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WESTAMERICA BANCORPORATION

Form 8-K

April 17, 2003

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of the Report (Date of earliest event reported):  
April 15, 2003

Commission File Number: 001-9383

WESTAMERICA BANCORPORATION

-----  
(Exact name of registrant as specified in its charter)

CALIFORNIA

-----  
(State of incorporation)

94-2156203

-----  
(I.R.S. Employer Identification Number)

1108 FIFTH AVENUE, SAN RAFAEL, CALIFORNIA 94901

-----  
(Address of principal executive offices and zip code)

(707) 863-8000

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(Registrant's area code and telephone number)

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Item 7: Exhibits  
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99.1 Press release dated April 15, 2003

Item 9: Regulation FD Disclosure  
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(Furnished under Item 12)

This Current Report on Form 8-K is being furnished pursuant to Item 12, "Results of Operations and Financial Condition," in accordance with interim guidance promulgated by the Securities and Exchange Commission in Release No. 34-47583 that was issued March 27, 2003. See "Item 12: Results of Operations and Financial Condition" below.

Item 12: Results of Operations and Financial Condition  
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On April 15, 2003 Westamerica Bancorporation announced their quarterly earnings for the first quarter of 2003. 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

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authorized.

Westamerica Bancorporation

/s/ DENNIS R. HANSEN

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Dennis R. Hansen, SVP and Controller

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INDEX TO EXHIBITS

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Exhibit No.	Description	Sequentially Number Page
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(99.1)	Press release dated April 15, 2003	5-13

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EXHIBIT 99.1

FOR IMMEDIATE RELEASE

April 15, 2003

WESTAMERICA BANCORPORATION FIRST QUARTER 2003 EARNINGS PER  
SHARE INCREASE 10%

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported net income for the first quarter of 2003 of \$23.0 million or \$.69 diluted earnings per share, up from \$21.7 million or \$.63 diluted earnings per share for the first quarter of 2002. The return on equity

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(ROE) for the first quarter of 2003 was 29.6 percent, and the return on assets (ROA) was 2.22 percent, compared to 29.2 percent and 2.25 percent, respectively, in the first quarter of 2002.

"We are pleased with first quarter results, especially our ability to sustain superior credit quality through this period of economic uncertainty. We have maintained our allowance for loan losses at \$54 million or 2.2% of total loans, while non-performing loans and OREO declined to \$9.3 million, down 10% from December 31, 2002," said Chairman, President and CEO David Payne. "Our balance sheet continues to demonstrate our low-risk profile while delivering high levels of profitability," added Payne.

Net interest income on a fully taxable equivalent basis was \$54.1 million in the first quarter of 2003, compared to \$55.0 million in the prior quarter and to \$52.7 million in the first quarter of 2002. The first quarter 2003 net interest margin on a taxable equivalent basis was 5.58 percent, compared to 5.71 percent in the prior quarter and to 5.86 percent for the first quarter of 2002. The margin decrease is generally attributable to yields on loans and investments declining more than the decline in rates paid on deposits and other funds.

The provision for loan losses was \$900 thousand for the first quarter of 2003 unchanged from the previous quarter and first quarter of 2002. Net loan charge-offs totaled \$973 thousand or 0.16 percent of average loans (annualized) in the first quarter of 2003. At March 31, 2003, the allowance for loan losses was \$54.2 million, or 2.20 percent of total loans.

Noninterest income in the first quarter of 2003 was \$10.4 million, up from \$10.0 million reported in the year-ago quarter. Higher fees on deposits, debit card and ATM fees, mortgage banking income, and other fees were offset in part by lower trust fees and financial services commissions in the first quarter of 2003 compared to first quarter of 2002.

Noninterest expense for the first quarter of 2003 totaled \$25.5 million, down \$221 thousand from the prior quarter, and down \$158 thousand from the first quarter of 2002. The reduction in the first quarter of 2003 from the first quarter of 2002 included \$165 thousand lower personnel costs; lower incentives were offset in part by higher employee benefit costs. The efficiency ratio for first quarter 2003 was 39.6 percent compared with 41.0 percent first quarter 2002.

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Shareholders' equity was \$337 million at March 31, 2003, up 9.5 percent from \$308 million at March 31, 2002. The Company's equity-to-asset ratio was 7.7 percent at March 31, 2003, compared to 7.8 percent at March 31, 2002. Net repurchases of the Company's common stock in the first quarter 2003 totaled approximately 504 thousand shares.

At March 31, 2003, the Company had total assets of \$4.4 billion, up 11 percent from March 31, 2002. At March 31, 2003, total loans outstanding were \$2.5 billion, essentially unchanged from March 31, 2002.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 89 branches and two trust offices throughout 23 Northern and Central California counties.

Westamerica Bancorporation Web Address: [www.westamerica.com](http://www.westamerica.com)

For additional information contact:  
Westamerica Bancorporation  
Robert A. Thorson - SVP & Treasurer

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707-863-6840

**FORWARD-LOOKING INFORMATION:**

The following appears in accordance with the Private Securities Litigation Reform Act of 1995:

This press release may contain forward-looking statements about the Company, including descriptions of plans or objectives of its management for future operations, products or services, and forecasts of its revenues, earnings or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may."

