

**WESTAMERICA BANCORPORATION**  
**FINANCIAL HIGHLIGHTS**  
 March 31, 2021

**1. Net Income Summary.**

	<i>(in thousands except per-share amounts)</i>				
	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	Q1'21 / Q4'20
1 Net Interest and Fee Income (FTE)	\$42,583	\$40,547	5.0%	\$43,292	-1.6%
2 Provision for Credit Losses	-	4,300	n/m	-	n/m
3 Noninterest Income	10,189	11,648	-12.5%	13,959	-27.0%
4 Noninterest Expense	24,906	24,664	1.0%	24,545	1.5%
5 Income Before Taxes (FTE)	27,866	23,231	20.0%	32,706	-14.8%
6 Income Tax Provision (FTE)	7,719	6,269	23.1%	8,868	-13.0%
7 Net Income	\$20,147	\$16,962	18.8%	\$23,838	-15.5%
8 Average Common Shares Outstanding	26,821	27,068	-0.9%	26,838	-0.1%
9 Diluted Average Common Shares Outstanding	26,842	27,139	-1.1%	26,849	0.0%
10 Operating Ratios:					
11 Basic Earnings Per Common Share	\$0.75	\$0.63	19.0%	\$0.89	-15.7%
12 Diluted Earnings Per Common Share	0.75	0.63	19.0%	0.89	-15.7%
13 Return On Assets (a)	1.23%	1.21%		1.44%	
14 Return On Common Equity (a)	11.1%	9.7%		13.2%	
15 Net Interest Margin (FTE) (a)	2.74%	3.10%		2.81%	
16 Efficiency Ratio (FTE)	47.2%	47.3%		42.9%	
17 Dividends Paid Per Common Share	\$0.41	\$0.41	0.0%	\$0.41	0.0%
18 Common Dividend Payout Ratio	55%	66%		46%	

**2. Net Interest Income.**

	<i>(dollars in thousands)</i>				
	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	Q1'21 / Q4'20
1 Interest and Fee Income (FTE)	\$43,058	\$40,989	5.0%	\$43,773	-1.6%
2 Interest Expense	475	442	7.5%	481	-1.2%
3 Net Interest and Fee Income (FTE)	\$42,583	\$40,547	5.0%	\$43,292	-1.6%
4 Average Earning Assets	\$6,244,622	\$5,242,142	19.1%	\$6,156,749	1.4%
5 Average Interest-Bearing Liabilities	3,130,227	2,648,581	18.2%	3,034,240	3.2%
6 Yield on Earning Assets (FTE) (a)	2.77%	3.13%		2.84%	
7 Cost of Funds (a)	0.03%	0.03%		0.03%	
8 Net Interest Margin (FTE) (a)	2.74%	3.10%		2.81%	
9 Interest Expense/Interest-Bearing Liabilities (a)	0.06%	0.07%		0.06%	
10 Net Interest Spread (FTE) (a)	2.71%	3.06%		2.78%	

**3. Loans & Other Earning Assets.**

	<i>(average volume, dollars in thousands)</i>				
	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	Q1'21 / Q4'20
1 Total Assets	\$6,650,164	\$5,655,460	17.6%	\$6,562,753	1.3%
2 Total Earning Assets	6,244,622	5,242,142	19.1%	6,156,749	1.4%
3 Total Loans	1,251,540	1,123,934	11.4%	1,286,480	-2.7%
4 Total Commercial Loans	395,473	223,383	77.0%	426,564	-7.3%
5 Paycheck Protection Program (PPP) Loans	188,971	-	n/m	227,828	-17.1%
6 Commercial Loans	206,502	223,383	-7.6%	198,736	3.9%
7 Commercial Real Estate Loans	559,191	579,743	-3.5%	561,394	-0.4%
8 Consumer Loans	296,876	320,808	-7.5%	298,522	-0.6%
9 Total Investment Securities	4,440,621	3,845,885	15.5%	4,430,592	0.2%
10 Debt Securities Available For Sale	3,947,549	3,135,743	25.9%	3,884,451	1.6%
11 Debt Securities Held To Maturity	493,072	710,142	-30.6%	546,141	-9.7%
12 Total Interest-Bearing Cash	552,461	272,323	102.9%	439,677	25.7%
13 Loans / Deposits	21.8%	23.3%		22.7%	

