

WESTAMERICA BANCORPORATION

Form 8-K

January 19, 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):
January 19, 2007

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 January 18, 2007

Item 2.02: Results of Operations and Financial Condition

On January 18, 2007 Westamerica Bancorporation announced their annual earnings for 2006. 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
January 19, 2007

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Exhibit No.	Description	Sequentially Number Page
(99.1)	Press release dated January 18, 2007	5-15

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FOR IMMEDIATE RELEASE
January 18, 2007

WESTAMERICA BANCORPORATION REPORTS ANNUAL EARNINGS

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San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported net income for the year ended December 31, 2006 of \$98.8 million, compared to \$106.0 million for 2005. Diluted earnings per share (EPS) for 2006 were \$3.11, compared to \$3.22 for the year 2005. Return on shareholders' equity for the year 2006 was 23.4 percent and return on assets was 2.01 percent, compared to 25.7 percent and 2.09 percent, respectively, for the year 2005. For the year 2006, shareholder dividends totaled \$1.30 per share, a seven percent increase over \$1.22 per share for the prior year.

Net income for the fourth quarter 2006 totaled \$24.0 million, or EPS of \$0.77, compared to net income of \$24.2 million and EPS of \$0.77 for the third quarter 2006. Fourth quarter 2006 results also compare to EPS of \$0.83 for the fourth quarter 2005, which included company owned life insurance proceeds, which increased EPS \$0.01.

"Fourth quarter 2006 results benefited from strength in merchant card processing and debit card fees, and cost containment," said Chairman, President and CEO David Payne. "During the fourth quarter, we continued to focus our sales efforts on gathering noninterest bearing demand deposits to support our net interest margin. Our cost of funds rose just 0.07 percent in spite of fierce competition for deposits. As a result, our net interest margin was 4.49 percent, well within the top-tier for the banking industry. Our efficiency ratio remains low at 39.0 percent, and our credit quality remained stable. Westamerica generated a 23 percent return on our shareholders' equity for the fourth quarter 2006," continued Payne.

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Net interest income on a fully taxable equivalent basis was \$49.0 million in the fourth quarter of 2006 compared to \$50.2 million in the prior quarter and \$55.8 million in the same quarter a year ago. The fourth quarter 2006 net interest margin on a taxable equivalent basis was 4.49 percent, compared to 4.54 percent for the previous quarter and 4.80 percent for the fourth quarter of 2005. For the full year 2006, net interest income and the net interest margin on a fully taxable equivalent basis were \$204.7 million and 4.57 percent, compared to \$223.9 million and 4.82 percent, respectively, for 2005.

The provision for credit losses was \$70 thousand for the fourth quarter of 2006, compared to \$75 thousand for the previous quarter and \$150 thousand for the year ago quarter. The level of the credit loss provision reflects management's assessment of credit risk for the loan portfolio.

Noninterest income in the fourth quarter of 2006 totaled \$13.7 million, compared to \$13.9 million reported for the previous quarter and \$14.4 million reported for the year ago quarter. The decrease from the prior quarter is primarily attributable to lower deposit service charges offset in part by higher merchant card processing fees. The decrease from the year ago quarter is due to lower deposit service charges and life insurance proceeds of \$355 thousand recognized in the fourth quarter 2005. For the full year 2006, noninterest income increased to \$55.3 million from \$54.5 million for 2005. The \$800 thousand annual increase is attributable to higher merchant card processing and debit card fees offset in part by lower deposit service charges. Noninterest income for 2005 includes a \$4.9 million securities loss, \$3.7 million in gains from the sale of real estate, and \$945 thousand in company owned life insurance proceeds, which combined to reduce noninterest income by \$260 thousand.

Noninterest expense for the fourth quarter of 2006 totaled \$24.5 million compared to \$25.4 million in the prior quarter and \$27.0 million in the year ago quarter. The decrease from the prior quarter is primarily attributable to lower personnel, occupancy, and other expenses offset in part by higher operational losses. The decrease from the year ago quarter is primarily attributable to

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lower personnel and telephone expenses. For the full year 2006, noninterest expense was \$101.7 million, down five percent from \$107.3 million for 2005. The decrease is primarily attributable to lower personnel, telephone and insurance expenses, offset in part by higher amortization of intangible assets due to the acquisition of Redwood Empire Bancorp on March 1, 2005.

