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WESTAMERICA BANCORPORATION

Form 8-K

July 18, 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):  
July 15, 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  
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99.1 Press release dated July 15, 2003

Item 9: Regulation FD Disclosure  
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(Furnished under Item 12)

This Current Report on Form 8-K is being furnished pursuant to Item 12, "Results of Operations and Financial Condition," in accordance with interim guidance promulgated by the Securities and Exchange Commission in Release No. 34-47583 that was issued March 27, 2003. See "Item 12: Results of Operations and Financial Condition" below.

Item 12: Results of Operations and Financial Condition  
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On July 15, 2003 Westamerica Bancorporation announced their quarterly earnings for the second 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

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Exhibit No.	Description	Sequentially Number Page
-----	-----	-----
(99.1)	Press release dated July 15, 2003	5-15

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EXHIBIT 99.1

FOR IMMEDIATE RELEASE

July 15, 2003

WESTAMERICA BANCORPORATION REPORTS RECORD \$23.7 MILLION

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### QUARTERLY EARNINGS

San Rafael, CA: Westamerica Bancorporation (NASDAQ: WABC), parent company of Westamerica Bank, today reported net income for the second quarter of 2003 of \$23.7 million, or \$0.71 diluted earnings per share, compared to net income of \$23.0 million, or \$0.69 diluted earnings per share, for the prior quarter. Return on assets was 2.21 percent and return on equity was 29.3 percent for the second quarter of 2003. Net income for the second quarter of 2002 was \$19.3 million, or \$0.57 diluted earnings per share. Second quarter 2002 results included \$240 thousand after-tax merger expenses related to the acquisition of Kerman State Bank and a \$2.5 million after-tax securities impairment charge; the after-tax merger expenses and securities impairment charge reduced second quarter 2002 diluted earnings per share by \$0.07.

"Our credit quality remains superior with net annualized charge-offs to average loans of only 0.15 percent during the second quarter, and the June 30 allowance for loan losses was \$54.2 million, or 2.25 percent of total loans. At quarter-end, total nonperforming assets were \$9.1 million," said Chairman, President and CEO David Payne. "Increasing fee income, expense control, and a 0.74 percent cost of funds supported our record level of profitability in the second quarter of 2003," Payne added.

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Net interest income on a taxable equivalent basis increased 2.3 percent to \$54.3 million for the second quarter of 2003, compared to \$53.1 million for the second quarter of 2002. The second quarter 2003 net interest margin on a taxable equivalent basis was 5.43 percent, compared with 5.82 percent for the second quarter of 2002. The reduced net interest margin primarily resulted from earning asset yields declining at a more rapid pace than the cost of funds.

The provision for loan losses was \$900 thousand for the second quarter of 2003 unchanged from the prior quarter and second quarter of 2002. Net charge-offs for the second quarter of 2003 totaled \$895 thousand, or 0.15 percent (annualized) of average loans compared to 0.16 percent and 0.13 percent (annualized) of average loans for the prior quarter and second quarter of 2002, respectively. At June 30, 2003, the allowance for loan losses was \$54.2 million, or 2.25 percent of total loans compared to \$54.3 million, or 2.17 percent of total loans at June 30, 2002.

Noninterest income for the second quarter of 2003 was \$11.0 million, compared to

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\$10.4 million for the previous quarter. The increase is attributable to investment securities gains of \$277 thousand and increased service charges on deposit accounts, mortgage banking income, and debit card fees offset in part by lower other income.

Noninterest expense for the second quarter of 2003 totaled \$25.5 million, essentially unchanged from \$25.5 million for the prior quarter, and down 1.7 percent from \$25.9 million for the second quarter of 2002. Comparing the second quarter of 2003 to the prior quarter, lower personnel costs and core deposit intangible amortization offset increased loan related costs and other expenses. Second quarter 2002 noninterest expense included \$400 thousand in costs associated with the Kerman State Bank acquisition. The second quarter 2003 efficiency ratio was 39.0 percent, compared to 39.6 percent for the prior quarter and 43.9 percent for the second quarter of 2002.

Non-performing loans and repossessed loan collateral at June 30, 2003 totaled \$9.1 million, down from \$9.3 million at March 31, 2003 and \$10.9 million at June 30, 2002.

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Shareholders' equity at June 30, 2003 was \$357 million, up 6.0 percent from \$337 million at March 31, 2003. The increase is primarily due to retained earnings of \$16 million and appreciation in the available for sale investment portfolio of \$5 million. Net issuance of the Company's common stock in the second quarter of 2003 totaled approximately 30 thousand shares. The Company's equity-to-asset ratio was 7.8 percent at June 30, 2003 compared to 7.9 percent at June 30, 2002.

