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Press Release

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WEBSTER REPORTS 2007 FIRST QUARTER EARNINGS

First Quarter Highlights:

- **Diluted earnings per share of $.62 (includes the aggregate effect of $.11 per diluted share of severance-related charges from ongoing restructuring, the costs of closing the remaining operations of People's Mortgage Company (PMC) previously announced on April 5, 2007, the write down of a construction loan held for sale and seasonal compensation costs).**

- **Tangible capital increased to 6.74 percent, up from 6.46 percent at December 31, 2006 and 5.68 percent at September 30, 2006.**

- **Net interest margin improved to 3.41 percent, up from 3.23 percent in the fourth quarter of 2006 and 3.01 percent in the third quarter of 2006.**

- **Loan to deposit ratio improved to 98 percent from 104 percent at December 31, 2006 and 106 percent at September 30, 2006.**

- **Completion of the balance sheet repositioning actions announced in the fourth quarter with the securitization of $633 million in residential mortgage loans.**

- **Moody's announced upgrade of Webster based on financial strength and credit ratings; Fitch raised outlook to "Positive."**

- **Increased the quarterly cash dividend by 11% to $.30 per share from $.27 per share.**

WATERBURY, Conn., April 19, 2007 – Webster Financial Corporation (NYSE: WBS), the holding company for Webster Bank, N.A., today announced net income of $35.0 million or $.62 per diluted share for the first quarter of 2007, compared to $37.8 million or $.67 per diluted share for the fourth quarter of 2006 and to $43.9 million or $.82 per diluted share for the first quarter of 2006. First quarter 2007 net income includes charges for other items of $9.9 million ($6.4 million, net of tax) or $.11 per diluted share outlined in the following table.

Earnings Reconciliation

(In thousands except per share data)	March 31, 2007 Pre-Tax	March 31, 2007 Tax Effected	March 31, 2007 EPS	December 31, 2006 Pre-Tax	December 31, 2006 Tax Effected	December 31, 2006 EPS
	For the Three Months Ended					
Reported Net Income	$ 51,222	$ 35,036	$ 0.62	$ 54,895	$ 37,798	$ 0.67
Balance Sheet Repositioning Actions:						
Loss on sale of $250 million of mortgage loans	-	-	-	5,713	3,713	0.07
Loss on sale of AFS securities, net	-	-	-	2,400	1,560	0.03
Total balance sheet repositioning actions	-	-	-	8,113	5,273	0.10
Other Items:						
Acquisition costs (NewMil)	-	-	-	2,018	1,312	0.02
Net gain from pension curtailment	-	-	-	(300)	(195)	-
Gain on sale of properties	-	-	-	(1,400)	(910)	(0.02)
Write-down of construction loan held for sale	700	455	0.01	-	-	-
Compensation costs seasonal (A)	4,700	3,055	0.05	-	-	-
Severence -related charges	2,200	1,430	0.02	-	-	-
Closure of Peoples Mortgage Company (PMC)	2,322	1,509	0.03	-	-	-
Total other items	9,922	6,449	0.11	318	207	0.00
Total balance sheet repositioning actions and other items	9,922	6,449	0.11	8,431	5,480	0.10
Adjusted net income excluding balance sheet repositioning actions and other items	$ 61,144	$ 41,485	$ 0.73	$ 63,326	$ 43,278	$ 0.77

(A) Expect 25% of the seasonal increase to remain in the second quarter

As previously disclosed, Webster incurred seasonally higher expenses in the first quarter of 2007 primarily related to payroll taxes and 401(k) match. The impact of these seasonally higher expenses was $4.7 million ($3.1 million, net of taxes) or $.05 per diluted share. In addition, as also previously disclosed, one residential construction loan in Florida classified as held for sale was written down in value by $700,000 ($455,000, net of taxes) or $.01 per diluted share. This adjustment is reflected in mortgage banking activities as a reduction in noninterest income in the first quarter. Also, Webster incurred severance related charges from ongoing restructuring in insurance and other lines of business of $2.2 million ($1.4 million, net of taxes) or $.02 per diluted share and closing costs of $2.3 million ($1.5 million, net of taxes) or $.03 per share related to the remaining operations of PMC.

