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WESTAMERICA BANCORPORATION

Form 8-K

July 15, 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):
July 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-4(c))

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Exhibits

99.1 Press release dated July 14, 2009

Item 2.02: Results of Operations and Financial Condition

On July 14, 2009 Westamerica Bancorporation announced earnings for the second 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.

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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
July 15, 2009

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

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FOR IMMEDIATE RELEASE
July 14, 2009

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WESTAMERICA BANCORPORATION REPORTS SECOND QUARTER 2009 RESULTS

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported second quarter 2009 net income applicable to common equity of \$22.1 million, or \$0.75 diluted earnings per common share (EPS), a return on average common equity of 19 percent (annualized). Second quarter 2009 results include FDIC insurance assessments of \$3.2 million, compared to \$157 thousand in the prior quarter. The increase in FDIC assessments was equivalent to \$0.06 EPS. Second quarter 2009 results include the operations of the former County Bank, which was acquired from the Federal Deposit Insurance Corporation (FDIC) on February 6, 2009.

"The integration of the acquired County Bank is proceeding in accordance with our plans. We expect branch and systems integrations to be completed in the third quarter 2009. For the second quarter 2009, our net interest margin of 5.34 percent was stable with the prior quarter's margin of 5.35 percent.

Westamerica's credit management practices remain conservative; our \$43 million allowance for loan losses is equivalent to 143 percent of non-performing loans which are not covered by FDIC loss sharing agreements," said Chairman, President and CEO David Payne. "Our common shareholders' equity grew \$22.5 million in the second quarter 2009. Westamerica intends to redeem a portion of the preferred stock issued to the United States Treasury this month, which will increase returns to common shareholders," Payne added.

Second quarter 2009 results compare to first quarter of 2009 net income applicable to common equity of \$52.2 million and EPS of \$1.80. First quarter 2009 results include a gain recognized under Financial Accounting Standard 141R and a federal income tax refund which, combined, were equivalent to \$1.00 EPS. The estimated fair value of County Bank assets purchased exceeded the estimated fair value of liabilities assumed, which resulted in the FAS 141R gain.

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Net interest income on a fully taxable equivalent basis (FTE) was \$62.3 million for the second quarter of 2009, compared to \$59.4 million (FTE) for the prior quarter and \$49.7 million (FTE) reported for the second quarter of 2008. The second quarter 2009 annualized net interest margin was 5.34 percent (FTE), compared to 5.35 percent (FTE) for the prior quarter and 5.16 percent (FTE) for the second quarter of 2008. Net interest income for the six months ended June 30, 2009 was \$121.7 million (FTE) generating an annualized margin of 5.35 percent (FTE), compared to net interest income of \$97.7 million (FTE) and an annualized margin of 4.97 percent (FTE) for the six months ended June 30, 2008. The improved net interest income is attributable to earning asset growth from the County Bank acquisition and a higher net interest margin. The net interest margin has increased in the first half of 2009 relative to the first half of 2008 as lower short-term interest rates caused funding costs to decline at a faster pace than earning asset yields.

The provision for loan losses was \$4.4 million for the six months ended June 30, 2009 compared to \$1.2 million for the six months ended June 30, 2008. Net loan charge-offs for the six months ended June 30, 2009 totaled \$5.7 million, or 0.49 percent (annualized) of average non-covered loans, compared to \$2.7 million, or 0.22 percent (annualized) of average non-covered loans for the six months ended June 30, 2008. Non-covered non-performing loans at June 30, 2009 totaled \$30.2 million, increased from \$11.7 million at March 31, 2009. The increase in non-covered non-performing loans is primarily due to one residential construction loan relationship with four single family properties (\$6 million), seven consumer mortgages (\$3.6 million), and one commercial real estate relationship (\$3.4 million). Non-covered classified loans, which include loans graded "substandard," "doubtful" and "loss" using regulatory guidelines, totaled \$53.4

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million at June 30, 2009 compared to \$41.5 million at March 31, 2009.

