

ALABAMA NATIONAL BANCORPORATION

Form 425

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**Subject Company: Alabama National BanCorporation**

**Commission File No. 0-25160**

**On October 23, 2007, Alabama National BanCorporation issued the attached press release**

**announcing its financial results for the nine months and quarter ended September 30, 2007.**

**Alabama National BanCorporation Announces**

**Third Quarter 2007 Earnings**

FOR IMMEDIATE RELEASE Birmingham, Alabama (October 23, 2007) Alabama National BanCorporation ( ANB ) (NASDAQ/Global Select Market: ALAB) today announced earnings for the quarter and nine-month period ended September 30, 2007.

For the 2007 third quarter, ANB reported net income of \$19.8 million, or \$0.95 per diluted share. Nine months year-to-date net income was \$61.8 million, or \$2.96 per diluted share. As previously reported, ANB sold its ANB Insurance Services, Inc. subsidiary during the 2007 second quarter. Earnings from the operation of this subsidiary and the gain from its sale are carried as income from discontinued operations in the income statement.

Excluding the discontinued insurance operations from all periods, ANB reported earnings from continuing operations of \$19.8 million in the 2007 third quarter, down 6.1% from the \$21.1 million earned in the 2007 second quarter and down 1.4% from the 2006 third quarter's \$20.1 million in net income from continuing operations. Diluted earnings per share (continuing operations) of \$0.95 in the 2007 third quarter were 5.6% below the \$1.01 reported in the 2007 second quarter and 9.7% below the \$1.06 reported in the year ago third quarter. Diluted cash earnings per share (continuing operations) were \$0.99 in the 2007 third quarter, as compared with \$1.05 and \$1.10 in the 2007 second quarter and 2006 third quarter, respectively.

Total revenue from continuing operations in the 2007 third quarter was \$85.1 million. This revenue total was down 0.9% from the \$85.9 million reported in the 2007 second quarter, and up 10.6% from the 2006 third quarter's \$76.9 million.

For the nine months ended September 30, 2007, ANB's \$60.6 million in income from continuing operations equated to \$2.91 in diluted earnings per share, down 5.8% from the \$3.09 earned in the first nine months of 2006. Year-to-date revenue for the first nine months of 2007 was \$253.7 million, up 13.1% from the 2006 nine months.

ANB's third quarter 2007 taxable equivalent net interest margin declined to 3.63%, down from the 3.72% reported in the 2007 second quarter. On a year-to-date basis, the 2007 nine months net interest margin of 3.70% was 0.21% below levels for the same period in 2006. Ending loans (excluding loans held for sale) grew \$56.5 million during the 2007 third quarter, representing a 4.0% annualized growth rate for the quarter. During the nine months ended September 30, 2007, ending loans grew \$305.9 million, representing an annualized growth rate of 7.5%. Ending deposits of \$5.68 billion at September 30, 2007 were down slightly from second quarter levels and grew at a 2.8% annualized rate for the first nine months of 2007. Ending total assets at September 30, 2007 were \$7.97 billion.

On the credit quality front, ANB recognized \$2.7 million in net charge-offs for the 2007 third quarter, representing 0.19% of loans on an annualized basis, bringing the nine month year-to-date annualized net charge-off rate to 0.13%. The company recorded a provision for loan losses of \$3.3 million in the 2007 third quarter, up from \$1.1 million recorded in the 2006 third quarter. Nonaccrual loans were \$20.2 million at quarter end, or 0.35% of total loans. Other real estate owned at September 30, 2007 was \$8.0 million, bringing total nonperforming assets to \$28.2 million. As a percentage of period-end loans and other real estate owned, nonperforming assets rose to 0.49% as compared with 0.18% in the year ago quarter and 0.32% in the quarter ended June 30, 2007.

We look forward to our forthcoming merger with RBC Centura Banks, Inc., said John H. Holcomb III, Chairman and CEO. Our planning efforts with our new partner are focused on ensuring a smooth transition for our customers as we prepare to introduce additional products and services as part of the RBC family.

ANB's performance resulted in a return on average tangible assets of 1.04% and a return on average tangible equity of 14.25% for the 2007 third quarter, down from 1.22% and 17.00%, respectively, in the

2006 third quarter. On a 2007 year-to-date basis, these ratios were 1.10% and 15.04%, respectively. Tangible book value per share at September 30, 2007 was \$27.29.

ANB is a bank holding company operating 103 banking locations through ten bank subsidiaries in Alabama, Florida and Georgia. Alabama subsidiaries include: First American Bank in north central Alabama; and Alabama Exchange Bank in Tuskegee. Florida subsidiaries are: Indian River National Bank in Vero Beach; First Gulf Bank, N.A. in Escambia County, Florida and Baldwin County, Alabama; Florida Choice Bank in metropolitan Orlando and central Florida; Community Bank of Naples, N.A.; CypressCoquina Bank in Ormond Beach; and Millennium Bank in Gainesville. ANB has two subsidiaries in Georgia: Georgia State Bank and The Peachtree Bank, both in metropolitan Atlanta. ANB provides full banking services to individuals and businesses. Commercial mortgage services, including the origination of permanent commercial real estate mortgage loans for various lenders, are provided by Byars and Company, a division of First American Bank. Brokerage services are provided to customers through First American Bank's wholly owned subsidiary, NBC Securities, Inc. Investments are not bank guaranteed, not FDIC insured and may lose value.

