

SEACOAST BANKING CORP OF FLORIDA
Form 10-Q
May 07, 2013
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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 March 31, 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

59-2260678
(I.R.S. Employer

Incorporation or Organization

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 94,850,027 shares as of March 31, 2013

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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)	March 31, 2013	December 31, 2012
ASSETS		
Cash and due from banks	\$ 34,982	\$ 45,620
Interest bearing deposits with other banks	192,069	129,367
 Total cash and cash equivalents	 227,051	 174,987
Securities:		
Available for sale (at fair value)	649,196	643,050
Held for investment (fair values: \$14,542 at December 31, 2012)	0	13,818
 TOTAL SECURITIES	 649,196	 656,868
Loans held for sale	24,206	36,021
Loans	1,223,810	1,226,081
Less: Allowance for loan losses	(21,540)	(22,104)
 NET LOANS	 1,202,270	 1,203,977
Bank premises and equipment, net	34,620	34,465
Other real estate owned	10,850	11,887
Other intangible assets	1,305	1,501
Other assets	52,551	54,223
	 \$ 2,202,049	 \$ 2,173,929
 LIABILITIES		
Deposits	\$ 1,762,164	\$ 1,758,961
Federal funds purchased and securities sold under agreements to repurchase, maturing within 30 days	161,678	136,803
Borrowed funds	50,000	50,000
Subordinated debt	53,610	53,610
Other liabilities	7,892	9,009
	 2,035,344	 2,008,383

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CONDENSED CONSOLIDATED BALANCE SHEETS (continued) (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries

(Dollars in thousands, except share amounts)	March 31, 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	49,058	48,746
Common stock, par value \$0.10 per share, authorized 300,000,000 shares, issued 94,863,181 and outstanding 94,850,027 shares at March 31, 2013 and issued 94,875,645 and outstanding 94,837,170 shares at December 31, 2012	9,485	9,484
Other shareholders equity	108,162	107,316
TOTAL SHAREHOLDERS EQUITY	166,705	165,546
	\$ 2,202,049	\$ 2,173,929

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 March 31,	
	2013	2012
Interest and fees on loans	\$ 14,027	\$ 14,774
Interest and dividends on securities	3,202	4,359
Interest on interest bearing deposits and other investments	228	217
TOTAL INTEREST INCOME	17,457	19,350
Interest on deposits	740	1,949
Interest on borrowed money	717	759
TOTAL INTEREST EXPENSE	1,457	2,708
NET INTEREST INCOME	16,000	16,642
Provision for loan losses	953	2,305
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	15,047	14,337
Noninterest income		
Other income	5,931	4,937
Securities gains, net (includes net gains of \$163 in other comprehensive income reclassifications)	25	3,374
TOTAL NONINTEREST INCOME	5,956	8,311
TOTAL NONINTEREST EXPENSES	18,959	21,710
INCOME BEFORE INCOME TAXES	2,044	938
Provision for income taxes (includes \$63 in income tax expense from reclassification items)	0	0
NET INCOME	2,044	938
Preferred stock dividends and accretion of preferred stock discount	937	937
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$ 1,107	\$ 1
PER SHARE COMMON STOCK:		
Net income diluted	\$ 0.01	\$ 0.00
Net income basic	0.01	0.00
Cash dividends declared	0.00	0.00
Average shares outstanding - diluted	94,626,076	94,394,906
Average shares outstanding - basic	93,947,141	93,618,129

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	
	2013	2012
NET INCOME	\$ 2,044	\$ 938
Other comprehensive income:		
Unrealized gains (losses) on securities available for sale	(1,190)	3,561
Unrealized gains on transfer of securities held for investment into securities available for sale	724	0
Reclassification adjustment for securities gains included in net income	(163)	(3,091)
Provision for income taxes	242	(181)
COMPREHENSIVE INCOME	\$ 1,657	\$ 1,227

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)	Three Months Ended March 31,	
	2013	2012
Cash flows from operating activities		
Interest received	\$ 18,405	\$ 20,470
Fees and commissions received	5,136	4,855
Interest paid	(1,467)	(3,063)
Cash paid to suppliers and employees	(17,966)	(18,566)
Origination of loans held for sale	(49,323)	(32,266)
Proceeds from loans held for sale	61,138	30,847
Net change in other assets	761	(530)
Net cash provided by operating activities	16,684	1,747
Cash flows from investing activities		
Maturity of securities available for sale	45,201	28,639
Maturity of securities held for investment	0	1,623
Proceeds from sale of securities available for sale	11,836	111,717
Purchase of securities available for sale	(50,327)	(60,818)
Purchase of securities held for investment	0	(500)
Net new loans and principal repayments	16	(13,367)
Proceeds from the sale of other real estate owned	1,366	5,274
Proceeds from sale of Federal Home Loan Bank and Federal Reserve Bank stock	620	0
Purchase of Federal Home Loan Bank and Federal Reserve Bank stock	0	(6)
Additions to bank premises and equipment	(833)	(569)
Net cash (used in) provided by investing activities	7,879	71,993
Cash flows from financing activities		
Net increase in deposits	3,204	18,723
Net increase in federal funds purchased and repurchase agreements	24,875	13,064
Stock based employee benefit plans	47	51
Dividends paid on preferred shares	(625)	(625)
Net cash provided by financing activities	27,501	31,213
Net increase in cash and cash equivalents	52,064	104,953
Cash and cash equivalents at beginning of period	174,987	167,081
Cash and cash equivalents at end of period	\$ 227,051	\$ 272,034

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued) (Unaudited)

Seacoast Banking Corporation of Florida and Subsidiaries