

WESTAMERICA BANCORPORATION

Form 8-K

October 19, 2007

Page 1

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):
October 16, 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-4c))

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

Page 2

Exhibits

99.1 Press release dated October 16, 2007

Item 2.02: Results of Operations and Financial Condition

On October 16, 2007 Westamerica Bancorporation announced their earnings for the third quarter of 2007. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Page 3

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 18, 2007

Page 4

INDEX TO EXHIBITS

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

Page 5

FOR IMMEDIATE RELEASE
October 16, 2007

WESTAMERICA BANCORPORATION REPORTS QUARTERLY EARNINGS

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

FOR THIRD QUARTER 2007

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported net income of \$22.0 million for the third quarter of 2007, compared to \$22.4 million for the second quarter of 2007 and \$24.2 million for the third quarter of 2006. Third quarter 2007 diluted earnings per share were \$0.74, compared to \$0.74 for the second quarter of 2007 and \$0.77 for the third quarter of 2006. Return on average common equity (ROE) for the third quarter of 2007 was 21.7 percent and return on assets (ROA) was 1.89 percent.

For the first nine months of 2007, net income totaled \$67.9 million, compared to \$74.8 million for the same period in 2006. Diluted earnings per share were \$2.24 for the first nine months of 2007, compared to \$2.34 for the same period in 2006. For the first nine months of 2007, ROE was 22.2 percent and ROA was 1.95 percent.

"Our net interest margin was essentially stable in the third quarter of 2007, down only 0.02 percent from the prior quarter. We expect to begin realizing margin expansion as the September 2007 reduction in the federal funds rate causes interest rate re-pricing of our funding sources at a faster pace than our loans and investments," said Chairman, President and CEO David Payne. "During the third quarter 2007, our credit quality remained stable in spite of the slowing economy. We have worked hard to achieve the seven percent increase in our non-interest revenues and four percent reduction in our expenses in the first nine months of 2007 compared to the same period last year," added Payne.

Page 6

Net interest income on a fully taxable equivalent (FTE) basis was \$45.6 million in the third quarter of 2007 compared to \$46.1 million and \$50.2 million in the second quarter of 2007 and the third quarter of 2006, respectively. The third quarter of 2007 net interest margin (FTE) was 4.34 percent, down from 4.36 percent and 4.54 percent in the second quarter of 2007 and the third quarter of 2006, respectively.

Noninterest income for the first nine months of 2007 totaled \$44.6 million, increased from \$41.6 million in the first nine months of 2006. The \$3.0 million increase is primarily due to:

- * \$1.4 million increase in service charges on deposit accounts.
- * \$800 thousand higher merchant credit card income.
- * \$200 thousand increase in debit card and ATM fees.
- * \$800 thousand gain from life insurance proceeds recognized in the first quarter of 2007.

Noninterest expense for the first nine months of 2007 was \$74.2 million, reduced from \$77.2 million for the first nine months of 2006. The \$3.0 million decline is primarily due to:

- * \$2.1 million lower personnel costs.
- * \$500 thousand reduction in professional fees.
- * \$300 thousand lower occupancy and equipment expense.
- * \$300 thousand decline in amortization of intangible assets.
- * \$300 thousand increase in data processing expenses.

The higher data processing expenses and a portion of the lower personnel costs are due to conversion of the Company's item processing function to an outside vendor. This conversion is not expected to change overall expenses by a meaningful amount. The FTE efficiency ratio (expenses divided by revenues) for the first nine months of 2007 was 40.5 percent, compared to 39.1 percent for the first nine months of 2006.

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

Page 7

The provision for credit losses was \$75 thousand for the third quarter of 2007, unchanged from the previous and year ago quarters.

At September 30, 2007, shareholders' equity was \$404 million and the Company's total regulatory capital ratio was 10.7 percent, which exceeds the "well-capitalized" level of 10 percent under regulatory requirements. During the third quarter 2007, shares repurchased, net of shares issued, totaled 354 thousand shares. At September 30, 2007, 1.8 million shares remain authorized under the Company's stock repurchase plan.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 87 branches throughout 21 Northern and Central California counties. At September 30, 2007, the company had total assets outstanding of \$4.7 billion.

