ALABAMA NATIONAL BANCORPORATION
Form 424B5
July 14, 2004
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The information in this preliminary prospectus supplement is not complete and may be changed. The registration statement relating to these securities is effective. Neither this preliminary prospectus supplement nor the accompanying prospectus is an offer to sell these securities and neither is soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 13, 2004

FILED PURSUANT TO

RULE 424 (B) (5)

REGISTRATION NO: 333-115761

Preliminary Prospectus Supplement

(To Prospectus dated June 10, 2004)

850,000 shares

Common Stock

We are offering 850,000 shares of our common stock.

Our common stock is traded on the Nasdaq National Market under the symbol ALAB. On July 12, 2004, the last reported sale price of our common stock was $54.30 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-9 of this prospectus supplement and page 3 of the accompanying prospectus before you make your investment decision.

	Per Share	Total
Public offering price	$	$

Underwriting discount	$	$
Proceeds to Alabama National BanCorporation, before expenses	$	$

We have granted the underwriters an option for a period of 30 days to purchase up to an aggregate of 127,500 additional shares of our common stock on the same terms as set forth above to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

These securities are not savings accounts, deposits or obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation, Bank Insurance Fund, Savings Association Insurance Fund or any other governmental agency.

The underwriters are offering the shares of our common stock as described in the Underwriting section of this prospectus supplement. Delivery of the shares will be made on or about , 2004.

Keefe, Bruyette & Woods **Raymond James**

The date of this prospectus supplement is , 2004

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf registration process, we may offer from time to time shares of common stock. In the accompanying prospectus, we provide you with a general description of the common stock we may offer from time to time under our shelf registration statement. In this prospectus supplement, we provide you with specific information about the shares of our common stock that we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include important information about us, our common stock and other information you should consider before investing. This prospectus supplement may add, update and change information contained in the accompanying prospectus. You should read both this prospectus supplement and the accompanying prospectus as well as additional information described under Information Incorporated By Reference on page 15 of the accompanying prospectus before investing in our common stock. The information incorporated by reference in the accompanying prospectus under Information Incorporated by Reference on page 15 shall be deemed to be incorporated by reference in this prospectus supplement. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference in the accompanying prospectus, on the other hand, the information contained in this prospectus supplement shall control.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference is accurate as of any date other than the respective dates of those documents.

Unless the context otherwise requires, the terms we, our, us, the company, ANB and Alabama National refer to Alabama National BanCorporation and its subsidiaries.

PROSPECTUS SUPPLEMENT SUMMARY

This summary is not complete and does not contain all of the information that you should consider before investing in our common stock and is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. To understand this offering fully, you should carefully read this entire prospectus supplement, including the Risk Factors section, the accompanying prospectus and the documents incorporated by reference herein and therein.

Alabama National BanCorporation

Alabama National is a bank holding company headquartered in Birmingham, Alabama. We operate 83 banking offices through 14 wholly-owned banking subsidiaries located in Alabama, Florida and Georgia. Through our banks, we offer a wide range of lending services, including real estate, consumer and commercial loans, to individuals, small businesses and other organizations that are located in or conduct a substantial portion of their business in our markets. We complement our lending operations with a full array of retail deposit products and fee-based services to support our clients. Through one of our banking subsidiaries, we operate an investment services department devoted primarily to handling correspondent banks investment needs, including sales of securities, asset/liability consulting, safekeeping and bond accounting. In addition, we are the parent company of a licensed self-clearing broker-dealer, NBC Securities, Inc., a full service independent property and casualty insurance agency, ANB Insurance Services, Inc., and a receivables factoring company, Corporate Billing, Inc.

We were organized as a bank holding company in December 1986 and completed our initial public offering of common stock in November 1994. Substantially all of our current management team has been in place since December 1995, when Alabama National merged with the parent company of National Bank of Commerce of Birmingham, which is our largest banking subsidiary.

At March 31, 2004, Alabama National had total assets of approximately $4.9 billion, total deposits of approximately $3.5 billion, total net loans of approximately $3.1 billion and total shareholders equity of approximately $426.4 million. Additional information about Alabama National is included in documents incorporated by reference in this prospectus supplement and in the accompanying prospectus. See Where You Can Find More Information on page 14 and Information Incorporated by Reference on page 15 of the accompanying prospectus.

