

BankAtlantic Bancorp, Inc. (NYSE: BBX) announced today it has modified the previously signed definitive agreement to sell its wholly owned bank subsidiary, BankAtlantic, to BB&T Corporation (NYSE: BBT)

Sandler O'Neill served as financial advisor to BankAtlantic Bancorp, Inc. in this transaction and provided a fairness opinion. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank since January 1, 2010.¹

BankAtlantic Bancorp, Inc. (NYSE: BBX) ("BankAtlantic Bancorp" or the "Company") today announced that it has entered into an amendment to its November 1, 2011 agreement with BB&T Corporation (NYSE: BBT) pursuant to which BB&T would acquire BankAtlantic, the Company's wholly-owned bank subsidiary.

The core provisions of the original agreement remain unchanged. In connection with the transaction, BB&T will acquire approximately \$2.1 billion in loans and approximately \$3.3 billion in deposits based on September 30, 2011 balances. BB&T will pay an estimated premium of \$301 million to the closing net asset value of BankAtlantic. The premium, which equates to approximately 9% of total deposits at September 30, 2011, is subject to adjustment based on actual non-CD deposit balances at closing, but in no event will exceed \$315.9 million.

Under the terms of the modified agreement, BB&T will assume BankAtlantic Bancorp's obligations with respect to its approximately \$285 million of outstanding trust preferred securities. BankAtlantic Bancorp will pay all accrued interest on the trust preferred securities in connection with the closing.

The original agreement contemplated that BankAtlantic Bancorp would retain designated loans and other assets previously held by BankAtlantic which in the aggregate were recorded on the balance sheet of BankAtlantic at approximately \$624 million as of September 30, 2011. Based on BB&T's assumption of BankAtlantic Bancorp's outstanding trust preferred securities obligations, the companies have agreed that certain of those assets originally contemplated to be retained by BankAtlantic Bancorp will now be distributed to a newly established LLC, as described below.

Under the terms of the modified agreement, the companies have agreed to the formation of a new LLC, which prior to the closing of the transaction will receive approximately \$424 million of loans and \$17 million of real estate owned and other assets, net (based on BankAtlantic's book value gross of any reserves as of January 31, 2012) previously held by BankAtlantic. BB&T will hold a 95% preferred interest in the LLC, and BankAtlantic Bancorp will hold a 5% preferred interest and the remainder interest described below. The assets held by the LLC are expected to be monetized over time. After such time, if any, as BB&T has recovered \$285 million in preference amount from the LLC, BB&T's interest in the LLC will terminate and BankAtlantic Bancorp will be entitled to any and all residual proceeds in excess of such amount. BankAtlantic Bancorp will provide BB&T with an incremental \$35 million guarantee to assure BB&T's recovery within seven years of the \$285 million preference amount. Loans representing approximately 60% of the principal amount of the loans to be held by the LLC are currently paying interest.

BankAtlantic Bancorp's interest in the LLC is in addition to approximately \$175 million in commercial real estate nonaccrual loans and real estate owned (based on BankAtlantic's book value gross of any reserves as of January 31, 2012) previously held by BankAtlantic and to be retained by BankAtlantic Bancorp following closing.

(1) Excludes terminated transactions
Source: SNL Financial

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