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WESTAMERICA BANCORPORATION

Form 8-K

October 17, 2003

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of the Report (Date of earliest event reported):
October 14, 2003

Commission File Number: 001-9383

WESTAMERICA BANCORPORATION

(Exact name of registrant as specified in its chapter)

CALIFORNIA

(State of incorporation)

94-2156203

(I.R.S. Employer Identification Number)

1108 Fifth Avenue, San Rafael, California 94901

(Address of principal executive offices and zip code)

(707) 863-8000

(Registrant's area code and telephone number)

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Item 7: Exhibits

99.1 Press release dated October 14, 2003

Item 12: Results of Operations and Financial Condition

On October 14, 2003 Westamerica Bancorporation announced their quarterly earnings for the third quarter of 2003. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

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Signatures

Pursuant to the Securities Exchange Act of 1934, the registrant has duly caused

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this report to be signed on its behalf by the undersigned hereunto duly authorized.

Westamerica Bancorporation

/s/ DENNIS R. HANSEN

Dennis R. Hansen, SVP and Controller

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INDEX TO EXHIBITS

Exhibit No.	Description	Sequentially Number Page
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(99.1)	Press release dated October 14, 2003	5-14

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FOR IMMEDIATE RELEASE

October 14, 2003

WESTAMERICA BANCORPORATION REPORTS RECORD QUARTERLY EARNINGS
FOR THIRD QUARTER 2003

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported record net income of \$24.1 million for the third quarter of 2003, up from \$22.9 million for the third quarter of 2002. Third quarter 2003 diluted earnings per share increased eight percent to \$0.72 from \$0.67 for the third quarter of 2002. Return on average common equity (ROE) for the third quarter of 2003 was 29.3 percent and return on assets (ROA) was 2.18 percent, compared to 29.6 percent and 2.20 percent, respectively, in the third quarter of 2002.

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"The third quarter of 2003 benefited from higher fee income, cost containment, and continuous application of our conservative credit culture," said Chairman, President and CEO David Payne. "Non-performing loans and repossessed loan collateral declined five percent to \$8.6 million from \$9.1 million at June 30. Annualized net charge-offs to average loans declined to 0.12 percent in the third quarter of 2003, and now stand at 0.15 percent year-to-date at September 30, 2003," added Payne.

Net interest income on a fully taxable equivalent basis was \$54.3 million in the third quarter of 2003 compared to \$54.3 million in the prior quarter and \$54.9 million in the third quarter of 2002. The third quarter of 2003 net interest margin was 5.31 percent, down from 5.43 percent in the prior quarter and 5.71 percent in the third quarter of 2002. Declining interest rates and reduced commercial loan demand have resulted in an operating environment with declining net interest margins.

Noninterest income in the third quarter of 2003 totaled \$11.0 million, compared to \$11.0 million in the previous quarter and \$10.5 million in the third quarter of 2002. In comparison to both the prior quarter and third quarter of 2002, the third quarter of 2003 benefited from higher service charges on deposit accounts and merchant credit card income offset in part by lower mortgage banking fees. Third quarter 2003 noninterest income includes securities gains of \$2.2 million reduced by FHLB advance prepayment fees of \$2.2 million. FHLB advances totaling \$65 million were retired using the proceeds from sale of available for sale securities. The rate paid on the retired FHLB advances approximated 3.9 percent, while the yield on the securities sold also approximated 3.9 percent. Second quarter 2003 noninterest income included \$277 thousand of investment securities gains.

Noninterest expense for the third quarter of 2003 was \$25.5 million, an increase of \$58 thousand from the second quarter of 2003. The increase is due to higher expenses for telephone, professional fees, and occupancy offset in part by lower salaries and benefits, equipment costs, and loan expenses. Compared to the third quarter of 2002, noninterest expense decreased \$400 thousand in the third quarter of 2003. The decrease is due to lower salaries and benefits, equipment expense, and amortization of core deposit in tangibles offset in part by higher telephone and loan expenses. The efficiency ratio for the third quarter of 2003 was 39.1 percent, compared to the prior quarter at 39.0 percent and the third quarter of 2002 at 39.7 percent.

