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ITEM 6. SELECTED FINANCIAL DATA

The following financial information for the five years ended December 31, 2009 has been derived from the Company's Consolidated Financial Statements. This information should be read in conjunction with the Consolidated Financial Statements and related notes thereto included elsewhere herein.

WESTAMERICA BANCORPORATION

FINANCIAL SUMMARY

(In thousands, except per share data)

<i>Year ended December 31:</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005*</i>
Interest income	\$ 241,949	\$ 208,469	\$ 235,872	\$ 246,515	\$ 242,797
Interest expense	19,380	33,243	72,555	65,268	43,649
Net interest income	222,569	175,226	163,317	181,247	199,148
Provision for loan losses	10,500	2,700	700	445	900
Noninterest income:					
Net losses from securities	-	(56,955)	-	-	(4,903)
Gain on acquisition	48,844	-	-	-	-
Deposit service charges and other	63,167	54,899	59,278	55,347	59,443
Total noninterest income (loss)	112,011	(2,056)	59,278	55,347	54,540
Noninterest expense					
Visa litigation	-	(2,338)	2,338	-	-
Other noninterest expense	140,776	103,099	99,090	101,724	107,250
Total noninterest expense	140,776	100,761	101,428	101,724	107,250
Income before income taxes	183,304	69,709	120,467	134,425	145,538
Provision for income taxes	57,878	9,874	30,691	35,619	39,497
Net income	125,426	59,835	89,776	98,806	106,041
Preferred stock dividends and discount accretion	3,963	-	-	-	-
Net income applicable to common equity	\$ 121,463	\$ 59,835	\$ 89,776	\$ 98,806	\$ 106,041
Earnings per share:					
Basic	\$ 4.17	\$ 2.07	\$ 3.02	\$ 3.17	\$ 3.28
Diluted	4.14	2.04	2.98	3.11	3.22
Per share:					
Dividends paid	\$ 1.41	\$ 1.39	\$ 1.36	\$ 1.30	\$ 1.22
Book value at December 31	17.31	14.19	13.60	13.89	13.65
Average common shares outstanding	29,105	28,892	29,753	31,202	32,291
Average diluted common shares outstanding	29,353	29,273	30,165	31,739	32,897
Shares outstanding at December 31	29,208	28,880	29,018	30,547	31,882
At December 31:					
Non-covered loans, net	\$ 2,160,045	\$ 2,337,956	\$ 2,450,470	\$ 2,476,404	\$ 2,616,372
Covered loans	855,301	-	-	-	-
Investments	1,111,143	1,237,779	1,578,109	1,780,617	1,999,604
Intangible assets and goodwill	157,366	136,907	140,148	143,801	148,077
Total assets	4,975,501	4,032,934	4,558,959	4,769,335	5,157,559
Total deposits	4,060,208	3,095,054	3,264,790	3,516,734	3,846,101
Short-term borrowed funds	227,178	457,275	798,599	731,977	775,173
Federal Home Loan Bank advances	85,470	-	-	-	-
Debt financing and notes payable	26,497	26,631	36,773	36,920	40,281
Shareholders' equity	505,448	409,852	394,603	424,235	435,064
Financial Ratios:					
For the year:					
Return on assets	2.39%	1.42%	1.93%	2.01%	2.09%
Return on common equity	25.84%	14.77%	22.11%	23.38%	25.70%
Net interest margin **	5.42%	5.13%	4.40%	4.57%	4.82%

Net loan losses to average non-covered loans	0.60%	0.44%	0.14%	0.04%	0.03%
Efficiency ratio ***	39.74%	51.88%	41.46%	39.12%	38.52%
At December 31:					
Equity to assets	10.16%	10.16%	8.66%	8.90%	8.44%
Total capital to risk- adjusted assets	14.50%	11.76%	10.64%	11.09%	10.40%
Allowance for loan losses to non- covered loans	1.86%	1.87%	2.10%	2.19%	2.09%

The above financial summary has been derived from the Company's audited consolidated financial statements. This information should be read in conjunction with those statements, notes and the other information included elsewhere herein.

* Adjusted to adopt the revised provisions for accounting for stock compensation.

** Yields on securities and certain loans have been adjusted upward to a "fully taxable equivalent" ("FTE") basis, which is a non-GAAP financial measure, in order to reflect the effect of income which is exempt from federal income taxation at the current statutory tax rate.

*** The efficiency ratio is defined as noninterest expense divided by total revenue (net interest income on an FTE basis, which is a non-GAAP financial measure, and noninterest income).

