WESBANCO INC
Form 10-K
March 13, 2007
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2006

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 0-8467

WESBANCO, INC.

(Exact name of Registrant as specified in its charter)

WEST VIRGINIA	**55-0571723**
(State or other jurisdiction of	**(IRS Employer**
incorporation or organization)	**Identification No.)**
1 Bank Plaza, Wheeling, WV	**26003**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: 304-234-9000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock $2.0833 Par Value	**NASDAQ Global Select Market**
Nonredeemable Preferred Stock	

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Act. Yes ¨ No þ

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer as defined by Rule 12b-2 of the Exchange Act.

Larger accelerated filer ¨ Accelerated filer þ Non-accelerated filer ¨

Indicate by check mark whether the registrant is a shell company as defined n Rule 12b-2 of the Act. Yes ¨ No þ

The aggregate market value of the Registrant s outstanding voting common stock held by nonaffiliates on June 30, 2006, determined using a per share closing price on that date of $30.99, was $613,168,853.

As of February 28, 2007, there were 21,173,064 shares of WesBanco, Inc. common stock $2.0833 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain specifically designated portions of WesBanco, Inc. s definitive proxy statement dated March 16, 2007 for its 2007 Annual Meeting of Shareholders are incorporated by reference into Part III of this Form 10-K.

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WESBANCO, INC.

ANNUAL REPORT ON FORM 10-K

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PART I

ITEM 1. BUSINESS
GENERAL

WesBanco Inc. (WesBanco), a bank holding company incorporated in 1968 and headquartered in Wheeling, West Virginia, offers a full range of financial services including retail banking, corporate banking, personal and corporate trust services, brokerage services, mortgage banking and insurance. WesBanco offers these services through two reportable segments, community banking and trust and investment services. For additional information regarding WesBanco s business segments, please refer to Note 23, Business Segments in the Consolidated Financial Statements.

At December 31, 2006, WesBanco operated a commercial bank, WesBanco Bank, Inc., (Bank) through 78 offices, one loan production office and 112 ATM machines located in West Virginia, Ohio, and Western Pennsylvania. Total assets of the Bank as of December 31, 2006 approximated $4.1 billion. The Bank also offers trust and investment services and various alternative investment products including mutual funds and annuities. The market value of assets under management of the trust and investment services segment was approximately $3.0 billion as of December 31, 2006. These assets are held by the Bank in fiduciary or agency capacities for its customers and therefore are not included as assets on WesBanco s Consolidated Balance Sheets.

WesBanco offers additional services through its non-banking subsidiaries, WesBanco Insurance Services, Inc., a multi-line insurance agency specializing in property, casualty and life insurance for personal and commercial clients and WesBanco Securities, Inc., a full service broker-dealer, which also offers discount brokerage services.

WesBanco Asset Management, Inc. and WesBanco Services, Inc., which were incorporated in 2002, collectively hold certain investment securities and real estate loans of the Bank and assist in managing these assets.

WesBanco Properties, Inc. holds certain residential and commercial real estate properties. The commercial properties are leased to the Bank and to non-related third parties, while the residential properties are considered other real estate owned.

WesBanco, Inc. Capital Trust II, WesBanco, Inc. Capital Statutory Trust III, and WesBanco, Inc. Capital Trusts IV, V and VI, (Trusts), are all wholly-owned trust subsidiaries of WesBanco formed for the purpose of issuing Pooled Trust Preferred Securities (Trust Preferred Securities) and lending the proceeds to WesBanco. WesBanco organized Trusts II and III in June 2003, Trusts IV and V in June 2004 and Trust VI in March 2005. For more information regarding WesBanco s issuance of trust preferred securities, please refer to Note 12 Junior Subordinated Debt Owed to Unconsolidated Subsidiary Trusts in the Consolidated Financial Statements.

WesBanco also serves as investment adviser to a family of mutual funds under the name WesMark Funds which includes a growth fund, a balanced fund, a bond fund, a West Virginia municipal bond fund and a small company growth fund.

As of December 31, 2006, none of WesBanco s subsidiaries were engaged in any operations in foreign countries, and none had transactions with customers in foreign countries.

On January 3, 2005, WesBanco completed the acquisition of Winton Financial Corporation (Winton). On August 31, 2004, WesBanco completed the acquisition of Western Ohio Financial Corporation (Western Ohio). The primary reason that WesBanco acquired both companies was to expand its footprint into new higher growth metropolitan markets in the state of Ohio. The results of operations of acquired companies are included in WesBanco s consolidated results of operations from their respective acquisition dates.

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EMPLOYEES

There were approximately 1,168 full-time equivalent employees employed by WesBanco and its subsidiaries at December 31, 2006. None of the employees were represented by collective bargaining agreements. WesBanco believes its employee relations to be satisfactory, and believes its human resources to be a differentiating factor in measured customer service quality metrics.

WEB SITE ACCESS TO WESBANCO S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION

All of WesBanco s electronic filings for 2006 filed with the Securities and Exchange Commission (SEC), including this Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are made available at no cost on WesBanco s website, *www.wesbanco.com*, through the Investor Relations link as soon as reasonably practicable after WesBanco files such material with, or furnishes it to, the SEC. WesBanco s SEC filings are also available through the SEC s website at *www.sec.gov*.

Upon written request of any shareholder of record on December 31, 2006, WesBanco will provide, without charge, a printed copy of its 2006 Annual Report on Form 10-K, including financial statements and schedules, as required to be filed with the SEC. To obtain a copy of the 2006 Annual Report on Form 10-K, contact: **Linda Woodfin, WesBanco, Inc., 1 Bank Plaza, Wheeling, WV 26003 (304) 234-9201.**

COMPETITION

Competition in the form of price and service from other banks, including local, regional and national banks and financial companies such as savings and loans, internet banks, credit unions, finance companies, brokerage firms and other non-banking companies providing various regulated and non-regulated financial services products is intense in most of the markets served by WesBanco and its subsidiaries. WesBanco s trust and investment services segment receives competition from commercial bank and trust companies, mutual fund companies, investment advisory firms, law firms, brokerage firms and other financial services companies. As a result of the deregulation of the financial services industry, (see the discussion of the Gramm-Leach-Bliley Act of 1999 in the section of this item so captioned) mergers between, and the expansion of, financial institutions both within and outside West Virginia have provided significant competitive pressure in WesBanco s major markets. Some of WesBanco s competitors have greater resources and, as such, may have higher lending limits and may offer other products and services that are not provided by WesBanco. WesBanco generally competes on the basis of customer service and responsiveness to customer needs, available loan and deposit products, rates of interest charged on loans, rates of interest paid for funds, and the availability and pricing of trust, brokerage and insurance services. As WesBanco has expanded into new, larger Ohio metropolitan markets it faces entrenched large bank competitors with an already existing customer base that may far exceed WesBanco s initial entry position into that market. As a result, WesBanco may be forced to compete more aggressively for loans, deposits, trust and insurance products in order to grow successfully its market share, potentially reducing its current and future profit potential from such markets.

