

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported) October 26, 2016

SEACOAST BANKING CORPORATION OF FLORIDA

(Exact Name of Registrant as Specified in Charter)

Florida
(State or Other Jurisdiction
of Incorporation)

0-13660
(Commission
File Number)

59-2260678
(IRS Employer
Identification No.)

815 Colorado Avenue, Stuart, FL
(Address of Principal Executive Offices)

34994
(Zip Code)

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

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

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

Item 2.02 Results of Operations and Financial Condition

On October 26, 2016, Seacoast Banking Corporation of Florida (“Seacoast” or the “Company”) announced its financial results for the third quarter ended September 30, 2016.

A copy of the press release announcing Seacoast’s results for the third quarter ended September 30, 2016 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On October 27, 2016, Seacoast held an investor conference call to discuss its financial results for the third quarter ended September 30, 2016. A transcript of this conference call is attached hereto as Exhibit 99.2 and incorporated herein by reference. Also attached as Exhibit 99.3 are charts (available on the Company’s website at www.seacoastbanking.net) containing information used in the conference call and incorporated herein by reference. All information included in the transcript and the charts is presented as of September 30, 2016, and the Company does not assume any obligation to correct or update said information in the future.

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

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated October 26, 2016 with respect to Seacoast’s financial results for the third quarter ended September 30, 2016
99.2	Transcript of Seacoast’s investor conference call held on October 27, 2016 to discuss the Company’s financial results for the third quarter ended September 30, 2016
99.3	Data on website containing information used in the conference call held on October 27, 2016

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

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

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

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2015 under “Special Cautionary Notice Regarding Forward-Looking Statements” and “Risk Factors”, and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC’s Internet website at <http://www.sec.gov>.

SIGNATURES

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

SEACOAST BANKING CORPORATION OF FLORIDA
(Registrant)

Date: November 1, 2016

By: /s/ Stephen Fowle
Stephen Fowle
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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To Form 8-K dated October 26, 2016
SEACOAST BANKING CORPORATION OF FLORIDA
NEWS RELEASE

Stephen Fowle
Executive Vice President
Chief Financial Officer
(772) 463-8977
steve.fowle@seacoastbank.com

Seacoast Reports Third Quarter 2016 EPS Increased 85% on Record Loan Production and Expense Management

STUART, Fla., October 26, 2016 /PRNewswire/ — Seacoast Banking Corporation of Florida (“Seacoast” or “the Company”) (NASDAQ: SBCF) today reported results for the third quarter of 2016.

Seacoast reported net income of \$9.1 million during the third quarter of 2016, a 106% or \$4.7 million increase from the third quarter of 2015 and an increase of \$3.8 million, or 71%, compared to the second quarter of 2016. Third quarter return on average assets (ROA) increased 31 basis points quarter-over-quarter to 0.82%, return on average equity increased 329 basis points to 8.4% and return on average tangible common equity¹ (ROTCE) increased 429 basis points to 10.9%. Third quarter 2016 results include \$2.6 million in costs related to consolidation of branches acquired through the BMO Harris acquisition and other nonrecurring items¹.

Seacoast reported third quarter adjusted net income¹ of \$10.6 million, a 70% or \$4.4 million increase year-over-year, and an increase of \$1.8 million, or 21% (not annualized), from the prior quarter. Diluted earnings per common share (EPS) was \$0.24, up 71% from \$0.14 in the prior quarter and up 85% from \$0.13 in the third quarter of 2015. Adjusted diluted EPS¹ was \$0.28, a \$0.05 or 22% increase from the second quarter of 2016 and a gain of \$0.10 or 56% from the year-ago period.

Net income for the first nine months of 2016 was \$18.4 million compared to \$16.1 million in the first nine months of 2015. Diluted EPS was \$0.49 compared to \$0.48 in the same period of 2015. Adjusted net income¹ increased \$7.8 million to \$26.1 million for the first nine months of 2016 and adjusted¹ diluted EPS increased 27% to \$0.70.

Third Quarter 2016 Financial Highlights

- Total revenues increased \$10.2 million, or 27% year-over-year to \$47.4 million and increased \$3.8 million, or 9% (not annualized), from the prior quarter.
- Net interest income increased \$8.4 million or 29% year over year and \$3.0 million or 9% above second quarter levels. Net interest margin increased six basis points, linked quarter, to 3.69%.

- continued -

- Adjusted fully diluted earnings per share ¹ rose to \$0.28, an increase of 56% year-over-year and 22% from the second quarter of 2016.
- Adjusted return on assets ¹ was 0.95%, an eleven basis points improvement over second quarter 2016. Adjusted return on tangible common equity ¹ gained 195 basis points, reaching 12.6% during the third quarter.

Third Quarter 2016 Growth Highlights

- Loans grew \$670 million or 32% from year-ago levels. Adjusting for acquisitions, loan growth was \$330 million or 16%. Compared to the prior quarter, loans increased at a 23% annualized growth rate, adding \$153 million sequentially.
- Consumer, small business, and mortgage loan production all hit record levels in the third quarter.
- Debit card spend reached a record high, up 20% from 2015 levels, as organic households grew 3.5% above third quarter 2015 levels. Interchange income increased 20%, as a result.

2016 Guidance

- Seacoast reaffirms 2016 adjusted diluted EPS ¹ target of \$1.00.

Dennis S. Hudson, III, Chairman and CEO said, “Seacoast’s continuing transformation delivered exceptional results for shareholders during the third quarter. Robust organic loan growth, combined with success serving customers gained through our recent acquisitions, enabled us to increase net interest income 29% and noninterest income 21% from last year.

“Total loans increased 23%, annualized, compared with the second quarter of this year as we achieved record volumes in our small business, consumer and residential businesses. \$27 million of third quarter loan growth was related to loan purchases during the quarter. Excluding acquisitions, loans grew 16% compared to the third quarter of 2015. Our pace of consumer and small business lending is helping us maintain a granular loan portfolio and enabling us to limit commercial real estate to approximately 209% of total capital.

“With strong top-line growth, Seacoast drove positive operating leverage through continued branch closures and other cost savings measures related to our Orlando acquisitions and legacy expense base. Year-over-year revenues excluding securities gains grew 27%, outpacing the 18% increase in adjusted expenses ¹ during the corresponding period.

“Seacoast’s performance also reflects continued success in deepening relationships with current customers. The number of consumer loans and deposit accounts sold to existing customers increased at an annualized rate of 77% and 54% respectively, from prior year levels. Check deposits made outside the branch grew to 35% this quarter, up from 27% in the same period last year.”

¹ Non-GAAP measure, see “Explanation of Certain Unaudited Non-GAAP Financial Measures”

“The success of our balanced growth strategy is apparent in the improved tangible results for shareholders. During the last four quarters, we delivered 56% growth in adjusted diluted EPS ¹ while improving adjusted ROA ¹ and ROTCE ¹ metrics by 18 basis points and 440 basis points, respectively. This improvement in performance positions Seacoast well as we continue to execute against our \$1 per share goal for this year and look ahead to 2017,” Hudson concluded.

FINANCIAL HIGHLIGHTS (Dollars in thousands except per share data)	3Q16	2Q16	1Q16	4Q15	3Q15
Total Assets	4,513,934	4,381,204	4,001,323	3,534,780	3,378,108
Loans	2,769,338	2,616,052	2,455,214	2,156,330	2,099,447
Deposits	3,510,493	3,501,316	3,222,447	2,844,387	2,742,296
Net Income	9,133	5,332	3,966	6,036	4,441
Diluted Earnings Per Share	0.24	0.14	0.11	0.18	0.13
Return on Average Assets (ROA)	0.82%	0.51%	0.44%	0.69%	0.52%
Return on Average Tangible Common Equity (ROTCE)	10.9	6.6	5.1	7.8	5.9
Net Interest Margin	3.69	3.63	3.68	3.67	3.75
Efficiency Ratio	68.6	78.0	81.7	72.6	76.3
Pretax, Pre-provision Income (1)	\$ 14,002	\$ 8,842	\$ 6,600	\$ 10,130	\$ 8,126
Average Diluted Shares Outstanding (000)	38,170	38,142	35,453	34,395	34,194
Adjusted Net Income (1)	\$ 10,588	\$ 8,773	\$ 6,758	\$ 6,569	\$ 6,232
Adjusted Diluted Earnings Per Share (1)	0.28	0.23	0.19	0.19	0.18
Adjusted ROA (1)	0.95%	0.84%	0.75%	0.75%	0.77%
Adjusted ROTCE (1)	12.6	10.6	8.5	8.9	8.2
Adjusted Efficiency Ratio (1)	63.1	64.8	69.6	69.1	68.2
Adjusted Pretax, Pre-provision Income (1)	\$ 16,370	\$ 14,607	\$ 11,082	\$ 10,990	\$ 10,990
Annualized Adjusted Operating Expenses as a Percent of Average Assets (1)	2.78%	2.77%	3.05%	2.97%	3.07%

¹ Non-GAAP measure, see “Explanation of Certain Unaudited Non-GAAP Financial Measures”

Acquisitions Update

“Our acquisitions of Floridian Financial Corporation and the BMO Harris’ Orlando banking operations in the first half of this year made Seacoast the largest Florida-based bank in Orlando, one of the nation’s fastest growing MSAs,” Hudson said. “Our strong results this quarter reflect the first full quarter of revenues from these acquisitions. During the quarter, we took the last of our redundant locations out of service, and we anticipate our fourth quarter results will benefit from the full expense reduction from these acquisitions.”

Florida Economic Update

“The Florida economy continues to show broad-based strength,” Hudson commented. “An October 2016 report released by Wells Fargo Securities Economics Group commented, ‘Florida’s economy continues to fire on all cylinders. Output, employment, income and population growth have comfortably outpaced the nation for the past four years. Moreover, Florida’s economy has continued to pick up steam over the past year while the U.S. economy lost momentum. Nonfarm employment is up 3.2 percent year-over-year, and the latest QCEW data suggest growth may be even stronger.’”²

“Additionally, Florida’s residential real estate market remains steady. August statistics released by Florida Realtors indicates a year-over-year increase in closed sales and median sales price, while the median time to contract decreased to 40 days,” Hudson concluded.³

Third Quarter 2016 Income Statement Highlights

Strong Organic Growth Drives Continued Net Interest Income Improvement

Net interest income for the quarter totaled \$37.4 million, an \$8.4 million or 29% increase from third quarter 2015 levels. Net interest margin was 3.69%, down six basis points from the prior year. Year-over-year net interest income improvement reflects strong organic loan growth combined with growth from successful acquisitions in the first half of the year. The decrease in margin reflects decreased loan yields, reflecting the current low interest rate environment, partially offset by improved balance sheet mix.

² <https://www08.wellsfargomedia.com/assets/pdf/commercial/insights/economics/regional-reports/state-south-chartbook-20161010.pdf>

³ <http://www.floridarealtors.org/ResearchAndStatistics/Florida-Market-Reports/Index.cfm>

Net interest income increased \$3.0 million or 9% (not annualized) compared to the second quarter of 2016 and net interest margin increased six basis points from 3.63% in the prior quarter. Improvement reflects strong loan growth and deployment of excess liquidity held at the time of the BMO Harris acquisition in the second quarter 2016.

Noninterest Income Growth Benefits from Acquisitions, Loan Growth

Noninterest income excluding securities gains, totaled \$9.8 million for the third quarter of 2016, \$1.7 million or 21% above the \$8.1 million recorded in the same quarter of 2015. Significant contributors to the increase in noninterest income include mortgage banking revenue, which increased \$0.7 million or 60% from the year-ago period; deposit service charges, which increased \$0.5 million or 22%; interchange income, which increased \$0.4 million or 20%; and other income, which increased \$0.3 million or 45%. Digitally-driven product marketing and service delivery, combined with strong organic and acquisition-related household growth, drove the growth in noninterest income during the quarter.

Noninterest income excluding securities gains, increased \$0.7 million or 7% (not annualized) from second quarter 2016 levels. Strength in mortgage banking revenue and acquisition-driven increases in deposit service charges provided significant lift despite a seasonally slower quarter.

Noninterest Expense Growth Reflects Merger Activity

Noninterest expense increased \$4.3 million from the third quarter of 2015. Third quarter 2016 expenses were impacted by \$2.6 million in acquisition and other nonrecurring expenses compared to \$3.0 million in the third quarter of 2015. Adjusted noninterest expense ¹ increased \$4.7 million from prior-year levels. The year-over-year increase in adjusted expense reflects ongoing costs related to the acquisitions of Floridian Financial Group and BMO Harris' Orlando operations. Expenses also reflect costs to support significant organic growth and investment in the franchise. Revenues, excluding securities gains, grew 27% compared to prior year levels while adjusted noninterest expense ¹ grew 18% - providing 9% operating leverage. Ten full-service offices were taken out of service during the third quarter of 2016, most in the Central Florida region, with an anticipated favorable reduction to noninterest expenses prospectively.

Noninterest expense decreased \$1.4 million from the second quarter, 2016 due to a higher level of merger expenses recorded in the second quarter related to 2016 acquisitions. Adjusted noninterest expense ¹ grew \$1.8 million or 6%. Contributing to the higher adjusted noninterest expense ¹ during the third quarter of 2016 were salary and benefits costs, occupancy and equipment, and data processing expense, largely from acquisition activity. Additionally, incentive costs increased with strong third quarter production. Of note, our recent brush with Hurricane Matthew is not expected to have any material impact to noninterest expense in the fourth quarter.

¹ Non-GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"

Third Quarter 2016 Balance Sheet Highlights

Strong Originations Drive Loan Portfolio Even Higher

Net loans totaled \$2.77 billion, an increase of \$670 million or 32% above the third quarter 2015. Excluding acquisitions, loans increased \$330 million or 16% above the prior year. Loans increased \$153 million or 23%, annualized, from second quarter 2016.

Loan production continued at a strong pace across all business lines. Commercial loan originations for the quarter exceeded \$109 million, well ahead of 2015 levels, with the commercial pipeline (in underwriting and approval or approved and not yet closed) totaling \$119 million at September 30, 2016.

Consumer loan and small business originations totaled \$88 million during the third quarter of 2016 compared to \$53 million one year ago. Closed residential production for the quarter totaled \$114 million compared with \$74 million during the third quarter 2015, with a total residential pipeline of \$79 million as of September 30, 2016, up from \$38 million one year ago. \$27 million of third quarter loan growth is related to marine and mortgage loan purchases made during the quarter.

(Dollars in thousands)	3Q16	2Q16	1Q16	4Q15	3Q15
Commercial pipeline	\$ 119,394	\$ 113,261	\$ 97,953	\$ 105,556	\$ 104,915
Commercial loans closed	109,078	111,133	67,252	80,003	71,823
Residential pipeline	\$ 79,379	\$ 66,083	\$ 57,739	\$ 30,340	\$ 37,958
Residential loans retained	68,748	64,003	36,335	24,905	36,027
Residential loans sold	79,151	39,499	30,345	35,278	37,996

Credit Quality Remains Stable and Strong

The provision for loan losses was \$550,000 for the third quarter of 2016, down from \$987,000 in the third quarter 2015 and \$662,000 recorded in the second quarter 2016. The decrease in provision was driven by strong credit results, including \$1.4 million in net recoveries collected during the quarter, offset by the impact of continued loan growth. The ratio of allowance for loan losses to non-acquisition related loans was 1.00% as of September 30 2016, a slight decrease from 1.01% as of June 30, 2016.

Additional highlights include:

- Nonperforming loans to total loans outstanding at the end of the third quarter decreased to 0.66%, down from 0.81% as of September 30, 2015;
- Nonperforming assets to total assets declined to 0.69%, compared to 0.73% one year ago. Of \$31.2 million in nonperforming assets, eleven properties at a carrying value of \$7.6 million relate to closed branch properties held as REO.

Deposits Built on Core Customer Growth and Acquired Deposits

Total deposits were \$3.5 billion as of September 30, 2016, \$768 million or 28% above the third quarter 2015. Core customer funding increased to \$3.31 billion, a \$728 million or 28% increase. Excluding acquisitions, core customer funding increased by \$218 million or 8% and total deposits increased \$127 million or 5% above the third quarter 2015. Core customer funding increased \$14 million and total deposits grew \$9 million compared to the second quarter 2016. Seacoast recognized growth in deposits despite seasonal drawdowns of public funds, planned decrease in high-cost acquired certificates of deposit and significant branch consolidation. This increase compares to a slight decrease in deposits, excluding acquired deposits, during the third quarter 2015.

