

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

WESTAMERICA BANCORPORATION
Form 8-K
April 18, 2007
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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 18, 2007

WESTAMERICA BANCORPORATION

(Exact Name of Registrant as Specified in Its Charter)

CALIFORNIA

(State or Other Jurisdiction of Incorporation)

001-9383

(Commission File Number)

94-2156203

(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 April 17, 2007

Item 2.02: Results of Operations and Financial Condition

On April 17, 2007 Westamerica Bancorporation announced their earnings for the first quarter of 2007. 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

John "Robert" Thorson
Senior Vice President and Chief Financial Officer
April 18, 2007

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INDEX TO EXHIBITS

Exhibit No.	Description	Sequentially Number Page
(99.1)	Press release dated April 17, 2007	5-16

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FOR IMMEDIATE RELEASE
April 17, 2007

WESTAMERICA BANCORPORATION REPORTS FIRST QUARTER 2007 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 2007 of \$23.6 million or \$0.76 diluted earnings per share compared to \$26.1 million or \$0.81 diluted earnings per share for the first quarter of 2006. First quarter 2007 results include a gain on company-owned life insurance which contributed \$0.02 to diluted earnings per share. First quarter 2007 return on average equity was 23.0 percent compared to 24.9 percent for the first quarter 2006.

"First quarter 2007 results remain at high profitability levels. Return on assets was 2.03 percent in spite of the challenging interest rate environment, competitive pressures, and seasonal deposit flows," said Chairman, President and CEO David Payne. "Our low 1.70 percent cost of funds, non-interest income growth, stable credit quality, and operating efficiencies contributed to these results," added Payne.

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Net interest income on a fully taxable equivalent (FTE) basis was \$46.9 million for the first quarter of 2007, compared to \$49.0 million for the prior quarter and to \$54.0 million for the first quarter of 2006. The first quarter 2007 net interest margin on a fully taxable equivalent basis was 4.41 percent, compared to 4.49 percent for the prior quarter and 4.73 percent for the first quarter of 2006.

The provision for loan losses was \$75 thousand for the first quarter of 2007, compared to \$70 thousand for the previous quarter, and \$150 thousand for the first quarter of 2006. Net loan losses totaled \$516 thousand or 0.08 percent of average loans (annualized) for the first quarter of 2007.

Noninterest income for the first quarter of 2007 totaled \$15.3 million compared to \$13.6 million for the first quarter 2006. Of the \$1.7 million increase, service charges on deposit accounts increased \$445 thousand, debit card fees increased \$67 thousand, merchant credit card processing fees increased \$64 thousand, and \$822 thousand represents a gain on company-owned life insurance.

Noninterest expense for the first quarter of 2007 totaled \$24.7 million, \$819 thousand lower than noninterest expense for the first quarter of 2006. The decrease is primarily due to lower personnel and equipment costs. The first quarter 2007 efficiency ratio (expenses/revenues) was 39.7 percent compared to 37.7 percent in the first quarter 2006.

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At March 31, 2007, shareholders' equity was \$420 million and the equity-to-asset ratio was 8.8 percent. First quarter 2007 repurchases of the Company's common stock totaled approximately 389 thousand shares, net of shares issued.

At March 31, 2007, the Company's assets totaled \$4.7 billion and total loans outstanding totaled \$2.5 billion.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 87 branches and two trust offices throughout 21 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

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707-863-6840

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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," "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, 2006, 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, 2007

Public Information April 17, 2007

1. Net Income Summary.

	(dollars in thousands except per-share da					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
1 Net Interest Income (Fully Taxable Equivalent)	\$46,914	\$53,974	-13.1%	\$49,029	-4.3%	\$46,
2 Provision for Credit Losses	75	150	-50.0%	70	7.1%	
3 Noninterest Income:						
4 Investment Securities (Loss/Impairment) Gains	0	0	n/m	0	n/m	
5 Gains on Sales of Property	0	0	n/m	0	n/m	
6 Other	15,277	13,639	12.0%	13,747	11.1%	15,

