COMMERCIAL FEDERAL CORP
Form 10-K/A
April 11, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the calendar year ended December 31, 2001, or

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-11515

COMMERCIAL FEDERAL CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Nebraska	47-0658852
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
13220 California Street, Omaha, Nebraska	68154
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (402) 554-9200

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, Par Value $.01 Per Share	New York Stock Exchange
(Title of Each Class)	(Name of Each Exchange on Which Registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sales price of the registrant's common stock as quoted on the New York Stock Exchange on March 21, 2002, was $1,044,091,891. As of March 21, 2002, there were issued and outstanding 45,245,860 shares of the registrant's common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2002 Annual Meeting of Stockholders--See Part III.

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This Amendment No. 1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2001 is being filed to correct four typographical errors in Item 8 (Financial Statements and Supplementary Data) as follows:

(i) the entry for the deferred tax provision (benefit) for the year ended December 31, 2001 as shown in the Consolidated Statement of Cash Flows; page 82; (ii) the entry for the fair value change in interest only strips as shown in the Consolidated Statement of Comprehensive Income (Loss) for the six months ended December 31, 2000; page 79; (iii) the total amount of mandatory forward sales commitments at December 31, 2000 as disclosed in Footnote 14 (Derivative Financial Instruments) of the Notes to the Consolidated Financial Statements; and (iv) an entry for Other Items in a table showing the components of the Deferred Tax Asset as of June 30, 2000 as disclosed in Footnote 15 (Income Taxes) of the Notes to the Consolidated Financial Statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report On Internal Controls

Management of Commercial Federal Corporation is responsible for the preparation, integrity, and fair presentation of its published consolidated financial statements and all other information presented in this Annual Report. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and, as such, include amounts based on informed judgments and estimates made by Management.

Management is responsible for establishing and maintaining effective internal control over financial reporting, including safeguarding of assets. The internal control contains monitoring mechanisms and actions are taken to correct deficiencies identified.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management assessed Commercial Federal Corporation's internal control over financial reporting, including the safeguarding of assets, as of December 31, 2001. This assessment was based on the criteria for effective internal control described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this assessment, Management believes that Commercial Federal Corporation maintained effective internal control over financial reporting, including safeguarding of assets, as of December 31, 2001.

/s/ William A. Fitzgerald /s/ David S. Fisher

William A. Fitzgerald	David S. Fisher
Chairman of the Board and	Chief Financial Officer
Chief Executive Officer	

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
Commercial Federal Corporation
Omaha, Nebraska

We have audited the accompanying consolidated statements of financial condition of Commercial Federal Corporation and subsidiaries (the "Corporation") as of December 31, 2001 and 2000, and as of June 30, 2000, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for the year ended December 31, 2001, for the six months ended December 31, 2000, and for each of the two years in the period ended June 30, 2000. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements referred to above present fairly, in all material respects, the financial position of Commercial Federal Corporation and subsidiaries as of December 31, 2001 and 2000, and as of June 30, 2000, and the results of their operations and their cash flows for the year ended December 31, 2001, for the six months ended December 31, 2000, and for each of the two years in the period ended June 30, 2000, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 22 to the consolidated financial statements, effective July 1, 2000, the Corporation changed its method of accounting for derivatives to conform with the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities". As discussed in Note 22 to the consolidated financial statements, effective July 1, 1999, the Corporation changed its method of accounting for start-up activities and organizational costs to conform with the provisions of Statement of Position 98-5 "Reporting the Costs of Start-Up Activities".

/s/ Deloitte & Touche LLP

Omaha, Nebraska
February 7, 2002

75

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

	December 31, 2001	December 31, 2000	Ju
	(Dollars in Thousands		
ASSETS			
Cash (including short-term investments of $590, $1,283 and $1,086)	$ 206,765	$ 192,358	$
Investment securities available for sale, at fair value	1,150,345	771,137	
Mortgage-backed securities available for sale, at fair value	1,829,728	1,514,510	
Loans and leases held for sale, net	470,647	242,200	
Investment securities held to maturity (fair value of $857,786)	--	--	
Mortgage-backed securities held to maturity (fair value of $835,095)	--	--	
Loans receivable, net of allowances of $102,359, $82,263 and $70,497	7,932,778	8,651,174	10
Federal Home Loan Bank stock	253,946	251,537	
Real estate, net	57,476	38,331	
Premises and equipment, net	158,691	167,210	
Bank owned life insurance	214,585	200,713	
Other assets	435,174	303,707	
Core value of deposits, net of accumulated amortization of $54,900, $51,835 and $47,932	28,733	36,209	
Goodwill, net of accumulated amortization of $30,927, $22,814 and $18,564	162,717	171,218	
Total Assets	$12,901,585	$12,540,304	$13
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Deposits	$ 6,396,522	$ 7,694,486	$ 7
Advances from Federal Home Loan Bank	4,939,056	3,565,465	5
Other borrowings	520,213	175,343	
Other liabilities	311,140	241,271	
Total Liabilities	12,166,931	11,676,565	12
Commitments and Contingencies	--	--	
Stockholders' Equity:			
Preferred stock, $.01 par value; 10,000,000 shares authorized; none issued	--	--	

Common stock, $.01 par value; 120,000,000 shares authorized; 45,974,648, 53,208,628 and 55,922,884 shares issued and outstanding	460	532	
Additional paid-in capital	80,799	255,870	
Retained earnings	705,160	622,659	
Accumulated other comprehensive loss, net	(51,765)	(15,322)	
Total Stockholders' Equity	734,654	863,739	
Total Liabilities and Stockholders' Equity	$12,901,585	$12,540,304	$13

See accompanying Notes to Consolidated Financial Statements.

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	2000	
	(Dollars in Thousands)			
Interest Income:				
Loans receivable	$685,480	$408,582	$759,711	$7
Mortgage-backed securities	109,657	49,334	82,563	
Investment securities	76,237	40,816	85,416	
Total interest income	871,374	498,732	927,690	8
Interest Expense:				
Deposits	310,367	184,579	325,674	3
Advances from Federal Home Loan Bank	234,213	152,317	240,924	1
Other borrowings	19,365	7,401	18,951	
Total interest expense	563,945	344,297	585,549	5
Net Interest Income	307,429	154,435	342,141	3
Provision for Loan Losses	(38,945)	(27,854)	(13,760)	(
Net Interest Income After Provision for Loan Losses	268,484	126,581	328,381	3
Other Income (Loss):				
Retail fees and charges	53,519	25,650	43,230	
Loan servicing fees, net	3,622	11,521	25,194	
Gain (loss) on sales of securities and changes in fair value of derivatives, net	15,422	(69,462)	--	
Gain (loss) on sales of loans	8,739	(18,023)	(110)	
Bank owned life insurance	13,872	713	--	
Real estate operations	(6,971)	(4,809)	(88)	
Other operating income	32,184	14,304	33,613	
Total other income (loss)	120,387	(40,106)	101,839	
Other Expense (Gain):				
General and administrative expenses--				

Compensation and benefits	105,120	53,306	111,720	
Occupancy and equipment	37,726	19,015	38,873	
Data processing	18,019	9,685	18,834	
Advertising	11,995	6,531	15,100	
Communication	13,731	7,109	16,201	
Item processing	16,413	8,120	15,683	
Outside services	11,152	6,058	8,422	
Other operating expenses	33,880	12,801	23,157	
Exit costs and termination benefits	(15,566)	25,764	3,941	
Merger expenses	--	--	--	
Total general and administrative expenses	232,470	148,389	251,931	2
Amortization of core value of deposits	7,211	3,903	8,563	
Amortization of goodwill	8,134	4,250	8,673	
Total other expense	247,815	156,542	269,167	2
Income (Loss) Before Income Taxes and Cumulative Effect of Change in Accounting Principle	141,056	(70,067)	161,053	1
Income Tax Provision (Benefit)	43,374	(19,691)	55,269	
Income (Loss) Before Cumulative Effect of Change in Accounting Principle	97,682	(50,376)	105,784	
Cumulative Effect of Change in Accounting Principle, Net of Tax Benefit	--	(19,125)	(1,776)	
Net Income (Loss)	$ 97,682	$(69,501)	$104,008	$

77

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS--(Continued)

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	2000	19
Weighted Average Number of Common Shares Outstanding Used in Basic Earnings Per Share Calculation	49,995,621	54,705,067	58,024,192	59,5
Add Assumed Exercise of Outstanding Stock Options as Adjustments for Dilutive Securities	497,298	--	218,173	5
Weighted Average Number of Common Shares Outstanding Used in Diluted Earnings Per Share Calculation	50,492,919	54,705,067	58,242,365	60,1
Basic Earnings (Loss) Per Common Share:				
Income (loss) before cumulative effect of change in accounting principle	$ 1.95	$ (.92)	$ 1.82	$
Cumulative effect of change in accounting principle, net	--	(.35)	(.03)	

Net Income (Loss)	$ 1.95	$ (1.27)	$ 1.79	$
Diluted Earnings (Loss) Per Common Share:				
Income (loss) before cumulative effect of change in accounting principle	$ 1.93	$ (.92)	$ 1.82	$
Cumulative effect of change in accounting principle, net	--	(.35)	(.03)	
Net Income (Loss)	$ 1.93	$ (1.27)	$ 1.79	$
Dividends Declared Per Common Share	$ .310	$ .140	$ .275	$

See accompanying Notes to Consolidated Financial Statements.

78

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

-	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year End 2000
	(Dollars in Thousands)		
Net Income (Loss)	$ 97,682	$(69,501)	$104,008
Other Comprehensive Income (Loss):			
Unrealized holding gains (losses) on securities available for sale	28,890	77,728	(12,242
Fair value adjustment on interest rate swap agreements	(72,661)	(92,749)	--
Fair value change in interest only strips	1,901	(1,700)	2,057
Reclassification of net losses (gains) included in net income (loss) pertaining to:			
Securities sold	(18,298)	29,970	--
Termination of swap agreements	--	38,209	--
Amortization of fair value adjustments of interest rate swap agreements	2,034	170	--
Other Comprehensive Income (Loss) Before Income Taxes and Cumulative Effect of Change in Accounting Priniciple	(58,134)	51,628	(10,185
Income Tax Provision (Benefit)	(21,691)	20,250	(3,807
Other Comprehensive Income (Loss) Before Cumulative Effect of Change in Accounting Principle	(36,443)	31,378	(6,378
Cumulative Effect of Change in Accounting Principle, Net of Tax Benefit	--	(30,760)	--
Other Comprehensive Income (Loss)	(36,443)	618	(6,378
Comprehensive Income (Loss)	$ 61,239	$(68,883)	$ 97,630

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See accompanying Notes to Consolidated Financial Statements.