Noninterest demand deposits grew \$22 million or 2% (not annualized) from the second quarter of 2016 and \$299 million or 34% from the third quarter of 2015. Excluding acquired deposits, noninterest demand deposits increased \$114 million over the third quarter 2015 and represent fully one-third of total deposits.

(Dollars in thousands)	Third Quarter 2016	Second Quarter 2016	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015
Customer Relationship Funding					
Noninterest demand	\$ 1,168,542	\$ 1,146,792	\$ 1,054,069	\$ 854,447	\$ 869,877
Interest-bearing demand	776,480	776,388	750,904	734,749	618,344
Money market	858,931	860,930	741,657	665,353	660,632
Savings	340,899	330,928	313,179	295,851	286,810
Time certificates of deposit	365,641	386,278	362,638	293,987	306,633
Total deposits	<u>\$ 3,510,493</u>	<u>\$ 3,501,316</u>	<u>\$ 3,222,447</u>	<u>\$ 2,844,387</u>	<u>\$ 2,742,296</u>
Customer sweep accounts	<u>\$ 167,693</u>	<u>\$ 183,387</u>	<u>\$ 198,330</u>	<u>\$ 172,005</u>	<u>\$ 148,607</u>
Total core customer funding ⁴	<u>\$ 3,312,545</u>	<u>\$ 3,298,425</u>	<u>\$ 3,058,139</u>	<u>\$ 2,722,405</u>	<u>\$ 2,584,270</u>
Demand deposit mix (noninterest bearing)	<u>33.3%</u>	<u>32.8%</u>	<u>32.7%</u>	<u>30.0%</u>	<u>31.7%</u>

Other Highlights

Income Taxes

Seacoast recorded a \$4.3 million income tax provision in the third quarter of 2016, compared to \$2.8 million in the second quarter of 2016 and \$2.7 million in the prior year. The third quarter 2016 tax provision benefited from the early adoption of ASU 2016-09, Improvements to Employee Share-Based Payment Accounting. As a result, Seacoast recorded a benefit of \$418,000, adding \$0.01 per diluted share.

Excluding the adoption of ASU 2016-09, the year-to-date effective tax rate was 35.7%. Implementation of this new accounting standard will continue to have an impact on the effective tax rate in future periods depending on stock-based compensation grants and their related vesting and exercise timing, as well as stock price.

⁴ Total deposits and customer sweep accounts, excluding time certificates of deposit.

Capital Ratios Remain at Strong Levels

The common equity tier 1 capital ratio (CET1) was 10.9%, total capital ratio was 13.4% and the tier 1 leverage ratio was 9.2% at September 30, 2016. Ratios decreased slightly as average assets increased due to the BMO Harris acquisition late in the second quarter.

Tangible book value per share increased \$0.27 to \$9.35 while book value per share increased \$0.25 to \$11.45 compared to the second quarter of 2016. Tangible common equity to assets was 8.0% at September 30, 2016.

Conference Call Information

Seacoast will host a conference call on Thursday, October 27, 2016 at 10:00 a.m. (Eastern Time) to discuss the earnings results. Investors may call in (toll-free) by dialing (888) 517-2458 (passcode: 9762 990). Slides will be used during the conference call and may be accessed at Seacoast's website at SeacoastBanking.com by selecting "Presentations" under the heading "Investor Services." A replay of the call will be available for one month, beginning late afternoon of October 27, by dialing (888) 843-7419 and using passcode: 9762 990.

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

About Seacoast Banking Corporation of Florida (NASDAQ: SBCF)

Seacoast Banking Corporation of Florida is one of the largest community banks headquartered in Florida with approximately \$4.5 billion in assets and \$3.5 billion in deposits as of September 30, 2016. The Company provides integrated financial services including commercial and retail banking, wealth management, and mortgage services to customers through advanced banking solutions, 47 traditional branches of its locally-branded wholly-owned subsidiary bank, Seacoast Bank, and five commercial banking centers. Offices stretch from Ft. Lauderdale, Boca Raton and West Palm Beach north through the Daytona Beach area, into Orlando and Central Florida, and west to Okeechobee and surrounding counties. More information about the Company is available at SeacoastBanking.com.

Cautionary Notice Regarding Forward-Looking Statements

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All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2015, under "Special Cautionary Notice Regarding Forward-looking Statements" and "Risk Factors", and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC's Internet website at <http://www.sec.gov>.

Explanation of Certain Unaudited Non-GAAP Financial Measures

The measures entitled adjusted net income; adjusted diluted earnings per share; return on average tangible common equity; adjusted revenue; adjusted return on assets; adjusted return on average tangible common equity; adjusted efficiency ratio; adjusted pre-tax, pre-provision income; annualized adjusted operating expenses as a percent of average assets; and adjusted noninterest expense are not measures recognized under U.S. generally accepted accounting principles (GAAP) and therefore are considered non-GAAP financial measures. The most comparable GAAP measures are net income, diluted earnings per share, return on average equity, revenues, return on average assets, return on average equity, expenses/revenues, net income, noninterest expense as a percent of average assets, and noninterest expense, respectively.

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, and if not provided would be requested by the investor community. The Company believes the non-GAAP measures enhance investors' understanding of the Company's business and performance. These measures are also useful in understanding performance trends and in facilitating comparisons with the performance of other financial institutions. The limitations associated with operating measures are the risk that persons might disagree as to the appropriateness of items comprising these measures and that different companies might calculate these measures differently. The company presents non-GAAP measures to remove or adjust for items like transaction related merger and acquisition costs or other costs or revenue items that are not related to the ongoing operations of the company as well as to adjust intangible assets and intangible asset amortization from acquired companies. The Company believes these measures are useful to investors because removing the amount of intangible assets and amortization thereof, and removing costs and revenues not related to ongoing operations of the company (the level of which may vary from company to company and from period to period), allows investors to more easily compare the Company's capital position and financial performance to other companies in the industry that present similar measures. The Company also believes that removing these items provides a more relevant measure of the Company's financial performance from period to period. These measures are utilized by management to assess the capital adequacy and profitability of the Company.

These disclosures should not be considered an alternative to GAAP. The computations of adjusted net income; adjusted diluted earnings per share; return on average tangible common equity; adjusted revenue; adjusted return on assets; adjusted return on average tangible common equity; adjusted efficiency ratio; adjusted pre-tax, pre-provision income; annualized adjusted operating expenses as a percent of average assets; and adjusted noninterest expense and the reconciliation of these measures are set forth in the tables below.⁵:

⁵ *Presentation has been revised in accordance with SEC's Division of Corporation Finance Compliance and Disclosure Interpretations, Non-GAAP Financial Measures" issued May 17, 2016*

Dollars in thousands except per share data)	Third Quarter 2016	Second Quarter 2016	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015
Net income	\$ 9,133	\$ 5,332	\$ 3,966	\$ 6,036	\$ 4,441
BOLI Income	0	0	(464)	0	0
Security gains	(225)	(47)	(89)	(1)	(160)
Bargain purchase gain	0	0	0	(416)	0
Total Adjustments to Revenue	(225)	(47)	(553)	(417)	(160)
Severance	287	464	306	187	670
Merger related charges	1,628	2,448	4,038	1,043	2,120
Branch closure charges and costs related to expense initiative	678	1,121	691	0	0
Other	0	0	0	0	121
Miscellaneous losses	0	0	0	48	112
Early redemption cost for FHLB advances	0	1,777	0	0	0
Total Adjustments to Noninterest Expense	2,593	5,810	5,035	1,278	3,023
Effective tax rate on adjustments	(913)	(2,322)	(1,690)	(328)	(1,072)
Adjusted Net Income ⁽¹⁾	10,588	8,773	6,758	6,569	6,232
Earnings per diluted share, as reported	\$ 0.24	\$ 0.14	\$ 0.11	\$ 0.18	\$ 0.13
Adjusted earnings per diluted share ⁽¹⁾	0.28	0.23	\$ 0.19	0.19	0.18
Average shares outstanding (000)	38,170	38,142	35,453	34,395	34,194
Adjusted Net Income ⁽¹⁾	\$ 10,588	\$ 8,773	\$ 6,758	\$ 6,569	\$ 6,232
Provision for loan losses	550	662	199	369	987
Income taxes	5,232	5,172	4,125	4,052	3,771
Adjusted pretax, pre-provision income ⁽¹⁾	\$ 16,370	\$ 14,607	\$ 11,082	\$ 10,990	\$ 10,990
Revenue	\$ 47,437	\$ 43,651	\$ 38,941	\$ 37,299	\$ 37,253
Total Adjustments to Revenue	(225)	(47)	(553)	(417)	(160)
Adjusted Revenue ⁽¹⁾	\$ 47,212	\$ 43,604	\$ 38,388	\$ 36,882	\$ 37,093
Noninterest Expense	\$ 33,435	\$ 34,808	\$ 32,341	\$ 27,169	\$ 29,127
Total Adjustments to Noninterest Expense	2,593	5,810	5,035	1,278	3,023
Adjusted Noninterest Expense ⁽¹⁾	30,842	\$ 28,998	\$ 27,306	\$ 25,891	\$ 26,104
Adjusted Noninterest Expense	30,841	28,998	27,306	25,891	26,104
Foreclosed property expense & amortization intangible	(851)	(553)	(484)	(324)	(736)
Net Adjusted Noninterest Expense	29,990	28,445	26,822	25,567	25,368
Adjusted Revenue	47,212	43,604	38,388	36,882	37,093
Impact of FTE adjustment	287	308	127	117	119
Adjusted Revenue on a fully taxable equivalent basis	47,499	43,912	38,515	36,999	37,212
Adjusted Efficiency Ratio ⁽⁶⁾	63.14%	64.78%	69.64%	69.10%	68.17%
Return on Average Assets (ROA)	0.82%	0.51%	0.44%	0.69%	0.52%
Impacted of adjustments for Adjusted Net Income ⁽⁷⁾	0.13	0.33	0.31	0.06	0.25
Adjusted Return on Average Assets (Adjusted ROA)	0.95%	0.84%	0.75%	0.75%	0.77%
Return on Average Common Equity	8.4%	5.2%	4.3%	6.8%	5.1%
Impact of removing average intangible assets and related amortization ⁽⁸⁾	2.5	1.4	0.8	1.0	0.8
Return on Average Tangible Common Equity (ROTCE)	10.9%	6.6%	5.1%	7.8%	5.9%
Impacted of adjustments for Adjusted Net Income ⁽⁴⁵⁾	1.7	4.0	3.4	1.1	2.3
Adjusted Return on Average Tangible Common Equity	12.6%	10.6%	8.5%	8.9%	8.2%

(1) Non GAAP measure, see "Explanation of Certain Unaudited Non-GAAP Financial Measures"

(6) Defined as (adjusted noninterest expense less foreclosed property expense and amortization of intangibles) divided by net operating revenue (net interest

income on a fully taxable equivalent basis plus adjusted noninterest income).

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

(8) Includes adjusted detailed in Total Adjustments to Revenue, Total Adjustments to Noninterest Expense and the Effective tax rate on adjustments

FINANCIAL HIGHLIGHTS

(Unaudited) 10/31/16

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands, except share data)

	Three Months Ended			Nine Months Ended	
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Summary of Earnings					
Net income	\$ 9,133	\$ 5,332	\$ 4,441	\$ 18,431	\$ 16,105
Net interest income (1)	37,735	34,801	29,130	102,885	80,752
Net interest margin (1), (2)	3.69	3.63	3.75	3.67	3.62
Performance Ratios					
Return on average assets-GAAP basis (2), (3)	0.82%	0.51%	0.52%	0.60%	0.66%
Return on average shareholders' equity-GAAP basis (2), (3)	8.44	5.15	5.05	6.06	6.49
Return on average tangible shareholders' equity-GAAP basis (2), (3), (4)	10.91	6.62	5.94	7.61	7.50
Efficiency ratio (5)	68.60	78.01	76.29	75.69	71.23
Noninterest income to total revenue	20.68	20.89	21.79	21.21	23.16
Per Share Data					
Net income diluted-GAAP basis	\$ 0.24	\$ 0.14	\$ 0.13	\$ 0.49	\$ 0.48
Net income basic-GAAP basis	0.24	0.14	0.13	0.50	0.48
Book value per share common	11.45	11.20	10.20	11.45	10.20
Tangible book value per share	9.35	9.08	9.18	9.35	9.18
Cash dividends declared	0.00	0.00	0.00	0.00	0.00

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

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

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

(4) The Company defines tangible common equity as total shareholder's equity less intangible assets.

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

FINANCIAL HIGHLIGHTS
SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands, except share data)</i>	September 30, 2016	June 30, 2016	September 30, 2015
Selected Financial Data			
Total assets	\$ 4,513,934	\$ 4,381,204	\$ 3,378,108
Securities available for sale (at fair value)	866,613	923,560	728,161
Securities held for investment (at amortized cost)	392,138	401,570	209,047
Net loans	2,746,654	2,595,327	2,080,119
Deposits	3,510,493	3,501,316	2,742,296
Total shareholders' equity	435,519	425,429	350,280
Average Balances (Year-to-Date)			
Total average assets	\$ 4,077,463	\$ 3,904,091	\$ 3,250,855
Less: intangible assets	62,240	53,228	32,879
Total average tangible assets	\$ 4,015,223	\$ 3,850,863	\$ 3,217,976
Total average equity	\$ 406,080	\$ 393,782	\$ 331,966
Less: intangible assets	62,240	53,228	32,879
Total average tangible equity	\$ 343,840	\$ 340,554	\$ 299,087
Credit Analysis			
Net (recoveries) year-to-date - non-acquired loans	\$ (2,182)	\$ (854)	\$ (854)
Net charge-offs year-to-date - acquired loans	37	118	872
Total net charge-offs (recoveries) year-to-date	\$ (2,145)	\$ (736)	\$ 18
Net (recoveries) to average loans (annualized) - non-acquired loans	(0.12)%	(0.07)%	(0.06)%
Net charge-offs to average loans (annualized) - acquired loans	0.01	0.01	0.06
Total net charge-offs (recoveries) to average loans (annualized)	(0.11)	(0.06)	0.00
Loan loss provision (recapture) year-to-date - non-acquired loans	\$ 1,052	\$ 403	\$ 1,415
Loan loss provision year-to-date - acquired loans	359	458	860
Total loan loss provision year-to-date	\$ 1,411	\$ 861	\$ 2,275
Allowance to loans at end of period - non-acquired loans	1.00%	1.01%	1.11%
Discount for credit losses to acquired loans at end of period	4.24	3.96	4.13
Nonperforming loans - non-acquired loans	\$ 10,561	\$ 10,919	\$ 14,474
Nonperforming loans - acquired loans	7,876	4,360	2,636
Other real estate owned - non-acquired	3,681	3,791	4,183
Other real estate owned - acquired	1,468	1,644	3,250
Other real estate owned – branches out of service	7,585	3,259	0
Total nonperforming assets	\$ 31,171	\$ 23,973	\$ 24,543
Restructured loans (accruing)	\$ 19,272	\$ 20,337	\$ 20,543
Purchased noncredit impaired loans	\$ 484,006	\$ 554,519	\$ 347,262
Purchased credit impaired loans	13,057	13,652	12,673
Total acquired loans	\$ 497,063	\$ 568,171	\$ 359,935
Nonperforming loans to loans at end of period - non-acquired loans	0.38%	0.42%	0.69%
Nonperforming loans to loans at end of period - acquired loans	0.28	0.16	0.12
Total nonperforming loans to loans at end of period	0.66	0.58	0.81
Nonperforming assets to total assets - non-acquired	0.48%	0.41%	0.55%
Nonperforming assets to total assets - acquired	0.21	0.14	0.18
Total nonperforming assets to total assets	0.69	0.55	0.73

