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WESTAMERICA BANCORPORATION

Form 8-K

January 26, 2004

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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):
January 20, 2004

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 January 20, 2004

Item 12: Results of Operations and Financial Condition

On January 20, 2004 Westamerica Bancorporation announced their quarterly earnings for the fourth 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 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
January 20, 2004

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INDEX TO EXHIBITS

Exhibit No. -----	Description -----	Sequentially Number Page -----
(99.1)	Press release dated January 20, 2004	5-15

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FOR IMMEDIATE RELEASE

January 20, 2004

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WESTAMERICA BANCORPORATION REPORTS RECORD QUARTERLY AND ANNUAL EARNINGS

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported record net income for the fourth quarter of 2003 of \$24.3 million, up from \$23.3 million for the fourth quarter of 2002. Fourth quarter 2003 diluted earnings per share were \$0.73, up from \$0.68 for the fourth quarter of 2002. The return on average common equity (ROE) for the fourth quarter of 2003 was 29.4 percent, and the return on assets (ROA) was 2.17 percent, compared to 29.2 percent and 2.23 percent, respectively, for the fourth quarter of 2002.

Net income for the year ended December 31, 2003 was a record \$95.1 million, up 9 percent from \$87.1 million for 2002. Diluted earnings per share increased 12 percent to \$2.85 for the year 2003, compared to \$2.55 for the year 2002. The ROE for 2003 was 29.4 percent, while the ROA was 2.19 percent, compared to 28.7 percent and 2.17 percent, respectively, for 2002.

"Fourth quarter and full year 2003 profitability benefited from our focus on gathering low-cost deposits, expense control, and continuing superior credit quality," said Chairman, President and CEO David Payne. "During 2003, our low-cost deposits grew 7 percent, reducing our average cost of funds to 0.55 percent in the fourth quarter. Our noninterest expense declined 1.6 percent to \$101.7 million for 2003 compared to \$103.3 million for 2002. Net loan losses for 2003 were only 0.15 percent of average loans," continued Payne.

Net interest income on a fully taxable equivalent basis was \$54.8 million in the fourth quarter of 2003 compared to \$54.3 million in the prior quarter and \$55.0 million in the same quarter a year ago. The fourth quarter 2003 net interest margin on a taxable equivalent basis was 5.26 percent, compared to 5.31 percent in the previous quarter and 5.71 percent in the fourth quarter of 2002. For the full year, net interest income and the net interest margin on a taxable equivalent basis were \$217.4 million and 5.39 percent, compared to \$215.7 million and 5.76 percent, respectively, for 2002.

Nonperforming loans and repossessed loan collateral were \$7.6 million at December 31, 2003 down \$1.0 million from the previous quarter-end and down \$2.7 million from December 31, 2002. Nonperforming loans and OREO represented 0.17 percent of total assets at December 31, 2003. The provision for loan losses was \$750,000 for the fourth quarter of 2003, unchanged from the previous quarter and down from \$900,000 in the year ago quarter. Net charge-offs totaled \$1.0 million or 0.18 percent of average loans (annualized) in the fourth quarter of 2003. For the year, net charge-offs were \$3.6 million, or 0.15 percent of average loans, compared to the provision for loan losses of \$3.3 million.

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Noninterest income in the fourth quarter of 2003 totaled \$10.5 million, compared to \$11.0 million and \$10.2 million, respectively, reported in the previous and year ago quarters. The decrease from the prior quarter is primarily attributable to lower service charges on deposit accounts, merchant credit card income, mortgage banking income, and ATM fees. The increase from the year ago quarter is primarily attributable to higher service charges on deposit accounts and other income partially offset by lower mortgage banking income.

