



Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

Page 2

Exhibits

-----

99.1 Press release dated October 18, 2005

Item 2.02: Results of Operations and Financial Condition

-----

On October 18, 2005 Westamerica Bancorporation announced their quarterly earnings for the third quarter of 2005. 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/ DENNIS R. HANSEN

-----

Dennis R. Hansen  
Senior Vice President  
October 20, 2005

Page 4

INDEX TO EXHIBITS

-----

| Exhibit No. | Description                             | Sequentially<br>Number Page |
|-------------|---|-----------------------------|
| (99.1)      | Press release dated<br>October 18, 2005 | 5-16                        |

Page 5

FOR IMMEDIATE RELEASE

October 18, 2005

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

### WESTAMERICA BANCORPORATION REPORTS RECORD QUARTERLY EARNINGS FOR THIRD QUARTER 2005

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported record net income of \$29.2 million for the third quarter of 2005, up from \$25.1 million for the third quarter of 2004. Third quarter 2005 diluted earnings per share increased to \$0.89 from \$0.78 for the third quarter of 2004. Return on average common equity (ROE) for the third quarter of 2005 was 27.3 percent and return on assets (ROA) was 2.25 percent. Third quarter 2005 results include a gain on the sale of a facility vacated following the Redwood Empire Bancorp acquisition and recognition of company owned life insurance proceeds which, on a combined basis, account for \$0.06 diluted earnings per share.

For the first nine months of 2005, net income totaled \$79.8 million, compared to \$74.1 million for the same period in 2004. Diluted earnings per share were \$2.42 for the first nine months of 2005, compared to \$2.28 for the same period in 2004. Results for the first nine months of 2005 include a first quarter realized loss on the sale of available-for-sale securities, a second quarter property sale gain, and third quarter gains from the sale of premises and company owned life insurance proceeds. On a combined basis, these items reduced net income by \$100 thousand for the first nine months of 2005.

"Results for the third quarter of 2005 benefited from growth in merchant credit card and debit card income," said Chairman, President and CEO David Payne. "Our consistent focus on gathering noninterest bearing demand deposits and other low-cost deposits has maintained Westamerica's cost of funds at a relatively low level. Our funding cost was only 1.01 percent in the third quarter, which gives us a competitive advantage in the current operating environment," added Payne.

Page 6

Net interest income on a fully taxable equivalent basis was \$56.0 million in the third quarter of 2005 compared to \$54.5 million in the third quarter of 2004. The third quarter of 2005 net interest margin was 4.76 percent, down from 5.11 percent in the third quarter of 2004. Rising short-term interest rates combined with limited change in intermediate interest rates and highly competitive loan pricing has resulted in an operating environment with declining net interest margins.

Noninterest income in the third quarter of 2005 totaled \$17.4 million, compared to \$11.8 million in the third quarter of 2004. In comparison to the third quarter of 2004, the third quarter of 2005 benefited from a \$1.7 million increase in merchant credit card income, a \$180 thousand increase in debit card fees, and \$3.0 million combined from a gain on the sale of premises and company-owned life insurance proceeds.

Noninterest income for the first nine months of 2005 totaled \$40.1 million, compared to \$34.3 million in the first nine months of 2004. The \$5.8 million increase is primarily due to:

- \* \$ 3.7 million higher merchant credit card income attributable to the acquisition of Redwood Empire Bancorp on March 1, 2005.
- \* \$670 thousand increase in debit card and ATM fees.
- \* \$210 thousand increase in service charges on deposit accounts.
- \* \$130 thousand increase in trust fees.

Noninterest expense for the third quarter of 2005 was \$26.8 million, unchanged from the prior quarter. Compared to the third quarter of 2004, noninterest expense increased \$2.3 million in the third quarter of 2005. The increase is due

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

to higher personnel, occupancy, equipment, and intangible asset amortization costs following the acquisition of Redwood Empire Bancorp.

The efficiency ratio for the third quarter of 2005 was 36.5 percent, compared to 36.9 percent in both the prior quarter and the third quarter of 2004.

Page 7

Nonperforming assets increased from \$7.8 million at June 30, 2005 to \$8.1 million at September 30, 2005. The increase is primarily due to a \$1.3 million increase in loans 90 or more days past due and accruing, which is attributable to one commercial loan. Such loan, totaling \$1.2 million, is 100 percent secured by Westamerica Bank certificates of deposit. The Bank has not exercised its right of offset as management expects full repayment upon the settlement of the borrower's estate.

The provision for loan losses was \$150 thousand for the third quarter of 2005, reduced from \$300 thousand for the previous quarter and \$600 thousand for the third quarter of 2004. The reduced provision for loan losses reflects management's assessment of credit risk for the loan portfolio.

Shareholders' equity was \$432 million at September 30, 2005. The Company's total regulatory capital ratio was 10.4 percent at September 30, 2005, which exceeds the "well-capitalized" level of 10 percent under regulatory requirements.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 89 branches throughout 22 Northern and Central California counties. At September 30, 2005, the company had total assets outstanding of \$5.2 billion.

Westamerica Bancorporation Web Address: [www.westamerica.com](http://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, 2005 and Form 10-K for the year ended December 31, 2004, describe some of these factors, including certain credit, market, operational, liquidity and interest rate risks associated with the Company's business and operations.

