

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) April 28, 2020

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

**Florida**  
(State or Other Jurisdiction  
of Incorporation)

**000-13660**  
(Commission  
File Number)

**59-2260678**  
(IRS Employer  
Identification No.)

**815 COLORADO AVENUE,**

**STUART**

**FL**

**34994**

(Address of Principal Executive Offices)

(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))

Securities registered pursuant to Section 12(b) of the Act:

**Title of each class**  
Common Stock

**Trading Symbol(s)**  
SBCF

**Name of each exchange on which registered**  
Nasdaq Global Select Market

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

Emerging growth company

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

## SEACOAST BANKING CORPORATION OF FLORIDA

### Item 2.02 Results of Operations and Financial Condition

On April 28, 2020, Seacoast Banking Corporation of Florida (“Seacoast” or the “Company”) announced its financial results for the quarter ended March 31, 2020. A copy of the press release announcing Seacoast’s results for the quarter ended March 31, 2020 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

### Item 7.01 Regulation FD Disclosure

On April 29, 2020, Seacoast will hold an investor conference call to discuss its financial results for the quarter ended March 31, 2020. Attached as Exhibit 99.2 are charts (available on the Company’s website at [www.seacoastbanking.com](http://www.seacoastbanking.com)) containing information used in the conference call and incorporated herein by reference. All information included in the charts is presented as of March 31, 2020, 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 and 99.2 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	<a href="#">Press Release dated April 28, 2020 with respect to Seacoast's financial results for the quarter ended March 31, 2020</a>
99.2	<a href="#">Data on website containing information used in the conference call to be held on April 29, 2020</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Exhibits 99.1 and 99.2 referenced herein, contain “forward-looking statements” within the meaning of Section 28A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements about future financial and operating results, cost savings, enhanced revenues, economic and seasonal conditions in our markets, and improvements to reported earnings that may be realized from cost controls, tax law changes, new initiatives and for integration of banks that we have acquired, or expect to acquire, as well as statements with respect to Seacoast's objectives, strategic plans, including Vision 2020, expectations and intentions and other statements that are not historical facts, any of which may be impacted by the COVID-19 pandemic and related effects on the U.S.economy. 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.

All statements other than statements of historical fact could be 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”, “plan”, “point

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to”, “project”, “could”, “intend”, “target” 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 and the adverse impact of COVID-19 (economic and otherwise); governmental monetary and fiscal policies, including interest rate policies of the Board of Governors of the Federal Reserve, as well as legislative, tax and regulatory changes; changes in accounting policies, rules and practices, including the impact of the adoption of CECL; 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; uncertainty related to the impact of LIBOR calculations on securities and loans; changes in borrower credit risks and payment behaviors; changes in the availability and cost of credit and capital in the financial markets; changes in the prices, values and sales volumes of residential and commercial real estate; our ability to comply with any regulatory requirements; the effects of problems encountered by other financial institutions that adversely affect us or the banking industry; our concentration in commercial real estate loans; the failure of assumptions and estimates, as well as differences in, and changes to, economic, market and credit conditions; the impact on the valuation of our investments due to market volatility or counterparty payment risk; statutory and regulatory dividend restrictions; increases in regulatory capital requirements for banking organizations generally; the risks of mergers, acquisitions and divestitures, including our ability to continue to identify acquisition targets and successfully acquire desirable financial institutions; changes in technology or products that may be more difficult, costly, or less effective than anticipated; our ability to identify and address increased cybersecurity risks; inability of our risk management framework to manage risks associated with our business; dependence on key suppliers or vendors to obtain equipment or services for our business on acceptable terms; reduction in or the termination of our ability to use the mobile-based platform that is critical to our business growth strategy; the effects of war or other conflicts, acts of terrorism, natural disasters, health emergencies, epidemics or pandemics, or other catastrophic events that may affect general economic conditions; unexpected outcomes of, and the costs associated with, existing or new litigation involving us; our ability to maintain adequate internal controls over financial reporting; potential claims, damages, penalties, fines and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions; the risks that our deferred tax assets could be reduced if estimates of future taxable income from our operations and tax planning strategies are less than currently estimated and sales of our capital stock could trigger a reduction in the amount of net operating loss carryforwards that we may be able to utilize for income tax purposes; 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.

Given the many unknowns and risks being heavily weighted to the downside, our forward-looking statements are subject to the risk that conditions will be substantially different than we are currently expecting. If efforts to contain COVID-19 are unsuccessful and restrictions on movement last into the third quarter or beyond, the recession would be much longer and much more severe. Ineffective fiscal stimulus, or an extended delay in implementing it, are also major downside risks. The deeper the recession is, and the longer it lasts, the more it will damage consumer fundamentals and sentiment. This could both prolong the recession, and/or make any recovery weaker. Similarly, the recession could damage business fundamentals. And an extended global recession due to COVID-19 would weaken the U.S. recovery. As a result, the outbreak and its consequences, including responsive measures to manage it, have had and are likely to continue to have an adverse effect, possibly materially, on our business and financial performance by adversely affecting, possibly materially, the demand and profitability of our products and services, the valuation of assets and our ability to meet the needs of our customers.

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, 2019, 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 [www.sec.gov](http://www.sec.gov).

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**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)

Dated: April 28, 2020

/s/ Charles M. Shaffer  
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CHARLES M. SHAFFER  
Chief Operating Officer and Chief Financial Officer

**SEACOAST REPORTS FIRST QUARTER 2020 RESULTS**  
**Record Mortgage Banking and Wealth Management Performance Highlight Q1 Results**  
**Well Positioned Balance Sheet with Strong Capital and Liquidity**

STUART, Fla., April 28, 2020 /GLOBE NEWSWIRE/ -- Seacoast Banking Corporation of Florida ("Seacoast" or the "Company") (NASDAQ: SBCF) today reported net income in the first quarter of 2020 of \$0.7 million, or \$0.01 per diluted share, including \$4.6 million in merger-related charges and provision for loan losses of \$29.5 million. The net interest margin increased 9 basis points to 3.93%, the ratio of tangible common equity to tangible assets was 10.68% and Tier 1 capital was 15.5% at March 31, 2020.

Dennis S. Hudson, III, Seacoast's Chairman and CEO, said, "Our results for the first quarter of 2020, as with all businesses, must be framed within the context of COVID-19 and its impact on our communities. Our priority in addressing the pandemic thus far has been to carefully adjust our operations to protect the health and welfare of our associates and customers while continuing to offer digital banking products and services that can be accessed anywhere."

Hudson added, "With over 90 years' experience in an area prone to hurricanes, Seacoast has a robust and well tested business continuity program that has rapidly mobilized our response to this crisis. We shifted branch operations to remain open by drive-thru or lobby appointment only, implemented enhanced cleaning protocols, and our operational teams are working remotely or in staggered shifts. As an SBA preferred lender, we are well-positioned to help our business customers access the Paycheck Protection Program ("PPP"). We processed over 1,600 loans, totaling over \$388 million in the first round of the program. I am proud of our team's exceptional effort to support our communities through this unprecedented time."

Charles M. Shaffer, Seacoast's Chief Operating Officer and Chief Financial Officer, said, "In 2019, Seacoast delivered record financial performance, driven by our balanced growth strategy and emphasis on efficient operations. With extraordinary circumstances now facing all of us, we believe that we are well-positioned when compared to peers for the challenges that lie ahead. We enter this period from a position of strength, with our prior strategic initiatives resulting in a robust capital base, a diverse loan portfolio and a prudent liquidity position that should allow us to support our customers despite the uncertain environment. First quarter results include strong performance across multiple business lines, including record new asset acquisition in wealth management and maximizing market opportunities in mortgage banking. We will continue our commitment to maintaining a fortress balance sheet, demonstrating resilience while generating shareholder value over the long term."

**Adoption of CECL**

On January 1, 2020, the Company adopted new accounting guidance that introduces the current expected credit losses ("CECL") methodology for estimating allowances for credit losses. The adoption resulted in an increase to the allowance for credit losses on loans of \$21.2 million and an addition to the reserve for unfunded commitments of \$1.8 million. Under the accounting rules, adoption had no impact on the income statement and resulted in an adjustment to retained earnings, net of taxes, of \$16.9 million. In March 2020, regulatory guidance was issued that allows banking organizations to delay the effects of CECL on regulatory capital calculations for two years, followed by a three-year transition period. As a result, initial adoption at January 1, 2020 had no impact on the Company's regulatory capital ratios.

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#### **Acquisition of First Bank of the Palm Beaches**

The purchase of First Bank of the Palm Beaches ("FBPB") in the first quarter of 2020 increases Seacoast's market share as the #1 community bank in the attractive Palm Beach market. FBPB operated two branches, which have converted to Seacoast branches, with deposits of \$174 million and loans of \$147 million at the time of acquisition. The Company increased its allowance for credit losses at the time of acquisition by \$2.3 million, recording provision for credit losses of \$1.8 million. The remaining \$0.5 million, which represents the allowance on purchased credit deteriorated loans, was recorded as part of the purchase price in accordance with the new CECL guidance.

#### **First Quarter 2020 Financial Results**

##### **Income Statement**

- **Net income** was \$0.7 million, or \$0.01 per diluted share, compared to \$27.2 million, or \$0.52, for the prior quarter and \$22.7 million, or \$0.44, for the first quarter of 2019. Adjusted net income<sup>1</sup> was \$5.5 million, or \$0.10 per diluted share, compared to \$26.8 million, or \$0.52, for the prior quarter and \$24.2 million, or \$0.47, for the first quarter of 2019.
- **Net revenues** were \$77.9 million, a decrease of \$0.3 million compared to the prior quarter, and an increase of \$4.3 million, or 6%, compared to the first quarter of 2019. Adjusted revenues<sup>1</sup> were \$77.8 million, an increase of \$2.2 million, or 3%, from the prior quarter and an increase of \$4.2 million, or 6%, from the first quarter of 2019.
- **Net interest income** totaled \$63.2 million, an increase of \$1.4 million, or 2%, from the prior quarter and an increase of \$2.4 million, or 4%, from the first quarter of 2019.
- **Net interest margin** was 3.93% in the first quarter of 2020, 3.84% in the fourth quarter of 2019 and 4.02% in the first quarter of 2019. Compared to the fourth quarter of 2019, the yield on loans increased 1 basis point due to an increase in accretion of purchase discounts on acquired loans offset by the impact of Federal Reserve rate cuts in March 2020. The effect on net interest margin from accretion of purchase discounts on acquired loans was 27 basis points in the first quarter of 2020, compared to 21 basis points in the fourth quarter of 2019 and 26 basis points in the first quarter of 2019. Excluding the impact of accretion, the net interest margin increased 3 basis points from the prior quarter and the yield on loans contracted 6 basis points. The 13 basis point increase in the yield on securities reflects prepayment penalties received on early payoffs of mortgage-backed securities. The cost of deposits decreased 4 basis points to 0.57%. The full benefit resulting from reductions in offered customer deposit rates was muted by strategic efforts to increase brokered deposit funding, bolstering the Company's liquidity, a prudent action arising from the current economic environment.
- **Noninterest income** totaled \$14.7 million, a decrease of \$1.7 million, or 10%, compared to the prior quarter and an increase of \$1.9 million, or 14%, compared to the previous year. Results for the fourth quarter of 2019 included \$2.5 million in realized gains on sales of securities. Other changes in noninterest income compared to the fourth quarter of 2019 consisted of the following:
  - Mortgage banking fees increased \$0.7 million to \$2.2 million, reflecting a vibrant residential refinance market.
  - Wealth management income increased by \$0.3 million, or 18%, to a record \$1.9 million, with an additional \$44 million in new assets under management acquired in the first quarter of 2020.
  - Other income increased \$0.8 million on higher revenue from SBIC investments.
  - SBA gains were lower by \$0.4 million, the result of lower production of saleable SBA loans.
- The **provision for credit losses** was \$29.5 million compared to \$4.8 million in the prior quarter and \$1.4 million in the first quarter of 2019. Under the CECL approach, the Company establishes a reserve for the full amount of expected credit losses over the life of the loans. The estimate is based on current conditions and reasonable and supportable forecasts. The use of CECL requires earlier recognition, when compared with the previous accounting guidance, of credit losses that are deemed expected but not yet probable. Given the uncertainty of the current economic environment, management applied significant judgment in estimating the impact on the portfolio of

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and for a reconciliation to GAAP.

potential economic downturn scenarios, including the severity and duration of these scenarios and the potential impact of the government's economic support programs.

