

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) January 27, 2015

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))
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SEACOAST BANKING CORPORATION OF FLORIDA

Item 2.02 Results of Operations and Financial Condition

On January 27, 2015, the Seacoast Banking Corporation of Florida (“Seacoast” or the “Company”) announced its financial results for the fourth quarter and year ended December 31, 2014.

A copy of the press release announcing Seacoast’s results for the fourth quarter ended December 31, 2014 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On January 28, 2015, Seacoast held an investor conference call to discuss its financial results for the fourth quarter and year ended December 31, 2014. 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 December 31, 2014, 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>
99.1	Press Release dated January 27, 2015 with respect to Seacoast's financial results for the fourth quarter and year ended December 31, 2014
99.2	Transcript of Seacoast's investor conference call held on January 28, 2015 to discuss the Company's financial results for the fourth quarter and year ended December 31, 2014
99.3	Data on website containing information used in the conference call held on January 28, 2015

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 for the year ended December 31, 2013 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: February 2, 2015

By: /s/ William R. Hahl
William R. Hahl
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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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 Banking Generates Organic Loan Growth of 12% in 2014;
Acquisition and Growth Expands Net Interest Margin 39 bps and Boosts Core Profitability**

Fourth Quarter 2014 Earnings Highlights

- Adjusted net income, ⁽¹⁾ (excluding merger costs and other adjustments) for the fourth quarter 2014 increased 27% to \$4.2 million or \$ 0.13 per diluted share, compared to \$3.3 million, or \$0.13 per diluted share in 3Q14. Based on GAAP, the net loss in 4Q14 was \$1.5 million or (\$0.05) per share, including merger charges and other adjustments.
- Fully implemented previously announced expense reductions of \$1.8 million and merger savings of \$5.5 million during quarter. Total impact will be realized in 1Q15 as the savings achieve full quarter effect.
- Net interest margin improved to 3.56% compared with 3.17% in preceding quarter due to loan growth, acquisition, and investment purchases.

⁽¹⁾ Non-GAAP measure, see reconciliation to GAAP at end of this release.

Fourth Quarter 2014 Growth Highlights

- Assets increased \$731.5 million or 31.0% from the preceding quarter, reflecting the \$683.2 million from acquisition of The BANKshares, Inc.
 - Total loans increased \$430.8 million or 31.0% from 3Q14. Adjusting for loans acquired, the loan portfolio grew \$66.5 million, or 3.8% in the quarter and 11.8% year-over-year.
 - Deposits increased \$608.0 million or 33.6% from the prior quarter; excluding deposits acquired, total deposits increased \$91.7 million.
 - Noninterest bearing deposits grew to 30.0% of total deposits, from 25.7% one year ago.
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STUART, FL., January 27, 2015 – Seacoast Banking Corporation of Florida (NASDAQ-NMS: SBCF) today reported a fourth quarter 2014 net loss of \$1.5 million or (\$0.05) per share. Excluding merger related charges and other adjustments as described below, adjusted net income increased 27% to \$4.2 million or \$0.13 per diluted common share, compared to \$3.3 million, or \$0.13 per diluted common share in the preceding quarter and \$600,000, or \$0.03 per diluted common share, a year ago. The company recorded a loan loss provision of \$118,000, compared to a recovery of \$1.4 million in the preceding quarter and a provision of \$490,000 a year ago.

“The highlight of 2014 was our acquisition of The BANKshares, Inc., which closed on October 1 and expanded our presence in central Florida, particularly the greater Orlando market. This acquisition contributed \$516.3 million in deposits and \$364.3 million in loans to our balance sheet, and significantly boosted net interest margin in the fourth quarter. It also provides excellent opportunities for future growth in one of Florida’s fastest growing markets,” said Dennis S. Hudson, III, Chairman and CEO.

“Florida’s economic recovery is now well established, with solid job growth, declining unemployment, and high consumer confidence fueling the improvements in our markets,” Hudson continued. “We believe the Florida economy will further strengthen in 2015, as we continue to attract population inflows. Our housing markets, manufacturing base, tourism and services industries are building on current momentum, and provide a diversified base for our economy. For more information on these trends, please note the source reports sited at the end of this release.”

**FINANCIAL
HIGHLIGHTS:**

*(Dollars in thousands,
except share data)*

	Fourth Quarter 2014	Third Quarter 2014	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013
Total assets	\$ 3,093,335	\$ 2,361,813	\$ 2,294,156	\$ 2,315,992	\$ 2,268,940
Loans	\$ 1,821,885	\$ 1,391,082	\$ 1,335,192	\$ 1,312,456	\$ 1,304,207
Deposits	\$ 2,416,534	\$ 1,808,550	\$ 1,805,537	\$ 1,819,795	\$ 1,806,045
Net income (loss) available to common shareholders	\$ (1,517)	\$ 2,996	\$ 1,918	\$ 2,299	\$ 588
Diluted earnings per share	\$ (0.05)	\$ 0.12	\$ 0.07	\$ 0.09	\$ 0.03
Return on average assets	(0.20)%	0.52%	0.33%	0.41%	0.33%
Adjusted net income available to common shareholders (1)	\$ 4,179	\$ 3,286	\$ 2,990	\$ 2,533	\$ 600
Adjusted diluted earnings per share (1)	\$ 0.13	\$ 0.13	\$ 0.12	\$ 0.10	\$ 0.03
Adjusted return on average assets	0.55%	0.57%	0.52%	0.45%	0.33%
Average diluted shares outstanding	33,124	26,026	25,998	25,657	21,558
Pretax, pre-provision income (1)	\$ (2,029)	\$ 3,832	\$ 1,938	\$ 3,013	\$ 3,597
Adjusted pretax, pre-provision income (1)	\$ 7,464	\$ 4,341	\$ 3,821	\$ 3,395	\$ 3,617
Net interest margin	3.56%	3.17%	3.10%	3.07%	3.08%
Efficiency ratio	104.5	82.8	89.4	84.3	81.9
Adjusted efficiency ratio	74.8	80.2	82.1	83.3	82.6
Annualized core operating expenses as a percent of average assets (1)	3.19	3.24	3.27	3.26	3.29

(1) Non-GAAP measure

Management believes that the Non-GAAP measures presented facilitate the understanding of the Company's underlying operational performance and potential future prospects.

Organic Customer Growth and Acquisition Improve Low Cost Funding

- Noninterest bearing demand deposits increased to 30.0% of total deposits compared with 28.9% for the third quarter 2014 and 25.7% for the fourth quarter of 2013, and;
- Average cost of deposits decreased to 11 basis points from third quarter's 12 basis points and compared to 14 basis points a year ago.

Core customer funding totaled \$2.246 billion at December 31, 2014, a \$566.9 million increase from the fourth quarter of 2013. This growth included the acquisition of The BANKShares with approximately \$516.3 million in total deposits consisting of \$208.4 million in demand deposits, \$220.5 million in NOW, money market, and savings accounts, and \$87.4 million in certificates of deposit.

“We are continuing to generate growth in low-cost customer funding as a result of stronger sales execution and return on our investments in digital access for our customers and automated and digital marketing technology in early 2014. This growth occurred despite announcing and closing six branch locations,” said Hudson. “Our effort to acquire, grow, and retain profitable consumer and business customers resulted in stronger household growth in 2014. The acquisition of BANKshares increases our number of households by approximately 13%, further strengthening our customer base. We are executing improvements in the number of services per household as we focuses on cross sell execution at account opening and follow-on cross sell offerings through our automated marketing platform delivered via email, telemarketing and outbound direct mail. The growth in new households, a deepening of relationships with current households, and better retention overall is creating stronger value in our core customer franchise.”

<i>(Dollars in thousands)</i>	Fourth Quarter 2014	Fourth Quarter 2013	Fourth Quarter 2012	2014 vs 2013 Change	2014 vs 2012 Change
Customer Relationship Funding					
Demand deposits (noninterest bearing)	\$ 725,238	\$ 464,006	\$ 422,833	56.3%	71.5%
NOW	652,353	540,288	509,371	20.7	28.1
Money market accounts	450,172	331,184	343,915	35.9	30.9
Savings deposits	264,738	192,491	164,956	37.5	60.5
Time certificates of deposit	324,033	278,076	317,886	16.5	1.9
Total deposits	2,416,534	1,806,045	1,758,961	33.8	37.4
Sweep repurchase agreements	153,640	151,310	136,803	1.5	12.3
Total core customer funding (1)	2,246,141	1,679,279	1,577,878	33.8	42.4
Demand deposit mix (noninterest bearing)	30.0%	25.7%	24.0%		
<i>(1) Total deposits and sweep repurchase agreements, excluding certificates of deposits.</i>					

Organic Loan Growth and Acquisition Improves Loan Portfolio Yield

Total loans were \$1.822 billion at December 31, 2014, up \$430.8 million from September 30, 2014. Excluding loans acquired totaling \$364.3 million after fair value adjustments, net loans grew \$66.5 million or 3.8% (15% annualized) from the third quarter.

Residential real estate mortgage loans declined to 29.4% of total loans at year end compared with 36.6% in the third quarter of 2014 and 37.0% one year earlier. New loan production and the acquisition resulted in increases in owner occupied commercial real estate loans, commercial real estate loans and commercial and financial loans and consumer loans. The overall loan portfolio yield increased to 4.67% in the fourth quarter of 2014 compared with 4.26% in the third quarter and 4.29% in the fourth quarter of 2013.

As indicated in the table below, commercial loan originations for the quarter totaled \$94.7 million, an increase of \$22.1 million linked quarter and \$34.7 million higher than the fourth quarter a year ago. Commercial loans originated in 2014 totaled \$258.0 million, an increase of \$58.3 million from 2013, and \$146.6 million from 2012.

<i>(Dollars in thousands)</i>	Fourth Quarter 2014	Third Quarter 2014	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013
Commercial pipeline	\$ 60,136	\$ 45,534	\$ 58,168	\$ 29,936	\$ 27,830
Commercial loans closed	94,719	72,630	53,250	37,386	60,037
Total loan originations and pipeline	<u>\$ 154,855</u>	<u>\$ 118,164</u>	<u>\$ 111,418</u>	<u>\$ 67,322</u>	<u>\$ 87,867</u>

- Closed residential mortgage production totaled \$57.9 million compared to \$66.0 million in the third quarter and \$52.4 million in the fourth quarter of 2013; and
- Consumer loan originations (inclusive of lines of credit) totaled \$28.3 million compared to \$24.5 million in the third quarter, and \$8.5 million in the fourth quarter of 2013.

Income Statement Highlights

Net interest Income and Margin

Net interest income for the quarter totaled \$24.7 million, a \$7.54 million increase from the prior quarter. Net interest margin for the quarter increased to 3.56% versus 3.13% (which excludes the 4 bps of nonaccrual loan interest recoveries) in the third quarter. The acquisition of BANKshares improved the loan mix, which together with organic loan growth during the quarter contributed approximately 33 bps to the margin improvement, in line with expectations.

During the third and fourth quarters of 2014, average investment securities increased \$234.9 million, or \$149.5 million excluding securities acquired from the BANKshares acquisition. Funding for the increase in investments was derived from liquidity, both legacy and that acquired in the merger, and an increase in seasonal funding from our core customer deposit base. Investments added during the third and fourth quarters were primarily uncapped, floating rate, senior collateralized loan obligations (CLO) securities with average yields at static LIBOR ranging from 1.40 to 3.30% and credit support ranging from 17 to 36%. The weighted average life of these securities at December 31, 2014, was approximately 6.5 years. The deployment of liquidity and organic balance sheet growth contributed approximately 10 bps to the margin improvement in the fourth quarter.

Noninterest Income

Noninterest income (excluding security gains) increased \$992,000 from September 30, 2014. This increase includes a full quarter effect of fees generated from BANKshares accounts. Bank owned life insurance investments were transferred to Seacoast as a result of the acquisition, which were added to policies directly acquired during the quarter. The addition of these investments will provide approximately \$1.3 million in tax exempt revenues in 2015.

<i>(Dollars in thousands)</i>	Fourth Quarter 2014	Third Quarter 2014	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013
Service charges on deposit accounts	\$ 2,208	\$ 1,753	\$ 1,484	\$ 1,507	\$ 1,778
Trust income	795	817	703	671	693
Mortgage banking fees	716	825	855	661	728
Brokerage commissions and fees	417	408	410	379	461
Marine finance fees	445	281	340	254	215
Interchange income	1,603	1,452	1,514	1,403	1,394
Bank owned life insurance	252	0	0	0	0
Other deposit based EFT fees	92	70	83	98	80
Other	613	543	507	585	617
Total	7,141	6,149	5,896	5,558	5,966
Securities gains, net	108	344	0	17	0
	<u>\$ 7,249</u>	<u>\$ 6,493</u>	<u>\$ 5,896</u>	<u>\$ 5,575</u>	<u>\$ 5,966</u>

Noninterest Expense

“During the quarter, we fully implemented previously announced cost reductions primarily from streamlining our core branch network, generating savings totaling \$1.8 million annualized. As expected, the one-time charges were incurred in the fourth quarter and totaled approximately \$4.3 million,” said Bill Hahl, Chief Financial Officer. Previously announced annualized cost reductions totaling in excess of \$5.5 million were also completed in the fourth quarter relating to the acquisition of BANKshares. The benefit associated with both items only partially impacted the fourth quarter. Taken together they are expected to further reduce expenses by an additional \$1.1 million in the first quarter of 2015. These expected additional savings were not included in the computation of Adjusted Net Income for the current quarter.