Noninterest income for the second quarter 2009 was \$16.4 million, compared to \$64.0 million in the first quarter 2009 which included the \$48.8 million FAS 141R gain. Service charges on deposit accounts, ATM fees and debit card fees have increased following the assumption of County Bank deposit accounts.

Noninterest expense for the second quarter of 2009 totaled \$38.7 million, compared to \$34.1 million for the prior quarter and \$26.3 million for the second quarter of 2008. The increase in expenses is primarily due to the acquisition of County Bank and higher FDIC insurance assessments. FDIC insurance assessments were \$3.2 million, \$157 thousand, and \$133 thousand in the second quarter 2009, first quarter 2009, and second quarter 2008, respectively. Management anticipates quarterly FDIC insurance assessments of \$1.5 million beginning in the third quarter, subject to changes in the assessment rate structure and any additional special assessments. Relative to the second quarter 2009, Management expects lower noninterest expenses, excluding FDIC insurance assessments, in the third and fourth quarters of 2009 as County Bank branch and systems integrations are completed in the third quarter 2009.

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Shareholders' equity at June 30, 2009 was \$559 million, increased from \$537 million at March 31, 2009. The increase in shareholders' equity is attributable to the retention of earnings in excess of shareholder dividends and the exercise of stock options. Westamerica paid a regular quarterly dividend of \$0.35 per common share in May 2009, totaling \$10.2 million. At June 30, 2009, Westamerica Bancorporation's total regulatory capital ratio was 15.9 percent and Westamerica Bank's total regulatory capital ratio was 15.1 percent; both measurements exceed the "well-capitalized" level of ten percent under regulatory requirements.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates commercial banking offices throughout Northern and Central California. At June 30, 2009, the Company's total assets and total loans outstanding were \$5.2 billion and \$3.4 billion, respectively.

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", "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

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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 for the quarter ended March 31, 2009 and annual report 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
June 30, 2009

Public Information July 14, 2009

1. Net Income Summary.

	(dollars in thousands except per-share amounts)				
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09
1 Net Interest Income (Fully Taxable Equivalent)	\$62,318	\$49,731	25.3%	\$59,359	5.0%
2 Provision for Loan Losses	2,600	600	333.3%	1,800	44.4%
3 Noninterest Income:					
4 Net Loss From Equity Securities	0	(18,178)	n/m	0	n/m
5 FAS 141R Gain	0	0	n/m	48,844	n/m
6 Other	16,386	14,335	14.3%	15,124	8.3%
7 Total Noninterest Income (Loss)	16,386	(3,843)	n/m	63,968	n/m
8 Noninterest Expense:					

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9 VISA Litigation	0	0	n/m	0	n/m
10 Other	38,666	26,337	46.8%	34,123	13.3%
11 Total Noninterest Expense	38,666	26,337	46.8%	34,123	13.3%
12 Income Before Taxes (FTE)	37,438	18,951	97.5%	87,404	-57.2%
13 Income Tax Provision (FTE)	14,255	6,749	111.2%	34,579	-58.8%
14 Net Income	23,183	12,202	90.0%	52,825	-56.1%
15 Preferred Stock Dividends and Discount Accretion	1,107	0	n/m	578	91.5%
16 Net Income Applicable to Common Equity	\$22,076	\$12,202	80.9%	\$52,247	-57.7%
17 Average Common Shares Outstanding	29,126	28,916	0.7%	28,876	0.9%
18 Diluted Average Common Shares Outstanding	29,403	29,392	0.0%	29,105	1.0%
19 Operating Ratios:					
20 Basic Earnings Per Common Share	\$0.76	\$0.42	81.0%	\$1.81	-58.0%
21 Diluted Earnings Per Common Share	0.75	0.42	78.6%	1.80	-58.2%
22 Return On Assets (annualized)	1.68%	1.15%		4.24%	
23 Return On Common Equity (annualized)	19.0%	11.9%		48.0%	
24 Net Interest Margin (FTE) (annualized)	5.34%	5.16%		5.35%	
25 Efficiency Ratio (FTE)	49.1%	57.4%		27.7%	
26 Dividends Paid Per Common Share	\$0.35	\$0.35	0.0%	\$0.36	-2.8%
27 Common Dividend Payout Ratio	47%	83%		20%	

