WESTAMERICA BANCORPORATION
Form DEF 14A
March 14, 2011

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ]	Preliminary Proxy Statement	[ ]	Soliciting Material Under Rule 14a-12
[ ]	Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))		
[X]	Definitive Proxy Statement		
[ ]	Definitive Additional Materials		

WESTAMERICA BANCORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3)	Filing Party:
4)	Date Filed:

1108 Fifth Avenue
San Rafael, California 94901

March 14, 2011

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Westamerica Bancorporation. It will be held at 11:00 a.m. Pacific Time on Thursday, April 28, 2011, at the Fairfield Center for Creative Arts, 1035 West Texas Street, Fairfield, California as stated in the formal notice accompanying this letter. We hope you will plan to attend.

At the Annual Meeting, the Shareholders will be asked to (i) elect nine directors; (ii) ratify the selection of independent auditors; (iii) approve a non-binding advisory vote on compensation of our named executive officers; (iv) approve a non-binding advisory vote on the frequency of the advisory vote on compensation of our named executive officers; and (v) conduct other business that properly comes before the Annual Meeting.

In order to ensure your shares are voted at the Annual Meeting, you can vote through the internet, by telephone or by mail. Instructions regarding internet and telephone voting are included on the Proxy Card. If you elect to vote by mail, please sign, date and return the Proxy Card in the accompanying postage-paid envelope. The Proxy Statement explains more about voting. If you attend the Annual Meeting, you may vote in person even though you previously voted your proxy.

We look forward to seeing you at the Annual Meeting on Thursday, April 28, 2011, at the Fairfield Center for Creative Arts.

Sincerely,

David L. Payne
Chairman of the Board, President
and Chief Executive Officer

WESTAMERICA BANCORPORATION
1108 Fifth Avenue
San Rafael, California 94901

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date and Time

Thursday, April 28, 2011, at 11:00 a.m. Pacific Time

Place

Fairfield Center for Creative Arts, 1035 West Texas Street, Fairfield, California

Items of Business

1. To elect nine directors to serve until the 2012 Annual Meeting of Shareholders;

2. To ratify selection of independent auditors;

3. To approve a non-binding advisory vote on the compensation of our named executive officers;

4. To approve a non-binding advisory vote on the frequency of the advisory vote on compensation of our named executive officers; and

5. To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements.

Who Can Vote?

Shareholders of Record at the close of business on February 28, 2011 are entitled to notice of, and to vote at the Annual Meeting or any postponement or adjournment thereof.

Admission to the Meeting

No ticket will be necessary for admission to the Annual Meeting. However, to facilitate the admission process, Shareholders of Record (registered holder) planning to attend the meeting should check the appropriate box on the Proxy Card. Your name will be added to a list of attendees. If you hold shares through an intermediary, such as a bank or broker (beneficial owner), you will need to register at the desk in the lobby. Please bring the following as evidence of ownership: 1) a Legal Proxy, which you can obtain from your bank or broker or other intermediary; OR 2) your shareholder statement dated on or after February 28, 2011, the Annual Meeting Record Date; AND 3) a photo identification.

Annual Report

Westamerica Bancorporation's Annual Report on Form 10-K ("Annual Report") to Shareholders for the fiscal year ended December 31, 2010 is enclosed. The Annual Report contains financial and other information about the activities of Westamerica Bancorporation, but does not constitute a part of the proxy soliciting materials.

BY ORDER OF THE BOARD OF DIRECTORS

Kris Irvine
VP/Corporate Secretary

Dated: March 14, 2011

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING BEING HELD ON THURSDAY, APRIL 28, 2011. THE PROXY STATEMENT AND ANNUAL REPORT ON FORM 10-K TO SHAREHOLDERS ARE AVAILABLE AT: WWW.WESTAMERICA.COM

YOUR VOTE IS IMPORTANT

YOU ARE URGED TO COMPLETE, SIGN, DATE AND PROMPTLY RETURN YOUR PROXY, OR VOTE BY TELEPHONE OR THE INTERNET USING THE PROCEDURES DESCRIBED IN THE PROXY STATEMENT, SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES.

TABLE OF CONTENTS

General	
Voting Information	1
Additional Information	3
Stock Ownership	4
Section 16(a) Beneficial Ownership Reporting Compliance	6
Board of Directors	
Proposal 1: Election of Directors	6
Nominees	6
Name of Nominees, Principal Occupations, and Qualifications	6
Board of Directors and Committees	9
Director Compensation	13
Executive Compensation	
Compensation Discussion and Analysis	14
Board Compensation Committee Report	24
Compensation Committee Interlocks and Insider Participation	24
Summary Compensation Table	25
Grants of Plan-Based Awards Table for Fiscal Year 2010	26
Outstanding Equity Awards Table at Fiscal Year-End 2010	27
Option Exercises and Stock Vested Table for Fiscal Year 2010	28
Pension Benefits	28
Nonqualified Deferred Compensation Table for Fiscal Year 2010	29
Potential Payments Upon Termination or Change in Control	30
Certain Relationships and Related Party Transactions	30
Proposal 2: Ratify Selection of Independent Auditor	31
Audit Committee Report	32
Proposal 3: Approve a Non-Binding Advisory Vote on the Compensation of Our Named Executive Officers	33
Proposal 4: Approve a Non-Binding Advisory Vote on the Frequency of the Advisory Vote on Compensation of Our Named Executive Officers	34
Shareholder Proposal Guidelines	35
Shareholder Communication to Board of Directors	35
Other Matters	36
Exhibit A	A-1

WESTAMERICA BANCORPORATION
1108 Fifth Avenue
San Rafael, California 94901

PROXY STATEMENT
March 14, 2011

GENERAL

This Proxy Statement and the accompanying Proxy Card are being mailed to Shareholders of Westamerica Bancorporation ("Westamerica" or the "Corporation") beginning on or about March 14, 2011. The Westamerica Board of Directors is soliciting proxies to be used at the 2011 Annual Meeting of Shareholders of Westamerica Bancorporation, which will be held at 11:00 a.m. Pacific Time, Thursday, April 28, 2011, or at any adjournment or postponement of the Annual Meeting. Proxies are solicited to give all Shareholders of Record ("Record Holder") an opportunity to vote on matters to be presented at the Annual Meeting. In the following pages of this Proxy Statement, you will find information on matters to be voted on at the Annual Meeting.

Voting Information

Who Can Vote. You are entitled to vote if you were a "Record Holder" of Westamerica common stock as of the close of business on February 28, 2011. Your shares can be voted at the Meeting only if you are present or represented by a valid proxy. If your shares of common stock are held by a bank, broker or other nominee in "street name," you are a "beneficial owner" and will receive voting instructions from the bank, broker or other nominee (including instructions, if any, on how to vote by telephone or through the internet). You must follow these instructions in order to have your shares voted.

Voting in Person at the Meeting. To be able to vote in person at the Annual Meeting, beneficial owners must obtain and bring to the Annual Meeting a legal proxy from the institution that holds your shares, indicating that you were the beneficial owner of the shares on February 28, 2011, the Record Date for voting.

Proxy Card. The Board has designated Arthur C. Latno, Jr., Ronald A. Nelson and Edward B. Sylvester to serve as Proxies for the Annual Meeting. As Proxies, they will vote the shares represented by proxies at the Annual Meeting. If you sign, date and return your Proxy Card but do not specify how to vote your shares, the Proxies will vote FOR the election of all of the Director nominees, FOR ratifying the selection of independent auditors, FOR approval of the advisory vote on the compensation of our named executive officers, and FOR an advisory vote on executive compensation every THREE years. The Proxies will also have discretionary authority to vote in accordance with their judgment on any other matter that may properly come before the Meeting that we did not have notice of by January 26, 2011.

Quorum and Shares Outstanding. A quorum, which is a majority of the total shares outstanding as of the Record Date, must be present to hold the Meeting. A quorum is calculated based on the number of shares represented by Shareholders attending in person or by proxy. On February 28, 2011, 29,009,907 shares of Westamerica common stock were outstanding. We also count broker non-votes, which we describe below, as shares present or represented at the Meeting for the purpose of determining whether a quorum exists.

Required Votes for Proposal 1 – Election of Director Nominees. Each share is entitled to one vote, except in the election of directors where a Shareholder may cumulate votes as to candidates nominated prior to voting, but only when a Shareholder gives notice of intent to cumulate votes prior to the voting at the Meeting. If any Shareholder gives such notice, all Shareholders may cumulate their votes for nominees. Under cumulative voting, each share carries as many votes as the number of directors to be elected, and the Shareholder may cast all of such votes for a single nominee or distribute them in any manner among as many nominees as desired. This Proxy Statement solicits the discretionary authority to cumulate votes and allocate them in the Proxy Holders' discretion if any Shareholder requests cumulative voting. In the election of directors, the nine nominees receiving the highest number of votes will be elected. If your proxy is marked "Withhold" with regard to the election of any nominee, your shares will be counted toward a quorum and for other nominees but they will not be voted for or against the election of that nominee.

Required Votes for Proposal 2 – Ratify Selection of Independent Auditor. The selection of the independent auditor will be ratified if the number of shares voted in favor of the proposal is equal to at least a majority of the shares represented at the Meeting, in person or by proxy. Abstentions are deemed "present" for the purpose of obtaining a quorum, but for purposes of determining the outcome of the proposal, abstentions will not be treated as affirmative votes. In other words, abstentions will have the same effect as negative votes.

Required Votes for Proposal 3 – Approve a Non-Binding Advisory Vote on the Compensation of Our Named Executive Officers. The executive compensation of the named executive officers will be approved if the number of shares voted in favor of the proposal is equal to at least a majority of the shares represented at the Meeting, in person or by proxy. Because your vote is advisory, it will not be binding on the Board or the Corporation. However, the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation. Abstentions and non-votes will have the same effect as if your vote was cast against this proposal.

Required Votes for Proposal 4 – Approve a Non-Binding Advisory Vote on the Frequency of the Advisory Vote on Compensation of Our Named Executive Officers. The choice of frequency – every three years, every two years or every one year – that receives the highest number of "FOR" votes will be considered the advisory vote of the Corporation's Shareholders. Because your vote is advisory, it will not be binding on the Board or the Corporation. However, the Board will review the voting results and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation. Abstentions and broker non-votes will not count as votes cast "for" or "against" any frequency choice, and will have no direct effect on the outcome of this proposal. A signed, uninstructed proxy will be voted for every three years.

Other Matters. Approval of any other matter considered at the Meeting will require the affirmative vote of a majority of the shares present or represented by proxy and voting at the Meeting.

Broker Non-Votes. Broker non-votes will be included as "present" for the purpose of determining the presence of a quorum. A broker non-vote occurs under the stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given on a timely basis. Brokers may vote at their discretion on routine matters, such as ratification of selection of independent auditors, but not on non-routine matters, including election of directors. Your vote is IMPORTANT; therefore, please mark your ballot to ensure that your votes for directors are counted.

How You Can Vote. Record Holders may vote by proxy or in person at the Meeting. To vote by proxy, you may select one of the following options:

Vote by Telephone. You can vote your shares by telephone by calling the toll-free telephone number shown on your Proxy Card. Telephone voting is available 24 hours a day, seven days a week. Voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. Our telephone voting procedures are designed to authenticate the Shareholder by using individual control numbers, which you will find on your Proxy Card. If you vote by telephone, you should NOT return your Proxy Card.

Vote by Internet. You can choose to vote on the internet. The website for internet voting is shown on your Proxy Card. Internet voting is available 24 hours a day, seven days a week. You will be given the opportunity to confirm that your instructions have been properly recorded. Our internet voting procedures are designed to authenticate the Shareholder by using individual control numbers, which you will find on your Proxy Card. If you vote on the internet, you should NOT return your Proxy Card.

If you vote by telephone or internet, your vote must be received by 1:00 a.m. Central Time, on April 28, 2011 to ensure that your vote is counted. For Westamerica Bancorporation Tax Deferred Savings/Retirement Plan (ESOP) participants, your vote must be received by 12:01 a.m. Central Time, on April 26, 2011.

Vote by Mail. If you choose to vote by mail, simply mark your Proxy Card, date and sign it, and return it in the postage-paid envelope provided.

Beneficial owners must follow voting instructions received from your bank, broker or other nominee in order to have your shares voted.

We have been advised by counsel that these telephone and internet voting procedures comply with California law.

Revocation of Proxy. Record Holders who vote by proxy, whether by telephone, internet or mail, may revoke that proxy at any time before it is voted at the Meeting. You may do this by: (a) signing another Proxy Card with a later date and delivering it to us prior to the Meeting or sending a notice of revocation to the Corporate Secretary of Westamerica at 1108 Fifth Avenue, San Rafael, CA 94901; (b) voting at a later time by telephone or on the internet prior to 1:00 a.m. Central Time, on April 28, 2011 (prior to 12:01 a.m. Central Time, on April 26, 2011 for ESOP participants); or (c) attending the Meeting in person and casting a ballot. If you hold shares in street name, you may change your vote by submitting new voting instructions to your broker or other nominee.

Additional Information

Householding. As permitted by the Securities Exchange Act of 1934 (the “Exchange Act”) only one copy of the Annual Report and the Proxy Statement is being delivered to Shareholders residing at the same address, unless such Shareholders have notified their bank, broker, Computershare Investor Services, or other holder of record that they wish to receive separate mailings. If you are a Beneficial Holder and own your shares in street name, contact your broker, bank or other holder of record to discontinue householding and receive your own separate copy of Proxy Statements and Annual Reports in future years. If you are a Registered Holder and own your shares through Computershare Investor Services, contact Computershare toll-free at 877-588-4258 or in writing directed to Computershare Investor Services, 250 Royall Street, Mail Stop 1A, Canton, MA 02021 to discontinue householding and receive multiple Annual Reports and Proxy Statements in future years. To receive an additional Annual Report or Proxy Statement this year, contact Shareholder Relations at 707-863-6992.

At least one account at your address must continue to receive an Annual Report, unless you elect to receive future Annual Reports and Proxy Statements over the internet. Mailing of dividends, dividend reinvestment statements, and special notices will not be affected by your election to discontinue duplicate mailings of the Annual Report and Proxy Statement. Regardless of householding, each Shareholder will continue to receive a separate Proxy Card and return envelope.

