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Exhibits

99.1 Press release dated October 15, 2008

Item 2.02: Results of Operations and Financial Condition

On October 15, 2008 Westamerica Bancorporation announced their earnings for the third quarter of 2008. 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
October 16, 2008

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| Exhibit No. | Description | Sequentially Number Page |
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| (99.1) | Press release dated October 15, 2008 | 5-13 |

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FOR IMMEDIATE RELEASE

October 15, 2008

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WESTAMERICA BANCORPORATION REPORTS FINANCIAL RESULTS

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC) earned net income of \$39 million for the nine months ended September 30, 2008, representing a 13 percent annualized return on average shareholders' equity. At September 30, 2008, Westamerica maintained a reserve for loan losses equivalent to 2.08 percent of total loans and total regulatory capital of 11.3 percent. Results for the first nine months of 2008 include gains from the sale of VISA common stock and losses recognized due to the decline in value of Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") preferred stock.

"The strength of our underlying earnings and the high-quality of our loan portfolio allowed Westamerica to generate a 13 percent return on shareholders' equity for the first nine months of 2008, exceeding average returns in the banking industry, in spite of recognizing a decline in value of FHLMC and FNMA preferred stock. Our net interest margin remained healthy in the third quarter 2008 at 5.19 percent, compared to 5.16 percent in the prior quarter. Our credit quality remained stable with non-performing assets totaling \$13 million at September 30, 2008, unchanged from June 30, 2008. We were also successful in reducing operating expenses \$1.1 million in the third quarter 2008 compared to the prior quarter," said Chairman, President and CEO David Payne. "Our high-quality loan portfolio, ample loan loss reserve, and healthy capital levels distinguish Westamerica as a safe and sound bank during this troublesome period for our industry," added Payne.

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Westamerica generated net income of \$39 million, or diluted earnings per share ("EPS") of \$1.33 for the nine months ended September 30, 2008. Results for this period include a \$5.7 million gain on the sale of VISA common stock resulting from VISA's initial public offering ("IPO"), and \$2.3 million in reduced expenses as known litigation contingencies were satisfied as a part of the VISA IPO. EPS was increased \$0.16 due to transactions recognized as a result of the VISA IPO. Results for this period also include \$34 million in losses, net of tax, recognized as a result of the decline in value of FHLMC and FNMA preferred stock, which reduced EPS by \$1.17. At September 30, 2008, the recorded value of FHLMC and FNMA preferred stock was \$2.8 million. Also, the Company recorded a \$1.0 million reduction in its tax provision primarily due to filing its 2007 tax return and adjusting 2007 tax estimates to actual amounts included in the filed tax return, which increased EPS by \$0.03. The adjustment primarily resulted from higher than anticipated tax credits earned on limited partnership investments providing low-income housing and housing for the elderly in our Northern and Central California communities.

Westamerica recorded net income of \$44 thousand for the three months ended September 30, 2008. Results for this period include \$24 million in losses, net of tax, recognized as a result of the decline in value of FHLMC and FNMA preferred stock, which reduced EPS by \$0.81. Also, the Company recorded the \$1.0 million reduction in its tax provision primarily due to filing its 2007 tax return, which increased EPS by \$0.03.

Net interest income on a fully-taxable equivalent basis ("FTE") totaled \$48.7 million in the third quarter 2008, compared to \$49.7 million in the second quarter 2008, and \$45.6 million in the third quarter 2007. For the nine month periods ended September 30, 2008 and 2007, net interest income (FTE) totaled \$146.4 million and \$138.5 million, respectively. Net interest income has increased in 2008 compared to 2007 due to a higher net interest margin, partially offset by a smaller base of earnings assets, primarily investment

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securities. Lower volumes of high-cost funding sources and lower short-term interest rates have reduced the Company's cost of funds from 1.75 percent in the nine months ended September 30, 2007 to 0.98 percent in the nine months ended September 30, 2008. The lower cost of funds has significantly improved the net interest margin (FTE) from 4.37 percent in the nine months ended September 30, 2007 to 5.04 percent in the nine months ended September 30, 2008.

The provision for credit losses was \$600 thousand for the third quarter 2008, unchanged from the previous quarter and increased from \$75 thousand for the third quarter 2007.

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Non-interest income for the first nine months of 2008 declined \$56.6 million when compared to the first nine months of 2007 due to: \$59.4 million in charges to record the decline in value of FHLMC and FNMA preferred stock, \$5.7 million gain on sale of VISA stock recognized in the first quarter 2008, \$822 thousand gain from life insurance proceeds recognized in the first quarter of 2007, and \$759 thousand lower fees on the issuance of cashiers' checks.