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The provision for loan losses was \$750 thousand for the third quarter of 2003, reduced from \$900 thousand in both the previous quarter and third quarter of 2002. The reduced provision for loan losses reflects management's assessment of credit risk for the loan portfolio. Net charge-offs totaled \$729 thousand or 0.12 percent of average loans (annualized) in the third quarter of 2003, compared to \$895 thousand or 0.15 percent of average loans (annualized) in the second quarter of 2003. At September 30, 2003, the allowance for loan losses was \$54.2 million, or 2.29 percent of total loans outstanding.

Shareholders equity was \$351 million at September 30, 2003, or 7.8 percent of total assets. Net repurchases of the Company's common stock in the third quarter 2003 totaled 214 thousand shares.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 88 branches throughout 22 Northern and Central California counties. At September 30, 2003, the company had total assets outstanding of \$4.5 billion.

Westamerica Bancorporation Web Address: www.westamerica.com

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For additional information contact:
 Westamerica Bancorporation
 Robert A. Thorson - SVP & Treasurer
 707-863-6840

FORWARD-LOOKING INFORMATION:

The following appears in accordance with the Private Securities Litigation Reform Act of 1995:

This press release may contain forward-looking statements about the Company, including descriptions of plans or objectives of its management for future operations, products or services, and forecasts of its revenues, earnings or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may."

Forward-looking statements, by their nature, are subject to risks and uncertainties. A number of factors - many of which are beyond the Company's control - could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. The Company's most recent annual and quarterly reports filed with the Securities and Exchange Commission, including the Company's Form 10-Q for the quarter ended June 30, 2003 and Form 10-K for the year ended December 31, 2002, describe some of these factors, including certain credit, market, operational, liquidity and interest rate risks associated with the Company's business and operations. Other factors described in these reports include changes in business and economic conditions, competition, fiscal and monetary policies, disintermediation, legislation including the Sarbanes-Oxley Act of 2002 and the Gramm-Leach-Bliley Act of 1999, the combination of the former Kerman State Bank and other mergers and acquisitions.

Forward-looking statements speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date forward looking statements are made.

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 September 30, 2003

Public Information October 14, 2003

1. Net Income Summary.

			(dollars in thousands except per-		
	Q3'03	Q3'02	Q3'03 / Q3'02	Q2'03	Q3'03 / Q2'03
1. Net Interest Income (FTE)	\$54,264	\$54,914	-1.2%	\$54,324	-0.1%
2. Loan Loss Provision	750	900	-16.7%	900	-16.7%
3. Noninterest Income:					
4. Investment Securities Gains (Impairment)	2,150	0	n/m	277	n/m
5. FHLB Advance Prepayment Fees	(2,166)	0	n/m	0	n/m
6. Other	11,029	10,455	5.5%	10,759	2.5%
7. Total Noninterest Income	11,013	10,455	5.3%	11,036	-0.2%

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8. Noninterest Expense	25,534	25,964	-1.7%	25,476	0.2%
9. Income Tax Provision (FTE)	14,920	15,628	-4.5%	15,313	-2.6%
10. Net Income	\$24,073	\$22,877	5.2%	\$23,671	1.7%
11. Average Shares Outstanding	32,770	33,621	-2.5%	32,959	-0.6%
12. Diluted Average Shares Outstanding	33,273	34,118	-2.5%	33,442	-0.5%
13. Operating Ratios:					
14. Basic Earnings Per Share	\$0.73	\$0.68	8.0%	\$0.72	2.3%
15. Diluted Earnings Per Share	0.72	0.67	7.9%	0.71	2.2%
16. Return On Assets	2.18%	2.20%		2.21%	
17. Return On Equity	29.3%	29.6%		29.3%	
18. Net Interest Margin	5.31%	5.71%		5.43%	
19. Efficiency Ratio	39.1%	39.7%		39.0%	
20. Dividends Paid Per Share	\$0.26	\$0.22	18.2%	\$0.24	8.3%
21. Dividend Payout Ratio	36%	33%		34%	