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Shareholders' equity was \$424 million at December 31, 2006, and the equity-to-asset ratio was 8.9 percent. At December 31, 2006, there were approximately 1.4 million shares remaining to purchase under the Company's existing share repurchase program. At December 31, 2006, the Company's assets totaled \$4.8 billion and loans outstanding totaled \$2.5 billion.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 87 branches 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
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," "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-Q for the quarter ended September 30, 2006 and Form 10-K for the year ended December 31, 2005, 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

Public Information January 18, 2007

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December 31, 2006

1. Net Income Summary.

	(dollars in thousands except per-share data)					
	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
1 Net Interest Income (Fully Taxable Equivalent)	\$49,029	\$55,830	-12.2%	\$50,197		-2.3%
2 Provision for Credit Losses	70	150	-53.3%	75		-6.7%
3 Noninterest Income:						
4 Investment Securities (Loss/Impairment) Gains	0	0	n/m	0		n/m
5 Gains on Sales of Real Property	0	0	n/m	0		n/m
6 Other	13,747	14,427	-4.7%	13,899		-1.1%
7 Total Noninterest Income	13,747	14,427	-4.7%	13,899		-1.1%
8 Noninterest Expense	24,492	26,980	-9.2%	25,403		-3.6%
9 Income Tax Provision (FTE)	14,256	16,003	-10.9%	14,381		-0.9%
10 Net Income	\$23,958	\$27,124	-11.7%	\$24,237		-1.2%
11 Average Shares Outstanding	30,699	32,029	-4.2%	31,070		-1.2%
12 Diluted Average Shares Outstanding	31,204	32,572	-4.2%	31,558		-1.1%
13 Operating Ratios:						
14 Basic Earnings Per Share	\$0.78	\$0.85	-7.8%	\$0.78		0.0%
15 Diluted Earnings Per Share	0.77	0.83	-7.8%	0.77		-0.0%
16 Return On Assets	1.98%	2.11%		1.98%		
17 Return On Equity	22.8%	25.5%		22.7%		
18 Net Interest Margin (FTE)	4.49%	4.80%		4.54%		
19 Efficiency Ratio (FTE)	39.0%	38.4%		39.6%		
20 Dividends Paid Per Share	\$0.34	\$0.32	6.3%	\$0.32		6.3%
21 Dividend Payout Ratio	44%	38%		42%		

2. Net Interest Income.

	(dollars in thousands)					
	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
1 Interest and Fee Income (FTE)	\$66,511	\$68,349	-2.7%	\$67,185		-1.0%
2 Interest Expense	17,482	12,519	39.6%	16,988		2.9%
3 Net Interest Income (FTE)	\$49,029	\$55,830	-12.2%	\$50,197		-2.3%

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4 Average Earning Assets	\$4,366,676	\$4,639,319	-5.9%	\$4,419,609	-1.2%	\$4
5 Average Interest-Bearing Liabilities	2,975,221	3,168,720	-6.1%	3,045,282	-2.3%	3
6 Yield on Earning Assets (FTE)	6.07%	5.87%		6.05%		
7 Cost of Funds	1.58%	1.07%		1.51%		
8 Net Interest Margin (FTE)	4.49%	4.80%		4.54%		
9 Interest Expense/Interest-Bearing Liabilities	2.32%	1.56%		2.20%		
10 Net Interest Spread (FTE)	3.75%	4.31%		3.85%		

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3. Loans & Other Earning Assets.

(average volume, dollars in thousands)

	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
1 Total Assets	\$4,793,700	\$5,089,078	-5.8%	\$4,846,286	-1.1%	\$4
2 Total Earning Assets	4,366,676	4,639,319	-5.9%	4,419,609	-1.2%	4
3 Total Loans	2,547,524	2,616,813	-2.6%	2,555,472	-0.3%	2
4 Commercial Loans	637,194	698,375	-8.8%	654,179	-2.6%	
5 Commercial Real Estate Loans	915,578	921,141	-0.6%	913,919	0.2%	
6 Consumer Loans	994,752	997,297	-0.3%	987,373	0.7%	
7 Total Investment Securities	1,819,152	2,022,506	-10.1%	1,864,137	-2.4%	1
8 Available For Sale (Market Value)	630,827	670,499	-5.9%	636,480	-0.9%	
9 Held To Maturity	1,188,325	1,352,007	-12.1%	1,227,657	-3.2%	1
10 HTM Unrealized (Loss) at Period-End	(9,356)	(13,434)	n/m	(6,777)	n/m	
11 Loans / Deposits	71.7%	67.1%		70.9%		