Additionally, as the final component of balance sheet repositioning actions announced in the fourth quarter, Webster completed the securitization of $633 million of residential mortgage loans during the first quarter of 2007. These securities are classified as held-to-maturity.

“Webster has begun to execute changes resulting from our previously announced strategic review with the objective of narrowing and sharpening our focus on our vision to be New England’s bank,” stated Webster Chairman and Chief Executive Officer James C. Smith. “To date outcomes from this review include the closure of PMC, the termination of mezzanine lending operations, the discontinuance of construction lending outside of our primary market, the restructuring of our insurance operations and the outsourcing of the back office operations of Webster Investment Services. We remain committed to completing this process by mid-year.”

Commercial loans, including commercial real estate loans, and consumer loans, were $8.6 billion at March 31, 2007, up 11 percent from March 31, 2006. Commercial and consumer loans represent 70 percent of total loans at March 31, 2007 compared to 61 percent a year ago. “Webster continues to show consistent growth in these core lines of business,” stated Webster President and Chief Operating Officer William T. Bromage. “As the results show, our plan has been to reduce our percentage of residential loans to total loans and to continue to focus on growth in commercial and consumer loans.”

Revenues

Total revenue, which consists of net interest income plus total non-interest income, was $185.5 million in the first quarter, compared to $180.5 million in the fourth quarter and $185.4 million a year ago.

Net interest income was $128.1 million in the first quarter compared to $129.2 million in the fourth quarter and $130.2 million a year ago. Average interest-earning assets were lower in the first quarter of 2007 as a result of recent balance sheet repositioning actions in comparison to the fourth quarter and first quarter of 2006; however, Webster's net interest margin (annualized tax-equivalent net interest income as a percentage of average earning assets) increased to 3.41 percent compared to 3.23 percent in the fourth quarter and 3.24 percent a year ago. Webster's balance sheet repositioning actions have positively impacted the net interest margin as the proceeds from the sales of securities have paid down high-cost borrowings. Slightly offsetting the positive effect of the balance sheet restructuring is continued consumer preference for higher yielding certificates of deposit as well as the impact of the inverted yield curve. The spread between the yield on loans and the cost of deposits increased to 3.87 percent in the first quarter compared to 3.83 percent in the fourth quarter and 4.17 percent a year ago.

Total non-interest income was $57.4 million in the first quarter compared to $51.4 million in the fourth quarter and $55.2 million a year ago. Non-interest income in the fourth quarter was affected by losses on sales of securities of $2.4 million and losses on sale of loans of $5.7 million. Deposit service fees totaled $25.4 million compared to $25.5 million in the fourth quarter and $21.9 million a year ago. Insurance revenue was $10.1 million in the quarter compared to $8.3 million in the fourth quarter and $10.7 million a year ago. Loan related fees were $7.9 million compared to $9.6 million in the fourth quarter and $7.8 million a year ago. The decrease in loan related fees compared to the fourth quarter reflects higher commercial real estate prepayment fees of $2.4 million in that period. Wealth management fees totaled $6.9 million compared to $7.2 million in the fourth quarter and $6.4 million a year ago. Income from mortgage banking activities was $2.2 million in the first quarter compared to $2.9 million in the fourth quarter and $3.3 million a year ago. The decline from the fourth quarter reflects the $700,000 write down in value of one previously-mentioned loan in Florida. Other non-interest income was $1.8 million compared to $3.7 million in the fourth quarter, and $1.8 million a year ago. Fourth quarter 2006 results included a $1.4 million gain on the sale of properties.

Provision For Credit Losses

The provision for credit losses was $3.0 million in the first and fourth quarter and $2.0 million a year ago. Net loan charge-offs totaled $5.3 million compared to $9.1 million in the fourth quarter and $1.7 million a year ago. The increase in net charge-offs when comparing the first quarter of 2007 to the first quarter of 2006 reflects the $2.1 million of previously-announced net charge-offs in connection with 13 residential construction loans in Florida. Net charge-offs in the fourth quarter reflected two commercial loans that had been identified and fully reserved earlier in 2006. The annualized net loan charge-off ratio was 0.17 percent of average loans compared to 0.27 percent in the fourth quarter and 0.05 percent a year ago. The allowance for credit losses to total loans was 1.24 percent at March 31, 2007 and 2006 and 1.20 percent at December 31, 2006.

