



**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attachment

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None

Blank lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *CS* Date ▶ 5/18/17

Print your name ▶ Charles M. Shaffer Title ▶ Chief Financial Officer

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

**Attachment to Form 8937**  
**Report of Organizational Actions Affecting Basis of Securities**  
**Seacoast Banking Corporation of Florida**  
**FEIN: 59-2260678**

For purposes of this attachment, Seacoast refers to the issuer, Seacoast Banking Corporation of Florida. GulfShore refers to GulfShore Bancshares, Inc. (FEIN: 27-2036890).

**Part II, Line 14**

The organizational action was a reorganization for U.S. federal tax purposes in which GulfShore merged with and into Seacoast, with Seacoast surviving the merger and continuing under the name "Seacoast Banking Corporation of Florida." The effective time of the merger was April 7, 2017 ("Effective Time"). Shareholders of GulfShore common stock who held their shares of GulfShore common stock of record (directly or through their broker or nominee) as of the Effective Time received the following consideration:

- cash in the amount of \$1.47 per share
- 0.4807 of a share in Seacoast common stock (or cash in lieu of fractional share).

**Part II, Line 15**

The basis of Seacoast shares received in the merger will be generally determined in accordance with IRC Section 358(a), as follows:

- The basis of GulfShore shares surrendered,
- Reduced by the cash received in the merger, and
- Increased by any gain recognized in the exchange, computed on a per share basis

Each GulfShore common shareholder of record as of the Effective Time became entitled to receive from Seacoast 0.4807 shares of Seacoast common stock for each of their former shares of GulfShore common stock ; plus a cash payment of \$1.47 per share; plus potentially a cash payment in lieu of the issuance of any fractional share of Seacoast common stock.

The following information is necessary to compute gain to be recognized in the exchange on a per share basis as to each share of GulfShore common stock that was held by a holder of record as of the Effective Time:

- Cash consideration received per GulfShore common share: \$1.47 per share
- Fair market value of Seacoast shares received per GulfShore common share:  
\$23.69 x 0.4807 shares = \$11.39 per share
- Total consideration received per GulfShore common share: \$1.47 + \$11.39  
= \$12.86 per share

To determine the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of the old basis, the following scenarios should be used to determine the per share gain to be recognized by a holder of record of a share of GulfShore common stock as of the Effective Time. GulfShore shareholders should note that cash payments in lieu of fractional shares are expressly not considered in the scenarios described.

- If the adjusted basis in an individual share of GulfShore stock is greater than or equal to \$12.86, recognized gain should be \$0.
- If the adjusted basis in an individual share of GulfShore stock is greater than \$11.39 but less than \$12.86, recognized gain should equal the excess of \$12.86 over the GulfShore stock basis.
- If the adjusted basis in an individual share of GulfShore stock is less than or equal to \$11.39, recognized gain should equal \$1.47.

**Part II, Line 16**

The Seacoast market value per share was equal to the average closing price of Seacoast Common Stock, as recorded on NASDAQ, during the ten (10) trading day period ending on the trading day immediately preceding the date upon which the Effective Time occurs.

The basis of Seacoast shares received, once computed as per above, must be allocated to the individual Seacoast shares received in accordance with Treasury Regulation §1.358-2(a). See also Proposed Treasury Regulation §1.358-2(b). Since fewer shares of Seacoast common stock were received than shares of GulfShore common stock surrendered, the basis of the GulfShore shares surrendered must be allocated to the shares of Seacoast stock received in a manner that reflects, to the greatest extent possible, that a share of GulfShore stock received is received in respect of GulfShore shares of stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate basis in this manner, the basis of the GulfShore shares surrendered must be allocated to the shares of Seacoast stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particular Seacoast share received. This could result in a single share of Seacoast stock having a split basis and a split holding period. See Example (14) of Treasury Regulation §1.358-2(c) for an illustration of this principle.

**Part II, Line 17**

Tax treatment of the merger is based on the following Internal Revenue Code (IRC) sections and subsections as more fully discussed below: 302(b), 318, 354, 356, 358(a), 368(a), and 1221. See also Treasury Regulation §1.358-2(a) and (c) and Proposed Treasury Regulation §1.358-2(b).

**Part II, Line 18**

Based upon the merger agreement and the facts and circumstances known by Seacoast, no loss will be recognized for federal income tax purposes in this transaction by GulfShore shareholders.

**Part II, Line 19**

The reportable tax year of the adjustment to the basis of the securities as a result of the organizational action is the tax year including April 7, 2017.