Westamerica Bancorporation, through its wholly owned subsidiary Westamerica Bank, operates 88 branches throughout 22 Northern and Central California counties. At June 30, 2003, the Company's total assets and total loans outstanding were \$4.6 billion and \$2.4 billion, respectively.

Westamerica Bancorporation Web Address: [www.westamerica.com](http://www.westamerica.com)

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,

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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 March 31, 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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WESTAMERICA BANCORPORATION  
FINANCIAL HIGHLIGHTS  
June 30, 2003

Public Information July 15, 2003

### 1. Net Income Summary.

	Q2'03	Q2'02	(dollars in thousands except per-	Q2'03 /	Q2'03 /	6/
			Q2'03 /	Q2'02	Q1'03	Q1'03
			Q2'02	Q1'03	Q1'03	6/
1. Net Interest Income (FTE)	\$54,324	\$53,096	2.3%	\$54,062	0.5%	
2. Loan Loss Provision	900	900	0.0%	900	0.0%	
3. Noninterest Income:						
4. Investment Securities						
Gains (Impairment)	277	(4,260)	n/m	16	n/m	
5. Other	10,759	10,144	6.1%	10,359	3.9%	
6. Total Noninterest Income	11,036	5,884	87.6%	10,375	6.4%	
7. Noninterest Expense	25,476	25,909	-1.7%	25,535	-0.2%	
8. Income Tax Provision (FTE)	15,313	12,824	19.4%	14,990	2.2%	
9. Net Income	\$23,671	\$19,347	22.3%	\$23,012	2.9%	
10. Average Shares Outstanding	33,000	33,565	-1.7%	33,110	-0.3%	

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11. Diluted Average Shares Outstanding	33,492	34,180	-2.0%	33,565	-0.2%
12. Operating Ratios:					
13. Basic Earnings Per Share	\$0.72	\$0.58	24.4%	\$0.70	3.2%
14. Diluted Earnings Per Share	0.71	0.57	24.9%	0.69	3.1%
15. Return On Assets	2.21%	1.97%		2.22%	
16. Return On Equity	29.3%	26.7%		29.6%	
17. Net Interest Margin	5.43%	5.82%		5.58%	
18. Efficiency Ratio	39.0%	43.9%		39.6%	
19. Dividends Paid Per Share	\$0.24	\$0.22	9.1%	\$0.24	0.0%
20. Dividend Payout Ratio	34%	39%		35%	

2. Net Interest Income.

	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
1. Interest and Fee Income (FTE)	\$61,733	\$63,325	-2.5%	\$61,799	-0.1%	
2. Interest Expense	7,409	10,229	-27.6%	7,737	-4.2%	
3. Net Interest Income (FTE)	\$54,324	\$53,096	2.3%	\$54,062	0.5%	
4. Average Earning Assets	\$4,007,049	\$3,659,033	9.5%	\$3,906,020	2.6%	\$
5. Average Interest-Bearing Liabilities	2,813,895	2,558,175	10.0%	2,730,272	3.1%	
6. Yield on Earning Assets	6.17%	6.94%		6.38%		
7. Cost of Funds	0.74%	1.12%		0.80%		
8. Net Interest Margin	5.43%	5.82%		5.58%		
9. Interest Expense/Interest-Bearing Liabilities	1.05%	1.60%		1.14%		
10. Net Interest Spread	5.12%	5.34%		5.24%		

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3. Loans & Other Earning Assets.



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	(average volume, dollars in millions)					
	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
1. Total Assets	\$4,304,387	\$3,933,274	9.4%	\$4,201,864	2.4%	
2. Total Earning Assets	4,007,049	3,659,033	9.5%	3,906,020	2.6%	
3. Total Loans	2,375,491	2,448,546	-3.0%	2,424,017	-2.0%	
4. Commercial Loans	1,528,879	1,631,388	-6.3%	1,567,405	-2.5%	
5. Consumer Loans	846,612	817,158	3.6%	856,612	-1.2%	
6. Total Investment Securities	1,631,558	1,210,487	34.8%	1,482,003	10.1%	
7. Available For Sale (Market Value)	1,084,918	973,544	11.4%	986,413	10.0%	
8. Held To Maturity	546,640	236,943	130.7%	495,590	10.3%	
9. HTM Unrealized Gain at Period-End	11,253	8,201	37.2%	10,954	2.7%	
10.Loans/Deposits	70.5%	75.9%		73.3%		
11.Loans/Earning Assets	59.3%	66.9%		62.1%		