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net	Unearned Employee Stock Ownership Plan Shares	Total
	(Dollars in Thousands)					
Balance, June 30, 1998..............	$587	$337,697	$534,245	$ 70	$(11,404)	$861,195
Issuance of 979,856 shares under certain compensation and employee plans.................	10	14,279	--	--	--	14,289
Issuance of 1,378,580 shares of common stock..................	14	32,401	--	--	--	32,415
Restricted stock and deferred compensation plans, net....................	--	2,192	--	--	--	2,192
Commitment of release of ESOP shares.........................	--	--	--	--	11,404	11,404
Termination of ESOP plans........	--	13,954	--	--	--	13,954
Purchase and cancellation of 1,500,000 shares of common stock.........................	(15)	(36,203)	--	--	--	(36,218
Cash dividends declared..........	--	--	(15,108)	--	--	(15,108
Net income.......................	--	--	92,392	--	--	92,392
Other comprehensive loss.........	--	--	--	(9,632)	--	(9,632
Balance, June 30, 1999.............	596	364,320	611,529	(9,562)	--	966,883
Issuance of 102,535 shares under certain compensation and employee plans.................	1	2,388	--	--	--	2,389
Restricted stock and deferred compensation plans, net........	--	784	--	--	--	784
Purchase and cancellation of 3,773,500 shares of common stock.........................	(38)	(63,857)	--	--	--	(63,895
Cash dividends declared..........	--	--	(15,813)	--	--	(15,813
Net income.......................	--	--	104,008	--	--	104,008
Other comprehensive loss.........	--	--	--	(6,378)	--	(6,378
Balance, June 30, 2000.............	$559	$303,635	$699,724	$(15,940)	$ --	$987,978

80

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY--(Continued)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net	Unearned Employee Stock Ownership Plan Shares	Total
	(Dollars in Thousands)					
Balance, June 30, 2000	$559	$ 303,635	$699,724	$(15,940)	$ --	$ 987,97
Issuance of 51,144 shares under certain compensation and employee plans	1	800	--	--	--	80
Restricted stock and deferred compensation plans, net	--	360	--	--	--	36
Purchase and cancellation of 2,765,400 shares of common stock	(28)	(48,925)	--	--	--	(48,95
Cash dividends declared	--	--	(7,564)	--	--	(7,56
Net loss	--	--	(69,501)	--	--	(69,50
Other comprehensive income	--	--	--	618	--	61
Balance, December 31, 2000	532	255,870	622,659	(15,322)	--	863,73
Issuance of 428,620 shares under certain compensation and employee plans	5	5,426	--	--	--	5,43
Restricted stock and deferred compensation plans, net	--	303	--	--	--	30
Purchase and cancellation of 7,662,600 shares of common stock	(77)	(180,800)	--	--	--	(180,87
Cash dividends declared	--	--	(15,181)	--	--	(15,18
Net income	--	--	97,682	--	--	97,68
Other comprehensive loss	--	--	--	(36,443)	--	(36,44
Balance, December 31, 2001	$460	$ 80,799	$705,160	$(51,765)	$ --	$ 734,65

See accompanying Notes to Consolidated Financial Statements.

81

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year En 2000
		(Dollars in Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)....................................	$ 97,682	$ (69,501)	$ 104,008
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Cumulative effect of changes in accounting principles, net..................................	--	19,125	1,776
Amortization of core value of deposits...............	7,211	3,903	8,563
Amortization of goodwill.............................	8,134	4,250	8,673
Provision for losses on loans........................	38,945	27,854	13,760
Depreciation and amortization........................	18,841	9,968	20,414
Amortization of deferred discounts and fees, net......	3,947	1,493	581
Amortization of mortgage servicing rights............	17,092	4,558	8,703
Valuation adjustment of mortgage servicing rights.....	19,058	583	--
Deferred tax provision (benefit).....................	(13,861)	(30,965)	34,302
Loss (gain) on sales of real estate and loans, net....	(9,564)	17,593	(1,258
Loss (gain) on sales of securities and change in fair value of derivatives, net.........................	(15,422)	69,462	--
Gain on sales of facilities..........................	(18,304)	(2,516)	(8,506
Stock dividends from Federal Home Loan Bank...........	--	--	(7,479
Proceeds from sales of mortgage-backed securities--trading................	--	65,596	--
Proceeds from sales of investment securities--trading.....................	--	339,123	--
Proceeds from sales of loans.........................	2,745,118	631,542	761,960
Origination of loans for resale......................	(913,931)	(199,364)	(185,994
Purchases of loans for resale........................	(2,098,729)	(445,265)	(525,236
Increase in bank owned life insurance................	(13,872)	(713)	--
Decrease (increase) in interest receivable...........	11,878	(2,544)	(4,478
Increase (decrease) in interest payable and other liabilities...	86,050	23,337	17,587
Other items, net.....................................	(81,103)	(54,215)	(63,949
Total adjustments................................	(208,512)	482,805	79,419
Net cash (used) provided by operating activities.................................	$ (110,830)	$ 413,304	$ 183,427

82

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS--(Continued)

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ende[d] 2000
		(Dollars in Thousands)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of loans	$ (489,976)	$ (283,198)	$(1,430,920)
Proceeds from sales of securitized loans	--	1,633,330	--
Repayment of loans, net of originations	903,881	144,025	222,190
Principal repayments of mortgage-backed securities available for sale	711,280	107,684	45,869
Purchases of mortgage-backed securities available for sale	(1,074,215)	(909,599)	--
Proceeds from sales of mortgage-backed securities available for sale	102,131	463,257	--
Principal repayments of mortgage-backed securities held to maturity	--	--	195,043
Purchases of mortgage-backed securities held to maturity	--	--	(160,073)
Maturities and repayments of investment securities held to maturity	--	--	41,207
Purchases of investment securities held to maturity	--	--	(105,865)
Purchases of investment securities available for sale	(1,475,511)	(467,033)	--
Proceeds from sales of investment securities available for sale	977,146	269,007	--
Maturities and repayments of investment securities available for sale	135,363	23,439	10,170
Purchase of bank-owned life insurance	--	(200,000)	--
Proceeds from sales of Federal Home Loan Bank stock	69,889	15,841	3,571
Purchases of Federal Home Loan Bank stock	(72,299)	(11,622)	(57,719)
Divestiture of branches, net	(259,102)	--	--
Acquisitions, net of cash paid	--	--	--
Proceeds from sales of real estate	19,554	11,372	24,371
Payments to acquire real estate	(2,285)	(278)	(406)
Purchases of premises and equipment, net	(12,349)	(5,074)	(8,298)
Other items, net	(2,639)	(4,911)	(5,826)
Net cash (used) provided by investing activities	$ (469,132)	$ 786,240	$(1,226,686)

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS--(Continued)

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ended 2000
		(Dollars in Thousands)	

CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in deposits	$ (851,697)	$ 363,986	$ (325,809)
Proceeds from Federal Home Loan Bank advances	1,807,060	400,000	3,413,000
Repayments of Federal Home Loan Bank advances	(444,450)	(1,884,120)	(1,995,350)
Proceeds from securities sold under agreements to repurchase	264,073	4,727	12,902
Repayments of securities sold under agreements to repurchase	(69,066)	(31,201)	(107,143)
Proceeds from issuances of other borrowings	187,195	--	50,000
Repayments of other borrowings	(37,338)	(4,211)	(80,742)
Purchases of swaption agreements	(68,344)	--	--
Payments of cash dividends on common stock	(15,239)	(7,755)	(15,776)
Repurchases of common stock	(180,877)	(48,953)	(63,895)
Issuance of common stock	4,579	775	2,363
Other items, net	(1,527)	--	--
Net cash provided (used) by financing activities	594,369	(1,206,752)	889,550
CASH AND CASH EQUIVALENTS			
Increase (decrease) in net cash position	14,407	(7,208)	(153,709)
Balance, beginning of year	192,358	199,566	353,275
Balance, end of year	$ 206,765	$ 192,358	$ 199,566
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid (received) during the year for:			
Interest expense	$ 581,524	$ 338,028	$ 583,440
Income taxes, net	31,049	(12,361)	6,514
Non-cash investing and financing activities:			
Securities transferred from held-to-maturity to trading	--	432,596	--
Securities transferred from held-to-maturity to available for sale	--	1,318,599	--
Loans exchanged for mortgage-backed securities	41,910	3,543	42,635
Loans transferred to real estate	41,371	6,998	24,002
Loans to facilitate the sale of real estate	180	--	--
Common stock received in connection with employee benefit and incentive plans, net	(114)	--	(135)

See accompanying Notes to Consolidated Financial Statements.

COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Columnar Dollars in Footnotes are in Thousands Except Per Share Amounts)

Note 1. Summary of Significant Accounting Policies

Nature of Business

The Corporation is a unitary non-diversified savings and loan holding company whose primary asset is the Bank. The Bank is a consumer-oriented financial institution that emphasizes single-family residential and construction real estate lending, consumer lending, commercial real estate lending, commercial and agribusiness lending, community banking operations, retail deposit activities, mortgage banking, and other retail financial services. The Bank conducts loan origination activities through its branch office network, loan offices of its wholly-owned mortgage banking subsidiary and a nationwide correspondent network.

Basis of Consolidation

The consolidated financial statements are prepared on an accrual basis and include the accounts of Commercial Federal Corporation, its wholly-owned subsidiary, Commercial Federal Bank, a Federal Savings Bank, and all majority-owned subsidiaries of the Corporation and Bank. All significant intercompany balances and transactions have been eliminated. Certain amounts in the prior periods presented have been reclassified to conform to the December 31, 2001, presentation for comparative purposes.

Change in Fiscal Year End

On August 14, 2000, the Board of Directors approved a change in the Corporation's fiscal year end from June 30 to December 31. This change was effective December 31, 2000. As a result, the Corporation reported a six month transition period from July 1, 2000, through December 31, 2000, reflecting the Corporation's six months of operations, comprehensive income (loss), cash flows and changes in stockholders' equity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents include cash, amounts due from banks and federal funds sold. Generally, federal funds are purchased and sold for a one-day period.