**Noninterest expense** was \$47.8 million, an increase of \$9.7 million, or 26%, compared to the prior quarter and an increase of \$4.7 million, or 11%, from the first quarter of 2019. The first quarter of 2020 included \$4.6 million in merger-related charges, including change in control payments, legal and investment banking fees, and technology contract termination fees associated with the FBPB and Fourth Street Banking Company acquisitions. Merger-related charges are removed from the presentation of adjusted results. Changes from the fourth quarter of 2019 consisted of the following:

- Salaries, wages, and employee benefits increased \$7.4 million, of which \$2.2 million was acquisition-related. The remaining increase was the result of recruiting seasoned bankers, a return of payroll taxes and 401(k) contribution expenses, and the reactivation of incentive accruals, all in line with prior years' seasonality. Additionally, the first quarter included \$0.3 million in bonuses for retail associates, who are keeping critical functions operating at full capacity through this pandemic. Lastly, deferred loan origination costs were impacted by \$0.5 million, the result of fewer loans originated.
  - Legal and professional fees increased \$1.3 million, of which \$1.1 million was acquisition-related.
  - Marketing expenses increased by \$0.4 million, reflecting acquisition-related costs of \$0.1 million and first quarter 2020 deposit promotions.
  - Data processing costs increased \$1.0 million, including \$0.8 million in merger-related data conversion expenses.
  - The sale of a former branch property resulted in a \$0.3 million gain.
- Seacoast recorded \$0.2 million of **income tax benefit** in the first quarter of 2020, compared to tax expense of \$8.1 million in the prior quarter and \$6.4 million in the first quarter of 2019. Tax benefits related to stock-based compensation totaled \$0.3 million in the first quarter of 2020, compared to \$0.1 million in the fourth quarter of 2019 and \$0.6 million in the first quarter of 2019.
  - First quarter **adjusted revenues**<sup>1</sup> increased 6% compared to prior year quarter while **adjusted noninterest expense**<sup>1</sup> increased 1%, generating 5% operating leverage.
  - The **efficiency ratio** was 59.8% compared to 48.4% in the prior quarter and 56.6% in the first quarter of 2019. The adjusted efficiency ratio<sup>1</sup> was 53.6% compared to 47.5% in the preceding quarter, impacted by typical seasonality, and was 55.8% in the first quarter of 2019.

#### Balance Sheet

- At March 31, 2020, the Company had **total assets** of \$7.4 billion and total shareholders' equity of \$991.8 million. Book value per share was \$18.82, and tangible book value per share was \$14.42, compared to \$19.13 and \$14.76, respectively, at December 31, 2019 and \$17.44 and \$12.98, respectively, at March 31, 2019. Year-over-year, tangible book value per share increased by 11%.
- **Debt securities** totaled \$1.2 billion at March 31, 2020, a decrease of \$45.5 million compared to December 31, 2019 and a decrease of \$10.4 million from March 31, 2019.
- **Loans** totaled \$5.3 billion at March 31, 2020, an increase of \$118.8 million, or 2%, compared to December 31, 2019, and an increase of \$488.8 million, or 10%, from March 31, 2019. Excluding FBPB acquired loans, which were valued at \$146.9 million, loans outstanding declined by \$28.1 million, driven by a purposeful slowing of originations during the quarter as the impact of COVID-19 on our local economies became apparent.
  - Seacoast began accepting applications from customers on Friday, April 3 for the Paycheck Protection Program ("PPP") established by the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). In the first round of the program, Seacoast processed over 1,600 loans for its customers, totaling over \$388 million. As an SBA preferred lender, the Company will continue its focus in helping small businesses access the program in the second quarter.

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and for a reconciliation to GAAP.

- New loan originations were \$323.5 million in the first quarter of 2020, compared to \$587.1 million in the fourth quarter of 2019 and \$309.8 million in the first quarter of 2019.
  - Commercial originations during the first quarter of 2020 were \$183.3 million, compared to \$304.3 million in the fourth quarter of 2019 and \$186.0 million in the first quarter of 2019.
  - Residential loan originations were \$88.6 million in the first quarter of 2020, compared to \$126.0 million in the fourth quarter of 2019 and \$82.2 million in the first quarter of 2019.
  - Consumer originations in the first quarter of 2020 were \$51.5 million, compared to \$57.7 million in the fourth quarter of 2019 and \$41.6 million in the first quarter of 2019.
- **Pipelines** (loans in underwriting and approval or approved and not yet closed) totaled \$287.3 million at March 31, 2020, with notable decreases in commercial and small business due to COVID-19 and the resulting economic impacts, offset by continued residential refinancing activity. Early in the second quarter of 2020, the Company's business bankers and operational resources have been focused on supporting borrowers with access to PPP program funds.
  - Commercial pipelines were \$171.1 million as of March 31, 2020, compared to \$277.8 million as of the prior quarter end and \$193.7 million as of March 31, 2019. The decline in pipeline quarter over quarter was the result of a more selective approach on new credits given the economic outlook associated with COVID-19.
  - Residential saleable pipelines were \$75.2 million as of March 31, 2020 compared to \$19.0 million as of the prior quarter end and \$25.9 million as of March 31, 2019. The increase reflects the impact of a vibrant refinance market.
  - Retained residential pipelines were \$11.8 million as of March 31, 2020, compared to \$19.1 million as of the prior quarter end and \$19.3 million as of March 31, 2019. The decrease is the result of the Company's focus on generating saleable production.
  - Consumer pipelines were \$29.1 million as of March 31, 2020, compared to \$23.3 million as of the prior quarter end and \$51.3 million as of March 31, 2019.
- **Total deposits** were \$5.9 billion as of March 31, 2020, an increase of \$302.7 million, or 5%, sequentially and an increase of \$281.9 million, or 5%, from the prior year.
  - The acquisition of FBPB contributed \$174 million in deposits.
  - The overall cost of deposits declined to 57 basis points in the first quarter of 2020 from 61 basis points in the prior quarter, reflecting the impact of rate cuts by the Federal Reserve during the first quarter of 2020, moderated by the strategic use of brokered deposits to bolster liquidity.
  - Total transaction accounts increased 6% quarter-over-quarter, including \$72.1 million acquired from FBPB. Transaction accounts continue to represent 50% of overall deposit funding.
  - Interest-bearing deposits (interest-bearing demand, savings and money market deposits) increased year-over-year \$112.5 million, or 4%, to \$2.9 billion, noninterest-bearing demand deposits increased \$27.6 million, or 2%, to \$1.7 billion, and CDs (excluding brokered) decreased \$88.1 million, or 12%, to \$672.7 million.

#### **Asset Quality**

- Seacoast is supporting the needs of its communities with access to payment deferral programs for borrowers experiencing financial hardship. As of April 22, 2020, approximately 2,500 borrowers with \$1 billion in outstanding balances were participating in a payment deferral plan. Our bankers are taking proactive steps to assist our borrowers in evaluating their circumstances, planning for cash needs, and identifying CARES Act and other programs that can provide further support in these uncertain times. Our relationship-based approach, with bankers that are deeply knowledgeable about their customers and communities, will continue to provide valuable information and insight as we carefully manage credit decisions in the coming months.

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and for a reconciliation to GAAP.

- **Nonperforming loans to total loans outstanding** were 0.48% at March 31, 2020, 0.52% at December 31, 2019, and 0.46% at March 31, 2019.
- **Nonperforming assets to total assets** were 0.55% at March 31, 2020, 0.55% at December 31, 2019 and 0.51% at March 31, 2019. Activity in other real estate owned included a \$5.5 million loan transferred in, offset by the sale of a \$3.3 million former branch property.
- **The ratio of allowance for credit losses to total loans** was 1.61% at March 31, 2020, 0.68% at December 31, 2019, and 0.68% at March 31, 2019.
- **Net charge-offs** were \$1.0 million, or 0.07%, of average loans for the first quarter of 2020 compared to \$3.2 million, or 0.25%, of average loans in the fourth quarter of 2019 and \$1.0 million, or 0.08% of average loans in the first quarter of 2019. Net charge-offs for the four most recent quarters averaged 0.16%.
- **Portfolio diversification**, in terms of asset mix, industry, and loan type, has been a critical element of the Company's lending strategy. Exposure across industries and collateral types is broadly distributed.
- The Company does not have any **purchased loan syndications, shared national credits, or mezzanine finance**.
- Since the outbreak of COVID-19, the Company has not experienced any material increase in **consumer or commercial line utilization**.
- The funded balances of the **top 10 and top 20 relationships** represented 20% and 37%, respectively, of total consolidated risk-based capital, a decrease compared to 27% and 46% three years ago, in the first quarter of 2017. Seacoast's average commercial loan size is \$375,000.
- **Construction and land development and commercial real estate loans** remain well below regulatory guidance at 35% and 193% of total bank-level risk based capital, respectively, compared to 40% and 204% respectively, in the fourth quarter of 2019. On a consolidated basis, construction and land development and commercial real estate loans represent 32% and 181%, respectively, of total consolidated risk-based capital.

#### **Capital and Liquidity**

- The **tier 1 capital ratio** was 15.5%, **total capital ratio** was 16.5% and the **tier 1 leverage ratio** was 12.4% at March 31, 2020
- **Tangible common equity to tangible assets** was 10.7% at March 31, 2020, compared to 11.1% at December 31, 2019 and 10.18% at March 31, 2019.
- Cash and cash equivalents at March 31, 2020 totaled \$314.9 million, an increase of \$190.3 million from December 31, 2019.
- At March 31, 2020, the Company had available unsecured lines of credit of \$160.0 million and lines of credit under lendable collateral value of \$1.2 billion. \$851.5 million of debt securities and \$830.0 million in residential and commercial real estate loans are available as collateral for potential borrowings.

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and for a reconciliation to GAAP.

**FINANCIAL HIGHLIGHTS**

(Amounts in thousands except per share data)

(Unaudited)

	Quarterly Trends					
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19	
<b>Selected Balance Sheet Data:</b>						
Total Assets	\$ 7,352,894	\$ 7,108,511	\$ 6,890,645	\$ 6,824,886	\$ 6,783,389	
Gross Loans	5,317,208	5,198,404	4,986,289	4,888,139	4,828,441	
Total Deposits	5,887,499	5,584,753	5,673,141	5,541,209	5,605,578	
<b>Performance Measures:</b>						
Net Income	\$ 709	\$ 27,176	\$ 25,605	\$ 23,253	\$ 22,705	
Net Interest Margin	3.93%	3.84%	3.89%	3.94%	4.02%	
Average Diluted Shares Outstanding	52,284	52,081	51,935	51,952	52,039	
Diluted Earnings Per Share (EPS)	\$ 0.01	\$ 0.52	\$ 0.49	\$ 0.45	\$ 0.44	
<b>Return on (annualized):</b>						
Average Assets (ROA)	0.04%	1.54%	1.49%	1.38%	1.36%	
Average Tangible Assets (ROTA)	0.11	1.66	1.61	1.50	1.48	
Average Tangible Common Equity (ROTCE)	0.95	14.95	14.73	14.30	14.86	
Efficiency Ratio	59.85	48.36	48.62	53.48	56.55	
<b>Adjusted Operating Measures<sup>1</sup>:</b>						
Adjusted Net Income	\$ 5,462	\$ 26,837	\$ 27,731	\$ 25,818	\$ 24,205	
Adjusted Diluted EPS	0.10	0.52	0.53	0.50	0.47	
Adjusted ROTA	0.32%	1.57%	1.67%	1.59%	1.50%	
Adjusted ROTCE	2.86	14.19	15.30	15.17	15.11	
Adjusted Efficiency Ratio	53.61	47.52	48.96	51.44	55.81	
Adjusted Noninterest Expense as a Percent of Average Tangible Assets	2.44	2.11	2.22	2.34	2.55	
<b>Other Data:</b>						
Market capitalization <sup>2</sup>	\$ 965,097	\$ 1,574,775	\$ 1,303,010	\$ 1,309,158	\$ 1,354,759	
Full-time equivalent employees	919	867	867	852	902	
Number of ATMs	76	78	80	81	84	
Full-service banking offices	50	48	48	49	50	
Registered online users	113,598	109,684	107,241	104,017	102,274	
Registered mobile devices	104,108	99,361	96,384	92,281	87,844	

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and a reconciliation to GAAP

<sup>2</sup>Common shares outstanding multiplied by closing bid price on last day of each period

**Vision 2020**

Prior to the emergence of COVID-19, Seacoast was on track to achieve its announced Vision 2020 performance targets exiting 2020, which included an efficiency ratio below 50%, return on tangible assets above 1.30%, and a return on tangible common equity above 16%. Changes in the outlook for the economy as a result of COVID-19 will affect achievement of these targets, though it is difficult to predict to what extent. The Company intends to continue to carefully manage operating efficiency, maintain prudent credit oversight and a robust capital position. Although the business and economic impacts of COVID-19 present obvious challenges to Seacoast's operating environment, the Company is confident that its established conservative posture entering this uncertain period should serve it well.

**First Quarter Operating Highlights****Modernizing How Seacoast Sells**

- During the first quarter of 2020, Seacoast introduced digital closing and notarization capabilities for residential mortgages. This technology allows the borrower, closing agent, loan officer, witnesses and a notary public to digitally participate in the electronic signing of all mortgage documents, enabling secure and fully remote loan closings. This technology has allowed remote loan closings to occur despite the stay-at-home orders that have been issued across our footprint.
- Seacoast's continuous focus on and recent investments in operational resilience have provided a reliable experience for customers. Utilization of remote capabilities, web-enabled conferencing and digital tools ensure associates can serve their clients safely and effectively.

**Lowering Cost to Serve**

- At March 31, 2020, deposits per banking center were \$118 million, compared to \$116 million at December 31, 2019 and \$112 million at March 31, 2019.
- Registered online users have increased by 11% from one year ago, with the number of registered mobile devices in March exceeding 100,000. Customers are seeking the convenient security of mobile banking. Since the beginning of the pandemic, online logins have increased by 42%, visits to the Seacoast website increased 47%, and customer requests made through the website increased more than 200%.

**Driving Improvements to Operations**

- During the first quarter of 2020, Seacoast completed projects to improve the speed and quality of the items processing workflow and scale its source document archiving capabilities through outsourcing, while redeploying associates to other projects.
- In response to heightened call volumes in the call center, Seacoast installed a virtual assistant that is allowing customers to chat with an automated response unit to resolve everyday banking needs such as checking balances or payments. This technology will be useful in lowering the cost to serve customers in future periods.