2. Net Interest Income.

	(dollars in thousands)				
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09
1 Interest and Fee Income (FTE)	\$68,063	\$58,117	17.1%	\$64,192	6.0%
2 Interest Expense	5,745	8,386	-31.5%	4,833	18.9%
3 Net Interest Income (FTE)	\$62,318	\$49,731	25.3%	\$59,359	5.0%
4 Average Earning Assets	\$4,678,615	\$3,865,110	21.0%	\$4,475,371	4.5%
5 Average Interest-Bearing Liabilities	3,311,650	2,590,406	27.8%	3,155,685	4.9%
6 Yield on Earning Assets (FTE) (annualized)	5.83%	6.03%		5.79%	
7 Cost of Funds (annualized)	0.49%	0.87%		0.44%	
8 Net Interest Margin (FTE)					

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(annualized)	5.34%	5.16%	5.35%
9 Interest Expense/Interest-Bearing Liabilities (annualized)	0.70%	1.30%	0.62%
10 Net Interest Spread (FTE) (annualized)	5.13%	4.73%	5.17%

3. Loans & Other Earning Assets.

	(average volume, dollars in thousands)				
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09
1 Total Assets	\$5,265,101	\$4,257,325	23.7%	\$4,998,964	5.3%
2 Total Earning Assets	4,678,615	3,865,110	21.0%	4,475,371	4.5%
3 Total Loans	3,383,654	2,439,062	38.7%	3,135,944	7.9%
4 Commercial Loans	944,257	609,082	55.0%	885,232	6.7%
5 Commercial Real Estate Loans	1,361,420	843,793	61.3%	1,191,260	14.3%
6 Consumer Loans	1,077,977	986,187	9.3%	1,059,452	1.7%
7 Total Investment Securities	1,294,961	1,426,048	-9.2%	1,339,427	-3.3%
8 Available For Sale (Market Value)	433,065	433,190	-0.0%	399,824	8.3%
9 Held To Maturity	861,896	992,858	-13.2%	939,603	-8.3%
10 HTM Unrealized Gain (Loss) at Period-End	243	(3,053)	n/m	1,768	n/m
11 Loans / Deposits	80.5%	76.6%		81.2%	

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4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in thousands)				
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09
1 Total Deposits	\$4,202,607	\$3,183,812	32.0%	\$3,862,435	8.8%
2 Noninterest Demand	1,333,412	1,186,921	12.3%	1,286,013	3.7%
3 Interest-Bearing Transaction	741,084	547,574	35.3%	667,425	11.0%
4 Savings	968,048	763,575	26.8%	877,729	10.3%
5 Time greater than \$100K	629,646	492,932	27.7%	664,474	-5.2%
6 Time less than \$100K	530,417	192,810	175.1%	366,794	44.6%
7 Total Short-Term Borrowings	415,871	556,794	-25.3%	552,645	-24.7%
8 Fed Funds Purchased	119,837	414,632	-71.1%	314,856	-61.9%
9 Other Short-Term Funds	296,034	142,162	108.2%	237,789	24.5%

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10 Long-Term Debt	26,584	36,721	-27.6%	26,618	-0.1%
11 Shareholders' Equity	547,816	412,263	32.9%	485,054	12.9%
12 Demand Deposits					
/ Total Deposits	31.7%	37.3%		33.3%	
13 Transaction & Savings Deposits					
/ Total Deposits	72.4%	78.5%		73.3%	