4. Deposits & Other Interest-Bearing Liabilities.

	(average volume, dollars in millions)					
	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
1. Total Deposits	\$3,370,433	\$3,226,951	4.4%	\$3,306,929	1.9%	\$
2. Noninterest Demand	1,130,608	1,052,251	7.4%	1,117,566	1.2%	
3. Interest-Bearing Transaction	559,459	531,942	5.2%	557,227	0.4%	
4. Savings	977,704	936,462	4.4%	965,313	1.3%	
5. Other Time >\$100K	390,730	369,762	5.7%	348,780	12.0%	
6. Other Time <\$100K	311,932	336,534	-7.3%	318,043	-1.9%	
7. Total Short-Term Borrowings	382,677	227,098	68.5%	348,479	9.8%	
8. Fed Funds Purchased	228,499	55,789	309.6%	175,553	30.2%	
9. Other Short-Term Funds	154,178	171,309	-10.0%	172,926	-10.8%	
10.FHLB Debt	170,000	131,770	29.0%	170,000	0.0%	
11.Long-Term Debt	21,393	24,607	-13.1%	22,430	-4.6%	
12.Shareholders' Equity	324,350	290,960	11.5%	315,132	2.9%	
13.Demand Deposits/Total Deposit	33.5%	32.6%		33.8%		
14.Low-Cost Deposits/ Total Deposits	79.2%	78.1%		79.8%		

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

	Q2'03			(dollars in thousand)	
	Average Volume	Income/ Expense	Yield/ Rate	Q1'03 Yield/ Rate	Average Volume
1. Interest Income Earned to:					
2. Total Earning Assets (FTE)	\$4,007,049	\$61,733	6.17%	6.38%	\$3,659,033
3. Total Loans (FTE)	2,375,491	40,665	6.86%	6.97%	2,448,546
4. Commercial Loans (FTE)	1,528,879	28,211	7.65%	7.54%	1,631,388
5. Consumer Loans	846,612	12,454	5.92%	6.18%	817,158
6. Total Investment Securities (FTE)	1,631,558	21,068	5.16%	5.42%	1,210,487
7. Interest Expense Paid to:					
8. Total Earning Assets	4,007,049	7,409	0.74%	0.80%	3,659,033
9. Total Interest-Bearing Liabilities	2,813,895	7,409	1.05%	1.14%	2,558,175
10. Total Interest-Bearing Deposits	2,239,825	4,470	0.80%	0.91%	2,174,700
11. Interest-Bearing Transaction	559,459	211	0.15%	0.18%	531,942
12. Savings	977,704	1,562	0.75%	0.83%	936,462
13. Other Time <\$100K	390,730	1,343	1.73%	1.95%	369,762
14. Other Time >\$100K	311,932	1,354	1.38%	1.66%	336,534
15. Total Short-Term Borrowings	382,677	962	1.00%	0.98%	227,098
16. Fed Funds Purchased	228,499	716	1.24%	1.25%	55,789
17. Other Short-Term Funds	154,178	246	0.64%	0.71%	171,309
18. FHLB Debt	170,000	1,592	3.72%	3.72%	131,770
19. Long-Term Debt	21,393	385	7.18%	7.18%	24,607
20. Net Interest Income and Margin (FTE)		\$54,324	5.43%	5.58%	

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6. Noninterest Income.

	(dollars in thousand)					
	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
1. Service Charges on Deposit						
Accounts	\$6,648	\$5,967	11.4%	\$6,425	3.5%	
2. Merchant Credit Card Income	900	963	-6.5%	862	4.4%	
3. ATM Fees & Interchange	601	617	-2.6%	560	7.3%	
4. Debit Card Fees	563	461	22.1%	494	14.0%	
5. Financial Services Fees	210	425	-50.6%	207	1.4%	
6. Mortgage Banking Income	301	217	38.7%	226	33.2%	
7. Trust Fees	277	243	14.0%	238	16.4%	
8. Other Income	1,259	1,251	0.6%	1,347	-6.5%	
9. Sub-total	10,759	10,144	6.1%	10,359	3.9%	
10. Investment Securities						
Gains (Impairment)	277	(4,260)	n/m	16	n/m	
11. Total Noninterest Income	\$11,036	\$5,884	87.6%	\$10,375	6.4%	
12. Operating Ratios:						
13. Total Revenue	\$65,360	\$58,980	10.8%	\$64,437	1.4%	
14. Noninterest Income/Revenue	16.9%	10.0%		16.1%		
15. Service Charges/Deposits (annualized)	0.79%	0.74%		0.79%		
16. Total Revenue Per Share (annualized)	\$7.94	\$7.05	12.7%	\$7.89	0.7%	

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7. Noninterest Expense.

