

WESTAMERICA BANCORPORATION

Form 8-K

April 16, 2008

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):  
April 16, 2008  
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WESTAMERICA BANCORPORATION  
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(Exact Name of Registrant as Specified in Its Charter)

CALIFORNIA  
-----

(State or Other Jurisdiction of Incorporation)

001-9383  
-----

94-2156203  
-----

(Commission File Number) (IRS Employer Identification No.)

1108 Fifth Avenue, San Rafael, California  
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94901  
-----

(Address of Principal Executive Offices)

(Zip Code)

(707) 863-6000  
-----

(Registrant's Telephone Number, Including Area Code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4c)

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Exhibits  
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99.1 Press release dated April 15, 2008

Item 2.02: Results of Operations and Financial Condition  
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On April 15, 2008 Westamerica Bancorporation announced their earnings for the first quarter of 2008. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

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Signatures

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

Westamerica Bancorporation

/s/ JOHN "ROBERT" THORSON  
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John "Robert" Thorson  
Senior Vice President and Chief Financial Officer  
April 16, 2008

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Exhibit No.	Description	Sequentially Number Page
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(99.1)	Press release dated April 15, 2008	5-13

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FOR IMMEDIATE RELEASE  
April 15, 2008

WESTAMERICA REPORTS FIRST QUARTER RESULTS

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San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported quarterly net income for the first quarter of 2008 of \$26.8 million and diluted earnings per share ("EPS") of \$0.92 compared to net income of \$21.8 million and EPS of \$0.74 for the previous quarter, and net income of \$23.6 million and EPS of \$0.76 for the first quarter of 2007. As described below, first quarter 2008 results include benefits from Visa's initial public offering which increased net income by \$4.7 million and EPS by \$0.16. Fourth quarter 2007 results include litigation expense of \$2.3 million related to Westamerica's proportionate share of Visa's litigation exposure and a \$700 thousand income tax refund which combined to reduce net income by \$590 thousand, or EPS by \$0.02. First quarter 2007 results include a gain on company-owned life insurance which contributed \$0.02 to EPS.

"During the first quarter 2008, our net interest margin increased to 4.79 percent from 4.53 percent in the fourth quarter 2007. This improvement came primarily from a reduction in our cost of funds as short-term interest rates declined," said Chairman, President and CEO David Payne. "Our expenses remain well controlled, and our credit quality remains sound. Our non-performing loans represented only 0.23 percent of total loans at quarter-end while our loan loss reserves equal 2.13 percent of total loans. We are pleased to have delivered a return on our shareholders' equity, excluding the Visa IPO benefits, of 22.6 percent this quarter," added Payne.

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Net interest income on a fully taxable equivalent (FTE) basis was \$48.0 million for the first quarter of 2008, compared to \$46.8 million for the previous quarter and to \$46.9 million for the first quarter of 2007. The first quarter 2008 net interest margin on a fully taxable equivalent basis was 4.79 percent, compared to 4.53 percent for the previous quarter and 4.41 percent for the first quarter of 2007.

The provision for loan losses was \$600 thousand for the first quarter of 2008, compared to \$475 thousand for the previous quarter, and \$75 thousand for the first quarter of 2007. Net loan losses totaled \$872 thousand or 0.14 percent of average loans (annualized) for the first quarter of 2008, compared to \$907 thousand and 0.14 percent, respectively, for the fourth quarter of 2007.

Management follows diligent and thorough loan administration and risk management practices. The Company assigns risk grades to loans following the same framework used by its regulators. Loans receiving higher risk grades and heightened credit management attention are "classified" loans. The Company's "classified" loans increased to \$33.3 million at March 31, 2008 from \$24.4 million at December 31, 2007. The increase in classified loans is primarily attributable to one construction loan relationship with \$11.1 million outstanding at March 31, 2008. The loan collateral is comprised of developed land and residential real estate properties located north of Sacramento, California. Management is aggressively pursuing collection of this loan relationship. Some "classified" loans are placed on non-accrual status when the full collection of principal or interest is in doubt. Included in the "classified" loans are non-accrual loans totaling \$5.4 million at March 31, 2008, compared to \$4.9 million at December 31, 2007. Management regularly assesses the level of the Company's allowance for loan losses giving consideration to current and developing economic conditions, levels of classified and non-accrual loans, and other relevant external and internal considerations. The Company's allowance for loan losses totaled \$52.2 million at March 31, 2008. Management considers this allowance for loan losses to be an adequate reserve against estimated loan losses.