5. Interest Yields Earned & Rates Paid.

	(dollars in thousands)				
	Q2'09			Q1'09	
	Average Volume	Income/ Expense	Yield */ Rate	Yield*/ Rate	Average Volume
1 Interest & Fees Income Earned					
2 Total Earning Assets (FTE)	\$4,678,615	\$68,063	5.83%	5.79%	\$3,865,110
3 Total Loans (FTE)	3,383,654	50,611	6.00%	5.97%	2,439,062
4 Commercial Loans (FTE)	944,257	13,327	5.66%	5.86%	609,082
5 Commercial Real Estate					
Loans	1,361,420	22,316	6.57%	6.49%	843,793
6 Consumer Loans	1,077,977	14,968	5.57%	5.49%	986,187
7 Total Investment Securities (FTE)	1,294,961	17,452	5.39%	5.38%	1,426,048
8 Interest Expense Paid					
9 Total Earning Assets	4,678,615	5,745	0.49%	0.44%	3,865,110
10 Total Interest-Bearing Liabilities	3,311,650	5,745	0.70%	0.62%	2,590,406
11 Total Interest-Bearing Deposits	2,869,195	4,468	0.62%	0.60%	1,996,891
12 Interest-Bearing Transaction	741,084	293	0.16%	0.12%	547,574
13 Savings	968,048	1,059	0.44%	0.42%	763,575
14 Time less than \$100K	530,417	1,381	1.04%	1.61%	192,810
15 Time greater than \$100K	629,646	1,735	1.11%	0.75%	492,932
16 Total Short-Term Borrowings	415,871	856	0.83%	0.46%	556,794
17 Fed Funds Purchased	119,837	47	0.15%	0.19%	414,632
18 Other Short-Term Funds	296,034	809	1.10%	0.81%	142,162
19 Long-Term Debt	26,584	421	6.35%	6.35%	36,721
20 Net Interest Income and Margin (FTE)		\$62,318	5.34%	5.35%	
* Annualized					

6. Noninterest Income.

(dollars in thousands except per share amounts)				
Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09

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1	Service Charges on Deposit					
	Accounts	\$9,116	\$7,529	21.1%	\$8,422	8.2%
2	Merchant Credit Card Income	2,223	2,712	-18.0%	2,432	-8.6%
3	ATM Fees & Interchange	1,013	763	32.7%	813	24.7%
4	Debit Card Fees	1,323	978	35.2%	1,066	24.1%
5	Financial Services Commissions	137	274	-49.7%	154	-10.4%
6	Mortgage Banking Income	25	27	-7.5%	17	44.9%
7	Trust Fees	373	377	-1.2%	364	2.3%
8	Other Income	2,176	1,675	29.9%	1,857	17.2%
9	Sub-total	16,386	14,335	14.3%	15,124	8.3%
10	Net Loss From Equity					
	Securities	0	(18,178)	n/m	0	n/m
11	FAS 141R Gain	0	0	n/m	48,844	-100.0%
12	Total Noninterest Income (Loss)	\$16,386	(\$3,843)	n/m	\$63,968	n/m
13	Operating Ratios:					
14	Total Revenue (FTE)	\$78,704	\$45,888	71.5%	\$123,327	-36.2%
15	Noninterest Income / Revenue (FTE)	20.8%	-8.4%		51.9%	
16	Service Charges / Avg. Deposits (annualized)	0.87%	0.95%		0.88%	
17	Total Revenue Per Avg. Common Share (annualized)	\$10.84	\$6.38	69.8%	\$17.32	-37.4%

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7. Noninterest Expense.

	(dollars in thousands)					
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09	
1	Salaries & Benefits	\$17,448	\$13,065	33.5%	\$16,371	6.6%
2	Occupancy	5,413	3,443	57.2%	5,410	0.1%
3	Equipment	1,607	1,001	60.6%	1,222	31.5%
4	Outsourced Data Processing	2,378	2,105	13.0%	2,104	13.0%
5	Courier	994	824	20.6%	898	10.7%
6	Postage	531	390	36.2%	462	14.9%
7	Telephone	478	346	38.2%	387	23.6%
8	Professional Fees	779	683	14.0%	888	-12.3%
9	Stationery & Supplies	374	285	31.1%	367	2.0%
10	Loan Expense	205	233	-12.1%	994	-79.4%
11	Operational Losses	221	196	12.9%	195	13.4%
12	Amortization of Identifiable Intangibles	1,695	788	115.2%	1,685	0.6%