Market Areas and Growth Strategy

We currently conduct business through 43 locations in Alabama, 32 locations in Florida and 8 locations in Georgia. According to 2004 data from the U.S. Census Bureau, the projected population growth in our markets from 2004 to 2009 is expected to be 7.65% versus a U.S. average of 5.25%. In addition, approximately 99% of our deposits are in metropolitan statistical areas, or MSAs.

In Alabama, we focus our operations in three principal market areas: north Alabama (Decatur-Huntsville market); the metropolitan Birmingham area and east central Alabama; and Baldwin County (located between Mobile, Alabama and Pensacola, Florida on the Gulf Coast).

In Florida, we focus our operations in six principal market areas: Pensacola (located in the Florida panhandle); the Gainesville metropolitan area; the Orlando metropolitan area; the coastal Atlantic counties of Indian River and Brevard (including the Port St. Lucie metropolitan area); the Palm Coast / Ormond Beach region; and the Naples metropolitan area.

In Georgia, we focus our operations in the greater-Atlanta counties of Cobb, Douglas and Paulding.

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We intend to pursue expansion into attractive, high growth markets in Florida, Georgia and Alabama through acquisitions of community banks and branch locations and through bank expansions. Since December 1995, we have successfully integrated ten bank acquisitions (not including Coquina Bank, which we acquired on July 9, 2004) and two separate branch acquisitions. We focus our acquisition strategy on high quality community banks with proven management teams that view Alabama National as a partner, rather than as an exit strategy. Our strategy is to maintain the management team of each acquired bank, allowing it to retain its local entrepreneurial identity and decision making, while simultaneously creating efficiencies in the administrative and back office operations of the bank.

In addition to our strategy of expansion through combinations with other banks or thrifts, we intend to continue to expand organically where possible by growing our existing banks in their respective market areas and nearby attractive markets. Our decentralized community banking strategy allows our banks to effectively compete with our larger competitors by providing superior customer service with localized decision making capabilities.

We intend to achieve our primary goal of maximizing long term returns to stockholders by focusing on the following objectives:

- Continue expansion into high growth, metropolitan markets in Florida and Georgia where we believe we have a competitive advantage and an opportunity for growth;
- Continue our primary focus on commercial and retail customers in our existing market areas with the goal of providing superior customer service and maintaining strong asset quality;
- Maintain local decision making and accountability at our subsidiary banks;
- Expand our financial products and services to meet the needs of our customers and to increase our fee income; and
- Ensure management s interests are aligned with stockholders.

Recent Developments

Second Quarter 2004 Results

On July 13, 2004, we issued a press release reporting our earnings for the second quarter and first six months of 2004. For the quarter, we reported earnings of approximately $13.2 million, up 30.3% from the 2003 second quarter. Diluted earnings per share of $0.84 were up 5.1% from the same quarter a year ago. Our second quarter 2004 return on average equity was 12.55% and our return on average assets was 1.09%, compared to second quarter 2003 ratios of 16.51% and 1.15%, respectively. Average equity and average assets were both higher in the second quarter of 2004 than in the second quarter of 2003 due to an increase in intangible assets of approximately $100.4 million associated with the recently completed Cypress Bank and Indian River National Bank acquisitions. Second quarter 2004 return on average tangible equity and return on average tangible assets were 18.52% and 1.13%, respectively.

Year-to-date earnings at June 30, 2004 were approximately $24.6 million, an increase of 24.7% over the approximately $19.7 million in earnings reported for the same period in 2003. Diluted earnings per share for the first six months of 2004 were $1.64, up 5.8% from $1.55 for the first six months of 2003.