Non-interest expense for the first nine months of 2008 was \$74.6 million, compared to \$74.2 million for the first nine months of 2007. The \$400 thousand increase is primarily due to: \$2.3 million reversal of VISA related litigation expense in the first quarter 2008, \$1.5 million higher data processing expense, and \$894 thousand higher personnel costs. Non-interest expense for the third quarter 2008 was \$25.2 million, compared to \$26.3 million for the second quarter 2008 and \$24.9 million for the third quarter 2007. Third quarter 2008 expenses were reduced from the prior quarter primarily due to lower personnel costs, professional fees, and other expenses.

Non-performing assets as a percentage of total assets were 0.33 percent, 0.31 percent and 0.12 percent at September 30, 2008, June 30, 2008 and September 30, 2007, respectively. Annualized net loan losses as a percentage of total average loans were 0.23 percent and 0.14 percent during the nine months ended September 30, 2008 and 2007, respectively.

Shareholders' equity was \$399 million at September 30, 2008 compared to \$410 million at June 30, 2008. At September 30, 2008, total regulatory capital ratios for Westamerica Bancorporation and its subsidiary bank, Westamerica Bank, were 11.3 percent and 10.7 percent, respectively, exceeding the 10 percent requirement to be "well capitalized" under regulatory standards.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 86 branches throughout 21 Northern and Central California counties.

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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

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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 June 30, 2008, and Form 10-K for the year ended December 31, 2007, 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
September 30, 2008

Public Information October 15, 2008

1. Net Income Summary.

| | (dollars in thousands except per-share amounts) | | | | | |
|--|---|----------|------------------|----------|------------------|---------|
| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
| 1 Net Interest Income (Fully Taxable Equivalent) | \$48,693 | \$45,563 | 6.9% | \$49,731 | -2.1% | \$146, |
| 2 Provision for Credit Losses | 600 | 75 | n/m | 600 | 0.0% | 1, |
| 3 Noninterest Income: | | | | | | |
| 4 Life Insurance Gains | 0 | 0 | n/m | 0 | n/m | |
| 5 Gain on Sale of Visa Common Stock | 0 | 0 | n/m | 0 | n/m | 5, |
| 6 Investment Securities Losses and Impairment | (41,206) | 0 | n/m | (18,178) | n/m | (59, |
| 7 Other | 13,707 | 14,644 | -6.4% | 14,335 | -4.4% | 41, |
| 8 Total Noninterest Income | (27,499) | 14,644 | n/m | (3,843) | n/m | (11, |
| 9 Noninterest Expense: | | | | | | |
| 10 VISA Litigation | 0 | 0 | n/m | 0 | n/m | (2, |
| 11 Other | 25,203 | 24,853 | 1.4% | 26,337 | -4.3% | 76, |

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| | | | | | | |
|---|---------|----------|-------|----------|-------|-------|
| 12 Total Noninterest Expense | 25,203 | 24,853 | 1.4% | 26,337 | -4.3% | 74, |
| 13 Income Before Taxes (FTE) | (4,609) | 35,279 | | 18,951 | | 58, |
| 14 Income Tax (Benefit) Provision (FTE) | (4,653) | 13,257 | n/m | 6,749 | n/m | 19, |
| 15 Net Income | \$44 | \$22,022 | n/m | \$12,202 | n/m | \$39, |
| 16 Average Shares Outstanding | 28,908 | 29,532 | -2.1% | 28,916 | -0.0% | 28, |
| 17 Diluted Average Shares Outstanding | 29,273 | 29,915 | -2.1% | 29,392 | -0.4% | 29, |
| 18 Operating Ratios: | | | | | | |
| 19 Basic Earnings Per Share | \$0.00 | \$0.75 | n/m | \$0.42 | n/m | \$1 |
| 20 Diluted Earnings Per Share | 0.00 | 0.74 | n/m | 0.42 | n/m | 1 |
| 21 Return On Assets (annualized) | 0.00% | 1.89% | | 1.15% | | 1 |
| 22 Return On Equity (annualized) | 0.0% | 21.7% | | 11.9% | | 1 |
| 23 Net Interest Margin (FTE) (annualized) | 5.19% | 4.34% | | 5.16% | | 5 |
| 24 Efficiency Ratio (FTE) | 118.9% | 41.3% | | 57.4% | | 5 |
| 25 Dividends Paid Per Share | \$0.35 | \$0.34 | 2.9% | \$0.35 | 0.0% | \$1 |
| 26 Dividend Payout Ratio | n/m | 46% | | 83% | | |

