

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 25, 2012

SEACOAST BANKING CORPORATION OF FLORIDA
(Exact Name of Registrant as Specified in Charter)

Florida

(State or Other Jurisdiction
of Incorporation)

1-13660

(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))

SEACOAST BANKING CORPORATION OF FLORIDA

Item 2.02 Results of Operations and Financial Condition

On October 25, 2012, the Seacoast Banking Corporation of Florida (“Seacoast” or the “Company”) announced its financial results for the third quarter ended September 30, 2012.

A copy of the press release announcing Seacoast’s results for the third quarter ended September 30, 2012 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On October 26, 2012, Seacoast held an investor conference call to discuss its financial results for the third quarter ended September 30, 2012. 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) 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, 2012, 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

Exhibit No.	Description
99.1	Press Release dated October 25, 2012 with respect to Seacoast's financial results for the third quarter ended September 30, 2012
99.2	Transcript of Seacoast's investor conference call held on October 26, 2012 to discuss the Company's financial results for the third quarter ended September 30, 2012
99.3	Data on website containing information used in the conference call held on October 26, 2012

Exhibits 99.1, 99.2 and 99.3 referenced herein contain "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/A for the year ended December 31, 2011 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 30, 2012

By: /s/ William R. Hahl

William R. Hahl

Executive Vice President and Chief Financial Officer

NEWS RELEASE

SEACOAST BANKING CORPORATION OF FLORIDA

Dennis S. Hudson, III
Chairman and Chief Executive Officer
Seacoast Banking Corporation of Florida
(772) 288-6085

William R. Hahl
Executive Vice President/
Chief Financial Officer
(772) 221-2825

**SEACOAST REPORTS IMPROVEMENTS FOR
THE THIRD QUARTER**

Continued acceleration in new households, deposit and fee income growth

- **Total households increase 6.3 percent year over year**
- **Strong growth in noninterest bearing deposits of 26.2 percent over prior year**
- **Fee based revenues up 20.7 percent year over year**

Credit quality improvements continue in the quarter

- **Nonperforming loans decline by 8.3 percent compared to last quarter**
- **Other real estate owned down 62.5 percent compared to 2011**

Profitability improvement plan announced

- **Core costs down \$727,000 versus second quarter 2012**
- **Targeting \$7.4 million in cost reduction in 2013**

STUART, FL., October 25, 2012 – Seacoast Banking Corporation of Florida (NASDAQ-NMS: SBCF), today reported net income for the third quarter of 2012 totaling \$447,000, compared to net income of \$2,648,000 for the third quarter a year ago. The net loss for the first nine months of 2012 totaled \$950,000, compared to net income of \$4,119,000 for 2011.

The net loss that is available to Common shareholders for the third quarter and year to date 2012 totaled \$490,000, or \$0.01 diluted earnings per share (DEPS) and \$3,761,000, or \$0.04 DEPS, respectively, compared to net income of \$0.02 DEPS and \$0.01 DEPS a year ago for the same periods, respectively.

For the first nine months of 2012, net income was impacted by our decision earlier in the year to accelerate the reduction of problem loans and foreclosed properties. We took this action in part to take advantage of recent improvements in market conditions. Foreclosed properties were reduced 62.5 percent over the prior year. Compared to last quarter, nonperforming loans were reduced by 8.3 percent, and are expected to continue to decline over the next two quarters. Loans classified as restructured fell by 39.3 percent when compared with the prior year and are expected to continue to decline. Net income for the current quarter was also impacted by nonrecurring charges associated with branch consolidations, staff reductions and other cost reductions as part of our plan to restore higher levels of profitability in 2013. We expect to book additional one-time charges totaling approximately \$1.0 million in the fourth quarter related to branch consolidations.

Profitability Improvement Plan for 2013

During the quarter we completed and began implementing a focused plan to improve profitability in 2013 and beyond. The plan contains over 100 separate elements designed to achieve meaningful improvements through a balanced focus on expense reductions and revenue enhancements. Each element aligns with our core strategy and value proposition and has been carefully designed to support and enhance our successful growth initiatives.

As part of our profitability improvement plan, we completed an evaluation of our overhead structure, and are in the process of implementing reductions in expenses expected to total \$7.4 million in 2013. Approximately \$4.9 million of the reduction is related to core operating expenses of which \$3.3 million have been implemented and will fully impact the first quarter of 2013. An additional \$1.7 million in reduced annual core operating costs are expected to be implemented in the first and second quarters of 2013. In addition, we project noncore credit related expenses, primarily losses on OREO and asset disposition expense, will be reduced by \$2.5 million in 2013.

The plan also includes revenue and growth initiatives in response to improving market conditions. These include making additional investments in people to increase our lending capacity in our commercial and business banking lines and expanding growth initiatives related to our mortgage business. These investments are expected to support an acceleration of our loan production in 2013. Our successful retail and business deposit growth initiatives have also been expanded to help drive further increases in our households, margins and fees.

“We intend to bring our expense structure back into line with better performing peers in 2013 as our credit costs continue to abate and as our core expense reductions and expanded revenue growth initiatives take hold,” said Dennis S. Hudson, Chief Executive Officer. “We are pleased with our execution success to date around our growth initiatives as evidenced by our expanding households, acceleration of our mortgage production and recent improvements in business and commercial loan production. We intend to leverage this success with our profit improvement plan to create greater value for shareholders in 2013.”

Total revenues, excluding securities gains, net increased 7.6 percent annualized on a linked quarter basis as a result of improving deposit related fee income, improved deposit mix from the Company's retail and small business deposit growth initiatives, and increased mortgage banking fees from improvements in residential loan production. Total revenues for the first nine months this year are up \$1.1 million compared to the prior year.

<i>(Dollars in thousands)</i>	2012 Third Quarter	2011 Third Quarter	Percent Change
Customer Relationship Funding (Period End)			
Demand deposits (noninterest bearing)	\$ 409,145	\$ 324,256	26.2%
NOW	420,477	391,318	7.5
Money market accounts	348,275	327,654	6.3
Savings accounts	158,208	128,543	23.1
Time certificates of deposit	343,361	489,503	(29.9)
Total Deposits	1,679,466	1,661,274	1.1
Sweep repurchase agreements	122,393	106,562	14.9
Total core customer funding (1)	1,458,498	1,278,333	14.1

(1) Total deposits and sweep repurchase agreements, excluding certificates of deposits.

Retail and business household growth has improved as a result of the Company's growth initiatives and resources added over the past nine months to attract new commercial loan and business deposit accounts. New household acquisition was strong again during the third quarter 2012. New personal retail checking relationships opened during the quarter rose 10.4 percent compared to the same quarter in 2011. Likewise, new commercial business checking deposit relationships opened increased by 8.7 percent compared with the same quarter one year ago. Along with the new relationships, our programs have improved market share, increased average services per household and improved customer retention.

Since initial implementation of our retail growth initiatives in 2009, new retail checking deposit households and the average services per household have increased 53.9 percent and 20.5 percent, respectively. The program has produced significant growth in deposit related fee income, which has increased at an 8.7 percent compounded growth rate since the third quarter of 2010. The program has also significantly improved deposit mix and lowered the cost of deposits.

Our focused plan to develop our deposit franchise and deepen our residential mortgage production capacity has produced double digit revenue growth in retail fees, mortgage fees and no cost deposits. These investments in revenue growth and franchise development together, with new investments in business and commercial revenue growth initiatives, have positioned us to benefit from the improving housing market and economic conditions, which will help offset the negative impacts of much lower asset yields as a result of the Federal Reserve's actions.

Other results for third quarter 2012:

- Total revenues (excluding securities gains, net) increased \$405,000 linked-quarter to \$21.6 million, an increase of 7.6 percent annualized.
- Service charges on deposits accounts increased 8.9 percent linked-quarter as a result of 7,453 new households over the first nine months, up 20.0 percent compared to last year.
- Interchange income for the quarter totaled \$1,119,000, up \$150,000 or 15.5 percent compared to the prior year's results, reflecting the growth in new deposit accounts.
- Mortgage banking revenues grew as a result of expanded capacity and focused growth initiatives increasing year-over-year by \$599,000 or 107.7 percent to \$1,155,000 for the quarter.
- Average checking and savings deposits grew 13.5 percent over the past year.
- Noninterest bearing checking balances totaled 23.5 percent of average deposits for the third quarter compared with 19.3 percent the prior year. Noninterest bearing checking balances grew by 26.2 percent over the past year.
- Total deposits, excluding time deposits over \$100,000 and brokered deposits, comprise 91.0 percent of deposits versus 86.0 percent a year ago. Core deposits grew by 14.0 percent over the past year.
- Average cost of deposits totaled 0.26 percent, down 11 basis points from the second quarter of 2012 and 39 basis points lower compared to the prior year.

Average earning assets are up \$54 million from the prior year with average loans up \$26 million on retained loan production of \$261 million over the last twelve months. Over the last nine months, retained loan production totaled \$198 million. New loan growth has been concentrated in smaller average balance commercial loans and residential home purchase transactions consistent with our concentration management objectives. Offsetting loan growth has been nonperforming loan resolutions, refinancing and early payoffs as a result of the low rate environment. Total loans declined to \$1.202 billion at September 30, 2012, down \$18.9 million compared to the prior quarter impacted by lower nonperforming loans (\$4.0 million) and early payoffs of larger commercial loans (\$19.7 million). Early commercial real estate loan payoffs totaled \$16.9 million for the third quarter with the average loan size of \$4.2 million, further reducing our overall concentration and credit concentration risks. Total loans (including available for sale) outstanding increased by \$15.1 million year-over-year.

The allowance for loan losses remains strong at 1.92 percent compared with 2.02 percent the prior quarter and 2.35 percent the prior year. The provision for loan losses year to date totals \$9.7 million compared to net charge offs of \$12.1 million for the first nine months of 2012 and \$10.9 million for 2011.

Nonperforming assets totaled \$53.3 million at quarter end, down \$3.0 million and \$2.4 million compared to both a year earlier and last quarter, respectively. OREO declined \$14.8 million compared to the third quarter 2011 and is the result of improving valuations allowing for more aggressive OREO liquidation activities. Nonaccrual loans and accruing loans delinquent 90 days or more fell from second quarter 2012 to 3.70 percent of loans. Early stage delinquencies (accruing loans 30–89 days past due) remained nominal at 0.29 percent of loans outstanding.

Salary wages and benefits, excluding severance, are higher compared to the prior year's third quarter due to incentive compensation related to improved revenue growth discussed above, and higher health care costs. Total core operating expenses (total noninterest expense excluding severance, organizational changes, branch closures, net losses on OREO and asset disposition expenses) totaled \$18.8 million for the quarter, down \$727,000 from the second quarter 2012, but higher by \$1.2 million compared to the third quarter 2011. Organizational changes and branch closures completed during the third quarter are expected to reduce core operating expenses further in 2013.

<i>(Dollars in thousands)</i>	Q-3 2012	Q-2 2012	Q-1 2012	Q-4 2011	Q-3 2011
Noninterest Expense:					
Salaries and wages	\$ 7,442	\$ 7,435	\$ 7,055	\$ 7,301	\$ 6,902
Employee benefits	1,924	1,916	2,010	1,447	1,391
Outsourced data processing costs	1,923	1,834	1,721	1,677	1,685
Telephone / data lines	299	297	289	285	286
Occupancy expense	1,876	1,943	1,882	1,795	1,967
Furniture and equipment expense	556	607	495	525	555
Marketing expense	785	677	926	947	551
Legal and professional fees	1,122	1,637	1,776	1,299	1,496
FDIC assessments	695	707	706	679	687
Amortization of intangibles	196	196	201	212	211
Other	2,018	2,314	2,163	2,264	1,947
Total Core Operating Expense	18,836	19,563	19,224	18,431	17,678
Severance and organizational changes	839	0	0	0	0
Branch consolidation	232	0	0	0	0
Recovery of prior legal fees	(500)	0	0	0	0
Net loss on OREO	561	790	1,959	1,254	906
Asset dispositions expense	364	368	527	275	479
Total	\$ 20,332	\$ 20,721	\$ 21,710	\$ 19,960	\$ 19,063

Noninterest income, excluding securities gains and losses, increased 35.3 percent annualized when compared to the second quarter, reflecting increased revenues from service charges on deposit accounts, marine finance fees, merchant income, and mortgage banking fees. As previously indicated, the improvement in market share and programs to grow retail and commercial customer households and investments in future revenue growth initiatives is beginning to produce increased revenues. We are seeing improvements across our business lines and expect increased momentum beginning in the first quarter 2013.