SUPERVISION AND REGULATION

As a registered bank holding company, WesBanco is subject to the supervision of the Board of Governors of the Federal Reserve System (Federal Reserve) under the Bank Holding Company Act of 1956 (BHCA) and is required to file with the Federal Reserve reports and other information regarding its business operations and the business operations of its subsidiaries. WesBanco is also subject to examination by the Federal Reserve and is required to obtain Federal Reserve approval prior to acquiring, directly or indirectly, ownership or control of the voting shares of any bank, if, after such acquisition, it would own or control more than five percent of the voting stock of such bank. In addition, pursuant to federal law and regulations promulgated by the Federal Reserve,

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WesBanco may only engage in, or own or control companies that engage in, activities deemed by the Federal Reserve to be so closely related to banking as to be a proper incident thereto. Prior to engaging in most new business activities, WesBanco must obtain approval from the Federal Reserve.

The Bank is a West Virginia banking corporation and is a member bank of the Federal Reserve System. It is subject to examination and supervision by the Federal Reserve and the West Virginia Division of Banking, and secondarily by the Federal Deposit Insurance Corporation (FDIC). Its deposits are insured by the Deposit Insurance Fund (DIF) of the FDIC. WesBanco s nonbank subsidiaries are also subject to examination and supervision by the Federal Reserve and examination by other federal and state agencies, including, in the case of certain securities activities, regulation by the SEC. The Bank maintains one designated financial subsidiary, WesBanco Insurance Services, Inc. WesBanco believes its current regulatory relations are satisfactory.

WesBanco is also under the jurisdiction of the SEC and certain state securities commissions for matters relating to the offering and sale of its securities. WesBanco is subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, as administered by the SEC. WesBanco is listed on the NASDAQ Global Select Market (NASDAQ) under the trading symbol WSBC, and is subject to the rules of the NASDAQ for listed companies.

Under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Riegle-Neal Act), as amended, a bank holding company may acquire banks in states other than its home state, subject to certain limitations. The Riegle-Neal Act also authorizes banks to merge across state lines, thereby creating interstate banking. Banks are also permitted to acquire and to establish de novo branches in other states where authorized under the laws of those states.

Under the BHCA, prior approval of the Federal Reserve is required for the acquisition of more than 5% of the voting stock of any bank. In determining whether to approve a proposed bank acquisition, federal banking regulators will consider, among other factors, the effect of the acquisition on competition, the public benefits expected to be received from the acquisition, the projected capital ratios and levels on a post-acquisition basis, and the acquiring institution s record of addressing the credit needs of the communities it serves, including the needs of low and moderate income neighborhoods, consistent with safe and sound operation of the bank, under the Community Reinvestment Act of 1977 and its amendments.

In August 2006, the President signed into law the Pension Protection Act of 2006, which significantly changed pension funding rules. The new rules, which in some instances significantly increase required contributions for underfunded plans, become effective in 2008. Other provisions, including provisions relating to maximum tax deductible contributions, were effective in 2006. Currently, WesBanco s defined benefit pension plan is in an overfunded status. For additional information on WesBanco s defined benefit pension plan, please refer to Note 13, Employee Benefit Plans in the Consolidated Financial Statements.

HOLDING COMPANY ACTIVITIES

WesBanco has one state bank subsidiary, WesBanco Bank, Inc., as well as nonbank subsidiaries, which are described further in Item 1. Business General section of this Annual Report on Form 10-K. The Bank is subject to affiliate transaction restrictions under federal law which limits the transfer of funds by the Bank to the parent and any nonbank subsidiaries of the parent, whether in the form of loans, extensions of credit, investments, or asset purchases. Such transfers by the Bank to its parent corporation or to any individual nonbank subsidiary of the parent are limited in amount to 10% of the Bank s capital and surplus and, with respect to such parent together with all such nonbank subsidiaries of the parent, to an aggregate of 20% of the Bank s capital and surplus. Furthermore, such loans and extensions of credit are required to be secured in amounts specified by law. In addition, all affiliate transactions must be conducted on terms and under circumstances that are substantially the same as such transactions with unaffiliated entities or at least as favorable to the Bank or its subsidiary. As part of its affiliate transactions, WesBanco currently has a $3.5 million line of credit with the Bank, which had an outstanding balance at December 31, 2006 of $3.0 million.

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The Federal Reserve has a policy to the effect that a bank holding company is expected to act as a source of financial and managerial strength to each of its subsidiary banks and to commit resources to support each such subsidiary bank. Under the source of strength doctrine, the Federal Reserve may require a bank holding company to make capital injections into a troubled subsidiary bank, and may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to such a subsidiary bank. This capital injection may be required at times when WesBanco may not have the resources to provide it. Any loans by a holding company to its subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. Moreover, in the event of a bank holding company s bankruptcy, any commitment by such holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to a priority of payment.

DIVIDEND RESTRICTIONS

Dividends from the Bank are a significant source of funds for payment of dividends to WesBanco s shareholders. For the year ended December 31, 2006, WesBanco declared cash dividends to its shareholders of approximately $23.0 million. There are, however, statutory limits on the amount of dividends that the Bank can pay to WesBanco without regulatory approval.

Under applicable federal and state regulations, appropriate bank regulatory agency approval is required if the total of all dividends declared by a bank in any calendar year exceeds the available retained earnings and exceeds the aggregate of the bank s net profits (as defined by regulatory agencies) for that year and its retained net profits for the preceding two years, less any required transfers to surplus or a fund for the retirement of any preferred stock. At December 31, 2006, the Bank could pay dividends of up to $5.8 million to WesBanco without prior regulatory approval and without adversely affecting its well capitalized status.

If, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice which, depending on the financial condition of the bank, could include the payment of dividends, such authority may require, after notice and hearing, that such bank cease and desist from such practice. The Federal Reserve has issued policy statements which provide that insured banks and bank holding companies should generally only pay dividends out of current operating earnings. Additional information regarding dividend restrictions is set forth in Note 21, Regulatory Matters in the Consolidated Financial Statements.

FDIC INSURANCE

The Bank is classified by the FDIC as a well-capitalized institution in the highest supervisory subcategory, and is therefore not obliged under current FDIC assessment practices to pay deposit insurance premiums on its deposits insured by the DIF. On February 15, 2006, President Bush signed into law H.R. 4636, the Federal Deposit Insurance Reform Conforming Amendments Act of 2005. The signing completed more than five years of work by Congress: to modernize the deposit insurance system and merge the Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF) into the new DIF, which was referred to above; increase the deposit insurance limit for certain retirement accounts to $250,000 and establish indices that limit deposit insurance increases to inflation; allow the FDIC Board to set assessments; and provide the FDIC Board with the discretion to set the Designated Reserve Ratio within a range of 1.15 to 1.50 percent for any given year. The enactment of this legislation should not impact WesBanco detrimentally.

