

WESTAMERICA BANCORPORATION

Form 8-K

October 19, 2009

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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):
October 14, 2009

WESTAMERICA BANCORPORATION

(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 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

99.1 Press release dated October 14, 2009

Item 2.02: Results of Operations and Financial Condition

On October 14, 2009 Westamerica Bancorporation announced earnings for the third quarter of 2009. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference. The originally distributed press release has been revised in respect to nonperforming assets. At September 30, 2009, non-covered nonperforming assets have been revised to \$37,694 thousand from \$36,334 thousand, and covered nonperforming assets have been revised to \$99,207 thousand from \$98,659 thousand. Both revisions relate to accruing loans 90 or more days past due.

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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

John "Robert" Thorson
Senior Vice President and Chief Financial Officer
October 19, 2009

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INDEX TO EXHIBITS

Exhibit No.	Description	Sequentially Number Page
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(99.1)	Press release dated October 14, 2009	5-15

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FOR IMMEDIATE RELEASE

October 14, 2009

WESTAMERICA BANCORPORATION THIRD QUARTER 2009 FINANCIAL RESULTS

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC) earned net income applicable to common shareholders of \$23.8 million, or \$0.81 per diluted common share ("EPS"), for the three months ended September 30, 2009, compared to net income applicable to common shareholders of \$22.1 million, or \$0.75 EPS, for the three months ended June 30, 2009. During the third quarter 2009, Westamerica completed systems conversions and branch consolidations related to the purchase of assets and assumption of liabilities of the former County Bank, which resulted in reduced expense levels. During the third quarter 2009, Westamerica redeemed \$42 million in preferred stock requiring accelerated discount accretion of \$538 thousand, which reduced EPS \$0.02. Also during the third quarter 2009, Westamerica eliminated \$587 thousand in tax reserves due to a lapse in the statute of limitations, which reduced tax provisions and increased EPS \$0.02. Third quarter 2009 results represents a 20 percent return on common shareholders' equity.

"The County Bank integration was completed on time in August, and the efficiencies gained following the integration will continue to benefit future operating results. The cost of funding our loan and investment portfolio continued to decline due to our pricing practices and an improved mix of deposits. The third quarter 2009 cost of funds was 0.40 percent, which supported our 5.48 percent net interest margin. The risk profile of our loan portfolio is significantly reduced as loss-sharing agreements with the Federal Deposit Insurance Corporation cover 29 percent of our loan portfolio. The credit quality of the non-FDIC covered loans remained stable during the quarter," said Chairman, President and CEO David Payne. "Our healthy profitability and 15.1 percent total regulatory capital ratio distinguishes Westamerica as a safe and sound bank during this troublesome period for our industry," added Payne.

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Westamerica generated net income applicable to common shareholders of \$98 million, or \$3.35 EPS, during the nine months ended September 30, 2009. Results for this period include a \$28.3 million net of tax gain from the acquisition of assets and assumption of liabilities of the former County Bank.

Westamerica generated net income applicable to common shareholders of \$39 million, or \$1.33 EPS, during the nine months ended September 30, 2008. Results for this period include a \$5.7 million gain on the sale of VISA common stock resulting from VISA's initial public offering ("IPO"), and \$2.3 million in reduced expenses as known litigation contingencies were satisfied as a part of the VISA IPO. EPS was increased \$0.16 due to transactions recognized as a result of the VISA IPO. Results for this period also include \$34 million in losses, net of tax, recognized as a result of the decline in value of FHLMC and FNMA preferred stock, which reduced EPS by \$1.17. Also, the Company recorded a \$1.0 million reduction in its tax provision primarily due to filing its 2007 tax return and adjusting 2007 tax estimates to actual amounts included in the filed tax return, which increased EPS by \$0.03.

Net interest income on a fully-taxable equivalent basis ("FTE") totaled \$61.6 million in the third quarter 2009, compared to \$62.3 million in the second quarter 2009, and \$48.7 million in the third quarter 2008. For the nine month periods ended September 30, 2009 and 2008, net interest income (FTE) totaled \$183.3 million and \$146.4 million, respectively. Net interest income has increased in 2009 compared to 2008 due to acquired County Bank assets and a

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higher net interest margin. The net interest margin has improved due to a decline in interest rates paid on deposits and other borrowings used to fund loans and investment securities.