Non-Interest Expenses

Total non-interest expenses were $131.3 million in the first quarter compared to $122.6 million in the fourth quarter and $119.2 million a year ago. First quarter expenses include the previously-discussed severance related charges from ongoing restructuring in insurance and other lines of business of $2.2 million, closing costs of $2.3 million related to the remaining operations of PMC and $4.7 million of seasonally higher expenses compared to the fourth quarter, primarily related to payroll tax and 401(k) match. The 2006 fourth quarter and 2007 first quarter include the expenses of operations related to the acquisition of NewMil Bancorp. "We are managing our expenses aggressively with the focus on improving operating leverage for the balance of 2007," stated Webster Chief Financial Officer Jerry Plush.

Balance Sheet Trends

Total assets were $16.9 billion at March 31, 2007 compared with $17.9 billion a year ago. Total assets have declined by $1 billion primarily from the balance sheet repositioning actions. Total loans were $12.3 billion, a decrease of $0.3 billion, or 2 percent, from a year ago, due primarily to the securitization of $371 million in residential loans and the sale of $250 million in residential loans in the fourth quarter of 2006 and the securitization of another $633 million in residential loans in the first quarter of 2007. Securities totaled $2.5 billion and declined by $1.1 billion, or 31 percent from a year ago. Deposits were $12.6 billion, an increase of $0.5 billion, or 4 percent, from a year ago as retail deposits increased $898 million, with contributions from the branches acquired from the NewMil Bank acquisition, *de novo* branching and growth in health savings account deposits at HSA Bank, which more than offset a $418 million decline in brokered deposits.

The $1.1 billion reduction in securities and $0.5 billion of total deposit growth, each compared to a year ago, contributed to a $1.8 billion reduction in wholesale borrowings over the past year. Wholesale borrowings declined to 13 percent of total assets at March 31 compared to 22 percent a year ago.

The loan to deposit ratio improved to 98 percent at March 31, 2007 from 104 percent at both December 31, 2006 and March 31, 2006. Improvement in this ratio reflects completion of balance sheet repositioning actions and deposit growth over the past year.

Book value per common share of $33.70 at March 31, 2007 increased from $31.09 a year ago. Tangible book value per share of $19.46 at March 31, 2007 increased from $18.18 last year. The ratio of tangible equity to tangible assets increased to 6.74 percent at March 31, 2007 compared to 5.48 percent a year ago.

Capital

As previously announced, Webster prepaid its Capital Trust I and Capital Trust II securities on April 2, 2007, at call prices of 104.68 percent and 105.0 percent, respectively, plus accrued and unpaid interest. As reported in the 2006 10-K, Webster will record a net pretax charge to income in the second quarter of 2007 of approximately $6.9 million ($9.0 million related to the redemption premiums and unamortized issuance costs, partially offset by a $2.1 million gain on Trust I and II securities positions held by Webster).

Mr. Plush noted: “Webster’s tangible capital ratio improved to 6.74% at March 31, bringing us above our peer median; it has been our intention to improve our capital position to support our commercial bank balance sheet and the growth potential of our businesses. We have also been evaluating the optimal capital structure for the company. We took a first step on April 2, when we called the outstanding trust preferred securities that were carrying a weighted average coupon of 9.57%; however, $105 million of these securities qualified as Tier 1 capital for regulatory ratio purposes. We are continuing to explore the potential issuance of an even greater amount of enhanced Trust Preferred Securities at a significantly lower coupon, which would provide us with improved regulatory and ratings agency ratios at an equivalent or lower funding cost.”