	(dollars in thousand)					
	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
1. Salaries & Benefits	\$13,598	\$14,281	-4.8%	\$13,698	-0.7%	
2. Occupancy	3,044	2,898	5.0%	2,995	1.6%	
3. Equipment	1,381	1,425	-3.1%	1,374	0.5%	
4. Data Processing	1,518	1,516	0.1%	1,559	-2.6%	
5. Courier	926	916	1.1%	929	-0.3%	
6. Postage	401	397	1.0%	420	-4.5%	
7. Telephone	423	421	0.5%	425	-0.5%	
8. Professional Fees	457	443	3.2%	413	10.7%	
9. Stationery & Supplies	308	373	-17.4%	318	-3.1%	

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10.Loan Expense	380	360	5.6%	276	37.7%
11.Merchant Card Expense	316	347	-8.9%	342	-7.6%
12.Operational Losses	228	191	19.4%	173	31.8%
13.Amortization of Core Deposit Intangibles	165	201	-17.9%	249	-33.7%
14.Other Operating	2,331	2,140	8.9%	2,364	-1.4%
	-----	-----		-----	-----
15.Total Noninterest Expense	\$25,476	\$25,909	-1.7%	\$25,535	-0.2%
	=====	=====		=====	=====
16.FTE Staff	1,033	1,078	-4.2%	1,047	-1.3%
17.Average Assets per FTE Staff	\$4,167	\$3,649	14.2%	\$4,013	3.8%
18.Operating Ratios:					
19. Revenue per FTE Staff (annualized)	\$254	\$219	15.6%	\$250	1.7%
20. Noninterest Expense/Earning Assets	2.55%	2.84%		2.65%	
21. Noninterest Expense/Revenue	39.0%	43.9%		39.6%	

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### 8. Loan Loss Provision.

	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
						(dollars in thousand)
1. Loan Loss Provision	\$900	\$900	0.0%	\$900	0.0%	
2. Gross Loan Losses	1,841	1,353	36.1%	2,028	-9.2%	
3. Net Loan Losses	895	773	15.8%	973	-8.0%	
4. Recoveries/Gross Losses	51%	43%		52%		
5. Average Total Loans	\$2,375,491	\$2,448,546	-3.0%	\$2,424,017	-2.0%	\$
6. Net Loan Losses/Loans (annualized)	0.15%	0.13%		0.16%		
7. Loan Loss Provision/Loans (annualized)	0.15%	0.15%		0.15%		
8. Loan Loss Provision/Net Loan Losses	100.6%	116.4%		92.5%		

### 9. Credit Quality.

	6/30/03	6/30/02	6/30/03/ 6/30/02	3/31/03	6/30/03/ 3/31/03	1
						(dollars in thousand)
1. Nonperforming Nonaccrual Loans	\$5,484	\$6,980	-21.4%	\$6,402	-14.3%	
2. Performing Nonaccrual Loans	1,353	3,279	-58.7%	2,471	-45.2%	
3. Total Nonaccrual Loans	6,837	10,259	-33.4%	8,873	-22.9%	
4. Accruing Loans 90+ Days Past Due	386	189	104.2%	320	20.6%	
5. Total Nonperforming Loans	7,223	10,448	-30.9%	9,193	-21.4%	
6. Repossessed Collateral	1,888	473	299.2%	88	n	
7. Total Nonperforming Loans & 8. Repossessed Collateral	\$9,111	\$10,921	-16.6%	\$9,281	-1.8%	
9. Classified Loans	\$27,324	\$30,029	-9.0%	\$32,505	-15.9%	
10. Allowance for Loan Losses	\$54,159	\$54,324	-0.3%	\$54,154	0.0%	
11. Total Loans Outstanding	2,406,889	2,507,968	-4.0%	2,456,161	-2.0%	
12. Total Assets	4,564,692	4,072,502	12.1%	4,386,455	4.1%	
13. Allowance for Loan Losses/Total Loans	2.25%	2.17%		2.20%		
14. Nonperforming Loans/Total Loans	0.30%	0.42%		0.37%		