2. Net Interest Income.

	(dollars in thousands)					
	Q3'03	Q3'02	Q3'03 / Q3'02	Q2'03	Q3'03 / Q2'03	9/30
1. Interest and Fee Income (FTE)	\$60,552	\$64,913	-6.7%	\$61,733	-1.9%	\$
2. Interest Expense	6,288	9,999	-37.1%	7,409	-15.1%	\$
3. Net Interest Income (FTE)	\$54,264	\$54,914	-1.2%	\$54,324	-0.1%	\$
4. Average Earning Assets	\$4,072,793	\$3,828,919	6.4%	\$4,007,049	1.6%	\$3,
5. Average Interest-Bearing Liabilities	2,806,275	2,673,026	5.0%	2,813,895	-0.3%	2,
6. Yield on Earning Assets	5.92%	6.74%		6.17%		
7. Cost of Funds	0.61%	1.03%		0.74%		
8. Net Interest Margin	5.31%	5.71%		5.43%		
9. Interest Expense/Interest-Bearing Liabilities	0.89%	1.48%		1.05%		
10. Net Interest Spread	5.03%	5.26%		5.12%		

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3. Loans & Other Earning Assets.

	Q3'03	Q3'02	(average volume, dollars in tho			
			Q3'03 /	Q2'03	Q3'03 /	9/3
			Q3'02		Q2'03	
1. Total Assets	\$4,373,156	\$4,117,310	6.2%	\$4,304,387	1.6%	4,
2. Total Earning Assets	4,072,793	3,828,919	6.4%	4,007,049	1.6%	3,
3. Total Loans	2,331,855	2,492,030	-6.4%	2,375,491	-1.8%	2,
4. Commercial Loans	1,483,562	1,644,250	-9.8%	1,528,879	-3.0%	1,
5. Consumer Loans	848,293	847,780	0.1%	846,612	0.2%	
6. Total Investment Securities	1,740,938	1,336,889	30.2%	1,631,558	6.7%	1,
7. Available For Sale (Market Value)	1,150,000	983,903	16.9%	1,084,918	6.0%	1,
8. Held To Maturity	590,938	352,986	67.4%	546,640	8.1%	
9. HTM Unrealized Gain (Loss) at Period-End	5,866	15,243	-61.5%	11,253	-47.9%	
10.Loans/Deposits	66.6%	74.8%		70.5%		
11.Loans/Earning Assets	57.3%	65.1%		59.3%		

4. Deposits & Other Interest-Bearing Liabilities.

	Q3'03	Q3'02	(average volume, dollars in tho			
			Q3'03 /	Q2'03	Q3'03 /	9/3
			Q3'02		Q2'03	
1. Total Deposits	\$3,500,911	\$3,333,300	5.0%	\$3,370,433	3.9%	\$3,
2. Noninterest Demand	1,203,378	1,103,431	9.1%	1,130,608	6.4%	1,
3. Interest-Bearing Transaction	531,174	532,909	-0.3%	559,459	-5.1%	
4. Savings	1,034,480	1,017,162	1.7%	977,704	5.8%	
5. Other Time >\$100K	394,282	342,606	15.1%	390,730	0.9%	
6. Other Time <\$100K	337,597	337,192	0.1%	311,932	8.2%	3
7. Total Short-Term Borrowings	363,394	252,045	44.2%	382,677	-5.0%	
8. Fed Funds Purchased	214,333	39,133	447.7%	228,499	-6.2%	
9. Other Short-Term Funds	149,061	212,912	-30.0%	154,178	-3.3%	
10.FHLB Debt	124,086	166,505	-25.5%	170,000	-27.0%	
11.Long-Term Debt	21,262	24,607	-13.6%	21,393	-0.6%	
12.Shareholders' Equity	326,529	306,685	6.5%	324,350	0.7%	

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13. Demand Deposits/Total Deposits	34.4%	33.1%	33.5%
14. Low-Cost Deposits/Total Deposits	79.1%	79.6%	79.2%

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5. Interest Yields Earned & Rates Paid.

