

THOMSON REUTERS STRETEVENTS

EDITED TRANSCRIPT

SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

EVENT DATE/TIME: JULY 24, 2015 / 5:00PM GMT



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

CORPORATE PARTICIPANTS

Dennis Hudson *Seacoast Banking Corporation of Florida - Chairman & CEO*

Steve Fowle *Seacoast Banking Corporation of Florida - CFO*

Chuck Shaffer *Seacoast Banking Corporation of Florida - Community Banking Business Leader*

Jeff Lee *Seacoast Banking Corporation of Florida - Chief Marketing Officer*

Chuck Cross *Seacoast Banking Corporation of Florida - Commercial Market Executive*

CONFERENCE CALL PARTICIPANTS

Steve Scouten *Sandler O'Neill & Partners - Analyst*

Scott Valentin *FBR & Co. - Analyst*

Chris Marinac *FIG Partners, LLC - Analyst*

Taylor Brodarick *Guggenheim Securities LLC - Analyst*

PRESENTATION

Operator

Welcome to Seacoast second quarter earnings conference call. My name is Adrian, and I'll be your operator for today's call.

(Operator Instructions)

Please note this conference is being recorded. Before we begin, I'd direct your attention to the statements contained at the end of the press release regarding forward-looking statements.

During the call, certain issues will be discussed that constitute forward-looking statements within the meaning of the Securities and Exchange Act. And as a result, the comments are intended to be covered within the meaning of the Act. I'll now turn the call over to Mr. Dennis Hudson, Chairman and CEO. Mr. Hudson, you may begin.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Thank you very much, and thank all of you for joining us today on our call. We would also like to mention that there are a few slides to go along with this call, as well as a copy of our press release that we released yesterday afternoon, and these are posted on our website at Seacoastbanking.com and they can be found under the title, presentations.

Also with me today is Steve Fowle, our Chief Financial Officer, who is going to be reviewing some of our results after the opening comments that I will make. As well with us in the room are Chuck Cross, who leads our Commercial Banking business line; Chuck Shaffer, our community banking business leader; David Houdeshell, our Chief Credit Officer, and Jeff Lee, our Chief Marketing Officer. All of us will be available to answer questions, should you have any following our remarks.

I guess, I'd open by saying that we had another strong quarter, this quarter with very significant growth, we feel, in revenue, on both a sequential and a year over year basis. As you're going to hear in a minute, net income was also up significantly year on year.

Our strategic framework to focus on improving profitability, investing for growth and managing risk continues to yield consistent results, and we believe that these results demonstrate that our value proposition, and our approach to community banking are really beginning to resonate in the marketplace. We also believe the investments we have made and are making, will continue to fuel further success and capture greater opportunity



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

as we move into the future. This quarter, I was also encouraged by our continued strength in our credit quality, with declines in non-performing loans and non-performing assets.

I thought I'd mention at the outset, here a few areas in which we've made substantial investments, and share with you some of the results that these investments are producing. First, our most significant investment over the last couple of years has been around expanding our Accelerate Business banking platform to further serve the commercial business markets of particularly South Florida and Orlando. These investments are now producing some of the best growth we've seen, not just in loans, but also core deposits and other services.

Moreover, it's contributing to meaningfully good new growth in the high value business households. Other investments to streamline processes around our small business banking platform, together with new leadership and better execution is growing higher value, small business households at a rate that is frankly, very pleasing to us. And this is happening just as the local economy is providing greater opportunity for small business expansion.

Similar results are also evident this quarter around our residential and consumer lending areas, and these results are particularly benefiting from investments we have made in some of our digital marketing and data analytics. Over the past 18 months, we've increased our investments around digital marketing, using innovative thinking and predictive intelligence, and we're benefiting from more effective cross-sell efforts to expand our number of services utilized by each customer.

