

SEACOAST BANKING CORP OF FLORIDA
Form 10-Q
August 08, 2013

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 June 30, 2013

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)

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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 <input type="checkbox"/>	Accelerated Filer <input checked="" type="checkbox"/>
Non-Accelerated Filer <input type="checkbox"/>	Small Reporting Company <input type="checkbox"/>

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 94,911,466 shares as of June 30, 2013

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SEACOAST BANKING CORPORATION OF FLORIDA

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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)	June 30, 2013	December 31, 2012
ASSETS		
Cash and due from banks	\$ 33,673	\$ 45,620
Interest bearing deposits with other banks	106,446	129,367
Total cash and cash equivalents	140,119	174,987
Securities:		
Available for sale (at fair value)	672,809	643,050
Held for investment (fair value: \$14,542 at December 31, 2012)	0	13,818
TOTAL SECURITIES	672,809	656,868
Loans held for sale	26,029	36,021
Loans	1,265,893	1,226,081
Less: Allowance for loan losses	(20,078)	(22,104)
NET LOANS	1,245,815	1,203,977
Bank premises and equipment, net	35,029	34,465
Other real estate owned	10,063	11,887
Other intangible assets	1,109	1,501
Other assets	52,707	54,223
	\$ 2,183,680	\$ 2,173,929
LIABILITIES		
Deposits	\$ 1,738,609	\$ 1,758,961
Federal funds purchased and securities sold under agreements to repurchase, maturing within 30 days	160,934	136,803
Borrowed funds	50,000	50,000
Subordinated debt	53,610	53,610
Other liabilities	19,279	9,009
	2,022,432	2,008,383

CONDENSED CONSOLIDATED BALANCE SHEETS (continued) (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

(Dollars in thousands, except share amounts)	June 30, 2013	December 31, 2012
SHAREHOLDERS EQUITY		
Preferred stock, authorized 4,000,000 shares, par value \$0.10 per share, issued and outstanding 2,000 shares of Series A	49,370	48,746
Common stock, par value \$0.10 per share, authorized 300,000,000 shares, issued 94,917,275 and outstanding 94,911,466 shares at June 30, 2013 and issued 94,875,645 and outstanding 94,837,170 shares at December 31, 2012	9,487	9,484
Other shareholders equity	102,391	107,316
TOTAL SHAREHOLDERS EQUITY	161,248	165,546
	\$ 2,183,680	\$ 2,173,929

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

(Dollars in thousands, except per share data)	Three Months Ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Interest and fees on loans	\$ 14,264	\$ 14,707	\$ 28,291	\$ 29,481
Interest and dividends on securities	3,025	3,332	6,227	7,691
Interest on interest bearing deposits and other investments	224	267	452	484
TOTAL INTEREST INCOME	17,513	18,306	34,970	37,656
Interest on deposits	692	1,551	1,432	3,500
Interest on borrowed money	707	748	1,424	1,507
TOTAL INTEREST EXPENSE	1,399	2,299	2,856	5,007
NET INTEREST INCOME	16,114	16,007	32,114	32,649
Provision for loan losses	565	6,455	1,518	8,760
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	15,549	9,552	30,596	23,889
Noninterest income				
Other income	6,335	5,219	12,266	10,156
Securities gains, net (includes net gains of \$356 and \$394 in other comprehensive income reclassifications for the three months and six months, respectively)	114	3,615	139	6,989
TOTAL NONINTEREST INCOME	6,449	8,834	12,405	17,145
TOTAL NONINTEREST EXPENSES	19,044	20,721	38,003	42,431
INCOME (LOSS) BEFORE INCOME TAXES	2,954	(2,335)	4,998	(1,397)
Provision for income taxes (includes \$137 and \$152 in income tax expense from reclassification items for the three months and six months, respectively)	0	0	0	0
NET INCOME (LOSS)	2,954	(2,335)	4,998	(1,397)
Preferred stock dividends and accretion of preferred stock discount	937	937	1,874	1,874
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	\$ 2,017	\$ (3,272)	\$ 3,124	\$ (3,271)
PER SHARE COMMON STOCK:				
Net income (loss) diluted	\$ 0.02	\$ (0.03)	\$ 0.03	\$ (0.03)
Net income (loss) basic	0.02	(0.03)	0.03	(0.03)
Cash dividends declared	0.00	0.00	0.00	0.00
Average shares outstanding - diluted	94,682,401	94,452,317	94,654,394	94,423,611
Average shares outstanding - basic	93,973,256	93,667,231	93,960,270	93,642,680

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
NET INCOME (LOSS)	\$ 2,954	\$ (2,335)	\$ 4,998	\$ (1,397)
Other comprehensive income:				
Unrealized gains (losses) on securities available for sale	(12,490)	(1,129)	(13,805)	2,527
Unrealized gains on transfer of securities held for investment into securities available for sale	0	0	724	0
Reclassification adjustment for securities gains included in net income	(356)	(3,102)	(394)	(6,288)
Provision for income taxes	4,959	1,633	5,201	1,452
COMPREHENSIVE INCOME (LOSS)	\$ (4,933)	\$ (4,933)	\$ (3,276)	\$ (3,706)

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

	Six Months Ended	
	June 30,	
(Dollars in thousands)	2013	2012
Cash flows from operating activities		