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WESTAMERICA BANCORPORATION

Form 8-K

April 20, 2006

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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 19, 2006  
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WESTAMERICA BANCORPORATION  
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(Exact Name of Registrant as Specified in Its Charter)

CALIFORNIA  
-----

(State or Other Jurisdiction of Incorporation)

001-9383  
-----

94-2156203  
-----

(Commission File Number)

(IRS Employer Identification No.)

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

(Address of Principal Executive Offices)

(Zip Code)

(707) 863-6000  
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(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

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99.1 Press release dated April 18, 2006

Item 2.02: Results of Operations and Financial Condition

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On April 18, 2006 Westamerica Bancorporation announced their quarterly earnings for the first quarter of 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

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John "Robert" Thorson  
Senior Vice President and Chief Financial Officer  
April 19, 2006

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INDEX TO EXHIBITS

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Exhibit No.	Description	Sequentially Number Page
(99.1)	Press release dated April 18, 2006	5-16

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FOR IMMEDIATE RELEASE  
April 18, 2006

## Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

### WESTAMERICA BANCORPORATION REPORTS FIRST QUARTER 2006 RESULTS

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported quarterly net income for the first quarter of 2006 of \$26.1 million or \$0.81 diluted earnings per share compared to \$22.3 million or \$0.68 diluted earnings per share for the first quarter of 2005. Prior year results reflect the retrospective adoption of Statement of Financial Accounting Standard 123 (revised), which requires recognition of compensation expense for equity awards to employees. First quarter 2005 results include one month of operating results following the March 1, 2005 acquisition of Redwood Empire Bancorp. First quarter 2005 results also include a loss on sale of available-for-sale investment securities totaling \$2.8 million, net of tax, or \$0.08 per diluted share outstanding.

"We are very pleased with first quarter results, given the difficult interest rate environment. Profitability levels remain high with first quarter 2006 return on equity of 24.9 percent and return on assets of 2.10 percent," said Chairman, President and CEO David Payne. "Our low cost of funds, low credit costs, improved fee income, and low cost structure result in net income equal to 38.6 percent of revenues," added Payne.

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Net interest income on a fully taxable equivalent (FTE) basis was \$54.0 million in the first quarter of 2006, compared to \$55.8 million in the prior quarter and to \$55.0 million in the first quarter of 2005. The first quarter 2006 net interest margin on a fully taxable equivalent basis was 4.73 percent, compared to 4.80 percent in the prior quarter and 4.90 percent for the first quarter of 2005.

The provision for loan losses was \$150 thousand for the first quarter of 2006, compared to \$150 thousand in the previous quarter, and \$300 thousand in the first quarter of 2005. Net loan losses totaled \$231 thousand or 0.04 percent of average loans (annualized) in the first quarter of 2006.

Noninterest income in the first quarter of 2006 totaled \$13.6 million compared to \$7.2 million in the first quarter 2005, which included a \$4.9 million loss on sale of investment securities. Merchant credit card income increased \$1.1 million in the first quarter 2006 compared to the year ago period primarily due to the acquired merchant card servicing business of Redwood Empire Bancorp on March 1, 2005. Debit card fees were also higher than the year ago period due to higher activity levels.

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Noninterest expense for the first quarter of 2006 totaled \$25.5 million, \$1.5 million lower than the previous quarter, and \$400 thousand lower than the first quarter of 2005. The decrease from the prior quarter is primarily due to lower personnel costs, professional fees, and operational losses. The decrease from the first quarter of 2005 is primarily due to lower personnel costs and professional fees, offset in part by higher amortization of intangible assets and occupancy costs. The first quarter 2006 efficiency ratio (expenses/revenues) was 37.7 percent compared to 38.4 percent in the prior quarter.

At March 31, 2006, shareholders' equity was \$429 million and the equity-to-asset ratio was 8.5 percent. During the first quarter of 2006 repurchases of the Company's common stock totaled approximately 338 thousand shares, net of shares issued.

