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Citizens First Trust Company/Sabal Trust Company Merger Announcement

St. Petersburg, Fla. - Villages Bancorporation, Inc. and Sabal Trust Company have entered into a Preliminary Agreement to merge their jointly owned subsidiary, Citizens First Trust Company, into Sabal Trust Company. The merged organization, with almost \$900 million in client assets and four offices, will be Florida's largest independent investment management and trust company.

"For the past four years, we have worked closely with our partners at Sabal Trust to build a high quality investment management and trust organization to serve The Villages and Tri-County markets. This merger will provide us with significantly greater capital, more depth, technical capability and greater investment expertise," said Citizens First Trust Company's President, Gary W. Davis.

All of Citizens First Trust Company officers and staff will join Sabal Trust as full time employees. Sabal Trust will also have an option to extend the terms of its office lease at 1060 Lake Sumter Landing for an additional 10 years. Additionally, Villages Bancorporation will own an equity interest in Sabal and have representation on the resulting Board of Directors.

Founded in 1995, St. Petersburg, Florida, based Sabal Trust Company is 65% owned by its employees. The Company opened offices in Tampa in 2002 and Sarasota in 2007. The merger is subject to Regulatory approval by the State of Florida, Office of Financial Regulation and is expected to close by the fourth quarter of 2008.