<i>(Dollars in thousands)</i>	Fourth Quarter 2014	Third Quarter 2014	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013
Noninterest Expense:					
Salaries and wages	\$ 9,998	\$ 7,868	\$ 7,587	\$ 7,412	\$ 8,077
Employee benefits	2,461	2,049	2,081	2,182	1,568
Outsourced data processing costs	1,925	1,769	1,811	1,695	1,586
Telephone / data lines	419	313	306	293	325
Occupancy expense	2,325	1,879	1,888	1,838	1,824
Furniture and equipment expense	683	628	604	571	597
Marketing expense	1,072	717	675	813	749
Legal and professional fees	1,741	884	924	935	839
FDIC assessments	476	387	411	386	451
Amortization of intangibles	446	195	196	196	196
Other	2,863	2,155	2,317	2,063	2,414
Total core operating expense (1)	<u>24,409</u>	<u>18,844</u>	<u>18,800</u>	<u>18,384</u>	<u>18,626</u>
Severance and organizational changes	478	328	181	212	0
Merger related charges	2,722	399	1,234	6	0
Branch closure charges and costs related to expense initiatives	4,261	68	114	0	0
Marketing and brand refresh	697	0	0	0	0
Stock compensation expense and other incentive costs related to improved outlook	1,213	0	0	0	0
Miscellaneous losses (gains)	119	(45)	144	0	190
Recovery of prior legal fees	0	0	0	0	(350)
Net loss on OREO and repossessed assets	9	156	92	53	0
Asset dispositions expense	103	139	118	128	180
Total	<u>\$ 34,011</u>	<u>\$ 19,889</u>	<u>\$ 20,683</u>	<u>\$ 18,789</u>	<u>\$ 18,646</u>

(1) Non-GAAP measure

Merger related charges in the fourth quarter totaled approximately \$2.7 million and were primarily related to core system conversion costs, software and other contract termination charges, and investment banking fees. All charges related to the acquisition have been incurred or are not expected to be material to earnings moving forward. We also increased our accrual of long term stock compensation expense related to an improved outlook and other incentive costs related to better than expected production.

“During the quarter, we invested approximately \$697,000 in marketing and other expenditures to refresh and reintroduce our brand,” Hudson continued. “As a part of this brand refresh, we retooled our logo and associated signage throughout our branch network and digital platforms. All costs for this logo change and additional branding were incurred in the fourth quarter.

Income Taxes

The effective tax rate for the year was 44.4 %. Moving forward into the first quarter of 2015, this rate is expected to fall into a range of 36 to 38%, assuming no further nondeductible merger related charges are incurred, as expected. The anticipated 2015 rate reduction reflects the acquisition of the tax exempt bank owned life insurance policies in the fourth quarter of 2014 and additional tax exempt municipal securities transferred in the BANKshares acquisition.

Other Highlights

Credit Quality

Reflecting organic loan growth and the accounting treatment for the newly acquired loans, the provision for loan losses was \$118,000 for the fourth quarter of 2014 versus net recoveries of \$3.6 million for the first nine months of 2014. Acquired loans were recorded in accordance with ASC Topic 805. As a result, loans acquired on October 1, 2014 from BANKshares, Inc. did not have an allocation for loan losses and were recorded at fair value.

Additional highlights include:

- Nonperforming loans to total loans outstanding at the end of the fourth quarter of 1.2%, down from 2.1 % at December 31, 2013;
- Nonperforming assets to total assets declined to 0.9%, compared to 1.5% a year ago;
- The allowance for loan losses for non-acquired loans to total non-acquired loans was 1.14% at year-end compared with 1.26% in the third quarter of 2014 and 1.54% one year ago. The discount recorded for acquired loans to total acquired loans at year end was 3.56%.

Capital Ratios

Capital ratios remain healthy and well above regulatory requirements for well-capitalized institutions. Tier 1 capital ratio is estimated at 17.7% and the total risk based capital ratio was 18.6% at December 31, 2014. The tier 1 leverage ratio is estimated at 11.7% at December 31, 2014 compared to 11.3 % at September 30, 2014 and 9.6 % the prior year.

Explanation of Certain Unaudited Non-GAAP Financial Measures

This press release 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, pre-provision 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. 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.

Reconciliation of GAAP to non-GAAP Measures. All amounts are in thousands except per share data (unaudited):

Adjusted Net Income

To better evaluate its earnings, the Company removes certain items to arrive at Adjusted net income, Adjusted pretax, pre-provision income and Adjusted diluted earnings per share (non-GAAP measures) as detailed in the table below:

	Fourth Quarter 2014	Third Quarter 2014	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013
<i>(Dollars in thousands)</i>					
Net income (loss) available to common shareholders	\$ (1,517)	\$ 2,996	\$ 1,918	\$ 2,299	\$ 588
Severance	478	328	181	212	0
Merger related charges	2,722	399	1,234	6	0
Branch closure charges and costs related to expense initiatives	4,261	68	114	0	0
Marketing and brand refresh expense	697	0	0	0	0
Stock compensation expense and other incentive costs related to improved outlook	1,213	0	0	0	0
Security losses (gains)	(108)	(344)	0	(17)	0
Miscellaneous losses (gains)	119	(45)	144	0	190
Recovery of prior legal fees	0	0	0	0	(350)
Recovery of non-accrual loan interest	0	(192)	0	0	0
Net loss on OREO and repossessed assets	9	156	92	53	0
Asset dispositions expense	103	139	118	128	180
Effective tax rate on adjustments	(3,798)	(219)	(811)	(148)	(8)
Adjusted Net Income (1)	\$ 4,179	\$ 3,286	\$ 2,990	\$ 2,533	\$ 600
Provision (recapture) for loan losses	118	(1,425)	(1,444)	(735)	490
Income taxes	3,167	2,480	2,275	1,597	1,265
Preferred stock dividends and accretion of discount	0	0	0	0	1,262
Adjusted pretax, pre-provision income (1)	\$ 7,464	\$ 4,341	\$ 3,821	\$ 3,395	\$ 3,617
Adjusted diluted earnings per share (1)	\$ 0.13	\$ 0.13	\$ 0.12	\$ 0.10	\$ 0.03
Average shares outstanding	33,124	26,026	25,998	25,657	21,558

(1) Non-GAAP measure

Conference Call Information

Seacoast will host a conference call on Wednesday, January 28, 2015 at 8:30 a.m. (Eastern Time) to discuss the earnings results. Investors may call in at (800) 774-6070 (passcode: 7789246; host: Dennis S. Hudson). Slides will be used during the conference call and may be accessed at Seacoast's website at SeacoastBanking.net by selecting "Presentations" under the heading "Investor Services." A replay of the call will be available for one month, the afternoon of January 28, by dialing (888) 843-7419 (domestic), using the passcode 7789246.

Alternatively, individuals may listen to the live webcast of the presentation by visiting Seacoast's website at SeacoastBanking.net. The link is located in the subsection "Presentations" under the heading "Investor Services." Beginning the afternoon of January 28, 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 \$3.1 billion in assets and \$2.4 billion in deposits. The Company provides integrated financial services including commercial and retail banking, wealth management, and mortgage services to customers through 43 traditional branches of its locally-branded wholly-owned subsidiary bank, Seacoast National Bank (including BANKshares offices), and five Accelerate Commercial Banking Centers. Offices stretch from Ft. Lauderdale, Boca Raton and West Palm Beach north through the Space Coast of Florida, into Orlando and Central Florida, and west to Okeechobee and surrounding counties.

Sources:

<http://iec.ucf.edu/file.axd?file=2014%2f12%2ffl-forecast-december-2014-s.pdf>

<http://floridataxwatch.org/resources/pdf/EconPreview2015.pdf>

<http://media.floridarealtors.org/market-data/>

<http://floridapolitics.com/archives/2997>

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.

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, 2013, 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)

01/31/15

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands, except share data)

	Three Months Ended			Twelve Months Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Summary of Earnings					
Net income (loss)	\$ (1,517)	\$ 2,996	\$ 1,850	\$ 5,696	\$ 51,989
Net income available to common shareholders (loss)	(1,517)	2,996	588	5,696	47,916
Net interest income (1)	24,883	17,282	16,336	75,221	65,435
Net interest margin (1), (2)	3.56	3.17	3.08	3.25	3.15
Performance Ratios					
Return on average assets-GAAP basis (2), (3), (7)	(0.20)%	0.52%	0.33%	0.23%	2.38%
Return on average shareholders' equity-GAAP basis (2), (3), (7)	(1.89)	4.97	3.10	2.22	28.36
Return on average tangible common shareholders' equity-GAAP basis (2), (3), (4)	(1.71)	5.19	3.32	2.57	28.81
Efficiency ratio (5)	104.46	82.78	81.92	91.57	80.60
Noninterest income to total revenue	22.40	26.30	26.82	24.83	27.16
Per Share Data					
Net income (loss) diluted-GAAP basis (6)	\$ (0.05)	\$ 0.12	\$ 0.03	\$ 0.21	\$ 2.44
Net income (loss) basic-GAAP basis (6)	(0.05)	0.12	0.03	0.21	2.46
Book value per share common (6)	9.44	9.07	8.40	9.44	8.40
Tangible book value per share (6)	8.51	9.06	8.37	8.51	8.37
Cash dividends declared	0.00	0.00	0.00	0.00	0.00

(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 defines tangible common equity as total shareholder's equity less preferred stock and intangible assets.

(5) Defined as (noninterest expense less foreclosed property expense and amortization of intangibles) divided by net operating revenue (net interest income on a fully taxable equivalent basis plus noninterest income excluding securities gains).

(6) Calculated based on total shares outstanding subsequent to the 5/1 reverse stock split.

(7) Excluding the income tax benefit related to the reversal of the valuation allowance for deferred tax assets and reflecting tax provisioning of \$4,555 for the total year 2013, adjusted return on average assets 0.32 percent, and adjusted return on average shareholders' equity 3.85 percent, respectively.

FINANCIAL HIGHLIGHTS**SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES**

<i>(Dollars in thousands, except share data)</i>	December 31, 2014	September 30, 2014	December 31, 2013
Selected Financial Data			
Total assets	\$ 3,093,335	\$ 2,361,813	\$ 2,268,940
Securities available for sale (at fair value)	741,375	601,541	641,611
Securities held for investment (at amortized cost)	207,904	176,724	0
Net loans	1,804,814	1,373,511	1,284,139
Deposits	2,416,534	1,808,550	1,806,045
Total shareholders' equity	312,651	235,955	198,604
Common shareholders' equity	312,651	235,955	198,604
Average Balances (Year-to-Date)			
Total average assets	\$ 2,485,259	\$ 2,299,291	\$ 2,186,757
Less: intangible assets	8,840	428	1,104
Total average tangible assets	\$ 2,476,419	\$ 2,298,863	\$ 2,185,653
Total average equity	\$ 256,867	\$ 235,837	\$ 183,304
Less: intangible assets	8,840	428	1,104
Total average tangible equity	\$ 248,027	\$ 235,409	\$ 182,200
Credit Analysis			
Net charge-offs (recoveries) year-to-date - non-acquired loans	\$ (553)	\$ (1,107)	\$ 5,224
Net charge-offs year-to-date - acquired loans	64	-	-
Total net charge-offs (recoveries) year-to-date	(489)	(1,107)	5,224
Net charge-offs (recoveries) to average loans (annualized) - non-acquired loans	(0.04)%	(0.11)%	0.41%
Net charge-offs to average loans (annualized) - acquired loans	0.01	-	-
Total net charge-offs (recoveries) to average loans (annualized)	(0.03)	(0.11)	0.41
Loan loss provision (recapture) year-to-date - non-acquired loans	\$ (3,550)	\$ (3,604)	\$ 3,188
Loan loss provision year-to-date - acquired loans	64	-	-
Total loan loss provision (recapture) year-to-date	(3,486)	(3,604)	3,188
Allowance to loans at end of period - non-acquired loans	1.14%	1.26%	1.54%
Discount for credit losses to acquired loans at end of period	3.56	-	-
Nonperforming loans - non-acquired loans	\$ 18,563	\$ 18,942	\$ 27,672
Nonperforming loans - acquired loans	3,101	-	-
Other real estate owned - non-acquired	5,567	5,018	6,860
Other real estate owned - acquired	1,895	-	-
Total nonperforming assets	\$ 29,126	\$ 23,960	\$ 34,532
Restructured loans (accruing)	\$ 24,997	\$ 28,969	\$ 25,137
Purchased noncredit impaired loans	\$ 332,508	\$ -	\$ -
Purchased credit impaired loans	7,814	-	-
Total acquired loans	\$ 340,322	\$ -	\$ -
Nonperforming loans to loans at end of period - non-acquired loans	1.02%	1.36%	2.12%
Nonperforming loans to loans at end of period - acquired loans	0.17	-	-
Total nonperforming loans to loans at end of period	1.19	1.36	2.12
Nonperforming assets to total assets - non-acquired	0.78%	1.01%	1.52%
Nonperforming assets to total assets - acquired	0.16	-	-
Total nonperforming assets to total assets	0.94	1.01	1.52

