

Palm Beach Community Bank (Private; West Palm Beach, FL) has agreed to merge with Seacoast Banking Corporation of Florida (NASDAQ: SBCF; Stuart, FL)

Deal Value: Approximately \$71.2 million

Sandler O'Neill served as financial advisor to Palm Beach Community Bank and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 121st bank or thrift transaction nationwide since January 1, 2015, representing \$40.2 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 37 bank or thrift transactions in the Southeast region for an aggregate transaction value of \$12.3 billion, more than any other investment bank during that time period.¹

STUART, Fla., May 4, 2017 – 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 Palm Beach Community Bank (“PBCB”), in a transaction that will expand Seacoast’s presence in the attractive South Florida market and strengthen its position in the state.

Pursuant to the terms of the merger agreement, PBCB, headquartered in West Palm Beach, will be merged with and into Seacoast Bank. Organized in 2008, PBCB has deposits of \$281 million and loans of \$290 million, and will increase Seacoast’s assets by nearly 7 percent to approximately \$5.03 billion. PBCB operates four branches in West Palm Beach, enhancing Seacoast’s presence in Palm Beach County, and builds on Seacoast’s acquisition of Grand Bankshares Inc. in July 2015.

“This is a compelling acquisition that expands our footprint in Palm Beach County, part of Florida’s largest MSA,” said Dennis S. Hudson III, Seacoast chairman and CEO. “The acquisition of Palm Beach Community Bank increases our market share and gives current and prospective Palm Beach customers immediate access to our products and services, delivered by our knowledgeable local team as well as mobile and online banking, our 24/7 local call center and access to our Publix ATM network.”

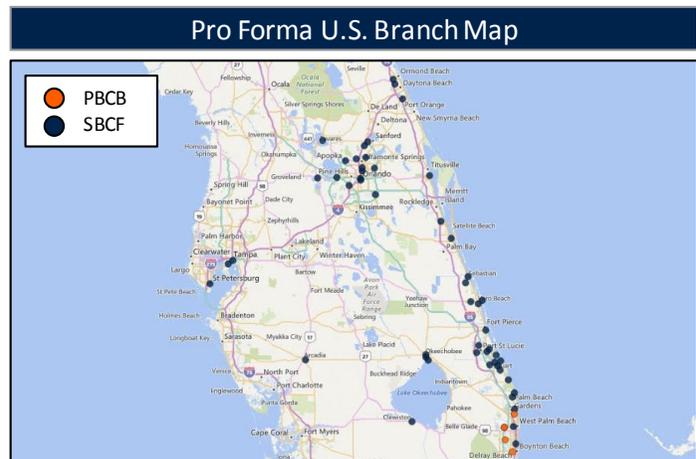
“Our customers will benefit from our combination with Seacoast, a successful community bank with strong local roots,” said Cal Cearley, CEO of Palm Beach Community Bank. “Seacoast’s well-established brand, commitment to the communities it serves, and wide range of mobile and digitally enabled products makes them an ideal partner.”

Under the terms of the merger agreement, PBCB shareholders will have the right to receive for each share of PBCB common stock: (i) 0.9809 of a share of Seacoast common stock (“Exchange Ratio”) which remains fixed so long as Seacoast common stock trades between the collar of \$21.00 and \$22.75, and (ii) \$6.33 in cash subject to adjustment for certain expenses as provided in the merger agreement (“Cash Consideration”). In the event that Seacoast common stock trades above \$22.75, the Exchange Ratio will adjust in accordance with the merger agreement, and in the event that Seacoast common stock trades below \$21.00 and above \$19.00, Seacoast shall have the option of adjusting the Exchange Ratio or the Cash Consideration so that the merger consideration is \$26.93 per share of PBCB common stock. Currently, the transaction is valued at approximately \$71.2 million (\$28.65 per share of PBCB common stock) based on Seacoast’s 5 day trailing average closing price of \$24.36 as of May 2, 2017, which results in an Exchange Ratio of 0.9161. Closing of the acquisition is expected in the third quarter of 2017 after receipt of approvals from regulatory authorities, the approval of PBCB shareholders and the satisfaction of other customary closing conditions.

Seacoast expects the PBCB acquisition to be accretive to earnings per share in 2017, excluding one-time transaction costs, and have a tangible book value earnback period of approximately 2.0 years using the crossover method. The transaction also is expected to provide an internal rate of return of 20 percent.

| Financial Highlights | | |
|----------------------|-------------|-----------|
| (\$ in thousands) | SBCF | PBCB |
| Total Assets | \$4,769,775 | \$345,988 |
| Total Net Loans | \$2,965,523 | \$288,075 |
| Total Deposits | \$3,678,645 | \$280,571 |
| Total Equity | \$502,494 | \$41,733 |
| TCE/TA | 9.04% | 12.06% |

*1) Source: SNL Financial; excludes terminated transactions and self-advisory roles
Note: Financial data as of 3/31/2017 for both SBCF and Palm Beach Community Bank*



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