At March 31, 2006, the Company's assets totaled \$5.1 billion and total loans outstanding totaled \$2.6 billion.

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Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, currently 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  
 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, 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  
 March 31, 2006

Public Information April 18, 2006

1. Net Income Summary.

(dollars in thousands except per-share data)

	Q1'06	Q1'05	Q1'06 / Q1'05	Q4'05	Q1'06 / Q4'05	3/31'06
1. Net Interest Income	\$53,974	\$55,019	-1.9%	\$55,830	-3.3%	\$53,

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(Fully Taxable Equivalent)						
2. Provision for Credit Losses	150	300	-50.0%	150	0.0%	
3. Noninterest Income:						
4. Investment Securities (Loss/Impairment) Gains	0	(4,903)	n/m	0	n/m	
5. Other	13,639	12,098	12.7%	14,427	-5.5%	13,
6. Total Noninterest Income	13,639	7,195	89.6%	14,427	-5.5%	13,
7. Noninterest Expense	25,483	25,863	-1.5%	26,980	-5.5%	25,
8. Income Tax Provision (FTE)	15,863	13,741	15.4%	16,003	-0.9%	15,
9. Net Income	\$26,117	\$22,310	17.1%	\$27,124	-3.7%	\$26,
10. Average Shares Outstanding	31,688	32,022	-1.0%	32,029	-1.1%	31,
11. Diluted Average Shares Outstanding	32,276	32,680	-1.2%	32,572	-0.9%	32,
12. Operating Ratios:						
13. Basic Earnings Per Share	\$0.82	\$0.70	18.3%	\$0.85	-2.7%	\$0
14. Diluted Earnings Per Share	0.81	0.68	18.5%	0.83	-2.8%	0
15. Return On Assets (annualized)	2.10%	1.86%		2.11%		2
16. Return On Equity (annualized)	24.9%	24.2%		25.5%		2
17. Net Interest Margin (FTE)	4.73%	4.90%		4.80%		4
18. Efficiency Ratio (FTE)	37.7%	41.6%		38.4%		3
19. Dividends Paid Per Share	\$0.32	\$0.30	6.7%	\$0.32	0.0%	\$0
20. Dividend Payout Ratio	40%	44%		38%		

2. Net Interest Income.

(dollars in thousands)						
	Q1'06	Q1'05	Q1'06 / Q1'05	Q4'05	Q1'06 / Q4'05	3/31'06
1. Interest and Fee Income (FTE)	\$68,486	\$63,376	8.1%	\$68,349	0.2%	\$68,
2. Interest Expense	14,512	8,357	73.6%	12,519	15.9%	14,
3. Net Interest Income (FTE)	\$53,974	\$55,019	-1.9%	\$55,830	-3.3%	\$53,
4. Average Earning Assets	\$4,606,178	\$4,518,930	1.9%	\$4,639,319	-0.7%	\$4,606,
5. Average Interest-Bearing Liabilities	3,205,366	3,132,418	2.3%	3,168,720	1.2%	3,205,
6. Yield on Earning Assets (FTE)	6.00%	5.65%		5.87%		6
7. Cost of Funds	1.27%	0.75%		1.07%		1
8. Net Interest Margin (FTE)	4.73%	4.90%		4.80%		4
9. Interest Expense/Interest- Bearing Liabilities	1.82%	1.08%		1.56%		1
10. Net Interest Spread (FTE)	4.18%	4.57%		4.31%		4

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### 3. Loans & Other Earning Assets.