**Scaling and Evolving Seacoast's Culture**

- Seacoast's balanced growth strategy, combining organic growth with value-creating acquisitions, continues to benefit shareholders and provide new opportunities for associates. The purchase of FBPB in the first quarter of 2020 added experienced bankers in a growing market, further supporting sustainable, profitable growth. The acquisition increases Seacoast's market share as the #1 community bank in the attractive Palm Beach market, bringing the combined company to over \$821 million in total deposits in Palm Beach County.
- The proposed acquisition of Fourth Street Banking Company, the holding company for Freedom Bank of St. Petersburg, is expected to be completed in August 2020, with the COVID-19 pandemic prompting a delay from the anticipated June closing.

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and for a reconciliation to GAAP.

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## OTHER INFORMATION

### Conference Call Information

Seacoast will host a conference call on April 29, 2020 at 10:00 a.m. (Eastern Time) to discuss the first quarter 2020 earnings results and business trends. Investors may call in (toll-free) by dialing (888) 517-2513 (passcode: 7733 193; host: Dennis S. Hudson). Charts will be used during the conference call and may be accessed at Seacoast's website at [www.SeacoastBanking.com](http://www.SeacoastBanking.com) by selecting "Presentations" under the heading "News/Events." A replay of the call will be available for one month, beginning late afternoon of April 29, 2020 by dialing (888) 843-7419 (domestic) and using passcode: 7733 193#.

Alternatively, individuals may listen to the live webcast of the presentation by visiting Seacoast's website at [www.SeacoastBanking.com](http://www.SeacoastBanking.com). The link is located in the subsection "Presentations" under the heading "Investor Services." Beginning the afternoon of April 29, 2020, 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 \$7.4 billion in assets and \$5.9 billion in deposits as of March 31, 2020. The Company provides integrated financial services including commercial and retail banking, wealth management, and mortgage services to customers through advanced banking solutions, and 50 traditional branches of its locally-branded, wholly-owned subsidiary bank, Seacoast Bank. Offices stretch from Fort Lauderdale, Boca Raton and West Palm Beach north through the Daytona Beach area, into Orlando and Central Florida and the adjacent Tampa market, and west to Okeechobee and surrounding counties. More information about the Company is available at [www.SeacoastBanking.com](http://www.SeacoastBanking.com).

### Additional Information

Seacoast has filed a registration statement on Form S-4 with the United States Securities and Exchange Commission (the "SEC") in connection with the proposed merger of Fourth Street Banking Company ("Fourth Street") with and into Seacoast and Freedom Bank with and into Seacoast Bank. The registration statement in connection with the Fourth Street merger includes a proxy statement of Fourth Street and a prospectus of Seacoast. A definitive proxy statement/prospectus will be mailed to shareholders of Fourth Street. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. **WE URGE INVESTORS TO READ THE PROXY STATEMENTS/PROSPECTUSES AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGERS OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENTS/PROSPECTUSES BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

Investors may obtain (when available) these documents free of charge at the SEC's Web site ([www.sec.gov](http://www.sec.gov)). In addition, documents filed with the SEC by Seacoast will be available free of charge by contacting Investor Relations at (772) 288-6085.

Fourth Street, its directors, and executive officers and other members of management and employees may be considered participants in the solicitation of proxies in connection with the merger of the proposed merger of Fourth Street with and into Seacoast. Information regarding the participants in the proxy solicitation of Fourth Street and a description of its direct and indirect interests, by security holdings or otherwise, is contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC.

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**Cautionary Notice Regarding Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning, and protections, of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements about future financial and operating results, cost savings, enhanced revenues, economic and seasonal conditions in our markets, and improvements to reported earnings that may be realized from cost controls, tax law changes, new initiatives and for integration of banks that we have acquired, or expect to acquire, including FBFB, as well as statements with respect to Seacoast's objectives, strategic plans, including Vision 2020, expectations and intentions and other statements that are not historical facts, any of which may be impacted by the COVID-19 pandemic and related effects on the U.S. economy. 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, assumptions, estimates and intentions about future performance 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.

All statements other than statements of historical fact could be 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", "plan", "point to", "project", "could", "intend", "target" 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 and the adverse impact of COVID-19 (economic and otherwise); governmental monetary and fiscal policies, including interest rate policies of the Board of Governors of the Federal Reserve, as well as legislative, tax and regulatory changes; changes in accounting policies, rules and practices, including the impact of the adoption of CECL; 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; uncertainty related to the impact of LIBOR calculations on securities and loans; changes in borrower credit risks and payment behaviors; changes in the availability and cost of credit and capital in the financial markets; changes in the prices, values and sales volumes of residential and commercial real estate; our ability to comply with any regulatory requirements; the effects of problems encountered by other financial institutions that adversely affect us or the banking industry; our concentration in commercial real estate loans; the failure of assumptions and estimates, as well as differences in, and changes to, economic, market and credit conditions; the impact on the valuation of our investments due to market volatility or counterparty payment risk; statutory and regulatory dividend restrictions; increases in regulatory capital requirements for banking organizations generally; the risks of mergers, acquisitions and divestitures, including our ability to continue to identify acquisition targets and successfully acquire desirable financial institutions; changes in technology or products that may be more difficult, costly, or less effective than anticipated; our ability to identify and address increased cybersecurity risks; inability of our risk management framework to manage risks associated with our business; dependence on key suppliers or vendors to obtain equipment or services for our business on acceptable terms; reduction in or the termination of our ability to use the mobile-based platform that is critical to our business growth strategy; the effects of war or other conflicts, acts of terrorism, natural disasters, health emergencies, epidemics or pandemics, or other catastrophic events that may affect general economic conditions; unexpected outcomes of and the costs associated with, existing or new litigation involving us; our ability to maintain adequate internal controls over financial reporting; potential claims, damages, penalties, fines and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions; the risks that our deferred tax assets could be reduced if estimates of future taxable income from our operations and tax planning strategies are less than currently estimated and sales of our capital stock could trigger a reduction in the amount of net operating loss carryforwards that we may be able to utilize for income tax purposes; 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.

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*The risks relating to the FBPB merger and Fourth Street proposed merger include, without limitation: the timing to consummate the proposed merger; the risk that a condition to closing of the proposed merger may not be satisfied; the risk that the merger is not completed at all; the diversion of management time on issues related to the proposed merger; 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 mergers 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 disruptions, 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.*

*Given the many unknowns and risks being heavily weighted to the downside, our forward-looking statements are subject to the risk that conditions will be substantially different than we are currently expecting. If efforts to contain COVID-19 are unsuccessful and restrictions on movement last into the third quarter or beyond, the recession would be much longer and much more severe. Ineffective fiscal stimulus, or an extended delay in implementing it, are also major downside risks. The deeper the recession is, and the longer it lasts, the more it will damage consumer fundamentals and sentiment. This could both prolong the recession, and/or make any recovery weaker. Similarly, the recession could damage business fundamentals. And an extended global recession due to COVID-19 would weaken the U.S. recovery. As a result, the outbreak and its consequences, including responsive measures to manage it, have had and are likely to continue to have an adverse effect, possibly materially, on our business and financial performance by adversely affecting, possibly materially, the demand and profitability of our products and services, the valuation of assets and our ability to meet the needs of our customers.*

*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, 2019, 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 [www.sec.gov](http://www.sec.gov).*

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## FINANCIAL HIGHLIGHTS

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Amounts in thousands, except ratios and per share data)	Quarterly Trends				
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Summary of Earnings</b>					
Net income	\$ 709	\$ 27,176	\$ 25,605	\$ 23,253	\$ 22,705
Adjusted net income <sup>1</sup>	5,462	26,837	27,731	25,818	24,205
Net interest income <sup>2</sup>	63,291	61,846	61,027	60,219	60,861
Net interest margin <sup>2,3</sup>	3.93%	3.84%	3.89%	3.94%	4.02%
<b>Performance Ratios</b>					
Return on average assets-GAAP basis <sup>3</sup>	0.04%	1.54%	1.49%	1.38%	1.36%
Return on average tangible assets-GAAP basis <sup>3,4</sup>	0.11	1.66	1.61	1.50	1.48
Adjusted return on average tangible assets <sup>3,4</sup>	0.32	1.57	1.67	1.59	1.50
Return on average shareholders' equity-GAAP basis <sup>3</sup>	0.29	11.04	10.73	10.23	10.47
Return on average tangible common equity-GAAP basis <sup>3,4</sup>	0.95	14.95	14.73	14.30	14.86
Adjusted return on average tangible common equity <sup>3,4</sup>	2.86	14.19	15.30	15.17	15.11
Efficiency ratio <sup>5</sup>	59.85	48.36	48.62	53.48	56.55
Adjusted efficiency ratio <sup>1</sup>	53.61	47.52	48.96	51.44	55.81
Noninterest income to total revenue (excluding securities gains/losses)	18.84	18.30	19.53	18.93	17.45
Tangible common equity to tangible assets <sup>4</sup>	10.68	11.05	11.05	10.65	10.18
Average loan-to-deposit ratio	93.02	90.71	88.35	87.27	90.55
End of period loan-to-deposit ratio	90.81	93.44	88.36	88.53	86.38
<b>Per Share Data</b>					
Net income diluted-GAAP basis	\$ 0.01	\$ 0.52	\$ 0.49	\$ 0.45	\$ 0.44
Net income basic-GAAP basis	0.01	0.53	0.50	0.45	0.44
Adjusted earnings <sup>1</sup>	0.10	0.52	0.53	0.50	0.47
Book value per share common	18.82	19.13	18.70	18.08	17.44
Tangible book value per share	14.42	14.76	14.30	13.65	12.98
Cash dividends declared	—	—	—	—	—

<sup>1</sup>Non-GAAP measure - see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and a reconciliation to GAAP.<sup>2</sup>Calculated on a fully taxable equivalent basis using amortized cost.<sup>3</sup>These ratios are stated on an annualized basis and are not necessarily indicative of future periods.<sup>4</sup>The Company defines tangible assets as total assets less intangible assets, and tangible common equity as total shareholders' equity less intangible assets.<sup>5</sup>Defined as noninterest expense less amortization of intangibles and gains, losses, and expenses on foreclosed properties divided by net operating revenue (net interest income on a fully taxable equivalent basis plus noninterest income excluding securities gains and losses).

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Amounts in thousands, except per share data)	Quarterly Trends				
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
Interest on securities:					
Taxable	\$ 8,696	\$ 8,500	\$ 8,802	\$ 8,933	\$ 9,119
Nontaxable	122	130	131	143	151
Interest and fees on loans	63,440	62,868	63,092	62,288	62,287
Interest on federal funds sold and other investments	734	788	800	873	918
<b>Total Interest Income</b>	<b>72,992</b>	<b>72,286</b>	<b>72,825</b>	<b>72,237</b>	<b>72,475</b>
Interest on deposits	3,190	3,589	4,334	4,825	3,873
Interest on time certificates	4,768	5,084	6,009	5,724	4,959
Interest on borrowed money	1,857	1,853	1,534	1,552	2,869
<b>Total Interest Expense</b>	<b>9,815</b>	<b>10,526</b>	<b>11,877</b>	<b>12,101</b>	<b>11,701</b>
<b>Net Interest Income</b>	<b>63,177</b>	<b>61,760</b>	<b>60,948</b>	<b>60,136</b>	<b>60,774</b>
Provision for credit losses	29,513	4,800	2,251	2,551	1,397
<b>Net Interest Income After Provision for Credit Losses</b>	<b>33,664</b>	<b>56,960</b>	<b>58,697</b>	<b>57,585</b>	<b>59,377</b>
Noninterest income:					
Service charges on deposit accounts	2,825	2,960	2,978	2,894	2,697
Interchange income	3,246	3,387	3,206	3,405	3,401
Wealth management income	1,867	1,579	1,632	1,688	1,453
Mortgage banking fees	2,208	1,514	2,127	1,734	1,115
Marine finance fees	146	338	153	201	362
SBA gains	139	576	569	691	636
BOLI income	886	904	928	927	915
Other	3,352	2,579	3,197	2,503	2,266
<b>Total Noninterest Income</b>	<b>14,669</b>	<b>13,837</b>	<b>14,790</b>	<b>14,043</b>	<b>12,845</b>
Securities gains (losses), net	19	2,539	(847)	(466)	(9)
<b>Total Noninterest Income</b>	<b>14,688</b>	<b>16,376</b>	<b>13,943</b>	<b>13,577</b>	<b>12,836</b>
Noninterest expenses:					
Salaries and wages	23,698	17,263	18,640	19,420	18,506
Employee benefits	4,255	3,323	2,973	3,195	4,206
Outsourced data processing costs	4,633	3,645	3,711	3,876	3,845
Telephone / data lines	714	651	603	893	811
Occupancy	3,353	3,368	3,368	3,741	3,807
Furniture and equipment	1,623	1,416	1,528	1,544	1,757
Marketing	1,278	885	933	1,211	1,132
Legal and professional fees	3,363	2,025	1,648	2,033	2,847
FDIC assessments	—	—	56	337	488
Amortization of intangibles	1,456	1,456	1,456	1,456	1,458
Foreclosed property expense and net (gain)/loss on sale	(315)	3	262	(174)	(40)
Other	3,740	4,022	3,405	3,468	4,282
<b>Total Noninterest Expense</b>	<b>47,798</b>	<b>38,057</b>	<b>38,583</b>	<b>41,000</b>	<b>43,099</b>
<b>Income Before Income Taxes</b>	<b>554</b>	<b>35,279</b>	<b>34,057</b>	<b>30,162</b>	<b>29,114</b>
Income taxes	(155)	8,103	8,452	6,909	6,409
<b>Net Income</b>	<b>\$ 709</b>	<b>\$ 27,176</b>	<b>\$ 25,605</b>	<b>\$ 23,253</b>	<b>\$ 22,705</b>
Per share of common stock:					
Net income diluted	\$ 0.01	\$ 0.52	\$ 0.49	\$ 0.45	\$ 0.44
Net income basic	0.01	0.53	0.50	0.45	0.44
Cash dividends declared	—	—	—	—	—
Average diluted shares outstanding	52,284	52,081	51,935	51,952	52,039
Average basic shares outstanding	51,803	51,517	51,473	51,446	51,359