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

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 Redwood Empire Bancorp 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.

#####

Page 9

WESTAMERICA BANCORPORATION  
FINANCIAL HIGHLIGHTS  
September 30, 2005

Public Information October 18, 2005

### 1. Net Income Summary.

|   | (dollars in thousands except per-share data) |          |                  |          |                  |         |
|---|--|----------|------------------|----------|------------------|---------|
|   | Q3'05  | Q3'04    | Q3'05 /<br>Q3'04 | Q2'05    | Q3'05 /<br>Q2'05 | 9/30'05 |
| 1. Net Interest Income (Fully Taxable Equivalent) | \$55,993                                     | \$54,528 | 2.7%             | \$57,023 | -1.8%            | \$168,  |
| 2. Loan Loss Provision                            | 150  | 600      | -75.0%           | 300      | -50.0%           |         |
| 3. Noninterest Income:                            |  |          |                  |          |                  |         |
| 4. Investment Securities (Loss/Impairment) Gains  | 0  | (14)     | n/m              | 0        | n/m              | (4,     |
| 5. Loss on Extinguishment of Debt                 | 0  | 0        | n/m              | 0        | n/m              |         |
| 6. Other  | 17,440                                       | 11,802   | 47.8%            | 15,479   | 12.7%            | 45,     |
| 7. Total Noninterest Income                       | 17,440                                       | 11,788   | 47.9%            | 15,479   | 12.7%            | 40,     |
| 8. Noninterest Expense                            | 26,791                                       | 24,491   | 9.4%             | 26,757   | 0.1%             | 78,     |
| 9. Income Tax Provision (FTE)                     | 17,298                                       | 16,130   | 7.2%             | 17,531   | -1.3%            | 48,     |
| 10. Net Income                                    | \$29,194                                     | \$25,095 | 16.3%            | \$27,914 | 4.6%             | \$79,   |
| 11. Average Shares Outstanding                    | 32,352                                       | 31,713   | 2.0%             | 32,759   | -1.2%            | 32,     |
| 12. Diluted Average Shares Outstanding            | 32,972                                       | 32,352   | 1.9%             | 33,364   | -1.2%            | 33,     |
| 13. Operating Ratios:                             |  |          |                  |          |                  |         |
| 14. Basic Earnings Per Share                      | \$0.90                                       | \$0.79   | 14.0%            | \$0.85   | 5.9%             | \$2     |
| 15. Diluted Earnings Per Share                    | 0.89   | 0.78     | 14.1%            | 0.84     | 5.8%             | 2       |
| 16. Return On Assets                              | 2.25%  | 2.19%    |                  | 2.17%    |                  | 2       |
| 17. Return On Equity                              | 27.3%  | 30.1%    |                  | 26.0%    |                  | 2       |
| 18. Net Interest Margin (FTE)                     | 4.76%  | 5.11%    |                  | 4.84%    |                  | 4       |
| 19. Efficiency Ratio (FTE)                        | 36.5%  | 36.9%    |                  | 36.9%    |                  | 3       |
| 20. Dividends Paid Per Share                      | \$0.30                                       | \$0.28   | 7.1%             | \$0.30   | 0.0%             | \$0     |
| 21. Dividend Payout Ratio                         | 34%  | 36%      |                  | 36%      |                  |         |

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

2. Net Interest Income.

| (dollars in thousands)                           |             |             |                  |             |                  |          |
|--|-------------|-------------|------------------|-------------|------------------|----------|
|  | Q3'05       | Q3'04       | Q3'05 /<br>Q3'04 | Q2'05       | Q3'05 /<br>Q2'05 | 9/30'05  |
| 1. Interest and Fee Income (FTE)                 | \$68,021    | \$59,570    | 14.2%            | \$67,769    | 0.4%             | \$199,   |
| 2. Interest Expense                              | 12,028      | 5,042       | 138.6%           | 10,746      | 11.9%            | 31,      |
| 3. Net Interest Income (FTE)                     | \$55,993    | \$54,528    | 2.7%             | \$57,023    | -1.8%            | \$168,   |
| 4. Average Earning Assets                        | \$4,695,342 | \$4,260,701 | 10.2%            | \$4,719,635 | -0.5%            | \$4,644, |
| 5. Average Interest-Bearing Liabilities          | 3,266,697   | 2,882,817   | 13.3%            | 3,304,766   | -1.2%            | 3,234,   |
| 6. Yield on Earning Assets (FTE)                 | 5.77%       | 5.58%       |                  | 5.75%       |                  | 5        |
| 7. Cost of Funds                                 | 1.01%       | 0.47%       |                  | 0.91%       |                  | 0        |
| 8. Net Interest Margin (FTE)                     | 4.76%       | 5.11%       |                  | 4.84%       |                  | 4        |
| 9. Interest Expense/Interest-Bearing Liabilities | 1.45%       | 0.69%       |                  | 1.30%       |                  | 1        |
| 10. Net Interest Spread (FTE)                    | 4.32%       | 4.89%       |                  | 4.45%       |                  | 4        |

