

TRANSACTION PROFILE: INDEPENDENT/SUN AMERICAN

Hovde Financial is pleased to announce that its client, Independent Community Bank, a one-branch commercial bank headquartered in Tequesta, Florida, has signed a definitive agreement to merge with and into Sun American Bancorp (“SBK”) of Boca Raton, Florida, in a mixed consideration transaction valued at \$40.8 million. With this acquisition, Sun American moves its footprint up the Atlantic Coast in the Miami-Ft. Lauderdale-Miami Beach MSA to expand the franchise’s presence north of Palm Beach.

In addition to its strategic location in Palm Beach County, Independent is a strong earner, as evidenced by its ROAA of 1.52% over the last twelve months. Independent is primarily a commercial real estate and construction, and development lender—47% and 33%, respectively, of its loan portfolio—and has successfully competed in this booming business in South Florida. Out of the 34 community banks & thrifts headquartered in Florida, with assets between \$100 million and \$150 million, Independent was ranked 1st according to Hovde’s 8-factor peer ranking analysis! The acquisition will be immediately accretive to Sun American, as Sun American continues to deploy its accumulated capital in a high growth strategy.

The pricing multiples Hovde successfully negotiated on behalf of Independent are once again above state averages. The \$40.8 million deal equates to 2.9x tangible book value, but as Independent maintained a tangible equity ratio of 11.3% as of September 30, 2006, the deal actually equates to 3.9x tangible book value (based on normalized equity of 7.5% and dollar-for-dollar on the excess capital). Furthermore, the deal value is 33.2% of assets and represents a 30.8% premium on core deposits. In comparison, deal values for all Florida transactions since 2004 in which the seller had between \$100 million and \$500 million in assets averaged 3.1x tangible book value, 24.7% of assets, and a 25.1% premium on core deposits. The deal value negotiated for Independent reflects a 20.8x multiple on LTM earnings, which is relatively low only because of Independent’s extremely high profitability.

Hovde Financial served as exclusive financial advisor to Independent, initiated the discussions with Sun American that resulted in this transaction, and delivered a fairness opinion to Independent’s Board of Directors. This announcement represents Hovde’s 9th Florida community bank transaction in 2006 and its 26th Florida transaction since 2003.

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 250 merger and acquisition transactions for an aggregate deal value of over \$20 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

Independent Community Bank - Tequesta, FL

has agreed to merge with

Sun American Bancorp - Boca Raton, FL

Hovde Financial both initiated this transaction and served as exclusive financial advisor to Independent Community Bank

Overview of the Deal

- Boca Raton, FL-based Sun American Bancorp ("SBK") has expanded up the Atlantic Coast of the Miami-Ft. Lauderdale-Miami Beach MSA with the announced signing of a definitive agreement to acquire Tequesta, FL-based Independent Community Bank in a 58% stock, 42% cash transaction valued at \$40.8 million.
- Based on the total deal value of \$40.8 million, this price represents approximately 20.8x Independent's trailing twelve months earnings, 2.9x tangible book value, and 3.9x tangible book value on a normalized equity ratio of 7.5% of assets and dollar-for-dollar on excess capital. (Independent has an equity/asset ratio of 11.3%)
- This transaction represents the ninth Florida transaction Hovde has announced in 2006 and the twenty-sixth since 2003.

Pro Forma Branch Map



Transaction Pricing

Aggregate Deal Price (\$million)	\$40.8
Announced Date	11/17/2006
Anticipated Closing Date	Q1 2007
Form of Consideration	58% Stock / 42% Cash
Consideration Structure	Fixed Exchange
Price-to-Tangible Book Value	293.2%
Price / TBV Based on Normalized Equity of 7.5% and Dollar-for-Dollar on Excess	391.9%
Price-to-12 Months Trailing Earnings	20.8x
Premium-to-Core Deposits	30.8%
Price-to-Total Assets	33.2%

Pro Forma Market Share - Miami-Ft. Lauderdale-Miami Beach MSA

Rank	Institution	Branch Count	Deposits in Market (\$000)	Market Share (%)
1	Wachovia Corp. (NC)	259	30,280,156	20.8
2	Bank of America Corp. (NC)	215	26,000,000	17.9
3	Washington Mutual Inc. (WA)	122	9,244,785	6.4
4	SunTrust Banks Inc. (GA)	94	8,503,951	5.8
5	Ohio Savings Financial Corp. (OH)	16	5,875,358	4.0
6	Regions Financial Corp. (AL)	75	5,713,399	3.9
7	BankUnited Financial Corp. (FL)	59	5,333,074	3.7
8	Citigroup Inc. (NY)	41	5,183,058	3.6
9	Ocean Bankshares Inc. (FL)	21	4,954,062	3.4
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
13	Colonial BancGroup Inc. (AL)	47	2,847,679	2.0
14	City National Bankshares Inc. (FL)	19	2,067,566	1.4
15	Northern Trust Corp. (IL)	13	1,973,268	1.4
16	Mellon Financial Corp. (PA)	15	1,507,106	1.0
17	HSBC Holdings plc	15	1,368,538	0.9
18	Lydian Trust Company (FL)	2	1,163,950	0.8
19	SNBNY Holdings Ltd.	2	1,076,958	0.7
20	Commercial Bankshares Inc. (FL)	14	877,895	0.6
21	Boston Private Financial (MA)	4	866,056	0.6
22	Great Florida Bk (FL)	18	857,428	0.6
23	Popular Inc. (PR)	10	830,312	0.6
24	Third FS&LA M.H.C. (OH)	5	822,807	0.6
25	Total Bancshares Corp. (FL)	14	812,238	0.6
26	U.S. Century Bank (FL)	13	701,313	0.5
27	First BancCorp (PR)	9	552,905	0.4
28	BAC Florida Bank (FL)	1	547,763	0.4
29	Privee LLC (FL)	6	510,116	0.4
30	South Financial Group Inc. (SC)	12	503,613	0.4
31	TransAtlantic Bank (FL)	7	500,961	0.3
32	BB&T Corp. (NC)	10	479,938	0.3
33	Coconut Grove Bankshares Inc. (FL)	4	468,280	0.3
34	Sun American Bancorp-Pro Forma	12	465,760	0.3
35	Bank Leumi Le-Israel	3	430,384	0.3
36	Granvalor Holding Ltd. (FL)	2	380,402	0.3
37	Grand Bankshares Inc. (FL)	4	379,758	0.3
38	Intercredit Bank NA (FL)	5	366,729	0.3
39	Sun American Bancorp (FL)	11	359,841	0.3
40	Royal Bank of Canada	12	355,905	0.2
84	Independent Community Bank (FL)	1	106,619	0.1

Buyer and Seller Financial Information (as of 9/30/2006)

	<u>Sun American</u>	<u>Independent</u>
Headquarters	Boca Raton, FL	Tequesta, FL
Ticker	SBK	N/A
States of Operation	FL(9)	FL(1)
Total Branches	9	1
Total Assets (\$000)	330,501	122,672
Total Deposits (\$000)	236,679	98,591
Core Deposits (\$000)	202,670	87,273
Total Equity (\$000)	63,490	13,897
Tangible Equity (\$000)	57,639	13,897
LTM Net Income (\$000)	2,367	1,958
LTM ROAA (%)	0.79	1.52
LTM ROAE (%)	4.08	15.37
Efficiency Ratio (%)	80.93	45.97
Non-Interest Income /AA (%)	0.29	0.10
Non-Current Loans / Loans (%)	0.01	0.00
NCOs / Average Loans	0.19	0.00