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Amounts in thousands)	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Assets</b>					
Cash and due from banks	\$ 82,111	\$ 89,843	\$ 106,349	\$ 97,792	\$ 98,270
Interest bearing deposits with other banks	232,763	34,688	25,911	61,987	105,741
<b>Total Cash and Cash Equivalents</b>	<b>314,874</b>	<b>124,531</b>	<b>132,260</b>	<b>159,779</b>	<b>204,011</b>
Time deposits with other banks	3,742	3,742	4,579	4,980	8,174
Debt Securities:					
Available for sale (at fair value)	910,311	946,855	920,811	914,615	877,549
Held to maturity (at amortized cost)	252,373	261,369	273,644	287,302	295,485
<b>Total Debt Securities</b>	<b>1,162,684</b>	<b>1,208,224</b>	<b>1,194,455</b>	<b>1,201,917</b>	<b>1,173,034</b>
Loans held for sale	29,281	20,029	26,768	17,513	13,900
Loans	5,317,208	5,198,404	4,986,289	4,888,139	4,828,441
Less: Allowance for credit losses	(85,411)	(35,154)	(33,605)	(33,505)	(32,822)
<b>Net Loans</b>	<b>5,231,797</b>	<b>5,163,250</b>	<b>4,952,684</b>	<b>4,854,634</b>	<b>4,795,619</b>
Bank premises and equipment, net	71,540	66,615	67,873	68,738	70,412
Other real estate owned	14,640	12,390	13,593	11,043	11,921
Goodwill	212,085	205,286	205,286	205,260	205,260
Other intangible assets, net	19,461	20,066	21,318	22,672	23,959
Bank owned life insurance	127,067	126,181	125,277	125,233	124,306
Net deferred tax assets	19,766	16,457	17,168	19,353	24,647
Other assets	145,957	141,740	129,384	133,764	128,146
<b>Total Assets</b>	<b>\$ 7,352,894</b>	<b>\$ 7,108,511</b>	<b>\$ 6,890,645</b>	<b>\$ 6,824,886</b>	<b>\$ 6,783,389</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Liabilities</b>					
Deposits					
Noninterest demand	\$ 1,703,628	\$ 1,590,493	\$ 1,652,927	\$ 1,669,804	\$ 1,676,009
Interest-bearing demand	1,234,193	1,181,732	1,115,455	1,124,519	1,100,477
Savings	554,836	519,152	528,214	519,732	508,320
Money market	1,124,378	1,108,363	1,158,862	1,172,971	1,192,070
Other time certificates	489,669	504,837	537,183	553,107	539,202
Brokered time certificates	597,715	472,857	458,418	268,998	367,841
Time certificates of more than \$250,000	183,080	207,319	222,082	232,078	221,659
<b>Total Deposits</b>	<b>5,887,499</b>	<b>5,584,753</b>	<b>5,673,141</b>	<b>5,541,209</b>	<b>5,605,578</b>
Securities sold under agreements to repurchase	64,723	86,121	70,414	82,015	148,005
Federal Home Loan Bank borrowings	265,000	315,000	50,000	140,000	3,000
Subordinated debt	71,155	71,085	71,014	70,944	70,874
Other liabilities	72,730	65,913	63,398	60,479	59,508
<b>Total Liabilities</b>	<b>6,361,107</b>	<b>6,122,872</b>	<b>5,927,967</b>	<b>5,894,647</b>	<b>5,886,965</b>
<b>Shareholders' Equity</b>					
Common stock	5,271	5,151	5,148	5,146	5,141
Additional paid in capital	809,533	786,242	784,661	782,928	780,680
Retained earnings	179,646	195,813	168,637	143,032	119,779
Treasury stock	(7,422)	(6,032)	(6,079)	(6,137)	(4,959)
	987,028	981,174	952,367	924,969	900,641
Accumulated other comprehensive income/(loss), net	4,759	4,465	10,311	5,270	(4,217)
<b>Total Shareholders' Equity</b>	<b>991,787</b>	<b>985,639</b>	<b>962,678</b>	<b>930,239</b>	<b>896,424</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 7,352,894</b>	<b>\$ 7,108,511</b>	<b>\$ 6,890,645</b>	<b>\$ 6,824,886</b>	<b>\$ 6,783,389</b>
Common shares outstanding	52,709	51,514	51,482	51,461	51,414

(Amounts in thousands)	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Credit Analysis</b>					
Net charge-offs - non-acquired loans	\$ 1,316	\$ 2,930	\$ 2,106	\$ 1,621	\$ 762
Net (recoveries) charge-offs - acquired loans	(342)	295	5	220	201
<b>Total Net Charge-offs</b>	<b>974</b>	<b>3,225</b>	<b>2,111</b>	<b>1,841</b>	<b>963</b>
TDR valuation adjustments	\$ 24	\$ 27	\$ 40	\$ 27	\$ 35
Net charge-offs to average loans - non-acquired loans	0.10%	0.23%	0.17%	0.13%	0.06%
Net (recoveries) charge-offs to average loans - acquired loans	(0.03)	0.02	—	0.02	0.02
<b>Total Net Charge-offs to Average Loans</b>	<b>0.07</b>	<b>0.25</b>	<b>0.17</b>	<b>0.15</b>	<b>0.08</b>
Provision for credit losses - non-acquired loans	\$ 25,688	\$ 4,041	\$ 2,241	\$ 2,326	\$ 1,709
Provision for (recapture of) credit losses - acquired loans	3,825	759	10	225	(312)
<b>Total Provision for Credit Losses</b>	<b>\$ 29,513</b>	<b>\$ 4,800</b>	<b>\$ 2,251</b>	<b>\$ 2,551</b>	<b>\$ 1,397</b>
Allowance for credit losses - non-acquired loans	\$ 69,498	\$ 34,573	\$ 33,488	\$ 33,393	\$ 32,715
Allowance for credit losses - acquired loans	15,913	581	117	112	107
<b>Total Allowance for Credit Losses<sup>1</sup></b>	<b>\$ 85,411</b>	<b>\$ 35,154</b>	<b>\$ 33,605</b>	<b>\$ 33,505</b>	<b>\$ 32,822</b>
Non-acquired loans at end of period	\$ 4,373,378	\$ 4,317,919	\$ 4,010,299	\$ 3,817,358	\$ 3,667,221
Acquired loans at end of period	943,830	880,485	975,990	1,070,781	1,161,220
<b>Total Loans</b>	<b>\$ 5,317,208</b>	<b>\$ 5,198,404</b>	<b>\$ 4,986,289</b>	<b>\$ 4,888,139</b>	<b>\$ 4,828,441</b>
Non-acquired loans allowance for credit losses to non-acquired loans at end of period	1.59%	0.80%	0.84%	0.87%	0.89%
Total allowance for credit losses to total loans at end of period	1.61	0.68	0.67	0.69	0.68
Purchase discount on acquired loans at end of period	3.36	3.83	3.76	3.76	3.80
<b>End of Period</b>					
Nonperforming loans - non-acquired	\$ 17,898	\$ 20,990	\$ 20,400	\$ 15,810	\$ 15,423
Nonperforming loans - acquired	7,684	5,965	5,644	6,986	6,990
Other real estate owned - non-acquired	10,676	5,177	5,177	66	831
Other real estate owned - acquired	372	372	1,574	1,612	1,725
Bank branches closed included in other real estate owned	3,592	6,842	6,842	9,365	9,365
<b>Total Nonperforming Assets</b>	<b>\$ 40,222</b>	<b>\$ 39,346</b>	<b>\$ 39,637</b>	<b>\$ 33,839</b>	<b>\$ 34,334</b>
Restructured loans (accruing)	\$ 10,833	\$ 11,100	\$ 12,395	\$ 14,534	\$ 14,857
Nonperforming loans to loans at end of period - non-acquired	0.41%	0.49%	0.51%	0.41%	0.42%
Nonperforming loans to loans at end of period - acquired	0.81	0.68	0.58	0.65	0.60
Total Nonperforming Loans to Loans at End of Period	0.48	0.52	0.52	0.47	0.46
Nonperforming assets to total assets - non-acquired	0.44%	0.46%	0.47%	0.37%	0.38%
Nonperforming assets to total assets - acquired	0.11	0.09	0.11	0.13	0.13
<b>Total Nonperforming Assets to Total Assets</b>	<b>0.55</b>	<b>0.55</b>	<b>0.58</b>	<b>0.50</b>	<b>0.51</b>
<b>Loans</b>					
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Construction and land development	\$ 295,405	\$ 325,113	\$ 326,324	\$ 379,991	\$ 417,565
Commercial real estate - owner occupied	1,082,893	1,034,963	1,025,040	1,005,876	989,234
Commercial real estate - non-owner occupied	1,381,096	1,344,008	1,285,327	1,184,409	1,173,183
Residential real estate	1,559,754	1,507,863	1,409,946	1,400,184	1,329,166
Consumer	202,022	208,205	217,366	215,932	206,414
Commercial and financial	796,038	778,252	722,286	701,747	712,879
<b>Total Loans</b>	<b>\$ 5,317,208</b>	<b>\$ 5,198,404</b>	<b>\$ 4,986,289</b>	<b>\$ 4,888,139</b>	<b>\$ 4,828,441</b>

<sup>1</sup>See section titled "Current Expected Credit Losses ("CECL") Adopted on January 1, 2020

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

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Amounts in thousands)	1Q'20			4Q'19			1Q'19		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
<b>Assets</b>									
Earning assets:									
Securities:									
Taxable	\$ 1,152,473	\$ 8,696	3.02%	\$ 1,179,843	\$ 8,500	2.88%	\$ 1,186,374	\$ 9,119	3.07%
Nontaxable	19,740	152	3.09	20,709	162	3.13	26,561	190	2.86
<b>Total Securities</b>	<b>1,172,213</b>	<b>8,848</b>	<b>3.02</b>	<b>1,200,552</b>	<b>8,662</b>	<b>2.89</b>	<b>1,212,935</b>	<b>9,309</b>	<b>3.07</b>
Federal funds sold and other investments	87,924	734	3.36	84,961	788	3.68	91,136	918	4.09
Loans, net	5,215,234	63,524	4.90	5,104,272	62,922	4.89	4,839,046	62,335	5.22
<b>Total Earning Assets</b>	<b>6,475,371</b>	<b>73,106</b>	<b>4.54</b>	<b>6,389,785</b>	<b>72,372</b>	<b>4.49</b>	<b>6,143,117</b>	<b>72,562</b>	<b>4.79</b>
Allowance for credit losses	(56,931)			(34,072)			(32,966)		
Cash and due from banks	90,084			99,008			99,940		
Premises and equipment	67,585			67,485			70,938		
Intangible assets	226,712			226,060			230,066		
Bank owned life insurance	126,492			125,597			123,708		
Other assets	126,230			122,351			136,175		
<b>Total Assets</b>	<b>\$ 7,055,543</b>			<b>\$ 6,996,214</b>			<b>\$ 6,770,978</b>		
<b>Liabilities and Shareholders' Equity</b>									
Interest-bearing liabilities:									
Interest-bearing demand	\$ 1,173,930	\$ 834	0.29%	\$ 1,190,681	\$ 983	0.33%	\$ 1,029,726	\$ 839	0.33%
Savings	526,727	348	0.27	528,771	422	0.32	500,347	477	0.39
Money market	1,128,757	2,008	0.72	1,148,453	2,184	0.75	1,158,939	2,557	0.89
Time deposits	1,151,750	4,768	1.67	1,078,297	5,084	1.87	1,042,346	4,959	1.93
Securities sold under agreements to repurchase	71,065	167	0.95	73,693	226	1.22	185,032	550	1.21
Federal funds purchased and Federal Home Loan Bank borrowings	250,022	968	1.56	181,134	845	1.85	227,378	1,421	2.53
Other borrowings	71,114	722	4.08	71,045	782	4.37	70,836	898	5.14
<b>Total Interest-Bearing Liabilities</b>	<b>4,373,365</b>	<b>9,815</b>	<b>0.90</b>	<b>4,272,074</b>	<b>10,526</b>	<b>0.98</b>	<b>4,214,604</b>	<b>11,701</b>	<b>1.13</b>
Noninterest demand	1,625,215			1,680,734			1,612,548		
Other liabilities	62,970			67,206			64,262		
<b>Total Liabilities</b>	<b>6,061,550</b>			<b>6,020,014</b>			<b>5,891,414</b>		
Shareholders' equity	993,993			976,200			879,564		
<b>Total Liabilities &amp; Equity</b>	<b>\$ 7,055,543</b>			<b>\$ 6,996,214</b>			<b>\$ 6,770,978</b>		
Cost of deposits			0.57%			0.61%			0.67%
Interest expense as a % of earning assets			0.61%			0.65%			0.77%
Net interest income as a % of earning assets		\$ 63,291	3.93%		\$ 61,846	3.84%		\$ 60,861	4.02%

<sup>1</sup>On a fully taxable equivalent basis. All yields and rates have been computed using amortized cost.

