

GulfShore Bancshares, Inc. (Private; Tampa, FL) has agreed to merge with Seacoast Banking Corporation of Florida (NASDAQ: SBCF; Stuart, FL)

Deal Value: Approximately \$54.8 million

Sandler O'Neill served as exclusive financial advisor to GulfShore Bancshares, Inc. and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 98th bank or thrift transaction nationwide since January 1, 2015, representing \$31.1 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 31 bank or thrift transactions in the Southeast region for an aggregate transaction value of \$7.6 billion, more than any other investment bank during that time period.¹

Stuart, FL – Seacoast Banking Corporation of Florida ("Seacoast") (NASDAQ: SBCF), the holding company for Seacoast National Bank ("Seacoast Bank"), announced today that it has signed a definitive agreement to acquire GulfShore Bancshares, Inc. ("GulfShore"), the parent company of GulfShore Bank. Upon completion of the merger, Seacoast expects that GulfShore Bank will be merged with and into Seacoast Bank.

The acquisition of GulfShore Bank, a full-service community bank serving the Tampa area since 2007, will add approximately \$332 million in assets, \$279 million in deposits and \$253 million in loans, bringing Seacoast's total assets to approximately \$4.8 billion. GulfShore, which operates three branches – two in Tampa and one in St. Petersburg – has built a strong core deposit franchise, with 55% of total deposits in transaction accounts, and has rapidly grown its high quality, diverse loan portfolio.

Dennis S. Hudson, Seacoast's chairman and CEO, said, "Our acquisition of GulfShore, following the announcement last week of our exceptional third quarter results, shows the power of Seacoast's balanced growth strategy. GulfShore is an accretive acquisition and a low-risk alternative to de novo expansion into Tampa, an attractive market that is adjacent to Orlando, where our acquisitions of Floridian Financial Corporation and the BMO Harris Orlando banking franchise earlier this year made Seacoast the largest Florida-based bank in this rapidly growing MSA."

"Seacoast has a record of smoothly integrating the banks we've acquired and then growing their households and services through digitally enabled marketing. We are delighted to welcome GulfShore's customers and its employees into the Seacoast family, and we look forward to introducing Tampa's businesses and households to our broad range of convenient and mobile-accessible products and services." Hudson added.

"Our clients and shareholders will benefit from our combination with Seacoast, a respected, strongly performing, 90-year-old Florida institution that is committed to serving its clients and communities," said Joe Caballero, GulfShore's President and CEO. "My colleagues and I look forward to joining Seacoast, and partnering to serve our clients."

Under the terms of the definitive agreement, GulfShore common shareholders will receive a combination of 0.4807 shares of Seacoast common stock and \$1.47 in cash for each share they own, representing a consideration mix of 85% Seacoast common shares and 15% cash (based on Seacoast's ten-day average closing price of \$17.33 per share as of November 2, 2016). This values GulfShore's shares at \$9.80 per share, for a total transaction value of approximately \$54.8 million. The transaction price represents a 1.46x multiple to GulfShore's tangible book value per share as of September 30, 2016.

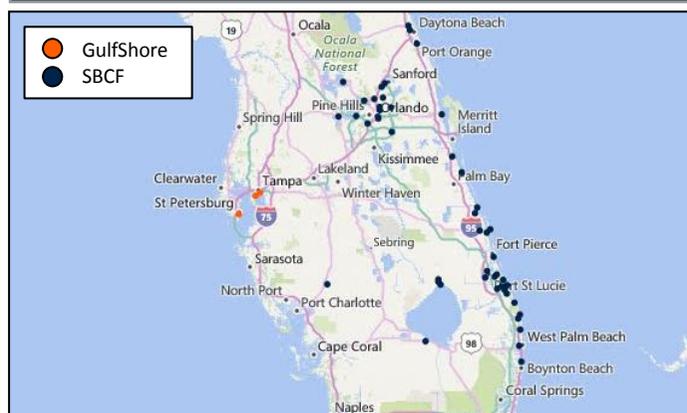
Seacoast expects the GulfShore acquisition to be accretive to earnings per share excluding one-time transaction costs and have a tangible book value earnback period of less than 3.5 years using the crossover method. The transaction is also expected to provide an IRR of nearly 20%.

Financial Highlights

(\$ in thousands)	SBCF	GulfShore
Total Assets	\$4,513,934	\$331,813
Total Net Loans	\$2,766,797	\$249,788
Total Deposits	\$3,510,493	\$278,779
Total Equity	\$435,519	\$36,583
TCE/TA	8.02%	11.03%

¹ Source: SNL Financial; excludes terminated transactions and self-advisory roles
Note: Financial data as of 9/30/2016 for both SBCF and GulfShore

Pro Forma U.S. Branch Map



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