million in mortgage, and \$47 million in consumer and small business.
  - Commercial pipelines increased \$9.0 million, or 6%, over prior quarter and \$36.0 million, or 30%, over year-ago levels.
  - Mortgage pipelines were lower by \$7.7 million, or 11%, from prior quarter and by \$15.4 million, or 19%, compared to year-ago levels.
  - Consumer and small business decreased from prior quarter by \$2.7 million, or 5%, and were higher than year-ago levels by \$5.6 million, or 13%.
- **Total deposits** were \$4.1 billion as of September 30, 2017, an increase of \$137 million, or 3%, compared to prior quarter and an increase of \$602 million, or 17%, from the third quarter of 2016.
  - Since September 30, 2016, interest bearing deposits (interest bearing demand, savings and money markets deposits) increased \$209 million, or 11%, to \$2.2 billion, noninterest bearing demand deposits increased \$116 million, or 10%, to \$1.2 billion, and CDs increased \$277 million, or 76%, to \$643 million.
  - Excluding acquired deposits, noninterest bearing deposits increased 4% and total deposits increased 1% compared to September 30, 2016.
  - The Company's balance sheet continues to be primarily core deposit funded. Core customer funding was \$3.6 billion at September 30, 2017, flat compared to June 30, 2017 and an increase of 9% compared to September 30, 2016.
  - Overall cost of deposits in the current quarter is 0.22%, reflecting the significant value of the deposit franchise.
- Third quarter **return on average assets (ROA)** was 1.06%, compared to 0.61% in the prior quarter and 0.82% from the third quarter of 2016. Return on average tangible assets (ROTA) was 1.12%, compared to 0.66% in the prior quarter and 0.88% in the third quarter of 2016. Adjusted ROTA <sup>1</sup> was 1.16% compared to 1.02% in the prior quarter and 1.01% in the third quarter of 2016.

## **Capital**

- The common equity tier 1 **capital ratio (CET1)** was 12.4%, total capital ratio was 14.8% and the tier 1 leverage ratio was 10.2% at September 30, 2017.
- **Tangible common equity to tangible assets** was 9.1% at September 30, 2017, compared to 8.9% in the prior quarter, and 8.0% one year prior.

<sup>1</sup> Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

---

## Asset Quality

- **Nonperforming loans to total loans** outstanding at September 30, 2017 decreased to 0.42% from 0.52% at June 30, 2017 and from 0.67% as of September 30, 2016.
- **Nonperforming assets to total assets** declined to 0.40% at September 30, 2017 from 0.49% at June 30, 2017 and 0.69% one year ago. Of the \$21.5 million in nonperforming assets, \$4 million relates to five closed branch properties held as REO.
- **The ratio of allowance for loan losses to total loans** was 0.77% at September 30, 2017, 0.78% at June 30, 2017, and 0.82% at September 30, 2016. The ratio of allowance for loan losses to non-acquisition related loans was 0.91% at September 30, 2017, 0.95% at June 30, 2017, and 0.98% at September 30, 2016. The decline in coverage in the non-acquired loan ALLL was the result of improved credit quality and loan mix as well as another quarter of nominal losses in this portfolio. Additionally, commercial and commercial real estate concentration risk continues to decline as we continue to maintain a well-diversified and granular portfolio.

## FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data)

	3Q17	2Q17	1Q17	4Q16	3Q16
<b>Selected Balance Sheet Data (at period end):</b>					
Total Assets	\$ 5,340,299	\$ 5,281,295	\$ 4,769,775	\$ 4,680,932	\$ 4,513,934
Gross Loans	3,384,991	3,330,075	2,973,759	2,879,536	2,769,338
Total Deposits	4,112,600	3,975,458	3,678,645	3,523,245	3,510,493
<b>Performance Measures:</b>					
Net Income	\$ 14,216	\$ 7,676	\$ 7,926	\$ 10,771	\$ 9,133
Net Interest Margin	3.74%	3.84%	3.63%	3.56%	3.69%
Average Diluted Shares Outstanding (000)	43,792	43,556	39,499	38,252	38,170
Diluted Earnings Per Share (EPS)	\$ 0.32	\$ 0.18	\$ 0.20	\$ 0.28	\$ 0.24
Return on (annualized):					
Average Assets (ROA)	1.06%	0.61%	0.68%	0.94%	0.82%
Average Tangible Common Equity (ROTCE)	12.4	7.3	8.8	12.5	10.9
Efficiency Ratio	58.9	73.9	71.1	62.4	68.6
<b>Adjusted Operating Measures <sup>1</sup>:</b>					
Adjusted Net Income	\$ 15,145	\$ 12,665	\$ 10,270	\$ 11,803	\$ 11,061
Adjusted Diluted EPS	0.35	0.29	0.26	0.31	0.29
Adjusted ROTA	1.16%	1.02%	0.90%	1.05%	1.01%
Adjusted ROTCE	12.8	11.2	10.7	13.1	12.6
Adjusted Efficiency Ratio	57.7	61.2	64.7	60.8	63.1
Adjusted Noninterest Expenses as a Percentage of Average Tangible Assets	2.50	2.73	2.71	2.56	2.76
<b>Other Data</b>					
Market Capitalization	\$ 1,039,506	\$ 1,047,361	\$ 976,368	\$ 838,762	\$ 611,824
Full Time Equivalent Employees	762	759	743	725	731
Number of ATMs	74	76	76	77	80

<sup>1</sup> Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

## **Third Quarter and Year-to-Date 2017 Strategic Highlights**

### ***Modernizing How We Sell***

- In late September, we received OCC approval to acquire both NorthStar Bank and Palm Beach Community Bank. The acquisition of NorthStar Bank, headquartered in Tampa, Florida, will deepen our presence in the Tampa market and build upon our acquisition of GulfShore Bank completed in April 2017. The acquisition of Palm Beach Community Bank will expand our presence in the South Florida market and build upon our acquisition of Grand Bankshares Inc., completed in July 2015. NorthStar Bank closed on October 20<sup>th</sup>, 2017, and Palm Beach Community Bank is expected to close in the fourth quarter of this year. Both acquisitions are on track to perform as expected at announcement.
- The proportion of deposit accounts opened outside of our banking centers this quarter continues to increase, with 13.3% of all deposit accounts this quarter opened through our website or 24/7 customer support center.
- We have made significant progress in modernizing our retail and small business sales strategy, focusing on enhancing customer lifetime value. We also began development on a commercial analytics portal that will connect our commercial bankers with the analytics and insights that we have provided our retail and small business teams. This portal will provide daily insight into customer behaviors, emerging customer needs, and suggested opportunities to enhance relationship value.
- We also kicked off a project to improve our loan origination process this quarter. This effort will extend well into 2018. Using technology, partners, and lean process improvement we'll improve cycle times and strengthen the customer experience.

### ***Lowering Our Cost to Serve***

- Mobile penetration increased during the quarter to more than 32% of eligible primary consumer checking customers from 29.5% in September of last year.
- A new record 40% of checks are now deposited outside the banking center network, compared to 35% in September of last year.
- In the first half of 2017, we consolidated five banking center locations. Looking forward into 2018, we expect to continue making progress towards our previously announced goal of reducing our branch footprint by 20% over a 24 to 36-month period.
- Customer adoption of more convenient digital channels continues to grow. In September 2017, our non-teller transactions made up 52% of our total transaction volume, up from 43% two years ago. We expect this shift in customer preference to continue to accelerate, requiring continued focus on building a digitally integrated business model.

### ***Driving Improvements in How Our Business Operates***

- Hurricane Irma tested our disaster recovery plans. Before the storm, we dispatched a team of operations and IT associates to our recovery site to Nashville, Tennessee. This enabled us to continue to operate the bank during and immediately following the storm to ensure our customers had digital and web access at all times. Our back-up customer support center provided uninterrupted, 24/7 customer service.
- We recognized our first full quarter of savings due to the successful renegotiation of our agreement with a key technology and digital services provider. The agreement expands digital banking capabilities, improves service level agreements, and increases our ability to scale.
- In August we announced the consolidation of our customer support center in Stuart. In the fourth quarter we'll be migrating all customer support operations to our Orlando location which we launched early this year. The new, expanded site supports our 24/7 customer service model and our growth strategy.

### ***Scaling and Evolving Our Culture***

- This quarter we on-boarded key talent in the areas of digital marketing and compliance. These important additions to the Seacoast team help position us for future growth.
  - We completed our annual United Way campaign in alignment with our Promise #4: to invest in you and your community, breaking records three years in a row for participation and funds raised to support our communities. We also participated in the American Cancer Society "Making Strides Against Breast Cancer" walk across all of our markets.
-

## OTHER INFORMATION

### Conference Call Information

Seacoast will host a conference call on Friday, October 27, 2017 at 10:00 a.m. (Eastern Time) to discuss the earnings results. Investors may call in (toll-free) by dialing (888) 517-2513 (passcode: 8290 746). Slides will be used during the conference call and may be accessed at Seacoast's website at SeacoastBanking.com by selecting "Presentations" under the heading "Investor Services." A replay of the call will be available for one month, beginning late afternoon of October 27, by dialing (888) 843-7419 and using passcode: 8290 746.

Alternatively, individuals may listen to the live webcast of the presentation by visiting Seacoast's website at SeacoastBanking.com. The link is located in the subsection "Presentations" under the heading "Investor Services." Beginning the afternoon of October 27, an archived version of the webcast can be accessed from this same subsection of the website. The archived webcast will be available for one year.

### About Seacoast Banking Corporation of Florida (NASDAQ: SBCF)

Seacoast Banking Corporation of Florida is one of the largest community banks headquartered in Florida with approximately \$5.3 billion in assets and \$4.1 billion in deposits as of September 30, 2017. The Company provides integrated financial services including commercial and retail banking, wealth management, and mortgage services to customers through advanced banking solutions, 45 traditional branches of its locally-branded wholly-owned subsidiary bank, Seacoast Bank, and five commercial banking centers. Offices stretch from Ft. Lauderdale, Boca Raton and West Palm Beach north through the Daytona Beach area, into Orlando and Central Florida and the adjacent Tampa market, and west to Okeechobee and surrounding counties. More information about the Company is available at SeacoastBanking.com.

### Cautionary Notice Regarding Forward-Looking Statements

*This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements about future financial and operating results, cost savings, enhanced revenues, economic and seasonal conditions in our markets, and improvements to reported earnings that may be realized from cost controls and for integration of banks that we have acquired, or expect to acquire, as well as statements with respect to Seacoast's objectives, expectations and intentions and other statements that are not historical facts. Actual results may differ from those set forth in the forward-looking statements.*

*Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance or achievements of Seacoast to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You should not expect us to update any forward-looking statements.*

*You can identify these forward-looking statements through our use of words such as "may," "will," "anticipate," "assume," "should," "support", "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "further", "point to," "project," "could," "intend" or other similar words and expressions of the future. These forward-looking statements may not be realized due to a variety of factors, including, without limitation: the effects of future economic and market conditions, including seasonality; governmental monetary and fiscal policies, as well as legislative, tax and regulatory changes; changes in accounting policies, rules and practices; the risks of changes in interest rates on the level and composition of deposits, loan demand, liquidity and the values of loan collateral, securities, and interest sensitive assets and liabilities; interest rate risks, sensitivities and the shape of the yield curve; the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in our market areas and elsewhere, including institutions operating regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the Internet; and the failure of assumptions underlying the establishment of reserves for possible loan losses. The risks of mergers and acquisitions, include, without limitation: unexpected transaction costs, including the costs of integrating operations; the risks that the businesses will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; the potential failure to fully or timely realize expected revenues and revenue synergies, including as the result of revenues following the merger being lower than expected; the risk of deposit and customer attrition; any changes in deposit mix; unexpected operating and other costs, which may differ or change from expectations; the risks of customer and employee loss and business disruption, including, without limitation, as the result of difficulties in maintaining relationships with employees; increased competitive pressures and solicitations of customers by competitors; as well as the difficulties and risks inherent with entering new markets.*

---

*All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2016, under “Special Cautionary Notice Regarding Forward-looking Statements” and “Risk Factors”, and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC’s Internet website at <http://www.sec.gov>.*

---

**FINANCIAL HIGHLIGHTS**

(Unaudited)

**SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES**

(Dollars in thousands, except per share data)

	Three Months Ended						Nine Months Ended	
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	September 30, 2017	September 30, 2016	
<b>Summary of Earnings</b>								
Net income	\$ 14,216	\$ 7,676	\$ 7,926	\$ 10,771	\$ 9,133	\$ 29,818	\$ 18,431	
Net interest income (1)	45,903	44,320	38,377	37,628	37,735	128,600	102,885	
Net interest margin (1), (2)	3.74%	3.84%	3.63%	3.56%	3.69%	3.74%	3.67%	
<b>Performance Ratios</b>								
Return on average assets-GAAP basis (2)	1.06%	0.61%	0.68%	0.94%	0.82%	0.79%	0.60%	
Return on average tangible assets (2),(3)	1.12	0.66	0.74	1.00	0.88	0.85	0.65	
Adjusted return on average tangible assets (2), (3), (5)	1.16	1.02	0.90	1.05	1.01	1.03	0.91	
Return on average shareholders' equity-GAAP basis (2)	9.59	5.43	6.89	9.80	8.44	7.37	6.06	
Return on average tangible shareholders' equity-GAAP basis (2),(3)	12.45	7.25	8.77	12.51	10.91	9.57	7.61	
Adjusted return on average tangible common equity (2), (3), (5)	12.80	11.22	10.74	13.14	12.56	11.65	10.59	
Efficiency ratio (4)	58.93	73.90	71.08	62.36	68.60	67.70	75.69	
Adjusted efficiency ratio (5)	57.69	61.20	64.65	60.84	63.14	60.98	65.62	
Noninterest income to total revenue	20.06	19.16	20.61	20.96	20.68	19.92	21.21	
Average equity to average assets	11.06	11.17	9.93	9.56	9.74	10.75	9.96	
<b>Per Share Data</b>								
Net income diluted-GAAP basis	\$ 0.32	\$ 0.18	\$ 0.20	\$ 0.28	\$ 0.24	\$ 0.70	\$ 0.49	
Net income basic-GAAP basis	0.33	0.18	0.20	0.29	0.24	0.72	0.50	
Adjusted earnings (5)	0.35	0.29	0.26	0.31	0.29	0.90	0.73	
Book value per share common	13.66	13.29	12.34	11.45	11.45	13.66	11.45	
Tangible book value per share	10.95	10.55	10.41	9.37	9.35	10.95	9.35	
Cash dividends declared	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Other Data</b>								
Market capitalization (6)	1,039,506	1,047,361	976,368	838,762	611,824	1,039,506	611,824	
Full-time equivalent employees	762	759	743	725	731	762	731	
Number of ATMs	74	76	76	77	80	74	80	
Full service banking offices	45	45	46	47	47	45	47	
Registered online users	78,880	75,394	71,385	67,243	66,115	78,880	66,115	
Registered mobile devices	58,032	55,013	50,729	47,131	44,128	58,032	44,128	

(1) Calculated on a fully taxable equivalent basis using amortized cost.

(2) These ratios are stated on an annualized basis and are not necessarily indicative of future periods.

(3) The Company defines tangible assets as total assets less intangible assets, and tangible common equity as total shareholders' equity less intangible assets.

(4) Defined as (noninterest expense less gains, losses, and expenses on foreclosed properties) divided by net operating revenue (net interest income on a fully taxable equivalent basis plus noninterest income excluding securities gains).

(5) Non-GAAP measure - see "Explanation of Certain Unaudited Non-GAAP Financial Measures."

(6) Common shares outstanding multiplied by closing bid price on last day of each period.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

## SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands, except share and per share data)	QUARTER					YTD	
	2017		2016			September 30,	September 30,
	Third	Second	First	Fourth	Third	2017	2016
<b>Interest on securities:</b>							
Taxable	\$ 8,823	\$ 8,379	\$ 8,087	\$ 6,880	\$ 6,966	\$ 25,289	\$ 19,253
Nontaxable	189	206	287	287	287	682	749
Interest and fees on loans	40,403	38,209	31,891	32,007	31,932	110,503	87,210
Interest on federal funds sold and other investments	664	604	510	517	429	1,778	1,152
<b>Total Interest Income</b>	<b>50,079</b>	<b>47,398</b>	<b>40,775</b>	<b>39,691</b>	<b>39,614</b>	<b>138,252</b>	<b>108,364</b>
<b>Interest on deposits:</b>							
Interest on time certificates	930	854	624	622	679	2,408	1,971
Interest on borrowed money	1,266	814	566	598	613	2,646	1,476
<b>Total Interest Expense</b>	<b>4,330</b>	<b>3,242</b>	<b>2,610</b>	<b>2,266</b>	<b>2,166</b>	<b>10,182</b>	<b>6,201</b>
<b>Net Interest Income</b>	<b>45,749</b>	<b>44,156</b>	<b>38,165</b>	<b>37,425</b>	<b>37,448</b>	<b>128,070</b>	<b>102,163</b>
Provision for loan losses	680	1,401	1,304	1,000	550	3,385	1,411
<b>Net Interest Income After Provision for Loan Losses</b>	<b>45,069</b>	<b>42,755</b>	<b>36,861</b>	<b>36,425</b>	<b>36,898</b>	<b>124,685</b>	<b>100,752</b>
<b>Noninterest income:</b>							
Service charges on deposit accounts	2,626	2,435	2,422	2,612	2,698	7,483	7,057
Trust fees	967	917	880	969	820	2,764	2,464
Mortgage banking fees	2,138	1,272	1,552	1,616	1,885	4,962	4,248
Brokerage commissions and fees	351	351	377	480	463	1,079	1,564
Marine finance fees	137	326	134	115	138	597	558
Interchange income	2,582	2,671	2,494	2,334	2,306	7,747	6,893
Other deposit based EFT fees	100	114	140	125	109	354	352
BOLI income	836	757	733	611	382	2,326	1,602
Other	1,744	1,624	1,173	1,060	963	4,541	2,767
	11,481	10,467	9,905	9,922	9,764	31,853	27,505
Securities gains/(losses), net	(47)	21	0	7	225	(26)	361
<b>Total Noninterest Income</b>	<b>11,434</b>	<b>10,488</b>	<b>9,905</b>	<b>9,929</b>	<b>9,989</b>	<b>31,827</b>	<b>27,866</b>
<b>Noninterest expenses:</b>							
Salaries and wages	15,627	18,375	15,369	12,476	14,337	49,371	41,620
Employee benefits	2,917	2,935	3,068	2,475	2,425	8,920	7,428
Outsourced data processing costs	3,231	3,456	3,269	3,076	3,198	9,956	10,440
Telephone / data lines	573	648	532	502	539	1,753	1,606
Occupancy	2,447	4,421	3,157	2,830	3,675	10,025	10,292
Furniture and equipment	1,191	1,679	1,391	1,211	1,228	4,261	3,509
Marketing	1,298	1,074	922	847	780	3,294	2,786
Legal and professional fees	2,560	3,276	2,132	2,370	2,213	7,968	7,226
FDIC assessments	548	650	570	661	517	1,768	1,704
Amortization of intangibles	839	839	719	719	728	2,397	1,767
Asset dispositions expense	117	136	53	84	219	306	469
Net loss/(gain) on other real estate owned and repossessed assets	(414)	161	(346)	(161)	(96)	(599)	(348)
Early redemption cost for Federal Home Loan Bank advances	0	0	0	0	0	0	1,777
Other	3,427	3,975	3,910	3,207	3,672	11,312	10,308
<b>Total Noninterest Expenses</b>	<b>34,361</b>	<b>41,625</b>	<b>34,746</b>	<b>30,297</b>	<b>33,435</b>	<b>110,732</b>	<b>100,584</b>
<b>Income Before Income Taxes</b>	<b>22,142</b>	<b>11,618</b>	<b>12,020</b>	<b>16,057</b>	<b>13,452</b>	<b>45,780</b>	<b>28,034</b>
Income taxes	7,926	3,942	4,094	5,286	4,319	15,962	9,603
<b>Net Income</b>	<b>\$ 14,216</b>	<b>\$ 7,676</b>	<b>\$ 7,926</b>	<b>\$ 10,771</b>	<b>\$ 9,133</b>	<b>\$ 29,818</b>	<b>\$ 18,431</b>
<b>Per share of common stock:</b>							
Net income diluted	\$ 0.32	\$ 0.18	\$ 0.20	\$ 0.28	\$ 0.24	\$ 0.70	\$ 0.49
Net income basic	0.33	0.18	0.20	0.29	0.24	0.72	0.50
Cash dividends declared	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average diluted shares outstanding	43,792,108	43,556,285	39,498,835	38,252,351	38,169,863	42,298,136	37,258,133
Average basic shares outstanding	43,151,248	42,841,152	38,839,284	37,603,789	37,549,804	41,626,356	36,626,290

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

## SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands, except share data)</i>	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<b>Assets</b>					
Cash and due from banks	\$ 114,621	\$ 88,133	133,923	\$ 82,520	\$ 89,777
Interest bearing deposits with other banks	10,657	20,064	10,914	27,124	77,606
<b>Total Cash and Cash Equivalents</b>	<b>125,278</b>	<b>108,197</b>	<b>144,837</b>	<b>109,644</b>	<b>167,383</b>
Time deposits with other banks	14,591	16,426	0	0	0
Securities:					
Available for sale (at fair value)	996,799	1,016,744	909,275	950,503	866,613
Held to maturity (at amortized cost)	374,773	397,096	379,657	372,498	392,138
<b>Total Securities</b>	<b>1,371,572</b>	<b>1,413,840</b>	<b>1,288,932</b>	<b>1,323,001</b>	<b>1,258,751</b>
Loans held for sale	29,447	22,262	16,326	15,332	20,143
Loans	3,384,991	3,330,075	2,973,759	2,879,536	2,769,338
Less: Allowance for loan losses	(26,232)	(26,000)	(24,562)	(23,400)	(22,684)
<b>Net Loans</b>	<b>3,358,759</b>	<b>3,304,075</b>	<b>2,949,197</b>	<b>2,856,136</b>	<b>2,746,654</b>
Bank premises and equipment, net	57,092	56,765	58,611	58,684	59,035
Other real estate owned	7,142	8,497	7,885	9,949	12,734
Goodwill	101,747	101,739	64,649	64,649	64,649
Other intangible assets, net	16,102	16,941	13,853	14,572	15,291
Bank owned life insurance	118,762	88,003	85,237	84,580	44,044
Net deferred tax assets	43,951	52,195	55,834	60,818	58,848
Other assets	95,856	92,355	84,414	83,567	66,402
<b>Total Assets</b>	<b>\$ 5,340,299</b>	<b>\$ 5,281,295</b>	<b>\$ 4,769,775</b>	<b>\$ 4,680,932</b>	<b>\$ 4,513,934</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Liabilities</b>					
Deposits					
Noninterest demand	\$ 1,284,118	\$ 1,308,458	\$ 1,225,124	\$ 1,148,309	\$ 1,168,542
Interest-bearing demand	935,097	934,861	870,457	873,727	776,480
Savings	379,499	376,825	363,140	346,662	340,899
Money market	870,788	861,119	821,606	802,697	858,931
Other time certificates	155,027	155,265	153,840	159,887	166,987
Brokered time certificates	281,551	149,270	66,741	7,342	8,218
Time certificates of \$100,000 or more	206,520	189,660	177,737	184,621	190,436
<b>Total Deposits</b>	<b>4,112,600</b>	<b>3,975,458</b>	<b>3,678,645</b>	<b>3,523,245</b>	<b>3,510,493</b>
Securities sold under agreements to repurchase	142,153	167,558	183,107	204,202	167,693
Federal Home Loan Bank borrowings	389,000	395,000	302,000	415,000	305,000
Subordinated debt	70,451	70,381	70,311	70,241	70,171
Other liabilities	31,654	95,521	33,218	32,847	25,058
<b>Total Liabilities</b>	<b>4,745,858</b>	<b>4,703,918</b>	<b>4,267,281</b>	<b>4,245,535</b>	<b>4,078,415</b>
<b>Shareholders' Equity</b>					
Common stock	4,351	4,339	4,075	3,802	3,799
Additional paid in capital	576,825	574,842	510,806	454,001	453,007
Accumulated earnings/(deficit)	16,161	1,945	(5,731)	(13,657)	(24,427)
Treasury stock	(1,730)	(1,768)	(1,172)	(1,236)	(691)
	595,607	579,358	507,978	442,910	431,688
Accumulated other comprehensive income/(loss), net	(1,166)	(1,981)	(5,484)	(7,513)	3,831
<b>Total Shareholders' Equity</b>	<b>594,441</b>	<b>577,377</b>	<b>502,494</b>	<b>435,397</b>	<b>435,519</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 5,340,299</b>	<b>\$ 5,281,295</b>	<b>\$ 4,769,775</b>	<b>\$ 4,680,932</b>	<b>\$ 4,513,934</b>
Common Shares Outstanding	43,512,179	43,458,973	40,715,938	38,021,835	38,025,020

Note: The balance sheet at December 31, 2016 has been derived from the audited financial statements at that date.