<i>(Dollars in thousands)</i>	Q-3 2012	Q-2 2012	Q-1 2012	Q-4 2011	Q-3 2011
Noninterest Income:					
Service charges on deposit accounts	\$ 1,620	\$ 1,487	\$ 1,461	\$ 1,599	\$ 1,675
Trust income	550	564	573	530	541
Mortgage banking fees	1,155	902	623	680	556
Brokerage commissions and fees	247	298	234	258	321
Marine finance fees	279	244	330	333	229
Interchange income	1,119	1,154	1,071	953	969
Other deposit based EFT fees	70	84	99	78	71
Other	639	486	546	452	344
	5,679	5,219	4,937	4,883	4,706
Securities gains, net	48	3,615	3,374	1,083	137
Total	\$ 5,727	\$ 8,834	\$ 8,311	\$ 5,966	\$ 4,843

The net interest margin stabilized at 3.17 percent in the third quarter 2012 the same compared to the second quarter of 2012 as a result of lower on balance sheet liquidity, better deposit mix and lower costs for interest bearing liabilities. Interest bearing deposit costs decreased 12 basis points to 0.35 percent in the third quarter 2012 and the total cost of interest bearing liabilities decreased from 0.59 percent for the second quarter to 0.49 percent in the third quarter. The mix in deposits continues to improve as new households are on-boarded with average checking and savings deposits (excluding all time deposits) rising to 78.7 percent of deposits from 69.5 percent a year ago. Checking and savings deposits averaged \$1.321 billion for the third quarter of 2012, up \$157 million or 13.5 percent compared to third quarter 2011. Total average deposits increased \$4.5 million over the year to \$1.680 billion with a \$152 million decline in average time deposits attributable to the planned runoff of brokered and single service time deposit customers.

The Company will host a conference call on Friday, October 26, 2012 at 9:00 a.m. (Eastern Time) to discuss its earnings results and business trends. Investors may call in (toll-free) by dialing (888) 517-2458 (access code: 6117222; leader: Dennis S. Hudson). Charts will be used during the conference call and may be accessed at the Company's website at www.seacoastbanking.net by selecting *Presentations* under the heading *Investor Services*. A replay of the conference call will be available beginning the afternoon of October 26 by dialing (888) 843-7419 (domestic), using the passcode 6117222.

Alternatively, individuals may listen to the live webcast of the presentation by visiting the Company's website at www.seacoastbanking.net. The link to the live audio webcast is located in the subsection *Presentations* under the heading *Investor Relations*. Beginning the afternoon of October 26, 2012, an archived version of the webcast can be accessed from this same subsection of the website. This webcast will be archived and available for one year.

Seacoast Banking Corporation of Florida has approximately \$2.1 billion in assets. It is one of the largest independent commercial banking organizations in Florida, headquartered on Florida's Treasure Coast, one of the wealthiest and fastest growing areas in the nation.

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, 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 .

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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, 2011 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

<i>(Dollars in thousands, except share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Summary of Earnings				
Net income (loss)	\$ 447	\$ 2,648	\$ (950)	\$ 4,119
Net income (loss) available to common shareholders	(490)	1,711	(3,761)	1,308
Net interest income (1)	15,995	16,925	48,736	50,039
Performance Ratios				
Return on average assets-GAAP basis (2), (3)	0.08%	0.51%	(0.06)%	0.27%
Return on average tangible assets (2), (3), (4)	0.11	0.54	(0.04)	0.30
Return on average shareholders' equity-GAAP basis (2), (3)	1.09	6.33	(0.76)	3.32
Net interest margin (1), (2)	3.17	3.44	3.22	3.43
Per Share Data				
Net income (loss) diluted-GAAP basis	\$ (0.01)	\$ 0.02	\$ (0.04)	\$ 0.01
Net income (loss) basic-GAAP basis	(0.01)	0.02	(0.04)	0.01
Cash dividends declared	0.00	0.00	0.00	0.00
		September 30,		Increase/ (Decrease)
	2012	2011		
Credit Analysis				
Net charge-offs year-to-date	\$ 12,106	\$ 10,885		11.2%
Net charge-offs to average loans	1.32%	1.19%		10.9
Loan loss provision year-to-date	\$ 9,660	\$ 1,542		526.4
Allowance to loans at end of period	1.92%	2.35%		(18.3)
Nonperforming loans	\$ 44,450	\$ 32,627		36.2
Other real estate owned	8,888	23,702		(62.5)
Total non-performing assets	\$ 53,338	\$ 56,329		(5.3)
Restructured loans (accruing)	\$ 44,179	\$ 72,751		(39.3)
Nonperforming assets to loans and other real estate owned at end of period	4.40%	4.57%		(3.7)
Nonperforming assets to total assets	2.56%	2.75%		(6.9)
Selected Financial Data				
Total assets	\$ 2,081,693	\$ 2,051,037		1.5
Securities available for sale (at fair value)	588,248	611,195		(3.8)
Securities held for investment (at amortized cost)	15,556	24,575		(36.7)
Net loans	1,179,359	1,180,147		(0.1)
Deposits	1,679,466	1,661,274		1.1
Total shareholders' equity	167,209	170,793		(2.1)
Common shareholders' equity	118,775	123,608		(3.9)
Book value per share common	1.25	1.31		(4.6)
Tangible book value per share	1.75	1.78		(1.7)
Tangible common book value per share (5)	1.23	1.28		(3.9)
Average shareholders' equity to average assets	7.84%	8.06%		(2.7)
Tangible common equity to tangible assets (5), (6)	5.63	5.91		(4.7)
Average Balances (Year-to-Date)				
Total assets	\$ 2,118,784	\$ 2,056,344		3.0
Less: intangible assets	1,988	2,814		(29.4)
Total average tangible assets	\$ 2,116,796	\$ 2,053,530		3.1

Total equity	\$	166,066	\$	165,781	0.2
Less: intangible assets		1,988		2,814	(29.4)
Total average tangible equity	\$	<u>164,078</u>	\$	<u>162,967</u>	0.7

- (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 calculation of ROA and ROE do not include the mark-to-market unrealized gains (losses) because the unrealized gains (losses) are not included in net income (loss).
- (4) The Company believes that return on average assets and equity excluding the impacts of noncash amortization expense on intangible assets is a better measurement of the Company's trend in earnings growth.
- (5) The Company defines tangible common equity as total shareholders equity less preferred stock and intangible assets.
- (6) The ratio of tangible common equity to tangible assets is a non-GAAP ratio used by the investment community to measure capital adequacy.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest on securities:				
Taxable	\$ 3,190	\$ 4,750	\$ 10,834	\$ 13,001
Nontaxable	21	38	68	123
Interest and fees on loans	14,371	15,315	43,852	47,004
Interest on federal funds sold and other investments	243	175	727	606
Total Interest Income	17,825	20,278	55,481	60,734
Interest on deposits	380	605	1,247	1,840
Interest on time certificates	738	2,134	3,371	6,789
Interest on borrowed money	755	671	2,262	2,240
Total Interest Expense	1,873	3,410	6,880	10,869
Net Interest Income	15,952	16,868	48,601	49,865
Provision for loan losses	900	(0)	9,660	1,542
Net Interest Income After Provision for Loan Losses	15,052	16,868	38,941	48,323
Noninterest income:				
Service charges on deposit accounts	1,620	1,675	4,568	4,663
Trust income	550	541	1,687	1,581
Mortgage banking fees	1,155	556	2,680	1,460
Brokerage commissions and fees	247	321	779	864
Marine finance fees	279	229	853	876
Interchange income	1,119	969	3,344	2,855
Other deposit based EFT fees	70	71	253	240
Other	639	344	1,671	923
	5,679	4,706	15,835	13,462
Securities gains, net	48	137	7,037	137
Total Noninterest Income	5,727	4,843	22,872	13,599
Noninterest expenses:				
Salaries and wages	8,103	6,902	22,593	19,987
Employee benefits	1,924	1,391	5,850	4,428
Outsourced data processing costs	1,923	1,685	5,478	4,906
Telephone / data lines	299	286	885	894
Occupancy	2,080	1,967	5,905	5,832
Furniture and equipment	570	555	1,672	1,766
Marketing	785	551	2,388	1,970
Legal and professional fees	714	1,496	4,127	4,838
FDIC assessments	695	687	2,108	2,334
Amortization of intangibles	196	211	593	635
Asset dispositions expense	364	479	1,259	2,006
Net loss on other real estate owned and repossessed assets	561	906	3,310	2,497
Other	2,118	1,947	6,595	5,710
Total Noninterest Expenses	20,332	19,063	62,763	57,803
Income (Loss) Before Income Taxes	447	2,648	(950)	4,119
Provision for income taxes	0	0	0	0
Net Income (Loss)	447	2,648	(950)	4,119
Preferred stock dividends and accretion on preferred stock discount	937	937	2,811	2,811
Net Income (Loss) Available to Common Shareholders	\$ (490)	\$ 1,711	\$ (3,761)	\$ 1,308

Per share of common stock:

Net income (loss) diluted	\$	(0.01)	\$	0.02	\$	(0.04)	\$	0.01
Net income (loss) basic		(0.01)		0.02		(0.04)		0.01
Cash dividends declared		0.00		0.00		0.00		0.00
Average diluted shares outstanding		94,567,327		93,878,199		94,471,866		93,611,223
Average basic shares outstanding		93,777,662		93,524,950		93,688,003		93,492,180

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands, except share data)</i>	September 30, 2012	December 31, 2011	September 30, 2011
Assets			
Cash and due from banks	\$ 30,935	\$ 41,136	\$ 29,307
Interest bearing deposits with other banks	141,783	125,945	87,578
Total Cash and Cash Equivalents	172,718	167,081	116,885
Securities:			
Available for sale (at fair value)	588,248	648,362	611,195
Held for investment (at amortized cost)	15,556	19,977	24,575
Total Securities	603,804	668,339	635,770
Loans available for sale	28,042	6,795	6,897
Loans, net of deferred costs	1,202,478	1,208,074	1,208,548
Less: Allowance for loan losses	(23,119)	(25,565)	(28,401)
Net Loans	1,179,359	1,182,509	1,180,147
Bank premises and equipment, net	34,884	34,227	34,599
Other real estate owned	8,888	20,946	23,702
Other intangible assets	1,697	2,289	2,501
Other assets	52,301	55,189	50,536
	\$ 2,081,693	\$ 2,137,375	\$ 2,051,037
Liabilities and Shareholders' Equity			
Liabilities			
Deposits			
Demand deposits (noninterest bearing)	\$ 409,145	\$ 328,356	\$ 324,256
NOW	420,477	469,631	391,318
Savings deposits	158,208	133,578	128,543
Money market accounts	348,275	319,152	327,654
Other time certificates	192,297	244,886	257,486
Brokered time certificates	8,429	4,558	5,252
Time certificates of \$100,000 or more	142,635	218,580	226,765
Total Deposits	1,679,466	1,718,741	1,661,274
Federal funds purchased and securities sold under agreements to repurchase, maturing within 30 days	122,393	136,252	106,562
Borrowed funds	50,000	50,000	50,000
Subordinated debt	53,610	53,610	53,610
Other liabilities	9,015	8,695	8,798
	1,914,484	1,967,298	1,880,244
Shareholders' Equity			
Preferred stock - Series A	48,434	47,497	47,185
Common stock	9,481	9,469	9,470
Additional paid in capital	222,744	222,048	221,797
Accumulated deficit	(117,914)	(114,152)	(115,764)
Treasury stock	(101)	(13)	(6)
	162,644	164,849	162,682
Accumulated other comprehensive gain, net	4,565	5,228	8,111
Total Shareholders' Equity	167,209	170,077	170,793
	\$ 2,081,693	\$ 2,137,375	\$ 2,051,037
Common Shares Outstanding	94,810,684	94,686,801	94,696,906

Note: The balance sheet at December 31, 2011 has been derived from the audited financial statements at that date.