Total assets at quarter end of approximately $4.939 billion were up 26.9% from approximately $3.892 billion at June 30, 2003. Total loans at quarter end of approximately $3.197 billion were up 31.6% from approximately $2.429 billion at June 30, 2003. Deposits grew 31.3% to approximately $3.615 billion at June 30, 2004, compared to approximately $2.754 billion at June 30, 2003. Contributing to these increases are an aggregate of approximately $781.3 million of assets, approximately $363.8 million of loans and approximately $548.9 million of deposits which we acquired in connection with our acquisition of Indian River National Bank and Cypress Bank in the first quarter of 2004. Our stockholders equity for the second quarter was approximately $423.7 million, or $27.48 per share, and tangible book value per share was $18.63.

During the second quarter, we recognized $186,000 in net charge-offs, representing 0.02% of average loans on an annualized basis. Our second quarter 2004 provision expense for loan losses totaled $1.3 million. Quarter-end nonperforming assets were 0.32% of quarter-end loans and other real estate. The allowance for loan losses covered nonperforming loans by 523%.

Certain of the information set forth above concerning our earnings for the second quarter and first six months of 2004 contains financial information determined by methods other than in accordance with generally accepted accounting principles (GAAP). Please see GAAP Reconciliation and Management Explanation below for a reconciliation of the differences between each of these non-GAAP financial measures and the most directly comparable GAAP measure, as well as management s explanation of the reasons why the non-GAAP measures are useful to investors in our common stock.

Acquisition of Coquina Bank

Effective July 9, 2004, we acquired Coquina Bank, a Florida state chartered bank headquartered in Ormond Beach, Florida, with approximately $114 million in total assets as of June 30, 2004. Pursuant to the terms of the acquisition, the stockholders of Coquina Bank received an aggregate of approximately 543,681 shares of our common stock and an aggregate of approximately $1.98 million in cash consideration, and Coquina Bank became our wholly-owned subsidiary. The Coquina Bank acquisition was accounted for as a purchase. We anticipate that on or about August 19, 2004, Coquina Bank will be merged with Cypress Bank, another wholly-owned subsidiary, with headquarters in Palm Coast, Florida. The combined bank will operate under the name Cypress & Coquina Bank.

Corporate Information

Our headquarters are located at 1927 First Avenue North, Birmingham, Alabama 35203, and our telephone number is (205) 583-3600. We maintain a website at http://www.alabamanational.com. Information on the website is not incorporated by reference and is not a part of this prospectus supplement or the accompanying prospectus.

GAAP Reconciliation and Management Explanation

The information set forth above concerning our earnings for the second quarter of 2004 contains certain financial information determined by methods other than in accordance with GAAP. These non-GAAP financial measures are return on average tangible equity, return on average tangible assets and tangible book value per share. Alabama National s management uses these non-GAAP measures in its analysis of the company s performance.

Return on average tangible equity is defined as annualized earnings for the period divided by average equity reduced by average goodwill and other intangible assets. Return on average tangible assets is defined as annualized earnings for the period divided by average assets reduced by average goodwill and other intangible assets. Alabama National s management includes these measures because it believes that they are important when measuring the company s performance exclusive of the effects of goodwill and other intangibles recorded in recent acquisitions, and these measures are used by many investors as part of their analysis of the company s performance.

Tangible book value per share is defined as total equity reduced by recorded intangible assets divided by total common shares outstanding. This measure is important to many investors in the marketplace that are interested in changes from period to period in book value per share exclusive of changes in intangible assets. Goodwill, an intangible asset that is recorded in a purchase business combination, has the effect of increasing total book value while not increasing the tangible assets of the company. For companies such as Alabama National that have engaged in multiple business combinations, purchase accounting requires the recording of significant amounts of goodwill related to such transactions.

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These disclosures should not be viewed as a substitute for results determined in accordance with GAAP, and are not necessarily comparable to non-GAAP performance measures which may be presented by other companies. The following Reconciliation Table provides a more detailed analysis of these non-GAAP performance measures.