I thought I'd share also a few metrics that suggest we're on to something here, and our investments are paying off. Year to date, we acquired a 37% improvement in new households acquired compared to the same time last year. Year to date, we produced around \$60 million in new small consumer loans, compared with just \$30 million for the same period last year, around a 93% improvement.

Households with an activated debit card have grown by almost 10% year-to-date, compared with a growth rate of about 6% year-to-date over the same time last year. And our households with mobile -- engaging with us using mobile technology have grown as well. This year, they're up about 28%, compared with about 18% growth in the same time last year. So we're really beginning to see some acceleration, and some pretty significant movement as a result of these investments.

Finally, I want to update you on our investment in Orlando acquisition, which was closed and integrated just three quarters ago. Over that short period, we have seen meaningful growth in households coming out of the acquired customer base. We've seen growth in revenue, and we've seen growth in services per household each and every quarter, and the growth has accelerated each quarter. Compare this to slightly negative to neutral historical growth we observed in that customer base during our diligence.

The growth rates on this acquired customer base have not caught up to our legacy growth rates, but the improvement is on pace to get us there in another couple of quarters. As you can see, we are leveraging our investments to grow across a larger customer base, and we're doing so frankly with very little incremental cost. We will do the same with our acquisition of Grand Bankshares, which closed last Friday and was integrated last weekend. This acquisition makes us the third largest Florida-based bank in Palm Beach County. These acquisitions complement our legacy banking business, and enable us to successfully add new customers and expand into an adjacent markets, again fueling our franchise growth.

Since 1926, we have understood and appreciated the economic value of Florida, and research is now showing that Florida, again is out pacing the rest of the country. We are a leader in using digital technology and data analytics to offer our customers mobile and other convenience products in a way that is on par with some of the largest banks in the country. The metrics I just shared with you demonstrate that we're succeeding, and we're really in the early stages of applying these techniques to our customer base. Our acquisitions have opened up a sizeable market to us, both in Orlando and Palm Beach County, and have allowed us to scale up our investments more quickly.

We look forward to the second half of this year, and expect to see continued, sustained growth through our strategic initiatives and investments. We are going to be expanding our marketing and process execution to our new customers in the important Palm Beach market.

And now I'd like to turn the call over to our Chief Financial Officer, Steve Fowle, who is going to share a few other insights and highlights for the quarter. And then, of course, we would be happy to take a few questions. Thanks. Steve?



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

Steve Fowle - Seacoast Banking Corporation of Florida - CFO

Thank you, Denny, and thanks to all of you who have taken the time to join us for the call today.

Our second quarter results reflect another successful quarter for Seacoast, as our investments pay off, and as our business teams were able to drive significant revenue growth. As Denny noted earlier, revenues increased a solid \$1.5 million this quarter to \$34.5 million. This is a 4.5% not annualized linked quarter growth rate. We grew revenues \$11.9 million or 53%, compared to the second quarter of 2014.

Our ability to produce continued top line growth drove another quarter of strong results. Year over year, net income increased \$3.9 million or 203% to \$5.8 million, and decreased slightly from \$5.9 million in the first quarter of 2015. This translates to \$0.18 per diluted common share, compared to \$0.07 in the second quarter last year, and essentially flat with the first quarter of 2015.

Investment in our franchise, including the effective use of digital marketing and seller efforts by our customer-facing personnel led to growth across our businesses. First, we grew total loans by \$602 million from last year. Excluding loans acquired with our Orlando acquisition, we increased loans \$238 million or 18%. During this quarter, we also grew loans a strong 18% annualized, and our pipeline finished the quarter at 12 month highs. This growth is more remarkable, when you consider that our lending teams have been able to build this momentum, while maintaining industry and geographic diversification metrics, and managing to a very conservative house limit.

Households also continued to grow at a strong steady pace, increasing 5% annualized over first quarter levels and 5% from prior year levels, again normalized for acquired growth households. This success allowed us to grow core customer deposits in a 19.8% pace above last year adjusted for the acquisition, and flat from last quarter despite entering a seasonally slow summer period, and despite intentional run-off of our higher cost CD portfolio.