2. Net Interest Income.

| | (dollars in thousands) | | | | | |
|--|------------------------|-------------|---------------|-------------|---------------|----------|
| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
| 1 Interest and Fee Income (FTE) | \$56,131 | \$64,708 | -13.3% | \$58,117 | -3.4% | \$175, |
| 2 Interest Expense | 7,438 | 19,145 | -61.2% | 8,386 | -11.3% | 28, |
| 3 Net Interest Income (FTE) | \$48,693 | \$45,563 | 6.9% | \$49,731 | -2.1% | \$146, |
| 4 Average Earning Assets | \$3,745,058 | \$4,198,859 | -10.8% | \$3,865,110 | -3.1% | \$3,878, |
| 5 Average Interest-Bearing Liabilities | 2,486,659 | 2,905,457 | -14.4% | 2,590,406 | -4.0% | 2,615, |
| 6 Yield on Earning Assets (FTE) (annualized) | 5.98% | 6.14% | | 6.03% | | 6 |
| 7 Cost of Funds (annualized) | 0.79% | 1.80% | | 0.87% | | 0 |
| 8 Net Interest Margin (FTE) (annualized) | 5.19% | 4.34% | | 5.16% | | 5 |
| 9 Interest Expense/Interest-Bearing Liabilities (annualized) | 1.19% | 2.60% | | 1.30% | | 1 |
| 10 Net Interest Spread (FTE) (annualized) | 4.79% | 3.54% | | 4.73% | | 4 |

3. Loans & Other Earning Assets.

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| (average volume, dollars in thousands) | | | | | | |
|--|-------------|-------------|------------------|-------------|------------------|----------|
| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
| 1 Total Assets | \$4,137,232 | \$4,628,728 | -10.6% | \$4,257,325 | -2.8% | \$4,275, |
| 2 Total Earning Assets | 3,745,058 | 4,198,859 | -10.8% | 3,865,110 | -3.1% | 3,878, |
| 3 Total Loans | 2,414,317 | 2,514,685 | -4.0% | 2,439,062 | -1.0% | 2,443, |
| 4 Commercial Loans | 597,176 | 625,490 | -4.5% | 609,082 | -2.0% | 607, |
| 5 Commercial Real Estate Loans | 830,001 | 871,225 | -4.7% | 843,793 | -1.6% | 841, |
| 6 Consumer Loans | 987,140 | 1,017,970 | -3.0% | 986,187 | 0.1% | 994, |
| 7 Total Investment Securities | 1,330,741 | 1,684,174 | -21.0% | 1,426,048 | -6.7% | 1,435, |
| 8 Available For Sale (Market Value) | 359,220 | 590,749 | -39.2% | 433,190 | -17.1% | 436, |
| 9 Held To Maturity | 971,521 | 1,093,425 | -11.1% | 992,858 | -2.1% | 998, |
| 10 HTM Unrealized Loss at Period-End | (15,042) | (4,974) | n/m | (3,052) | n/m | (15, |
| 11 Loans / Deposits | 76.5% | 74.9% | | 76.6% | | 7 |

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WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2008

Public Information October 15, 2008

4. Deposits & Other Interest-Bearing Liabilities.

| (average volume, dollars in thousands) | | | | | | |
|--|-------------|-------------|------------------|-------------|------------------|----------|
| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
| 1 Total Deposits | \$3,154,340 | \$3,358,163 | -6.1% | \$3,183,812 | -0.9% | \$3,183, |
| 2 Noninterest Demand | 1,172,953 | 1,254,530 | -6.5% | 1,186,921 | -1.2% | 1,186, |
| 3 Interest-Bearing Transaction | 539,286 | 566,556 | -4.8% | 547,574 | -1.5% | 544, |
| 4 Savings | 764,535 | 810,213 | -5.6% | 763,575 | 0.1% | 765, |
| 5 Time greater than \$100K | 484,396 | 519,488 | -6.8% | 492,932 | -1.7% | 492, |
| 6 Time less than \$100K | 193,170 | 207,376 | -6.9% | 192,810 | 0.2% | 194, |
| 7 Total Short-Term Borrowings | 470,109 | 764,992 | -38.5% | 556,794 | -15.6% | 582, |
| 8 Fed Funds Purchased | 342,338 | 621,165 | -44.9% | 414,632 | -17.4% | 440, |
| 9 Other Short-Term Funds | 127,771 | 143,827 | -11.2% | 142,162 | -10.1% | 142, |
| 10 Long-Term Debt | 35,163 | 36,832 | -4.5% | 36,721 | -4.2% | 36, |
| 11 Shareholders' Equity | 412,133 | 402,016 | 2.5% | 412,263 | -0.0% | 406, |
| 12 Demand Deposits / Total Deposits | 37.2% | 37.4% | | 37.3% | | 3 |
| 13 Transaction & Savings Deposits / Total Deposits | 78.5% | 78.4% | | 78.5% | | 7 |