	(average volume, dollars in thousands)						
	Q1'06	Q1'05	Q1'06 / Q1'05		Q4'05	Q1'06 / Q4'05    3/31'06	
1. Total Assets	\$5,054,256	\$4,864,633	3.9%	\$5,089,078	-0.7%	\$5,054,	6
2. Total Earning Assets	4,606,178	4,518,930	1.9%	4,639,319	-0.7%	4,606,	6
3. Total Loans	2,615,949	2,374,710	10.2%	2,616,813	-0.0%	2,615,	6
4. Commercial Loans	690,773	642,461	7.5%	698,375	-1.1%	690,	6
5. Commercial Real Estate Loans	922,838	809,807	14.0%	921,141	0.2%	922,	6
6. Consumer Loans	1,002,338	922,442	8.7%	997,297	0.5%	1,002,	6
7. Total Investment Securities	1,990,229	2,144,220	-7.2%	2,022,506	-1.6%	1,990,	6
8. Available For Sale (Market Value)	665,948	854,585	-22.1%	670,499	-0.7%	665,	6
9. Held To Maturity	1,324,281	1,289,635	2.7%	1,352,007	-2.1%	1,324,	6
10. HTM Unrealized (Loss) at Period-End	(25,025)	(13,664)	n/m	(13,434)	n/m	(25,	6
11. Loans / Deposits	69.1%	63.9%		67.1%		6	6

### 4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in thousands)						
	Q1'06	Q1'05	Q1'06 / Q1'05		Q4'05	Q1'06 / Q4'05    3/31'06	
1. Total Deposits	\$3,784,436	\$3,716,554	1.8%	\$3,898,859	-2.9%	\$3,784,	3
2. Noninterest Demand	1,355,501	1,314,485	3.1%	1,435,193	-5.6%	1,355,	3
3. Interest-Bearing Transaction	651,547	610,152	6.8%	655,109	-0.5%	651,	3
4. Savings	1,022,087	1,114,421	-8.3%	1,073,971	-4.8%	1,022,	3
5. Other Time >\$100K	501,299	406,034	23.5%	470,016	6.7%	501,	3
6. Other Time <\$100K	254,002	271,462	-6.4%	264,570	-4.0%	254,0	3
7. Total Short-Term Borrowings	738,308	703,468	5.0%	664,752	11.1%	738,	3
8. Fed Funds Purchased	548,495	551,080	-0.5%	480,649	14.1%	548,	3
9. Other Short-Term Funds	189,813	152,388	24.6%	184,103	3.1%	189,	3
10. Long-Term Debt	38,124	26,881	41.8%	40,302	-5.4%	38,	3
11. Shareholders' Equity	424,832	373,627	13.7%	421,536	0.8%	424,	3
12. Demand Deposits / Total Deposits	35.8%	35.4%		36.8%		3	3
13. Transaction & Savings Deposits / Total Deposits	80.0%	81.8%		81.2%		8	3

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5. Interest Yields Earned & Rates Paid.

(dollars in thousands)						
	Q1'06		Q4'05		Q1'06	
	Average Volume	Income/ Expense	Yield/ Rate	Yield/ Rate	Average Volume	Income/ Expense
1. Interest & Fees Income Earned						
2. Total Earning Assets (FTE)	\$4,606,178	\$68,486	6.00%	5.87%	\$4,518,930	\$63,486
3. Total Loans (FTE)	2,615,949	42,484	6.59%	6.36%	2,374,710	36,484
4. Commercial Loans (FTE)	690,773	13,154	7.59%	7.32%	642,461	10,154
5. Commercial Real Estate Loans	922,838	16,815	7.39%	7.14%	809,807	14,815
6. Consumer Loans	1,002,338	12,515	5.06%	5.03%	922,442	10,515
7. Total Investment Securities (FTE)	1,990,229	26,002	5.23%	5.22%	2,144,220	27,002
8. Interest Expense Paid						
9. Total Earning Assets	4,606,178	14,512	1.27%	1.07%	4,518,930	8,512
10. Total Interest-Bearing Liabilities	3,205,366	14,512	1.82%	1.56%	3,132,418	8,512
11. Total Interest-Bearing Deposits	2,428,935	7,242	1.21%	1.06%	2,402,069	4,242
12. Interest-Bearing Transaction	651,547	428	0.27%	0.28%	610,152	428
13. Savings	1,022,087	898	0.36%	0.35%	1,114,421	898
14. Other Time <\$100K	254,002	1,461	2.33%	2.17%	271,462	1,461
15. Other Time > \$100K	501,299	4,456	3.60%	3.15%	406,034	1,456
16. Total Short-Term Borrowings	738,308	6,672	3.62%	3.12%	703,468	3,672
17. Fed Funds Purchased	548,495	6,090	4.44%	3.98%	551,080	3,090
18. Other Short-Term Funds	189,813	582	1.24%	0.88%	152,388	582
19. Long-Term Debt	38,124	598	6.27%	6.32%	26,881	598
20. Net Interest Income and Margin (FTE)		\$53,974	4.73%	4.80%		\$55,974