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
<i>(Dollars in thousands, except per share data)</i>				
Interest on securities:				
Taxable	\$ 6,966	\$ 5,154	\$ 19,253	\$ 15,029
Nontaxable	287	144	749	441
Interest and fees on loans	31,932	25,276	87,210	69,285
Interest on federal funds sold and other investments	429	249	1,152	747
Total Interest Income	39,614	30,823	108,364	85,502
Interest on deposits:				
Interest on deposits	679	562	1,971	1,487
Interest on time certificates	613	295	1,476	963
Interest on borrowed money	874	955	2,754	2,665
Total Interest Expense	2,166	1,812	6,201	5,115
Net Interest Income	37,448	29,011	102,163	80,387
Provision for loan losses	550	987	1,411	2,275
Net Interest Income After Provision for Loan Losses	36,898	28,024	100,752	78,112
Noninterest income:				
Service charges on deposit accounts	2,698	2,217	7,057	6,334
Trust fees	820	781	2,464	2,341
Mortgage banking fees	1,885	1,177	4,248	3,297
Brokerage commissions and fees	463	604	1,564	1,621
Marine finance fees	138	258	558	947
Interchange income	2,306	1,925	6,893	5,695
Other deposit based EFT fees	109	88	352	298
BOLI income	382	366	1,602	1,030
Gain on participated loan	0	0	0	725
Other	963	666	2,767	1,948
	9,764	8,082	27,505	24,236
Securities gains, net	225	160	361	160
Total Noninterest Income	9,989	8,242	27,866	24,396
Noninterest expenses:				
Salaries and wages	14,337	11,850	41,620	29,940
Employee benefits	2,425	2,430	7,428	7,386
Outsourced data processing costs	3,198	3,277	10,440	7,695
Telephone / data lines	539	446	1,606	1,385
Occupancy	3,675	2,396	10,292	6,430
Furniture and equipment	1,228	883	3,509	2,434
Marketing	780	1,099	2,786	3,300
Legal and professional fees	2,213	2,189	7,226	5,442
FDIC assessments	517	552	1,704	1,661
Amortization of intangibles	728	397	1,767	1,027
Asset dispositions expense	219	77	469	393
Net (gain)/loss on other real estate owned and repossessed assets	(96)	262	(348)	396
Early redemption cost for Federal Home Loan Bank advances	0	0	1,777	0
Other	3,672	3,269	10,308	9,112
Total Noninterest Expenses	33,435	29,127	100,584	76,601
Income Before Income Taxes	13,452	7,139	28,034	25,907
Income taxes	4,319	2,698	9,603	9,802
Net Income	\$ 9,133	\$ 4,441	\$ 18,431	\$ 16,105
Per share of common stock:				
Net income diluted	\$ 0.24	\$ 0.13	\$ 0.49	\$ 0.48
Net income basic	0.24	0.13	0.50	0.48
Cash dividends declared	0.00	0.00	0.00	0.00

Average diluted shares outstanding	38,169,863	34,193,540	37,258,133	33,524,718
Average basic shares outstanding	37,549,804	33,907,178	36,626,290	33,286,933

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands)	QUARTER				
	2016			2015	
	Third	Second	First	Fourth	Third
Interest on securities:					
Taxable	\$ 6,966	\$ 6,603	\$ 5,683	\$ 5,312	\$ 5,154
Nontaxable	287	299	164	144	144
Interest and fees on loans	31,932	29,244	26,034	25,184	25,276
Interest on federal funds sold and other investments	429	433	290	275	249
Total Interest Income	39,614	36,579	32,171	30,915	30,823
Interest on deposits:					
Interest on deposits	679	688	604	598	562
Interest on time certificates	613	550	313	265	295
Interest on borrowed money	874	848	1,032	952	955
Total Interest Expense	2,166	2,086	1,949	1,815	1,812
Net Interest Income	37,448	34,493	30,222	29,100	29,011
Provision for loan losses	550	662	199	369	987
Net Interest Income After Provision for Loan Losses	36,898	33,831	30,023	28,731	28,024
Noninterest income:					
Service charges on deposit accounts	2,698	2,230	2,129	2,229	2,217
Trust fees	820	838	806	791	781
Mortgage banking fees	1,885	1,364	999	955	1,177
Brokerage commissions and fees	463	470	631	511	604
Marine finance fees	138	279	141	205	258
Interchange income	2,306	2,370	2,217	1,989	1,925
Other deposit based EFT fees	109	116	127	99	88
BOLI income	382	379	841	396	366
Other	963	1,065	739	607	666
	9,764	9,111	8,630	7,782	8,082
Securities gains, net	225	47	89	1	160
Bargain purchase gain, net	0	0	0	416	0
Total Noninterest Income	9,989	9,158	8,719	8,199	8,242
Noninterest expenses:					
Salaries and wages	14,337	13,884	13,399	11,135	11,850
Employee benefits	2,425	2,521	2,482	2,178	2,430
Outsourced data processing costs	3,198	2,803	4,439	2,455	3,277
Telephone / data lines	539	539	528	412	446
Occupancy	3,675	3,645	2,972	2,314	2,396
Furniture and equipment	1,228	1,283	998	1,000	883
Marketing	780	957	1,049	1,128	1,099
Legal and professional fees	2,213	2,656	2,357	2,580	2,189
FDIC assessments	517	643	544	551	552
Amortization of intangibles	728	593	446	397	397
Asset dispositions expense	219	160	90	79	77
Net (gain)/loss on other real estate owned and repossessed assets	(96)	(201)	(51)	(157)	262
Early redemption cost for Federal Home Loan Bank advances	0	1,777	0	0	0
Other	3,672	3,548	3,088	3,097	3,269
Total Noninterest Expenses	33,435	34,808	32,341	27,169	29,127
Income Before Income Taxes	13,452	8,181	6,401	9,761	7,139
Income taxes	4,319	2,849	2,435	3,725	2,698
Net Income	\$ 9,133	\$ 5,332	\$ 3,966	\$ 6,036	\$ 4,441
Per share of common stock:					
Net income diluted	\$ 0.24	\$ 0.14	\$ 0.11	\$ 0.18	\$ 0.13

Net income basic	0.24	0.14	0.11	0.18	0.13
Cash dividends declared	0.00	0.00	0.00	0.00	0.00
Average diluted shares outstanding	38,169,863	38,141,550	35,452,968	34,395,373	34,193,540
Average basic shares outstanding	37,549,804	37,470,071	34,848,875	34,115,697	33,907,178

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands, except share data)</i>	September 30, 2016	December 31, 2015	September 30, 2015
Assets			
Cash and due from banks	\$ 89,777	\$ 81,216	\$ 69,650
Interest bearing deposits with other banks	77,606	54,851	30,991
Total Cash and Cash Equivalents	167,383	136,067	100,641
Securities:			
Available for sale (at fair value)	866,613	790,766	728,161
Held for investment (at amortized cost)	392,138	203,525	209,047
Total Securities	1,258,751	994,291	937,208
Loans held for sale	20,143	23,998	16,738
Loans	2,769,338	2,156,330	2,099,447
Less: Allowance for loan losses	(22,684)	(19,128)	(19,328)
Net Loans	2,746,654	2,137,202	2,080,119
Bank premises and equipment, net	59,035	54,579	54,900
Other real estate owned	12,734	7,039	7,433
Goodwill	64,649	25,211	25,864
Other intangible assets	15,291	8,594	8,991
Bank owned life insurance	44,044	43,579	43,251
Net deferred tax assets	58,848	60,274	61,046
Other assets	66,402	43,946	41,917
	\$ 4,513,934	\$ 3,534,780	\$ 3,378,108
Liabilities and Shareholders' Equity			
Liabilities			
Deposits			
Noninterest demand	\$ 1,168,542	\$ 854,447	\$ 869,877
Interest-bearing demand	776,480	734,749	618,344
Savings	340,899	295,851	286,810
Money market	858,931	665,353	660,632
Other time certificates	166,987	153,318	163,028
Brokered time certificates	8,218	9,403	8,323
Time certificates of \$100,000 or more	190,436	131,266	135,282
Total Deposits	3,510,493	2,844,387	2,742,296
Securities sold under agreements to repurchase	167,693	172,005	148,607
Federal Home Loan Bank borrowings	305,000	50,000	50,000
Subordinated debt	70,171	69,961	69,891
Other liabilities	25,058	44,974	17,034
	4,078,415	3,181,327	3,027,828
Shareholders' Equity			
Common stock	3,799	3,435	3,435
Additional paid in capital	453,007	399,162	398,067
Accumulated deficit	(24,427)	(42,858)	(48,894)
Treasury stock	(691)	(73)	(38)
	431,688	359,666	352,570
Accumulated other comprehensive income (loss), net	3,831	(6,213)	(2,290)
Total Shareholders' Equity	435,519	353,453	350,280
	\$ 4,513,934	\$ 3,534,780	\$ 3,378,108
Common Shares Outstanding	38,025,020	34,351,409	34,346,456

Note: The balance sheet at December 31, 2015 has been derived from the audited financial statements at that date.



CONSOLIDATED QUARTERLY FINANCIAL DATA

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

	QUARTERS				
	2016			2015	
	Third	Second	First	Fourth	Third
<i>(Dollars in thousands, except per share data)</i>					
Net income	\$ 9,133	\$ 5,332	\$ 3,966	\$ 6,036	\$ 4,441
Operating Ratios					
Return on average assets-GAAP basis (2),(3)	0.82%	0.51%	0.44%	0.69%	0.52%
Return on average tangible assets (2),(3),(4)	0.88	0.56	0.48	0.73	0.56
Return on average shareholders' equity-GAAP basis (2),(3)	8.44	5.15	4.30	6.78	5.05
Efficiency ratio (5)	68.60	78.01	81.73	72.57	76.29
Noninterest income to total revenue	20.68	20.89	22.21	21.10	21.79
Net interest margin (1),(2)	3.69	3.63	3.68	3.67	3.75
Average equity to average assets	9.74	9.91	10.30	10.20	10.34
Credit Analysis					
Net charge-offs (recoveries) - non-acquired loans	\$ (1,328)	\$ (315)	\$ (539)	\$ 245	\$ (233)
Net charge-offs - acquired loans	(81)	(24)	142	324	683
Total net charge-offs (recoveries)	\$ (1,409)	\$ (339)	\$ (397)	\$ 569	\$ 450
Net charge-offs (recoveries) to average loans - non-acquired loans	(0.20)%	(0.05)%	(0.10)%	0.05%	(0.04)%
Net charge-offs to average loans - acquired loans	(0.01)	0.00	0.03	0.06	0.12
Total net charge-offs (recoveries) to average loans	(0.21)	(0.05)	(0.07)	0.11	0.08
Loan loss provision (recapture) - non-acquired loans	\$ 649	\$ 423	\$ (20)	\$ (40)	\$ 852
Loan loss provision - acquired loans	(99)	239	219	409	135
Total loan loss provision	\$ 550	\$ 662	\$ 199	\$ 369	\$ 987
Allowance to loans at end of period - non-acquired loans	1.00%	1.01%	1.04%	1.03%	1.11%
Discount for credit losses to acquired loans at end of period	4.24	3.96	3.79	4.24	4.13
Nonperforming loans - non-acquired loans	\$ 10,561	\$ 10,919	\$ 11,881	\$ 12,758	\$ 14,474
Nonperforming loans - acquired loans	7,876	4,360	3,707	4,628	2,636
Other real estate owned - non-acquired	3,681	3,791	5,042	3,699	4,183
Other real estate owned - acquired	1,468	1,644	2,415	3,340	3,250
Other real estate owned - branches out of service	7,585	3,259	634	0	0
Total nonperforming assets	\$ 31,171	\$ 23,973	\$ 23,679	\$ 24,425	\$ 24,543
Restructured loans (accruing)	\$ 19,272	\$ 20,337	\$ 19,956	\$ 19,970	\$ 20,543
Purchased noncredit impaired loans	\$ 484,006	\$ 554,519	\$ 558,262	\$ 320,349	\$ 355,739
Purchased credit impaired loans	13,057	13,652	16,531	12,109	12,673
Total acquired loans	\$ 497,063	\$ 568,171	\$ 574,793	\$ 332,458	\$ 368,412
Nonperforming loans to loans at end of period - non-acquired loans	0.38%	0.42%	0.48%	0.59%	0.69%
Nonperforming loans to loans at end of period - acquired loans	0.28	0.16	0.15	0.22	0.12
Total nonperforming loans to loans at end of period	0.66	0.58	0.63	0.81	0.81
Nonperforming assets to total assets - non-acquired	0.48%	0.41%	0.44%	0.47%	0.55%
Nonperforming assets to total assets - acquired	0.21	0.14	0.15	0.22	0.18
Total nonperforming assets to total assets	0.69	0.55	0.59	0.69	0.73
Per Share Common Stock					
Net income diluted-GAAP basis	\$ 0.24	\$ 0.14	\$ 0.11	\$ 0.18	\$ 0.13
Net income basic-GAAP basis	0.24	0.14	0.11	0.18	0.13
Cash dividends declared	0.00	0.00	0.00	0.00	0.00
Book value per share common	11.45	11.20	10.91	10.29	10.20
Average Balances					
Total average assets	\$ 4,420,438	\$ 4,206,800	\$ 3,601,381	\$ 3,463,277	\$ 3,373,858
Less: Intangible assets	80,068	69,449	37,006	34,457	35,185

Total average tangible assets	<u>\$ 4,340,370</u>	<u>\$ 4,137,351</u>	<u>\$ 3,564,375</u>	<u>\$ 3,428,820</u>	<u>\$ 3,338,673</u>
Total average equity	\$ 430,410	\$ 416,748	\$ 370,816	\$ 353,392	\$ 348,901
Less: Intangible assets	<u>80,068</u>	<u>69,449</u>	<u>37,006</u>	<u>34,457</u>	<u>35,185</u>
Total average tangible equity	<u>\$ 350,342</u>	<u>\$ 347,299</u>	<u>\$ 333,810</u>	<u>\$ 318,935</u>	<u>\$ 313,716</u>

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- (1) Calculated on a fully taxable equivalent basis using amortized cost.
- (2) These ratios are stated on an annualized basis and are not necessarily indicative of future periods.
- (3) The calculation of ROA and ROE do not include the mark-to-market unrealized gains (losses), because the unrealized gains (losses) are not included in net income (loss).
- (4) The Company believes that return on average assets and equity excluding the impacts of noncash amortization expense on intangible assets is a better measurement of the Company's trend in earnings growth.
- (5) Defined as (noninterest expense less foreclosed property expense and amortization of intangibles) divided by net operating revenue (net interest income on a fully taxable equivalent basis plus noninterest income excluding securities gains and bargain purchase gain, net).
-

SECURITIES	September 30, 2016	December 31, 2015	September 30, 2015
U.S. Treasury and U.S. Government Agencies	\$ 12,818	\$ 3,911	\$ 3,929
Mortgage-backed	526,617	539,688	488,803
Collateralized loan obligations	124,424	122,583	123,447
Obligations of states and political subdivisions	64,434	39,891	33,037
Corporate and other debt securities	76,638	44,273	39,918
Private commercial mortgage backed securities	61,682	40,420	39,027
Securities Available for Sale	866,613	790,766	728,161
Mortgage-backed	350,644	162,225	167,747
Collateralized loan obligations	41,494	41,300	41,300
Securities Held for Investment	392,138	203,525	209,047
Total Securities	\$ 1,258,751	\$ 994,291	\$ 937,208
LOANS	September 30, 2016	December 31, 2015	September 30, 2015
Construction and land development	\$ 153,901	\$ 108,787	\$ 96,036
Real estate mortgage	2,126,923	1,733,163	1,714,120
Installment loans to individuals	145,523	85,356	78,472
Commercial and financial	342,502	228,517	210,335
Other loans	489	507	484
Total Loans	\$ 2,769,338	\$ 2,156,330	\$ 2,099,447

