



# Seacoast

BANKING CORPORATION  
OF FLORIDA

**First Quarter 2016**

April 29, 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 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>

# Q1 2016 Financial and Growth Highlights

## Financial Highlights

- **Adjusted revenues increased \$5.9 million or 18% year-over-year to \$38.9 million.**
- **Net interest margin increased year-over-year and sequentially to 3.68%**
- **Net interest income improved \$4.5 million or 18% year-over-year, as organic loan growth was supplemented by successful acquisitions.**
- **Adjusted net income<sup>(1)</sup> increased 10% to \$6.8 million, compared to \$6.2 million in the first quarter 2015.**

## Growth Highlights

- **Integration of Floridian Financial Group, Inc. was successfully completed in Q1, adding 3,400 households and locations in Orlando and Daytona.**
- **BankFIRST and Grand acquired franchises continue to show strong annualized growth of 7%, surpassing strong Seacoast legacy franchise growth of 4%.**
- **Demand deposits grew 14% (not annualized) during Q1, 7% excluding acquired deposits. Demand deposits represent more than 56% of total deposits and non-interest bearing checking accounts are nearly 33% of total deposits.**

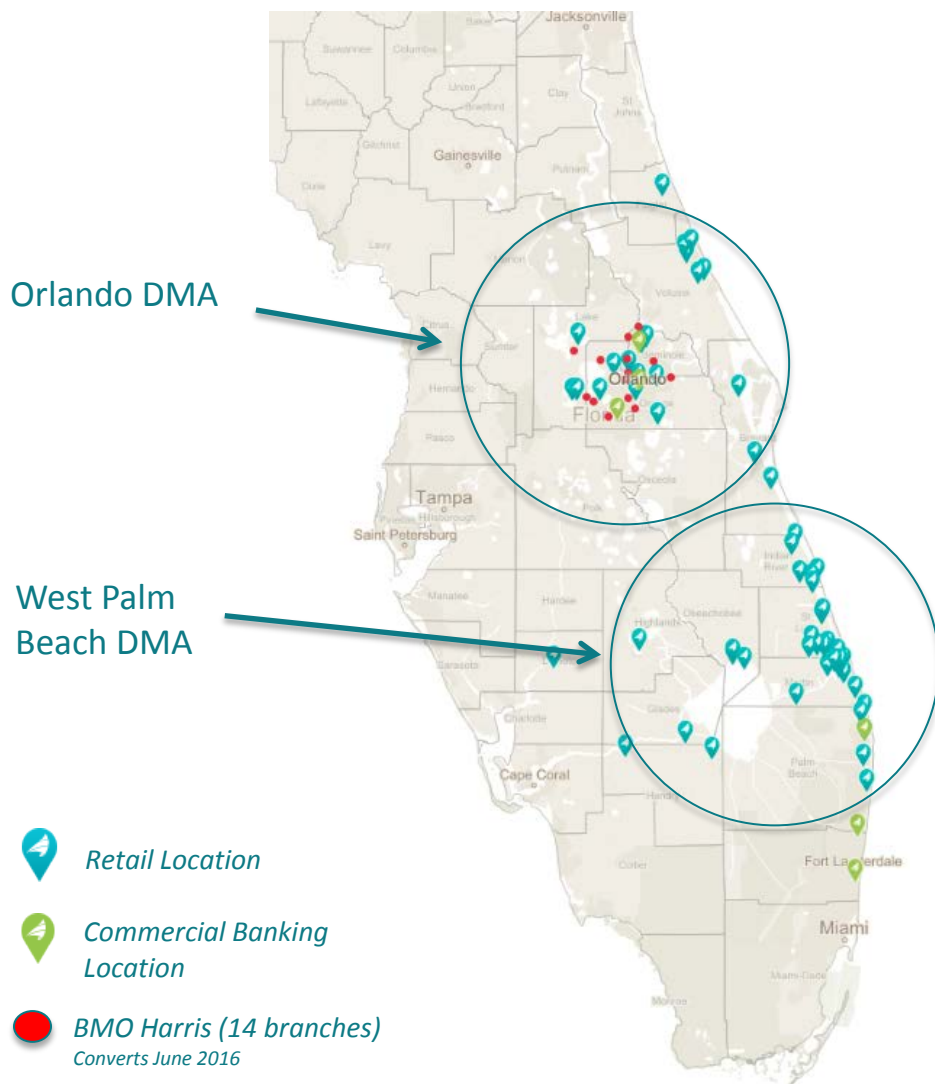
<sup>(1)</sup> Non-GAAP measure, excludes merger related charges, branch closure expenses, and other adjustments (See Appendix for reconciliation to GAAP)

# Agenda

- About Seacoast
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# Seacoast Bank [NASDAQ: SBCF]

*Attractive Geography; Deep Local Roots; Benefiting from Investments in Digital Transformation and Commercial Loan Platform, and Strategic Acquisitions*



- \$4.0B assets bank operating in the nation's third most-populous state
- Strong and growing presence in two of Florida's most attractive MSAs
  - Top-ranked community bank in Orlando
- Investing in digital transformation, innovative commercial banking delivery
- Growth-oriented culture, engaged associate base, strong customer advocacy
- Engaged and independent board
- Voted a "2015 Best Places To Work" in Orlando
- Market Cap: \$532 million (4/1/16)



# Investment Thesis

## *Successfully Executing a Differentiated Strategy for Balanced Growth*

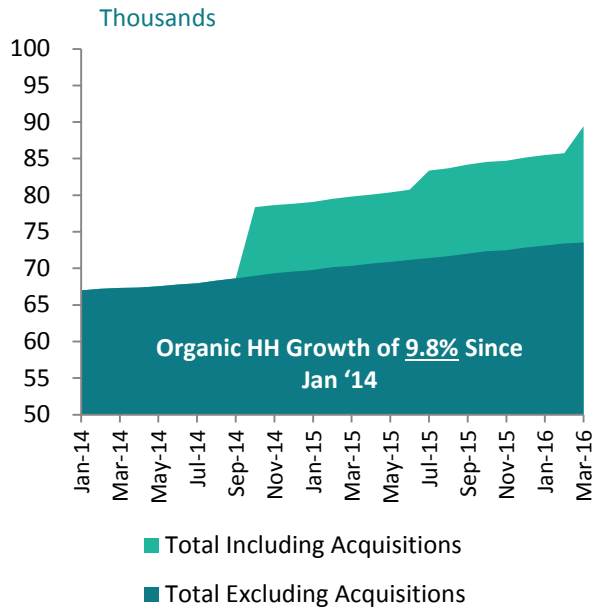
- ✓ Reaping benefits of strategic investments in organic growth and digital transformation
- ✓ Track record of completing value-creating acquisitions in growing markets
- ✓ Robust risk management and controls yielding consistent, sustainable results
- ✓ Action-oriented management team, engaged and experienced 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