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Unaudited)

01/23/15

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
<i>(Dollars in thousands, except per share data)</i>				
Interest on securities:				
Taxable	\$ 4,728	\$ 3,452	\$ 15,448	\$ 12,856
Nontaxable	182	16	211	68
Interest and fees on loans	21,070	13,924	63,586	56,971
Interest on federal funds sold and other investments	292	224	1,017	868
Total Interest Income	26,272	17,616	80,262	70,763
Interest on deposits:				
Interest on deposits	297	196	864	782
Interest on time certificates	375	444	1,538	1,947
Interest on borrowed money	867	699	2,953	2,828
Total Interest Expense	1,539	1,339	5,355	5,557
Net Interest Income	24,733	16,277	74,907	65,206
Provision (recapture) for loan losses	118	490	(3,486)	3,188
Net Interest Income After Provision for Loan Losses	24,615	15,787	78,393	62,018
Noninterest income:				
Service charges on deposit accounts	2,208	1,778	6,952	6,711
Trust income	795	693	2,986	2,711
Mortgage banking fees	716	728	3,057	4,173
Brokerage commissions and fees	417	461	1,614	1,631
Marine finance fees	445	215	1,320	1,189
Interchange income	1,603	1,394	5,972	5,404
Other deposit based EFT fees	92	80	343	342
BOLI Income	252	0	252	0
Other	613	617	2,248	2,158
	7,141	5,966	24,744	24,319
Securities gains, net	108	0	469	419
Total Noninterest Income	7,249	5,966	25,213	24,738
Noninterest expenses:				
Salaries and wages	11,676	8,077	35,132	31,006
Employee benefits	2,461	1,568	8,773	7,327
Outsourced data processing costs	3,506	1,586	8,781	6,372
Telephone / data lines	419	325	1,331	1,253
Occupancy	6,417	1,824	12,022	7,178
Furniture and equipment	1,132	597	2,935	2,334
Marketing	1,561	749	3,974	2,339
Legal and professional fees	2,562	489	6,878	2,458
FDIC assessments	476	451	1,660	2,601
Amortization of intangibles	446	196	1,033	783
Asset dispositions expense	103	180	488	740
Net loss on other real estate owned and repossessed assets	9	0	310	1,289
Other	3,243	2,604	10,049	9,472
Total Noninterest Expenses	34,011	18,646	93,366	75,152
Income Before Income Taxes	(2,147)	3,107	10,240	11,604
Income taxes (benefit)	(630)	1,257	4,544	(40,385)
Net Income	(1,517)	1,850	5,696	51,989
Preferred stock dividends and accretion on preferred stock discount	-	1,262	-	4,073
Net Income Available to Common Shareholders	\$ (1,517)	\$ 588	\$ 5,696	\$ 47,916
Per share of common stock:				
Net income diluted	\$ (0.05)	\$ 0.03	\$ 0.21	\$ 2.44
Net income basic	(0.05)	0.03	0.21	2.46
Cash dividends declared	0.00	0.00	0.00	0.00
Average diluted shares outstanding	33,123,525	21,558,079	27,716,895	19,650,005
Average basic shares outstanding	32,888,612	21,386,775	27,538,955	19,449,560

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

01/23/15

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands, except share data)

	December 31, 2014	December 31, 2013
Assets		
Cash and due from banks	\$ 64,411	\$ 48,561
Interest bearing deposits with other banks	36,128	143,063
Total Cash and Cash Equivalents	100,539	191,624
Securities:		
Available for sale (at fair value)	741,375	641,611
Held for investment (at amortized cost)	207,904	0
Total Securities	949,279	641,611
Loans available for sale	12,078	13,832
Loans, net of deferred costs	1,821,885	1,304,207
Less: Allowance for loan losses	(17,071)	(20,068)
Net Loans	1,804,814	1,284,139
Bank premises and equipment, net	45,086	34,505
Other real estate owned	7,462	6,860
Other intangible assets	7,454	718
Goodwill	23,217	0
Other assets	143,406	95,651
	\$ 3,093,335	\$ 2,268,940
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand deposits (noninterest bearing)	\$ 725,238	\$ 464,006
NOW	652,353	540,288
Savings deposits	264,738	192,491
Money market accounts	450,172	331,184
Other time certificates	173,247	154,743
Brokered time certificates	7,034	9,776
Time certificates of \$100,000 or more	143,752	113,557
Total Deposits	2,416,534	1,806,045
Federal funds purchased and securities sold under agreements to repurchase, maturing within 30 days	233,640	151,310
Borrowed funds	50,000	50,000
Subordinated debt	64,583	53,610
Other liabilities	15,927	9,371
	2,780,684	2,070,336
Shareholders' Equity		
Common stock	3,300	2,364
Additional paid in capital	379,249	277,290
Accumulated deficit	(65,000)	(70,695)
Treasury stock	(71)	(11)
	317,478	208,948
Accumulated other comprehensive (loss), net	(4,827)	(10,344)
Total Shareholders' Equity	312,651	198,604
	\$ 3,093,335	\$ 2,268,940
Common Shares Outstanding	33,136,592	23,637,434

Note: The balance sheet at December 31, 2013 has been derived from the audited financial statements at that date.

CONSOLIDATED QUARTERLY FINANCIAL DATA
SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Unaudited) 01/23/15

(Dollars in thousands, except per share data)	QUARTERS					
	2014				2013	
	Fourth	Third	Second	First	Fourth	
Net income (loss)	\$ (1,517)	\$ 2,996	\$ 1,918	\$ 2,299	\$ 1,850	
Operating Ratios						
Return on average assets-GAAP basis (2),(3)	(0.20)%	0.52%	0.33%	0.41%	0.33%	
Return on average tangible assets (2),(3),(4)	(0.16)	0.54	0.36	0.43	0.35	
Return on average shareholders' equity-GAAP basis (2),(3)	(1.89)	4.97	3.25	4.02	3.10	
Efficiency ratio (5)	104.46	82.78	89.42	84.30	81.92	
Noninterest income to total revenue	22.40	26.30	26.06	25.52	26.82	
Net interest margin (1),(2)	3.56	3.17	3.10	3.07	3.08	
Average equity to average assets	10.51	10.37	10.27	10.13	10.55	
Credit Analysis						
Net charge-offs (recoveries) - non-acquired loans	\$ 554	\$ (856)	\$ (112)	\$ (139)	\$ 838	
Net charge-offs - acquired loans	64	-	-	-	-	
Total net charge-offs (recoveries)	618	(856)	(112)	(139)	838	
Net charge-offs (recoveries) to average loans - non-acquired loans	0.12%	(0.25)%	(0.03)%	(0.04)%	0.26%	
Net charge-offs (recoveries) to average loans - acquired loans	0.02	-	-	-	-	
Total net charge-offs (recoveries) to average loans	0.14	(0.25)	(0.03)	(0.04)	0.26	
Loan loss provision (recapture) - non-acquired loans	\$ 54	\$ (1,425)	\$ (1,444)	\$ (735)	\$ 490	
Loan loss provision (recapture) - acquired loans	64	-	-	-	-	
Total loan loss provision (recapture)	118	(1,425)	(1,444)	(735)	490	
Allowance to loans at end of period - non-acquired loans	1.14%	1.26%	1.36%	1.48%	1.54%	
Discount for credit losses to acquired loans at end of period	3.56%	-%	-%	-%	-%	
Nonperforming loans - non-acquired loans	\$ 18,563	\$ 18,942	\$ 21,745	\$ 26,220	\$ 27,672	
Nonperforming loans - acquired loans	3,101	-	-	-	-	
Other real estate owned - non-acquired	5,567	5,018	6,198	6,369	6,860	
Other real estate owned - acquired	1,895	-	-	-	-	
Total nonperforming assets	\$ 29,126	\$ 23,960	\$ 27,943	\$ 32,589	\$ 34,532	
Restructured loans (accruing)	\$ 24,997	\$ 28,969	\$ 28,157	\$ 24,537	\$ 25,137	
Purchased noncredit impaired loans	\$ 332,508	\$ -	\$ -	\$ -	\$ -	
Purchased credit impaired loans	7,814	-	-	-	-	
Total acquired loans	\$ 340,322	\$ -	\$ -	\$ -	\$ -	
Nonperforming loans to loans at end of period - non-acquired loans	1.02%	1.36%	1.63%	2.00%	2.12%	
Nonperforming loans to loans at end of period - acquired loans	0.17	-	-	-	-	
Total nonperforming loans to loans at end of period	1.19	1.36	1.63	2.00	2.12	
Nonperforming assets to total assets - non-acquired	0.78%	1.01%	1.22%	1.41%	1.52%	
Nonperforming assets to total assets - acquired	0.16	-	-	-	-	
Total nonperforming assets to total assets	0.94	1.01	1.22	1.41	1.52	
Per Share Common Stock						
Net income (loss) diluted-GAAP basis (6)	\$ (0.05)	\$ 0.12	\$ 0.07	\$ 0.09	\$ 0.03	
Net income (loss) basic-GAAP basis (6)	(0.05)	0.12	0.07	0.09	0.03	
Cash dividends declared (6)	0.00	0.00	0.00	0.00	0.00	
Book value per share common (6)	9.44	9.07	9.02	8.79	8.40	
Average Balances						
Total average assets	\$ 3,037,061	\$ 2,305,799	\$ 2,304,870	\$ 2,286,998	\$ 2,245,155	

Less: Intangible assets	33,803	237	422	629	813
Total average tangible assets	\$ 3,003,258	<u>\$ 2,305,562</u>	<u>\$ 2,304,448</u>	<u>\$ 2,286,369</u>	<u>\$ 2,244,342</u>
Total average equity	\$ 319,233	\$ 239,031	\$ 236,632	\$ 231,769	\$ 236,950
Less: Intangible assets	33,803	237	422	629	813
Total average tangible equity	\$ 285,430	<u>\$ 238,794</u>	<u>\$ 236,210</u>	<u>\$ 231,140</u>	<u>\$ 236,137</u>

(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) Defined as (noninterest expense less foreclosed property expense and amortization of intangibles) divided by net operating revenue (net interest income on a fully taxable equivalent basis plus noninterest income excluding securities gains).

(6) Calculated based on total shares outstanding subsequent to the 5/1 reverse stock split.

SECURITIES	December 31, 2014	December 31, 2013
U.S. Treasury and U.S. Government Agencies	\$ 3,899	\$ 100
Mortgage-backed	587,933	602,568
Collateralized loan obligations	125,225	32,179
Obligations of states and political subdivisions	24,318	6,764
Securities Available for Sale	741,375	641,611
Mortgage-backed	182,076	0
Collateralized loan obligations	25,828	0
Securities Held for Investment	207,904	0
Total Securities	\$ 949,279	\$ 641,611
LOANS	December 31, 2014	December 31, 2013
Construction and land development	\$ 87,036	\$ 67,450
Real estate mortgage	1,524,044	1,113,128
Installment loans to individuals	52,897	44,713
Commercial and financial	157,396	78,636
Other loans	512	280
Total Loans	\$ 1,821,885	\$ 1,304,207

AVERAGE BALANCES

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands)	QUARTER					Percent Change vs.	
	2014				2013	3rd Qtr	4th Qtr
	Fourth	Third	Second	First	Fourth	2014	2013
Assets							
Earning assets:							
Securities:							
Taxable	\$ 897,472	\$ 698,274	\$ 677,600	\$ 653,646	\$ 655,176	28.5%	37.0%
Nontaxable	15,871	742	827	1,016	1,560	2,038.9	917.4
Total Securities	913,343	699,016	678,427	654,662	656,736	30.7	39.1
Federal funds sold and other investments	63,690	98,711	153,410	188,048	156,823	(35.5)	(59.4)
Loans, net	1,794,423	1,365,978	1,338,415	1,307,796	1,293,373	31.4	38.7
Total Earning Assets	2,771,456	2,163,705	2,170,252	2,150,506	2,106,932	28.1	31.5
Allowance for loan losses	(18,723)	(17,972)	(19,784)	(20,205)	(20,817)	4.2	(10.1)
Cash and due from banks	88,745	44,172	35,735	37,186	40,836	100.9	117.3
Premises and equipment	47,379	34,717	34,948	34,731	34,750	36.5	36.3
Other assets	148,204	81,177	83,719	84,780	83,454	82.6	77.6
	\$ 3,037,061	\$ 2,305,799	\$ 2,304,870	\$ 2,286,998	\$ 2,245,155	31.7	35.3
Liabilities and Shareholders' Equity							
Interest-bearing liabilities:							
NOW	\$ 585,895	\$ 489,138	\$ 498,285	\$ 507,313	\$ 483,569	19.8%	21.2%
Savings deposits	263,066	212,479	205,686	197,300	190,558	23.8	38.1
Money market accounts	457,364	339,937	336,772	330,787	332,576	34.5	37.5
Time deposits	327,327	252,179	259,325	270,215	282,543	29.8	15.9
Federal funds purchased and other short term borrowings	227,806	153,696	150,108	155,656	142,999	48.2	59.3
Other borrowings	114,560	103,610	103,610	103,610	103,610	10.6	10.6
Total Interest-Bearing Liabilities	1,976,018	1,551,039	1,553,786	1,564,881	1,535,855	27.4	28.7
Demand deposits (noninterest-bearing)	728,410	506,478	505,892	481,048	462,830	43.8	57.4
Other liabilities	13,400	9,251	8,560	9,300	9,520	44.8	40.8
Total Liabilities	2,717,828	2,066,768	2,068,238	2,055,229	2,008,205	31.5	35.3
Shareholders' equity	319,233	239,031	236,632	231,769	236,950	33.6	34.7
	\$ 3,037,061	\$ 2,305,799	\$ 2,304,870	\$ 2,286,998	\$ 2,245,155	31.7	35.3