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Noninterest income for the first quarter of 2008 totaled \$19.4 million compared to \$15.3 million for the first quarter 2007. The increase is primarily attributable to \$5.7 million in securities gains from the redemption of Visa Class B common stock as part of the initial public offering in the first quarter 2008, offset by \$822 thousand in gains from company-owned life insurance recognized in the first quarter 2007.

Noninterest expense for the first quarter of 2008 totaled \$23.1 million, \$1.6 million lower than noninterest expense for the first quarter of 2007. The decrease is primarily due to the first quarter 2008 reversal of a \$2.3 million accrual for Visa related litigation, which was reversed with the funding of a litigation escrow as a part of the Visa IPO. All other noninterest expenses increased \$700 thousand in the first quarter of 2008 compared to the first quarter of 2007. Personnel costs rose due to higher employee benefit costs and annual merit increases. Data processing costs were higher due to conversion of the Company's item processing function to an outside vendor in the third quarter 2007. These higher costs were offset in part by lower amortization of intangible assets. The first quarter 2008 efficiency ratio (expenses/FTE revenues) was 34.2 percent compared to 39.7 percent in the first quarter 2007. Excluding the Visa-related benefits recorded in noninterest income and noninterest expense, the efficiency ratio was 41.2 percent for the first quarter 2008. Excluding the company-owned life insurance gain, the efficiency ratio was 40.2 percent for the first quarter 2007.

At March 31, 2008, shareholders' equity was \$399 million and the equity-to-asset ratio was 9.2 percent. During the first quarter 2008, repurchases of the Company's common stock totaled approximately 246 thousand shares, net of shares issued, and dividends paid to shareholders totaled \$9.8 million.

At March 31, 2008, the Company's assets totaled \$4.3 billion and loans outstanding totaled \$2.4 billion.

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Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 86 branches and two trust offices throughout 21 Northern and Central California counties.

Westamerica Bancorporation Web Address: [www.westamerica.com](http://www.westamerica.com)

For additional information contact:

Westamerica Bancorporation

Robert A. Thorson - SVP & Chief Financial Officer

707-863-6840

### FORWARD-LOOKING INFORMATION:

The following appears in accordance with the Private Securities Litigation Reform Act of 1995:

This press release may contain forward-looking statements about the Company, including descriptions of plans or objectives of its management for future operations, products or services, and forecasts of its revenues, earnings or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate,"

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"intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may."

Forward-looking statements, by their nature, are subject to risks and uncertainties. A number of factors - many of which are beyond the Company's control - could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. The Company's most recent annual and quarterly reports filed with the Securities and Exchange Commission, including the Company's Form 10-K for the year ended December 31, 2007, describe some of these factors, including certain credit, market, operational, liquidity and interest rate risks associated with the Company's business and operations. Other factors described in these reports include changes in business and economic conditions, competition, fiscal and monetary policies, disintermediation, legislation including the Sarbanes-Oxley Act of 2002 and the Gramm-Leach-Bliley Act of 1999, and mergers and acquisitions.

Forward-looking statements speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date forward looking statements are made.