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7 Total Noninterest Income	15,277	13,639	12.0%	13,747	11.1%	15,
8 Noninterest Expense	24,664	25,483	-3.2%	24,492	0.7%	24,
9 Income Tax Provision (FTE)	13,882	15,863	-12.5%	14,256	-2.6%	13,
10 Net Income	\$23,570	\$26,117	-9.8%	\$23,958	-1.6%	\$23,
11 Average Shares Outstanding	30,342	31,688	-4.2%	30,699	-1.2%	30,
12 Diluted Average Shares Outstanding	30,824	32,276	-4.5%	31,204	-1.2%	30,
13 Operating Ratios:						
14 Basic Earnings Per Share	\$0.78	\$0.82	-5.7%	\$0.78	-0.5%	\$0
15 Diluted Earnings Per Share	0.76	0.81	-5.5%	0.77	-0.4%	0
16 Return On Assets	2.03%	2.10%		1.98%		2
17 Return On Equity	23.0%	24.9%		22.8%		2
18 Net Interest Margin (FTE)	4.41%	4.73%		4.49%		4
19 Efficiency Ratio (FTE)	39.7%	37.7%		39.0%		3
20 Dividends Paid Per Share	\$0.34	\$0.32	6.3%	\$0.34	0.0%	\$0
21 Dividend Payout Ratio	44%	40%		44%		

2. Net Interest Income.

	(dollars in thousands)					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
1 Interest and Fee Income (FTE)	\$65,025	\$68,486	-5.1%	\$66,512	-2.2%	\$65,
2 Interest Expense	18,111	14,512	24.8%	17,483	3.6%	18,
3 Net Interest Income (FTE)	\$46,914	\$53,974	-13.1%	\$49,029	-4.3%	\$46,
4 Average Earning Assets	\$4,287,431	\$4,606,178	-6.9%	\$4,366,676	-1.8%	\$4,287,
5 Average Interest-Bearing Liabilities	2,961,252	3,205,366	-7.6%	2,975,221	-0.5%	2,961,
6 Yield on Earning Assets (FTE)	6.11%	6.00%		6.07%		6
7 Cost of Funds	1.70%	1.27%		1.58%		1
8 Net Interest Margin (FTE)	4.41%	4.73%		4.49%		4
9 Interest Expense/Interest-Bearing Liabilities	2.46%	1.82%		2.32%		2
10 Net Interest Spread (FTE)	3.65%	4.18%		3.75%		3

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3. Loans & Other Earning Assets.

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	(average volume, dollars in thousands)					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
1 Total Assets	\$4,713,173	\$5,054,256	-6.7%	\$4,793,700	-1.7%	\$4,713,173
2 Total Earning Assets	4,287,431	4,606,178	-6.9%	4,366,676	-1.8%	4,287,431
3 Total Loans	2,519,861	2,615,949	-3.7%	2,547,524	-1.1%	2,519,861
4 Commercial Loans	616,277	690,772	-10.8%	637,194	-3.3%	616,277
5 Commercial Real Estate Loans	900,625	922,838	-2.4%	915,578	-1.6%	900,625
6 Consumer Loans	1,002,959	1,002,339	0.1%	994,752	0.8%	1,002,959
7 Total Investment Securities	1,767,570	1,990,229	-11.2%	1,819,152	-2.8%	1,767,570
8 Available For Sale (Market Value)	612,852	665,948	-8.0%	630,827	-2.8%	612,852
9 Held To Maturity	1,154,718	1,324,281	-12.8%	1,188,325	-2.8%	1,154,718
10 HTM Unrealized (Loss) at Period-End	(5,955)	(25,025)	n/m	(9,356)	n/m	(5,955)
11 Loans / Deposits	73.5%	69.1%		71.7%		73.5%

4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in thousands)					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
1 Total Deposits	\$3,427,010	\$3,784,436	-9.4%	\$3,553,379	-3.6%	\$3,427,010
2 Noninterest Demand	1,270,522	1,355,501	-6.3%	1,332,213	-4.6%	1,270,522
3 Interest-Bearing Transaction	586,860	651,547	-9.9%	593,236	-1.1%	586,860
4 Savings	866,192	1,022,087	-15.3%	896,538	-3.4%	866,192
5 Other Time > \$100K	484,887	501,299	-3.3%	505,390	-4.1%	484,887
6 Other Time <\$100K	218,549	254,002	-14.0%	226,002	-3.3%	218,549
7 Total Short-Term Borrowings	767,858	738,307	4.0%	717,114	7.1%	767,858
8 Fed Funds Purchased	596,965	548,494	8.8%	517,913	15.3%	596,965
9 Other Short-Term Funds	170,893	189,813	-10.0%	199,201	-14.2%	170,893
10 Long-Term Debt	36,905	38,124	-3.2%	36,941	-0.1%	36,905
11 Shareholders' Equity	414,957	424,832	-2.3%	417,597	-0.6%	414,957
12 Demand Deposits / Total Deposits	37.1%	35.8%		37.5%		37.1%
13 Transaction & Savings Deposits / Total Deposits	79.5%	80.0%		79.4%		79.5%

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5. Interest Yields Earned & Rates Paid.