5. Interest Yields Earned & Rates Paid.

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| (dollars in thousands) | | | | | | | |
|------------------------|--------------------------------------|----------------|--------------|-------------|----------------|----------------|----------|
| Q3'08 | | | Q2'08 | | Q3'07 | | |
| | Average Volume | Income/Expense | Yield */Rate | Yield*/Rate | Average Volume | Income/Expense | |
| 1 | Interest & Fees Income Earned | | | | | | |
| 2 | Total Earning Assets (FTE) | \$3,745,058 | \$56,131 | 5.98% | 6.03% | \$4,198,859 | \$64,131 |
| 3 | Total Loans (FTE) | 2,414,317 | 37,853 | 6.24% | 6.34% | 2,514,685 | 42,131 |
| 4 | Commercial Loans (FTE) | 597,176 | 9,964 | 6.64% | 6.84% | 625,490 | 12,131 |
| 5 | Commercial Real Estate Loans | 830,001 | 14,516 | 6.96% | 7.14% | 871,225 | 15,131 |
| 6 | Consumer Loans | 987,140 | 13,373 | 5.39% | 5.36% | 1,017,970 | 13,131 |
| 7 | Total Investment Securities (FTE) | 1,330,741 | 18,278 | 5.49% | 5.51% | 1,684,174 | 22,131 |
| 8 | Interest Expense Paid | | | | | | |
| 9 | Total Earning Assets | 3,745,058 | 7,438 | 0.79% | 0.87% | 4,198,859 | 19,131 |
| 10 | Total Interest-Bearing Liabilities | 2,486,659 | 7,438 | 1.19% | 1.30% | 2,905,457 | 19,131 |
| 11 | Total Interest-Bearing Deposits | 1,981,387 | 4,960 | 1.00% | 1.07% | 2,103,633 | 9,131 |
| 12 | Interest-Bearing Transaction Savings | 539,286 | 346 | 0.26% | 0.25% | 566,556 | 1,131 |
| 13 | Time less than \$100K | 764,535 | 1,048 | 0.55% | 0.58% | 810,213 | 1,131 |
| 14 | Time greater than \$100K | 193,170 | 1,201 | 2.47% | 2.82% | 207,376 | 1,131 |
| 15 | Total Short-Term Borrowings | 484,396 | 2,365 | 1.94% | 2.06% | 519,488 | 6,131 |
| 16 | Fed Funds Purchased | 470,109 | 1,954 | 1.63% | 1.77% | 764,992 | 8,131 |
| 17 | Other Short-Term Funds | 342,338 | 1,708 | 1.95% | 2.12% | 621,165 | 8,131 |
| 18 | Long-Term Debt | 127,771 | 246 | 0.77% | 0.74% | 143,827 | 8,131 |
| 19 | | 35,163 | 524 | 5.96% | 6.30% | 36,832 | 8,131 |
| 20 | Net Interest Income and Margin (FTE) | | \$48,693 | 5.19% | 5.16% | | \$45,131 |

* Annualized

6. Noninterest Income.

| (dollars in thousands except per share amounts) | | | | | | | |
|---|---|------------|---------------|--------|---------------|---------|------------|
| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 | |
| 1 | Service Charges on Deposit Accounts | \$7,555 | \$7,569 | -0.2% | \$7,529 | 0.3% | \$22,131 |
| 2 | Merchant Credit Card Income | 2,611 | 2,808 | -7.0% | 2,712 | -3.7% | 7,131 |
| 3 | ATM Fees & Interchange | 756 | 723 | 4.6% | 763 | -0.9% | 2,131 |
| 4 | Debit Card Fees | 970 | 969 | 0.0% | 978 | -0.9% | 2,131 |
| 5 | Financial Services Commissions | 186 | 383 | -51.4% | 274 | -31.9% | 2,131 |
| 6 | Mortgage Banking Income | 39 | 29 | 31.5% | 27 | 43.4% | 2,131 |
| 7 | Trust Fees | 293 | 337 | -13.2% | 377 | -22.4% | 2,131 |
| 8 | Other Income | 1,297 | 1,826 | -28.9% | 1,675 | -22.5% | 4,131 |
| 9 | Sub-total | 13,707 | 14,644 | -6.4% | 14,335 | -4.4% | 41,131 |
| 10 | Life Insurance Gains | 0 | 0 | n/m | 0 | n/m | 5,131 |
| 11 | Gain on Sale of Visa Common Stock | 0 | 0 | n/m | 0 | n/m | 5,131 |
| 12 | Investment Securities Losses and Impairment | (41,206) | 0 | n/m | (18,178) | n/m | (59,131) |
| 13 | Total Noninterest Income | (\$27,499) | \$14,644 | n/m | (\$3,843) | n/m | (\$11,131) |