Noninterest expense for the fourth quarter of 2003 totaled \$25.2 million

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compared to \$25.5 million in the prior quarter and \$25.8 million in the year ago quarter. The 1.5 percent decrease from the prior quarter is primarily attributable to lower salaries and benefits, and merchant card expense offset in part by higher operational losses. The 2.3 percent decrease from the year ago quarter is primarily attributable to lower furniture expense, salaries and benefits, merchant card expense, and amortization of core deposit intangibles offset in part by higher telephone expense. For the full year, noninterest expense was \$101.7 million, down 1.6 percent from \$103.3 million for 2002. The decrease is primarily attributable to reduced salaries and benefits, equipment expense, merchant card expense, amortization of core deposit intangibles, and stationery and supplies offset in part by higher occupancy, and telephone expenses. The efficiency ratio (expenses divided by revenues) for the fourth quarter of 2003 was 38.6 percent compared with 39.1 percent in the previous quarter and 39.5 percent in the year ago quarter. For the year 2003, the efficiency ratio was 39.1 percent compared to 41.0 percent for 2002.

Shareholders' equity was \$340 million at December 31, 2003, compared to \$341 million at December 31, 2002. The equity-to-asset ratio was 7.4 percent at December 31, 2003, compared to 8.1 percent at December 31, 2002. Share repurchases of Company common stock, net of share issuances, approximated 436 thousand shares in the fourth quarter 2003. At December 31, 2003, there were approximately 1.5 million shares remaining to purchase under the existing share repurchase program.

At December 31, 2003, the Company had total assets and total loans outstanding of \$4.6 billion and \$2.3 billion, respectively.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 88 branches throughout 22 Northern and Central California counties.

Westamerica Bancorporation Web Address: www.westamerica.com

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

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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

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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 September 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 2003 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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FINANCIAL HIGHLIGHTS

December 31, 2003

1. Net Income Summary.

			(dollars in thousands except p		
	Q4'03	Q4'02	Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03
1. Net Interest Income (FTE)	\$54,758	\$54,985	-0.4%	\$54,264	0.9%
2. Loan Loss Provision	750	900	-16.7%	750	0.0%
3. Noninterest Income:					
4. Investment Securities Gains (Impairment)	0	0	n/m	2,150	n/m

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5. FHLB Advance Prepayment Fees	0	0	n/m	(2,166)	n/m
6. Other	10,493	10,214	2.7%	11,029	-4.9%
7. Total Noninterest Income	10,493	10,214	2.7%	11,013	-4.7%
8. Noninterest Expense	25,158	25,756	-2.3%	25,534	-1.5%
9. Income Tax Provision (FTE)	15,035	15,287	-1.6%	14,920	0.8%
10. Net Income	\$24,308	\$23,256	4.5%	\$24,073	1.0%
11. Average Shares Outstanding	32,523	33,495	-2.9%	32,770	-0.8%
12. Diluted Average Shares Outstanding	33,154	33,978	-2.4%	33,273	-0.4%
13. Operating Ratios:					
14. Basic Earnings Per Share	\$0.75	\$0.69	7.6%	\$0.73	1.7%
15. Diluted Earnings Per Share	0.73	0.68	7.1%	0.72	1.3%
16. Return On Assets	2.17%	2.23%		2.18%	
17. Return On Equity	29.4%	29.2%		29.3%	
18. Net Interest Margin (FTE)	5.26%	5.71%		5.31%	
19. Efficiency Ratio (FTE)	38.6%	39.5%		39.1%	
20. Dividends Paid Per Share	\$0.26	\$0.24	8.3%	\$0.26	0.0%
21. Dividend Payout Ratio	35%	35%		36%	