CONSOLIDATED QUARTERLY FINANCIAL DATA

(Unaudited)

<i>(Dollars in thousands, except per share data)</i>	QUARTERS				Last 12 Months
	2012			2011	
	Third	Second	First	Fourth	
Net income	\$ 447	\$ (2,335)	\$ 938	\$ 2,548	\$ 1,598
Operating Ratios					
Return on average assets-GAAP basis (2),(3)	0.08%	(0.44)%	0.18%	0.48%	0.08%
Return on average tangible assets (2),(3),(4)	0.11	(0.42)	0.20	0.51	0.10
Return on average shareholders' equity-GAAP basis (2),(3)	1.09	(5.56)	2.26	6.17	0.97
Net interest margin (1),(2)	3.17	3.17	3.33	3.42	3.27
Average equity to average assets	7.77	7.90	7.85	7.86	7.84
Credit Analysis					
Net charge-offs	\$ 2,416	\$ 6,275	\$ 3,415	\$ 3,268	\$ 15,374
Net charge-offs to average loans	0.79%	2.05%	1.13%	1.07%	1.26%
Loan loss provision	\$ 900	\$ 6,455	\$ 2,305	\$ 432	\$ 10,092
Allowance to loans at end of period	1.92%	2.02%	2.01%	2.12%	
Restructured loans (accruing)	\$ 44,179	54,842	57,665	71,611	
Nonperforming loans	\$ 44,450	48,482	41,716	28,526	
Other real estate owned	8,888	7,219	15,530	20,946	
Nonperforming assets	\$ 53,338	\$ 55,701	\$ 57,246	\$ 49,472	
Nonperforming assets to loans and other real estate owned at end of period	4.40%	4.53%	4.65%	4.03%	
Nonperforming assets to total assets	2.56	2.64	2.64	2.31	
Nonaccrual loans and accruing loans 90 days or more past due to loans outstanding at end of period	3.70	3.97	3.43	2.36	
Per Share Common Stock					
Net income (loss) diluted-GAAP basis	\$ (0.01)	\$ (0.03)	\$ 0.00	\$ 0.02	\$ (0.02)
Net income (loss) basic-GAAP basis	(0.01)	(0.03)	0.00	0.02	(0.02)
Cash dividends declared	—	—	—	—	\$ —
Book value per share common	1.25	1.24	1.30	1.29	
Average Balances					
Total assets	\$ 2,096,694	\$ 2,133,713	\$ 2,126,186	\$ 2,085,466	
Less: Intangible assets	1,793	1,988	2,184	2,392	
Total average tangible assets	\$ 2,094,901	\$ 2,131,725	\$ 2,124,002	\$ 2,083,074	
Total equity	\$ 162,902	\$ 168,457	\$ 166,874	\$ 163,857	
Less: Intangible assets	1,793	1,988	2,184	2,392	
Total average tangible equity	\$ 161,109	\$ 166,469	\$ 164,690	\$ 161,465	

(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 calculation of ROA and ROE do not include the mark-to-market unrealized gains (losses), because the unrealized gains (losses) are not included in net income (loss).

(4) The Company believes that return on average assets and equity excluding the impacts of noncash amortization expense on intangible assets is a better measurement of the Company's trend in earnings growth.

SECURITIES	September 30, 2012	December 31, 2011	September 30, 2011
U.S. Treasury and U.S. Government Agencies	\$ 1,711	\$ 1,724	\$ 4,226
Mortgage-backed	585,632	645,471	603,089
Obligations of states and political subdivisions	905	1,167	1,158

Other securities	0	0	2,722
Securities Available for Sale	<u>588,248</u>	<u>648,362</u>	<u>611,195</u>
Mortgage-backed	7,397	12,315	16,117
Obligations of states and political subdivisions	6,659	6,662	7,458
Other securities	1,500	1,000	1,000
Securities Held for Investment	<u>15,556</u>	<u>19,977</u>	<u>24,575</u>
Total Securities	<u>\$ 603,804</u>	<u>\$ 668,339</u>	<u>\$ 635,770</u>

LOANS	September 30, 2012	December 31, 2011	September 30, 2011
Construction and land development	\$ 56,213	\$ 49,184	\$ 47,653
Real estate mortgage	1,036,224	1,054,599	1,055,276
Installment loans to individuals	51,564	50,611	51,736
Commercial and financial	58,222	53,105	53,534
Other loans	255	575	349
Total Loans	<u>\$ 1,202,478</u>	<u>\$ 1,208,074</u>	<u>\$ 1,208,548</u>

AVERAGE BALANCES, YIELDS AND RATES ⁽¹⁾

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands)</i>	2012				2011	
	Third Quarter		Second Quarter		Third Quarter	
	Average Balance	Yield/Rate	Average Balance	Yield/Rate	Average Balance	Yield/Rate
Assets						
Earning assets:						
Securities:						
Taxable	\$ 572,328	2.23%	\$ 552,501	2.40%	\$ 624,811	3.04%
Nontaxable	1,972	6.48	2,055	6.81	3,392	6.72
Total Securities	574,300	2.24	554,556	2.41	628,203	3.06
Federal funds sold and other investments	209,461	0.46	248,944	0.43	127,072	0.54
Loans, net	1,223,313	4.68	1,231,239	4.81	1,197,686	5.09
Total Earning Assets	2,007,074	3.54	2,034,739	3.63	1,952,961	4.13
Allowance for loan losses	(24,807)		(23,677)		(30,666)	
Cash and due from banks	29,227		31,795		27,044	
Premises and equipment	35,003		34,197		34,782	
Other assets	50,197		56,659		70,735	
	\$2,096,694		\$2,133,713		\$2,054,856	
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
NOW (2)	\$ 419,007	0.15%	\$ 423,240	0.16%	\$ 394,399	0.24%
Savings deposits	157,577	0.11	152,333	0.10	126,800	0.11
Money market accounts (2)	350,213	0.21	336,392	0.26	320,683	0.41
Time deposits	358,504	0.82	406,292	1.12	510,755	1.66
Federal funds purchased and other short term borrowings	140,932	0.24	146,510	0.25	99,311	0.27
Other borrowings	103,610	2.57	103,610	2.55	103,610	2.31
Total Interest-Bearing Liabilities	1,529,843	0.49	1,568,377	0.59	1,555,558	0.87
Demand deposits (noninterest-bearing)	394,467		388,060		322,646	
Other liabilities	9,482		8,819		10,807	
Total Liabilities	1,933,792		1,965,256		1,889,011	
Shareholders' equity	162,902		168,457		165,845	
	\$2,096,694		\$2,133,713		\$2,054,856	
Interest expense as a % of earning assets		0.37%		0.45%		0.69%
Net interest income as a % of earning assets		3.17		3.17		3.44

(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.

(2) Certain reclassifications have been made to prior years' presentations to conform to the current year presentation.

CONSOLIDATED QUARTERLY FINANCIAL DATA (Unaudited)*SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES*

<i>(Dollars in thousands)</i>	2012			2011	
	<u>Third Quarter</u>	<u>Second Quarter</u>	<u>First Quarter</u>	<u>Fourth Quarter</u>	<u>Third Quarter</u>
Customer Relationship Funding (Period End)					
Demand deposits (noninterest bearing)	\$ 409,145	\$ 393,681	\$ 394,532	\$ 328,356	\$ 324,256
NOW accounts	420,477	420,449	436,712	469,631	391,318
Money market accounts	348,275	346,191	330,409	319,152	327,654
Savings accounts	158,208	156,019	148,068	133,578	128,543
Time certificates of deposit	343,361	373,244	427,738	468,024	489,503
Total Deposits	1,679,466	1,689,584	1,737,459	1,718,741	1,661,274
Sweep repurchase agreements	122,393	139,489	149,316	136,252	106,562
Total core customer funding (1)	1,458,498	1,455,829	1,459,037	1,386,969	1,278,333

(1) Total deposits and sweep repurchase agreements, excluding certificates of deposits.

QUARTERLY TRENDS - LOANS AT END OF PERIOD (Dollars in Millions) (Unaudited)**SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES**

	2011				2012		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr
Construction and land development							
Residential							
Condominiums	\$ 0.5	\$ -	\$ -	-	\$ -	\$ -	\$ -
Townhomes	-	-	-	-	-	-	-
Single family residences	-	-	-	-	-	-	-
Single family land and lots	6.6	6.5	6.4	6.2	6.0	5.9	5.8
Multifamily	6.1	5.7	5.5	5.1	4.9	4.7	4.6
	<u>13.2</u>	<u>12.2</u>	<u>11.9</u>	<u>11.3</u>	<u>10.9</u>	<u>10.6</u>	<u>10.4</u>
Commercial							
Office buildings	-	-	-	0.2	0.3	-	-
Retail trade	-	-	-	-	-	-	-
Land	33.9	10.3	10.2	9.3	9.2	10.7	9.8
Industrial	-	-	-	-	-	-	-
Healthcare	-	-	-	-	-	-	-
Churches and educational facilities	-	-	-	0.1	0.3	0.3	0.7
Lodging	-	-	-	-	-	-	-
Convenience stores	0.5	0.6	0.6	1.7	1.4	1.4	-
Marina	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>34.4</u>	<u>10.9</u>	<u>10.8</u>	<u>11.3</u>	<u>11.2</u>	<u>12.4</u>	<u>10.5</u>
Individuals							
Lot loans	20.8	19.4	18.6	17.9	18.4	17.6	16.4
Construction	7.3	6.7	6.4	8.7	13.5	16.6	18.9
	<u>28.1</u>	<u>26.1</u>	<u>25.0</u>	<u>26.6</u>	<u>31.9</u>	<u>34.2</u>	<u>35.3</u>
Total construction and land development	75.7	49.2	47.7	49.2	54.0	57.2	56.2
Real estate mortgages							
Residential real estate							
Adjustable	308.6	314.3	324.4	334.1	341.6	359.4	353.7
Fixed rate	86.6	88.8	92.8	97.0	96.2	95.4	99.7
Home equity mortgages	67.7	63.1	63.6	60.2	59.5	58.3	58.4
Home equity lines	57.4	56.9	55.1	54.9	53.0	50.8	50.6
	<u>520.3</u>	<u>523.1</u>	<u>535.9</u>	<u>546.2</u>	<u>550.3</u>	<u>563.9</u>	<u>562.4</u>
Commercial real estate							
Office buildings	121.3	120.0	122.0	119.6	118.0	113.4	102.4
Retail trade	150.6	149.6	146.1	140.6	139.3	128.5	121.1
Industrial	76.3	68.5	72.5	70.7	70.0	72.0	71.3
Healthcare	26.6	26.3	29.6	38.8	40.2	42.0	35.8
Churches and educational facilities	28.6	28.2	27.8	27.4	27.0	26.7	26.2
Recreation	2.8	2.8	2.7	3.2	3.1	3.1	2.7
Multifamily	14.2	16.8	15.4	9.4	8.8	8.3	7.8
Mobile home parks	2.5	2.4	2.2	2.2	2.1	2.1	2.1
Lodging	21.7	20.0	19.8	19.6	19.4	19.3	19.1
Restaurant	4.2	4.3	4.3	4.7	4.6	4.7	4.4
Agricultural	9.2	9.2	8.9	8.8	7.6	7.4	7.3
Convenience stores	20.1	20.0	19.8	15.1	15.5	15.4	16.6
Marina	21.7	21.5	21.4	21.3	21.6	21.5	21.4
Other	27.4	27.3	26.9	27.0	29.3	29.3	35.6
	<u>527.2</u>	<u>516.9</u>	<u>519.4</u>	<u>508.4</u>	<u>506.5</u>	<u>493.7</u>	<u>473.8</u>
Total real estate mortgages	1,047.5	1,040.0	1,055.3	1,054.6	1,056.8	1,057.6	1,036.2
Commercial & financial	51.5	48.0	53.5	53.1	54.6	56.2	58.2
Installment loans to individuals							
Automobile and trucks	10.1	9.5	9.2	8.7	8.2	8.1	8.0
Marine loans	19.4	20.2	21.6	19.9	21.1	20.8	23.0
Other	20.9	21.6	20.9	22.0	21.5	21.3	20.6
	<u>50.4</u>	<u>51.3</u>	<u>51.7</u>	<u>50.6</u>	<u>50.8</u>	<u>50.2</u>	<u>51.6</u>