The provision for credit losses was \$2.8 million for the third quarter 2009, increased from \$2.6 million for the previous quarter.

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Non-interest income for third quarter 2009 was \$16.0 million compared to \$16.4 million in the prior quarter. Service charges on deposit accounts, ATM fees and debit card fees are higher following the February 6, 2009 assumption of County Bank deposits. Merchant credit card income is lower in 2009 compared to 2008 due to reduced consumer spending.

Non-interest expense for third quarter 2009 was \$35.2 million compared to \$38.7 million in the prior quarter, which included \$1.8 million in higher FDIC insurance fund assessments. Personnel and facilities expenses (occupancy and equipment combined) have declined following County Bank systems integrations and branch consolidations.

Non-performing assets not covered by FDIC loss-sharing agreements were \$37.7 million at September 30, 2009 compared to \$35.0 million at June 30, 2009. Annualized net loan losses on non-FDIC covered loans as a percentage of average non-FDIC covered loans were 0.56 percent during both the third and second quarters of 2009. The reserve for loan losses to non-FDIC covered loans was 1.88 percent and 1.86 percent at September 30, 2009 and June 30, 2009, respectively.

Shareholders' equity was \$536 million at September 30, 2009 compared to \$559 million at June 30, 2009. At September 30, 2009, total regulatory capital ratios for Westamerica Bancorporation and its subsidiary bank, Westamerica Bank, were 15.1 percent and 14.4 percent, respectively, exceeding the 10 percent requirement to be "well capitalized" under regulatory standards.

Westamerica Bancorporation, through its wholly owned subsidiary, Westamerica Bank, operates 99 branches and two trust offices throughout Northern and Central California counties.

Westamerica Bancorporation Web Address: www.westamerica.com

For additional information contact:

Westamerica Bancorporation

Robert A. Thorson - SVP & Chief Financial Officer

707-863-6840

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FORWARD-LOOKING INFORMATION:

This press release contains forward-looking statements about Westamerica Bancorporation for which it claims the protection of the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statements of plans, objectives and expectations of the Company or its management or board of directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Words such as "believes",

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"anticipates", "expects", "intends", "targeted", "projected", "continue", "remain", "will", "should", "may" and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

These forward-looking statements are based on Management's current knowledge and belief and include information concerning the Company's possible or assumed future financial condition and results of operations. A number of factors, some of which are beyond the Company's ability to predict or control, could cause future results to differ materially from those contemplated. The Company's most recent quarterly report on Form 10-Q for the quarter ended June 30, 2009 and annual report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission describe some of these factors. These factors include but are not limited to (1) the length and severity of current difficulties in the national and California economies and the effects of federal and state government efforts to address those difficulties; (2) continued low liquidity levels in capital markets; (3) fluctuations in asset prices including, but not limited to, stocks, bonds, real estate, and commodities; (4) the effect of acquisitions and integration of acquired businesses including the recently acquired County Bank; (5) economic uncertainty created by terrorist threats and attacks on the United States, the actions taken in response, and the uncertain effect of these events on the national and regional economies; (6) changes in the interest rate environment; (7) changes in the regulatory environment; (8) significantly increasing competitive pressure in the banking industry; (9) operational risks including data processing system failures or fraud; (10) volatility of rate sensitive loans, deposits and investments; (11) asset/liability management risks and liquidity risks; and (12) changes in the securities markets. The Company undertakes no obligation to update any forward-looking statements to reflect circumstances or events that occur after the date forward-looking statements are made.

Forward-looking statements speak only as of the date they are made.