AVERAGE YIELDS / RATES ⁽¹⁾

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands)</i>	QUARTER					2013 Fourth
	2014				First	
	Fourth	Third	Second	Fourth		
Assets						
Earning assets:						
Securities:						
Taxable	2.11%	2.09%	2.14%	2.10%	2.11%	
Nontaxable	7.03	7.01	6.77	6.69	6.41	
Total Securities	2.19	2.10	2.15	2.11	2.12	
Federal funds sold and other investments	1.82	0.85	0.64	0.58	0.57	
Loans, net	4.67	4.26	4.24	4.29	4.29	
Total Earning Assets	3.78	3.40	3.33	3.31	3.33	
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
NOW	0.08	0.07	0.08	0.08	0.08	
Savings deposits	0.06	0.04	0.04	0.05	0.05	
Money market accounts	0.12	0.09	0.08	0.08	0.09	
Time deposits	0.45	0.58	0.60	0.61	0.62	
Federal funds purchased and other short term borrowings	0.17	0.18	0.17	0.17	0.17	
Other borrowings	2.67	2.43	2.43	2.44	2.44	
Total Interest-Bearing Liabilities	0.31	0.32	0.33	0.33	0.35	
Interest expense as a % of earning assets	0.22	0.23	0.23	0.24	0.25	
Net interest income as a % of earning assets	3.56	3.17	3.10	3.07	3.08	

(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.

INTEREST INCOME / EXPENSE ⁽¹⁾

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands)</i>	QUARTER					Percent Change vs.	
	2014				2013	3rd Qtr	4th Qtr
	Fourth	Third	Second	First	Fourth	2014	2013
Assets							
Earning assets:							
Securities:							
Taxable	\$ 4,728	\$ 3,656	\$ 3,630	\$ 3,434	\$ 3,452	29.3%	37.0%
Nontaxable	279	13	14	17	25	2,046.2	1,016.0
Total Securities	5,007	3,669	3,644	3,451	3,477	36.5	44.0
Federal funds sold and other investments	292	211	246	268	224	38.4	30.4
Loans, net	21,123	14,665	14,151	13,849	13,974	44.0	51.2
Total Earning Assets	26,422	18,545	18,041	17,568	17,675	42.5	49.5
Liabilities and Shareholders' Equity							
Interest-bearing liabilities:							
NOW	112	91	94	102	96	23.1	16.7
Savings deposits	42	24	23	24	26	75.0	61.5
Money market accounts	143	74	67	68	74	93.2	93.2
Time deposits	375	370	386	407	444	1.4	(15.5)
Federal funds purchased and other short term borrowings	97	69	65	66	62	40.5	56.5
Other borrowings	770	635	627	624	637	21.3	20.9
Total Interest-Bearing Liabilities	1,539	1,263	1,262	1,291	1,339	21.9	14.9
Net interest income	24,883	17,282	16,779	16,277	16,336	44.0	52.3

(1) On a fully taxable equivalent basis. Fees on loans have been included in interest on loans

CONSOLIDATED QUARTERLY FINANCIAL DATA

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands)</i>	2014				2013
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
Customer Relationship Funding (Period End)					
Demand deposits (noninterest bearing)					
Commercial	\$ 481,327	\$ 301,630	\$ 293,515	\$ 291,221	\$ 261,938
Retail	190,120	162,392	167,172	173,698	159,117
Public funds	41,201	39,329	33,223	34,636	32,971
Other	12,590	18,650	15,888	14,370	9,980
	<u>725,238</u>	<u>522,001</u>	<u>509,798</u>	<u>513,925</u>	<u>464,006</u>
NOW accounts					
Commercial	58,173	41,131	41,423	41,281	43,241
Retail	407,653	324,690	327,762	329,226	324,583
Public funds	186,527	114,006	124,742	134,191	172,464
	<u>652,353</u>	<u>479,827</u>	<u>493,927</u>	<u>504,698</u>	<u>540,288</u>
Total Transaction Accounts					
Commercial	539,500	342,761	334,938	332,501	305,179
Retail	597,773	487,082	494,934	502,924	483,700
Public funds	227,728	153,335	157,965	168,828	205,435
Other	12,590	18,650	15,888	14,370	9,980
	<u>1,377,591</u>	<u>1,001,828</u>	<u>1,003,725</u>	<u>1,018,623</u>	<u>1,004,294</u>
Savings accounts	264,738	215,076	208,333	202,170	192,491
Money market accounts					
Commercial	172,417	118,385	114,662	109,158	100,601
Retail	264,725	218,376	213,927	221,762	221,062
Public funds	13,030	7,965	6,657	6,488	9,521
	<u>450,172</u>	<u>344,726</u>	<u>335,246</u>	<u>337,408</u>	<u>331,184</u>
Time certificates of deposit	324,033	246,920	258,233	261,594	278,076
Total Deposits	<u>\$ 2,416,534</u>	<u>\$ 1,808,550</u>	<u>\$ 1,805,537</u>	<u>\$ 1,819,795</u>	<u>\$ 1,806,045</u>
Sweep repurchase agreements	\$ 153,640	\$ 124,436	\$ 141,662	\$ 156,136	\$ 151,310
Total core customer funding (1)	<u>\$ 2,246,141</u>	<u>\$ 1,686,066</u>	<u>\$ 1,688,966</u>	<u>\$ 1,714,337</u>	<u>\$ 1,679,279</u>

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

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

	2014				2013			
	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Installment loans to individuals								
Automobile and trucks	\$ 7.8	\$ 6.6	\$ 6.1	\$ 6.2	\$ 6.6	\$ 7.1	\$ 7.5	\$ 7.8
Marine loans	26.2	24.4	23.3	20.8	20.2	21.3	16.7	15.4
Other	18.9	16.6	15.8	17.6	17.9	18.8	20.1	20.0
	<u>52.9</u>	<u>47.6</u>	<u>45.2</u>	<u>44.6</u>	<u>44.7</u>	<u>47.2</u>	<u>44.3</u>	<u>43.2</u>
Construction and land development to individuals								
Lot loans	15.5	13.3	13.1	13.3	12.9	14.7	15.5	16.6
Construction	18.2	17.0	16.7	24.4	21.3	19.7	20.7	20.8
	<u>33.7</u>	<u>30.3</u>	<u>29.8</u>	<u>37.7</u>	<u>34.2</u>	<u>34.4</u>	<u>36.2</u>	<u>37.4</u>
Residential real estate								
Adjustable	441.2	417.0	407.7	392.5	391.9	378.4	372.6	365.8
Fixed rate	93.9	92.2	91.0	89.8	91.1	94.7	97.5	98.2
Home equity mortgages	71.8	52.1	54.9	60.6	62.0	61.8	62.2	61.3
Home equity lines	80.0	62.0	53.2	49.7	47.7	47.7	49.1	49.3
	<u>686.9</u>	<u>623.3</u>	<u>606.8</u>	<u>592.6</u>	<u>592.7</u>	<u>582.6</u>	<u>581.4</u>	<u>574.6</u>
TOTAL CONSUMER	<u>773.5</u>	<u>701.2</u>	<u>681.8</u>	<u>674.9</u>	<u>671.6</u>	<u>664.2</u>	<u>661.9</u>	<u>655.2</u>
Commercial & financial	157.4	91.3	87.3	79.4	78.6	70.8	65.2	64.8
Construction and land development for commercial								
Residential								
Single family residences	6.8	4.8	5.1	1.8	2.0	-	-	-
Single family land and lots	6.1	4.3	4.5	4.7	4.9	4.9	5.0	4.9
Townhomes	0.3	-	1.1	0.5	-	-	-	-
Multifamily	3.0	3.5	3.5	3.6	3.7	3.8	3.9	3.9
	<u>16.2</u>	<u>12.6</u>	<u>14.2</u>	<u>10.6</u>	<u>10.6</u>	<u>8.7</u>	<u>8.9</u>	<u>8.8</u>
Commercial								
Office buildings	1.6	-	-	-	-	1.6	1.6	1.1
Retail trade	0.7	2.5	2.4	2.9	7.7	1.8	1.8	-
Land	18.2	4.2	4.1	4.4	4.9	7.3	7.2	7.8
Healthcare	-	-	-	7.1	5.4	4.7	2.9	3.3
Churches and educational facilities	2.9	1.0	1.6	1.1	3.8	4.0	2.5	1.2
Lodging	7.1	6.9	5.2	3.4	0.9	0.3	-	-
Convenience stores	3.2	0.3	0.1	-	-	-	-	-
Industrial buildings	2.7	-	-	-	-	-	-	-
Auto and RV dealerships	0.3	-	-	-	-	-	-	-
Other	0.4	-	-	-	-	-	-	-
	<u>37.1</u>	<u>14.9</u>	<u>13.4</u>	<u>18.9</u>	<u>22.7</u>	<u>19.7</u>	<u>16.0</u>	<u>13.4</u>
Total construction and land development	<u>53.3</u>	<u>27.5</u>	<u>27.6</u>	<u>29.5</u>	<u>33.3</u>	<u>28.4</u>	<u>24.9</u>	<u>22.2</u>
Commercial real estate								
Office buildings	235.7	127.1	122.8	120.0	118.7	118.2	112.0	112.5
Retail trade	205.5	163.4	142.8	142.0	130.6	128.9	135.5	122.2
Industrial	157.3	89.6	82.2	76.7	81.1	79.6	83.3	73.4
Healthcare	50.6	40.7	41.6	44.1	45.5	38.8	42.1	39.4
Churches and educational facilities	26.1	26.0	26.7	26.9	25.3	24.2	26.4	26.9
Recreation	3.2	3.3	3.3	2.4	2.5	2.5	2.6	2.6
Multifamily	17.4	17.0	18.7	17.2	16.8	6.2	9.5	8.5
Mobile home parks	1.7	1.7	1.7	1.8	1.9	1.9	1.9	2.0
Lodging	16.9	16.9	17.0	16.9	17.1	17.3	17.5	18.0
Restaurant	3.3	3.3	3.9	3.7	3.7	3.8	3.5	3.6
Agricultural	2.6	2.6	4.6	4.7	7.0	7.2	7.1	5.9
Convenience stores	21.2	23.3	20.9	22.0	20.8	21.0	20.2	20.2
Marina	18.5	18.6	18.5	20.6	21.3	21.5	20.9	21.1
Other	77.2	37.2	33.5	29.4	28.1	27.9	31.1	25.1
	<u>837.2</u>	<u>570.7</u>	<u>538.2</u>	<u>528.4</u>	<u>520.4</u>	<u>499.0</u>	<u>513.6</u>	<u>481.4</u>
TOTAL COMMERCIAL	<u>1,047.9</u>	<u>689.5</u>	<u>653.1</u>	<u>637.3</u>	<u>632.3</u>	<u>598.2</u>	<u>603.7</u>	<u>568.4</u>
Other	0.5	0.4	0.3	0.2	0.3	0.5	0.3	0.2
	<u>\$ 1,821.9</u>	<u>\$ 1,391.1</u>	<u>\$ 1,335.2</u>	<u>\$ 1,312.4</u>	<u>\$ 1,304.2</u>	<u>\$ 1,262.9</u>	<u>\$ 1,265.9</u>	<u>\$ 1,223.8</u>