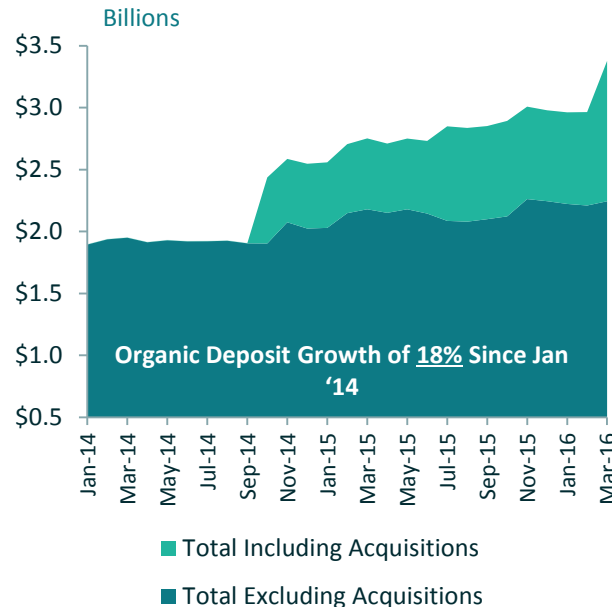
# Seacoast Is Growing Its Customer Base Both Organically And Via Strategic Acquisitions

Since January 2014...

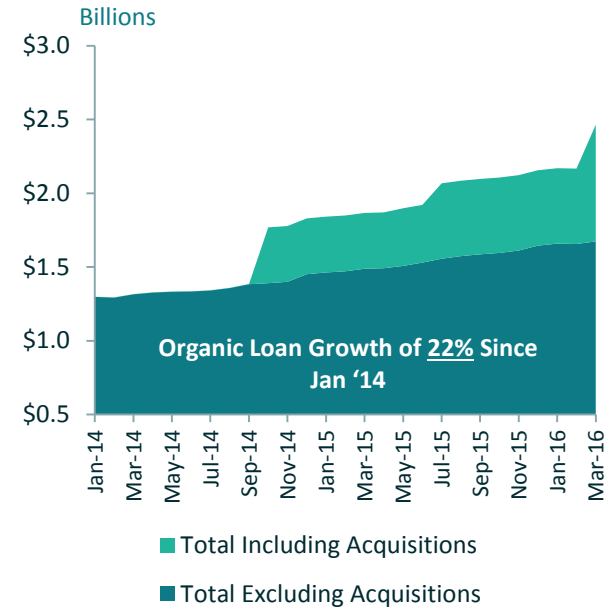
**Household Growth Up 34%,  
9.8% Organically**



**Deposit Growth Up 78%,  
18% Organically**



**Loan Growth Up 89%,  
22% Organically**



# Seacoast Is Monetizing Its Customer Base Via Effective Cross Selling...

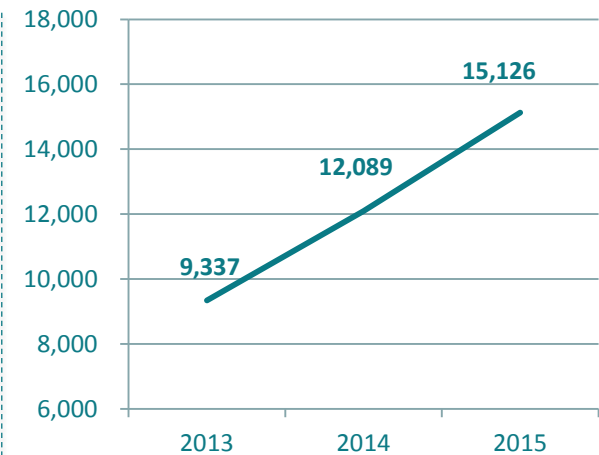
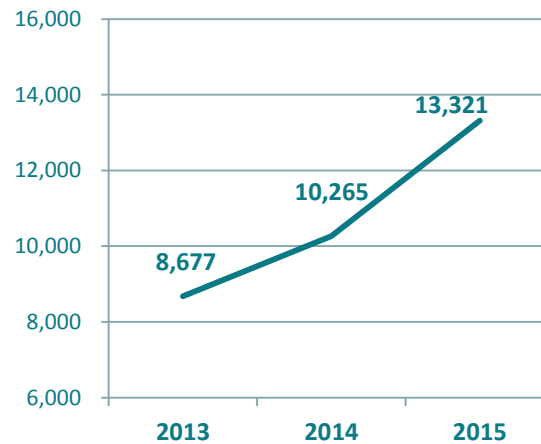
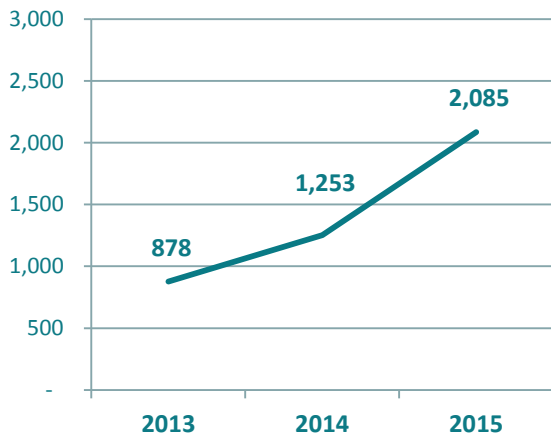
Cross Selling Is A Seacoast Competency Which Drives Incremental Growth