**CONSOLIDATED QUARTERLY FINANCIAL DATA**

(Unaudited)

**SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES**

<i>(Dollars in thousands)</i>	QUARTERS				
	Third	2017		2016	
		Second	First	Fourth	Third
<b>Credit Analysis</b>					
Net charge-offs (recoveries) - non-acquired loans	\$ 612	\$ 304	\$ 211	\$ 87	\$ (1,411)
Net charge-offs (recoveries) - acquired loans	(333)	(405)	(118)	141	(81)
Total net charge-offs (recoveries)	\$ 279	\$ (101)	\$ 93	\$ 228	\$ (1,492)
TDR valuation adjustments	\$ 169	\$ 64	\$ 49	\$ 55	\$ 83
Net charge-offs (recoveries) to average loans - non-acquired loans	0.07%	0.04%	0.03%	0.01%	(0.21)%
Net charge-offs (recoveries) to average loans - acquired loans	(0.04)	(0.05)	(0.02)	0.02	(0.01)
Total net charge-offs (recoveries) to average loans	0.03	(0.01)	0.01	0.03	(0.22)
Loan loss provision (recapture) - non-acquired loans	\$ 795	\$ 1,690	\$ 1,504	\$ 1,161	\$ 649
Loan loss provision (recapture) - acquired loans	(115)	(289)	(200)	(161)	(99)
Total loan loss provision	\$ 680	\$ 1,401	\$ 1,304	\$ 1,000	\$ 550
Allowance for loan losses - non-acquired loans	\$ 25,822	\$ 25,809	\$ 24,487	\$ 23,243	\$ 22,225
Allowance for loan losses - acquired loans	410	191	75	157	459
Total allowance for loan losses	\$ 26,232	\$ 26,000	\$ 24,562	\$ 23,400	\$ 22,684
Non-acquired loans at end of period	\$ 2,837,490	\$ 2,722,866	\$ 2,572,549	\$ 2,425,850	\$ 2,272,275
Purchased noncredit impaired loans at end of period	537,057	594,077	388,228	440,690	484,006
Purchased credit impaired loans at end of period	10,443	13,132	12,982	12,996	13,057
Total loans	\$ 3,384,990	\$ 3,330,075	\$ 2,973,759	\$ 2,879,536	\$ 2,769,338
Non-acquired loans allowance for loan losses to non-acquired loans at end of period	0.91%	0.95%	0.95%	0.96%	0.98%
Total allowance for loan losses to total loans at end of period	0.77	0.78	0.83	0.81	0.82
Acquired loans allowance for loan losses to acquired loans at end of period	0.07	0.03	0.02	0.03	0.09
Discount for credit losses to acquired loans at end of period	2.77	3.37	4.25	4.18	4.24
<b>End of Period</b>					
Nonperforming loans - non-acquired loans	\$ 10,877	\$ 10,541	\$ 10,557	\$ 11,023	\$ 10,561
Nonperforming loans - acquired loans	3,498	6,632	6,428	7,048	7,876
Other real estate owned - non-acquired	1,748	1,748	2,790	3,041	3,681
Other real estate owned - acquired	1,632	1,645	1,203	1,203	1,468
Bank branches closed included in other real estate owned	3,762	5,104	3,892	5,705	7,585
Total nonperforming assets	\$ 21,517	\$ 25,670	\$ 24,870	\$ 28,020	\$ 31,171
Restructured loans (accruing)	\$ 16,181	\$ 16,941	\$ 18,125	\$ 17,711	\$ 19,272
Nonperforming loans to loans at end of period - non-acquired loans	0.38%	0.39%	0.41%	0.45%	0.46%
Nonperforming loans to loans at end of period - acquired loans	0.64	1.09	1.60	1.55	1.58
Allowance for loan losses to nonperforming loans - non-acquired loans	237.40	244.84	231.95	210.86	210.44
Total nonperforming loans to loans at end of period	0.42	0.52	0.57	0.63	0.67
Nonperforming assets to total assets - non-acquired	0.31%	0.33%	0.36%	0.42%	0.48%
Nonperforming assets to total assets - acquired	0.10	0.16	0.16	0.18	0.21
Total nonperforming assets to total assets	0.40	0.49	0.52	0.60	0.69

**Average Balances**

Total average assets	\$ 5,316,119	\$ 5,082,002	\$ 4,699,745	\$ 4,572,188	\$ 4,420,438
Less: Intangible assets	118,364	114,563	78,878	79,620	80,068
Total average tangible assets	<u>\$ 5,197,755</u>	<u>\$ 4,967,439</u>	<u>\$ 4,620,867</u>	<u>\$ 4,492,568</u>	<u>\$ 4,340,370</u>
Total average equity	\$ 587,919	\$ 567,448	\$ 466,847	\$ 437,077	\$ 430,410
Less: Intangible assets	118,364	114,563	78,878	79,620	80,068
Total average tangible equity	<u>\$ 469,555</u>	<u>\$ 452,885</u>	<u>\$ 387,969</u>	<u>\$ 357,457</u>	<u>\$ 350,342</u>

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<b>LOANS</b>					
Construction and land development	\$ 245,151	\$ 230,574	\$ 174,992	\$ 160,116	\$ 153,901
Commercial real estate	1,478,091	1,464,068	1,354,140	1,357,592	1,293,512
Residential real estate	941,169	991,144	893,674	836,787	833,413
Installment loans to individuals	184,485	178,595	165,039	153,945	145,523
Commercial and financial	535,457	465,138	385,189	370,589	342,502
Other loans	637	556	725	507	489
<b>Total Loans</b>	<u>\$ 3,384,990</u>	<u>\$ 3,330,075</u>	<u>\$ 2,973,759</u>	<u>\$ 2,879,536</u>	<u>\$ 2,769,338</u>

**CONSOLIDATED QUARTERLY FINANCIAL DATA**

(Unaudited)

**SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES**

<i>(Dollars in thousands)</i>	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<b>Customer Relationship Funding</b>					
Noninterest demand					
Commercial	\$ 997,749	\$ 995,720	\$ 916,940	\$ 860,449	\$ 892,876
Retail	217,809	238,506	234,109	220,134	209,351
Public funds	43,686	47,691	52,126	48,690	42,147
Other	24,874	26,541	21,949	19,036	24,168
	<u>1,284,118</u>	<u>1,308,458</u>	<u>1,225,124</u>	<u>1,148,309</u>	<u>1,168,542</u>
Interest-bearing demand					
Commercial	156,176	155,178	117,629	102,320	100,824
Retail	670,705	659,906	613,121	591,808	567,286
Public funds	108,216	119,777	139,707	179,599	108,370
	<u>935,097</u>	<u>934,861</u>	<u>870,457</u>	<u>873,727</u>	<u>776,480</u>
Total transaction accounts					
Commercial	1,153,925	1,150,898	1,034,569	962,769	993,700
Retail	888,514	898,412	847,230	811,942	776,637
Public funds	151,902	167,468	191,833	228,289	150,517
Other	24,874	26,541	21,949	19,036	24,168
	<u>2,219,215</u>	<u>2,243,319</u>	<u>2,095,581</u>	<u>2,022,036</u>	<u>1,945,022</u>
Savings					
	379,499	376,825	363,140	346,662	340,899
Money market					
Commercial	360,567	351,871	313,094	286,879	313,200
Retail	431,325	427,575	414,886	411,696	411,550
Public funds	78,896	81,673	93,626	104,122	134,181
	<u>870,788</u>	<u>861,119</u>	<u>821,606</u>	<u>802,697</u>	<u>858,931</u>
Time certificates of deposit					
	643,098	494,195	398,318	351,850	365,641
<b>Total Deposits</b>	<u>\$ 4,112,600</u>	<u>\$ 3,975,458</u>	<u>\$ 3,678,645</u>	<u>\$ 3,523,245</u>	<u>\$ 3,510,493</u>
Customer sweep accounts					
	\$ 142,153	\$ 167,558	\$ 183,107	\$ 204,202	\$ 167,693
<b>Total core customer funding (1)</b>	<u>\$ 3,611,655</u>	<u>\$ 3,648,821</u>	<u>\$ 3,463,434</u>	<u>\$ 3,375,597</u>	<u>\$ 3,312,545</u>

(1) Total deposits and customer sweep accounts, excluding certificates of deposits.

**AVERAGE BALANCES, INTEREST INCOME AND EXPENSES, YIELDS AND RATES <sup>(1)</sup>**

(Unaudited)

*SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES*

<i>(Dollars in thousands)</i>	2017						2016		
	Third Quarter			Second Quarter			Third Quarter		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
<b>Assets</b>									
Earning assets:									
Securities:									
Taxable	\$ 1,356,276	\$ 8,823	2.60%	\$ 1,261,017	\$ 8,379	2.66%	\$ 1,264,345	\$ 6,966	2.20%
Nontaxable	26,256	290	4.42	28,092	316	4.50	28,344	441	6.22
<b>Total Securities</b>	<b>1,382,532</b>	<b>9,113</b>	<b>2.64</b>	<b>1,289,109</b>	<b>8,695</b>	<b>2.70</b>	<b>1,292,689</b>	<b>7,407</b>	<b>2.29</b>
Federal funds sold and other investments	76,773	664	3.43	72,535	604	3.34	55,465	429	3.08
Loans, net	3,407,376	40,456	4.71	3,266,812	38,263	4.70	2,720,121	32,065	4.69
<b>Total Earning Assets</b>	<b>4,866,681</b>	<b>50,233</b>	<b>4.10</b>	<b>4,628,456</b>	<b>47,562</b>	<b>4.12</b>	<b>4,068,275</b>	<b>39,901</b>	<b>3.90</b>
Allowance for loan losses	(26,299)			(25,276)			(21,934)		
Cash and due from banks	99,864			99,974			84,592		
Premises and equipment	57,023			59,415			62,552		
Intangible assets	118,364			114,563			80,068		
Bank owned life insurance	95,759			87,514			43,860		
Other assets	104,727			117,355			103,025		
<b>Total Assets</b>	<b>\$ 5,316,119</b>			<b>\$ 5,082,002</b>			<b>\$ 4,420,438</b>		
<b>Liabilities and Shareholders' Equity</b>									
Interest-bearing liabilities:									
Interest-bearing demand	\$ 927,278	\$ 273	0.12%	\$ 949,981	\$ 262	0.11%	\$ 781,620	\$ 151	0.08%
Savings	377,729	52	0.05	378,989	51	0.05	331,685	41	0.05
Money market	870,166	605	0.28	868,427	541	0.25	864,228	487	0.22
Time deposits	548,092	1,266	0.92	432,805	814	0.75	374,852	613	0.65
Federal funds purchased and securities sold under agreements to repurchase	165,160	204	0.49	174,715	194	0.45	184,170	118	0.25
Federal Home Loan Bank borrowings	439,755	1,293	1.17	323,780	780	0.97	223,467	240	0.43
Other borrowings	70,409	637	3.59	70,343	600	3.42	70,137	516	2.93
<b>Total Interest-Bearing Liabilities</b>	<b>3,398,589</b>	<b>4,330</b>	<b>0.51</b>	<b>3,199,040</b>	<b>3,242</b>	<b>0.41</b>	<b>2,830,159</b>	<b>2,166</b>	<b>0.30</b>
Noninterest demand	1,276,779			1,283,255			1,131,073		
Other liabilities	52,832			32,259			28,796		
<b>Total Liabilities</b>	<b>4,728,200</b>			<b>4,514,554</b>			<b>3,990,028</b>		
Shareholders' equity	587,919			567,448			430,410		
<b>Total Liabilities &amp; Equity</b>	<b>\$ 5,316,119</b>			<b>\$ 5,082,002</b>			<b>\$ 4,420,438</b>		
Interest expense as a % of earning assets			0.35%			0.28%			0.21%
Net interest income as a % of earning assets		\$ 45,903	3.74%		\$ 44,320	3.84%		\$ 37,735	3.69%

(1) On a fully taxable equivalent basis. All yields and rates have been computed on an annualized basis using amortized cost.