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

CONSOLIDATED QUARTERLY FINANCIAL DATA

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Amounts in thousands)</i>	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Customer Relationship Funding</b>					
Noninterest demand					
Commercial	\$ 1,336,352	\$ 1,233,475	\$ 1,314,102	\$ 1,323,743	\$ 1,298,468
Retail	271,916	246,717	241,734	251,879	275,383
Public funds	71,029	85,122	65,869	65,822	73,640
Other	24,331	25,179	31,222	28,360	28,518
<b>Total Noninterest Demand</b>	<b>1,703,628</b>	<b>1,590,493</b>	<b>1,652,927</b>	<b>1,669,804</b>	<b>1,676,009</b>
Interest-bearing demand					
Commercial	349,315	319,993	342,376	323,818	289,544
Retail	671,378	641,762	622,833	634,099	646,522
Public funds	213,500	219,977	150,246	166,602	164,411
<b>Total Interest-Bearing Demand</b>	<b>1,234,193</b>	<b>1,181,732</b>	<b>1,115,455</b>	<b>1,124,519</b>	<b>1,100,477</b>
Total transaction accounts					
Commercial	1,685,667	1,553,468	1,656,478	1,647,561	1,588,012
Retail	943,294	888,479	864,567	885,978	921,905
Public funds	284,529	305,099	216,115	232,424	238,051
Other	24,331	25,179	31,222	28,360	28,518
<b>Total Transaction Accounts</b>	<b>2,937,821</b>	<b>2,772,225</b>	<b>2,768,382</b>	<b>2,794,323</b>	<b>2,776,486</b>
Savings					
	554,836	519,152	528,214	519,732	508,320
Money market					
Commercial	487,759	494,803	513,477	517,041	500,649
Retail	572,785	553,075	583,917	590,320	602,378
Public funds	63,834	60,485	61,468	65,610	89,043
<b>Total Money Market</b>	<b>1,124,378</b>	<b>1,108,363</b>	<b>1,158,862</b>	<b>1,172,971</b>	<b>1,192,070</b>
Brokered time certificates					
	597,715	472,857	458,418	268,998	367,841
Other time certificates					
	672,749	712,156	759,265	785,185	760,861
	1,270,464	1,185,013	1,217,683	1,054,183	1,128,702
<b>Total Deposits</b>	<b>\$ 5,887,499</b>	<b>\$ 5,584,753</b>	<b>\$ 5,673,141</b>	<b>\$ 5,541,209</b>	<b>\$ 5,605,578</b>
Customer sweep accounts					
	\$ 64,723	\$ 86,121	\$ 70,414	\$ 82,015	\$ 148,005

**CURRENT EXPECTED CREDIT LOSSES ("CECL") ADOPTED ON JANUARY 1, 2020**  
 SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(\$ in thousands)	January 1, 2020	
<b>Impact of Adoption</b>		
Increase to allowance for non-acquired loans	\$	10,577
Increase to allowance for acquired loans		10,649
Reversal of contra-loan balances for purchased credit impaired loans, now included in allowance		(706)
Increase to reserve for unfunded commitments (included in Other Liabilities)		1,837
Tax effect		(5,481)
Decrease to retained earnings upon adoption	\$	16,876

**Allowance Activity**



**Explanation of Certain Unaudited Non-GAAP Financial Measures**

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

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## GAAP TO NON-GAAP RECONCILIATION

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Amounts in thousands, except per share data)	Quarterly Trends				
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Net Income</b>	\$ 709	\$ 27,176	\$ 25,605	\$ 23,253	\$ 22,705
Total noninterest income	14,688	16,376	13,943	13,577	12,836
Securities (gains) losses, net	(19)	(2,539)	847	466	9
BOLI benefits on death (included in other income)	—	—	(956)	—	—
Total Adjustments to Noninterest Income	(19)	(2,539)	(109)	466	9
<b>Total Adjusted Noninterest Income</b>	<b>14,669</b>	<b>13,837</b>	<b>13,834</b>	<b>14,043</b>	<b>12,845</b>
Total noninterest expense	47,798	38,057	38,583	41,000	43,099
Merger related charges	(4,553)	(634)	—	—	(335)
Amortization of intangibles	(1,456)	(1,456)	(1,456)	(1,456)	(1,458)
Business continuity expenses	(307)	—	(95)	—	—
Branch reductions and other expense initiatives	—	—	(121)	(1,517)	(208)
Total Adjustments to Noninterest Expense	(6,316)	(2,090)	(1,672)	(2,973)	(2,001)
<b>Total Adjusted Noninterest Expense</b>	<b>41,482</b>	<b>35,967</b>	<b>36,911</b>	<b>38,027</b>	<b>41,098</b>
Income Taxes	(155)	8,103	8,452	6,909	6,409
Tax effect of adjustments	1,544	(110)	572	874	510
Effect of change in corporate tax rate on deferred tax assets	—	—	(1,135)	—	—
Total Adjustments to Income Taxes	1,544	(110)	(563)	874	510
<b>Adjusted Income Taxes</b>	<b>1,389</b>	<b>7,993</b>	<b>7,889</b>	<b>7,783</b>	<b>6,919</b>
<b>Adjusted Net Income</b>	<b>\$ 5,462</b>	<b>\$ 26,837</b>	<b>\$ 27,731</b>	<b>\$ 25,818</b>	<b>\$ 24,205</b>
Earnings per diluted share, as reported	\$ 0.01	\$ 0.52	\$ 0.49	\$ 0.45	\$ 0.44
<b>Adjusted Earnings per Diluted Share</b>	<b>0.10</b>	<b>0.52</b>	<b>0.53</b>	<b>0.50</b>	<b>0.47</b>
Average diluted shares outstanding	52,284	52,081	51,935	51,952	52,039
Adjusted Noninterest Expense	\$ 41,482	\$ 35,967	\$ 36,911	\$ 38,027	\$ 41,098
Foreclosed property expense and net gain/(loss) on sale	315	(3)	(262)	174	40
<b>Net Adjusted Noninterest Expense</b>	<b>\$ 41,797</b>	<b>\$ 35,964</b>	<b>\$ 36,649</b>	<b>\$ 38,201</b>	<b>\$ 41,138</b>
Revenue	\$ 77,865	\$ 78,136	\$ 74,891	\$ 73,713	\$ 73,610
Total Adjustments to Revenue	(19)	(2,539)	(109)	466	9
Impact of FTE adjustment	115	87	79	83	87
<b>Adjusted Revenue on a fully taxable equivalent basis</b>	<b>\$ 77,961</b>	<b>\$ 75,684</b>	<b>\$ 74,861</b>	<b>\$ 74,262</b>	<b>\$ 73,706</b>
Adjusted Efficiency Ratio	53.61%	47.52%	48.96%	51.44%	55.81%
Average Assets	\$ 7,055,543	\$ 6,996,214	\$ 6,820,576	\$ 6,734,994	\$ 6,770,978
Less average goodwill and intangible assets	(226,712)	(226,060)	(227,389)	(228,706)	(230,066)
<b>Average Tangible Assets</b>	<b>\$ 6,828,831</b>	<b>\$ 6,770,154</b>	<b>\$ 6,593,187</b>	<b>\$ 6,506,288</b>	<b>\$ 6,540,912</b>
Return on Average Assets (ROA)	0.04%	1.54%	1.49%	1.38%	1.36%
Impact of removing average intangible assets and related amortization	0.07	0.12	0.12	0.12	0.12
<b>Return on Average Tangible Assets (ROTA)</b>	<b>0.11</b>	<b>1.66</b>	<b>1.61</b>	<b>1.50</b>	<b>1.48</b>
Impact of other adjustments for Adjusted Net Income	0.21	(0.09)	0.06	0.09	0.02
<b>Adjusted Return on Average Tangible Assets</b>	<b>0.32</b>	<b>1.57</b>	<b>1.67</b>	<b>1.59</b>	<b>1.50</b>
Average Shareholders' Equity	\$ 993,993	\$ 976,200	\$ 946,670	\$ 911,479	\$ 879,564
Less average goodwill and intangible assets	(226,712)	(226,060)	(227,389)	(228,706)	(230,066)
<b>Average Tangible Equity</b>	<b>\$ 767,281</b>	<b>\$ 750,140</b>	<b>\$ 719,281</b>	<b>\$ 682,773</b>	<b>\$ 649,498</b>
Return on Average Shareholders' Equity	0.29%	11.04%	10.73%	10.23%	10.47%
Impact of removing average intangible assets and related amortization	0.66	3.91	4.00	4.07	4.39
<b>Return on Average Tangible Common Equity (ROTCE)</b>	<b>0.95</b>	<b>14.95</b>	<b>14.73</b>	<b>14.30</b>	<b>14.86</b>
Impact of other adjustments for Adjusted Net Income	1.91	(0.76)	0.57	0.87	0.25
<b>Adjusted Return on Average Tangible Common Equity</b>	<b>2.86</b>	<b>14.19</b>	<b>15.30</b>	<b>15.17</b>	<b>15.11</b>
Loan interest income excluding accretion on acquired loans	\$ 59,237	\$ 59,515	\$ 59,279	\$ 58,169	\$ 58,397
Accretion on acquired loans	4,287	3,407	3,859	4,166	3,938
<b>Loan interest income<sup>1</sup></b>	<b>\$ 63,524</b>	<b>\$ 62,922</b>	<b>\$ 63,138</b>	<b>\$ 62,335</b>	<b>\$ 62,335</b>

<sup>1</sup>On a fully taxable equivalent basis. All yields and rates have been computed using amortized cost.

<i>(Amounts in thousands, except per share data)</i>	Quarterly Trends				
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
Yield on loans excluding accretion on acquired loans	4.57%	4.63%	4.76%	4.82%	4.89%
Impact of accretion on acquired loans	0.33	0.26	0.30	0.34	0.33
<b>Yield on loans</b>	<b>4.90</b>	<b>4.89</b>	<b>5.06</b>	<b>5.16</b>	<b>5.22</b>
Net interest income excluding accretion on acquired loans	\$ 59,004	\$ 58,439	\$ 57,168	\$ 56,053	\$ 56,923
Accretion on acquired loans	4,287	3,407	3,859	4,166	3,938
<b>Net Interest Income<sup>1</sup></b>	<b>\$ 63,291</b>	<b>\$ 61,846</b>	<b>\$ 61,027</b>	<b>\$ 60,219</b>	<b>\$ 60,861</b>
Net interest margin excluding accretion on acquired loans	3.66%	3.63%	3.64%	3.67%	3.76%
Impact of accretion on acquired loans	0.27	0.21	0.25	0.27	0.26
<b>Net Interest Margin</b>	<b>3.93</b>	<b>3.84</b>	<b>3.89</b>	<b>3.94</b>	<b>4.02</b>
Security interest income excluding tax equivalent adjustment	\$ 8,817	\$ 8,630	\$ 8,933	\$ 9,076	\$ 9,270
Tax equivalent adjustment on securities	31	32	33	36	39
<b>Security interest income<sup>1</sup></b>	<b>\$ 8,848</b>	<b>\$ 8,662</b>	<b>\$ 8,966</b>	<b>\$ 9,112</b>	<b>\$ 9,309</b>
Loan interest income excluding tax equivalent adjustment	\$ 63,440	\$ 62,867	\$ 63,091	\$ 62,287	\$ 62,287
Tax equivalent adjustment on loans	84	55	47	48	48
<b>Loan interest income<sup>1</sup></b>	<b>\$ 63,524</b>	<b>\$ 62,922</b>	<b>\$ 63,138</b>	<b>\$ 62,335</b>	<b>\$ 62,335</b>
Net interest income excluding tax equivalent adjustment	\$ 63,176	\$ 61,759	\$ 60,947	\$ 60,135	\$ 60,774
Tax equivalent adjustment on securities	31	32	33	36	39
Tax equivalent adjustment on loans	84	55	47	48	48
<b>Net Interest Income<sup>1</sup></b>	<b>\$ 63,291</b>	<b>\$ 61,846</b>	<b>\$ 61,027</b>	<b>\$ 60,219</b>	<b>\$ 60,861</b>

<sup>1</sup>On a fully taxable equivalent basis. All yields and rates have been computed using amortized cost.

# Earnings Presentation

FIRST QUARTER 2020 RESULTS



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## Cautionary Notice Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning, and protections, of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements about future financial and operating results, cost savings, enhanced revenues, economic and seasonal conditions in our markets, new initiatives and improvements to reported earnings that may be realized from cost controls, tax law changes, and for integration of banks that we have acquired, or expect to acquire, as well as statements with respect to Seacoast's objectives, strategic plans, including Vision 2020, expectations and intentions and other statements that are not historical facts, any of which may be impacted by the COVID-19 pandemic and related effects on the U.S. economy. Actual results may differ from those set forth in the forward-looking statements.

