

**Hometown of Homestead Banking Company (Homestead, FL) has agreed to merge with CenterState Banks, Inc. (NASDAQ: CSFL; Davenport, FL)**

**Deal Value: Approximately \$19.1 million**

Sandler O'Neill acted as exclusive financial advisor and rendered a fairness opinion to Hometown of Homestead Banking Company in this transaction. This transaction represents Sandler O'Neill's 104<sup>th</sup> bank or thrift transaction nationwide since January 1, 2014 representing \$18.3 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2011, Sandler O'Neill has advised on 18 bank or thrift transactions in Florida for an aggregate transaction value of \$1.0 billion, more than any other investment bank during that time period.<sup>1</sup>

DAVENPORT, FL., October 27, 2015 -- CenterState Banks, Inc. (Nasdaq-GS: CSFL) announced today the signing of a definitive merger agreement under which CenterState will acquire Hometown of Homestead Banking Company ("HBC"), the parent company of 1<sup>st</sup> National Bank of South Florida ("1<sup>st</sup> National").

1<sup>st</sup> National, which is headquartered in Homestead, Florida, currently operates 6 banking locations in the Miami-Fort Lauderdale-West Palm Beach MSA. As of June 30, 2015, 1<sup>st</sup> National reported assets of \$346 million, gross loans of \$204 million and deposits of \$283 million.

"1<sup>st</sup> National is an excellent complement to our recent acquisition of Community Bank of South Florida," said Emie Pinner, Executive Chairman of CenterState Banks, Inc. "The combination of the two acquisitions helps us to further penetrate the attractive South Miami-Dade market."

Upon completion of the acquisition, the combined company will have approximately \$4.7 billion in assets, \$3.1 billion in loans and \$3.9 billion in deposits, inclusive of the pending acquisition of Community Bank of South Florida, Inc. This transaction will further solidify CenterState's position as one of the largest Florida-based community banks and is expected to result in high single-digit EPS accretion when fully phased in.

"1<sup>st</sup> National, founded in 1932, has a long established presence in South Miami-Dade county, and we look forward to adding their customers and employees to our growing Florida franchise," said John Corbett, President & CEO of CenterState.

The merger agreement has been unanimously approved by the boards of directors of each company. The transaction is expected to close late in the first quarter of 2016 and is subject to customary conditions, including both regulatory approvals and HBC's shareholder approval. Subject to the terms of the merger agreement, HBC shareholders will receive \$1.25 in cash for each share of HBC's common stock, which equates to an aggregate deal value of \$19.1 million.

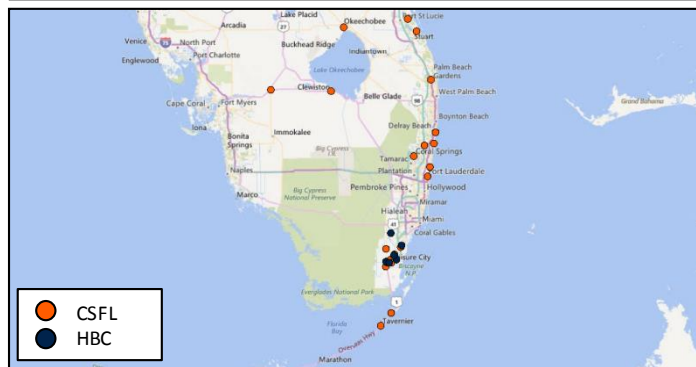
"We are excited to have this opportunity to partner with CenterState, a like-minded Florida headquartered community bank. The combination provides valuable additional products and services for our customers as well as access to an expanded branch network," said David Peyton, President & CEO of 1<sup>st</sup> National.

**Financial Highlights**

| (Dollars in millions) | <u>CSFL</u> | <u>1<sup>st</sup> National</u> |
|-----------------------|-------------|--------------------------------|
| Total Assets          | \$3,873     | \$346                          |
| Total Net Loans       | \$2,510     | \$202                          |
| Total Deposits        | \$3,137     | \$283                          |

(1) Excludes terminated transactions and self-advisory roles  
 Note: Financial data as of 6/30/15; Source: SNL Financial

**Pro Forma Branch Map**



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