CAPITAL REQUIREMENTS

The Federal Reserve has issued risk-based capital ratio and leverage ratio guidelines for bank holding companies. The risk-based capital ratio guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures into explicit account in assessing capital adequacy, and minimizes disincentives to holding liquid, low-risk assets. Under the guidelines and related policies, bank holding companies must maintain capital sufficient to meet both a risk-based asset ratio test and a leverage ratio test on a consolidated basis. The

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risk-based ratio is determined by allocating assets and specified off-balance sheet commitments into four weighted categories, with higher weightings being assigned to categories perceived as representing greater risk. A bank holding company s capital is then divided by total risk-weighted assets to yield the risk-based ratio. The leverage ratio is determined by relating core capital to total assets adjusted as specified in the guidelines. The Bank is subject to substantially similar capital requirements.

Generally, under the applicable guidelines, a financial institution s capital is divided into three tiers. Tier 1, or core capital, includes common equity, noncumulative perpetual preferred stock excluding auction rate issues, and minority interests in equity accounts of consolidated subsidiaries, less goodwill and, with certain limited exceptions, all other intangible assets. Bank holding companies, however, may include cumulative preferred stock in their Tier 1 capital, up to a limit of 25% of such Tier 1 capital. Tier 2, or supplementary capital, includes, among other things, cumulative and limited-life preferred stock, hybrid capital instruments, mandatory convertible securities, qualifying subordinated debt, and the allowance for loan and lease losses, subject to certain limitations. Institutions that must incorporate market risk exposure into their risk-based capital requirements may also have a third tier of capital in the form of restricted short-term unsecured subordinated debt. Total capital is the sum of Tier 1, Tier 2 and Tier 3 capital.

The Federal Reserve and the other federal banking regulators require that all intangible assets, with certain limited exceptions, be deducted from Tier 1 capital. Under the Federal Reserve s rules, the only types of intangible assets that may be included in (i.e., not deducted from) a bank holding company s capital are originated or purchased mortgage servicing rights, non-mortgage servicing assets, and purchased credit card relationships, provided that, in aggregate, the amount of these items included in capital does not exceed 100% of Tier 1 capital.

Under the risk-based guidelines, financial institutions are required to maintain a risk-based ratio, which is total capital to risk-weighted assets, of at least 8%, of which at least 4% must be Tier 1 capital. The appropriate regulatory authority may set higher capital requirements when an institution s circumstances warrant.

The Federal Reserve has established a minimum ratio of Tier 1 capital to total assets of 3.0% for strong bank holding companies rated composite 1 under the new RFI/C (D) (Risk Management, Financial Condition, Impact, Composite Rating and Depository Institution) components r system for bank holding companies, and for certain bank holding companies that have implemented the Board s risk-based capital measure for market risk. For all other bank holding companies, the minimum ratio of Tier 1 capital to total assets is 4.0%. Banking organizations with supervisory, financial, operational, or managerial weaknesses, as well as organizations that are anticipating or experiencing significant growth are expected to maintain capital ratios well above the minimum levels. Moreover, higher capital ratios may be required for any bank holding company if warranted by its particular circumstances or risk profile. In all cases, bank holding companies should hold capital commensurate with the level and nature of the risks, including the volume and severity of problem loans, to which they are exposed. The Federal Reserve has also indicated that it will consider a tangible Tier 1 capital ratio (deducting all intangibles) and other indications of capital strength in evaluating proposals for expansion or new activities.

In 2002, the bank regulatory agencies established special minimum capital requirements for equity investments in nonfinancial companies. The requirements consist of a series of marginal capital charges that increase within a range from 8% to 25% as a financial institution s overall exposure to equity investments increases as a percentage of its Tier 1 capital. At December 31, 2006, capital charges relating to WesBanco s equity investments in nonfinancial companies were immaterial.

Failure to meet applicable capital guidelines could subject the financial institution to a variety of enforcement remedies available to the federal regulatory authorities including limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital, and the termination of deposit insurance by the FDIC, as well as to the measures described below under Prompt Corrective Action as applicable to undercapitalized institutions.

As of December 31, 2006, WesBanco s Tier 1 and total capital to risk-adjusted assets ratios were 12.35% and 13.44%, respectively. As of December 31, 2006, the Bank also had capital in excess of the minimum requirements. Neither WesBanco nor the Bank has been advised by the appropriate federal banking regulator of any specific leverage ratio applicable to it. As of December 31, 2006, WesBanco s leverage ratio was 9.27%. WesBanco currently has $87.6 million in junior subordinated debt on its Consolidated Balance Sheets presented as a separate category of long-term debt. For regulatory purposes, trust preferred securities totaling $85 million underlying such junior subordinated debt are included in Tier 1 Capital in accordance with regulatory reporting requirements. On March 1, 2005, the Federal Reserve adopted a rule that retains trust preferred securities in Tier 1 capital, but with stricter quantitative limits and clearer qualitative standards. Under the rule, after a transition period that ends on March 31, 2009, the aggregate amount of trust preferred securities and certain other capital elements would be limited to 25 percent of Tier 1 capital elements, net of goodwill. The amount of trust preferred securities and certain other elements in excess of the limit could be included in Tier 2 capital, subject to restrictions.

The risk-based capital standards of the Federal Reserve and the FDIC specify that evaluations by the banking agencies of a bank s capital adequacy will include an assessment of the exposure to declines in the economic value of the bank s capital due to changes in interest rates. These banking agencies issued a joint policy statement on interest rate risk describing prudent methods for monitoring such risk that rely principally on internal measures of exposure and active oversight of risk management activities by senior management.

The federal regulatory authorities risk-based capital guidelines are based upon the 1988 capital accord of the Basel Committee on Banking Supervision (the BIS). The BIS is a committee of central banks and bank supervisors/regulators from the major industrialized countries that develops broad policy guidelines for use by each country s supervisors in determining the supervisory policies they apply. In June 2004, the BIS published a new capital accord to replace its 1988 capital accord. The new capital accord would, among other things, set capital requirements for operational risk and refine the existing capital requirements for credit risk and market risk. Operational risk is defined to mean the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems in connection with external events. The 1988 capital accord does not include separate capital requirements for operational risk. On September 25, 2006, the U.S. banking agencies had published in the Federal Register a notice of proposed rulemaking relating to Basel II, which contained revised regulatory capital rules that would be applicable, it is estimated, only to between one and two dozen particularly large complex financial organizations when Basel II first becomes effective. On December 26, 2006, the same U.S. banking agencies had published in the Federal Register for notice and comment a proposed rulemaking pertaining to amendments to the existing Basel I-based capital rules that would apply to certain financial organizations that would not be subject to the Basel II framework. (This alternative rulemaking initiative is sometimes referred to as Basel IA.) As Basel II and Basel IA have been recently proposed, WesBanco would be subject to Basel IA, but not Basel II. The comment periods for both of these regulatory initiatives will close on March 26, 2007. There is significant uncertainty as to the times at which Basel II and Basel IA as finally implemented will become effective. WesBanco cannot predict the precise timing or final form of the United States rules implementing the new capital accord and their impact on WesBanco. The new capital requirements that may arise from the final rules could increase the minimum capital requirements applicable to WesBanco and its subsidiaries.