2. Net Interest Income.

	(dollars in thousands)					
	Q4'03	Q4'02	Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03	12
1. Interest and Fee Income (FTE)	\$60,521	\$63,519	-4.7%	\$60,552	-0.1%	
2. Interest Expense	5,763	8,534	-32.5%	6,288	-8.3%	
3. Net Interest Income (FTE)	\$54,758	\$54,985	-0.4%	\$54,264	0.9%	
4. Average Earning Assets	\$4,149,994	\$3,831,759	8.3%	\$4,072,793	1.9%	\$4
5. Average Interest-Bearing Liabilities	2,842,273	2,642,475	7.6%	2,806,275	1.3%	2
6. Yield on Earning Assets (FTE)	5.81%	6.60%		5.92%		
7. Cost of Funds	0.55%	0.89%		0.61%		
8. Net Interest Margin (FTE)	5.26%	5.71%		5.31%		
9. Interest Expense/Interest-Bearing Liabilities	0.80%	1.28%		0.89%		
10. Net Interest Spread (FTE)	5.01%	5.32%		5.03%		

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3. Loans & Other Earning Assets.

	Q4'03	Q4'02	(average volume, dollars in t		
			Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03
1. Total Assets	\$4,451,423	\$4,128,465	7.8%	\$4,373,156	1.8%
2. Total Earning Assets	4,149,994	3,831,759	8.3%	4,072,793	1.9%
3. Total Loans	2,285,717	2,451,940	-6.8%	2,331,855	-2.0%
4. Commercial Loans	1,443,303	1,592,877	-9.4%	1,483,562	-2.7%
5. Consumer Loans	842,414	859,063	-1.9%	848,293	-0.7%
6. Total Investment Securities	1,864,277	1,379,819	35.1%	1,740,938	7.1%
7. Available For Sale (Market Value)	1,312,412	955,950	37.3%	1,164,363	12.7%
8. Held To Maturity	551,865	423,869	30.2%	576,575	-4.3%
9. HTM Unrealized Gain (Loss) at Period-End	7,352	11,786	-37.6%	5,866	25.3%
10.Loans / Deposits	64.5%	73.9%		66.6%	

4. Deposits & Other Interest-Bearing Liabilities.

	Q4'03	Q4'02	(average volume, dollars in tho		
			Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03
1. Total Deposits	\$3,542,433	\$3,319,086	6.7%	\$3,500,911	1.2%
2. Noninterest Demand	1,243,860	1,134,279	9.7%	1,203,378	3.4%
3. Interest-Bearing Transaction	569,965	549,624	3.7%	531,174	7.3%
4. Savings	1,085,299	988,337	9.8%	1,034,480	4.9%
5. Other Time >\$100K	348,405	320,552	8.7%	394,282	-11.6%
6. Other Time <\$100K	294,904	326,294	-9.6%	337,597	-12.6%
7. Total Short-Term Borrowings	418,896	263,061	59.2%	363,394	15.3%
8. Fed Funds Purchased	270,515	82,314	228.6%	214,333	26.2%
9. Other Short-Term Funds	148,381	180,747	-17.9%	149,061	-0.5%
10.FHLB Debt	105,000	170,000	-38.2%	124,086	-15.4%
11.Long-Term Debt	19,804	24,607	-19.5%	21,262	-6.9%
12.Shareholders' Equity	328,209	315,632	4.0%	326,529	0.5%
13.Demand Deposits / Total Deposits	35.1%	34.2%		34.4%	
14.Transaction & Savings Deposits / Total Deposits	81.8%	80.5%		79.1%	

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5. Interest Yields Earned & Rates Paid.

