

TRANSACTION PROFILE: COMMERCIAL/COLONIAL

Commercial Bankshares, the Largest Publicly-Traded Bank in S. Florida, Sells for \$323 Million: Hovde Financial Sells Three Florida Banks in Four Days

Hovde Financial is pleased to announce our third Florida bank sale in the last four days. Our client, Commercial Bankshares, Inc. (NASDAQ: CLBK), headquartered in Miami, Florida, has signed a definitive agreement to merge with Colonial BancGroup, Inc. (NYSE: CNB), of Montgomery, Alabama, in a 50% stock/ 50% cash transaction valued at \$323 million (or approximately \$50 per share based on Colonial's average trading price). Shareholders can elect 100% stock, 100% cash or any combination thereof. This transaction represents the largest deal that Colonial has ever done and is the largest community bank sale in Florida since Hovde sold First National Bankshares to Fifth Third in 2004 for \$1.6 billion (over 6x book).

Commercial Bankshares, led by well-respected veteran Chairman & CEO Joe Armaly, operates 14 branches in Dade and Broward Counties. The Company is one of the premier South Florida community bank franchises with a focus on commercial real estate lending and core deposit generation. This, coupled with pristine credit quality, has resulted in solid and consistent earnings (1.20% ROAA and 14.78% ROAE).

This transaction is Colonial's first acquisition in over two years (Hovde sold Union Bank of Florida to Colonial in 2004 for \$240 million) and will place over 60% of their franchise in Florida. While the deal catapults Colonial into a top-ten market position in the Miami MSA, very little branch overlap exists, as only three of Commercial's branches are within one mile of a Colonial branch. Colonial will also maintain its #6 deposit ranking in the state of Florida.

The aggregate deal value of \$323 million equates to 3.6x tangible book, 26x LTM earnings, 24x 2007E earnings, a 43% premium-to-core deposits, and a 37% premium to CLBK's stock price (based on CLBK's price two weeks prior to announcement). The price-to-book multiple of 3.6x represents the second-highest premium ever recorded for a bank in South Florida and the 12th-highest price in Florida since the elimination of Pooling Accounting in 2001. It is important to note that the 43% premium-to-core deposits is the fourth-highest ever recorded in Florida, slightly exceeding the NationsBank/Barnett Banks premium of 42% in 1997.

Hovde Financial initiated the transaction, served as exclusive financial advisor to Commercial, and delivered a fairness opinion to Commercial's Board of Directors. We have been very fortunate to have sold every bank that has engaged us to do so (31 for 31). Further, the pricing multiples we have negotiated for our clients continue to exceed our competitors' and the average for the state (we are averaging 343% of book value vs. the state average of 296%). As a matter of fact, only 15 Florida community banks have received over 350% in the last four years and we have represented 11, or 73%, of them (see page 3).

The Florida M&A market is more exciting than ever but the buyer landscape has become much more challenging. Having the best market intelligence on the most aggressive buyers and knowing how and when to approach them is paramount to a successful transaction. In the last four days we have sold BankFirst-Orlando for 3.8x book, People's-Sarasota for 3.3x book and now Commercial for 3.6x book.

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

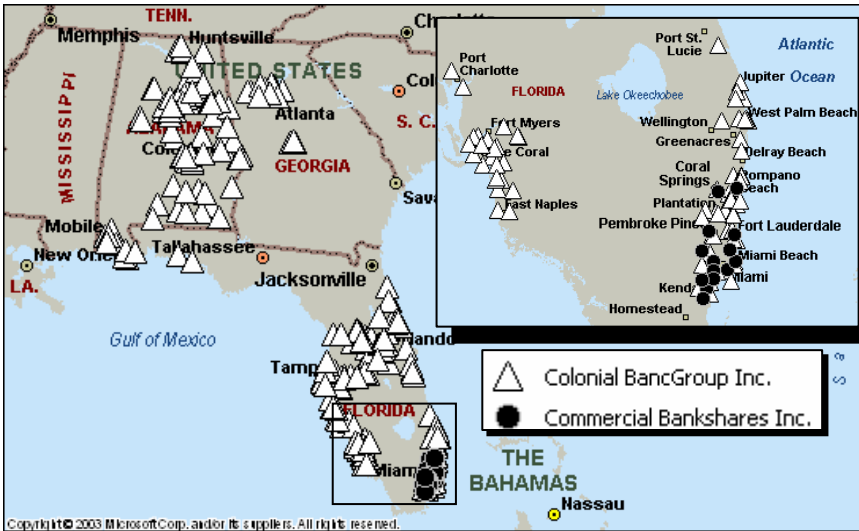
Commercial Bankshares, Inc. - Miami, FL
has agreed to merge with
Colonial BancGroup, Inc. - Montgomery, AL

Hovde Financial both initiated this transaction and served as exclusive financial advisor to Commercial Bankshares, Inc.