Alabama National Bancorporation common stock is traded on the NASDAQ Global Select Market under the symbol ALAB.

**Conference Call:**

Alabama National will not be holding a conference call this quarter to discuss these results.

Many of the comparisons of financial data from period to period presented in the narrative of this release have been rounded from actual values reported in the attached selected unaudited financial tables. The percentage changes presented above are based on a comparison of the actual values recorded in the attached tables, not the rounded values.

This press release, including the attached selected unaudited financial tables which are a part of this release, contains financial information determined by methods other than in accordance with generally accepted accounting principles ( GAAP ). These non-GAAP financial measures are cash earnings (cash earnings per share), tangible book value (tangible book value per share), return on average tangible equity and return on average tangible assets. ANB's management uses these non-GAAP measures in its analysis of ANB's performance. Cash earnings is defined as net income plus amortization expense (net of tax) applicable to intangible assets that do not qualify as regulatory capital. Cash earnings per basic and diluted share is defined as cash earnings divided by basic and diluted common shares outstanding. ANB's management includes cash earnings measures to compare the company's earnings exclusive of non-cash amortization expense and because it is a measure used by many investors as part of their analysis of ANB's performance. Tangible book value is defined as total equity reduced by recorded intangible assets. Tangible book value per share is defined as tangible book value 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. 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. ANB'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 ANB. These disclosures should not be viewed as a substitute for results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies. Refer to the Reconciliation Table in the attached unaudited financial tables for a more detailed analysis of these non-GAAP performance measures and the most directly comparable GAAP measures.

This press release contains forward-looking statements as defined by federal securities laws. Statements contained in this press release which are not historical facts are forward-looking statements. These statements may address issues that involve significant risks, uncertainties, estimates and assumptions made by management. ANB undertakes no obligation to update these statements following the date of this press release. In addition, ANB, through its senior management, may make from time to time forward-looking public statements concerning the matters described herein. Such forward-looking statements are necessarily estimates reflecting the best judgment of ANB's senior management based upon current information and involve a number of risks and uncertainties. Certain factors which could affect the accuracy of such forward-looking statements are identified in the public filings made by ANB with the Securities and Exchange Commission, and forward looking statements contained in this press release or in other public statements of ANB or its senior management should be considered in light of those factors. There can be no assurance that such factors or other factors will not affect the accuracy of such forward-looking statements.

**Where You Can Find Additional Information About ANB's Proposed Merger with RBC Centura Banks, Inc.**

The proposed merger of ANB with RBC Centura Banks, Inc., a wholly-owned subsidiary of Royal Bank of Canada (RBC), will be submitted to ANB's stockholders for consideration. RBC will file with the SEC a Registration Statement on Form F-4 that includes a preliminary version of a proxy statement of ANB that also constitutes a preliminary prospectus of RBC. RBC intends to file the F-4 with the SEC on or about November 30, 2007. Following the F-4 being declared effective by the SEC, ANB intends to mail the final proxy statement/prospectus to its stockholders. ANB stockholders are urged to read the final proxy statement/prospectus regarding the proposed transaction when it becomes available because it will contain important information. You may obtain a free copy of the F-4 (when it becomes available) and the final proxy statement/prospectus (when it becomes available) and other documents related to the merger filed by ANB and RBC with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). You may also obtain documents filed with the SEC by RBC free of charge from RBC's website ([www.rbc.com](http://www.rbc.com)) under the heading "News and Information" "Investor Relations" and then under the heading "Regulatory Filings" and then under the heading "Link to EDGAR Information and Filings" and then, once it is filed, to the F-4 (or the most recent amendment thereto). You may also obtain documents filed with the SEC by ANB free of charge from ANB's website ([www.alabamanational.com](http://www.alabamanational.com)) under the heading "Financial Reports" and then under the item "SEC Filings."

**Participants in the Merger**

RBC, RBC Centura Banks, Inc., ANB and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from ANB stockholders in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of ANB stockholders in connection with the merger will be set forth in the final proxy statement/prospectus when it becomes available. You can find information about RBC's executive officers and directors in its management proxy circular filed with the SEC as an exhibit to its Form 6-K on February 9, 2007. You can find information about ANB's executive officers and directors in its definitive proxy statement filed with the SEC on April 12, 2007. You can obtain free copies of these documents from the websites of RBC, ANB or the SEC.

Contacts: Alabama National BanCorporation

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Chairman of the Board and

Chief Executive Officer

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William E. Matthews, V

Executive Vice President and

Chief Financial Officer

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## ALABAMA NATIONAL BANCORPORATION

(Unaudited Financial Highlights)