During the quarter, Moody's upgraded Webster Financial Corporation's issuer rating to A3, Webster Bank's long-term deposit rating to A2 and short-term deposit rating to P1. The report cites Webster's diversified consumer, small- and middle-market commercial banking businesses, strong asset quality on a low-risk portfolio and healthy liquidity for both the holding company and the bank as the primary reasons for the upgrade. In addition, Fitch raised its outlook to “Positive.”

Asset Quality

Nonperforming assets totaled $64.8 million, or 0.53 percent of total loans and other real estate owned, at March 31, 2007 compared to $61.8 million, or 0.48 percent, at December 31 and $60.9 million, or 0.48 percent, a year ago.

The allowance for credit losses, which consist of the allowance for loan losses and the reserve for unfunded commitments, was $152.7 million, or 1.24 percent of total loans, at March 31, 2007 compared to $156.0 million, or 1.24 percent at March 31, 2006 and $155.0 million, or 1.20 percent at December 31, 2006. The ratio of the allowance to nonperforming loans was 259 percent at March 31, 2007 compared to 267 percent at March 31, 2006.

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Press Release

Webster Financial Corporation

Webster Financial Corporation is the holding company for Webster Bank, National Association and Webster Insurance. With $16.9 billion in assets, Webster provides business and consumer banking, mortgage, insurance, financial planning, trust and investment services through 177 banking offices, 334 ATMs, telephone banking and the Internet. Webster Bank owns the asset-based lending firm Webster Business Credit Corporation, the insurance premium finance company Budget Installment Corp., Center Capital Corporation, an equipment finance company headquartered in Farmington, Connecticut and provides health savings account trustee and administrative services through HSA Bank, a division of Webster Bank.

For more information about Webster, including past press releases and the latest Annual Report, visit the Webster website at www.websteronline.com.

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Conference Call

A conference call covering Webster's 2007 first quarter earnings announcement will be held today, Thursday, April 19, at 11:00 a.m. Eastern Time and may be heard through Webster's investor relations website at www.wbst.com, or in listen-only mode by calling 1-877-407-8293 or 201-689-8349 internationally. The call will be archived on the website and available for future retrieval.

Forward-looking Statements

Statements in this press release regarding Webster Financial Corporation's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statement, see "Forward Looking Statements" in Webster's Annual Report for 2006. Except as required by law, Webster does not undertake to update any such forward looking information.

Non-GAAP Financial Measures

In addition to results presented in accordance with GAAP, this press release contains certain non-GAAP financial measures. We believe that providing certain non-GAAP financial measures provides investors with information useful in understanding our financial performance, our performance trends and financial position. A reconciliation of net income and other performance ratios, as adjusted is included in the accompanying selected financial highlights table, elsewhere in this report.

We believe that providing certain non-GAAP financial measures provides investors with information useful in understanding our financial performance, our performance trends and financial position. Specifically, we provide measures based on what we believe are our operating earnings on a consistent basis and exclude non-core operating items which affect the GAAP reporting of results of operations. We utilize these measures for internal planning and forecasting purposes. We, as well as securities analysts, investors and other interested parties, also use these measures to compare peer company operating performance. We believe that our presentation and discussion, together with the accompanying reconciliations, provides a complete understanding of factors and trends affecting our business and allows investors to view performance in a manner similar to management. These non-GAAP measures should not be considered a substitute for GAAP basis measures and results and we strongly encourage investors to review our consolidated financial statements in their entirety and not to rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

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WEBSTER FINANCIAL CORPORATION