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

	<i>(average volume, dollars in thousands)</i>				
	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	
1 Total Deposits	\$5,748,070	\$4,828,988	19.0%	\$5,655,768	1.6%
2 Noninterest Demand	2,713,632	2,222,737	22.1%	2,736,348	-0.8%
3 Interest-Bearing Transaction	1,130,760	941,720	20.1%	1,071,576	5.5%
4 Savings	1,746,815	1,496,362	16.7%	1,688,031	3.5%
5 Time greater than \$100K	71,241	73,849	-3.5%	71,306	-0.1%
6 Time less than \$100K	85,622	94,320	-9.2%	88,507	-3.3%
7 Total Short-Term Borrowings	95,575	42,330	125.8%	114,820	-16.8%
8 Other Borrowed Funds	214	-	n/m	-	n/m
9 Shareholders' Equity	735,496	705,330	4.3%	720,473	2.1%
10 Demand Deposits / Total Deposits	47.2%	46.0%		48.4%	
11 Transaction & Savings Deposits / Total Deposits	97.3%	96.5%		97.2%	

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

	<i>(dollars in thousands)</i>						
	Q1'2021			Q4'2020	Q1'2020		
	Average Volume	Income/ Expense	Yield (a)/ Rate (a)	Yield (a)/ Rate (a)	Average Volume	Income/ Expense	Yield (a)/ Rate (a)
1 Interest & Fee Income Earned							
2 Total Earning Assets (FTE)	\$6,244,622	\$43,058	2.77%	2.84%	\$5,242,142	\$40,989	3.13%
3 Total Loans (FTE)	1,251,540	14,684	4.76%	4.67%	1,123,934	13,910	4.98%
4 Total Commercial Loans (FTE)	395,473	4,005	4.11%	4.16%	223,383	2,776	5.00%
5 PPP Loans	188,971	1,853	3.98%	4.08%	-	-	n/m
6 Commercial Loans (FTE)	206,502	2,152	4.23%	4.24%	223,383	2,776	5.00%
7 Commercial Real Estate Loans	559,191	7,341	5.32%	5.16%	579,743	7,599	5.27%
8 Consumer Loans	296,876	3,338	4.56%	4.47%	320,808	3,535	4.43%
9 Total Investment Securities (FTE)	4,440,621	28,236	2.54%	2.58%	3,845,885	26,223	2.73%
10 Total Interest-Bearing Cash	552,461	138	0.10%	0.10%	272,323	856	1.24%
11 Interest Expense Paid							
12 Total Earning Assets	6,244,622	475	0.03%	0.03%	5,242,142	442	0.03%
13 Total Interest-Bearing Liabilities	3,130,227	475	0.06%	0.06%	2,648,581	442	0.07%
14 Total Interest-Bearing Deposits	3,034,438	459	0.06%	0.06%	2,606,251	434	0.07%
15 Interest-Bearing Transaction	1,130,760	89	0.03%	0.03%	941,720	84	0.04%
16 Savings	1,746,815	250	0.06%	0.06%	1,496,362	217	0.06%
17 Time less than \$100K	85,622	42	0.20%	0.20%	94,320	54	0.23%
18 Time greater than \$100K	71,241	78	0.44%	0.45%	73,849	79	0.43%
19 Total Short-Term Borrowings	95,575	16	0.07%	0.07%	42,330	8	0.07%
20 Other Borrowed Funds	214	-	0.35%	n/m	-	-	n/m
21 Net Interest Income and Margin (FTE)		\$42,583	2.74%	2.81%		\$40,547	3.10%

