

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
June 30, 2020

1. Net Income Summary.

(in thousands except per-share amounts)

	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Net Interest and Fee Income (FTE)	\$42,063	\$40,330	4.3%	\$40,547	3.7%	\$82,610	\$80,577	2.5%
2 Provision for Credit Losses	-	-	n/m	4,300	n/m	4,300	-	n/m
3 Noninterest Income	9,554	12,288	-22.2%	11,648	-18.0%	21,202	23,867	-11.2%
4 Noninterest Expense	24,754	25,561	-3.2%	24,664	0.4%	49,418	50,744	-2.6%
5 Income Before Taxes (FTE)	26,863	27,057	-0.7%	23,231	15.6%	50,094	53,700	-6.7%
6 Income Tax Provision (FTE)	7,301	7,432	-1.8%	6,269	16.5%	13,570	14,429	-6.0%
7 Net Income	\$19,562	\$19,625	-0.3%	\$16,962	15.3%	\$36,524	\$39,271	-7.0%
8 Average Common Shares Outstanding	26,935	26,942	0.0%	27,068	-0.5%	27,001	26,892	0.4%
9 Diluted Average Common Shares Outstanding	26,951	26,987	-0.1%	27,139	-0.7%	27,024	26,950	0.3%
10 Operating Ratios:								
11 Basic Earnings Per Common Share	\$0.72	\$0.73	-1.9%	\$0.63	14.3%	\$1.35	\$1.46	-7.5%
12 Diluted Earnings Per Common Share	0.72	0.73	-1.9%	0.63	14.5%	1.35	1.46	-7.4%
13 Return On Assets (a)	1.30%	1.42%		1.21%		1.25%	1.42%	
14 Return On Common Equity (a)	11.1%	11.7%		9.7%		10.4%	12.0%	
15 Net Interest Margin (FTE) (a)	2.99%	3.13%		3.10%		3.04%	3.12%	
16 Efficiency Ratio (FTE)	48.0%	48.6%		47.3%		47.6%	48.6%	
17 Dividends Paid Per Common Share	\$0.41	\$0.41	0.0%	\$0.41	0.0%	\$0.82	\$0.81	1.2%
18 Common Dividend Payout Ratio	57%	56%		66%		61%	55%	

2. Net Interest Income.

(dollars in thousands)

	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Interest and Fee Income (FTE)	\$42,498	\$40,817	4.1%	\$40,989	3.7%	\$83,487	\$81,558	2.4%
2 Interest Expense	435	487	-10.7%	442	-1.6%	877	981	-10.6%
3 Net Interest and Fee Income (FTE)	\$42,063	\$40,330	4.3%	\$40,547	3.7%	\$82,610	\$80,577	2.5%
4 Average Earning Assets	\$5,635,014	\$5,159,112	9.2%	\$5,242,142	7.5%	\$5,438,578	\$5,171,973	5.2%
5 Average Interest-Bearing Liabilities	2,774,450	2,646,681	4.8%	2,648,581	4.8%	2,711,515	2,668,063	1.6%
6 Yield on Earning Assets (FTE) (a)	3.02%	3.17%		3.13%		3.07%	3.16%	
7 Cost of Funds (a)	0.03%	0.04%		0.03%		0.03%	0.04%	
8 Net Interest Margin (FTE) (a)	2.99%	3.13%		3.10%		3.04%	3.12%	
9 Interest Expense/Interest-Bearing Liabilities (a)	0.06%	0.08%		0.07%		0.07%	0.08%	
10 Net Interest Spread (FTE) (a)	2.96%	3.09%		3.06%		3.00%	3.08%	

3. Loans & Other Earning Assets.

(average volume, dollars in thousands)