Selected Financial Highlights ***(unaudited)***

(In thousands, except per share data)	At or for the Three Months Ended March 31, 2007		2006	
Adjusted net income and performance ratios, net of tax (annualized):				
Net income	**$ 35,036**		$ 43,852	
Seasonal compensation costs	**3,055**		2,562	
Closing costs-Peoples Mortgage Company	**1,509**		-	
Severence costs	**1,430**		-	
Write-down of construction loan held for sale	**455**		-	
Adjusted net income	**41,485**		46,414	
Net income per diluted common share	**0.73**		0.86	
Return on average shareholders' equity	**8.73**	**%**	11.16	%
Return on average tangible equity	**15.15**		18.86	
Return on average assets	**0.98**		1.04	
Noninterest income as a percentage of total revenue	**31.21**		29.78	
Efficiency ratio (a)	**65.55**		62.16	
Net income and performance ratios (annualized):				
Net income	**$ 35,036**		$ 43,852	
Net income per diluted common share	**0.62**		0.82	
Return on average shareholders' equity	**7.38**	**%**	10.55	%
Return on average tangible equity	**12.79**		17.83	
Return on average assets	**0.83**		0.99	
Noninterest income as a percentage of total revenue	**30.95**		29.78	
Efficiency ratio (a)	**70.77**		64.29	
Asset quality:				
Allowance for credit losses	**$ 152,660**		$ 155,957	
Nonperforming assets	**64,830**		60,890	
Allowance for credit losses / total loans	**1.24**	**%**	1.24	%
Net charge-offs / average loans (annualized)	**0.17**		0.05	
Nonperforming loans / total loans	**0.48**		0.46	
Nonperforming assets / total loans plus OREO	**0.53**		0.48	
Allowance for credit losses / nonperforming loans	**259.23**		267.23	
Other ratios (annualized):				
Tangible capital ratio	**6.74**	**%**	5.48	%
Shareholders' equity / total assets	**11.29**		9.16	
Interest-rate spread	**3.32**		3.19	
Net interest margin	**3.41**		3.24	
Share related:				
Book value per common share	**$ 33.70**		$ 31.09	
Tangible book value per common share	**19.46**		18.18	
Common stock closing price	**48.01**		48.46	
Dividends declared per common share	**0.27**		0.25	
Common shares issued and outstanding	**56,530**		52,776	
Basic shares (average)	**56,113**		53,094	
Diluted shares (average)	**56,762**		53,703	

Footnotes:

(a) Noninterest expense as a percentage of net interest income plus noninterest income.

(b) For purposes of this computation, unrealized gains (losses) are excluded from the average balance for rate calculations.

Consolidated Statements of Condition (unaudited)

(In thousands)	*March 31,* 2007	*December 31,* 2006	*March 31,* 2006
Assets:			
Cash and due from depository institutions	**$ 269,061**	$ 311,888	$ 267,541
Short-term investments	**6,161**	175,648	11,889
Securities:			
Trading, at fair value	**14,076**	4,842	1,042
Available for sale, at fair value	**395,668**	503,918	2,472,699
Held-to-maturity	**2,066,763**	1,453,973	1,116,386
Total securities	**2,476,507**	1,962,733	3,590,127
Loans held for sale	**456,033**	354,798	201,210
Loans:			
Residential mortgages	**3,739,221**	4,424,634	4,890,887
Commercial	**3,444,612**	3,386,274	3,038,930
Commercial real estate	**1,936,650**	1,904,597	1,851,035
Consumer	**3,182,765**	3,207,986	2,809,785
Total loans	**12,303,248**	12,923,491	12,590,637
Allowance for loan losses	**(145,367)**	(147,719)	(146,383)
Loans, net	**12,157,881**	12,775,772	12,444,254
Accrued interest receivable	**86,878**	90,565	94,602
Premises and equipment, net	**196,232**	195,909	184,831
Goodwill and other intangible assets	**823,200**	825,012	698,557
Cash surrender value of life insurance	**261,852**	259,318	240,426
Prepaid expenses and other assets	**145,395**	145,828	173,749
Total Assets	**$ 16,879,200**	$ 17,097,471	$ 17,907,186
Liabilities and Shareholders' Equity:			
Deposits:			
Demand deposits	**$ 1,505,074**	$ 1,588,783	$ 1,459,855
NOW accounts	**1,761,178**	1,671,778	1,683,677
Money market deposit accounts	**1,887,602**	1,908,496	1,761,016
Savings accounts	**2,109,866**	1,985,202	2,004,375
Certificates of deposit	**4,834,440**	4,831,477	4,291,378
Brokered deposits	**460,230**	472,660	877,976
Total deposits	**12,558,390**	12,458,396	12,078,277
Federal Home Loan Bank advances	**655,709**	1,074,933	2,383,118
Securities sold under agreements to repurchase and other short-term debt	**943,802**	893,206	1,007,439
Long-term debt	**623,091**	621,936	631,568
Reserve for unfunded credit commitments	**7,293**	7,275	9,574
Accrued expenses and other liabilities	**176,324**	155,285	146,871
Total liabilities	**14,964,609**	15,211,031	16,256,847
Preferred stock of subsidiary corporation	**9,577**	9,577	9,577
Shareholders' equity	**1,905,014**	1,876,863	1,640,762
Total Liabilities and Shareholders' Equity	**$ 16,879,200**	$ 17,097,471	$ 17,907,186