Westamerica Bancorporation Web Address: www.westamerica.com

For additional information contact:

Westamerica Bancorporation
Robert A. Thorson - SVP & Chief Financial Officer
707-863-6840

Page 8

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 June 30, 2007, and Form 10-K for the year ended December 31, 2006, describe some of these factors, including certain credit, market, operational, liquidity and interest rate risks associated with the Company's business and operations. Other factors described in these reports include changes in business and economic conditions, competition, fiscal and monetary policies, disintermediation, legislation including the Sarbanes-Oxley Act of 2002 and the Gramm-Leach-Bliley Act of 1999, and mergers and acquisitions.

Forward-looking statements speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date forward looking statements are made.

#####

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

Page 9

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

1. Net Income Summary.

	(dollars in thousands except per-share amounts)				
	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Net Interest Income (Fully Taxable Equivalent)	\$45,563	\$50,198	-9.2%	\$46,059	-1.1%
2 Provision for Credit Losses	75	75	0.0%	75	0.0%
3 Noninterest Income:					
4 Life Insurance Gains	0	0	n/m	0	n/m
5 Other	14,644	13,899	5.4%	14,700	-0.4%
6 Total Noninterest Income	14,644	13,899	5.4%	14,700	-0.4%
7 Noninterest Expense	24,853	25,403	-2.2%	24,706	0.6%
8 Income Before Taxes (FTE)	35,279	38,619		35,978	
9 Income Tax Provision (FTE)	13,257	14,382	-7.8%	13,627	-2.7%
10 Net Income	\$22,022	\$24,237	-9.1%	\$22,351	-1.5%
11 Average Shares Outstanding	29,532	31,070	-5.0%	29,938	-1.4%
12 Diluted Average Shares Outstanding	29,915	31,558	-5.2%	30,365	-1.5%
13 Operating Ratios:					
14 Basic Earnings Per Share	\$0.75	\$0.78	-4.4%	\$0.75	0.0%
15 Diluted Earnings Per Share	\$0.74	0.77	-4.1%	0.74	0.0%
16 Return On Assets	1.89%	1.98%		1.92%	
17 Return On Equity	21.7%	22.7%		21.9%	
18 Net Interest Margin (FTE)	4.34%	4.54%		4.36%	
19 Efficiency Ratio (FTE)	41.3%	39.6%		40.7%	
20 Dividends Paid Per Share	\$0.34	\$0.32	6.3%	\$0.34	0.0%
21 Dividend Payout Ratio	46%	42%		46%	

2. Net Interest Income.

	(dollars in thousands)				
	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Interest and Fee Income (FTE)	\$64,708	\$67,186	-3.7%	\$64,875	-0.3%

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

2 Interest Expense	19,145	16,988	12.7%	18,816	1.7%
3 Net Interest Income (FTE)	\$45,563	\$50,198	-9.2%	\$46,059	-1.1%
4 Average Earning Assets	\$4,198,859	\$4,419,609	-5.0%	\$4,245,342	-1.1%
5 Average Interest-Bearing Liabilities	2,905,457	3,045,282	-4.6%	2,926,090	-0.7%
6 Yield on Earning Assets (FTE)	6.14%	6.05%		6.12%	
7 Cost of Funds	1.80%	1.51%		1.76%	
8 Net Interest Margin (FTE)	4.34%	4.54%		4.36%	
9 Interest Expense/ Interest-Bearing Liabilities	2.60%	2.20%		2.56%	
10 Net Interest Spread (FTE)	3.54%	3.85%		3.56%	

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

3. Loans & Other Earning Assets.

	(average volume, dollars in thousands)				
	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Total Assets	\$4,628,728	\$4,846,286	-4.5%	\$4,668,627	-0.9%
2 Total Earning Assets	4,198,859	4,419,609	-5.0%	4,245,342	-1.1%
3 Total Loans	2,514,685	2,555,472	-1.6%	2,516,114	-0.1%
4 Commercial Loans	625,490	654,179	-4.4%	626,270	-0.1%
5 Commercial Real Estate Loans	871,225	913,919	-4.7%	883,942	-1.4%
6 Consumer Loans	1,017,970	987,374	3.1%	1,005,902	1.2%
7 Total Investment Securities	1,684,174	1,864,137	-9.7%	1,729,228	-2.6%
8 Available For Sale (Market Value)	590,749	636,481	-7.2%	602,667	-2.0%
9 Held To Maturity	1,093,425	1,227,656	-10.9%	1,126,561	-2.9%
10 HTM Unrealized (Loss at Period-End)	(4,974)	(6,777)	n/m	(18,668)	n/m
11 Loans / Deposits	74.9%	70.9%		74.5%	