Securities

Securities are classified in one of three categories and accounted for as follows:

- debt securities that the Corporation has the positive intent and ability to hold to maturity are classified as "held-to-maturity securities,"
- debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as "trading securities" and
- debt and equity securities not classified as either held-to-maturity securities or trading securities are classified as "available-for-sale securities."

Held to maturity securities are reported at amortized cost. Trading securities are reported at fair value, with unrealized gains and losses included in earnings. Available-for-sale securities are reported at fair value, with unrealized gains and losses excluded from earnings and reported net of deferred income taxes as a separate component of accumulated other comprehensive income (loss).

Premiums and discounts are amortized over the contractual lives of the related securities on the level yield method. Any unrealized losses on securities reflecting a decline in their fair value considered to be other than temporary are charged against earnings. Realized gains or losses on securities available for sale are based on the specific identification method and are included in results of operations on the trade date of the sales transaction.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity are recorded at the contractual amounts owed by borrowers less unamortized discounts, net of premiums, undisbursed funds on loans in process, deferred loan fees and allowance for loan losses. Interest on loans is accrued to income as earned, except that interest is not accrued on first mortgage loans contractually delinquent 90 days or more. Any related discounts or premiums on loans purchased are amortized into interest income using the level yield method over the contractual lives of the loans, adjusted for actual prepayments. Loan origination fees, commitment fees and direct loan origination costs are deferred and recognized over the estimated average life of the loan as a yield adjustment.

The accrual of interest on impaired loans is discontinued when, in management's opinion, the borrower may be unable to make the payments as they become due. When the interest accrual is discontinued, all unpaid accrued interest is reversed reducing interest income. Interest income is subsequently recognized only to the extent that cash payments are received.

Loans held for sale are carried at the lower of aggregate cost or fair value except for loans designated as a hedge which are carried at fair value. Fair value is determined by outstanding commitments from investors or current investor yield requirements calculated on an aggregate loan basis. Valuation adjustments, if necessary, are recorded in current operations.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for estimated credit losses inherent in the loan portfolio as of the balance sheet date. The allowance for loan losses is increased by charges to income and decreased by charge-offs, net of recoveries. The allowance for loan losses consists of two elements. The first element is an allocated allowance established for specifically identified loans that are evaluated individually for impairment and are considered to be individually impaired. A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement. Impairment is measured by (i) the fair value of the collateral if the loan is collateral dependent (the primary method used by the Corporation), (ii) the present value of expected future cash flows, or (iii) the loan's obtainable market price. The second element is an estimated allowance established for impairment on each of the Corporation's pools of outstanding loans. These estimated allowances are based on several analysis factors including the

Corporation's past loss experience, general economic and business conditions, geographic and industry concentrations, credit quality and delinquency trends, and known and inherent risks in each of the portfolios. These evaluations are inherently subjective as they require revisions as more information becomes available.

Real Estate

Real estate includes real estate acquired through foreclosure, real estate in judgment and real estate held for investment. Real estate held for investment includes equity in unconsolidated joint ventures and investment in real estate partnerships.

Real estate acquired through foreclosure and in judgment are recorded at the lower of cost or fair value less estimated costs to sell at the date of foreclosure. After foreclosure, impairment losses are recorded when the carrying value exceeds the fair value less estimated costs to sell the property.

Real estate held for investment is stated at the lower of cost or net realizable value. Cost includes acquisition costs plus construction costs of improvements, holding costs and costs of amenities. Joint venture and partnership investments are carried on the equity method of accounting not to exceed net realizable value, where applicable. The Corporation's ability to recover the carrying value of real estate held for investment (including capitalized interest) is based upon future sales of land or projects. The ability to sell this real estate is subject to market conditions and other factors which may be beyond the Corporation's control.

Mortgage Servicing Rights

Mortgage servicing rights are established based on the cost of acquiring the right to service mortgage loans or the allocated fair value of servicing rights retained on originated loans sold. These costs are initially capitalized and then amortized proportionately over the period based on the ratio of net servicing income received in the current period to total net servicing income projected to be realized from the mortgage servicing rights. Projected net servicing income is determined on the basis of the estimated future balance of the underlying mortgage loan portfolio. This portfolio decreases over time from scheduled loan amortization and prepayments. The Corporation estimates future prepayment rates based on relevant characteristics of the servicing portfolio, such as loan types, interest rate stratification and recent prepayment experience, as well as current interest rate levels, market forecasts and other economic conditions.

The Corporation reports mortgage servicing rights at the lower of amortized cost or fair value. The carrying value of mortgage servicing rights is adjusted by the fair value of any related interest rate floor agreements and possible impairment losses. The fair value of mortgage servicing rights is determined based on the present value of estimated expected future cash flows, using assumptions as to current market discount rates and prepayment speeds. Mortgage servicing rights are stratified by loan type and interest rate for purposes of impairment measurement. Loan types include government, conventional and adjustable-rate mortgage loans. Impairment losses are recognized to the extent the unamortized mortgage servicing rights for each stratum exceed the current fair value of that stratum. Impairment losses by stratum are recorded as reductions in the carrying value of the asset through a valuation allowance with a corresponding reduction to loan servicing income. Individual allowances for each stratum are adjusted in subsequent periods to reflect changes in impairment. Valuation allowances totaling $19,641,000 and $583,000, respectively, were outstanding at December 31, 2001 and 2000. No valuation allowance was necessary as of June 30, 2000 or 1999.

Premises and Equipment

Land is carried at cost. Buildings, building improvements, leasehold improvements and furniture, fixtures and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets. Estimated lives are 10 to 50 years for buildings and three to 15 years for furniture, fixtures and equipment. Leasehold improvements are generally amortized on the straight-line method over the terms of the respective leases. Betterments are capitalized and maintenance and repairs are charged to expense as incurred.

Intangible Assets

Intangible assets consist primarily of goodwill and core value of deposits. Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in business combinations. Core value of deposits represents the identifiable intangible value assigned to core deposit bases arising from purchase acquisitions. The Corporation reviews its intangible assets for impairment at least annually or whenever events or

changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. An impairment loss would be recognized if the sum of expected future cash flows (undiscounted and without interest charges) resulting from the use of the asset is less than the carrying amount of the asset. If an assessment indicates that the value of the intangible asset may be impaired, then an impairment loss is recognized for the difference between the carrying value of the asset and its estimated fair value.

Core value of deposits is amortized on an accelerated basis over a period not to exceed 10 years. Goodwill is amortized on a straight-line basis over periods up to 25 years. Effective January 1, 2002, the Corporation adopted the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that upon initial adoption, amortization of goodwill will cease, and the carrying value of goodwill will be evaluated for impairment. Thereafter, goodwill will be evaluated at least annually for impairment.

Derivative Financial Instruments

Effective July 1, 2000, derivatives are recognized as either assets or liabilities in the consolidated statement of financial condition and measured at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For a derivative designated as hedging the exposure to variable cash flows of a forecasted transaction (referred to as a cash flow hedge), the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified into earnings when the forecasted transaction affects earnings. The ineffective portion of the gain or loss is reported in earnings immediately. For a derivative designated as hedging the exposure to changes in fair value of an asset and liability (referred to as a fair value hedge), any gain or loss associated with the derivative is reported in earnings along with the change in fair value of the asset or liability being hedged. For a derivative not designated as a hedging instrument, the gain or loss is recognized in earnings in the period of change.

When hedge accounting is discontinued because it is probable that a forecasted transaction will not occur, the derivative will continue to be carried on the consolidated statement of financial condition at its fair value, and gains and losses that were accumulated in other comprehensive income (loss) will be recognized immediately in earnings. When the hedged forecasted transaction is no longer probable, but is reasonably possible, the accumulated gain or loss remains in accumulated other comprehensive income (loss) and will be recognized when the transaction affects earnings; however, prospective hedge accounting for this transaction is terminated. In all other situations in which hedge accounting is discontinued, the derivative will be carried at its fair value on the consolidated statement of financial condition, with changes in its fair value recognized in current period earnings.

On the date the Corporation enters into a derivative contract, management designates the derivative as a hedge of the identified cash flow exposure, fair value exposure, or as a "no hedging" derivative. If a derivative does not qualify in a hedging relationship, the derivative is recorded at fair value and changes in its fair value are reported currently in earnings.

The Corporation formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. In this documentation, the Corporation specifically identifies the asset, liability, firm commitment, or forecasted transaction that has been designated as a hedged item and states how the hedging instrument is expected to hedge the risks related to the hedged item. The Corporation formally measures effectiveness of its hedging relationships both at the hedge inception and on an ongoing basis in accordance with its risk management policy.

Income Taxes

The Corporation files a consolidated federal income tax return and separate state income tax returns. The Corporation and its subsidiaries entered into a tax-sharing agreement that provides for the allocation and payment

of federal and state income taxes. The provision for income taxes of each corporation is computed on a separate company basis, subject to certain adjustments. The Corporation calculates income taxes on the liability method. Under the liability method the net deferred tax asset or liability is determined based on the tax effects of the differences between the book and tax bases of the various assets and liabilities of the Corporation giving current recognition to changes in tax rates and laws.

Earnings (Loss) per Common Share

Basic earnings (loss) per share is computed by dividing income (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock (i) were exercised or converted into common stock or (ii) resulted in the issuance of common stock that then shared in the earnings of the entity. The conversion of 279,783 stock options during the six months ended December 31, 2000, in which the Corporation incurred a loss before cumulative effect of change in accounting principle, is not assumed in computing the diluted loss per share since the effect is anti-dilutive.

Note 2. Investment Securities

Investment securities are summarized as follows:

December 31, 2001	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair
Available for sale:				
U.S. Treasury and other Government agency obligations.	$ 846,795	$ 8,480	$(7,144)	$ 84
States and political subdivisions....................	177,459	3,306	(1,172)	17
Other securities.....................................	118,472	4,490	(341)	12
	$1,142,726	$16,276	$(8,657)	$1,15
Weighted average interest rate.......................	5.48%			

December 31, 2000	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Va
Available for sale:				
U.S. Treasury and other Government agency obligations.	$534,283	$ 4,895	$(4,676)	$534,5
States and political subdivisions....................	137,208	4,359	(204)	141,3
Other securities.....................................	93,848	1,495	(71)	95,2
	$765,339	$10,749	$(4,951)	$771,1
Weighted average interest rate.......................	6.51%			

On July 1, 2000, pursuant to the provisions of SFAS No. 133, investment securities with an amortized cost of $893,419,000 and a fair value of $828,516,000 were transferred from securities held to maturity to securities available for sale (fair value of $491,865,000) and trading securities (fair value of $336,651,000). See Note 22 "Cumulative Effect of Changes in Accounting Principles" for additional information. All of the trading securities transferred at July 1, 2000, were sold during the three months ended September 30, 2000. At December 31, 2001 and 2000, the Corporation did not have any investment securities classified as held to maturity or trading in its portfolio.