Page 10

WESTAMERICA BANCORPORATION

Public Information October 18, 2005

3. Loans & Other Earning Assets.

| (average volume, dollars in thousands)       |             |             |                  |             |                  |          |
|--|-------------|-------------|------------------|-------------|------------------|----------|
|  | Q3'05       | Q3'04       | Q3'05 /<br>Q3'04 | Q2'05       | Q3'05 /<br>Q2'05 | 9/30'05  |
| 1. Total Assets                              | \$5,141,666 | \$4,557,925 | 12.8%            | \$5,170,029 | -0.5%            | \$5,058, |
| 2. Total Earning Assets                      | 4,695,342   | 4,260,701   | 10.2%            | 4,719,635   | -0.5%            | 4,644,   |
| 3. Total Loans                               | 2,643,270   | 2,247,664   | 17.6%            | 2,670,662   | -1.0%            | 2,562,   |
| 4. Commercial Loans                          | 711,330     | 624,925     | 13.8%            | 724,681     | -1.8%            | 692,     |
| 5. Commercial Real Estate Loans              | 937,380     | 752,395     | 24.6%            | 956,931     | -2.0%            | 901,     |
| 6. Consumer Loans                            | 994,560     | 870,344     | 14.3%            | 989,050     | 0.6%             | 968,     |
| 7. Total Investment Securities               | 2,052,072   | 2,013,037   | 1.9%             | 2,048,973   | 0.2%             | 2,081,   |
| 8. Available For Sale (Market Value)         | 681,098     | 928,930     | -26.7%           | 710,960     | -4.2%            | 748,     |
| 9. Held To Maturity                          | 1,370,974   | 1,084,107   | 26.5%            | 1,338,013   | 2.5%             | 1,333,   |
| 10. HTM Unrealized (Loss) Gain at Period-End | (8,157)     | 9,176       | n/m              | 8,529       | n/m              | (8,      |
| 11. Loans / Deposits                         | 68.3%       | 62.2%       |                  | 68.4%       |                  | 6        |

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

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

|   | (average volume, dollars in thousands) |             |                  |             |                  |             |
|---|--|-------------|------------------|-------------|------------------|-------------|
|   | Q3'05                                  | Q3'04       | Q3'05 /<br>Q3'04 | Q2'05       | Q3'05 /<br>Q2'05 | 9/30'05     |
| 1. Total Deposits                                   | \$3,872,414                            | \$3,616,319 | 7.1%             | \$3,906,875 | -0.9%            | \$3,831,116 |
| 2. Noninterest Demand                               | 1,400,272                              | 1,305,840   | 7.2%             | 1,387,984   | 0.9%             | 1,367,116   |
| 3. Interest-Bearing Transaction                     | 632,680                                | 581,264     | 8.8%             | 633,645     | -0.2%            | 625,116     |
| 4. Savings  | 1,104,237                              | 1,115,052   | -1.0%            | 1,130,024   | -2.3%            | 1,116,116   |
| 5. Other Time >\$100K                               | 455,293                                | 347,579     | 31.0%            | 448,104     | 1.6%             | 436,116     |
| 6. Other Time <\$100K                               | 279,932                                | 266,584     | 5.0%             | 307,118     | -8.9%            | 286,116     |
| 7. Total Short-Term Borrowings                      | 754,215                                | 550,909     | 36.9%            | 745,499     | 1.2%             | 734,116     |
| 8. Fed Funds Purchased                              | 585,156                                | 350,071     | 67.2%            | 585,205     | -0.0%            | 573,116     |
| 9. Other Short-Term Funds                           | 169,059                                | 200,838     | -15.8%           | 160,294     | 5.5%             | 160,116     |
| 10. FHLB Debt                                       | 0                                      | 0           | n/m              | 0           | n/m              | 0           |
| 11. Long-Term Debt                                  | 40,340                                 | 21,429      | 88.2%            | 40,376      | -0.1%            | 35,116      |
| 12. Shareholders' Equity                            | 424,277                                | 332,219     | 27.7%            | 430,796     | -1.5%            | 409,116     |
| 13. Demand Deposits / Total Deposits                | 36.2%                                  | 36.1%       |                  | 35.5%       |                  | 35.5%       |
| 14. Transaction & Savings Deposits / Total Deposits | 81.0%                                  | 83.0%       |                  | 80.7%       |                  | 80.7%       |