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

	2014				2013			
	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Installment loans to individuals								
Automobile and trucks	\$ 1.2	\$ 0.5	\$ (0.1)	\$ (0.4)	\$ (0.5)	\$ (0.4)	\$ (0.3)	\$ -
Marine loans	1.8	1.1	2.5	0.6	(1.1)	4.6	1.3	(3.0)
Other	2.3	0.8	(1.8)	(0.3)	(0.9)	(1.3)	0.1	(0.7)
	<u>5.3</u>	<u>2.4</u>	<u>0.6</u>	<u>(0.1)</u>	<u>(2.5)</u>	<u>2.9</u>	<u>1.1</u>	<u>(3.7)</u>
Construction and land development to individuals								
Lot loans	2.2	0.2	(0.2)	0.4	(1.8)	(0.8)	(1.1)	(0.1)
Construction	1.2	0.3	(7.7)	3.1	1.6	(1.0)	(0.1)	(1.4)
	<u>3.4</u>	<u>0.5</u>	<u>(7.9)</u>	<u>3.5</u>	<u>(0.2)</u>	<u>(1.8)</u>	<u>(1.2)</u>	<u>(1.5)</u>
Residential real estate								
Adjustable	24.2	9.3	15.2	0.6	13.5	5.8	6.8	4.8
Fixed rate	1.7	1.2	1.2	(1.3)	(3.6)	(2.8)	(0.7)	(0.8)
Home equity mortgages	19.7	(2.8)	(5.7)	(1.4)	0.2	(0.4)	0.9	3.3
Home equity lines	18.0	8.8	3.5	2.0	-	(1.4)	(0.2)	(2.1)
	<u>63.6</u>	<u>16.5</u>	<u>14.2</u>	<u>(0.1)</u>	<u>10.1</u>	<u>1.2</u>	<u>6.8</u>	<u>5.2</u>
TOTAL CONSUMER	<u>72.3</u>	<u>19.4</u>	<u>6.9</u>	<u>3.3</u>	<u>7.4</u>	<u>2.3</u>	<u>6.7</u>	<u>-</u>
Commercial & financial	66.1	4.0	7.9	0.8	7.8	5.6	0.4	2.9
Construction and land development for commercial								
Residential								
Single family residences	2.0	(0.3)	3.3	(0.2)	2.0	-	-	-
Single family land and lots	1.8	(0.2)	(0.2)	(0.2)	-	(0.1)	0.1	(0.7)
Townhomes	0.3	(1.1)	0.6	0.5	-	-	-	-
Multifamily	(0.5)	-	(0.1)	(0.1)	(0.1)	(0.1)	-	(0.4)
	<u>3.6</u>	<u>(1.6)</u>	<u>3.6</u>	<u>(0.0)</u>	<u>1.9</u>	<u>(0.2)</u>	<u>0.1</u>	<u>(1.1)</u>
Commercial								
Office buildings	1.6	-	-	-	(1.6)	-	0.5	1.1
Retail trade	(1.8)	0.1	(0.5)	(4.8)	5.9	-	1.8	-
Land	14.0	0.1	(0.3)	(0.5)	(2.4)	0.1	(0.6)	(1.8)
Healthcare	-	-	(7.1)	1.7	0.7	1.8	(0.4)	1.5
Churches and educational facilities	1.9	(0.6)	0.5	(2.7)	(0.2)	1.5	1.3	0.7
Lodging	0.2	1.7	1.8	2.5	0.6	0.3	-	-
Convenience stores	2.9	0.2	0.1	-	-	-	-	-
Industrial buildings	2.7	-	-	-	-	-	-	-
Auto and RV dealerships	0.3	-	-	-	-	-	-	-
Other	0.4	-	-	-	-	-	-	-
	<u>22.2</u>	<u>1.5</u>	<u>(5.5)</u>	<u>(3.8)</u>	<u>3.0</u>	<u>3.7</u>	<u>2.6</u>	<u>1.5</u>
Total construction and land development	<u>25.8</u>	<u>(0.1)</u>	<u>(1.9)</u>	<u>(3.8)</u>	<u>4.9</u>	<u>3.5</u>	<u>2.7</u>	<u>0.4</u>
Commercial real estate								
Office buildings	108.6	4.3	2.8	1.3	0.5	6.2	(0.5)	7.8
Retail trade	42.1	20.6	0.8	11.4	1.7	(6.6)	13.3	(4.5)
Industrial	67.7	7.4	5.5	(4.4)	1.5	(3.7)	9.9	0.8
Healthcare	9.9	(0.9)	(2.5)	(1.4)	6.7	(3.3)	2.7	(1.3)
Churches and educational facilities	0.1	(0.7)	(0.2)	1.6	1.1	(2.2)	(0.5)	(1.7)
Recreation	(0.1)	-	0.9	(0.1)	-	(0.1)	-	(0.1)
Multifamily	0.4	(1.7)	1.5	0.4	10.6	(3.3)	1.0	(0.5)
Mobile home parks	-	-	(0.1)	(0.1)	-	-	(0.1)	-
Lodging	-	(0.1)	0.1	(0.2)	(0.2)	(0.2)	(0.5)	(0.7)
Restaurant	-	(0.6)	0.2	-	(0.1)	0.3	(0.1)	0.1
Agricultural	-	(2.0)	(0.1)	(2.3)	(0.2)	0.1	1.2	(0.2)
Convenience stores	(2.1)	2.4	(1.1)	1.2	(0.2)	0.8	-	(0.3)
Marina	(0.1)	0.1	(2.1)	(0.7)	(0.2)	0.6	(0.2)	(0.1)
Other	40.0	3.7	4.1	1.3	0.2	(3.2)	6.0	(4.7)
	<u>266.5</u>	<u>32.5</u>	<u>9.8</u>	<u>8.0</u>	<u>21.4</u>	<u>(14.6)</u>	<u>32.2</u>	<u>(5.4)</u>
TOTAL COMMERCIAL	<u>358.4</u>	<u>36.4</u>	<u>15.8</u>	<u>5.0</u>	<u>34.1</u>	<u>(5.5)</u>	<u>35.3</u>	<u>(2.1)</u>
Other	0.1	0.1	0.1	(0.1)	(0.2)	0.2	0.1	(0.2)
	<u>\$ 430.8</u>	<u>\$ 55.9</u>	<u>\$ 22.8</u>	<u>\$ 8.2</u>	<u>\$ 41.3</u>	<u>\$ (3.0)</u>	<u>\$ 42.1</u>	<u>\$ (2.3)</u>

Seacoast Banking Corporation of Florida
Fourth Quarter & Year-End 2014 Earnings Conference Call
January 28, 2015
8:30 AM Eastern Time

Company Participants:

Dennis S. Hudson, III, 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

Other Participants:

Taylor Brodarick, Vice President, Guggenheim Securities, LLC

Stephen Scouten, Greater Atlanta Area - Associate Director, Sandler O'Neill

Scott Valentin, Managing Director, FBR Capital Markets

Operator: Welcome to the Seacoast Fourth Quarter and Year-end 2014 Earnings Conference Call. My name is Christine, and I will be the 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. You may begin.

Dennis S. Hudson, III: Thank you very much, and welcome to the Seacoast Fourth Quarter Conference Call.

Before I begin, as always, I direct your attention to the statement contained at the end of our press release regarding forward-looking statements. During our call, we'll be discussing certain issues that constitute forward-looking statements within the meaning of the Securities and Exchange Act and as a result, our comments are intended to be covered within the meaning of that Act. The earnings release and slides that go along with this call are also posted on our website, SeacoastBanking.com, and they can be found under Presentations.

With me today is Chuck Cross, who heads up our Commercial Business banking line, and Chuck Shaffer, who heads up our Consumer and Small Business banking line; and also with me today is Bill Hahl, our CFO, as well as David Houdeshell, our Chief Credit Officer.

We ended the year with a great quarter capped by the acquisition of BANKshares, which closed in the beginning of the fourth quarter. The acquisition, combined with strong growth from our legacy franchise, generated a 27 percent increase in fourth quarter adjusted profits compared to the preceding quarter. The acquisition also contributed to margin growth with 33 out of the 39 basis point improvement coming from the acquisition and from growth in the quarter.

Our loan pipelines remain very strong, generating 12 percent year-over-year growth in our loan portfolio; and our customer growth rates, as well as product penetration within our customer base, is quite exciting. We believe we've only scratched the surface on the growth in our markets. Overall, the fourth quarter revenues grew 44 percent year over year, reflecting the acquisition, the growing impact of our strategic investment and an improving Florida marketplace.

As we said in the release, we're quite optimistic about the Florida economy. We touched briefly on some of the highlights of our marketplace, but I'd like to spend just a minute or two reviewing some of the details of the economic reports I've been reading, because Florida really is an interesting story right now.

Florida's real gross state product growth is projected to grow at a better rate than the nation as a whole and solidly positive. The growth rates vary depending on who's making the prediction. For example, the University of Central Florida has our growth rate for the state pegged at 2.7 percent; Global Insight is estimating 3.7 percent growth; and JP Morgan Chase is even more optimistic at 4.2 percent. So I think you can see the gross state product is really headed in the right direction now.

According to the Census Bureau, our population for the state was 19.9 million at the end of the year, surpassing New York as the nation's third most populous state. The report indicated that the state added an average of 745 new residences every day over the past year. Population growth is providing a lot of fuel for Florida's economy and generating new good job growth.

According to UCF, the unemployment rate will continue to drop with the addition of thousands of jobs. Non-farm employment has projected to grow at 2.3 percent in 2015, faster than the same numbers for the United States as a whole, which is projected to grow at 1.7 percent. The sectors with the highest growth in 2015 are projected to be: Construction at 8.7 percent growth, Business and Professional Services at 3.7 percent growth, and Transportation, Warehouse, and Utilities at 2.6 percent. They are also projecting that housing starts would rise to 111,500 in the year 2015, which is up 34 percent from the same number in 2014, and we think it'll grow another 20 percent as we move into 2016. These numbers all come from UCF. Housing prices we've observed continue to improve throughout just about every market in Florida with statewide average price appreciation today in the month of November at about 3 percent for single-family homes according to the Florida Realtors Media Center, and foreclosure action activities also improving. According to UCF, after being ranked first for quite some time after the crisis, Florida has now moved to fifth place among states for noncurrent mortgages. A major reason this shift is occurring is the reduction in new delinquent mortgages as we look at the incoming pipeline. Florida's underwater homes declined from a high of 50 percent of all residential mortgages to now 15 percent in the most recent data.

So in short, the Florida economy we think is a great platform for our franchise., and the investments we have been making over the last couple of years are now clearly driving significantly better results in terms of growth.

Now, I'd like to hit a few highlights for the quarter and then we can open up the call for a few questions. Our adjusted earnings for the quarter totaled \$4.2 million, or \$0.13, which is up about 27 percent from the \$3.3 million, or \$0.13 we earned in the third quarter, excluding the adjustments for one-timers—and those one-timers were primarily our merger-related costs, branch closing costs, and a few other items we've listed in the press release—excluding those one-timers, we posted a GAAP loss of \$1.5 million or \$0.05 per share for the fourth quarter.

Our adjusted pretax pre-provision earnings were up 72 percent over the third quarter and they were more than double what we generated in the fourth quarter of last year. This improvement in adjusted pretax pre-provision earnings I think best reflects the impact of the acquisition and the previously announced legacy cost-outs, as well as much better organic growth that we began to see this quarter. Our pretax pre-provision earnings should be higher in the first quarter of 2015 due to the full quarter impact of the savings we implemented this quarter for both the acquisition and our legacy cost-outs. We expect to capture an additional \$1.1 million in expense savings in the first quarter as a result of the full impact of the cost saves as I said.

So I think it's very significant—if you look carefully at the table in the release and also I think in the slide deck that we posted—I think it's very important to focus on our adjusted pretax pre-provision earnings because they're up very significantly. Our effective tax rate this quarter was higher than usual, as noted in our release, but as we go forward we anticipate the tax rate will improve into a range of 36 to 38 percent based on the tax exempt investments we added to the balance sheet at the end of this past year 2014. We're also evaluating other tax favored investments that could further benefit our tax rate in the year ahead, but we've not made any final decisions in that direction.

Looking ahead to 2015, it is clear to me that the momentum is building due to better organic growth as the significant investments we've made over the past 18 months produce greater results. These investments are now being further supported by all of the positive economic trends related to growth in Florida that I spoke of earlier. One of our most significant investments has been our new Accelerate Commercial banking channel. Other investments include improved digital access for our customers and better and more automated digital marketing technology.

Loan growth really started to accelerate in 2014. As I said, total loans grew at 12 percent year-over-year and their growth rate improved in the fourth quarter to an annualized rate of 15 percent for the quarter. Our low cost funding is also growing, with noninterest deposits up 56 percent for the year and up 11 percent for the year excluding the acquisition. Overall deposit growth was up 34 percent for the year and was up 5 percent without the contribution from the BANKshares acquisition. Much of the growth in our noninterest bearing deposits over the last couple of quarters reflects our success in attracting commercial and small business customers through both our Accelerate channel and also across our branch system. In fact, our DDA mix is now improved to 30 percent of total deposits from 26 percent of total deposits just over the last year. Our total cost of deposits today, in fact for this past quarter, was only 11 basis points, a number we're quite proud of and one that reflects the rich deposit base we have built.

For the third consecutive quarter, loan growth fueled growth in net interest income and expansion in our margin. As expected, the BANKshares' loan portfolio also contributed strong net interest margin; and we are very pleased that our NIM came in at 3.56 percent, which was a bit better than we had estimated last quarter, aided by investments of cash liquidity, both legacy and from the acquisition and organic growth. Next quarter we expect the margin to stabilize at best and possibly trend a few basis points lower if interest rates remain unchanged. If interest rates increase, then we could see further improvement in the net interest margin in the short-term. We are asset sensitive and our ALCO model indicates that when rates increase a hundred basis points, net interest income should increase approximately 9 percent.

Our noninterest income grew for almost every line item this quarter. Noninterest income, excluding securities gains, grew 20 percent in the fourth quarter compared to the year ago and was up 16 percent from the linked-quarter unannualized. We added a new source of income from bank owned life insurance during the quarter, which was partially generated from investments acquired with BANKshares and partially generated from new investments we initiated during the quarter.