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WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2009

Public Information October 14, 2009

1. Net Income Summary.

	(dollars in thousands except per-share amounts)				
	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09
1 Net Interest Income (Fully Taxable Equivalent)	\$61,593	\$48,693	26.5%	\$62,318	-1.2%
2 Provision for Loan Losses	2,800	600	366.7%	2,600	7.7%
3 Noninterest Income:					
4 Net Loss From Equity Securities	0	(41,206)	n/m	0	n/m
5 FAS 141R Gain	0	0	n/m	0	n/m
6 Other	15,961	13,707	16.4%	16,386	-2.6%
7 Total Noninterest Income (Loss)	15,961	(27,499)	n/m	16,386	n/m
8 Noninterest Expense:					

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9 VISA Litigation	0	0	n/m	0	n/m
10 Other	35,151	25,203	39.5%	38,666	-9.1%
11 Total Noninterest Expense	35,151	25,203	39.5%	38,666	-9.1%
12 Income (Loss) Before Taxes (FTE)	39,603	(4,609)	n/m	37,438	5.8%
13 Income Tax Provision (Benefit) (FTE)	14,346	(4,653)	n/m	14,255	0.6%
14 Net Income	25,257	44	n/m	23,183	8.9%
15 Preferred Stock Dividends and Discount Accretion	1,466	0	n/m	1,107	32.4%
16 Net Income Applicable to Common Equity	\$23,791	\$44	n/m	\$22,076	7.8%
17 Average Common Shares Outstanding	29,210	28,908	1.0%	29,126	0.3%
18 Diluted Average Common Shares Outstanding	29,429	29,273	0.5%	29,403	0.1%
19 Operating Ratios:					
20 Basic Earnings Per Common Share	\$0.81	\$0.00	n/m	\$0.76	6.9%
21 Diluted Earnings Per Common Share	0.81	0.00	n/m	0.75	7.9%
22 Return On Assets (annualized)	1.86%	0.00%		1.68%	
23 Return On Common Equity (annualized)	19.7%	0.0%		19.0%	
24 Net Interest Margin (FTE) (annualized)	5.48%	5.19%		5.34%	
25 Efficiency Ratio (FTE)	45.3%	118.9%		49.1%	
26 Dividends Paid Per Common Share	\$0.35	\$0.35	0.0%	\$0.35	0.0%
27 Common Dividend Payout Ratio	43%	n/m		47%	

2. Net Interest Income.

	(dollars in thousands)				
	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09
1 Interest and Fee Income (FTE)	\$66,093	\$56,131	17.7%	\$68,063	-2.9%
2 Interest Expense	4,500	7,438	-39.5%	5,745	-21.7%
3 Net Interest Income (FTE)	\$61,593	\$48,693	26.5%	\$62,318	-1.2%
4 Average Earning Assets	\$4,470,851	\$3,745,058	19.4%	\$4,678,615	-4.4%
5 Average Interest-Bearing Liabilities	3,094,081	2,486,659	24.4%	3,311,650	-6.6%
6 Yield on Earning Assets (FTE) (annualized)	5.88%	5.98%		5.83%	
7 Cost of Funds (annualized)	0.40%	0.79%		0.49%	
8 Net Interest Margin (FTE) (annualized)	5.48%	5.19%		5.34%	

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9 Interest Expense/Interest-Bearing Liabilities (annualized)	0.58%	1.19%	0.70%
10 Net Interest Spread (FTE) (annualized)	5.30%	4.79%	5.13%

3. Loans & Other Earning Assets.

	(average volume, dollars in thousands)				
	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09
1 Total Assets	\$5,072,866	\$4,137,232	22.6%	\$5,265,101	-3.7%
2 Total Earning Assets	4,470,851	3,745,058	19.4%	4,678,615	-4.4%
3 Total Loans	3,263,388	2,414,317	35.2%	3,383,654	-3.6%
4 Commercial Loans	901,127	597,176	50.9%	944,257	-4.6%
5 Commercial Real Estate Loans	1,313,545	830,001	58.3%	1,361,420	-3.5%
6 Consumer Loans	1,048,716	987,140	6.2%	1,077,977	-2.7%
7 Total Investment Securities	1,207,463	1,330,741	-9.3%	1,294,961	-6.8%
8 Available For Sale (Market Value)	405,304	359,220	12.8%	433,065	-6.4%
9 Held To Maturity	802,159	971,521	-17.4%	861,896	-6.9%
10 HTM Unrealized Gain (Loss) at Period-End	20,047	(15,041)	n/m	243	n/m
11 Loans / Deposits	79.0%	76.5%		80.5%	

