

ALABAMA NATIONAL BANCORPORATION
Form 8-K
February 13, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 9, 2007

ALABAMA NATIONAL BANCORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of Incorporation)

0-25160
(Commission File Number)

63-1114426
(IRS Employer

Identification Number)

1927 First Avenue North, Birmingham, Alabama 35203

(Address of principal executive offices, including zip code)

(205) 583-3600

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

Annual Incentive Plan Establishment of Performance Criteria for 2007 Bonuses

On February 9, 2007, the Compensation Committee of Alabama National BanCorporation (the Company or ANB) approved the performance criteria pursuant to which cash bonuses will be paid to the named executive officers of the Company (the Executives) for fiscal year 2007 under the Company s Annual Incentive Plan. The criteria established by the Committee for 2007 bonuses under the Annual Incentive Plan for each of John H. Holcomb, III, Chief Executive Officer, Richard Murray, IV, President and Chief Operating Officer and William E. Matthews, V, Executive Vice President and Chief Financial Officer, is growth in the Company s earnings per share (diluted) in 2007 as compared to earnings per share results in 2006. For Dan M. David, Vice Chairman, and John R. Thompson, III, Chief Executive Officer of First American Bank, the criteria established by the Committee for 2007 bonuses under the Annual Incentive Plan are (i) growth in the Company s earnings per share (diluted) in 2007 as compared to earnings per share results in 2006, (ii) individual goal achievement in 2007 and (iii) departmental performance in 2007. The weighting of these factors for each of these Executives is as follows: earnings per share goals 50%, individual goals 25%, and departmental goals 25%. The target bonus for the criteria related to earnings per share (diluted) growth is based on annual growth of 10% over the prior year.

A copy of the Annual Incentive Plan is attached as Appendix C to the Company s 2002 Proxy Statement on Schedule 14A that was filed with the Securities and Exchange Commission on March 28, 2002.

Performance Share Awards and Establishment of Performance Criteria Under the Performance Share Plan

Also at the February 9, 2007 meeting of the Compensation Committee, the Committee approved the grant to the Executives of 2007 equity awards under the Company s Performance Share Plan. The Performance Share Plan authorizes the award of performance shares to a select group of executive officers and key employees of the Company. The awards vest based on the Company s attainment of certain pre-established levels of performance with respect to certain objective measurements of performance set forth in the Performance Share Plan. Each award granted generally represents one share of the Company s common stock.

At the time of grant of an award under the Performance Share Plan, the Committee establishes a threshold award amount, a target award amount and a maximum eligible award amount. At the time the Compensation Committee grants awards under the Performance Share Plan, the Compensation Committee is required to fix an award period. The payout of the award occurs after the completion of the applicable award period and the payout can range from 0% to a set maximum percentage of the target award amount. The level of satisfaction of the performance criteria established by the Committee at the time of grant determines the exact amount of the payout.

For the 2007 awards that have been granted to the Executives, the performance criteria established by the Committee to determine the percentage of the 2007 award payable is the compounded annual growth rate of the annual earnings per share (diluted) of the Company during the award period. Also, the Committee selected an award period of four years (2007-2010). The target award for each Executive is based on a compounded annual growth rate of the Company s earnings per share (diluted) of 10%. The payout, if any, of the 2007 awards granted to Executives under the Performance Share Plan will occur in 2011, after the completion of the award period.

A copy of the form of Notice of Award for Executives under the Performance Share Plan is included with this Current Report on Form 8-K as Exhibit 10.1. A copy of the Performance Share Plan is attached as an exhibit to the Company s Current Report on Form 8-K, as filed with the Securities and Exchange Commission on May 6, 2005.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Exhibit
10.1	Form of Notice of Award under the Performance Share Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alabama National Bancorporation

By: /s/ William E. Matthews, V
William E. Matthews, V
Executive Vice President and Chief Financial Officer

Dated: February 13, 2007

INDEX TO EXHIBITS

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