

## TRANSACTION PROFILE: BAYSIDE/COASTAL COMMUNITY

Hovde Financial is pleased to announce that its client, Bayside Savings Bank, a one-branch savings institution headquartered in Port Saint Joe, Florida, has signed a definitive agreement to be acquired by Coastal Community Investments, Inc. of Panama City Beach, Florida, in an all cash consideration transaction valued at \$18.9 million. This marks Coastal Community's first bank/thrift acquisition since 2002. Both institutions are Subchapter S Corporations.

With this acquisition, Coastal Community will more than double its presence in Gulf County, controlling the largest deposit market share with 33% of the \$243.7 million in total market deposits. In addition to its strategic location in the Panhandle, Bayside is a solid earner, as evidenced by its C-Corp adjusted ROAA of 0.93% over the last twelve months. Bayside is primarily a 1-4 Family and Construction & Development lender—48% and 38%, respectively, of its loan portfolio. The transaction is expected to accomplish important strategic and financial objectives that Coastal Community established for its targeted market. The companies expect the deal to close by the end of the first quarter of 2007. After the deal is complete, Bayside will retain its name and operate as a unit of Coastal Community and will retain its separate savings bank charter.

This announcement represents Hovde's 11<sup>th</sup> Florida community bank transaction in 2006 and its 28<sup>th</sup> Florida transaction since 2003 – continuing our unmatched record of successfully serving our Florida clients.

### About Hovde Financial

Hovde Financial is a nationwide investment bank focused exclusively on the financial services industry, specializing in providing a variety of investment banking and financial advisory services to community banks and thrifts. Founded in 1987, the firm has been a financial advisor in 230 merger and acquisition transactions for an aggregate deal value of over \$19 billion. In addition, Hovde has advised on approximately \$5.5 billion in branch transactions. Client-driven and results-oriented, the firm's experienced principals and bankers are committed to providing superior, value-added advice.

## TRANSACTION PROFILE

HOVDE FINANCIAL IS PLEASED TO ANNOUNCE

***Bayside Savings Bank - Port Saint Joe, FL***  
*has agreed to merge with*  
***Coastal Community Bank - Apalachicola, FL***

*Hovde Financial served as exclusive financial advisor to Bayside Savings Bank*

### Overview of the Deal

- Apalachicola, FL-based Coastal Community Bank has added to its Panhandle presence with the announced signing of a definitive agreement to acquire Port Saint Joe, FL-based Bayside Savings Bank in an all-cash transaction valued at \$18.9 million.
- Based on the total deal value of \$18.9 million, this price represents approximately 2.4x Bayside's tangible book value.
- This transaction represents the eleventh Florida transaction Hovde has announced in 2006 and the 28th since 2003.

### Pro Forma Branch Map



### Transaction Pricing

Aggregate Deal Price (\$million)	\$18.9
Announced Date	12/26/2006
Anticipated Closing Date	Q1 2007
Form of Consideration	100% Cash
Consideration Structure	Fixed Price
Price-to-Tangible Book Value	239.4%
Price-to-Book Value	239.4%
Price-to-12 Months Trailing Earnings (C-Corp Adj.)	23.3x
Premium-to-Core Deposits	36.2%
Price-to-Total Assets	22.4%

### Pro Forma Market Share - Gulf County

Rank	Institution	Branch Count	Deposits in Market (\$000)	Market Share (%)
1	Coastal Cmnty Investments Inc. (FL) - Pro Forma	2	79,116	32.5
2	Superior Bancorp (AL)	1	64,726	26.6
3	Bayside Financial Corp. (FL)	1	63,223	26.0
4	Vision Bancshares Inc. (FL)	3	51,512	21.1
5	Capital City Bank Group Inc. (FL)	1	48,299	19.8
6	Coastal Cmnty Investments Inc. (FL)	1	15,893	6.5
7	Prosperity Banking Company (FL)	1	-	0.0

### Buyer and Seller Financial Information (as of 9/30/2006)

	<u>Coastal</u>	<u>Bayside</u>
Headquarters	Apalachicola, FL	Port Saint Joe, FL
Ticker	NA	N/A
States of Operation	FL(7)	FL(1)
Total Branches	7	1
Total Assets (\$000)	300,396	84,037
Total Deposits (\$000)	262,406	61,956
Core Deposits (\$000)	138,550	30,290
Total Equity (\$000)	26,642	7,875
Tangible Equity (\$000)	23,285	7,875
LTM Net Income (\$000) - (C-Corp Adj.)	3,793	810
LTM ROAA (%) - (C-Corp Adj.)	1.32	0.93
LTM ROAE (%) - (C-Corp Adj.)	14.69	10.59
Efficiency Ratio (%)	59.43	57.57
Non-Interest Income /AA (%)	0.50	0.30
Non-Current Loans / Loans (%)	0.32	0.00
NCOs / Average Loans	0.00	0.00