Fees on loans have been included in interest on loans. Nonaccrual loans are included in loan balances.

**AVERAGE BALANCES, INTEREST INCOME AND EXPENSES, YIELDS AND RATES <sup>(1)</sup>**

(Unaudited)

**SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES**

	2017			2016		
	Year to Date			Year to Date		
(Dollars in thousands)	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
<b>Assets</b>						
Earning assets:						
Securities:						
Taxable	\$ 1,299,128	\$ 25,289	2.60%	\$ 1,148,979	\$ 19,252	2.23%
Nontaxable	27,388	1,047	5.10	24,919	1,150	6.16
<b>Total Securities</b>	<b>1,326,516</b>	<b>26,336</b>	<b>2.65</b>	<b>1,173,898</b>	<b>20,403</b>	<b>2.32</b>
Federal funds sold and other investments	68,766	1,778	3.46	72,708	1,152	2.12
Loans, net	3,199,408	110,668	4.62	2,500,613	87,531	4.68
<b>Total Earning Assets</b>	<b>4,594,690</b>	<b>138,782</b>	<b>4.04</b>	<b>3,747,219</b>	<b>109,086</b>	<b>3.89</b>
Allowance for loan losses	(25,211)			(20,564)		
Cash and due from banks	101,858			86,227		
Premises and equipment	58,401			60,927		
Intangible assets	104,079			62,240		
Bank owned life insurance	89,401			43,684		
Other assets	111,661			97,730		
<b>Total Assets</b>	<b>\$ 5,034,879</b>			<b>\$ 4,077,463</b>		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing liabilities:						
Interest-bearing demand	\$ 904,175	\$ 698	0.10%	\$ 749,089	\$ 467	0.08%
Savings	370,145	147	0.05	319,199	117	0.05
Money market	847,705	1,563	0.25	781,105	1,387	0.24
Time deposits	443,416	2,646	0.80	348,601	1,476	0.57
Federal funds purchased and securities sold under agreements to repurchase	173,601	551	0.42	188,551	374	0.26
Federal Home Loan Bank borrowings	396,610	2,775	0.94	150,862	864	0.77
Other borrowings	70,342	1,802	3.43	70,062	1,516	2.89
<b>Total Interest-Bearing Liabilities</b>	<b>3,205,994</b>	<b>10,182</b>	<b>0.42</b>	<b>2,607,469</b>	<b>6,201</b>	<b>0.32</b>
Noninterest demand	1,248,290			1,032,475		
Other liabilities	39,414			31,439		
<b>Total Liabilities</b>	<b>4,493,698</b>			<b>3,671,383</b>		
Shareholders' equity	541,181			406,080		
<b>Total Liabilities &amp; Equity</b>	<b>\$ 5,034,879</b>			<b>\$ 4,077,463</b>		
Interest expense as a % of earning assets			0.30%			0.22%
Net interest income as a % of earning assets		\$ 128,600	3.74%		\$ 102,885	3.67%

(1) On a fully taxable equivalent basis. All yields and rates have been computed on an annualized basis using amortized cost. Fees on loans have been included in interest on loans. Nonaccrual loans are included in loan balances.

## Explanation of Certain Unaudited Non-GAAP Financial Measures

This presentation contains financial information determined by methods other than Generally Accepted Accounting Principles (“GAAP”). Management uses these non-GAAP financial measures in its analysis of the Company’s performance and believes these presentations provide useful supplemental information, and a clearer understanding of the Company’s performance. The Company believes the non-GAAP measures enhance investors’ understanding of the Company’s business and performance and if not provided would be requested by the investor community. These measures are also useful in understanding performance trends and facilitate comparisons with the performance of other financial institutions. The limitations associated with operating measures are the risk that persons might disagree as to the appropriateness of items comprising these measures and that different companies might calculate these measures differently. The Company provides reconciliations between GAAP and these non-GAAP measures. These disclosures should not be considered an alternative to GAAP.

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

---

	QUARTER					YTD	
	Third 2017	Second 2017	First 2017	Fourth 2016	Third 2016	September 30, 2017	September 30, 2016
<i>(Dollars in thousands except per share data)</i>							
Net income	\$ 14,216	\$ 7,676	\$ 7,926	\$ 10,771	\$ 9,133	\$ 29,818	\$ 18,431
BOLI income (benefits upon death)	0	0	0	0	0	0	(464)
Security gains	47	(21)	0	(7)	(225)	26	(361)
<b>Total Adjustments to Revenue</b>	<b>47</b>	<b>(21)</b>	<b>0</b>	<b>(7)</b>	<b>(225)</b>	<b>26</b>	<b>(825)</b>
Merger related charges	491	5,081	533	561	1,699	6,105	8,467
Amortization of intangibles	839	839	719	719	728	2,397	1,767
Business continuity expenses - Hurricane Irma	352	-	-	-	-	352	-
Branch reductions and other expense initiatives	(127)	1,876	2,572	163	894	4,321	3,194
Early redemption cost for FHLB advances	0	0	0	0	0	0	1,777
<b>Total Adjustments to Noninterest Expense</b>	<b>1,555</b>	<b>7,796</b>	<b>3,824</b>	<b>1,443</b>	<b>3,321</b>	<b>13,175</b>	<b>15,205</b>
Effective tax rate on adjustments	(673)	(2,786)	(1,480)	(404)	(1,168)	(4,939)	(5,545)
<b>Adjusted Net Income</b>	<b>\$ 15,145</b>	<b>\$ 12,665</b>	<b>\$ 10,270</b>	<b>\$ 11,803</b>	<b>\$ 11,061</b>	<b>\$ 38,080</b>	<b>\$ 27,266</b>
Earnings per diluted share, as reported	0.32	0.18	0.20	0.28	0.24	0.70	0.49
<b>Adjusted Earnings per Diluted Share</b>	<b>0.35</b>	<b>0.29</b>	<b>0.26</b>	<b>0.31</b>	<b>0.29</b>	<b>0.90</b>	<b>0.73</b>
Average shares outstanding (000)	43,792	43,556	39,499	38,252	38,170	42,298	37,258
Revenue	\$ 57,183	\$ 54,644	\$ 48,070	\$ 47,354	\$ 47,437	\$ 159,897	\$ 130,029
Total Adjustments to Revenue	47	(21)	0	(7)	(225)	26	(825)
<b>Adjusted Revenue</b>	<b>57,230</b>	<b>54,623</b>	<b>48,070</b>	<b>47,347</b>	<b>47,212</b>	<b>159,923</b>	<b>129,204</b>
Noninterest Expense	34,361	41,625	34,746	30,297	33,435	110,732	100,584
Total Adjustments to Noninterest Expense	1,555	7,796	3,824	1,443	3,321	13,175	15,205
<b>Adjusted Noninterest Expense</b>	<b>32,806</b>	<b>33,829</b>	<b>30,922</b>	<b>28,854</b>	<b>30,114</b>	<b>97,557</b>	<b>85,379</b>
Adjusted Noninterest Expense	32,806	33,829	30,922	28,854	30,114	97,557	85,379
Foreclosed property expense and net (gain)/loss on sale	(298)	297	(293)	(78)	124	(294)	121
Net Adjusted Noninterest Expense	33,104	33,532	31,215	28,932	29,990	97,851	85,258
Adjusted Revenue	57,230	54,623	48,070	47,347	47,212	159,923	129,204
Impact of FTE adjustment	154	164	211	204	287	529	722
Adjusted Revenue on a fully taxable equivalent basis	57,384	54,787	48,281	47,551	47,499	160,452	129,926
<b>Adjusted Efficiency Ratio</b>	<b>57.7%</b>	<b>61.2%</b>	<b>64.7%</b>	<b>60.8%</b>	<b>63.1%</b>	<b>61.0</b>	<b>65.6%</b>
Average Assets	\$ 5,316,119	\$ 5,082,002	\$ 4,699,745	\$ 4,572,188	\$ 4,420,438	\$ 5,034,879	\$ 4,077,463
Less average goodwill and intangible assets	(118,364)	(114,563)	(78,878)	(79,620)	(80,068)	(104,079)	(62,240)
Average Tangible Assets	5,197,755	4,967,439	4,620,867	4,492,568	4,340,370	4,930,800	4,015,223
Return on Average Assets (ROA)	1.06%	0.61%	0.68%	0.94%	0.82%	0.79%	0.60%
Impact of removing average intangible assets and related amortization	0.06	0.05	0.06	0.06	0.06	0.06	0.05
Return on Tangible Average Assets (ROTA)	1.12	0.66	0.74	1.00	0.88	0.85	0.65
Impact of other adjustments for Adjusted Net Income	0.04	0.36	0.16	0.05	0.13	0.18	0.26
<b>Adjusted Return on Average Tangible Assets</b>	<b>1.16</b>	<b>1.02</b>	<b>0.90</b>	<b>1.05</b>	<b>1.01</b>	<b>1.03</b>	<b>0.91</b>
Average Shareholders' Equity	\$ 587,919	\$ 567,448	\$ 466,847	\$ 437,077	\$ 430,410	\$ 541,181	\$ 406,084
Less average goodwill and intangible assets	(118,364)	(114,563)	(78,878)	(79,620)	(80,068)	(104,079)	(62,240)
Average Tangible Equity	469,555	452,885	387,969	357,457	350,342	437,102	343,844
Return on Average Shareholders' Equity	9.6%	5.4%	6.9%	9.8%	8.4%	7.4%	6.1%
Impact of removing average intangible assets and related amortization	2.8	1.9	1.9	2.7	2.5	2.2	1.5
Return on Average Tangible Common Equity (ROTCE)	12.4	7.3	8.8	12.5	10.9	9.6	7.6
Impact of other adjustments for Adjusted Net Income	0.4	3.9	1.9	0.6	1.7	2.0	3.0
<b>Adjusted Return on Average Tangible Common Equity</b>	<b>12.8</b>	<b>11.2</b>	<b>10.7</b>	<b>13.1</b>	<b>12.6</b>	<b>11.6</b>	<b>10.6</b>

# Final Transcript

**Customer:** Seacoast Banking Corporation  
**Call Title:** Third Quarter Earnings  
**Confirmation Number:** 45774470  
**Host:** Dennis Hudson  
**Date:** October 27, 2017  
**Time/Time Zone:** 9:00 am Central Time

## **SPEAKERS**

**Dennis Hudson** – Chief Executive Officer  
**Chuck Shaffer** – Chief Financial Officer and Head of Strategy  
**Chuck Cross** – Commercial Banking Executive

## **ANALYSTS**

**Michael Young** – SunTrust  
**Steve Moss** – FBR  
**David Feaster** – Raymond James  
**Jeff Cantwell** – Guggenheim

## **PRESENTATION**

**Operator:** Welcome to the Seacoast Banking Corporation's Third Quarter 2017 Earnings Conference Call. My name is Paulette, and I will be your operator for today's call. At this time all participants are in a listen-only mode. Later we will conduct a question-and-answer session. [Operator instructions]. Please note that this conference is being recorded.

I will now turn the call over to Dennis Hudson, CEO. You may begin.

---

**Dennis Hudson:** Thank you, Paulette. Before we begin, I want to direct everyone's attention to the statement contained at the end of our company's press release regarding forward-looking statements. Seacoast will be discussing issues that constitute forward-looking statements within the meaning of the Securities and Exchange Act, and our comments today are intended to be covered within the meaning of that Act.