AVERAGE BALANCES, INTEREST INCOME AND EXPENSES, YIELDS AND RATES ⁽¹⁾

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

(Dollars in thousands)	2016						2015		
	Third Quarter			Second Quarter			Third Quarter		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets									
Earning assets:									
Securities:									
Taxable	\$ 1,264,345	\$ 6,966	2.20%	\$ 1,185,022	\$ 6,603	2.23%	\$ 966,764	\$ 5,154	2.13%
Nontaxable	28,344	441	6.22	28,445	459	6.45	14,982	220	5.87
Total Securities	1,292,689	7,407	2.29	1,213,468	7,062	2.33	981,746	5,374	2.19
Federal funds sold and other investments	55,465	429	3.08	110,636	433	1.57	42,083	249	2.35
Loans, net	2,720,121	32,065	4.69	2,532,533	29,392	4.67	2,060,326	25,319	4.88
Total Earning Assets	4,068,275	39,901	3.90	3,856,637	36,887	3.85	3,084,155	30,942	3.98
Allowance for loan losses	(21,934)			(20,185)			(19,294)		
Cash and due from banks	84,592			92,159			70,292		
Premises and equipment	62,552			63,149			54,436		
Intangible assets	80,068			69,449			35,185		
Bank owned life insurance	43,860			43,542			41,934		
Other assets	103,025			102,049			107,150		
	\$ 4,420,438			\$ 4,206,800			\$ 3,373,858		
Liabilities and Shareholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand	\$ 781,620	\$ 151	0.08%	\$ 755,206	\$ 161	0.09%	\$ 621,365	\$ 116	0.07%
Savings	331,685	41	0.05	322,567	39	0.05	285,410	39	0.05
Money market	864,228	487	0.22	810,709	488	0.24	637,840	407	0.25
Time deposits	374,852	613	0.65	366,263	550	0.60	308,184	295	0.38
Federal funds purchased and securities sold under agreements to repurchase	184,170	118	0.25	195,802	129	0.26	163,385	100	0.24
Federal Home Loan Bank borrowings	223,467	240	0.43	171,011	215	0.51	70,109	418	2.37
Other borrowings	70,137	516	2.93	70,064	504	2.89	68,961	437	2.52
Total Interest-Bearing Liabilities	2,830,159	2,166	0.30	2,691,622	2,086	0.31	2,155,254	1,812	0.33
Noninterest demand	1,131,073			1,059,039			849,468		
Other liabilities	28,796			39,391			20,235		
Total Liabilities	3,990,028			3,790,052			3,024,957		
Shareholders' equity	430,410			416,748			348,901		
	\$ 4,420,438			\$ 4,206,800			\$ 3,373,858		
Interest expense as a % of earning assets			0.21%			0.22%			0.23%
Net interest income as a % of earning assets		\$ 37,735	3.69%		\$ 34,801	3.63%		\$ 29,130	3.75%

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

CONSOLIDATED QUARTERLY FINANCIAL DATA

(Unaudited)

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES

<i>(Dollars in thousands)</i>	2016			2015	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Customer Relationship Funding (Period End)					
Noninterest demand					
Commercial	\$ 892,876	\$ 860,953	\$ 768,890	\$ 592,621	\$ 619,960
Retail	209,351	211,722	212,367	198,077	182,381
Public funds	42,147	44,275	52,244	46,300	47,765
Other	24,168	29,842	20,568	17,449	19,771
	<u>1,168,542</u>	<u>1,146,792</u>	<u>1,054,069</u>	<u>854,447</u>	<u>869,877</u>
Interest-bearing demand					
Commercial	100,824	102,105	101,767	77,500	69,037
Retail	567,286	549,301	496,846	479,056	443,022
Public funds	108,370	124,982	152,291	178,193	106,285
	<u>776,480</u>	<u>776,388</u>	<u>750,904</u>	<u>734,749</u>	<u>618,344</u>
Total transaction accounts					
Commercial	993,700	963,058	870,657	670,121	688,997
Retail	776,637	761,023	709,213	677,133	625,403
Public funds	150,517	169,257	204,535	224,493	154,050
Other	24,168	29,842	20,568	17,449	19,771
	<u>1,945,022</u>	<u>1,923,180</u>	<u>1,804,973</u>	<u>1,589,196</u>	<u>1,488,221</u>
Savings	340,899	330,928	313,179	295,851	286,810
Money market					
Commercial	313,200	293,724	271,567	208,520	225,629
Retail	411,550	419,821	380,233	312,756	306,138
Public funds	134,181	147,385	89,857	144,077	128,865
	<u>858,931</u>	<u>860,930</u>	<u>741,657</u>	<u>665,353</u>	<u>660,632</u>
Time certificates of deposit	365,641	386,278	362,638	293,987	306,633
Total Deposits	<u>\$ 3,510,493</u>	<u>\$ 3,501,316</u>	<u>\$ 3,222,447</u>	<u>\$ 2,844,387</u>	<u>\$ 2,742,296</u>
Customer sweep accounts	\$ 167,693	\$ 183,387	\$ 198,330	\$ 172,005	\$ 148,607
Total core customer funding (1)	<u>\$ 3,312,545</u>	<u>\$ 3,298,425</u>	<u>\$ 3,058,139</u>	<u>\$ 2,722,405</u>	<u>\$ 2,584,270</u>

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

Seacoast Banking Corporation of Florida
Second Quarter Earnings Conference Call
October 27, 2016
10:00 AM Eastern Time

SPEAKERS

Dennis S. Hudson – Chief Executive Officer
Stephen A. Fowle – Chief Financial Officer
Charles K. Cross, Jr. – Commercial Banking Executive
Charles M. Shaffer – Head of Community Banking Division
David D. Houdeshell – Chief Credit Officer

ANALYSTS

Kyle Peterson - FBR
Peter Ruiz – Sandler O’Neill
Michael Young - SunTrust

PRESENTATION

Operator: Welcome to Seacoast Third Quarter Earnings Conference Call. My name is Jason and I will be your operator. At this time, all participants are in a listen-only mode. Later we will conduct a question-and-answer session. Please note this conference is being recorded.

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

Dennis Hudson: Thank you very much and thanks, everybody, for joining us today for our Third Quarter 2016 Earnings Conference Call. Our press release issued yesterday after the market closed and updated investor presentation with supplementary information are posted on the Investor portion of our website at seacoastbanking.com. You can find that information under Presentations.

Before we begin, I'll direct your attention as always to the statement contained at the end of our press release regarding forward-looking statements that we may make during the call. We'll be discussing issues that constitute forward-looking statements within the meaning of the Securities and Exchange Act, and our comments today are intended to be covered within the meaning of that Act. With me today is Steve Fowle, our Chief Financial Officer, who will discuss our financial and operating results. Also joining us in the room are Chuck Shaffer, who heads our Community Banking Division; Chuck Cross, our Commercial Banking Executive; David Houdeshell, our Chief Credit Officer; and Jeff Lee, our Chief Marketing and Analytics Officer. We'll also be available to answer questions following the conclusion of our prepared remarks.

Seacoast Bank's strong third quarter results reflect another quarter of successful execution of our balanced growth strategy with record loan production and large contributions from recent acquisitions. We are showing strong organic growth; our M&A strategy, we believe, is working; and our cost-cutting is producing returns for shareholders.

During the third quarter, we grew revenue, excluding securities gains, 27 percent year-over-year, and we increased earnings per share by 85 percent year-over-year and 71 percent linked-quarter on a GAAP basis; and by 56 percent year-over-year and 22 percent linked-quarter after some non-GAAP adjustments.

Seacoast's business model transformation is yielding impressive top-line and bottom-line results. The combined impact of shifting banking transactions to our lower-cost channels and cutting costs, while driving revenue through our balanced growth strategy, is clearly reflected in the metrics that we posted this quarter.

On a non-GAAP basis, our third quarter return on assets was 0.95 percent, compared to 0.84 percent in the second quarter of this year and 0.77 percent in the last year's third quarter. This is a 23 percent improvement in only four quarters. Our third quarter return on tangible common equity was 12.6 percent, compared with 10.6 percent in the second quarter of this year and 8.2 percent in last year's third quarter. This represents a 52% improvement year-over-year. Finally, our third quarter efficiency ratio was 63.1 percent compared with 64.8 percent in the second quarter of this year and 68.2 percent in last year's third quarter. This is a 7 percent improvement on a year-over-year basis.

What's equally important, though, is we're achieving these metrics while retaining high quality and granularity of Seacoast's loan portfolio because we believe it is in our shareholders' best interests to keep our commercial real estate assets at levels well below those of our Florida peers.

The driver of this quarter's results certainly was our outstanding loan production. We produced a record-breaking quarter in many of our loan categories, with consumer, residential and small business loans up significantly compared to last year's third quarter. To detail a few numbers, our consumer and small business production was up 67 percent year-over-year; our residential was up 55 percent; and our commercial production was up 52 percent. Our Accelerate Commercial Banking team continues to contribute significant results with a significant pipeline in place as we enter Q4 of this year.

Our operating cost cuts throughout our network are having the impact that we anticipated. We achieved our cost-reduction targets for our recent BMO and Floridian acquisitions, and we completed all of our previously announced branch-related expense strategies while growing households and deposits in the important Orlando market. Because we're growing deposits even as we rationalize our branch network, we expect deposits per branch, which were \$66 million at the end of last year, to hit \$78 million by the end of this year.

While talking about Orlando, let me remind all of you that we started in 2015 with an important beachhead in Orlando through the acquisition of BankFIRST. In only seven quarters since then, through our BMO and Floridian acquisitions, we now rank as a top ten bank in the attractive Orlando market, one of the fastest growing MSAs in the nation. In 2016 alone, we added over 8,500 households and \$600 million in deposits in this market through both the acquired work and also organic growth.

The impact of shifting routine transactions to lower-cost channels continues to be significant. We estimate that we are shifting 900,000 routine transactions to our lower-cost channels on an annual basis as more of our customers use our mobile apps and ATM network. By next year's third quarter, we expect our non-teller transactions will exceed teller transactions and this is going to represent a milestone in the execution of the transformational strategy that we rolled out in 2015.

Finally, we continue to execute our strategy of developing and deepening relationships with our customers through the use of analytics and digitally-enabled marketing programs. Let me give you three important indicators of our continued progress in this area. Consumer loans and deposit accounts sold to existing households during the quarter grew 77 percent and 54 percent, respectively, versus the third quarter of 2015. Organic household growth was 2.4 percent annualized. We are growing households despite attrition that we expected from some of our branch closures. Debit card spend reached another high in the third quarter, up 2.07 percent over the second quarter and up 21.25 percent over Q3 of last year.

Based on our results for the first three quarters of this year, we reaffirm our 2016 adjusted fully-diluted EPS target of \$1.00. We'll provide guidance for 2017 when we announce our fourth quarter and full-year results in late January.

Let me reiterate, Seacoast's balanced growth strategy is producing results for shareholders. As we close in on the final quarter of this year, Seacoast is entering 2017, we believe, from a position of strength. We see significant runway for continued organic growth, and that growth should create an even stronger run rate than that suggested by next quarter's results.

Continued organic growth, combined with value-creating acquisitions that strengthen our presence in the fast-growing Florida market, our home for more than 90 years, will allow us to create continued value for our shareholders.

With that, I'd like to turn the call over to Steve (Fowle) who will provide a little more detail on the highlights of the quarter and give us some helpful hints for how we're going to achieve the results we've talked about next quarter. We'll then look forward to taking a few questions. So Steve, I turn it over to you.

Steve Fowle: Thank you, Denny, and thank you, all, for joining us this morning. Following Denny's update on the progress of our transformational strategy, I'd like to focus on some of the highlights of our financial and operational performance. As noted in our press release, we reported third quarter earnings of \$9.1 million or \$0.24 per diluted share, compared to \$5.3 million or \$0.14 per diluted share in the second quarter of this year and \$4.4 million or \$0.13 per diluted share in the year-ago period. Third quarter adjusted earnings topped \$10.6 million and EPS reached \$0.28, up 22 percent from the second quarter and 56 percent above one year ago.

Our third quarter GAAP earnings include \$2.6 million of adjusting items, primarily costs related to the Floridian and BMO Harris acquisitions, including costs to take redundant branches out of service as discussed in our press release. This wraps up expense reductions from these deals, so Q4 will be the first quarter with full cost savings from these acquisitions. As a quick reminder, these acquisitions are providing immediate earnings accretion and have anticipated IRRs near 20 percent or better.

This quarter our team recorded record loan production overall, as well as record quarters in consumer, mortgage, and small business loan production. Our loan portfolio grew \$670 million or 32 percent compared to the prior year and \$153 million or 23 percent annualized above the second quarter of 2016. Excluding acquisitions, we grew our loan portfolio \$330 million or 16 percent year-over-year with \$27 million of this quarter's growth related to loan purchases. Our loan pipelines were also strong as we exited Q3, suggesting continued strength for the last quarter of the year.

Amid impressive loan performance, we continue to manage our loan portfolio within our prudent guiderails designed to maintain granularity and limit commercial real estate exposure. At quarter-end, our CRE exposure totaled around 200 percent of capital, well below regulatory-suggested levels and well below our Florida peers. Overall, our 10 largest lending relationships represent only 36 percent of capital and aggregate to only \$135 million in outstanding balances. That's less than \$14 million per relationship, on average.

Franchised growth and record loan production also helped us drive continued significant revenue improvement. Revenues excluding securities gains grew \$10.1 million or 27 percent above prior-year levels to \$47.2 million. This translates to a \$3.6 million or an 8 percent non-annualized increase above the second quarter. Our increased loan production again boosted net interest income, which came in 9 percent above second quarter levels, again not annualized.

Margin improved six basis points sequentially to 3.69 percent due to loan growth and from deployment of excess liquidity held at the time of the BMO Harris acquisition in the second quarter of this year. Margin in the quarter benefited from low-fee accretion from purchased loans and loan pre-payments. However, the level of loan fees was very similar to levels we saw in the second quarter of this year and to the year-ago period. While the impact from this item is very hard to predict from quarter to quarter, I'd expect a lower benefit ongoing, decreasing margin by up to about five basis points plus or minus. Putting loan fees aside, while we expect that a low-rate environment will continue to negatively impact loan pricing, improvement and balance sheet mix derived from our strong loan growth is expected to serve as a good offset and result in a slightly rising net interest margin over the next several quarters.

Moving to non-interest income, service fee income increased 21 percent above last year and rose 7 percent, again not annualized, link quarter. We continue to see steady improvements in transaction-based service fees such as interchange income, deposit income, and other fee income, reflecting growth in households and successful delivery of new products and services to our current customer base, as well as benefit from acquired customers. Our record mortgage production and strong mortgage banking fees also played its part this quarter. We expect non-interest income will continue to benefit from franchise growth. Additionally, fourth quarter historically benefits seasonally as the beginning of our winter season kicks in. As a result, we'd expect to see low to mid-single digit growth in Q4.

In the third quarter, we recorded \$550,000 in provision for loan losses compared to a \$662,000 provision in the second quarter and \$987,000 in the year-ago period. Our allowance for non-acquired loans stands at 1 percent, nearly steady from last quarter. Quarterly provisioning reflects continued strong loan growth offset by \$1.4 million in recoveries recorded in the quarter.

Expense levels in the third quarter reflect a first full quarter with operating expenses from both Floridian and BMO. As mentioned earlier, this quarter does not reflect the full benefit of cost savings from these acquisitions, as ten additional branch locations were taken out of service during Q3 and other expense savings were implemented.

Non-interest expense increased \$4.3 million from the third quarter of last year to \$33.4 million. Adjusted expenses increased \$4.7 million from prior-year levels. The year-over-year increase reflects ongoing cost related to two bank acquisitions made during last year and investments to support our franchise growth, with the most significant increases in salary and benefits costs, occupancy and equipment, data processing, and the other expenses category, as well as intangible amortization, all areas where you would expect acquisition activities to impact expenses. Expenses in this quarter also include additional incentives rewarding strong performance. As we indicated in our earnings release and worth repeating, while adjusted non-interest expenses grew 18 percent compared to prior-year levels, revenues, excluding securities gains, grew 27 percent providing 900 basis points of operating leverage.

Looking ahead, the fourth quarter will benefit from full-merger savings. In fact, it will be our first quarter reflecting full savings. For this reason, we would expect expenses to decrease slightly, especially in areas impacted by merger savings, such as occupancy and other expense line items. As a result, we anticipate our efficiency ratio to show continued downward momentum into the low 60s.

Finally, our tax rate benefited from the adoption of ASU 2016-09 governing treatment of equity compensation. This accounting lowered our tax provision by \$418,000 this quarter. This accounting pronouncement will add volatility and tax provisioning in future quarters dependent on share vesting, option exercise activity, and our stock price. We believe it's appropriate to use an effective tax rate of about 36 percent for the fourth quarter of this year. As Denny indicated earlier, in light of the fact and as I just discussed, we continue to target our \$1 per share goal for the year.

With that recap, I'll return the conversation back to Denny.

Dennis Hudson: Great. Thanks, Steve, and we'd be happy to take a few questions. Operator?

Operator: Thank you. We will now begin the question and answer session. [Operator instructions].
Our first question comes from Bob Ramsey from FBR.

Kyle Peterson: Hi, good morning, guys. This is actually Kyle Peterson in for Bob today. Just wanted to touch on the expenses. I know you guys said that next quarter will be the first quarter with the full run rates savings from the mergers, and I think you guys said somewhere in the low 60s for the efficiency ratio. Is that low 60 percent range where we should be thinking about efficiency then moving forward from here?

Steve Fowle: Yes, so you're right, low 60s for the end of this year. You may remember first quarter is always a tougher quarter from a seasonality and days-in-the-quarter dynamics standpoint, but that efficiency ratio is something that would be appropriate to start from and to work downward from there.