PROMPT CORRECTIVE ACTION

The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) requires federal banking regulatory authorities to take prompt corrective action with respect to depository institutions that do not meet minimum capital requirements. For these purposes, FDICIA establishes five capital tiers: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

An institution is deemed to be well-capitalized if it has a total risk-based capital ratio of 10% or greater, a Tier 1 risk-based capital ratio of 6% or greater, and a Tier 1 leverage ratio of 5% or greater and is not subject to a regulatory order, agreement, or directive to meet and maintain a specific capital level for any capital measure. An institution is deemed to be adequately capitalized if it has a total risk-based capital ratio of 8% or greater, a Tier 1 risk-based capital ratio of 4% or greater, and, generally, a Tier 1 leverage ratio of 4% or greater and the institution does not meet the definition of a well-capitalized institution. An institution that does not meet one or more of the adequately capitalized tests is deemed to be undercapitalized. If the institution has a total risk-based capital ratio that is less than 6%, a Tier 1 risk-based capital ratio that is less than 3%, or a Tier 1 leverage ratio that is less than 3%, it is deemed to be significantly undercapitalized. Finally, an institution is deemed to be critically undercapitalized if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2%. At December 31, 2006, the Bank had capital levels that met the well capitalized standards under such regulations.

FDICIA generally prohibits a depository institution from making any capital distribution, including payment of a cash dividend, or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. Undercapitalized institutions are subject to growth limitations and are required to submit a capital restoration plan. If any depository institution subsidiary of a holding company is required to submit a capital restoration plan, the holding company would be required to provide a limited guarantee regarding compliance with the plan as a condition of approval of such plan by the appropriate federal banking agency. If an undercapitalized institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized. Significantly undercapitalized institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets, and cessation of receipt of deposits from correspondent banks. Critically undercapitalized institutions may not, beginning 60 days after becoming critically undercapitalized, make any payment of principal or interest on their subordinated debt. In addition, critically undercapitalized institutions are subject to appointment of a receiver or conservator within 90 days of becoming critically undercapitalized.

GRAMM-LEACH-BLILEY ACT OF 1999 (THE GLB ACT)

Under the GLB Act, banks are no longer prohibited by the Glass-Steagall Act from associating with, or having management interlocks with, a business organization engaged principally in securities activities. By qualifying as a new entity known as a financial holding company, a bank holding company may acquire new powers not otherwise available to it. In order to qualify, a bank holding company s depository subsidiaries must all be both well-capitalized and well managed, and must be meeting their Community Reinvestment Act obligations. The bank holding company must also declare its intention to become a financial holding company to the Federal Reserve and certify that its depository subsidiaries meet the capitalization and management requirements. The repeal of the Glass-Steagall Act and the availability of new powers both became effective in 2000. WesBanco has not elected to become a financial holding company under the GLB Act, though it has qualified a subsidiary of its bank as a financial subsidiary under the GLB Act.

Financial holding company powers relate to financial activities that are determined by the Federal Reserve, in coordination with the Secretary of the Treasury, to be financial in nature, incidental to an activity that is financial in nature, or complementary to a financial activity, provided that the complementary activity does not pose a safety and soundness risk. The statute itself defines certain activities as financial in nature, including but not limited to: underwriting insurance or annuities; providing financial or investment advice; underwriting, dealing in, or making markets in securities; merchant banking, subject to significant limitations; insurance company portfolio investing, subject to significant limitations; and any activities previously found by the Federal Reserve to be closely related to banking.

National and state banks are permitted under the GLB Act, subject to capital, management, size, debt rating, and Community Reinvestment Act qualification factors, to have financial subsidiaries that are permitted to engage in financial activities not otherwise permissible. However, unlike financial holding companies, financial subsidiaries may not engage in insurance or annuity underwriting; developing or investing in real estate; merchant banking (for at least five years); or insurance company portfolio investing. Other provisions of the

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GLB Act establish a system of functional regulation for financial holding companies and banks involving the SEC, the Commodity Futures Trading Commission, and state securities and insurance regulators; deal with bank insurance sales and title insurance activities in relation to state insurance regulation; prescribe consumer protection standards for insurance sales; and establish minimum federal standards of privacy to protect the confidentiality of the personal financial information of consumers and regulate its use by financial institutions. Federal bank regulatory agencies have issued certain rules over the past seven years relating to the implementation of the GLB Act.

ANTI-MONEY LAUNDERING INITIATIVES AND THE USA PATRIOT ACT

A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. The USA PATRIOT Act of 2001 (USA Patriot Act) substantially broadened the scope of United States anti-money laundering laws and regulations by imposing significant new compliance and due diligence obligations, creating new crimes and penalties and expanding the extra-territorial jurisdiction of the United States. The United States Treasury Department has issued a number of implementing regulations which apply to various requirements of the USA Patriot Act to financial institutions such as WesBanco s bank and broker-dealer subsidiaries. These regulations impose obligations on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. Failure of WesBanco to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could have serious legal and reputational consequences for WesBanco and its subsidiaries.

SARBANES-OXLEY ACT OF 2002

The Sarbanes-Oxley Act of 2002 contains important requirements for public companies in the area of financial disclosure and corporate governance. In accordance with section 302(a) of the Sarbanes-Oxley Act, written certifications by WesBanco s chief executive officer and chief financial officer are required. These certifications attest that WesBanco s quarterly and annual reports filed with the SEC do not contain any untrue statement of a material fact. WesBanco has also implemented a program designed to comply with Section 404 of the Sarbanes-Oxley Act, which includes the identification of significant processes and accounts, documentation of the design of control effectiveness over process and entity level controls, and testing of the operating effectiveness of key controls. Also, in response to the Sarbanes-Oxley Act, WesBanco adopted a series of procedures to improve its corporate governance practices. One of these actions included the formation of a Disclosure Committee whose members include the Chief Executive Officer, the Chief Financial Officer and other WesBanco officers. WesBanco also requires signed certifications from managers who are responsible for internal controls throughout WesBanco as to the integrity of the information they prepare. These procedures supplement WesBanco s Code of Ethics policies and procedures that have previously been in place. See Item 9A Controls and Procedures for WesBanco s evaluation of its disclosure controls and procedures.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below, as well as the other information included or incorporated by reference in this Annual Report on Form 10-K, before making an investment in WesBanco s common stock. The risks described below are not the only ones we face in our business. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. If any of the following risks occur, our business, financial condition or operating results could be materially harmed. In such an event, our common stock could decline in price, and you may lose all or part of your investment.

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DUE TO INCREASED COMPETITION, WESBANCO MAY NOT BE ABLE TO ATTRACT AND RETAIN BANKING CUSTOMERS AT CURRENT LEVELS.

WesBanco faces competition from the following:

- local, regional and national banks;
- savings and loans;
- internet banks;
- credit unions;
- finance companies; and
- brokerage firms serving WesBanco s market areas.

In particular, the Bank s competitors include several major national financial companies whose greater resources may afford them a marketplace advantage by enabling them to maintain numerous banking locations and mount extensive promotional and advertising campaigns. Additionally, banks and other financial institutions may have products and services not offered by WesBanco, which may cause current and potential customers to choose those institutions. Areas of competition include interest rates for loans and deposits, efforts to obtain deposits and range and quality of services provided. If WesBanco is unable to attract new and retain current customers, loan and deposit growth could decrease causing WesBanco s results of operations and financial condition to be negatively impacted.

