

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
March 31, 2018

1. Net Income Summary.

	<i>(in thousands except per-share amounts)</i>				
	Q1'18	Q1'17	Q1'18 / Q1'17	Q4'17	Q1'18 / Q4'17
1 Net Interest and Fee Income (FTE)	\$35,467	\$36,030	-1.6%	\$36,644	-3.2%
2 Provision for Loan Losses	-	-	n/m	-	n/m
3 Noninterest Income	11,955	11,657	2.6%	20,300	n/m
4 Noninterest Expense	24,214	24,615	-1.6%	30,167	n/m
5 Income Before Taxes (FTE)	23,208	23,072	0.6%	26,777	n/m
6 Income Tax Provision (FTE)	5,702	8,023	-28.9%	22,617	n/m
7 Net Income	\$17,506	\$15,049	16.3%	\$4,160	n/m
8 Average Common Shares Outstanding	26,532	26,171	1.4%	26,384	0.6%
9 Diluted Average Common Shares Outstanding	26,665	26,329	1.3%	26,538	0.5%
10 Operating Ratios:					
11 Basic Earnings Per Common Share	\$0.66	\$0.58	13.8%	\$0.16	n/m
12 Diluted Earnings Per Common Share	0.66	0.57	15.8%	0.16	n/m
13 Return On Assets (a)	1.28%	1.13%		0.30%	
14 Return On Common Equity (a)	11.6%	10.5%		2.7%	
15 Net Interest Margin (FTE) (a)	3.02%	3.14%		3.12%	
16 Efficiency Ratio (FTE)	51.1%	51.6%		53.0%	
17 Dividends Paid Per Common Share	\$0.40	\$0.39	2.6%	\$0.40	0.0%
18 Common Dividend Payout Ratio	61%	68%		250%	

2. Net Interest Income.

	<i>(dollars in thousands)</i>				
	Q1'18	Q1'17	Q1'18 / Q1'17	Q4'17	Q1'18 / Q4'17
1 Interest and Fee Income (FTE)	\$35,926	\$36,510	-1.6%	\$37,115	-3.2%
2 Interest Expense	459	480	-4.3%	471	-2.4%
3 Net Interest and Fee Income (FTE)	\$35,467	\$36,030	-1.6%	\$36,644	-3.2%
4 Average Earning Assets	\$4,723,213	\$4,620,001	2.2%	\$4,682,897	0.9%
5 Average Interest-Bearing Liabilities	2,734,227	2,704,472	1.1%	2,701,190	1.2%
6 Yield on Earning Assets (FTE) (a)	3.06%	3.18%		3.16%	
7 Cost of Funds (a)	0.04%	0.04%		0.04%	
8 Net Interest Margin (FTE) (a)	3.02%	3.14%		3.12%	
9 Interest Expense/Interest-Bearing Liabilities (a)	0.07%	0.07%		0.07%	
10 Net Interest Spread (FTE) (a)	2.99%	3.11%		3.09%	

3. Loans & Other Earning Assets.

	<i>(average volume, dollars in thousands)</i>				
	Q1'18	Q1'17	Q1'18 / Q1'17	Q4'17	Q1'18 / Q4'17
1 Total Assets	\$5,564,705	\$5,395,783	3.1%	\$5,534,700	0.5%
2 Total Earning Assets	4,723,213	4,620,001	2.2%	4,682,897	0.9%
3 Total Loans	1,243,750	1,355,250	-8.2%	1,285,748	-3.3%
4 Commercial Loans	316,345	354,896	-10.9%	327,790	-3.5%
5 Commercial Real Estate Loans	556,034	558,485	-0.4%	575,984	-3.5%
6 Consumer Loans	371,371	441,869	-16.0%	381,974	-2.8%
7 Total Investment Securities	3,479,463	3,264,751	6.6%	3,397,149	2.4%
8 Equity Securities	1,993	3,113	-36.0%	2,675	-25.5%
9 Debt Securities Available For Sale	2,341,414	1,937,915	20.8%	2,213,379	5.8%
10 Debt Securities Held To Maturity	1,136,056	1,323,723	-14.2%	1,181,095	-3.8%
11 Loans / Deposits	25.8%	28.9%		26.7%	

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4. Deposits, Other Interest-Bearing Liabilities & Equity.