(dollars in thousands)					
Q1'07		Q4'06		Q1'07	
Average	Income/ Yield/	Average	Income/ Yield/	Average	Income/ Yield/

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	Volume	Expense	Rate	Rate	Volume	Expens
1 Interest & Fees Income Earned						
2 Total Earning Assets (FTE)	\$4,287,431	\$65,026	6.11%	6.07%	\$4,606,178	\$68,
3 Total Loans (FTE)	2,519,861	41,398	6.66%	6.61%	2,615,949	42,
4 Commercial Loans (FTE)	616,277	12,080	7.67%	7.69%	690,772	13,
5 Commercial Real Estate Loans	900,625	15,936	7.18%	7.09%	922,838	16,
6 Consumer Loans	1,002,959	13,382	5.41%	5.41%	1,002,339	12,
7 Total Investment Securities (FTE)	1,767,570	23,628	5.35%	5.29%	1,990,229	26,
8 Interest Expense Paid						
9 Total Earning Assets	4,287,431	18,111	1.70%	1.58%	4,606,178	14,
10 Total Interest-Bearing Liabilities	2,961,252	18,111	2.46%	2.32%	3,205,366	14,
11 Total Interest-Bearing Deposits	2,156,488	9,237	1.74%	1.66%	2,428,935	7,
12 Interest-Bearing Transaction	586,860	523	0.36%	0.32%	651,547	
13 Savings	866,192	1,409	0.66%	0.53%	1,022,087	
14 Other Time <\$100K	218,549	1,734	3.22%	3.11%	254,002	1,
15 Other Time > \$100K	484,887	5,571	4.66%	4.57%	501,299	4,
16 Total Short-Term Borrowings	767,858	8,296	4.32%	4.16%	738,307	6,
17 Fed Funds Purchased	596,965	7,824	5.24%	5.24%	548,494	6,
18 Other Short-Term Funds	170,893	472	1.12%	1.37%	189,813	
19 Long-Term Debt	36,905	578	6.27%	6.26%	38,124	
20 Net Interest Income and Margin (FTE)		\$46,914	4.41%	4.49%		\$53,

6. Noninterest Income.

	(dollars in thousands except per share d					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
1 Service Charges on Deposit Accounts	\$7,528	\$7,083	6.3%	\$6,990	7.7%	\$7,
2 Merchant Credit Card Income	2,449	2,385	2.6%	2,652	-7.7%	2,
3 ATM Fees & Interchange	677	678	-0.1%	676	0.1%	
4 Debit Card Fees	895	828	8.1%	902	-0.7%	
5 Financial Services Fees	310	298	4.1%	331	-6.2%	
6 Mortgage Banking Income	30	50	-39.9%	44	-32.7%	
7 Trust Fees	337	282	19.4%	311	8.2%	
8 Other Income	3,051	2,035	49.9%	1,841	65.8%	3,
9 Sub-total	15,277	13,639	12.0%	13,747	11.1%	15,
10 Gains on Sales of Real Property	0	0	n/m	0	n/m	
11 Investment Securities Gains (Losses)	0	0	n/m	0	n/m	
12 Total Noninterest Income	\$15,277	\$13,639	12.0%	\$13,747	11.1%	\$15,
13 Operating Ratios:						
14 Total Revenue (FTE)	\$62,191	\$67,613	-8.0%	\$62,776	-0.9%	\$62,

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15	Noninterest Income / Revenue (FTE)	24.6%	20.2%		21.9%		2
16	Service Charges / Deposits (annualized)	0.89%	0.76%		0.78%		0
17	Total Revenue Per Share (annualized)	\$8.31	\$8.65	-3.9%	\$8.11	2.5%	\$8

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7. Noninterest Expense.