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13	FDIC Insurance Assessment	3,221	133	n/m	157	n/m
14	Other Operating	3,322	2,845	16.8%	2,983	11.3%
		-----		-----		
15	Sub-total	38,666	26,337	46.8%	34,123	13.3%
16	VISA Litigation	0	0	n/m	0	n/m
		-----		-----		
17	Total Noninterest Expense	\$38,666	\$26,337	46.8%	\$34,123	13.3%
		=====		=====		
18	Average Full Time Equivalent Staff	1,176	892	31.8%	1,144	2.8%
19	Avg. Assets / Avg. Full Time Equivalent Staff	\$4,477	\$4,773	-6.2%	\$4,370	2.5%
20 Operating Ratios:						
21	FTE Revenue / Avg. Full Time Equiv. Staff (annualized)	\$268	\$207	29.5%	\$437	-38.7%
22	Noninterest Expense / Avg. Earning Assets (annualized)	3.31%	2.74%		3.09%	
23	Noninterest Expense / FTE Revenues	49.1%	57.4%		27.7%	

8. Provision for Loan Losses.

(dollars in thousands)						
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09	

1	Average Total Loans	\$3,383,654	\$2,439,062	38.7%	\$3,135,944	7.9%
2	Avg Total Covered Loans (1)	\$1,045,360	\$0	n/m	\$761,855	37.2%
3	Avg. Total Non-Covered Loans	\$2,338,294	\$2,439,062	-4.1%	\$2,374,089	-1.5%
4 Non-Covered Loans:						
5	Provision for Loan Losses	\$2,600	\$600	333.3%	\$1,800	44.4%
6	Gross Loan Losses	3,937	2,208	78.3%	2,928	34.5%
7	Net Loan Losses	3,281	1,870	75.5%	2,467	33.0%
8	Recoveries / Gross Loan Losses	17%	15%		16%	
9	Net Loan Losses / Avg Non-Covered Loans (a)	0.56%	0.31%		0.42%	
10	Provision for Loan Losses / Avg. Non-Covered Loans (a)	0.45%	0.10%		0.31%	
11	Provision for Loan Losses / Net Loan Losses	79.2%	32.1%		73.0%	

(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 the time of purchase.

(a) annualized

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9. Credit Quality.

	(dollars in thousands)		6/30/09 /	6/30/09 /	
	6/30/09	6/30/08	6/30/08	3/31/09	3/31/09
1 Non-Covered Nonperforming Loans:					
2 Nonperforming Nonaccrual Loans	\$29,603	\$11,713	152.7%	\$10,943	170.5%
3 Performing Nonaccrual Loans	26	28	-6.9%	27	-3.4%
4 Total Nonaccrual Loans	29,629	11,741	152.3%	10,970	170.1%
5 Accruing Loans 90+ Days Past Due	614	254	141.7%	777	-21.0%
6 Total Non-Covered Nonperforming Loans	30,243	11,995	152.1%	11,747	157.5%
7 Non-Covered Repossessed Loan Collateral	4,715	920	412.7%	4,756	-0.9%
8 Total Non-Covered Nonperforming Assets	34,958	12,915	170.7%	16,503	111.8%
9 Covered Nonperforming Loans (1):					
10 Nonperforming Nonaccrual Loans	65,910	0	n/m	34,437	91.4%
11 Performing Nonaccrual Loans	16,901	0	n/m	3,632	365.3%
12 Total Nonaccrual Loans	82,811	0	n/m	38,069	117.5%
13 Accruing Loans 90+ Days Past Due	8,622	0	n/m	9,866	-12.6%
14 Total Covered Nonperforming Loans (1)	91,433	0	n/m	47,935	90.7%
15 Covered Repossessed Loan Collateral (1)	13,691	0	n/m	13,391	2.2%
16 Total Covered Nonperforming Assets (1)	105,124	0	n/m	61,326	71.4%
16 Total Nonperforming Assets	\$140,082	\$12,915	n/m	\$77,829	80.0%
17 Non-Covered Classified Loans	\$53,359	\$33,546	59.1%	\$41,453	28.7%
18 Covered Classified Loans (1)	153,972	0	n/m	169,778	-9.3%
19 Total Classified Loans	\$207,331	\$33,546	n/m	\$211,231	-1.8%
20 Total Non-Covered Loans Outstanding	\$2,322,005	\$2,431,011	-4.5%	\$2,356,237	-1.5%
21 Total Covered Loans Outstanding (1)	1,031,643	0	n/m	1,089,071	-5.3%
22 Total Loans Outstanding	\$3,353,648	\$2,431,011	38.0%	\$3,445,308	-2.7%