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| Operating Ratios: | | | | | | | |
|-------------------|---|----------|----------|--------|----------|--------|-----------|
| 15 | Total Revenue (FTE) | \$21,194 | \$60,207 | -64.8% | \$45,888 | -53.8% | \$134,000 |
| 16 | Noninterest Income / Revenue (FTE) | n/m | 24.3% | | n/m | | n/m |
| 17 | Service Charges / Deposits (annualized) | 0.95% | 0.89% | | 0.95% | | 0.95% |
| 18 | Total Revenue Per Share (annualized) | \$2.92 | \$8.09 | -63.9% | \$6.38 | -54.3% | \$6.38 |

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WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2008

Public Information October 15, 2008

7. Noninterest Expense.

(dollars in thousands)

| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
|--|----------|----------|---------------|----------|---------------|----------|
| 1 Salaries & Benefits | \$12,621 | \$12,587 | 0.3% | \$13,065 | -3.4% | \$38,000 |
| 2 Occupancy | 3,465 | 3,327 | 4.1% | 3,443 | 0.6% | 10,000 |
| 3 Equipment | 903 | 1,083 | -16.6% | 1,001 | -9.8% | 2,000 |
| 4 Data Processing | 2,098 | 1,800 | 16.5% | 2,105 | -0.3% | 6,000 |
| 5 Courier | 835 | 854 | -2.3% | 824 | 1.2% | 2,000 |
| 6 Postage | 369 | 404 | -8.8% | 390 | -5.4% | 1,000 |
| 7 Telephone | 342 | 342 | 0.1% | 346 | -1.1% | 1,000 |
| 8 Professional Fees | 485 | 451 | 7.5% | 683 | -29.0% | 1,000 |
| 9 Stationery & Supplies | 272 | 323 | -15.8% | 285 | -4.7% | |
| 10 Loan Expense | 246 | 217 | 13.8% | 233 | 5.9% | |
| 11 Operational Losses | 113 | 228 | -50.2% | 196 | -42.1% | |
| 12 Amortization of Identifiable Intangibles | 788 | 893 | -11.8% | 788 | 0.0% | 2,000 |
| 13 Other Operating | 2,666 | 2,344 | 13.7% | 2,978 | -10.5% | 8,000 |
| 14 Sub-total | 25,203 | 24,853 | 1.4% | 26,337 | -4.3% | 76,000 |
| 15 VISA Litigation | 0 | 0 | n/m | 0 | n/m | (2,000) |
| 16 Total Noninterest Expense | \$25,203 | \$24,853 | 1.4% | \$26,337 | -4.3% | \$74,000 |
| 17 Full Time Equivalent Staff | 899 | 876 | 2.6% | 892 | 0.8% | \$4,000 |
| 18 Average Assets / Full Time Equivalent Staff | \$4,602 | \$5,284 | -12.9% | \$4,773 | -3.6% | \$4,000 |
| 19 Operating Ratios: | | | | | | |
| 20 FTE Revenue / Full Time Equiv. Staff (annualized) | \$94 | \$273 | -65.6% | \$207 | -54.7% | \$207 |
| 21 Noninterest Expense / Earning Assets (annualized) | 2.68% | 2.35% | | 2.74% | | 2.74% |
| 22 Noninterest Expense / FTE Revenues | 118.9% | 41.3% | | 57.4% | | 57.4% |

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8. Provision for Credit Losses.

| (dollars in thousands) | | | | | | |
|---|-------------|-------------|------------------|-------------|------------------|----------|
| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
| 1 Provision for Credit Losses | \$600 | \$75 | n/m | \$600 | 0.0% | \$1, |
| 2 Gross Loan Losses | 1,786 | 1,031 | 73.3% | 2,208 | -19.1% | 5, |
| 3 Net Loan Losses | 1,467 | 610 | 140.5% | 1,870 | -21.5% | 4, |
| 4 Recoveries / Gross Loan Losses | 18% | 41% | | 15% | | |
| 5 Average Total Loans | \$2,414,317 | \$2,514,685 | -4.0% | \$2,439,062 | -1.0% | \$2,443, |
| 6 Net Loan Losses / Loans (annualized) | 0.24% | 0.10% | | 0.31% | | 0 |
| 7 Provision for Credit Losses / Loans (annualized) | 0.10% | 0.01% | | 0.10% | | 0 |
| 8 Provision for Credit Losses / Net Loan Losses | 40.9% | 12.3% | | 32.1% | | 4 |