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WESTAMERICA BANCORPORATION  
FINANCIAL HIGHLIGHTS  
March 31, 2008

Public Information April 15, 2008

### 1. Net Income Summary.

(dollars in thousands except per-share amounts)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YT
1 Net Interest Income (Fully Taxable Equivalent)	\$47,982	\$46,914	2.3%	\$46,812	2.5%	\$47,982
2 Provision for Credit Losses	600	75	700.0%	475	26.3%	600
3 Noninterest Income:						
4 Life Insurance Gains	0	822	n/m	0	n/m	0
5 Gain on Sale of Visa Common Stock	5,698	0	n/m	0	n/m	5,698
6 Other	13,680	14,455	-5.4%	14,657	-6.7%	13,680
7 Total Noninterest Income	19,378	15,277	26.8%	14,657	32.2%	19,378
8 Noninterest Expense:						
9 VISA Litigation	(2,338)	0	n/m	2,338	n/m	(2,338)
10 Other	25,394	24,664	3.0%	24,868	2.1%	25,394
11 Total Noninterest Expense	23,056	24,664	-6.5%	27,206	-15.3%	23,056
12 Income Before Taxes (FTE)	43,704	37,452		33,788		43,704
13 Income Tax Provision (FTE)	16,926	13,882	21.9%	11,956	41.6%	16,926
14 Net Income	\$26,778	\$23,570	13.6%	\$21,832	22.7%	\$26,778

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15 Average Shares Outstanding	28,861	30,342	-4.9%	29,213	-1.2%	28,861
16 Diluted Average Shares Outstanding	29,210	30,824	-5.2%	29,575	-1.2%	29,210
17 Operating Ratios:						
18 Basic Earnings Per Share	\$0.93	\$0.78	19.4%	\$0.75	24.2%	\$0.93
19 Diluted Earnings Per Share	0.92	0.76	19.9%	0.74	24.2%	0.92
20 Return On Assets	2.43%	2.03%		1.90%		2.43%
21 Return On Equity	27.3%	23.0%		21.7%		27.3%
22 Net Interest Margin (FTE)	4.79%	4.41%		4.53%		4.79%
23 Efficiency Ratio (FTE)	34.2%	39.7%		44.3%		34.2%
24 Dividends Paid Per Share	\$0.34	\$0.34	0.0%	\$0.34	0.0%	\$0.34
25 Dividend Payout Ratio	37%	44%		46%		37%

2. Net Interest Income.

(dollars in thousands)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YT
1 Interest and Fee Income (FTE)	\$60,810	\$65,025	-6.5%	\$63,295	-3.9%	\$60,810
2 Interest Expense	12,828	18,111	-29.2%	16,483	-22.2%	12,828
3 Net Interest Income (FTE)	\$47,982	\$46,914	2.3%	\$46,812	2.5%	\$47,982
4 Average Earning Assets	\$4,028,221	\$4,287,431	-6.0%	\$4,124,196	-2.3%	\$4,028,221
5 Average Interest-Bearing Liabilities	2,771,526	2,961,252	-6.4%	2,830,235	-2.1%	2,771,526
6 Yield on Earning Assets (FTE)	6.06%	6.11%		6.11%		6.06%
7 Cost of Funds	1.27%	1.70%		1.58%		1.27%
8 Net Interest Margin (FTE)	4.79%	4.41%		4.53%		4.79%
9 Interest Expense/Interest-Bearing Liabilities	1.85%	2.46%		2.30%		1.85%
10 Net Interest Spread (FTE)	4.21%	3.65%		3.81%		4.21%

3. Loans & Other Earning Assets.

(average volume, dollars in thousands)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YT
1 Total Assets	\$4,433,934	\$4,713,173	-5.9%	\$4,556,715	-2.7%	\$4,433,934
2 Total Earning Assets	4,028,221	4,287,431	-6.0%	4,124,196	-2.3%	4,028,221
3 Total Loans	2,477,666	2,519,861	-1.7%	2,496,403	-0.8%	2,477,666
4 Commercial Loans	616,994	616,277	0.1%	615,093	0.3%	616,994

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5	Commercial Real Estate Loans	850,504	900,625	-5.6%	864,464	-1.6%	850,504
6	Consumer Loans	1,010,168	1,002,959	0.7%	1,016,846	-0.7%	1,010,168
7	Total Investment Securities	1,550,555	1,767,570	-12.3%	1,627,793	-4.7%	1,550,555
8	Available For Sale (Market Value)	518,217	612,852	-15.4%	569,832	-9.1%	518,217
9	Held To Maturity	1,032,338	1,154,718	-10.6%	1,057,961	-2.4%	1,032,338
10	HTM Unrealized Gain (Loss) at Period-End	13,324	(5,955)	n/m	4,134	n/m	13,324
11	Loans / Deposits	77.1%	73.5%		75.1%		77.1%

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4. Deposits & Other Interest-Bearing Liabilities.