We've been very successful in our efforts to reduce overhead costs and streamline our operating platform. Over the past year we've closed six branches and consolidated Seacoast Marine offices generating savings of \$1.8 million in annual cost reductions. Of course the one-time costs related to these consolidations and closures increased fourth quarter expenses by \$4.3 million, but those costs are now behind us and we estimate less than three years earn back of these costs. We also implemented annual cost reductions of a little more than \$5.5 million that we promised in the BANKshares acquisition, and we expect to get the full benefit or another \$1.1 million of cost-outs compared to this quarter, fully realized in the first quarter of 2015. This will move our adjusted fourth quarter efficiency ratio from 75 percent or so to closer to 70 percent in the coming quarter and getting nearer to our immediate goal of the mid-60s, a level we achieved prior to the recession.

Overall we're very pleased with the progress of the integration of this acquisition into our network and the contribution its customer base is making to our earnings. We also couldn't be more pleased with the quality and capability of the leadership team, the production teams, and the staff that have joined us from BANKshares. They have integrated quickly with our counterparts, and we are already seeing improvements in new business pipelines and in account openings. Overall the acquisition is expected to be as good as or better than our original projections. We believe the acquisition will continue to contribute very positive improvements to our franchise in the coming years.

And now, I'd like to turn the call back over to the operator and we'd be happy to open the floor for a few 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 are 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.*

Our first question comes from Stephen Scouten from Sandler O'Neill. Please go ahead.

Stephen Scouten: Hey, guys, good morning.

Dennis S. Hudson, III: Good morning.

Stephen Scouten: **Question on the expenses. One clarifier. The \$1.1 million in Q1, is that a gross number or is that an annualized figure?**

Dennis S. Hudson, III: That is the impact in Q1.

Stephen Scouten: In Q1, great. Okay. **Any other large scale expense cuts or anything? Any further plans that aren't reflected yet in the run rate apart from one-off type expense saves from here?**

Dennis S. Hudson, III: Nothing that we are prepared to talk about I would say at this point. We are... I think the key as you look at this quarter is to focus on our adjusted pretax pre-provision earnings and look at the trend. You begin to...the trend begins to reveal the impact of the expense cuts we announced last quarter and the prior quarter and, as you know, we've disclosed the \$1.1 million of further impact that we'll have in Q1. So if you take our adjusted pretax pre-provision number, add \$1.1 million, you see a pretty incredible trend developing into Q1 on a pretax pre-provision basis. Also confusing this quarter was the higher tax rate and that tax rate goes down next quarter. I guess the other thing to think about is we booked a provision this quarter, a small provision this quarter, and our linked-quarter number was actually a recapture. So all of that gets more clearly reflected and pulled out if you look at it on a pretax pre-provision basis.

Stephen Scouten: Sure. And that probably leads to a good follow-up there is: **You had still low charge-offs, but charge-offs as opposed to net recoveries, on the 14 basis points of charge-offs. What do you expect to see moving forward and how do you think about the provision relative to those expectations as well?**

Dennis S. Hudson, III: I think we're thinking that the...David, you want to answer that? I mean I think charge-offs are likely to remain fairly contained and growth probably is the driver right?

David D. Houdeshell: Yes, exactly Denny. Good morning. Yeah, the charge-offs are about settled to where they are. They are getting back to more normal times pre-recession, and whatever provision and expense we would be contributing in the near-term would really stem from loan growth that we see across the franchise.

Stephen Scouten: Okay; **So could we estimate something like maybe 1 percent provisioning on new loan growth? Is that a good way to think about it?**

Dennis S. Hudson, III: That's probably pretty aggressive but...

Stephen Scouten: Okay, fair enough, and then one last question. **Obviously you guys have been growing impressively on the loan book and the Accelerate initiative has really delivered fairly quickly I would say, and 15 percent organic growth in 4Q off of 16 percent in 3Q, so what do you think is a sustainable growth rate for you guys especially with that strong commercial pipeline?**

Dennis S. Hudson, III: Well, you asked the question, right? I'm not sure. Where I think we are... Chuck, it would be interesting what you would say, but I would say, our goal is to keep that up. I don't think we're looking at higher growth, for example, but we'll see.

Charles K. Cross Jr.: Yeah, it's mathematics of it; we're working off a larger book. But with the Florida economy continuing to improve and with our execution continuing to improve and our pipeline, we think we're going to see continued nice growth for the foreseeable future.

Dennis S. Hudson, III: And one of the reasons we're more confident about that statement today than we would have been even six month ago is, which I said last quarter, is that we've now seen robust growth in the early stages of our pipeline as well as the more mature part of the pipeline. And that total number, which is quite large right now, has been sustained over several months. So as we look ahead, it is suggesting to us that the growth rate we produced recently, plus or minus, is sustainable for the foreseeable future.

Stephen Scouten: Okay great. Well thanks for all the color, guys. I appreciate it.

Dennis S. Hudson, III: Yep.

Operator: Thank you. Our next question comes from Scott Valentin from FBR Capital Markets. Please go ahead.

Scott Valentin: Good morning and thanks for taking my question.

Dennis S. Hudson, III: Yep.

Scott Valentin: Just with regard to fuel prices have come down quite considerably over the past six months, just wondering if you're seeing that in your numbers both in consumer credit—if you're seeing any improvement there—and also do you expect more activity on the loan side, on the consumer side due to lower fuel prices?

Dennis S. Hudson, III: Probably way too early to make that kind of a call, but it's certainly a help, right. The consumer is certainly in better shape, and at least for now. I would say, Chuck Shaffer, we're seeing really good growth in the consumer area right now.

Charles Shaffer: Yeah, we still see continued demand for consumer product that's increasing. It's increased substantially over the last four quarters, so it's hard to say what the long-term impact of the lower fuel types will be on interest rates and the like, but for the moment it's definitely a benefit and we continue to see demand for consumer product.

Dennis S. Hudson, III: But I would say none of that improvement is due to fuel price. It's due to better execution on our part across the franchise and just a general improving economy. Think lower unemployment, think better more positive outlook over the last particularly six months on the part of the consumer, that we see them back spending again, doing home-improvements, things like that, which are the greater drivers that we see anecdotally every day.

Charles Shaffer: Yeah, the other thing that's impacting the demand there is the continued rise in home values in the local markets that has helped our consumer base.

Dennis S. Hudson, III: Yeah, in fact that's been a huge impact on us as home prices have come back and people have been able to right size their homes and move forward with their lives, that's been a big, big impact, even on the residential area.

Scott Valentin: So from a home value perspective, just in terms of consumer confidence you think has had a big impact, as opposed to extracting equity?

Dennis S. Hudson, III: Yes.

Scott Valentin: Okay. **And then on noninterest income, just you obviously had a big bump, almost a million dollars linked-quarter, just wondering where else you see opportunities on the noninterest income side to grow that?**

Dennis S. Hudson, III: I think the primary driver would be continuing to grow our overall customer base, right?

Charles Shaffer: Yeah, the biggest impact on the noninterest income is to continue to grow households. We see that there's obviously a direct correlation between the fees associated with the deposit base, both service charges as well as our wealth fees. If we bring more households through the pipeline, we see the expansion of that into the other business line. So continued growth of the overall customer base is probably the biggest driver of the continued fee growth.

Dennis S. Hudson, III: And we've seen some improvement in spending that hits our interchange fees that we have there. We have lots of activities underway in that area to better benefit from some of the growth we're seeing in households. So I'd say that also the mortgage fees, we're looking at better mortgage production starting out this quarter, but we'll see how the quarter develops.

Charles Shaffer: I'll add to that too. One of the things we put in place over the last 12 to 18 months is more focus on cross-sell account execution, as well as follow-on cross-sell offerings for VR marketing area. So one of the things we focused on is getting deeper penetration into the customer base and that's leading to additional fees as well.

Dennis S. Hudson, III: And the timing for this and for those activities that Chuck mentioned is really important because two and three years ago, I'm not sure how successful we would have been, given the hunker down attitude that our customer base and consumers in general were feeling, but we're there now as they're coming out of their shell spending more. There are more opportunities for us and we're seeing some actually pretty shockingly good success as we better execute going forward.

Scott Valentin: Okay, thanks very much.

Operator: Thank you. Our next question comes from Taylor Brodarick from Guggenheim Securities. Please go ahead.

Taylor Brodarick: Great. Thank you. I think three for me. **On the margin, Denny, do you think, assuming you give up a little bit this quarter per your comments, is that assuming this is where rates have been in the last month or so, are you assuming sort of a worst case that they stay there for the next quarter?**

Dennis S. Hudson, III: Yeah, absolutely.

Taylor Brodarick: Oh okay.

Dennis S. Hudson, III: Yeah, absolutely, that there's no change at all in the rate environment. It's a very low environment, as you know. Just with what happened let's say over the last three or four months, we're assuming it stays that bad or worse as we go forward when we made that statement. But you had a comment?

William R. Hahl: Yeah, I think the acquired loan portfolio is quite short as well and it did have a nice yield to it. So as we see that portfolio renew at lower rates and so forth, that puts a little pressure on the margin.

Dennis S. Hudson, III: Right, in the context of longer-term— Bill said it was short—it's a lot of variable rate, that sort of thing as well. But in the context of the next several quarters, there'll be some sort of consistent downward pressure coming out of that book.

Taylor Brodarick: Okay great. Thanks for the color...

Dennis S. Hudson, III: Excuse me; and by the way, that's offset by the growth, so you put all of those dynamics together and what we're seeing is a few basis points potentially, unless we see rates move back.

Taylor Brodarick: Okay great. Thank you. And thanks for the color on the macro picture in Florida. **Sort of that movement, either population in-migration or sort of increased economic activity, is that uniform across the footprint or is there any better pockets of growth in your market?**

Dennis S. Hudson, III: I would say generally speaking some of the metro areas that we're recently focused on the last two or three years have been leading the state out of that. Would you agree, Chuck?

Charles K. Cross Jr.: Totally agree. I think the metropolitan areas are getting the growth above the nonmetropolitan areas.

Dennis S. Hudson, III: And probably the number one fastest to recover obviously is South Florida and that affects our recent investments in Fort Lauderdale, Boca, and South, but it's also bleeding up into Palm Beach and the Treasure Coast, really helping us in those core markets where we have so much market share. Then the number two market for sure in Florida in terms of recovery has got to be Orlando and the acquisition and our prior legacy franchise up in Orlando is really starting to benefit.

Taylor Brodarick: Okay great. I think the last one for me, just a minor one: **Other nonrecurring items going forward, anything to model or just assume?**

Dennis S. Hudson, III: I could tell you that, I could honestly say, that we can guarantee you there are going to be very few, if any, adjustments in Q1. We'll have a very, very clean quarter in Q1. We'll have another \$1.1 million of expense reduction that we will carry forward into Q1 and a lower tax rate and a much more... It'll be our first really solid quarter, I would say, coming out of everything with very solid clean results in Q1.

Taylor Brodarick: Okay great. Thank you, everybody.

Dennis S. Hudson, III: Yep.

Operator: Thank you. And once again, if you would like to ask a question, please press star, then one, on your touchtone phone. We have no...

A question has just chimed up. We have a follow-up from Stephen Scouten from Sandler O'Neill. Please go ahead.

Dennis S. Hudson, III: Hi, Stephen. Hello.

Stephen Scouten: Yeah, I'm sorry guys. Can you hear me?

Dennis S. Hudson, III: Yeah.

Stephen Scouten: Okay sorry. If no one else has any more questions, I'll jump in with another. **I was curious on these securities investments that you noted in the release. I think you said the approximate life was about 6.5 years. What's the thinking there, I guess? Are you believing that rates are maybe lower for longer and is that a longer life than you would normally invest in at this point in time, or can you give me any color around that ideology?**

William R. Hahl: Well, Stephen, those are uncapped floating rate investments that we added. So the 6.5 years is, as far as interest rate risk component, is not really a factor, if that's what you're getting at.

Stephen Scouten: Great. That answers my question perfectly, yeah. **And then maybe, Denny, one other thing just on the M&A front, obviously you got this deal closed and it already seems to be a nice benefit and something you're excited about, but how are you thinking about further M&A from here? Can you give any color to maybe the amount of activity or discussions that are ongoing, as well as maybe pricing conditions?**

Dennis S. Hudson, III: Well I would just say that this was a very important acquisition for us to get behind us. It pushed us ahead very nicely. It was moderately priced. It's producing better results than we expected, and we're very pleased with it. I would say our focus right now, Stephen, is on one thing and one thing only, and that is getting our earnings up to a far more respectable level, which we think comes next quarter, and improving the quality of earnings. I think as you look at this quarter and adjust for the one-timers that we described, underlying all of that is a much higher quality earnings even in Q4. That's going to be very evident in Q1 as all of that moves forward without all of that noise into Q1. So it's improving earnings; it's improving the quality of earnings; and getting us much better visibility. Then as we get back out into deeper into this year with much higher quality, much better and much higher earnings, then we'll just have to see. I think we'll be in a more competitive position from a shareholder perspective to think about those kinds of opportunities, but we have some ground to make up here very quickly as our earnings now shift into very clean clear earnings starting in Q1. So that's our focus right now and I think it needs to be our focus.

Stephen Scouten: Okay, well great. Well thanks for letting me hop back in.

Dennis S. Hudson, III: Sure.

Operator: Thank you. We have no further questions at this time.