	(dollars in thousands)				
	Q4'03		Q3'03		
	Average Volume	Income/ Expense	Yield/ Rate	Yield/ Rate	Average Volume
1. Interest Income Earned to:					
2. Total Earning Assets (FTE)	\$4,149,994	\$60,521	5.81%	5.92%	4,033,964
3. Total Loans (FTE)	2,285,717	36,760	6.39%	6.61%	2,354,270
4. Commercial Loans (FTE)	1,443,303	25,349	7.17%	7.40%	1,505,787
5. Consumer Loans	842,414	11,411	5.39%	5.60%	848,483
6. Total Investment Securities (FTE)	1,864,277	23,761	5.10%	5.00%	1,679,694
7. Interest Expense Paid to:					
8. Total Earning Assets	4,149,994	5,763	0.55%	0.61%	4,033,964
9. Total Interest-Bearing Liabilities	2,842,273	5,763	0.80%	0.89%	2,798,180
10. Total Interest-Bearing Deposits	2,298,573	3,622	0.62%	0.69%	2,256,324
11. Interest-Bearing Transaction	569,965	129	0.09%	0.10%	563,022
12. Savings	1,085,299	1,381	0.59%	0.55%	1,015,699
13. Other Time <\$100K	294,904	1,087	1.46%	1.56%	307,054
14. Other Time >\$100K	348,405	1,025	1.16%	1.21%	370,549
15. Total Short-Term Borrowings	418,896	856	0.80%	0.81%	378,362
16. Fed Funds Purchased	270,515	686	0.99%	1.01%	222,225
17. Other Short-Term Funds	148,381	170	0.45%	0.51%	156,137
18. FHLB Debt	105,000	979	3.70%	3.72%	142,272
19. Long-Term Debt	19,804	306	6.20%	7.24%	21,222
20. Net Interest Income and Margin (FTE)		\$54,758	5.26%	5.31%	

6. Noninterest Income.

	(dollars in thousands)				
	Q4'03	Q4'02	Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03
1. Service Charges on Deposit Accounts	\$6,572	\$6,184	6.3%	\$6,735	-2.4%
2. Merchant Credit Card Income	864	891	-3.0%	993	-13.0%
3. ATM Fees & Interchange	573	576	-0.5%	644	-11.0%
4. Debit Card Fees	512	542	-5.5%	556	-7.9%
5. Financial Services Fees	227	267	-15.0%	249	-8.8%
6. Mortgage Banking Income	139	278	-50.0%	185	-24.9%
7. Trust Fees	235	246	-4.5%	245	-4.1%
8. Other Income	1,371	1,230	11.5%	1,422	-3.6%
9. Sub-total	10,493	10,214	2.7%	11,029	-4.9%

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10. Investment Securities Gains (Impairment)	0	0	n/m	2,150	n/m
11. FHLB Advance Prepayment Fees	0	0	n/m	(2,166)	n/m
12. Total Noninterest Income	\$10,493	\$10,214	2.7%	\$11,013	-4.7%
13. Operating Ratios:					
14. Total Revenue (FTE)	\$65,251	\$65,199	0.1%	\$65,277	-0.0%
15. Noninterest Income / Revenue (FTE)	16.1%	15.7%		16.9%	
16. Service Charges / Deposits (annualized)	0.74%	0.74%		0.76%	
17. Total Revenue Per Share (annualized)	\$7.96	\$7.72	3.1%	\$7.99	-0.4%

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7. Noninterest Expense.

	(dollars in thousands)				
	Q4'03	Q4'02	Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03
1. Salaries & Benefits	\$13,183	\$13,373	-1.4%	\$13,495	-2.3%
2. Occupancy	3,037	3,068	-1.0%	3,076	-1.3%
3. Equipment	1,290	1,534	-15.9%	1,319	-2.2%
4. Data Processing	1,523	1,535	-0.8%	1,520	0.2%
5. Courier	900	929	-3.1%	941	-4.4%
6. Postage	422	402	5.0%	381	10.8%
7. Telephone	530	442	19.9%	519	2.1%
8. Professional Fees	486	454	7.0%	529	-8.1%
9. Stationery & Supplies	344	382	-9.9%	331	3.9%
10. Loan Expense	326	323	0.9%	339	-3.8%
11. Merchant Card Expense	207	352	-41.2%	317	-34.7%
12. Operational Losses	297	284	4.6%	237	25.3%
13. Amortization of Core Deposit Intangibles	165	301	-45.2%	165	0.0%
14. Other Operating	2,448	2,377	3.0%	2,365	3.5%
15. Total Noninterest Expense	\$25,158	\$25,756	-2.3%	\$25,534	-1.5%
16. Full Time Equivalent Staff	1,007	1,062	-5.2%	1,016	-0.9%
17. Average Assets / Full Time Equivalent Staff	\$4,420	\$3,887	13.7%	\$4,304	2.7%
18. Operating Ratios:					
19. FTE Revenue / Full Time Equivalent Staff (annualized)	\$257	\$244	5.5%	\$255	0.9%
20. Noninterest Expense / Earning Assets (annualized)	2.41%	2.67%		2.49%	
21. Noninterest Expense / Revenues	38.6%	39.5%		39.1%	

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8. Loan Loss Provision.