Amortized	Gross Unrealized	Gross Unrealized

June 30, 2000	Cost	Gains	Losses	Fair Va
Available for sale:				
U.S. Treasury and other Government agency obligations.	$ 71,591	$ --	$ (3,535)	$ 68,0
States and political subdivisions....................	2,491	--	(69)	2,4
	$ 74,082	$ --	$ (3,604)	$ 70,4
Weighted average interest rate......................	6.61%			
Held to maturity:				
U.S. Treasury and other Government agency obligations.	$826,043	$ 1	$(61,629)	$764,4
States and political subdivisions....................	49,224	143	(1,700)	47,6
Other securities.....................................	47,422	--	(1,718)	45,7
	$922,689	$144	$(65,047)	$857,7
Weighted average interest rate......................	6.68%			

At December 31, 2001 and 2000, the Corporation recorded unrealized gains on securities available for sale as net increases to accumulated other comprehensive income (loss) totaling $7,619,000 and $5,798,000, respectively, net of deferred taxes of $2,721,000 and $2,148,000, respectively. At June 30, 2000, the Corporation recorded unrealized losses on securities available for sale as a decrease to accumulated other comprehensive income (loss) totaling $3,604,000, net of deferred tax benefits of $1,345,000.

The amortized cost and fair value of investment securities by contractual maturity at December 31, 2001, are shown below. Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

	Available for Sale	
	Amortized Cost	Fair Value
Due in one year or less..............	$ 950	$ 956
Due after one year through five years.	201,581	209,927
Due after five years through ten years	682,158	678,723
Due after ten years..................	258,037	260,739
	$1,142,726	$1,150,345

Activity from the sales of investment securities available for sale for the respective periods is summarized as follows:

	Proceeds	Gross Realized Gains	Gross Realized Losses	Net Gain (Loss)
Year Ended December 31, 2001......	$977,146	$20,954	$ (6,227)	$ 14,727
Six Months Ended December 31, 2000	269,007	2,466	(14,210)	(11,744)
Fiscal Year Ended June 30:				
2000..........................	--	--	--	--
1999..........................	30,153	491	--	491

At December 31, 2001 and 2000, and June 30, 2000, investment securities totaling $58,606,000, $132,033,000 and $90,567,000, respectively, were pledged primarily to secure public funds, interest rate swap agreements and securities sold under agreements to repurchase.

Note 3. Mortgage-Backed Securities

Mortgage-backed securities are summarized as follows:

December 31, 2001	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Federal Home Loan Mortgage Corporation...	$ 53,660	$ 1,274	$ (7)	$ 54,927
Government National Mortgage Association.	260,358	4,528	(120)	264,766
Federal National Mortgage Association....	101,646	1,999	(270)	103,375
Collateralized Mortgage Obligations......	1,382,117	21,773	(5,292)	1,398,598
Other..................................	7,970	95	(3)	8,062
	$1,805,751	$29,669	$(5,692)	$1,829,728
Weighted average interest rate...........	6.42%			

December 31, 2000	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Federal Home Loan Mortgage Corporation...	$ 75,454	$ 557	$ (582)	$ 75,429
Government National Mortgage Association.	322,658	1,996	(2,108)	322,546
Federal National Mortgage Association....	64,298	897	(376)	64,819
Collateralized Mortgage Obligations......	1,014,809	15,209	(329)	1,029,689
Other..................................	22,086	10	(69)	22,027
	$1,499,305	$18,669	$(3,464)	$1,514,510
Weighted average interest rate...........	6.79%			

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On July 1, 2000, pursuant to the provisions of SFAS No. 133, mortgage-backed securities with an amortized cost of $857,776,000 and a fair value of $835,052,000 were transferred from securities held to maturity to securities available for sale (fair value of $767,542,000) and trading securities (fair value of $67,510,000) . See Note 22 "Cumulative Effect of Changes in Accounting Principles" for additional information. All of the trading securities transferred at July 1, 2000, were sold during the three months ended September 30, 2000. At December 31, 2001 and 2000, the Corporation did not have any mortgage-backed securities classified as held to maturity or trading in its portfolio.

June 30, 2000	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
Federal Home Loan Mortgage Corporation....	$ 77,912	$ 57	$ (4,644)	$ 73,325
Government National Mortgage Association..	34,290	--	(941)	33,349
Federal National Mortgage Association.....	241,956	53	(16,153)	225,856
Collateralized Mortgage Obligations.......	28,006	--	(2,173)	25,833
Other..................................	4,491	28	(126)	4,393
	$386,655	$ 138	$(24,037)	$362,756
Weighted average interest rate...........	6.20%			
Held to maturity:				
Federal Home Loan Mortgage Corporation....	$201,191	$ 767	$ (7,953)	$194,005
Government National Mortgage Association..	343,623	97	(8,289)	335,431
Federal National Mortgage Association.....	73,116	654	(2,146)	71,624
Collateralized Mortgage Obligations.......	231,183	19	(4,975)	226,227
Privately Issued Mortgage Pool Securities.	8,269	524	(985)	7,808
	$857,382	$2,061	$(24,348)	$835,095
Weighted average interest rate...........	6.58%			

92

Mortgage-backed securities held to maturity at June 30, 2000, are classified by type of interest payment and contractual maturity term as follows:

	Amortized Cost	Fair Value	Weighted Rate
Adjustable rate....................	$309,855	$304,130	6.74%
Fixed rate, 5-year term...........	12,072	11,998	6.50
Fixed rate, 7-year term...........	3,008	2,985	5.50
Fixed rate, 15-year term..........	203,140	193,156	6.11

Fixed rate, 30-year term...........	98,124	96,599	7.42
	626,199	608,868	6.63
Collateralized mortgage obligations	231,183	226,227	6.46
	$857,382	$835,095	6.58%

At December 31, 2001 and 2000, the Corporation recorded unrealized gains on securities available for sale as net increases to accumulated other comprehensive income (loss) totaling $23,977,000 and $15,205,000, respectively, net of deferred income taxes of $6,474,000 and $5,654,000. At June 30, 2000, the Corporation recorded unrealized losses on securities available for sale as a decrease to accumulated other comprehensive income (loss) totaling $23,899,000, net of deferred income tax benefits of $8,907,000.

Activity from the sales of mortgage-backed securities available for sale for the respective periods is summarized as follows:

	Proceeds	Gross Realized Gains	Gross Realized Losses	Net Gain (Loss)
Year Ended December 31, 2001......	$102,131	$3,571	$ --	$ 3,571
Six Months Ended December 31, 2000	463,257	876	(19,102)	(18,226)
Fiscal Year Ended June 30:				
2000..........................	--	--	--	--
1999..........................	209,789	3,885	--	3,885

At December 31, 2001 and 2000, and June 30, 2000, mortgage-backed securities totaling $909,987,000, $296,749,000 and $542,947,000, respectively, were pledged as collateral primarily for collateralized mortgage obligations, public funds, advances from the Federal Home Loan Bank, securities sold under agreements to repurchase and interest rate swap agreements.

Note 4. Loans Held for Sale

Loans held for sale at December 31, 2001 and 2000, and June 30, 2000, totaled $470,647,000, $242,200,000 and $183,356,000, respectively, with weighted average rates of 6.30%, 8.57% and 8.15%. Loans held for sale are secured by single-family residential properties totaling $470,527,000 at December 31, 2001, with a weighted average rate of 6.30%, consisting of fixed and adjustable rate mortgage loans totaling $345,319,000 and $125,208,000, respectively. Leases included with loans held for sale totaled $120,000 at December 31, 2001.

Loans held for sale were secured by single-family residential properties totaling $189,489,000 at December 31, 2000, with a weighted average rate of 7.70%, consisting of fixed and adjustable rate mortgage loans totaling $148,916,000 and $40,573,000, respectively. Leases included with loans held for sale totaled $52,711,000 at December 31, 2000, and consisted of fixed rate leases with a weighted average rate of 11.72%. Loans held for sale were secured by single-family residential properties totaling $182,977,000 at June 30, 2000, with a weighted average rate of 8.15%, consisting of fixed and adjustable rate mortgage loans totaling $175,716,000 and $7,261,000, respectively. Leases included with loans held for sale at June 30, 2000, totaled $379,000.

Note 5. Loans Receivable

Loans receivable are summarized as follows:

	December 31, 2001	December 31, 2000	June 30, 2000
Conventional mortgage loans...	$4,370,697	$5,138,977	$ 6,806,222
FHA and VA loans.............	231,899	304,535	500,363
Commercial real estate loans..	1,324,748	1,138,038	985,008
Construction loans...........	783,451	717,594	570,803
Consumer and other loans......	1,519,755	1,612,369	1,588,056
	8,230,550	8,911,513	10,450,452
Unamortized premiums, net.....	9,088	160	743
Unearned income..............	--	--	(16,714)
Deferred loan costs, net......	5,073	18,704	24,665
Loans-in-process.............	(209,574)	(196,940)	(164,313)
Allowance for loan losses.....	(102,359)	(82,263)	(70,497)
	$7,932,778	$8,651,174	$10,224,336
Weighted average interest rate	7.43%	8.21%	7.87%

Real estate loans at the periods indicated were secured by properties located primarily in the following states:

	December 31, 2001	December 31, 2000
Residential real estate (includes conventional, FHA and VA loans and loans held for sale):		
Colorado..........	16%	17%
Nebraska..........	12	11
Kansas..........	10	9
Other 47 states..........	62	63
	100%	100%
Commercial real estate:		
Colorado..........	24%	23%
Iowa..........	15	17
Kansas..........	9	9
Other states (29, 24 and 24 states, respectively)..........	52	51
	100%	100%

Nonperforming loans at December 31, 2001 and 2000, and June 30, 2000, aggregated $93,847,000, $95,871,000 and $65,012,000, respectively. Of the nonperforming loans at December 31, 2001, approximately 18% were secured by properties located in Kansas, 11% in Nevada, 10% in Iowa, and the remaining 61% in 38 other states. Of the nonperforming loans at December 31, 2000, approximately 25% were secured by properties located in Nevada, 17% in Kansas, and 13% in Iowa and the remaining 55% in 39 other states. Of the nonperforming loans at June 30, 2000, approximately 20% were secured by properties located in Iowa, 8% in Kansas, 7% each in Florida and Maryland and the remaining 58% in 46 other states.