(average volume, dollars in thousands)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YT
1 Total Deposits	\$3,212,347	\$3,427,010	-6.3%	\$3,325,154	-3.4%	\$3,212,347
2 Noninterest Demand	1,199,604	1,270,522	-5.6%	1,258,496	-4.7%	1,199,604
3 Interest-Bearing Transaction	546,417	586,860	-6.9%	546,485	-0.0%	546,417
4 Savings	768,443	866,192	-11.3%	805,321	-4.6%	768,443
5 Time greater than \$100K	500,936	484,887	3.3%	512,610	-2.3%	500,936
6 Time less than \$100K	196,947	218,549	-9.9%	202,242	-2.6%	196,947
7 Total Short-Term Borrowings	722,025	767,859	-6.0%	726,783	-0.7%	722,025
8 Fed Funds Purchased	565,415	596,965	-5.3%	544,640	3.8%	565,415
9 Other Short-Term Funds	156,610	170,894	-8.4%	182,143	-14.0%	156,610
10 Long-Term Debt	36,758	36,905	-0.4%	36,794	-0.1%	36,758
11 Shareholders' Equity	394,273	414,957	-5.0%	398,703	-1.1%	394,273
12 Demand Deposits / Total Deposits	37.3%	37.1%		37.8%		37.3%
13 Transaction & Savings Deposits / Total Deposits	78.3%	79.5%		78.5%		78.3%

5. Interest Yields Earned & Rates Paid.

(dollars in thousands)

	Q1'08			Q4'07	Q1'07	
	Average Volume	Income/ Expense	Yield/ Rate	Yield/ Rate	Average Volume	Income/ Expense

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1	Interest & Fees Income Earned						
2	Total Earning Assets (FTE)	\$4,028,221	\$60,810	6.06%	6.11%	\$4,287,431	\$65,02
3	Total Loans (FTE)	2,477,666	39,897	6.48%	6.58%	2,519,861	41,39
4	Commercial Loans (FTE)	616,994	11,288	7.36%	7.73%	616,277	12,08
5	Commercial Real Estate Loans	850,504	14,953	7.07%	7.11%	900,625	15,93
6	Consumer Loans	1,010,168	13,656	5.44%	5.43%	1,002,959	13,38
7	Total Investment Securities (FTE)	1,550,555	20,913	5.40%	5.38%	1,767,570	23,62
8	Interest Expense Paid						
9	Total Earning Assets	4,028,221	12,828	1.27%	1.58%	4,287,431	18,11
10	Total Interest-Bearing Liabilities	2,771,526	12,828	1.85%	2.30%	2,961,252	18,11
11	Total Interest-Bearing Deposits	2,012,743	7,328	1.46%	1.75%	2,156,488	9,23
12	Interest-Bearing Transaction	546,417	452	0.33%	0.37%	586,860	52
13	Savings	768,443	1,330	0.70%	0.81%	866,192	1,40
14	Time less than \$100K	196,947	1,589	3.25%	3.37%	218,549	1,73
15	Time greater than \$100K	500,936	3,957	3.18%	4.07%	484,887	5,57
16	Total Short-Term Borrowings	722,025	4,922	2.70%	3.65%	767,859	8,29
17	Fed Funds Purchased	565,415	4,599	3.22%	4.56%	596,965	7,82
18	Other Short-Term Funds	156,610	323	0.83%	0.95%	170,894	47
19	Long-Term Debt	36,758	578	6.29%	6.29%	36,905	57
20	Net Interest Income and Margin (FTE)		\$47,982	4.79%	4.53%		\$46,91