Non-interest checking now represents 31% of all deposits, and combined with low cost interest checking, demand accounts have reached 54% of total deposits. As a result, we improved margin 40 basis points from last year, and net interest income held flat with last quarter, despite the fact that we did not record anywhere near the level of purchase loan accretion. You may remember, last quarter we indicated that Q1 had about 10 basis points or \$750,000 excess purchase loan accretion above our expected levels. You might also remember we expected margin to decrease to about [3.50%] during 2015, spot on with what we're reporting this quarter.

Going forward, we believe that continued strength in loan growth and other favorable balance sheet mix dynamics will allow for modest upside opportunity in margin this year. The Grand Bank acquisition and the potential for increased late rates later in the year may fuel additional margin opportunity, although it's too early to say more about either of these dynamics.

Our business also drove significant service fee income growth. Our marine finance business had a solid quarter, and mortgage banking held at levels very close to our strong Q1 performance, and with 5% household growth, interchange and income deposit service charges showed strong increases, despite part of the quarter being impacted by lower summer activity levels.

We also recorded \$725,000 in gain on participated loan in non-interest income. This represents a discount we recognized when we participated out a portion of Bankshares loan, in order to meet additional credit needs of a good customer who was approaching our house limits. We consider this income to be core. It's almost in all respects, the same as purchased loan accretion recognized in margin, but for the fact that the loan was participated.

Our long-term revenue growth reflects investment in our franchise over the past couple of years. This growth story can be seen in a couple metrics, I think are revealing. 2012 was a year when many banks like Seacoast were turning focus from the impact of the Great Recession, and beginning to turn focus to the future. Using this year as a starting point, we've grown pretax, pre-provision net income at 120% growth rate based on an annualized first half of 2015.

Investment in technology, acquisitions and our accelerate model has helped us produce 23% annual growth in revenues, while allowing us to hold expense growth to 6% remarkable operating leverage. This quarter expenses reflect the impacts of such investment. Q2 increase in expense over



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

last year, of course, reflects our significant entry into the Orlando market offset by cost savings initiatives. The linked quarter increase of \$1.1 million reflects \$337,000 in corporate development charges, up more than \$60,000 from Q1.

More than \$350,000 in expenses from the acquisition of a factoring business in May. This is their ongoing run rate for the portion of the quarter that they were part of us. This lift out was slightly additive to our bottom line this quarter. The expense growth also includes approximately \$375,000 increase in production-driven commission expense, and \$250,000 in increased marketing expense. Marketing expense this quarter included investments in digital customer acquisition and corporate branding in our new Orlando market, both of which should provide long-term benefit for Seacoast.

Strong revenue increase is only one measure of the benefit of investment. Additionally, investment technology aimed at adding convenience for our customers like mobile banking has helped us become more efficient. Over the past five years, growth and intentional pruning of branches, we've closed about 30% of our branches over this time period, has allowed us to improve our deposits per square foot from between \$9,000 and \$10,000, a borderline acceptable level, to better than \$12,500 per square foot, more than 30% improve am. We expect to continue to improve this metric.

So while expenses have increased, we're focused on continuing to improve ROA and bottom line results by continuing operating leverage improvement. We expect average expenses to average asset ratio to decrease about 10 to 15 basis points as we exit this year, excluding Grand acquisition, ongoing or one-time merger charges. Ongoing benefit from this merger will only help this metric.

With all that said, I'll return the call back to Denny.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Thank you, Steve, and we'll be happy to take some questions. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

We have Steve Scouten from Sandler O'Neill on the line for a question.

Steve Scouten - *Sandler O'Neill & Partners - Analyst*

Hello. Good afternoon. Thanks for taking my questions here.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Sure.