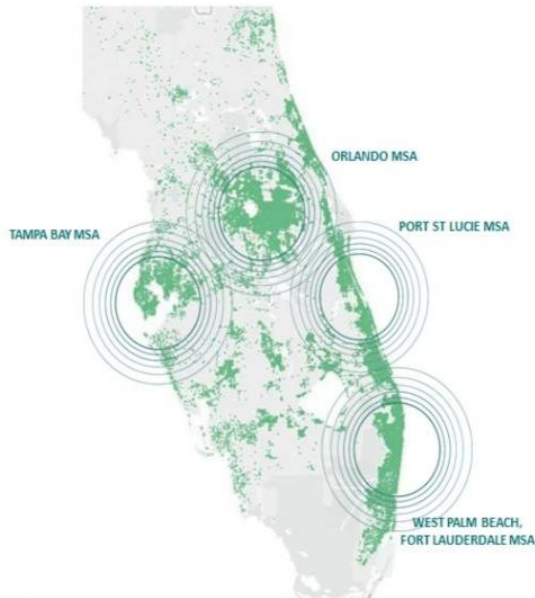
Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates and intentions about future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and 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.

All statements other than statements of historical fact could be 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", "plan", "point to", "project", "could", "intend", "target" 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 and the adverse impact of COVID-19 (economic and otherwise); governmental monetary and fiscal policies, including interest rate policies of the Board of Governors of the Federal Reserve, as well as legislative, tax and regulatory changes; changes in accounting policies, rules and practices, including the impact of the adoption of CECL; 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; uncertainty related to the impact of LIBOR calculations on securities and loans; changes in borrower credit risks and payment behaviors; changes in the availability and cost of credit and capital in the financial markets; changes in the prices, values and sales volumes of residential and commercial real estate; our ability to comply with any regulatory requirements; the effects of problems encountered by other financial institutions that

adversely affect us or the banking industry; our concentration in commercial real estate loans; the failure of assumptions and estimates, as well as differences in, and changes to, economic, market and credit conditions; the impact on the valuation of our investments due to market volatility or counterparty payment risk; statutory and regulatory dividend restrictions; increases in regulatory capital requirements for banking organizations generally; the risks of mergers, acquisitions and divestitures, including our ability to continue to identify acquisition targets and successfully acquire desirable financial institutions; changes in technology or products that may be more difficult, costly, or less effective than anticipated; our ability to identify and address increased cybersecurity risks; inability of our risk management framework to manage risks associated with our business; dependence on key suppliers or vendors to obtain equipment or services for our business on acceptable terms; reduction in or the termination of our ability to use the mobile-based platform that is critical to our business growth strategy; the effects of war or other conflicts, acts of terrorism, natural disasters, health emergencies, epidemics or pandemics, or other catastrophic events that may affect general economic conditions; unexpected outcomes of and the costs associated with, existing or new litigation involving us; our ability to maintain adequate internal controls over financial reporting; potential claims, damages, penalties, fines and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions; the risks that our deferred tax assets could be reduced if estimates of future taxable income from our operations and tax planning strategies are less than currently estimated and sales of our capital stock could trigger a reduction in the amount of net operating loss carryforwards that we may be able to utilize for income tax purposes; 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.

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, 2019 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 [www.sec.gov](http://www.sec.gov).

## Seacoast Customer Map



- **\$7.4 billion in assets as of March 31, 2020, operating in the nation's third-most populous state**
- **Strong and growing presence in four of Florida's most attractive MSAs**
  - #1 Florida-based bank in the Orlando MSA
  - Growing share in West Palm Beach
  - #2 share in Port St Lucie MSA
  - Growing presence in Tampa MSA
- **Market Cap: \$1.0 billion as of March 31, 2020**
- **Highly disciplined credit portfolio**
- **Prudent liquidity position**
- **Strong capital position**
- **Steady increase in shareholder value with tangible book value per share increasing 11% year-over-year**
- **Active board with a diverse range of experience and expertise**

Valuable Florida Franchise with Disciplined Growth Strategy, Benefiting from Fortress Balance Sheet with Robust Capital Generation, Prudent Liquidity Position, and Strict Credit Underwriting

## COVID-19 Response

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### Associates

- Over 60% of the employee base working remotely
- Staggering shifts and locations, including for leadership
- Cash bonuses for retail and call center associates for keeping our operations functioning at full capacity through the pandemic
- Restricted travel for all associates
- All COVID-related medical treatment is free to associates

### Operations and Service Levels

- Branches are open for appointments and drive-thru
- Heightened cleaning and protection protocols
- Limited visitors in operations centers
- Expanded call center staffing to support heightened call volumes and distributed teams across three locations
- Customers are utilizing mobile and digital solutions, video chat, and interactive voice response tools
- All ATMs fully accessible

### Relief Programs

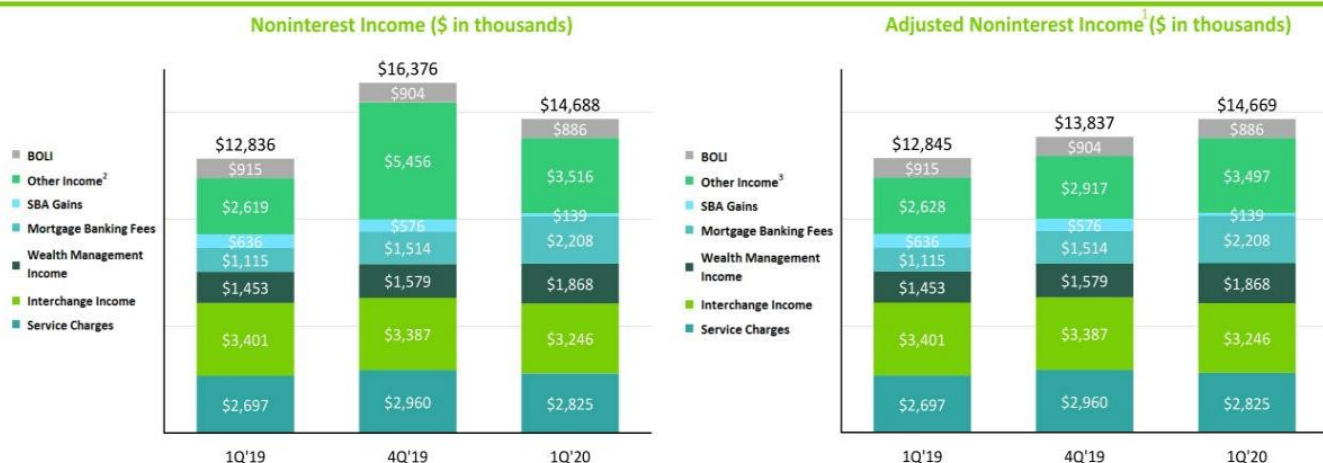
- Seacoast is an SBA Preferred Lender, actively supporting access for our customers to the Paycheck Protection Program (“PPP”) utilizing our fully digital origination platform. Over \$388 million processed in the first round of the program
- Offering loan payment deferrals of three to six months upon request, with approximately 2,500 loans totaling \$1.0 billion with deferred payments at April 22, 2020
- Waived late fees on loans starting March 15, 2020

## Consistent Growth in NII, NIM Expands Sequentially



- Net interest income<sup>1</sup> totaled \$63.3 million, up \$1.4 million or 2% from the prior quarter and up \$2.4 million or 4% from the first quarter of 2019. Net interest margin<sup>1</sup> increased 9 basis points to 3.93% quarter-over-quarter.
- Excluding accretion on acquired loans, net interest margin increased by 3 basis points, the result of lower deposit costs and prepayments of investment securities.

# Continued Strong Performance in Noninterest Income



Noninterest income decreased \$1.7 million sequentially and adjusted noninterest income<sup>1</sup> increased \$0.8 million to \$14.7 million sequentially. Results for the fourth quarter of 2019 included \$2.5 million in realized gains on sales of securities. Other changes include:

- Mortgage banking fees increased \$0.7 million in the first quarter of 2020 to \$2.2 million, reflecting a vibrant residential refinance market.
- Wealth management income increased by \$0.3 million, or 18%, to a record \$1.9 million with an additional \$44.0 million of new assets under management acquired in the first quarter of 2020.
- Other income increased on higher revenue from SBIC investments.
- SBA gains were lower by \$0.4 million, the result of lower production of saleable SBA loans.

# Continued Focus on Disciplined Expense Control

Noninterest Expense (\$ in thousands)

Adjusted Noninterest Expense<sup>1</sup> (\$ in thousands)

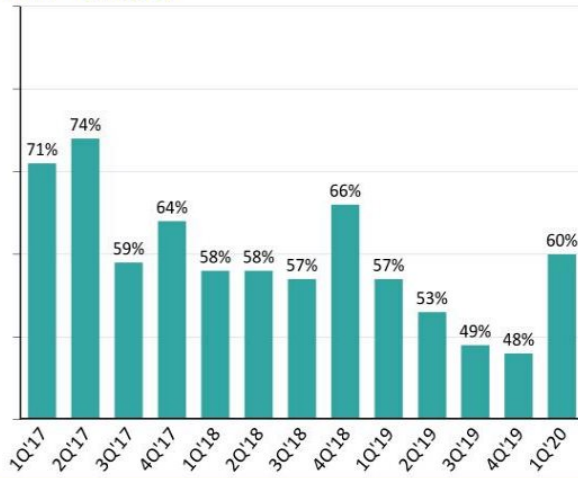


Noninterest expense increased \$9.7 million and adjusted noninterest expense<sup>1</sup> increased \$5.5 million sequentially. Changes quarter-over-quarter include:

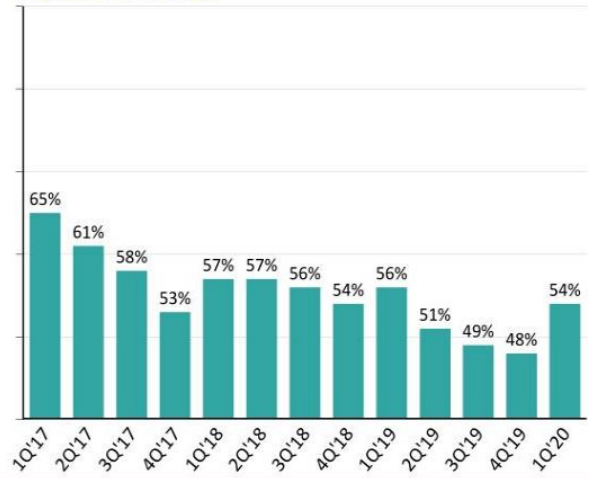
- Salaries and employee benefits increased \$7.4 million on a combined basis, of which \$2.2 million is merger-related, higher incentives and seasonal increases in payroll taxes during the first quarter. The remaining increase was the result of recruiting seasoned bankers, a return of payroll taxes and 401k contribution expenses, and the reactivation of incentive accruals, all in line with prior years seasonality. Additionally, the quarter's results included \$0.3 million in bonuses to retail associates, who are keeping critical functions operating seamlessly through this pandemic. Lastly, deferred loan origination costs were impacted by \$0.5 million, the result of fewer loans originated.
- Legal and professional fees increased \$1.3 million, including \$1.1 million incurred in the first quarter for merger-related activities.
- Data processing costs increased by \$1.0 million, including \$0.8 million in merger-related expenses.

# Efficiency Ratio Trend

GAAP - Efficiency



Adjusted - Efficiency<sup>1</sup>



- The efficiency ratio was 59.8% compared to 48.4% in the prior quarter and 56.6% in the first quarter of 2019.
- The adjusted efficiency ratio<sup>1</sup> was 53.6% compared to 47.5% in the prior quarter and 55.8% in the first quarter of 2019.
- The first quarter of 2020 was impacted by typical seasonality, and we continue to focus on streamlining operations.

# Loan Growth Purposely Slowed in the Quarter as a Result of COVID-19

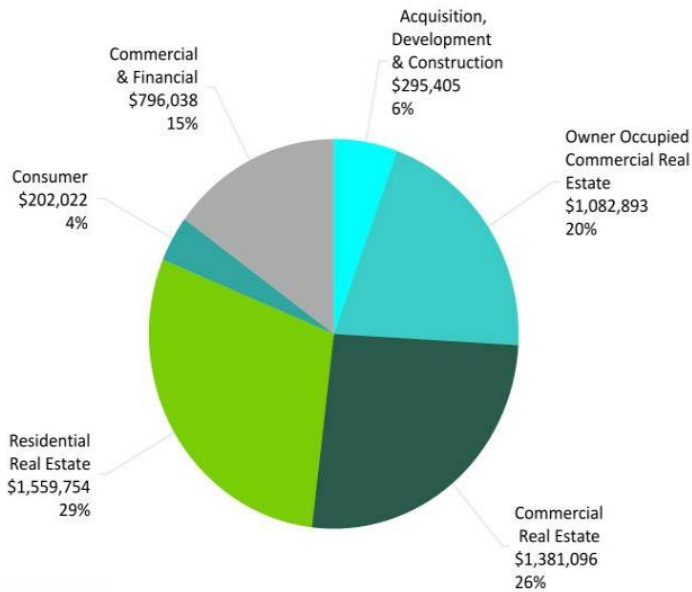
- Seacoast began accepting applications from customers on Friday, April 3 for the Paycheck Protection Program (“PPP”) established by the CARES Act. In the first round of the program, Seacoast processed over 1,600 loans totaling over \$388 million for its customers and, as an SBA preferred lender, will continue helping customers access the program in the second quarter.
- Loans outstanding totaled \$5.3 billion, an increase of \$489 million, or 10%, year-over-year.
- New loan originations of \$323 million, compared to \$587 million in the prior quarter, contributed to net loan growth in the quarter of 9% on an annualized basis. Excluding FBPB, loans declined by 0.5%. Loan originations were purposefully slowed as the economic outlook deteriorated as a result of COVID-19.
- Exiting the first quarter of 2020, pipelines were \$171 million in commercial, \$29 million in consumer, and \$87 million in residential mortgage.