6. Noninterest Income.

(dollars in thousands except per share amounts)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YTD	
1	Service Charges on Deposit Accounts	\$7,296	\$7,528	-3.1%	\$7,422	-1.7%	\$7,29
2	Merchant Credit Card Income	2,580	2,449	5.4%	2,817	-8.4%	2,58
3	ATM Fees & Interchange	718	677	6.1%	709	1.3%	71
4	Debit Card Fees	904	895	0.9%	972	-7.0%	90
5	Financial Services Commissions	230	310	-25.9%	265	-13.2%	23
6	Mortgage Banking Income	40	30	35.2%	32	25.7%	4
7	Trust Fees	303	337	-10.1%	303	-0.1%	30
8	Other Income	1,609	2,229	-27.8%	2,137	-24.7%	1,60
9	Sub-total	13,680	14,455	-5.4%	14,657	-6.7%	13,68
10	Life Insurance Gains	0	822	n/m	0	n/m	
11	Gain on Sale of Visa Common Stock	5,698	0	n/m	0	n/m	5,69
12	Total Noninterest Income	\$19,378	\$15,277	26.8%	\$14,657	32.2%	\$19,37
13	Operating Ratios:						
14	Total Revenue (FTE)	\$67,360	\$62,191	8.3%	\$61,469	9.6%	\$67,36
15	Noninterest Income /	28.8%	24.6%		23.8%		28.



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	Revenue (FTE)					
16	Service Charges / Deposits (annualized)	0.91%	0.89%		0.89%	0.9
17	Total Revenue Per Share (annualized)	\$9.39	\$8.31	12.9%	\$8.35	12.4%
						\$9.3

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7. Noninterest Expense.

(dollars in thousands)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YT
1 Salaries & Benefits	\$12,984	\$12,568	3.3%	\$12,366	5.0%	\$12,98
2 Occupancy	3,390	3,291	3.0%	3,386	0.1%	3,39
3 Equipment	921	1,138	-19.1%	934	-1.4%	92
4 Data Processing	2,120	1,524	39.1%	2,202	-3.7%	2,12
5 Courier	829	848	-2.2%	845	-1.9%	82
6 Postage	383	410	-6.5%	391	-1.9%	38
7 Telephone	335	360	-6.9%	343	-2.2%	33
8 Professional Fees	536	495	8.1%	534	0.3%	53
9 Stationery & Supplies	279	315	-11.5%	365	-23.7%	27
10 Loan Expense	170	167	1.7%	195	-12.8%	17
11 Operational Losses	184	160	15.3%	234	-21.2%	18
12 Amortization of Identifiable Intangibles	858	975	-12.0%	893	-3.9%	85
13 Other Operating	2,405	2,413	-0.4%	2,180	10.3%	2,40
14 Sub-total	25,394	24,664	3.0%	24,868	2.1%	25,39
15 VISA Litigation	(2,338)	0	n/m	2,338	n/m	(2,33
16 Total Noninterest Expense	\$23,056	\$24,664	-6.5%	\$27,206	-15.3%	\$23,05
17 Full Time Equivalent Staff	886	892	-0.7%	868	2.1%	88
18 Average Assets / Full Time Equivalent Staff	\$5,004	\$5,284	-5.3%	\$5,250	-4.7%	\$5,00
19 Operating Ratios:						
20 FTE Revenue / Full Time Equiv. Staff (annualized)	\$306	\$283	8.1%	\$281	8.8%	\$30
21 Noninterest Expense / Earning Assets (annualized)	2.30%	2.33%		2.62%		2.3
22 Noninterest Expense / FTE Revenues	34.2%	39.7%		44.3%		34.

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8. Provision for Credit Losses.