	Q3'03		Q2'03		
	Average Volume	Income/Expense	Yield/Rate	Yield/Rate	
1. Interest Income Earned to:					
2. Total Earning Assets (FTE)	\$4,072,793	\$60,552	5.92%	6.17%	\$3,828,919
3. Total Loans (FTE)	2,331,855	38,813	6.61%	6.86%	2,492,030
4. Commercial Loans (FTE)	1,483,562	26,868	7.40%	7.65%	1,644,250
5. Consumer Loans	848,293	11,945	5.60%	5.92%	847,780
6. Total Investment Securities	1,740,938	21,739	5.00%	5.16%	1,336,889

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(FTE)						
7. Interest Expense Paid to:						
8.	Total Earning Assets	4,072,793	6,288	0.61%	0.74%	3,828,919
9.	Total Interest-Bearing Liabilities	2,806,275	6,288	0.89%	1.05%	2,673,026
10.	Total Interest-Bearing Deposits	2,297,533	3,984	0.69%	0.80%	2,229,869
11.	Interest-Bearing Transaction Savings	531,174	145	0.10%	0.15%	532,909
12.	Savings	1,034,480	1,439	0.55%	0.64%	1,017,162
13.	Other Time <\$100K	394,282	1,191	1.56%	1.73%	342,606
14.	Other Time >\$100K	337,597	1,209	1.21%	1.38%	337,192
15.	Total Short-Term Borrowings	363,394	747	0.81%	1.00%	252,045
16.	Fed Funds Purchased	214,333	554	1.01%	1.24%	39,133
17.	Other Short-Term Funds	149,061	193	0.51%	0.64%	212,912
18.	FHLB Debt	124,086	1,172	3.72%	3.72%	166,505
19.	Long-Term Debt	21,262	385	7.24%	7.18%	24,607
20.	Net Interest Incom and Margin (FTE)		\$54,264	5.31%	5.43%	

6. Noninterest Income.

(dollars in thousands)						
	Q3'03	Q3'02	Q3'03 / Q3'02	Q2'03	Q3'03 / Q2'03	9/3
1. Service Charges on Deposit Accounts	\$6,735	\$6,294	7.0%	\$6,648	1.3%	
2. Merchant Credit Card Income	993	971	2.3%	900	10.3%	
3. ATM Fees & Interchange	644	686	-6.1%	601	7.2%	
4. Debit Card Fees	556	470	18.3%	563	-1.2%	
5. Financial Services Fees	249	284	-12.3%	210	18.6%	
6. Mortgage Banking Income	185	303	-38.9%	301	-38.5%	
7. Trust Fees	245	220	11.4%	277	-11.6%	
8. Other Income	1,422	1,227	15.9%	1,259	12.9%	
9. Sub-total	11,029	10,455	5.5%	10,759	2.5%	
10. Investment Securities Gains (Impairment)	2,150	0	n/m	277	n/m	
11. FHLB Advance Prepayment Fees	(2,166)	0	n/m	0	n/m	
12. Total Noninterest Income	\$11,013	\$10,455	5.3%	\$11,036	-0.2%	
=====						
13. Operating Ratios:						
14. Total Revenue (FTE)	\$65,277	\$65,369	-0.1%	\$65,360	-0.1%	\$
15. Noninterest Income/Revenue (FTE)	16.9%	16.0%		16.9%		
16. Service Charges/Deposits (annualized)	0.76%	0.75%		0.79%		
17. Total Revenue Per Share (annualized)	\$7.90	\$7.71	2.5%	\$7.95	-0.6%	

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7. Noninterest Expense.