(average volume, dollars in thousands)

	Q1'18	Q1'17	Q1'18 /		Q1'18 /
			Q1'17	Q4'17	
1 Total Deposits	\$4,828,352	\$4,692,746	2.9%	\$4,811,035	0.4%
2 Noninterest Demand	2,156,626	2,056,858	4.9%	2,172,678	-0.7%
3 Interest-Bearing Transaction	925,533	880,387	5.1%	899,822	2.9%
4 Savings	1,518,028	1,501,961	1.1%	1,501,872	1.1%
5 Time greater than \$100K	103,145	112,140	-8.0%	106,746	-3.4%
6 Time less than \$100K	125,020	141,400	-11.6%	129,917	-3.8%
7 Total Short-Term Borrowings	62,501	68,584	-8.9%	62,833	-0.5%
8 Shareholders' Equity	613,860	582,384	5.4%	610,200	0.6%
9 Demand Deposits / Total Deposits	44.7%	43.8%		45.2%	
10 Transaction & Savings Deposits / Total Deposits	95.3%	94.6%		95.1%	

5. Interest Yields Earned & Rates Paid.

(dollars in thousands)

	Q1'18			Q4'17		Q1'17	
	Average Volume	Income/Expense	Yield*/Rate	Yield*/Rate	Average Volume	Income/Expense	Yield*/Rate
1 Interest & Fee Income Earned							
2 Total Earning Assets (FTE)	\$4,723,213	\$35,926	3.06%	3.16%	\$4,620,001	\$36,510	3.18%
3 Total Loans (FTE)	1,243,750	14,822	4.83%	4.84%	1,355,250	16,069	4.81%
4 Commercial Loans (FTE)	316,345	3,791	4.86%	5.05%	354,896	4,136	4.73%
5 Commercial Real Estate Loans	556,034	7,632	5.57%	5.52%	558,485	8,072	5.86%
6 Consumer Loans	371,371	3,399	3.70%	3.63%	441,869	3,861	3.53%
7 Total Investment Securities (FTE)	3,479,463	21,104	2.43%	2.52%	3,264,751	20,441	2.50%
8 Interest Expense Paid							
9 Total Earning Assets	4,723,213	459	0.04%	0.04%	4,620,001	480	0.04%
10 Total Interest-Bearing Liabilities	2,734,227	459	0.07%	0.07%	2,704,472	480	0.07%
11 Total Interest-Bearing Deposits	2,671,726	450	0.07%	0.07%	2,635,888	469	0.07%
12 Interest-Bearing Transaction	925,533	60	0.03%	0.03%	880,387	57	0.03%
13 Savings	1,518,028	222	0.06%	0.06%	1,501,961	223	0.06%
14 Time less than \$100K	125,020	71	0.23%	0.23%	141,400	83	0.24%
15 Time greater than \$100K	103,145	97	0.38%	0.38%	112,140	106	0.38%
16 Total Short-Term Borrowings	62,501	9	0.06%	0.06%	68,584	11	0.06%
17 Net Interest Income and Margin (FTE)		\$35,467	3.02%	3.12%		\$36,030	3.14%

* Annualized

6. Noninterest Income.

(dollars in thousands except per-share amounts)