Page 11

WESTAMERICA BANCORPORATION

Public Information October 18, 2005

### 5. Interest Yields Earned & Rates Paid.

|  | (dollars in thousands) |                    |                |                |                   |                    |
|--|------------------------|--------------------|----------------|----------------|-------------------|--------------------|
|  | Q3'05                  |                    |                | Q2'05          |                   |                    |
|  | Average<br>Volume      | Income/<br>Expense | Yield/<br>Rate | Yield/<br>Rate | Average<br>Volume | Income/<br>Expense |
| 1. Interest & Fees Income Earned       |                        |                    |                |                |                   |                    |
| 2. Total Earning Assets (FTE)          | \$4,695,342            | \$68,021           | 5.77%          | 5.75%          | \$4,260,701       | \$59,021           |
| 3. Total Loans (FTE)                   | 2,643,270              | 41,395             | 6.21%          | 6.21%          | 2,247,664         | 34,395             |
| 4. Commercial Loans (FTE)              | 711,330                | 12,479             | 6.92%          | 6.88%          | 624,925           | 9,479              |
| 5. Commercial Real Estate Loans        | 937,380                | 16,818             | 7.12%          | 7.09%          | 752,395           | 13,818             |
| 6. Consumer Loans                      | 994,560                | 12,098             | 4.93%          | 4.90%          | 870,344           | 10,098             |
| 7. Total Investment Securities (FTE)   | 2,052,072              | 26,626             | 5.19%          | 5.16%          | 2,013,037         | 25,626             |
| 8. Interest Expense Paid               |                        |                    |                |                |                   |                    |
| 9. Total Earning Assets                | 4,695,342              | 12,028             | 1.01%          | 0.91%          | 4,260,701         | 5,028              |
| 10. Total Interest-Bearing Liabilities | 3,266,697              | 12,028             | 1.45%          | 1.30%          | 2,882,817         | 5,028              |
| 11. Total Interest-Bearing Deposits    | 2,472,142              | 5,967              | 0.96%          | 0.87%          | 2,310,479         | 3,967              |
| 12. Interest-Bearing Transaction       | 632,680                | 401                | 0.25%          | 0.22%          | 581,264           | 401                |

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

|     |   |           |          |       |       |           |       |
|-----|---|-----------|----------|-------|-------|-----------|-------|
| 13. | Savings                                 | 1,104,237 | 956      | 0.34% | 0.34% | 1,115,052 |       |
| 14. | Other Time <\$100K                      | 279,932   | 1,463    | 2.07% | 2.01% | 266,584   |       |
| 15. | Other Time >\$100K                      | 455,293   | 3,147    | 2.74% | 2.33% | 347,579   | 1,    |
| 16. | Total Short-Term Borrowings             | 754,215   | 5,421    | 2.81% | 2.47% | 550,909   | 1,    |
| 17. | Fed Funds Purchased                     | 585,156   | 5,164    | 3.45% | 2.96% | 350,071   | 1,    |
| 18. | Other Short-Term Funds                  | 169,059   | 257      | 0.60% | 0.69% | 200,838   |       |
| 19. | FHLB Debt                               | 0         | 0        | 0.00% | 0.00% | 0         |       |
| 20. | Long-Term Debt                          | 40,340    | 640      | 6.35% | 6.31% | 21,429    |       |
| 21. | Net Interest Income<br>and Margin (FTE) |           | \$55,993 | 4.76% | 4.84% |           | \$54, |

6. Noninterest Income.

(dollars in thousands)

|  | Q3'05    | Q3'04    | Q3'05 /<br>Q3'04 | Q2'05    | Q3'05 /<br>Q2'05 | 9/30'05 |
|--|----------|----------|------------------|----------|------------------|---------|
| 1. Service Charges on Deposit Accounts     | \$7,436  | \$7,465  | -0.4%            | \$7,542  | -1.4%            | \$21,   |
| 2. Merchant Credit Card Income             | 2,631    | 899      | 192.7%           | 2,417    | 8.9%             | 6,      |
| 3. ATM Fees & Interchange                  | 725      | 664      | 9.2%             | 709      | 2.3%             | 2,      |
| 4. Debit Card Fees                         | 834      | 654      | 27.5%            | 811      | 2.8%             | 2,      |
| 5. Financial Services Fees                 | 388      | 409      | -5.1%            | 339      | 14.5%            | 1,      |
| 6. Mortgage Banking Income                 | 62       | 41       | 51.2%            | 67       | -7.5%            |         |
| 7. Trust Fees                              | 323      | 265      | 21.9%            | 309      | 4.5%             |         |
| 8. Other Income                            | 2,672    | 1,405    | 90.2%            | 1,954    | 36.7%            | 6,      |
| 9. Sub-total                               | 15,071   | 11,802   | 27.7%            | 14,148   | 6.5%             | 41,     |
| 10 Gains on Sales of Real Property         | 2,369    | 0        | n/m              | 1,331    | 78.0%            | 3,      |
| 11 Investment Securities Gains (Losses)    | 0        | (14)     | n/m              | 0        | n/m              | (4,     |
| 12 Loss on Extinguishment of Debt          | 0        | 0        | n/m              | 0        | n/m              |         |
| 13 Total Noninterest Income                | \$17,440 | \$11,788 | 47.9%            | \$15,479 | 12.7%            | \$40,   |
| 14 Operating Ratios:                       |          |          |                  |          |                  |         |
| 15 Total Revenue (FTE)                     | \$73,433 | \$66,316 | 10.7%            | \$72,502 | 1.3%             | \$208,  |
| 16 Noninterest Income / Revenue (FTE)      | 23.7%    | 17.8%    |                  | 21.3%    |                  | 1       |
| 17 Service Charges / Deposits (annualized) | 0.76%    | 0.82%    |                  | 0.77%    |                  | 0       |
| 18 Total Revenue Per Share (annualized)    | \$9.01   | \$8.32   | 8.2%             | \$8.88   | 1.4%             | \$8     |