4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in thousands)				
	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Total Deposits	\$3,358,163	\$3,602,566	-6.8%	\$3,377,413	-0.6%

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

2	Noninterest Demand	1,254,530	1,311,786	-4.4%	1,267,032	-1.0%
3	Interest-Bearing Transaction	566,556	602,996	-6.0%	577,555	-1.9%
4	Savings	810,213	943,396	-14.1%	824,299	-1.7%
5	Time greater than \$100K	519,488	509,741	1.9%	496,338	4.7%
6	Time less than \$100K	207,376	234,647	-11.6%	212,189	-2.3%
7	Total Short-Term Borrowings	764,992	717,524	6.6%	778,841	-1.8%
8	Fed Funds Purchased	621,165	485,095	28.1%	625,060	-0.6%
9	Other Short-Term Funds	143,827	232,429	-38.1%	153,781	-6.5%
10	Long-Term Debt	36,832	36,978	-0.4%	36,868	-0.1%
11	Shareholders' Equity	402,016	422,735	-4.9%	408,564	-1.6%
12	Demand Deposits / Total Deposits	37.4%	36.4%		37.5%	
13	Transaction & Savings Deposits / Total Deposits	78.4%	79.3%		79.0%	

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

5. Interest Yields Earned & Rates Paid.

		(dollars in thousands)				
		Q3'07			Q2'07	
		Average Volume	Income/ Expense	Yield/ Rate	Yield/ Rate	Average Volume
1	Interest & Fees Income Earned					
2	Total Earning Assets (FTE)	\$4,198,859	\$64,708	6.14%	6.12%	\$4,419,609
3	Total Loans (FTE)	2,514,685	42,310	6.68%	6.69%	2,555,472
4	Commercial Loans (FTE)	625,490	12,719	8.07%	7.73%	654,179
5	Commercial Real Estate Loans	871,225	15,602	7.10%	7.17%	913,919
6	Consumer Loans	1,017,970	13,989	5.45%	5.44%	987,374
7	Total Investment Securities (FTE)	1,684,174	22,398	5.32%	5.31%	1,864,137
8	Interest Expense Paid					
9	Total Earning Assets	4,198,859	19,145	1.80%	1.76%	4,419,609
10	Total Interest-Bearing Liabilities	2,905,457	19,145	2.60%	2.56%	3,045,282
11	Total Interest-Bearing Deposits	2,103,633	9,966	1.88%	1.81%	2,290,780
12	Interest-Bearing Transaction	566,556	526	0.37%	0.37%	602,996
13	Savings	810,213	1,649	0.81%	0.71%	943,396
14	Time less than \$100K	207,376	1,755	3.36%	3.31%	234,647
15	Time greater than \$100K	519,488	6,036	4.61%	4.68%	509,741
16	Total Short-Term Borrowings	764,992	8,601	4.40%	4.43%	717,524
17	Fed Funds Purchased	621,165	8,171	5.15%	5.25%	485,095
18	Other Short-Term Funds	143,827	430	1.18%	1.10%	232,429
19	Long-Term Debt	36,832	578	6.28%	6.27%	36,978

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

20 Net Interest Income and Margin (FTE) \$45,563 4.34% 4.36%

6. Noninterest Income.

(dollars in thousands except per share amounts)

	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Service Charges on Deposit Accounts	\$7,569	\$7,155	5.8%	\$7,716	-1.9%
2 Merchant Credit Card Income	2,808	2,430	15.5%	2,768	1.4%
3 ATM Fees & Interchange	723	753	-4.0%	714	1.2%
4 Debit Card Fees	969	883	9.8%	960	1.0%
5 Financial Services Fees	383	377	1.8%	363	5.7%
6 Mortgage Banking Income	29	36	-17.4%	33	-9.9%
7 Trust Fees	337	298	13.2%	304	10.8%
8 Other Income	1,826	1,967	-7.2%	1,842	-0.9%
9 Sub-total	14,644	13,899	5.4%	14,700	-0.4%
10 Life Insurance Gains	0	0	n/m	0	n/m
11 Total Noninterest Income	\$14,644	\$13,899	5.4%	\$14,700	-0.4%
12 Operating Ratios:					
13 Total Revenue (FTE)	\$60,207	\$64,097	-6.1%	\$60,759	-0.9%
14 Noninterest Income / Revenue (FTE)	24.3%	21.7%		24.2%	
15 Service Charges / Deposits (annualized)	0.89%	0.79%		0.92%	
16 Total Revenue Per Share (annualized)	\$8.09	\$8.18	-1.2%	\$8.14	-0.6%

