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SILICON VALLEY / SAN JOSE

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First Republic buying BWC for \$177M; mortgage unit sold separately

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First Republic Bank agreed Monday to buy **BWC Financial Corp.**, the parent of Bank of Walnut Creek, for \$177 million in stock.

In a separate transaction, Simonich Corp. said it has acquired the 51 percent part of BWC Mortgage Services that it didn't already own, but didn't disclose the terms of that sale.

San Francisco-based First Republic (NYSE: FRC) is paying about a 10 percent premium for BWC Financial Corp. (NASDAQ: BWCF), based on their closing stock prices on Friday.

First Republic, which closed Friday at \$43.25, said it will exchange 0.97 shares of its own stock for each share of BWC Financial, which closed at \$38.

BWC stock closed at a 52-week high of \$40.50, up 6.58 percent, on the news on Monday. First Republic dropped 1.69 percent to close at \$42.52.

Bank of Walnut Creek was founded in 1980 and has seven branches in Walnut Creek, Orinda, Danville, San Ramon, San Jose, Livermore and Pleasanton. It reported \$564 million in assets at the end of March.

First Republic said the deal lets it expand into parts of the Bay Area where it already has some customers, but has no branches. The deal should close in the fourth quarter of 2006, the bank said.

Scott Simonich, the chairman/CEO of Simonich Corp. who co-founded BWC Mortgage Services with his former employer 12 years ago, will continue as president of the unit he has now bought out. The name will remain the same.

San Ramon-based BWC Mortgage Services funded over \$1.4 billion in loan transactions in 2005. It operates in 10 offices including, Concord, Tracy, Monterey, Redding, Tahoe City, Truckee, Walnut Creek, Reno and Las Vegas, Nev.

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