

Valrico Bancorp, Inc. (Valrico, FL)

has announced its intention to merge with and into

CenterState Banks of Florida, Inc. (Winter Haven, FL)

Austin Associates has announced its 20th whole bank deal since 2004, ranking Austin Associates 7th nationally. Austin Associates served as financial advisor to Valrico Bancorp, Inc. with Rick Maroney serving as the lead banker.

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Transaction Summary

- Winter Haven, FL-based CenterState Banks of Florida, Inc. (NASDAQ: CSFL) has expanded its footprint with the announced signing of a definitive agreement to acquire Valrico, FL-based Valrico Bancorp, Inc.
- Valrico Bancorp operates four branches in Hillsborough County, Florida through its subsidiary bank, Valrico State Bank.
- At **\$40.4 million**, the acquisition price represents **20.2** times Valrico's core net income. The deal value represents **261%** of Valrico Bancorp's 9/30/06 total tangible equity capital and **334%** of adjusted tangible equity (adjusted to 7.0% tangible equity ratio)
- Shareholders of Valrico Bancorp may elect to receive either \$105.06 per share in cash or 5.25 shares of CSFL, or a combination thereof, in exchange for each common share of Valrico Bancorp, subject to proration such that no less than 65 percent and no more than 70 percent of Valrico Bancorp's outstanding common shares will receive CSFL stock.

Deal Terms

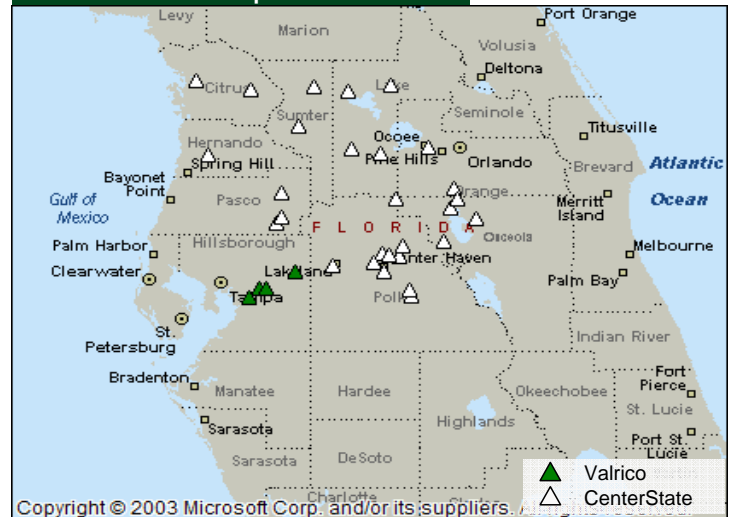
Aggregate Deal Value (\$Mils.)	\$40.4
Per Share Deal Value	\$110.32
Deal Consideration	Mix (65% - 70% Stock)
Announcement Date	11/14/2006
Deal Value-to-Tangible Book (Total)	261%
Deal Value-to-Adjusted Tangible Book (1)	334%
Deal Value-to-Core Net Income	20.2x
Premium-to-Core Deposits	23.0%

(1) Adjusted to 7.0% tangible equity ratio.

Buyer and Seller Financial Profile as of 9/30/06

	<u>Valrico</u>	<u>CenterState</u>
Total Assets (\$000)	\$152,125	\$1,024,690
Total Loans (\$000)	\$119,583	\$637,684
Total Deposits (\$000)	\$124,620	\$845,849
Total Equity (\$000)	\$15,498	\$114,812
Tangible Equity (\$000)	\$15,498	\$101,700
Tg Equity/ Tg Assets	10.19%	9.92%
YTD Net Income (\$000)	\$2,381	\$6,268
YTD Core Net Inc (\$000)	\$1,411	\$6,268
YTD Core ROAA	1.19%	0.87%
YTD Core ROAE	14.13%	7.77%
NPAs/ Assets	0.00%	0.12%
LTM NCOs/ Avg Loans	0.00%	0.10%
LLR/ Loans	1.29%	1.16%
Stock Price (11/13/06)	NA	\$21.46
Price/ Tangible Book	NA	235%
Price/ LTM Core EPS	NA	29.4x
Branch Offices (Active)	4	28
States of Operation	FL	FL

Pro Forma Branch Map



Pro Forma Deposit Market Share

<u>Hillsborough County, FL</u>		Jun-06	Jun-06
Rank	Company	Active Offices	Deposits (\$000) Market Share
1	Bank of America Corp.	39	\$4,763,073 17.5%
2	Suncoast Schools FCU	1	\$4,617,725 16.9%
3	Wachovia Corp.	36	\$4,003,201 14.7%
4	SunTrust Banks Inc.	42	\$2,401,478 8.8%
5	GTE FCU	1	\$1,854,954 6.8%
6	MacDill FCU	1	\$1,547,691 5.7%
7	Regions Financial Corp.	34	\$1,484,190 5.4%
8	Colonial BancGroup Inc.	12	\$748,192 2.7%
25	CenterState / Valrico	4	\$133,319 0.5%