WESBANCO MAY NOT BE ABLE TO EXPAND ITS TRUST AND INVESTMENT SERVICES SEGMENT AND RETAIN ITS CURRENT CUSTOMERS.

As of December 31, 2006, WesBanco had approximately $3.0 billion in assets under management, which provided approximately 9.2% of WesBanco s net revenues. WesBanco may not be able to attract new and retain current investment management clients due to competition from the following:

- commercial banks and trust companies;
- mutual fund companies;
- investment advisory firms;
- law firms;
- brokerage firms; and

other financial services companies.

Its ability to successfully attract and retain investment management clients is dependent upon its ability to compete with competitors investment products, level of investment performance, client services and marketing and distribution capabilities. Due to the changes in economic conditions, the performance of the trust and investment services segment may be negatively impacted by the financial markets in which investment clients assets are invested, causing clients to seek other alternative investment options. If WesBanco is not successful, its results from operations and financial position may be negatively impacted.

CUSTOMERS MAY DEFAULT ON THE REPAYMENT OF LOANS.

The Bank s customers may default on the repayment of loans, which may negatively impact WesBanco s earnings due to loss of principal and interest income. Increased operating expenses may result from the allocation of management time and resources to the collection and work-out of the loan. Collection efforts may or may not be successful causing WesBanco to write off the loan or repossess the collateral securing the loan, which may or may not exceed the balance of the loan.

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Management evaluates the adequacy of the allowance for loan losses at least quarterly, which includes testing certain individual loans as well as collective pools of loans for impairment. This evaluation includes an assessment of actual loss experience within each category of the portfolio, individual commercial and commercial real estate loans that exhibit credit weakness; current economic events, including employment statistics, trends in bankruptcy filings, and other pertinent factors; industry or geographic concentrations; and regulatory guidance. Additions to the allowance for loan losses results in an expense for the period.

WesBanco s regulatory agencies periodically review the allowance for loan losses. Based on their assessment the regulatory agencies may require WesBanco to adjust the allowance for loan losses. These adjustments could negatively impact the Bank s results of operations or financial position.

ECONOMIC CONDITIONS IN WESBANCO S MARKET AREAS COULD NEGATIVELY IMPACT EARNINGS.

A downturn in the local and regional economies could negatively impact WesBanco s banking business. The Bank serves both individuals and business customers throughout West Virginia, Ohio and Western Pennsylvania. The ability of the Bank s customers to repay their loans is strongly tied to the economic conditions in these areas. These economic conditions may also force customers to utilize deposits held by the Bank in order to pay current expenses causing the Bank s deposit base to shrink. As a result the Bank may have to borrow funds at higher rates in order to meet liquidity needs. These events may have a negative impact on WesBanco s earnings.

CURRENT MARKET INTEREST RATES AND COST OF FUNDS MAY NEGATIVELY IMPACT WESBANCO S BANKING BUSINESS.

Fluctuations in interest rates may negatively impact the business of the Bank. The Bank s main source of income from operations is net interest income, which is equal to the difference between the interest income received on interest-bearing assets (usually loans and investment securities) and the interest expense incurred in connection with interest-bearing liabilities (usually deposits and borrowings). These rates are highly sensitive to many factors beyond WesBanco s control, including general economic conditions, both domestic and foreign, and the monetary and fiscal policies of various governmental and regulatory authorities. The Bank s net interest income can be affected significantly by changes in market interest rates. Changes in relative interest rates may reduce the Bank s net interest income as the difference between interest income and interest expense decreases. As a result, the Bank has adopted asset and liability management policies to minimize the potential adverse effects of changes in interest rates on net interest income, primarily by altering the mix and maturity of loans, investments and funding sources. However, even with these policies in place, WesBanco cannot be certain that changes in interest rates or the shape of the interest rate yield curve will not negatively impact its results of operations or financial position.

WesBanco s cost of funds for banking operations may increase as a result of general economic conditions, interest rates and competitive pressures. The Bank has traditionally obtained funds principally through deposits and wholesale borrowings. As a general matter, deposits are a cheaper source of funds than borrowings because interest rates paid for deposits are typically less than interest rates charged for borrowings. If, as a result of general economic conditions, market interest rates, competitive pressures or otherwise, the value of deposits at the Bank decreases relative to its overall banking operations, the Bank may have to rely more heavily on borrowings as a source of funds in the future.

WESBANCO MAY BE REQUIRED TO WRITE DOWN GOODWILL AND OTHER INTANGIBLE ASSETS, CAUSING ITS FINANCIAL CONDITION AND RESULTS TO BE NEGATIVELY AFFECTED.

When WesBanco acquires a business, a portion of the purchase price of the acquisition is allocated to goodwill and other identifiable intangible assets. The amount of the purchase price which is allocated to goodwill

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and other intangible assets is determined by the excess of the purchase price over the net identifiable assets acquired. At December 31, 2006, WesBanco s goodwill and other identifiable intangible assets were approximately $145.1 million. Under current accounting standards, if WesBanco determines goodwill or intangible assets are impaired, it is required to write down the carrying value of these assets. WesBanco conducts an annual review to determine whether goodwill and other identifiable intangible assets are impaired. WesBanco completed such an impairment analysis in 2006 and concluded that no impairment charge was necessary for the year ended December 31, 2006. WesBanco cannot provide assurance that it will not be required to take an impairment charge in the future. Any impairment charge would have a negative effect on its stockholders equity and financial results and may cause a decline in our stock price.

ACQUISITION OPPORTUNITIES MAY NOT BE AVAILABLE TO WESBANCO IN THE FUTURE.

WesBanco continually evaluates opportunities to acquire other businesses. However, WesBanco may not have the opportunity to make suitable acquisitions on favorable terms in the future, which could negatively impact the growth of its business. WesBanco expects that other banking and financial companies, many of which have significantly greater resources, will compete with it to acquire compatible businesses. This competition could increase prices for acquisitions that WesBanco would likely pursue, and its competitors may have greater resources than it does. Also, acquisitions of regulated business such as banks are subject to various regulatory approvals. If WesBanco fails to receive the appropriate regulatory approvals, it will not be able to consummate an acquisition that it believes is in its best interests.

Any future acquisitions may result in unforeseen difficulties, including integration of the combined companies, which could require significant time and attention from our management that would otherwise be directed at developing our existing business and expenses may be higher than initially projected. In addition, we could discover undisclosed liabilities resulting from any acquisitions for which we may become responsible. Further, benefits such as enhanced earnings that we anticipate from these acquisitions may not develop and future results of the combined companies may be materially lower from those estimated.

CHANGES IN REGULATORY CAPITAL REGULATIONS BY THE FEDERAL RESERVE MAY NEGATIVELY IMPACT WESBANCO S CAPITAL LEVELS.