#### 6. Noninterest Income.

	<i>(dollars in thousands except per-share amounts)</i>				
	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	
1 Service Charges on Deposit Accounts	\$3,304	\$4,248	-22.2%	\$3,452	-4.3%
2 Merchant Processing Services	2,560	2,358	8.6%	2,713	-5.6%
3 Debit Card Fees	1,601	1,468	9.0%	1,643	-2.6%
4 Trust Fees	801	777	3.1%	765	4.7%
5 ATM Processing Fees	601	579	3.8%	570	5.4%
6 Other Service Fees	469	506	-7.2%	457	2.6%
7 Financial Services Commissions	70	125	-44.0%	66	6.1%
8 Gains on Sales of Real Property	-	-	n/m	3,536	n/m
9 Other Noninterest Income(5)	783	1,587	-50.7%	757	3.4%
10 Total Noninterest Income	\$10,189	\$11,648	-12.5%	\$13,959	-27.0%
11 Operating Ratios:					
12 Total Revenue (FTE)	\$52,772	\$52,195	1.1%	\$57,251	-7.8%
13 Noninterest Income / Revenue (FTE)	19.3%	22.3%		24.4%	
14 Service Charges / Avg. Deposits (a)	0.23%	0.35%		0.24%	
15 Total Revenue Per Avg. Common Share (a)	\$7.98	\$7.76	2.9%	\$8.49	-6.0%

## 7. Noninterest Expense.

	(dollars in thousands)				
	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	
1 Salaries & Benefits	\$12,665	\$13,018	-2.7%	\$12,291	3.0%
2 Occupancy and Equipment	4,880	4,932	-1.1%	4,900	-0.4%
3 Outsourced Data Processing	2,390	2,405	-0.6%	2,359	1.3%
4 Professional Fees	942	389	142.2%	722	30.5%
5 Courier Service	504	491	2.6%	502	0.4%
6 Amortization of Identifiable Intangibles	69	73	-5.5%	69	0.0%
7 Other Noninterest Expense	3,456	3,356	3.0%	3,702	-6.6%
8 Total Noninterest Expense	<u>\$24,906</u>	<u>\$24,664</u>	1.0%	<u>\$24,545</u>	1.5%
9 Operating Ratios:					
10 Noninterest Expense / Avg. Earning Assets (a)	1.62%	1.89%		1.59%	
11 Noninterest Expense / FTE Revenues	47.2%	47.3%		42.9%	

## 8. Allowance for Credit Losses.

	(dollars in thousands)				
	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	
1 Average Total Loans	\$1,251,540	\$1,123,934	11.4%	\$1,286,480	-2.7%
2 Prior Period Allowance for Credit Losses on Loans (ACLL)	\$23,854	\$19,484	22.4%	\$24,142	-1.2%
3 Adoption of ASU 2016-13(1)	-	2,017	n/m	-	n/m
4 Beginning of Period ACLL	23,854	21,501	10.9%	24,142	-1.2%
5 Provision for Credit Losses	-	4,300	n/m	7	n/m
6 Net ACLL Losses	(371)	(997)	-62.8%	(295)	25.8%
7 End of Period ACLL	<u>\$23,483</u>	<u>24,804</u>	-5.3%	<u>\$23,854</u>	-1.6%
8 Gross ACLL Recoveries / Gross ACLL Losses	60%	37%		69%	
9 Net ACLL Losses / Avg. Total Loans (a)	0.12%	0.36%		0.09%	

	(dollars in thousands)							
	3/31/21	3/31/20	3/31/21 / 3/31/20	12/31/20	3/31/21 / 12/31/20	9/30/20	6/30/20	12/31/19
10 Allowance for Credit Losses on Loans	\$23,483	\$24,804	-5.3%	\$23,854	-1.6%	\$24,142	\$24,529	\$19,484
11 Allowance for Credit Losses on HTM Securities(2)	9	16	-44.6%	9	0.0%	16	16	-
Total Allowance for Credit Losses	<u>\$23,492</u>	<u>\$24,820</u>	-5.4%	<u>\$23,863</u>	-1.6%	<u>\$24,158</u>	<u>\$24,545</u>	<u>\$19,484</u>
12 Allowance for Unfunded Credit Commitments	101	53	90.0%	101	0.0%	53	53	2,160