	Q1'18	Q1'17	Q1'18 /		Q1'18 /
			Q1'17	Q4'17	
1 Service Charges on Deposit Accounts	\$4,752	\$4,923	-3.5%	\$4,756	-0.1%
2 Merchant Processing Services	2,420	1,875	29.1%	2,346	3.2%
3 Debit Card Fees	1,605	1,481	8.4%	1,569	2.2%
4 Other Service Fees	631	650	-2.9%	620	1.7%
5 ATM Processing Fees	664	575	15.4%	696	-4.6%
6 Trust Fees	743	702	5.8%	739	0.5%
7 Financial Services Commissions	114	195	-41.5%	155	-26.3%
8 Equity Securities (Losses) Gains	(36)	-	n/m	7,955	n/m
9 Other Income	1,062	1,256	-15.5%	1,464	-27.5%
10 Total Noninterest Income	\$11,955	\$11,657	2.6%	\$20,300	n/m
11 Operating Ratios:					
12 Total Revenue (FTE)	\$47,422	\$47,687	-0.6%	\$56,944	n/m
13 Noninterest Income / Revenue (FTE)	25.2%	24.4%		35.6%	
14 Service Charges / Avg. Deposits (a)	0.40%	0.43%		0.39%	
15 Total Revenue Per Avg. Common Share (a)	\$7.25	\$7.39	-1.9%	\$8.56	n/m

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7. Noninterest Expense.

	<i>(dollars in thousands)</i>				
	Q1'18	Q1'17	Q1'18 / Q1'17	Q4'17	Q1'18 / Q4'17
1 Salaries & Benefits	\$13,351	\$13,070	2.1%	\$12,652	5.5%
2 Loss Contingency (2)	-	-	n/m	5,542	n/m
3 Occupancy and Equipment	4,691	4,887	-4.0%	4,860	-3.5%
4 Outsourced Data Processing	2,340	2,139	9.4%	2,325	0.6%
5 Amortization of Identifiable Intangibles	570	800	-28.7%	755	-24.6%
6 Professional Fees	785	611	28.3%	627	25.1%
7 Impairment of Tax Credit Investments	-	-	n/m	625	n/m
8 Courier Service	463	421	10.1%	423	9.7%
9 Other Operating	2,014	2,687	-25.0%	2,358	-14.6%
10 Total Noninterest Expense	<u>\$24,214</u>	<u>\$24,615</u>	-1.6%	<u>\$30,167</u>	n/m
11 Operating Ratios:					
12 Noninterest Expense / Avg. Earning Assets (a)	2.08%	2.16%		2.56%	
13 Noninterest Expense / FTE Revenues	51.1%	51.6%		53.0%	

8. Allowance for Loan Losses.

	<i>(dollars in thousands)</i>				
	Q1'18	Q1'17	Q1'18 / Q1'17	Q4'17	Q1'18 / Q4'17
1 Average Total Loans	\$1,243,750	\$1,355,250	-8.2%	\$1,285,748	-3.3%
2 Allowance for Loan Loss (ALL) Beginning of Period	\$23,009	\$25,954	-11.3%	\$23,628	-2.6%
3 Provision for Loan Losses	-	-	n/m	-	n/m
4 Net ALL Recoveries (Losses)	72	(1,035)	n/m	(619)	n/m
5 ALL End of Period	<u>\$23,081</u>	<u>\$24,919</u>	-7.4%	<u>\$23,009</u>	0.3%
6 ALL Recoveries / Gross ALL Losses	105%	44%		47%	
7 Net ALL (Recoveries) Losses/ Avg. Total Loans (a)	-0.02%	0.31%		0.19%	