WesBanco currently has $87.6 million in junior subordinated debt presented as a separate category of long-term debt on its Consolidated Balance Sheets. For regulatory purposes, trust preferred securities totaling $85.0 million underlying such junior subordinated debt are included in Tier 1 capital in accordance with regulatory reporting requirements. On March 1, 2005, the Federal Reserve adopted a rule that would retain trust preferred securities in Tier 1 capital, but with stricter quantitative limits and clearer qualitative standards. Under the rule, after a transition period that ends on March 31, 2009, the aggregate amount of trust preferred securities and certain other capital elements would be limited to 25 percent of Tier 1 capital elements, net of goodwill. The amount of trust preferred securities and certain other elements in excess of the limit could be included in Tier 2 capital, subject to restrictions. Should WesBanco issue additional trust preferred securities, WesBanco s Tier 1 capital ratio may be limited by the rule adopted by the Board. WesBanco s earnings may also be negatively impacted due to prepayment penalties associated with the redemption of the trust preferred securities.

LIMITED AVAILABILITY OF BORROWINGS FROM THE FEDERAL HOME LOAN BANK SYSTEM COULD NEGATIVELY IMPACT EARNINGS.

The Bank is currently a member bank of the Federal Home Loan Bank (FHLB) of Pittsburgh. Membership in this system allows the Bank to participate in various programs offered by its member banks. The Bank borrows funds from the FHLB, which are secured by a blanket lien on certain residential mortgage loans or securities with a market value at least equal to the outstanding balances. In prior years, certain FHLB Banks, including Pittsburgh, experienced lower earnings and paid out lower dividends to its members. While earnings and dividends have since improved, future problems may impact the collateral necessary to secure borrowings and limit the borrowings extended to its member banks, as well as require additional capital contributions by its member banks. Should this occur, WesBanco s short-term liquidity needs could be negatively impacted. Should

WesBanco be restricted from using FHLB advances due to weakness in the system or with the FHLB of Pittsburgh, WesBanco may be forced to find alternative funding sources. Such alternative funding sources may include the issuance of additional junior subordinated debt within allowed capital guidelines, utilization of existing lines of credit with third party banks along with seeking other lines of credit, borrowings under repurchase agreement lines, increasing deposit rates to attract additional funds, accessing brokered deposits, or selling certain investment securities categorized as available-for-sale in order to maintain adequate levels of liquidity. At December 31, 2006 the Bank owned $15.2 million of FHLB of Pittsburgh stock, which paid a dividend approximating 5.25% for the fourth quarter of 2006, up from 3.00% for the fourth quarter of 2005. Additionally, the Bank owned $6.4 million of FHLB of Cincinnati stock, which paid a stock dividend of 6.00%. Dividend payments may be eliminated by either respective FHLB at anytime in the future in order for it to restore its retained earnings. In such case, the corresponding FHLB stock owned by WesBanco may be deemed a non-earning asset.

WESBANCO S FINANCIAL CONDITION AND RESULTS OF OPERATIONS DEPEND ON THE SUCCESSFUL GROWTH OF ITS SUBSIDIARIES.

WesBanco s primary business activity for the foreseeable future will be to act as the holding company of the Bank and other subsidiaries. Therefore, WesBanco s future profitability will depend on the success and growth of these subsidiaries. In the future, part of WesBanco s growth may come from buying other banks and buying or establishing other companies. Such entities may not be profitable after they are purchased or established, and they may lose money or be dilutive to earnings per share, particularly for the first few years. A new bank or company may bring with it unexpected liabilities, bad loans, or poor employee relations, or the new bank or company may lose customers and the associated revenue.

WESBANCO S ABILITY TO PAY DIVIDENDS IS LIMITED.

Holders of shares of WesBanco s common stock are entitled to dividends if, when, and as declared by WesBanco s Board of Directors out of funds legally available for that purpose. Although the Board of Directors has declared cash dividends in the past, the current ability to pay dividends is largely dependent upon the receipt of dividends from the Bank. Federal and state laws impose restrictions on the ability of the Bank to pay dividends. Additional restrictions are placed upon WesBanco by the policies of federal regulators, including Regulation H and the Federal Reserve s November 14, 1985 policy statement, which provides that bank holding companies should pay dividends only out of the past year s net income, and retained net income of the prior two calendar years, unless approved by the Federal Reserve, and then only if their prospective rate of earnings retention appears consistent with their capital needs, asset quality, and overall financial condition. The state of West Virginia requirement limits dividends declared to the total of the Bank s current year net profits plus retained profits of the preceding two years. In general, future dividend policy is subject to the discretion of the Board of Directors and will depend upon a number of factors, including WesBanco s and the Bank s future earnings, capital requirements, regulatory constraints and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Registrant s subsidiaries generally own their respective offices, related facilities and any unimproved real property held for future expansion. At December 31, 2006, WesBanco operated 78 banking offices in West Virginia, Ohio and Western Pennsylvania, and 1 loan production office, of which 62 were owned and 17 were leased under long-term operating leases. These leases expire at various dates through November 2026 and generally include options to renew.

The main office of the Registrant is located at 1 Bank Plaza, Wheeling, West Virginia, in a building owned by the Bank. The building contains approximately 100,000 square feet and serves as the main office for both

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WesBanco s community banking segment and its trust and investment services segment. The Bank s back office operations currently occupy approximately two thirds of the space available in an office building adjacent to the main office, which is owned by WesBanco Properties, Inc., a subsidiary of WesBanco, with the remainder of the building leased to unrelated businesses.

At various building locations, WesBanco rents or looks to provide commercial office space to unrelated businesses. Rental income totaled $0.5 million for 2006 compared to $0.6 million for 2005. For additional disclosures related to WesBanco s properties, other fixed assets and leases, please refer to Note 6, Premises and Equipment in the Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

On March 1, 2002, WesBanco consummated its acquisition of American Bancorporation through a series of corporate mergers. At the time of the consummation of this transaction, American Bancorporation was a defendant in a suit styled Martin, et al. v. The American Bancorporation Retirement Plan, et al., under Civil Action No. 5:2000-CV-168, pending in the United States District Court for the Northern District of West Virginia. WesBanco became the principal defendant in this suit by reason of the merger. This case involves a class action suit against American Bancorporation by certain beneficiaries of the American Bancorporation Defined Benefit Retirement Plan (the Plan) seeking to challenge benefit calculations and methodologies used by the Plan Administrator in determining benefits under the Plan which was frozen by American Bancorporation, as to benefit accruals, in 1992.

A mediation was held in the case which resulted in the execution of a tentative settlement agreement. The parties subsequently entered into a formal settlement agreement which was preliminarily approved by the District Court by Order dated September 29, 2006. A final hearing to approve the settlement of the case was held on November 17, 2006. The settlement was approved and implemented and the case has now been dismissed.

The Bank has also been involved in a case styled Copier Word Processing Supply, Inc. v. WesBanco, Inc., et al. under Civil Action No. 03-C-472, filed in the Circuit Court of Wood County, West Virginia on October 8, 2003. The suit alleges that a former office manager of the plaintiff converted checks payable to the plaintiff by forging the endorsement of its President, endorsing the instruments in her own right, and depositing such checks into her personal account at the Bank. The Complaint alleges such misconduct over an undetermined period and for an undetermined amount. The suit alleges negligence and conversion claims against the Bank over the deposit of the checks. Through continuing discovery, the Bank has identified a number of checks which were deposited to the personal accounts of the former office manager over a period of approximately 10 years. The Circuit Court has applied a three year statute of limitations to the action and the plaintiff sought to extend the applicable statute through a continuing tort analysis and the question was certified to the West Virginia Supreme Court for resolution. The Court upheld the application of the three year statute of limitations. The case has been remanded to the Circuit Court for further proceedings.