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4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in thousands)				
	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09
1 Total Deposits	\$4,131,388	\$3,154,340	31.0%	\$4,202,607	-1.7%
2 Noninterest Demand	1,371,124	1,172,953	16.9%	1,333,412	2.8%
3 Interest-Bearing Transaction	708,372	539,286	31.4%	741,084	-4.4%
4 Savings	978,656	764,535	28.0%	968,048	1.1%
5 Time greater than \$100K	581,681	484,396	20.1%	629,646	-7.6%
6 Time less than \$100K	491,555	193,170	154.5%	530,417	-7.3%
7 Total Short-Term Borrowings	307,266	470,109	-34.6%	415,871	-26.1%
8 Fed Funds Purchased	870	342,338	-99.7%	119,837	-99.3%
9 Other Short-Term Funds	306,396	127,771	139.8%	296,034	3.5%
10 Long-Term Debt	26,551	35,163	-24.5%	26,584	-0.1%
11 Shareholders' Equity	549,331	412,133	33.3%	547,816	0.3%

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12 Demand Deposits / Total Deposits	33.2%	37.2%	31.7%
13 Transaction & Savings Deposits / Total Deposits	74.0%	78.5%	72.4%

5. Interest Yields Earned & Rates Paid.

	(dollars in thousands)				
	Q3'09			Q2'09	
	Average Volume	Income/Expense	Yield */Rate	Yield*/Rate	Average Volume
1 Interest & Fees Income Earned					
2 Total Earning Assets (FTE)	\$4,470,851	\$66,093	5.88%	5.83%	\$3,745,058
3 Total Loans (FTE)	3,263,388	49,579	6.03%	6.00%	2,414,317
4 Commercial Loans (FTE)	901,127	13,090	5.76%	5.66%	597,176
5 Commercial Real Estate Loans	1,313,545	21,967	6.63%	6.57%	830,001
6 Consumer Loans	1,048,716	14,522	5.49%	5.57%	987,140
7 Total Investment Securities (FTE)	1,207,463	16,514	5.47%	5.39%	1,330,741
8 Interest Expense Paid					
9 Total Earning Assets	4,470,851	4,500	0.40%	0.49%	3,745,058
10 Total Interest-Bearing Liabilities	3,094,081	4,500	0.58%	0.70%	2,486,659
11 Total Interest-Bearing Deposits	2,760,264	3,273	0.47%	0.62%	1,981,387
12 Interest-Bearing Transaction	708,372	263	0.15%	0.16%	539,286
13 Savings	978,656	915	0.37%	0.44%	764,535
14 Time less than \$100K	491,555	829	0.67%	1.04%	193,170
15 Time greater than \$100K	581,681	1,266	0.86%	1.11%	484,396
16 Total Short-Term Borrowings	307,266	804	1.04%	0.83%	470,109
17 Fed Funds Purchased	870	0	0.15%	0.15%	342,338
18 Other Short-Term Funds	306,396	804	1.04%	1.10%	127,771
19 Long-Term Debt	26,551	423	6.36%	6.35%	35,163
20 Net Interest Income and Margin (FTE)		\$61,593	5.48%	5.34%	
* Annualized					

6. Noninterest Income.

	(dollars in thousands except per share amounts)				
	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09
1 Service Charges on Deposit Accounts	\$9,479	\$7,555	25.5%	\$9,116	4.0%
2 Merchant Credit Card Income	2,163	2,611	-17.2%	2,223	-2.7%

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3	ATM Fees & Interchange	965	756	27.7%	1,013	-4.7%
4	Debit Card Fees	1,267	970	30.7%	1,323	-4.2%
5	Financial Services Commissions	129	186	-30.8%	137	-6.3%
6	Mortgage Banking Income	26	39	-32.1%	25	5.3%
7	Trust Fees	319	293	9.1%	373	-14.3%
8	Other Income	1,613	1,297	24.3%	2,176	-25.9%

9	Sub-total	15,961	13,707	16.4%	16,386	-2.6%
10	Net Loss From Equity Securities	0	(41,206)	n/m	0	n/m
11	FAS 141R Gain	0	0	n/m	0	n/m

12	Total Noninterest Income (Loss)	\$15,961	(\$27,499)	n/m	\$16,386	n/m
=====						
13	Operating Ratios:					
14	Total Revenue (FTE)	\$77,554	\$21,194	265.9%	\$78,704	-1.5%
15	Noninterest Income / Revenue (FTE)	20.6%	n/m		20.8%	
16	Service Charges / Avg. Deposits (annualized)	0.91%	0.95%		0.87%	
17	Total Revenue Per Avg. Common Share (annualized)	\$10.53	\$2.92	261.1%	\$10.84	-2.8%

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7. Noninterest Expense.