9. Credit Quality.

	<i>(dollars in thousands)</i>							
	3/31/18	3/31/17	3/31/18 / 3/31/17	12/31/17	3/31/18 / 12/31/17	9/30/17	6/30/17	12/31/16
1 Nonperforming Loans (1):								
2 Nonperforming Nonaccrual Loans	\$2,030	\$2,382	-14.8%	\$1,641	23.7%	\$1,498	\$2,215	\$3,956
3 Performing Nonaccrual Loans	4,110	4,285	-4.1%	4,285	-4.1%	4,285	4,480	4,429
4 Total Nonaccrual Loans	6,140	6,667	-7.9%	5,926	3.6%	5,783	6,695	8,385
5 Accruing Loans 90+ Days Past Due	255	373	-31.6%	531	-52.0%	434	186	497
6 Total	6,395	7,040	-9.2%	6,457	-1.0%	6,217	6,881	8,882
7 Repossessed Loan Collateral (1)	1,376	2,136	-35.6%	1,426	-3.5%	1,426	1,645	3,095
8 Total Nonperforming Assets (1)	<u>\$7,771</u>	<u>\$9,176</u>	-15.3%	<u>\$7,883</u>	-1.4%	<u>\$7,643</u>	<u>\$8,526</u>	<u>\$11,977</u>
9 Total Loans Outstanding	\$1,228,584	\$1,351,090	-9.1%	\$1,287,982	-4.6%	\$1,284,782	\$1,318,341	\$1,352,711
10 Total Assets	5,551,036	5,395,947	2.9%	5,513,046	0.7%	5,445,808	5,393,350	5,366,083
11 Loans:								
12 Allowance for Loan Losses	\$23,081	\$24,919	-7.4%	\$23,009	0.3%	\$23,628	\$24,103	\$25,954
13 Allowance/Loans	1.88%	1.84%		1.79%		1.84%	1.83%	1.92%
14 Nonperforming Loans/Total Loans	0.52%	0.52%		0.50%		0.48%	0.52%	0.66%

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10. Capital.

(in thousands, except per-share amounts)

	3/31/18	3/31/17	3/31/18 / 3/31/17	12/31/17	3/31/18 / 12/31/17	9/30/17	6/30/17	12/31/16
1 Shareholders' Equity	\$582,083	\$584,888	-0.5%	\$590,239	-1.4%	\$603,957	\$595,594	\$561,367
2 Total Assets	5,551,036	5,395,947	2.9%	5,513,046	0.7%	5,445,808	5,393,350	5,366,083
3 Total Shareholders' Equity / Total Assets	10.49%	10.84%		10.71%		11.09%	11.04%	10.46%
4 Total Shareholders' Equity / Total Loans	47.38%	43.29%		45.83%		47.01%	45.18%	41.50%
5 Tangible Common Equity Ratio	8.42%	8.68%		8.63%		8.98%	8.90%	8.26%
6 Common Shares Outstanding	26,591	26,283	1.2%	26,425	0.6%	26,319	26,304	25,907
7 Common Equity Per Share	\$21.89	\$22.25	-1.6%	\$22.34	-2.0%	\$22.95	\$22.64	\$21.67
8 Market Value Per Common Share	\$58.08	\$55.83	4.0%	\$59.55	-2.5%	\$59.54	\$56.04	\$62.93

9 Share Repurchase Programs

(shares in thousands)

	Q1'18	Q1'17	Q1'18 / Q1'17	Q4'17	Q1'18 / Q4'17
10 Total Shares Repurchased / Canceled	-	-	n/m	-	n/m
11 Average Repurchase Price	\$-	\$-	n/m	\$-	n/m
12 Net Shares Issued	(166)	(376)	n/m	(106)	n/m

11. Period-End Balance Sheets.

(unaudited, dollars in thousands)