See Selected Financial Highlights for footnotes.

Consolidated Statements of Income (unaudited)

(In thousands, except per share data)	*Three Months Ended March 31,* 2007	2006
Interest income:		
Loans	**$ 209,164**	$ 195,574
Securities and short-term investments	**33,280**	41,595
Loans held for sale	**6,249**	3,339
Total interest income	**248,693**	240,508
Interest expense:		
Deposits	**87,630**	62,354
Borrowings	**32,982**	47,995
Total interest expense	**120,612**	110,349
Net interest income	**128,081**	130,159
Provision for credit losses	**3,000**	2,000
Net interest income after provision for credit losses	**125,081**	128,159
Noninterest income:		
Deposit service fees	**25,354**	21,869
Insurance revenue	**10,121**	10,724
Loan related fees	**7,940**	7,824
Wealth and investment services	**6,878**	6,354
Mortgage banking activities	**2,229**	3,273
Increase in cash surrender value of life insurance	**2,534**	2,371
Other	**1,824**	1,775
	56,880	54,190
Gain on sale of securities, net	**541**	1,012
Total noninterest income	**57,421**	**55,202**
Noninterest expenses:		
Compensation and benefits	**68,391**	65,003
Occupancy	**13,383**	12,182
Furniture and equipment	**14,969**	13,595
Intangible amortization	**3,473**	4,377
Marketing	**4,211**	3,624
Professional services	**4,802**	3,544
Severance and closing costs	**4,522**	-
Other	**17,529**	16,846
Total noninterest expenses	**131,280**	119,171
Income before income taxes	**51,222**	64,190
Income taxes	**16,186**	20,338
Net income	**$ 35,036**	$ 43,852
Diluted shares (average)	**56,762**	53,703
Net income per common share:		
Basic	**$ 0.62**	$ 0.83
Diluted	**0.62**	0.82

See Selected Financial Highlights for footnotes.

Consolidated Statements of Income (unaudited)