Electronic Access to Proxy Materials and Annual Reports. This Proxy Statement and the 2010 Annual Report are available on the Corporation's internet site at: www.westamerica.com. If you hold your Westamerica common stock in street name through a broker, a bank or other nominee, you may have the option of securing your Proxy Statement and Annual Report over the internet. If you vote this year's proxy electronically, you may also elect to receive future Proxy Statements, Annual Reports and other materials electronically by following the instructions given by your bank, broker, or other holder of record when you vote. Our website is available for information purposes only and should not be relied upon for investment purposes, nor is it incorporated by reference into this Proxy Statement.

Stock Ownership

Security Ownership of Certain Beneficial Owners. Based on Schedule 13G filings, Shareholders beneficially holding more than 5% of Westamerica common stock outstanding as of December 31, 2010, in addition to those disclosed in the Security Ownership of Directors and Management below, were:

Name and Address of Beneficial Owner	Title of Class	Number of Shares Beneficially Owned	Percent of Class
Neuberger Berman, Inc. 605 Third Avenue, New York, NY 10158	Common	2,707,189 (1)	9.30%
T. Rowe Price Associates, Inc. 1100 East Pratt Street, Baltimore, MD 21202-1009	Common	2,284,821 (2)	7.80%
BlackRock, Inc. 40 East 52nd Street, New York, NY 10022	Common	2,107,044 (3)	7.24%
State Street Corporation One Lincoln Street, Boston, MA 02111	Common	1,996,193 (4)	6.90%
The Vanguard Group, Inc. 100 Vanguard Boulevard, Malvern, PA 19355	Common	1,479,032 (5)	5.08%

(1) The Schedule 13G filed with the SEC on February 14, 2011 disclosed that the reporting entity, Neuberger Berman, Inc., held shared voting power over 2,354,337 shares and shared dispositive power over 2,707,189 shares.

(2) The Schedule 13G filed with the SEC on February 14, 2011 disclosed that the reporting entity held sole voting power over 318,173 shares and sole dispositive power over 2,284,821 shares. These securities are owned by various individual and institutional investors which T. Rowe Price Associates, Inc. (Price Associates) serves as investment advisor with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

(3) The Schedule 13G filed with the SEC on February 9, 2011 disclosed that the reporting entity, through its subsidiaries, BlackRock, Inc., held sole voting power over 2,107,044 shares and sole dispositive power over 2,107,044 shares.

(4) The Schedule 13G filed with the SEC on February 11, 2011, disclosed that the reporting entity, State Street Corporation, held shared voting power over 1,996,193 shares and shared dispositive power over 1,996,193 shares.

(5) The Schedule 13G filed with the SEC on February 9, 2011 disclosed that the reporting entity, The Vanguard Group, Inc., held sole voting power over 42,758 shares and sole dispositive power over 1,436,274 shares, and shared dispositive power over 42,785 shares.

Security Ownership of Directors and Management. The following table shows the number of common shares and the percentage of the common shares beneficially owned (as defined below) by each of the current Directors, by the Chief Executive Officer ("CEO"), by the Chief Financial Officer ("CFO"), and by the three other most highly compensated executive officers, and by all Directors and Officers of the Corporation as a group as of February 28, 2011. As of February 28, 29,009,907 shares of Westamerica Bancorporation's common stock were outstanding. For the purpose of the disclosure of ownership of shares by Directors and Officers below, shares are considered to be "beneficially" owned if a person, directly or indirectly, has or shares the power to vote or direct the voting of the shares, the power to dispose of or direct the disposition of the shares, or the right to acquire beneficial ownership of shares within 60 days of February 28, 2011.

Amount and Nature of Beneficial Ownership

Name and Address**	Sole Voting and Investment Power	Shared Voting and Investment Power	Right to Acquire Within 60 days of Feb. 28, 2011	Total(1)	Percent of Class(2)
Etta Allen	10,789 (3)	–	–	10,789	*
Louis E. Bartolini	1,800	–	–	1,800	*
E. Joseph Bowler	19	25,867 (4)	–	25,886	0.1%
Arthur C. Latno, Jr.	3,345 (5)	–	–	3,345	*
Patrick D. Lynch	1,000	–	–	1,000	*
Catherine Cope MacMillan	8,200 (6)	–	–	8,200	*
Ronald A. Nelson	44,000	–	–	44,000	0.2%
David L. Payne	462 (7)	879,087 (8)	1,009,440	1,888,989	6.3%
Edward B. Sylvester	84,450	–	–	84,450	0.3%
Robert A. Thorson	861 (9)	7,422 (10)	113,203	121,486	0.4%
David Robinson	290	761	112,310 (11)	113,361	0.4%
Jennifer J. Finger	4,212	1,162	190,416 (11)	195,790	0.7%
Dennis R. Hansen	30	22,876	112,402 (11)	135,308	0.5%
All 15 Directors and Executive Officers as a Group	159,468	939,021	1,591,321	2,689,810	8.79%

* Indicates beneficial ownership of less than one-tenth of one percent (0.1%) of the Corporation's common shares.
** The address of all persons listed is 1108 Fifth Avenue, San Rafael, CA 94901.

(1) None of the shares held by the Directors and Officers listed above have been pledged.

(2) In calculating the percentage of ownership, all shares which the identified person or persons have the right to acquire by exercise of options are deemed to be outstanding for the purpose of computing the percentage of the class owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person.

(3) Includes 10,350 shares held in a trust as to which Mrs. Allen is trustee.

(4) Includes 25,867 shares held in trust as to which Mr. Bowler is co-trustee with shared voting and investment power.

(5) Includes 1,115 shares owned by Mr. Latno's wife as to which Mr. Latno disclaims beneficial ownership.

(6) Includes 6,000 shares held in a trust as to which Ms. MacMillan is trustee.

(7) Includes 462 shares held in a trust under the California Uniform Gift to Minors Act as to which Mr. Payne is custodian.

(8) Includes 528,837 shares owned by Gibson Radio and Publishing Company, of which Mr. Payne is President and Chief Executive Officer, as to which Mr. Payne disclaims beneficial ownership, and 329,885 shares held in a trust as to which Mr. Payne is co-trustee with shared voting and investment power.

(9) Includes 830 shares held in trusts under the California Uniform Gift to Minors Act as to which Mr. Thorson is custodian.

(10) Includes 6,941 shares held in a trust as to which Mr. Thorson is co-trustee with shared voting and investment power.

(11) During 1996, the Corporation adopted the Westamerica Bancorporation Deferral Plan (the "Deferral Plan") that allows recipients of Restricted Performance Shares ("RPS") to defer receipt of vested RPS shares into succeeding years. Amounts shown include RPS shares that have been deferred into the Deferral Plan for the following accounts in amounts of: Ms. Finger—25,030 shares; Messrs. Hansen—9,670 shares; and Robinson—13,430 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Corporation's Directors and Executive Officers and persons who own more than 10% of a registered class of the Corporation's equity securities to file with the Securities and Exchange Commission (the "SEC") and NASDAQ initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Corporation, and to send a copy to the Corporation.

To the Corporation's knowledge and based solely on a review of the copies of reports furnished to the Corporation and written representations that no other reports were required, during the fiscal year ended December 31, 2010, all Section 16(a) filing requirements were complied with timely by Westamerica's Directors and Officers, except for a single filing for Russell Rizzardi that was filed one day late.

BOARD OF DIRECTORS

Proposal 1 — Election of Directors

Nine directors have been nominated for election at the Meeting to hold office until the next Annual Meeting or until their successors are elected and qualified. The Proxies will vote for the nine nominees named below unless you give different voting instructions on your Proxy Card. Each nominee is presently a Director of the Corporation and has consented to serve a new term. The Board does not anticipate that any of the nominees will be unavailable to serve as a Director, but if that should occur before the Meeting, the Board reserves the right to substitute another person as nominee. The Proxies will vote for any substitute nominated by the Board of Directors. The Proxies may use their discretion to cumulate votes for election of directors and cast all of such votes for any one or more of the nominees, to the exclusion of the others, and in such order of preference as they may determine at their discretion.

Nominees

The nominees for election as directors are named and certain information with respect to them is given below. Our nominees are seasoned leaders who bring to the Board an array of financial services, public and private company, non-profit, and other business experience. As a group they possess experience in leadership; consumer banking; commercial and small business banking; investment banking, capital markets; financial advisory services; finance and accounting; risk management and real estate. Many of the board members have seen the company through a variety of economic conditions which was especially beneficial during the current economic environment. The information below has been furnished to the Corporation by the respective nominees. All of the nominees have engaged in their indicated principal occupation for more than five years, unless otherwise indicated and no nominee has served on the Board of Directors of another public company during the past five years.

Name of Nominees, Principal Occupations, and Qualifications

Etta Allen – Director since 1988

Etta Allen (81) is President and CEO of Allen Heating and Sheet Metal and President and CEO of Sunny Slope Vineyard in Sonoma County, California. She is a member of the Employee Benefits and Compensation Committee and the Loan and Investment Committee. Mrs. Allen is also a Director of Westamerica Bank. In 1972, she became the second woman in the state of California to become a licensed contractor in heating, ventilation, air conditioning and sheet metal, and in 1974 she became President and CEO of Allen Heating and Sheet Metal. Under her leadership the company became recognized throughout California. She was the first woman president of Marin Builders Exchange and during her time on the executive committee she also served as a trustee and later as chairman of their successful insurance trust. She was the first woman contractor on the Executive Committee of the California Association of Builders Exchanges.

Etta Allen is one of the pioneers for women in non-traditional careers. As an entrepreneur, businesswoman and an involved community leader, she brings independence, operations management and executive experience to the Board.

Louis E. Bartolini – Director since 1991

Mr. Bartolini (78) retired from Merrill Lynch, Pierce, Fenner & Smith, Inc. (now Merrill Lynch and Co.) as a financial consultant. He currently serves on the Audit Committee and is also a Director of Westamerica Bank. Mr. Bartolini has 33 years of experience in the financial industry serving as a financial consultant and branch manager for Merrill Lynch and Co. and has been active for over 35 years in the non-profit community in Marin County. He has served on the boards of many non-profit organizations, including a five-year term as president of the Marin Symphony, a board member of the Association of California Symphony Orchestras, and a past District Governor of Rotary International.

Mr. Bartolini’s continuing interest in the financial industry, and his leadership skills, and financial and investment expertise are of great value to the Board. His extensive ties to local community and business leaders through his long-term volunteer involvement provide the Board with a broad prospective and insights into key segments of our markets and customer base.

E. Joseph Bowler – Director since 2003

Mr. Bowler (74), retired as Senior Vice President and Treasurer of the Corporation in 2002. He currently serves as a member of the Audit Committee. Mr. Bowler is also a Director of Westamerica Bank.

With many years of direct banking experience, Mr. Bowler brings strong financial and investment expertise important to the oversight of our financial reporting and interest rate risk management. In addition, Mr. Bowler’s experience as a director and trustee of various non-profit community and educational organizations brings strategic planning and corporate governance skills to the Board.

Arthur C. Latno, Jr. – Director since 1985

Mr. Latno (81) retired from Pacific Telesis Group (now Pacific Bell Telephone Company) as an Executive Vice President. He currently serves on the Corporation’s Executive Committee, the Employee Benefits and Compensation Committee, and the Loan and Investment Committee and is Chairman of the Nominating Committee. Mr. Latno is also a Director of Westamerica Bank. His expertise stems from his wide-ranging responsibilities at Pacific Bell, which included operations, regulatory responsibilities, and public and governmental relations. His proficiency in strategic planning was recognized by the City of San Francisco when he was selected to serve on the City’s Port of San Francisco Strategic Planning Advisory Panel. He has also been involved with Marin General Hospital Foundation, the Fine Arts Museum of San Francisco and numerous other community organizations in the locations where the Corporation has a significant presence. Mr. Latno is also a former U.S. Ambassador and Chairman of the U.S. Delegation Treaty Conference (rank accorded by President Reagan) in Melbourne, Australia, and a former Chairman of the Board of Trustees and Past President of Board of Regents of St. Mary’s College in California. He was a recipient of the Anti-Defamation League’s Americanism Award and the Friends of the Human Rights Commission’s Human Rights Award.

Mr. Latno’s most important contributions to the Board are his executive leadership, strategic planning skills, and regulatory and public relations experience.

Patrick D. Lynch – Director since 1986

Patrick Lynch (77) retired as Vice President and General Manager of the U.S. Semiconductor Division of Motorola. He currently serves as Chairman of the Employee Benefits and Compensation Committee and a member of the Executive Committee and the Nominating Committee. Mr. Lynch is also a Director of Westamerica Bank and has held executive positions at Nicolet Instrument Corporation and several venture capital high-tech start-up companies.

Mr. Lynch brings to the Board operations, financial and marketing expertise as well as a valued historical perspective.

Catherine Cope MacMillan – Director since 1985

Catherine MacMillan (63) is Secretary/Treasurer and General Counsel of Nob Hill Properties, Inc., and the owner of the Huntington Hotel in San Francisco and La Playa Hotel in Carmel-by-the-Sea. She is a member of the Loan and Investment Committee and the Audit Committee. She is also a Director of Westamerica Bank. Ms. MacMillan previously operated a prominent restaurant for nearly 20 years. She is a graduate of the University of California at Davis and Pacific McGeorge School of Law. She has also served in numerous leadership capacities for community organizations.

Ms. MacMillan's experience in administration and operational aspects of various businesses and organizations provides the Board with sound leadership.

Ronald A. Nelson – Director since 1988

Ronald Nelson (68) was Executive Vice President of Charles M. Schulz Creative Associates through 1995. He serves as the Chairman of the Audit Committee and is a member of the Employee Benefits and Compensation Committee. He is also a Director of Westamerica Bank. Mr. Nelson has a background as a Certified Public Accountant and has been designated as the Audit Committee's "financial expert." He has been a resident of Sonoma County since 1970, which is one of the bank's primary markets and where he has been involved in business management, investment management, and the development of commercial real estate. He also served as a board member and chairman of Santa Rosa Memorial Hospital, which is the area's primary acute care hospital.