	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Total Assets	\$6,058,365	\$5,560,740	8.9%	\$5,655,460	7.1%	\$5,856,913	\$5,586,110	4.8%
2 Total Earning Assets	5,635,014	5,159,112	9.2%	5,242,142	7.5%	5,438,578	5,171,973	5.2%
3 Total Loans	1,232,073	1,183,539	4.1%	1,123,934	9.6%	1,178,004	1,194,536	-1.4%
4 Total Commercial Loans	344,053	262,804	30.9%	223,383	54.0%	283,718	272,083	4.3%
5 Paycheck Protection Program (PPP) Loans	132,500	-	n/m	-	n/m	66,250	-	n/m
6 Commercial Loans	211,553	262,804	-19.5%	223,383	-5.3%	217,468	272,083	-20.1%
7 Commercial Real Estate Loans	578,572	582,126	-0.6%	579,743	-0.2%	579,157	581,157	-0.3%
8 Consumer Loans	309,448	338,609	-8.6%	320,808	-3.5%	315,129	341,296	-7.7%
9 Total Investment Securities	3,957,851	3,648,436	8.5%	3,845,885	2.9%	3,901,868	3,669,029	6.3%
10 Equity Securities	-	1,772	n/m	-	n/m	-	1,760	n/m
11 Debt Securities Available For Sale	3,293,009	2,750,093	19.7%	3,135,743	5.0%	3,214,376	2,742,418	17.2%
12 Debt Securities Held To Maturity	664,842	896,571	-25.8%	710,142	-6.4%	687,492	924,851	-25.7%
13 Total Interest-Bearing Cash	445,090	327,137	36.1%	272,323	63.4%	358,706	308,408	16.3%
14 Loans / Deposits	23.7%	24.9%		23.3%		23.5%	24.9%	

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

	<i>(average volume, dollars in thousands)</i>							
	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Total Deposits	\$5,200,475	\$4,762,286	9.2%	\$4,828,988	7.7%	\$5,014,731	\$4,798,288	4.5%
2 Noninterest Demand	2,496,840	2,172,207	14.9%	2,222,737	12.3%	\$2,359,788	2,188,131	7.8%
3 Interest-Bearing Transaction	980,872	945,128	3.8%	941,720	4.2%	\$961,295	945,789	1.6%
4 Savings	1,558,201	1,459,287	6.8%	1,496,362	4.1%	\$1,527,282	1,475,603	3.5%
5 Time greater than \$100K	72,267	80,120	-9.8%	73,849	-2.1%	\$73,058	81,451	-10.3%
6 Time less than \$100K	92,295	105,544	-12.6%	94,320	-2.1%	\$93,308	107,314	-13.1%
7 Total Short-Term Borrowings	70,116	56,602	23.9%	42,330	65.6%	56,223	57,906	-2.9%
8 Other Borrowed Funds	699	-	n/m	-	n/m	349	-	n/m
9 Shareholders' Equity	705,882	669,947	5.4%	705,330	0.1%	705,606	662,704	6.5%
10 Demand Deposits / Total Deposits	48.0%	45.6%		46.0%		47.1%	45.6%	
11 Transaction & Savings Deposits / Total Deposits	96.8%	96.1%		96.5%		96.7%	96.1%	

5. Interest Yields Earned & Rates Paid.

	<i>(dollars in thousands)</i>						
	Q2'2020			Q1'2020		Q2'2019	
	Average Volume	Income/ Expense	Yield*/ Rate	Yield*/ Rate	Average Volume	Income/ Expense	Yield*/ Rate
1 Interest & Fee Income Earned							
2 Total Earning Assets (FTE)	\$5,635,014	\$42,498	3.02%	3.13%	\$5,159,112	\$40,817	3.17%
3 Total Loans (FTE)	1,232,073	15,376	5.02%	4.98%	1,183,539	14,929	5.06%
4 Total Commercial Loans (FTE)	344,053	4,052	4.74%	5.00%	262,804	3,561	5.43%
5 PPP Loans	132,500	1,673	5.07%	n/m	-	-	n/m
6 Commercial Loans (FTE)	211,553	2,379	4.52%	5.00%	262,804	3,561	5.43%
7 Commercial Real Estate Loans	578,572	7,892	5.49%	5.27%	582,126	7,709	5.31%
8 Consumer Loans	309,448	3,432	4.46%	4.43%	338,609	3,659	4.33%
9 Total Investment Securities (FTE)	3,957,851	27,009	2.73%	2.73%	3,648,436	23,930	2.62%
10 Total Interest-Bearing Cash	445,090	113	0.10%	1.24%	327,137	1,958	2.37%
11 Interest Expense Paid							
12 Total Earning Assets	5,635,014	435	0.03%	0.03%	5,159,112	487	0.04%
13 Total Interest-Bearing Liabilities	2,774,450	435	0.06%	0.07%	2,646,681	487	0.08%
14 Total Interest-Bearing Deposits	2,703,635	424	0.06%	0.07%	2,590,079	478	0.07%
15 Interest-Bearing Transaction	980,872	74	0.03%	0.04%	945,128	119	0.05%
16 Savings	1,558,201	224	0.06%	0.06%	1,459,287	212	0.06%
17 Time less than \$100K	92,295	47	0.20%	0.23%	105,544	65	0.25%
18 Time greater than \$100K	72,267	79	0.44%	0.43%	80,120	82	0.41%
19 Total Short-Term Borrowings	70,116	10	0.06%	0.07%	56,602	9	0.06%
20 Other Borrowed Funds	699	1	0.35%	n/m	-	-	n/m
21 Net Interest Income and Margin (FTE)		\$42,063	2.99%	3.10%		\$40,330	3.13%
* Annualized							