(in thousands, except per share amounts and percentages)

|  | Three Months Ended<br>September 30, |           | Percentage<br>Change (b) |
|--|-------------------------------------|-----------|--------------------------|
|  | 2007                                | 2006      |                          |
| Net interest income  | \$ 63,731                           | \$ 58,196 | 9.5%                     |
| Noninterest income   | 21,354                              | 18,736    | 14.0                     |
| Total revenue  | 85,085                              | 76,932    | 10.6                     |
| Provision for loan and lease losses                              | 3,267                               | 1,130     | 189.1                    |
| Noninterest expense  | 52,182                              | 45,288    | 15.2                     |
| Income from continuing operations before taxes                   | 29,636                              | 30,514    | (2.9)                    |
| Income taxes   | 9,852                               | 10,446    | (5.7)                    |
| Net income from continuing operations                            | 19,784                              | 20,068    | (1.4)                    |
| Income from discontinued operations (net of tax)                 | 2                                   | 45        | (95.6)                   |
| Net income   | \$ 19,786                           | \$ 20,113 | (1.6)%                   |
| Weighted average common and common equivalent shares outstanding |                                     |           |                          |
| Basic  | 20,604                              | 18,834    | 9.4%                     |
| Diluted  | 20,751                              | 19,012    | 9.1                      |
| Net income per common share from continuing operations           |                                     |           |                          |
| Basic  | \$ .96                              | \$ 1.07   | (9.9)%                   |
| Diluted  | .95                                 | 1.06      | (9.7)                    |
| Net income per common share                                      |                                     |           |                          |
| Basic  | \$ .96                              | \$ 1.07   | (10.1)%                  |
| Diluted  | .95                                 | 1.06      | (9.9)                    |
| Cash earnings per share from continuing operations (a)           |                                     |           |                          |
| Total  | \$ 20,632                           | \$ 20,943 | (1.5)%                   |
| Basic  | 1.00                                | 1.11      | (9.9)                    |
| Diluted  | .99                                 | 1.10      | (9.7)                    |
| Cash dividends declared on common stock                          | \$ .41                              | \$ .375   |                          |
| Return on average assets   | 1.00%                               | 1.18%     |                          |
| Return on average tangible assets                                | 1.04                                | 1.22      |                          |
| Return on average equity   | 8.96                                | 11.41     |                          |
| Return on average tangible equity                                | 14.25                               | 17.00     |                          |
| <b>Noninterest Income</b>  |                                     |           |                          |
| Service charge income  | \$ 4,903                            | \$ 4,042  | 21.3%                    |
| Investment services income                                       | 1,189                               | 1,292     | (8.0)                    |
| Wealth management income   | 6,373                               | 5,371     | 18.7                     |
| Gain on sale of mortgages  | 2,945                               | 2,774     | 6.2                      |
| Commercial mortgage banking income                               | 363                                 | 518       | (29.9)                   |
| Gain on disposal of assets                                       | 131                                 | 13        | 907.7                    |
| Bank owned life insurance  | 1,142                               | 988       | 15.6                     |
| Other  | 4,308                               | 3,738     | 15.2                     |
| Total noninterest income   | \$ 21,354                           | \$ 18,736 | 14.0%                    |

(a) Cash earnings exclude the effect on earnings of amortization expense applicable to intangible assets that do not qualify as regulatory capital.

(b) Percentage change based on actual not rounded values.

|  | Nine Months Ended<br>September 30, |            | Percentage<br>Change (b) |
|--|------------------------------------|------------|--------------------------|
|  | 2007                               | 2006       |                          |
| Net interest income  | \$ 190,988                         | \$ 169,714 | 12.5%                    |
| Noninterest income   | 62,706                             | 54,546     | 15.0                     |
| Total revenue  | 253,694                            | 224,260    | 13.1                     |
| Provision for loan and lease losses                              | 8,302                              | 4,293      | 93.4                     |
| Noninterest expense  | 153,983                            | 132,704    | 16.0                     |
| Income from continuing operations before taxes                   | 91,409                             | 87,263     | 4.8                      |
| Income taxes   | 30,791                             | 30,110     | 2.3                      |
| Net income from continuing operations                            | 60,618                             | 57,153     | 6.1                      |
| Income from discontinued operations (net of tax)                 | 1,151                              | 150        | 667.3                    |
| Net income   | \$ 61,769                          | \$ 57,303  | 7.8%                     |
| Weighted average common and common equivalent shares outstanding |                                    |            |                          |
| Basic  | 20,702                             | 18,336     | 12.9%                    |
| Diluted  | 20,861                             | 18,521     | 12.6                     |
| Net income per common share from continuing operations           |                                    |            |                          |
| Basic  | \$ 2.93                            | \$ 3.12    | (6.1)%                   |
| Diluted  | 2.91                               | 3.09       | (5.8)                    |
| Net income per common share                                      |                                    |            |                          |
| Basic  | \$ 2.98                            | \$ 3.13    | (4.5)%                   |
| Diluted  | 2.96                               | 3.09       | (4.3)                    |
| Cash earnings per share from continuing operations (a)           |                                    |            |                          |
| Total  | \$ 63,275                          | \$ 59,454  | 6.4%                     |
| Basic  | 3.06                               | 3.24       | (5.7)                    |
| Diluted  | 3.03                               | 3.21       | (5.5)                    |
| Cash dividends declared on common stock                          | \$ 1.23                            | \$ 1.125   |                          |
| Return on average assets   | 1.06%                              | 1.18%      |                          |
| Return on average tangible assets                                | 1.10                               | 1.22       |                          |
| Return on average equity   | 9.49                               | 11.71      |                          |
| Return on average tangible equity                                | 15.04                              | 17.08      |                          |
| Noninterest Income   |                                    |            |                          |
| Service charge income  | \$ 13,015                          | \$ 11,753  | 10.7%                    |
| Investment services income                                       | 3,914                              | 3,122      | 25.4                     |
| Wealth management income   | 18,409                             | 16,102     | 14.3                     |
| Gain on sale of mortgages  | 9,811                              | 8,046      | 21.9                     |
| Commercial mortgage banking income                               | 1,159                              | 1,534      | (24.4)                   |
| Gain on disposal of assets                                       | 624                                | 552        | 13.0                     |
| Securities (losses) gains  |                                    | (1,250)    | NM                       |
| Bank owned life insurance  | 3,367                              | 2,528      | 33.2                     |
| Other  | 12,407                             | 12,159     | 2.0                      |
| Total noninterest income   | \$ 62,706                          | \$ 54,546  | 15.0%                    |

(a) Cash earnings exclude the effect on earnings of amortization expense applicable to intangible assets that do not qualify as regulatory capital.