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

7. Noninterest Expense.

(dollars in thousands)

	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Salaries & Benefits	\$12,587	\$13,080	-3.8%	\$12,622	-0.3%
2 Occupancy	3,327	3,321	0.2%	3,342	-0.4%
3 Equipment	1,083	1,194	-9.3%	1,147	-5.6%
4 Data Processing	1,800	1,503	19.8%	1,543	16.7%
5 Courier	854	904	-5.6%	857	-0.4%
6 Postage	404	410	-1.3%	396	2.0%

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

7 Telephone	342	371	-7.8%	354	-3.4%
8 Professional Fees	451	532	-15.2%	409	10.3%
9 Stationery & Supplies	323	307	5.1%	269	20.3%
10 Loan Expense	217	253	-14.3%	171	26.8%
11 Operational Losses	228	129	76.4%	171	33.3%
12 Amortization of Identifiable Intangibles	893	1,016	-12.1%	893	0.0%
13 Other Operating	2,344	2,383	-1.7%	2,532	-7.4%
14 Total Noninterest Expense	\$24,853	\$25,403	-2.2%	\$24,706	0.6%
15 Full Time Equivalent Staff	876	901	-2.8%	910	-3.7%
16 Average Assets / Full Time Equivalent Staff	\$5,284	\$5,379	-1.8%	\$5,130	3.0%
17 Operating Ratios:					
18 FTE Revenue / Full Time Equiv. Staff (annualized)	\$273	\$282	-3.4%	\$268	1.8%
19 Noninterest Expense / Earning Assets (annualized)	2.35%	2.28%		2.33%	
20 Noninterest Expense / Revenues	41.3%	39.6%		40.7%	

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

8. Provision for Credit Losses.

	(dollars in thousands)				
	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Provision for Credit Losses	\$75	\$75	0.0%	\$75	0.0%
2 Gross Loan Losses	1,031	1,011	1.9%	2,244	-54.1%
3 Net Loan Losses	610	421	44.9%	1,491	-59.1%
4 Recoveries / Gross Loan Losses	41%	58%		34%	
5 Average Total Loans	\$2,514,685	\$2,555,472	-1.6%	\$2,516,114	-0.1%
6 Net Loan Losses / Loans (annualized)	0.10%	0.07%		0.24%	
7 Provision for Credit Losses / Loans (annualized)	0.01%	0.01%		0.01%	
8 Provision for Credit Losses / Net Loan Losses	12.3%	17.8%		5.0%	

9. Credit Quality.

(dollars in thousands)

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

	09/30/07	09/30/06	9/30/07 / 09/30/06	06/30/07	9/30/07 / 06/30/07
1 Nonperforming Nonaccrual Loans	\$3,132	\$1,162	169.6%	\$3,140	-0.2%
2 Performing Nonaccrual Loans	1,695	3,889	-56.4%	1,898	-10.7%
3 Total Nonaccrual Loans	4,827	5,051	-4.4%	5,038	-4.2%
4 Accruing Loans 90+ Days Past Due	251	252	-0.4%	179	40.2%
5 Total Nonperforming Loans	5,078	5,303	-4.2%	5,217	-2.7%
6 Repossessed Collateral	613	656	-6.6%	613	0.0%
7 Total Nonperforming Loans & 8 Repossessed Collateral	\$5,691	\$5,959	-4.5%	\$5,830	-2.4%
9 Classified Loans	\$21,403	\$24,111	-11.2%	\$22,498	-4.9%
10 Allowance for Loan Losses	\$52,938	\$55,338	-4.3%	\$53,473	-1.0%
11 Total Loans Outstanding	2,511,374	2,552,929	-1.6%	2,521,738	-0.4%
12 Total Assets	4,657,016	4,844,116	-3.9%	4,647,069	0.2%
13 Allowance for Loan Losses / Total Loans	2.11%	2.18%		2.12%	
14 Nonperforming Loans / Total Loans	0.20%	0.21%		0.21%	
15 Nonperforming Loans & Repossessed 16 Collateral/Total Assets	0.12%	0.12%		0.13%	
17 Allowance/Nonperforming Loans	1042%	1044%		1025%	
18 Allowance for Loan Losses / Classified Loans	247%	230%		238%	
19 Classified Loans / 20 (Equity + Allowance for Loan Losses)	4.7%	5.0%		4.9%	

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

10.Capital.