	(dollars in thousands)					
	Q3'03	Q3'02	Q3'03 / Q3'02	Q2'03	Q3'03 / Q2'03	9/3
1. Salaries & Benefits	\$13,495	\$13,844	-2.5%	\$13,598	-0.8%	
2. Occupancy	3,076	3,074	0.1%	3,044	1.1%	
3. Equipment	1,319	1,479	-10.8%	1,381	-4.5%	
4. Data Processing	1,520	1,529	-0.6%	1,518	0.1%	
5. Courier	941	909	3.5%	926	1.6%	
6. Postage	381	397	-4.0%	401	-5.0%	
7. Telephone	519	428	21.3%	423	22.7%	
8. Professional Fees	529	501	5.6%	457	15.8%	
9. Stationery & Supplies	331	350	-5.4%	308	7.5%	
10. Loan Expense	339	307	10.4%	380	-10.8%	
11. Merchant Card Expense	317	373	-15.0%	316	0.3%	
12. Operational Losses	237	210	12.9%	228	3.9%	
13. Amortization of Core Deposit Intangibles	165	301	-45.2%	165	0.0%	
14. Other Operating	2,365	2,262	4.6%	2,331	1.5%	
15. Total Noninterest Expense	\$25,534	\$25,964	-1.7%	\$25,476	0.2%	
16. FTE Staff	1,016	1,067	-4.8%	1,033	-1.6%	
17. Average Assets per FTE Staff	\$4,304	\$3,859	11.5%	\$4,167	3.3%	
18. Operating Ratios:						
19. Revenue per FTE Staff (annualized)	\$255	\$243	4.9%	\$254	0.4%	
20. Noninterest Expense/Earning Assets (annualized)	2.49%	2.69%		2.55%		
21. Noninterest Expense/Revenues	39.1%	39.7%		39.0%		

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8. Loan Loss Provision.

	(dollars in thousands)				
	Q3'03	Q3'02	Q3'03 / Q3'02	Q2'03	Q3'03 / Q2'03
1. Loan Loss Provision	\$750	\$900	-16.7%	\$900	-16.7%
2. Gross Loan Losses	1,422	1,635	-13.0%	1,841	-22.8%
3. Net Loan Losses	729	777	-6.2%	895	-18.5%
4. Recoveries/Gross Losses	49%	52%		51%	

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5. Average Total Loans	\$2,331,855	\$2,492,030	-6.4%	\$2,375,491	-1.8%
6. Net Loan Losses/Loans (annualized)	0.12%	0.12%		0.15%	
7. Loan Loss Provision/Loans (annualized)	0.13%	0.14%		0.15%	
8. Loan Loss Provision/Net Loan Losses	102.9%	115.8%		100.6%	

9. Credit Quality.

	(dollars in thousands)				
	9/30/03	9/30/02	9/30/03/ 9/30/02	6/30/03	9/30/03/ 6/30/03
1. Nonperforming Nonaccrual Loans	\$5,484	\$5,827	-63.2%	\$5,484	-60.9%
2. Performing Nonaccrual Loans	2,145	3,845	42.6%	1,353	305.3%
3. Total Nonaccrual Loans	7,629	9,672	-21.1%	6,837	11.6%
4. Accruing Loans 90+ Days Past Due	272	257	5.8%	386	-29.5%
5. Total Nonperforming Loans	7,901	9,929	-20.4%	7,223	9.4%
6. Repossessed Collateral	742	470	57.9%	1,888	n
7. Total Nonperforming Loans & 8. Repossessed Collateral	\$8,643	\$10,399	-16.9%	\$9,111	-5.1%
9. Classified Loans	\$23,479	\$33,743	-30.4%	\$27,324	-14.1%
10. Allowance for Loan Losses	\$54,180	\$54,447	-0.5%	\$54,159	0.0%
11. Total Loans Outstanding	2,364,418	2,508,272	-5.7%	2,406,889	-1.8%
12. Total Assets	4,482,793	4,210,564	6.5%	4,564,692	-1.8%
13. Allowance for Loan Losses/ Total Loans	2.29%	2.17%		2.25%	
14. Nonperforming Loans/ Total Loans	0.33%	0.40%		0.30%	
15. Nonperforming Loans & Repossessed 16. Assets/Total Assets	0.19%	0.25%		0.20%	
17. Allowance/Nonperforming Loans	686%	548%		750%	
18. Allowance for Loan Losses/ Classified Loans	231%	161%		198%	
19. Classified Loans/(Equity + 20. Allowance for Loan Losses)	5.8%	8.7%		6.6%	

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10.Capital.