Overview of the Deal

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- Our client, Commercial Bankshares, Inc. (NASDAQ: CLBK), headquartered in Miami, has signed a definitive agreement to merge with Colonial BancGroup, Inc. (NYSE: CNB), of Montgomery, Alabama, in a 50% stock/ 50% cash transaction valued at \$323.4 million.
- This transaction represents the largest deal that Colonial has ever done and is the largest community bank sale in Florida since we sold First National Bankshares to Fifth Third in 2004 for \$1.6 billion (over 6x book).

Pro Forma Branch Map



Transaction Pricing

Aggregate Deal Price (\$million)*	\$323.4
Announced Date	1/23/2007
Anticipated Closing Date	Q2 2007
Form of Consideration	50% Stock / 50% Cash
Consideration Structure	Fixed Exchange
Premium-to-Market (2 weeks prior)	37.1%
Price-to-Tangible Book Value	3.6x
Price-to-12 Months Trailing Earnings	25.7x
Price-to-2007 Estimated Earnings	23.8x
Premium-to-Core Deposits	43.0%
Price-to-Total Assets	31.2%

Pro Forma Market Share - Miami MSA

Rank	Institution	Branch Count	Deposits in Market (\$000)	Market Share (%)
1	Wachovia Corp. (NC)	258	30,280,156	20.8
2	Bank of America Corp. (NC)	216	26,115,425	17.9
3	Washington Mutual Inc. (WA)	122	9,244,785	6.4
4	SunTrust Banks Inc. (GA)	97	8,503,951	5.8
5	Ohio Savings Financial Corp. (OH)	17	5,875,358	4.0
6	Regions Financial Corp. (AL)	75	5,713,399	3.9
7	BankUnited Financial Corp. (FL)	60	5,333,074	3.7
8	Citigroup Inc. (NY)	42	5,183,058	3.6
9	Ocean Bankshares Inc. (FL)	21	4,954,062	3.4
10	Colonial BancGroup Inc. (AL) - Pro Forma	61	3,725,574	2.6
10	BankAtlantic Bancorp Inc. (FL)	63	3,370,824	2.3
11	National City Corp. (OH)	45	3,128,227	2.2
12	Mercantil Servicios	14	3,063,862	2.1
	Colonial BancGroup Inc. (AL)	47	2,847,679	2.0
13	City National Bancshares Inc. (FL)	19	2,067,566	1.4
14	Northern Trust Corp. (IL)	13	1,973,268	1.4
15	Bank of New York Co. (NY)	16	1,507,110	1.0
16	HSBC Holdings plc	16	1,368,538	0.9
17	Lydian Trust Company (FL)	2	1,163,950	0.8
18	SNBNY Holdings Ltd.	2	1,076,958	0.7
	Commercial Bankshares Inc. (FL)	14	877,895	0.6
19	Boston Private Financial (MA)	4	866,056	0.6
20	Great Florida Bk (FL)	20	857,428	0.6
21	Popular Inc. (PR)	10	830,312	0.6
22	TFS Financial Corp (MHC) (OH)	5	822,807	0.6
23	Total Bancshares Corp. (FL)	14	812,238	0.6
24	U.S. Century Bank (FL)	13	701,313	0.5
25	First BanCorp. (PR)	9	552,905	0.4

Buyer and Seller Financial Information (as of 12/31/2006)

	<u>Colonial</u>	<u>Commercial</u>
Headquarters	Montgomery, AL	Miami, FL
Ticker	CNB	CLBK
States of Operation	FL(170),AL(91),GA(18),NV(15),TX(15)	FL(14)
Total Branches	309	14
Total Assets (\$000)	22,784,249	1,035,361
Total Deposits (\$000)	16,091,054	841,234
Core Deposits (\$000)	12,518,840	542,428
Total Equity (\$000)	2,057,335	90,227
Tangible Equity (\$000)	1,383,002	89,974
LTM Net Income (\$000)	265,813	12,560
LTM ROAA (%)	1.20	1.20
LTM ROAE (%)	13.34	14.78
Efficiency Ratio (%)	53.51	47.93
Non-Interest Income / IAA (%)	0.82	0.24
Non-Current Loans / Loans (%)	0.07	0.00
NCOs / Average Loans	0.11	0.00

* Based on CNB's 15-Day average closing price