6. Noninterest Income.

(dollars in thousands, except per-share data)						
	Q1'06	Q1'05	Q1'06 / Q1'05	Q4'05	Q1'06 / Q4'05	3/31'06
1. Service Charges on Deposit Accounts	\$7,083	\$6,927	2.3%	\$7,202	-1.6%	\$7,202
2. Merchant Credit Card Income	2,385	1,298	83.8%	2,751	-13.3%	2,751
3. ATM Fees & Interchange	678	624	8.6%	653	3.8%	653
4. Debit Card Fees	828	697	18.8%	865	-4.2%	865
5. Financial Services Fees	298	279	6.8%	380	-21.6%	380
6. Mortgage Banking Income	50	100	-50.5%	62	-20.1%	62
7. Trust Fees	282	273	3.3%	275	2.5%	275
8. Other Income	2,035	1,900	7.1%	2,239	-9.1%	2,239

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9.	Sub-total	13,639	12,098	12.7%	14,427	-5.5%	13,
10.	Gains on Sales of Real Property	0	0	n/m	0	n/m	
11.	Investment Securities Gains (Losses)	0	(4,903)	n/m	0	n/m	
12.	Total Noninterest Income	\$13,639	\$7,195	89.6%	\$14,427	-5.5%	\$13,
13. Operating Ratios:							
14.	Total Revenue (FTE)	\$67,614	\$62,214	8.7%	\$70,257	-3.8%	\$67,
15.	Noninterest Income / Revenue (FTE)	20.2%	11.6%		20.5%		2
16.	Service Charges / Deposits (annualized)	0.76%	0.76%		0.73%		0
17.	Total Revenue Per Share (annualized)	\$8.65	\$7.88	9.8%	\$8.70	-0.6%	\$8

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7. Noninterest Expense.

(dollars in thousands)

	Q1'06	Q1'05	Q1'06 / Q1'05	Q4'05	Q1'06 / Q4'05	3/31'06	
1. Salaries & Benefits	\$13,258	\$13,883	-4.5%	\$13,867	-4.4%	\$13,	
2. Occupancy	3,232	2,952	9.5%	3,196	1.1%	3,	
3. Equipment	1,266	1,230	2.9%	1,321	-4.1%	1,	
4. Data Processing	1,534	1,548	-0.9%	1,524	0.7%	1,	
5. Courier	922	926	-0.4%	952	-3.2%		
6. Postage	410	422	-2.8%	441	-7.0%		
7. Telephone	432	528	-18.2%	497	-13.1%		
8. Professional Fees	457	720	-36.5%	599	-23.7%		
9. Stationery & Supplies	270	348	-22.5%	314	-14.2%		
10. Loan Expense	195	204	-4.6%	200	-2.7%		
12. Operational Losses	188	190	-0.8%	303	-37.8%		
13. Amortization of Identifiable Intangibles	1,040	405	n/m	1,064	-2.3%	1,	
14. Other Operating	2,279	2,507	-9.1%	2,702	-15.6%	2,	
15. Total Noninterest Expense	\$25,483	\$25,863	-1.5%	\$26,980	-5.5%	\$25,	
16. Full Time Equivalent Staff	939	963	-2.5%	945	-0.6%		
17. Average Assets / Full Time Equivalent Staff	\$5,383	\$5,052	6.6%	\$5,385	-0.0%	\$5,	
18. Operating Ratios:							
19. FTE Revenue / Full Time Equivalent Staff (annualized)	\$292	\$262	11.5%	\$295	-1.0%	\$	
20. Noninterest Expense / Earning Assets (annualized)	2.24%	2.32%		2.31%		2	
21. Noninterest Expense / Revenues	37.7%	41.6%		38.4%		3	



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8. Provision for Credit Losses.