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15. Nonperforming Loans &			
16. Repossessed Assets/Total Assets	0.20%	0.27%	0.21%
17. Allowance/Nonperforming Loans	750%	520%	589%
18. Allowance for Loan Losses/ Classified Loans	198%	181%	167%
19. Classified Loans/ 20. (Equity + Allowance for Loan Losses)	6.6%	8.0%	8.3%

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June 30, 2003

10. Capital.

	(dollars in thousands, except per-sh					
	6/30/03	6/30/02	6/30/03/ 6/30/02	3/31/03	6/30/03/ 3/31/03	1
1. Shareholders' Equity	\$357,311	\$320,373	11.5%	\$336,946	6.0%	\$
2. Tier I Regulatory Capital	308,534	285,068	8.2%	294,297	4.8%	
3. Total Regulatory Capital	347,219	326,050	6.5%	333,545	4.1%	
4. Total Assets	4,564,692	4,072,502	12.1%	4,386,455	4.1%	4,
5. Risk-Adjusted Assets	3,067,976	3,062,007	0.2%	3,114,609	-1.5%	3,
6. Shareholders' Equity/Total Assets	7.83%	7.87%	-0.5%	7.68%	1.9%	
7. Shareholders' Equity/Total Loans	14.85%	12.77%	16.2%	13.72%	8.2%	
8. Tier I Capital/Total Assets	6.76%	7.00%	-3.4%	6.71%	0.7%	
9. Tier I Capital/Risk-Adjusted Assets	10.06%	9.31%	8.0%	9.45%	6.4%	
10. Total Capital/Risk-Adjusted Assets	11.32%	10.65%	6.3%	10.71%	5.7%	
11. Shares Outstanding	32,937	33,753	-2.4%	32,907	0.1%	
12. Book Value Per Share (\$)	\$10.85	\$9.49	14.3%	\$10.24	5.9%	
13. Market Value Per Share (\$)	43.08	39.18	10.0%	39.49	9.1%	
14. Share Repurchase Programs						
	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
15. Total Shares Repurchased/Canceled	118	547	-78.4%	568	-79.2%	
16. Average Repurchase Price	\$43.35	\$43.12	0.5%	\$40.34	7.5%	
17. Net Shares Repurchased/(Issued)	(30)	78	-138.9%	504	-106.0%	

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 June 30, 2003

11. Period-End Balance Sheets.

	6/30/03	6/30/02	6/30/03/ 6/30/02	(dollars in thousands) 3/31/03	6/30/03/ 3/31/03	1
1. Assets:						
2. Cash and Money Market Assets	\$202,193	\$184,222	9.8%	\$186,914	8.2%	\$

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3.	Investment Securities						
	Available For Sale	1,251,341	986,392	26.9%	1,048,386	19.4%	
4.	Investment Securities						
	Held to Maturity	588,231	279,640	110.4%	520,896	12.9%	
5.	Loans, gross	2,406,889	2,507,968	-4.0%	2,456,161	-2.0%	2,
6.	Allowance For Loan Losses	(54,159)	(54,324)	-0.3%	(54,154)	0.0%	
7.	Loans, net	2,352,730	2,453,644	-4.1%	2,402,007	-2.1%	2,
9.	Premises and Equipment	36,408	39,551	-7.9%	36,631	-0.6%	
10.	Core Deposit Intangible Assets	3,800	4,782	-20.5%	3,931	-3.3%	
11.	Goodwill	17,996	17,996	0.0%	17,996	0.0%	
12.	Interest Receivable and Other Assets	111,993	106,275	5.4%	169,694	-34.0%	
13.	Total Assets	\$4,564,692	\$4,072,502	12.1%	\$4,386,455	4.1%	\$4,
14.	Liabilities and Shareholders' Equity:						
15.	Deposits:						
16.	Noninterest Bearing	\$1,184,847	\$1,081,967	9.5%	\$1,129,455	4.9%	\$1,
17.	Interest-Bearing Transaction	554,568	528,226	5.0%	553,105	0.3%	
18.	Savings	962,267	979,289	-1.7%	980,291	-1.8%	
19.	Time	751,949	725,958	3.6%	667,237	12.7%	
20.	Total Deposits	3,453,631	3,315,440	4.2%	3,330,088	3.7%	3,
21.	Short-Term Borrowed Funds	393,287	228,635	72.0%	416,219	-5.5%	
22.	FHLB Debt	170,000	140,000	21.4%	170,000		
24.	Debt Financing and Notes Payable	21,393	24,607	-13.1%	21,393	0.0%	
25.	Liability For Interest, Taxes, and Other	169,070	43,447	289.1%	111,809	51.2%	
26.	Total Liabilities	4,207,381	3,752,129	12.1%	4,049,509	3.9%	3,
27.	Shareholders' Equity:						
28.	Paid-In Capital	\$219,060	\$226,551	-3.3%	\$215,291	1.8%	\$
29.	Unrealized Gain on Investment						
30.	Securities Available For Sale	26,001	14,184	83.3%	20,710	25.5%	
31.	Retained Earnings	112,250	79,638	41.0%	100,945	11.2%	
32.	Total Shareholders' Equity	357,311	320,373	11.5%	336,946	6.0%	
32.	Total Liabilities and Shareholders' Equity	\$4,564,692	\$4,072,502	12.1%	\$4,386,455	4.1%	\$4,