(dollars in thousands)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YT
1 Provision for Credit Losses	\$600	\$75	700.0%	\$475	26.3%	\$600
2 Gross Loan Losses	1,537	1,244	23.6%	1,162	32.3%	1,537
3 Net Loan Losses	872	516	69.0%	907	-3.8%	872
4 Recoveries / Gross Loan Losses	43%	59%		22%		43%
5 Average Total Loans	\$2,477,666	\$2,519,861	-1.7%	\$2,496,403	-0.8%	\$2,477,666
6 Net Loan Losses / Loans (annualized)	0.14%	0.08%		0.14%		0.14%
7 Provision for Credit Losses / Loans (annualized)	0.10%	0.01%		0.08%		0.10%
8 Provision for Credit Losses / Net Loan Losses	68.8%	14.5%		52.4%		68.8%

9. Credit Quality.

(dollars in thousands)

	3/31/08	3/31/07	3/31/08 / 3/31/07	12/31/07	3/31/08 / 12/31/07	9/30/07
1 Nonperforming Nonaccrual Loans	\$3,728	\$2,341	25.5%	\$3,164	-7.2%	\$3,164
2 Performing Nonaccrual Loans	1,652	2,459	-0.7%	1,688	44.7%	1,688
3 Total Nonaccrual Loans	5,380	4,800	12.1%	4,852	10.9%	4,852
4 Accruing Loans 90+ Days Past Due	268	82	226.8%	297	-9.8%	297
5 Total Nonperforming Loans	5,648	4,882	15.7%	5,149	9.7%	5,149
6 Repossessed Collateral	954	647	47.4%	613	55.6%	613
7 Total Nonperforming Loans & 8 Repossessed Collateral	\$6,602	\$5,529	19.4%	\$5,762	14.6%	\$5,762
9 Classified Loans	\$33,303	\$18,439	80.6%	\$24,419	36.4%	\$24,419
10 Allowance for Loan Losses	\$52,234	\$54,889	-4.8%	\$52,506	-0.5%	\$52,506
11 Total Loans Outstanding	2,448,320	2,519,898	-2.8%	2,502,976	-2.2%	2,511,376
12 Total Assets	4,342,302	4,748,829	-8.6%	4,558,959	-4.8%	4,657,016
13 Allowance for Loan Losses / Total Loans	2.13%	2.18%		2.10%		2.13%
14 Nonperforming Loans / Total Loans	0.23%	0.19%		0.21%		0.23%
15 Nonperforming Loans & Repossessed 16 Collateral/Total Assets	0.15%	0.12%		0.13%		0.15%

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17 Allowance/Nonperforming Loans	925%	1124%	1020%	104
18 Allowance for Loan Losses / Classified Loans	157%	298%	215%	24
19 Classified Loans /				
20 (Equity + Allowance for Loan Losses)	7.4%	3.9%	5.5%	4.

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10.Capital.

(dollars in thousands, except per-share amounts)

	3/31/08	3/31/07	3/31/08 / 3/31/07	12/31/07	3/31/08 / 12/31/07	9/30/07
1 Shareholders' Equity	\$399,109	\$419,810	-4.9%	\$394,603	1.1%	\$403,65
2 Tier I Regulatory Capital	283,768	293,382	-3.3%	278,970	1.7%	283,01
3 Total Regulatory Capital	321,819	333,658	-3.5%	318,089	1.2%	322,59
4 Total Assets	4,342,302	4,748,829	-8.6%	4,558,959	-4.8%	4,657,01
5 Risk-Adjusted Assets	2,914,007	3,043,445	-4.3%	2,986,737	-2.4%	3,017,66
6 Shareholders' Equity / Total Assets	9.19%	8.84%		8.66%		8.6
7 Shareholders' Equity / Total Loans	16.30%	16.66%		15.77%		16.0
8 Tier I Capital / Total Assets	6.53%	6.18%		6.12%		6.0
9 Tier I Capital / Risk-Adjusted Assets	9.74%	9.64%		9.33%		9.3
10 Total Capital / Risk-Adjusted Assets	11.04%	10.96%		10.64%		10.6
11 Shares Outstanding	28,772	30,158	-4.6%	29,018	-0.8%	29,37
12 Book Value Per Share	\$13.87	\$13.92	-0.4%	\$13.60	2.0%	\$13.7
13 Market Value Per Share	\$52.60	\$48.17	9.2%	\$44.55	18.1%	\$49.8