							(dollars in thousands)	
		Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07	
1	Salaries & Benefits	\$12,568	\$13,258	-5.2%	\$12,405	1.3%	\$12,	
2	Occupancy	3,291	3,232	1.8%	3,227	2.0%	3,	
3	Equipment	1,138	1,266	-10.1%	1,174	-3.1%	1,	
4	Data Processing	1,524	1,534	-0.7%	1,529	-0.3%	1,	
5	Courier	848	922	-8.0%	891	-4.8%		
6	Postage	410	410	0.0%	431	-4.9%		
7	Telephone	360	432	-16.7%	365	-1.4%		
8	Professional Fees	495	457	8.3%	614	-19.4%		
9	Stationery & Supplies	315	270	16.7%	314	0.1%		
10	Loan Expense	167	195	-14.1%	199	-15.9%		
11	Operational Losses	160	189	-15.2%	320	-50.0%		
12	Amortization of Identifiable Intangibles	975	1,040	-6.3%	1,016	-4.0%		
13	Other Operating	2,413	2,278	5.9%	2,007	20.3%	2,	
14	Total Noninterest Expense	\$24,664	\$25,483	-3.2%	\$24,492	0.7%	\$24,	
15	Full Time Equivalent Staff	892	939	-5.0%	891	0.1%		
16	Average Assets / Full Time Equivalent Staff	\$5,284	\$5,383	-1.8%	\$5,380	-1.8%	\$5,	
17	Operating Ratios:							
18	FTE Revenue / Full Time Equiv. Staff (annualized)	\$283	\$292	-3.2%	\$280	1.2%	\$	
19	Noninterest Expense / Earning Assets (annualized)	2.33%	2.24%		2.23%		2	
20	Noninterest Expense / Revenues	39.7%	37.7%		39.0%		3	

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8. Provision for Credit Losses.

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	(dollars in thousands)					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
1 Provision for Credit Losses	\$75	\$150	-50.0%	\$70	7.1%	
2 Gross Loan Losses	1,244	1,118	11.3%	848	46.8%	1,
3 Net Loan Losses	516	231	123.9%	78	562.9%	
4 Recoveries / Gross Loan Losses	59%	79%		91%		
5 Average Total Loans	\$2,519,861	\$2,615,949	-3.7%	\$2,547,524	-1.1%	\$2,519,
6 Net Loan Losses / Loans (annualized)	0.08%	0.04%		0.01%		0
7 Provision for Credit Losses / Loans (annualized)	0.01%	0.02%		0.01%		0
8 Provision for Credit Losses / Net Loan Losses	14.5%	65.0%		89.9%		1

9. Credit Quality.

	(dollars in thousands)					
	3/31/07	3/31/06	3/31/07 / 3/31/06	12/31/06	3/31/07 / 12/31/06	9/30/
1 Nonperforming Nonaccrual Loans	\$2,341	\$2,993	-21.8%	\$61	3737.7%	\$1,
2 Performing Nonaccrual Loans	2,459	3,232	-23.9%	4,404	-44.2%	3,
3 Total Nonaccrual Loans	4,800	6,225	-22.9%	4,465	7.5%	5,
4 Accruing Loans 90+ Days Past Due	82	29	n/m	65	n/m	
5 Total Nonperforming Loans	4,882	6,254	-21.9%	4,530	7.8%	5,
6 Repossessed Collateral	647	0	n/m	647	n/m	
7 Total Nonperforming Loans & 8 Repossessed Collateral	\$5,529	\$6,254	-11.6%	\$5,177	6.8%	\$5,
9 Classified Loans	\$18,439	\$28,878	-36.1%	\$20,180	-8.6%	\$24,
10 Allowance for Loan Losses	\$54,889	\$55,768	-1.6%	\$55,330	-0.8%	\$55,
11 Total Loans Outstanding	2,519,898	2,639,968	-4.5%	2,531,734	-0.5%	2,552,
12 Total Assets	4,748,829	5,054,309	-6.0%	4,769,335	-0.4%	4,844,
13 Allowance for Loan Losses / Total Loans	2.18%	2.11%		2.19%		2
14 Nonperforming Loans / Total Loans	0.19%	0.24%		0.18%		0
15 Nonperforming Loans & 16 Repossessed Collateral / Total Assets	0.12%	0.12%		0.11%		0
17 Allowance/Nonperforming Loans	1124%	892%		1221%		1
18 Allowance for Loan Losses / Classified Loans	298%	193%		274%		
19 Classified Loans / 20 (Equity + Allowance for Loan Losses)	3.9%	5.9%		4.2%		

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10.Capital.