## 9. Credit Quality.

	(dollars in thousands)							
	3/31/21	3/31/20	3/31/21 / 3/31/20	12/31/20	3/31/21 / 12/31/20	9/30/20	6/30/20	12/31/19
1 Nonperforming Loans:								
2 Nonperforming Nonaccrual Loans	\$402	\$419	-4.1%	\$526	-23.6%	\$409	\$590	\$659
3 Performing Nonaccrual Loans	3,569	3,933	-9.3%	3,803	-6.2%	3,971	3,643	3,781
4 Total Nonaccrual Loans	3,971	4,352	-8.8%	4,329	-8.3%	4,380	4,233	4,440
5 Accruing Loans 90+ Days Past Due	132	178	-25.8%	450	-70.7%	360	290	440
6 Total	4,103	4,530	-9.4%	4,779	-14.1%	4,740	4,523	4,880
7 Repossessed Loan Collateral	-	43	n/m	-	n/m	43	43	43
8 Total Nonperforming Assets	<u>\$4,103</u>	<u>\$4,573</u>	-10.3%	<u>\$4,779</u>	-14.1%	<u>\$4,783</u>	<u>\$4,566</u>	<u>\$4,923</u>
9 Total Loans Outstanding	\$1,293,756	\$1,121,243	15.4%	\$1,256,243	3.0%	\$1,310,009	\$1,316,359	\$1,126,664
10 Total Assets	6,912,481	5,628,126	22.8%	6,747,931	2.4%	6,563,215	6,463,889	5,619,555
11 Loans:								
12 Allowance for Credit Losses on Loans	\$23,483	\$24,804	-5.3%	\$23,854	-1.6%	\$24,142	\$24,529	\$19,484
13 Allowance for Credit Losses on Loans / Loans	1.82%	2.21%		1.90%		1.84%	1.86%	1.73%
14 Nonperforming Loans / Total Loans	0.32%	0.40%		0.38%		0.36%	0.34%	0.43%

## 10. Capital.

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

	3/31/21	3/31/20	3/31/21 / 3/31/20	12/31/20	3/31/21 / 12/31/20	9/30/20	6/30/20	12/31/19
1 Shareholders' Equity	\$812,132	\$705,546	15.1%	\$844,809	-3.9%	\$825,576	\$808,076	\$731,417
2 Total Assets	6,912,481	5,628,126	22.8%	6,747,931	2.4%	6,563,215	6,463,889	5,619,555
3 Total Shareholders' Equity / Total Assets	11.75%	12.54%		12.52%		12.58%	12.50%	13.02%
4 Total Shareholders' Equity / Total Loans	62.77%	62.93%		67.25%		63.02%	61.39%	64.92%
5 Tangible Common Equity Ratio	10.15%	10.58%		10.90%		10.91%	10.81%	11.07%
6 Common Shares Outstanding	26,864	26,932	-0.3%	26,807	0.2%	26,898	26,933	27,062
7 Common Equity Per Share	\$30.23	\$26.20	15.4%	\$31.51	-4.1%	\$30.69	\$30.00	\$27.03
8 Market Value Per Common Share	62.78	58.78	6.8%	55.29	13.5%	54.35	57.42	67.77

*(shares in thousands)*

	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	Q1'21 / Q4'20
9 Total Shares Repurchased / Canceled	4	180	n/m	91	n/m
10 Average Repurchase Price	\$61.09	\$51.52	n/m	\$52.22	n/m
11 Net Shares (Issued) Repurchased	(57)	130	n/m	91	n/m