4. Deposits & Other Interest-Bearing Liabilities.

(average volume, dollars in thousands)

	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
1 Total Deposits	\$3,553,379	\$3,898,859	-8.9%	\$3,602,565	-1.4%	\$3
2 Noninterest Demand	1,332,213	1,435,193	-7.2%	1,311,786	1.6%	1
3 Interest-Bearing Transaction	593,236	655,109	-9.4%	602,996	-1.6%	
4 Savings	896,538	1,073,971	-16.5%	943,396	-5.0%	
5 Other Time >\$100K	505,390	470,016	7.5%	509,741	-0.9%	
6 Other Time <\$100K	226,002	264,570	-14.6%	234,646	-3.7%	
7 Total Short-Term Borrowings	717,114	664,752	7.9%	717,524	-0.1%	
8 Fed Funds Purchased	517,913	480,649	7.8%	485,095	6.8%	

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9	Other Short-Term Funds	199,201	184,103	8.2%	232,429	-14.3%
10	Long-Term Debt	36,941	40,302	-8.3%	36,978	-0.1%
11	Shareholders' Equity	417,597	421,536	-0.9%	422,735	-1.2%
12	Demand Deposits / Total Deposits	37.5%	36.8%		36.4%	
13	Transaction & Savings Deposits / Total Deposits	79.4%	81.2%		79.3%	

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5. Interest Yields Earned & Rates Paid.

(dollars in thousands)

	Q4'06			Q3'06		
	Average Volume	Income/ Expense	Yield/ Rate	Yield/ Rate	Average Volume	
1	Interest & Fees Income Earned					
2	Total Earning Assets (FTE)	\$4,366,676	\$66,511	6.07%	6.05%	\$4,639,319
3	Total Loans (FTE)	2,547,524	42,449	6.61%	6.61%	2,616,813
4	Commercial Loans (FTE)	637,194	12,810	7.69%	7.74%	698,375
5	Commercial Real Estate Loans	915,578	16,361	7.09%	7.12%	921,141
6	Consumer Loans	994,752	13,278	5.41%	5.36%	997,297
7	Total Investment Securities (FTE)	1,819,152	24,062	5.29%	5.28%	2,022,506
8	Interest Expense Paid					
9	Total Earning Assets	4,366,676	17,482	1.58%	1.52%	4,639,319
10	Total Interest-Bearing Liabilities	2,975,221	17,482	2.32%	2.20%	3,168,720
11	Total Interest-Bearing Deposits	2,221,166	9,282	1.66%	1.56%	2,463,666
12	Interest-Bearing Transaction	593,236	486	0.32%	0.28%	655,109
13	Savings	896,538	1,203	0.53%	0.49%	1,073,971
14	Other Time <\$100K	226,002	1,772	3.11%	2.91%	264,570
15	Other Time >\$100K	505,390	5,821	4.57%	4.43%	470,016
16	Total Short-Term Borrowings	717,114	7,622	4.16%	4.04%	664,752
17	Fed Funds Purchased	517,913	6,936	5.24%	5.25%	480,649
18	Other Short-Term Funds	199,201	686	1.37%	1.52%	184,103
19	Long-Term Debt	36,941	578	6.26%	6.25%	40,302
20	Net Interest Income and Margin (FTE)		\$49,029	4.49%	4.54%	

6. Noninterest Income.

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(dollars in thousands except per share data)

	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
1 Service Charges on Deposit Accounts	\$6,990	\$7,202	-2.9%	\$7,155	-2.3%	
2 Merchant Credit Card Income	2,652	2,751	-3.6%	2,430	9.1%	
3 ATM Fees & Interchange	676	653	3.5%	753	-10.2%	
4 Debit Card Fees	902	865	4.3%	883	2.2%	
5 Financial Services Fees	331	380	-13.0%	377	-12.1%	
6 Mortgage Banking Income	44	62	-28.5%	36	24.2%	
7 Trust Fees	311	275	13.0%	298	4.4%	
8 Other Income	1,841	2,239	-17.8%	1,967	-6.5%	
9 Sub-total	13,747	14,427	-4.7%	13,899	-1.1%	
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	\$13,747	\$14,427	-4.7%	\$13,899	-1.1%	
13 Operating Ratios:						
14 Total Revenue (FTE)	\$62,776	\$70,257	-10.6%	\$64,096	-2.1%	
15 Noninterest Income / Revenue (FTE)	21.9%	20.5%		21.7%		
16 Service Charges / Deposits (annualized)	0.78%	0.73%		0.79%		
17 Total Revenue Per Share (annualized)	\$8.11	\$8.70	-6.8%	\$8.18	-0.9%	

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7. Noninterest Expense.