Mr. Nelson's extensive business and financial expertise provides important oversight of our financial reporting and risk management.

David L. Payne – Director since 1984

David Payne (55) is Chairman, President & CEO of Westamerica Bancorporation. He was appointed Chairman in 1988 and Chief Executive Officer in 1989 and is Chairman of the Executive Committee. Mr. Payne is also Chairman, President & CEO of Westamerica Bank. He brings to the Board strong leadership and a vision for the future. He has a thorough knowledge of the banking industry, manages regulatory and business development issues, and has extensive financial and accounting expertise. Mr. Payne possesses excellent management, strategic development and business skills.

Since Mr. Payne's appointment to the Board, Westamerica's dividends per share have risen nine-fold and capital levels have increased seven-fold. Total assets have quadrupled during his tenure and net income has risen by a multiple of 21. Return on equity is currently near 18%.

Under his leadership, Mr. Payne has successfully negotiated and led the Corporation through many mergers including: John Muir National Bank, Napa Valley Bancorporation, PV Financial, CapitolBank –Sacramento, North Bay Bancorp, ValliCorp Holdings, First Counties Bank, Kerman State Bank, Redwood Empire Bancorp, County Bank, and Sonoma Valley Bank.

Mr. Payne serves on the advisory board for Global Energy Investors. He also manages his family printing, publishing and cable television business.

Edward B. Sylvester – Director since 1979

Edward Sylvester (74) is a licensed civil engineer and the founder of SCO Planning and Engineering. He retired from the day to day engineering profession four years ago but continues as a private consultant. Mr. Sylvester is currently a member of the Executive Committee, the Nominating Committee and is Chairman of the Loan and Investment Committee, and is a Director of Westamerica Bank. He was a founding Director of Gold Country Bank headquartered in Grass Valley until the bank merged with Westamerica's predecessor, Independent Bankshares, at which time he was nominated to serve on the corporate Board by his peers. Mr. Sylvester is the Chairman of the Board of Nevada County Broadcasters and also serves as Vice Chairman of the Nevada County Business Association. Mr. Sylvester has previously served as a member and Chairman of the California Transportation Commission that prioritizes state transportation projects and allocates funding. He is a past President of the Rotary Club of Grass Valley and past Chairman of the Grass Valley Chamber of Commerce. Mr. Sylvester has run 23 marathons to date and was the 14th person in the world to complete a full marathon on all seven continents including Antarctica.

The depth of Mr. Sylvester’s experience gives him first hand understanding of all the nuances of development and development funding, a current knowledge of the retail economy, and a state-wide perspective and experience in funding allocation. His long tenure on the Board brings an historical and long-term perspective while he remains current on financial issues with his continuing leadership role in the community and active management positions.

THE BOARD RECOMMENDS ELECTION OF ALL NOMINEES.

Board of Directors and Committees

Director Independence and Leadership Structure

The Board of Directors has considered whether any relationships or transactions related to a Director were inconsistent with a Director’s independence. Based on this review, the Board has determined that E. Allen, L.E. Bartolini, E.J. Bowler, A.C. Latno, Jr., P.D. Lynch, C.C. MacMillan, R.A. Nelson, and E.B. Sylvester are “independent” directors as defined in NASDAQ rules.

Our Board believes that the most effective leadership structure for the Corporation at this time is to combine the responsibilities of the Chairman and CEO, a structure that has been successful since 1989. The combined positions avoid a duplication of efforts, enable decisive leadership, ensure a clear accountability for the performance of the Corporation, a more rapid implementation of decisions, and a consistent vision. Given the size of our employee base and our level of assets relative to larger, more complex banking structures, our Corporation is particularly well suited to combine the Chairman and CEO functions. Furthermore, our management team has an average tenure of 18 years and does not require the substantial oversight needed by a less experienced team, which has allowed our Chairman and CEO to lead the Corporation through eleven acquisitions since 1992.

To ensure strong Board oversight eight of our nine directors are, as noted above, independent as defined by NASDAQ. Only non-management directors sit on Board committees, with the exception of the Executive Committee, and every non-management director sits on one or more of these Committees. All non-management directors meet at least four times a year outside the presence of the Chairman and CEO and although a lead director has not been appointed, pertinent information from these meetings is regularly communicated to the Chairman and CEO. The Board completes an annual board evaluation that is reviewed by the Nominating Committee and presented to the full Board.

The Board of the Corporation also serves as the Board of Directors of Westamerica Bank, and as such is well informed of Bank operations through regular reports and discussions on the operations of the Bank. The directors' longevity with the Corporation has exposed them to a wide range of business cycles which played a critical role in maintaining the profitability of the Corporation through the recent financial crisis.

Role of the Board of Directors in Risk Oversight

The Board is also responsible for overseeing all aspects of management of the Corporation, including risk oversight, which is effected through all Board committees, but primarily through the Board's Audit Committee. The Internal Audit Department reports directly to the Board's Audit Committee. It presents its independently prepared company-wide annual risk assessment, its evaluation of Management's prepared risk-assessment and its audit plan incorporating the risk-assessment, including the policies and procedures utilized to monitor and control such exposures.

The internal loan review function reports directly to the Board's Loan and Investment Committee. It reports ongoing evaluations of loan portfolios and risk-rating of individual loans with guidelines established by bank regulatory authorities.

Meetings

The Corporation expects all board members to attend all meetings, including the Annual Meeting of Shareholders, except for reasons of health or special circumstances. Last year all nine directors attended the Annual Meeting. The Board held a total of 11 meetings during 2010. Every Director attended at least 75% of the aggregate of: (i) the Board Meetings held during that period in which they served; and (ii) the total number of meetings of any Committee of the Board on which the Director served.

Committees of the Board

Director	Executive Committee	Audit Committee	Employee Benefits and Compensation Committee	Loan and Investment Committee	Nominating Committee
Etta Allen			X	X	
Louis E. Bartolini		X			
E. Joseph Bowler		X			
Arthur C. Latno, Jr.	X		X	X	Chair
Patrick D. Lynch	X		Chair		X
Catherine Cope MacMillan		X		X	
Ronald A. Nelson		Chair	X		
David L. Payne	Chair				
Edward B. Sylvester	X			Chair	X
TOTAL MEETINGS	10	5	5	10	1

Executive Committee:

Functions: The Board delegates to the Executive Committee all powers and authority of the Board in the management of the business affairs of the Corporation, which the Board is allowed to delegate under California law.

Audit Committee:

The Board of Directors has determined that all members are independent, as that term is defined by applicable rules of NASDAQ for Audit Committee purposes. The Audit Committee has also designated Ronald Nelson as the "Audit Committee financial expert" as defined by the rules of the SEC and has determined that he is "financially sophisticated" under NASDAQ rules. In concluding that Mr. Nelson is the Audit Committee financial expert, the Committee determined that he has:

- an understanding of generally accepted accounting principles and financial statements;
- the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;
- an understanding of internal control over financial reporting; and
- an understanding of Audit Committee functions.

Designation of a person as an Audit Committee financial expert does not result in the person being deemed an expert for any purpose, including under Section 11 of the Securities Act of 1933. The designation does not impose on the person any duties, obligations or liability greater than those imposed on any other Audit Committee member or any other Director and does not affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

Functions: The Audit Committee provides independent, objective oversight of the integrity of the Corporation's financial statements, the Corporation's compliance with legal and regulatory requirements, the independence and performance of the Corporation's independent auditor as it performs audit, review or attest services, and the Corporation's internal audit and control function. It selects and retains the independent auditors, reviews the plan and the results of the auditing engagement. It acts pursuant to a written charter that was amended by the Board in January 2011 and is attached as an exhibit to this Proxy Statement for the 2011 Annual Meeting of Shareholders. The Audit Committee Report that follows below more fully describes the responsibilities and the activities of the Audit Committee.

Employee Benefits and Compensation Committee:

The Employee Benefits and Compensation Committee of the Board of Directors (the "Compensation Committee") is comprised solely of directors who are not current or former employees of Westamerica or any of its affiliates. They are independent as defined by NASDAQ rules.

Functions: The Compensation Committee administers Westamerica Bancorporation's Amended and Restated Stock Option Plan of 1995, Tax Deferred Savings and Retirement Plan, Deferred Profit Sharing Plan, Deferred Compensation Plan, and the Westamerica Bancorporation Deferral Plan. It administers the Corporation's compensation programs and reviews and reports to the Board the compensation level for executive officers, including the CEO, of the Corporation and its subsidiaries and determines that compensation plans are balanced between financial results, but does not motivate excessive risk-taking. The Compensation Committee determines annual corporate performance objectives for equity compensation and cash bonuses and their related corporate, divisional and individual goals. Based on the CEO's assessment of the extent to which each executive officer met those objectives and goals, the Committee determines each executive officer's annual equity compensation and cash bonus. The Compensation Committee also establishes the individual goals and targets for the CEO. All compensation approved by the Compensation Committee is reported to the full Board of Directors. The role of the Compensation Committee is described in greater detail under the section entitled "Compensation Discussion and Analysis."

The Compensation Committee does not have a charter as it is not required by NASDAQ rules. The Compensation Committee has the authority to seek assistance from officers and employees of the Corporation as well as external legal, accounting and other advisors. It has not retained outside consultants for compensation advice, but can request assistance on an as-needed basis. It does not delegate authority to anyone outside of the Compensation Committee. The Human Resources Department supports the Compensation Committee by fulfilling certain administrative duties regarding the compensation programs.

Nominating Committee:

The Board of Directors has determined that all members are independent, as defined in NASDAQ rules.

Functions: The Nominating Committee is governed by a written charter, which was amended in January 2010 and was attached as an exhibit to the Proxy Statement for the 2010 Annual Meeting of Shareholders. The Nominating Committee screens and recommends qualified candidates for board membership. This Committee recommends a slate of nominees for each Annual Meeting. As part of that process, it evaluates and considers all candidates submitted by Shareholders in accordance with the Corporation's bylaws, and considers each existing board member's contributions. The Committee applies the same evaluation standards whether the candidate was recommended by a Shareholder or the Board.

While the Board does not have a formal diversity policy, it believes that the Board should broadly define diversity to encompass a diverse range of skills and expertise sufficient to provide prudent guidance to the Corporation. In addition to the qualifications and characteristics described under the Nominating Committee on page 13, it considers whether the potential director assists in achieving a mix of board members that represents a diversity of background, perspective, and experience. Our Board includes directors with experience in public corporations and non-profits, as well as entrepreneurial individuals who have successfully run their own private enterprise. Our Board also has a broad set of skills necessary for providing oversight to a financial institution, which includes proven leadership, and expertise in capital management, finance, accounting, regulatory affairs, and investment management.

Nominating Directors: The Nominating Committee will consider Shareholder nominations submitted in accordance with Section 2.14 of the Bylaws of the Corporation. That section requires, among other things, that nominations be submitted in writing and must be received by the Corporate Secretary at least 45 days before the anniversary of the date on which the Corporation first mailed its proxy materials for the prior year's Annual Meeting of Shareholders. If the date for the current year's Annual Meeting changes more than 30 days from the date on which the prior year's meeting was held, the Corporation must receive notice a reasonable time before the Corporation mails its proxy materials for the current year.

Nominations must include the following information:

- The principal occupation of the nominee;
- The total number of shares of capital stock of the Corporation that the Shareholder expects will be voted for the nominee;
- The name and address of the nominating Shareholder; and
- The number of shares of capital stock of the Corporation owned by the nominating Shareholder.

The Committee has specified the following minimum qualifications it believes must be met by a nominee for a position on the Board:

- Appropriate personal and professional attributes to meet the Corporation's needs;
- Highest ethical standards and absolute personal integrity;
- Physical and mental ability to contribute effectively as a Director;
- Willingness and ability to participate actively in Board activities and deliberations;
- Ability to approach problems objectively, rationally and realistically;
- Ability to respond well and to function under pressure;
- Willingness to respect the confidences of the Board and the Corporation;
- Willingness to devote the time necessary to function effectively as a board member;
- Possess independence necessary to make unbiased evaluation of Management performance;
- Be free of any conflict of interest that would violate applicable law or regulation or interfere with ability to perform duties;
- Broad experience, wisdom, vision and integrity;
- Understanding of the Corporation's business environment; and
- Significant business experience relevant to the operations of the Corporation.

Loan and Investment Committee:

Functions: This Committee reviews major loans and investment policies and monitors Community Reinvestment Act compliance.

Director Compensation

The following table and footnotes provide information regarding the compensation paid to the Corporation's non-employee members of the Board of Directors in the fiscal year 2010. Directors who are employees of the Corporation receive no compensation for their services as directors.

Director Compensation Table at Fiscal Year 2010

Name (1)	Fees Earned Paid in Cash ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (2)	Total ($)
Etta Allen	$ 31,400	$ 22,469	$ 53,869
Louis E. Bartolini	30,200	246	30,446
E. Joseph Bowler	30,200	–	30,200
Arthur C. Latno, Jr.	43,550	–	43,550
Patrick D. Lynch	38,050	–	38,050
Catherine Cope MacMillan	33,800	–	33,800
Ronald A. Nelson	34,450	–	34,450
Edward B. Sylvester	37,000	4,315	41,315

(1) Non-employee directors did not receive options or stock awards. During 2010, non-employee directors of the Corporation each received an annual retainer of $14,000. Each non-employee Director received $1,200 for each meeting of the Board attended and $600 for each Committee meeting attended. The Chairman of each Committee received an additional $250 for each Committee meeting attended. All non-employee directors are reimbursed for expenses incurred in attending Board and Committee meetings. The Chairman of the Board, David L. Payne, is compensated as an employee and did not receive any compensation as a Director. The Deferred Compensation Plan allows non-employee directors to defer some or all of their Director compensation with interest earnings credited on deferred compensation accounts.

(2) The amount shown is the interest on Nonqualified Deferred Compensation that exceeds 120% of the long-term Applicable Federal Rate, with compounding, on all cash compensation deferred in 2010 and in previous years.