	(dollars in thousands)					
	Q4'03	Q4'02	Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03	12/31/03 / 12/31/02
1. Loan Loss Provision	\$750	\$900	-16.7%	\$750	0.0%	
2. Gross Loan Losses	1,542	1,593	-3.2%	1,422	8.4%	
3. Net Loan Losses	1,020	1,120	-8.9%	729	39.9%	
4. Recoveries/Gross Losses	34%	30%		49%		
5. Average Total Loans	\$2,285,717	\$2,451,940	-6.8%	\$2,331,855	-2.0%	\$2,331,855
6. Net Loan Losses / Loans (annualized)	0.18%	0.18%		0.12%		
7. Loan Loss Provision / Loans (annualized)	0.13%	0.15%		0.13%		
8. Loan Loss Provision / Net Loan Losses	73.5%	80.4%		102.9%		

9. Credit Quality.

	(dollars in thousands)					
	12/31/03	12/31/02	12/31/03 / 12/31/02	9/30/03	12/31/03 / 9/30/03	12/31/03 / 12/31/02
1. Nonperforming Nonaccrual Loans	\$5,759	\$5,717	0.7%	\$5,484	5.0%	
2. Performing Nonaccrual Loans	1,658	3,464	-52.1%	2,145	-22.7%	
3. Total Nonaccrual Loans	7,417	9,181	-19.2%	7,629	-2.8%	
4. Accruing Loans 90+ Days Past Due	199	738	-73.0%	272	-26.8%	
5. Total Nonperforming Loans	7,616	9,919	-23.2%	7,901	-3.6%	
6. Repossessed Collateral	90	381	-76.4%	742		
7. Total Nonperforming Loans & 8. Repossessed Collateral	\$7,706	\$10,300	-25.2%	\$8,643	-10.8%	
9. Classified Loans	\$23,460	\$34,001	-31.0%	\$23,479	-0.1%	
10. Allowance for Loan Losses	\$53,910	\$54,227	-0.6%	\$54,180	-0.5%	
11. Total Loans Outstanding	2,323,330	2,494,638	-6.9%	2,364,418	-1.7%	2,364,418
12. Total Assets	4,576,385	4,224,867	8.3%	4,482,793	2.1%	4,482,793
13. Allowance for Loan Losses / Total Loans	2.32%	2.17%		2.29%		
14. Nonperforming Loans / Total Loans	0.33%	0.40%		0.33%		

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Total Loans			
15.Nonperforming Loans & Repossessed Assets / Total Assets	0.17%	0.24%	0.19%
16.Allowance/Nonperforming Loans	708%	547%	686%
17.Allowance for Loan Losses / Classified Loans	230%	159%	231%
18.Classified Loans / (Equity + Allowance for Loan Losses)	6.0%	8.6%	5.8%

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10.Capital.