## 11. Period-End Balance Sheets.

*(unaudited, dollars in thousands)*

	3/31/21	3/31/20	3/31/21 / 3/31/20	12/31/20	3/31/21 / 12/31/20	9/30/20	6/30/20	12/31/19
1 Assets:								
2 Cash and Due from Banks	\$866,457	\$304,628	184.4%	\$621,275	39.5%	\$398,964	\$500,820	\$373,421
3 Debt Securities Available For Sale	3,990,570	3,210,689	24.3%	4,063,185	-1.8%	3,983,994	3,708,370	3,078,846
4 Debt Securities Held To Maturity (3)	469,259	681,821	-31.2%	515,589	-9.0%	577,795	638,281	738,072
5 Loans	1,293,756	1,121,243	15.4%	1,256,243	3.0%	1,310,009	1,316,359	1,126,664
6 Allowance For Credit Losses on Loans	(23,483)	(24,804)	-5.3%	(23,854)	-1.6%	(24,142)	(24,529)	(19,484)
7 Total Loans, net	1,270,273	1,096,439	15.9%	1,232,389	3.1%	1,285,867	1,291,830	1,107,180
8 Other Real Estate Owned	-	43	n/m	-	n/m	43	43	43
9 Premises and Equipment, net	32,216	35,403	-9.0%	32,813	-1.8%	33,437	34,061	34,597
10 Identifiable Intangibles, net	1,035	1,318	-21.5%	1,105	-6.3%	1,173	1,245	1,391
11 Goodwill	121,673	121,673	0.0%	121,673	0.0%	121,673	121,673	121,673
12 Other Assets	160,998	176,112	-8.6%	159,903	0.7%	160,269	167,566	164,332
13 Total Assets	\$6,912,481	\$5,628,126	22.8%	\$6,747,931	2.4%	\$6,563,215	\$6,463,889	\$5,619,555
14 Liabilities and Shareholders' Equity:								
15 Deposits:								
16 Noninterest-Bearing	\$2,798,542	\$2,183,283	28.2%	\$2,725,177	2.7%	\$2,684,028	\$2,702,885	\$2,240,112
17 Interest-Bearing Transaction	1,179,484	936,516	25.9%	1,102,601	7.0%	1,040,712	997,593	931,888
18 Savings	1,791,636	1,514,431	18.3%	1,703,812	5.2%	1,653,000	1,605,169	1,471,284
19 Time	154,171	165,196	-6.7%	156,389	-1.4%	161,450	162,765	169,337
20 Total Deposits	5,923,833	4,799,426	23.4%	5,687,979	4.1%	5,539,190	5,468,412	4,812,621
21 Short-Term Borrowed Funds	95,479	52,664	81.3%	102,545	-6.9%	107,973	86,170	30,928
22 Other Borrowed Funds	1,681	-	n/m	-	n/m	-	-	-
23 Other Liabilities	79,356	70,490	12.6%	112,598	-29.5%	90,476	101,231	44,589
24 Total Liabilities	6,100,349	4,922,580	23.9%	5,903,122	3.3%	5,737,639	5,655,813	4,888,138
25 Shareholders' Equity:								
26 Common Equity:								
27 Paid-In Capital	469,885	466,472	0.7%	466,041	0.8%	467,236	467,386	466,231
28 Accumulated Other Comprehensive Income	68,901	171	n/m	114,412	n/m	103,623	93,732	26,051
29 Retained Earnings	273,346	238,903	14.4%	264,356	3.4%	254,717	246,958	239,135
30 Total Shareholders' Equity	812,132	705,546	15.1%	844,809	-3.9%	825,576	808,076	731,417
31 Total Liabilities and Shareholders' Equity	\$6,912,481	\$5,628,126	22.8%	\$6,747,931	2.4%	\$6,563,215	\$6,463,889	\$5,619,555

