

TRANSACTION PROFILE: UNION/COLONIAL

Hovde Financial is pleased to announce its 7th Florida community bank sale in 2004 with today's announced signing of a merger agreement between Ft. Lauderdale-based Union Bank of Florida and Colonial BancGroup, Inc. (NYSE: CNB) of Montgomery, Alabama. Hovde both initiated the transaction and served as Union Bank's exclusive financial advisor.

With \$1.1 billion in assets, Union Bank is the 8th largest community bank headquartered in Florida. Union Bank has a total of 18 branches, with 12 in Broward County, 3 in Dade County and 3 in Palm Beach County. The Bank's lending focus is predominantly in real estate (94% of portfolio) with a particular focus in commercial and construction real estate. The bank and its holding company (UB Financial Corp.) are owned by the Miller Family, who founded and control Lennar Corp., one of the largest homebuilders in the United States.

The terms of the transaction, as reflected in detail on the following page, call for Union Bank to receive \$240 million in a combination of cash and Colonial common stock. This price includes a \$7 million phantom stock payment. This aggregate price equates to 3.2x Union Bank's total book value, 3.4x adjusted book value (refer to the following page), and 28.1x trailing twelve months earnings as of June 30, 2004. This transaction represents Colonial's largest acquisition to date. Earlier this year, Hovde sold P.C.B. Bancorp, a \$660 million asset size bank in Clearwater, Florida, to Colonial for 4.3x tangible book, which is now Colonial's 2nd largest acquisition.

With the exception of Mellon Financial's acquisition of United Bankshares in 1997, this transaction is the highest priced community bank deal in South Florida (Dade and Broward Counties). While South Florida has experienced only a few deals in the last five years, with smaller banks sales (less than \$100 million in assets) priced at less than 1.75x book, the market is starting to pick up and buyers are showing increasing interest in this region. Just last month, Hovde sold Kislak Financial (Miami Lakes, FL) to Popular (San Juan, Puerto Rico) in a \$158 million transaction (27x earnings and 2.4x book value).

About Hovde Financial LLC

Hovde Financial LLC 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 200 merger and acquisition transactions for an aggregate deal value of over \$14 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 LLC IS PLEASED TO ANNOUNCE

Union Bank of Florida - Ft. Lauderdale, FL

has agreed to merge with

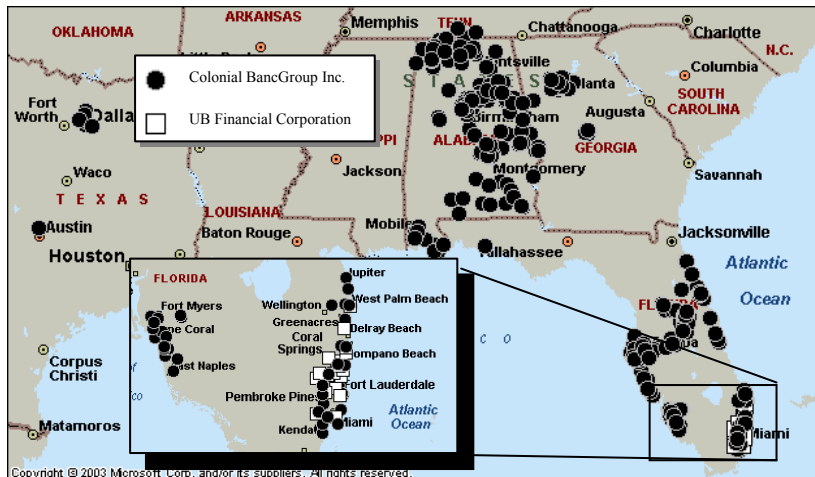
Colonial BancGroup, Inc. - Montgomery, AL

Hovde Financial both initiated this transaction and served as exclusive financial advisor to Union Bank of Florida

Overview of the Deal

- Colonial BancGroup has announced the signing of a definitive agreement to acquire Ft. Lauderdale-based Union Bank of Florida in a 25% stock / 75% cash transaction valued at \$240.0 million (includes a \$7M phantom stock payment).
- Based on the total deal value of \$240.0 million, this price equates to 28.1x Union's trailing twelve months earnings and 3.2x total book (excluding a special one-time capital infusion of \$7.5M in June, the price-to-book multiple would be 3.4x).
- With \$1.1 billion in assets, Union Bank is the 8th largest Florida-based community bank and represents Colonial's largest acquisition to date.
- With the exception of Mellon's acquisition of United Bankshares in 1997, this transaction represents the highest priced deal in South Florida.