(dollars in thousands)						
	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09	

1	Salaries & Benefits	\$16,402	\$12,621	30.0%	\$17,448	-6.0%
2	Occupancy	4,008	3,465	15.7%	5,413	-26.0%
3	Equipment	1,789	903	98.2%	1,607	11.3%
4	Outsourced Data Processing	2,258	2,098	7.6%	2,378	-5.1%
5	Courier	989	835	18.4%	994	-0.5%
6	Postage	576	369	56.2%	531	8.5%
7	Telephone	622	342	82.0%	478	30.2%
8	Professional Fees	913	485	88.2%	779	17.2%
9	Stationery & Supplies	450	272	65.4%	374	20.2%
10	Loan Expense	491	246	99.1%	205	139.7%
11	Operational Losses	242	113	113.4%	221	9.4%
12	Amortization of Identifiable Intangibles	1,671	788	112.1%	1,695	-1.5%
13	FDIC Insurance Assessment	1,442	131	n/m	3,221	n/m
14	Other Operating	3,298	2,535	30.1%	3,322	-0.7%

15	Sub-total	35,151	25,203	39.5%	38,666	-9.1%
16	VISA Litigation	0	0	n/m	0	n/m

17	Total Noninterest Expense	\$35,151	\$25,203	39.5%	\$38,666	-9.1%
=====						

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18	Average (Avg.) Full Time Equivalent Staff	1,086	899	20.8%	1,176	-7.7%
19	Avg. Assets / Avg. Full Time Equivalent Staff	\$4,671	\$4,602	1.5%	\$4,477	4.3%
20	Operating Ratios:					
21	FTE Revenue / Avg. Full Time Equiv. Staff (annualized)	\$283	\$94	201.1%	\$268	5.6%
22	Noninterest Expense / Avg. Earning Assets (annualized)	3.12%	2.68%		3.31%	
23	Noninterest Expense / FTE Revenues	45.3%	118.9%		49.1%	

8. Provision for Loan Losses.

	(dollars in thousands)					
	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09	
1	Average Total Loans	\$3,263,388	\$2,414,317	35.2%	\$3,383,654	-3.6%
2	Avg. Total Covered Loans (1)	\$974,057	\$0	n/m	\$1,045,360	-6.8%
3	Avg. Total Non-Covered Loans	\$2,289,331	\$2,414,317	-5.2%	\$2,338,294	-2.1%
4	Non-Covered Loans:					
5	Provision for Loan Losses	\$2,800	\$600	366.7%	\$2,600	7.7%
6	Gross Loan Losses	3,870	1,786	116.7%	3,937	-1.7%
7	Net Loan Losses	3,239	1,467	120.8%	3,281	-1.3%
8	Recoveries / Gross Loan Losses	16%	18%		17%	
9	Net Loan Losses / Avg. Non-Covered Loans (a)	0.56%	0.24%		0.56%	
10	Provision for Loan Losses / Avg. Non-Covered Loans (a)	0.49%	0.10%		0.45%	
11	Provision for Loan Losses / Net Loan Losses	86.4%	40.9%		79.2%	

(1) Covered loans represent purchased loans on which losses are shared with the FDIC per a Loss-S
Covered loans were recorded at estimated fair value at February 6, 2009, the date of purchas
(a) annualized

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9. Credit Quality.

(dollars in thousands)