Kyle Peterson: Okay. Great. Then I guess just touching a little bit on margin, I know there's a couple moving pieces here, but I think you guys said on a net basis, you'd expect a little bit of a lift based on balance sheet mix. Is that a fair way to think, that it's flat to maybe a basis point or two moving up from here?

Steve Fowle: As I think about margin, the underlying dynamics of our margin should be improved balance sheet mix, you're right, and it will lift us as we move through the next several quarters. I do want to remind you that we did have a lot of loan accretion, both from purchased loans and from pre-payments in our legacy portfolio. So that should, as it normalizes, yield maybe up to five basis points of compression in a normal quarter, so while that's difficult to predict, it needs to be factored into the equation, as well.

Kyle Peterson: Okay. Thank you. I guess just last one for me, and then I'll jump out.

Dennis Hudson: Just to clarify, you said we had a large amount of it. It was really a fairly small amount this quarter, but I think the context was over the last several quarters. We see that coming down as we look forward, and so we're not counting on that additional accretion in some of the conversation we just had. So we're mindful of that, and just to reiterate, Steve suggested that we might see some margin compression on the order of five basis points plus or minus, but with what's happening in the balance sheet and our stellar growth in loans and households, we expect to overcome that with greater net interest income in the coming quarter and out over the next few quarters, just to be clear.

Kyle Peterson: Okay. Great. I guess just a last one from me, we noticed last month that you guys did file an 8-K where you guys restructured some of the change-in-control agreements that you guys had. I was wondering if you guys might be able to provide any more color as to how that came about or your thoughts on that at all.

Dennis Hudson: I would just say that we were looking at some of our older agreements and updating them from a governance standpoint to reflect best practice, and that was the driver for some of that. We also had some new team members that were joining the organization and we were, again, just relooking at our overall structure of those agreements.

Kyle Peterson: Okay. Great.

Dennis Hudson: That's all I would say about that. Thanks.

Kyle Peterson: Okay. Yes. Great. Thanks, guys.

Operator: Thank you. Our next question comes from Peter Ruiz from Sandler O'Neill. Your line is open.

Peter Ruiz: Hi, thanks, guys. Quick question, loan growth has been really strong in the last couple quarters; obviously you guys have made a lot of great investments. Just wanting to know, is a 20 percent growth rate sustainable into 2017, or could that probably trend lower towards maybe a mid-teens or low double-digit rate? Is that more reasonable to think about?

Chuck Cross: Yes, we still feel confident that we're going to grow. I think what Steve Fowle mentioned before was that we were at about 16 percent year-over-year, excluding acquisitions, and so maybe as guidance, we're going to stick to the low- to mid-teen growth rate on our loan portfolio.

Peter Ruiz: Okay, that's great. Also, obviously, credit quality is still looking clean and you guys continue to do a great job there. Does it seem like recoveries could maybe slow as we go into 2017, maybe see more normalized recoveries and maybe leading to a little bit of a higher provision, or do you think strong recoveries could flow through the majority of '17, as well?

David Houdeshell: Yes, this is David. I think our provision and our recovery pattern is at some point going to decline on a net recovery basis. We're getting distance from the horrific period back during the cycle, and our opportunities for such large recoveries, especially like we reported this quarter, is diminishing in opportunity. So we will continue to collect everything we had lost during that cycle, but our loan growth is beginning to outpace those opportunities and so we will revert to more normal provision expense in the quarters going forward.

Peter Ruiz: Okay. That's it for me now. Thanks.

Dennis Hudson: Thank you, Peter.

Operator: Thank you. [Operator instructions]. Our next question comes from Michael Young from SunTrust.

Michael Young: Hi, good morning, everyone.

Dennis Hudson: Good morning.

Michael Young: Denny, I had a couple big picture questions for you I wanted to hit and wanted to start first with Hurricane Matthew. First of all, hope everyone in your organization was safe and not impacted too much by that, but just any implications for the company as a result of that? Obviously, I heard Steve's comments on loan growth in the fourth quarter, so it doesn't really seem to be affecting loan growth but just outside of that maybe.

Chuck Shaffer: Hi, Michael. It's Chuck Shaffer. Yes, it came through and stayed off our coast for the most part and we dealt with it, but it really shouldn't impact Q4, and any set-backs we'd expect to make up by the end of the quarter.

Dennis Hudson: Yes, so very little impact. It was interesting exercise for us. We were able to transfer our 24/7 call center operation to our backup center during that storm and continued to provide all digital access throughout the storm. Interestingly, we saw a bit of a spike in some of the digital transactions that we would typically see during that period of time. It's kind of interesting how that is transforming the business model and how important it is for our customers to be able to maintain digital access throughout events like that. So we'll continue to redouble our efforts to make sure we can continue to operate no matter what is going on in terms of weather events, but very little impact on us, although probably lost a few days of production that we're making up, as Chuck said.

Michael Young: Okay. Perfect. Another big picture one, we've seen a lot of chatter obviously in the industry following Wells Fargo and the issues that they had. Just curious with your consumer-heavy model and the way you're remodeling the distribution channels, any expected impacts to either incentive structures or anything in that channel, and how you're doing business there?

Dennis Hudson: I think it's pretty well-known now that the Wells Fargo issue was really a function of culture and a breakdown in the culture in that organization. I'm pleased to say that our culture is, in many ways, captured in something we talk about internally with all of our associates as our Four Promises. Our Four Promises encourage our associates, essentially, to always do the right thing when addressing customer needs.

Promise number one for our customers—it literally is promise number one—is we promise to get you comfortable with the right products and the right team to serve you. So based on the news out of Wells Fargo last month, we actually have re-examined our internal processes and look pretty carefully at it, so we believe, based on what we've seen, that we haven't seen any issues that would cause us to have any concern. We've confirmed, actually, that everything we're seeing is suggesting that we're acting in our customers' best interests as we serve them going forward.

Michael Young: Okay. Great. Just one last one and I'll step back. Denny, I wanted to get an update on your capital priorities. At this point, I know dividend hasn't been a focus, but also, we've seen a lot of M&A chatter and announcements in Florida, so with the two acquisitions behind you, how are you thinking about M&A, and then dividend as well?

Dennis Hudson: Well, as we always say, M&A is not what we lead with. What we lead with is organic growth and growing our franchise and helping our customers with their financial needs. And we're really proud of the organic growth we've created. Having said that, we remain open to M&A opportunities that will help us engage deeper with the state of Florida and help us build out an organization here that is able to return great value to shareholders over time. So when we see those things line up and match up with our strategy and the like, we take advantage of that. So we're opportunistic acquirers.

Having said that, I think we see a lot of smaller organizations across the country that are struggling to maybe address some of the things we've been addressing over the last three years in terms of model transformation. So we see that as an exciting opportunity as we look forward. I hope that answers your question.

Michael Young: Yes, and just on the dividend, too, your thoughts there?

Dennis Hudson: Yes, clearly, we've been leveraging our capital position mightily, particularly over the last year and over time as we have grown the balance sheet and produced the record level of growth that we had this quarter and that we anticipate going forward, so that becomes a huge priority for us. As our earnings have improved, we're accreting additional capital that we're going to pour back into our growth plans and programs. Well I guess we'd say: stay tuned in terms of other things that we look at in terms of capital transactions. Suffice it to say, we have explored all of the levers from buybacks to dividends and we'll continue to look at that as we go forward, but we remain focused on creating very safe growth for shareholders and much better returns as we go forward to take advantage of what we see are some of the best opportunities for growth we've ever seen in the state.

Michael Young: Okay. Thanks, everyone, and congrats on the good quarter.

Dennis Hudson: All right. Thanks, Michael.

Chuck Shaffer: Thanks, Mike.

Operator: Thank you. [Operator instructions]. If we have no further questions, I will turn the call back to Mr. Hudson for closing remarks.

Dennis Hudson: Great. Well, thank you very much for attending today. We look forward to talking with all of you in late January as we conclude the year and again to lay out our plans for '17 and beyond. Thanks.

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



Seacoast

BANKING CORPORATION
OF FLORIDA

Investor Presentation

Q3 - 2016

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Cautionary Notice Regarding Forward-Looking Statements

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

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

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

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2015 under “Special Cautionary Notice Regarding Forward-Looking Statements” and “Risk Factors”, and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC’s Internet website at <http://www.sec.gov>

Agenda

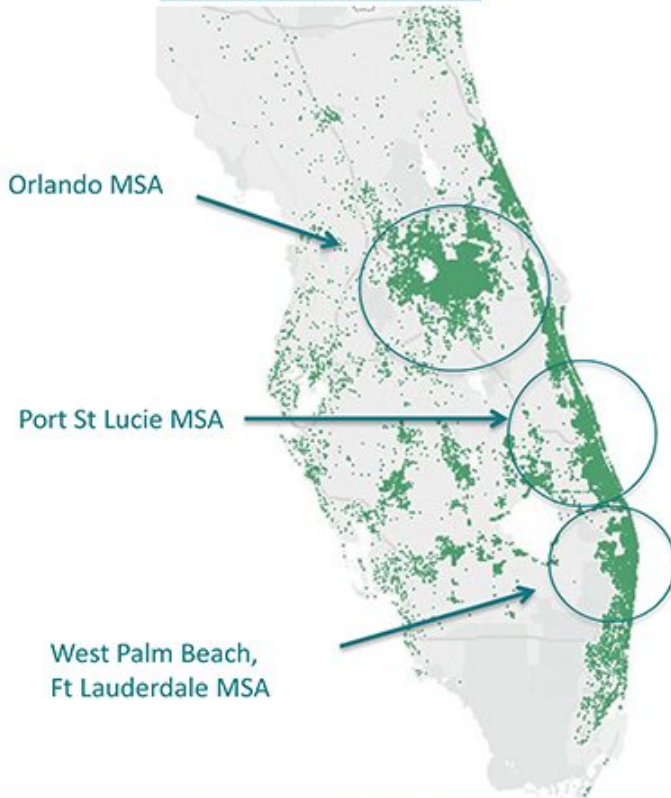
- About Seacoast Bank

- Seacoast's Investment Thesis –
*Successfully Executing a Differentiated Strategy for
Balanced Growth*
- 2016 Outlook
- Company Performance
- Appendix

Seacoast Bank [NASDAQ: SBCF]

3rd Generation Florida Bank, Benefitting from Attractive Geography; Investments in Digital Transformation and Commercial Loan Platform, Strategic Acquisitions

Seacoast Customer Map



- \$4.5B assets bank operating in the nation's third most-populous state
- Strong and growing presence in two of Florida's most attractive MSAs
 - Top 10 bank in Orlando
 - Growing share in West Palm Beach
 - #1 share in Port St Lucie MSA, 8th largest market in Florida
- Investing in digital transformation, innovative business banking delivery
- Growth-oriented culture, engaged associate base, strong customer advocacy
- Engaged and independent board
- Market Cap: \$654 million (10/21/16), 27% increase year-to-date

Investment Thesis

Successfully Executing a Differentiated Strategy to Deliver Balanced Growth

- ✓ Reaping benefits of strategic investments in organic growth and digital transformation
- ✓ Track record of completing value-creating acquisitions in growing markets
- ✓ Robust risk management and controls help ensure consistent, sustainable results
- ✓ Action-oriented management team, engaged and experienced board that is committed to building shareholder value
- ✓ Well-positioned to benefit from strong Florida economy

Targeting 2016 adjusted diluted EPS of \$1.00, up 33% from our 2015 results

Third Quarter 2016 Results Demonstrate the Effectiveness of Seacoast's Balanced Growth Strategy

Financial Metrics

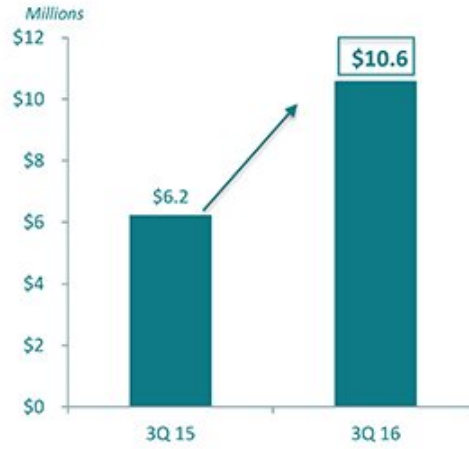
Revenue

27% YoY
Improvement



Net Income – Adjusted¹

70% YoY
Improvement



EPS – Adjusted¹

56% YoY
Improvement



Key metrics continue to improve even as we prudently manage CRE exposures and invest in our transformation

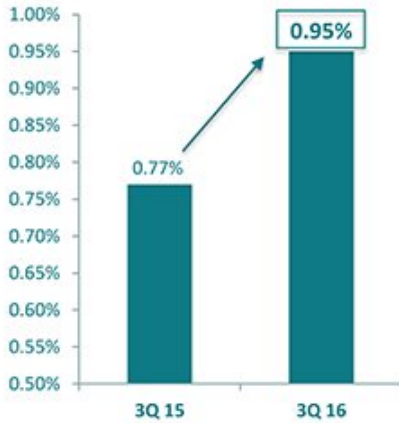
1. See appendix for definition of non-GAAP metrics

Third Quarter 2016 Results Demonstrate the Effectiveness of Seacoast's Balanced Growth Strategy

Performance Metrics

ROA – Adjusted¹

18 BPS
Improvement



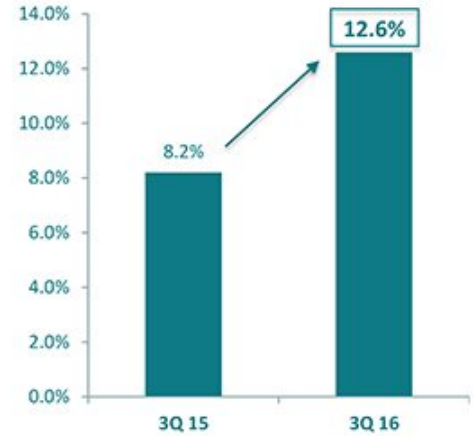
Efficiency Ratio – Adjusted¹

510 BPS
Improvement



ROTCE – Adjusted¹

440 BPS
Improvement



Key metrics continue to improve even as we prudently manage CRE exposures and invest in our transformation

1. See appendix for definition of non-GAAP metrics

Agenda

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- Seacoast's Investment Thesis –
*Successfully Executing a Differentiated Strategy for
Balanced Growth*

- 2016 Outlook
- Company Performance
- Appendix

Investment Thesis

Successfully Executing a Differentiated Strategy for Balanced Growth

- ✓ Reaping benefits of strategic investments in organic growth and digital transformation
 - Leader in organic customer acquisition, deepening customer relationships and shifting routine transactions out of the branch by capitalizing on digital technology
 - Innovative Accelerate business banking platform driving balanced loan growth
- ✓ Track record of completing value-creating acquisitions
- ✓ Robust risk management and controls help ensure consistent, sustainable results
- ✓ Action-oriented management team, engaged and experienced board that is committed to building shareholder value
- ✓ Well-positioned to benefit from strong Florida economy

Seacoast Is Growing Its Customer Base Both Organically And Via Strategic Acquisitions

*Balanced Growth Strategy Delivering Results.
Since January 2014...*

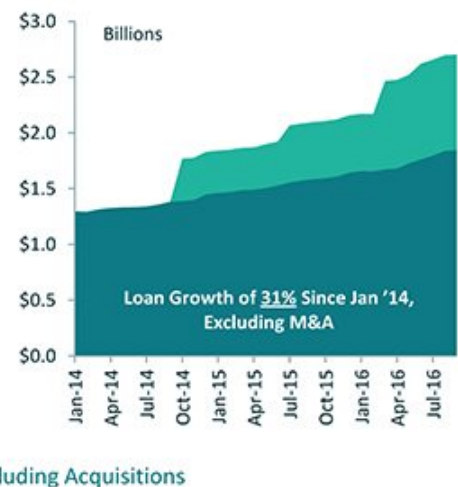
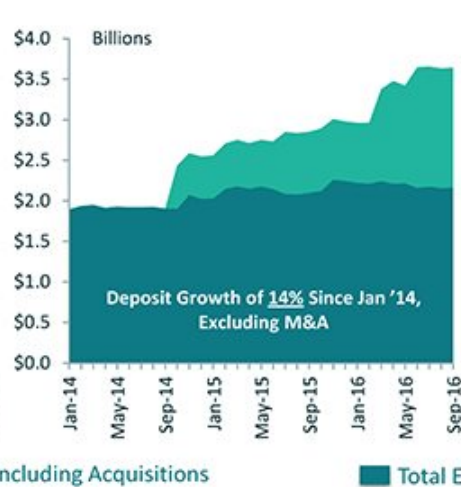
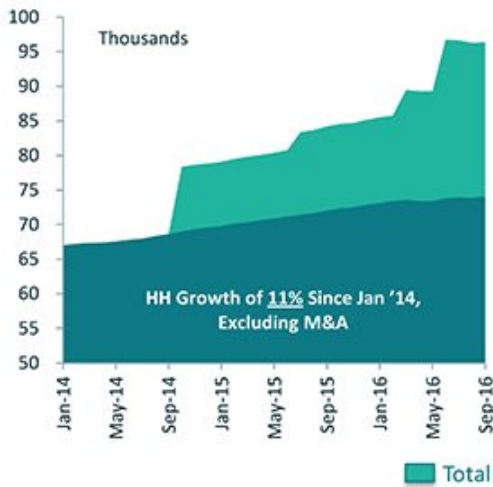
**Household Growth Up 44%,
11% Excluding M&A**