Also included in loans at December 31, 2001 and 2000, and June 30, 2000 and 1999, were loans with carrying values of $3,141,000, $4,285,000, $5,431,000 and $9,729,000, respectively, the terms of which have

been modified in troubled debt restructurings. During the year ended December 31, 2001, the six months ended December 31, 2000, and fiscal years ended June 30, 2000 and 1999, the Corporation recognized interest income on these loans aggregating $236,000, $176,000, $430,000 and $470,000, respectively. Under their original terms the Corporation would have recognized interest income of $268,000, $194,000, $494,000 and $526,000, respectively. At December 31, 2001, the Corporation had no material commitments to lend additional funds to borrowers whose loans were subject to troubled debt restructurings. Impaired loans, a portion of which are included in the balances for troubled debt restructurings at December 31, 2001 and 2000, and June 30, 2000, and the resulting interest income as originally contracted and as recognized, was not material for either the year ended December 31, 2001, the six months ended December 31, 2000, or fiscal years 2000 and 1999.

At December 31, 2001 and 2000, and June 30, 2000, the Corporation pledged real estate loans totaling $3,733,629,000, $3,183,309,000 and $4,864,455,000, respectively, as collateral for Federal Home Loan Bank advances and other borrowings.

Note 6. Real Estate

Real estate is summarized as follows:

	December 31,		Ju
	2001	2000	
Real estate owned and in judgment...	$45,194	$25,539	$2
Real estate held for investment, which includes equity in unconsolidated joint ventures and investments in real estate partnerships, net..................	12,282	12,792	1
	$57,476	$38,331	$3

At December 31, 2001, real estate is comprised primarily of residential real estate (63%) and commercial real estate (37%). At December 31, 2000, and June 30, 2000, real estate was comprised primarily of commercial real estate (59% and 57%, respectively) with the difference in residential real estate. Real estate at December 31, 2001, was located primarily in Nevada (38%) and Nebraska (22%) with the remaining 40% in 33 other states and the District of Columbia. At December 31, 2000, real estate was located primarily in Nebraska (32%) and Kansas (19%) with the remaining 49% in 34 other states and at June 30, 2000, real estate was located primarily in Nebraska (24%) and Missouri (22%) with the remaining 54% in 36 other states.

95

Note 7. Allowance for Losses on Loans

An analysis of the allowance for losses on loans is summarized as follows:

Balance, June 30, 1998	$ 64,757
Provision charged to operations	12,400
Charges	(15,760)
Recoveries	3,674
Allowances acquired in acquisitions	17,307
Change in estimate of allowance for bulk purchased loans	(1,959)
Balance, June 30, 1999	80,419
Provision charged to operations	13,760
Charges	(24,162)
Recoveries	5,833
Change in estimate of allowance for bulk purchased loans	(5,294)
Balance, June 30, 2000	70,556
Provision charged (credited) to operations	27,854
Charges	(16,908)
Recoveries	2,548
Change in estimate of allowance for bulk purchased loans	(87)
Charge-offs to allowance for bulk purchased loans	(28)
Reduction to allowance on sale of securitized loans	(496)
Balance, December 31, 2000	83,439
Provision charged to operations	38,945
Charges	(25,074)
Recoveries	5,318
Change in estimate of allowance for bulk purchased loans	(172)
Reduction to allowance on sale of securitized loans	(5)
Balance, December 31, 2001	$102,451

Activity and balances for allowance for losses established on loans held for sale are included above.

Note 8. Mortgage Banking Activities

The Corporation's mortgage banking subsidiary services real estate loans for investors that are not included in the accompanying consolidated financial statements. Mortgage servicing rights are established based on the cost of acquiring the right to service mortgage loans or the allocated fair value of servicing rights retained on originated loans sold. The mortgage banking subsidiary also services a substantial portion of the Corporation's real estate loan portfolio.

During 2001, the Corporation securitized and sold mortgage loans totaling $2,260,050,000 for a pre-tax gain of $4,784,000. During 2000, the Corporation securitized and sold $2,241,503,000 in mortgage loans and recognized a pre-tax loss of $18,023,000. As part of these sales transactions, the Corporation retains servicing responsibilities and received annual servicing fees ranging from .25% to .53% of the outstanding balances of the loans. The average service fee collected by the Corporation was .35% for the year ended December 31, 2001, and .36 % for the six months ended December 31, 2000. In addition, the Corporation retains the rights of cash flows remaining, after investors in the securitization trust have received their contractual payments, which are referred to as "interest only strips." These retained interests are subordinate to investors' interests. The investors and securitization trusts have no recourse to the Corporation's other assets for failure of debtors to pay when due.

The gain or loss recognized on the sale of mortgage loans is determined by allocating the carrying amount between the loans sold and the interest only strips based on their relative fair values at the date of the transfer.

96

Fair values are based on quoted market prices, if available. However, quotes are generally not available for interest only strips, so the Corporation generally estimates fair value based on the present value of future expected cash flows using management's best estimates of the key assumptions - prepayment speeds, credit losses, weighted-average lives and discount rates commensurate with the risks involved.

The following are the key assumptions used in measuring the fair values of mortgage servicing rights and interest only strips for the sales of mortgage loans for the periods indicated:

	Mortgage Servicing Rights		Interest Only Strips	
	Conventional	Governmental	Conventional	Governmental
YEAR ENDED DECEMBER 31, 2001:				
Prepayment speed..................	7.3%--63.2%	7.1%--48.9%	7.6%--51.7%	8.5%--38.2%
Weighted average prepayment speed..	15.1%	13.3%	14.6%	14.8%
Discount rate.....................	9.5%--13.4%	11.8%--14.5%	11.2%--19.5%	13.5%
Weighted average life (in years)...	n/a	n/a	1.8--11.2	2.4--10.8
Expected credit losses............	n/a	n/a	none	none
SIX MONTHS ENDED DECEMBER 31, 2000:				
Prepayment speed..................	4.1%--62.3%	5.3%--63.3%	4.9%--48.5%	6.1%--43.9%
Weighted average prepayment speed..	12.4%	12.0%	9.5%	10.4%
Discount rate.....................	10.0%--12.0%	12.0%--12.9%	11.5%--15.0%	15.0%
Weighted average life (in years)...	n/a	n/a	4.3--8.3	6.4--10.4
Expected credit losses............	n/a	n/a	none	none

Loan servicing includes collecting and remitting loan payments, accounting for principal and interest, holding advance payments by borrowers for taxes and insurance, making inspections as required of the mortgage premises, collecting amounts due from delinquent mortgagors, supervising foreclosures in the event of unremedied defaults and generally administering the loans for the investors to whom they have been sold. The amount of loans serviced for others at December 31, 2001 and 2000, and June 30, 2000 and 1999, was $9,488,621,000, $9,100,938,000, $7,271,014,000, and $7,448,814,000, respectively. Custodial escrow balances maintained in connection with loan servicing totaled approximately $100,181,000, $102,797,000, $118,390,000 and $120,246,000 at December 31, 2001 and 2000, and June 30, 2000, and 1999.

The mortgage servicing portfolio is covered by servicing agreements pursuant to the mortgage-backed securities programs of GNMA, FNMA and FHLMC. Under these agreements, the Corporation may be required to advance funds temporarily to make scheduled payments of principal, interest, taxes or insurance if the borrower fails to make such payments. Although the Corporation cannot charge any interest on these advance funds, the Corporation typically recovers the advances within a reasonable number of days upon receipt of the borrower's payment. In the absence of any payment, advances are recovered through FHA insurance, VA guarantees or FNMA or FHLMC reimbursement provisions in connection with loan foreclosures. The amount of funds advanced by the Corporation for these servicing agreements is not material.

Mortgage servicing rights are included in the Consolidated Statement of Financial Condition under the caption "other assets." The activity of mortgage servicing rights is summarized as follows:

	Year Ended December 31, 2000	Six Months Ended December 31, 2000	Year Ended 2000
Beginning balance..	$111,110	$ 86,371	$84,752
Mortgage servicing rights retained through loan sales.......	40,994	9,938	10,402
Mortgage servicing rights retained on securitized loans sold	--	18,551	--
Amortization expense......................................	(17,092)	(4,558)	(8,703)
Other items, net (principally hedge activity)..............	1,263	1,391	(80)
	136,275	111,693	86,371
Valuation adjustments.....................................	(19,058)	(583)	--
Ending balance..	$117,217	$111,110	$86,371

The activity of the valuation allowances on mortgage servicing rights is summarized as follows:

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ended June 30, 2000	1999
Beginning balance..............	$ 583	$ --	$--	$--
Additions charged to operations	19,058	583	--	--

Ending balance.................	$19,641	$583	$--	$--
	=======	====	===	===

At December 31, 2001 and 2000, and June 30, 2000 and 1999, the fair value of the Corporation's mortgage servicing rights totaled approximately $120,193,000, $133,454,000, $134,057,000 and $106,906,000, respectively.