9/30/09 /

9/30/09 /

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	9/30/09	9/30/08	9/30/08	6/30/09	6/30/09
1 Non-Covered Nonperforming Loans:					
2 Nonperforming Nonaccrual Loans	\$31,352	\$12,132	158.4%	\$29,603	5.9%
3 Performing Nonaccrual Loans	61	73	-16.4%	26	134.0%
4 Total Nonaccrual Loans	31,413	12,205	157.4%	29,629	6.0%
5 Accruing Loans 90+ Days Past Due	1,962	363	440.5%	614	219.5%
6 Total Non-Covered Nonperforming Loans	33,375	12,568	165.6%	30,243	10.4%
7 Non-Covered Repossessed Loan Collateral	4,319	814	430.5%	4,715	-8.4%
8 Total Non-Covered Nonperforming Assets	37,694	13,382	181.7%	34,958	7.8%
9 Covered Nonperforming Loans (1):					
10 Nonperforming Nonaccrual Loans	53,255	0	n/m	65,910	-19.2%
11 Performing Nonaccrual Loans	26,277	0	n/m	16,901	55.5%
12 Total Nonaccrual Loans	79,532	0	n/m	82,811	-4.0%
13 Accruing Loans 90+ Days Past Due	935	0	n/m	8,622	-89.2%
14 Total Covered Nonperforming Loans (1)	80,467	0	n/m	91,433	-12.0%
15 Covered Repossessed Loan Collateral (1)	18,740	0	n/m	13,691	36.9%
16 Total Covered Nonperforming Assets (1)	99,207	0	n/m	105,124	-5.6%
16 Total Nonperforming Assets	\$136,901	\$13,382	n/m	\$140,082	-2.3%
17 Non-Covered Classified Loans	\$66,810	\$38,070	75.5%	\$53,359	25.2%
18 Covered Classified Loans (1)	174,583	0	n/m	153,972	13.4%
19 Total Classified Loans	\$241,393	\$38,070	n/m	\$207,331	16.4%
20 Total Non-Covered Loans Outstanding	\$2,267,130	\$2,408,704	-5.9%	\$2,322,005	-2.4%
21 Total Covered Loans Outstanding (1)	932,656	0	n/m	1,031,643	-9.6%
22 Total Loans Outstanding	\$3,199,786	\$2,408,704	32.8%	\$3,353,648	-4.6%
23 Total Assets	\$4,971,159	\$4,089,482	21.6%	\$5,193,595	-4.3%
24 Non-Covered Loans:					
25 Allowance for Loan Losses	\$42,683	\$50,097	-14.8%	\$43,122	-1.0%
26 Allowance/Non-Covered Loans	1.88%	2.08%		1.86%	
27 Non-Covered Nonperforming Loans/Non-Covered Loans	1.47%	0.52%		1.30%	
28 Non-Covered Nonperforming Assets/Total Assets	0.76%	0.33%		0.67%	
29 Allowance/Non-Covered Nonperforming Loans					

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30 Covered Loans (1):	128%	399%	143%
31 Fair Value Discount on Covered Loans	\$98,738	n/a	\$114,276
32 Discount/Covered Loans, gross	9.57%	n/a	9.97%
33 Covered Nonperforming Assets/Total Assets	2.00%	n/a	2.02%
34 Fair Value Discount on Repossessed Loan Collateral	\$4,389	n/a	\$7
35 Discount/Covered Repossessed Loan Collateral, gross	18.98%	n/a	0.05%

(1) Covered loans and repossessed loan collateral represent purchased assets on which losses are Agreement. Covered assets were recorded at estimated fair value at February 6, 2009, the da

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10.Capital.

(dollars in thousands, except per-share amounts)

	9/30/09	9/30/08	9/30/09 / 9/30/08	6/30/09	9/30/09 / 6/30/09
1 Common Shareholders' Equity	\$494,383	\$399,128	23.9%	\$476,620	3.7%
2 Preferred Shareholder's Equity	\$41,335	\$0	n/m	\$82,611	-50.0%
3 Total Shareholders' Equity	\$535,718	\$399,128	34.2%	\$559,231	-4.2%
4 Tier I Regulatory Capital	394,283	278,117	41.8%	421,048	-6.4%
5 Total Regulatory Capital	431,913	314,023	37.5%	458,182	-5.7%
6 Total Assets	4,971,159	4,089,482	21.6%	5,193,595	-4.3%
7 Risk-Adjusted Assets	2,866,814	2,790,304	2.7%	2,890,291	-0.8%
8 Total Shareholders' Equity / Total Assets	10.78%	9.76%		10.77%	
9 Total Shareholders' Equity / Total Loans	16.74%	16.57%		16.68%	
10 Tier I Capital /Total Assets	7.93%	6.80%		8.11%	
11 Tier I Capital / Risk-Adjusted Assets	13.75%	9.97%		14.57%	
12 Total Capital / Risk-Adjusted Assets	15.07%	11.25%		15.85%	
13 Tangible Common Equity Ratio	6.95%	6.62%		6.26%	
14 Common Shares Outstanding	29,207	28,895	1.1%	29,214	-0.0%
15 Common Equity Per Share	\$16.93	\$13.81	22.5%	\$16.31	3.8%
16 Market Value Per Common Share	\$52.00	\$57.53	-9.6%	\$49.61	4.8%