Reconciliation Table

	Three Months Ended June 30, (unaudited)		Six Months Ended June 30, (unaudited)	
	2004	**2003**	**2004**	**2003**
	(amounts in thousands, except percentages and per share data)			
Book value	$ 423,670	$ 268,916	$ 423,670	$ 268,916
Intangible assets	(136,429)	(36,778)	(136,429)	(36,778)
Tangible book value	$ 287,241	$ 232,138	$ 287,241	$ 232,138
Book value per common share	$ 27.48	$ 21.02	$ 27.48	$ 21.02
Effect of intangible assets per share	(8.85)	(2.88)	(8.85)	(2.88)
Tangible book value per share	$ 18.63	$ 18.14	$ 18.63	$ 18.14
Average assets	$ 4,865,953	$ 3,551,532	$ 4,529,926	$ 3,446,495
Average intangible assets	(136,958)	(22,322)	(105,978)	(21,420)
Average tangible assets	$ 4,728,995	$ 3,529,210	$ 4,423,948	$ 3,425,075
Return on average assets	1.09%	1.15%	1.09%	1.15%
Effect of average intangible assets	0.04	0.01	0.03	0.01
Return on average tangible assets	1.13%	1.16%	1.12%	1.16%
Average equity	$ 424,519	$ 246,990	$ 385,847	$ 242,652
Average intangible assets	(136,958)	(22,322)	(105,978)	(21,420)
Average tangible equity	$ 287,561	$ 224,668	$ 279,869	$ 221,232
Return on average equity	12.55%	16.51%	12.80%	16.36%
Effect of average intangible assets	5.97	1.64	4.84	1.59
Return on average tangible equity	18.52%	18.15%	17.64%	17.95%

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THE OFFERING

Common stock offered by us	850,000 shares (977,500 shares if the underwriters exercise their over-allotment option in full).
Common stock outstanding after this offering [(1)]	16,269,936 shares (16,397,436 shares if the underwriters exercise their over-allotment option in full).
Use of proceeds	We intend to use the net proceeds of this offering for general corporate purposes, which may include, among other things, our working capital needs and investments in our subsidiary banks, and to pay down certain short term borrowings. We may also use the net proceeds to finance possible acquisitions.
Dividends	We currently pay a cash dividend of $0.3125 per share of common stock per quarter, or $1.25 on an annualized basis. The payment of dividends in the future will depend upon a number of factors. We cannot give you any assurance that we will continue to pay dividends or that their amount will not be reduced in the future.
Nasdaq National Market Symbol	ALAB
Risk factors	You should carefully read and consider the information set forth in the section entitled Risk Factors beginning on page S-9 of this prospectus supplement and page 3 of the accompanying prospectus before investing in our common stock.

(1) Based on shares outstanding as of June 30, 2004. This does not include an aggregate of (i) 193,855 shares of common stock reserved for issuance in connection with deferred common stock equivalents that have been issued to our officers and directors and to certain officers and directors of our subsidiary banks as of June 30, 2004, or (ii) 341,862 shares of common stock reserved for issuance for outstanding options at June 30, 2004, with a weighted average exercise price of $20.39. If issued, these reserved shares would represent 3.4% of our outstanding shares before this offering and 3.2% of our outstanding shares after giving effect to the sale of 850,000 shares in this offering.

Unless otherwise expressly stated or the context otherwise requires, all information contained in this prospectus supplement assumes that the underwriters over-allotment option will not be exercised. For more information regarding the over-allotment option, see the Underwriting section beginning on page S-16 of this prospectus supplement.

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks described below and on page 3 of the accompanying prospectus before making an investment decision. You should also refer to the other information in this prospectus supplement and the accompanying prospectus, including our financial statements and the related notes incorporated by reference herein and therein. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks actually occur, our business, results of operations and financial condition could suffer. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our common stock. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements.

Risks Related to Our Business

We may not be able to maintain our historical growth rate, which may adversely affect our results of operations and financial condition.

We have grown substantially in the past few years from approximately $2.03 billion in total assets at December 31, 1999 (as restated for a 2001 pooling-of-interests transaction) to approximately $4.95 billion in total assets at March 31, 2004. This growth has been achieved through a combination of internal growth and acquisitions. Our future profitability will depend in part on our continued ability to grow. We may not be able to sustain our historical rate of growth or may not be able to grow our business at all in the future. We may also not be able to obtain the financing necessary to fund additional growth and may not be able to find suitable candidates for additional acquisitions in the future. Various factors, such as economic conditions, regulatory and legislative considerations and competition, may impede or prohibit our ability to acquire additional bank subsidiaries or open or acquire new branch offices.