The key assumptions used in measuring the fair values and the sensitivity of the fair values of mortgage servicing rights were as follows at December 31:

	2001		2000	
	Conventional	Governmental	Conventional	Govern
Fair value......................................	$ 63,006	$ 57,187	$ 65,724	$
Prepayment speed...............................	7.1%--63.2%	0%--59.3%	5.3%--71.0%	0%
Weighted average prepayment speed...............	16.1%	16.4%	12.3%	
Impact on fair value of 10% adverse change...	$ 3,243	$ 2,831	$ 3,207	$
Impact on fair value of 20% adverse change...	$ 6,199	$ 5,452	$ 5,884	$
Discount rate..................................	9.6%--13.2%	11.4%--11.9%	10.1%--12.0%	12.2%
Impact on fair value of 10% adverse change...	$ 1,878	$ 2,041	$ 2,240	$
Impact on fair value of 20% adverse change...	$ 3,641	$ 3,952	$ 4,346	$

98

The key assumptions used in measuring the fair values (which are the same as the carrying values) and the sensitivity of the fair values of interest only strips were as follows at December 31:

	2001		2000	
	Conventional	Governmental	Conventional	Governme
Fair value......................................	$ 6,557	$ 1,728	$ 4,161	$ 1
Prepayment speed...............................	7.6%--62.1%	8.5%--53.2%	6.7--48.5%	6.5%--4
Weighted average prepayment speed...............	15.2%	16.7%	10.1%	1
Impact on fair value of 10% adverse change...	$ 321	$ 91	$ 516	$
Impact on fair value of 20% adverse change...	$ 616	$ 173	$ 617	$
Discount rate..................................	11.4%	13.5%	11.5%	1
Impact on fair value of 10% adverse change...	$ 220	$ 64	$ 506	$
Impact on fair value of 20% adverse change...	$ 425	$ 123	$ 602	$
Weighted average life (in years)................	2.9--6.3	3.3--6.6	4.3--9.6	4.2-
Expected credit losses.........................	none	none	none	

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in the tables, the effect of a variation in a particular assumption on the fair value of the mortgage servicing rights or interest only strips is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments and increased credit losses) which might magnify or counteract the sensitivities. Further, these sensitivities show only the change in the asset balances and do not show any expected changes in the fair value of instruments used to manage the prepayment risks associated with these assets, as discussed in Note 14, "Derivative Financial Instruments," or what actions management may take to offset any adverse valuation adjustments.

A summary of certain cash flows received from and paid to securitization trusts is as follows:

	Year Ended December 31, 2001	Six Months Ended December 31, 2000
Proceeds from new securitizations....................	$2,285,590	$2,225,743
Servicing fees received, including interest only strips	34,330	14,187
Purchases of delinquent or foreclosed assets..........	438,956	70,001
Servicing advances....................................	512,683	283,237
Repayments of servicing advances......................	512,045	281,593

The following presents quantitative information about delinquencies, net credit losses, and components of the Corporation's managed mortgage loan portfolio at December 31:

	2001	2000
Mortgage loans held in portfolio.........................	$ 4,602,596	$ 5,443,512
Mortgage loans serviced for others.......................	9,488,621	9,100,938
Mortgage loans held for sale.............................	470,527	189,489
Total managed mortgage loans.........................	$14,561,744	$14,733,939
Principal amount of managed loans 90 days or more past due	$ 192,446	$ 194,600

At December 31, 2001 and 2000, and June 30, 2000 and 1999, there were no commitments to purchase mortgage loan servicing rights or to sell any bulk packages of mortgage servicing rights.

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	2001		2000	
	Conventional	Governmental	Conventional	Governme

Fair value	$ 6,557	$ 1,728	$ 4,161	$ 1
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Weighted average prepayment speed	15.2%	16.7%	10.1%	1
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Impact on fair value of 20% adverse change	$ 616	$ 173	$ 617	$
Discount rate	11.4%	13.5%	11.5%	1
Impact on fair value of 10% adverse change	$ 220	$ 64	$ 506	$
Impact on fair value of 20% adverse change	$ 425	$ 123	$ 602	$
Weighted average life (in years)	2.9--6.3	3.3--6.6	4.3--9.6	4.2-
Expected credit losses	none	none	none	

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in the tables, the effect of a variation in a particular assumption on the fair value of the mortgage servicing rights or interest only strips is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments and increased credit losses) which might magnify or counteract the sensitivities. Further, these sensitivities show only the change in the asset balances and do not show any expected changes in the fair value of instruments used to manage the prepayment risks associated with these assets, as discussed in Note 14, "Derivative Financial Instruments," or what actions management may take to offset any adverse valuation adjustments.

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Principal amount of managed loans 90 days or more past due	$ 192,446	$ 194,600

At December 31, 2001 and 2000, and June 30, 2000 and 1999, there were no commitments to purchase mortgage loan servicing rights or to sell any bulk packages of mortgage servicing rights.

99

Note 9. Premises and Equipment

Premises and equipment are summarized as follows:

	December 31, 2001	December 31, 2000	June 30, 2000
Land	$ 39,092	$ 38,433	$ 41,231
Buildings and improvements	109,658	118,815	123,276
Leasehold improvements	5,180	5,889	7,066
Furniture, fixtures and equipment	117,821	115,659	131,636
	271,751	278,796	303,209
Less accumulated depreciation and amortization	113,060	111,586	121,517
	$158,691	$167,210	$181,692

Depreciation and amortization of premises and equipment, included in occupancy and equipment expenses, totaled $18,841,000, $9,968,000, $20,414,000, and $18,172,000 for the year ended December 31, 2001, the six months ended December 31, 2000, and for fiscal years 2000 and 1999, respectively. Rent expense totaled $6,554,000, $3,075,000, $6,335,000, and $4,489,000 for the year ended December 31, 2001, the six months ended December 31, 2000, and for fiscal years 2000 and 1999. The Bank has operating lease commitments on certain premises and equipment. Annual minimum operating lease commitments as of December 31, 2001, are as follows: 2002--$5,109,000; 2003--$4,560,000; 2004--$3,366,000; 2005--$2,321,000; 2006--$1,658,000; 2007 and thereafter--$10,415,000.

Note 10. Intangible Assets

An analysis of intangible assets is summarized as follows:

	Core Value of Deposits	Goodwill	Total
Balance, June 30, 1998	$34,824	$ 42,362	$ 77,186
Additions relating to acquisitions	35,265	155,928	191,193
Amortization expense	(8,984)	(6,718)	(15,702)

Balance, June 30, 1999	61,105	191,572	252,677
Final purchase accounting adjustments relating to acquisitions	(9,702)	6,830	(2,872)
Amortization expense	(8,563)	(8,673)	(17,236)
Write-offs due to branch sales and closings	(352)	(1,367)	(1,719)
Balance, June 30, 2000	42,488	188,362	230,850
Amortization expense	(3,903)	(4,250)	(8,153)
Write-offs due to branch sales and closings	(2,376)	(12,894)	(15,270)
Balance, December 31, 2000	36,209	171,218	207,427
Amortization expense	(7,211)	(8,134)	(15,345)
Write-offs due to branch divestitures	(265)	(367)	(632)
Balance, December 31, 2001	$28,733	$162,717	$191,450

No impairment adjustment was necessary to intangible assets for the year ended December 31, 2001, the six months ended December 31, 2000, or for fiscal years 2000 or 1999.

100

Note 11. Deposits

Deposits are summarized as follows:

	December 31 , 2001		December 31 , 2000		June 30, 2000	
Description and interest rates	Amount	%	Amount	%	Amount	%
Passbook accounts (average of 4.73%, 5.34% and 4.48%)	$1,939,596	30.3%	$1,861,074	24.2%	$1,575,380	21.5%
NOW accounts (average of .37%, .61% and .71%)	1,198,646	18.7	1,065,970	13.8	1,028,640	14.0
Market rate savings (average of 2.77%, 3.82% and 4.01%)	304,620	4.8	382,344	5.0	531,317	7.3
Total savings (no stated maturities)	3,442,862	53.8	3,309,388	43.0	3,135,337	42.8
Certificates of deposits:						
Less than 2.00%	45,207	.7	1,968	--	--	--
2.00%--2.99%	562,840	8.8	78	--	7,685	.1
3.00%--3.99%	537,808	8.4	6,119	.1	6,740	.1
4.00%--4.99%	825,086	12.9	583,156	7.6	771,419	10.5
5.00%--5.99%	611,563	9.6	1,251,274	16.3	2,007,819	27.4
6.00%--6.99%	257,613	4.0	2,313,213	30.0	1,328,741	18.1
7.00%--7.99%	112,885	1.8	227,833	3.0	70,974	1.0
8.00% and over	658	--	1,457	--	1,785	--
Total certificates of deposit (fixed maturities; average of 5.51%, 5.88% and 5.31%)	2,953,660	46.2	4,385,098	57.0	4,195,163	57.2
	$6,396,522	100.0%	$7,694,486	100.0%	$7,330,500	100.0%

Interest expense on deposit accounts is summarized as follows:

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ended June 30, 2000	1999
Passbook accounts	$ 64,399	$ 45,823	$ 59,215	$ 41,616
NOW accounts	4,180	3,162	7,423	12,223
Market rate savings	9,298	8,616	31,077	26,993
Certificates of deposit	232,490	126,978	227,959	242,026
	$310,367	$184,579	$325,674	$322,858

101

At December 31, 2001, scheduled maturities of certificates of deposit are as follows:

Rate	Year Ending December 31, 2002	2003	2004	2005	2006	Thereafter	Total
Less than 2.00%	$ 45,201	$ --	$ 6	$ --	$ --	$ --	$ 45,207
2.00%--2.99%	442,149	119,573	1,116	--	2	--	562,840
3.00%--3.99%	431,391	82,930	22,836	606	45	--	537,808
4.00%--4.99%	555,071	178,215	41,445	15,284	32,206	2,865	825,086
5.00%--5.99%	567,382	38,646	1,719	1,278	1,309	1,229	611,563
6.00%--6.99%	252,492	2,791	954	1,256	72	48	257,613
7.00%--7.99%	111,772	233	272	558	37	13	112,885
8.00% and over	58	39	16	8	78	459	658
	$2,405,516	$422,427	$68,364	$18,990	$33,749	$4,614	$2,953,660

Certificates of deposit in amounts of $100,000 or more totaled $484,120,000, $916,526,000 and $693,420,000, respectively, at December 31, 2001 and 2000, and June, 30, 2000. The total amount of brokered certificates of deposit were $52,967,000, $322,149,000 and $82,366,000, respectively, at December 31, 2001 and 2000, and June 30, 2000.

At December 31, 2001 and 2000, and June 30, 2000, deposits of certain state and municipal agencies and other various non-retail entities were collateralized by mortgage-backed securities with carrying values of $120,223,000, $187,965,000 and $302,984,000 and investment securities with carrying values of $8,252,000, $48,245,000 and $82,039,000, respectively. In compliance with regulatory requirements, at December 31, 2001 and 2000, and June 30, 2000, the Corporation maintained $21,177,000, $23,851,000 and $74,285,000, respectively, in cash on hand and deposits at the Federal Reserve

Bank. The funds at the Federal Reserve Bank were held in noninterest earning reserves against certain transaction checking accounts and nonpersonal certificates of deposit.