(b) Percentage change based on actual not rounded values.

NM Not meaningful

|  | September 30,<br>2007 | December 31,<br>2006 | Percentage<br>Change |
|--|-----------------------|----------------------|----------------------|
| Total assets                             | \$ 7,967,331          | \$ 7,671,274         | 3.9%                 |
| Earning assets                           | 7,152,863             | 6,856,309            | 4.3                  |
| Securities (a)                           | 1,253,681             | 1,265,774            | (1.0)                |
| Loans held for sale                      | 22,018                | 27,652               | (20.4)               |
| Loans and leases, net of unearned income | 5,761,997             | 5,456,136            | 5.6                  |
| Allowance for loan and lease losses      | 71,026                | 68,246               | 4.1                  |
| Deposits                                 | 5,682,313             | 5,567,603            | 2.1                  |
| Short-term borrowings                    | 149,300               | 161,830              | (7.7)                |
| Long-term debt                           | 460,339               | 402,399              | 14.4                 |
| Stockholders' equity                     | 880,956               | 853,623              | 3.2                  |

(a) Excludes trading securities

### ASSET QUALITY ANALYSIS

(in thousands, except percentages)

|   | As of / For the Three Months Ended |               |               |
|---|------------------------------------|---------------|---------------|
|   | Sept 30, 2007                      | June 30, 2007 | Sept 30, 2006 |
| Nonaccrual loans  | \$ 20,239                          | \$ 10,686     | \$ 8,344      |
| Restructured loans  |                                    |               |               |
| Loans past due 90 days or more and still accruing   | -0-                                | -0-           | -0-           |
| Total nonperforming loans   | 20,239                             | 10,686        | 8,344         |
| Other real estate owned   | 7,969                              | 7,678         | 381           |
| Total nonperforming assets  | 28,208                             | 18,364        | 8,725         |
| Total non performing assets as a percentage of period-end loans and other real estate (a) | 0.49%                              | 0.32%         | 0.18%         |
| Allowance for loan and lease losses   | \$ 71,026                          | \$ 70,474     | \$ 61,354     |
| Provision for loan and lease losses   | 3,267                              | 3,273         | 1,130         |
| Loans charged off   | 2,981                              | 2,799         | 848           |
| Loan recoveries   | 266                                | 323           | 333           |
| Net loan and lease losses   | 2,715                              | 2,476         | 515           |
| Allowance for loan and lease losses as a percentage of period-end loans and leases (a)    | 1.23%                              | 1.24%         | 1.26%         |
| Allowance for loan and lease losses as a percentage of period-end nonperforming loans     | 350.94                             | 659.50        | 735.31        |
| Net losses to average loans and leases (annualized)                                       | 0.19                               | 0.18          | 0.04          |

|   | For the Nine Months Ended |          | Percentage<br>Change |
|---|---------------------------|----------|----------------------|
|   | September 30,<br>2007     | 2006     |                      |
| Provision for loan and lease losses                 | \$ 8,302                  | \$ 4,293 | 93.4%                |
| Loans charged off                                   | 6,281                     | 1,866    | 236.60               |
| Loan recoveries                                     | 759                       | 1,033    | (26.5)               |
| Net loan and lease losses                           | 5,522                     | 833      | 562.9                |
| Net losses to average loans and leases (annualized) | 0.13%                     | 0.02%    |                      |

(a) Excludes loans held for sale

**TAXABLE EQUIVALENT YIELDS/RATES**

|                                    | Sept 30, 2007 | Three Months Ended<br>June 30, 2007 | Sept 30, 2006 |
|------------------------------------|---------------|-------------------------------------|---------------|
| <b>Interest income:</b>            |               |                                     |               |
| Interest and fees on loans         | 8.03%         | 8.09%                               | 7.95%         |
| <b>Interest on securities:</b>     |               |                                     |               |
| Taxable                            | 4.61          | 4.61                                | 4.46          |
| Non-taxable                        | 6.30          | 6.08                                | 6.38          |
| Total interest earning assets      | 7.44          | 7.48                                | 7.27          |
| <b>Interest expense:</b>           |               |                                     |               |
| Interest on deposits               | 4.19%         | 4.17%                               | 3.72%         |
| Interest on short-term borrowing   | 5.46          | 5.49                                | 5.62          |
| Interest on long-term debt         | 5.05          | 5.09                                | 5.22          |
| Total interest bearing liabilities | 4.34          | 4.32                                | 4.03          |
| Net interest spread                | 3.10          | 3.16                                | 3.24          |
| Net interest margin                | 3.63          | 3.72                                | 3.81          |

|                                    | Nine Months Ended<br>September 30, |       |
|------------------------------------|------------------------------------|-------|
|                                    | 2007                               | 2006  |
| <b>Interest income:</b>            |                                    |       |
| Interest and fees on loans         | 8.08%                              | 7.72% |
| <b>Interest on securities:</b>     |                                    |       |
| Taxable                            | 4.61                               | 4.43  |
| Non-taxable                        | 6.21                               | 6.43  |
| Total interest earning assets      | 7.46                               | 7.06  |
| <b>Interest expense:</b>           |                                    |       |
| Interest on deposits               | 4.15%                              | 3.39% |
| Interest on short-term borrowing   | 5.34                               | 5.25  |
| Interest on long-term debt         | 5.17                               | 4.98  |
| Total interest bearing liabilities | 4.31                               | 3.68  |
| Net interest spread                | 3.15                               | 3.38  |
| Net interest margin                | 3.70                               | 3.91  |