9. Credit Quality.

| (dollars in thousands) | | | | | | |
|--|-----------|-----------|----------------------|-----------|----------------------|---------|
| | 9/30/08 | 9/30/07 | 9/30/08 / 9/30/07 | 6/30/08 | 9/30/08 / 6/30/08 | 3/31/08 |
| 1 Nonperforming Nonaccrual Loans | \$12,132 | \$3,132 | 287.4% | \$11,713 | 3.6% | \$3, |
| 2 Performing Nonaccrual Loans | 73 | 1,695 | -95.7% | 28 | 160.5% | 1, |
| 3 Total Nonaccrual Loans | 12,205 | 4,827 | 152.8% | 11,741 | 3.9% | 5, |
| 4 Accruing Loans 90+ Days Past Due | 363 | 251 | 44.6% | 254 | 42.9% | |
| 5 Total Nonperforming Loans | 12,568 | 5,078 | 147.5% | 11,995 | 4.8% | 5, |
| 6 Repossessed Collateral | 814 | 613 | 32.8% | 920 | -11.5% | |
| 7 Total Nonperforming Loans & 8 Repossessed Collateral | \$13,382 | \$5,691 | 135.1% | \$12,915 | 3.6% | \$6, |
| 9 Classified Loans | \$38,070 | \$21,403 | 77.9% | \$33,546 | 13.5% | \$33, |
| 10 Allowance for Loan Losses | \$50,097 | \$52,938 | -5.4% | \$50,964 | -1.7% | \$52, |
| 11 Total Loans Outstanding | 2,408,704 | 2,511,374 | -4.1% | 2,431,011 | -0.9% | 2,448, |
| 12 Total Assets | 4,089,482 | 4,657,016 | -12.2% | 4,188,868 | -2.4% | 4,342, |
| 13 Allowance for Loan Losses / Total Loans | 2.08% | 2.11% | | 2.10% | | 2 |
| 14 Nonperforming Loans / Total Loans | 0.52% | 0.20% | | 0.49% | | 0 |
| 15 Nonperforming Loans & Repossessed 16 Collateral/Total Assets | 0.33% | 0.12% | | 0.31% | | 0 |
| 17 Allowance/Nonperforming Loans | 399% | 1042% | | 425% | | |
| 18 Allowance for Loan Losses / Classified Loans | 132% | 247% | | 152% | | |
| 19 Classified Loans / | | | | | | |

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20 (Equity + Allowance for Loan Losses) 8.5% 4.7% 7.3%

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10. Capital.

(dollars in thousands, except per-share amounts)

| | 9/30/08 | 9/30/07 | 9/30/08 / 9/30/07 | 6/30/08 | 9/30/08 / 6/30/08 | 3/31/08 |
|--|-----------|-----------|----------------------|-----------|----------------------|-----------|
| 1 Shareholders' Equity | \$399,128 | \$403,651 | -1.1% | \$410,445 | -2.8% | \$399,128 |
| 2 Tier I Regulatory Capital | 278,117 | 283,015 | -1.7% | 290,864 | -4.4% | 283,015 |
| 3 Total Regulatory Capital | 314,023 | 322,598 | -2.7% | 327,631 | -4.2% | 321,598 |
| 4 Total Assets | 4,089,482 | 4,657,016 | -12.2% | 4,188,868 | -2.4% | 4,342,016 |
| 5 Risk-Adjusted Assets | 2,790,304 | 3,017,668 | -7.5% | 2,845,553 | -1.9% | 2,914,668 |
| 6 Shareholders' Equity / Total Assets | 9.76% | 8.67% | | 9.80% | | 9.00% |
| 7 Shareholders' Equity / Total Loans | 16.57% | 16.07% | | 16.88% | | 16.07% |
| 8 Tier I Capital / Total Assets | 6.80% | 6.08% | | 6.94% | | 6.08% |
| 9 Tier I Capital / Total / Risk-Adjusted Assets | 9.97% | 9.38% | | 10.22% | | 9.38% |
| 10 Total Capital / Risk-Adjusted Assets | 11.25% | 10.69% | | 11.51% | | 11.25% |
| 11 Tangible Equity Ratio | 6.62% | 5.82% | | 6.71% | | 6.62% |
| 12 Shares Outstanding | 28,895 | 29,378 | -1.6% | 28,889 | 0.0% | 28,895 |
| 13 Book Value Per Share | \$13.81 | \$13.74 | 0.5% | \$14.21 | -2.8% | \$13.74 |
| 14 Market Value Per Share | \$57.53 | \$49.81 | 15.5% | \$52.59 | 9.4% | \$52.59 |

15 Share Repurchase Programs

(shares in thousands)

| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
|---|---------|---------|------------------|---------|------------------|---------|
| 16 Total Shares Repurchased / Canceled | 108 | 492 | -78.1% | 172 | -37.3% | 108 |
| 17 Average Repurchase Price | \$50.10 | \$43.90 | 14.1% | \$54.89 | -8.7% | \$49.81 |
| 18 Net Shares (Issued) Repurchased | (6) | 354 | n/m | (117) | n/m | (6) |