Pro Forma Branch Map



Transaction Pricing

| | |
|--------------------------------------|----------------------|
| Aggregate Deal Price (\$million) | \$240.0 |
| Announced Date | 9/28/2004 |
| Anticipated Closing Date | Q1 2005 |
| Form of Consideration | 25% Stock / 75% Cash |
| Consideration Structure | Fixed Price |
| Price-to-Tangible Book Value | 3.2x |
| Price-to-Book Value * | 3.4x |
| Price-to-12 Months Trailing Earnings | 28.1x |
| Premium-to-Core Deposits | 32.8% |
| Price-to-Total Assets | 22.8% |

* Less a \$7.5M special one-time capital infusion in June

Pro Forma - Market Share - Florida

| Rank | Institution | Branch Count | Deposits in Market (\$000) | Market Share (%) |
|----------|---|--------------|----------------------------|------------------|
| 1 | Bank of America Corp. (NC) | 737 | 54,233,341 | 20.2 |
| 2 | Wachovia Corp. (NC) | 922 | 50,956,828 | 19.0 |
| 3 | SunTrust Banks Inc. (GA) | 448 | 29,395,644 | 11.0 |
| 4 | Washington Mutual Inc. (WA) | 149 | 10,369,113 | 3.9 |
| 5 | Regions Financial Corp. (AL) | 147 | 6,907,293 | 2.6 |
| 6 | AmSouth Bancorp. (AL) | 195 | 6,559,012 | 2.5 |
| 7 | Golden West Financial (CA) | 47 | 5,751,340 | 2.1 |
| 8 | Citigroup Inc. (NY) | 35 | 5,467,843 | 2.0 |
| 9 | Colonial BancGroup Inc. (AL) - Pro Forma | 138 | 5,363,569 | 2.0 |
| 10 | Ohio Savings Financial Corp. (OH) | 15 | 4,983,100 | 1.9 |
| 11 | Fifth Third Bancorp (OH) | 92 | 4,089,475 | 1.5 |
| 12 | Ocean Bankshares Inc. (FL) | 22 | 3,703,649 | 1.4 |
| 13 | Northern Trust Corp. (IL) | 28 | 3,324,149 | 1.2 |
| 14 | BB&T Corp. (NC) | 95 | 3,157,601 | 1.2 |
| 15 | BankUnited Financial Corp. (FL) | 43 | 3,155,352 | 1.2 |
| 16 | BankAtlantic Bancorp Inc. (FL) | 73 | 2,905,124 | 1.1 |
| 17 | South Financial Group Inc. (SC) | 67 | 2,889,467 | 1.1 |
| 18 | Mercantil Servicios | 11 | 2,497,062 | 0.9 |
| 19 | Fidelity Bankshares Inc. (FL) | 47 | 2,394,913 | 0.9 |
| 20 | Third FS&LA M.H.C. (OH) | 14 | 2,003,014 | 0.8 |
| 21 | Synovus Financial Corp. (GA) | 45 | 1,822,944 | 0.7 |
| 22 | City National Bankshares Inc. (FL) | 20 | 1,796,182 | 0.7 |
| 23 | Harbor Florida Bancshares Inc. (FL) | 33 | 1,507,514 | 0.6 |
| 24 | Riverside Banking Company (FL) | 48 | 1,496,789 | 0.6 |
| 25 | Capital City Bank Group Inc. (FL) | 47 | 1,359,315 | 0.5 |

Buyer and Seller Financial Information (as of June 30, 2004)

| | <u>Colonial</u> | <u>Union</u> |
|-------------------------------|--|--------------------|
| Headquarters | Montgomery, AL | Ft. Lauderdale, FL |
| Ticker | CNB | PRIVATE |
| States of Operation | AL(129),FL(120),GA(20),NV(11),TX(10),TN(3) | FL(18) |
| Total Branches | 293 | 18 |
| Total Assets (\$000) | 17,593,019 | 1,052,505 |
| Total Deposits (\$000) | 10,886,122 | 686,743 |
| Total Equity (\$000) | 1,283,495 | 75,897 |
| Tangible Equity (\$000) | 888,114 | 75,897 |
| LTM Net Income (\$000) | 158,998 | 8,556 |
| LTM ROAA (%) | 0.97 | 0.97 |
| LTM ROAE (%) | 13.51 | 12.65 |
| Efficiency Ratio (%) | 59.02 | 62.68 |
| Non-Interest Income /AA (%) | 0.79 | 0.63 |
| Non-Current Loans / Loans (%) | 0.46 | 0.19 |
| Equity Ratio (%) | 5.16 | 7.21 |