7. Noninterest Expense.



Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

(dollars in thousands)

|   | Q3'05    | Q3'04    | Q3'05 /<br>Q3'04 | Q2'05    | Q3'05 /<br>Q2'05 | 9/30'05 |
|---|----------|----------|------------------|----------|------------------|---------|
| 1. Salaries & Benefits                                    | \$13,621 | \$13,054 | 4.3%             | \$13,624 | -0.0%            | \$40,   |
| 2. Occupancy  | 3,201    | 3,022    | 5.9%             | 3,230    | -0.9%            | 9,      |
| 3. Equipment  | 1,347    | 1,101    | 22.3%            | 1,313    | 2.6%             | 3,      |
| 4. Data Processing  | 1,544    | 1,525    | 1.2%             | 1,539    | 0.3%             | 4,      |
| 5. Courier  | 989      | 923      | 7.2%             | 964      | 2.6%             | 2,      |
| 6. Postage  | 377      | 288      | 30.9%            | 376      | 0.3%             | 1,      |
| 7. Telephone  | 537      | 529      | 1.5%             | 553      | -2.9%            | 1,      |
| 8. Professional Fees                                      | 497      | 411      | 20.9%            | 604      | -17.7%           | 1,      |
| 9. Stationery & Supplies                                  | 298      | 333      | -10.5%           | 304      | -2.0%            |         |
| 10. Loan Expense  | 309      | 289      | 6.9%             | 232      | 33.2%            |         |
| 11. Merchant Card Expense                                 | 272      | 292      | -6.8%            | 263      | 3.4%             |         |
| 12. Operational Losses                                    | 222      | 265      | -16.2%           | 200      | 11.0%            |         |
| 13. Amortization of Identifiable Intangibles              | 1,064    | 136      | n/m              | 1,092    | n/m              | 2,      |
| 14. Other Operating                                       | 2,513    | 2,323    | 8.2%             | 2,463    | 2.0%             | 7,      |
| 15. Total Noninterest Expense                             | \$26,791 | \$24,491 | 9.4%             | \$26,757 | 0.1%             | \$78,   |
| 16. Full Time Equivalent Staff                            | 956      | 980      | -2.4%            | 974      | -1.8%            |         |
| 17. Average Assets / Full Time Equivalent Staff           | \$5,378  | \$4,651  | 15.6%            | \$5,308  | 1.3%             | \$5,    |
| 18. Operating Ratios:                                     |          |          |                  |          |                  |         |
| 19. FTE Revenue / Full Time Equivalent Staff (annualized) | \$305    | \$269    | 13.2%            | \$299    | 2.1%             | \$      |
| 20. Noninterest Expense / Earning Assets (annualized)     | 2.26%    | 2.29%    |                  | 2.27%    |                  | 2       |
| 21. Noninterest Expense / Revenue                         | 36.5%    | 36.9%    |                  | 36.9%    |                  | 3       |

Page 13

WESTAMERICA BANCORPORATION

Public Information October 18, 2005

8. Loan Loss Provision.

(dollars in thousands)

|  | Q3'05       | Q3'04       | Q3'05 /<br>Q3'04 | Q2'05       | Q3'05 /<br>Q2'05 | 9/30'05  |
|--|-------------|-------------|------------------|-------------|------------------|----------|
| 1. Loan Loss Provision                               | \$150       | \$600       | -75.0%           | \$300       | -50.0%           | \$       |
| 2. Gross Loan Losses                                 | 684         | 1,115       | -38.7%           | 754         | -9.3%            | 2,       |
| 3. Net Loan (Recoveries) Losses                      | 338         | 161         | 109.9%           | 297         | n                |          |
| 4. Recoveries/Gross Losses                           | 51%         | 86%         |                  | 61%         |                  |          |
| 5. Average Total Loans                               | \$2,643,270 | \$2,247,664 | 17.6%            | \$2,670,662 | -1.0%            | \$2,562, |
| 6. Net Loan (Recoveries) Losses / Loans (annualized) | 0.05%       | 0.03%       |                  | 0.04%       |                  | 0        |

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

|  |       |        |        |    |
|--|-------|--------|--------|----|
| 7. Loan Loss Provision /<br>Loans (annualized)           | 0.02% | 0.11%  | 0.05%  | 0  |
| 8. Loan Loss Provision /<br>Net Loan Losses (Recoveries) | 44.4% | 372.7% | 101.0% | 17 |

9. Credit Quality.

(dollars in thousands)

