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WESTAMERICA BANCORPORATION

Form 8-K

October 20, 2005

Page 1

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
October 20, 2005

WESTAMERICA BANCORPORATION

(Exact Name of Registrant as Specified in Its Charter)

CALIFORNIA

(State or Other Jurisdiction of Incorporation)

001-9383

(Commission File Number)

94-2156203

(IRS Employer Identification No.)

1108 Fifth Avenue, San Rafael, California

(Address of Principal Executive Offices)

94901

(Zip Code)

(707) 863-6000

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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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 Number Page
(99.1)	Press release dated October 18, 2005	5-16

Page 5

FOR IMMEDIATE RELEASE

October 18, 2005

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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

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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

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.

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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.

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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 / Q3'04	Q2'05	Q3'05 / 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%		

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2. Net Interest Income.

	(dollars in thousands)					
	Q3'05	Q3'04	Q3'05 / Q3'04	Q2'05	Q3'05 / 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 / Q3'04	Q2'05	Q3'05 / 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

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4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in thousands)					
	Q3'05	Q3'04	Q3'05 / Q3'04	Q2'05	Q3'05 / 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	
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 Volume	Income/ Expense	Yield/ Rate	Yield/ Rate	Average Volume	Income/ 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

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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 and Margin (FTE)		\$55,993	4.76%	4.84%		\$54,

6. Noninterest Income.

(dollars in thousands)

	Q3'05	Q3'04	Q3'05 / Q3'04	Q2'05	Q3'05 / 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

Page 12

WESTAMERICA BANCORPORATION

Public Information October 18, 2005

7. Noninterest Expense.

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(dollars in thousands)

	Q3'05	Q3'04	Q3'05 / Q3'04	Q2'05	Q3'05 / 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 / Q3'04	Q2'05	Q3'05 / 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

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7. Loan Loss Provision / Loans (annualized)	0.02%	0.11%	0.05%	0
8. Loan Loss Provision / 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 / 9/30/04	6/30/05	9/30/05 / 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+ 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 & 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%	2,708,566
12. Total Assets	5,153,091	4,636,071	11.2%	5,191,093	-0.7%	5,192,093
13. Allowance for Loan Losses / Total Loans	2.23%	2.36%		2.23%		2.23%
14. Nonperforming Loans / Total Loans	0.30%	0.30%		0.29%		0.29%
15. Nonperforming Loans & Repossessed 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 / Classified Loans	163%	261%		159%		159%
19. Classified Loans / 20. (Equity + Allowance for Loan Losses)	7.5%	5.1%		7.5%		7.5%

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(dollars in thousands, except per-share amounts)

	9/30/05	9/30/04	9/30/05 / 9/30/04	6/30/05	9/30/05 / 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 / Total Assets	8.38%	7.59%		8.47%		8.33%
7. Shareholders' Equity / 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 / Risk-Adjusted Assets	9.09%	10.93%		9.04%		9.09%
10.Total Capital / 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 Q3'	Q2'	Q3'05 Q2'	9/30'0
15.Total Shares Repurchased / Canceled	437	92	375.0%	490	-10.8%	1,000
16. Average Repurchase Price	\$53.60	\$51.95	3.2%	\$51.31	4.5%	\$53.60
17.Net Shares (Issued) 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 / 9/30/04	6/30/05	9/30/05 / 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 Available For Sale	660,630	967,266	-31.7%	691,609	-4.5%	719,000
4. Investment Securities Held to Maturity	1,358,266	1,080,392	25.7%	1,349,555	0.6%	1,331,000

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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
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1. Interest and Fee Income:						
2. Loans	\$40,008	\$32,911	21.6%	\$39,941	0.2%	\$114,
3. Money Market Assets and Funds Sold	1	0	n/m	1	n/m	
4. Investment Securities Available For Sale	7,705	10,721	-28.1%	8,073	-4.6%	25,
5. Investment Securities 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 Advances	0	0	n/m	0	n/m	
13. Debt Financing and 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 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 Outstanding	32,972	32,352	1.9%	33,364	-1.2%	33,
41. Per Share Data:						

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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