Westamerica Bancorporation does not have a charitable donations program for directors nor does it make donations on behalf of any director(s). The Corporation may make a nominal donation through its Community Relations program to non-profit organizations where a director(s) may have an affiliation.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The executive compensation practices described below have been followed consistently for nineteen years. At the April 23, 2009 Annual Meeting of Shareholders, a majority of our Shareholders approved an advisory proposal on the Corporation's compensation of executives.

The Compensation Committee governs the executive compensation program that combines three compensation elements: base salary, annual non-equity cash incentives, and long-term stock grants. Several compensation philosophies and practices underlie this program:

- Base salaries for participants in this program should be limited to foster an environment where incentive compensation motivates and rewards corporate, divisional, and individual performance.
- Incentive compensation (annual non-equity cash incentives and long-term stock grants) is based on measurement of performance against pre-established objective measurable goals. Specific criteria for each objective are established for "threshold," "target," and "outstanding" performance. On any one measure, performance below "threshold" results in no credit for that objective. "Threshold" performance results in a 75% achievement, "target" performance results in 100% achievement, and "outstanding" performance results in 150% achievement. The performance achievement level determines the size of incentive compensation awards.
- Long-term incentive stock grants will be awarded to senior management if the corporate performance level is rated "threshold" or better. The purpose of long-term incentive grants is to:

– motivate senior management to focus on long-term performance;

– avoid excessive risk-taking and instill conservative management practices;

– build equity ownership among Westamerica's senior management;

– link Shareholder interests to management incentives; and

– create ownership mentality among senior management.

Establishing Incentive Levels, Determining Objectives and Measuring Performance

In administering the executive compensation program, the Compensation Committee determines "target" incentives for each position annually. The Compensation Committee exercises discretion in establishing "target" incentives in an effort to provide competitive pay practices while motivating and rewarding performance that benefits the Corporation's long-term financial performance and Shareholder interests and avoiding excessive risk-taking.

At the beginning of each calendar year, the Compensation Committee establishes annual corporate performance objectives. In establishing corporate performance objectives, the Compensation Committee takes into consideration the current operating environment for the commercial banking industry as well as internal management policies and practices which would, in the Compensation Committee's opinion, benefit the long-term interests of the Corporation and its Shareholders. Corporate performance measures include risk management elements considered to be responsive to the impact current operating conditions could have on the long-term performance of the Company. The Compensation Committee monitors the economy and the banking industry's operating environment throughout the ensuing year, and may exercise discretion in adjusting corporate performance objectives during the year.

The operating environment for the commercial banking industry is impacted by a myriad of factors including, but not limited to, local, national and global economic conditions, interest rate levels and trends, monetary policies of the Federal Reserve Board and its counterparts in other countries, fiscal policies of the United States government and other global political conditions, liquidity in capital markets, the demand for capital by commercial enterprises and consumers, new financial products, competitive response to changing conditions within the industry, trade balances, the changing values of real estate, currencies, commodities and other assets, and other factors.

Management policies and practices the Board considers in establishing corporate performance objectives include, but are not limited to, management of the Corporation’s balance sheet and product pricing in a manner which will provide consistent sustainable growth in long-term financial results for Shareholders, the type and variety of financial products offered by the Corporation, adherence to internal controls, management of the credit risk of Corporation’s loan portfolio, the results of internal, regulatory and external audits, service quality delivered to the Corporation’s customers, service quality of “back office” support departments provided to those offices and departments directly delivering products and services to the Corporation’s customers, maintenance of operating policies and procedures which remain appropriate for risk management in a dynamic environment, timely and efficient integration of acquired companies, operational efficiencies, and capital management practices.

Restricted Performance Shares (“RPS”) represent awards of Westamerica’s common stock subject to achievement of performance objectives established by the Compensation Committee. The Amended and Restated Stock Option Plan of 1995 (“Amended Stock Option Plan”), which was approved by Shareholders in 1995 and amended with Shareholder approval in 2003, defines the performance factors the Board must use in administering RPS grants as one or more of the following: earnings, diluted earnings per share, revenue and revenue per diluted share, expenses, share price, return on equity, return on equity relative to the average return on equity for similarly sized institutions, return on assets, return on assets relative to the average return on assets for similarly sized institutions, efficiency ratio (operating expenses divided by operating revenues), net loan losses as a percentage of average loans outstanding, nonperforming assets, and nonperforming assets as a percentage of total assets.

In addition to establishing corporate performance objectives, the Compensation Committee also establishes individual goals for the CEO. In regard to the other executives named in the accompanying tables, the CEO recommends divisional and individual performance objectives to the Compensation Committee, which considers, discusses, adjusts as necessary, and adopts such performance objectives.

At the beginning of each calendar year, the Compensation Committee reviews corporate, divisional, and individual performance against the performance objectives for the year just completed. After thorough review and deliberation, the Compensation Committee determines the recommended amount of individual cash incentives and stock-based incentive awards. The Compensation Committee reports such incentives to the Board of Directors. Meetings of the Compensation Committee and Board of Directors routinely occur in January, immediately following the closure of the calendar year for which performance is measured for incentive compensation purposes.

Stock Grants

Long-term stock grants may only be awarded under Shareholder approved stock-based incentive compensation plans. The Corporation's Proxy Statement dated March 17, 2003, as filed with the SEC on that date, summarizes the Amended Stock Option Plan's changes from the predecessor plan. Such changes included:

- disallowing re-pricing stock options for poor stock performance;
- limiting the number of shares that may be awarded; and
- requiring the Compensation Committee to meet the definition of independence to enable any award intended to qualify as "performance-based compensation" to meet Section 162(m) of the Internal Revenue Code.

The Amended Stock Option Plan allows four types of stock-based compensation awards:

Incentive Stock Options ("ISO") allow the optionee to buy a certain number of shares of Westamerica common stock at a fixed price, which is established on the date of the option grant. ISOs are intended to meet the requirements of Section 422 of the Internal Revenue Code which provide advantages if certain conditions are met. If the optionee holds the acquired stock for the designated holding period, the optionee defers the timing of recognizing taxable income related to exercising the ISO. If the optionee complies with the ISO requirements, the Corporation does not receive a corporate tax deduction related to the shares issued.

Nonqualified Stock Options ("NQSO") also give the optionee the option to buy a certain number of shares of Westamerica common stock at a fixed price, which is established on the date of grant. Unlike ISOs, NQSOs do not allow deferral of taxable income for the optionee. At the time NQSOs are exercised, the optionee incurs taxable income equal to the spread between the exercise price and the market price of the stock, and the Corporation receives a corporate tax deduction in the same amount.

Stock Appreciation Rights ("SAR") provide the holder a cash payment equal to the difference between the fair market value of the Corporation's common stock on the date the SAR is surrendered and the fair market value of the Corporation's common stock on the date the SAR was granted. The optionee incurs taxable income at the time the SAR is settled and the Corporation receives a corporate tax deduction in the same amount.

Restricted Performance Share Grants ("RPS"), as noted above, are awards of the Corporation's common stock that are subject to the achievement of performance objectives. Award recipients receive shares at the end of the performance measurement period only if performance objectives are achieved. The award recipient incurs taxable income at the time any RPS vests and the Corporation receives a corporate tax deduction in the same amount.

Determination of Awards to Grant

In determining which type of stock-based compensation awards to grant, the Compensation Committee considers the attributes of each form of incentive. Examples include the ability to motivate management to make decisions based on the long-term interests of Shareholders, the desire to compensate with shares rather than cash, and the tax consequences of each type of award. The Compensation Committee retains the latitude to utilize all forms of incentives provided under the Amended Stock Option Plan. In the current and preceding years, the Compensation Committee has utilized NQSO and RPS based on the motivational aspects of stock price appreciation, the settlement in shares rather than cash, and the preservation of tax deductions for the Corporation. At February 28, 2011, the Corporation had no ISO or SAR awards outstanding.

Determination of Option Exercise Price

The Amended Stock Option Plan also requires the exercise price of each NQSO or ISO to be no less than one hundred percent (100%) of the fair market value of the Corporation's common stock on the date of grant. As described above, the Amended Stock Option Plan does not allow re-pricing stock options for poor stock price performance.

Stock-based compensation awards are submitted by the Compensation Committee to the full Board of Directors for review. As described above, these meetings have routinely occurred in January immediately following the closure of the calendar year for which performance is measured for incentive compensation purposes. The Compensation Committee meeting has routinely been held during the same week as the related Board of Directors meeting. These January meetings follow by no more than ten business days the Corporation's public disclosure of its financial results for the preceding year. As a result, stock option grants are awarded, and the exercise price of such grants are determined at a time when the Corporation has broadly disseminated its financial condition and current operating results to the public. The Corporation's outstanding stock option grants are dated, and related stock option exercise prices are determined, on the January date the Compensation Committee meets to approve such grants.(1)

Long-Term Incentive Attributes

The Board of Directors has designated the Compensation Committee as the administrator of the Amended Stock Option Plan. The Compensation Committee reports to the Board the terms and conditions of stock option awards. In carrying out this responsibility, the Compensation Committee designs such awards as long-term incentives. The terms and conditions of currently outstanding awards include:

- NQSO vest one-third (1/3) on each anniversary of the grant date. As such, NQSO grants become fully vested over a three-year period. NQSO grants expire on the tenth anniversary of the grant date. The Corporation does not pay dividends on shares underlying NQSO grants until the optionee exercises the option and the shares are outstanding on a dividend record date.
- RPS awards vest three years following the grant date, only if corporate performance objectives are achieved over the three-year period. The Corporation does not pay dividends on RPS shares until vesting occurs and shares awarded become outstanding on a dividend record date.

Compensation for the Chairman, President & CEO

Mr. Payne performs two functions for the Corporation. These two functions tend to be compensated separately at similarly sized banking institutions. Mr. Payne serves as Chairman of the Board and Chief Executive Officer with responsibilities including oversight of the organization and external strategic initiatives. Mr. Payne also serves as President and Chief Operating Officer with responsibilities including daily management of internal operations. Mr. Payne's total compensation reflects these broad responsibilities. Consistent with the overall compensation philosophy for senior executives, Mr. Payne's compensation has a greater amount of pay at-risk through incentives than through base salary. Since Mr. Payne is compensated as an executive, he is not eligible to receive compensation as a Director.

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(1) Due to merger and acquisition activity, the Corporation converts stock option grants outstanding for acquired companies based on the terms and conditions of related merger agreements. The dating of such converted stock options generally remains as originally dated by the acquired company. As a result, the Corporation at times has options outstanding related to acquisitions with grant dates different from its routine stock option granting practices.

As noted on page 28 of the proxy under the Pension Benefits Table, during 1997 the Corporation entered into a nonqualified pension agreement ("Pension Agreement") with Mr. Payne in consideration of Mr. Payne's agreement that RPS granted in 1995, 1996 and 1997 would be canceled. In entering the Pension Agreement, the Board of Directors considered the following:

- Mr. Payne had a significant beneficial interest in Corporation common stock, which was more than adequate to continue to provide motivation for Mr. Payne to continue managing the Corporation in the best interests of Shareholders.
- In 1997, the Corporation had consummated its largest acquisition, with significant total asset growth of approximately 51 percent. One of the Board's objectives was to provide a compensation mechanism providing retention features for Mr. Payne. Retention of Mr. Payne as President and Chief Executive Officer was desired following the Corporation's significant growth. The RPS shares surrendered for the Pension Agreement were scheduled to vest on dates in 1998, 1999 and 2000, while the Pension Agreement was not fully vested until December 31, 2002. Additionally, the 20-year certain pension provided under the Pension Agreement commences upon Mr. Payne's attainment of age 55. Mr. Payne was age 42 at the time of entering the Pension Agreement.
- The economic value of the surrendered RPS and the Pension Agreement were considered equivalent based on actuarial assumptions.

Compensation Awarded to Named Executive Officers

Base salaries for participants in the executive compensation program are generally limited to foster an environment where incentive compensation motivates and rewards corporate, divisional, and individual performance. As such, base pay increases are generally infrequent and limited to "control points" assigned to each position. The non-equity cash incentive formula has the following components:

"Target" Cash Incentive	X	Composite Corporate Divisional and Individual Performance Level	=	Cash Incentive Award

In structuring performance goals for the named executive officers, the Compensation Committee emphasizes goals, which if achieved, will benefit the overall Corporation. As such, senior management level positions have high relative weighting on corporate objectives, and divisional leadership positions also have significant weighting on divisional objectives. The "target" cash incentive and the weighting of goals for the named executive officers for 2010 performance were as follows:

	"Target" Cash Incentive	Goal Weighting Corporate	Divisional	Individual
Mr. Payne	$ 371,000	80%	–	20%
Mr. Thorson	82,000	55%	25%	20%
Ms. Finger	82,000	55%	20%	25%
Mr. Hansen	73,900	55%	35%	10%
Mr. Robinson	75,000	50%	40%	10%

The Compensation Committee establishes corporate goals with the intent to balance current profitability with long-term stability of the Corporation and its future earnings potential. The 2010 corporate performance goals related to current year "profitability" included return on equity, return on assets and diluted earnings per share.

The performance goals designed to maintain the long-term stability of the Corporation include “quality” and “control” components. The “quality” measures include loan portfolio quality measures (originated classified loans and other real estate owned, originated non-performing loans and originated other real estate owned, and net loan losses to average originated loans) and service quality measures (external service quality to customers and internal service quality of support departments and branches). The “control” measures include non-interest expense to revenues (efficiency ratio), the level of non-interest expenses, and internal audit results. By maintaining both current year “profitability” goals and longer-term “quality” and “control” goals, Management has a disincentive to maximize current earnings at the expense of longer-term results.

For 2010, the Compensation Committee expected a slow growth economy with a high level of uncertainty. Further, the Compensation Committee established 2010 corporate performance goals explicitly excluding the impact of mergers and acquisitions. As a result, the Committee reserved the ability to exercise a certain degree of judgment in adjusting target goals based on the resulting operating environment and merger and acquisition activity.