Other	<u>0.3</u>	<u>0.4</u>	<u>0.3</u>	<u>0.6</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>
	<u>\$1,225.4</u>	<u>\$1,188.9</u>	<u>\$1,208.5</u>	<u>1,208.1</u>	<u>1,216.4</u>	<u>1,221.4</u>	<u>1,202.5</u>

QUARTERLY TRENDS - INCREASE (DECREASE) IN LOANS BY QUARTER (Dollars in Millions) (Unaudited)
SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

	2011				2012		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr
Construction and land development							
Residential							
Condominiums	\$ (0.4)	\$ (0.5)	\$ -	\$ -	\$ -	\$ -	\$ -
Townhomes	-	-	-	-	-	-	-
Single family residences	-	-	-	-	-	-	-
Single family land and lots	(0.4)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)
Multifamily	-	(0.4)	(0.2)	(0.4)	(0.2)	(0.2)	(0.1)
	<u>(0.8)</u>	<u>(1.0)</u>	<u>(0.3)</u>	<u>(0.6)</u>	<u>(0.4)</u>	<u>(0.3)</u>	<u>(0.2)</u>
Commercial							
Office buildings	-	-	-	0.2	0.1	(0.3)	-
Retail trade	-	-	-	-	-	-	-
Land	0.3	(23.6)	(0.1)	(0.9)	(0.1)	1.5	(0.9)
Industrial	-	-	-	-	-	-	-
Healthcare	-	-	-	-	-	-	-
Churches and educational facilities	-	-	-	0.1	0.2	-	0.4
Lodging	-	-	-	-	-	-	-
Convenience stores	0.3	0.1	-	1.1	(0.3)	-	(1.4)
Marina	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>0.6</u>	<u>(23.5)</u>	<u>(0.1)</u>	<u>0.5</u>	<u>(0.1)</u>	<u>1.2</u>	<u>(1.9)</u>
Individuals							
Lot loans	(3.6)	(1.4)	(0.8)	(0.7)	0.5	(0.8)	(1.2)
Construction	0.2	(0.6)	(0.3)	2.3	4.8	3.1	2.3
	<u>(3.4)</u>	<u>(2.0)</u>	<u>(1.1)</u>	<u>1.6</u>	<u>5.3</u>	<u>2.3</u>	<u>1.1</u>
Total construction and land development	<u>(3.6)</u>	<u>(26.5)</u>	<u>(1.5)</u>	<u>1.5</u>	<u>4.8</u>	<u>3.2</u>	<u>(1.0)</u>
Real estate mortgages							
Residential real estate							
Adjustable	5.3	5.7	10.1	9.7	7.5	17.8	(5.7)
Fixed rate	4.0	2.2	4.0	4.2	(0.8)	(0.8)	4.3
Home equity mortgages	(5.7)	(4.6)	0.5	(3.4)	(0.7)	(1.2)	0.1
Home equity lines	(0.3)	(0.5)	(1.8)	(0.2)	(1.9)	(2.2)	(0.2)
	<u>3.3</u>	<u>2.8</u>	<u>12.8</u>	<u>10.3</u>	<u>4.1</u>	<u>13.6</u>	<u>(1.5)</u>
Commercial real estate							
Office buildings	(0.7)	(1.3)	2.0	(2.4)	(1.6)	(4.6)	(11.0)
Retail trade	(0.9)	(1.0)	(3.5)	(5.5)	(1.3)	(10.8)	(7.4)
Industrial	(1.7)	(7.8)	4.0	(1.8)	(0.7)	2.0	(0.7)
Healthcare	(3.4)	(0.3)	3.3	9.2	1.4	1.8	(6.2)
Churches and educational facilities	(0.2)	(0.4)	(0.4)	(0.4)	(0.4)	(0.3)	(0.5)
Recreation	(0.1)	-	(0.1)	0.5	(0.1)	-	(0.4)
Multifamily	(8.2)	2.6	(1.4)	(6.0)	(0.6)	(0.5)	(0.5)
Mobile home parks	-	(0.1)	(0.2)	-	(0.1)	-	-
Lodging	(0.2)	(1.7)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)
Restaurant	(0.3)	0.1	-	0.4	(0.1)	0.1	(0.3)
Agricultural	(1.4)	-	(0.3)	(0.1)	(1.2)	(0.2)	(0.1)
Convenience stores	1.5	(0.1)	(0.2)	(4.7)	0.4	(0.1)	1.2
Marina	(0.2)	(0.2)	(0.1)	(0.1)	0.3	(0.1)	(0.1)
Other	(0.6)	(0.1)	(0.4)	0.1	2.3	-	6.3
	<u>(16.4)</u>	<u>(10.3)</u>	<u>2.5</u>	<u>(11.0)</u>	<u>(1.9)</u>	<u>(12.8)</u>	<u>(19.9)</u>
Total real estate mortgages	<u>(13.1)</u>	<u>(7.5)</u>	<u>15.3</u>	<u>(0.7)</u>	<u>2.2</u>	<u>0.8</u>	<u>(21.4)</u>
Commercial & financial	2.7	(3.5)	5.5	(0.4)	1.5	1.6	2.0
Installment loans to individuals							
Automobile and trucks	(0.8)	(0.6)	(0.3)	(0.5)	(0.5)	(0.1)	(0.1)
Marine loans	(0.4)	0.8	1.4	(1.7)	1.2	(0.3)	2.2
Other	-	0.7	(0.7)	1.1	(0.5)	(0.2)	(0.7)
	<u>(1.2)</u>	<u>0.9</u>	<u>0.4</u>	<u>(1.1)</u>	<u>0.2</u>	<u>(0.6)</u>	<u>1.4</u>

Other	-	0.1	(0.1)	0.3	(0.4)	-	0.1
	<u>\$ (15.2)</u>	<u>\$ (36.5)</u>	<u>\$ 19.6</u>	<u>\$ (0.4)</u>	<u>\$ 8.3</u>	<u>\$ 5.0</u>	<u>\$ (18.9)</u>

Seacoast Banking Corporation of Florida
Third Quarter 2012 Earnings Conference Call
October 26, 2012
9:00 AM Eastern Time

Company Participants:

Dennis S. Hudson, Chairman and Chief Executive Officer, Seacoast Banking Corporation of Florida

William R. Hahl, Executive Vice President and Chief Financial Officer, Seacoast Banking Corporation of Florida

H. Russell Holland, Executive Vice President and Chief Lending Officer, Seacoast Banking Corporation of Florida

Other Participants:

Enrique Acedo, Equity Research Associate, Raymond James & Associates, Inc.

David Bishop, Analyst, Stifel Nicolaus & Co., Inc.

Jonathan Elmi, Analyst, Macquarie Capital, Inc.

Jefferson Harralson, Analyst, Keefe, Bruyette & Woods, Inc.

Michael Young, Analyst, SunTrust Robinson Humphrey

Operator: *Welcome to the Seacoast Third Quarter 2012 Earnings Conference Call. My name is Sandra and I'll 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. Please note that this conference is being recorded.*

I will now turn the call over to Mr. Dennis Hudson. Mr. Hudson, you may begin.

Dennis S. Hudson III: Thank you very much, and welcome again to our Third Quarter 2012 Conference Call. Before we begin, I'd like to direct your attention to the statement at the end of our press release regarding forward statements. During the call, we'll be discussing issues that constitute forward-looking statements within the meaning of the Securities and Exchange Act. Accordingly, our comments are intended to be covered within the meaning of Section 27A of the Act. With me today is Bill Hahl, our CFO, and Russ Holland, our Chief Lending Officer.

During last quarter's call, I laid out three priorities designed to improve our earnings performance in 2013. These were to pick up the pace in liquidating our remaining problem assets, acceleration of our growth activities and initiatives, and reducing our overall cost structure. I'm pleased to say we made real progress in all three during this quarter. As Bill will report in a few minutes, we saw continued growth in revenues during the quarter as a result of our many growth initiatives, particularly in the area of fees, and this quarter we produced record results in our mortgage banking business. We also continued our reduction in problem assets, and we are projecting further reductions to occur over the next couple of quarters. This results from the actions we took earlier in the year to enable us to move out and liquidate some of our remaining larger problem assets.

But I think the real story this quarter is the rollout of our comprehensive plan to improve profitability in 2013 and beyond. As we stated, this plan has an enormous number of very specific initiatives, which include both revenue enhancements as well as expense reductions. These initiatives are now in place or are in the process of implementation. In this quarter, they began to drive down our operating costs. The plan also includes targets and actions needed to continue to reduce the overhead devoted to managing our shrinking portfolio of problem assets. All totaled, these actions began this quarter to reduce our core operating cost by over \$700,000, or around 4%. And our target, as we look forward, is to reduce core operating expense by \$4.9 million in 2013 and problem asset costs by at least \$2.5 million next year. The overall reduction in total noninterest expenses is targeted to be approximately \$7.4 million for 2013. Now these targets are net of investments we project for 2013 in new overhead associated with our growth initiatives. As you just heard, our plan to improve performance in 2013 also includes revenue initiatives. We are targeting further improvement for our retail household growth and retail mortgage production. This will help us offset potential margin contraction as we expect to continue to improve our deposit mix while also driving growth and fee revenues.

As you probably saw, our earnings for the quarter were just over breakeven at \$400,000 and after the preferred dividend and accretion, the net loss available to common shareholders was a penny. Special charges related primarily to branch consolidation and severance benefits associated with our profitability improvement plan also added around a million dollars to the expense structure for the quarter. Our household growth continued this quarter. Over the past year, we've seen an overall 6% growth in our total households, which is an amazing number given the environment we're in and a real testament to the work of our team members over the past year. Our household growth is also the result of our successful programs to boost our retail impact and exposure in our markets. We are now continuing to expand these programs into small business and commercial. As a result of our strong household growth and more recently the increased effort around building business households, we saw our core customer funding grow this quarter compared with a year ago by 15%; our noninterest checking grew by an incredible 26%; and the mix continues to improve for the overall deposit portfolio.

Over the past year, we've added material investments in new overhead, mostly associated with small business and commercial household growth. These investments are just now starting to pay off with higher growth in business checking balances and higher levels of commercial loan production. If you take a look at some of the materials we posted on our website, you'll see a couple of new slides that provide a longer view of the growth in retail checking and business checking produced over the past few years. By the way, as you look at that information, you can see that our success is accelerating. Throughout this year, our newer investments have been centered around building commercial business lending production, and we have plans to further expand our production capability throughout the next year. This is a significant component of our revenue build in our plans for 2013.

So to sum it up, we continue to work hard to redeploy and add to resources needed to drive revenue growth. As the local economy continues to heal and the environment provides opportunities to take share from the mega banks, we plan to be there in a big way. Having said that, we also feel it is critical for us to bring our cost structure under control and we have this quarter launched a program to do just that.

But before I go any further, I'm going to turn the call over to Bill who's going to provide a few additional comments about the quarter. Bill.

William R. Hahl: Thanks, Denny, and good morning. As Denny mentioned, we posted some slides for this call on our website and I'll be referring to some of those in my comments. As mentioned, net income for the third quarter totaled nearly \$450,000 compared to \$2.6 million in the third quarter last year. Revenues, excluding security gains, grew modestly in the third quarter compared to last year's third quarter as a result of improving deposit-related fee income, increased mortgage banking fees, and an increase in average earning assets offset by lower asset yields. The decrease in net income compared to last year is due to the credit costs in the form of loan loss provision and lower net interest income as earning asset yields have declined in response to the Fed's actions to stimulate economic growth.

As Denny indicated, and in our earnings release, about \$1.1 million of expenses this quarter are related to organizational changes and branch consolidations. These branches will close in the next quarter or in January 2013. We'll also have some additional costs for the branch consolidations, and we're estimating those to be approximately \$1 million. Those will be included in the earnings results in the fourth quarter. In the quarter just ended, adjusting for noncore operating expenses of \$1.1 million, pretax pre-provision income was \$2.5 million compared to \$2.6 million in the third quarter 2011. Since the third quarter last year, 11 new commercial relationship managers were added to increase top line loan and deposit growth, with eight joining us this year and three in the most recent quarter. Over the first nine months, closed commercial loan production was \$70 million compared to \$50 million for the same period in 2011. In addition, the approved pending closing commercial pipeline totals an additional \$45.8 million. While linked-quarter loan growth was down, primarily the result of nonperforming loan resolutions and a few larger loan payoffs, year-over-year loan growth was up by \$15 million on total retained loan production of \$247 million over the last 12 months. We continue to make progress and are encouraged by the increasing loan production. We believe the investments in revenue growth we have made in our Central and South Florida markets have allowed us to offset the negative effects of increased prepayments and low asset yields and have provided growth in both deposit-related and mortgage banking fees.