14 Share Repurchase Programs

(shares in thousands)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YTD
15 Total Shares Repurchased / Canceled	424	447	-5.3%	491	-13.6%	42

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16	Average Repurchase Price	\$47.68	\$49.49	-3.7%	\$44.88	6.2%	\$47.6
17	Net Shares Repurchased	246	389	-36.7%	360	-31.7%	24

11. Period-End Balance Sheets.

(unaudited, dollars in thousands)

	3/31/08	3/31/07	3/31/08 / 3/31/07	12/31/07	3/31/08 / 12/31/07	9/30/07
1 Assets:						
2 Cash and Money Market Assets	\$139,957	\$208,734	-32.9%	\$210,097	-33.4%	\$219,96
3 Investment Securities Available For Sale	477,686	602,220	-20.7%	532,821	-10.3%	570,08
4 Investment Securities Held to Maturity	1,016,613	1,142,382	-11.0%	1,045,288	-2.7%	1,081,00
5 Loans, gross	2,448,320	2,519,898	-2.8%	2,502,976	-2.2%	2,511,37
6 Allowance For Loan Losses	(52,234)	(54,889)	-4.8%	(52,506)	-0.5%	(52,93
7 Loans, net	2,396,086	2,465,009	-2.8%	2,450,470	-2.2%	2,458,43
8 Premises and Equipment	28,031	29,643	-5.4%	28,380	-1.2%	28,66
9 Identifiable Intangible Assets	17,571	21,108	-16.8%	18,429	-4.7%	19,32
10 Goodwill	121,719	121,719	0.0%	121,719	0.0%	121,71
11 Interest Receivable and Other Assets	144,639	158,014	-8.5%	151,755	-4.7%	157,81
12 Total Assets	\$4,342,302	\$4,748,829	-8.6%	\$4,558,959	-4.8%	\$4,657,01
13 Liabilities and Shareholders' Equity:						
14 Deposits:						
15 Noninterest Bearing	\$1,202,165	\$1,293,920	-7.1%	\$1,245,500	-3.5%	\$1,251,57
16 Interest-Bearing Transaction	542,468	584,026	-7.1%	544,411	-0.4%	549,26
17 Savings	749,471	851,800	-12.0%	760,006	-1.4%	806,79
18 Time	700,534	714,626	-2.0%	714,873	-2.0%	732,58
19 Total Deposits	3,194,638	3,444,372	-7.3%	3,264,790	-2.1%	3,340,21
20 Short-Term Borrowed Funds	635,264	776,781	-18.2%	798,599	-20.5%	815,10
21 Debt Financing and Notes Payable	36,736	36,883	-0.4%	36,773	-0.1%	36,80
22 Liability For Interest, Taxes and Other	76,555	70,983	7.8%	64,194	19.3%	61,24
23 Total Liabilities	3,943,193	4,329,019	-8.9%	4,164,356	-5.3%	4,253,36
24 Shareholders' Equity:						
25 Paid-In Capital	\$339,468	\$341,724	-0.7%	\$337,201	0.7%	\$337,62
26 Accumulated Other Comprehensive						
27 (Loss) Income	(3,954)	3,593	-210.0%	(4,520)	-12.5%	(41
28 Retained Earnings	63,595	74,493	-14.6%	61,922	2.7%	66,43

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29 Total Shareholders' Equity	399,109	419,810	-4.9%	394,603	1.1%	403,65
30 Total Liabilities and Shareholders' Equity	\$4,342,302	\$4,748,829	-8.6%	\$4,558,959	-4.8%	\$4,657,01

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12. Income Statements.