	(dollars in thousands, except per-s					
	9/30/03	9/30/02	9/30/02	6/30/03	9/30/03/	9/30/03/
1. Shareholders' Equity	\$350,922	\$335,440	4.6%	\$357,311	-1.8%	\$
2. Tier I Regulatory Capital	312,308	293,154	6.5%	308,534	1.2%	
3. Total Regulatory Capital	350,380	332,176	5.5%	347,219	0.9%	
4. Total Assets	4,482,793	4,210,564	6.5%	4,564,692	-1.8%	4,
5. Risk-Adjusted Assets	3,018,061	3,094,892	-2.5%	3,067,976	-1.6%	3,
6. Shareholders' Equity/ Total Assets	7.83%	7.97%	-1.7%	7.83%	0.0%	
7. Shareholders' Equity/ Total Loans	14.84%	13.37%	11.0%	14.85%	-0.0%	
8. Tier I Capital/Total Assets	6.97%	6.96%	0.1%	6.76%	3.1%	
9. Tier I Capital/Risk-Adjusted Assets	10.35%	9.47%	9.2%	10.06%	2.9%	
10.Total Capital/Risk-Adjusted Assets	11.61%	10.73%	8.2%	11.32%	2.6%	
11.Shares Outstanding	32,723	33,601	-2.6%	32,937	-0.7%	
12.Book Value Per Share (\$)	\$10.72	\$9.98	7.4%	\$10.85	-1.1%	
13.Market Value Per Share (\$)	44.48	40.28	10.4%	43.08	3.2%	
14.Share Repurchase Programs	(shares in thousands)					
	Q3'03	Q3'02	Q3'03 / Q3'02	Q2'03	Q3'03 / Q2'03	9/3
15.Total Shares Repurchased/ Canceled	354	194	82.5%	118	200.0%	
16. Average Repurchase Price	\$44.43	\$37.04	20.0%	\$43.35	2.5%	
17.Net Shares Repurchased/ (Issued)	214	152	41.1%	(30)	-804.4%	

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11.Period-End Balance Sheets.

(dollars in thousands)

	9/30/03	9/30/02	9/30/02	6/30/03	9/30/03/	9/30/03/	3

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1. Assets:						
2.	Cash and Money Market Assets	\$189,269	\$175,666	7.7%	\$202,193	-6.4%
3.	Investment Securities Available For Sale	1,245,944	1,003,833	24.1%	1,251,341	-0.4%
4.	Investment Securities Held to Maturity	569,996	399,735	42.6%	588,231	-3.1%
5.	Loans, gross	2,364,418	2,508,272	-5.7%	2,406,889	-1.8%
6.	Allowance For Loan Losses	(54,180)	(54,447)	-0.5%	(54,159)	0.0%
7.	Loans, net	2,310,238	2,453,825	-5.9%	2,352,730	-1.8%
9.	Premises and Equipment	35,566	38,054	-6.5%	36,408	-2.3%
10.	Core Deposit Intangible Assets	3,602	4,481	-19.6%	3,800	-5.2%
11.	Goodwill	18,996	18,996	0.0%	18,996	0.0%
12.	Interest Receivable and Other Assets	109,182	115,974	-5.9%	110,993	-1.6%
13.	Total Assets	\$4,482,793	\$4,210,564	6.5%	\$4,564,692	-1.8%
14. Liabilities and Shareholders' Equity:						
15. Deposits:						
16.	Noninterest Bearing	\$1,213,577	\$1,105,313	9.8%	\$1,184,847	2.4%
17.	Interest-Bearing Transaction	559,031	521,417	7.2%	554,568	0.8%
18.	Savings	1,039,406	1,008,847	3.0%	962,267	8.0%
19.	Time	724,115	650,325	11.3%	751,949	-3.7%
20.	Total Deposits	3,536,129	3,285,902	7.6%	3,453,631	2.4%
21.	Short-Term Borrowed Funds	433,348	335,989	29.0%	393,287	10.2%
22.	FHLB Debt	105,000	170,000	-38.2%	170,000	
24.	Debt Financing and Notes Payable	9,643	24,607	-60.8%	21,393	-54.9%
25.	Liability For Interest, Taxes and Other	47,751	58,626	-18.5%	169,070	-71.8%
26.	Total Liabilities	4,131,871	3,875,124	6.6%	4,207,381	-1.8%
27. Shareholders' Equity:						
28.	Paid-In Capital	\$220,527	\$222,494	-0.9%	\$219,060	0.7%
29.	Unrealized Gain on Investment Securities Available For Sale	16,004	19,798	-19.2%	26,001	-38.4%
31.	Retained Earnings	114,391	93,148	22.8%	112,250	1.9%
32.	Total Shareholders' Equity	350,922	335,440	4.6%	357,311	-1.8%
33.	Total Liabilities and Shareholders' Equity	\$4,482,793	\$4,210,564	6.5%	\$4,564,692	-1.8%

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12. Income Statements.