6. Noninterest Income.

	<i>(dollars in thousands except per-share amounts)</i>							
	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Service Charges on Deposit Accounts	\$3,151	\$4,493	-29.9%	\$4,248	-25.8%	\$7,399	\$8,997	-17.8%
2 Merchant Processing Services	2,277	2,657	-14.3%	2,358	-3.5%	4,635	5,215	-11.1%
3 Debit Card Fees	1,459	1,641	-11.1%	1,468	-0.6%	2,927	3,148	-7.0%
4 Trust Fees	714	749	-4.7%	777	-8.1%	1,491	1,466	1.7%
5 ATM Processing Fees	518	722	-28.3%	579	-10.6%	1,097	1,355	-19.0%
6 Other Service Fees	420	585	-28.2%	506	-16.9%	926	1,162	-20.3%
7 Financial Services Commissions	123	93	32.6%	125	-1.9%	248	194	27.4%
8 Life Insurance Gains	-	433	n/m	-	n/m	-	433	n/m
9 Securities Gains	71	26	n/m	-	n/m	71	50	n/m
10 Other Income (4)	821	889	-7.6%	1,587	-48.3%	2,408	1,847	30.4%
11 Total Noninterest Income	\$9,554	\$12,288	-22.2%	\$11,648	-18.0%	\$21,202	\$23,867	-11.2%
12 Operating Ratios:								
13 Total Revenue (FTE)	\$51,617	\$52,618	-1.9%	\$52,195	-1.1%	\$103,812	\$104,444	-0.6%
14 Noninterest Income / Revenue (FTE)	18.5%	23.4%		22.3%		20.4%	22.9%	
15 Service Charges / Avg. Deposits (a)	0.24%	0.38%		0.35%		0.30%	0.38%	
16 Total Revenue Per Avg. Common Share (a)	\$7.71	\$7.83	-1.6%	\$7.76	-0.6%	\$7.73	\$7.83	-1.3%

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7. Noninterest Expense.

	<i>(dollars in thousands)</i>							
	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Salaries & Benefits	\$12,900	\$13,090	-1.5%	\$13,018	-0.9%	\$25,918	\$26,198	-1.1%
2 Occupancy and Equipment	4,791	4,916	-2.5%	4,932	-2.9%	9,723	9,964	-2.4%
3 Outsourced Data Processing	2,324	2,367	-1.8%	2,405	-3.4%	4,729	4,736	-0.1%
4 Professional Fees	643	481	33.7%	389	65.3%	1,032	1,146	-9.9%
5 Courier Service	508	451	12.6%	491	3.5%	999	893	11.9%
6 Amortization of Identifiable Intangibles	73	79	-7.6%	73	0.0%	146	389	-62.5%
7 Loss Contingency (1)	-	553	n/m	-	n/m	-	553	n/m
8 Other Operating	3,515	3,624	-3.0%	3,356	4.7%	6,871	6,865	0.1%
9 Total Noninterest Expense	<u>\$24,754</u>	<u>\$25,561</u>	-3.2%	<u>\$24,664</u>	0.4%	<u>\$49,418</u>	<u>\$50,744</u>	-2.6%
10 Operating Ratios:								
11 Noninterest Expense / Avg. Earning Assets (a)	1.77%	1.99%		1.89%		1.83%	1.98%	
12 Noninterest Expense / FTE Revenues	48.0%	48.6%		47.3%		47.6%	48.6%	