*Number of unit sales to existing consumer and small business customers*

**Cross Sell of Loans Up 137%  
Since YE '13**

**Cross Sell of Deposit Accounts Up  
54% Since YE '13**

**Cross Sell of Debit Cards Up  
62% Since YE '13**



\$2.2mm in incremental  
net interest income<sup>1</sup>

\$900k+ in incremental  
revenue<sup>1</sup>

\$470k+ in incremental  
revenue<sup>1</sup>

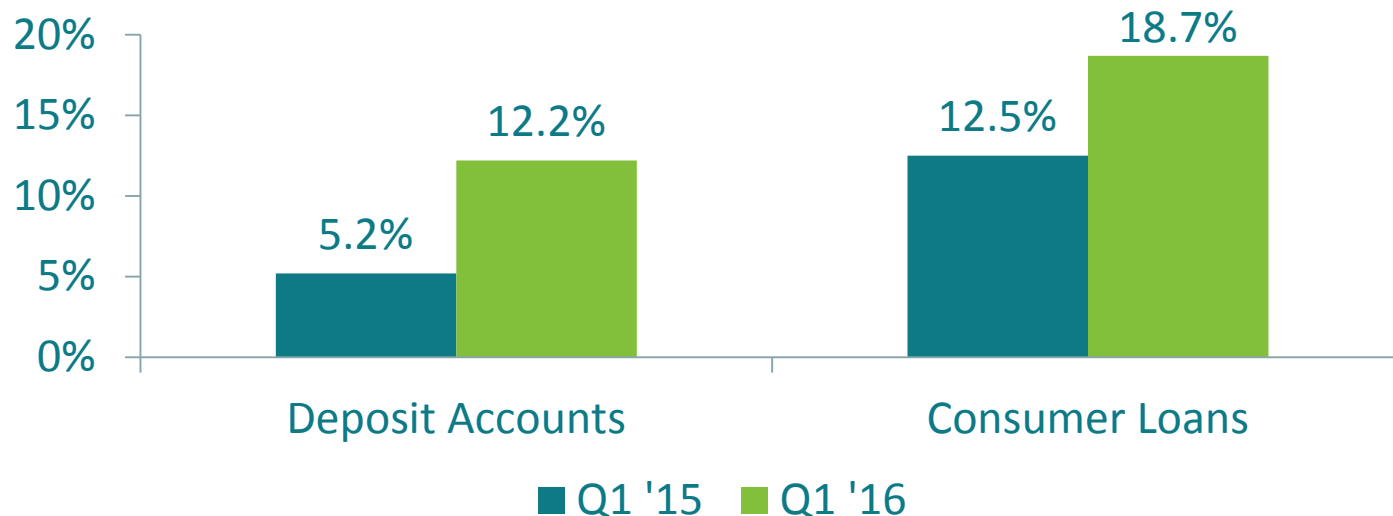
1. Incremental net interest income or revenue based on 2015 growth attributable to cross selling, deposits funds transfer priced at approximately 2%.



# ...And Seacoast Customers Increasingly Choose Non-Branch\* Channels To Conduct Business

Non-branch sales make Seacoast less dependent on branches to drive sales, which is especially important as customers adopt lower cost servicing channels.

*% of Unit Sales To Current Customers Completed Outside of Branch Network*



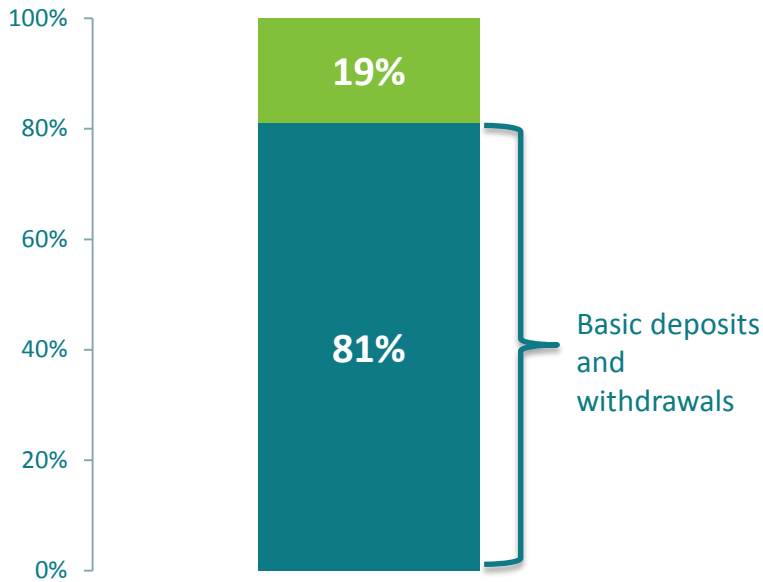
Investments in digital and call center paying off for shareholders

\*Non-branch channels include Seacoast's 24x7 call center based in Florida, website, online banking, and mobile banking

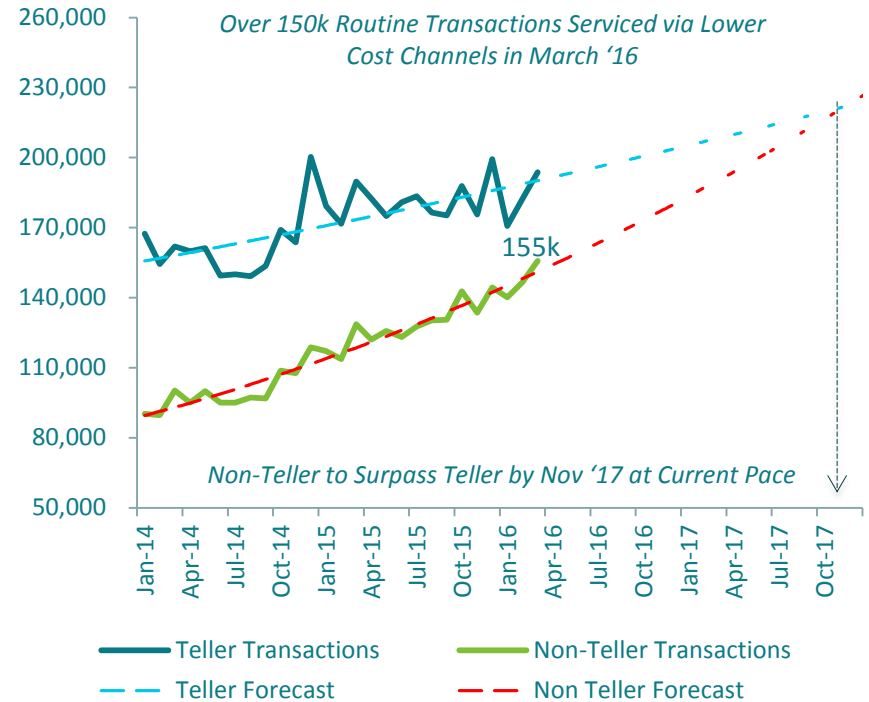
# Non-Branch Servicing Is A Key Component of Our Transformation Strategy

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

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





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



**Customer Satisfaction Remains High, Cross Selling Continues To Grow Even As Routine Transactions Shift To Lower Cost Channels**