Now shifting to look at some slides that we posted on deposits, slides 10 through 13 on our deposit growth, total average deposits are up \$4.1 million from a year ago; however, the real story continues to be the favorable shift in the mix towards lower cost accounts, most notably DDA growth of \$85 million year-over-year. Lower cost deposits, including NOW and regular savings, have increased \$79 million or 9.4% over the last 12 months. The growth in lower cost and no cost accounts throughout the last 12 months has enabled us to manage down our higher cost time deposits and help protect the margin.

Now let's look at the margin on slide four. An improved deposit mix helped us to maintain a stable margin in the third quarter compared to second quarter. The current opportunities for the margin are increased loan growth, continued improvement in the deposit mix, and nonperforming asset resolutions. The margin will continue to remain under pressure from market pressure, such as lower asset yields and increased principal repayments from both the loan book and the investment portfolio.

Turning to slide five, noninterest income, excluding securities gains and losses, increased \$973,000 or 20.7% over the third quarter last year. The improvement in noninterest income has resulted from our increased focused on building both retail and commercial households and increasing their average services we provide. Service charges on deposit accounts increased 8.9% linked-quarter and fees from interchange income were up 15.5% compared to third quarter 2011. We have continued to be a leader in our markets in providing residential mortgages for the purchase of single family homes, which allowed us to double mortgage banking revenues year-over-year to \$1.2 million for the third quarter 2012.

Now let's turn to slide eight and a review of expenses. Expenses were up \$2.5 million in the third quarter compared to last year. As I mentioned earlier, about \$1.1 million of the increase is related to cost saves, which will lower our overhead run rate going forward. Core operating expenses were down \$727,000 on a linked-quarter basis. I also indicated earlier that we made some investments in our Orlando and South Florida markets and we have future plans to continue these investments as we see great opportunities to capture more share in these deeper markets, which will increase our revenues and earnings. Therefore, salaries and wages were up in the quarter compared to third quarter 2011 as a result of investments in additional relationship managers and mortgage loan originators that have assisted us in building our revenues and loan pipeline. Denny and Russ will discuss this more after my comments on the financial results.

Now switching to slide 14 and a look at our credit trends, we believe that credit cost will continue to trend down and that our overall risk profile has declined significantly over the last 12 months. This is due both to the decline in nonperforming loans and from a change in loan concentrations over the last three years, as larger commercial loans have been collected and replaced with lower balance small business commercial and consumer residential loans. This has allowed the allowance for loan losses to decline to \$23.1 million or 1.92% of loans from \$25.6 million and 2.35% a year ago. We were very pleased with the efforts of our special asset group and the direction in which they have taken all of our credit metrics. For instance, this quarter, this group negotiated the sale of our largest nonperforming loan, and it was transferred to "held-for-sale". The proceeds are for more than last quarter's net carrying value, so a \$1 million recovery was recorded. In addition, we will receive a recovery of \$2.4 million in the fourth quarter from a collateral sale associated with a smaller nonperforming loan that was charged-off in 2009. This is expected to reduce our loan loss provision in the fourth quarter.

With that, that concludes my remarks, and I'll turn the call back to Denny.

Dennis S. Hudson III: Thanks, Bill. If you all take a look at the last two slides in our deck which we posted to our website, I think you'll get a better feel for the work we've been doing to build our production capacity for both residential loans over the past few years and the work we've done this past year and plan to do over the next year to build out our commercial and small business production. If you start by just looking at the residential lending slide on page 16, you can see we've added tremendously to our production team and the results have been tremendous. We've built out and we continue to build out our residential team, and we do this in response to what we see as an improved environment across the state for existing home sales. As I've said, results have been tremendous and overall production doubled in 2011, well before some of the impacts of the more recent QE programs, and this year we're on track to post substantial growth over 2011. I guess the point I'm trying to make is that we are seeing that our investments are indeed producing results.

Most recently, if you turn to page 17, you can see we're building and adding to our commercial lending team. We're taking this action in part due to the improving outlook for the state, for the economy in this state, and particularly in some of our metro areas, as well as in response to an unusual rate environment, which I think provides us with significant opportunity to gain market share.

Finally, on another note, I just want to acknowledge another announcement we made yesterday and that was our appointment of Roger Goldman as our new Lead Director. Roger's energy and his tremendous experience, both within our industry and outside our industry, will be very helpful to us as we continue to execute our growth plans in the coming months.

Now I'd like to open the call for questions and we'd all be happy to answer any questions.

Operator: Thank you. We will now begin the question-and-answer session. If you have a question, please press star then one on your touchtone phone. If you wish to be removed from the queue, please press the pound sign or the hash key. There will be a delay before the first question is announced. If you're using a speakerphone, you may need to pick up the handset first before pressing the numbers. Once again, if you have a question, please press star then one on your touchtone phone.

The first question is from Enrique Acedo from Raymond James. Please go ahead.

Enrique Acedo: Hey, good morning, guys.

Dennis S. Hudson III: Good morning.

William R. Hahl: Good morning.

Enrique Acedo: You guys have seen some pretty sensible increase in mortgage banking revenue over the past few quarters. How should I look at mortgage banking revenue going forward? Is 3Q12 a good run rate?

H. Russell Holland III: Yes, I think so. This is Russ Holland. We expect to achieve that and actually grow the business further in '13.

Enrique Acedo: Okay thanks, and just one follow-up. Going back to the expense program you guys just announced, can you give a little bit of color around which expense categories are going to see the overall decline?

Dennis S. Hudson III: It really was across the board. We looked very hard top to bottom throughout the entire organization and we have shifted our efforts away from problems—not to say that we don't have more work to do there, but much less frenetic and very, very organized at this point and moving in for a landing here over the next year and a half or so. It's important for us to readjust all of our investments and readjust our focus going forward from an expense structure standpoint. As a result, you have to look at the entire organization from top to bottom, everywhere from salaries down to miscellaneous expenses, and there's virtually no part of the expense structure that we have left untouched in this process. Some of the more notable things include occupancy and occupancy-related expenses because of some of the branch consolidations that we did, and we also believe some of the salary and wages. You will probably see some initial declines there, but we are expecting to see those numbers come back up as the year progresses and we continue to invest in some of the growth initiatives. So I think overall you just see the core structure chunk down, but we continue to invest for the future.

Enrique Acedo: All right, thanks, guys.

Operator: Once again as a reminder, if you would like to ask a question, please press star then one on your touchtone phone.

And the next question is from David Bishop from Stifel Nicolaus. Please go ahead.

David Bishop: Hey, good morning, Denny.

Dennis S. Hudson III: Morning.

David Bishop: Hey, maybe you can expand on the commercial pipeline in terms of the types of deals you are seeing out there that are reemerging in the marketplace and the competitive landscape for the new loans you're seeing out there.

Dennis S. Hudson III: Sure. Russ.

H. Russell Holland III: It continues to be a lot of refinancing of existing loans from other institutions. At this point, we are still not seeing a tremendous amount of new business, new expansion of businesses or acquisitions, that type of financing; it's simply refinancing. We're starting to see some construction for owner occupied medical facilities, a small amount of that in the metro markets. Other than that, it's refinance. The competition is keen because we're all going after the same creditworthy borrowers, all the banks in our markets, and so it does get to be very competitive over pricing.

David Bishop: Gotcha. Then, Denny, in terms of the revenue enhancements there, any thought of expanding in terms of the non-depository fee income business on the trust side and maybe other –any enhancement thinking there in terms of (inaudible) the efficiency ratio?

Dennis S. Hudson III: You know, good question. When I talked about looking top to bottom, we've done the same thing on the revenue side, and what we tried to do is accelerate some of our plans that we had over the next two years into 2013, because we see the opportunity there to be able to take advantage of that. Some of the early areas that we would continue to see growth in are some of the areas we've seen growth in more recently, but we think also including some of the non-deposit areas, we'll see that emerge. I think that happens later in '13 as we further execute some of our plans that we have, but the initial focus for revenue growth certainly this year and into the early part of next year are in the areas that are really working well and the market's providing an opportunity for growth there.

Also, just a comment on the market: certainly, many banks are reporting nice improvements in residential fees and the like due to the low rate environment and the refinance market. We've tried to focus our efforts on the home purchase components of the market and away from refinance, although we're continuing to do some refinance work on the residential side. We have done that because we think it's a more sustainable model and we want to see that revenue continue throughout '13 as the refi market begins to simmer down and as we work through all the refinances probably in the first half of next year.

The other comment I'd make is on the market. Russ mentioned how that we're really seeing competition, and we certainly are, but we're in an unusual market time here where refinances on the commercial side are really beginning to heat up for everybody's balance sheet. So for us, we think it's important to be out there, be relevant, be in those communities capturing those refis because we're going to need that.

David Bishop: Great. Thank you.

Operator: Once again, if you would like to ask a question, please press star then one on your touchtone phone.

We have Johnathan Elmi from Macquarie. Please go ahead.

Johnathan Elmi: Hey, good morning, guys. Thanks for taking my question.

Dennis S. Hudson III: Good morning.

William R. Hahl: Good morning.

Johnathan Elmi: So just wondering, obviously nice to see the return to profitability on an operating basis. **Just curious if you could remind us again of the timeline for potential DTA recapture, some of the core milestones, et cetera.**

Dennis S. Hudson III: Well I don't think our position has changed. We need the operating earnings to be higher and that's one reason we're so focused on improving our bottom line performance in 2013. That's clearly the path to DTA recapture. I guess the other big news with respect to DTA recapture is as we approach the end of 2013, we intend to be successful with our bottom line improvement in '13 and, at the end of '13, we move out of a three-year accumulative loss pretty significantly, so I think that's a big change in circumstance that reduces the negative evidence that caused us to book the reserve. So I don't think our timeline has changed vis-à-vis what we've been saying the last couple of quarters, which would be year-end 13 or possibly the first part of '14.

Johnathan Elmi: Okay great. Thanks very much, guys.

Operator: And the next question is from Charles Lott from Lott Family Partners. Please go ahead.

Charles Lott: Hi, Dennis, and Bill. I think the last question just answered mine. I **'m just wondering how long, how many years, it would be before you think you could get back to something approaching a normalized after tax return, let's say 10% on capital, something of that nature.**

Dennis S. Hudson III: Right.

Charles Lott: I'm just trying to figure, **with the many changes that have taken place over the last year or two, I just wonder what your expectations—reasonable, we're not trying to hold you to anything—but just what's a reasonable expectation in terms of your goals?** You may have answered that in that last question. I'm not sure, but thank you.

Dennis S. Hudson III: Thank you, Charlie. Great to hear you. I would say we haven't really made any statements in and around exactly when we get there in terms of say a target of a double digit return on equity and the like. Our focus has been to get through the credit issues, but while we do that, continue to build the franchise in response to opportunities we see here that have required us to make investments. We think that all really starts to come together in 2013. That is our plan. That's our goal. And as we achieve our goals in '13, as we get to the end of the year in '13, I think we begin to post ever better bottom line earnings performance and begin to hit some of the numbers that have the potential for hitting those numbers that you just said towards the end of the year.

Charles Lott: Okay. How's that hurricane affecting you down there? I won't be down there until next week.

Dennis S. Hudson III: Yeah, it's very windy and blustery and kind of nasty out, so don't come down until we move this back up to the Northeast.

Charles Lott: Yeah, okay. Well thank you. Hope all is well.

Dennis S. Hudson III: Great.

Operator: Thank you. The next question is from Jefferson Harralson from KBW. Please go ahead.