(dollars in thousands, except per-share amounts)

	12/31/03	12/31/02	12/31/03 / 12/31/02	9/30/03	12/31/03 / 9/30/03
1. Shareholders' Equity	\$340,371	\$341,499	-0.3%	\$350,922	-3.0%
2. Tier I Regulatory Capital	304,734	300,159	1.5%	312,308	-2.4%
3. Total Regulatory Capital	357,627	339,115	5.5%	350,380	2.1%
4. Total Assets	4,576,385	4,224,867	8.3%	4,482,793	2.1%
5. Risk-Adjusted Assets	3,007,545	3,091,081	-2.7%	3,018,061	-0.3%
6. Shareholders' Equity / Total Assets	7.44%	8.08%	-8.0%	7.83%	-5.0%
7. Shareholders' Equity / Total Loans	14.65%	13.69%	7.0%	14.84%	-1.3%
8. Tier I Capital / Total Assets	6.66%	7.10%	-6.3%	6.97%	-4.4%
9. Tier I Capital / Risk-Adjusted Assets	10.13%	9.71%	4.3%	10.35%	-2.1%
10.Total Capital / Risk-Adjusted Assets	11.89%	10.97%	8.4%	11.61%	2.4%
11.Shares Outstanding	32,287	33,411	-3.4%	32,723	-1.3%
12.Book Value Per Share (\$)	\$10.54	\$10.22	3.1%	\$10.72	-1.7%
13.Market Value Per Share (\$)	49.78	40.18	23.9%	44.48	11.9%
14.Share Repurchase Programs					

(shares in thousands)

	Q4'03	Q4'02	Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03
15.Total Shares Repurchased / Canceled	530	248	113.7%	354	49.7%
16. Average Repurchase Price	\$50.80	\$40.92	24.1%	\$44.43	14.3%
17.Net Shares Repurchased (Issued)	436	191	128.3%	214	103.7%

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11. Period-End Balance Sheets.

	(dollars in thousands)				
	12/31/03	12/31/02	12/31/03 / 12/31/02	12/31/03 / 9/30/03	12/31/03 / 9/30/03
1. Assets:					
2. Cash and Money Market Assets	\$190,162	\$223,210	-14.8%	\$189,902	0.1%
3. Investment Securities Available For Sale	1,413,911	947,848	49.2%	1,245,311	13.5%
4. Investment Securities Held to Maturity	535,377	438,985	22.0%	569,996	-6.1%
5. Loans, gross	2,323,330	2,494,638	-6.9%	2,364,418	-1.7%
6. Allowance For Loan Losses	(53,910)	(54,227)	-0.6%	(54,180)	-0.5%
7. Loans, net	2,269,420	2,440,411	-7.0%	2,310,238	-1.8%
9. Premises and Equipment	35,748	37,396	-4.4%	35,566	0.5%
10. Core Deposit Intangible Assets	3,438	4,180	-17.8%	3,602	-4.6%
11. Goodwill	18,996	18,996	0.0%	18,996	0.0%
12. Interest Receivable and Other Assets	109,333	113,841	-4.0%	109,182	0.1%
13. Total Assets	\$4,576,385	\$4,224,867	8.3%	\$4,482,793	2.1%
14. Liabilities and Shareholders' Equity:					
15. Deposits:					
16. Noninterest Bearing	\$1,240,379	\$1,146,828	8.2%	\$1,213,577	2.2%
17. Interest-Bearing Transaction	561,696	559,875	0.3%	559,031	0.5%
18. Savings	1,058,082	952,319	11.1%	1,039,406	1.8%
19. Time	603,834	635,043	-4.9%	724,115	-16.6%
20. Total Deposits	3,463,991	3,294,065	5.2%	3,536,129	-2.0%
21. Short-Term Borrowed Funds	590,646	349,736	68.9%	433,348	36.3%
22. FHLB Debt	105,000	170,000	-38.2%	105,000	
24. Debt Financing and Notes Payable	24,643	24,607	0.1%	9,643	155.6%
25. Liability For Interest, Taxes and Other	51,734	44,960	15.1%	47,751	8.3%
26. Total Liabilities	4,236,014	3,883,368	9.1%	4,131,871	2.5%
27. Shareholders' Equity:					
28. Paid-In Capital	\$220,285	\$217,198	1.4%	\$220,527	-0.1%
29. Unrealized Gain on Investment					
30. Securities Available For Sale	13,191	19,152	-31.1%	16,004	-17.6%
31. Retained Earnings	106,895	105,149	1.7%	114,391	-6.6%
32. Total Shareholders' Equity	340,371	341,499	-0.3%	350,922	-3.0%
33. Total Liabilities and Shareholders' Equity	\$4,576,385	\$4,224,867	8.3%	\$4,482,793	2.1%

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12. Income Statements.