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

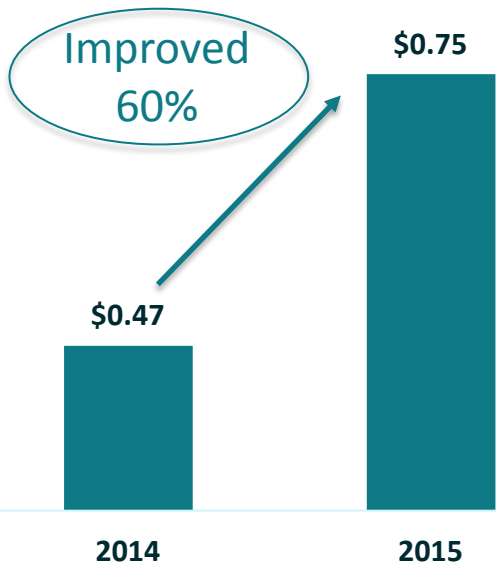
Loan Growth FY '11 –'15	Percentage Change	Change in Dollars
Total Loan Portfolio	 79%	From <b>\$1.21B</b> To <b>\$2.17B</b>
Average Loan Size - Commercial	 43%	From <b>\$567K</b> To <b>\$324K</b>

Top 10 loan relationships represent 31% of total risk based capital, down by 40% since FY'11 (as of December 15)

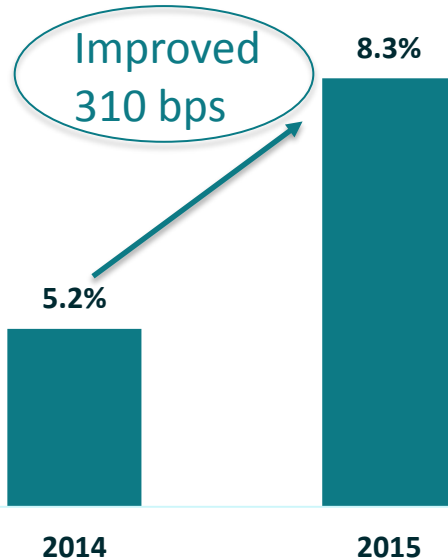
Strong yet balanced loan growth with prudent CRE exposure, better diversification and granularity

# 2015 Results Demonstrate the Effectiveness of Seacoast's Balanced Growth Strategy

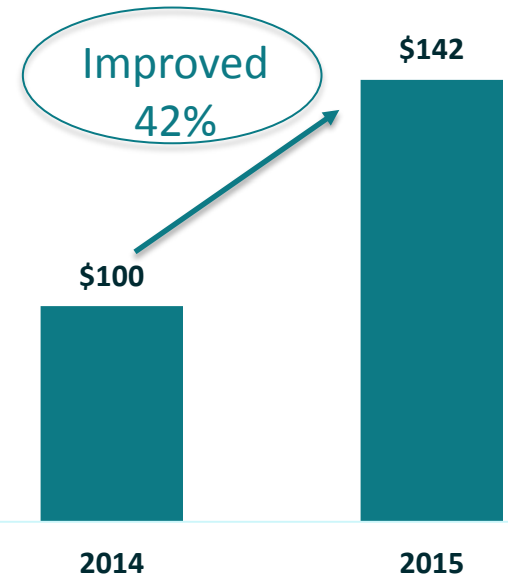
## Fully Diluted EPS – Adjusted<sup>1</sup>



## ROTCe – Adjusted<sup>1</sup>



## Revenue (mm)



Organic growth, coupled with strategic M&A, continue to drive financial performance

1. See appendix for definition of non-GAAP metrics

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# Earnings History

- Net Income of \$3.2 million, compared to \$5.9 million in Q1 2015
- Adjusted net income<sup>(1)</sup> of \$6.8 million was up \$605 thousand or 10% from the prior year and \$262 thousand from prior quarter.

<i>(Dollars in thousands)</i>	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015	Second Quarter 2015	First Quarter 2015
<b>GAAP Net Income</b>	\$3,186	\$6,036	\$4,441	\$5,805	\$5,859
<b>GAAP Earnings per diluted share</b>	\$0.09	\$0.18	\$0.13	\$0.18	\$0.18
<b>Adjusted Net Income<sup>(1)</sup></b>	\$6,782	\$6,520	\$6,433	\$6,172	\$6,177
<b>Adjusted Pretax, pre-provision income<sup>(1)</sup></b>	\$11,120	\$10,913	\$11,328	\$10,815	\$10,342
<b>Adjusted Earnings per diluted share<sup>(1)</sup></b>	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
<b>Average shares outstanding (000)</b>	35,453	34,395	34,194	33,234	33,136

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

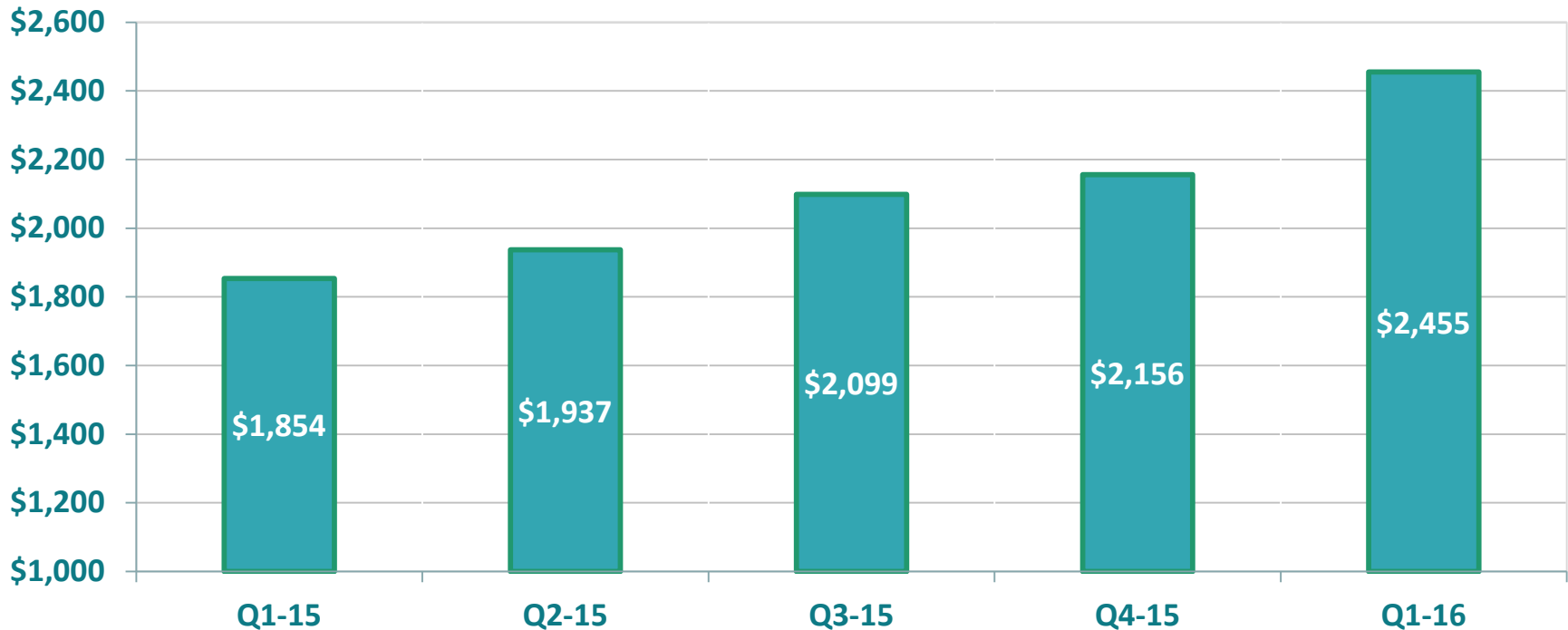
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# Loan Growth Momentum Continues

Total loans were \$2.46 billion at March 31, 2016, up \$601 million or 32% from the prior year. Excluding acquired loans, loans increased \$208 million or 11% from a year ago.