(unaudited, dollars in thousands, except per-share amounts)

	Q1'08	Q1'07	Q1'08 / Q1'07	Q4'07	Q1'08 / Q4'07	3/31'08YTD
1 Interest and Fee Income:						
2 Loans	\$38,732	\$40,167	-3.6%	\$40,214	-3.7%	\$38,73
3 Money Market Assets and Funds	1	2	n/m	3	n/m	
4 Investment Securities Available For Sale	5,802	7,122	-18.5%	6,528	-11.1%	5,80
5 Investment Securities Held to Maturity	10,859	12,083	-10.1%	11,116	-2.3%	10,85
6 Total Interest Income	55,394	59,374	-6.7%	57,861	-4.3%	55,39
7 Interest Expense:						
8 Transaction Deposits	452	523	-13.6%	515	-12.2%	45
9 Savings Deposits	1,330	1,409	-5.6%	1,636	-18.7%	1,33
10 Time Deposits	5,546	7,305	-24.1%	6,975	-20.5%	5,54
11 Short-Term Borrowed Funds	4,922	8,296	-40.7%	6,779	-27.4%	4,92
12 Debt Financing and Notes Payable	578	578	0.0%	578	0.0%	57
13 Total Interest Expense	12,828	18,111	-29.2%	16,483	-22.2%	12,82
14 Net Interest Income	42,566	41,263	3.2%	41,378	2.9%	42,56
15 Provision for Credit Losses	600	75	700.0%	475	26.3%	60
16 Noninterest Income:						
17 Service Charges on Deposit Accounts	7,296	7,528	-3.1%	7,422	-1.7%	7,29
18 Merchant Credit Card	2,580	2,449	5.4%	2,817	-8.4%	2,58
19 ATM Fees & Interchange	718	677	6.1%	709	1.3%	71
20 Debit Card Fees	904	895	0.9%	972	-7.0%	90
21 Financial Services Commissions	230	310	-25.9%	265	-13.2%	23
22 Mortgage Banking	40	30	35.2%	32	25.7%	4
23 Trust Fees	303	337	-10.1%	303	-0.1%	30
24 Life Insurance Gains	0	822	n/m	0	n/m	
25 Gain on Sale of Visa Common Stock	5,698	0	n/m	0	n/m	5,69
26 Other	1,609	2,229	-27.8%	2,137	-24.7%	1,60

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27	Total Noninterest Income	19,378	15,277	26.8%	14,657	32.2%	19,378
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28	Noninterest Expense:						
29	Salaries and Related Benefits	12,984	12,568	3.3%	12,366	5.0%	12,984
30	Occupancy	3,390	3,291	3.0%	3,386	0.1%	3,390
31	Equipment	921	1,138	-19.1%	934	-1.4%	921
32	Data Processing	2,120	1,524	39.1%	2,202	-3.7%	2,120
33	Professional Fees	536	495	8.1%	534	0.3%	536
34	VISA Litigation	(2,338)	0	n/m	2,338	n/m	(2,338)
35	Other	5,443	5,648	-3.6%	5,446	-0.0%	5,443
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36	Total Noninterest Expense	23,056	24,664	-6.5%	27,206	-15.3%	23,056
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37	Income Before Income Taxes	38,288	31,801	20.4%	28,354	35.0%	38,288
38	Provision for income taxes	11,510	8,231	39.8%	6,522	76.5%	11,510
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39	Net Income	\$26,778	\$23,570	13.6%	\$21,832	22.7%	\$26,778
=====							
40	Average Shares Outstanding	28,861	30,342	-4.9%	29,213	-1.2%	28,861
41	Diluted Average Shares Outstanding	29,210	30,824	-5.2%	29,575	-1.2%	29,210
42	Per Share Data:						
43	Basic Earnings	\$0.93	\$0.78	19.4%	\$0.75	24.2%	\$0.93
44	Diluted Earnings	0.92	0.76	19.9%	0.74	24.2%	0.92
45	Dividends Paid	0.34	0.34	0.0%	0.34	0.0%	0.34