	3/31/18	3/31/17	3/31/18 / 3/31/17	12/31/17	3/31/18 / 12/31/17	9/30/17	6/30/17	12/31/16
1 Assets:								
2 Cash and Due from Banks	\$555,607	\$546,815	1.6%	\$575,002	-3.4%	\$561,757	\$529,362	\$462,271
3 Equity Securities	1,764	11,671	-84.9%	1,800	-2.0%	11,373	9,477	13,340
4 Debt Securities Available For Sale	2,351,970	1,881,638	25.0%	2,191,707	7.3%	2,079,104	1,966,679	1,877,418
5 Debt Securities Held to Maturity	1,114,287	1,298,414	-14.2%	1,158,864	-3.8%	1,204,240	1,261,321	1,346,312
6 Loans	1,228,584	1,351,090	-9.1%	1,287,982	-4.6%	1,284,782	1,318,341	1,352,711
7 Allowance For Loan Losses	(23,081)	(24,919)	-7.4%	(23,009)	0.3%	(23,628)	(24,103)	(25,954)
8 Total Loans, net	1,205,503	1,326,171	-9.1%	1,264,973	-4.7%	1,261,154	1,294,238	1,326,757
9 Other Real Estate Owned	1,376	2,136	-35.6%	1,426	-3.5%	1,426	1,645	3,095
10 Premises and Equipment, net	35,790	36,025	-0.7%	35,301	1.4%	35,507	35,564	36,566
11 Identifiable Intangibles, net	3,280	6,127	-46.5%	3,850	-14.8%	4,605	5,365	6,927
12 Goodwill	121,673	121,673	0.0%	121,673	0.0%	121,673	121,673	121,673
13 Other Assets	159,786	165,277	-3.3%	158,450	0.8%	164,969	168,026	171,724
14 Total Assets	\$5,551,036	\$5,395,947	2.9%	\$5,513,046	0.7%	\$5,445,808	\$5,393,350	\$5,366,083
15 Liabilities and Shareholders' Equity:								
16 Deposits:								
17 Noninterest Bearing	\$2,179,157	\$2,046,390	6.5%	\$2,197,526	-0.8%	\$2,128,342	\$2,079,608	\$2,089,443
18 Interest-Bearing Transaction	924,081	905,588	2.0%	904,245	2.2%	873,145	885,516	865,701
19 Savings	1,540,192	1,494,854	3.0%	1,494,024	3.1%	1,491,168	1,470,978	1,493,427
20 Time	224,437	251,141	-10.6%	231,818	-3.2%	241,925	246,468	256,170
21 Total Deposits	4,867,867	4,697,973	3.6%	4,827,613	0.8%	4,734,580	4,682,570	4,704,741
22 Short-Term Borrowed Funds	65,356	73,611	-11.2%	58,471	11.8%	66,337	75,769	59,078
23 Other Liabilities	35,730	39,475	-9.5%	36,723	-2.7%	40,934	39,417	40,897
24 Total Liabilities	4,968,953	4,811,059	3.3%	4,922,807	0.9%	4,841,851	4,797,756	4,804,716
25 Shareholders' Equity:								
26 Common Equity:								
27 Paid-In Capital	441,350	424,203	4.0%	433,267	1.9%	427,188	426,012	406,139
28 Accumulated Other Comprehensive Loss	(43,452)	(9,443)	n/m	(16,832)	n/m	(3,433)	(5,864)	(10,074)
29 Retained Earnings	184,185	170,128	8.3%	173,804	6.0%	180,202	175,446	165,302
30 Total Shareholders' Equity	582,083	584,888	-0.5%	590,239	-1.4%	603,957	595,594	561,367
31 Total Liabilities and Shareholders' Equity	\$5,551,036	\$5,395,947	2.9%	\$5,513,046	0.7%	\$5,445,808	\$5,393,350	\$5,366,083

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12. Income Statements.

(unaudited, in thousands, except per-share amounts)