### Total Loans Outstanding (in millions)

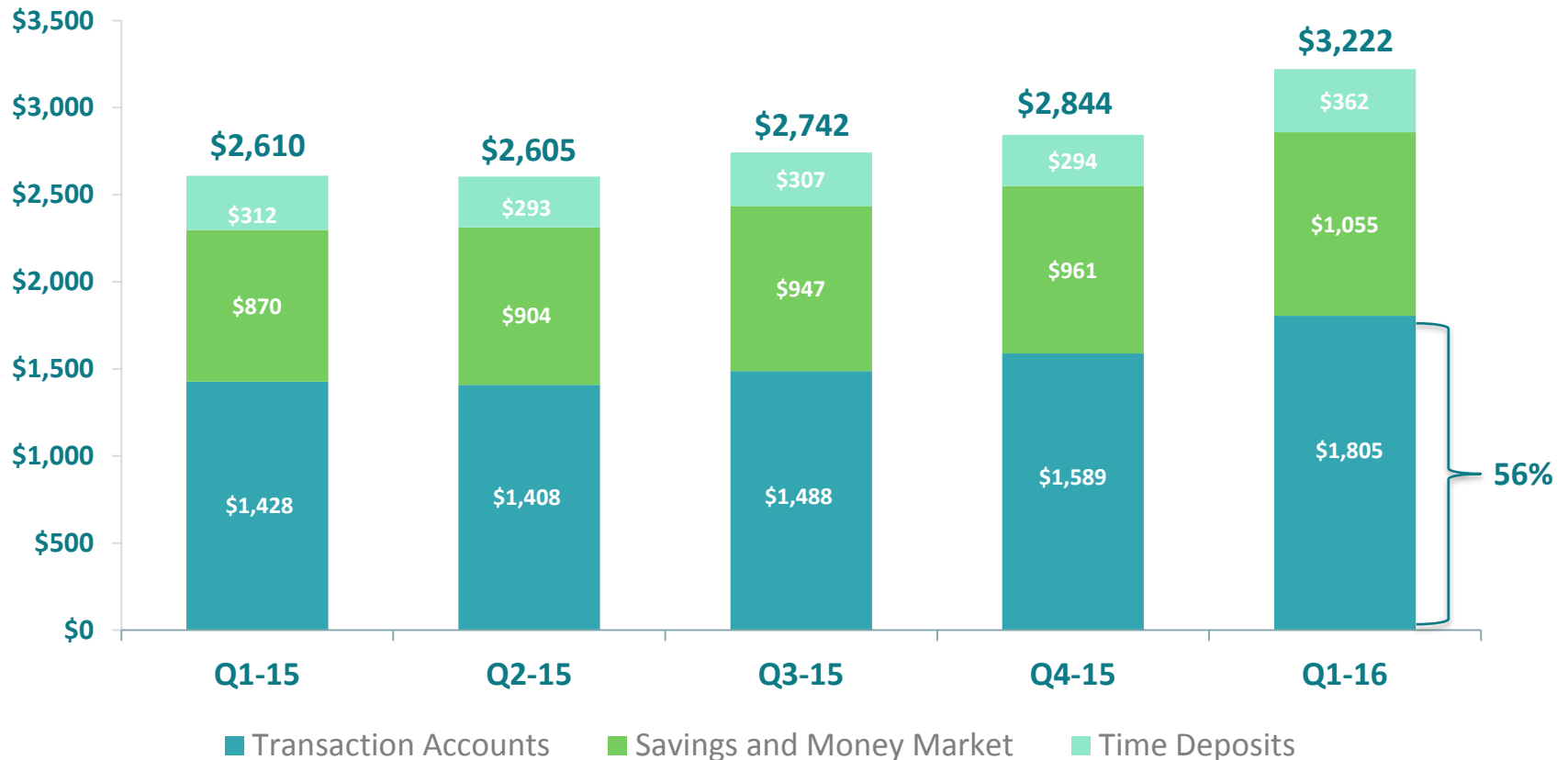




# Deposit Balances Extend Growth Trends

Total deposits increased 23% to \$3.22 billion from one year ago. Transaction accounts represent 56% of total deposits.