(dollars in thousands)

	Q1'06	Q1'05	Q1'06 / Q1'05	Q4'05	Q1'06 / Q4'05	3/31'06
1. Provision for Credit Losses	\$150	\$300	-50.0%	\$150	0.0%	\$
2. Gross Loan Losses	1,118	599	86.7%	701	59.6%	1,
3. Net Loan Losses	231	(194)	-218.9%	287	-19.6%	
4. Recoveries / Gross Loan Losses	79%	132%		59%		
5. Average Total Loans	\$2,615,949	\$2,374,710	10.2%	\$2,616,813	-0.0%	\$2,615,
6. Net Loan Losses / Loans (annualized)	0.04%	-0.03%		0.04%		0
7. Provision for Credit Losses / Loans (annualized)	0.02%	0.05%		0.02%		0
8. Provision for Credit Losses / Net Loan Losses	65.0%	-154.6%		52.3%		6

9. Credit Quality.

(dollars in thousands)

	3/31/06	3/31/05	3/31/06 / 3/31/05	12/31/05	3/31/06 / 12/31/05	9/30
1. Nonperforming Nonaccrual Loans	\$2,993	\$1,766	69.5%	\$2,068	44.7%	\$2,
2. Performing Nonaccrual Loans	3,232	6,550	-50.7%	4,256	-24.1%	4,
3. Total Nonaccrual Loans	6,225	8,316	-25.1%	6,324	-1.6%	6,
4. Accruing Loans 90+ Days Past Due	29	107	n/m	162	n/m	1,
5. Total Nonperforming Loans	6,254	8,423	-25.8%	6,486	-3.6%	8,
6. Repossessed Collateral	0	0	n/m	0	n/m	
7. Total Nonperforming Loans & Repossessed Collateral	\$6,254	\$8,423	-25.8%	\$6,486	-3.6%	\$8,
9. Classified Loans	\$28,878	\$35,258	-18.1%	\$29,997	-3.7%	\$36,
10. Allowance for Loan Losses	\$55,768	\$59,859	-6.8%	\$55,849	-0.1%	\$59,
11. Total Loans Outstanding	2,639,968	2,708,052	-2.5%	2,672,221	-1.2%	2,675,
12. Total Assets	5,055,553	5,200,460	-2.8%	5,157,559	-2.0%	5,161,

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13.Allowance for Loan Losses / Total Loans	2.11%	2.21%	2.09%	2
14.Nonperforming Loans / Total Loans	0.24%	0.31%	0.24%	0
15.Nonperforming Loans & Repossessed				
16. Collateral / Total Assets	0.12%	0.16%	0.13%	0
17.Allowance / Nonperforming Loans	892%	711%	861%	
18.Allowance for Loan Losses / / Classified Loans	193%	170%	186%	
19.Classified Loans /				
20. (Equity + Allowance for Loan Losses)	6.0%	7.0%	6.1%	

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10.Capital.

(dollars in thousands, except per-share amounts)

	3/31/06	3/31/05	3/31/06 / 3/31/05	12/31/05	3/31/06 / 12/31/05	9/30
1. Shareholders' Equity	\$429,372	\$445,924	-3.7%	\$435,064	-1.3%	\$440,
2. Tier I Regulatory Capital	303,344	297,791	1.9%	296,746	2.2%	297,
3. Total Regulatory Capital	345,786	342,146	1.1%	339,881	1.7%	341,
4. Total Assets	5,055,553	5,200,460	-2.8%	5,157,559	-2.0%	5,161,
5. Risk-Adjusted Assets	3,222,355	3,329,316	-3.1%	3,267,226	-1.3%	3,275,
6. Shareholders' Equity / Total Assets	8.49%	8.57%		8.44%		8
7. Shareholders' Equity / Total Loans	16.26%	16.47%		16.28%		16
8. Tier I Capital / Total Assets	6.00%	5.73%		5.75%		5
9. Tier I Capital / Risk-Adjusted Assets	9.41%	8.94%		9.08%		9
10.Total Capital / Risk-Adjusted Assets	10.73%	10.28%		10.40%		10
11.Shares Outstanding	31,544	32,939	-4.2%	31,882	-1.1%	32,
12.Book Value Per Share	\$13.61	\$13.54	0.5%	\$13.65	-0.2%	\$13
13.Market Value Per Share	51.92	51.77	0.3%	53.07	-2.2%	51