Jefferson Harralson: Thank you. My question is similar to the last one. **If you think about where you are right now from a revenue standpoint, the things you're doing are seeming to show up and the things you're doing from an expense standpoint, what kind of ROA do you think you can get to with this. If this is the ...With a reasonable revenue stream growth going forward, is that what you need to really grow this bank to be able to get a one ROA? Or is it something that where as credit costs themselves come out that we're in that seven or eight basis point ROA, and then maybe it's a deal or just growth from there that can get us to one? How do you think about—not the timing so much as the last question, but just the path—what needs to happen to get to a normalized profitability?**

Dennis S. Hudson III: Yeah, that's a good question, and I'm tempted to answer and say “you're right”; but that's a good question, Jefferson. I would just say that we stopped short of providing guidance on things, but just to give you some general thoughts on the path and how we get there. Number one, the extraordinary credit costs have to go down. The extraordinary costs need to come out, and we think as we get to the end of the next year, if not sooner, a big chunk of that is pretty well behind us and we're now down to just ordinary credit costs for expected future losses. A big component to that story is - - are some of the comments that Bill made. We've transformed the entire portfolio. Not only have we reduced the level of classifieds—classifieds this quarter are down again under around 46%, something like that, of capital in the reserve—and we see that coming down further in the next quarter and in the first quarter based on our final workout plans for some of the 15 largest remaining credits, which are much smaller than they were a year ago and tremendously smaller than they were three years ago. So that has to happen. The question is: When does that happen? We're trying to make that happen in 2013. We want it gone and down to much lower numbers in '13.

Number two, the franchise was preserved through the last several years, and for sure in the last couple of years, the franchise began growing. So we think a big component of that path as you say, a road map to acceptable levels of results for shareholders, needs to be mapped out over the balance of 2013. We think we get there by building on the success we've had with revenue growth and we'll begin to see modest balance sheet growth begin to emerge during 2013 as we get the franchise back into a growth mode.

Then the final thing, of course, is the expense structure and what we've mapped out and talked about today is very helpful for us in 2013. I don't know that we're finished though, and we'll continue to look at the expense structure as we get into 2013. I will tell you, if we hit our goals right, we could see our core expense structure as we get to the end of '13 go down to the low 3.25/3.3% of assets or lower and we begin to get there. So I think the story that we would like to be able to tell in '13 is that we've turned the corner from a profitability standpoint and really are beginning to build the bottom line. Hopefully we'll be sitting here at the end of the year in '13 with some results that people can say are finally moving towards the acceptable column from an investment standpoint.

Jefferson Harralson: Thanks for that.

Dennis S. Hudson III: I've tried very hard to avoid getting specific guidance. We're just not far enough out of the woods yet to be able to do that.

Jefferson Harralson: That's very helpful just to understand how you think about it.

Dennis S. Hudson III: Yes.

Jefferson Harralson: My follow-up is a lot more short-term in nature. I've covered you guys for a long time and **there's typically a lot of seasonality between the third to the fourth quarter and the first. While you guys have had what is typically a seasonally weak quarter, I believe you guys had some nice pickups in different types of revenue items. Do you think the seasonality is a little bit less than it used to be; or do you think that Q4, from a seasonal standpoint, should still be a pickup from Q3?**

Dennis S. Hudson II: You know there's no question about it. We had a very, very strong summer quarter, if you will, and you're right on target. We've moved the numbers in a pretty remarkable way given the typical seasonal weakness that we see this quarter. So, yes, we're planning on... Bill...

William R. Hahl: Yes. Jefferson, I think that all the growth initiatives that we've been working on since really 2008 for mortgage banking and the retail deposits, and then more recently in '10 for commercial, all of that masked the regular seasonal slowdown that we typically would see in our third quarter. We are expecting better results in the fourth quarter and first quarter in terms of both the size of the balance sheet and, I would say, revenue growth.

Dennis S. Hudson II: And I'll just say, we raised a lot of capital back during the crisis period. It was very costly for shareholders, existing shareholders at the time, and we didn't do that to just get through. We did that to position the bank for growth and revenue growth as we get through this thing and that's what we've been doing. It takes some guts to be able to continue to invest in those growth initiatives while your expenses are going higher and higher related to the cleanup work and the problems that we were dealing with and the like. I think the payoff begins to really emerge in '13 and beyond. There's no better example of that than the work we're doing, the investments we've made to be in the residential mortgage market today. We saw that coming three years ago, began gearing up for it, and today it's starting to pay off. It took tremendous investment at a time when others could have criticized us for making those investments. But that's what it takes to grow a business and really get the balance sheet back in shape, so we appreciate your thoughts and thanks.

Jefferson Harralson: Well thank you, guys. I appreciate it.

Operator: The next question is from Mac Hodgson from SunTrust Robinson. Please go ahead.

Michael Young: Hello, guys. This is actually Michael Young in for Mac. Bill, **I was just curious if you could provide a little bit of color around your accruing TDRs and what those might look like after yearend with the accounting guidance.**

William R. Hahl: Well, you've seen a nice decline in our accruing TDRs and we expect that to continue to come down. I'm not aware of anything that's happening that's going to change.

Dennis S. Hudson II: Well I think your point is that: Are we going to see a big decline at yearend?

Michael Young: Right.

William R. Hahl: Right.

Dennis S. Hudson III: And we're probably not going to see a big jump down at yearend.

William R. Hahl: No.

Dennis S. Hudson III: It's going to be a slower decline as we go out and that's a function of the way they've been structured and our view of the accounting treatment as we go forward.

And in terms of... Russ, any comments on the complexion of CTDRs particularly?

H. Russell Holland III: I don't think... No.

Dennis S. Hudson II: Thanks.

Michael Young: Okay, thank you.

Operator: Thank you. Once again, if you would like to ask a question, please press star then one on your touchtone phone. And at this time, we have no further questions.

Dennis S. Hudson III: Thank you very much for attending, and we look forward to talking with you again next quarter.

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

Seacoast Banking Corporation of Florida

Third Quarter 2012

Cautionary Notice Regarding Forward-Looking Statements

This information 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.

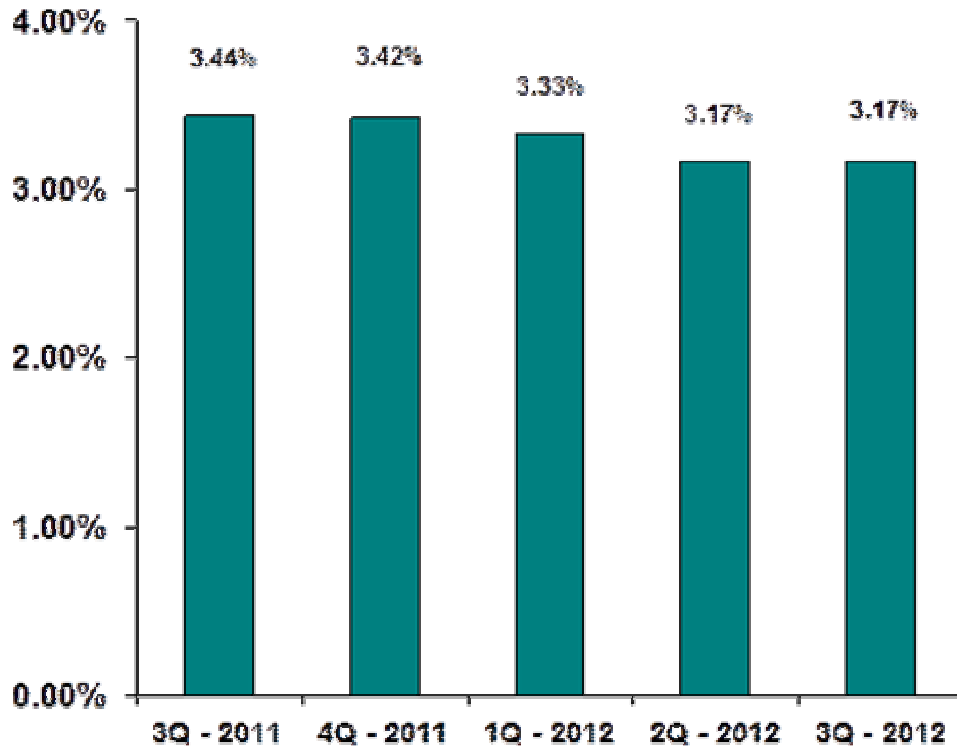
You can identify these forward-looking statements through our use of words such as “may,” “will,” “anticipate,” “assume,” “should,” “support”, “indicate,” “would,” “believe,” “contemplate,” “expect,” “estimate,” “continue,” “further”, “point to,” “project,” “could,” “intend” or other similar words and 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, 2010 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>.

Highlights

- Stable 3Q net interest margin
- Residential mortgage production was strong supporting both loan and noninterest income growth
- Noninterest income in the third quarter continued to increase, up 20.7% compared to prior year
- Core operating expenses managed lower
- Organic growth in households continued to increase this quarter resulting in 2,604 new household relationships up 256 or 11% compared to third quarter 2011
- Noninterest bearing demand deposit organic growth was \$84.9 million or 26% year over year
- Other real estate owned declined by 63% year over year
- Nonperforming assets declined \$2.4 million to \$53.3 million during the quarter
- Solid capital position with estimated tangible common equity (TCE) ratio of 7.6% when DTA valuation allowance of \$45.2 million is recaptured.
- Distinctive value proposition has continued to grow the franchise and improve long term profitability and shareholder value

Net Interest Margin



Opportunities:

- Loan growth
- Reduction of deposit costs
- Nonperforming asset resolution

Threats:

- Market pressures

Noninterest Income (excluding securities gains)

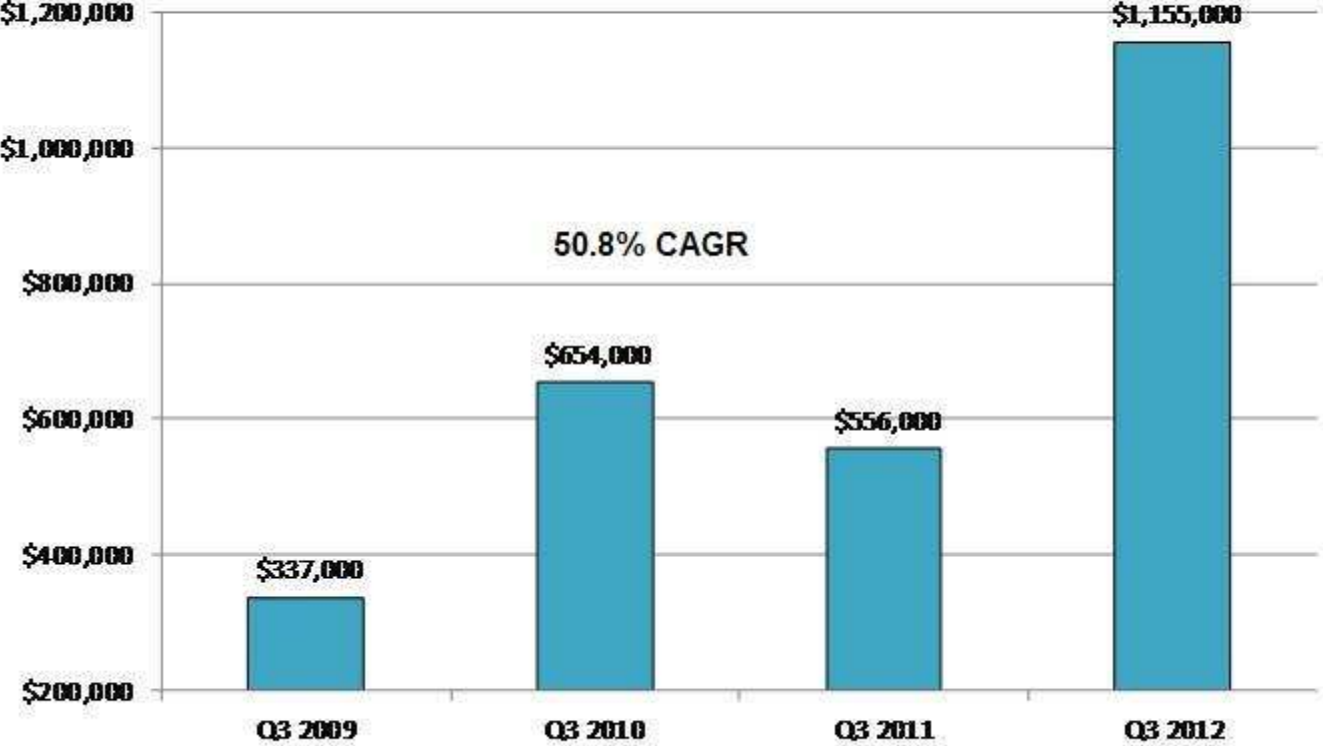
Growth in deposit accounts and mortgage banking leads to improved fee growth