The Bank believes that the accounting controls and practices of the plaintiff were primarily at fault and substantially contributed to the loss. The plaintiff s employee had previously been convicted of criminal fraud prior to her employment by the plaintiff, and the Bank believes that the failure of the plaintiff to supervise its employee, especially given her prior record, substantially contributed to the loss. Under a comparative fault analysis, the Bank believes that the plaintiff must bear a substantial portion of the loss. Under West Virginia s comparative fault procedures, if the plaintiff is found to be more than 50% at fault, then the plaintiff may not be permitted a recovery at all in the case.

WesBanco is also involved in other lawsuits, claims, investigations and proceedings which arise in the ordinary course of business. There are no such other matters pending that WesBanco expects to be material in relation to its business, financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

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PART II

ITEM 5. MARKET FOR THE REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

WesBanco s common stock is quoted on NASDAQ under the symbol WSBC. The approximate number of holders of WesBanco s $2.0833 par value common stock as of December 31, 2006 was 5,452. The number of holders does not include WesBanco employees who have had stock allocated to them through WesBanco s KSOP. All WesBanco employees who meet the eligibility requirements of the KSOP are included in the Plan.

The table below presents for each quarter in 2006 and 2005, the high and low sales price per share as reported by NASDAQ and cash dividends declared per share.

	2006			2005		
	High	**Low**	**Dividend Declared**	**High**	**Low**	**Dividend Declared**
Fourth quarter	**$ 34.00**	**$ 28.41**	**$ 0.265**	$ 32.50	$ 25.59	$ 0.26
Third quarter	**31.16**	**27.89**	**0.265**	32.00	27.17	0.26
Second quarter	**32.92**	**28.03**	**0.265**	31.50	24.80	0.26
First quarter	**32.81**	**29.20**	**0.265**	33.33	25.99	0.26

On March 17, 2005, WesBanco formed a wholly-owned trust subsidiary, WesBanco Capital Trust VI, under the laws of Delaware, by issuing $15.0 million in Fixed/Floating Rate Subordinated Deferrable Interest Debentures due March 17, 2035 to a statutory trust which issued 15,000 shares of trust preferred securities with a liquidation value of $15.0 million, based upon the debenture and a guarantee from WesBanco. In connection with the issuance of the trust preferred securities, WesBanco Capital Trust VI issued 464 shares of common securities to WesBanco with a liquidation value of $0.5 million. The Trust Preferred Securities were issued and sold in a private placement offering to Preferred Term Securities XVII, Ltd. No fee was paid in connection with the private placement. Interest will be paid quarterly at a rate of 6.37% for the first five years, resetting quarterly beginning on March 17, 2010 at a rate equal to the three month London Interbank Offered Rate (LIBOR) index plus 1.77%. The debentures mature on March 17, 2035, and may be redeemed at par on or after March 17, 2010, without penalty. A portion of the proceeds received from the issuance was used to fund the acquisition of Winton with the remainder used for general corporate purposes.

On June 17, 2004, WesBanco formed two wholly-owned trust subsidiaries, WesBanco Capital Trust IV and V, under the laws of Delaware, by issuing $40.0 million in Floating Rate and Fixed/Floating Rate Junior Subordinated Deferrable Interest Debentures due June 17, 2034, to two statutory trusts each of which issued 20,000 shares of trust preferred securities each with a liquidation value of $20.0 million, based upon the debentures and a guarantee for each trust from WesBanco. In connection with the issuance of the trust preferred securities, each trust issued 619 shares of common securities to WesBanco with a liquidation value of $0.6 million. The trust preferred securities were issued and sold in two private placement offerings to Preferred Term Securities XIV, Ltd. with a fee totaling $0.2 million paid to FTN Financial Capital Markets and Keefe, Bruyette & Woods, Inc. in connection with the private placements. For the Floating Rate portion of the issuance totaling $20 million, interest is payable quarterly at a rate equal to the three-month LIBOR index plus 2.65%, resetting quarterly. For the Fixed/Floating Rate portion of the issuance totaling $20 million, interest is payable quarterly at an initial rate of 6.91% for the first five years, resetting quarterly beginning on June 17, 2009 at a rate equal to the three-month LIBOR index plus 2.65%. The debentures mature on June 17, 2034, and may be redeemed at par on or after June 17, 2009, without penalty. A portion of the proceeds received from the issuances were used to fund the acquisition of Western Ohio with the remainder used for general corporate purposes.

The debentures and trust preferred securities issued by the trusts discussed above provide that WesBanco has the right to elect to defer the payment of interest on the debentures and trust preferred securities for up to an aggregate of 20 quarterly periods. However, if WesBanco should defer the payment of interest or default on the payment of interest, it may not declare or pay any dividends on its common stock during any such period.

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For additional disclosures relating to WesBanco s Trust Preferred Securities, please refer to Note 12, Junior Subordinated Debt Owed to Unconsolidated Subsidiary Trusts in the Consolidated Financial Statements.

Information regarding WesBanco s compensation plans under which WesBanco s equity securities are authorized for issuance as of December 31, 2006 is included under Item 12 of this Annual Report on Form 10-K.

As of December 31, 2006, WesBanco had an active one million share repurchase plan approved by the Board on January 19, 2006. The shares are purchased for general corporate purposes, which may include potential acquisitions, dividend reinvestment and employee benefit plans. The timing, price and quantity of purchases are at the discretion of WesBanco, and the plan may be discontinued or suspended at any time.

The following table shows the activity in WesBanco s stock repurchase plan for the quarter ended December 31, 2006:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number of Shares that May Yet Be Purchased Under the Plan
Balance at September 30, 2006				708,898
October 1, 2006 to October 31, 2006	30,000	$ 31.73	30,000	678,898
November 1, 2006 to November 30, 2006	48,900	32.05	48,900	629,998
December 1, 2006 to December 31, 2006				629,998
Total	78,900	$ 31.93	78,900	

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The following graph shows a comparison of cumulative total shareholder returns for WesBanco, the Russell 2000 Index and the Russell 2000 Financial Services Index. The total shareholder return assumes a $100 investment in the common stock of WesBanco and each index since December 31, 2001 with reinvestment of dividends.

	December 31,					
Index	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
WesBanco, Inc.	100.00	115.22	141.41	169.07	166.57	190.15
Russell 2000 Index	100.00	79.52	117.09	138.55	144.86	171.47
Russell 2000 Financial Services Index	100.00	103.47	144.69	175.21	179.06	213.89

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ITEM 6. SELECTED FINANCIAL DATA

The following consolidated selected financial data is derived from WesBanco s audited financial statements as of and for the five years ended December 31, 2006. The following consolidated financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and the Consolidated Financial Statements and related notes included elsewhere in this report. All of WesBanco s acquisitions during the five years ended December 31, 2006, are included in results of operations since their respective dates of acquisition.