### Deposit Balances (in millions)



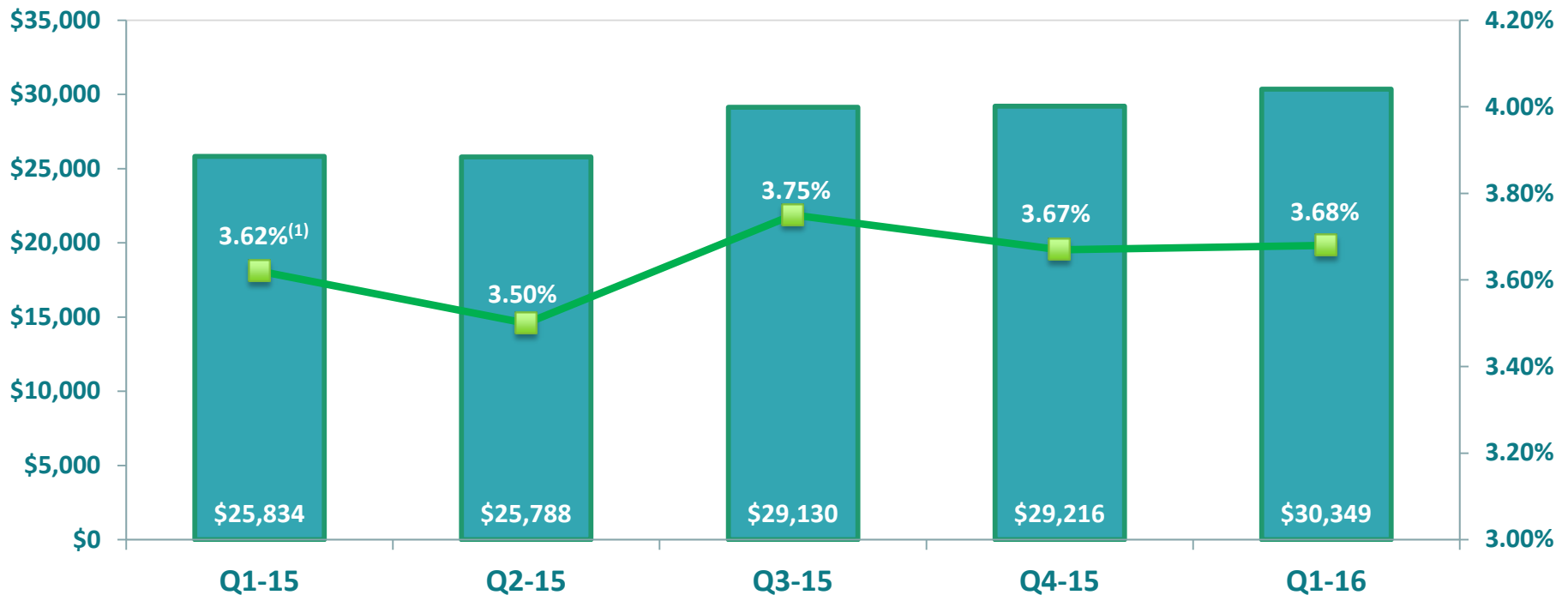
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# Net Interest Income and Margin

- Net interest margin for the quarter increased 6 basis points year-over-year to 3.68%, versus 3.62% in Q1 2015.
- Net interest income for the quarter totaled \$30.3 million, up \$4.5 million or 18% increase from a year ago.

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



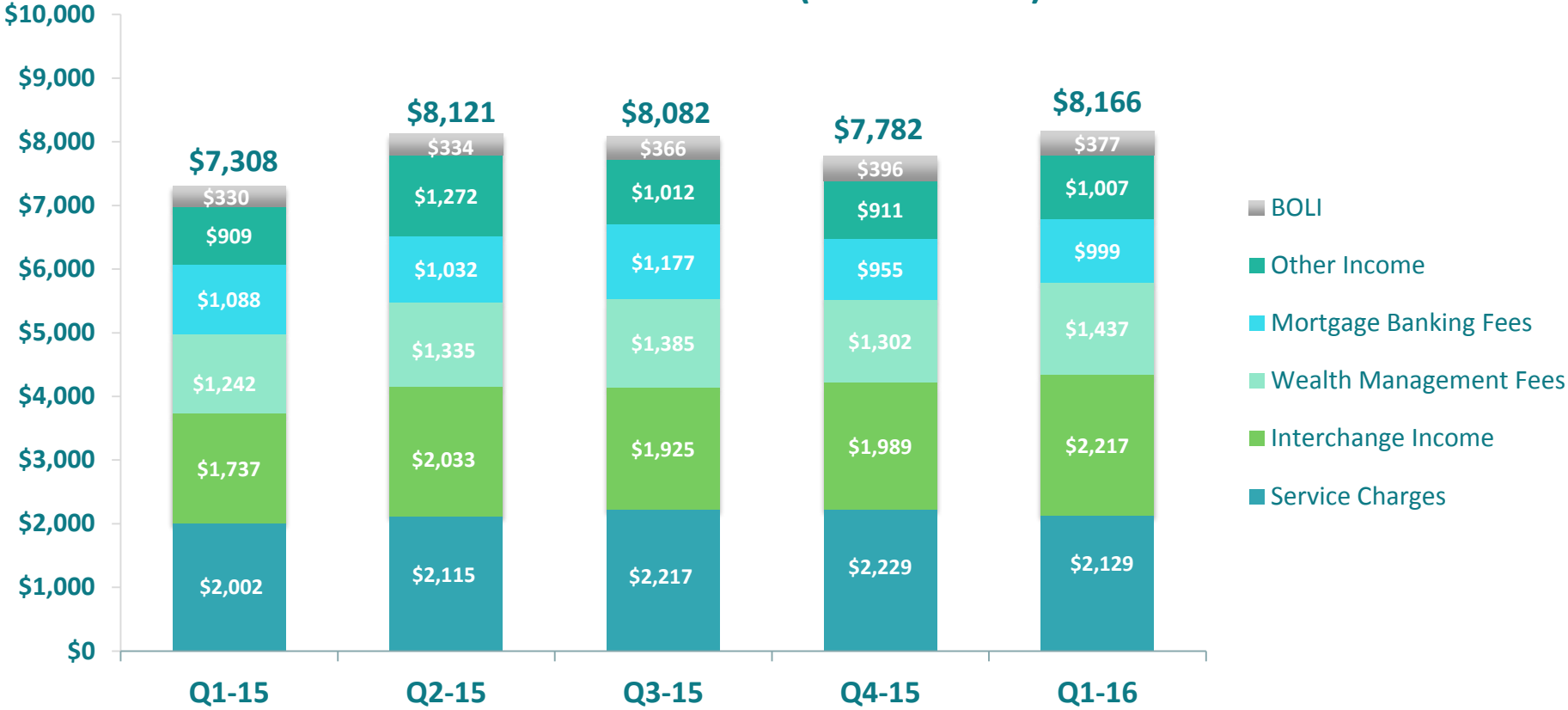
\*Calculated on a fully taxable equivalent basis using amortized cost.

(1) Excess purchase loan fee accretion of approximately 9-10 bps in Q1 2015

# Non Interest Income

- Noninterest income excluding security gains and unanticipated BOLI income, totaled \$8.2 million for the first quarter, an increase of \$858 thousand or 12% from a year ago.
- Strong increases in interchange income and deposit service charges, up from the prior year 28% and 6%, respectively, reflect intentional customer analytics-driven cross sell combined with strong household growth.