17 Share Repurchase Programs

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	(shares in thousands)		Q3'09 /		Q3'09 /
	Q3'09	Q3'08	Q3'08	Q2'09	Q2'09
18 Total Shares Repurchased / Canceled	8	108	-92.6%	6	31.3%
19 Average Repurchase Price	\$50.45	\$50.10	0.7%	\$51.90	-2.8%
20 Net Shares Repurchased (Issued)	7	(6)	-220.8%	(340)	n/m

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11. Period-End Balance Sheets.

	(unaudited, dollars in thousands)				
	9/30/09	9/30/08	9/30/09 / 9/30/08	6/30/09	9/30/09 / 6/30/09
1 Assets:					
2 Cash and Money Market Assets	\$180,521	\$142,678	26.5%	\$169,291	6.6%
3 Investment Securities Available For Sale	391,644	304,871	28.5%	407,127	-3.8%
4 Investment Securities Held to Maturity	780,846	962,621	-18.9%	830,618	-6.0%
5 Non-Covered Loans	2,267,130	2,408,704	-5.9%	2,322,005	-2.4%
6 Allowance For Loan Losses	(42,683)	(50,097)	-14.8%	(43,122)	-1.0%
7 Non-Covered Loans, net	2,224,447	2,358,607	-5.7%	2,278,883	-2.4%
8 Covered Loans, net (1)	932,656	0	n/m	1,031,643	-9.6%
9 Total Loans	3,157,103	2,358,607	33.9%	3,310,526	-4.6%
10 Non-Covered Other Real Estate Owned	4,319	814	n/m	4,715	-8.4%
11 Covered Other Real Estate Owned, net (1)	18,740	0	n/m	13,691	36.9%
12 Premises and Equipment	38,982	26,789	45.5%	26,490	47.2%
13 Identifiable Intangible Assets	38,264	15,996	139.2%	39,934	-4.2%
14 Goodwill	121,699	121,702	-0.0%	121,699	0.0%
15 Interest Receivable and Other Assets	239,041	155,404	53.8%	269,504	-11.3%
16 Total Assets	\$4,971,159	\$4,089,482	21.6%	\$5,193,595	-4.3%
17 Liabilities and Shareholders' Equity:					
18 Deposits:					
19 Noninterest Bearing	\$1,377,215	\$1,173,852	17.3%	\$1,334,871	3.2%

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20	Interest-Bearing Transaction	660,001	518,944	27.2%	716,706	-7.9%
21	Savings	962,823	751,512	28.1%	968,408	-0.6%
22	Time	1,024,587	685,480	49.5%	1,137,152	-9.9%

23	Total Deposits	4,024,626	3,129,788	28.6%	4,157,137	-3.2%

24	Short-Term Borrowed Funds	222,030	487,973	-54.5%	316,466	-29.8%
25	Federal Home Loan Bank Advances	85,904	0	n/m	86,338	-0.5%
25	Debt Financing and Notes Payable	26,531	26,665	-0.5%	26,564	-0.1%
26	Liability For Interest, Taxes and Other	76,350	45,928	66.2%	47,859	59.5%

27	Total Liabilities	4,435,441	3,690,354	20.2%	4,634,364	-4.3%

28	Shareholders' Equity:					
29	Preferred Stock	41,335	0	n/m	82,611	-50.0%
30	Paid-In Capital	368,032	354,537	3.8%	367,840	0.1%
31	Accumulated Other Comprehensive Income	6,053	551	999.0%	1,747	246.4%
32	Retained Earnings	120,298	44,040	173.2%	107,033	12.4%

33	Total Common Equity	494,383	399,128	23.9%	476,620	3.7%

34	Total Shareholders' Equity	535,718	399,128	34.2%	559,231	-4.2%

35	Total Liabilities and Shareholders' Equity	\$4,971,159	\$4,089,482	21.6%	\$5,193,595	-4.3%
		=====				

(1) Covered loans and other real estate owned represent purchased assets on which losses are shared under a Shared Risk Management Agreement. Covered assets were recorded at estimated fair value at February 6, 2009, the date of valuation.