	(dollars in thousands, except per-share)					
	3/31/07	3/31/06	3/31/07 / 3/31/06	12/31/06	3/31/07 / 12/31/06	9/30/06
1 Shareholders' Equity	\$419,810	\$431,128	-2.6%	\$424,235	-1.0%	\$428,000
2 Tier I Regulatory Capital	293,382	303,344	-3.3%	298,576	-1.7%	300,000
3 Total Regulatory Capital	333,658	345,786	-3.5%	339,114	-1.6%	341,000
4 Total Assets	4,748,829	5,054,309	-6.0%	4,769,335	-0.4%	4,844,000
5 Risk-Adjusted Assets	3,043,445	3,222,355	-5.6%	3,057,054	-0.4%	3,094,000
6 Shareholders' Equity / Total Assets	8.84%	8.53%		8.90%		8.84%
7 Shareholders' Equity / Total Loans	16.66%	16.33%		16.76%		16.66%
8 Tier I Capital /Total Assets	6.18%	6.00%		6.26%		6.18%
9 Tier I Capital / Risk-Adjusted Assets	9.64%	9.41%		9.77%		9.64%
10 Total Capital / Risk-Adjusted Assets	10.96%	10.73%		11.09%		10.96%
11 Shares Outstanding	30,158	31,544	-4.4%	30,547	-1.3%	30,158
12 Book Value Per Share (\$)	\$13.92	\$13.67	1.8%	\$13.89	0.2%	\$13.92
13 Market Value Per Share (\$)	48.17	51.92	-7.2%	50.63	-4.9%	50.63

14 Share Repurchase Programs

	(shares in thousands)					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
15 Total Shares Repurchased / Canceled	447	429	4.2%	410	9.0%	447
16 Average Repurchase Price	\$49.49	\$53.62	-7.7%	\$49.32	0.4%	\$49.49
17 Net Shares Repurchased (Issued)	389	338	15.0%	363	7.2%	389

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11.Period-End Balance Sheets.

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		(dollars in thousands)					
		3/31/07	3/31/06	3/31/07 / 3/31/06	12/31/06	3/31/07 / 12/31/06	9/30/06
1	Assets:						
2	Cash and Money Market Assets	\$208,734	\$188,481	10.7%	\$185,009	12.8%	\$192,000
3	Investment Securities Available For Sale	602,220	642,996	-6.3%	615,525	-2.2%	617,000
4	Investment Securities Held to Maturity	1,142,382	1,307,848	-12.7%	1,165,092	-1.9%	1,211,000
5	Loans, gross	2,519,898	2,639,968	-4.5%	2,531,734	-0.5%	2,552,000
6	Allowance For Loan Losses	(54,889)	(55,768)	-1.6%	(55,330)	-0.8%	(55,000)
7	Loans, net	2,465,009	2,584,200	-4.6%	2,476,404	-0.5%	2,497,000
8	Premises and Equipment	29,643	32,535	-8.9%	30,188	-1.8%	30,000
9	Identifiable Intangible Assets	21,108	25,130	-16.0%	22,082	-4.4%	23,000
10	Goodwill	121,719	121,719	0.0%	121,719	0.0%	121,000
11	Interest Receivable and Other Assets	158,014	151,400	4.4%	153,316	3.1%	149,000
12	Total Assets	\$4,748,829	\$5,054,309	-6.0%	\$4,769,335	-0.4%	\$4,844,000
13	Liabilities and Shareholders' Equity:						
14	Deposits:						
15	Noninterest Bearing	\$1,293,920	\$1,355,426	-4.5%	\$1,341,019	-3.5%	\$1,298,000
16	Interest-Bearing Transaction	584,026	641,264	-8.9%	588,668	-0.8%	581,000
17	Savings	851,800	1,004,964	-15.2%	865,268	-1.6%	926,000
18	Time	714,626	737,532	-3.1%	721,779	-1.0%	744,000
19	Total Deposits	3,444,372	3,739,186	-7.9%	3,516,734	-2.1%	3,551,000
20	Short-Term Borrowed Funds	776,781	784,639	-1.0%	731,977	6.1%	768,000
21	Debt Financing and Notes Payable	36,883	37,030	-0.4%	36,920	-0.1%	36,000
22	Liability For Interest, Taxes and Other	70,983	62,326	13.9%	59,469	19.4%	58,000
23	Total Liabilities	4,329,019	4,623,181	-6.4%	4,345,100	-0.4%	4,415,000
24	Shareholders' Equity:						
25	Paid-In Capital	\$341,724	\$344,941	-0.9%	\$344,263	-0.7%	\$346,000
26	Accumulated Other Comprehensive Income	3,593	(830)	n/m	1,850	n/m	1,000
28	Retained Earnings	74,493	87,017	-14.4%	78,122	-4.6%	80,000
29	Total Shareholders' Equity	419,810	431,128	-2.6%	424,235	-1.0%	428,000
30	Total Liabilities and Shareholders' Equity	\$4,748,829	\$5,054,309	-6.0%	\$4,769,335	-0.4%	\$4,844,000

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12. Income Statements.