**Deposit Growth Up 92%,
14% Excluding M&A**

**Loan Growth Up 108%,
31% Excluding M&A¹**

Industry Growth Rate = 15%*

Industry Growth Rate = 22%*



■ Total Including Acquisitions

■ Total Excluding Acquisitions

Source: Board of Governors of the Federal Reserve H.8: Commercial Banks in the United States

1: \$27mm of Q3 2016 loan growth related to purchased loans

Seacoast's Focus On Business Banking Is Driving Significant Growth in Loans Outstanding



ACCELERATE COMMERCIAL

- ❑ Focused on businesses with revenues \$5mm+ in specific industry verticals
- ❑ Five offices in key metro areas of Florida (three in South Florida, two in Orlando)
- ❑ Comprehensive relationship approach: business, treasury, lending, wealth



SMALL BUSINESS

- ❑ Focused on businesses with revenues less than \$5mm in specific industry verticals
- ❑ Utilizes the retail network, with Calling Officers assigned to specific regions

174% Growth Since YE 2013



Seacoast Has a Proven Ability to Deepen Relationships With Existing Customers

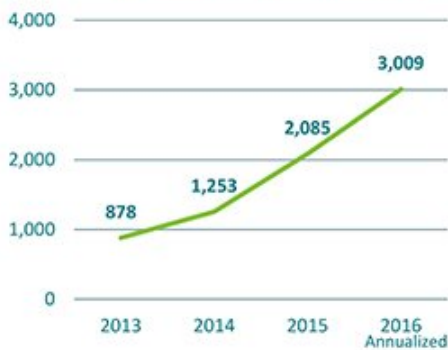
Growth in unit sales to existing Consumer and Small Business customers is strong.

Growth in Loans Up 243% Since YE '13

Growth in Deposit Accounts Up 121% Since YE '13

Growth in Debit Cards Up 95% Since YE '13

Unit Sales to Current Customers



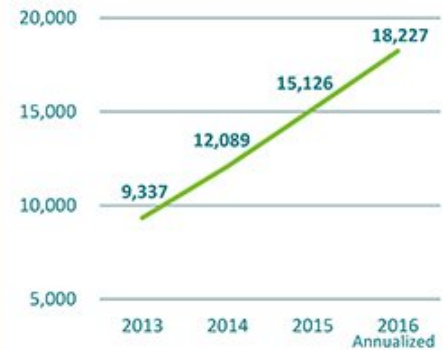
\$6.5mm in incremental net interest income¹

Unit Sales to Current Customers



\$3.3mm+ in incremental revenue¹

Unit Sales to Current Customers

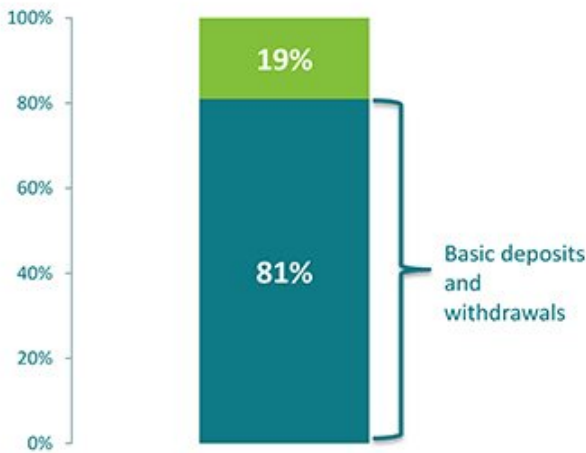


\$1.3mm+ in incremental revenue¹

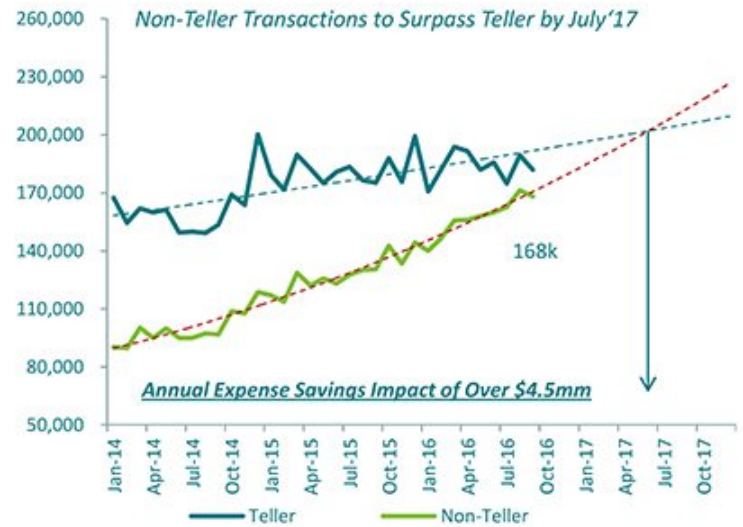
1. Cumulative incremental net interest income or revenue improvement since 2013 attributable to cross selling improvement. Deposits funds transfer priced at approximately 2%.

Non-Branch Servicing Is A Key Component of Our Transformation Strategy

81% of All Teller Transactions Are Simple Deposits and/or Withdrawals...



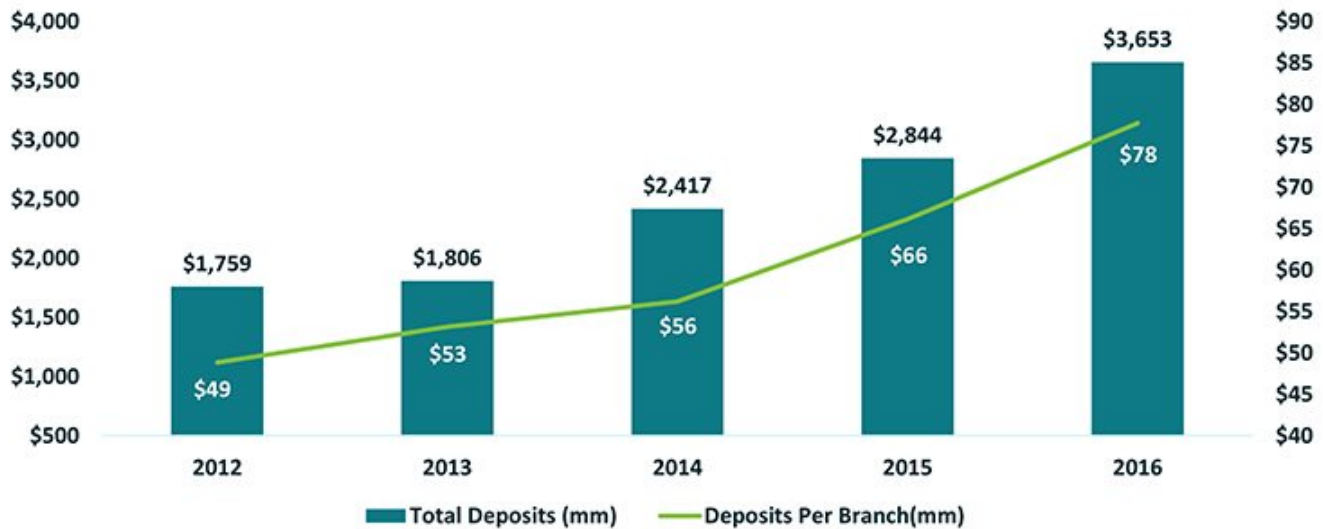
...And Seacoast Is Aggressively Moving Routine Transactions to ATMs and Digital Channels.



Seacoast has already shifted routine transactions to lower cost channels, current total non-branch transactions already surpass the volume of 12 branches combined

As a Result, Seacoast Is Growing While Rationalizing Branches

By YE 2016, Deposits Will Have Increased 108% While Branches Will Have Increased Only 19% since YE 2012



Seacoast continues to create shareholder value via operating leverage in its branch network.

Investment Thesis

Successfully Executing a Differentiated Strategy for Balanced Growth

✓ Reaping benefits of strategic investments in organic growth and transformation

✓ **Track record of completing value-creating acquisitions**

- Opportunistic deals that expand our footprint and strengthen our franchise
- Proven integration capabilities
- Proven ability to retain and monetize newly acquired customer sets
- Ready supply of attractive targets

✓ Robust risk management and controls help ensure consistent, sustainable results

✓ Action-oriented management team, engaged and experienced board that is committed to building shareholder value

✓ Well-positioned to benefit from strong Florida economy

With BankFirst and Grand Bank Acquisitions, Seacoast Demonstrated the Ability To Grow Acquired Banks By Attracting Households And Deepening Relationships



BankFIRST Acquired October 2014

- IRR exceeded internal target of 19%
- HH growth in acquired branches = +13%
- Customer growth highlights
 - *Avg Services* = +28%
 - *Consumer Installment Loans* = +76%
 - *Consumer Lines of Credit* = +23%
 - *Debit Cards* = +15%
 - *Mobile Banking* = +297%

Grand Bank Acquired July 2015

- IRR exceeded internal target of 24%
- HH growth in acquired branches = 8%
- Customer growth highlights
 - *Avg Services* = +11%
 - *Debit Cards* = +14%
 - *Mobile Banking* = +63%
 - *Online Banking* = +28%

With Recent Acquisitions, Seacoast Is Now A Top 10 Bank In The Attractive Orlando Market



Floridian Financial Group Acquired March 2016

- Strengthened presence in Daytona and Orlando, along attractive I-4 Corridor
- Compelling financial metrics announced and on track:
 - Approximately 20% IRR
 - Tangible book value dilution earn back of 4.2 years
 - EPS accretion of \$0.02 in 2016, \$0.07-\$0.09 in 2017
- Acquisition closed and converted in March 2016

BMO Harris Orlando Acquired June 2016

- Further strengthened franchise in Orlando, including business banking
- Compelling financial metrics announced and on track:
 - IRR in excess of 20%
 - More than 6% accretive to 2016 EPS
- Acquisition closed and converted in June 2016

Cost savings completed in Q3, with impact of full realized savings expected in Q4

Investment Thesis

Successfully Executing a Differentiated Strategy for Balanced Growth

- ✓ Reaping benefits of strategic investments in organic growth and transformation
- ✓ Track record of completing value-creating acquisitions
- ✓ **Robust risk management and controls help ensure consistent, sustainable results**
 - Intentional focus on C&I rather than solely on CRE – granular, balanced portfolio
- ✓ Action-oriented management team, engaged and experienced board that is committed to building shareholder value
- ✓ Well-positioned to benefit from strong Florida economy

Seacoast Conservative Risk Profile Well Positioned for Sustainable Value Creation...

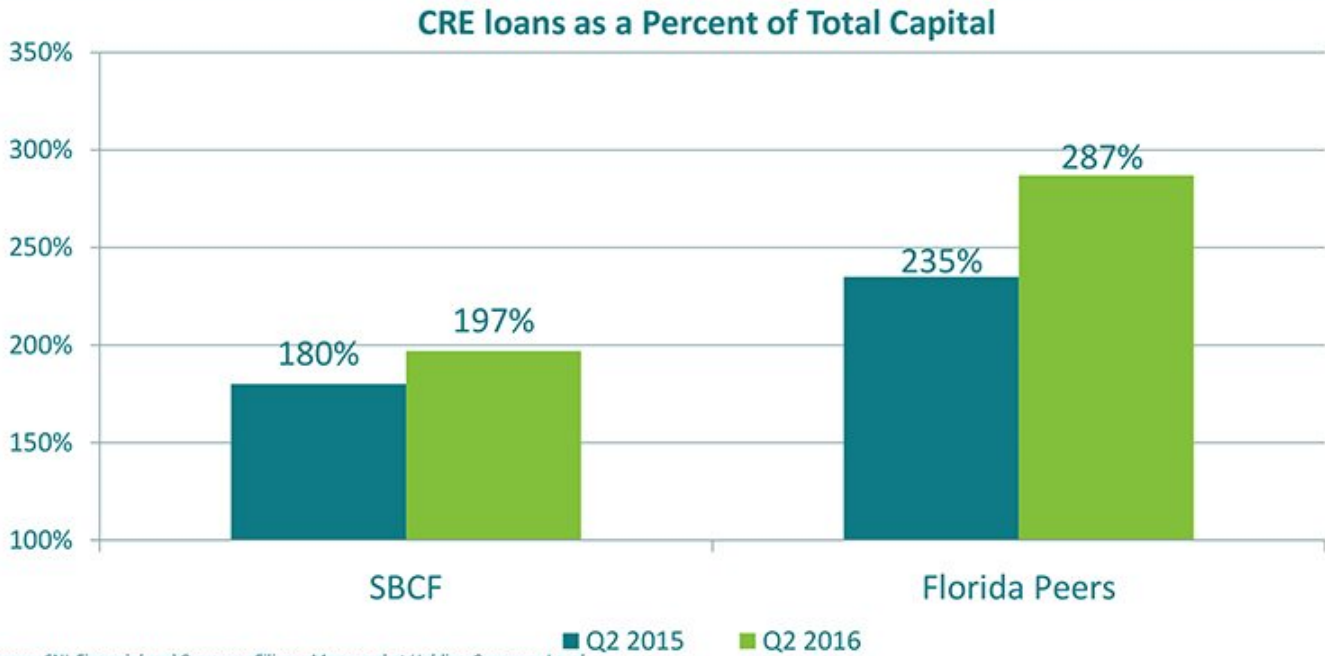
Loan Growth FY '11 – Q3 '16	Percentage Change	Change in Dollars
Total Loan Portfolio	↑ 131%	From \$1.21B To \$2.79B
Average Loan Size - Commercial	↓ 40%	From \$567K To \$342K

Top 10 loan relationships represent 36% of total risk based capital, down by 39%
since FY '11 (as of Q3 '16)

Strong yet balanced loan growth with prudent CRE exposure, better diversification and
granularity

...and Our Approach to CRE is Very Different Than Florida Peers

CRE loans as a percent of total capital remain relatively flat and intentionally below Florida peers. (197% vs 287% peer median)



Source: SNL Financial and Company Filings, Measured at Holding Company Level

Note: Commercial Real Estate defined as Construction & Development Loans plus Multifamily Loans plus Non-Owner Occupied Commercial Real Estate Loans

Peers include BankUnited, Florida Community, Capital City, Centerstate, C1, and Stonegate

Balanced Growth Strategy Produced ROTCE of 12.6% in Q3 2016, Despite Having Lower Exposure to CRE than Peers

ROTCE



Note: Commercial Real Estate defined as construction & development loans plus non-owner occupied commercial real estate loans. All peer ratios shown are 2Q16
 Source: SNL Financial and Company Filings, Measured at Holding Company Level