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12. Income Statements.

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

	Q3'09	Q3'08	Q3'09 / Q3'08	Q2'09	Q3'09 / Q2'09

1	Interest and Fee Income:				
2	\$48,530	\$36,710	32.2%	\$49,523	-2.0%
3	Money Market Assets and Funds Sold				
	1	1	n/m	1	n/m
4	Investment Securities Available For Sale				
	4,272	4,041	5.7%	4,539	-5.9%
5	Investment Securities Held to Maturity				
	8,393	10,223	-17.9%	9,009	-6.8%

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6	Total Interest Income	61,196	50,975	20.1%	63,072	-3.0%
7	Interest Expense:					
8	Transaction Deposits	263	346	-24.1%	293	-10.4%
9	Savings Deposits	915	1,048	-12.6%	1,059	-13.6%
10	Time Deposits	2,095	3,566	-41.2%	3,116	-32.8%
11	Short-Term Borrowed Funds	804	1,954	-58.8%	856	-6.0%
12	Debt Financing and Notes Payable	423	524	-19.4%	421	0.2%
13	Total Interest Expense	4,500	7,438	-39.5%	5,745	-21.7%
14	Net Interest Income	56,696	43,537	30.2%	57,327	-1.1%
15	Provision for Loan Losses	2,800	600	n/m	2,600	7.7%
16	Noninterest Income:					
17	Service Charges on Deposit Accounts	9,479	7,555	25.5%	9,116	4.0%
18	Merchant Credit Card	2,163	2,611	-17.2%	2,223	-2.7%
19	ATM Fees & Interchange	965	756	27.7%	1,013	-4.7%
20	Debit Card Fees	1,267	970	30.7%	1,323	-4.2%
21	Financial Services Commissions	129	186	-30.8%	137	-6.3%
22	Mortgage Banking	26	39	-32.1%	25	5.3%
23	Trust Fees	319	293	9.1%	373	-14.3%
24	Net Loss From Equity Securities	0	(41,206)	n/m	0	
25	FAS 141R Gain	0	0	n/m	0	
26	Other	1,613	1,297	24.3%	2,176	-25.9%
27	Total Noninterest Income (Loss)	15,961	(27,499)	n/m	16,386	
28	Noninterest Expense:					
29	Salaries and Related Benefits	16,402	12,621	30.0%	17,448	-6.0%
30	Occupancy	4,008	3,465	15.7%	5,413	-26.0%
31	Equipment	1,789	903	98.2%	1,607	11.3%
32	Outsourced Data Processing	2,258	2,098	7.6%	2,378	-5.1%
33	Professional Fees	913	485	88.2%	779	17.2%
34	FDIC Insurance Assessment	1,442	131	n/m	3,221	-55.2%
35	VISA Litigation	0	0	n/m	0	
36	Other	8,339	5,500	51.6%	7,820	6.6%
37	Total Noninterest Expense	35,151	25,203	39.5%	38,666	-9.1%
38	Income (Loss) Before Income Taxes	34,706	(9,765)	n/m	32,447	7.0%
39	Income Tax Provision (Benefit)	9,449	(9,809)	n/m	9,264	2.0%
40	Net Income	25,257	44	n/m	23,183	8.9%
41	Preferred Stock Dividends and Discount Accretion	1,466	0	n/m	1,107	32.4%
42	Net Income Applicable to Common Equity	\$23,791	\$44	n/m	\$22,076	7.8%
43	Average Common Shares Outstanding	29,210	28,908	1.0%	29,126	0.3%
44	Diluted Average Common Shares Outstanding	29,429	29,273	0.5%	29,403	0.1%
45	Per Common Share Data:					

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46	Basic Earnings	\$0.81	\$0.00	n/m	\$0.76	6.9%
47	Diluted Earnings	0.81	0.00	n/m	0.75	7.9%
48	Dividends Paid	0.35	0.35	0.0%	0.35	0.0%