Forward-looking statements, by their nature, are subject to risks and uncertainties. A number of factors - many of which are beyond the Company's control - could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. The Company's most recent annual and quarterly reports filed with the Securities and Exchange Commission, including the Company's Form 10-K for the year ended December 31, 2002, 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, the combination of the former Kerman State Bank and the former First Counties Bank, and other 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, 2003

Public Information April 15, 2003

1. Net Income Summary.

	(dollars in thousands except per-share amounts)				
	Q1'03	Q1'02	Q1'03 / Q1'02	Q4'02	Q1'03 / Q4'02
1. Net Interest Income (FTE)	\$54,062	\$52,712	2.6%	\$54,985	-1.7%
2. Loan Loss Provision	900	900	0.0%	900	0.0%
3. Noninterest Income	10,375	9,999	3.8%	10,214	1.6%
7. Noninterest Expense	25,535	25,693	-0.6%	25,756	-0.9%
8. Income Tax Provision (FTE)	14,990	14,459	3.7%	15,287	-1.9%
9. Net Income	\$23,012	\$21,659	6.2%	\$23,256	-1.0%
10. Average Shares Outstanding	33,110	34,071	-2.8%	33,495	-1.1%
11. Diluted Average Shares Outstanding	33,565	34,634	-3.1%	33,978	-1.2%

12. Operating Ratios:

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13. Basic Earnings Per Share	\$0.70	\$0.64	9.3%	\$0.69	1.4%
14. Diluted Earnings Per Share	0.69	0.63	9.6%	0.68	1.5%
15. Return On Assets	2.22%	2.25%		2.23%	
16. Return On Equity	29.6%	29.2%		29.2%	
17. Net Interest Margin	5.58%	5.86%		5.71%	
18. Efficiency Ratio	39.6%	41.0%		39.5%	
19.Dividends Paid Per Share	\$0.24	\$0.22	9.1%	\$0.24	0.0%
20.Dividend Payout Ratio	35%	35%		35%	

2. Net Interest Income.

	(dollars in thousands)				
	Q1'03	Q1'02	Q1'03 / Q1'02	Q4'02	Q1'03 / Q4'02
1. Interest and Fee Income (FTE)	\$61,799	\$63,133	-2.1%	\$63,519	-2.7%
2. Interest Expense	7,737	10,421	-25.8%	8,534	-9.3%
3. Net Interest Income (FTE)	\$54,062	\$52,712	2.6%	\$54,985	-1.7%
4. Average Earning Assets	\$3,906,020	\$3,631,344	7.6%	\$3,831,759	1.9%
5. Average Interest-Bearing Liabilities	2,730,272	2,560,713	6.6%	2,642,475	3.3%
6. Yield on Earning Assets (FTE)	6.38%	7.02%		6.60%	
7. Cost of Funds	0.80%	1.16%		0.89%	
8. Net Interest Margin (FTE)	5.58%	5.86%		5.71%	
9. Interest Expense/Interest-Bearing Liabilities	1.14%	1.65%		1.28%	
10.Net Interest Spread (FTE)	5.24%	5.37%		5.32%	

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Public Information April 15, 2003

3. Loans & Other Earning Assets.

	(average volume, dollars in thousands)				
	Q1'03	Q1'02	Q1'03 / Q1'02	Q4'02	Q1'03 / Q4'02
1. Total Assets	\$4,201,864	\$3,911,060	7.4%	\$4,128,465	1.8%
2. Total Earning Assets	3,906,020	3,631,344	7.6%	3,831,759	1.9%
3. Total Loans	2,424,017	2,470,989	-1.9%	2,451,940	-1.1%
4. Commercial Loans	1,567,405	1,645,958	-4.8%	1,592,877	-1.6%
5. Consumer Loans	856,612	825,031	3.8%	859,063	-0.3%
6. Total Investment Securities	1,482,003	1,160,355	27.7%	1,379,819	7.4%
7. Available For Sale (Market Value)	986,413	951,610	3.7%	955,950	3.2%
8. Held To Maturity	495,590	208,745	137.4%	423,869	16.9%
9. Unrealized Gain at Period-End	10,684	8,062	32.5%	11,786	-9.4%
10.Loans/Deposits	73.3%	77.1%		73.9%	
11.Loans/Earning Assets	62.1%	68.0%		64.0%	

4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in thousands)				
	Q1'03	Q1'02	Q1'03 / Q1'02	Q4'02	Q1'03 / Q4'02
1. Total Deposits	\$3,306,929	\$3,206,717	3.1%	\$3,319,086	-0.4%
2. Noninterest Demand	1,117,566	1,013,418	10.3%	1,134,279	-1.5%
3. Interest-Bearing Transaction	557,227	522,286	6.7%	549,624	1.4%
4. Savings	965,313	891,724	8.3%	988,337	-2.3%
5. Other Time					