(dollars in thousands, except per-share amounts)

	09/30/07	09/30/06	9/30/07 / 09/30/06	06/30/07	9/30/07 / 06/30/07
1 Shareholders' Equity	\$403,651	\$428,732	-5.9%	\$407,982	-1.1%
2 Tier I Regulatory Capital	283,015	300,344	-5.8%	286,818	-1.3%
3 Total Regulatory Capital	322,598	341,207	-5.5%	326,582	-1.2%
4 Total Assets	4,657,016	4,844,116	-3.9%	4,647,069	0.2%
5 Risk-Adjusted Assets	3,017,668	3,094,942	-2.5%	3,014,947	0.1%
6 Shareholders' Equity / Total Assets	8.67%	8.85%		8.78%	

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

7 Shareholders' Equity / Total Loans	16.07%	16.79%		16.18%	
8 Tier I Capital /Total Assets	6.08%	6.20%		6.17%	
9 Tier I Capital / Risk-Adjusted Assets	9.38%	9.70%		9.51%	
10 Total Capital / Risk-Adjusted Assets	10.69%	11.02%		10.83%	
11 Shares Outstanding	29,378	30,910	-5.0%	29,732	-1.2%
12 Book Value Per Share	\$13.74	\$13.87	-0.9%	\$13.72	0.1%
13 Market Value Per Share	\$49.81	\$50.51	-1.4%	\$44.24	12.6%

14 Share Repurchase Programs

	(shares in thousands)				
	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
15 Total Shares Repurchased / Canceled	492	436	13.0%	456	7.9%
16 Average Repurchase Price	\$43.90	\$47.98	-8.5%	\$46.77	-6.1%
17 Net Shares Repurchased	354	291	21.6%	426	-17.0%

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

11.Period-End Balance Sheets.

	(dollars in thousands)				
	09/30/07	09/30/06	9/30/07 / 09/30/06	06/30/07	9/30/07 / 06/30/07
1 Assets:					
2 Cash and Money Market Assets	\$219,960	\$192,175	14.5%	\$164,390	33.8%
3 Investment Securities Available For Sale	570,086	617,736	-7.7%	582,959	-2.2%
4 Investment Securities Held to Maturity	1,081,009	1,211,589	-10.8%	1,104,132	-2.1%
5 Loans, gross	2,511,374	2,552,929	-1.6%	2,521,738	-0.4%
6 Allowance For Loan Losses	(52,938)	(55,338)	-4.3%	(53,473)	-1.0%
7 Loans, net	2,458,436	2,497,591	-1.6%	2,468,265	-0.4%
8 Premises and Equipment	28,666	30,979	-7.5%	29,169	-1.7%
9 Identifiable Intangible Assets	19,322	23,098	-16.3%	20,215	-4.4%

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

10	Goodwill	121,719	121,719	0.0%	121,719	0.0%
11	Interest Receivable and Other Assets	157,818	149,229	5.8%	156,220	1.0%
12	Total Assets	\$4,657,016	\$4,844,116	-3.9%	\$4,647,069	0.2%
13 Liabilities and Shareholders' Equity:						
14 Deposits:						
15	Noninterest Bearing	\$1,251,572	\$1,298,519	-3.6%	\$1,266,941	-1.2%
16	Interest-Bearing Transaction	549,263	581,705	-5.6%	554,036	-0.9%
17	Savings	806,797	926,262	-12.9%	809,791	-0.4%
18	Time	732,582	744,645	-1.6%	704,264	4.0%
19	Total Deposits	3,340,214	3,551,131	-5.9%	3,335,032	0.2%
20	Short-Term Borrowed Funds	815,101	768,841	6.0%	809,261	0.7%
21	Debt Financing and Notes Payable	36,809	36,956	-0.4%	36,846	-0.1%
22	Liability For Interest, Taxes and Other	61,241	58,456	4.8%	57,948	5.7%
23	Total Liabilities	4,253,365	4,415,384	-3.7%	4,239,087	0.3%
24 Shareholders' Equity:						
25	Paid-In Capital	\$337,627	\$346,603	-2.6%	\$338,290	-0.2%
26	Accumulated Other Comprehensive (Loss) Income	(412)	1,805	n/m	(777)	n/m
28	Retained Earnings	66,436	80,324	-17.3%	70,469	-5.7%
29	Total Shareholders' Equity	403,651	428,732	-5.9%	407,982	-1.1%
30	Total Liabilities and Shareholders' Equity	\$4,657,016	\$4,844,116	-3.9%	\$4,647,069	0.2%