(dollars in thousands)

	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
1 Salaries & Benefits	\$12,405	\$13,866	-10.5%	\$13,080	-5.2%	
2 Occupancy	3,227	3,196	1.0%	3,321	-2.8%	
3 Equipment	1,174	1,321	-11.2%	1,194	-1.6%	
4 Data Processing	1,529	1,524	0.3%	1,503	1.7%	
5 Courier	891	952	-6.5%	904	-1.5%	
6 Postage	431	441	-2.1%	410	5.3%	
7 Telephone	365	497	-26.5%	371	-1.5%	
8 Professional Fees	614	599	2.5%	532	15.4%	
9 Stationery & Supplies	314	314	0.1%	307	2.3%	
10 Loan Expense	199	200	-0.6%	253	-21.3%	
11 Operational Losses	320	303	5.6%	129	147.9%	
12 Amortization of Identifiable Intangibles	1,016	1,064	-4.5%	1,016	0.0%	

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13 Other Operating	2,007	2,703	-25.8%	2,383	-15.8%
14 Total Noninterest Expense	\$24,492	\$26,980	-9.2%	\$25,403	-3.6%
15 Full Time Equivalent Staff	891	945	-5.7%	901	-1.1%
16 Average Assets / Full Time Equivalent Staff	\$5,380	\$5,385	-0.1%	\$5,379	0.0%
17 Operating Ratios:					
18 FTE Revenue / Full Time Equivalent Staff (annualized)	\$280	\$295	-5.2%	\$282	-1.0%
19 Noninterest Expense / Earning Assets (annualized)	2.23%	2.31%		2.28%	
20 Noninterest Expense / Revenues	39.0%	38.4%		39.6%	

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8. Provision for Credit Losses.

(dollars in thousands)

	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/06
1 Provision for Credit Losses	\$70	\$150	-53.3%	\$75	-6.7%	
2 Gross Loan Losses	848	701	20.9%	1,011	-16.2%	
3 Net Loan Losses	78	287	-72.9%	421	-81.5%	
4 Recoveries / Gross Loan Losses	91%	59%		58%		
5 Average Total Loans	\$2,547,524	\$2,616,813	-2.6%	\$2,555,472	-0.3%	\$2,555,472
6 Net Loan Losses / Loans (annualized)	0.01%	0.04%		0.07%		
7 Provision for Credit Losses / Loans (annualized)	0.01%	0.02%		0.01%		
8 Provision for Credit Losses / Net Loan Losses	89.9%	52.3%		17.8%		

9. Credit Quality.

(dollars in thousands)

	12/31/06	12/31/05	12/31/06 / 12/31/05	9/30/06	12/31/06 / 9/30/06	6/30/06
1 Nonperforming Nonaccrual Loans	\$61	\$2,068	-97.1%	\$1,162	-94.8%	
2 Performing Nonaccrual Loans	4,404	4,256	3.5%	3,889	13.2%	
3 Total Nonaccrual Loans	4,465	6,324	-29.4%	5,051	-11.6%	

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4	Accruing Loans 90+ Days Past Due	65	162	n/m	252	n/m
5	Total Nonperforming Loans	4,530	6,486	-30.2%	5,303	-14.6%
6	Repossessed Collateral	647	0	n/m	656	n/m
7	Total Nonperforming Loans & Repossessed Collateral	\$5,177	\$6,486	-20.2%	\$5,959	-13.1%
9	Classified Loans	\$20,180	\$29,997	-32.7%	\$24,767	-18.5%
10	Allowance for Loan Losses	\$55,330	\$55,849	-0.9%	\$55,338	-0.0%
11	Total Loans Outstanding	2,531,734	2,672,221	-5.3%	2,552,929	-0.8%
12	Total Assets	4,769,335	5,157,559	-7.5%	4,845,360	-1.6%
13	Allowance for Loan Losses / Total Loans	2.19%	2.09%		2.17%	
14	Nonperforming Loans / Total Loans	0.18%	0.24%		0.21%	
15	Nonperforming Loans & Repossessed Collateral / Total Assets	0.11%	0.13%		0.12%	
17	Allowance / Nonperforming Loans	1221%	861%		1044%	
18	Allowance for Loan Losses / Classified Loans	274%	186%		223%	
19	Classified Loans / (Equity + Allowance for Loan Losses)	4.2%	6.1%		5.1%	