|   | 9/30/05   | 9/30/04   | 9/30/05 /<br>9/30/04 | 6/30/05   | 9/30/05 /<br>6/30/05 | 3/31/05   |
|---|-----------|-----------|----------------------|-----------|----------------------|-----------|
| 1. Nonperforming Nonaccrual Loans                                     | \$2,292   | \$3,996   | -42.6%               | \$1,560   | 46.9%                | \$1,560   |
| 2. Performing Nonaccrual Loans  | 4,514     | 2,777     | 62.5%                | 6,072     | -25.7%               | 6,072     |
| 3. Total Nonaccrual Loans   | 6,806     | 6,773     | 0.5%                 | 7,632     | -10.8%               | 8,100     |
| 4. Accruing Loans 90+<br>Days Past Due                                | 1,334     | 182       | n/m                  | 84        | n/m                  | 84        |
| 5. Total Nonperforming Loans  | 8,140     | 6,955     | 17.0%                | 7,716     | 5.5%                 | 8,184     |
| 6. Repossessed Collateral   | 0         | 0         | n/m                  | 40        | n/m                  | 40        |
| 7. Total Nonperforming Loans &<br>8. Repossessed Collateral           | \$8,140   | \$6,955   | 17.0%                | \$7,756   | 5.0%                 | \$8,224   |
| 9. Classified Loans   | \$36,656  | \$20,868  | 75.7%                | \$37,615  | -2.5%                | \$35,192  |
| 10. Allowance for Loan Losses   | \$59,674  | \$54,388  | 9.7%                 | \$59,862  | -0.3%                | \$59,862  |
| 11. Total Loans Outstanding   | 2,675,907 | 2,301,991 | 16.2%                | 2,687,566 | -0.4%                | 2,708,758 |
| 12. Total Assets  | 5,153,091 | 4,636,071 | 11.2%                | 5,191,093 | -0.7%                | 5,192,093 |
| 13. Allowance for Loan Losses /<br>Total Loans                        | 2.23%     | 2.36%     |                      | 2.23%     |                      | 2.23%     |
| 14. Nonperforming Loans /<br>Total Loans                              | 0.30%     | 0.30%     |                      | 0.29%     |                      | 0.29%     |
| 15. Nonperforming Loans<br>& Repossessed<br>16. Assets / Total Assets | 0.16%     | 0.15%     |                      | 0.15%     |                      | 0.15%     |
| 17. Allowance/Nonperforming Loans                                     | 733%      | 782%      |                      | 776%      |                      | 776%      |
| 18. Allowance for Loan Losses /<br>Classified Loans                   | 163%      | 261%      |                      | 159%      |                      | 159%      |
| 19. Classified Loans /<br>20. (Equity + Allowance<br>for Loan Losses) | 7.5%      | 5.1%      |                      | 7.5%      |                      | 7.5%      |

Page 14

WESTAMERICA BANCORPORATION

Public Information October 18, 2005

10. Capital.

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

(dollars in thousands, except per-share amounts)

|   | 9/30/05   | 9/30/04   | 9/30/05 /<br>9/30/04 | 6/30/05   | 9/30/05 /<br>6/30/05 | 3/31/05   |
|---|-----------|-----------|----------------------|-----------|----------------------|-----------|
| 1. Shareholders' Equity                     | \$432,024 | \$351,924 | 22.8%                | \$439,617 | -1.7%                | \$437,000 |
| 2. Tier I Regulatory Capital                | 297,896   | 321,700   | -7.4%                | 299,003   | -0.4%                | 297,000   |
| 3. Total Regulatory Capital                 | 341,147   | 361,586   | -5.7%                | 342,967   | -0.5%                | 342,000   |
| 4. Total Assets                             | 5,153,091 | 4,636,071 | 11.2%                | 5,191,093 | -0.7%                | 5,192,000 |
| 5. Risk-Adjusted Assets                     | 3,275,611 | 2,942,140 | 11.3%                | 3,307,055 | -1.0%                | 3,329,000 |
| 6. Shareholders' Equity /<br>Total Assets   | 8.38%     | 7.59%     |                      | 8.47%     |                      | 8.33%     |
| 7. Shareholders' Equity /<br>Total Loans    | 16.14%    | 15.29%    |                      | 16.36%    |                      | 16.14%    |
| 8. Tier I Capital /Total Assets             | 5.78%     | 6.94%     |                      | 5.76%     |                      | 5.78%     |
| 9. Tier I Capital /<br>Risk-Adjusted Assets | 9.09%     | 10.93%    |                      | 9.04%     |                      | 9.09%     |
| 10.Total Capital /<br>Risk-Adjusted Assets  | 10.41%    | 12.29%    |                      | 10.37%    |                      | 10.41%    |
| 11.Shares Outstanding                       | 32,198    | 31,716    | 1.5%                 | 32,593    | -1.2%                | 32,198    |
| 12.Book Value Per Share (\$)                | \$13.42   | \$11.10   | 20.9%                | \$13.49   | -0.5%                | \$13.42   |
| 13.Market Value Per Share (\$)              | 51.65     | 54.89     | -5.9%                | 52.81     | -2.2%                | 51.65     |

14.Share Repurchase Programs

(shares in thousands)

|   | Q3'     | Q3'     | Q3'0<br>Q3' | Q2'     | Q3'05<br>Q2' | 9/30'0  |
|---|---------|---------|-------------|---------|--------------|---------|
| 15.Total Shares Repurchased /<br>Canceled | 437     | 92      | 375.0%      | 490     | -10.8%       | 1,000   |
| 16. Average Repurchase<br>Price           | \$53.60 | \$51.95 | 3.2%        | \$51.31 | 4.5%         | \$53.60 |
| 17.Net Shares (Issued)<br>Repurchased     | 395     | 68      | n/m         | 346     | n/m          | ( )     |

Page 15

WESTAMERICA BANCORPORATION

Public Information October 18, 2005

11.Period-End Balance Sheets.