**Non Interest Income (in thousands)\***

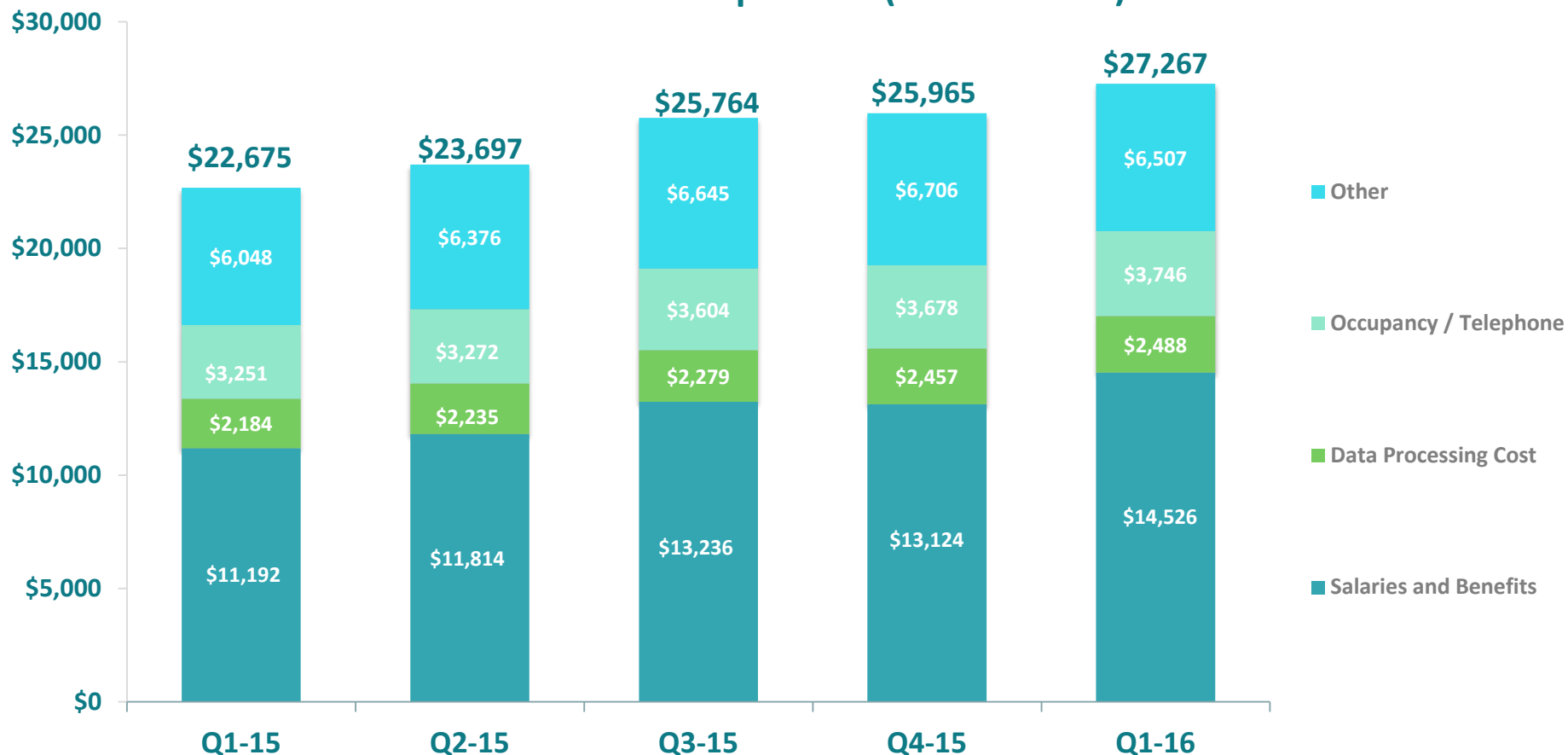


\*Non interest income before: securities gains , Q2-15 \$725,000 gain on participation loans excluded, Q4-15 \$416,000 gain on bargain purchase excluded, and Q1-16 \$464,000 in BOLI unanticipated income excluded.

# Non Interest Expense

- Noninterest expenses increased \$6.4 million from Q4 2015.
- Excluding merger related charges and other one-time items totaling \$5.5 million, adjusted noninterest expense<sup>(1)</sup> grew \$1.3 million from increased seasonal salary and benefit costs and decreased deferred origination costs.

Non Interest Expense<sup>(1)</sup> (in thousands)



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

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# 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
- Achieve 2016 adjusted earnings target of \$1.00 per share and maintain earnings growth trajectory
- 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

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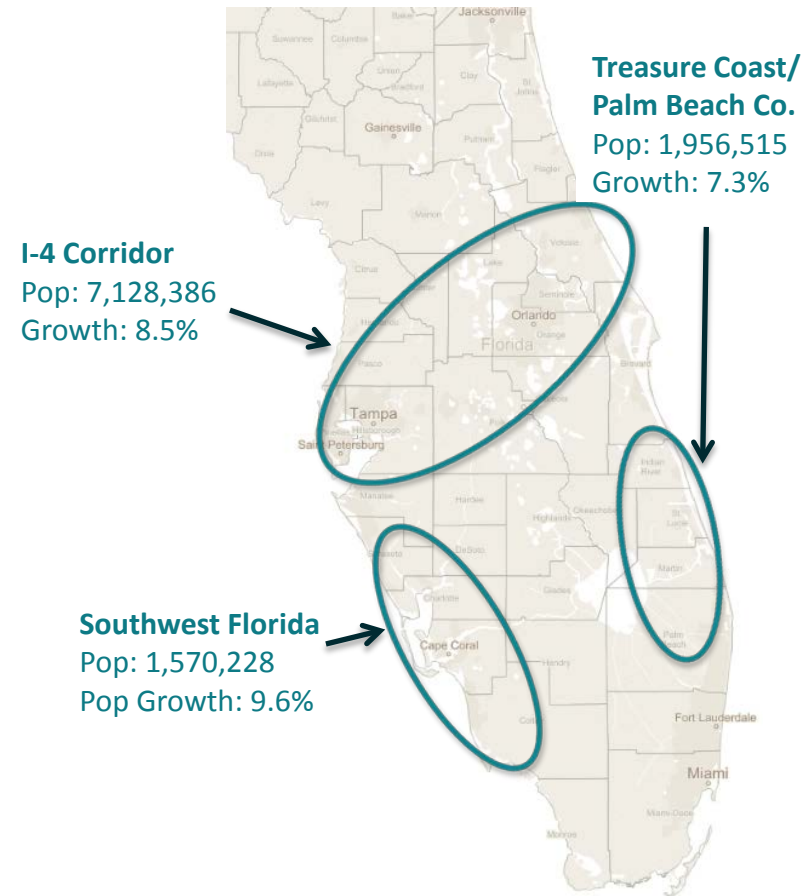


# Florida, The Nation's Third Largest State, Continues To Grow Rapidly

*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.