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10.Capital.

(dollars in thousands, except per-share amounts)

	12/31/06	12/31/05	12/31/06 / 12/31/05	9/30/06	12/31/06 / 9/30/06	
1	Shareholders' Equity	\$424,235	\$435,064	-2.5%	\$426,976	-0.6%
2	Tier I Regulatory Capital	298,576	296,746	0.6%	300,344	-0.6%
3	Total Regulatory Capital	339,114	339,881	-0.2%	341,207	-0.6%
4	Total Assets	4,769,335	5,157,559	-7.5%	4,845,360	-1.6%
5	Risk-Adjusted Assets	3,057,054	3,267,226	-6.4%	3,094,942	-1.2%
6	Shareholders' Equity / Total Assets	8.90%	8.44%		8.81%	
7	Shareholders' Equity / Total Loans	16.76%	16.28%		16.72%	
8	Tier I Capital / Total Assets	6.26%	5.75%		6.20%	
9	Tier I Capital / Risk-Adjusted Assets	9.77%	9.08%		9.70%	
10	Total Capital /	11.09%	10.40%		11.02%	

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Risk-Adjusted Assets					
11 Shares Outstanding	30,547	31,882	-4.2%	30,910	-1.2%
12 Book Value Per Share (\$)	\$13.89	\$13.65	1.8%	\$13.81	0.5%
13 Market Value Per Share (\$)	50.63	53.07	-4.6%	50.51	0.2%
14 Share Repurchase Programs					

	(shares in thousands)					
	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
15 Total Shares Repurchased / Canceled	410	500	-17.9%	436	-5.8%	
16 Average Repurchase Price	\$49.32	\$52.91	-6.8%	\$47.98	2.8%	
17 Net Shares Repurchased (Issued)	363	316	14.9%	291	24.7%	

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11. Period-End Balance Sheets.

	(dollars in thousands)					
	12/31/06	12/31/05	12/31/06 / 12/31/05	9/30/06	12/31/06 / 9/30/06	6
1 Assets:						
2 Cash and Money Market Assets	\$185,009	\$209,807	-11.8%	\$192,175	-3.7%	
3 Investment Securities Available For Sale	615,525	662,388	-7.1%	617,736	-0.4%	
4 Investment Securities Held to Maturity	1,165,092	1,337,216	-12.9%	1,211,589	-3.8%	1
5 Loans, gross	2,531,734	2,672,221	-5.3%	2,552,929	-0.8%	2
6 Allowance For Loan Losses	(55,330)	(55,849)	-0.9%	(55,338)	-0.0%	
7 Loans, net	2,476,404	2,616,372	-5.3%	2,497,591	-0.8%	2
8 Premises and Equipment	30,188	33,221	-9.1%	30,979	-2.6%	
9 Identifiable Intangible Assets	22,082	26,170	-15.6%	23,098	-4.4%	
10 Goodwill	121,719	121,907	-0.2%	121,719	0.0%	
11 Interest Receivable and Other Assets	153,316	150,478	1.9%	150,473	1.9%	
12 Total Assets	\$4,769,335	\$5,157,559	-7.5%	\$4,845,360	-1.6%	\$4
13 Liabilities and Shareholders' Equity:						

