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CALIFORNIA INDEPENDENT BANCORP
Form 8-K
October 23, 2003

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 Report (Date of earliest event reported): October 22, 2003

CALIFORNIA INDEPENDENT BANCORP
(Exact Name of Registrant as Specified in Charter)

California (State or Other Jurisdiction of Incorporation)	0-26552 (Commission File Number)	68-0349947 (IRS Employer Identification No.)
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1227 Bridge St., Suite C Yuba City, CA (Address of Principal Executive Offices)	95991 (Zip Code)
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Registrant's telephone number, including area code: (530) 674-6000

N/A
(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements and Exhibits.

Exhibit No. -----	Exhibit Description -----
99.1	Press release announcing third quarter results

Item 12. Results of Operations and Financial Condition.

The purpose of this current report on Form 8-K is to disclose that California Independent Bancorp issued a press release on October 22, 2003 announcing its unaudited financial results for the nine-month period ended September 30, 2003.

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SIGNATURES

Pursuant to the requirements of 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.

CALIFORNIA INDEPENDENT BANCORP

Date: October 22, 2003

By: /s/ Kevin R. Watson

Name: Kevin R. Watson
Title: Chief Financial Officer/Corporate
Secretary (Principal Financial and
Accounting Officer)

October 22, 2003

FOR IMMEDIATE RELEASE

Contact: John I. Jelavich, President/CEO
(530) 674-6025

CALIFORNIA INDEPENDENT BANCORP ANNOUNCES THIRD QUARTER AND YEAR TO DATE RESULTS

Yuba City, California . . . California Independent Bancorp (NASDAQ: CIBN), the holding company for Feather River State Bank, today announced financial results for the third quarter ended September 30, 2003. Net income for the quarter was \$770,000 (after costs of its pending merger into Humboldt Bancorp discussed below), or \$0.35 diluted earnings per share compared to \$981,000, or \$0.44 diluted earnings per share, recorded for the third quarter last year. Total assets at September 30, 2003 were \$375.9 million, an increase of \$37.2 million, or 11.0%, over total assets of \$338.7 million at September 30, 2002.

On August 11, 2003, the Company entered into a definitive agreement to be merged with and into Humboldt Bancorp. The transaction is valued at approximately \$80.0 million and is expected to close in the first quarter of 2004. Costs expensed for this transaction during the third quarter were \$378,000, on a pre-tax basis.

For the nine months ended September 30, 2003, the Company reported net income of \$2,694,000 (after merger costs), an increase of \$155,000, or 6.1%, over net income of \$2,539,000, for the nine months ended September 30, 2002. Fully diluted earnings per share increased 7.9% to \$1.23 for 2003 compared to \$1.14 for 2002, due to the Company's repurchase of shares outstanding.

Total loans and leases at September 30, 2003 were \$204.4 million, a decrease of \$17.8 million, or 8.0%, from loans and leases of \$222.2 million at September 30, 2002. The decrease in loan totals is due primarily to the pre-payment of loans due to the unprecedented low rate environment, and the Bank's emphasis on credit quality with high underwriting standards. Securities increased \$28.3 million from a year ago and Fed Funds Sold increased \$17.5 million. The increase is due to the availability of excess funds from strong deposit growth. Total deposits were \$316.6 million at September 30, 2003, an increase of \$34.5 million, or 12.3%, from total deposits of \$282.0 million at September 30, 2002. Nonperforming loans were 1.4% of total loans and leases outstanding and net charge-offs year-to-date were 0.37% of average loans and leases outstanding. The allowance for loan and lease losses was \$5,975,000 at September 30, 2003, or 2.9% of total loans and leases outstanding.

Net interest income for the third quarter 2003 fell 8.8% to \$3,567,000 from \$3,911,000 recorded in the third quarter last year. The drop in net interest

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income was due to compression of the Bank's net interest margin, which was 4.18% for the current year's third quarter compared to 5.07% for the third quarter a year ago. "Our net interest margin continues to be well below historical levels, which is driven by our asset composition. Our deposit growth has been used to fund investment purchases rather than traditional loans. The difference between the yields of these two earning assets is placing downward pressure on our margin. However, our cost of funds continues to fall lower helping soften the impact of the lower asset yields," remarked Kevin Watson, Chief Financial Officer.

John Jelavich, President and CEO commented, "We are pleased with the results from the third quarter, particularly considering the merger announcement of August 11th. Deposits and total assets reached record levels, each achieving double-digit gains on a year-over-year comparison. We look forward to continuing our quality-growth focus during the fourth quarter in anticipation of the consummation of the merger. We believe the synergies the merger will bring to our customers, shareholders, and employees will prove to be very positive."

Feather River State Bank has nine branches in Yuba City, Marysville, Colusa, Arbuckle, Wheatland, Woodland, Lincoln, and Roseville, California serving Sutter, Yuba, Colusa, Yolo, and Placer counties.