8. Allowance for Credit Losses.

	<i>(dollars in thousands)</i>							
	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Average Total Loans	\$1,232,073	\$1,183,539	4.1%	\$1,123,934	9.6%	\$1,178,004	\$1,194,536	-1.4%
2 Prior Period Allowance for Credit Losses on Loans (ACLL)	\$24,804	\$20,477	21.1%	\$19,484	27.3%	\$19,484	\$21,351	-8.7%
3 Adoption of ASU 2016-13(2)	-	-	n/m	2,017	n/m	2,017	-	n/m
4 Beginning of Period ACLL	24,804	20,477	21.1%	21,501	15.4%	21,501	21,351	0.7%
5 Provision for Credit Losses	-	-	n/m	4,300	n/m	4,300	-	n/m
6 Net ACLL Losses	(275)	(360)	-23.5%	(97)	-72.4%	(1,272)	(1,234)	n/m
7 End of Period ACLL	<u>\$24,529</u>	<u>\$20,117</u>	21.9%	<u>\$24,804</u>	-1.1%	<u>\$24,529</u>	<u>\$20,117</u>	21.9%
8 Gross ACLL Recoveries / Gross ACLL Losses	66%	63%		37%		46%	48%	
9 Net ACLL Losses / Avg. Total Loans (a)	0.09%	0.12%		0.36%		0.22%	0.21%	

	<i>(dollars in thousands)</i>							
	6/30/20	6/30/19	6/30/20 / 6/30/19	3/31/20	6/30/20 / 3/31/20	12/31/19	9/30/19	3/31/19
10 Allowance for Credit Losses on Loans	\$24,529	\$20,117	21.9%	\$24,804	-1.1%	\$19,484	\$19,828	\$20,477
11 Allowance for Credit Losses on HTM Securities	16	-	n/m	16	0.0%	-	-	-
Total Allowance for Credit Losses	<u>\$24,545</u>	<u>\$20,117</u>	22.0%	<u>\$24,820</u>	-1.1%	<u>\$19,484</u>	<u>\$19,828</u>	<u>\$20,477</u>
12 Allowance for Unfunded Credit Commitments	53	2,308	-97.7%	53	0.0%	2,160	2,308	2,308

9. Credit Quality.

	<i>(dollars in thousands)</i>							
	6/30/20	6/30/19	6/30/20 / 6/30/19	3/31/20	6/30/20 / 3/31/20	12/31/19	9/30/19	3/31/19
1 Nonperforming Loans:								
2 Nonperforming Nonaccrual Loans	\$590	\$177	232.7%	\$419	40.8%	\$659	\$633	\$330
3 Performing Nonaccrual Loans	3,643	3,670	-0.7%	3,933	-7.4%	3,781	3,670	3,670
4 Total Nonaccrual Loans	4,233	3,847	10.0%	4,352	-2.7%	4,440	4,303	4,000
5 Accruing Loans 90+ Days Past Due	290	249	16.5%	178	62.9%	440	351	394
6 Total	4,523	4,096	10.4%	4,530	-0.2%	4,880	4,654	4,394
7 Repossessed Loan Collateral	43	43	-0.9%	43	0.0%	43	43	43
8 Total Nonperforming Assets	<u>\$4,566</u>	<u>\$4,139</u>	10.3%	<u>\$4,573</u>	-0.2%	<u>\$4,923</u>	<u>\$4,697</u>	<u>\$4,437</u>
9 Total Loans Outstanding	\$1,316,359	\$1,161,712	13.3%	\$1,121,243	17.4%	\$1,126,664	\$1,133,229	\$1,204,844
10 Total Assets	6,463,889	5,523,448	17.0%	5,628,126	14.8%	5,619,555	5,616,055	5,555,961
11 Loans:								
12 Allowance for Credit Losses on Loans	\$24,529	\$20,117	21.9%	\$24,804	-1.1%	\$19,484	\$19,828	\$20,477
13 Allowance for Credit Losses on Loans / Loans	1.86%	1.73%		2.21%		1.73%	1.75%	1.70%
14 Nonperforming Loans / Total Loans	0.34%	0.35%		0.40%		0.43%	0.41%	0.36%

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10. Capital.