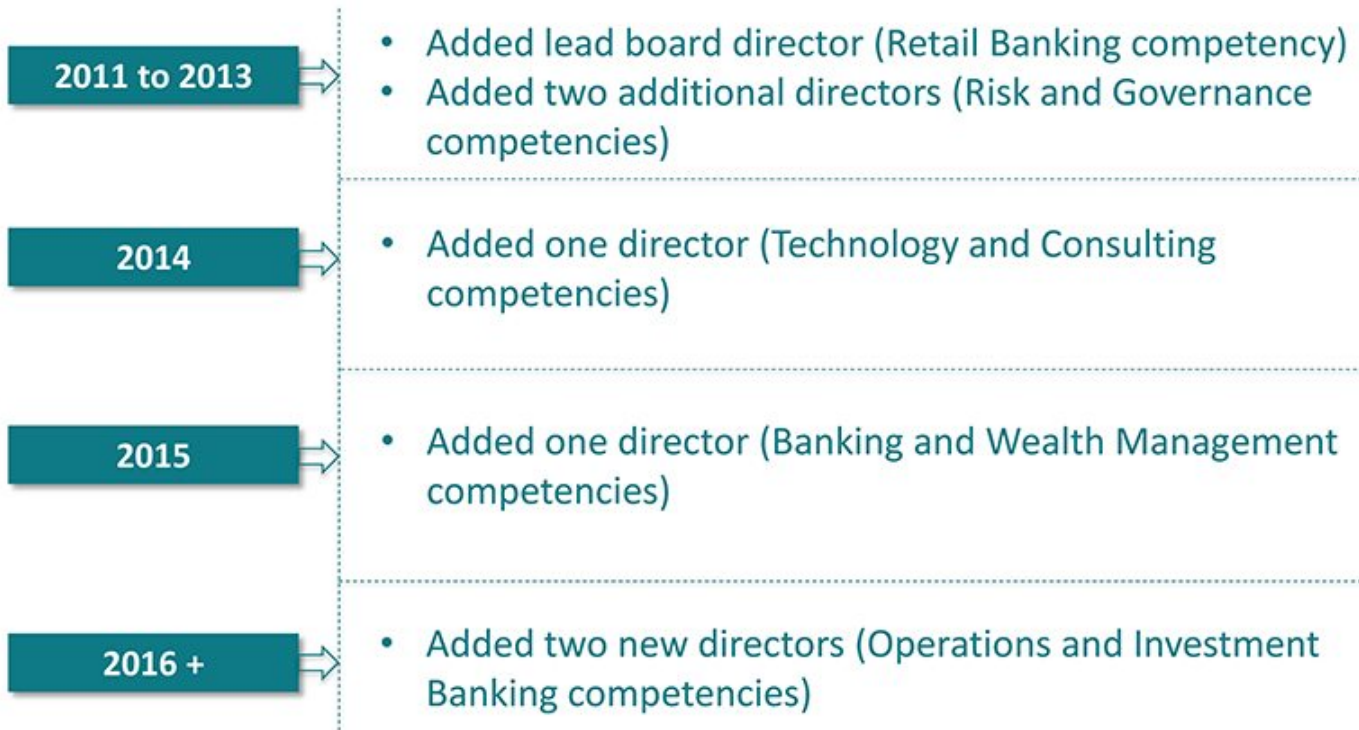
ROTCE reported as non-gaap per SNL adjustments

Investment Thesis

Successfully Executing a Differentiated Strategy for Balanced Growth

- ✓ Reaping benefits of strategic investments in organic growth and transformation
- ✓ Track record of completing value-creating acquisitions
- ✓ Robust risk management and controls help ensure consistent, sustainable results
- ✓ **Action-oriented management team, engaged and experienced board that is committed to building shareholder value**
- ✓ Well-positioned to benefit from strong Florida economy

Seacoast's Board Is Comprised of Experts With Distinct Competencies In Strategic Areas



Talent, both on the board and executive team, is a critical component of our strategy

Investment Thesis

Successfully Executing a Differentiated Model in Community Banking

- ✓ Reaping benefits of strategic investments in organic growth and transformation
- ✓ Track record of completing value-creating acquisitions
- ✓ Robust risk management and controls help ensure consistent, sustainable results
- ✓ Action-oriented management team, engaged and experienced board that is committed to building shareholder value

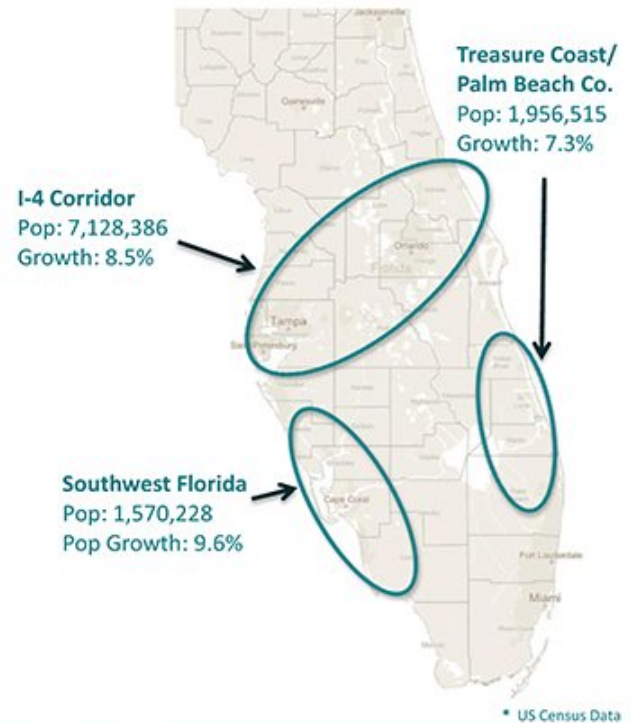
✓ Well-positioned to benefit from strong Florida economy

Florida, The Nation's Third Largest State, Continues To Grow Rapidly

Population growth is a fundamental driver of the state economy

- Surpassed New York to become the third largest state in 2014
- One of only three states with a population over 20 million (Texas, California)
- Florida added more residents than California in 2015 – over 300k per year
- Among the top 10 fastest growing states
- Diversified economy - growth in education, health services, leisure & hospitality, trade, transportation, utilities, construction and manufacturing.
- See appendix slide 38 for population migration details

Florida Population Growth, 2015 – 2020*



Source: <http://www.heraldtribune.com/article/20160114/ARTICLE/160119779?p=1&tc=pg>

Agenda

- About Seacoast Bank
- Seacoast's Investment Thesis –
*Successfully Executing a Differentiated Strategy for
Balanced Growth*

• 2016 Outlook

- Company Performance
- Appendix

Outlook for 2016: *Maintain Pace of Change*

- Continue organic growth investments in digital transformation and customer marketing initiatives
- Complete prudent, accretive acquisitions that strengthen our franchise and leverage our capabilities
- Adhere to strong standards of credit quality and maintain our strong balance sheet
- Build on strengths as an authentic Florida brand, offering community bank service and “big bank” convenience

Targeting 2016 adjusted diluted EPS of \$1.00, up 33% from our 2015 results

Agenda

- About Seacoast Bank
- Seacoast's Investment Thesis –
*Successfully Executing a Differentiated Strategy for
Balanced Growth*
- 2016 Outlook
- Company Performance
- Appendix

Q3 2016 Financial and Growth Highlights

Financial Highlights

- Net interest income increased \$8.4 million or 29% year over year and \$3.0 million or 9% above second quarter levels.
- Net interest margin increased six basis points (0.06%) linked quarter to 3.69%.
- Adjusted fully diluted earnings per share¹ rose to \$0.28, an increase of 56% year-over-year and 22% from the second quarter 2016.
- Adjusted return on assets¹ was 0.95%, an 11 basis point improvement over second quarter 2016.
- Adjusted return on tangible common equity¹ gained 195 basis points, reaching 12.56% during the third quarter.

Growth Highlights

- Revenues, excluding security gains, increased \$10.1 million, or 27% year over year to \$47.2 million and increased \$3.6 million, or 8% (not annualized), from the prior quarter.
- Consumer, small business, and mortgage loan production all hit record levels in the third quarter.
- Loans grew \$670 million or 32% from one year ago. Adjusting for acquisitions, loan growth was \$330 million or 16%. Compared to the prior quarter, loans increased at a 23% annualized growth rate, adding \$153 million sequentially.
- Debit card spend reached a record high, up 20% from 2015 levels, as organic households grew 3.5% above third quarter 2015 levels.

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

Earnings History

- Earnings per share increased 71% to \$0.24 from \$0.14 in the prior quarter.
- Adjusted earnings per share rose to \$0.28, an increase of 56% year-over-year and 22% from the second quarter 2016.

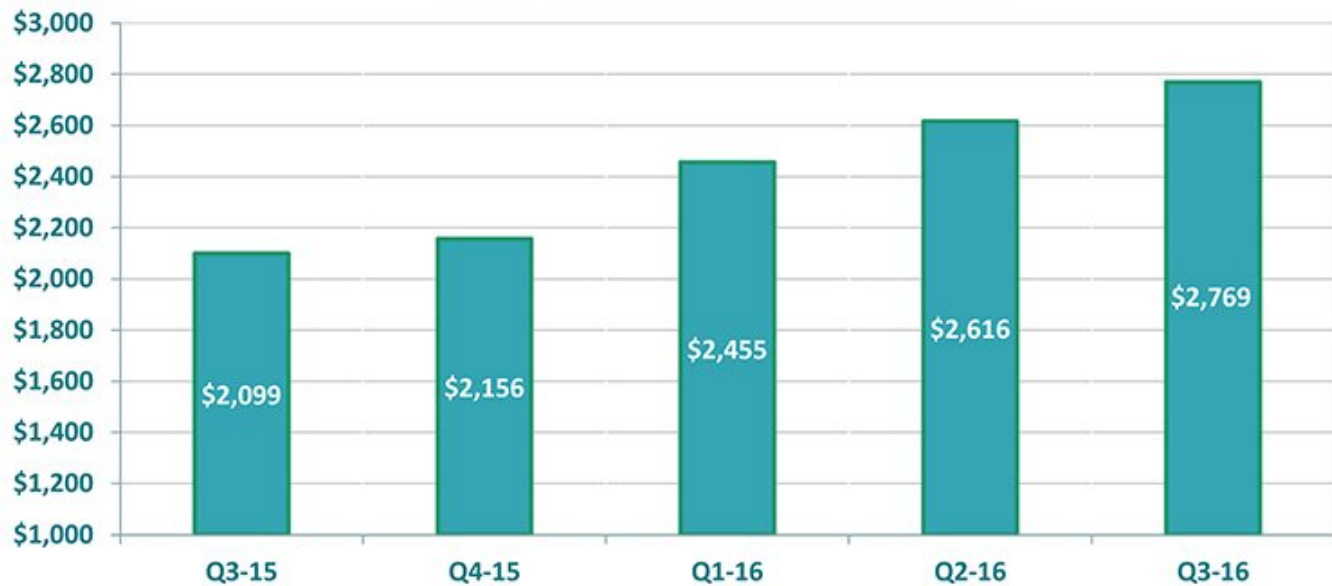
<i>(Dollars in thousands)</i>	Third Quarter 2016	Second Quarter 2016	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015
GAAP Net Income	\$9,133	\$5,332	\$3,966	\$6,036	\$4,441
GAAP Earnings per diluted share	\$0.24	\$0.14	\$0.11	\$0.18	\$0.13
Adjusted Net Income ⁽¹⁾	\$10,588	\$8,773	\$6,758	\$6,569	\$6,232
Adjusted Pretax, pre-provision income ⁽¹⁾	\$16,370	\$14,607	\$11,082	\$10,990	\$10,990
Adjusted Earnings per diluted share ⁽¹⁾	\$0.28	\$0.23	\$0.19	\$0.19	\$0.18
Average shares outstanding (000)	38,170	38,142	35,453	34,395	34,194

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

Loan Growth Momentum Continues

Loans grew \$670 million or 32% from year-ago levels. Adjusting for acquisitions, loans grew \$330 million or 16%. Compared to the prior quarter, loans increased at a 23% annualized growth rate, adding \$153 million sequentially.

Total Loans Outstanding (in millions)

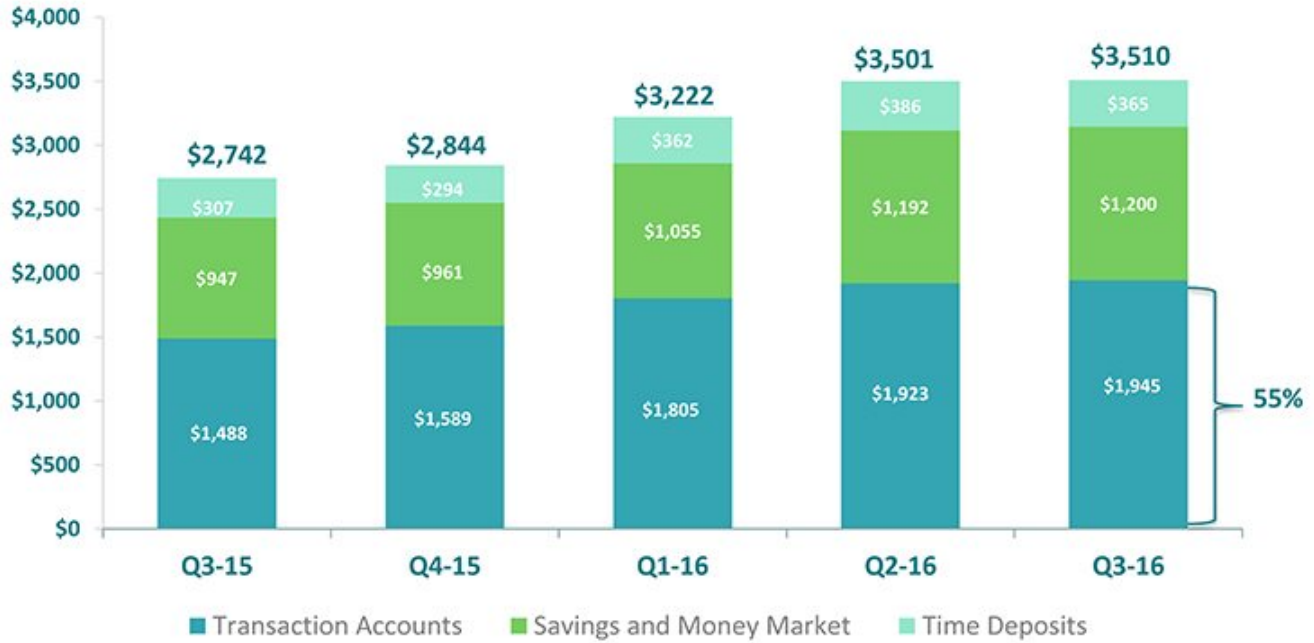


\$27mm of Q3 2016 loan growth related to purchased loans

Deposit Balances Extend Growth Trends

Total deposits increased 28% to \$3.50 billion from one year ago. Transaction accounts represent 55% of total deposits.

Deposit Balances (in millions)



Net Interest Income and Margin

- Net interest margin for the quarter increased six basis points year over year to 3.69%, versus 3.63% in Q2 2016.
- Net interest income for the quarter totaled \$37.7 million, up \$3.0 million or a 9% increase from the prior quarter.

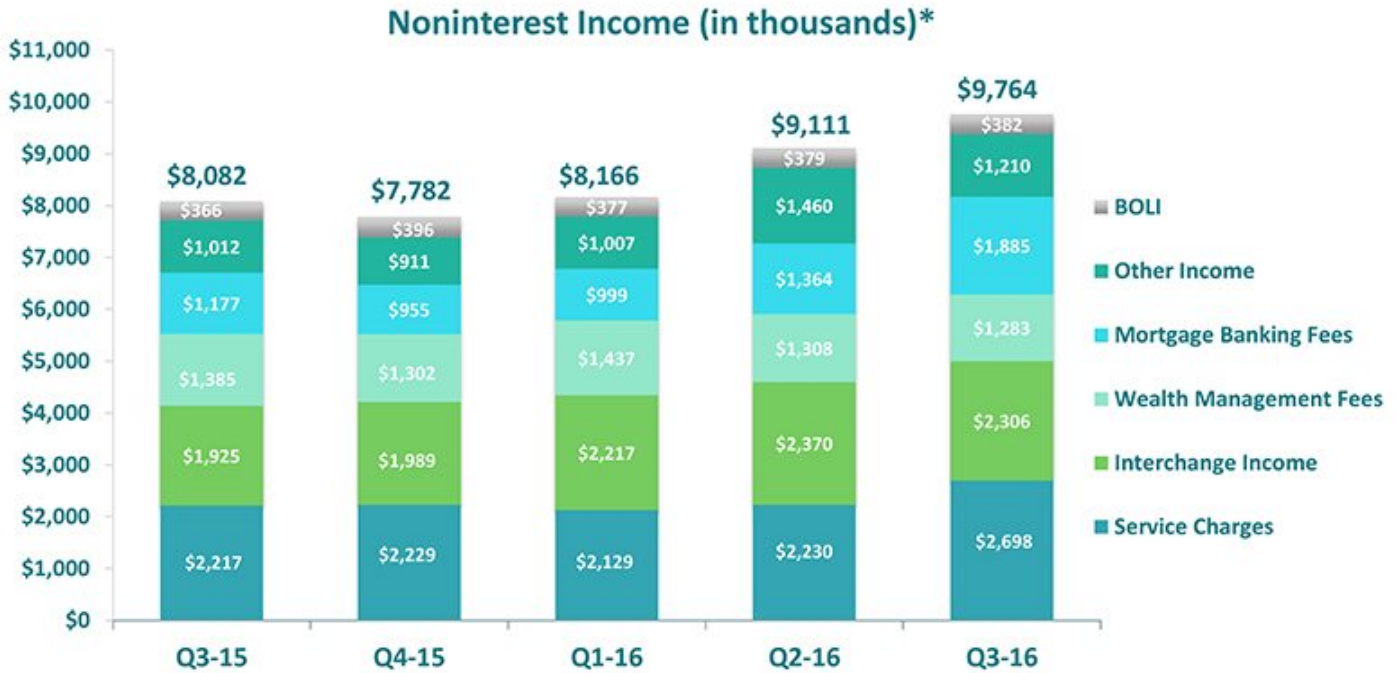
Net Interest Income and Net Interest Margin*
(\$ in thousands)



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

Noninterest Income

- Noninterest income* totaled \$9.8 million for the third quarter, an increase of approximately \$1.7 million or 21% from the third quarter 2015.
- Strong increases in mortgage banking revenue, deposit service charges, and interchange income, up from the prior year 60%, 22%, and 20% respectively, reflect intentional customer analytics-driven product and service delivery combined with strong organic and acquisition-related household growth.