(In thousands, except per share data)	Three Months Ended *March 31,* 2007	*Dec. 31,* 2006	*Sept. 30,* 2006	*June 30,* 2006	*March 31,* 2006
Interest income:					
Loans	**$ 209,164**	$ 225,634	$ 215,094	$ 207,097	$ 195,574
Securities and short-term investments	**33,280**	32,514	40,883	39,134	41,595
Loans held for sale	**6,249**	6,191	4,366	3,317	3,339
Total interest income	**248,693**	264,339	260,343	249,548	240,508
Interest expense:					
Deposits	**87,630**	90,195	85,058	72,593	62,354
Borrowings	**32,982**	44,994	52,849	50,150	47,995
Total interest expense	**120,612**	135,189	137,907	122,743	110,349
Net interest income	**128,081**	129,150	122,436	126,805	130,159
Provision for credit losses	**3,000**	3,000	3,000	3,000	2,000
Net interest income after provision for credit losses	**125,081**	126,150	119,436	123,805	128,159
Noninterest income:					
Deposit service fees	**25,354**	25,494	25,252	24,150	21,869
Insurance revenue	**10,121**	8,301	9,793	9,988	10,724
Loan related fees	**7,940**	9,643	7,760	9,162	7,824
Wealth and investment services	**6,878**	7,161	6,738	6,930	6,354
Mortgage banking activities	**2,229**	2,917	(185)	2,538	3,273
Increase in cash surrender value of life insurance	**2,534**	2,550	2,368	2,314	2,371
Other	**1,824**	3,733	1,693	1,284	1,775
	56,880	59,799	53,419	56,366	54,190
Loss on write-down of AFS securities to fair value	**-**	-	(48,879)	-	-
Loss on sale of mortgage loans	**-**	(5,713)	-	-	-
(Loss) gain on sale of securities, net	**541**	(2,732)	2,307	702	1,012
Total noninterest income	**57,421**	51,354	6,847	57,068	55,202
Noninterest expenses:					
Compensation and benefits	**68,391**	64,142	62,050	64,585	65,003
Occupancy	**13,383**	13,403	11,977	11,824	12,182
Furniture and equipment	**14,969**	14,637	13,840	13,962	13,595
Intangible amortization	**3,473**	3,473	3,079	3,544	4,377
Marketing	**4,211**	3,350	4,211	4,292	3,624
Professional services	**4,802**	5,457	4,302	3,464	3,544
Severance and closing costs	**4,522**	-	-	-	-
Acquisition costs	**-**	2,018	868	65	-
Other	**17,529**	16,129	15,523	15,582	16,846
Total noninterest expenses	**131,280**	122,609	115,850	117,318	119,171
Income before income taxes	**51,222**	54,895	10,433	63,555	64,190
Income taxes	**16,186**	17,097	1,436	20,412	20,338
Net income	**$ 35,036**	$ 37,798	$ 8,997	$ 43,143	$ 43,852
Diluted shares (average)	**56,762**	56,452	52,871	53,252	53,703
Net income per common share:					
Basic	**$ 0.62**	$ 0.68	$ 0.17	$ 0.82	$ 0.83
Diluted	**0.62**	0.67	0.17	0.81	0.82

See Selected Financial Highlights for footnotes.

Interest-Rate Spread (unaudited)

	Three Months Ended				
	March 2007	December 2006	September 2006	June 2006	March 2006
Interest-rate spread					
Yield on interest-earning assets	**6.61 %**	6.52 %	6.31 %	6.11 %	5.97 %
Cost of interest-bearing liabilities	**3.29**	3.38	3.38	3.05	2.78
Interest-rate spread	**3.32 %**	3.14 %	2.93 %	3.06 %	3.19 %
Net interest margin	**3.41 %**	3.23 %	3.01 %	3.13 %	3.24 %

Consolidated Average Statements of Condition (unaudited)

Three Months Ended March 31,	2007			2006		
(Dollars in thousands)	Average balance	Interest	Fully tax-equivalent yield/rate	Average balance	Interest	Fully tax-equivalent yield/rate
Assets:						
Interest-earning assets:						
Loans	**$ 12,445,025**	**$ 209,164**	**6.74 %**	$ 12,392,022	$ 195,574	6.33 %
Securities	**2,303,191**	**34,203**	**5.97** (b)	3,630,986	43,819	4.77 (b)
Loans held for sale	**394,102**	**6,249**	**6.34**	228,695	3,339	5.84
Short-term investments	**117,584**	**1,585**	**5.39**	15,181	112	2.95
Total interest-earning assets	**15,259,902**	**251,201**	**6.61**	16,266,884	242,844	5.97
Noninterest-earning assets	**1,605,708**			1,500,627		
Total assets	**$ 16,865,610**			$ 17,767,511		
Liabilities and Shareholders' Equity:						
Interest-bearing liabilities:						
Demand deposits	**$ 1,505,598**	**$ -**	**- %**	$ 1,451,677	$ -	- %
Savings, NOW and money market deposit accounts	**5,567,702**	**28,762**	**2.10**	5,309,282	19,808	1.51
Time deposits	**5,303,759**	**58,868**	**4.50**	4,906,912	42,546	3.52
Total deposits	**12,377,059**	**87,630**	**2.87**	11,667,871	62,354	2.16
Federal Home Loan Bank advances	**918,125**	**10,909**	**4.75**	2,397,872	24,496	4.09
Repurchase agreements and other short-term debt	**883,172**	**9,878**	**4.47**	1,289,102	11,830	3.67
Long-term debt	**620,451**	**12,195**	**7.86**	640,804	11,669	7.28
Total borrowings	**2,421,748**	**32,982**	**5.45**	4,327,778	47,995	4.44
Total interest-bearing liabilities	**14,798,807**	**120,612**	**3.29**	15,995,649	110,349	2.78
Noninterest-bearing liabilities	**157,247**			98,991		
Total liabilities	**14,956,054**			16,094,640		
Preferred stock of subsidiary corporation	**9,577**			9,577		
Shareholders' equity	**1,899,979**			1,663,294		
Total liabilities and shareholders' equity	**$ 16,865,610**			$ 17,767,511		
		130,589			132,495	
Less: tax-equivalent adjustment		**(2,508)**			(2,336)	
Net interest income		**$ 128,081**			$ 130,159	
Interest-rate spread			**3.32 %**			3.19 %
Net interest margin			**3.41 %**			3.24 %

