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DRUMMOND COMMUNITY BANK TO ACQUIRE NATURE COAST BANK

Drummond Banking Company, parent company of Drummond Community Bank, Chiefland, Florida, jointly with Nature Coast Bank, Hernando, Florida, announce the signing of a definitive agreement and plan of merger. The merger, expected to be completed during the fourth quarter of 2016, is subject to customary conditions, including the approval of the Nature Coast Bank shareholders and bank regulators. Shareholders of Nature Coast Bank will receive cash in exchange for their shares. Pricing terms of the transaction were not disclosed.

“We are excited to announce this proposed merger with Nature Coast Bank. Our two community banks have made a priority of providing an excellent banking experience for our customers. Drummond Community Bank will remain firmly committed to delivering this high level of service to our newest customers in Citrus County,” said Luther Drummond, Drummond Banking Company’s Chairman & CEO. Drummond continued, “Some big-bank mergers result in having to meet all new faces. At Drummond, we believe keeping that relationship with your banker is important. Growing your bank’s capital strength and resources shouldn’t mean shuffling people around and having to lose your trusted relationships. We plan to keep the same familiar bankers who have been serving you in the Hernando and Crystal River communities.”

In addition to this personal approach to community banking, Drummond will provide traditional insurance services through Nature Coast Insurance, a full service multi-lines independent agency, brokerage services through Nature Coast Financial Services, and title insurance services through Banker’s Title of the Nature Coast, Drummond’s three wholly-owned subsidiaries. Earlier this year, Drummond established full-service offices in Ocala and Gainesville. With the addition of Nature Coast Bank’s offices in Hernando and Crystal River, Drummond Community Bank will operate 15 banking offices and one loan production office. Luther Drummond added, “Despite so many changes in banking today, we believe there will always be a time when people simply need a friend in the business to help them with financial matters, and that’s who we are!”

President & CEO of Nature Coast Bank, Paul Mellini stated, “Without reservation, we believe the merger with Drummond Community Bank will result in Nature Coast Bank’s customers being served by a bank dedicated to strong community banking principles and with the same commitment to customer service as Nature Coast Bank. The customer-centric philosophy practiced by the employees at both Nature Coast and Drummond will unequivocally benefit all the merged bank’s clients and customers.”

Both bankers agree this partnership provides a solid foundation to ensure that the advantages of personalized community banking in the hands of capable local owners remain available to all residents of the eight-county region currently served by the banks well into the foreseeable future.

The combined bank will have assets approaching \$500 million, deposits of more than \$400 million, and over \$250 million in loans, with consolidated capital and reserves totaling more than \$70 million. Drummond Community Bank currently maintains a 5-Star rating from Bauer financial, a private independent rating organization who ranks the safety and soundness of financial institutions on a nationwide basis.

Drummond Banking Company was advised by Austin Associates, LLC with legal counsel provided by Smith Mackinnon, P.A. Nature Coast Bank was advised by Hovde Group, LLC with legal counsel provided by Morrison & Mills, P.A. and Shumaker, Loop & Kendrick, LLP.