Thank you, everyone, for joining us today for Seacoast's third quarter 2017 earnings conference call. Our press release, which we released yesterday after the market close, and our investor presentation, can be found on the investor portion of our website under presentations.

With us today is Chuck Shaffer, our Chief Financial Officer and Head of Strategy, who will discuss our financial and operating results; Julie Kleffel, our Community Banking Executive; Chuck Cross, our Commercial Banking Executive; Dave Houdeshell, our Chief Risk and Credit Officer; and Jeff Lee, our Chief Marketing and Analytics Officer.

Our third quarter results show that the investments we've made over the past two years continue to produce results for shareholders. Building on our 90-year history, the strength of our brand, and our transformed customer service platform, we generated record commercial loan growth and solid organic growth overall. We possess one of the top-performing banking franchises in Florida, one of the nation's most economically robust states, with solid positions in four of our state's most-attractive markets. We continue to strengthen that franchise through our balanced growth strategy of organic growth... prudent risk management... and selective, value-creating acquisitions.

Turning to our financial results... Third quarter net revenue increased 5% over the prior quarter and 21% over the third quarter last year. Adjusted net income rose 20 percent sequentially, and 37 percent compared to last year's third quarter. We reported adjusted net income per share of 35 cents, up 21 percent sequentially and year-over-year.

---

We are on-pace to achieve our ambitious Vision 2020 goals. We recorded adjusted average return on tangible assets of 1.16 percent... adjusted return on average tangible shareholders' equity of 12.8%... and adjusted efficiency ratio of 57.7 percent. We achieved these results without compromising the granularity of our loan portfolio and while maintaining a risk profile that is below the industry average. We have built an integrated loan production and credit underwriting platform that is performing effectively and that is built to add high-quality assets over the long-haul.

Turning to our operations... Third quarter loan production continued strong, with record high commercial originations. Our loan pipelines are near record levels entering fourth quarter despite the impact of Hurricane Irma, about which I will say more in a moment, but we saw that normalize after the storm.

In the past, we've mentioned Seacoast's digital transformation. We focus on that, not because we value digital and analytical innovation for its own sake, but because it has enabled us... and will continue to enable us in the future... to stay on top of consumers' massively and rapidly changing expectations for what they want from their financial services partner. We continue to benefit from the rapid migration of transactions outside the branch:

- Total transactions completed outside the branch rose in September to 52% compared with 43% in September two years ago.
  - 40% of checks were deposited outside branches in September, compared to 35% in September of last year.
  - Mobile penetration during the quarter increased to more than 32% of eligible primary consumer checking customers, up from 29.5% September of last year.
-

- And the proportion of new deposit accounts opened outside of our branches rose to 13.3% of all deposit accounts this quarter

We continue to invest in modernizing our retail and small business sales strategy, as we focus on enhancing customer lifetime value, a proprietary metric that we unveiled at last February's investor day. We are also developing a commercial analytics portal that will connect our commercial bankers with the analytics and insights that we currently provide our retail and small business teams.

Overall, we focus relentlessly on leveraging our position as Florida's leading community bank by addressing a larger share of our customers' banking needs.

Shifting briefly to the M&A part of our strategy... Last week, we closed the acquisition of NorthStar Bank in Tampa. Combined with our acquisition of GulfShore Bank, we now have a strong and growing presence in Tampa, Florida's second largest MSA.

Next month, we will close on the acquisition of Palm Beach Community Bank, which strengthens our position in Palm Beach county and extends our network further south into Palm Beach County.

We continue to look for opportunities to complete prudent acquisitions that strengthen our existing franchise in Florida's four top markets and that expand our position in the state.

I'd like to say a few words about Hurricane Irma. Late August and early September was, as everyone knows, a difficult time for Floridians. The entire state prepared for this category five hurricane, which caused two full weeks of business interruption with one week of preparation and another week of recovery.

---

Being part of the communities in which we operate is not just something we say, it is vital to all of us. Seacoast has been part of Florida for 90 years, and it is our mission to help our local communities bounce back.

To assist our borrowers, we rolled out a number of programs to provide them with assistance. In the days following the storm, we conducted site visits and inquiries with commercial customers in our most significantly impacted areas to help assess potential recovery needs. I'm proud to say that our dedicated and committed staff spoke to around 70% of our customer base.

The financial impact of Hurricane Irma on the quarter was approximately \$0.01 a share, and Chuck is going to provide some detail in his remarks. But while the financial impact was minimal, I think the emotional impact was far greater and I suspect longer- lasting. Grateful and relieved by the resilience of the Seacoast family and that our disaster planning and backup site, which we created for eventualities like this, performed so well.

Finally, given our momentum exiting Q3 and strong pipelines despite the impact of Hurricane Irma, we're affirming our full year adjusted EPS guidance of \$1.28 to \$1.32.

So in summary, Seacoast is executing a carefully balanced strategy that builds loan granularity, strong organic customer acquisition and digital customer engagement in combination with smart accretive acquisitions. As seen from this and previous quarters' results, the strategy is working, creating real and long lasting value for shareholders.

With that, I'd like to turn the call over to Chuck, who is going to review this quarter's financials after which we'd be happy to take a few questions. Chuck?

---

**Chuck Shaffer:** Thank you, Denny, and thank you all for joining us this morning. As I provide my comments, I will reference a slide deck, which can be found at [www.seacoastbanking.com](http://www.seacoastbanking.com) I will start on slide 5 this morning, discussing some of the highlights for the quarter. Net revenue increased 21% year over year to \$57.2 million, and adjusted net income was up 37% to \$15.1 million. Sequentially, net revenue increased 5%, or \$2.5 million, and adjusted net income was up 20%, or \$2.5 million. Adjusted return on tangible common equity ended the quarter at 12.8%, adjusted return on tangible assets was 1.16% for the quarter, and the adjusted efficiency ratio declined to 57.7%.

All three ratios have improved meaningfully from one year ago. This improvement evidences our continuing progress towards our Vision 2020 objectives, and commitment to creating value for shareholders. Unlike prior quarters, the impact of acquisitions and branch reductions were more modest in Q3, highlighting the underlying earnings momentum and the outlook to continue to build tangible book value per share.

In early 2017, we engaged in a \$200 million equity transaction that included the issuance of \$50 million of new equity to support growth. Over the course of the year this capital has been employed productively, already offsetting most of the initial EPS dilution from the share issuance. Additionally, we have increased our tangible book value per share from \$9.37 at the start of the year to \$10.95 per share, a 17% increase in 9 months. By year end, we will have closed on three accretive acquisitions, extending the Seacoast franchise into Tampa with the GulfShore and NorthStar purchases, and strengthening our presence in South Florida with the Palm Beach Community Bank acquisition.

Turning to slide 6, as Denny mentioned the third quarter was impacted by Hurricane Irma. The storm caused two full weeks of business interruption, as one week was spent on preparation, and one week spent on recovery. The impact of Hurricane Irma on the quarter was approximately 1 cent per share. Revenue was impacted in the form of waived service charges, slower activity in wealth management, and delayed closings on loans. We incurred total direct expenses of \$0.4 million, primarily compensation for staff working throughout the storm to ensure our customers had digital and web access at all times, remote support from our backup site in Nashville, Tennessee, and recovery expenses to bring our branch network back on-line. We have removed these direct incremental expenses from the presentation of adjusted results. No adjustment has been made for revenue impacts.

---

Looking more deeply at the quarter, let's move to slide 7, net interest income. Net interest income was up \$1.6 million sequentially, and as anticipated the net interest margin was down 10 basis points sequentially, the result of lower accretion on both securities and loans when compared to the prior quarter, as well as higher interest expense on deposits and borrowings. This is in line with the guidance we provided last quarter of a net interest margin in the low 3.70s. As a reminder, the prior quarter benefited from accretion that was above our normal run rate for both loans and securities.

Looking forward and inclusive of NorthStar and Palm Beach Community Bank, we expect the net interest margin to be in mid 3.70s in the fourth quarter and increase to the high 3.70s by the second quarter of 2018, assuming no change in short or long-term interest rates. This includes 11 basis points of accretion, which will remain volatile as we move forward.

Both NorthStar and Palm Beach will be modestly accretive to NIM, primarily the result of higher yielding loan portfolios. A changing mix from securities to loan outstandings over the coming quarters should offset modest increases in deposit rates, based on our loan production targets.

We remain asset sensitive, and a 100-200 basis point parallel increase in rates would equate to approximately 4-7% improvement in net interest income over the next 12 months, and 7-13% improvement in net interest income on a 12 to 24 month period. We will continue to manage to an asset sensitive balance sheet, which is bolstered by a very valuable low cost deposit portfolio. A 25 basis point increase in the Federal Funds rate results in approximately a 2 cents per share increase in earnings on an annualized basis. We do not expect the two acquisitions to meaningfully impact our asset sensitive interest rate risk position.

---

Moving to slide 8, adjusted noninterest income increased \$1.0 million over the prior quarter, and is up \$1.7 million from the prior year's third quarter. Of the \$1.0 million increase over the prior quarter, mortgage banking fees represented \$866 thousand, in large part due to the \$57.7 million sale of conforming residential mortgages originated in prior periods. The sale was transacted to manage on-balance sheet liquidity, and monetize gains given the fall in long term rates during the quarter. Looking forward, we will continue to take advantage of these types of opportunities if they arise.

The increase in bank owned life insurance was the result of a \$30 million investment made late in the third quarter, with a first year expected return of approximately 6.2% on a tax equivalent basis. Of note, service charges on deposits, interchange income, and wealth management fees were impacted by Hurricane Irma, due to the two week business disruption I mentioned previously. The continued higher results in other income is the result of pricing changes implemented in the second quarter of this year, increased demand for interest rate swaps by our commercial borrowers, and more modestly, gains on sale from SBA related production. Looking forward, we expect both swap related income and gain on sale from SBA related production to continue to improve.

Moving to slide 9, adjusted noninterest expense was down \$1.0 million from the prior quarter, and up \$2.7 million from the prior year's third quarter. The quarter over quarter decrease was the result of the full impact from the consolidation of five branches early in 2017, improved expense discipline, and the benefit of a net gain on other real estate owned and repossessed assets. The adjusted noninterest expense to average tangible asset ratio declined to 2.50% for the quarter from 2.76% in the third quarter of 2016. This quarter highlights the underlying adjusted expense run rate of Seacoast exclusive of the two acquisitions pending. In aggregate, the two acquisitions will add \$1.6 million in noninterest expense to the fourth quarter, and \$2.0 million per quarter to 2018. We continue to carefully balance investments with current earnings, and we anticipate making investments totaling approximately \$4.5 million in 2018 to improve our processes and tools for commercial banking... invest in talent and tools for our enterprise risk management and technology functions,... and further upgrade our analytics and digital marketing capabilities. These investments will help scale our organization appropriately, and set the stage for sustainable high-quality earnings growth in 2019 and beyond. These investments are not expected to impact our objective of exiting 2018 with a tangible efficiency ratio in the low 50s. Our continued growth in top-line revenue, in combination with continued expense discipline throughout the franchise, creates opportunities to make investments necessary to achieving our vision 2020 targets.

---

We are well on our way to our previously announced goal of closing 20% of our locations in the next 24 to 36 months. We have consolidated 5 branches year to date, and will be targeting another 2-3 branches during 2018 and 2-3 in 2019. In addition, we will consolidate three locations as part of the acquisitions of NorthStar and Palm Beach Community Bank. Branches are still valuable to our customers for more complex transactions and keep our brand visible to customers and prospects, but simple tasks - such as depositing funds - are rapidly migrating to a digital world. We are clearly building an integrated approach to meeting our customer's needs. We now provide a full suite of mobile products, on-line technology, remote ATM locations, call center convenience, and rebranded premium retail locations for our customers. We believe this integrated approach aligns with today's customer expectations. As we move forward, we will continue to monitor the ever increasing rotation of customer preference to digital and react accordingly.

We recorded a \$7.9 million income tax provision in the third quarter of 2017. The quarter tax provision benefited from the adoption of ASU 2016-09, Improvements to Employee Share-Based Payment Accounting. As a result, Seacoast recorded a benefit of \$137,000 in the quarter. Looking ahead we expect our effective tax rate to be approximately 35.5 (adjusted) in the fourth quarter, and 35% (adjusted) in 2018.

