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COLONIAL BANCGROUP TO ACQUIRE UNION BANK OF FLORIDA

MONTGOMERY, AL Colonial BancGroup Chairman and CEO Robert E. Lowder and Union Bank of Florida Chairman, Steve Saiontz, jointly announced today that the companies have entered into a definitive agreement for Colonial BancGroup to acquire Union Bank of Florida. The transaction represents an aggregate consideration totaling approximately \$233 million based on the closing share price of Colonial BancGroup common stock of \$20.17 on September 27, 2004. The aggregate consideration to be offered to Union Bank shareholders consists of approximately 75% cash and 25% stock, subject to the limitation that Colonial will issue no more than 3.24 million shares in the transaction. More details of the transaction will be provided in a subsequent 8K filing.

Union Bank of Florida (Union), headquartered in Sunrise, Florida (Broward County), had total assets of \$1.1 billion, total deposits of \$687 million and total loans of \$574 million at June 30, 2004. Union currently operates 18 full-service offices in Miami-Dade, Broward and Palm Beach Counties. Once completed, this transaction will enhance Colonial's position as the seventh largest bank in Florida with approximately \$6 billion in deposits in Florida thus placing 58% of the Company's non-time deposits and 51% of its assets in that state.

In 1996, we made the decision to enter states whose growth patterns were more robust than our home state of Alabama. We have done that in Nevada, Texas and Georgia with considerable

success, but our primary focus has remained on Florida. Starting in Orlando, we have built a major franchise throughout the state in wealthy markets characterized by inherent and sustained growth. The addition of the \$1.1 billion Union Bank, our largest acquisition so far, is a logical stairstep in continuing this strategy. To date, we have acquired 19 financial institutions in Florida, gradually increasing the size of the acquired institution so that we are very confident in our ability to integrate the next one, and to take full advantage of cost savings in each case. The recently completed seamless assimilation of P.C.B. Bancorp with \$688 million in assets illustrates this point. We will continue to examine with deliberation institutions in appropriate complementary markets in Florida, said Mr. Lowder.

This merger will also increase Colonial's market share in a deposit-rich market with access to lower-cost funding. The transaction is expected to add to operating earnings per share in 2005. Colonial anticipates it will realize approximately \$5.7 million in pre-tax cost savings, exclusive of any potential branch closures.

Colonial's banking philosophy of "Financial Strength in Local Hands" will be a perfect fit for everyone at Union. These two banks have very similar banking styles and this merger will enhance the products and service that our customers are already used to in addition to adding some new capabilities, said Mr. Saiontz. After the merger is completed Mr. Saiontz will join Colonial's South Florida Region Board of Directors.

Lynne Wines, CEO of Union, will become a member of Colonial Bank's executive management team in South Florida upon completion of the acquisition. Ms. Wines has been with Union since 1986 and has also served in the roles of CFO and COO. She is actively involved in the Broward County community where she has previously served as Chair for many charitable fundraising efforts and was named "Business Woman of the Year" by the South Florida Business Journal in 2002. She currently serves on the Board of the Florida Bankers Association.

This transaction presents a great opportunity for Union's employees and customers to align ourselves with a bank that believes in the same service principles and community banking focus that we have always had, said Ms. Wines. It will also give our customers greater convenience with

Colonial's extensive retail branch network in South Florida as well as other service delivery channels.

The 18 locations gained through this acquisition are expected to fold well into Colonial's existing South Florida region headquartered in Miami. The addition of Union's deposits is expected to bring Colonial's South Florida deposits to \$2.6 billion and its number of branches to 46 with 18 locations in Broward County, 16 locations in Miami-Dade County and 12 in Palm Beach County. Nearly 70% of Union Bank's deposits are non-time core deposit products.

Completion of the transaction with Union is subject to approval by various regulatory agencies and Union's shareholders.

Colonial BancGroup was represented by Lehman Brothers, Inc. and received legal advice from Miller, Hamilton, Snider & Odom. Union was represented by Hovde Financial, LLC, and received legal advice from Bilzin Sumberg Baena Price & Axelrod LLP.

Colonial BancGroup, a multi-state bank holding company headquartered in Montgomery, Alabama, has assets of \$17.6 billion and operates 294 offices in Florida, Alabama, Georgia, Nevada and Texas and is traded on the New York Stock Exchange under the symbol CNB. In most newspapers the stock is listed as ColBgp. **A supplemental 8K concerning this transaction was also filed today which includes a map showing current Colonial Bank locations along with Union Bank locations and may be viewed at Colonial's website at www.colonialbank.com.**

The information contained herein does not constitute an offer to sell any securities. The shareholders of UB Financial Corporation shall receive and are urged to read the Prospectus-Information Statement that will be filed with the Securities and Exchange Commission as it will contain information that will be important to their investment decision. After they are filed with the SEC, these documents shall also be available at the SEC's website at www.sec.gov.

Pursuant to the Safe Harbor provisions of Private Securities Litigation Reform Act of 1995, the reader is also cautioned that this announcement contains forward looking statements regarding Colonial BancGroup's and Union Bank of Florida's future performance which are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