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23 Total Assets	\$5,193,595	\$4,188,868	24.0%	\$5,428,865	-4.3%
24 Non-Covered Loans:					
25 Allowance for Loan Losses	\$43,122	\$50,964	-15.4%	\$43,803	-1.6%
26 Allowance/Non-Covered Loans	1.86%	2.10%		1.86%	
27 Non-Covered Nonperforming Loans / Non-Covered Loans	1.30%	0.49%		0.50%	
28 Non-Covered Nonperforming Assets/Total Assets	0.67%	0.31%		0.30%	
29 Allowance/Non-Covered Nonperforming Loans	143%	425%		373%	
30 Covered Loans (1):					
31 Fair Value Discount on Covered Loans	\$114,276	n/a		\$149,290	
32 Discount/Covered Loans, gross	9.97%	n/a		12.06%	
33 Covered Nonperforming Assets/Total Assets	2.02%	n/a		1.13%	
34 Fair Value Discount on Reposessed Loan Collateral	\$7	n/a		\$11,178	
35 Discount/Covered Reposessed Collateral, gross	0.05%	n/a		45.50%	

(1) Covered loans and reposessed loan collateral represent purchased assets on which losses are per a Loss-Sharing Agreement.

Covered assets were recorded at estimated fair value at the time of purchase.

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10.Capital.

(dollars in thousands, except per-share amounts)

	6/30/09	6/30/08	6/30/09 / 6/30/08	3/31/09	6/30/09 / 3/31/09
1 Shareholders' Equity	\$559,231	\$410,445	36.2%	\$536,668	4.2%
2 Tier I Regulatory Capital	421,048	290,864	44.8%	394,829	6.6%
3 Total Regulatory Capital	458,182	327,631	39.8%	432,822	5.9%
4 Total Assets	5,193,595	4,188,868	24.0%	5,428,865	-4.3%
5 Risk-Adjusted Assets	2,890,291	2,845,553	1.6%	2,993,229	-3.4%
6 Shareholders' Equity / Total Assets	10.77%	9.80%		9.89%	
7 Shareholders' Equity / Total Loans	16.68%	16.88%		15.58%	
8 Tier I Capital /Total Assets	8.11%	6.94%		7.27%	
9 Tier I Capital / Risk-Adjusted Assets	14.57%	10.22%		13.19%	

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10 Total Capital /					
Risk-Adjusted Assets	15.85%	11.51%		14.46%	
11 Tangible Common Equity Ratio	6.26%	6.71%		5.52%	
12 Common Shares Outstanding	29,214	28,889	1.1%	28,874	1.2%
13 Common Equity Per Share	\$16.31	\$14.21	14.8%	\$15.73	3.7%
14 Market Value Per Common Share	\$49.61	\$52.59	-5.7%	\$45.56	8.9%

15 Share Repurchase Programs

	(shares in thousands)				
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09
16 Total Shares Repurchased /					
Canceled	6	172	-96.5%	16	-62.0%
17 Average Repurchase Price	\$51.90	\$54.89	-5.4%	\$41.58	24.8%
18 Net Shares (Issued) Repurchased	(340)	(117)	189.3%	6	n/m

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11. Period-End Balance Sheets.