---

Moving to slide 10, our adjusted efficiency ratio decreased to 57.7% in line with our internal objective. Our target is to exit 2017 with an adjusted efficiency ratio near the mid 50s as we continue to build a more streamlined organization and generate strong growth in top line revenue. We expect this ratio to continue to improve into 2018, excluding the seasonal impact of the first quarter. Our 2018 target is to exit the year with an efficiency ratio in the low 50s.

Turning to slide 11, loan outstandings continued to grow during the [third] quarter, increasing \$55 million. Excluding the impact of a conforming mortgage sale, loans grew organically \$112 million, or 3.4% sequentially, and 14% annualized. Excluding acquisitions, organic loan outstandings grew 13% over the prior year. Record production from our commercial team in the quarter was offset slightly/somewhat by elevated paydowns.

Looking forward, we expect loan production will continue to reflect the underpinnings of a strong Florida economy, and continued customer receptivity to our relationship- and convenience-based approach to helping meet their needs. Our Pipelines remain very strong at quarter end, and are near record levels. The commercial pipeline ended the quarter at \$155 million, residential at \$64 million, and consumer/small business in aggregate at \$47 million. During 2017, we will have added the lending teams at GulfShore Bank, Palm Beach Community Bank, NorthStar Bank, and the commercial equipment team in Tampa.

We continue to focus on building a well-diversified loan book. Our average commercial loan size is \$369 thousand. Our top 10 relationships as a % of total capital are 31% at the end of the third quarter, down from 39% at the end of the third quarter of 2016. Those who attended our investor day will remember that our credit and underwriting functions are able to process the volume that smaller loan granularity requires. The upside, of course, is a less-risky portfolio. Looking forward, we expect organic loan growth to continue in the mid-teens and the loan yield should remain stable, in the high 4.60% to low 4.70%. This includes the impact of the two acquisitions and excludes any outsized non-cash accretion affects from loans included in purchase credit impaired or acquired loan pools.

---

Turning to slide 12, deposit outstandings grew by \$138 million quarter over quarter, and were up \$603 million from the third quarter in the prior year. Excluding the impact of acquired deposits, total deposits increased 1% from one year prior. Deposit growth across all markets was partially offset by outflow associated with public fund money market accounts. Without this outflow, organic deposit growth was 3% year over year. Rates paid on deposits increased 5 basis points to 22 basis points quarter over quarter, reflecting the lag effect of a rise in short term rates. Looking ahead, we expect to grow deposit outstandings in the 6% range, with modest increases in deposit rates paid to customers as we compete more aggressively for funding.

Turning to slide 13, credit quality continues to be strong, benefiting from rigorous credit selection that emphasizes a through-the-cycle orientation and builds on customer relationships in well-understood, known markets and sectors as well as maintaining diversity of loan mix and granularity. The allowance to total loans was 77 basis points at quarter end, down one basis point from the prior quarter. In the non-acquired loan portfolio, the ALLL ended the quarter 0.91% of loans outstanding, down 4 basis points from the prior quarter. The decline in coverage in the non-acquired loan ALLL was the result of improved credit quality and loan mix as well as another quarter of nominal losses in this portfolio. Additionally, commercial and commercial real estate concentration risk continues to decline as we continue to maintain a well-diversified and granular portfolio.

Our allowance for loan losses to non-performing-nonacquired loans during the third quarter was 237%, compared to 245% in the prior quarter, and 210% in the same period one year prior. Nonperforming loans continue to be nominal, totaling only \$14.4 million.

Net charge offs were \$279 thousand for the quarter, compared to net recoveries of \$101 thousand in the prior quarter, and net recoveries of \$1.5 million in the third quarter of the prior year.

Looking forward, the provision for credit losses will continue to be influenced by loan growth.

---

Turning to slide 14, our capital position remains strong. The common equity tier 1 capital ratio (CET1) was 12.4%, total risk based capital ratio was 14.8% and the tier 1 leverage ratio was 10.2% at September 30, 2017. The tangible common equity to tangible asset ratio was 9.1% at quarter end.

We expect to achieve our adjusted earnings per share guidance for 2017, of \$1.28 to \$1.32 per share, and our goal is to exit the year with an efficiency ratio in the mid 50s. We will continue to expand our analytical and digital capabilities, generate both organic and acquisition-related growth, and capitalize on our strong position in the robust Florida economy.

We look forward to your questions. I'll now turn the call back over to Denny.

**Dennis Hudson:** Thanks, Chuck. And we'd be happy to take a few questions, operator.

**Operator:** Thank you. We will now begin the question-and-answer session. [Operator instructions]. And our first question comes from Michael Young from SunTrust. Please go ahead.

**Michael Young:** Good morning.

**Dennis Hudson:** Good morning, Michael.

**Michael Young:** I wanted to start off on the NIM commentary, Chuck, to the mid 3.75% I think you said by 2Q next year, correct me if I misheard that. Embedded within that, do you expect some continued positive balance sheet remix towards loans from deposits and the loan to deposit ratio moving higher? Or do you expect to get a little more aggressive on deposit pricing to kind of push deposit growth higher? Maybe just help me understand some of the puts and takes there.

---

**Chuck Shaffer:** Sure. The way I think about it is the guidance for fourth quarter is mid 3.70's and then that should climb to the high 3.70's by Q2 of next year. That's inclusive of the two acquisitions in Q4, and I think when you look forward there will be a positive mix shift from declining securities portfolio and a growing loan book, and we will compete a little more aggressively for deposits moving forward. We put out guidance—the guidance that we provided is a 6% deposit growth. So assuming we achieve our objective there, growing deposits, we should see NIM remain stable to slightly growing over the next couple of quarters.

**Michael Young:** Okay, great. And maybe just sticking with the deposits, in terms of maybe where you're seeing pressure at this point if any other than sort of the public funds piece, could you maybe characterize it geographically at all? Is it more in kind of the major MSAs, Orlando, Tampa versus the legacy deposit base? Just curious any color there.

**Chuck Shaffer:** Yes. Definitely the more urban market is more competitive. And the pricing pressure is in the public funds arena in the larger commercial client-type customers, wholesale funding is where the pricing pressure is. If you look at over our last 12 months, our public fund money market balances are down about \$102 million over the year. So when you take that out our deposit growth was about 3% and it's one of our key focuses moving forward. But the competitive pressure is primarily in the urban markets.

**Michael Young:** Okay. And maybe just last one for Denny. It seems like we're kind of passed a lot of the restructuring charges related with just kind of improving the efficiency ratio and expense base going forward, so tangible book value growth is increasing. Do you think you'd need to retain all of that capital to support growth? Or do you think there's opportunities to maybe reinstitute a dividend or other capital management actions that maybe we're not thinking of?

---

**Dennis Hudson:** And I think we'll be looking at that. I mean you asked the right question. We still see some opportunities for growth from an M&A perspective. So I think it's important to maintain a continued strength to those capital ratios. But I would say that is an evolving conversation and something we'll probably have more to talk about next year.

**Michael Young:** Okay, great. Thanks, guys.

**Chuck Shaffer:** Thanks, Mike.

**Operator:** [Operator instructions]. Our next question comes from Steve Moss from FBR. Steve, please go ahead.

**Steve Moss:** Good morning.

**Dennis Hudson:** Good morning, Steve.

**Steve Moss:** On the margin, I was wondering, does your guidance include a Fed hike in those numbers?

**Chuck Shaffer:** Thanks, Steve. No, that assumes rates remain where they are today; no change in short-term or long-term rates.

**Steve Moss:** Okay. And in terms of asset sensitivity, it's fair to think about 3 to 4 basis points in terms of margin expansion from a hike.

**Chuck Shaffer:** Correct. That's exactly the right number.

---

**Steve Moss:** Okay. On the deposit side a little bit of increase here in broker deposits, wondering if your deposit growth includes some component of that as well.

**Chuck Shaffer:** I think at this point there may be very minor increases now looking forward. But the deposit growth guidance we're given and what we want to get accomplished would come from our retail small business and commercial teams, and probably much less though on broker deposits. We've got about what we want in that bucket.

**Steve Moss:** Okay that's helpful. Then in terms of—and just one other clarification on the margin, on loan yields, the 460 to 470 number that was inclusive or exclusive of purchase accounting?

**Chuck Shaffer:** Yes. That includes purchase accounting; that includes the accretion.

**Steve Moss:** Okay that's helpful. And just on the M&A front, Denny you said, you still see opportunities to do deals. Wondering if there's been any increase in discussions or activity or is that a little further out.

**Dennis Hudson:** Increase in what activity?

**Steve Moss:** In M&A discussions.

**Dennis Hudson:** Okay. I would suffice it to say that we're continuously alert to opportunities. We continuously talk with folks across the state. And when we see an opportunity that makes sense for us that we think can add real value to what we've created here, we engage. So I think those opportunities still exist, they're still out there. And over the next year you'll continue to see more of that develop as we go through time. But I don't have anything specific to talk about in terms of that, but they continue to be there.

---

**Steve Moss:** All right. Well thank you very much.

**Chuck Shaffer:** Great. Thanks, Steve.

**Dennis Hudson:** Thanks, Steve.

**Operator:** And our next question comes from David Feaster from Raymond James. Please go ahead.

**David Feaster:** Good morning guys.

**Chuck Shaffer:** Hi, David.

**David Feaster:** Loan growth was a bit lighter than expected, and I suspect as you talked about there is business interruption from the storm. Could you just try and quantify that and maybe what you're seeing thus far early in the fourth quarter that gives you confidence that you can get back to that mid-teens run rate?

**Chuck Shaffer:** Yes, I think, when you look at that the storm specifically delayed closings towards the end of the month and our mortgage pipeline as well was certainly impacted by it. Early right out the shoot here coming into Q4 we've seen good strong production, teams are back online. Things that got pushed are getting closed, and so we feel confident we're sort of back on track with our run rate.

**Dennis Hudson:** And I'll just add, we saw record commercial originations this quarter. We hit a record in the residential production this quarter. We had a little bit of elevated pay offs in the commercial book, which was a little bit of a surprise. And as we ended the quarter, our pipelines are pretty much very close to a record number. So when we look into Q4, we see continued really solid growth, solid organic growth and loan.

---

So I think just a reminder, we had a mortgage sale that occurred this quarter that impacted the growth rate. When you take that out, I think our growth rate was up closer to maybe expectation. And frankly we see a very, very positive market out there, in terms of continued loan growth. On the deposit side we've seen tremendously positive organic growth.

Again as we pointed out earlier on the call, we saw a little bit of a cutback in that growth due to the loss of some higher yielding liabilities, primarily out of the municipal portfolio that we have. But when you ex that out - 3% growth, which wasn't bad. This is the seasonally weakest quarter that we typically have, and we're expecting those growth rates to come back as we stated earlier as we look forward. So actually we couldn't be happier with our loan growth this quarter.

**David Feaster:** Terrific. Could you just talk about your hiring plans going forward? Last quarter you've hired a team in Tampa. How are conversations going? Are you still having good conversations to pick off new teams and maybe what markets you're most focused on, any detail you have there?

**Chuck Cross:** David, this is Chuck Cross. The only comment there is that we continually talk to people around the state, both individuals and teams. We're opportunistic when they're ready to move or see this is an opportunity.

**Dennis Hudson:** As Chuck said earlier, we've added substantially to the team this quarter with the acquisitions that will close, both in Tampa and in Palm Beach County. The number count there is actually pretty impressive and I'm very impressed with the people that are joining us on that team, in particular it helps us build out a much stronger team, I think, or a deeper team in the Tampa market, which is just now starting to produce some growth for us. When you add the impact of that incredible market in Tampa-St. Pete, it gives us much greater capacity to continue to focus on growth.

---

David, when you look back over the last several years, we have dramatically shifted our loan production into deeper metro areas across the state. And that is what will continue to drive positive results for us both in terms of the loan growth and in particular commercial deposit growth out of those markets.

**David Feaster:** Great. On your expense guidance is that—you talked about adding \$2 million of expenses, I believe in the first quarter. Is that off the 3Q run rate and would that imply kind of that \$35.5 million to \$36 million, I'm assuming is an inclusive of cost savings, as kind of a good base for quarterly expenses next year?

