(table dollar amounts in thousands, except share data)

NOTE 4

INVESTMENT SECURITIES

	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Available for sale at December 31, 2003				
U.S. Treasury	$ 1,498			$ 1,498
Federal agencies	38,290	$ 523	$ 52	38,761
State and municipal	118,794	6,932	86	125,640
Mortgage-backed securities	174,208	813	1,817	173,204
Corporate obligations	500	16		516
Marketable equity securities	9,237	4		9,241
Total available for sale	342,527	8,288	1,955	348,860
Held to maturity at December 31, 2003				
State and municipal	7,860	389		8,249
Mortgage-backed securities	77			77
Total held to maturity	7,937	389		8,326
Total investment securities	$350,464	$ 8,677	$ 1,955	$357,186
Available for sale at December 31, 2002				
U.S. Treasury	$ 125			$ 125
Federal agencies	27,630	$ 814	$ 8	28,436
State and municipal	135,715	5,787	178	141,324
Mortgage-backed securities	117,724	2,448	54	120,118
Other asset-backed securities	1,000			1,000
Corporate obligations	12,101	465		12,566
Marketable equity securities	29,452	20	116	29,356
Total available for sale	323,747	9,534	356	332,925
Held to maturity at December 31, 2002				
State and municipal	9,013	448		9,461
Mortgage-backed securities	124			124
Total held to maturity	9,137	448		9,585
Total investment securities	$332,884	$ 9,982	$ 356	$342,510

Certain investments in debt securities are reported in the financial statements at an amount less than their historical cost. The historical cost of these investments totaled $102,973,000 at December 31, 2003. Total fair value of these investments at December 31, 2003, was $101,018,000, which is approximately 28.3 percent of the Corporation's available-for-sale and held-to-maturity investment portfolio. These declines primarily resulted from recent increases in market interest rates and failure of certain investments to maintain consistent credit quality ratings (or meet projected earnings targets).

Based on evaluation of available evidence, including recent changes in market interest rates, credit rating information and information obtained from regulatory filings, management believes the declines in fair value for these securities are temporary.

Should the impairment of any of these securities become other-than-temporary, the cost basis of the investment will be reduced and the resulting loss recognized in net income in the period the other-than-temporary impairment is identified.