*Noninterest income before: Q4-15, \$416,000 gain on bargain purchase excluded, and Q1-16 \$464,000 in BOLI unanticipated income excluded.

Noninterest Expense

- Noninterest expenses⁽¹⁾ increased \$1.8 million from Q2 2016 from higher salary and benefits costs, occupancy and equipment, and data processing expense, largely from Q1 and Q2 2016 acquisition activity.

Noninterest Expense⁽¹⁾ (in thousands)



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

Contact Details: Seacoast Banking Corporation of Florida [NASDAQ: SBCF]

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Investor Relations

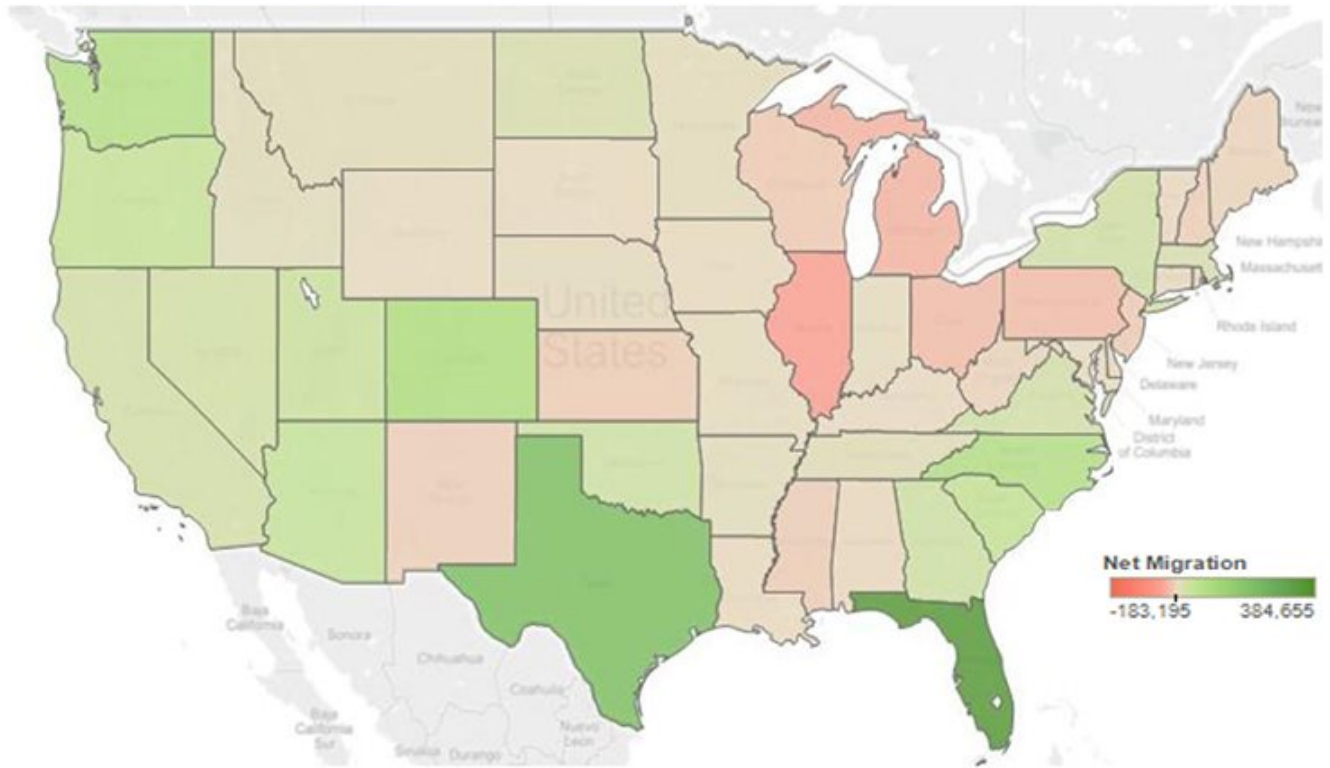
www.SeacoastBanking.com

Agenda

- About Seacoast Bank
- Seacoast's Investment Thesis –
*Successfully Executing a Differentiated Strategy for
Balanced Growth*
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- Company Performance
- Appendix

Florida Remains Healthy and Attractive

2015 Net Population Migration by State



Source: Federal Reserve Bank of St Louis

We View Digital Transformation as an Imperative and the Return to Shareholders is Substantial

According to McKinsey and Accenture...

Opportunities

"Our analysis suggests that winners may realize a **profit upside of 40 percent or more**"

"Banks that can match the agility and innovation potential of other industries can reap pre-tax **ROE levels of 18% to 25%.**"

"I can imagine us about five, ten years from now talking about efficiency ratios in the low 40s, high 30s. **The value at stake is quite substantial.**"

"The banking sector in 2020 is a **land of opportunity**, provided that banks trim their sails to better adjust to emerging headwinds"

Threats

"Banks have three to five years at most to become digitally proficient. If they fail to take action, they risk entering a **spiral of decline** similar to laggards in other industries."

"Our analysis suggests that **digital laggards could see up to 35 percent of net profit eroded...**"

"**We expect no letup in the pace of change.** Within the next five years, digital sales have the potential to account for 40 percent or more of new inflow revenue."

"We estimate that **15% to 25%** of today's North American financial institutions **could be gone by 2020.**"

Digital Technology Has Levelled The Playing Field

Digital Capabilities and Software Enable Smaller Banks To Compete In Ways Previously Unimagined. Seacoast Is Reaping Tangible Results.

Digital Defined

- Customer Servicing Capabilities to Lower Servicing Costs
 - E.G. Mobile banking, mobile check deposit, online banking, online applications/forms
 - Table stakes as “convenience” has been fundamentally redefined
 - *Implication* - Customers choosing lower cost channels for service – good for customer *and* bank

- Marketing and Analytics Software to Drive Sales Growth
 - Marketing software to automate campaigns, drives sales through call center, website, branch
 - Analytics software to diagnose customer segments and drive greater share of wallet
 - Lead generation software to help prospect for new customers
 - *Implication* – Banks can now drive additional sales

- Operating Reality
 - Data sprawl not an issue with smaller banks – data set readily available through core provider
 - Software costs have plummeted in recent years...now *very* accessible for smaller banks
 - *Implication* – Small banks can now compete in ways previously unimagined...and drive results today.

Our Approach To Deepening Customer Relationships Is Unique Among Community Banks...

- Our technology enables us to recognize customer needs and communicate consistently across 8 distinct channels.
- We use 400+ data elements to recognize opportunities to deepen existing relationships
- Software enables us to automate nearly 40 ongoing campaigns
 - We invest \$28k/year for our cross sell software and \$15k/year for analytics software
- Example – Customer A is eligible for a small business loan. Seacoast can deploy a “business loan offer” campaign to Customer A across 8 different touchpoints



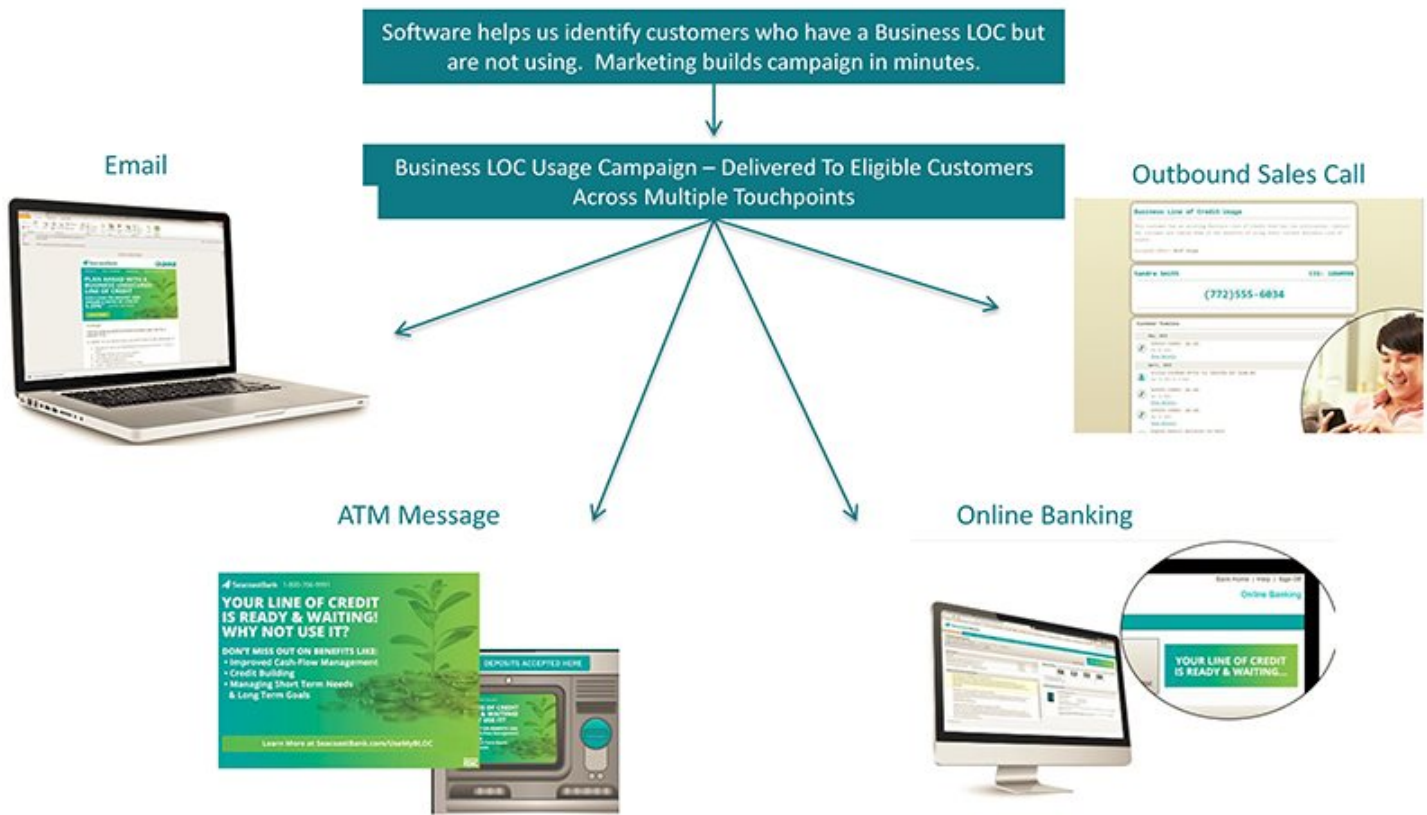
Our approach leverages both human and digital channels to drive sales



*Targeted offers in our mobile channel launch in late 2016

...And Seacoast Uses Its Data To Help Our Associates Deepen Customer Relationships

Example of targeted, multi-channel cross sell campaign



Explanation of Certain Unaudited Non-GAAP Financial Measures

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

Net Income - GAAP to Non-GAAP Reconciliation

(Q3 15 – Q3 16)

To better evaluate its earnings, the Company removes certain items to arrive at adjusted net income, adjusted pretax, pre-provision income and adjusted diluted earnings per share (non-GAAP measures) as detailed in the table below⁽²⁾:

	Third Quarter 2016	Second Quarter 2016	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015
(Dollars in thousands except per share data)					
Net income (loss)	\$9,133	\$5,332	\$3,966	\$6,036	\$4,441
Boli Income	0	0	(464)	0	0
Security (gains)	(225)	(47)	(89)	(1)	(160)
Bargain purchase gain	0	0	0	(416)	0
Total Adjustments to Revenue	(225)	(47)	(553)	(417)	(160)
Severance	287	464	306	187	670
Merger related charges	1,628	2,448	4,038	1,043	2,120
Branch closure charges and costs related to expense initiatives	678	1,121	691	0	0
Other	0	0	0	0	121
Miscellaneous losses	0	0	0	48	112
Early redemption cost for FHLB advances	0	1,777	0	0	0
Total Adjustments to Noninterest Expense	2,593	5,810	5,035	1,278	3,023
Effective tax rate on adjustments	(913)	(2,322)	(1,690)	(328)	(1,072)
Adjusted Net Income (1)	10,588	8,773	6,758	6,569	6,232
Provision for loan losses	550	662	199	369	987
Income taxes	5,232	5,172	4,125	4,052	3,771
Adjusted pretax, pre-provision income (1)	16,370	14,607	11,082	10,990	10,990
Adjusted earnings per diluted share (1)	0.28	0.23	0.19	0.19	0.18
Average shares outstanding (000)	38,170	38,142	35,453	34,395	34,194
Revenue	47,437	43,651	38,941	37,299	37,253
Total Adjustments to Revenue	(225)	(47)	(553)	(417)	(160)
Adjusted Revenue	47,212	43,604	38,388	36,882	37,093
Noninterest Expense	33,435	34,808	32,341	27,169	29,127
Total Adjustments to Noninterest Expense	2,593	5,810	5,035	1,278	3,023
Adjusted Noninterest Expense	30,842	28,998	27,306	25,891	26,104

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

(2) Presentation has been revised in accordance with SEC's Division of Corporation Finance Compliance and Disclosure Interpretations, Non-GAAP Financial Measures issued May 17, 2016

Noninterest Expense - GAAP to Non-GAAP Reconciliation (Q3 15 – Q3 16)

Presented below is net income excluding adjustments for merger related charges, branch closure charges, and other non core expenses. The Company believes that these results of operations are a more meaningful depiction of the underlying fundamentals of its business and overall performance. (2)

<i>(Dollars in thousands)</i>	Third Quarter 2016	Second Quarter 2016	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015
Noninterest Expense:					
Salaries and wages	\$ 13,431	\$ 12,769	\$ 12,137	\$ 10,948	\$ 10,806
Employee benefits	2,397	2,476	2,389	2,178	2,430
Outsourced data processing costs	3,223	2,698	2,488	2,457	2,279
Telephone / data lines	539	539	529	412	446
Occupancy expense	2,806	2,523	2,251	2,314	2,275
Furniture and equipment expense	1,073	1,122	966	952	883
Marketing expense	768	836	997	1,128	1,063
Legal and professional fees	1,696	1,574	1,583	1,568	1,651
FDIC assessments	517	643	544	551	552
Asset management disposition	219	160	90	84	77
OREO & REPO Loss/(Gain)	(96)	(201)	(51)	(157)	262
Amortization of intangibles	727	594	446	397	397
Other	3,542	3,265	2,937	3,059	2,984
Total Core Operating Expense	30,842	28,998	27,306	25,891	26,104
Severance and organizational changes	287	464	306	187	98
Legal and professional fees for acquisition and expense initiatives	1,628	2,448	4,038	1,043	2,692
Branch closure	678	1,121	691	0	121
Miscellaneous losses	0	0	0	48	112
Early redemption cost for FHLB advances	0	1,777	0	0	0
Total	\$ 33,435	\$ 34,808	\$ 32,341	\$ 27,169	\$ 29,127

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

(2) Presentation has been revised in accordance with SEC's Division of Corporation Finance Compliance and Disclosure Interpretations, Non-GAAP Financial Measures" issued May 17, 2016