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11. Period-End Balance Sheets.

| (unaudited, dollars in thousands) | | | | | | |
|--|-------------|-------------|----------------------|-------------|----------------------|-------------|
| | 9/30/08 | 9/30/07 | 9/30/08 / 9/30/07 | 6/30/08 | 9/30/08 / 6/30/08 | 3/31/08 |
| 1 Assets: | | | | | | |
| 2 Cash and Money Market Assets | \$142,678 | \$219,960 | -35.1% | \$134,432 | 6.1% | \$139,000 |
| 3 Investment Securities Available For Sale | 304,871 | 570,086 | -46.5% | 391,028 | -22.0% | 477,000 |
| 4 Investment Securities Held to Maturity | 962,621 | 1,081,009 | -11.0% | 978,298 | -1.6% | 1,016,000 |
| 5 Loans, gross | 2,408,704 | 2,511,374 | -4.1% | 2,431,011 | -0.9% | 2,448,000 |
| 6 Allowance For Loan Losses | (50,097) | (52,938) | -5.4% | (50,964) | -1.7% | (52,000) |
| 7 Loans, net | 2,358,607 | 2,458,436 | -4.1% | 2,380,047 | -0.9% | 2,396,000 |
| 8 Premises and Equipment | 26,789 | 28,666 | -6.5% | 27,460 | -2.4% | 28,000 |
| 9 Identifiable Intangible Assets | 15,996 | 19,322 | -17.2% | 16,784 | -4.7% | 17,000 |
| 10 Goodwill | 121,702 | 121,719 | -0.0% | 121,719 | -0.0% | 121,000 |
| 11 Interest Receivable and Interest Receivable and | 156,218 | 157,818 | -1.0% | 139,100 | 12.3% | 144,000 |
| 12 Total Assets | \$4,089,482 | \$4,657,016 | -12.2% | \$4,188,868 | -2.4% | \$4,342,000 |
| 13 Liabilities and Shareholders' Equity: | | | | | | |
| 14 Deposits: | | | | | | |
| 15 Noninterest Bearing | \$1,173,852 | \$1,251,572 | -6.2% | \$1,195,004 | -1.8% | \$1,202,000 |
| 16 Interest-Bearing Transaction | 518,944 | 549,263 | -5.5% | 527,109 | -1.5% | 542,000 |
| 17 Savings | 751,512 | 806,797 | -6.9% | 754,677 | -0.4% | 749,000 |
| 18 Time | 685,480 | 732,582 | -6.4% | 686,702 | -0.2% | 700,000 |
| 19 Total Deposits | 3,129,788 | 3,340,214 | -6.3% | 3,163,492 | -1.1% | 3,194,000 |
| 20 Short-Term Borrowed Funds | 487,973 | 815,101 | -40.1% | 514,131 | -5.1% | 635,000 |
| 21 Debt Financing and Notes Payable | 26,665 | 36,809 | -27.6% | 36,699 | -27.3% | 36,000 |
| 22 Liability For Interest, Taxes and Other | 45,928 | 61,241 | -25.0% | 64,101 | -28.4% | 76,000 |
| 23 Total Liabilities | 3,690,354 | 4,253,365 | -13.2% | 3,778,423 | -2.3% | 3,943,000 |
| 24 Shareholders' Equity: | | | | | | |
| 25 Paid-In Capital | \$354,537 | \$337,627 | 5.0% | \$351,157 | 1.0% | \$339,000 |
| 26 Accumulated Other Comprehensive Income (Loss) | 551 | (412) | n/m | 1,074 | -48.7% | (3,000) |
| 28 Retained Earnings | 44,040 | 66,436 | -33.7% | 58,214 | -24.3% | 63,000 |
| 29 Total Shareholders' Equity | 399,128 | 403,651 | -1.1% | 410,445 | -2.8% | 399,000 |
| 30 Total Liabilities and Shareholders' Equity | \$4,089,482 | \$4,657,016 | -12.2% | \$4,188,868 | -2.4% | \$4,342,000 |

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12. Income Statements.