The Compensation Committee determined the 2010 operating environment was generally characterized as follows:

- The economy demonstrated potential for continued recovery following a severe recession. The economy grew at a slow pace throughout the year supported by significant government fiscal and monetary stimulus. The rate and duration of unemployment remained high due to inadequate job creation. The financial condition of potential borrowers was strained by these economic conditions, particularly the high rate of unemployment. Demand for bank loans from qualified borrowers was weak.
- Bank failures continued to rise; 140 banks failed in 2009 while 157 banks failed in 2010. The Federal Deposit Insurance Corporation (“FDIC”) reported in the fourth quarter 2010 that the number of “problem” banks continued to rise. The Deposit Insurance Fund remained in a deficit position, causing insurance assessments to remain elevated.
- New legislation imposed regulations on financial institutions which significantly curtailed long-standing sources of revenue.
- The Federal Reserve maintained very low short-term interest rates. Interest rates on high-quality loans and investment securities consistently remained low, well below the yields on the Company’s interest earning assets.

The Compensation Committee considered Management’s response to the current operating environment including:

- The acquisition of assets and assumption of liabilities of the former Sonoma Valley Bank from the FDIC. This in-market acquisition built franchise value in a previously unrepresented market in Sonoma County.
- Management consistently maintained conservative loan underwriting practices to appropriately manage the Company’s exposure to credit risk.
- Management adopted new revenue-producing products and services, and adjusted pricing and terms on deposit products.
- Management maintained an “interest rate neutral” position with its assets, liabilities and capital. As such, future changes in interest rates should not have a significant impact on revenue.
- Adequate capital levels were maintained to accommodate growth opportunities.

The Compensation Committee chose to make adjustments to actual results to take into account the impact of the operating environment including acquisition of the former Sonoma Valley Bank and loan activity. Adjusted actual results against “target” performance goals were:

	Performance "Target"	Adjusted Actual Results
Profitability Goals:		
Return on average shareholders' equity	18.7%	18.6%
Return on average assets	1.95%	2.01%
Diluted earnings per share	$ 3.30	$ 3.30
Quality Goals:		
Classified originated loans and other real estate owned	$ 65 million	$ 70 million
Non-performing originated loans and other real estate owned	$ 30 million	$ 33 million
Net loan losses to average originated loans	0.55%	0.79%
Service quality	Improving	Improving
Control Goals:		
Non-interest expense to revenues (efficiency ratio)	43.8%	44.1%
Non-interest expenses	$ 130.1 million	$ 127.1 million
Below satisfactory internal audits	none	none

In reviewing the operating environment, Management's response to the operating environment, and adjusted results compared to "target" performance goals, the Compensation Committee determined corporate performance to be 110% of target goals.

As described above, divisional and individual goals are used in conjunction with corporate performance goals to determine cash bonus awards.

In addition to daily management responsibilities, Mr. Payne's individual goals included:

- Outbound merger and acquisition activities;
- Completing the acquisition of the former Sonoma Valley Bank;
- Investor relations calling activities;
- Customer sales and service activities;
- Satisfactory regulatory examination and other audit results; and
- Maintaining effective cycle of branch and credit underwriting office reviews and inspections.

Based on individual performance against these goals, the Committee exercised its discretion and assigned Mr. Payne a composite corporate and individual performance level of 67%.

In addition to routine on-going divisional responsibilities, Mr. Thorson managed the Finance Division toward functional goals, which included:

- Integration of the acquired Sonoma Valley Bank accounting systems;
- Implementation of new SEC reporting requirements;
- Management of regulatory examination process; and
- Improvements in effectiveness of divisional service delivery.

Based on the Finance Division's results, the Committee determined divisional performance to be 119%.

In addition to daily management responsibilities, Mr. Thorson's individual goals included:

- Merger and acquisition due diligence; and
- Capital management activities.

Based on individual performance against these goals, the Committee determined Mr. Thorson's individual performance to be 138%. In considering all elements of performance, the Committee exercised its discretion and assigned Mr. Thorson a composite corporate, divisional and individual performance level of 136%.

In addition to routine on-going divisional responsibilities, Ms. Finger managed the Treasury Division toward functional goals, which included:

- Management of merchant credit card and trust operations including sales activities and loss mitigation and prevention; and
- Management of balance sheet, including investment portfolio activity, interest rate risk position, funding, and liquidity.

Based on the Treasury Division's results, the Committee determined divisional performance to be 120%.

In addition to daily management responsibilities, Ms. Finger's individual goals included:

- Merger and acquisition due diligence; and
- Management of any corporate litigation.

Based on individual performance against these goals, the Committee determined Ms. Finger's individual performance to be 128%. As a result, Ms. Finger's composite corporate, divisional and individual performance level was 116%.

In addition to routine on-going divisional responsibilities, Mr. Hansen managed the Operations and Systems Division toward functional goals, which included:

- Improvement in internal service quality;
- Expense control including mitigation of operating losses; and
- Satisfactory audit results.

Based on the Operations and Systems Division's results, the Committee determined divisional performance to be 120%.

In addition to daily management responsibilities, Mr. Hansen's individual goals included:

- Project leadership relative to evolution of computing systems; and
- Personnel succession planning.

Based on individual performance against these goals, the Committee determined Mr. Hansen's individual performance to be 121%. As a result, Mr. Hansen's composite corporate, divisional and individual performance level was 115%.

In addition to routine on-going divisional responsibilities, Mr. Robinson managed the Banking Division toward functional goals which included:

- Implementation of new sales management measurement systems;
- Management of operating activities of the branch system; and
- Personnel development and management.

Based on the Banking Division's results, the Committee determined divisional performance to be 119%.

In addition to daily management responsibilities, Mr. Robinson's individual goals included:

- Calling activities on existing and prospective customers;
- Management of sales activities including direct management in certain geographic regions; and
- Personnel succession planning.

Based on individual performance against these goals, the Committee determined Mr. Robinson's individual performance to be 125%. As a result, Mr. Robinson's composite corporate, divisional and individual performance level was 115%.

Based on the above described performance against objectives, the Committee determined cash incentive awards as follows:

	"Target" Cash Incentive	X	Composite Corporate Divisional and Individual Performance Level	=	Cash Incentive Award
Mr. Payne	$ 371,000		67%		$ 250,000
Mr. Thorson	82,000		136%		111,500
Ms. Finger	82,000		116%		95,400
Mr. Hansen	73,900		115%		84,700
Mr. Robinson	75,000		115%		86,300

The size of stock grants is determined by corporate performance using a stated formula. For achievement of corporate performance in 2010, the following stock grants were awarded in January 2011:

	"Target" Nonqualified Stock Option Grant	X	Corporate Performance Level	=	Nonqualified Stock Option Award
Mr. Payne	–		110%		–
Mr. Thorson	19,300		110%		21,200
Ms. Finger	19,300		110%		21,200
Mr. Hansen	17,500		110%		19,200
Mr. Robinson	19,400		110%		21,300

	"Target" RPS Grant	X	Corporate Performance Level	=	RPS Award
Mr. Payne	2,270		110%		2,500
Mr. Thorson	2,200		110%		2,420
Ms. Finger	2,200		110%		2,420
Mr. Hansen	1,980		110%		2,180
Mr. Robinson	2,220		110%		2,440

RPS awards vest three years following the grant date, only if certain corporate performance objectives are achieved over the three-year period. In January 2011, the Compensation Committee evaluated whether the three-year corporate performance objectives were met for RPS awards granted in January 2008. The performance objectives for the RPS granted in January 2008 included:

- 3-year cumulative diluted earnings per share (EPS);
- 3-year average of annual return on average total assets (ROA);
- 3-year average of annual return on average shareholders' equity relative to industry average ROE (ROE differential);
- Ending non-performing assets to total assets (NPA); and
- 3-year average of annual growth in revenues per share (RevPS growth).

The RPS would vest if any one of the following performance results were achieved:

- 4 of 5 objectives reaching "threshold" performance level;
- 3 of 5 objectives reaching "target" performance level; or
- 2 of 5 objectives reaching "outstanding" performance level.

The goals and achieved results were:

	Threshold	Target	Outstanding	Result
EPS	$ 9.75	$ 10.10	$ 10.30	Below Threshold
ROA	1.95%	2.00%	2.10%	Outstanding
ROE differential	3.0%	3.5%	4.5%	Outstanding
NPA	0.70%	0.55%	0.40%	Below Threshold
RevPS growth	1.0%	2.0%	4.0%	Below Threshold

With two of the five goals achieved at "outstanding" performance level, the Compensation Committee determined the RPS shares awarded in 2008 vested upon achievement of three-year goals.

Nonqualified Deferred Compensation Programs

The Corporation maintains nonqualified deferred compensation programs to provide senior and mid-level executives the ability to defer compensation in excess of the annual limits imposed on the Corporation's 401(k) plan. The Corporation believes these tax deferral programs enhance loyalty and motivate retention of executives. These programs allow executives to defer cash pay and RPS shares upon vesting. The programs also allow directors to defer director fees.

- Cash pay deferred in the program accumulates in accounts in the names of the participating directors and executives. The Corporation credits the balance of these accounts with interest using an interest rate that approximates the crediting rate on corporate-owned life insurance policies, which finance the cash pay deferral program. Deferrals and interest credits represent general obligations of the Corporation.
- The common stock the Corporation issues to executives upon the vesting of RPS grants may be deferred into the program and deposited into a "Rabbi Trust." Since these shares are outstanding shares of the Corporation's common stock, the Corporation pays dividends on these shares at the same rate paid to all Shareholders. The shares held in the "Rabbi Trust" are subject to claims by the Corporation's creditors.

Employment Contracts

None of the executives named in the accompanying tables have employment contracts with the Corporation.

Compensation in the Event of a Change in Control

The banking industry has significant merger and acquisition activity. To promote retention of senior executives, unvested NQSO and RPS grants contain a "change in control" provision, which trigger full vesting upon a change in control. The Compensation Committee determined these provisions were appropriate in order to retain executives to continue managing the Corporation after any "change in control" was announced through its ultimate consummation. Since none of the named executive officers have entered employment contracts with the Corporation, they serve in an "at-will" capacity and could terminate their employment at any time. The Compensation Committee felt it would be in the best interests of Shareholders to have a retention mechanism in place to provide continuity of management during a "change in control" process. Further, the Committee expects the named executive officers would be terminated by an acquiring institution rather than retained in a similar functional capacity.

The Corporation also maintains a Severance Payment Plan covering all employees to promote employee retention. The Severance Payment Plan provides salary continuation benefits for employees in the event of a "change in control." The amount of salary continuation benefits is based on years of service and corporate title, but in no event exceed the equivalent of one times annual salary. All named executive officers are eligible for one year's salary under the plan.

Other

Internal Revenue Code ("IRC") Section 162(m) places a limit on the amount of compensation that may be deducted by the Corporation in any year with respect to certain of the Corporation's highest-paid executives. Certain "performance-based compensation" is not counted toward this limit. The Corporation intends generally to qualify compensation paid to executive officers for deductibility under the IRC, including Section 162(m), but reserves the right to pay compensation that is not deductible.

Board Compensation Committee Report

We, the Compensation Committee of the Board of Directors of the Corporation, have reviewed and discussed the Compensation Discussion and Analysis with Management. Based on that review and discussion, we have recommended to the Board of Directors inclusion of the Compensation Discussion and Analysis in this Proxy Statement and the Corporation's Annual Report on Form 10-K for the year ended December, 31, 2010.

Submitted by the Employee Benefits and Compensation Committee

Patrick D. Lynch, Chairman
Etta Allen
Arthur C. Latno, Jr.
Ronald A. Nelson

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is a current or former officer or employee of the Corporation or any of its subsidiaries, or entered into (or agreed to enter into) any transaction or series of transactions with the Corporation or any of its subsidiaries with a value in excess of $120,000. None of the executive officers of the Corporation has served on the Board of Directors or on the Compensation Committee of any other entity, where one of that entity's executive officers served either on the Board of Directors or on the Compensation Committee of the Corporation.

Summary Compensation Table

The following table sets forth summary compensation information for the chief executive officer, chief financial officer and each of the other three most highly compensated executive officers for the fiscal years ending December 31, 2010, 2009 and 2008. These persons are referred to as named executive officers elsewhere in this Proxy Statement.

SUMMARY COMPENSATION TABLE FOR FISCAL YEAR 2010

Name and Principal Position	Year	Salary	Stock Awards (1)	Option Awards (2)	Non-Stock Incentive Plan Compensation (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)	All Other Compensation (5)	TOTAL
David L. Payne	2010	$ 371,000	$ –	$ –	$ 250,000	$ –	$ 21,104	$ 642,104
Chairman,	2009	371,000	–	–	450,000	–	19,476	840,476
President & CEO	2008	371,000	444,907	–	375,000	–	18,558	1,209,465
John “Robert” A. Thorson	2010	149,000	124,577	140,816	111,500	11,868	15,798	553,559
SVP & Chief	2009	142,000	117,982	97,416	113,300	10,171	15,722	496,591
Financial Officer	2008	135,000	134,320	156,711	94,000	12,982	20,561	553,574
David L. Robinson	2010	150,000	125,143	141,493	86,300	9,491	16,926	529,353
SVP/Banking	2009	150,000	118,816	98,318	85,800	8,229	21,760	482,923
Division Manager	2008	150,000	134,791	157,646	84,000	11,005	21,164	558,606
Jennifer J. Finger	2010	129,996	124,577	140,816	95,400	10,136	19,025	519,950
SVP & Treasurer	2009	129,996	117,982	97,416	93,700	9,254	19,847	468,195
	2008	129,996	134,320	156,711	91,800	12,346	14,291	539,464
Dennis R. Hansen	2010	130,008	112,118	126,599	84,700	8,395	31,711	493,531
SVP/Operations & Systems	2009	130,008	106,309	88,396	85,300	7,529	31,833	449,375
Division Manager	2008	130,008	120,653	141,696	83,600	9,888	31,732	517,577

(1) Stock Awards represent RPS shares as described in the Compensation Discussion & Analysis. The amounts shown represent the aggregate grant date fair market value.

(2) Option awards represent Nonqualified Stock Options as described in the Compensation Discussion & Analysis. The amounts shown represent the aggregate grant date fair market value.

(3) The amounts shown are non-equity incentive compensation only. No interest or other form of earnings was paid on the compensation.