	(dollars in thousands, except per-share amount)				
	Q3'03	Q3'02	Q3'03 / Q3'02	Q2'03	Q3'03 / Q2'03
1. Interest and Fee Income:					
2. Loans	\$37,491	\$44,145	-15.1%	\$39,419	-4.9%
3. Money Market Assets and Funds Sold	2	6	-66.7%	2	0.0%
4. Investment Securities Available For Sale	12,215	11,844	3.1%	12,108	0.9%
5. Investment Securities Held to Maturity	5,251	4,561	15.1%	5,070	3.6%
6. Total Interest Income	54,959	60,556	-9.2%	56,599	-2.9%
7. Interest Expense:					
8. Transaction Deposits	145	395	-63.3%	211	-31.3%
9. Savings Deposits	1,439	2,761	-47.9%	1,562	-7.9%
10. Time Deposits	2,400	3,937	-39.0%	2,697	-11.0%
11. Short-Term Borrowed Funds	747	887	-15.8%	962	-22.3%
12. Federal Home Loan Bank Advances	1,172	1,576	-25.6%	1,592	-26.4%
13. Debt Financing and Notes Payable	385	443	-13.1%	385	0.0%
14. Total Interest Expense	6,288	9,999	-37.1%	7,409	-15.1%
15. Net Interest Income	48,671	50,557	-3.7%	49,190	-1.1%
16. Provision for Loan Losses	750	900	-16.7%	900	-16.7%

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17. Noninterest Income:					
18. Service Charges on Deposit Accounts	6,735	6,294	7.0%	6,648	1.3%
19. Merchant Credit Card	993	971	2.3%	900	10.3%
20. Financial Services Commissions	249	284	-12.3%	210	18.6%
21. Mortgage Banking	185	303	-38.9%	301	-38.5%
22. Trust Fees	245	220	11.4%	277	-11.6%
23. Securities Gains (Impairment)	2,150	0		277	n/m
24. FHLB Advance Prepayment Fees	(2,166)	0		0	n/m
25. Other	2,622	2,383	10.0%	2,423	8.2%
26. Total Noninterest Income	11,013	10,455	5.3%	11,036	-0.2%
27. Noninterest Expense:					
28. Salaries and Related Benefits	13,495	13,844	-2.5%	13,598	-0.8%
29. Occupancy	3,076	3,074	0.1%	3,044	1.1%
30. Equipment	1,319	1,479	-10.8%	1,381	-4.5%
31. Data Processing	1,520	1,529	-0.6%	1,518	0.1%
32. Professional Fees	529	501	5.6%	457	15.8%
33. Other	5,595	5,537	1.0%	5,478	2.1%
34. Total Noninterest Expense	25,534	25,964	-1.7%	25,476	0.2%
35. Income Before Income Taxes	33,400	34,148	-2.2%	33,850	-1.3%
36. Provision for income taxes	9,327	11,271	-17.2%	10,179	-8.4%
37. Net Income	\$24,073	\$22,877	5.2%	\$23,671	1.7%
	\$529	\$501	5.6%	\$457	15.8%
38. Average Shares Outstanding	32,770	33,621	-2.5%	32,959	-0.6%
39. Diluted Average Shares Outstanding	33,273	34,118	-2.5%	33,442	-0.5%
40. Per Share Data:					
41. Basic Earnings	\$0.73	\$0.68	8.0%	\$0.72	1.4%
42. Diluted Earnings	0.72	0.67	7.9%	0.71	1.4%
43. Dividends Paid	0.26	0.22	18.2%	0.24	8.3%