**STOCKHOLDERS EQUITY AND CAPITAL RATIOS**

|   | September 30,<br>2007 | December 31,<br>2006 |
|---|-----------------------|----------------------|
| <b>Stockholders Equity:</b>                 |                       |                      |
| Equity to assets                            | 11.06%                | 11.13%               |
| Leverage ratio                              | 8.04                  | 7.99                 |
| Book value per common share (a)             | \$ 43.19              | \$ 41.51             |
| Tangible book value per common share (a)(b) | 27.29                 | 25.55                |
| Ending shares outstanding                   | 20,397                | 20,562               |

- (a) Includes a cumulative mark to market adjustment to equity of \$(0.25) and \$(0.29) per share at September 30, 2007 and December 31, 2006, respectively.
- (b) Total equity reduced by intangible assets divided by common shares outstanding.



## RECONCILIATION TABLE

(in thousands, except per share amounts and percentages)

|   | Three Months Ended<br>September 30, |              | Nine Months Ended<br>September 30, |              |
|---|-------------------------------------|--------------|------------------------------------|--------------|
|   | 2007                                | 2006         | 2007                               | 2006         |
| Net income from continuing operations                             | \$ 19,784                           | \$ 20,068    | \$ 60,618                          | \$ 57,153    |
| Amortization of intangibles, net of tax                           | 848                                 | 875          | 2,657                              | 2,301        |
| Cash earnings from continuing operations                          | \$ 20,632                           | \$ 20,943    | \$ 63,275                          | \$ 59,454    |
| Net income per common share from continuing operations basic      | \$ 0.96                             | \$ 1.07      | \$ 2.93                            | \$ 3.12      |
| Effect of amortization of intangibles per share                   | 0.04                                | 0.04         | 0.13                               | 0.12         |
| Cash earnings per common share from continuing operations basic   | \$ 1.00                             | \$ 1.11      | \$ 3.06                            | \$ 3.24      |
| Net income per common share from continuing operations diluted    | \$ 0.95                             | \$ 1.06      | \$ 2.91                            | \$ 3.09      |
| Effect of amortization of intangibles per share                   | 0.04                                | 0.04         | 0.12                               | 0.12         |
| Cash earnings per common share from continuing operations diluted | \$ 0.99                             | \$ 1.10      | \$ 3.03                            | \$ 3.21      |
| Average assets  | \$ 7,884,691                        | \$ 6,752,745 | \$ 7,812,661                       | \$ 6,470,383 |
| Average intangible assets   | (324,921)                           | (230,011)    | (321,419)                          | (205,795)    |
| Average tangible assets   | \$ 7,559,770                        | \$ 6,522,734 | \$ 7,491,242                       | \$ 6,264,588 |
| Return on average assets  | 1.00%                               | 1.18%        | 1.06%                              | 1.18%        |
| Effect of average intangible assets                               | 0.04                                | 0.04         | 0.04                               | 0.04         |
| Return on average tangible assets                                 | 1.04%                               | 1.22%        | 1.10%                              | 1.22%        |
| Average equity  | \$ 875,842                          | \$ 699,333   | \$ 870,475                         | \$ 654,280   |
| Average intangible assets   | (324,921)                           | (230,011)    | (321,419)                          | (205,795)    |
| Average tangible equity   | \$ 550,921                          | \$ 469,322   | \$ 549,056                         | \$ 448,485   |
| Return on average equity  | 8.96%                               | 11.41%       | 9.49%                              | 11.71%       |
| Effect of average intangible assets                               | 5.29                                | 5.59         | 5.55                               | 5.37         |
| Return on average tangible equity                                 | 14.25%                              | 17.00%       | 15.04%                             | 17.08%       |

|                                       | As of                 |                      |
|---------------------------------------|-----------------------|----------------------|
|                                       | September 30,<br>2007 | December 31,<br>2006 |
| Book value                            | \$ 880,956            | \$ 853,623           |
| Intangible assets                     | (324,279)             | (328,166)            |
| Tangible book value                   | \$ 556,677            | \$ 525,457           |
| Book value per common share           | \$ 43.19              | \$ 41.51             |
| Effect of intangible assets per share | (15.90)               | (15.96)              |
| Tangible book value per common share  | \$ 27.29              | \$ 25.55             |

## Alabama National BanCorporation and Subsidiaries

Consolidated Statements of Financial Condition (Unaudited)