(dollars in thousands, except per share amounts)	**For the years ended December 31,**				
	2006	**2005**	**2004**	**2003**	**2002**
PER SHARE INFORMATION					
Dividends	**$ 1.06**	$ 1.04	$ 1.00	$ 0.96	$ 0.935
Book value at year end	**19.39**	18.91	17.77	16.13	15.89
Average common shares outstanding basic	**21,762,567**	22,474,645	20,028,248	20,056,849	20,459,122
Average common shares outstanding diluted	**21,816,573**	22,528,262	20,083,718	20,080,415	20,471,216
SELECTED BALANCE SHEET INFORMATION					
Total securities	**$ 736,707**	$ 992,564	$ 1,133,100	$ 1,176,273	$ 1,163,631
Net loans, including loans held for sale	**2,879,404**	2,909,923	2,459,049	1,907,303	1,795,805
Total assets	**4,098,143**	4,422,115	4,011,399	3,445,006	3,297,231
Total deposits	**2,995,547**	3,028,324	2,725,934	2,482,082	2,399,956
Total long term debt and other borrowings	**561,468**	856,994	799,924	578,984	518,958
Junior subordinated debt and trust preferred securities	**87,638**	87,638	72,174	30,936	12,650
Total shareholders equity	**416,875**	415,230	370,181	318,436	325,171
SELECTED RATIOS					
Return on average assets	**0.94%**	0.95%	1.07%	1.08%	1.13%
Return on average equity	**9.35%**	10.13%	11.37%	11.38%	10.95%
Dividend payout	**59.22%**	54.74%	52.63%	53.33%	55.00%
Average equity to average assets	**10.03%**	9.41%	9.37%	9.46%	10.29%
TRUST ASSETS AT MARKET VALUE	**$ 2,976,621**	$ 2,599,463	$ 2,664,795	$ 2,771,656	$ 2,295,737

(dollars in thousands, except per share amounts)	**For the years ended December 31,**				
	2006	**2005**	**2004**	**2003**	**2002**
SUMMARY STATEMENTS OF INCOME					
Interest income	**$ 227,269**	$ 224,745	$ 169,436	$ 165,516	$ 176,155
Interest expense	**104,436**	92,434	60,212	62,512	72,555
Net interest income	**122,833**	132,311	109,224	103,004	103,600
Provision for loan losses	**8,739**	8,045	7,735	9,612	9,359
Net interest income after provision for loan losses	**114,094**	124,266	101,489	93,392	94,241
Non-interest income	**40,408**	39,133	35,541	33,230	27,852
Non-interest expense	**106,204**	108,920	89,872	81,810	76,647
Income before income taxes	**48,298**	54,479	47,158	44,812	45,446
Provision for income taxes	**9,263**	11,722	8,976	8,682	10,620
Net income	**$ 39,035**	$ 42,757	$ 38,182	$ 36,130	$ 34,826

Earnings per share basic	**$**	**1.79**	$	1.90	$	1.91	$	1.80	$	1.70
Earnings per share diluted	**$**	**1.79**	$	1.90	$	1.90	$	1.80	$	1.70

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The following tables set forth unaudited consolidated selected quarterly statements of income for the years ended December 31, 2006 and 2005.

CONDENSED QUARTERLY STATEMENTS OF INCOME

	2006 Quarter ended				
(dollars in thousands, except per share amounts)	**March 31,**	**June 30,**	**September 30,**	**December 31,**	**Annual Total**
Interest income	**$ 56,447**	**$ 55,994**	**$ 56,942**	**$ 57,886**	**$ 227,269**
Interest expense	**25,464**	**25,130**	**26,233**	**27,609**	**104,436**
Net interest income	**30,983**	**30,864**	**30,709**	**30,277**	**122,833**
Provision for loan losses	**2,640**	**2,263**	**2,268**	**1,568**	**8,739**
Net interest income after provision for loan losses	**28,343**	**28,601**	**28,441**	**28,709**	**114,094**
Non-interest income	**13,356**	**12,298**	**11,657**	**10,895**	**48,206**
Net securities (losses) gains	**(7,942)**	**92**	**17**	**35**	**(7,798)**
Non-interest expense	**26,812**	**26,988**	**25,929**	**26,475**	**106,204**
Income before income taxes	**6,945**	**14,003**	**14,186**	**13,164**	**48,298**
Provision for income taxes	**1,361**	**2,742**	**2,632**	**2,528**	**9,263**
Net income	**$ 5,584**	**$ 11,261**	**$ 11,554**	**$ 10,636**	**$ 39,035**
Earnings per share basic	**$ 0.25**	**$ 0.52**	**$ 0.53**	**$ 0.49**	**$ 1.79**
Earnings per share diluted	**$ 0.25**	**$ 0.52**	**$ 0.53**	**$ 0.49**	**$ 1.79**

	2005 Quarter ended				
(dollars in thousands, except per share amounts)	**March 31,**	**June 30,**	**September 30,**	**December 31,**	**Annual Total**
Interest income	$ 54,884	$ 56,534	$ 56,231	$ 57,096	$ 224,745
Interest expense	21,383	22,666	23,643	24,742	92,434
Net interest income	33,501	33,868	32,588	32,354	132,311
Provision for loan losses	1,843	1,919	2,141	2,142	8,045
Net interest income after provision for loan losses	31,658	31,949	30,447	30,212	124,266
Non-interest income	8,778	8,872	9,699	9,763	37,112
Net securities gains	753	1,068	141	59	2,021
Non-interest expense	27,129	27,493	27,663	26,635	108,920
Income before income taxes	14,060	14,396	12,624	13,399	54,479
Provision for income taxes	2,980	3,138	2,754	2,850	11,722
Net income	$ 11,080	$ 11,258	$ 9,870	$ 10,549	$ 42,757
Earnings per share basic	$ 0.48	$ 0.50	$ 0.44	$ 0.48	$ 1.90
Earnings per share diluted	$ 0.48	$ 0.50	$ 0.44	$ 0.48	$ 1.90

NON-GAAP MEASURES

The Annual Report on Form 10-K contains financial information other than that provided by accounting principles generally accepted in the United States of America (GAAP). WesBanco s management believes these non-GAAP measures, which exclude the effects of merger-related and restructuring expenses, other-than-temporary impairment losses and gain on sale of branches are essential to a proper understanding of the operating

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results of WesBanco s core business largely because they allow investors to see clearly the performance of WesBanco without these items included in certain key financial ratios. These non-GAAP measures are not a substitute for operating results determined in accordance with GAAP nor do they necessarily conform to non-GAAP performance measures that may be presented by other companies. These non-GAAP measures should not be compared to non-GAAP performance measures of other companies.

NON-GAAP RECONCILIATION

	December 31,				
(dollars in thousands, except per share amounts)	**2006**	**2005**	**2004**	**2003**	**2002**
Net income	**$ 39,035**	$ 42,757	$ 38,182	$ 36,130	$ 34,826
Merger-related and restructuring expenses, net of tax (1)					