Steve Scouten - *Sandler O'Neill & Partners - Analyst*

One thing I was curious about is, obviously, your shares have had a really nice run here, really over the last couple of years. And I'm curious now with the momentum you've seen and the organic growth, do you look at continual M&A opportunities to enhance that potential, or are you more focused on kind of letting these current investments kind of play out as it is?



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Well, as I've said often, when asked that question, our focus has been and remains improving profitability and generating organic growth. The key factors to growing value for shareholders over time, are to get those metrics right, and we are beginning I think to get those metrics right. So I wouldn't say M&A is what we are leading with. What we're leading with, is how do we grow this business organically, and create much better operating leverage as we go forward.

Obviously the acquisitions we've done have been very helpful to moving us faster, and we're pleased with the results. So stay tuned, and we'll see. I mean, we said repeatedly that we would be open to opportunistic ideas that really add value to the franchise and grow value for shareholders. And we'll just see. But I would say, we lead with organic. We lead with the metrics we talked about, because it's incredibly valuable, and we'll just have to see.

Steve Scouten - *Sandler O'Neill & Partners - Analyst*

If I could ask one more, if that's okay.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Sure.

Steve Scouten - *Sandler O'Neill & Partners - Analyst*

Just as you're talking about continuing operating leverage, and I know Steve spoke to lowering the expense to average assets by maybe to 10 to 15 basis points over the next year. I mean, is that, if I'm hearing correctly, more driven just by continued growth in average assets, and maybe a stable expense base? Or are there more absolute reductions to come at this point, or are the Orlando investments and others going to overwhelm that on an absolute basis?

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Go ahead.

Steve Fowle - *Seacoast Banking Corporation of Florida - CFO*

We continue to invest in the franchise, so I'd expect expenses to increase as we go through time long-term. I know though that those investments are paying off. We talked a lot about metrics proving that, so operating leverage is really what we're focusing on to help drive bottom line growth.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Having said that, we continue to deal with the business model adjustment. And that will undoubtedly, in fact we currently are looking at many different opportunities here, will undoubtedly result in bringing down over time our legacy cost structure. And we have very quietly, over the last couple of years, brought down probably more than 25% of our legacy branches, and we have more work to do I would say in that area over time.

Our focus, however, in the near-term remains -- and this is critically important -- on generating in our new channels growth both in customers and growth in cross-sell. And as we get that better and better, and we prove to ourselves that we can execute, I think it opens up the door for us to move more quickly to bring down the legacy cost structure. And the legacy cost structure is not just branches. It's basically everything that we've operated for the last 30 years. So we're very passionate about moving forward to a generally much lower cost structure.



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

I'd also point out, Steve, that our cost structure, in terms of some of the metrics you look at for example, our overhead ratio is built upon a net interest margin of around 3.5%. And if you look at some of the better performers from a cost standpoint that are out there, they are built often on net interest margins of 5%. So, I think one metric that I try to keep an eye on, are the expenses as a percentage of assets. And here at Seacoast, that's a sub 3% number, and we see that number going down.

Steve Scouten - Sandler O'Neill & Partners - Analyst

Great, okay. Thanks. I appreciate the color.

Operator

Our next question comes from Scott Valentin from FBR Capital Markets on the line with a question.

Scott Valentin - FBR & Co. - Analyst

Good afternoon. Thanks for taking my question.

Just with regard to the margin, I know I appreciate the guidance. You had pointed out in the first quarter there was some out-sized accretion. But just wondering how we should think about maybe the core margin, so ex-accretion? It sounds like you see upward bias to the margin?

Steve Fowle - Seacoast Banking Corporation of Florida - CFO

Yes, we do. That really has to do with balance sheet mix. As we look at this quarter, we were at maybe slightly below but pretty much at, our expected level of merger accretion. So, that is always going to be a lumpy number, but it is something that like I say, right this quarter, we expect we're pretty close to what our long-term run rate should be.