(In thousands, except share amounts)

|  | September 30,<br>2007 | December 31,<br>2006 |
|--|-----------------------|----------------------|
| <b>Assets</b>  |                       |                      |
| Cash and due from banks  | \$ 164,103            | \$ 200,153           |
| Interest-bearing deposits in other banks   | 27,983                | 16,350               |
| Federal funds sold and securities purchased under resell agreements  | 86,364                | 89,865               |
| Trading securities, at fair value  | 820                   | 532                  |
| Investment securities (fair values of \$729,561 and \$705,460)   | 737,780               | 716,406              |
| Securities available for sale, at fair value   | 515,901               | 549,368              |
| Loans held for sale  | 22,018                | 27,652               |
| Loans and leases   | 5,766,151             | 5,461,400            |
| Unearned income  | (4,154)               | (5,264)              |
| Loans and leases, net of unearned income   | 5,761,997             | 5,456,136            |
| Allowance for loan and lease losses  | (71,026)              | (68,246)             |
| Net loans and leases   | 5,690,971             | 5,387,890            |
| Property, equipment and leasehold improvements, net  | 173,666               | 155,001              |
| Assets to be disposed of   |                       | 3,549                |
| Goodwill   | 311,658               | 311,583              |
| Other intangible assets, net   | 12,621                | 16,583               |
| Cash surrender value of life insurance   | 108,384               | 104,992              |
| Receivable from investment division customers  | 13,998                | 1,114                |
| Other assets   | 101,064               | 90,236               |
| <b>Totals</b>  | <b>\$ 7,967,331</b>   | <b>\$ 7,671,274</b>  |
| <b>Liabilities and Stockholders Equity</b>   |                       |                      |
| Deposits:  |                       |                      |
| Noninterest bearing  | \$ 755,248            | \$ 849,127           |
| Interest bearing   | 4,927,065             | 4,718,476            |
| Total deposits   | 5,682,313             | 5,567,603            |
| Federal funds purchased and securities sold under repurchase agreements  | 719,823               | 627,297              |
| Liabilities to be disposed of  |                       | 1,019                |
| Accrued expenses and other liabilities   | 59,782                | 56,057               |
| Payable for securities purchased for investment division customers   | 14,818                | 1,446                |
| Short-term borrowings  | 149,300               | 161,830              |
| Long-term debt   | 460,339               | 402,399              |
| Total liabilities  | 7,086,375             | 6,817,651            |
| Common stock, \$1 par; 50,000,000 shares authorized; 20,626,500 and 20,562,467 shares issued at September 30, 2007 and December 31, 2006, respectively | 20,627                | 20,562               |
| Additional paid-in capital   | 577,064               | 573,756              |
| Retained earnings  | 302,594               | 266,668              |
| Treasury stock at cost, 230,000 shares at September 30, 2007   | (14,221)              |                      |
| Accumulated other comprehensive loss, net of tax   | (5,108)               | (7,363)              |
| <b>Total stockholders equity</b>   | <b>880,956</b>        | <b>853,623</b>       |

Totals

\$ 7,967,331

\$ 7,671,274

## Alabama National BanCorporation and Subsidiaries

Consolidated Statements of Income (Unaudited)

(In thousands, except per share data)

|   | For the Three Months<br>Ended September 30, |                | For the Nine Months<br>Ended September 30, |                |
|---|---|----------------|--|----------------|
|   | 2007  | 2006           | 2007                                       | 2006           |
| <b>Interest income:</b>   |   |                |  |                |
| Interest and fees on loans and leases   | \$ 116,151                                  | \$ 97,279      | \$ 342,816                                 | \$ 266,374     |
| Interest on securities  | 14,436                                      | 13,275         | 42,402                                     | 38,329         |
| Interest on deposits in other banks   | 265   | 225            | 819  | 450            |
| Interest on trading securities  | 8   | 15             | 32   | 34             |
| Interest on federal funds sold and securities purchased under resell agreements     | 888   | 806            | 2,682                                      | 2,531          |
| <b>Total interest income</b>  | <b>131,748</b>                              | <b>111,600</b> | <b>388,751</b>                             | <b>307,718</b> |
| <b>Interest expense:</b>  |   |                |  |                |
| Interest on deposits  | 52,806                                      | 38,019         | 153,347                                    | 99,059         |
| Interest on federal funds purchased and securities sold under repurchase agreements | 7,534                                       | 8,142          | 22,353                                     | 21,207         |
| Interest on short-term borrowings   | 1,912                                       | 2,117          | 5,587                                      | 3,238          |
| Interest on long-term debt  | 5,765                                       | 5,126          | 16,476                                     | 14,500         |
| <b>Total interest expense</b>   | <b>68,017</b>                               | <b>53,404</b>  | <b>197,763</b>                             | <b>138,004</b> |
| <b>Net interest income</b>  | <b>63,731</b>                               | <b>58,196</b>  | <b>190,988</b>                             | <b>169,714</b> |
| Provision for loan and lease losses   | 3,267                                       | 1,130          | 8,302                                      | 4,293          |
| <b>Net interest income after provision for loan and lease losses</b>                | <b>60,464</b>                               | <b>57,066</b>  | <b>182,686</b>                             | <b>165,421</b> |
| <b>Noninterest income:</b>  |   |                |  |                |
| Securities losses   |   |                |  | (1,250)        |
| Gain on disposition of assets   | 131   | 13             | 624  | 552            |
| Service charges on deposit accounts   | 4,903                                       | 4,042          | 13,015                                     | 11,753         |
| Investment services income  | 1,189                                       | 1,292          | 3,914                                      | 3,122          |
| Wealth management income  | 6,373                                       | 5,371          | 18,409                                     | 16,102         |
| Gain on sale of mortgages   | 2,945                                       | 2,774          | 9,811                                      | 8,046          |
| Commercial mortgage banking income  | 363   | 518            | 1,159                                      | 1,534          |
| Bank owned life insurance   | 1,142                                       | 988            | 3,367                                      | 2,528          |
| Other   | 4,308                                       | 3,738          | 12,407                                     | 12,159         |
| <b>Total noninterest income</b>   | <b>21,354</b>                               | <b>18,736</b>  | <b>62,706</b>                              | <b>54,546</b>  |
| <b>Noninterest expense:</b>   |   |                |  |                |
| Salaries and employee benefits  | 26,695                                      | 23,582         | 78,950                                     | 68,989         |
| Commission based compensation   | 5,198                                       | 4,586          | 15,131                                     | 13,143         |
| Occupancy and equipment expenses  | 5,845                                       | 5,160          | 17,364                                     | 14,843         |
| Amortization of intangibles   | 1,262                                       | 1,262          | 3,961                                      | 3,290          |
| Other   | 13,182                                      | 10,698         | 38,577                                     | 32,439         |
| <b>Total noninterest expense</b>  | <b>52,182</b>                               | <b>45,288</b>  | <b>153,983</b>                             | <b>132,704</b> |
| <b>Income before provision for income taxes from continuing operations</b>          | <b>29,636</b>                               | <b>30,514</b>  | <b>91,409</b>                              | <b>87,263</b>  |
| Provision for income taxes  | 9,852                                       | 10,446         | 30,791                                     | 30,110         |
| <b>Net income from continuing operations</b>  | <b>19,784</b>                               | <b>20,068</b>  | <b>60,618</b>                              | <b>57,153</b>  |