<i>\$ in thousands</i>	<u>Q-3-2012</u>	<u>Q-2-2012</u>	<u>Q-1-2012</u>	<u>Q-4-2011</u>	<u>Q-3-2011</u>
Total Noninterest Income (excluding securities gains)	\$ 5,679	\$ 5,219	\$ 4,937	\$ 4,883	\$ 4,706
Highlights include:					
Service Charges	\$ 1,620	\$ 1,487	\$ 1,461	\$ 1,599	\$ 1,675
Trust Income	550	564	573	530	541
Mortgage Banking	1,155	902	623	680	556
Brokerage	247	298	234	258	321
Marine	279	244	330	333	229
Interchange Income	1,119	1,154	1,071	953	969

Mortgage Banking Gains

Our focus on building production capacity is paying off

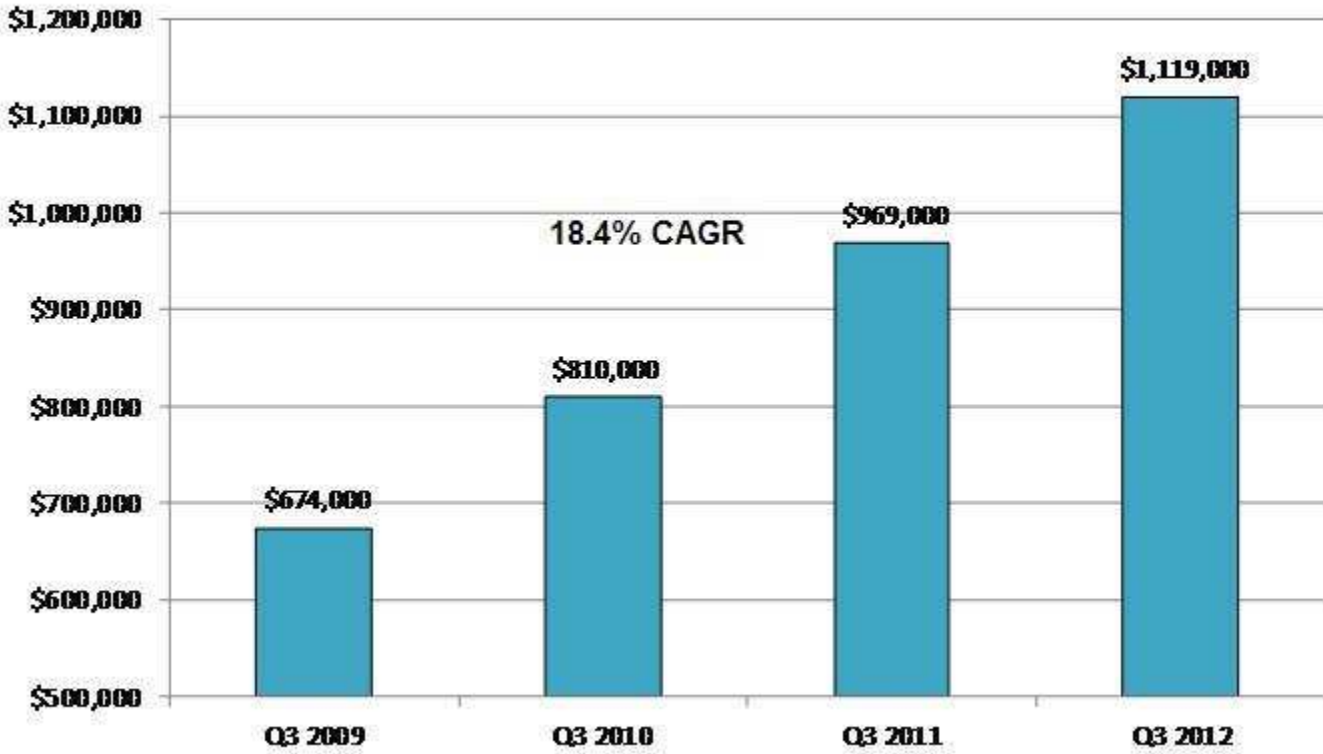
Building Fee Based Revenues



Interchange Income

Our focus on building franchise households is paying off

Building Fee Based Revenues



Noninterest Expense

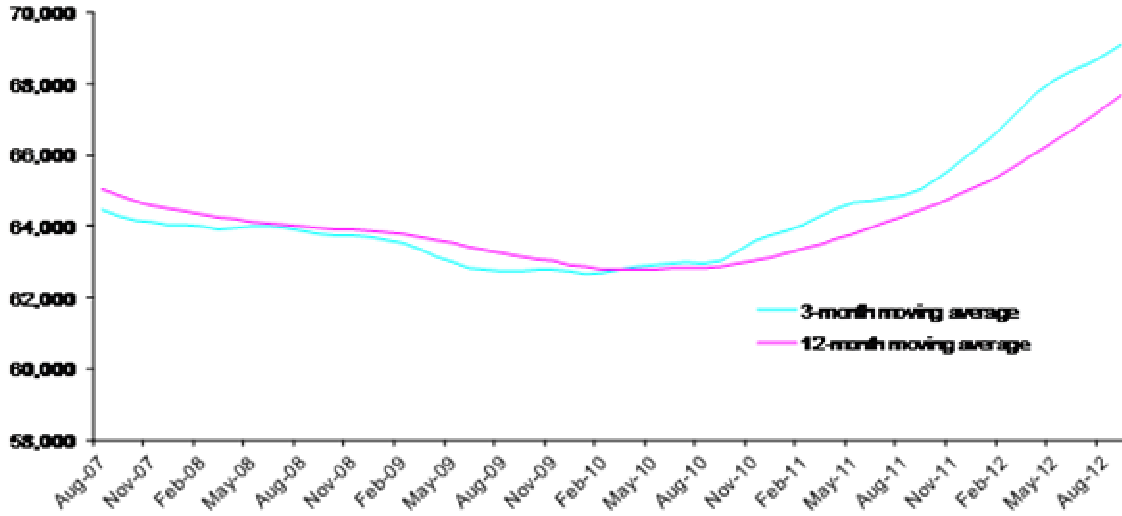
Core Operating Expense managed lower

(Dollars in thousands)

	<u>Q-3-2012</u>	<u>Q-2-2012</u>	<u>Q-1-2012</u>	<u>Q-4-2011</u>	<u>Q-3-2011</u>
Noninterest Expense:					
Salary and wages	\$ 7,442	\$ 7,435	\$ 7,055	\$ 7,301	\$ 6,902
Employee benefits	1,924	1,916	2,010	1,447	1,391
Outsourced data processing costs	1,923	1,834	1,721	1,677	1,685
Telephone/data lines	299	297	289	285	286
Occupancy Expense	1,876	1,943	1,882	1,795	1,967
Furniture and equipment expense	556	607	495	525	555
Marketing expense	785	677	926	947	551
Legal and professional fees	1,122	1,637	1,776	1,299	1,496
FDIC assessments	695	707	706	679	687
Amortization of intangibles	196	196	201	212	211
Other	2,018	2,314	2,163	2,264	1,947
Total Core Operating Expense	18,836	19,563	19,224	18,431	17,678
Severance and organizational changes	839	0	0	0	0
Branch consolidation	232	0	0	0	0
Recovery of prior legal fees	(500)	0	0	0	0
Net loss on OREO	561	790	1,959	1,254	906
Asset dispositions expense	364	368	527	275	479
Total	\$ 20,332	\$ 20,721	\$ 21,710	\$ 19,960	\$ 19,063
Core operating expense to average assets	3.59%	3.67%	3.62%	3.54%	3.43%

Positive Household Growth

Aggregate Households



Core Ending Deposit Growth

Favorable core growth rate

	(\$ in thousands)			Year
	<u>3Q-2012</u>	<u>4Q-2011</u>	<u>3Q-2011</u>	<u>Over Year</u>
Demand deposits (noninterest bearing)	\$ 409,145	\$ 328,356	\$ 324,256	26.2%
Savings deposits	926,960	922,361	847,515	9.4%
Total Demand and Savings	\$ 1,336,105	\$ 1,250,717	\$ 1,171,771	14.0%
Other time certificates	192,297	244,886	257,486	-25.3%
Brokered time certificates	8,429	4,558	5,252	60.5%
Time certificates of \$100,000 or more	142,635	218,580	226,765	-37.1%
Total Time Deposits	\$ 343,361	\$ 468,024	\$ 489,503	-29.9%
Total Deposits	\$ 1,679,466	\$ 1,718,741	\$ 1,661,274	1.1%