See Selected Financial Highlights for footnotes.

(Unaudited) (Dollars in thousands)	At or for the Three Months Ended March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006

Asset Quality

	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Nonperforming loans:					
Commercial:					
Commercial	**$ 13,679**	$ 21,105	$ 29,321	$ 22,930	$ 19,719
Equipment financing	**2,405**	2,616	2,450	2,693	2,864
Total commercial	**16,084**	23,721	31,771	25,623	22,583
Commercial real estate	**18,524**	17,618	16,811	23,291	24,012
Residential	**13,473**	11,307	7,032	7,218	8,891
Consumer	**10,808**	6,266	3,496	3,065	2,875
Total nonperforming loans	**58,889**	58,912	59,110	59,197	58,361
Other real estate owned and repossessed assets:					
Commercial	**4,833**	1,922	1,573	2,254	1,712
Residential	**350**	383	607	316	456
Consumer	**758**	608	126	10	361
Total other real estate owned and repossessed assets	**5,941**	2,913	2,306	2,580	2,529
Total nonperforming assets	**$ 64,830**	$ 61,825	$ 61,416	$ 61,777	$ 60,890
Accruing loans 90 or more days past du	**$ 4,636**	$ 1,490	$ 4,609	$ 2,542	$ 1,002

Allowance for Credit Losses

	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Beginning balance	**$ 154,994**	$ 156,331	$ 156,471	$ 155,957	$ 155,632
Provision	**3,000**	3,000	3,000	3,000	2,000
Allowance for acuqired loan:	**-**	4,724	-	-	-
Charge-offs:					
Commercial	**2,293**	9,352	3,369	2,775	1,629
Residential	**2,581**	199	46	65	75
Consumer	**1,993**	454	265	239	362
Total charge-offs	**6,867**	10,005	3,680	3,079	2,066
Recoveries	**(1,533)**	(944)	(540)	(593)	(391)
Net loan charge-offs	**5,334**	9,061	3,140	2,486	1,675
Ending balance	**$ 152,660**	$ 154,994	$ 156,331	$ 156,471	$ 155,957
Components:					
Allowance for loan losses	**$ 145,367**	$ 147,719	$ 147,446	$ 147,401	$ 146,383
Reserve for unfunded credit commitments	**7,293**	7,275	8,885	9,070	9,574
Allowance for credit losse:	**$ 152,660**	$ 154,994	$ 156,331	$ 156,471	$ 155,957

Asset Quality Ratios:

	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Allowance for loan losses / total loans	**1.18 %**	1.14 %	1.13 %	1.16 %	1.16 %
Allowance for credit losses / total loans	**1.24**	1.20	1.20	1.23	1.24
Net charge-offs / average loans (annualized)	**0.17**	0.27	0.10	0.08	0.05
Nonperforming loans / total loans	**0.48**	0.46	0.45	0.47	0.46
Nonperforming assets / total loans plus OREO	**0.53**	0.48	0.47	0.49	0.48
Allowance for credit losses / nonperforming loans	**259.23**	263.09	264.47	264.32	267.23

See Selected Financial Highlights for footnotes.