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|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Income from discontinued operations, including a gain on disposal of \$1,462,000 for the nine months ended September 30, 2007 (net of tax) | 2         | 45        | 1,151     | 150       |
| Net income   | \$ 19,786 | \$ 20,113 | \$ 61,769 | \$ 57,303 |
| Weighted average common shares outstanding:  |           |           |           |           |
| Basic  | 20,604    | 18,834    | 20,702    | 18,336    |
| Diluted  | 20,751    | 19,012    | 20,861    | 18,521    |
| Earnings per common share from continuing operations:  |           |           |           |           |
| Basic  | \$ 0.96   | \$ 1.07   | \$ 2.93   | \$ 3.12   |
| Diluted  | \$ 0.95   | \$ 1.06   | \$ 2.91   | \$ 3.09   |
| Earnings per common share:   |           |           |           |           |
| Basic  | \$ 0.96   | \$ 1.07   | \$ 2.98   | \$ 3.13   |
| Diluted  | \$ 0.95   | \$ 1.06   | \$ 2.96   | \$ 3.09   |

## AVERAGE BALANCES, INCOME AND EXPENSES AND RATES

(Amounts in thousands, except yields and rates)

|  | Three Months 09/30/07 |                |            | Three Months 09/30/06 |                |            |
|--|-----------------------|----------------|------------|-----------------------|----------------|------------|
|  | Average Balance       | Income/Expense | Yield/Cost | Average Balance       | Income/Expense | Yield/Cost |
| <b>Assets:</b>   |                       |                |            |                       |                |            |
| Earning assets:  |                       |                |            |                       |                |            |
| Loans and leases (1)                                     | \$ 5,747,873          | \$ 116,327     | 8.03%      | \$ 4,861,167          | \$ 97,415      | 7.95%      |
| Securities:  |                       |                |            |                       |                |            |
| Taxable  | 1,087,449             | 12,624         | 4.61       | 1,095,864             | 12,312         | 4.46       |
| Tax exempt   | 172,851               | 2,746          | 6.30       | 90,761                | 1,459          | 6.38       |
| Cash balances in other banks                             | 21,320                | 265            | 4.93       | 17,796                | 225            | 5.02       |
| Funds sold   | 59,031                | 888            | 5.97       | 57,876                | 806            | 5.53       |
| Trading account securities                               | 587                   | 8              | 5.41       | 1,245                 | 15             | 4.78       |
| Total earning assets (2)                                 | 7,089,111             | 132,858        | 7.44       | 6,124,709             | 112,232        | 7.27       |
| Cash and due from banks                                  | 168,465               |                |            | 168,449               |                |            |
| Premises and equipment                                   | 168,834               |                |            | 139,617               |                |            |
| Other assets   | 529,332               |                |            | 381,126               |                |            |
| Allowance for loan and lease losses                      | (71,051)              |                |            | (61,156)              |                |            |
| Total assets   | \$ 7,884,691          |                |            | \$ 6,752,745          |                |            |
| <b>Liabilities:</b>                                      |                       |                |            |                       |                |            |
| Interest-bearing liabilities:                            |                       |                |            |                       |                |            |
| Interest-bearing transaction accounts                    | \$ 1,169,311          | \$ 8,604       | 2.92%      | \$ 1,114,186          | \$ 8,135       | 2.90%      |
| Savings deposits   | 1,058,083             | 9,138          | 3.43       | 955,355               | 7,217          | 3.00       |
| Time deposits  | 2,771,279             | 35,064         | 5.02       | 1,987,488             | 22,667         | 4.52       |
| Funds purchased  | 624,192               | 7,534          | 4.79       | 662,649               | 8,142          | 4.87       |
| Other short-term borrowings                              | 139,054               | 1,912          | 5.46       | 149,362               | 2,117          | 5.62       |
| Long-term debt   | 453,231               | 5,765          | 5.05       | 389,516               | 5,126          | 5.22       |
| Total interest-bearing liabilities                       | 6,215,150             | 68,017         | 4.34       | 5,258,556             | 53,404         | 4.03       |
| Demand deposits  | 729,799               |                |            | 748,486               |                |            |
| Accrued interest and other liabilities                   | 63,900                |                |            | 46,371                |                |            |
| Stockholders' equity                                     | 875,842               |                |            | 699,333               |                |            |
| Total liabilities and stockholders' equity               | \$ 7,884,691          |                |            | \$ 6,752,745          |                |            |
| Net interest spread                                      |                       |                | 3.10%      |                       |                | 3.24%      |
| Net interest income/margin on a taxable equivalent basis |                       | 64,841         | 3.63%      |                       | 58,828         | 3.81%      |
| Tax equivalent adjustment (2)                            |                       | 1,110          |            |                       | 632            |            |
| Net interest income/margin                               |                       | \$ 63,731      | 3.57%      |                       | \$ 58,196      | 3.77%      |