	Q1'18	Q1'17	Q1'18 / Q1'17	Q4'17	Q1'18 / Q4'17
1 Interest and Fee Income:					
2 Loans	\$14,697	\$15,780	-6.9%	\$15,410	-4.6%
3 Equity Securities	85	74	14.8%	80	6.9%
4 Debt Securities Available For Sale	13,551	10,175	33.2%	12,279	10.4%
5 Debt Securities Held to Maturity	6,174	7,295	-15.4%	6,435	-4.1%
6 Total Interest and Fee Income	34,507	33,324	3.6%	34,204	0.9%
7 Interest Expense:					
8 Transaction Deposits	60	57	5.4%	60	0.4%
9 Savings Deposits	222	223	-0.6%	225	-1.4%
10 Time Deposits	168	189	-11.1%	176	-4.6%
11 Short-Term Borrowed Funds	9	11	-10.5%	10	-3.0%
12 Total Interest Expense	459	480	-4.3%	471	-2.4%
13 Net Interest Income	34,048	32,844	3.7%	33,733	0.9%
14 Reversal of Provision for Loan Losses	-	-	n/m	-	n/m
15 Noninterest Income:					
16 Service Charges on Deposit Accounts	4,752	4,923	-3.5%	4,756	-0.1%
17 Merchant Processing Services	2,420	1,875	29.1%	2,346	3.2%
18 Debit Card Fees	1,605	1,481	8.4%	1,569	2.2%
19 Other Service Fees	631	650	-2.9%	620	1.7%
20 ATM Processing Fees	664	575	15.4%	696	-4.6%
21 Trust Fees	743	702	5.8%	739	0.5%
22 Financial Services Commissions	114	195	-41.5%	155	-26.3%
23 Equity Securities (Losses) Gains	(36)	-	n/m	7,955	n/m
24 Other	1,062	1,256	-15.5%	1,464	-27.5%
25 Total Noninterest Income	11,955	11,657	2.6%	20,300	n/m
26 Noninterest Expense:					
27 Salaries and Related Benefits	13,351	13,070	2.1%	12,652	5.5%
28 Loss Contingency (2)	-	-	n/m	5,542	n/m
29 Occupancy and Equipment	4,691	4,887	-4.0%	4,860	-3.5%
30 Outsourced Data Processing	2,340	2,139	9.4%	2,325	0.6%
31 Amortization of Identifiable Intangibles	570	800	-28.7%	755	-24.6%
32 Professional Fees	785	611	28.3%	627	25.1%
33 Impairment of Tax Credit Investments	-	-	n/m	625	n/m
34 Courier Service	463	421	10.1%	423	9.7%
35 Other	2,014	2,687	-25.0%	2,358	-14.6%
36 Total Noninterest Expense	24,214	24,615	-1.6%	30,167	n/m
37 Income Before Income Taxes	21,789	19,886	9.6%	23,866	n/m
38 Income Tax Provision	4,283	4,837	-11.5%	19,706	n/m
39 Net Income	\$17,506	\$15,049	16.3%	\$4,160	n/m
40 Average Common Shares Outstanding	26,532	26,171	1.4%	26,384	0.6%
41 Diluted Average Common Shares Outstanding	26,665	26,329	1.3%	26,538	0.5%
42 Per Common Share Data:					
43 Basic Earnings	\$0.66	\$0.58	13.8%	\$0.16	n/m
44 Diluted Earnings	0.66	0.57	15.8%	0.16	n/m
45 Dividends Paid	0.40	0.39	2.6%	0.40	0.0%

Footnotes and Abbreviations:

Certain amounts in prior periods have been reclassified to conform to current presentation.

(FTE) Fully Taxable Equivalent. The Company presents its net interest margin and net interest income on a FTE basis using the current statutory federal tax rate. Management believes the FTE basis is valuable to the reader because the Company's loan and investment securities portfolios contain a relatively large portion of municipal loans and securities that are federally tax exempt. The Company's tax exempt loans and securities composition may not be similar to that of other banks, therefore in order to reflect the impact of the federally tax exempt loans and securities on the net interest margin and net interest income for comparability with other banks, the Company presents its net interest margin and net interest income on a FTE basis.

(a) Annualized

(1) All originated and purchased non performing loans and repossessed loan collateral have been combined as of Q1 '17. Prior period presentation has been updated, accordingly.

(2) Represents the Company's estimated refunds to customers of revenue recognized in prior years.