	(unaudited, dollars in thousands)			(unaudited, dollars in thousands)		
	6/30/09	6/30/08	6/30/09 / 6/30/08	3/31/09	6/30/09 / 3/31/09	
1 Assets:						
2 Cash and Money Market Assets	\$169,291	\$134,432	25.9%	\$149,566	13.2%	
3 Investment Securities						
Available For Sale	407,127	391,028	4.1%	436,343	-6.7%	
4 Investment Securities						
Held to Maturity	830,618	978,298	-15.1%	918,745	-9.6%	
5 Non-Covered Loans	2,322,005	2,431,011	-4.5%	2,356,237	-1.5%	
6 Allowance For Loan Losses	(43,122)	(50,964)	-15.4%	(43,803)	-1.6%	
7 Non-Covered Loans, net	2,278,883	2,380,047	-4.3%	2,312,434	-1.5%	
8 Covered Loans, net (1)	1,031,643	0	n/m	1,089,071	-5.3%	
9 Total Loans	3,310,526	2,380,047	39.1%	3,401,505	-2.7%	
10 Non-Covered Other Real Estate						
Owned	4,715	920	n/m	4,756	-0.9%	

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11	Covered Other Real Estate					
	Owned, net (1)	13,691	0	n/m	13,391	2.2%
12	Premises and Equipment	26,490	27,460	-3.5%	26,729	-0.9%
13	Identifiable Intangible					
	Assets	39,934	16,784	137.9%	41,630	-4.1%
14	Goodwill	121,699	121,719	-0.0%	121,699	0.0%
15	Interest Receivable and					
	Other Assets	269,504	138,180	95.0%	314,501	-14.3%
		-----			-----	
16	Total Assets	\$5,193,595	\$4,188,868	24.0%	\$5,428,865	-4.3%
		=====			=====	
17	Liabilities and Shareholders' Equity:					
18	Deposits:					
19	Noninterest Bearing	\$1,334,871	\$1,195,004	11.7%	\$1,353,696	-1.4%
20	Interest-Bearing					
	Transaction	716,706	527,109	36.0%	730,153	-1.8%
21	Savings	968,408	754,677	28.3%	968,411	-0.0%
22	Time	1,137,152	686,702	65.6%	1,204,021	-5.6%
		-----			-----	
23	Total Deposits	4,157,137	3,163,492	31.4%	4,256,281	-2.3%
		-----			-----	
24	Short-Term Borrowed Funds	316,466	514,131	-38.4%	441,418	-28.3%
25	Federal Home Loan Bank					
	Advances	86,338	0	n/m	86,772	-0.5%
25	Debt Financing and					
	Notes Payable	26,564	36,699	-27.6%	26,598	-0.1%
26	Liability For Interest,					
	Taxes and Other	47,859	64,101	-25.3%	81,128	-41.0%
		-----			-----	
27	Total Liabilities	4,634,364	3,778,423	22.7%	4,892,197	-5.3%
		-----			-----	
28	Shareholders' Equity:					
29	Preferred Stock	82,611	0	n/m	82,550	0.1%
30	Paid-In Capital	367,840	351,157	4.8%	356,326	3.2%
31	Accumulated Other Comprehensive					
	Income (Loss)	1,747	1,074	62.7%	2,274	-23.2%
33	Retained Earnings	107,033	58,214	83.9%	95,518	12.1%
		-----			-----	
34	Total Common Equity	476,620	410,445	16.1%	454,118	5.0%
		-----			-----	
35	Total Shareholders' Equity	559,231	410,445	36.2%	536,668	4.2%
		-----			-----	
36	Total Liabilities and					
	Shareholders' Equity	\$5,193,595	\$4,188,868	24.0%	\$5,428,865	-4.3%
		=====			=====	

(1) Covered loans and repossessed loan collateral represent purchased assets on which losses are per a Loss-Sharing Agreement.
Covered assets were recorded at estimated fair value at the time of purchase.