## 12. Income Statements.

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

	Q1'2021	Q1'2020	Q1'21 / Q1'20	Q4'2020	Q1'21 / Q4'20
1 Interest and Fee Income:					
2 Loans	\$14,581	\$13,809	5.6%	\$14,999	-2.8%
3 Equity Securities	110	103	6.9%	110	0.0%
4 Debt Securities Available For Sale (4)	24,889	21,315	16.8%	24,947	-0.2%
5 Debt Securities Held To Maturity	2,598	3,908	-33.5%	2,793	-7.0%
6 Interest-Bearing Cash	138	856	-83.9%	112	23.2%
7 Total Interest and Fee Income	42,316	39,991	5.8%	42,961	-1.5%
8 Interest Expense:					
9 Transaction Deposits	89	84	6.5%	90	-1.1%
10 Savings Deposits	250	217	15.0%	246	1.6%
11 Time Deposits	120	133	-9.9%	126	-4.8%
12 Short-Term Borrowed Funds	16	8	99.9%	19	-15.8%
13 Total Interest Expense	475	442	7.4%	481	-1.2%
14 Net Interest Income	41,841	39,549	5.8%	42,480	-1.5%
15 Provision for Credit Losses	-	4,300	n/m	-	n/m
16 Noninterest Income:					
17 Service Charges on Deposit Accounts	3,304	4,248	-22.2%	3,452	-4.3%
18 Merchant Processing Services	2,560	2,358	8.6%	2,713	-5.6%
19 Debit Card Fees	1,601	1,468	9.0%	1,643	-2.6%
20 Trust Fees	801	777	3.1%	765	4.7%
21 ATM Processing Fees	601	579	3.8%	570	5.4%
22 Other Service Fees	469	506	-7.2%	457	2.6%
23 Financial Services Commissions	70	125	-44.0%	66	6.1%
24 Gains on Sales of Real Property	-	-	n/m	3,536	n/m
25 Other Noninterest Income (5)	783	1,587	-50.7%	757	3.4%
26 Total Noninterest Income	10,189	11,648	-12.5%	13,959	-27.0%
27 Noninterest Expense:					
28 Salaries and Related Benefits	12,665	13,018	-2.7%	12,291	3.0%
29 Occupancy and Equipment	4,880	4,932	-1.1%	4,900	-0.4%
30 Outsourced Data Processing	2,390	2,405	-0.6%	2,359	1.3%
31 Professional Fees	942	389	142.2%	722	30.5%
32 Courier Service	504	491	2.6%	502	0.4%
33 Amortization of Identifiable Intangibles	69	73	-5.5%	69	0.0%
34 Other Noninterest Expense	3,456	3,356	3.0%	3,702	-6.6%
35 Total Noninterest Expense	24,906	24,664	1.0%	24,545	1.5%
36 Income Before Income Taxes	27,124	22,233	22.0%	31,894	-15.0%
37 Income Tax Provision	6,977	5,271	32.4%	8,056	-13.4%
38 Net Income	\$20,147	\$16,962	18.8%	\$23,838	-15.5%
39 Average Common Shares Outstanding	26,821	27,068	-0.9%	26,838	-0.1%
40 Diluted Average Common Shares Outstanding	26,842	27,139	-1.1%	26,849	0.0%
41 Per Common Share Data:					
42 Basic Earnings	\$0.75	\$0.63	19.0%	\$0.89	-15.7%
43 Diluted Earnings	0.75	0.63	19.0%	0.89	-15.7%
44 Dividends Paid	0.41	0.41	0.0%	0.41	0.0%

### Footnotes and Abbreviations:

(1) 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 for loans and held-to-maturity debt securities, other liabilities, deferred tax assets, and shareholders' equity.

(2) In the fourth quarter 2020, the Company recorded a \$7 thousand reversal of provision for credit losses on Debt Securities Held To Maturity and the balance of the allowance for credit losses on Debt Securities Held To Maturity was reduced from \$16 thousand at September 30, 2020 to \$9 thousand at December 31, 2020.

(3) The Company adopted ASU 2016-13, effective January 1, 2020. Debt Securities Held To Maturity of \$469,259 thousand at March 31, 2021 and \$515,589 thousand at December 31, 2020 are net of related reserve for expected credit losses of \$9 thousand. Debt Securities Held To Maturity of \$577,795 thousand at September 30, 2020, \$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) Interest income on Debt Securities Available For Sale included make-whole interest income on called corporate bonds of \$700 thousand in the first quarter 2021 and \$1.9 million in the fourth quarter 2020.

(5) The Company received \$603 thousand in excess of amounts charged-off in prior periods on a purchased loan during the first quarter 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.