	<i>(in thousands, except per-share amounts)</i>							
			6/30/20 /		6/30/20 /			
	6/30/20	6/30/19	6/30/19	3/31/20	3/31/20	12/31/19	9/30/19	3/31/19
1 Shareholders' Equity	\$808,076	\$693,437	16.5%	\$705,546	14.5%	\$731,417	\$713,378	\$656,767
2 Total Assets	6,463,889	5,523,448	17.0%	5,628,126	14.8%	5,619,555	5,616,055	5,555,961
3 Total Shareholders' Equity / Total Assets	12.50%	12.55%		12.54%		13.02%	12.70%	11.82%
4 Total Shareholders' Equity / Total Loans	61.39%	59.69%		62.93%		64.92%	62.95%	54.51%
5 Tangible Common Equity Ratio	10.81%	10.56%		10.58%		11.07%	10.75%	9.82%
6 Common Shares Outstanding	26,933	26,962	-0.1%	26,932	0.0%	27,062	27,014	26,901
7 Common Equity Per Share	\$30.00	\$25.72	16.7%	\$26.20	14.5%	\$27.03	\$26.41	\$24.41
8 Market Value Per Common Share	\$57.42	\$61.61	-6.8%	\$58.78	-2.3%	\$67.77	\$62.18	\$61.80
9 Share Repurchase Programs	<i>(shares in thousands)</i>							
			Q2'20 /		Q2'20 /		6/30'20YTD /	
	Q2'2020	Q2'2019	Q2'19	Q1'2020	Q1'20	6/30'20YTD	6/30'19YTD	6/30'19YTD
10 Total Shares Repurchased / Canceled	13	8	n/m	180	n/m	193	8	n/m
11 Average Repurchase Price	\$52.27	\$61.98	n/m	\$51.52	n/m	\$51.50	\$61.98	n/m
12 Net Shares (Issued) Repurchased	(1)	(61)	n/m	130	n/m	129	(232)	n/m