(4) The amounts include interest paid on deferred cash compensation to the extent the interest exceeds 120% of the long-term Applicable Federal Rates with compounding. The Corporation has no defined benefit pension plan. Mr. Payne has a pension agreement, which is discussed under “Pension Benefits.”

(5) Each of the above-named executive officers received less than $10,000 of aggregate perquisites and personal benefits, except for Mr. Hansen who received a car allowance of $12,000. All other compensation includes Corporation contributions to defined contribution plans (401(k) and Profit Sharing), and amounts added to taxable wages using IRS tables for the cost of providing group term life insurance coverage that is more than the cost of $50,000 of coverage. It also includes the dollar value of the benefit to Mr. Payne for the portion of the premium payable by the Corporation with respect to a split dollar life insurance policy (projected on an actuarial basis), and a bonus paid to Mr. Payne in the amount of his portion of the split dollar life insurance premium.

Based on the compensation disclosed in the Summary Compensation Table, approximately 34% of total compensation comes from base salaries. See Compensation Discussion and Analysis for more details.

Grants Of Plan-Based Awards Table For Fiscal Year 2010

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units(1)	All Other Stock Awards: Number of Securities Underlying Options (2)	Exercise or Base Price of Option Awards ($/Share)(2)	Grant Date Fair Value (3)
		Threshold	Target	Maximum				
David L. Payne	1/28/10	$ 0	$ 371,000	$ 556,500	–	–	–	–
	1/28/10	–	–	–	–	–	–	–
	1/28/10	–	–	–	–	–	–	–
John "Robert" A. Thorson	1/28/10	0	82,000	123,000	–	–	–	–
	1/28/10	–	–	–	2,200	–	$ 0	124,575
	1/28/10	–	–	–	–	20,800	56.63	140,816
David L. Robinson	1/28/10	0	75,000	112,500	–	–	–	
	1/28/10	–	–	–	2,210	–	0	125,141
	1/28/10	–	–	–	–	20,900	56.63	141,493
Jennifer J. Finger	1/28/10	0	82,000	123,000	–	–	–	–
	1/28/10	–	–	–	2,200	–	0	124,575
	1/28/10	–	–	–	–	20,800	56.63	140,816
Dennis R. Hansen	1/28/10	0	73,900	110,850	–	–	–	–
	1/28/10	–	–	–	1,980	–	0	112,117
	1/28/10	–	–	–	–	18,700	56.63	126,599

(1) Includes RPS grants. There is no dollar amount of consideration paid by any executive officer on the grant or vesting date of an award.

The material terms of the RPS grants are as follows:

- The performance and vesting period is three years;
- Multiple performance goals are established by the Compensation Committee for each grant;
- Compensation Committee may revise the goals upon significant events;
- Three-year performance criteria are limited to those provided in the Amended Stock Option Plan, as described on page 16;
- Accelerated vesting occurs upon dissolution or liquidation of the Corporation or sale of all assets to another entity or a tender offer for 5% or more of outstanding stock; and
- No dividends are paid or accrued prior to settlement or deferral delivery of shares which takes place approximately two months after vesting.

(2) Includes NQSO grants with an exercise price of not less than 100% of fair market value as of the date of grant.

The material terms of the NQSO's listed in the table are as follows:

- Options vest ratably over three years beginning one year from date of grant;
- Options expire 10 years following grant date;
- Exercise price is 100% of fair market value as defined in the Amended Stock Option Plan;
- Dividends are not paid on unexercised options;
- Vesting ceases upon termination of employment, whatever the reason, except if vesting is accelerated as described below;
- Vested options may be exercised within 90 days of termination of employment and within one year upon death or disability; and

- Accelerated vesting occurs upon dissolution or liquidation of the Corporation or sale of all assets to another corporation or a tender offer for 5% or more of outstanding stock.

(3) The amounts shown for NQSOs and RPS awards represent the aggregate grant date fair market value.

Outstanding Equity Awards Table at Fiscal Year End 2010

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price($)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) valued at 12/31/10(2)
David L. Payne	250,000	–	$ 38.74000	1/23/12		
	250,000	–	40.75000	1/23/13		
	250,000	–	49.61000	1/22/14		
	250,000	–	52.53900	1/26/15	9,440	$ 523,637
John "Robert" A. Thorson	5,770	–	40.75000	1/23/13		
	10,830	–	49.61000	1/22/14		
	14,400	–	52.53900	1/26/15		
	18,437	–	52.56000	1/26/16		
	22,204	–	48.39000	1/25/17		
	15,432	7,716	47.13000	1/24/18		
	7,200	14,400	43.01500	1/21/19		
	–	20,800	56.62500	1/28/20	7,880	437,104
David L. Robinson	10,820	–	40.75000	1/23/13		
	8,790	–	49.61000	1/22/14		
	9,000	–	52.53900	1/26/15		
	11,449	–	52.56000	1/26/16		
	11,175	–	48.39000	1/25/17		
	15,524	7,762	47.13000	1/24/18		
	7,267	14,533	43.01500	1/21/19		
	–	20,900	56.62500	1/28/20	7,920	439,322
Jennifer J. Finger	16,840	–	38.74000	1/23/12		
	21,310	–	40.75000	1/23/13		
	17,300	–	49.61000	1/22/14		
	17,800	–	52.53900	1/26/15		
	22,600	–	52.56000	1/26/16		
	22,204	–	48.39000	1/25/17		
	15,432	7,716	47.13000	1/24/18		
	7,200	14,400	43.01500	1/21/19		
	–	20,800	56.62500	1/28/20	7,880	437,104
Dennis R. Hansen	5,090	–	38.74000	1/23/12		

	10,820	–	40.75000	1/23/13		
	8,790	–	49.61000	1/22/14		
	9,000	–	52.53900	1/26/15		
	11,449	–	52.56000	1/26/16		
	19,882	–	48.39000	1/25/17		
	13,954	6,976	47.13000	1/24/18		
	6,534	13,066	43.01500	1/21/19		
	–	18,700	56.62500	1/28/20	7,090	393,282

(1) Option Awards vest ratably over three years beginning one year from date of grant. Options expiring in 2018 fully vest in January 2011. Options expiring in 2019 will fully vest in January 2012. Options expiring in 2020 fully vest in January 2013.

(2) RPS shares fully vest three years from date of grant if performance goals are met as follows: Ms. Finger - 2,850 shares vest in January 2011, 2,830 shares vest in January 2012; and 2,200 shares vest in January 2013; Messrs. Payne - 9,440 shares vest in January 2011; Thorson - 2,850 shares vest in January 2011, 2,830 shares vest in January 2012 and 2,200 shares vest in 2013; Hansen - 2,560 shares vest in January 2011, 2,550 shares vest in January 2012 and 1,980 shares vest in 2013; Robinson - 2,860 shares vest in January 2011, 2,850 vest in January 2012 and 2,210 shares vest in 2013.

Option Exercises and Stock Vested Table for Fiscal Year 2010

Name	Option Awards Number of Shares Acquired on Exercise	Value Realized on Exercise($)	Stock Awards Number of Shares Acquired on Vesting	Value Realized on Vesting($)(1)
David L. Payne	168,780	$ 1,958,085	–	–
John "Robert" A. Thorson	20,600	401,966	2,690	$ 150,613
David L. Robinson	11,510	203,540	710	39,753
Jennifer J. Finger	27,670	542,240	2,690	150,613
Dennis R. Hansen	17,510	274,752	2,420	135,496

(1) Amounts represent value upon vesting of RPS shares. Mr. Hansen deferred receipt of RPS shares upon vesting into a Rabbi Trust for either two years or until termination under the Westamerica Deferral Plan. Dividends are paid in cash during deferral period and distributions are paid in stock.

Pension Benefits for 2010

Name	Plan Name	Present Value of Accumulated Benefit	Payments during last Fiscal Year
David L. Payne	Nonqualified Pension Agreement	$ 6,036,066	$ 511,950

During 1997, the Corporation entered into a nonqualified pension agreement with Mr. Payne in consideration of Mr. Payne’s agreement that RPS awards granted in 1995, 1996 and 1997 would be canceled. In January 2000, the Compensation Committee, based on the Corporation’s achievement of certain performance goals which had first been established for Mr. Payne’s 1995, 1996 and 1997 RPS awards, determined Mr. Payne’s annual pension would be $511,950. The pension commenced in 2010 at age 55 and will be paid to Mr. Payne for 20 years.

The discount rate used to determine the present value is 5.50%, as used by the Corporation in determining benefit obligations for its post-employment retirement benefits as of December 31, 2010. The obligation is an unfunded general obligation of the Corporation.

Nonqualified Deferred Compensation Table for Fiscal Year 2010

Name	Executive Contributions in Last Fiscal Year (1)(2)	Aggregate Earnings in Last Fiscal Year (3)	Aggregate Withdrawals/ Distributions (4)	Aggregate Balance at Last Fiscal Year End
David L. Payne	$ –	$ –	$ –	$ –
John "Robert" A. Thorson	109,400	58,862	–	997,443
David L. Robinson	81,773	67,753	-19,339	1,547,391
Jennifer J. Finger	46,170	88,816	-36,043	2,236,213
Dennis R. Hansen	185,739	53,189	-13,054	1,239,552

(1) Aggregate balance of deferred compensation reported as compensation prior to 2010 is as follows: Ms. Finger — $ 2,183,440; Messrs. Thorson – $938,581; Hansen – $ 1,062,953; and Robinson – $1,486,977.

(2) RPS shares deferred upon vesting in 2010 were disclosed as compensation in the Summary Compensation Table in the year of grant three years prior to 2010 and are therefore excluded from the Summary Compensation Table for Fiscal Year 2010. Non-equity incentive plan compensation deferred in 2010 was earned in 2009 and disclosed as compensation in the Summary Compensation Table for 2009 and is therefore excluded from the Summary Compensation Table for Fiscal Year 2010. In 2010, Mr. Robinson deferred $12,000 of salary earned in 2010 which is included in the Summary Compensation Table for Fiscal Year 2010.

(3) Includes change in value of deferred RPS shares, dividends earned on deferred RPS shares, and interest earned on deferred cash compensation. The amounts included in Summary Compensation Table for Fiscal Year 2010 on page 25 are as follows: Ms. Finger – $10,136; Messrs. Thorson – $11,868; Robinson – $9,491; and Hansen – $8,395.

(4) Includes dividends paid on deferred RPS shares and delivery of RPS shares pursuant to executive's elections at the time of deferral.

Under the Westamerica Bancorporation and Subsidiaries Deferred Compensation Plan (the "Deferred Compensation Plan"), directors and officers may defer up to 100% of their director's compensation, salary and/or non-equity incentive compensation (cash bonus) into a non-qualified, unfunded deferred compensation program. The interest rate paid during 2010 was 6.15%. The interest rate may be changed annually. Interest is compounded semi-monthly. Participants choose in advance from the following distribution commencement dates: termination of employment, January 1 following termination of employment, or a specific date at least five years from date of deferral. Payment is made in a lump sum unless the participant chooses a four-year, five-year, or ten-year annual installment.

Under the Westamerica Bancorporation Deferral Plan, 100% of vested RPS grants may be deferred. Dividends paid on such issued and outstanding shares are paid in cash to the deferral participants, and are paid at the same rate as is paid to all other Shareholders. The distribution of deferred RPS shares occurs at least two years after deferral, one month following termination, or the January 1 immediately following termination as elected by the participant at the time of deferral. If the participant is one of the named executive officers, benefit distributions that are made upon termination of employment may not start earlier than six months after the date of termination.

Potential Payments Upon Termination or Change in Control

Payments to be made to the named executive officers in the event of termination of employment or change in control are described below.

Termination

Vested NQSOs may be exercised within 90 days of termination and within one year of death or disability. RPS shares vest if the Compensation Committee determines performance goals are met. Terminated employees will receive vested RPS shares if the settlement date of the RPS grant occurs within 90 days of termination. Employees separating from service due to death, disability or retirement are eligible to receive a pro rata portion of granted RPS shares if the Compensation Committee determines that the performance goals are likely to be met for the grant period. The pro rata basis is determined by the number of full years of the vesting period completed before date of death, disability or retirement.

Deferred compensation account balances are distributed on January 1 following termination, or a specific date at least five years from the date of deferral in the form of annual payments over four years. Payment may also be made in a lump sum or in annual payments for five or ten years as elected by the participant at the time of deferral. If the participant is one of the named executive officers, benefit distributions that are made upon termination of employment may not start earlier than six months after the date of termination.

Change in Control

A change in control is defined under the Amended Stock Option Plan as Shareholder approval of a dissolution or liquidation of the Corporation or a sale of substantially all of the Corporation’s assets to another corporation, or a tender offer for 5% or more of the Corporation’s outstanding common stock or a merger in which the Corporation’s shareholders before the merger hold less than 50% of the voting power of the surviving corporation after the merger.

In the event of a change in control, unvested NQSOs and RPS shares immediately vest. The value of in-the-money options and RPS shares subject to accelerated vesting for each of the named executive officers is as follows: Ms. Finger: $680,807; Messrs. Payne: $523,637; Thorson: $680,807; Robinson: $685,066; and Hansen: $614,199. The value is computed by multiplying the difference between the market value on December 31, 2010, the last business day of 2010, and the exercise price of each option by the number of shares subject to accelerated vesting.

Under the Corporation’s Severance Payment Plan, executive officers receive six weeks pay for every year or partial year of service up to a maximum of one year’s base salary (see Summary Compensation Table for Fiscal Year 2010 for annual base salary for all named executive officers). All named executive officers have met the service requirement for one year’s base salary. Severance pay is paid in a lump sum or on a semi-monthly basis at the discretion of the Corporation, subject to Section 409A of the Internal Revenue Code.

Certain Relationships and Related Party Transactions

In accordance with the Audit Committee Charter, the Audit Committee is responsible for reviewing and approving or disapproving all related party transactions required to be disclosed by Item 404 of Regulation S-K for potential conflicts of interest. Additionally, the Corporation’s Code of Conduct and Ethics provides rules that restrict transactions with affiliated persons.