Our continued pace of growth may require us to raise additional capital in the future, but that capital may not be available when it is needed or on favorable terms.

We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. We anticipate that our capital resources following this offering will satisfy our capital requirements for the immediate future. We may, however, need to raise additional capital to support our continued growth.

Our ability to raise additional capital, if needed, will depend on conditions in the capital markets at that time, which are outside our control, and on our financial performance. Accordingly, we cannot assure you of our ability to raise additional capital, if needed, on terms acceptable to us. If we cannot raise additional capital when needed, our ability to further expand our operations through internal growth and acquisitions could be materially impaired.

Our directors and executive officers own a significant portion of our common stock.

Our directors and executive officers, as a group, beneficially owned approximately 21.81% of our common stock outstanding as of June 30, 2004. As a result of their beneficial ownership, directors and executive officers will have the ability, by voting their shares in concert, to significantly influence the outcome of all matters submitted to our stockholders for approval, including the election of directors.

We make and hold in our loan portfolio a significant number of construction loans, which may pose more credit risk than other types of real estate loans.

We offer residential and commercial construction programs for builders and developers, which constituted 20.3% of our loan portfolio as of March 31, 2004. Builder construction loans are considered more risky than

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other types of real estate loans. While we believe we have established adequate reserves to cover the credit risk associated with our construction loan portfolio, there can be no assurance that losses will not exceed our reserves, which could adversely affect our earnings.

Risks Related to an Investment in Our Common Stock

We have broad discretion in using the net proceeds of this offering. Our failure to effectively use these proceeds could adversely affect our ability to earn profits.

We intend to use the net proceeds of this offering for general corporate purposes. We have not allocated specific amounts of the net proceeds to specific purposes, and will have significant flexibility in determining our applications of the net proceeds. Our failure to apply these funds effectively could reduce our ability to earn profits.

Future issuances of our common stock may adversely affect our stock price.

Sales of a substantial number of shares of our common stock after this offering, or the perception by the market that those sales could occur, could cause the market price of our common stock to decline or could make it more difficult for us to raise capital through the sale of common stock or use our common stock as currency in acquisitions in the future.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

In addition to the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, you should carefully consider the risk factors disclosed in this prospectus supplement and the accompanying prospectus when evaluating an investment in our common stock. This prospectus supplement and the accompanying prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical fact are forward-looking statements for purposes of these provisions, including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding expansions through acquisitions or otherwise, any statements regarding future economic conditions or performance, and any statement of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of terminology such as may, will, expects, plans, anticipates, estimates, believes, predicts, projects, goals, objectives, futur or the negative thereof or other comparable terminology. There can be no assurance that such expectations or any of the forward-looking statements will prove to be correct, and our actual results could differ materially from those projected in or implied by the forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to inherent risks and uncertainties, including but not limited to the risk factors set forth above and those described elsewhere in this prospectus supplement or in the accompanying prospectus. All forward-looking statements and reasons why results may differ included in this prospectus supplement are made as of the date hereof, and we assume no obligation to update any such forward-looking statement or reason why actual results might differ. You should refer to our periodic and current reports filed with the Securities and Exchange Commission for specific information which could cause our actual results to be significantly different from those expressed or implied by these forward-looking statements.

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USE OF PROCEEDS

Assuming a public offering price of $54.30 (the last reported sale price of our common stock on July 12, 2004), we estimate that our net proceeds from the sale of 850,000 shares of our common stock in this offering will be approximately $43,261,000 after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters over-allotment option is exercised in full, we estimate that our net proceeds will be approximately $49,786,000.

We intend to use the net proceeds of this offering for general corporate purposes, which may include, among other things, our working capital needs and investments in our subsidiary banks to support our growth. We also intend to use a portion of the net proceeds of this offering to repay all of the principal and interest outstanding ($7,165,825 as of June 30, 2004) under our $30,000,000 credit facility with an unaffiliated third party bank, which matures on May 31, 2005 and has an interest rate per annum equal to LIBOR plus 0.75%, currently 2.03%. Additionally, we may use a portion of the net proceeds to finance possible acquisitions. Although our growth strategy contemplates future acquisitions, we have no present agreements or definite plans relating to any acquisitions.