Note 12. Advances from the Federal Home Loan Bank

The Corporation was indebted to the Federal Home Loan Bank as follows:

	December 31, 2001		
	Interest Rate Range	Weighted Average Rate	Amount
Scheduled Maturities Due:			
Within 1 year............	1.78% - 7.20%	3.68%	$2,417,675
Over 1 year to 2 years...	2.06 - 7.69	6.92	204,050
Over 2 years to 3 years..	1.85 - 6.55	6.39	300,050
Over 3 years to 4 years..	6.55 - 6.55	6.55	50
Over 4 years to 5 years..	2.42 - 6.55	2.42	100,050
Over 5 years.............	4.30 - 7.29	5.76	1,906,200
	1.78% - 7.69%	4.76%	4,928,075
Fair value of embedded calls			10,981
			$4,939,056

	December 31, 2000			June 30, 2000		
	Interest Rate Range	Weighted Average Rate	Amount	Interest Rate Range	Weighted Average Rate	Amount
Scheduled Maturities Due:						
Within 1 year...........	5.82% - 9.90%	7.31%	$ 735,840	5.82% - 8.31%	6.87%	$1,772,5
Over 1 year to 2 years..	6.22 - 9.95	8.85	319,625	6.22 - 7.04	6.80	152,6
Over 2 years to 3 years.	6.54 - 7.69	7.19	204,000	6.54 - 7.69	7.20	317,8
Over 3 years to 4 years.	6.39 - 6.77	6.52	300,000	-- --	--	
Over 4 years to 5 years.	-- --	--	--	6.23 - 6.72	6.40	300,0
Over 5 years............	4.30 - 7.33	5.59	2,006,000	4.18 - 7.29	5.20	2,506,5
	4.30% - 9.95%	6.41%	$3,565,465	4.18% - 8.31%	5.98%	$5,049,5

Fixed-rate advances totaling $1,706,000,000 at December 31, 2001, are convertible into adjustable-rate advances at the option of the Federal Home Loan Bank. At December 31, 2001, these convertible advances had call dates ranging from January 2002 to March 2003. All of these advances have scheduled maturities due over five years. At December 31, 2000, and June 30, 2000, convertible advances totaled $1,706,000,000 and $2,346,000,000, respectively.

At December 31, 2001 and 2000, and June 30, 2000, outstanding advances were collateralized by real estate loans totaling $3,733,629,000, $3,813,309,000 and $5,864,455,000, respectively, and mortgage-backed securities totaling $516,454,000, $98,191,000 and $197,137,000. The Corporation is also required to hold shares of Federal Home Loan Bank stock in an amount at least equal to the greater of 1.0% of certain of its residential mortgage loans or 5.0% of its outstanding advances. The Corporation was in compliance with this requirement at December 31, 2001 and 2000, and June 30, 2000, holding Federal Home Loan Bank stock totaling $253,946,000, $251,537,000 and $255,756,000, respectively. At December 31, 2001 and 2000, and June 30, 2000, there were no commitments for advances from the Federal Home Loan Bank.

103

Note 13. Other Borrowings

Other borrowings consist of the following:

	December 31, 2001	December 31, 2000	June 30, 2000
Federal funds, interest 1.72%, due January 2, 2002	$130,000	$ --	$ --
Securities sold under agreements to repurchase	201,912	6,905	33,379
Term note, adjustable interest, due June 30, 2004	54,375	63,438	65,250
Revolving line of credit, adjustable interest, due June 30, 2004	10,000	10,000	10,000
Guaranteed preferred beneficial interests in the Corporation's junior subordinated debentures, interest 9.375%, due May 15, 2027	45,000	45,000	45,000
Subordinated extendible notes, interest 7.95%, due December 1, 2006	21,725	50,000	50,000
Subordinated notes, adjustable interest, due December 8, 2011	30,000	--	--
Subordinated notes, adjustable interest, due December 18, 2031	20,000	--	--
Other borrowings	7,201	--	2,397
	$520,213	$175,343	$206,026

At December 31, 2001, securities sold under agreements to repurchase carried a weighted average rate of 4.30% with $1,912,000 maturing overnite, $100,000,000 maturing December 31, 2006, and $100,000,000 maturing March 29, 2011. At December 31, 2001, mortgage backed securities and investment securities with carrying values totaling $224,734,000 and $10,023,000, respectively, and fair values totaling $226,292,000 and $9,802,000, respectively, were pledged as collateral. At December 31, 2000, securities sold under agreements to repurchase matured overnight at an interest rate of 4.91% and were collateralized by an investment security with a carrying value totaling $19,928,000 and a fair value totaling $19,575,000. At June 30, 2000, securities sold under agreements to repurchase had a weighted average rate of 4.99% with $8,379,000 maturing overnight and $25,000,000 maturing in September 2000. Mortgage-backed securities with carrying values totaling $32,035,000 and fair values totaling $30,681,000 were pledged as collateral.

During July 1999, the Corporation entered into a term and revolving credit agreement totaling $82,500,000. This credit facility is in the form of an unsecured, five-year term note due June 30, 2004. In July 1999, $72,500,000 was drawn down to refinance a term note for $32,500,000 and to pay in full $40,000,000 of one-year purchase notes from an acquisition. At December 31, 2001, this term note had a remaining principal balance of $54,375,000. Terms of the note require quarterly principal payments of $1,812,500 and quarterly interest payable at a monthly adjustable rate priced at 100 basis points below the lender's national base rate, or 3.75% at December 31, 2001. The unsecured revolving line of credit with a balance of $10,000,000 has interest rate terms the same as the term note.

Effective May 14, 1997, CFC Preferred Trust, a special-purpose wholly-owned trust subsidiary of the Corporation, completed an offering of 1,800,000 shares (issue price of $25.00 per share) totaling $45,000,000 of fixed-rate 9.375% cumulative trust preferred securities due May 15, 2027. Also, effective May 14, 1997, the Corporation purchased all of the common securities of CFC Preferred Trust for $1,391,775. CFC Preferred Trust invested the total proceeds of $46,391,775 received in 9.375% junior subordinated deferrable interest debentures (the "Debentures") issued by the Corporation. Interest paid on the Debentures is distributed to holders of the cumulative trust preferred securities and to the Corporation as holder of the common securities. Under current tax law, distributions to the holders of the cumulative trust preferred securities are tax deductible for the Corporation. The Debentures, unsecured, rank junior and are subordinate in right of payment of all senior debt of the Corporation. The obligations of the Corporation under the Debentures, the indenture, the relevant trust agreement and the guarantees constitute a full and unconditional guarantee by the Corporation of the obligations of the trust under the trust preferred securities and rank subordinate and junior in right of payment to all liabilities of the Corporation. The distribution rate payable on the cumulative trust preferred securities is cumulative and payable quarterly in arrears. The Corporation has the right, subject to events of default, to defer payments of interest on the Debentures by extending the interest payment periods not exceeding 20 consecutive quarters. No extension

period may extend beyond the redemption or maturity date of the Debentures. The Debentures mature on May 15, 2027, which may be shortened to not earlier than May 15, 2002, if certain conditions are met. The cumulative trust preferred securities would qualify as Tier 1 capital of the Corporation should the Corporation become subject to the Federal Reserve capital requirements for bank holding companies.

On December 2, 1996, the Corporation issued $50,000,000 of fixed-rate subordinated extendible notes due December 1, 2006 (the "Notes"). Contractual interest on the Notes is paid monthly and was set at 7.95% until December 1, 2001. The interest rate for the Notes was reset at the Corporation's option on December 1, 2001, at 7.95% until December 1, 2004, the next reset date selected by management. This interest rate of 7.95% exceeds 105% of the effective interest rate on comparable maturity U. S. Treasury obligations, as defined in the Indenture. These notes were redeemable by the holders on December 1, 2001. A total of $28,275,000 was redeemed, leaving an outstanding balance of $21,725,000 at December 31, 2001. The Corporation and noteholders may elect to redeem the Notes in whole on December 1, 2004, the next interest reset date, at par plus accrued interest. The Notes are unsecured general obligations of the Corporation. The Indenture, among other provisions, limits the ability of the Corporation to pay cash dividends or to make other capital distributions under certain circumstances.

On November 28, 2001, the Bank issued and sold $30,000,000 of floating rate subordinated debt securities due December 8, 2011. Interest is payable semi-annually in arrears on June 8 and December 8 of each year commencing on June 8, 2002. The initial interest rate is 6.01% through June 8, 2002, and resets semi-annually on each successive interest payment date equal to the six-month LIBOR plus 3.75%. The interest rate shall not exceed 12.50%. These subordinated debt securities are not redeemable, unless certain events occur, as defined in the Indenture. The subordinated debt securities, unsecured, rank junior and are subordinate in right of payment of all senior debt of the Bank.

On December 18, 2001, the Bank issued and sold $20,000,000 of floating rate junior subordinated debentures due December 18, 2031. Interest is payable quarterly in arrears on March 18, June 18, September 18 and December 18 of each year commencing on March 18, 2002. The initial interest rate is 5.60% through March 18, 2002, and resets quarterly on each successive interest payment date equal to the three-month LIBOR plus 3.60%. The interest rate shall not exceed 12.50% prior to December 18, 2011. These junior subordinated debentures may be redeemed by the Bank on or after December 18, 2006, and on any subsequent interest reset date through September 18, 2030, and any time after September 30, 2030, with proper notice. The junior subordinated debentures, unsecured, rank junior and are subordinate in right of payment of all senior debt of the Bank.

The $30,000,000 of subordinated debt securities and the $20,000,000 of junior subordinated debentures are includable as part of supplementary Tier 2 regulatory capital for the Bank. Proceeds from these issuances were utilized by the Bank to make capital distributions to the Corporation. On November 30, 2001, a distribution for $30,000,000 was used to redeem $28,275,000 of the Corporation's 7.95% subordinated extendible notes and to repurchase common stock. On January 10, 2002, a distribution for $20,000,000 was used to repay $7,000,000 of the Corporation's revolving line of credit and to repurchase common stock.

Other borrowings at December 31, 2001, consist of United States Treasury Tax and Loan borrowings totaling $7,201,000 and bearing an interest rate of 1.38% at December 31, 2001. These borrowings are an open- ended interest bearing note that are callable by the United States Treasury and, at December 31, 2001, are secured by mortgage-backed securities with a book value totaling $27,620,000. At June 30, 2000, other borrowings consisted of notes issued in conjunction with collateralized mortgage obligations, due in varying amounts through 2019, and secured by FNMA and FHLMC mortgage-backed securities with book values totaling $7,331,000. These notes were paid in full in December 2000.