| (unaudited, dollars in thousands, except per-share amounts) | | | | | | |
|---|----------|----------|------------------|----------|------------------|---------|
| | Q3'08 | Q3'07 | Q3'08 / Q3'07 | Q2'08 | Q3'08 / Q2'08 | 9/30'08 |
| 1 Interest and Fee Income: | | | | | | |
| 2 Loans | \$36,710 | \$41,134 | -10.8% | \$37,274 | -1.5% | \$112, |
| 3 Money Market Assets and Funds Sold | 1 | 2 | n/m | 1 | n/m | |
| 4 Investment Securities Available For Sale | 4,041 | 6,713 | -39.8% | 4,942 | -18.2% | 14, |
| 5 Investment Securities Held to Maturity | 10,223 | 11,448 | -10.7% | 10,438 | -2.1% | 31, |
| 6 Total Interest Income | 50,975 | 59,297 | -14.0% | 52,655 | -3.2% | 159, |
| 7 Interest Expense: | | | | | | |
| 8 Transaction Deposits | 346 | 526 | -34.2% | 347 | -0.3% | 1, |
| 9 Savings Deposits | 1,048 | 1,649 | -36.5% | 1,105 | -5.2% | 3, |
| 10 Time Deposits | 3,566 | 7,791 | -54.2% | 3,873 | -7.9% | 12, |
| 11 Short-Term Borrowed Funds | 1,954 | 8,601 | -77.3% | 2,483 | -21.3% | 9, |
| 12 Debt Financing and Notes Payable | 524 | 578 | -9.4% | 578 | -9.4% | 1, |
| 13 Total Interest Expense | 7,438 | 19,145 | -61.2% | 8,386 | -11.3% | 28, |
| 14 Net Interest Income | 43,537 | 40,152 | 8.4% | 44,269 | -1.7% | 130, |
| 15 Provision for Credit Losses | 600 | 75 | n/m | 600 | 0.0% | 1, |
| 16 Noninterest Income: | | | | | | |
| 17 Service Charges on Deposit Accounts | 7,555 | 7,569 | -0.2% | 7,529 | 0.3% | 22, |
| 18 Merchant Credit Card | 2,611 | 2,808 | -7.0% | 2,712 | -3.7% | 7, |
| 19 ATM Fees & Interchange | 756 | 723 | 4.6% | 763 | -0.9% | 2, |
| 20 Debit Card Fees | 970 | 969 | 0.0% | 978 | -0.9% | 2, |
| 21 Financial Services Commissions | 186 | 383 | -51.4% | 274 | -31.9% | |
| 22 Mortgage Banking | 39 | 29 | 31.5% | 27 | 43.4% | |
| 23 Trust Fees | 293 | 337 | -13.2% | 377 | -22.4% | |
| 24 Life Insurance Gains | 0 | 0 | n/m | 0 | n/m | |
| 25 Gain on Sale of Visa Common Stock | 0 | 0 | n/m | 0 | n/m | 5, |
| 26 Investment Securities Losses and Impairment | (41,206) | 0 | n/m | (18,178) | n/m | (59, |
| 27 Other | 1,297 | 1,826 | -28.9% | 1,675 | -22.5% | 4, |
| 28 Total Noninterest Income | (27,499) | 14,644 | n/m | (3,843) | n/m | (11, |
| 29 Noninterest Expense: | | | | | | |
| 30 Salaries and Related Benefits | 12,621 | 12,587 | 0.3% | 13,065 | -3.4% | 38, |

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| | | | | | | | |
|---------------------------------------|-------------------|---------|----------|--------|----------|--------|-------|
| 31 | Occupancy | 3,465 | 3,327 | 4.1% | 3,443 | 0.6% | 10, |
| 32 | Equipment | 903 | 1,083 | -16.6% | 1,001 | -9.8% | 2, |
| 33 | Data Processing | 2,098 | 1,800 | 16.5% | 2,105 | -0.3% | 6, |
| 34 | Professional Fees | 485 | 451 | 7.5% | 683 | -29.0% | 1, |
| 35 | VISA Litigation | 0 | 0 | n/m | 0 | n/m | (2, |
| 36 | Other | 5,631 | 5,605 | 0.5% | 6,040 | -6.8% | 17, |
| 37 Total Noninterest Expense | | 25,203 | 24,853 | 1.4% | 26,337 | -4.3% | 74, |
| 38 Income Before Income Taxes | | (9,765) | 29,868 | n/m | 13,489 | n/m | 42, |
| 39 Income Tax (Benefit) Provision | | (9,809) | 7,846 | n/m | 1,287 | n/m | 2, |
| 40 Net Income | | \$44 | \$22,022 | n/m | \$12,202 | n/m | \$39, |
| 41 Average Shares Outstanding | | 28,908 | 29,532 | -2.1% | 28,916 | -0.0% | 28, |
| 42 Diluted Average Shares Outstanding | | 29,273 | 29,915 | -2.1% | 29,392 | -0.4% | 29, |
| 43 Per Share Data: | | | | | | | |
| 44 Basic Earnings | | \$0.00 | \$0.75 | n/m | \$0.42 | n/m | \$1 |
| 45 Diluted Earnings | | 0.00 | 0.74 | n/m | 0.42 | n/m | 1 |
| 46 Dividends Paid | | 0.35 | 0.34 | 2.9% | 0.35 | 0.0% | 1 |