Total Loans Outstanding (\$ in millions)



# Seacoast's Lending Strategy has Resulted in a Diverse Loan Portfolio

At March 31, 2020 (\$ in thousands)



- Construction and land development and commercial real estate loans, as defined in regulatory guidance, represent 32% and 181%, respectively, of total consolidated risk based capital.
- Portfolio diversification in terms of asset mix, industry, and loan type, has been a critical element of the Company's lending strategy. Exposure across industries and collateral types is broadly distributed.
- The Company does not have any purchased loan syndications, shared national credits, or mezzanine finance.
- Since the outbreak of COVID-19, the Company has not experienced any material increase in consumer or commercial line utilization.
- The funded balances of the top 10 and top 20 relationships represented 20% and 37%, respectively, of total consolidated risk-based capital, a decrease compared to 27% and 46% three years ago in the first quarter of 2017.
- Average commercial loan size is \$375 thousand.

## OOCRE, CRE and AD&C Loans are Widely Distributed Across Asset Type and Industry



<i>(\$ in thousands)</i>	OOCRE & Commercial Real Estate	Acquisition, Development & Construction	Total	% of Total Loans
Office Building	\$ 694,678	\$ 6,278	\$ 700,956	13%
Retail	455,032	16,296	471,328	9%
Industrial & Warehouse	356,182	16,104	372,286	7%
Other Commercial Property	241,142	—	241,142	5%
Apartment Building / Condominium	189,441	29,704	219,145	4%
Health Care	187,419	18,267	205,686	4%
Hotel / Motel	115,240	—	115,240	2%
1-4 Family Residence - Individual Borrowers	—	89,544	89,544	2%
Vacant Lot	—	77,317	77,317	1%
Convenience Store	56,704	—	56,704	1%
Restaurant	44,954	495	45,449	1%
1-4 Family Residence - Spec Home	4,140	39,628	43,768	1%
Church	25,563	—	25,563	—%
Agriculture	22,251	—	22,251	—%
School / Education	20,919	546	21,465	—%
Manufacturing Building	18,850	—	18,850	—%
Recreational Property	10,549	—	10,549	—%
Other	20,925	1,226	22,151	—%
<b>Total</b>	<b>\$ 2,463,989</b>	<b>\$ 295,405</b>	<b>\$ 2,759,394</b>	<b>52%</b>



## The Commercial & Financial Portfolio Exhibits Significant Industry Diversification



<i>(\$ in thousands)</i>	Commercial & Financial	% of Total Loans
Management Companies <sup>1</sup>	\$ 160,033	3%
Professional, Scientific, Technical & Other Services	92,961	2%
Construction	89,300	2%
Finance & Insurance	78,807	2%
Real Estate Rental & Leasing	73,360	1%
Health Care & Social Assistance	59,900	1%
Manufacturing	41,007	1%
Wholesale Trade	39,393	1%
Transportation & Warehousing	38,071	1%
Retail Trade	29,573	1%
Educational Services	17,644	—%
Administrative & Support	16,412	—%
Accommodation & Food Services	16,392	—%
Public Administration	13,677	—%
Agriculture	13,550	—%
Other Industries	15,958	—%
Total	\$ 796,038	15%

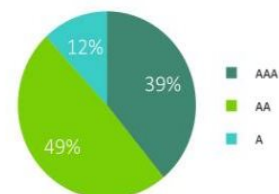


## Investment Securities

- Unrealized gains in the investment portfolio increased \$7.3 million quarter-over-quarter as longer duration commercial mortgage backed securities and agency mortgages appreciated in value. Collateralized loan obligation ("CLO") values declined as a result of the COVID-19 market selloff in late March.
- CLO holdings have significant credit support and collateral positions, are investment grade (88% AAA/AA and 12% A) and comprised only of broadly syndicated loans, managed by top quartile managers.

Unrealized Gain (Loss) in Securities as of March 31, 2020			
(in thousands)	Book Value	Market Value	Unrealized Gain (Loss)
<b>Available for Sale</b>			
Government backed	\$ 9,296	\$ 9,583	\$ 287
Agency mortgage backed	608,714	635,219	26,505
Private label MBS and CMOs	52,868	50,569	(2,299)
Municipal	27,909	29,211	1,302
CLO	205,238	185,729	(19,509)
<b>Total Available for Sale</b>	<b>\$ 904,025</b>	<b>\$ 910,311</b>	<b>\$ 6,286</b>
<b>Held to Maturity</b>			
Agency mortgage backed	\$ 252,373	\$ 261,218	\$ 8,845
<b>Total Held to Maturity</b>	<b>\$ 252,373</b>	<b>\$ 261,218</b>	<b>\$ 8,845</b>
<b>Total Securities</b>	<b>\$ 1,156,398</b>	<b>\$ 1,171,529</b>	<b>\$ 15,131</b>

CLO Investment Grade Credit Ratings



CLO Rating	Credit Support <sup>1</sup>	Loan Level Market OC <sup>2</sup>
AAA	36%	132%
AA	28%	120%
A	18%	103%
<b>Portfolio</b>	<b>30%</b>	<b>123%</b>

<sup>1</sup>Source Data (Bloomberg)

<sup>2</sup>Loan Level Market Over-Collateralization calculated using market value of portfolio loans plus cash divided by liabilities

## Strong Deposit Franchise Supported by Attractive Markets

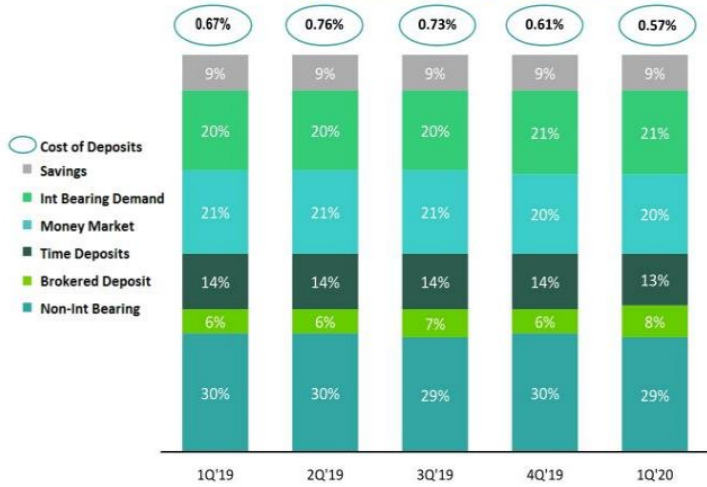
- Total deposits increased \$303 million, or 5%, quarter-over-quarter and increased \$282 million, or 5%, compared to the first quarter of 2019.
- Overall cost of deposits decreased to 57 basis points from 61 basis points in the prior quarter, reflecting the impact of rate cuts by the Federal Reserve during the first quarter of 2020, moderated by the strategic use of brokered deposits to bolster liquidity.
- Transaction accounts increased 6% year-over-year, reflecting continued strong growth in core customer balances, and represent 50% of overall deposit funding.
- First quarter balances include an increase of \$125 million in brokered deposits.

Deposits Outstanding (\$ in millions)

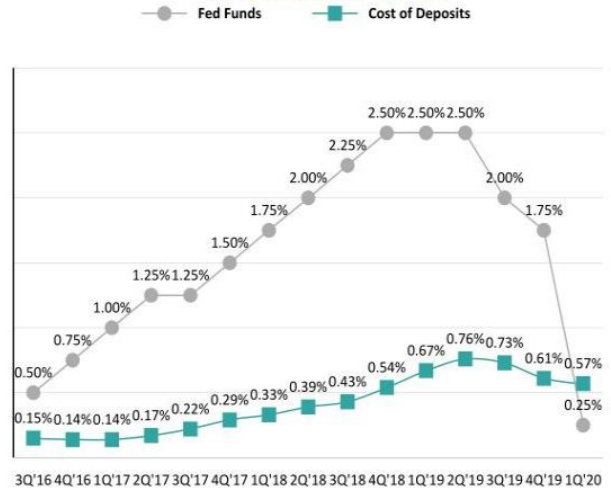


# Average Deposit Balances and Cost

Deposit Mix and Cost of Deposits



Trended Cost of Deposits



Our focus on organic growth and relationship-based funding, in combination with our innovative analytics platform, supports a well-diversified low-cost deposit portfolio.

# CECL Adoption

## Impact of Adoption

(\$ in thousands)	January 1, 2020
Increase to allowance for non-acquired loans	\$ 10,577
Increase to allowance for acquired loans	10,649
Reversal of contra-loan balances for purchased credit impaired loans, now included in allowance	(706)
Increase to reserve for unfunded commitments (included in Other Liabilities)	1,837
Tax effect	(5,481)
Decrease to retained earnings upon adoption	\$ 16,876



The allowance for credit losses as of March 31, 2020 reflects management's estimate of lifetime expected credit losses. The estimation process incorporates Moody's baseline forecast as of March 31, 2020, which assumes a sudden and sharp recession as a result of COVID-19, with a strong rebound to economic expansion. Qualitative considerations were incorporated reflecting the risk of uncertain, and possibly deteriorating, economic conditions, and for additional dimensions of risk not captured in the quantitative model.

In March 2020, the regulatory agencies issued an interim final rule that allows banking organizations to temporarily delay the effects of CECL on regulatory capital for two years, followed by a three-year transition period. As of March 31, 2020, the Company's capital measures exclude the \$16.9 million day 1 impact to retained earnings and 25% of the first quarter increase in the allowance for credit losses.

## CECL Adoption and Allowance Coverage

### Allowance for Credit Losses Rollforward for the Three Months ended March 31, 2020

(In thousands)	Beginning Balance	Impact of Adoption of ASC 326	Initial Impact Allowance on PCD Loans	Provision for Credit Losses	Charge-offs	Recoveries	TDR Allowance Adjustments	Ending Balance
Construction and Land Development	\$ 1,842	\$ 1,479	\$ 59	\$ 1,238	\$ —	\$ 29	\$ —	\$ 4,647
Commercial Real Estate - Owner Occupied	5,361	80	207	(263)	(44)	—	(13)	5,328
Commercial Real Estate - Non Owner Occupied	7,863	9,341	112	18,310	(12)	28	—	35,642
Residential Real Estate	7,667	5,787	110	6,246	(18)	116	(10)	19,898
Commercial and Financial	9,716	3,677	23	2,736	(1,099)	419	—	15,472
Consumer	2,705	862	5	1,246	(473)	80	(1)	4,424
<b>Totals</b>	<b>\$ 35,154</b>	<b>\$ 21,226</b>	<b>\$ 516</b>	<b>\$ 29,513</b>	<b>\$ (1,646)</b>	<b>\$ 672</b>	<b>\$ (24)</b>	<b>\$ 85,411</b>

### Total Allowance for Credit Losses to Total Loans by Loan Segment

	12/31/2019	1/1/2020	3/31/2020
Construction and Land Development	0.57%	1.02%	1.57%
Commercial Real Estate - Owner Occupied	0.52%	0.53%	0.49%
Commercial Real Estate - Non Owner Occupied	0.59%	1.28%	2.59%
Residential Real Estate	0.51%	0.89%	1.28%
Commercial and Financial	1.25%	1.72%	1.94%
Consumer	1.30%	1.71%	2.19%
<b>Totals</b>	<b>0.68%</b>	<b>1.08%</b>	<b>1.61%</b>

# Continued Strong Asset Quality Trends Through First Quarter

(\$ in thousands)

## Net Charge-Offs



## Nonperforming Loans



## ALLL<sup>1</sup>



## Classified and Criticized Assets<sup>2</sup>



<sup>1</sup>Adoption of CECL on January 1, 2020 resulted in an increase of \$21.2 million, from 0.80% to 1.08%  
<sup>2</sup>As a percentage of total risk-based capital

# Prudent Liquidity Position

Total liquidity resources of \$3.37 billion at March 31, 2020:

- Cash and cash equivalents of \$315 million
- Unsecured lines of credit of \$160 million
- Lines of credit under lendable collateral value of \$1.2 billion
- \$852 million debt securities and \$830 million loans available as collateral for potential borrowings

Outstanding at March 31, 2020:

- \$598 million Brokered CDs
  - weighted average maturity of 90 days
  - average rate 1.34%
- \$265 million FHLB advances
  - weighted average maturity of 60 days
  - average rate 0.67%

In April, 2020:

- The Federal Reserve's PPP liquidity facility offers term funding at a fixed rate of 0.35% with maturities aligned to the PPP loans pledged



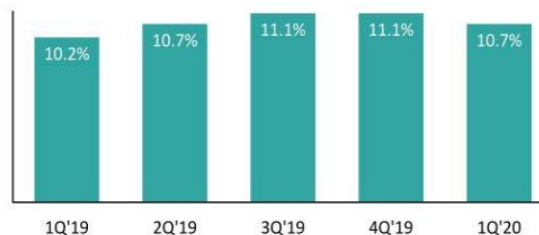
# Strong Capital



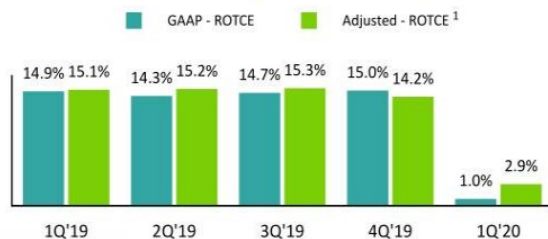
### Tangible Book Value / Book Value Per Share



### Tangible Common Equity / Tangible Assets



### Return on Tangible Common Equity



### Total Risk Based and Tier 1 Capital



FIRST QUARTER 2020 EARNINGS PRESENTATION

<sup>1</sup>Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and a reconciliation to GAAP.  
<sup>2</sup>FDICIA defines well capitalized as 10.0% for total risk based capital and 8.0% for Tier 1 ratio at a total Bank level

## Steady Increase in Shareholder Value



- Compounded annual growth rate of 11% in tangible book value per share in the last three years.
- The decline quarter-over-quarter in tangible book value per share was primarily the Day-1 impact of the adoption of CECL. Tangible book value per share was also modestly impacted by the acquisition of FBPB.