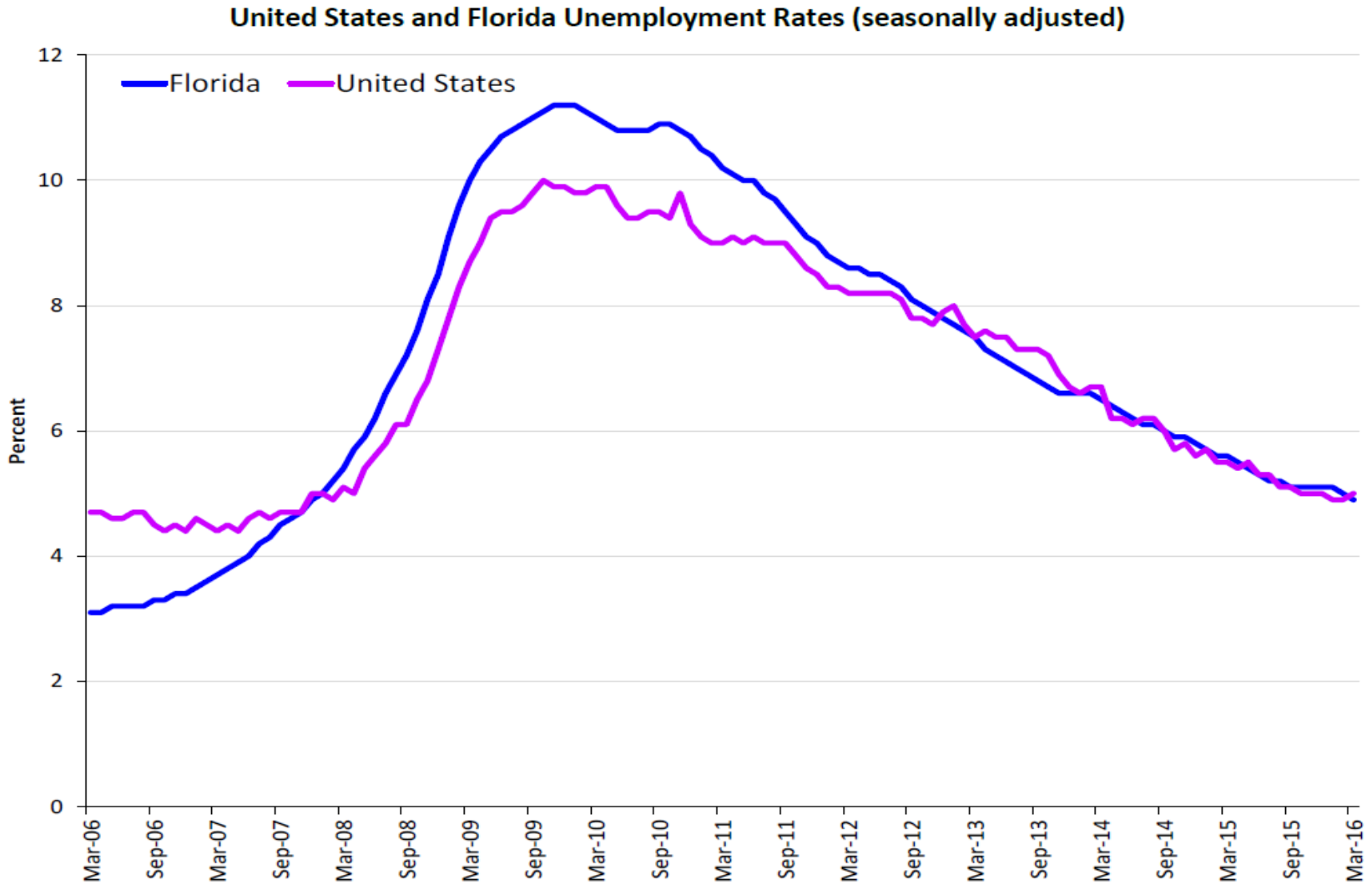
## Florida Population Growth, 2015 – 2020\*



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

\* US Census Data

# Florida's Unemployment Rate



Source: U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program, in cooperation with the Florida Department of Economic Opportunity, Bureau of Labor Market Statistics.

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# 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. 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

## (Q1 15 – Q1 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.

*(Dollars in thousands except per share data)*

	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015	Second Quarter 2015	First Quarter 2015
Net income (loss)	\$3,186	\$6,036	\$4,441	\$5,805	\$5,859
Severance	306	187	98	29	12
Merger related charges	5,307	1,043	2,692	337	275
Bargain purchase gain	0	(416)	0	0	0
Branch closure charges and costs related to expense initiatives	691	0	0	0	0
Other			121		
Security (gains)	(89)	(1)	(160)	0	0
Miscellaneous losses	0	48	112	0	0
Net loss on OREO and repossessed assets	(51)	(157)	262	53	81
Asset dispositions expense	90	79	77	173	143
Boli Income	(464)	0	0	0	0
Effective tax rate on adjustments	(2,194)	(299)	(1,210)	(225)	(193)
Adjusted Net Income (1)	6,782	6,520	6,433	6,172	6,177
Provision for loan losses	199	369	987	855	433
Income taxes	4,139	4,024	3,908	3,788	3,732
Adjusted pretax, pre-provision income (1)	\$11,120	\$10,913	\$11,328	\$10,815	\$10,342
Adjusted earnings per diluted share (1)	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
Average shares outstanding (000)	35,453	34,395	34,194	33,234	33,136

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

# Net Income - GAAP to Non-GAAP Reconciliation

## (Q1 15 – Q1 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.

<i>(Dollars in thousands)</i>	First Quarter 2016	Fourth Quarter 2015	Third Quarter 2015	Second Quarter 2015	First Quarter 2015
Noninterest Expense:					
Salaries and wages	\$ 12,137	\$ 10,948	\$ 10,806	\$ 9,273	\$ 8,777
Employee benefits	2,389	2,178	2,430	2,541	2,415
Outsourced data processing costs	2,488	2,457	2,279	2,235	2,184
Telephone / data lines	529	412	446	443	496
Occupancy expense	2,251	2,314	2,275	2,010	2,023
Furniture and equipment expense	966	952	883	819	732
Marketing expense	997	1,128	1,063	1,225	975
Legal and professional fees	1,583	1,568	1,651	1,255	1,388
FDIC assessments	544	551	552	520	589
Amortization of intangibles	446	397	397	315	315
Other	2,937	3,064	2,982	3,061	2,781
Total Core Operating Expense	27,267	25,969	25,763	23,697	22,675
Severance and organizational changes	306	187	98	29	12
Legal and professional fees for acquisition and expense init	5,307	1,043	2,692	337	275
Branch Closure	691	0	121	0	0
Miscellaneous losses	0	48	112	0	0
Net loss on OREO and repossessed assets	(51)	(157)	262	53	81
Asset disposition expense	90	79	77	173	143
Total	\$ 33,610	\$ 27,169	\$ 29,126	\$ 24,288	\$ 23,186

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