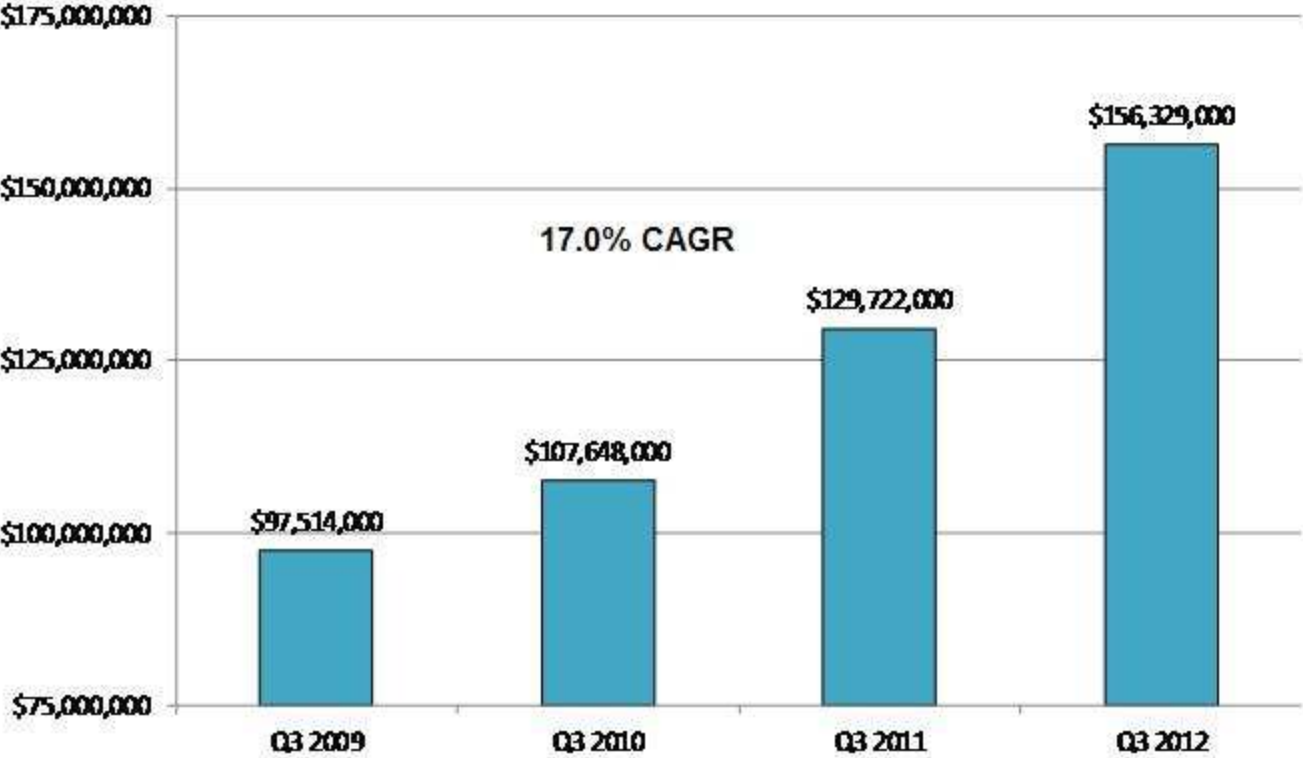
Core Ending Deposit Growth

Favorable Mix Shift

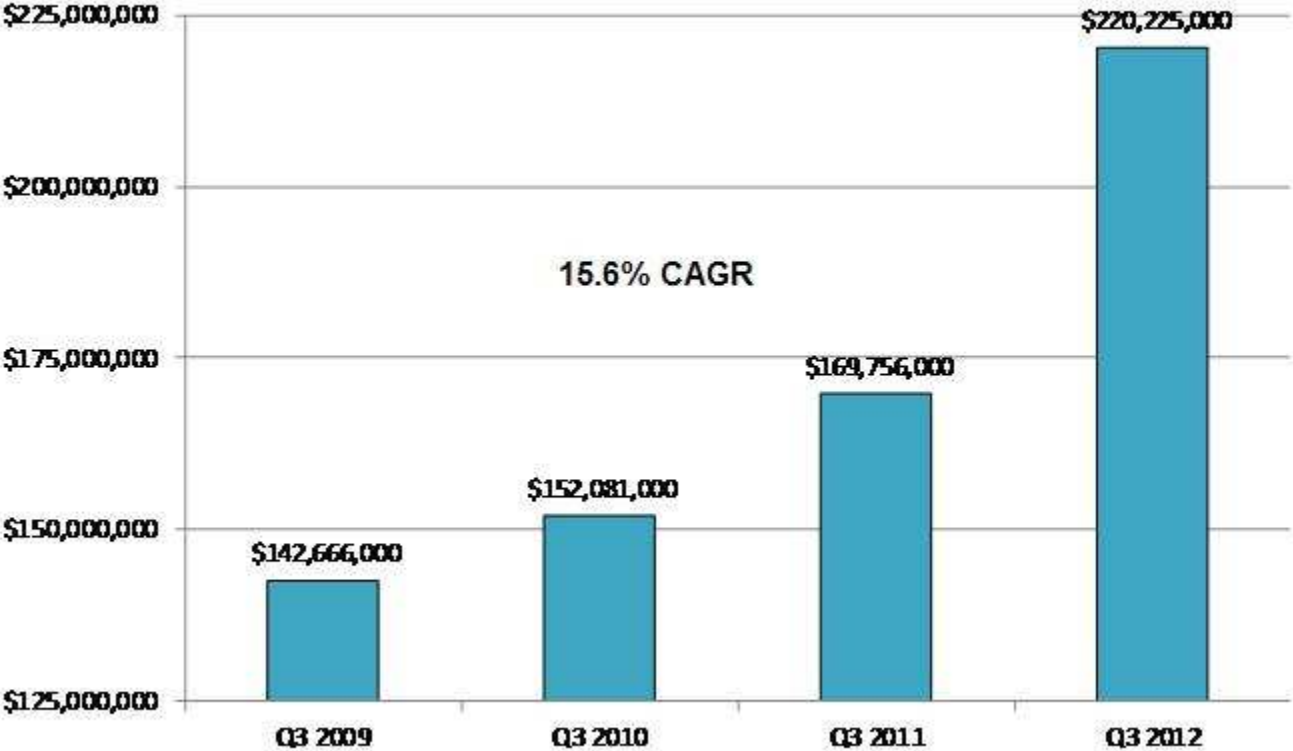
	<u>3Q-2012</u> Mix	<u>4Q-2011</u> Mix	<u>3Q-2011</u> Mix
Demand deposits (noninterest bearing)	24.4%	19.1%	19.5%
Savings deposits	55.2%	53.7%	51.0%
Total Demand and Savings	79.6%	72.8%	70.5%
Other time certificates	11.4%	14.2%	15.5%
Brokered time certificates	0.5%	0.3%	0.3%
Time certificates of \$100,000 or more	8.5%	121.7%	13.7%
Total Time Deposits	20.4%	27.2%	29.5%

Demand Deposits – Personal

Building the Balance Sheet



Building the Balance Sheet

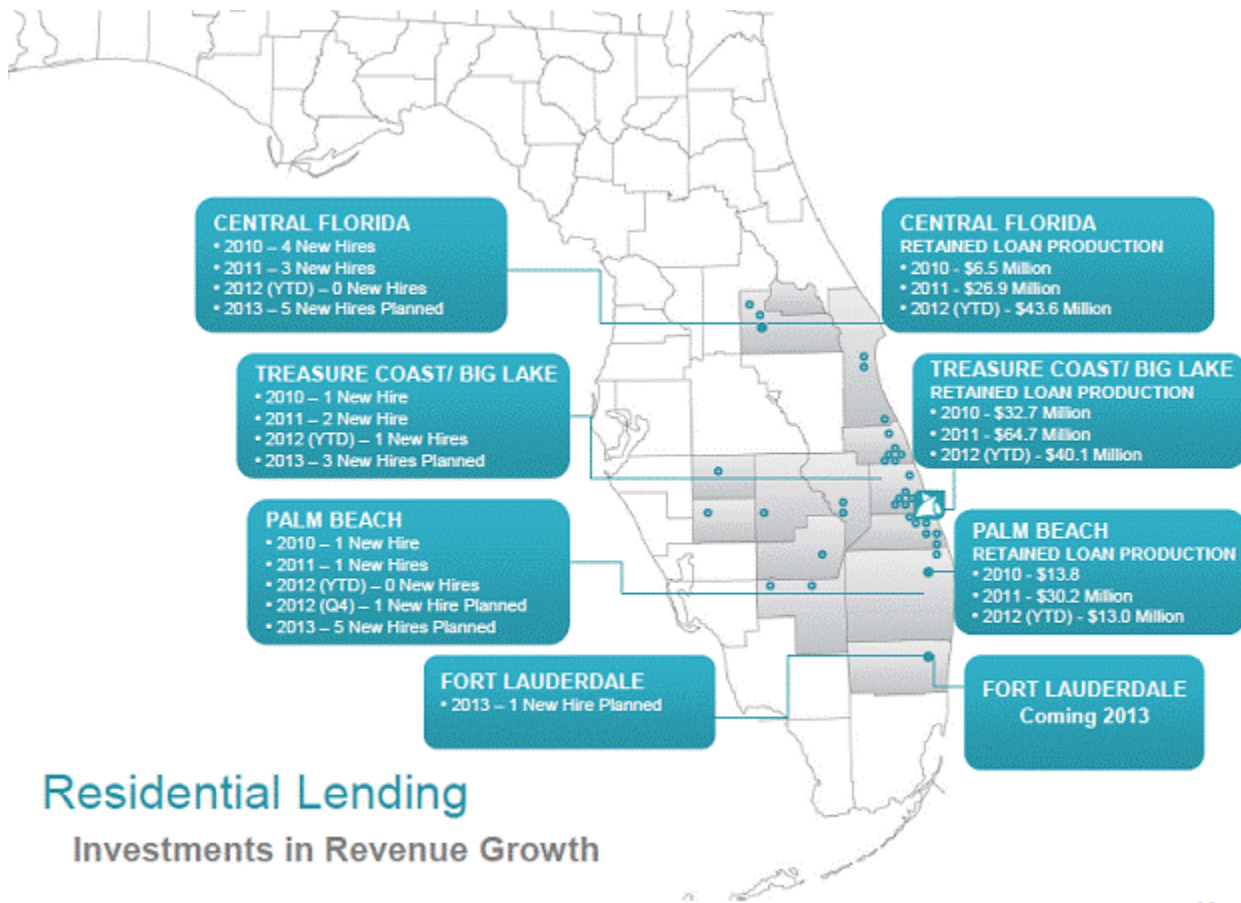


Credit Analysis

	(\$ in thousands)				
	<u>3Q-2012</u>	<u>2Q-2012</u>	<u>1Q-2012</u>	<u>4Q-2011</u>	<u>3Q-2011</u>
Net charge-offs	\$ 2,416	\$ 6,275	\$ 3,415	\$ 3,268	\$ 2,830
Net charge-offs to average loans	0.79%	2.05%	1.13%	1.07%	0.94%
Loan loss provision	\$ 900	\$ 6,455	\$ 2,305	\$ 432	-
Allowance to loans at end of period	1.92%	2.02%	2.01%	2.12%	2.35%
Coverage ratio – NPLs	52.01%	50.81%	58.62%	89.62%	87.05%

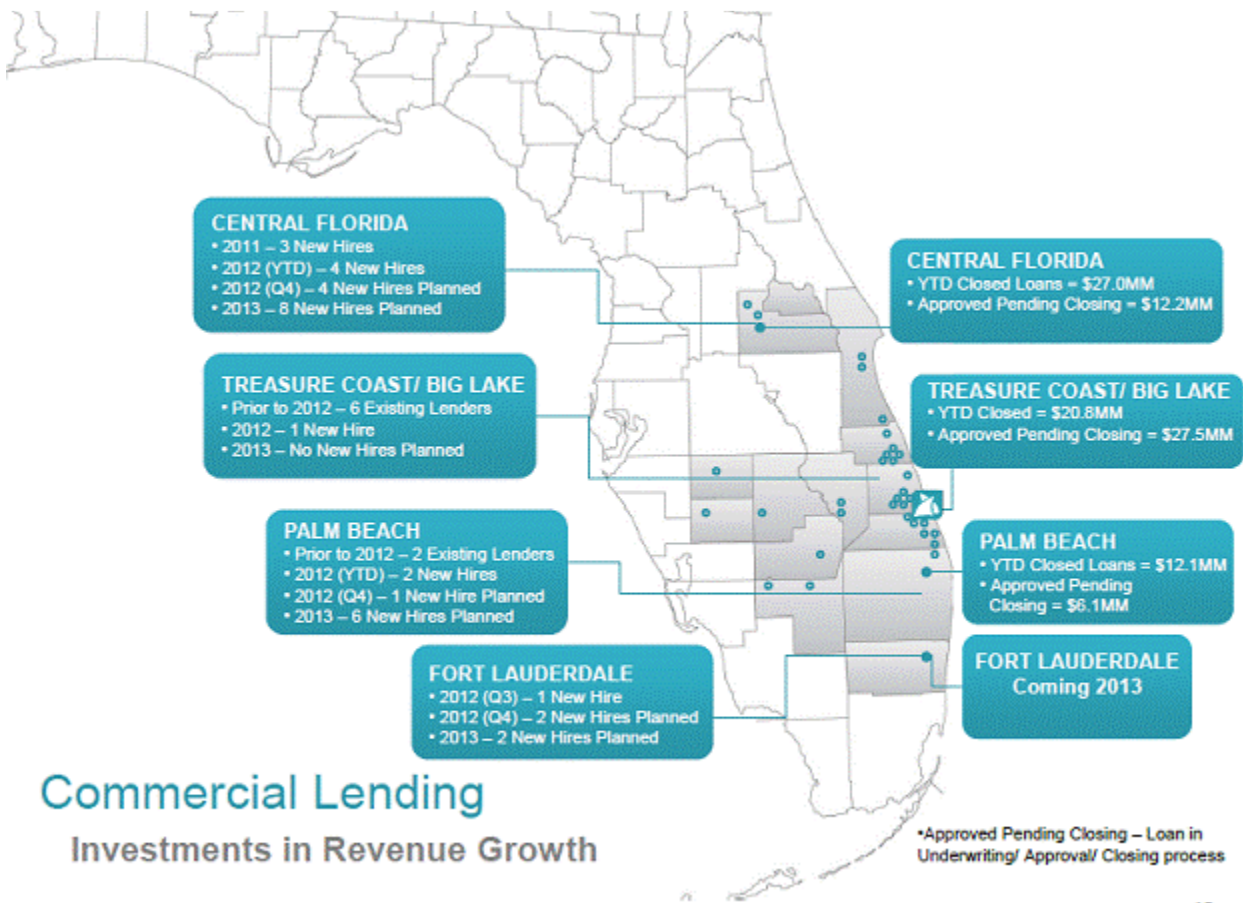
Capital Ratios

	3Q-2012 Estimate	2Q-2012 Actual	1Q-2012 Actual	4Q-2011 Actual
Tier 1 Capital Ratio	17.41%	17.17%	17.36%	17.51%
Total Risk Based Capital Ratio	18.67%	18.43%	18.62%	18.77%
YTD Average Equity to YTD Average Assets	7.84%	7.87%	7.85%	8.01%
Tangible Equity to Tangible Assets	7.96%	7.78%	7.79%	7.86%
Tangible Common Equity to Tangible Assets	5.63%	5.49%	5.58%	5.63%
Tangible Common Equity to Risk Weighted Assets	9.63%	9.52%	9.90%	9.81%



Residential Lending

Investments in Revenue Growth



Commercial Lending

Investments in Revenue Growth

Service Area