Forward-looking statements - The Private Securities Litigation Reform Act of 1995:

Certain statements contained in this release are forward-looking statements that are subject to risk and uncertainty. Statements that are not historical or

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current facts, including statements about beliefs and expectations, are forward-looking statements. A number of factors -- many of which are beyond California Independent Bancorp's ("Company") control -- could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. No assurances can be given that the Bank will continue to improve its efficiencies of operations. The Company's reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2002, and Form 10-Q for the quarter ended June 30, 2003, 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2002, and Form 10-Q for the quarter ended June 30, 2003, include changes in business and economic conditions, competition, fiscal and monetary policies, and legislation. There are other factors besides these that could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements or otherwise affect in the future the Company's business, results of operations and financial condition. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update such statements in light of new information or future events.

The foregoing may be deemed to be solicitation materials of California Independent Bancorp in connection with Humboldt Bancorp's proposed acquisition of California Independent Bancorp, on the terms and subject to the conditions in the Agreement and Plan of Merger, dated August 11, 2003, between Humboldt Bancorp and California Independent Bancorp. This disclosure is being made in connection with Regulation of Takeovers and Security Holder Communications (Release Nos. 33-7760 and 34-42055) adopted by the Securities and Exchange Commission ("SEC"). California Independent Bancorp shareholders and other investors are urged to read the joint proxy statement/prospectus that is included in the registration statement on Form S-4, which Humboldt Bancorp filed (SEC File No. 333-109095) with the SEC in connection with the proposed merger,

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because it contains important information about Humboldt Bancorp, California Independent Bancorp, the merger and related matters. Humboldt Bancorp and its directors and executive officers and California Independent Bancorp and its directors and executive officers may be deemed to be participants in Humboldt Bancorp's and California Independent Bancorp's solicitation of proxies from Humboldt Bancorp shareholders and California Independent Bancorp's shareholders in connection with the proposed merger. Information regarding the participants and their interests can be found in each of Humboldt's and California Independent's most recent proxy statements filed with the SEC, which are available from the SEC and the respective companies as described below, and the joint proxy statement/prospectus filed with the SEC. The joint proxy statement/prospectus to be disseminated on or before October 24, 2003, will be available for free, both on the SEC web site (<http://www.sec.gov>) and from Humboldt and California Independent as follows:

Patrick J. Rusnak
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Humboldt Bancorp
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In addition to the proposed registration statement and joint proxy statement/prospectus, Humboldt and California Independent file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information filed by either company at the SEC's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the SEC's other public reference rooms in New York and Chicago. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Humboldt and California Independent filings with the SEC are also available to the public from commercial document-retrieval services and on the SEC's web site at <http://www.sec.gov>.

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California Independent Bancorp and Subsidiaries
Selected Financial Data
Unaudited
Third Quarter 2003 Earnings Release
(Dollars in thousands except per share data)

Consolidated Statement of Financial Condition Data:

Assets	As of September 30, 2003	Sept
Cash and Due From Banks	\$16,780	
Federal Funds Sold	17,515	

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Investment Securities Held-to-Maturity	2,440
Investment Securities Available-for-Sale	116,880

Total Investments	119,320
Loans and Leases	204,391
Less: Allowance for Loan and Lease Losses	(5,975)

Net Loans and Leases	198,416
Premises and Equipment, Net	6,381
Other Real Estate	2,875
Interest Receivable and Other Assets	14,614

Total Assets	\$375,901
Liabilities	
Deposits:	
Noninterest-Bearing	\$75,164
Interest-Bearing	241,411

Total Deposits	316,575
Other Interest-Bearing Liabilities	15,080
Accrued Interest Payable & Other Liabilities	6,589
Trust Preferred Securities	10,000

Total Liabilities	348,244
Shareholders' Equity	
Common Stock, No Par Value - Share Authorized - 20,000,000, Shares Issued and Outstanding - 2,074,957 at September 30, 2003 and 2,227,756 at September 30, 2002.	20,348
Retained Earnings	7,489
Debt Guarantee of ESOP	(80)
Accumulated Other Comprehensive Income	(100)

Total Shareholders' Equity	27,657

Total Liabilities & Shareholders' Equity	\$375,901

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California Independent Bancorp and Subsidiaries
Selected Financial Data
Unaudited
Third Quarter 2003 Earnings Release
(Dollars in thousands except per share data)

Nine months ended September 30,

CONSOLIDATED STATEMENT OF INCOME DATA:

2003

2002

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Interest and Fee Income	\$15,226	\$15,249
Interest Expense	4,072	3,728

Net Interest Income	11,154	11,521
Provision for Loan and Lease Losses	10	450

Net Interest Income After Provision for Loan and Lease Losses	11,144	11,071
Noninterest Income	2,335	1,963
Noninterest Expense:		
Salaries and Employee Benefits	5,065	5,091
Occupancy, Furniture and Equipment	1,627	1,587
Merger and Acquisition Related Expenses	378	-
Other Operating Expense	2,273	2,325

Total Noninterest Expense	9,343	9,003
Income Before Provision for Income Taxes	4,136	4,031
Provision for Income Taxes	1,442	1,492

Net Income	2,694	2,539
EARNINGS PER SHARE		
Basic Earnings Per Share	\$ 1.28	\$ 1.14
Diluted Earnings Per Share	\$ 1.23	\$ 1.14
Basic Weighted Average Shares Outstanding	2,110,896	2,223,610
Diluted Weighted Average Shares Outstanding	2,197,898	2,235,551
Net Interest Margin	4.41%	5.20%