Certain of the directors, executive officers and their associates have had banking transactions with subsidiaries of the Corporation in the ordinary course of business. With the exception of the Corporation's Employee Loan Program, all outstanding loans and commitments included in such transactions were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons not related to the Corporation, did not involve more than a normal risk of collectibility, and did not present other favorable features. As part of the Employee Loan Program, all employees, including executive officers, are eligible to receive mortgage loans with interest rates one percent (1%) below Westamerica Bank's prevailing interest rate at the time of loan origination. Westamerica Bank makes all loans to executive officers under the Employee Loan Program in compliance with the applicable restrictions of Section 22(h) of the Federal Reserve Act. Messrs. Hansen, Payne and Thorson have mortgage loans through this Program. The largest aggregate amount of principal during 2010 was $281,049, $513,157 and $388,123, respectively. The principal amount outstanding at December 31, 2010 was $273,601, $496,363 and $369,669, respectively. The amount of principal paid during 2010 was $7,448, $16,794, and $18,454, respectively. The amount of interest paid during 2010 was $10,065, $11,113 and $13,744, respectively. The rate of interest payable on the loan is 2.00%, 2.125% and 2.00%, respectively.

Mr. Hansen also has a $99,000 line of credit. The largest amount of principal outstanding during 2010 was $82,672. The amount of principal paid during 2010 was $80,925 and the principal amount outstanding at December 31, 2010 was $58,207. The amount of interest paid during 2010 was $1,125. The variable rate of interest payable on the line of credit is Wall Street Journal Prime minus 0.5%.

PROPOSAL 2 – RATIFY SELECTION OF INDEPENDENT AUDITOR

The Audit Committee has approved the selection of the firm of KPMG LLP to serve as independent auditors for 2011 to examine the consolidated financial statements of the Corporation. Action by the Shareholders is not required by law in the appointment of independent auditors, but their appointment is submitted by the Audit Committee and the Board of Directors in order to give the Shareholders an opportunity to present their views. If the proposal is approved, the Audit Committee, in its discretion, may direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interests of the Corporation and its Shareholders. If the proposal to ratify the selection of KPMG LLP as the Corporation's independent auditors is rejected by the Shareholders then the Audit Committee will reconsider its choice of independent auditors.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE PROPOSAL TO RATIFY THE SELECTION OF THE CORPORATION'S INDEPENDENT AUDITORS.

Audit Fees

The aggregate fees billed to the Corporation by KPMG with respect to services performed for fiscal 2010 and 2009 are as follows:

	2010	2009
Audit fees (1)	$ 735,000	$ 858,000
Audit related fees	–	–
Tax fees	–	–
All other fees	–	–
	$ 735,000	$ 858,000

(1) Audit fees consisted of fees billed by KPMG for professional services rendered for the audit of the Corporation's consolidated financial statements, reviews of the consolidated financial statements included in the Corporation's quarterly reports on Form 10-Q, and the audit of the Corporation's internal controls over financial reporting. The audit fees also relate to services such as consents and audits of mortgage banking subsidiaries.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the work of any public accounting firm engaged by the Corporation for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. Any accounting firm appointed by the Corporation reports directly to the Audit Committee.

The Audit Committee must pre-approve all auditing services and permitted non-audit services by its independent auditors and the fees to be paid by the Corporation for these services, except for those fees qualifying for the “de minimis exception” which provides that the pre-approval requirement for certain non-audit services may be waived if certain expressed standards and requirements are satisfied prior to completion of the audit under certain conditions. This exception requires that the aggregate amount of all such services provided constitutes no more than five percent of the total amount of revenue paid to the audit firm by the Corporation during the fiscal year in which the services are provided. At the time of the engagement, the Corporation did not recognize such services to be non-audit services, and such services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee. During fiscal year 2010, there were no non-audit services that were provided using this exception.

The Audit Committee may delegate to one or more members of the Audit Committee the authority to grant pre-approvals of non-audit services and fees. In such event, the decisions of the member or members of the Committee regarding pre-approvals are presented to the full Audit Committee at its next meeting. The Audit Committee pre-approved 100% of all services performed on behalf of the Corporation by KPMG during fiscal year 2010.

AUDIT COMMITTEE REPORT

The material in this report is not soliciting material and is not deemed filed with the SEC. It is not incorporated by reference in any of the Corporation’s filings under the Securities Act of 1933 or the Exchange Act, whether made in the past or in the future even if any of those filings contain any general incorporation language.

The Audit Committee is composed of four directors who are neither officers nor employees of the Corporation, and who meet the NASDAQ independence requirements for Audit Committee members. The Audit Committee selects, appoints and retains the Corporation’s independent auditors and is responsible for their compensation and oversight.

In performing its functions, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of the Corporation’s management, which has the primary responsibility for financial statements and reports, and of the independent auditors. The auditors express an opinion on the conformity of the Corporation’s annual financial statements to generally accepted accounting principles. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited consolidated financial statements for the fiscal year 2010 and discussed them with Management and with KPMG, the Corporation’s independent auditors.

Management represented to the Audit Committee that the Corporation’s consolidated financial statements were prepared in accordance with generally accepted accounting principles. Management also represented that it performed an assessment of the effectiveness of internal control over financial reporting as of December 31, 2010, and that internal control over financial reporting was effective. The Audit Committee discussed with the auditors matters required to be discussed by Statement on Auditing Standards No. 114 (Communication with Audit Committees) as amended, including the auditors’ judgment about the quality as well as the acceptability of the Corporation’s accounting principles, as applied in its financial reporting.

The auditors also provided to the Audit Committee the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 (Independence Discussions with the Audit Committees). The Audit Committee discussed with auditors the firm's independence.

Based on the Audit Committee's discussion with Management and the independent auditors, the Audit Committee's review of the representations of Management and the report of the independent auditors to the Audit Committee, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2010, for filing with the SEC.

Submitted by the Audit Committee
Ronald A. Nelson, Chairman
Louis E. Bartolini
E. Joseph Bowler
Catherine C. MacMillan

PROPOSAL 3 – APPROVE A NON-BINDING ADVISORY VOTE
ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requires that stockholders cast an advisory (non-binding) vote this year on the executive compensation paid to the executive officers listed in the Summary Compensation Table (a so-called "say-on-pay" vote), as well as an advisory vote with respect to whether future say-on-pay votes will be held every one, two or three years, which is the subject of Proposal No. 4.

We believe that our compensation policies and procedures are centered on a pay-for-performance culture and are strongly aligned with the long-term interests of our shareholders. Our incentive compensation plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, and restricted performance shares. The Summary Compensation Table shows very stable base salaries indicative of our greater emphasis on performance-based stock and non-stock awards. Our stock and option awards are based on a minimum achievement of meeting the "threshold" level for each pre-established objective. Both awards have a three-year vesting period. Our annual incentive plan incorporates at least four financial and/or strategic performance metrics in order to properly balance risk with the incentives to drive our key annual financial and/or strategic initiatives; in addition, the annual incentive program incorporates a 150% maximum payout to further manage risk and the possibility of excessive payments.

In 2003 shareholders approved the Corporation's amended Stock Option Plan to include the following changes:

- Disallowing re-pricing stock options for poor stock performance;
- Limiting the number of shares that may be awarded; and
- Requiring the Compensation Committee to meet the definition of independence to enable any award intended to qualify as "performance based compensation" to meet Section 162(m) of the Internal Revenue Code. In 2009 shareholders re-approved the performance criteria for performance-based awards under the Amended Stock Option Plan.

Vote Required

The “Say on Pay” proposal gives you as a shareholder the opportunity to endorse or not endorse our executive pay program through the following resolution:

“Resolved, that the shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, which disclosure includes the compensation discussion and analysis, the compensation tables and any related footnotes and narratives in the Corporation’s proxy statement for the annual meeting of shareholders.”

Because your vote is advisory, it will not be binding on the Board or create or imply any additional fiduciary duty by the Board. However, the Compensation Committee may take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SECURITIES AND EXCHANGE COMMISSION.

PROPOSAL 4 – APPROVE A NON-BINDING ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Background

The Dodd-Frank Act required the Securities and Exchange Commission to amend its rules to require that a non-binding advisory proposal be submitted to shareholders once every six years that would determine the frequency of an advisory vote on the compensation paid to the Corporation’s named executive officers as seen in Proposal 3 above. This year shareholders have their first opportunity to vote on whether to vote every one, two or three years on the Corporation's compensation to its named executive officers.

We believe a review of our executive compensation every three years coincides closely with the long-term focus of our compensation program and provides shareholders with sufficient time to evaluate its effectiveness as well as our corporate performance. Our long-term components include the following:

- Our Nonqualified Stock Options vest over three years;
- Our Restricted Performance Shares require meeting three-year performance goals;
- Our Non-Equity Incentive Compensation incorporates meeting long-term stability through quality and control components;
- Our Short-term compensation is limited to base pay increases that are generally infrequent and limited to “control points” designed to each position.

A long term focus will decrease the likelihood of a detrimental change in the Corporation's executive compensation program made in response to short-term economic or market fluctuations. Also, it is possible that the burden of such frequent compensation advisory votes may lead to simplistic pay-plan analysis. Therefore, we recommend a review of our executive compensation every three years.

The choice of frequency that receives the highest number of “FOR” votes will be considered the advisory vote of the stockholders. Abstentions and broker non-votes will not count as votes cast “for” or “against” any frequency choice, and will have no direct effect on the outcome of this proposal. A signed, uninstructed proxy will be voted for every three years.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS SELECT AN ADVISORY VOTE TO REVIEW EXECUTIVE COMPENSATION TO OUR NAMED EXECUTIVE OFFICERS EVERY THREE YEARS.

SHAREHOLDER PROPOSAL GUIDELINES

To be considered for inclusion in the Corporation's Proxy Statement and form of proxy for next year's Annual Meeting, Shareholder proposals must be delivered to the Corporate Secretary of the Corporation, Westamerica Bancorporation A-2M, P.O. Box 1200, Suisun City, CA 94585, no later than 5:00 p.m. on November 14, 2011. However, if the date of next year's Annual Meeting is changed by more than 30 days from the date of this year's Meeting, the notice must be received by the Corporate Secretary a reasonable time before we begin to print and mail our Proxy Statement. All such proposals must meet the requirements of Rule 14a-8 under the Exchange Act.

In order for business, other than a Shareholder proposal submitted for the Corporation's Proxy Statement, to be properly brought before next year's Annual Meeting by a Shareholder, the Shareholder must give timely written notice to the Secretary of the Corporation. To be timely, written notice must be received by the Secretary of the Corporation at least 45 days before the anniversary of the day our Proxy Statement was mailed to Shareholders in connection with the previous year's Annual Meeting or January 26, 2011, for the 2011 Annual Meeting. If the date of the Annual Meeting is changed by more than 30 days, the deadline is a reasonable time before we begin to mail our Proxy Statement. A Shareholder's notice must set forth a brief description of the proposed business, the name and residence address of the Shareholder, the number of shares of the Corporation's common stock that the Shareholder owns and any material interest the Shareholder has in the proposed business.

Westamerica reserves the right to reject, to rule out of order, or to take other appropriate action with respect to any proposal that does not comply with these and other applicable legal requirements.

SHAREHOLDER COMMUNICATION TO BOARD OF DIRECTORS

Shareholders and other interested parties who wish to communicate with the Board may do so by writing to: Kris Irvine, VP/Corporate Secretary, Westamerica Bancorporation A-2M, P.O. Box 1200, Suisun City, CA 94585. The directors have established procedures for the handling of communications from Shareholders and other interested parties and have directed the Corporate Secretary to act as their agent in processing any communications received. All communications that relate to matters that are within the responsibility of one of the Board Committees are to be forwarded to the Chair of the appropriate Committee. Communications that relate to ordinary business matters that are not within the scope of the Board's responsibilities, such as customer complaints, are to be sent to Management. Solicitations, junk mail and obviously frivolous or inappropriate communications are not to be forwarded, but will be made available to any Director who wishes to review them.

OTHER MATTERS

The Board of Directors does not know of any matters to be presented at the Annual Meeting other than those specifically referred to in this Proxy Statement. If any other matters should properly come before the Meeting or any postponement or adjournment of the meeting, the persons named in the enclosed proxy intend to vote thereon in accordance with their best business judgment. If a nominee for Director becomes unavailable to serve as a Director, the Proxies will vote for any substitute nominated by the Board of Directors.

The Corporation will pay the cost of proxy solicitation. The Corporation has retained the services of Georgeson to assist in the proxy distribution at a cost not to exceed $2,000 plus reasonable out-of-pocket expenses. The Corporation will reimburse banks, brokers and others holding stock in their names or names of nominees or otherwise, for reasonable out-of-pocket expenses incurred in sending proxies and proxy materials to the beneficial owners of such stock.

BY ORDER OF THE BOARD OF DIRECTORS
Kris Irvine
VP/Corporate Secretary

Dated: March 14, 2011

EXHIBIT A

WESTAMERICA BANCORPORATION

A. Audit Committee Charter – Revised January, 2011

The Audit Committee is appointed by the Board to assist the Board in monitoring (1) the integrity of the Company's financial statements, (2) the compliance by the Company with legal and regulatory requirements, (3) the independence, qualifications and performance of the Company's registered public accounting firms preparing or issuing an audit report or performing other audit, review or attest services for the Company ("independent auditor" or "independent auditors"), and (4) the Company's internal audit and control function. The Audit Committee shall prepare the report that the Securities and Exchange Commission (SEC) rules require be included in the Company's annual Proxy Statement.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of Management and the independent auditor.

The function of the Audit Committee is oversight. Management is responsible for the preparation and integrity of the Company's financial statements. Management is responsible for maintaining appropriate accounting and financial reporting policies and an appropriate internal control environment. Subject to appointment, review and oversight by the Audit Committee, the independent auditor is responsible for planning and conducting a proper audit of the Company's internal control environment and of its annual financial statements, reviewing the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, and other procedures.