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FINANCIAL HIGHLIGHTS  
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12. Income Statements.

	((dollars in thousands, except per-share amounts))					
	Q2'03	Q2'02	Q2'03 / Q2'02	Q1'03	Q2'03 / Q1'03	6/
1. Interest and Fee Income:						
2. Loans	\$39,419	\$43,912	-10.2%	\$40,413	-2.5%	
3. Money Market Assets and Funds Sold	2	4	-50.0%	3	-33.3%	
4. Investment Securities Available for Sale	12,108	12,043	0.5%	11,474	5.5%	
5. Investment Securities Held to Maturity	5,070	3,128	62.1%	5,235	-3.2%	
6. Total Interest Income	56,599	59,087	-4.2%	57,125	-0.9%	
7. Interest Expense:						
8. Transaction Deposits	211	413	-48.9%	242	-12.8%	
9. Savings Deposits	1,562	2,817	-44.6%	1,708	-8.5%	
10. Time Deposits	2,697	4,415	-38.9%	2,957	-8.8%	
11. Short-Term Borrowed Funds	962	895	7.5%	851	13.0%	
12. Federal Home Loan Bank Advances	1592	1247	27.7%	1,575	1.1%	
13. Debt Financing and Notes Payable	385	442	-12.9%	404	-4.7%	
14. Total Interest Expense	7,409	10,229	-27.6%	7,737	-4.2%	
15. Net Interest Income	49,190	48,858	0.7%	49,388	-0.4%	
16. Provision for Loan Losses	900	900	0.0%	900	0.0%	
17. Noninterest Income:						
18. Service Charges on Deposit Accounts	6,648	5,967	11.4%	6,425	3.5%	
19. Merchant Credit Card	900	963	-6.5%	862	4.4%	
20. Financial Services Commissions	210	425	-50.6%	207	1.4%	
21. Mortgage Banking	301	217	38.7%	226	33.2%	
22. Trust Fees	277	243	14.0%	238	16.4%	
23. Securities Gains (Impairment)	277	(4,260)	-106.5%	16	n/m	
24. Other	2,423	2,329	4.0%	2,401	0.9%	
25. Total Noninterest Income	11,036	5,884	87.6%	10,375	6.4%	
26. Noninterest Expense:						

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27. Salaries and Related Benefits	13,598	14,281	-4.8%	13,698	-0.7%
28. Occupancy	3,044	2,898	5.0%	2,995	1.6%
29. Equipment	1,381	1,425	-3.1%	1,374	0.5%
30. Data Processing	1,518	1,516	0.1%	1,559	-2.6%
31. Professional Fees	457	443	3.2%	413	10.7%
32. Other	5,478	5,346	2.5%	5,496	-0.3%
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33.Total Noninterest Expense	25,476	25,909	-1.7%	25,535	-0.2%
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34.Income Before Income Taxes	33,850	27,933	21.2%	33,328	1.6%
35.Provision for income taxes	10,179	8,586	18.6%	10,316	-1.3%
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36.Net Income	\$23,671	\$19,347	22.3%	\$23,012	2.9%
	=====	=====		=====	=====
37.Average Shares Outstanding	33,000	33,565	-1.7%	33,110	-0.3%
38.Diluted Average Shares Outstanding	33,492	34,180	-2.0%	33,565	-0.2%
39.Per Share Data:					
40. Basic Earnings	\$0.72	\$0.58	24.4%	\$0.70	2.9%
41. Diluted Earnings	0.71	0.57	24.9%	0.69	2.9%
42. Dividends Paid	0.24	0.22	9.1%	0.24	0.0%