Dennis S. Hudson, III: Okay, well thank you very much for your time today. We look forward to reporting much better results even in Q1. Thank you.

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



Fourth Quarter 2014

January 28th, 2014

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.

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, 2013 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>

Q4 2014 Financial and Growth Highlights

Financial Highlights

- Adjusted net income⁽¹⁾, for the Q4 2014 increased 27% to \$4.2 million or \$ 0.13 per diluted share, compared to \$3.3 million, or \$0.13 per diluted share in 3Q14. GAAP, net loss in 4Q14 of \$1.5 million or (\$0.05) per share, including merger charges and other adjustments.
- Fully implemented previously announced expense reductions of \$1.8 million and merger savings of \$5.5 million during the quarter. Total impact will be realized in 1Q15 as the savings achieve full quarter effect.
- Net interest margin improved to 3.56% compared with 3.17% in preceding quarter due to loan growth, acquisition, and investment purchases.

Growth Highlights

- Assets increased \$731.5 million or 31.0% from the preceding quarter, reflecting the \$683.2 million from acquisition of The BANKshares, Inc.
- Total loans increased \$430.8 million or 31.0% from 3Q14. Adjusting for loans acquired, loans increased \$66.5 million, or 3.8% in Q4 and 11.8% year-over-year.
- Deposits increased \$608.0 million or 33.6% from the prior quarter; excluding deposits acquired, total deposits increased \$91.7 million.
- Noninterest bearing deposits grew to 30.0% of total deposits, from 25.7% one year ago.

⁽¹⁾ Non-GAAP measure, excludes merger related charges, branch closure expenses, and other adjustments (See Appendix for reconciliation to GAAP)

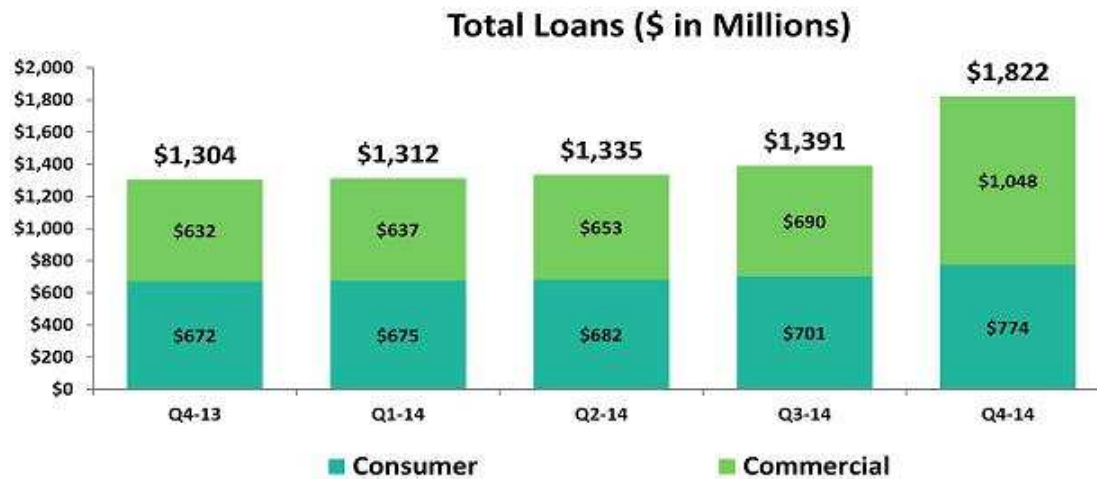
Earnings Trend Improve

(\$s in 000s)	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
	2014	2014	2014	2014	2013
Adjusted Net Income ⁽¹⁾	\$4,179	\$3,286	\$2,990	\$2,533	\$600
Adjusted EPS ⁽¹⁾	\$0.13	\$0.13	\$0.12	\$0.10	\$0.03
Adjusted Pretax Pre-Provision Income ⁽¹⁾	\$7,464	\$4,341	\$3,821	\$3,395	\$3,617
Average Shares Outstanding	33,124	26,026	25,998	25,657	21,558

- Earnings excluding merger costs and other adjustments improve as legacy cost outs completed and acquisition is fully integrated during the quarter.
- Larger loan loss provision and higher tax rate negatively impacts adjusted net income trend for the quarter.
- Adjusted Pretax, Preprovision income ⁽¹⁾ significantly improved indicative of higher quality earnings. Expected to improve further as full quarter impact of cost savings adds an additional \$1.1 million in pretax income in Q1 2015.

⁽¹⁾ Non-GAAP measure, excludes merger related charges, branch closure expenses, and other adjustments (See Appendix for reconciliation to GAAP)

Loan Growth Momentum Continues



- Total loans were \$1.822 billion at December 31, 2014, up \$430.8 million from September 30, 2014
- Excluding loans acquired totaling \$364.3 million after fair value adjustments, net loans grew \$66.5 million or 3.8% (15% annualized) from the third quarter
- Closed residential production totaled \$57.9 million compared to \$66.0 million in the third quarter and \$52.4 million in the fourth quarter of 2013
- Consumer loan originations (inclusive of lines of credit) totaled \$28.3 million compared to \$24.5 million in the third quarter, and \$8.5 million in the fourth quarter of 2013

Deposit Balances

Average Deposit Balances (\$ in Millions)



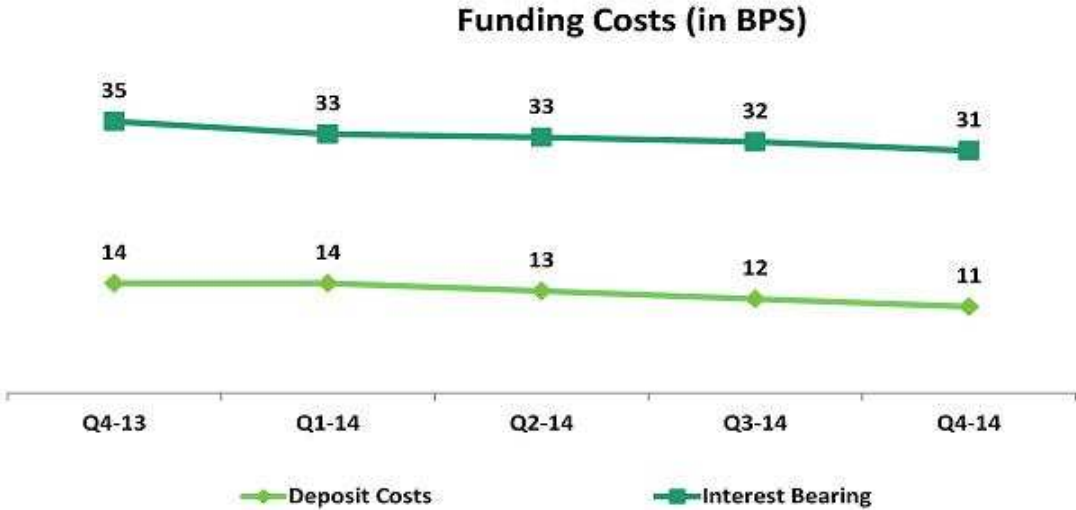
- Average noninterest bearing demand deposits increased to 30.8% of total deposits compared with 26.4% for the fourth quarter 2013
- Average Low/No cost deposits increased to 86.2% of total deposits compared to 83.8% one year ago

Balance Sheet Growth (\$ in millions)



- Deposits increased 5.2% excluding the acquisition of BANKshares year over year; Deposits excluding CDs and acquired deposits grew 9% from Q4 2013
- Loans increased 11.8% excluding the acquisition of BANKshares year over year

Funding Costs Continue to Decline



- Cost of Interest Bearing Liabilities declined 4 Basis Points compared to one year ago
- Average cost of deposits decreased to 11 basis points from third quarter's 12 basis points and compared to 14 basis points a year ago

Net Interest Income and Margin Meaningfully Improved

Net Interest Income and Net Interest Margin
(\$ in thousands)

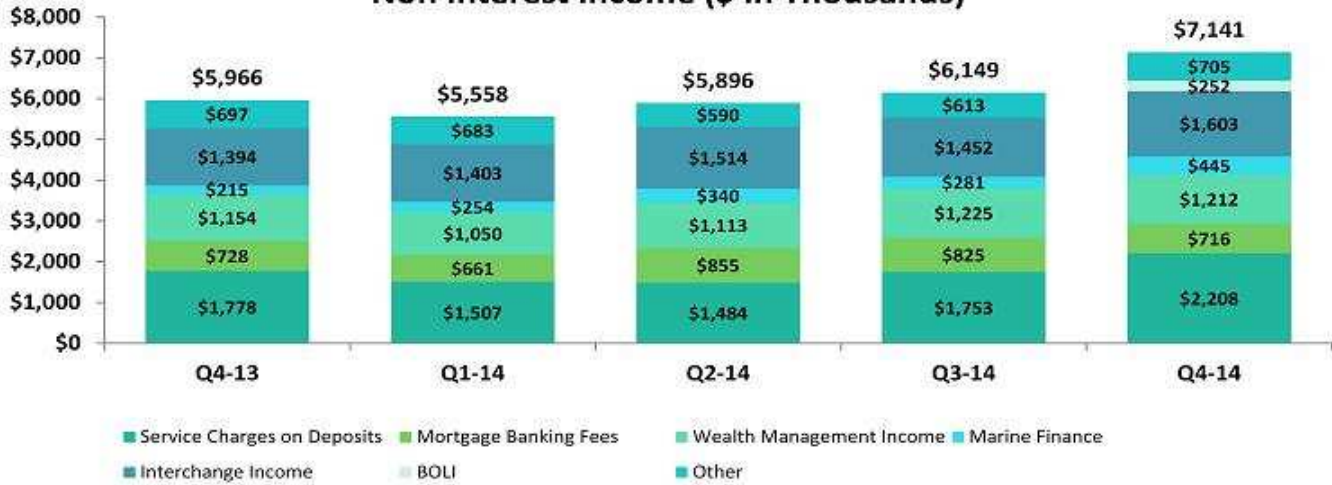


- The acquisition of BANKshares improved the loan mix, which together with organic loan growth during the quarter contributed approximately 33 bps to the margin improvement, in line with expectations
- Net interest income for the quarter totaled \$24.7 million, a \$7.5 million increase from the prior quarter
- Net interest margin for the quarter increased to 3.56% versus prior quarter of 3.13%⁽¹⁾ in the third quarter 2014
- Investment purchases over the third and fourth quarters increased average investments \$235 million (\$150 million excluding BANKshares), contributing approximately 10 bps to margin improvement in Q4 2014

⁽¹⁾ Excludes 4 bps of nonaccrual loan interest loan interest recoveries

Non Interest Income

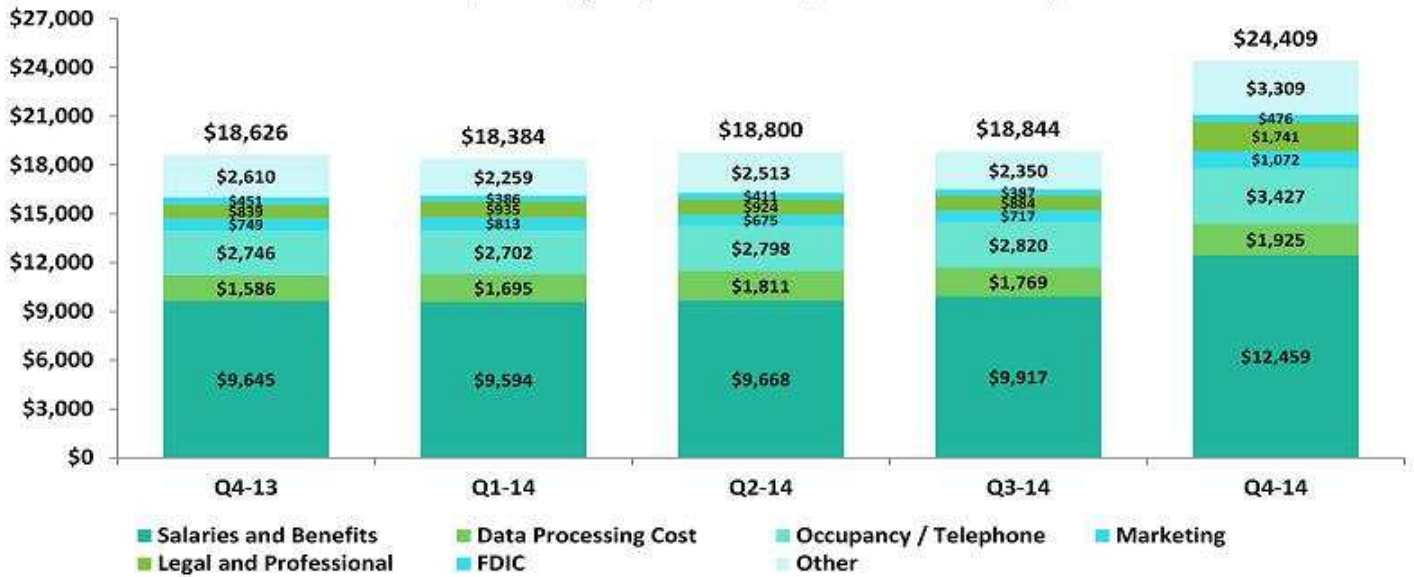
Non Interest Income (\$ in Thousands)