11. Period-End Balance Sheets.

	<i>(unaudited, dollars in thousands)</i>							
			6/30/20 /		6/30/20 /			
	6/30/20	6/30/19	6/30/19	3/31/20	3/31/20	12/31/19	9/30/19	3/31/19
1 Assets:								
2 Cash and Due from Banks	\$500,820	\$418,586	19.6%	\$304,628	64.4%	\$373,421	\$415,639	\$421,788
3 Equity Securities	-	1,797	n/m	-	n/m	-	-	1,771
4 Debt Securities Available For Sale	3,708,370	2,775,899	33.6%	3,210,689	15.5%	3,078,846	2,983,767	2,702,240
5 Debt Securities Held To Maturity (3)	638,281	867,989	-26.5%	681,821	-6.4%	738,072	793,216	923,190
6 Loans	1,316,359	1,161,712	13.3%	1,121,243	17.4%	1,126,664	1,133,229	1,204,844
7 Allowance For Credit Losses on Loans	(24,529)	(20,117)	21.9%	(24,804)	-1.1%	(19,484)	(19,828)	(20,477)
8 Total Loans, net	1,291,830	1,141,595	13.2%	1,096,439	17.8%	1,107,180	1,113,401	1,184,367
9 Other Real Estate Owned	43	43	0.0%	43	0.0%	43	43	43
10 Premises and Equipment, net	34,061	34,014	0.1%	35,403	-3.8%	34,597	34,080	33,934
11 Identifiable Intangibles, net	1,245	1,540	-19.2%	1,318	-5.5%	1,391	1,464	1,619
12 Goodwill	121,673	121,673	0.0%	121,673	0.0%	121,673	121,673	121,673
13 Other Assets	167,566	160,312	4.5%	176,112	-4.9%	164,332	152,772	165,336
14 Total Assets	\$6,463,889	\$5,523,448	17.0%	\$5,628,126	14.8%	\$5,619,555	\$5,616,055	\$5,555,961
15 Liabilities and Shareholders' Equity:								
16 Deposits:								
17 Noninterest-Bearing	\$2,702,885	\$2,163,841	24.9%	\$2,183,283	23.8%	\$2,240,112	\$2,265,640	\$2,179,803
18 Interest-Bearing Transaction	997,593	942,140	5.9%	936,516	6.5%	931,888	910,566	941,379
19 Savings	1,605,169	1,442,552	11.3%	1,514,431	6.0%	1,471,284	1,445,210	1,482,187
20 Time	162,765	181,729	-10.4%	165,196	-1.5%	169,337	175,207	189,215
21 Total Deposits	5,468,412	4,730,262	15.6%	4,799,426	13.9%	4,812,621	4,796,623	4,792,584
22 Short-Term Borrowed Funds	86,170	54,581	57.9%	52,664	63.6%	30,928	45,646	58,317
23 Other Liabilities	101,231	45,168	124.1%	70,490	43.6%	44,589	60,408	48,293
24 Total Liabilities	5,655,813	4,830,011	17.1%	4,922,580	14.9%	4,888,138	4,902,677	4,899,194
25 Shareholders' Equity:								
26 Common Equity:								
27 Paid-in Capital	467,386	460,140	1.6%	466,472	0.2%	466,231	463,424	456,075
28 Accumulated Other Comprehensive Income (Loss)	93,732	13,124	n/m	171	n/m	26,051	20,454	(11,249)
29 Retained Earnings	246,958	220,173	12.2%	238,903	3.4%	239,135	229,500	211,941
30 Total Shareholders' Equity	808,076	693,437	16.5%	705,546	14.5%	731,417	713,378	656,767
31 Total Liabilities and Shareholders' Equity	\$6,463,889	\$5,523,448	17.0%	\$5,628,126	14.8%	\$5,619,555	\$5,616,055	\$5,555,961