Until we designate the use of the net proceeds, we will invest them temporarily in liquid short term securities. The precise amounts and timing of our use of the net proceeds will depend upon market conditions and the availability of other funds, among other factors. From time to time, we may engage in additional capital financings as we determine appropriate based upon our needs and prevailing market conditions. These additional capital financings may include the sale of other securities.

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PRICE RANGE OF OUR COMMON STOCK AND DIVIDENDS

Our common stock is quoted on the Nasdaq National Market under the symbol ALAB. At June 30, 2004, there were 15,419,936 shares of Alabama National s common stock outstanding. The following table sets forth, for the calendar quarters indicated, the high and low sales prices per share for Alabama National on the Nasdaq National Market, and the cash dividends declared per share in each such quarter. Cash dividends are paid by Alabama National in the quarter immediately following the quarter in which they are declared.

	High	Low	Dividends Declared Per Share
2002			
First Quarter	$ 37.00	$ 31.60	$ 0.2500
Second Quarter	44.27	35.45	0.2500
Third Quarter	46.46	35.52	0.2500
Fourth Quarter	48.23	39.74	0.2500
2003			
First Quarter	$ 46.00	$ 40.75	$ 0.2850
Second Quarter	50.50	40.88	0.2850
Third Quarter	53.69	47.12	0.2850
Fourth Quarter	55.39	47.56	0.2850
2004			
First Quarter	$ 55.52	$ 50.14	$ 0.3125
Second Quarter	56.98	50.18	0.3125
Third Quarter (through July 12)	55.99	54.07	

Dividends are paid at the discretion of our Board of Directors, based on our operating performance and financial position, including our earnings, capital and liquidity. Dividends from our subsidiary banks are our primary source of funds for the payment of dividends to our stockholders, and there are various legal and regulatory limits on the extent to which our subsidiary banks may pay dividends or otherwise supply funds to us. In addition, federal and state regulatory agencies have the authority to prevent us from paying a dividend to our stockholders. Thus, while we intend to continue paying dividends, we can make no assurances that we will be able to or be permitted to do so in the future.

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CAPITALIZATION

The following table sets forth our consolidated short-term borrowings, long-term indebtedness and capitalization at March 31, 2004, on an actual basis and as adjusted to give effect to the sale of 850,000 shares of common stock, assuming a public offering price of $54.30 per share (the last reported sale price of our common stock on July 12, 2004) and our receipt of the estimated net proceeds from the sale of the shares. For purposes of this table, our estimated net proceeds will be approximately $43,261,000 after deducting estimated offering expenses and underwriting discounts and commissions. If the underwriters over-allotment option is exercised in full, 127,500 additional shares would be sold, resulting in estimated net proceeds of approximately $49,786,000 after deducting estimated offering expenses and underwriting discounts and commissions. The data presented in the table does not include any exercise of the underwriters over-allotment option. No other change in our consolidated capitalization since March 31, 2004 is reflected in the table. This table should be read together with our consolidated financial statements and related notes incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Actual March 31, 2004	As Adjusted
	(Dollars in thousands, except per share data)	
Short-term borrowings [1]	$ 67,743	$ 61,093
Long-term debt:		
Junior subordinated debentures [2]	$ 53,610	$ 53,610
FHLB borrowings	331,346	331,346
Capital leases	28	28
Total long-term debt	$ 384,984	$ 384,984
Stockholders equity: [3]		
Common stock, $1 par value; 27,500,000 shares authorized: 15,361,572 issued and outstanding at March 31, 2004 and 16,211,572 issued as adjusted	$ 15,362	$ 16,212
Additional paid-in capital	259,820	302,231
Retained earnings	146,147	146,147
Accumulated other comprehensive income, net of tax	5,087	5,087
Total stockholders equity	$ 426,416	$ 469,677
Total capitalization [4]	$ 480,026	$ 523,287
Book value per common share	$ 27.76	$ 28.97
Capital Ratios:		