Scott Valentin - FBR & Co. - Analyst

Okay. And in terms of driving the core margin higher, so that was [ex accretion]. Is that -- you guys are about 30% securities to assets, imagine over time that comes down, the loan balances go up, and you get some net benefit to asset yield, is that main driver of the core margin?

Dennis Hudson - Seacoast Banking Corporation of Florida - Chairman & CEO

That is the main driver. I think we have incremental adjustments around the fringes, as well, but that's really the main driver of that improvement potential.

Scott Valentin - FBR & Co. - Analyst

Okay. Thanks very much.

Operator

And next question comes from Chris Marinac from FIG Partners on the line with a question.



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

Chris Marinac - *FIG Partners, LLC - Analyst*

Thanks, good afternoon. Just the leverage, or a follow-up on Steve's comments about leverage. Should we expect to see some incremental benefit to efficiency and ROA in the second half of this year? Or Steve, do you think more of the pronounced changes are effective in 2016?

Steve Fowle - *Seacoast Banking Corporation of Florida - CFO*

Well, for the remainder of this year, should be somewhat noisy with charges from the Grand acquisition, particularly next quarter where we expect most of the one-timers to be recorded. But, no, I'd expect improvement to start this year.

Chris Marinac - *FIG Partners, LLC - Analyst*

Okay, great. And then, Denny, when you look at the digital channel, how much of your loan growth is coming from that today? And I guess, more importantly, if we looked out to the end of 2016, for example, how much change would we see in that channel, because its driving the loan growth?

Chuck Shaffer - *Seacoast Banking Corporation of Florida - Community Banking Business Leader*

We continue to focus pretty heavily on it. This is Chuck Shaffer. It right now, it is about 20% of our consumer volume. Our focus has been on the consumer side on that. And as we look forward, we're looking for opportunities to expand that into potentially mortgage lending, as well as small business. So more to come on that, as we look forward. But it has been -- it increases to as much as 20% of our consumer loan production, which is up from 0% a year ago. So we've seen a tremendous growth in that line, and we'll continue to focus on as we move forward.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

And the cost associated with that lift is very nominal, and the key here is it's imminently scalable and very exciting for us. Jeff, did you have any other things to add?

Jeff Lee - *Seacoast Banking Corporation of Florida - Chief Marketing Officer*

No, just the momentum in that direction, we're seeing trends as well from the deposit account opening as well. We're trending closer to 10% of those being opened outside of the branch, so it gives us quite a bit of flexibility as we look forward.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

We have internal goals that we've not shared with you to move those numbers much higher. And again, as they begin to gain faster and better momentum, it makes us more confident about re-looking at a pacing of legacy costs-out that could be really helpful for us in terms of building tremendous value over the next year or two.

Chuck Shaffer - *Seacoast Banking Corporation of Florida - Community Banking Business Leader*

And that 20% that I quoted, we continue to see that grow month to month. So we expect that to grow as we move forward, and it becomes a bigger part of our consumer channel.



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

Jeff Lee - *Seacoast Banking Corporation of Florida - Chief Marketing Officer*

My follow-up is, is there a point in the next couple quarters, where we see some further branch rationalization? It sounds like you're looking for more momentum to justify that, but I'm just curious on the timing of when that may happen?

Chuck Shaffer - *Seacoast Banking Corporation of Florida - Community Banking Business Leader*

As Denny mentioned what we look for is opportunistic opportunities to take that. So far as mentioned earlier, over the prior years we've closed the number of branches with zero impact on our customer base. During that period of time, we've been able to grow the customer base while closing those branches. And as opportunities present themselves for us to exit branches, we will, but we'll do it in a way that's customer-friendly, and allows us to continue to grow customers against those transactions. So we will continue to look for opportunities to take advantage of that.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

And Chris, I would tell you that it absolutely is part of our plan going forward to pull the trigger on a lot of this stuff, and I would not be surprised to have us talking about that next quarter.

Jeff Lee - *Seacoast Banking Corporation of Florida - Chief Marketing Officer*

Okay, very well, Denny. Thanks very much for the color.