**Chuck Shaffer:** Yes.

**David Feaster:** Got it. Thank you.

**Operator:** Our next question comes from Jeff Cantwell from Guggenheim. Please go ahead.

**Jeff Cantwell:** Hi, good morning.

**Dennis Hudson:** Morning.

**Jeff Cantwell:** Thanks for taking my question. I just wanted to talk about your improvement in the efficiency ratio, and the extent to which that's tied to the increase in mobile penetration. I guess clearly the argument will be some of the improvement in your efficiency ratio subscribe to your digital strategy. So I'm just trying to get a better feel for the extent by which mobile penetration should increase further, as we start to think about 2018 and how much of a driver that would be with respect to the efficiency ratio. Thanks.

---

**Chuck Shaffer:** Yes, there's certainly an interlink between the third-party providers and the expense associated with digital penetration. That being said, the cost to service a relationship, be it mobile or digital, is far, far lower than it is on a traditional basis. So it's up to us to make sure as customers migrate to a more digital platform and as customer preferences change, that we take action across our network and rotating expenses out of the network, which is what we've done over the last two to three years, and as we've seen customers migrate to digital; and as that continues, we'll continue to allow that to happen. So I think net/net it's actually a positive, the more customers migrate to digital, and it's something we encourage and are driving towards, and it's up to us to execute against that opportunity.

**Dennis Hudson:** Really important, really a little more complicated, of course, and in terms of really trying—that was well said, Chuck,— I guess what I'm trying to say is as we begin to make those connections and connect them into actual dollar reductions in overhead, the processes we use to understand, how fast we can move become increasingly critical. That's been a big part of our success, I think in bringing that ratio down, is being able to have that to build those connections between the behavioral-change and reducing what was our fixed infrastructure cost.

And so that's really the key to the whole thing. When we rolled out to the 2020 Vision in February of this year that was one big piece of it, but there are many other pieces of that 2020 Vision that rest on top of those same concepts as we can continue to improve the efficiency of being able to deliver and fulfill, for example, our lending products across the line. So it's an interesting time, but there's tremendous opportunity, as you point out, to bring those expense ratios down in the world we see ahead.

**Jeff Cantwell:** Great. Appreciate the color. Thanks very much.

---

**Dennis Hudson:** Thanks, Jeff.

**Operator:** And we're showing no further questions. I'll turn the call back to Dennis Hudson for closing remarks.

**Dennis Hudson:** Thank you, operator, and thank you, everybody, for attending today. We look forward to talking with you again after the first of the year. Thank you.

**Operator:** Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.

---



# Seacoast

BANKING CORPORATION  
OF FLORIDA

## Earnings Presentation

Q3 - 2017

Contact: (email) [Chuck.Shaffer@SeacoastBank.com](mailto:Chuck.Shaffer@SeacoastBank.com)

(phone) 772.221.7003

(web) [www.SeacoastBanking.com](http://www.SeacoastBanking.com)



## Cautionary Notice Regarding Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements about future financial and operating results, ability to realized deferred tax assets, cost savings, enhanced revenues, economic and seasonal conditions in our markets, and improvements to reported earnings that may be realized from cost controls and for integration of banks that we have acquired, as well as statements with respect to Seacoast's objectives, expectations and intentions and other statements that are not historical facts. Actual results may differ from those set forth in the forward-looking statements.

Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance or achievements of Seacoast to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You should not expect us to update any forward-looking statements.

You can identify these forward-looking statements through our use of words such as "may," "will," "anticipate," "assume," "should," "support", "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "further", "point to," "project," "could," "intend" or other similar words and expressions of the future. These forward-looking statements may not be realized due to a variety of factors, including, without limitation: the effects of future economic and market conditions, including seasonality; governmental monetary and fiscal policies, as well as legislative, tax and regulatory changes; changes in accounting policies, rules and practices; the risks of changes in interest rates on the level and composition of deposits, loan demand, liquidity and the values of loan collateral, securities, and interest sensitive assets and liabilities; interest rate risks, sensitivities and the shape of the yield curve; the effects of competition from other commercial banks,

thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in our market areas and elsewhere, including institutions operating regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the Internet; and the failure of assumptions underlying the establishment of reserves for possible loan losses. The risks of mergers and acquisitions, include, without limitation: unexpected transaction costs, including the costs of integrating operations; the risks that the businesses will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; the potential failure to fully or timely realize expected revenues and revenue synergies, including as the result of revenues following the merger being lower than expected; the risk of deposit and customer attrition; any changes in deposit mix; unexpected operating and other costs, which may differ or change from expectations; the risks of customer and employee loss and business disruption, including, without limitation, as the result of difficulties in maintaining relationships with employees; increased competitive pressures and solicitations of customers by competitors; as well as the difficulties and risks inherent with entering new markets.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2016 under "Special Cautionary Notice Regarding Forward-Looking Statements" and "Risk Factors", and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC's Internet website at <http://www.sec.gov>.

# Seacoast Bank [NASDAQ: SBCF]

Transformed Florida Bank, Benefitting from Attractive Geography, Investments in Digital Transformation and Commercial Loan Platform, and Strategic Acquisitions

Seacoast Customer Map



- \$5.3 billion in assets operating in the nation's third most-populous state
- Strong and growing presence in four of Florida's most attractive MSAs
  - Market leading presence in Orlando, Florida
  - Growing share in West Palm Beach
  - #1 share in Port St Lucie MSA
  - Growing presence in Tampa MSA
- Investing in digital transformation, innovative business banking delivery
- Growth-oriented culture, engaged associate base, strong customer advocacy
- Engaged and independent board
- Market Cap: \$1.0 billion (9/30/17)

## Seacoast's Differentiated Strategy



Expanding Analytical  
& Digital Capabilities



Comprehensive Customer  
Servicing Model



Track Record of Value-  
Creating Acquisitions



Focused on Controls



Experienced Board &  
Management Team



Well-Positioned to Benefit  
From Florida Market

## 3Q'17 Highlights

With over 100,000 households and a growing presence in Florida's most attractive markets, we have one of Florida's top-performing banking franchises.

- The third quarter earnings per share totaled \$0.32 on a GAAP basis, and \$0.35 per share on an adjusted basis<sup>1</sup>.
- Unlike prior quarters, the impact of merger-related expenses and expenses associated with branch reductions was modest, highlighting the strong momentum in growth of earnings and growth in tangible book value per share.
- Net revenue increased 21% year-over-year to \$57.2 million, net income rose 56% to \$14.2 million during the same period, adjusted net income increased 37% to \$15.1 million.
- On a GAAP basis, we ended the quarter at 1.12% ROTA, 12.4% ROTCE, and 58.9% efficiency ratio. On an adjusted basis, third quarter results were 1.16% adjusted ROTA<sup>1</sup>, 12.8% adjusted ROTCE<sup>1</sup>, and 57.7% adjusted efficiency ratio<sup>1</sup>. We are on-target to achieve our Vision 2020 goals of 1.30+% ROTA, 16%+ ROTCE, and <50.0% efficiency ratio.
- During the third quarter, the commercial banking group originated \$146 million in production, and ended the quarter with a pipeline of \$155 million, both record results.
- We received regulatory approvals on Northstar Banking Corporation and Palm Beach Community Bank during the third quarter. Northstar closed and converted on October 20, 2017 and Palm Beach Community Bank is on-track to close and consolidate in November 2017.

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

## Hurricane Irma Impact

- Late in the third quarter, the entire state of Florida was preparing for the potential impact of dangerous category 5 Hurricane Irma. This caused a full two weeks of business interruption as one week was spent on preparation and a second week on recovery. Ultimately the storm made landfall in the Florida keys as a category 4 storm and a second landfall in Marco Island in southwest Florida.
- The impact of Hurricane Irma on the quarter was approximately \$0.01 per share. Revenue was impacted in the form of waived service charges, slower activity in wealth management, and delayed closings on loans. Direct expenses totaled \$0.4 million, comprising compensation for staff working throughout the storm to ensure our customers had digital and web access at all times, remote support from our backup site in Nashville, Tennessee, and recovery expenses to bring our branch network back on-line. These direct incremental expenses were removed from the presentation of adjusted results.
- To assist our borrowers in recovering from Irma, we provided a loan deferral/extension allowing borrowers to request up to 3 payments to be deferred, effectively moving the due date out 1-3 months.
- In the days following the storm, we conducted site visits and inquiries with commercial customers throughout our markets to help assess potential recovery needs. We had direct conversations with commercial customers covering 69% of the commercial portfolio, and expect any credit-related impacts to be nominal.
- The residential mortgage pipeline ended the quarter lower; however, prequalification and application intake has stabilized post-storm.

## Net Interest Income and Margin

- Net interest income\* totaled \$45.9 million, up \$1.6 million or 4% from the prior quarter and \$8.3 million or 22% from the prior year quarter.
- Net interest margin was 3.74% in the current quarter compared to 3.84% in the prior quarter and 3.69% in the third quarter of 2016. The decrease quarter over quarter was the result of lower accretion on both securities and loans when compared to the prior quarter, as well as higher interest expense on deposits and borrowings.

### Net Interest Income and Net Interest Margin\*

(\$ in thousands)



\*Calculated on a fully taxable equivalent basis using amortized cost.

# Adjusted Noninterest Income<sup>1</sup>

- During the quarter the Company liquidated salable conforming mortgages originated from prior periods totaling \$57.7 million at a weighted average yield of 3.41%. This action was taken to manage on-balance sheet liquidity, and monetize gains given the fall in long term rates during the quarter.
- Late in the quarter, the Company purchased \$30 million investment in bank owned life insurance at a first-year tax equivalent return of 6.2%.

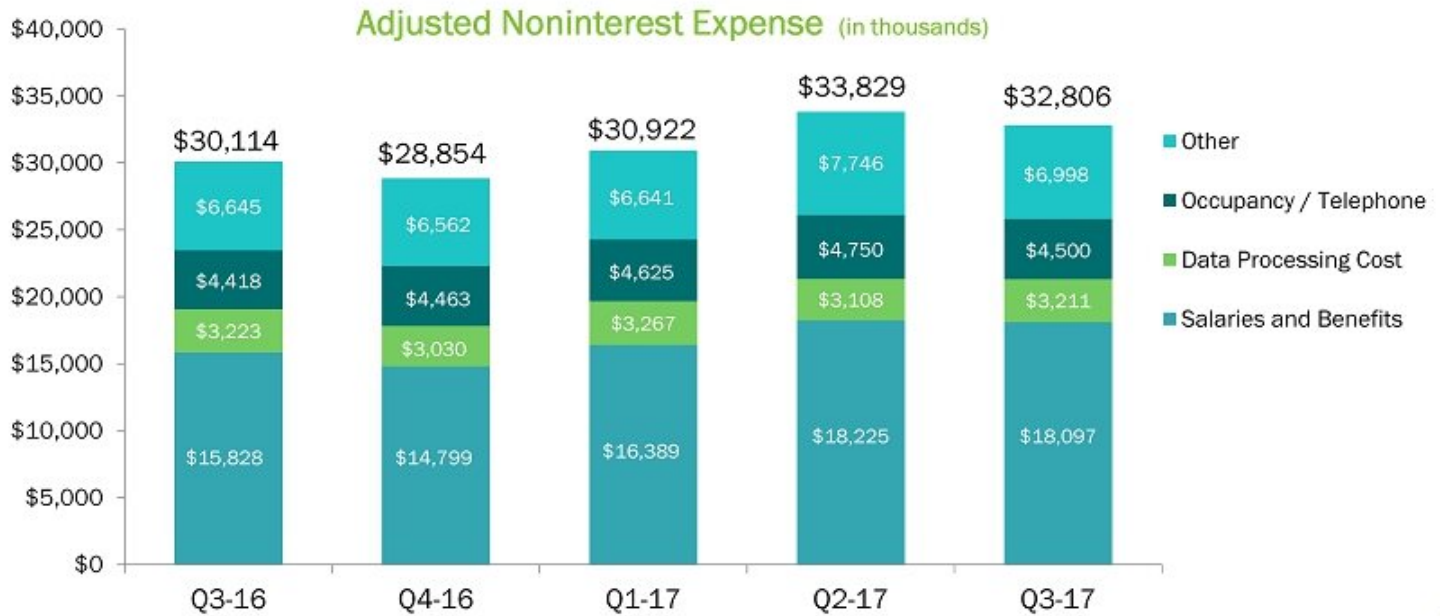
Adjusted Noninterest Income (in thousands)



<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

## Adjusted Noninterest Expense<sup>1</sup>

- As a percentage of average tangible assets, adjusted noninterest expense in the third quarter of 2017 was 2.50% compared to 2.73% for the prior quarter and 2.76% for the third quarter of 2016.
- The reduction in other expenses quarter over quarter includes a net gain on other real estate owned and repossessed assets of \$414,000 in the quarter.