- Noninterest income (excluding security gains) increased \$992,000 from September 30, 2014. This increase includes a full quarter effect of fees generated from BANKshares accounts
- Bank owned life insurance (BOLI) investments were transferred to Seacoast as a result of the acquisition, which were added to policies directly acquired during the quarter
- The addition of BOLI will provide approximately \$1.3 million in tax exempt revenues in 2015
- Trust revenues of \$795,000 up \$102,000 or 15% over Q4 2013

Non Interest Expense

Core Operating Expenses ⁽¹⁾ (\$ in Thousands)



- Fully implemented previously announced cost reductions totaling \$1.8 million for streamlining our core branch network
- Previously announced annualized cost reductions in excess of \$5.5 million were completed in Q4 relating to the acquisition of BANKshares
- \$1.1 million in further reduced core operating expenses from the above cost reductions is expected in Q1 2015

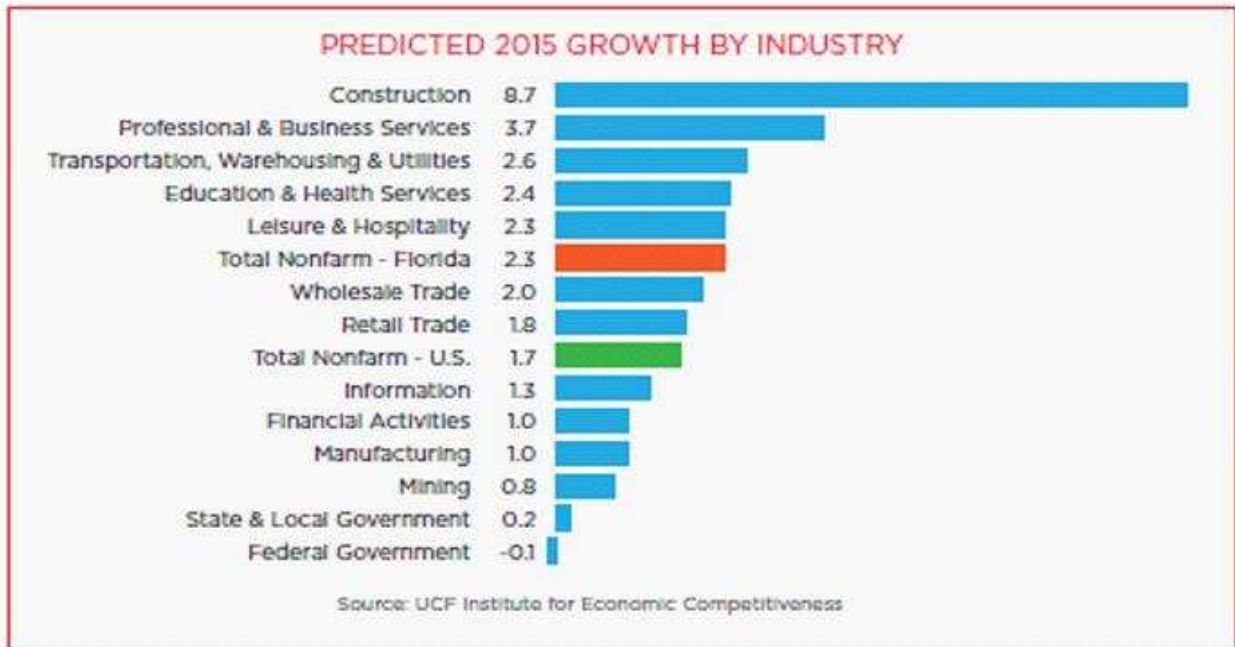
⁽¹⁾ Non-GAAP measure, excludes merger related charges, branch closure expenses, and other adjustments (See Appendix for reconciliation to GAAP)

Florida's Economic Improvement

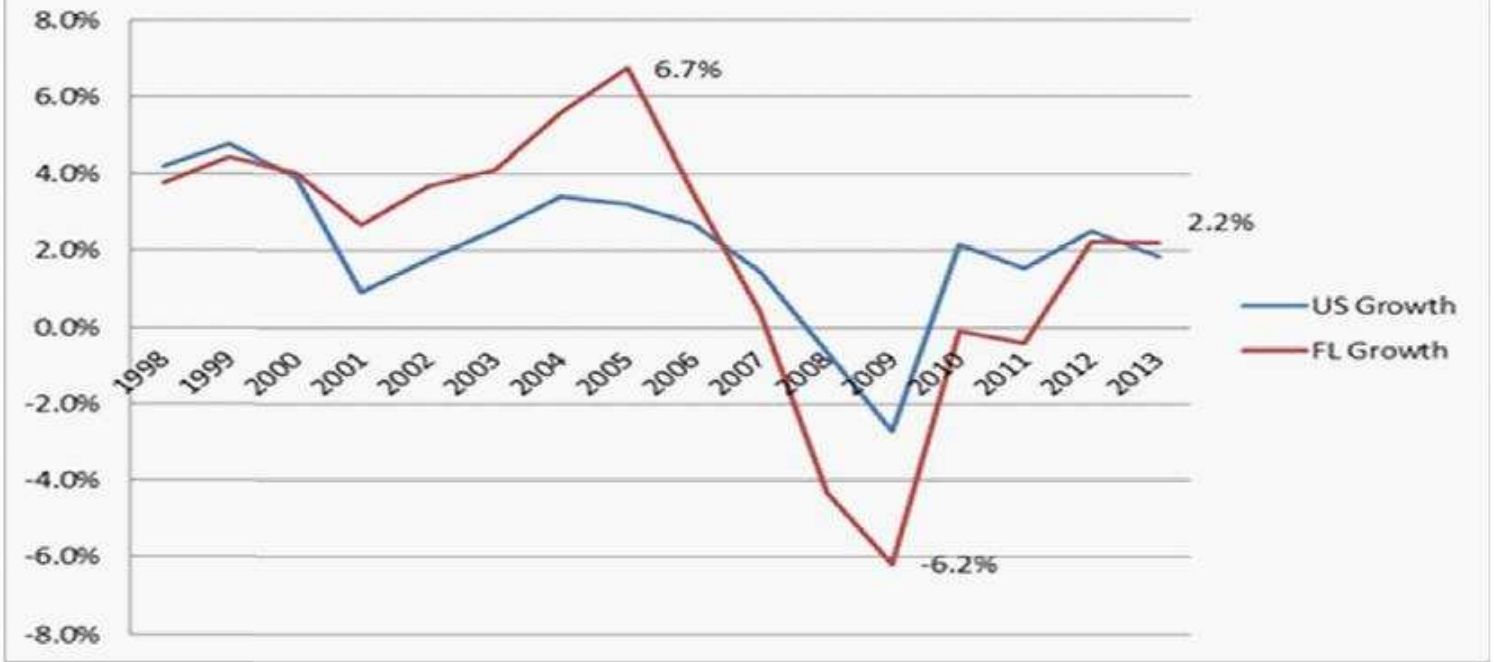


- Jobs increased 3% in November
- Unemployment fell to 5.8%, the lowest level in 6 years
- Consumer confidence reached a post - recession high of 87.4% in December.

Florida Job Expansion



Year-Over-Year Growth in FL and US Real GDP



Florida's Housing Market is Recovering

State / Metropolitan Statistical Area	Single Family Homes				Townhouses and Condos			
	Closed Sales	Y/Y % Chg.	Median Sale Price	Y/Y % Chg.	Closed Sales	Y/Y % Chg.	Median Sale Price	Y/Y % Chg.
State of Florida	17,772	10.7%	\$176,000	3.5%	7,227	-5.4%	\$140,000	7.7%
Deltona-Daytona Beach-Ormond Beach MSA (Volusia County)	707	19.2%	\$132,500	5.4%	166	-3.5%	\$168,000	23.5%
Miami-Fort Lauderdale-Pompano Beach MSA (Broward, Miami-Dade, and Palm Beach Counties)	3,084	0.7%	\$259,900	0.3%	3,063	-11.6%	\$145,000	7.4%
Orlando-Kissimmee-Sanford MSA (Lake, Orange, Osceola, and Seminole Counties)	2,190	18.9%	\$179,900	7.1%	596	3.1%	\$105,500	5.5%
Palm Bay-Melbourne-Titusville MSA (Brevard County)	655	1.7%	\$133,500	-6.5%	171	7.5%	\$128,750	17.0%
Port St. Lucie MSA (Martin and St. Lucie Counties)	613	8.5%	\$152,000	8.6%	160	-4.8%	\$116,500	2.2%
Sebastian-Vero Beach MSA (Indian River County)	241	11.6%	\$160,000	12.3%	38	-33.3%	\$109,500	-8.0%

* A Metropolitan Statistical Area (MSA) is defined as one or more counties with a large population center and adjacent counties that have a high degree of economic interaction with the population center(s). We use the official 2010 MSAs delineated by the U.S. Office of Management and Budget, which will be the nationwide standard through 2020.

Produced by Florida REALTORS® with data provided by Florida's multiple listing services. Statistics for each month compiled from MLS feeds on the 15th day of the following month. Data released on Monday, December 22, 2014. Next data release is Friday, January 23, 2015.

Appendix

Explanation of Certain Unaudited Non-GAAP Financial Measures

- This press release 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. 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.

Net Income - GAAP to Non-GAAP Reconciliation:

Presented below is net income excluding adjustments for merger related charges, branch closure charges, and other non core expenses. The Company believes that these results of operations are a more meaningful depiction of the underlying fundamentals of its business and overall performance.

<i>(Dollars in thousands)</i>	Fourth Quarter 2014	Third Quarter 2014	Second Quarter 2014	First Quarter 2014	Fourth Quarter 2013
Net Income (Loss) Available to Common Shareholders (GAAP)	(\$1,517)	\$2,996	\$1,918	\$2,299	\$588
Severance	478	328	181	212	0
Merger related charges	2,722	399	1,234	6	0
Branch closure charges and expense initiatives	4,261	68	114	0	0
Brand refresh expense	697	0	0	0	0
Additional incentives for quarter and year performance	1,213	0	0	0	0
Security losses (gains)	(108)	(344)	0	(17)	0
Miscellaneous losses (gains)	119	(45)	144	0	190
Recovery of prior legal fees	0	0	0	0	(350)
Recovery of non-accrual loan interest	0	(192)	0	0	0
Net loss on OREO and repossessed assets	9	156	92	53	0
Asset dispositions expense	103	139	118	128	180
Effective tax rate on adjustments	(3,798)	(219)	(811)	(148)	(8)
Adjusted Net Income ⁽¹⁾	\$4,179	\$3,286	\$2,990	\$2,533	\$600
Provision (recapture) for loan losses	118	(1,425)	(1,444)	(735)	490
Income taxes	3,167	2,480	2,275	1,597	1,265
Preferred stock dividends and accretion of discount	0	0	0	0	1,262
Adjusted Pretax, Preprovision Income ⁽¹⁾	\$7,464	\$4,341	\$3,821	\$3,395	\$3,617
Adjusted Earnings per diluted share ⁽¹⁾	\$0.13	\$0.13	\$0.12	\$0.10	\$0.03
Average shares outstanding	33,124	26,026	25,998	25,657	21,558

⁽¹⁾ Non-GAAP measure, excludes merger related charges, branch closure expenses, and other adjustments (See Appendix for reconciliation to GAAP)

Non-Interest Expense - GAAP to Non-GAAP Reconciliation:

Presented below is core operating expenses and other non core expenses. The Company believes that these results of operations are a more meaningful depiction of the underlying fundamentals of its business and overall performance.

	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
<i>(Dollars in thousands)</i>	2014	2014	2014	2014	2013
Noninterest Expense:					
Salaries and wages	\$9,998	\$7,868	\$7,587	\$7,412	\$8,077
Employee benefits	2,461	2,049	2,081	2,182	1,568
Outsourced data processing costs	1,925	1,769	1,811	1,695	1,586
Telephone / data lines	419	313	306	293	325
Occupancy expense	2,325	1,879	1,888	1,838	1,824
Furniture and equipment expense	683	628	604	571	597
Marketing expense	1,072	717	675	813	749
Legal and professional fees	1,741	884	924	935	839
FDIC assessments	476	387	411	386	451
Amortization of intangibles	446	195	196	196	196
Other	2,863	2,155	2,317	2,063	2,414
Total Core Operating Expense⁽¹⁾(Non - GAAP)	24,409	18,844	18,800	18,384	18,626
Severance and organizational changes	478	328	181	212	0
Merger related charges	2,722	399	1,234	6	0
Branch closure charges and expense initiatives	4,261	68	114	0	0
Marketing and brand refresh	697	0	0	0	0
Additional incentives for quarter and year performance	1,213	0	0	0	0
Miscellaneous losses (gains)	119	(45)	144	0	190
Recovery of prior legal fees	0	0	0	0	(350)
Net loss on OREO and repossessed assets	9	156	92	53	0
Asset dispositions expense	103	139	118	128	180
Total (GAAP)	\$34,011	\$19,889	\$20,683	\$18,789	\$18,646

⁽¹⁾ Non-GAAP measure, excludes merger related charges, branch closure expenses, and other adjustments (See Appendix for reconciliation to GAAP)