**Charles M. Shaffer**  
Executive Vice President  
Chief Operating Officer and Chief Financial Officer  
(772) 221-7003



**Seacoast**  
BANKING CORPORATION  
OF FLORIDA

**INVESTOR RELATIONS**

NASDAQ: SBCF

## Appendix

# First Bank of The Palm Beaches Acquisition

## Fair Value of Assets and Liabilities Acquired (Preliminary)

(In thousands)	As of Acquisition Date March 13, 2020	
<b>Assets:</b>		
Cash	\$	34,749
Debt securities		447
Loans, net		146,839
Fixed assets		6,086
Core deposit intangibles		819
Goodwill		6,799
Other assets		1,285
Totals	\$	<u>197,024</u>
<b>Liabilities:</b>		
Deposits	\$	173,741
Other liabilities		1,386
Totals	\$	<u>175,127</u>

### Loan Portfolio Valuation and CECL Impact

- Loans acquired of \$146.9 million includes:
  - \$2.9 million purchase discount on \$106.7 million in non-PCD loans, to be accreted through yield over the life of the loans.
  - \$0.6 million purchase discount on \$43.7 million in PCD loans, of which \$0.5 million is recorded as an allowance, and \$0.1 million will be accreted through yield over the life of the loans.
- \$2.3 million in allowance, or 1.5% of the acquired loan balance recorded on day one:
  - \$1.8 million on non-PCD loans recorded as provision expense through the income statement.
  - \$0.5 million on PCD loans recorded as an increase to the loans' amortized cost basis.

### PCD Loan Identification

Loans acquired were identified as PCD based on the following criteria:

- Past due 30 days over the life of the loan
- Rating below "pass"
- FICO < 640
- Industries highly affected by COVID-19:
  - Construction
  - Retail Store
  - Tourism, including hotels
  - Restaurants & Food Service
  - Agriculture & Farming

## Loan Production and Pipeline Trend

(Amounts in thousands)	Quarterly Trend					
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19	
Commercial pipeline at period end	\$ 171,125	\$ 277,788	\$ 396,422	\$ 300,207	\$ 193,651	
Commercial loan originations <sup>1</sup>	183,330	304,343	325,406	238,057	186,003	
Residential pipeline-saleable at period end	75,226	18,995	35,136	46,723	25,939	
Residential loans-sold	62,865	61,821	80,758	61,391	32,558	
Residential pipeline-portfolio at period end	11,779	19,107	43,378	3,756	19,346	
Residential loans-retained <sup>2</sup>	25,776	163,260	22,365	51,755	49,645	
Consumer pipeline at period end	29,123	23,311	29,635	26,911	51,258	
Consumer originations	51,516	57,659	59,933	55,380	41,576	
<b>Total Pipelines at Period End</b>	<b>\$ 287,253</b>	<b>\$ 339,201</b>	<b>\$ 504,571</b>	<b>\$ 377,597</b>	<b>\$ 290,194</b>	
<b>Total Originations</b>	<b>\$ 323,487</b>	<b>\$ 587,083</b>	<b>\$ 488,462</b>	<b>\$ 406,583</b>	<b>\$ 309,782</b>	

<sup>1</sup>Includes commercial real estate loans purchased of \$52 million in 3Q'19 and \$20 million in 2Q'19

<sup>2</sup>Includes residential mortgages purchased of \$99 million in 4Q'19, \$6 million in 3Q'19 and \$30 million in 2Q'19

## Explanation of Certain Unaudited Non-GAAP Financial Measures

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

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

## GAAP to Non-GAAP Reconciliation

(Amounts in thousands except per share data)	Quarterly Trend				
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
<b>Net Income</b>	\$ 709	\$ 27,176	\$ 25,605	\$ 23,253	\$ 22,705
Total noninterest income	14,688	16,376	13,943	13,577	12,836
Securities (gains)/losses, net	(19)	(2,539)	847	466	9
BOLI benefits on death (included in other income)	—	—	(956)	—	—
Total Adjustments to Noninterest Income	(19)	(2,539)	(109)	466	9
<b>Total Adjusted Noninterest Income</b>	<b>14,669</b>	<b>13,837</b>	<b>13,834</b>	<b>14,043</b>	<b>12,845</b>
Total noninterest expense	47,798	38,057	38,583	41,000	43,099
Merger related charges	(4,553)	(634)	—	0	(335)
Amortization of intangibles	(1,456)	(1,456)	(1,456)	(1,456)	(1,458)
Business continuity expenses	(307)	—	(95)	—	—
Branch reductions and other expense initiatives	—	—	(121)	(1,517)	(208)
Total Adjustments to Noninterest Expense	(6,316)	(2,090)	(1,672)	(2,973)	(2,001)
<b>Total Adjusted Noninterest Expense</b>	<b>41,482</b>	<b>35,967</b>	<b>36,911</b>	<b>38,027</b>	<b>41,098</b>
Income Taxes	(155)	8,103	8,452	6,909	6,409
Tax effect of adjustments	1,544	(110)	572	874	510
Taxes and tax penalties on acquisition-related BOLI	—	—	—	—	—
Effect of change in corporate tax rate on deferred tax assets	—	—	(1,135)	—	—
Total Adjustments to Income Taxes	1,544	(110)	(563)	874	510
Adjusted Income Taxes	1,389	7,993	7,889	7,783	6,919
<b>Adjusted Net Income</b>	<b>\$ 5,462</b>	<b>\$ 26,837</b>	<b>\$ 27,731</b>	<b>\$ 25,818</b>	<b>\$ 24,205</b>
Earnings per diluted share, as reported	\$ 0.01	\$ 0.52	\$ 0.49	\$ 0.45	\$ 0.44
<b>Adjusted Earnings per Diluted Share</b>	<b>0.10</b>	<b>0.52</b>	<b>0.53</b>	<b>0.50</b>	<b>0.47</b>
Average shares outstanding	52,284	52,081	51,935	51,952	52,039

## GAAP to Non-GAAP Reconciliation

(Amounts in thousands except per share data)	Quarterly Trend				
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
Adjusted Noninterest Expense	\$ 41,482	\$ 35,967	\$ 36,911	\$ 38,027	\$ 41,098
Foreclosed property expense and net gain/(loss) on sale	315	(3)	(262)	174	40
<b>Net Adjusted Noninterest Expense</b>	<b>\$ 41,797</b>	<b>\$ 35,964</b>	<b>\$ 36,649</b>	<b>\$ 38,201</b>	<b>\$ 41,138</b>
Revenue	\$ 77,865	\$ 78,136	\$ 74,891	\$ 73,713	\$ 73,610
Total Adjustments to Revenue	(19)	(2,539)	(109)	466	9
Impact of FTE adjustment	115	87	79	83	87
<b>Adjusted Revenue on a Fully Taxable Equivalent Basis</b>	<b>\$ 77,961</b>	<b>\$ 75,684</b>	<b>\$ 74,861</b>	<b>\$ 74,262</b>	<b>\$ 73,706</b>
<b>Adjusted Efficiency Ratio</b>	<b>53.61%</b>	<b>47.52%</b>	<b>48.96%</b>	<b>51.44%</b>	<b>55.81%</b>
Average Assets	\$ 7,055,543	\$ 6,996,214	\$ 6,820,576	\$ 6,734,994	\$ 6,770,978
Less average goodwill and intangible assets	(226,712)	(226,060)	(227,389)	(228,706)	(230,066)
<b>Average Tangible Assets</b>	<b>\$ 6,828,831</b>	<b>\$ 6,770,154</b>	<b>\$ 6,593,187</b>	<b>\$ 6,506,288</b>	<b>\$ 6,540,912</b>
Return on Average Assets (ROA)	0.04%	1.54%	1.49%	1.38%	1.36%
Impact of removing average intangible assets and related amortization	0.07	0.12	0.12	0.12	0.12
Return on Average Tangible Assets (ROTA)	0.11	1.66	1.61	1.50	1.48
Impact of other adjustments for Adjusted Net Income	0.21	(0.09)	0.06	0.09	0.02
<b>Adjusted Return on Average Tangible Assets</b>	<b>0.32</b>	<b>1.57</b>	<b>1.67</b>	<b>1.59</b>	<b>1.50</b>
Average Shareholders' Equity	\$ 993,993	\$ 976,200	\$ 946,670	\$ 911,479	\$ 879,564
Less average goodwill and intangible assets	(226,712)	(226,060)	(227,389)	(228,706)	(230,066)
<b>Average Tangible Equity</b>	<b>\$ 767,281</b>	<b>\$ 750,140</b>	<b>\$ 719,281</b>	<b>\$ 682,773</b>	<b>\$ 649,498</b>
Return on Average Shareholders' Equity	0.29%	11.04%	10.73%	10.23%	10.47%
Impact of removing average intangible assets and related amortization	0.66	3.91	4.00	4.07	4.39
Return on Average Tangible Common Equity (ROTCE)	0.95	14.95	14.73	14.30	14.86
Impact of other adjustments for Adjusted Net Income	1.91	(0.76)	0.57	0.87	0.25
<b>Adjusted Return on Average Tangible Common Equity</b>	<b>2.86</b>	<b>14.19</b>	<b>15.30</b>	<b>15.17</b>	<b>15.11</b>

## GAAP to Non-GAAP Reconciliation

(Amounts in thousands except per share data)	Quarterly Trend				
	1Q'20	4Q'19	3Q'19	2Q'19	1Q'19
Loan interest income excluding accretion on acquired loans	\$ 59,237	\$ 59,515	\$ 59,279	\$ 58,169	\$ 58,397
Accretion on acquired loans	4,287	3,407	3,859	4,166	3,938
<b>Loan Interest Income<sup>1</sup></b>	<b>\$ 63,524</b>	<b>\$ 62,922</b>	<b>\$ 63,138</b>	<b>\$ 62,335</b>	<b>\$ 62,335</b>
Yield on loans excluding accretion on acquired loans	4.57%	4.63%	4.76%	4.82%	4.89%
Impact of accretion on acquired loans	0.33	0.26	0.30	0.34	0.33
<b>Yield on Loans<sup>1</sup></b>	<b>4.90</b>	<b>4.89</b>	<b>5.06</b>	<b>5.16</b>	<b>5.22</b>
Net interest income excluding accretion on acquired loans	\$ 59,004	\$ 58,439	\$ 57,168	\$ 56,053	\$ 56,923
Accretion on acquired loans	4,287	3,407	3,859	4,166	3,938
<b>Net Interest Income<sup>1</sup></b>	<b>\$ 63,291</b>	<b>\$ 61,846</b>	<b>\$ 61,027</b>	<b>\$ 60,219</b>	<b>\$ 60,861</b>
Net interest margin excluding accretion on acquired loans	3.66%	3.63%	3.64%	3.67%	3.76%
Impact of accretion on acquired loans	0.27	0.21	0.25	0.27	0.26
<b>Net Interest Margin<sup>1</sup></b>	<b>3.93</b>	<b>3.84</b>	<b>3.89</b>	<b>3.94</b>	<b>4.02</b>
Security interest income excluding tax equivalent adjustment	\$ 8,817	\$ 8,630	\$ 8,933	\$ 9,076	\$ 9,270
Tax equivalent adjustment on securities	31	32	33	36	39
<b>Security Interest Income<sup>1</sup></b>	<b>\$ 8,848</b>	<b>\$ 8,662</b>	<b>\$ 8,966</b>	<b>\$ 9,112</b>	<b>\$ 9,309</b>
Loan interest income excluding tax equivalent adjustment	\$ 63,440	\$ 62,867	\$ 63,091	\$ 62,287	\$ 62,287
Tax equivalent adjustment on loans	84	55	47	48	48
<b>Loan Interest Income<sup>1</sup></b>	<b>\$ 63,524</b>	<b>\$ 62,922</b>	<b>\$ 63,138</b>	<b>\$ 62,335</b>	<b>\$ 62,335</b>
Net interest income excluding tax equivalent adjustments	\$ 63,176	\$ 61,759	\$ 60,947	\$ 60,135	\$ 60,774
Tax equivalent adjustment on securities	31	32	33	36	39
Tax equivalent adjustment on loans	84	55	47	48	48
<b>Net Interest Income<sup>1</sup></b>	<b>\$ 63,291</b>	<b>\$ 61,846</b>	<b>\$ 61,027</b>	<b>\$ 60,219</b>	<b>\$ 60,861</b>

<sup>1</sup>On a fully taxable equivalent basis. All yields and rates have been computed using amortized cost.

# GAAP to Non-GAAP Reconciliation