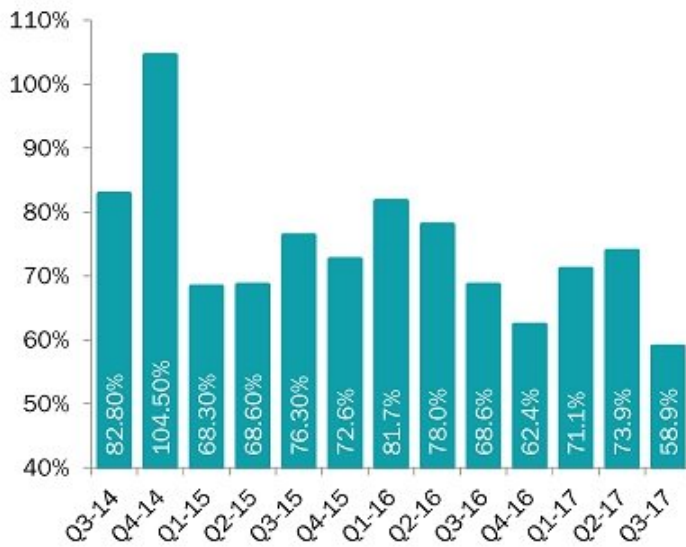


<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"  
 Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

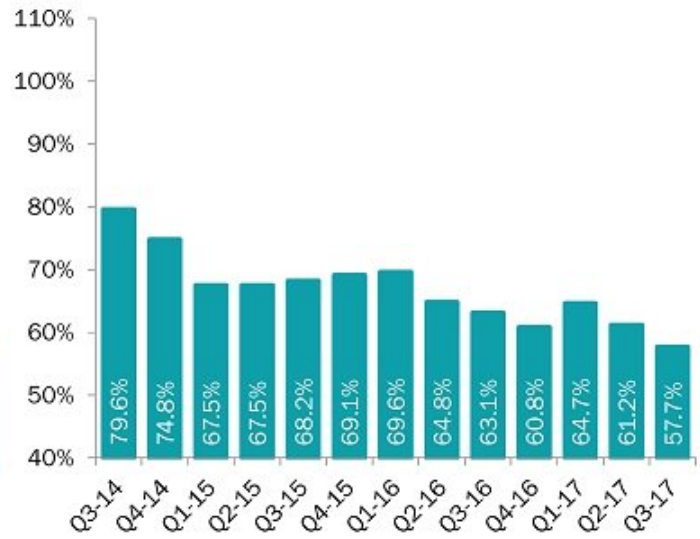
# Efficiency Ratio

• Both GAAP and Adjusted Efficiency ratios dropped into the high 50's, in line with guidance provided in prior quarters.

GAAP - Efficiency



Adjusted - Efficiency<sup>1</sup>



<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

# Loan Growth Momentum Continues, Supported by a Strong Florida Economy, and Prudent Guardrails

- Loans grew \$612 million or 22% from year-ago levels. Adjusting for acquisitions, loans grew \$365 million or 13%.
- Strong commercial production was partially offset in the quarter by the \$57.7 million sale of residential mortgages.
- Pipelines remain strong, with the commercial pipeline at a record \$155 million, residential at \$64 million, and consumer/small business at \$47 million.

Total Loans Outstanding (in millions)



## The Deposit Franchise Continues to Perform Well and Serves as a Source of Earnings Strength

- Total deposits increased 17% from the third quarter of 2016. Organic deposits grew 1% compared to one year prior. Growth across all markets was partially offset by outflow associated with public fund money market accounts. Without this outflow, organic deposit growth was 3% year over year.
- Transaction accounts represent 54% of total deposits, and have increased 14% year over year.
- Brokered time deposits totaled \$282 million at the end of the third quarter.
- Cost of deposits remains very attractive at 0.22%.

Deposit Balances (in millions)



# Credit Quality

(\$ in thousands)

## Net Charge-offs



## Nonperforming Loans



## ALLL



## Non-Acquired ALLL to Nonperforming

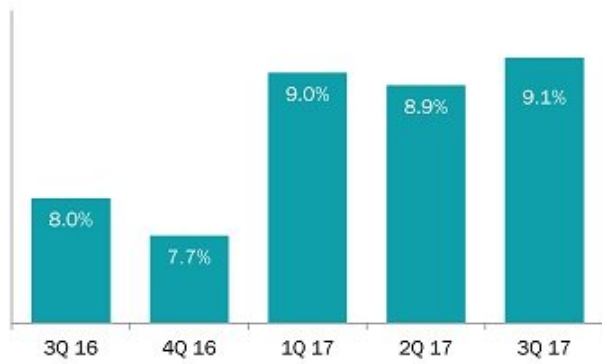


# Capital Position

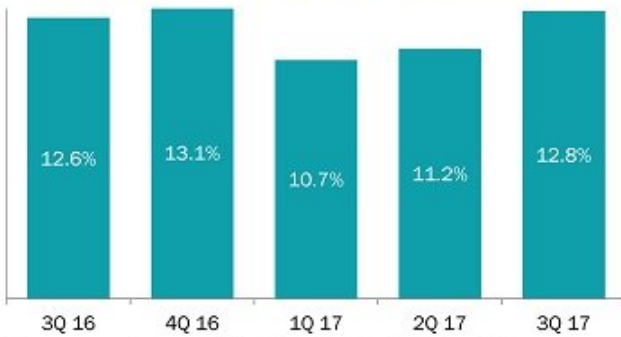
### Tangible Book Value / Book Value Per Share



### Tangible Common Equity / Tangible Assets



### Adjusted Return on Tangible Common Equity<sup>1</sup>



### Total Risk Based and Tier 1 Capital



<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"

Effective in the first quarter of 2017, adjusted net income and adjusted noninterest expense exclude the effect of amortization of acquisition-related intangibles. Prior periods have been revised to conform with the current period presentation.

## Contact Details: Seacoast Banking Corporation of Florida



### Charles M. Shaffer

Executive Vice President  
Chief Financial Officer  
(772) 221-7003

INVESTOR RELATIONS

NASDAQ: SBCF



# Seacoast

BANKING CORPORATION  
OF FLORIDA

**90**  
**YEARS**

## Explanation of Certain Unaudited Non-GAAP Financial Measures

---

This presentation contains financial information determined by methods other than Generally Accepted Accounting Principles ("GAAP"). The financial highlights provide reconciliations between GAAP net income and adjusted net income, GAAP income and adjusted pretax, preprovision income. Management uses these non-GAAP financial measures in its analysis of the Company's performance and believes these presentations provide useful supplemental information, and a clearer understanding of the Company's performance. The Company believes the non-GAAP measures enhance investors' understanding of the Company's business and performance and if not provided would be requested by the investor community.

---

These measures are also useful in understanding performance trends and facilitate comparisons with the performance of other financial institutions. The limitations associated with operating measures are the risk that persons might disagree as to the appropriateness of items comprising these measures and that different companies might calculate these measures differently. The Company provides reconciliations between GAAP and these non-GAAP measures. These disclosures should not be considered an alternative to GAAP.

## GAAP to Non-GAAP Reconciliation

(Q3 16 - Q3 17)

(Dollars in thousands except per share data)	Third Quarter: 2017	Second Quarter: 2017	First Quarter: 2017	Fourth Quarter: 2016	Third Quarter: 2016
Net income (loss)	14,216	7,676	7,926	10,771	9,133
Security Gains	47	(21)	0	(7)	(225)
<b>Total Adjustments to Revenue</b>	<b>47</b>	<b>(21)</b>	<b>0</b>	<b>(7)</b>	<b>(225)</b>
Merger related charges	491	5,081	533	561	1,699
Amortization of intangibles	839	839	719	719	728
Business continuity expenses - Hurricane Irma	352	0	0	0	0
Branch reductions and other expense initiatives	(127)	1,876	2,572	163	894
<b>Total Adjustments to Noninterest Expense</b>	<b>1,555</b>	<b>7,796</b>	<b>3,824</b>	<b>1,443</b>	<b>3,321</b>
Tax impact of adjustments	(673)	(2,786)	(1,480)	(404)	(1,166)
Adjusted Net Income	15,145	12,665	10,270	11,803	11,061
Earnings per diluted share, as reported	0.32	0.16	0.20	0.28	0.24
Adjusted earnings per diluted share	0.35	0.29	0.26	0.31	0.29
Average shares outstanding (000)	43,792	43,556	39,499	38,252	38,170
Revenue	57,183	54,644	48,070	47,354	47,437
Total Adjustments to Revenue	47	(21)	0	(7)	(225)
<b>Adjusted Revenue</b>	<b>57,230</b>	<b>54,623</b>	<b>48,070</b>	<b>47,347</b>	<b>47,212</b>
Noninterest Expense	34,361	41,625	34,746	30,297	33,435
Total Adjustments to Noninterest Expense	1,555	7,796	3,824	1,443	3,321
<b>Adjusted Noninterest Expense</b>	<b>32,806</b>	<b>33,829</b>	<b>30,922</b>	<b>28,854</b>	<b>30,114</b>
Foreclosed property expense and net (gain)/loss on sale	(298)	297	(293)	(78)	124
<b>Net Adjusted Noninterest Expense</b>	<b>33,104</b>	<b>33,532</b>	<b>31,215</b>	<b>28,932</b>	<b>29,990</b>

## GAAP to Non-GAAP Reconciliation

(Q3 16 – Q3 17)

(Dollars in thousands)	Third Quarter: 2017	Second Quarter: 2017	First Quarter: 2017	Fourth Quarter: 2016	Third Quarter: 2016
Adjusted Revenue	57,230	54,623	48,070	47,347	47,212
Impact of FTE adjustment	154	164	211	204	287
Adjusted Revenue on a fully taxable equivalent basis	57,384	54,787	48,281	47,551	47,499
Adjusted Efficiency Ratio	57.7%	61.2%	64.7%	60.8%	63.1%
Average Assets	5,316,119	5,082,002	4,699,745	4,572,188	4,420,438
Less average goodwill and intangible assets	(118,364)	(114,563)	(78,878)	(79,620)	(80,068)
Average Tangible Assets	5,197,755	4,967,439	4,620,867	4,492,568	4,340,370
Return on Average Assets (ROA)	1.06%	0.61%	0.68%	0.94%	0.82%
Impact of removing average intangible assets and related amortization	0.06%	0.05%	0.06%	0.06%	0.06%
Return on Tangible Average Assets (ROTA)	1.12%	0.66%	0.74%	1.00%	0.88%
Impact of other adjustments for Adjusted Net Income	0.04%	0.36%	0.16%	0.05%	0.13%
Adjusted Return on Average Tangible Assets	1.16%	1.02%	0.90%	1.05%	1.01%
Average Shareholders' Equity	587,919	567,448	466,847	437,077	430,410
Less average goodwill and intangible assets	(118,364)	(114,563)	(78,878)	(79,620)	(80,068)
Average Tangible Equity	469,555	452,885	387,969	357,457	350,342
Return on Average Shareholders' Equity	9.6%	5.4%	6.9%	9.8%	8.4%
Impact of removing average intangible assets and related amortization	2.8%	1.9%	1.9%	2.7%	2.5%
Return on Average Tangible Common Equity (ROTCE)	12.4%	7.3%	8.8%	12.5%	10.9%
Impact of other adjustments for Adjusted Net Income	0.4%	3.9%	1.9%	0.6%	1.7%
Adjusted Return on Average Tangible Common Equity	12.8%	11.2%	10.7%	13.1%	12.6%