

SEACOAST BANKING CORP OF FLORIDA

Form 10-Q

November 07, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

OR

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

For the transition period from to .

Commission File No. 0-13660

Seacoast Banking Corporation of Florida

(Exact Name of Registrant as Specified in its Charter)

| | |
|---|--|
| Florida (State or Other Jurisdiction of Incorporation or Organization) | 59-2260678 (I.R.S. Employer Identification No.) |
| 815 COLORADO AVENUE, STUART FL (Address of Principal Executive Offices) | 34994 (Zip Code) |
| (772) 287-4000 (Registrant's Telephone Number, Including Area Code) | |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Common Stock, \$.10 Par Value 94,810,684 shares as of September 30, 2012

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

| (Dollars in thousands, except share amounts) | September 30, 2012 | December 31, 2011 |
|---|-----------------------|----------------------|
| ASSETS | | |
| Cash and due from banks | \$ 30,935 | \$ 41,136 |
| Interest bearing deposits with other banks | 141,783 | 125,945 |
| | | |
| Total cash and cash equivalents | 172,718 | 167,081 |
| Securities: | | |
| Available for sale (at fair value) | 588,248 | 648,362 |
| Held for investment (fair values: \$16,334 at September 30, 2012 and \$20,487 at December 31, 2011) | 15,556 | 19,977 |
| | | |
| TOTAL SECURITIES | 603,804 | 668,339 |
| Loans held for sale | 28,042 | 6,795 |
| Loans | 1,202,478 | 1,208,074 |
| Less: Allowance for loan losses | (23,119) | (25,565) |
| | | |
| NET LOANS | 1,179,359 | 1,182,509 |
| Bank premises and equipment, net | 34,884 | 34,227 |
| Other real estate owned | 8,888 | 20,946 |
| Other intangible assets | 1,697 | 2,289 |
| Other assets | 52,301 | 55,189 |
| | | |
| | \$ 2,081,693 | \$ 2,137,375 |
| | | |
| LIABILITIES | | |
| Deposits | \$ 1,679,466 | \$ 1,718,741 |
| Federal funds purchased and securities sold under agreements to repurchase, maturing within 30 days | 122,393 | 136,252 |
| Borrowed funds | 50,000 | 50,000 |
| Subordinated debt | 53,610 | 53,610 |
| Other liabilities | 9,015 | 8,695 |
| | | |
| | 1,914,484 | 1,967,298 |

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CONDENSED CONSOLIDATED BALANCE SHEETS (continued) (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

| (Dollars in thousands, except share amounts) | September 30, 2012 | December 31, 2011 |
|---|-----------------------|----------------------|
| SHAREHOLDERS EQUITY | | |
| Preferred stock, authorized 4,000,000 shares, par value \$0.10 per share, issued and outstanding 2,000 shares of Series A | 48,434 | 47,497 |
| Warrant for purchase of 589,625 shares of common stock at \$6.36 per share | 0 | 3,123 |
| Common stock, par value \$0.10 per share, authorized 300,000,000 shares, issued 94,875,359 and outstanding 94,810,684 shares at September 30, 2012 and issued 94,693,002 and outstanding 94,686,801 shares at December 31, 2011 | 9,481 | 9,469 |
| Other shareholders equity | 109,294 | 109,988 |
| TOTAL SHAREHOLDERS EQUITY | 167,209 | 170,077 |
| | \$ 2,081,693 | \$ 2,137,375 |

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

| (Dollars in thousands, except per share data) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 |
| Interest and fees on loans | \$ 14,371 | \$ 15,315 | \$ 43,852 | \$ 47,004 |
| Interest and dividends on securities | 3,211 | 4,788 | 10,902 | 13,124 |
| Interest on interest bearing deposits and other investments | 243 | 175 | 727 | 606 |
| TOTAL INTEREST INCOME | 17,825 | 20,278 | 55,481 | 60,734 |
| Interest on deposits | 1,118 | 2,739 | 4,618 | 8,629 |
| Interest on borrowed money | 755 | 671 | 2,262 | 2,240 |
| TOTAL INTEREST EXPENSE | 1,873 | 3,410 | 6,880 | 10,869 |
| NET INTEREST INCOME | 15,952 | 16,868 | 48,601 | 49,865 |
| Provision for loan losses | 900 | 0 | 9,660 | 1,542 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 15,052 | 16,868 | 38,941 | 48,323 |
| Noninterest income | | | | |
| Other income | 5,679 | 4,706 | 15,835 | 13,462 |
| Securities gains, net | 48 | 137 | 7,037 | 137 |
| TOTAL NONINTEREST INCOME | 5,727 | 4,843 | 22,872 | 13,599 |
| TOTAL NONINTEREST EXPENSES | 20,332 | 19,063 | 62,763 | 57,803 |
| INCOME BEFORE INCOME TAXES | 447 | 2,648 | (950) | 4,119 |
| Provision for income taxes | 0 | 0 | 0 | 0 |
| NET INCOME | 447 | 2,648 | (950) | 4,119 |
| Preferred stock dividends and accretion of preferred stock discount | 937 | 937 | 2,811 | 2,811 |
| NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS | \$ (490) | \$ 1,711 | \$ (3,761) | \$ 1,308 |
| PER SHARE COMMON STOCK: | | | | |
| Net income (loss) diluted | \$ (0.01) | \$ 0.02 | \$ (0.04) | \$ 0.01 |
| Net income (loss) basic | (0.01) | 0.02 | (0.04) | 0.01 |
| Cash dividends declared | 0.00 | 0.00 | 0.00 | 0.00 |
| Average shares outstanding - diluted | 94,481,997 | 93,878,199 | 94,443,215 | 93,611,223 |
| Average shares outstanding - basic | 93,777,662 | 93,524,950 | 93,688,003 | 93,492,180 |

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

| (Dollars in thousands) | Three Months Ended | | Nine Months Ended | |
|--|--------------------|----------|-------------------|-----------|
| | September 30, | | September 30, | |
| | 2012 | 2011 | 2012 | 2011 |
| NET INCOME (LOSS) | \$ 447 | \$ 2,648 | \$ (950) | \$ 4,119 |
| Other comprehensive income, net of tax: | | | | |
| Unrealized gains (losses) on securities available for sale | 1,646 | 3,096 | (663) | 6,278 |
| COMPREHENSIVE INCOME (LOSS) | \$ 2,093 | \$ 5,744 | \$ (1,613) | \$ 10,397 |

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

| (Dollars in thousands) | Nine Months Ended September 30, | |
|--------------------------------------|------------------------------------|-----------|
| | 2012 | 2011 |
| Cash flows from operating activities | | |
| Interest received | \$ 58,747 | \$ 61,077 |
| Fees and commissions received | 15,354 | 13,561 |
| Interest paid | (7,384) | (13,222) |
| Cash paid to suppliers and employees | (52,860) | (49,254) |
| Origination of loans held for sale | (133,378) | (96,751) |
| Proceeds from loans held for sale | 122,452 | |