Operator

(Operator Instructions)

We have Taylor Brodarick from Guggenheim on the line with a question.

Taylor Brodarick - *Guggenheim Securities LLC - Analyst*

Great, thank you. I think just one for me.

Obviously, loan growth was very solid for the quarter, and you've seen some pretty outstanding loan growth with some of your other Florida-only peers. And I was just curious, if you could comment on a competition, if not specifically, but whether it's a function of there is maybe some bigger credits out there, that maybe your in-house lending limit doesn't work with? Or are you seeing a deterioration in structure being offered, or is pricing just extremely fierce and getting more so?

Chuck Cross - *Seacoast Banking Corporation of Florida - Commercial Market Executive*

This is Chuck Cross. Just a comment, our loan growth was across all segments, and we have stayed away from the very large credits that others maybe are chasing. Florida has always been a very price competitive environment. But if you are -- if the right place, with the right speed to market, with the right customer, you can get a fair price, and we feel like we're still achieving that.

There's been a lot of press about loosening of underwriting standards. And I think that in a lot of the bigger deals, you're seeing limited guarantees and some loosening of financial covenants, and we make prudent decisions and bow out when we need to.



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

And we stay away from the larger deals that are more heavily competed for, I would say. When you -- we've not revealed the numbers, but when you look at the number of credits that we booked this past quarter, it was the largest we've ever done in terms of number of loans. So the number growth has far exceeded the dollar value of growth that we've seen out there, and that is very impressive to me.

It's coming across all quarters. It's being done with the air cover of digital to help boost what we're doing on the ground, and that we're staying focused in smaller value commercial opportunities that we feel very comfortable with. So we're growing it in a way that is more sustainable, and less likely to be susceptible to lumpiness, as if we were to move into a period of downturn and so forth. So it's an exciting period, I mean, the competition is there.

I say, this repeatedly. There's never ever, ever been a time in my career where we haven't had lots of competition, and lots of crazy competition. And it's just something you deal with every day, and our team, both on the credit side and the production side do, I think a nice job of balancing.

Chuck Cross - *Seacoast Banking Corporation of Florida - Commercial Market Executive*

The earlier you heard about the investments, over the prior years, we made investments to have speed to market. We think it's something that has differentiated ourselves in the marketplace, and adds value that we get paid for.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Probably one of our fastest growing lines is small business. This is exactly the right time to be out there, with smoother processes in small business. We worked on that two years ago, in anticipation of the economy improving to the point where small business began to grow again. And over these past 12 months, we've invested more in leadership in that area, and we've invested more in marketing of that area, and it is really paying off now.

Seen some of the highest number count of small business relationships which, of course, come with a very significant coverage of deposits, and that's one of our fastest growing lines. If you look in the back of our tables, you'll see some of our growth rates in DDA checking accounts and other transaction accounts, and you see there's an emerging trend of faster growth on the business side. And that's a direct result of that. Can't wait to see what that produces, as we get back into the seasonal high period of Q4 and Q1 of next year.

Chuck Cross - *Seacoast Banking Corporation of Florida - Commercial Market Executive*

I'll point out on that, that the Palm Beach County market which is a new market for us opens a world of opportunities to bring that down into the Palm Beach County.

Taylor Brodarick - *Guggenheim Securities LLC - Analyst*

That's great. Thank you for all of the detail, both of you.

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Thank you.

Operator

We have no further questions at this time. I'll turn the call back over to Mr. Dennis Hudson for final comments.



JULY 24, 2015 / 5:00PM, SBCF - Q2 2015 Seacoast Banking Corporation of Florida Earnings Call

Dennis Hudson - *Seacoast Banking Corporation of Florida - Chairman & CEO*

Well, thank you all very much for attending today. We look forward to continuing to keep you up-to-date with our progress, when we announce next quarter's results. Thank you.

Operator

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

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2015, Thomson Reuters. All Rights Reserved.