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
September 30, 2007

Public Information October 16, 2007

12. Income Statements.

(dollars in thousands, except per-share amounts)

	Q3'07	Q3'06	Q3'07 / Q3'06	Q2'07	Q3'07 / Q2'07
1 Interest and Fee Income:					
2 Loans	\$41,134	\$41,292	-0.4%	\$40,727	1.0%
3 Money Market Assets and Funds Sold	2	1	n/m	2	n/m
4 Investment Securities Available For Sale	6,713	7,227	-7.1%	6,841	-1.9%
5 Investment Securities Held to Maturity	11,448	12,845	-10.9%	11,771	-2.7%
6 Total Interest Income	59,297	61,365	-3.4%	59,341	-0.1%

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

7	Interest Expense:					
8	Transaction Deposits	526	430	22.4%	528	-0.3%
9	Savings Deposits	1,649	1,173	40.6%	1,452	13.5%
10	Time Deposits	7,791	7,408	5.2%	7,540	3.3%
11	Short-Term Borrowed Funds	8,601	7,399	16.2%	8,718	-1.3%
12	Debt Financing and Notes Payable	578	578	0.0%	578	-0.0%
		-----		-----		
13	Total Interest Expense	19,145	16,988	12.7%	18,816	1.7%
		-----		-----		
14	Net Interest Income	40,152	44,377	-9.5%	40,525	-0.9%
		-----		-----		
15	Provision for Credit Losses	75	75	0.0%	75	0.0%
		-----		-----		
16	Noninterest Income:					
17	Service Charges on Deposit Accounts	7,569	7,155	5.8%	7,716	-1.9%
18	Merchant Credit Card	2,808	2,430	15.5%	2,768	1.4%
19	Financial Services Commissions	383	377	1.8%	363	5.7%
20	Mortgage Banking	29	36	-17.4%	33	-9.9%
21	Trust Fees	337	298	13.2%	304	10.8%
22	Life Insurance Gains	0	0	n/m	0	n/m
23	Other	3,518	3,603	-2.4%	3,516	0.0%
		-----		-----		
24	Total Noninterest Income	14,644	13,899	5.4%	14,700	-0.4%
		-----		-----		
25	Noninterest Expense:					
26	Salaries and Related Benefits	12,587	13,080	-3.8%	12,622	-0.3%
27	Occupancy	3,327	3,321	0.2%	3,342	-0.4%
28	Equipment	1,083	1,194	-9.3%	1,147	-5.6%
29	Data Processing	1,800	1,503	19.8%	1,543	16.7%
30	Professional Fees	451	532	-15.2%	409	10.3%
31	Other	5,605	5,773	-2.9%	5,643	-0.7%
		-----		-----		
32	Total Noninterest Expense	24,853	25,403	-2.2%	24,706	0.6%
		-----		-----		
33	Income Before Income Taxes	29,868	32,798	-8.9%	30,444	-1.9%
34	Provision for income taxes	7,846	8,561	-8.3%	8,093	-3.1%
		-----		-----		
35	Net Income	\$22,022	\$24,237	-9.1%	\$22,351	-1.5%
		=====		=====		
36	Average Shares Outstanding	29,532	31,070	-5.0%	29,938	-1.4%
37	Diluted Average Shares Outstanding	29,915	31,558	-5.2%	30,365	-1.5%
38	Per Share Data:					
39	Basic Earnings	\$0.75	\$0.78	-4.4%	\$0.75	-0.1%
40	Diluted Earnings	0.74	0.77	-4.1%	0.74	0.0%
41	Dividends Paid	0.34	0.32	6.3%	0.34	0.0%