	(dollars in thousands, except per-share)					
	Q1'07	Q1'06	Q1'07 / Q1'06	Q4'06	Q1'07 / Q4'06	3/31'07
1 Interest and Fee Income:						
2 Loans	\$40,167	\$41,106	-2.3%	\$41,197	-2.5%	\$40,167
3 Money Market Assets and Funds Sold	2	1	n/m	2	n/m	
4 Investment Securities Available For Sale	7,122	7,574	-6.0%	7,184	-0.9%	7,122
5 Investment Securities Held to Maturity	12,083	13,786	-12.4%	12,422	-2.7%	12,083
6 Total Interest Income	59,374	62,467	-5.0%	60,805	-2.4%	59,374
7 Interest Expense:						
8 Transaction Deposits	523	428	22.4%	486	7.7%	
9 Savings Deposits	1,409	898	56.9%	1,203	17.1%	1,409
10 Time Deposits	7,305	5,916	23.5%	7,593	-3.8%	7,305
11 Short-Term Borrowed Funds	8,296	6,672	24.3%	7,622	8.8%	8,296
12 Debt Financing and Notes Payable	578	598	-3.3%	578	0.0%	
13 Total Interest Expense	18,111	14,512	24.8%	17,482	3.6%	18,111
14 Net Interest Income	41,263	47,955	-14.0%	43,323	-4.8%	41,263
15 Provision for Credit Losses	75	150	-50.0%	70	7.1%	
16 Noninterest Income:						
17 Service Charges on Deposit Accounts	7,528	7,083	6.3%	6,990	7.7%	7,528
18 Merchant Credit Card	2,449	2,385	2.6%	2,652	-7.7%	2,449
19 Financial Services Commissions	310	298	4.1%	331	-6.2%	
20 Mortgage Banking	30	50	-39.9%	44	-32.7%	
21 Trust Fees	337	282	19.4%	311	8.2%	
22 Gains on Sales of Real Property	0	0	n/m	0	n/m	
23 Securities Gains (Losses)	0	0	n/m	0	n/m	
24 Other	4,623	3,541	30.6%	3,419	35.2%	4,623
25 Total Noninterest Income	15,277	13,639	12.0%	13,747	11.1%	15,277
26 Noninterest Expense:						
27 Salaries and Related Benefits	12,568	13,258	-5.2%	12,405	1.3%	12,568
28 Occupancy	3,291	3,232	1.8%	3,227	2.0%	3,291
29 Equipment	1,138	1,266	-10.1%	1,174	-3.1%	1,138
30 Data Processing	1,524	1,534	-0.7%	1,529	-0.3%	1,524
31 Professional Fees	495	457	8.3%	614	-19.4%	
32 Other	5,648	5,736	-1.5%	5,543	1.9%	5,648
33 Total Noninterest Expense	24,664	25,483	-3.2%	24,492	0.7%	24,664

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34	Income Before Income Taxes	31,801	35,961	-11.6%	32,508	-2.2%	31,
35	Provision for income taxes	8,231	9,844	-16.4%	8,550	-3.7%	8,
		-----			-----		
36	Net Income	\$23,570	\$26,117	-9.8%	\$23,958	-1.6%	\$23,
		=====			=====		
37	Average Shares Outstanding	30,342	31,688	-4.2%	30,699	-1.2%	30,
38	Diluted Average Shares Outstanding	30,824	32,276	-4.5%	31,204	-1.2%	30,
39	Per Share Data:						
40	Basic Earnings	\$0.78	\$0.82	-5.7%	\$0.78	-0.5%	\$0
41	Diluted Earnings	0.76	0.81	-5.5%	0.77	-0.4%	0
42	Dividends Paid	0.34	0.32	6.3%	0.34	0.0%	0