(dollars in thousands)

|  | 9/30/05   | 9/30/04   | 9/30/05 /<br>9/30/04 | 6/30/05   | 9/30/05 /<br>6/30/05 | 3/31/05   |
|--|-----------|-----------|----------------------|-----------|----------------------|-----------|
| 1. Assets:                                     |           |           |                      |           |                      |           |
| 2. Cash and Money Market Assets                | \$193,760 | \$165,811 | 16.9%                | \$195,289 | -0.8%                | \$168,000 |
| 3. Investment Securities<br>Available For Sale | 660,630   | 967,266   | -31.7%               | 691,609   | -4.5%                | 719,000   |
| 4. Investment Securities<br>Held to Maturity   | 1,358,266 | 1,080,392 | 25.7%                | 1,349,555 | 0.6%                 | 1,331,000 |

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

|     |   |             |             |       |             |        |          |
|-----|---|-------------|-------------|-------|-------------|--------|----------|
| 5.  | Loans, gross                                    | 2,675,907   | 2,301,991   | 16.2% | 2,687,566   | -0.4%  | 2,708,   |
| 6.  | Allowance For Loan Losses                       | (59,674)    | (54,388)    | 9.7%  | (59,862)    | -0.3%  | (59,     |
| 7.  | Loans, net                                      | 2,616,233   | 2,247,603   | 16.4% | 2,627,704   | -0.4%  | 2,648,   |
| 8.  |   |             |             |       |             |        |          |
| 9.  | Premises and Equipment                          | 33,640      | 35,267      | -4.6% | 34,864      | -3.5%  | 35,      |
| 10. | Identifiable Intangible Assets                  | 27,233      | 3,030       | n/m   | 28,297      | n/m    | 29,      |
| 11. | Goodwill  | 124,122     | 18,996      | n/m   | 124,122     | n/m    | 127,     |
| 12. | Interest Receivable and Other Assets            | 139,207     | 117,706     | 18.3% | 139,653     | -0.3%  | 131,     |
| 13. | Total Assets                                    | \$5,153,091 | \$4,636,071 | 11.2% | \$5,191,093 | -0.7%  | \$5,192, |
| 14. | Liabilities and Shareholders' Equity:           |             |             |       |             |        |          |
| 15. | Deposits:                                       |             |             |       |             |        |          |
| 16. | Noninterest Bearing                             | \$1,412,470 | \$1,323,446 | 6.7%  | \$1,377,680 | 2.5%   | \$1,371, |
| 17. | Interest-Bearing Transaction                    | 635,019     | 561,206     | 13.2% | 614,246     | 3.4%   | 626,     |
| 18. | Savings   | 1,094,130   | 1,119,356   | -2.3% | 1,114,631   | -1.8%  | 1,166,   |
| 19. | Time  | 732,316     | 641,798     | 14.1% | 726,283     | 0.8%   | 773,     |
| 20. | Total Deposits                                  | 3,873,935   | 3,645,806   | 6.3%  | 3,832,840   | 1.1%   | 3,938,   |
| 21. | Short-Term Borrowed Funds                       | 764,143     | 578,285     | 32.1% | 828,280     | -7.7%  | 710,     |
| 22. | FHLB Debt                                       | 0           | 0           | n/m   | 0           | n/m    |          |
| 23. |   |             |             |       |             |        |          |
| 24. | Debt Financing and Notes Payable                | 40,318      | 21,429      | 88.1% | 40,354      | -0.1%  | 40,      |
| 25. | Liability For Interest, Taxes and Other         | 42,671      | 38,627      | 10.5% | 50,002      | -14.7% | 64,      |
| 26. | Total Liabilities                               | 4,721,067   | 4,284,147   | 10.2% | 4,751,476   | -0.6%  | 4,754,   |
| 27. | Shareholders' Equity:                           |             |             |       |             |        |          |
| 28. | Paid-In Capital                                 | \$316,597   | \$224,490   | 41.0% | \$319,103   | -0.8%  | \$319,   |
| 29. | Unrealized Gain (Loss) on Investment Securities |             |             |       |             |        |          |
| 30. | Available For Sale                              | 2,762       | 8,186       | n/m   | 8,185       | -66.3% | 3,       |
| 31. | Retained Earnings                               | 112,665     | 119,248     | -5.5% | 112,329     | 0.3%   | 114,     |
| 32. | Total Shareholders' Equity                      | 432,024     | 351,924     | 22.8% | 439,617     | -1.7%  | 437,     |
| 33. | Total Liabilities and Shareholders' Equity      | \$5,153,091 | \$4,636,071 | 11.2% | \$5,191,093 | -0.7%  | \$5,192, |

Page 16

WESTAMERICA BANCORPORATION

Public Information October 18, 2005

12. Income Statements.

(dollars in thousands, except per-share amounts)

| Q3'05 | Q3'04 | Q3'05 / Q3'04 | Q2'05 | Q3'05 / Q2'05 | 9/30'05 |
|-------|-------|---------------|-------|---------------|---------|
|-------|-------|---------------|-------|---------------|---------|