(1) Average loans include nonaccrual loans. All loans and deposits are domestic.

(2) Tax equivalent adjustments are based on the assumed rate of 34%, and do not give effect to the disallowance for Federal income tax purposes of interest expense related to certain tax-exempt assets.

## AVERAGE BALANCES, INCOME AND EXPENSES AND RATES

(Amounts in thousands, except yields and rates)

|  | Nine Months 09/30/07 |                |            | Nine Months 09/30/06 |                |            |
|--|----------------------|----------------|------------|----------------------|----------------|------------|
|  | Average Balance      | Income/Expense | Yield/Cost | Average Balance      | Income/Expense | Yield/Cost |
| <b>Assets:</b>   |                      |                |            |                      |                |            |
| Earning assets:  |                      |                |            |                      |                |            |
| Loans and leases (1)                                     | \$ 5,681,298         | \$ 343,406     | 8.08%      | \$ 4,617,531         | \$ 266,759     | 7.72%      |
| Securities:  |                      |                |            |                      |                |            |
| Taxable  | 1,094,154            | 37,722         | 4.61       | 1,084,872            | 35,939         | 4.43       |
| Tax exempt   | 152,762              | 7,091          | 6.21       | 75,278               | 3,621          | 6.43       |
| Cash balances in other banks                             | 22,128               | 819            | 4.95       | 12,718               | 450            | 4.73       |
| Funds sold   | 65,444               | 2,682          | 5.48       | 65,844               | 2,531          | 5.14       |
| Trading account securities                               | 849                  | 32             | 5.04       | 1,019                | 34             | 4.46       |
| Total earning assets (2)                                 | 7,016,635            | 391,752        | 7.46       | 5,857,262            | 309,334        | 7.06       |
| Cash and due from banks                                  | 179,679              |                |            | 179,982              |                |            |
| Premises and equipment                                   | 164,062              |                |            | 128,875              |                |            |
| Other assets   | 522,462              |                |            | 362,587              |                |            |
| Allowance for loan and lease losses                      | (70,177)             |                |            | (58,323)             |                |            |
| Total assets   | \$ 7,812,661         |                |            | \$ 6,470,383         |                |            |
| <b>Liabilities:</b>                                      |                      |                |            |                      |                |            |
| Interest-bearing liabilities:                            |                      |                |            |                      |                |            |
| Interest-bearing transaction accounts                    | \$ 1,183,641         | \$ 25,709      | 2.90%      | \$ 1,096,629         | \$ 21,580      | 2.63%      |
| Savings deposits   | 1,095,800            | 28,562         | 3.48       | 930,326              | 18,391         | 2.64       |
| Time deposits  | 2,657,424            | 99,076         | 4.98       | 1,885,467            | 59,088         | 4.19       |
| Funds purchased  | 626,632              | 22,353         | 4.77       | 626,496              | 21,207         | 4.53       |
| Other short-term borrowings                              | 139,975              | 5,587          | 5.34       | 82,390               | 3,238          | 5.25       |
| Long-term debt   | 425,933              | 16,476         | 5.17       | 388,959              | 14,500         | 4.98       |
| Total interest-bearing liabilities                       | 6,129,405            | 197,763        | 4.31       | 5,010,267            | 138,004        | 3.68       |
| Demand deposits  | 754,311              |                |            | 736,455              |                |            |
| Accrued interest and other liabilities                   | 58,470               |                |            | 69,381               |                |            |
| Stockholders equity                                      | 870,475              |                |            | 654,280              |                |            |
| Total liabilities and stockholders equity                | \$ 7,812,661         |                |            | \$ 6,470,383         |                |            |
| Net interest spread                                      |                      |                | 3.15%      |                      |                | 3.38%      |
| Net interest income/margin on a taxable equivalent basis |                      | 193,989        | 3.70%      |                      | 171,330        | 3.91%      |
| Tax equivalent adjustment (2)                            |                      | 3,001          |            |                      | 1,616          |            |
| Net interest income/margin                               |                      | \$ 190,988     | 3.64%      |                      | \$ 169,714     | 3.87%      |

(1) Average loans include nonaccrual loans. All loans and deposits are domestic.

(2) Tax equivalent adjustments are based on the assumed rate of 34%, and do not give effect to the disallowance for Federal income tax purposes of interest expense related to certain tax-exempt assets.