14.Share Repurchase Programs

(shares in thousands)

	Q1'06	Q1'05	Q1'06 / Q1'05	Q4'05	Q1'06 / Q4'05	3/31'06
15.Total Shares Repurchased / Canceled	429	373	15.1%	500	-14.1%	

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16. Average Repurchase Price	\$53.62	\$54.59	-1.8%	\$52.91	1.3%	\$53
17. Net Shares Repurchased (Issued)	338	(1,299)	n/m	316	n/m	

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11. Period-End Balance Sheets.

	(dollars in thousands)					
	3/31/06	3/31/05	3/31/06 / 3/31/05	12/31/05	3/31/06 / 12/31/05	9/30/05
1. Assets:						
2. Cash and Money Market Assets	\$188,481	\$168,881	11.6%	\$209,807	-10.2%	\$193,807
3. Investment Securities Available For Sale	642,996	719,097	-10.6%	662,388	-2.9%	660,388
4. Investment Securities Held to Maturity	1,307,848	1,331,870	-1.8%	1,337,216	-2.2%	1,358,216
5. Loans, gross	2,639,968	2,708,052	-2.5%	2,672,221	-1.2%	2,675,221
6. Allowance For Loan Losses	(55,768)	(59,859)	-6.8%	(55,849)	-0.1%	(59,849)
7. Loans, net	2,584,200	2,648,193	-2.4%	2,616,372	-1.2%	2,616,372
9. Premises and Equipment	32,535	35,586	-8.6%	33,221	-2.1%	33,221
10. Identifiable Intangible Assets	25,130	29,389	n/m	26,170	-4.0%	27,170
11. Goodwill	121,719	127,503	n/m	121,907	-0.2%	124,907
12. Interest Receivable and Other Assets	152,644	139,941	9.1%	150,478	1.4%	147,478
13. Total Assets	\$5,055,553	\$5,200,460	-2.8%	\$5,157,559	-2.0%	\$5,161,559
14. Liabilities and Shareholders' Equity:						
15. Deposits:						
16. Noninterest Bearing	\$1,355,426	\$1,371,819	-1.2%	\$1,419,313	-4.5%	\$1,412,313
17. Interest-Bearing Transaction	641,264	626,693	2.3%	658,667	-2.6%	635,667
18. Savings	1,004,964	1,166,858	-13.9%	1,022,645	-1.7%	1,094,645
19. Time	737,532	773,473	-4.6%	745,476	-1.1%	732,476
20. Total Deposits	3,739,186	3,938,843	-5.1%	3,846,101	-2.8%	3,873,101
21. Short-Term Borrowed Funds	784,639	710,530	10.4%	775,173	1.2%	764,173
22. Debt Financing and Notes Payable	37,030	40,391	-8.3%	40,281	-8.1%	40,281
23. Liability For Interest, Taxes and Other	65,326	64,772	0.9%	60,940	7.2%	42,940
24. Total Liabilities	4,626,181	4,754,536	-2.7%	4,722,495	-2.0%	4,721,495
25. Shareholders' Equity:						
26. Paid-In Capital	\$344,941	\$347,534	-0.7%	\$345,458	-0.1%	\$345,458
27. Unrealized Gain (Loss) on Investment Securities Available For Sale	(830)	3,511	n/m	1,882	-144.1%	2,882

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29. Retained Earnings	85,261	94,879	-10.1%	87,724	-2.8%	92,
30.Total Shareholders' Equity	429,372	445,924	-3.7%	435,064	-1.3%	440,
31.Total Liabilities and Shareholders' Equity	\$5,055,553	\$5,200,460	-2.8%	\$5,157,559	-2.0%	\$5,161,

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12.Income Statements.