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

|  |          |          |        |          |        |        |
|--|----------|----------|--------|----------|--------|--------|
| 1. Interest and Fee Income:                    |          |          |        |          |        |        |
| 2. Loans                                       | \$40,008 | \$32,911 | 21.6%  | \$39,941 | 0.2%   | \$114, |
| 3. Money Market Assets<br>and Funds Sold       | 1        | 0        | n/m    | 1        | n/m    |        |
| 4. Investment Securities<br>Available For Sale | 7,705    | 10,721   | -28.1% | 8,073    | -4.6%  | 25,    |
| 5. Investment Securities<br>Held to Maturity   | 14,090   | 10,272   | 37.2%  | 13,441   | 4.8%   | 40,    |
| 6. Total Interest Income                       | 61,804   | 53,904   | 14.7%  | 61,456   | 0.6%   | 180,   |
| 7. Interest Expense:                           |          |          |        |          |        |        |
| 8. Transaction Deposits                        | 401      | 163      | 146.0% | 340      | 17.9%  | 1,     |
| 9. Savings Deposits                            | 956      | 955      | 0.1%   | 970      | -1.4%  | 2,     |
| 10. Time Deposits                              | 4,610    | 2,135    | 115.9% | 4,144    | 11.2%  | 11,    |
| 11. Short-Term Borrowed Funds                  | 5,421    | 1,473    | 268.0% | 4,655    | 16.5%  | 13,    |
| 12. Federal Home Loan Bank<br>Advances         | 0        | 0        | n/m    | 0        | n/m    |        |
| 13. Debt Financing and<br>Notes Payable        | 640      | 316      | 102.5% | 637      | 0.5%   | 1,     |
| 14. Total Interest Expense                     | 12,028   | 5,042    | 138.6% | 10,746   | 11.9%  | 31,    |
| 15. Net Interest Income                        | 49,776   | 48,862   | 1.9%   | 50,710   | -1.8%  | 149,   |
| 16. Provision for Loan Losses                  | 150      | 600      | -75.0% | 300      | -50.0% |        |
| 17. Noninterest Income:                        |          |          |        |          |        |        |
| 18. Service Charges on Deposit<br>Accounts     | 7,436    | 7,465    | -0.4%  | 7,542    | -1.4%  | 21,    |
| 19. Merchant Credit Card                       | 2,631    | 899      | 192.7% | 2,417    | 8.9%   | 6,     |
| 20. Financial Services Commission              | 388      | 409      | -5.1%  | 339      | 14.5%  | 1,     |
| 21. Mortgage Banking                           | 62       | 41       | 51.2%  | 67       | -7.5%  |        |
| 22. Trust Fees                                 | 323      | 265      | 21.9%  | 309      | 4.5%   |        |
| 23. Gains on Sales of Real Property            | 2,369    | 0        | n/m    | 1,331    | 78.0%  | 3,     |
| 24. Securities Gains (Losses)                  | 0        | (14)     | n/m    | 0        | n/m    | (4,    |
| 25. Loss on Extinguishment of Debt             | 0        | 0        | n/m    | 0        | n/m    |        |
| 26. Other                                      | 4,231    | 2,723    | 55.4%  | 3,474    | 21.8%  | 10,    |
| 27. Total Noninterest Income                   | 17,440   | 11,788   | 47.9%  | 15,479   | 12.7%  | 40,    |
| 28. Noninterest Expense:                       |          |          |        |          |        |        |
| 29. Salaries and Related Benefits              | 13,621   | 13,054   | 4.3%   | 13,624   | -0.0%  | 40,    |
| 30. Occupancy                                  | 3,201    | 3,022    | 5.9%   | 3,230    | -0.9%  | 9,     |
| 31. Equipment                                  | 1,347    | 1,101    | 22.3%  | 1,313    | 2.6%   | 3,     |
| 32. Data Processing                            | 1,544    | 1,525    | 1.2%   | 1,539    | 0.3%   | 4,     |
| 33. Professional Fees                          | 497      | 411      | 20.9%  | 604      | -17.7% | 1,     |
| 34. Other                                      | 6,581    | 5,378    | 22.4%  | 6,447    | 2.1%   | 18,    |
| 35. Total Noninterest Expense                  | 26,791   | 24,491   | 9.4%   | 26,757   | 0.1%   | 78,    |
| 36. Income Before Income Taxes                 | 40,275   | 35,559   | 13.3%  | 39,132   | 2.9%   | 110,   |
| 37. Provision for income taxes                 | 11,081   | 10,464   | 5.9%   | 11,218   | -1.2%  | 30,    |
| 38. Net Income                                 | \$29,194 | \$25,095 | 16.3%  | \$27,914 | 4.6%   | \$79,  |
| 39. Average Shares Outstanding                 | 32,352   | 31,713   | 2.0%   | 32,759   | -1.2%  | 32,    |
| 40. Diluted Average Shares<br>Outstanding      | 32,972   | 32,352   | 1.9%   | 33,364   | -1.2%  | 33,    |
| 41. Per Share Data:                            |          |          |        |          |        |        |

Edgar Filing: WESTAMERICA BANCORPORATION - Form 8-K

|     |                  |        |        |       |        |      |     |
|-----|------------------|--------|--------|-------|--------|------|-----|
| 42. | Basic Earnings   | \$0.90 | \$0.79 | 14.0% | \$0.85 | 5.9% | \$2 |
| 43. | Diluted Earnings | 0.89   | 0.78   | 14.1% | 0.84   | 5.8% | 2   |
| 44. | Dividends Paid   | 0.30   | 0.28   | 7.1%  | 0.30   | 0.0% | 0   |