WESTAMERICA BANCORPORATION
FINANCIAL HIGHLIGHTS
June 30, 2020

12. Income Statements.

(unaudited, in thousands, except per-share amounts)								
	Q2'2020	Q2'2019	Q2'20 / Q2'19	Q1'2020	Q2'20 / Q1'20	6/30'20YTD	6/30'19YTD	6/30'20YTD / 6/30'19YTD
1 Interest and Fee Income:								
2 Loans	\$15,278	\$14,822	3.1%	\$13,809	10.6%	\$29,087	\$29,619	-1.8%
3 Equity Securities	103	99	4.0%	103	0.0%	206	197	4.5%
4 Debt Securities Available For Sale	22,429	17,823	25.8%	21,315	5.2%	43,744	35,344	23.8%
5 Debt Securities Held To Maturity	3,616	4,924	-26.6%	3,908	-7.5%	7,524	10,253	-26.6%
6 Interest-Bearing Cash	113	1,958	-94.3%	856	-86.9%	969	3,696	-73.8%
7 Total Interest and Fee Income	41,539	39,626	4.8%	39,991	3.9%	81,530	79,109	3.1%
8 Interest Expense:								
9 Transaction Deposits	74	119	-37.8%	84	-11.4%	158	240	-34.4%
10 Savings Deposits	224	212	5.6%	217	3.1%	441	428	3.2%
11 Time Deposits	126	147	-14.3%	133	-5.6%	259	295	-12.2%
12 Short-Term Borrowed Funds	10	9	9.4%	8	24.9%	18	18	1.1%
13 Other Borrowed Funds	1	-	n/m	-	n/m	1	-	n/m
14 Total Interest Expense	435	487	-10.8%	442	-1.7%	877	981	-10.7%
15 Net Interest Income	41,104	39,139	5.0%	39,549	3.9%	80,653	78,128	3.2%
16 Provision for Credit Losses	-	-	n/m	4,300	n/m	4,300	-	n/m
17 Noninterest Income:								
18 Service Charges on Deposit Accounts	3,151	4,493	-29.9%	4,248	-25.8%	7,399	8,997	-17.8%
19 Merchant Processing Services	2,277	2,657	-14.3%	2,358	-3.5%	4,635	5,215	-11.1%
20 Debit Card Fees	1,459	1,641	-11.1%	1,468	-0.6%	2,927	3,148	-7.0%
21 Trust Fees	714	749	-4.7%	777	-8.1%	1,491	1,466	1.7%
22 ATM Processing Fees	518	722	-28.3%	579	-10.6%	1,097	1,355	-19.0%
23 Other Service Fees	420	585	-28.2%	506	-16.9%	926	1,162	-20.3%
24 Financial Services Commissions	123	93	32.6%	125	-1.9%	248	194	27.4%
25 Life Insurance Gains	-	433	n/m	-	n/m	-	433	n/m
26 Securities Gains	71	26	n/m	-	n/m	71	50	n/m
27 Other(4)	821	889	-7.6%	1,587	-48.3%	2,408	1,847	30.4%
28 Total Noninterest Income	9,554	12,288	-22.2%	11,648	-18.0%	21,202	23,867	-11.2%
29 Noninterest Expense:								
30 Salaries and Related Benefits	12,900	13,090	-1.5%	13,018	-0.9%	25,918	26,198	-1.1%
31 Occupancy and Equipment	4,791	4,916	-2.5%	4,932	-2.9%	9,723	9,964	-2.4%
32 Outsourced Data Processing	2,324	2,367	-1.8%	2,405	-3.4%	4,729	4,736	-0.1%
33 Professional Fees	643	481	33.7%	389	65.3%	1,032	1,146	-9.9%
34 Courier Service	508	451	12.6%	491	3.5%	999	893	11.9%
35 Amortization of Identifiable Intangibles	73	79	-7.6%	73	0.0%	146	389	-62.5%
36 Loss Contingency (1)	-	553	n/m	-	n/m	-	553	n/m
37 Other	3,515	3,624	-3.0%	3,356	4.7%	6,871	6,865	0.1%
38 Total Noninterest Expense	24,754	25,561	-3.2%	24,664	0.4%	49,418	50,744	-2.6%
39 Income Before Income Taxes	25,904	25,866	0.1%	22,233	16.5%	48,137	51,251	-6.1%
40 Income Tax Provision	6,342	6,241	1.6%	5,271	20.3%	11,613	11,980	-3.1%
41 Net Income	\$19,562	\$19,625	-0.3%	\$16,962	15.3%	\$36,524	\$39,271	-7.0%
42 Average Common Shares Outstanding	26,935	26,942	0.0%	27,068	-0.5%	27,001	26,892	0.4%
43 Diluted Average Common Shares Outstanding	26,951	26,987	-0.1%	27,139	-0.7%	27,024	26,950	0.3%
44 Per Common Share Data:								
45 Basic Earnings	\$0.72	\$0.73	-1.9%	\$0.63	14.3%	\$1.35	\$1.46	-7.5%
46 Diluted Earnings	0.72	0.73	-1.9%	0.63	14.5%	1.35	1.46	-7.4%
47 Dividends Paid	0.41	0.41	0.0%	0.41	0.0%	0.82	0.81	1.2%

Footnotes and Abbreviations:

- (1) In the second quarter 2019, the Company recorded a \$301 thousand increase in estimated customer refunds of revenue recognized prior to 2018 and a \$252 thousand loss settlement to dismiss a lawsuit.
- (2) Effective January 1, 2020, the Company adopted Accounting Standards Update (ASU) 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments ("CECL"), resulting in a period opening adjustment to the allowance for credit losses, held-to-maturity debt securities, other liabilities, deferred tax assets, and shareholders' equity.
- (3) The Company adopted ASU 2016-13, effective January 1, 2020. Debt Securities Held To Maturity of \$638,281 thousand at June 30, 2020 and \$681,821 thousand at March 31, 2020 are net of related reserve for expected credit losses of \$16 thousand.
- (4) The Company received \$603 thousand in excess of amounts charged-off in prior periods on a purchased loan during the quarter ending March 31, 2020, representing the recovery of a purchased loan credit-risk discount.

(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

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