(dollars in thousands, except per-share amounts)

	Q1'06	Q1'05	Q1'06 / Q1'05	Q4'05	Q1'06 / Q4'05	3/31'06
1. Interest and Fee Income:						
2. Loans	\$41,106	\$34,933	17.7%	\$40,593	1.3%	\$41,
3. Money Market Assets and Funds Sold	1	0	n/m	1	n/m	
4. Investment Securities Available For Sale	7,574	9,469	-20.0%	7,638	-0.8%	7,
5. Investment Securities Held to Maturity	13,786	12,901	6.9%	14,002	-1.5%	13,
6. Total Interest Income	62,467	57,303	9.0%	62,234	0.4%	62,
7. Interest Expense:						
8. Transaction Deposits	428	263	62.6%	457	-6.4%	
9. Savings Deposits	898	863	4.1%	953	-5.8%	
10. Time Deposits	5,916	3,231	83.1%	5,176	14.3%	5,
11. Short-Term Borrowed Funds	6,672	3,570	86.9%	5,296	26.0%	6,
12. Debt Financing and Notes Payable	598	430	39.0%	637	-6.2%	
13.Total Interest Expense	14,512	8,357	73.6%	12,519	15.9%	14,
14.Net Interest Income	47,955	48,946	-2.0%	49,715	-3.5%	47,
15.Provision for Credit Losses	150	300	-50.0%	150	0.0%	
16.Noninterest Income:						
17. Service Charges on Deposit Accounts	7,083	6,927	2.3%	7,202	-1.6%	7,
18. Merchant Credit Card	2,385	1,298	83.8%	2,751	-13.3%	2,
19. Financial Services Commission	298	279	6.8%	380	-21.6%	
20. Mortgage Banking	50	100	-50.5%	62	-20.1%	
21. Trust Fees	282	273	3.3%	275	2.5%	
22. Gains on Sales of Real Property	0	0	n/m	0	n/m	
23. Securities Gains (Losses)	0	(4,903)	n/m	0	n/m	
24. Other	3,541	3,221	9.9%	3,757	-5.7%	3,
25.Total Noninterest Income	13,639	7,195	89.6%	14,427	-5.5%	13,

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26. Noninterest Expense:						
27. Salaries and Related Benefits	13,258	13,883	-4.5%	13,867	-4.4%	13,
28. Occupancy	3,232	2,952	9.5%	3,196	1.1%	3,
29. Equipment	1,266	1,230	2.9%	1,321	-4.1%	1,
30. Data Processing	1,534	1,548	-0.9%	1,524	0.7%	1,
31. Professional Fees	457	720	-36.5%	599	-23.7%	
32. Other	5,736	5,530	3.7%	6,473	-11.4%	5,
33. Total Noninterest Expense	25,483	25,863	-1.5%	26,980	-5.5%	25,
34. Income Before Income Taxes	35,961	29,978	20.0%	37,012	-2.8%	35,
35. Provision for income taxes	9,844	7,668	28.4%	9,888	-0.4%	9,
36. Net Income	\$26,117	\$22,310	17.1%	\$27,124	-3.7%	\$26,
37. Average Shares Outstanding	31,688	32,022	-1.0%	32,029	-1.1%	31,
38. Diluted Average Shares Outstanding	32,276	32,680	-1.2%	32,572	-0.9%	32,
39. Per Share Data:						
40. Basic Earnings	\$0.82	\$0.70	18.3%	\$0.85	-2.7%	\$0
41. Diluted Earnings	0.81	0.68	18.5%	0.83	-2.8%	0
42. Dividends Paid	0.32	0.30	6.7%	0.32	0.0%	0