The members of the Audit Committee shall meet the independence requirements of The NASDAQ Stock Market ("NASDAQ") and the rules and regulations of the SEC. No member shall be an affiliated person (as defined in relevant SEC or NASDAQ rules) of the Company or any of its subsidiaries or have participated at any time in the preparation of financial statements of the Company or any current subsidiary during the prior three years, and each member shall be free of any relationship that would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a member of the Audit Committee. The Audit Committee shall include members with banking or related financial management expertise who are able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, and at least one member must have the additional financial sophistication as required by and as defined in NASDAQ rules.

The Committee shall be subject to the provisions of the Company's bylaws relating to committees of the Board, including those provisions relating to removing committee members and filing vacancies. The members of the Audit Committee and its Chairman shall be appointed and may be removed by the Board on its own initiative or at the recommendation of the Nominating Committee. The Audit Committee shall have no fewer than three members. If not designated by the Board, the Audit Committee may designate a member as its Chairman.

The Audit Committee, in its capacity as a committee of the Board, shall be directly responsible for the appointment, compensation, retention, termination and oversight of the work of any independent auditors, and each independent auditor must report directly to the Audit Committee. The Audit Committee shall be directly responsible for the resolution of disagreements between management and the independent auditor regarding financial reporting.

The Audit Committee shall have the authority to retain independent legal, accounting or other advisors as it deems necessary to carry out its duties. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to any independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, compensation to any advisors employed by the Audit Committee, and ordinary administrative expenses that the Committee deems to be necessary or appropriate in carrying out its duties.

The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services and fees to be paid for such services to be performed for the Company by its independent auditor, subject to the limited de minimis exceptions for non-audit services described in Section 10A of the Securities Exchange Act of 1934, provided that compliance with the limitations and procedural requirements of Section 10A is fulfilled. The Audit Committee may delegate to one or more designated members of the committee the authority to grant pre-approvals of non-audit services and fees. Any such pre-approval shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall have the authority to conduct investigations that are related to its responsibilities under this Charter or otherwise assigned to it by the Board.

In addition, the Audit Committee, to the extent that it deems necessary or appropriate shall:

Financial Statement and Disclosure Matters

1. Prepare the report required by the rules of the SEC to be included in the Company's annual Proxy Statement.

2. Review the annual audited financial statements with management and the independent auditor, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

3. Review with management and the independent auditor any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies; and review any reports prepared by or for management or the auditor with respect to these matters.

4. Annually review the quality of internal accounting and financial control, the auditor's report or opinion thereon and any recommendations the auditor may have for improving or changing the Company's internal controls, as well as management's letter in response thereto and any other matters required to be discussed under Statement of Auditing Standards Nos. 112 and 114 (as they may be modified or supplemented).

5. Review management's proposed annual report on internal control over financial reporting which is required to be included in the Company's 10-K pursuant to rules of the SEC.

6. Review with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.

7. Review and discuss quarterly reports from the independent auditors on:

   a. all critical accounting policies and practices to be used;
   b. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative treatments, and the treatment preferred by the independent auditor;
   c. the matters required to be discussed by Statement on Auditing Standards Number 114 as it may be amended or supplemented, relating to the audit of the Company's periodic reports; and
   d. other material written communications between the independent auditor and management.

8. Meet periodically with management to review the Company's major financial risk exposures and the policies and procedures that management utilizes to monitor and control such exposures.

9. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Company's response to that letter. Such reviews should include:

   a. any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
   b. any changes required in the planned scope of the audit; and
   c. any significant disagreements with management.

10. Discuss, prior to release by the Company, the earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" or other non-GAAP information) as well as financial information and earnings guidance provided to analysts and rating agencies, if any, as well as any financial information which the Company proposes to provide to financial analysts and rating agencies (being mindful of the need to avoid violations of SEC Regulation FD, which prohibits the selective disclosure of material information).

11. Discuss the quarterly and annual financial statements with the appropriate officers and/or employees of the Company and with the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

12. Review the schedule of unrecorded adjustments to the Company's financial statements and the reasons underlying the Company's assessment of the immateriality of such adjustments.

13. Review prior to publication or filing and approve such other Company financial information, including appropriate regulatory filings and releases that include financial information, as the Committee deems desirable.

14. Review the adequacy of the Company's system of internal accounting and financial control, including its "disclosure controls and procedures" and "internal control over financial reporting," as defined in SEC Rules 13a-15(e) and 13a-15(f) under the Securities Exchange Act of 1934, and the Chief Executive Officer's and Chief Financial Officer's proposed disclosures and certifications with respect to these matters which are required to be included in the Company's Annual and Quarterly Reports to the SEC on Form 10-K and Form 10-Q.

15. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

16. Review the effect of regulatory and accounting initiatives on the financial statements of the Company.

17. Obtain from management, review and approve a description of issues and responses whenever a second opinion is proposed by management to be sought from another outside auditor.

Oversight of the Company’s Relationship with its Independent Auditors

18. Review and evaluate the experience and qualifications of the lead members of each independent auditor’s team.

19. Evaluate the performance and independence of each independent auditor, including considering whether the auditor’s quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor’s independence. The opinions of management and the internal auditor shall be taken into consideration as part of this review.

20. Receive and review a report from each independent auditor at least annually regarding the independent auditor’s independence and discuss such reports with the auditor. Ensure that each independent auditor submits a formal written statement, as required by PCAOB Rule 3526 as it may be amended or supplemented, describing all relationships between the independent auditor and any of its affiliates and the Company that might bear on the independent auditor’s independence. The independent auditor must also discuss with the Audit Committee the potential effects of any such relationships on the firm’s independence. Receive and review a formal written statement of the fees billed by the independent auditor for each of the categories of services requiring separate disclosure in the annual proxy statement.

21. Obtain and review a report from each independent auditor at least annually regarding the independent auditor’s internal quality control procedures. The report should include any material issues raised by the most recent internal quality control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues. Obtain auditor and review inspection reports issued by the PCAOB under Section 104 of the Sarbanes-Oxley Act.

22. Meet with each independent auditor prior to the audit to review the planning and staffing of the audit.

23. Advise the Board of its determinations regarding the qualification, independence and performance of each independent auditor.

24. Annually require the independent auditor to confirm in writing its understanding of the fact that it is ultimately accountable to the Audit Committee.

25. Require the independent auditor to rotate every five years the lead or coordinating audit partner in charge of the Company’s audit and the audit partner responsible for reviewing the audit.

26. Periodically consider the advisability of rotating the independent audit firm to be selected as the Company’s independent auditors. The Audit Committee should present its conclusions to the full Board.

Oversight of the Company’s Internal Audit Function

27. Review and, at its option, recommend the appointment and replacement of the senior internal auditing executive.

28. Review any reports to management prepared by the internal auditing department and management's responses.

29. Review with each independent auditor, management and the senior internal auditing executive the internal audit department responsibilities, budget, structure and staffing and any recommended changes in the planned scope of the internal audit at least annually.

Compliance Oversight Responsibilities

30. Obtain reports from management and the Company's senior internal auditing executive that the Company's subsidiary affiliated entities are in conformity with applicable regulatory and legal requirements and the Company's code of ethics.

31. Advise the Board with respect to the Company's compliance with the Company's Code of Ethics for Chief Executive Officer and Senior Financial Officers.

32. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

33. Discuss with management and each independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

34. Review with appropriate members of management or appropriate legal counsel the Company's compliance policies, legal matters that may have a material impact on the financial statements and any material reports or inquiries received from regulators or governmental agencies.

35. Review for approval or disapproval all related party transactions required to be disclosed by Item 404 of Regulation S-K for potential conflicts of interests.

36. In the event the Committee is made aware of any allegation of fraud relating to the Company and/or any of its officers, directors or employees that the Committee deems could be material to the Company's business or operations, the Committee shall (i) convene a meeting of the Committee to review such allegation and (ii) if the Committee deems it necessary or advisable, it shall engage independent counsel to assist in an investigation, including, if the Committee and such counsel deem it necessary or advisable, an investigation to determine whether such allegation implicates any violation of Section 10A of the Exchange Act of 1934. If pursuant to such investigation the Committee discovers that a material fraud has occurred, the Committee shall (i) assess the Company's internal controls and implement such remedial measures as it determines necessary or advisable, (ii) cause the Company to take appropriate action against the perpetrator(s) of such fraud and (iii) cause the Company to make appropriate disclosures relating to the matter in the Company's periodic reports filed with the Commission or otherwise.

37. The Audit Committee shall also be designated as the committee of the Board of Directors that shall receive, review and take action with respect to any reports by attorneys, pursuant to Section 307 of the Sarbanes-Oxley Act of 2002, of evidence of material violations of securities laws or breaches of fiduciary duty or similar violations by the Company or one of its agents.

38. Meet at least four times each year. In addition, meet at least annually in separate executive sessions with each of the Company's Chief Executive Officer, senior internal audit executive and the Company's independent auditor; and each such person shall have free and direct access to the Committee and any of its members.

39. Review and approve all related-party transactions (e.g. transactions with any director or executive officer of the Company or significant shareholder, or their immediate family members or affiliates), other than transactions which the Board has delegated to the Company's Compensation Committee or Loan Committee.

40. Annually review and reassess the adequacy of this Charter and any bylaw of the Company which relates to the Audit Committee, and recommend any proposed changes to the Board for approval.

The Chair of the Committee shall draft a proposed schedule of the Committee's activities for the coming year and the times at which such activities shall occur, which shall be submitted to the Committee for its review and approval, with such changes as the Committee shall determine to be appropriate.

IMPORTANT ANNUAL MEETING INFORMATION

Electronic Voting Instructions

You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by
12:01 a.m., Central Time, on April 28, 2011.

Vote by Internet

- Log on to the Internet and enter www.investorvote.com/wabc
- Follow the steps outlined on the secured website.

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is NO CHARGE to you for the call.
- Follow the instructions provided by the recorded message.

Using a black ink pen, mark your votes with an X as shown in
this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

,IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.,

A Proposals – The Board of Directors recommends a vote FOR all nominees listed, FOR Proposal 2, FOR Proposal 3 and EVERY THREE YEARS for Proposal 4.

1. Election of Directors:

	For	Withhold		For	Withhold		For	Withhold
01 - E. Allen	O	O	02 - L. Bartolini	O	O	03 - E.J. Bowler	O	O
04 - A. Latno, Jr.	O	O	05 - P. Lynch	O	O	06 - C. MacMillan	O	O
07 - R. Nelson	O	O	08 - D. Payne	O	O	09 - E. Sylvester	O	O

	For	Against	Abstain
2. Ratification of Independent Auditors.	O	O	O
3. Approve a non-binding advisory vote on the compensation of our named executive officers.	O	O	O

	3 Yrs	2 Yrs	1 Yr	Abstain
4. Approve a non-binding advisory vote on the frequency of the advisory vote on compensation of our named executive officers.	O	O	O	O

B Non-Voting Items

Change of Address — Please print new address below.

Meeting Attendance

Mark box to the right if you plan to attend the Annual Meeting. O

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign exactly as name appears hereon. If acting as attorney, executor, trustee, or in other representative capacity, please sign name and title. Receipt is hereby acknowledged of the Proxy Statement for the Meeting and the Corporation's Annual Report on Form 10-K for 2010.

Date (mm/dd/yyyy) Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box.

Admission to the Meeting

WESTAMERICA BANCORPORATION ANNUAL MEETING OF SHAREHOLDERS
11:00 A.M. PACIFIC TIME, THURSDAY, APRIL 28, 2011, FAIRFIELD CENTER FOR CREATIVE ARTS, FAIRFIELD, CALIFORNIA

Registered holders can avoid registration lines by marking the Meeting Attendance box to the right of your signature on your Proxy Card and returning it to Computershare Investor Services in the enclosed return envelope, or indicate your intent to attend through a toll free telephone vote or Internet vote.

Beneficial Owners holding their shares in a brokerage account or at a bank or other intermediary must proceed to the registration desk and provide the following evidence of ownership: 1) a Legal Proxy, which you can obtain from your bank or broker or other intermediary; OR 2) your shareholder statement dated on or after February 28, 2011, the Annual Meeting Record Date; AND 3) a picture identification.

Because of seating limitations, no more than one guest will be allowed per shareholder.

,IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.,

Proxy — Westamerica Bancorporation
PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF WESTAMERICA BANCORPORATION
for the Annual Meeting of Shareholders on April 28, 2011

The undersigned holder hereby authorizes A. Latno, Jr., R. Nelson and E. Sylvester, each with full power of substitution, to represent and vote, as designated on the reverse side, all full and fractional shares of Common Stock of Westamerica Bancorporation which the undersigned would be entitled to vote at the Annual Meeting of Shareholders of said corporation to be held at the Fairfield Center for Creative Arts, 1035 West Texas Street, Fairfield, California at 11:00 a.m., Pacific Time, on Thursday, April 28, 2011 upon the matters set forth on the reverse side of this Proxy and described in the accompanying Proxy Statement and upon such other business as may properly come before the meeting or any postponement or adjournment thereof.

The Proxy, when properly executed will be voted as directed herein by the undersigned shareholder. If no direction is indicated, this Proxy will be voted FOR ALL NOMINEES, FOR Proposal 2, FOR Proposal 3 and every THREE YEARS for Proposal 4 and in the direction of the Proxies on all other matters which may properly come before the meeting.

If you are a participant in the Westamerica Bancorporation Tax Deferred Savings/Retirement Plan (the "Plan"), you may direct the Trustee of the Plan to vote all full and fractional shares of Westamerica Bancorporation common stock standing to your credit of your individual account(s) (from the Supplemental Retirement Plan Account, Employer Matching Contributions and Employee Contributions) as of February 28, 2011. The Board of Directors of Westamerica Bancorporation recommends a vote FOR ALL NOMINEES, FOR Proposal 2, FOR Proposal 3, and every THREE YEARS for Proposal 4. Please instruct the Trustee how to vote on these proposals by indicating your selection on the reverse of this Proxy card.

If the Trustee does not receive written instructions from you before 12:01 a.m., Central Time, on April 26, 2011, it will vote all the shares for which you are entitled to provide instruction in the same proportion as shares for which instructions are received.

PLEASE MARK, SIGN, DATE, AND MAIL THIS PROXY PROMPTLY, USING THE ENCLOSED ENVELOPE.

(Continued, and to be signed on the other side)