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12.Income Statements.

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	(unaudited, dollars in thousands, except per-share amounts)				
	Q2'09	Q2'08	Q2'09 / Q2'08	Q1'09	Q2'09 / Q1'09
1 Interest and Fee Income:					
2 Loans	\$49,523	\$37,274	32.9%	\$45,095	9.8%
3 Money Market Assets and Funds Sold	1	1	n/m	1	n/m
4 Investment Securities Available For Sale	4,539	4,942	-8.1%	3,739	21.4%
5 Investment Securities Held to Maturity	9,009	10,438	-13.7%	10,350	-13.0%
6 Total Interest Income	63,072	52,655	19.8%	59,185	6.6%
7 Interest Expense:					
8 Transaction Deposits	293	347	-15.6%	205	42.7%
9 Savings Deposits	1,059	1,105	-4.1%	900	17.6%
10 Time Deposits	3,116	3,873	-19.5%	2,679	16.3%
11 Short-Term Borrowed Funds	856	2,483	-65.5%	626	36.6%
12 Debt Financing and Notes Payable	421	578	-27.1%	423	-0.3%
13 Total Interest Expense	5,745	8,386	-31.5%	4,833	18.9%
14 Net Interest Income	57,327	44,269	29.5%	54,352	5.5%
15 Provision for Loan Losses	2,600	600	n/m	1,800	44.4%
16 Noninterest Income:					
17 Service Charges on Deposit Accounts	9,116	7,529	21.1%	8,422	8.2%
18 Merchant Credit Card	2,223	2,712	-18.0%	2,432	-8.6%
19 ATM Fees & Interchange	1,013	763	32.7%	813	24.7%
20 Debit Card Fees	1,323	978	35.2%	1,066	24.1%
21 Financial Services Commissions	137	274	-49.7%	154	-10.4%
22 Mortgage Banking	25	27	-7.5%	17	44.9%
23 Trust Fees	373	377	-1.2%	364	2.3%
24 Net Loss From Equity Securities	0	(18,178)	n/m	0	n/m
25 FAS 141R Gain	0	0	n/m	48,844	n/m
26 Other	2,176	1,675	29.9%	1,857	17.2%
27 Total Noninterest Income (Loss)	16,386	(3,843)	n/m	63,968	n/m
28 Noninterest Expense:					
29 Salaries and Related Benefits	17,448	13,065	33.5%	16,371	6.6%
30 Occupancy	5,413	3,443	57.2%	5,410	0.1%
31 Equipment	1,607	1,001	60.6%	1,222	31.5%
32 Outsourced Data Processing	2,378	2,105	13.0%	2,104	13.0%
33 Professional Fees	779	683	14.0%	888	-12.3%
34 FDIC Insurance Assessment	3,221	133	n/m	157	n/m
35 VISA Litigation	0	0	n/m	0	n/m
36 Other	7,820	5,907	32.4%	7,971	-1.9%
37 Total Noninterest Expense	38,666	26,337	46.8%	34,123	13.3%

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38	Income Before Income Taxes	32,447	13,489	140.5%	82,397	-60.6%
39	Income Tax Provision	9,264	1,287	n/m	29,572	n/m
		-----		-----		
40	Net Income	23,183	12,202	90.0%	52,825	-56.1%
41	Preferred Stock Dividends and Discount Accretion	1,107	0	n/m	578	91.5%
		-----		-----		
42	Net Income Applicable to Common Equity	\$22,076	\$12,202	90.7%	\$52,247	42.3%
		=====		=====		
43	Average Common Shares Outstanding	29,126	28,916	0.7%	28,876	0.9%
44	Diluted Average Common Shares Outstanding	29,403	29,392	0.0%	29,105	1.0%
45	Per Common Share Data:					
46	Basic Earnings	\$0.76	\$0.42	81.0%	\$1.81	n/m
47	Diluted Earnings	0.75	0.42	78.6%	1.80	n/m
48	Dividends Paid	0.35	0.35	0.0%	0.36	-2.8%