

**Fourth Street Banking Company - Saint Petersburg, FL**  
*has entered into a definitive agreement to merge with and into*  
**Seacoast Banking Corporation of Florida (NASDAQ: SBCF) - Stuart, FL**

**Hovde Group, LLC served as exclusive financial advisor to Fourth Street Banking Company**

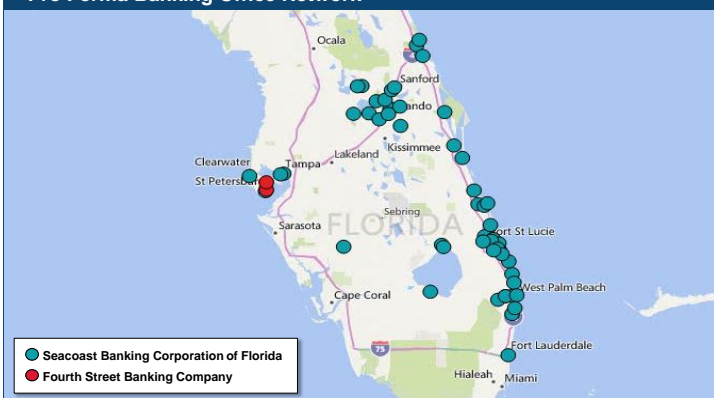
**Transaction Summary**

- Fourth Street Banking Company ("Fourth Street") is the holding company for Freedom Bank (the "Bank"), which was organized in 2005 and operates two branches in St. Petersburg
- All-stock transaction with a fixed exchange ratio of 0.1275 and double trigger downside price protection
- The transaction is valued at \$63.6 million or \$3.75 per share (includes cashing out of Fourth Street stock options)
- SBCF plans to add the Bank's two branches to the four it currently operates in the Tampa-St. Petersburg MSA, one of the largest in the Southeast and top 20 in the US by population
- The transaction will increase SBCF's deposits in the Tampa-St. Petersburg MSA by 57% to approximately \$679 million, further enhancing its market share as the #3<sup>(1)</sup> Florida headquartered community bank<sup>(2)</sup> in the Tampa-St. Petersburg MSA, which SBCF first entered with the acquisition of GulfShore Bank and NorthStar Bank in 2017
- The transaction is expected to close late in the second quarter of 2020 following receipt of approvals from regulatory authorities, the approval of Fourth Street shareholders and the satisfaction of other customary closing conditions
- This transaction will mark Hovde's 77<sup>th</sup> announced M&A transaction since the beginning of 2017 and 106<sup>th</sup> M&A transaction in Florida in the last 17 years

<sup>(1)</sup> Market share and deposit data sourced from the FDIC Summary of Deposits Report, as of June 30, 2019

<sup>(2)</sup> "Community Bank" defined as banks with less than \$20 billion in total assets as of most recently reported quarter, excluding MHCs

**Pro Forma Banking Office Network**



**Transaction Terms / Price Metrics**

Announcement Date:	January 23, 2020
Estimated Closing:	Q2 2020
Merger Consideration:	0.1275 of a share of SBCF
Indicative Price per Share: <sup>(1)</sup>	\$3.75
Aggregate Merger Consideration: <sup>(1)(2)</sup>	\$63.6 million
Price-to-Tangible Book Value: <sup>(3)</sup>	178.0%
Price-to-Core Tangible Book Value (8%): <sup>(3)</sup>	211.1%
Price-to-LTM Earnings: <sup>(3)</sup>	15.2x
Premium-to-Core Deposits: <sup>(3)(4)</sup>	13.1%
TBV Payback Period:	~1.5 years

<sup>(1)</sup> Based on SBCF's closing price of \$29.39 as of January 22, 2020

<sup>(2)</sup> Includes cashing out of the Fourth Street stock options prior to closing

<sup>(3)</sup> Financial data as of September 30, 2019; TBV adjusted for assumed conversion of Fourth Street's convertible sub debt

<sup>(4)</sup> Core deposits defined as total deposits less time deposits greater than \$100,000

**Tombstone Announcement**



**FREEDOM BANK**  
Saint Petersburg, Florida

has entered into a definitive agreement to merge with and into



**Seacoast**  
BANKING CORPORATION  
OF FLORIDA  
Stuart, Florida

Hovde Group, LLC served as exclusive financial advisor to  
Fourth Street banking Company



**HOVDE GROUP**

January 23, 2020

**Freedom Bank Financial Highlights - Data as of 9/30/2019**

Headquarters:	Saint Petersburg, FL
Year Established:	2005
States of Operation (Branches):	Florida (2)
Total Assets (\$000):	\$306,215
Total Deposits (\$000):	\$276,401
Gross Loans (\$000):	\$248,948
Loan-to-Deposit Ratio:	90.1%
Consolidated Tangible Common Equity (\$000): <sup>(1)</sup>	\$25,767
Fully Converted Consolidated Tangible Common Equity (\$000): <sup>(2)</sup>	\$35,737
YTD ROAA:	1.58%
YTD ROAE:	17.85%
YTD Efficiency Ratio:	58.3%
YTD Yield on Loans:	5.73%
YTD Net Interest Margin:	4.20%
NPAs / Assets:	0.34%

Note: Bank-level financial data sourced from S&P Global Market Intelligence, unless otherwise noted

<sup>(1)</sup> Consolidated equity as of September 30, 2019 per internal Fourth Street documents

<sup>(2)</sup> Includes conversion of Fourth Street's ~\$10 million of convertible subordinated debt

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Hovde Group is a member FINRA/SIPC

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