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14	Deposits:					
15	Noninterest Bearing	\$1,341,019	\$1,419,313	-5.5%	\$1,298,519	3.3%
16	Interest-Bearing Transaction	588,668	658,667	-10.6%	581,705	1.2%
17	Savings	865,268	1,022,645	-15.4%	926,262	-6.6%
18	Time	721,779	745,476	-3.2%	744,645	-3.1%
19	Total Deposits	3,516,734	3,846,101	-8.6%	3,551,131	-1.0%
20	Short-Term Borrowed Funds	731,977	775,173	-5.6%	768,841	-4.8%
21	Debt Financing and Notes Payable	36,920	40,281	-8.3%	36,956	-0.1%
22	Liability For Interest, Taxes and Other	59,469	60,940	-2.4%	61,456	-3.2%
23	Total Liabilities	4,345,100	4,722,495	-8.0%	4,418,384	-1.7%
24	Shareholders' Equity:					
25	Paid-In Capital	\$344,263	\$345,458	-0.3%	\$346,603	-0.7%
26	Accumulated Other Comprehensive Income	1,850	1,882	n/m	1,805	n/m
27	Retained Earnings	78,122	87,724	-10.9%	78,568	-0.6%
28						
29	Total Shareholders' Equity	424,235	435,064	-2.5%	426,976	-0.6%
30	Total Liabilities and Shareholders' Equity	\$4,769,335	\$5,157,559	-7.5%	\$4,845,360	-1.6%

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Public Information January 18, 2007

12. Income Statements.

(dollars in thousands, except per-share amounts)

	Q4'06	Q4'05	Q4'06 / Q4'05	Q3'06	Q4'06 / Q3'06	12/
1 Interest and Fee Income:						
2 Loans	\$41,197	\$40,593	1.5%	\$41,292	-0.2%	
3 Money Market Assets and Funds Sold	2	1	n/m	1	n/m	
4 Investment Securities Available For Sale	7,184	7,638	-5.9%	7,227	-0.6%	
5 Investment Securities Held to Maturity	12,422	14,002	-11.3%	12,845	-3.3%	
6 Total Interest Income	60,805	62,234	-2.3%	61,365	-0.9%	
7 Interest Expense:						
8 Transaction Deposits	486	457	6.4%	430	13.1%	
9 Savings Deposits	1,203	953	26.2%	1,173	2.6%	
10 Time Deposits	7,593	5,176	46.7%	7,408	2.5%	
11 Short-Term Borrowed Funds	7,622	5,296	43.9%	7,399	3.0%	
12 Debt Financing and	578	637	-9.2%	578	0.0%	

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Notes Payable						
13	Total Interest Expense	17,482	12,519	39.6%	16,988	2.9%
14	Net Interest Income	43,323	49,715	-12.9%	44,377	-2.4%
15	Provision for Credit Losses	70	150	-53.3%	75	-6.7%
16	Noninterest Income:					
17	Service Charges on Deposit Accounts	6,990	7,202	-2.9%	7,155	-2.3%
18	Merchant Credit Card	2,652	2,751	-3.6%	2,430	9.1%
19	Financial Services Commissions	331	380	-13.0%	377	-12.1%
20	Mortgage Banking	44	62	-28.5%	36	24.2%
21	Trust Fees	311	275	13.0%	298	4.4%
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	3,419	3,757	-9.0%	3,603	-5.1%
25	Total Noninterest Income	13,747	14,427	-4.7%	13,899	-1.1%
26	Noninterest Expense:					
27	Salaries and Related Benefits	12,405	13,866	-10.5%	13,080	-5.2%
28	Occupancy	3,227	3,196	1.0%	3,321	-2.8%
29	Equipment	1,174	1,321	-11.2%	1,194	-1.6%
30	Data Processing	1,529	1,524	0.3%	1,503	1.7%
31	Professional Fees	614	599	2.5%	532	15.4%
32	Other	5,543	6,474	-14.4%	5,773	-4.0%
33	Total Noninterest Expense	24,492	26,980	-9.2%	25,403	-3.6%
34	Income Before Income Taxes	32,508	37,012	-12.2%	32,798	-0.9%
35	Provision for income taxes	8,550	9,888	-13.5%	8,561	-0.1%
36	Net Income	\$23,958	\$27,124	-11.7%	\$24,237	-1.2%
37	Average Shares Outstanding	30,699	32,029	-4.2%	31,070	-1.2%
38	Diluted Average Shares Outstanding	31,204	32,572	-4.2%	31,558	-1.1%
39	Per Share Data:					
40	Basic Earnings	\$0.78	\$0.85	-7.8%	\$0.78	0.0%
41	Diluted Earnings	0.77	0.83	-7.8%	0.77	-0.0%
42	Dividends Paid	0.34	0.32	6.3%	0.32	6.3%