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

<i>For the years ended December 31,</i>	2009	2008	2007
Operating Activities:			
Net income	\$ 125,426	\$ 59,835	\$ 89,776
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization/accretion	10,429	9,438	9,342
Loan loss provision	10,500	2,700	700
Net amortization of deferred loan cost (fees)	470	124	(955)
(Increase) decrease in interest income receivable	(1,900)	3,480	2,870
Decrease (increase) in other assets	29,880	(17,633)	(7,073)
Stock option compensation expense	1,132	1,193	1,779
Excess tax benefits from stock- based compensation	(2,188)	(1,130)	(306)
Increase in income taxes payable	2,316	141	586
Decrease in interest expense payable	(439)	(3,527)	(901)
Increase (decrease) increase in other liabilities	21,830	(18,677)	12,534
Gain on acquisition	(48,844)	-	-
Loss on sale and impairment of investment securities	-	62,653	-
Gain on sale of Visa common stock	-	(5,698)	-
Gain on sale of real estate and other assets	-	-	(232)
Gain on sale of branch	79	-	-
Net loss on sales/write- down of fixed assets	40	12	51
Originations of loans for resale	(68)	(1,269)	(516)
Net proceeds from sale of loans originated for resale	70	1,283	521
Net write- down/loss on sale of property acquired in satisfaction of debt	375	195	34
Net Cash Provided By Operating Activities	149,108	93,120	108,210
Investing Activities			
Net repayments of loans	447,277	106,279	26,184
Proceeds from FDIC loss- sharing agreement	43,176	-	-
Net cash acquired from acquisition	44,397	-	-
Purchases of investment securities available for sale	(22,992)	(6,430)	(30,571)
Proceeds from maturity/calls of securities available for sale	105,097	197,594	103,914
Purchases of securities held to maturity	(522)	-	-
Proceeds from maturity/calls of securities held to maturity	225,913	95,962	119,805
Purchases of property, plant and equipment	(14,179)	(1,905)	(1,562)
Proceeds from sale of property and equipment	-	-	237
Purchases of FRB/FHLB* securities	-	(147)	(145)
Proceeds from sale of FRB/FHLB/FHLMC* securities	1,502	11,887	108
Proceeds from sale of Visa common stock	-	5,698	-
Proceeds from sale of property acquired in satisfaction of debt	11,082	311	-
Net Cash Provided By Investing Activities	840,751	409,249	217,970
Financing Activities			
Net decrease in deposits	(261,968)	(169,736)	(251,944)
Net (decrease) increase in short- term borrowings	(471,574)	(341,324)	66,622
Repayments of notes payable	-	(10,000)	-
Proceeds from issuance of preferred stock and warrants	83,726	-	-
Redemption of preferred stock	(83,726)	-	-
Preferred stock dividends	(2,756)	-	-
Exercise of stock options/issuance of shares	9,610	22,830	11,908
Excess tax benefits from stock- based compensation	2,188	1,130	306
Retirement of common stock including repurchases	(2,046)	(35,914)	(87,103)
Common stock dividends paid	(41,061)	(40,236)	(40,647)
Net Cash Used In Financing Activities	(767,607)	(573,250)	(300,858)
Net Increase (Decrease) In Cash and Cash Equivalents	222,252	(70,881)	25,322
Cash and Cash Equivalents at Beginning of Year	138,883	209,764	184,442
Cash and Cash Equivalents at End of Year	\$ 361,135	\$ 138,883	\$ 209,764

Supplemental Disclosures:

Supplemental disclosure of noncash activities:						
Loans transferred to other real estate owned	\$	38,185	\$	3,432	\$	-
Unrealized gain (loss) on securities available for sale, net of tax		2,638		5,524		(6,406)
Supplemental disclosure of cash flow activity:						
Interest paid for the period		27,558		36,770		73,456
Income tax payments for the period		36,852		24,056		30,791
See accompanying notes to the consolidated financial statements.						

* F e d e r a l
 Reserve Bank
 (" F R B ") ,
 Federal Home
 Loan Bank
 ("FHLB") and
 Federal Home
 L o a n
 M o r t g a g e
 C o r p .
 ("FHLMC")

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The County acquisition was accounted for under the acquisition method of accounting in accordance with FASB ASC 805, Business Combinations. The statement of net assets acquired as of February 6, 2009 and the resulting bargain purchase gain are presented in the following table. The purchased assets and assumed liabilities were recorded at their respective acquisition date fair values, and identifiable intangible assets were recorded at fair value. Fair values are preliminary and subject to refinement for up to one year after the closing date of a merger as information relative to closing date fair values becomes available. A "bargain purchase" gain totaling \$48.8 million resulted from the acquisition and is included as a component of noninterest income on the statement of income. The amount of the gain is equal to the amount by which the fair value of assets purchased exceeded the fair value of liabilities assumed. The acquisition resulted in a gain due to County's impaired capital condition at the time of the acquisition. The operations of County provided revenue of \$60.7 million and net income of \$10.5 million for the period of February 6, 2009 to December 31, 2009, and is included in the consolidated financial statements. County's results of operations prior to the acquisition are not included in Westamerica's statement of income.

Statement of Net Assets Acquired (at fair value)

	At February 6, 2009 (In thousands)
Assets	
Cash and cash equivalents	\$ 44,668
Federal funds sold	12,760
Securities	173,839
Loans	1,174,353
Core deposit intangible	28,107
Other real estate owned	9,332
Other assets	181,405
Total Assets	\$ 1,624,464
Liabilities	
Deposits	1,234,123
Federal funds purchased and securities sold under repurchase agreements	153,169
Other borrowed funds	187,252
Liabilities for interest and other expenses	1,076
Total Liabilities	1,575,620
Net assets acquired	\$ 48,844

	At February 6, 2009 (In thousands)
County Bank tangible stockholder's equity	\$ 58,623
Adjustments to reflect assets acquired and liabilities assumed at fair value:	
Loans and leases, net	(150,326)
Other real estate owned	(5,470)
FDIC loss- sharing receivable (included in other assets)	128,962
Core deposit intangible	28,107
Deposits	(10,823)
Securities sold under repurchase agreements	(2,061)
Other borrowed funds	1,832
"Bargain Purchase" gain	\$ 48,844

The pro forma consolidated condensed statements of income for the Company and County for the years ended December 31, 2009 and 2008 are presented below. The unaudited pro forma information presented does not necessarily reflect the results of operations that would have resulted had the acquisition been completed at the beginning of the applicable periods presented, nor does it indicate the results of operations in future periods.

The pro forma purchase accounting adjustments related to loans and leases, deposits, securities sold under repurchase agreements and other borrowed funds are being accreted or amortized into income using methods that approximate a level yield over their respective estimated lives. Purchase accounting adjustments related to identifiable intangibles are being amortized and recorded as noninterest expense over their respective estimated lives using accelerated methods. The unaudited pro forma consolidated condensed statements of income do not reflect any adjustments to County's historical provision for credit losses and goodwill impairment charges.