	(dollars in thousands, except per-share)					
	Q4'03	Q4'02	Q4'03 / Q4'02	Q3'03	Q4'03 / Q3'03	12
1. Interest and Fee Income:						
2. Loans	\$35,435	\$42,787	-17.2%	\$37,491	-5.5%	
3. Money Market Assets and Funds Sold	2	2	0.0%	2	0.0%	
4. Investment Securities Available For Sale	13,802	11,355	21.5%	12,215	13.0%	
5. Investment Securities Held to Maturity	5,572	4,908	13.5%	5,251	6.1%	
6. Total Interest Income	54,811	59,052	-7.2%	54,959	-0.3%	
7. Interest Expense:						
8. Transaction Deposits	129	318	-59.4%	145	-11.0%	
9. Savings Deposits	1,381	2,089	-33.9%	1,439	-4.0%	
10. Time Deposits	2,112	3,358	-37.1%	2,400	-12.0%	
11. Short-Term Borrowed Funds	856	716	19.6%	747	14.6%	
12. Federal Home Loan Bank Advances	979	1,610	-39.2%	1,172	-16.5%	
13. Debt Financing and Notes Payable	306	443	-30.9%	385	-20.5%	
14. Total Interest Expense	5,763	8,534	-32.5%	6,288	-8.3%	
15. Net Interest Income	49,048	50,518	-2.9%	48,671	0.8%	
16. Provision for Loan Losses	750	900	-16.7%	750	0.0%	
17. Noninterest Income:						
18. Service Charges on Deposit Accounts	6,572	6,184	6.3%	6,735	-2.4%	
19. Merchant Credit Card	864	891	-3.0%	993	-13.0%	
20. Financial Services Commissions	227	267	-15.0%	249	-8.8%	
21. Mortgage Banking	139	278	-50.0%	185	-24.9%	
22. Trust Fees	235	246	-4.5%	245	-4.1%	
23. Securities Gains (Impairment)	0	0	n/m	2,150	n/m	
24. FHLB Advance Prepayment Fees	0	0	n/m	(2,166)	n/m	
25. Other	2,456	2,348	4.6%	2,622	-6.3%	
26. Total Noninterest Income	10,493	10,214	2.7%	11,013	-4.7%	
27. Noninterest Expense:						
28. Salaries and Related Benefits	13,183	13,373	-1.4%	13,495	-2.3%	
29. Occupancy	3,037	3,068	-1.0%	3,076	-1.3%	
30. Equipment	1,290	1,534	-15.9%	1,319	-2.2%	
31. Data Processing	1,523	1,535	-0.8%	1,520	0.2%	

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32. Professional Fees	486	454	7.0%	529	-8.1%
33. Other	5,639	5,792	-2.6%	5,595	0.8%
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34.Total Noninterest Expense	25,158	25,756	-2.3%	25,534	-1.5%
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35.Income Before Income Taxes	33,633	34,076	-1.3%	33,400	0.7%
36.Provision for income taxes	9,325	10,820	-13.8%	9,327	-0.0%
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37.Net Income	\$24,308	\$23,256	4.5%	\$24,073	1.0%
	=====			=====	
38.Average Shares Outstanding	32,523	33,495	-2.9%	32,770	-0.8%
39.Diluted Average Shares Outstanding	33,154	33,978	-2.4%	33,273	-0.4%
40.Per Share Data:					
41. Basic Earnings	\$0.75	\$0.69	7.6%	\$0.73	2.7%
42. Diluted Earnings	0.73	0.68	7.1%	0.72	1.4%
43. Dividends Paid	0.26	0.24	8.3%	0.26	0.0%