Contractual principal maturities of other borrowings as of December 31, 2001, for the next five years are as follows: 2002--$146,363,000; 2003--$7,250,000; 2004--$49,875,000; 2005--zero; 2006--$121,725,000; 2007 and thereafter--$195,000,000.

Note 14. Derivative Financial Instruments

The Corporation utilizes derivative financial instruments as part of an overall interest rate risk management strategy.

Interest Rate Swap Agreements

The Corporation is exposed to interest rate risk relating to the variable cash flows of certain deposit liabilities and FHLB advances attributable to changes in market interest rates. As part of its overall strategy to manage the level of exposure to the risk of interest rates adversely affecting net interest income the Corporation uses interest rate swap agreements that have offsetting characteristics from the hedged deposit liabilities and FHLB advances. These derivatives are designated and qualify as cash flow hedges with the fair value gain or loss reported as a component of accumulated other comprehensive income (loss). The fair value of the interest rate swaps at December 31, 2001 and 2000, totaled approximately $109,913,000 and $37,252,000, respectively, which represents the amount that would need to be paid if the swap agreements were terminated.

The following summarizes the Corporation's interest rate swap agreements by maturity dates at December 31:

	2001			2000		
		Interest Rate			Interest Rate	
	Notional Amount	Paying	Receiving	Notional Amount	Paying	Receiving
Scheduled Maturities Due:						
2001..................				$ 50,000	6.21%	6.04%
2002..................	$ 100,000	5.98%	1.75%	100,000	5.98	5.86
2003..................	400,000	5.65	1.83	400,000	5.65	6.84
2004..................	600,000	6.14	1.82	600,000	6.14	6.16
2005..................	250,000	6.38	1.75	250,000	6.38	5.93
Thereafter............	1,270,000	5.74	2.16	150,000	5.42	5.90
	$2,620,000	5.89%	1.98%	$1,550,000	5.99%	6.26%

The following summarizes the Corporation's interest rate swap agreements by maturity date at June 30, 2000:

		Interest Rate	
	Notional Amount	Paying	Receiving
Scheduled Maturities Due:			
2001..................	$ 140,000	6.00%	6.16%
2002..................	100,000	7.07	6.76
2003..................	200,000	6.71	6.34
2004..................	500,000	6.01	6.05
2005..................	800,000	6.28	6.31
Thereafter............	800,000	7.07	6.67
	$2,540,000	6.53%	6.39%

Under the interest rate swap agreements the Corporation pays fixed rates of interest and receives variable rates of interest. The variable interest rates were based on either the 13-week average yield of the three-month U.S. Treasury bill or the three-month LIBOR average. Net interest settlement was quarterly. Net interest expense on the swap agreements totaled $45,744,000, $415,000, $2,869,000 and $2,849,000, respectively, for the year ended December 31, 2001, the six months ended December 31, 2000, and fiscal years 2000 and 1999.

The interest rate swap agreements were collateralized by investment securities with carrying values of $40,331,000 at December 31, 2001, by investment securities with carrying values of $63,860,000 at December 31, 2000, and by mortgage-backed securities with carrying values of $8,528,000 at June 30, 2000. Entering into interest rate swap agreements involves the credit risk of dealing with intermediary and primary counterparties and their ability to meet the terms of the respective contracts. The Corporation is exposed to credit loss in the event of nonperformance by the counterparties to the interest rate swaps if the Corporation is in a net interest receivable position at the time of potential default by the counterparties. At December 31, 2001 and 2000, and June 30, 2000, the Corporation was in a net interest payable position. The Corporation does not anticipate nonperformance by the counterparties.

For the six months ended December 31, 2000, the Corporation incurred losses on terminated interest rate swap agreements totaling $8,601,000 since the related hedged FHLB advances and deposit liabilities were not paid. This loss is included in other comprehensive income (loss) and is being reflected in operations as the related interest expense on the designated FHLB advances and deposit liabilities is incurred. The amortization of these losses on these terminated interest rate swap agreements for the year ended December 31, 2001, and the six months ended December 31, 2000, totaled $2,034,000 and $170,000, respectively. At December 31, 2001, the unamortized balance of these losses totaled approximately $6,398,000. In addition, during the six months ended December 31, 2000, the Corporation recorded a net loss of $38,209,000 on the termination of swap agreements due to the repayment of the related hedged FHLB advances.

Swaption Agreements

The Corporation has $1,000,000,000 of 10 year fixed-rate FHLB advances with interest rates ranging from 4.30% to 5.40%, maturity dates ranging from February 2009 to July 2009 and call dates ranging from January 2002 to May 2002. The call options expose the Corporation to interest rate risk. The Corporation entered into swaption agreements to hedge the exposure to changes in the fair value of the calls embedded in the FHLB advances, which are recorded as fair value hedges. These agreements represent purchased options to enter into interest rate agreements whereby the Corporation would pay fixed rates of interest and receive variable rates of interest. All terms of the swaption agreements exactly match the terms of these FHLB advances. In the event any of these FHLB advances are called, the Corporation will exercise its corresponding option to enter into a swap agreement paying a fixed rate of interest on the swap equal to the existing fixed rate on the FHLB advance. At December 31, 2001, the fair value on the rights of the swaption agreements was recorded as an asset of $78,220,000.

Interest Rate Floor Agreements

The Corporation is also exposed to interest rate risk relating to the potential decrease in the value of mortgage servicing rights due to increased prepayments on mortgage servicing loans resulting from declining interest rates. As part of its overall strategy to manage the level of exposure to the risk of interest rates adversely affecting the value of mortgage servicing rights due to impairment exposure, the Corporation uses interest rate floor agreements to protect the fair value of the mortgage servicing rights. By purchasing floor agreements, the Corporation would be paid cash based on the differential between a short-term rate and the strike rate, applied to the notional principal amount, should the current short-term rate fall below the strike rate level of the agreement. These derivatives are not designated and do not qualify as hedges under SFAS No. 133, and therefore, receive a "no hedging" designation.

At December 31, 2001 and 2000, the Corporation had interest rate floor agreements with notional amounts totaling $630,000,000 and $505,000,000, respectively, with a fair value gain of $3,071,000 and $1,809,000, respectively, representing the amount that would be received to terminate the floor agreements. The interest rate floor agreements at December 31, 2001, had strike rates ranging from 3.84% to 6.32% and mature between January 2002 and March 2006. At June 30, 2000, the Corporation had interest rate floor agreements with notional amounts totaling $335,000,000.

107

Interest Rate Cap Agreements

During fiscal year 2000, the Corporation entered into three interest rate cap agreements totaling $300,000,000. These interest rate cap agreements were called in June 2000, resulting in a net loss of $69,000. These agreements would have paid interest quarterly when the three-month LIBOR exceeded 7.5%. Throughout the life of these agreements, the Corporation did not owe any interest to the counterparty. The premiums received totaled $4,800,000. Premiums amortized to income during fiscal 2000 totaled $699,000.

Commitments

Mandatory forward sales commitments are used by the Corporation in the management of its loan activities, other than loans held for investment. The objective of these transactions is to reduce interest rate exposure on loan production. Mandatory forward sales commitments obligate both the Corporation and the buyer to trade loans at a specified price at the settlement date.

Beginning in 2001, the Corporation designated mandatory forward sales commitments to sell residential mortgage loans as hedging the change in fair value of loans held for sale. At December 31, 2001, these commitments totaling $445,000,000 had a fair value gain of $3,060,000. Mandatory forward sales commitments, which were excluded from hedge designation and the assessment of effectiveness, resulted in a net loss of $1,100,000 during the year ended December 31, 2001. This net loss is included in Gain (Loss) on Sales of Loans in the Consolidated Statement of Operations. At December 31, 2000, the Corporation had mandatory forward sales commitments totaling $176,862,000 with a fair value loss of $2,085,000.

At December 31, 2001 and 2000, the Corporation had conforming loan commitments for loans held for sale totaling $161,203,000 and $85,219,000, respectively, consisting primarily of fixed-rate loans with fair values of $68,000 and $354,000, respectively. These conforming loan commitments do not qualify as hedges under SFAS No. 133 and therefore, receive a "no hedging" designation.

Note 15. Income Taxes

The following is a comparative analysis of the federal and state income tax provision (benefit):

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ended June 30, 2000	1999
Current:				
Federal	$ 56,014	$ 11,276	$19,757	$42,937
State	1,221	(2)	1,210	3,230
	57,235	11,274	20,967	46,167
Deferred:				
Federal	(13,287)	(33,362)	36,689	16,789
State	(574)	2,397	(2,387)	304
	(13,861)	(30,965)	34,302	17,093
Total income tax provision (benefit)	$ 43,374	$(19,691)	$55,269	$63,260

108

The following is a reconciliation of the statutory federal income tax rate to the consolidated effective tax rate:

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ende June 30, 2000	199
Statutory federal income tax rate	35.0%	(35.0)%	35.0%	35.
Increase in value of Bank owned life insurance	(3.5)	--	--	-
Amortization of discounts, premiums and intangible assets	1.9	2.0	1.7	1.
Tax exempt interest	(2.6)	(1.9)	(1.2)	(.
Nondeductible exit costs and termination benefits, merger and other nonrecurring expenses	--	6.3	.2	4.
Income tax credits	(.5)	(.7)	(.4)	(.
State income taxes, net of federal income taxes	.3	2.2	(.5)	1.
Other items, net	.1	(1.0)	(.5)	(1.
Effective tax rate	30.7%	(28.1)%	34.3%	40.

The components of deferred tax assets and liabilities are as follows:

	December 31, 2001	December 31, 2000	June 30, 2000

Deferred tax assets:			
Interest rate swap agreements	$ 43,969	$ 13,794	$ --
Allowance for losses on loans and real estate not currently deductible	39,212	35,095	27,285
State net operating loss carryforwards	12,247	10,357	7,678
Basis differences between tax and financial reporting arising from acquisitions	8,217	9,214	9,743
Employee benefits	4,408	5,007	3,993
Other items	8,452	10,403	9,003
	116,505	83,870	57,702
Valuation allowance	(15,845)	(10,911)	(5,074)
	100,660	72,959	52,628
Deferred tax liabilities:			
Mortgage servicing rights	14,572	17,520	9,327
Federal Home Loan Bank stock	14,838	20,238	21,557
Real estate investment trust deferred income	10,380	10,010	35,688
Core value of acquired deposits	8,633	10,318	12,041
Differences between book and tax basis of premises and equipment	7,845	7,967	8,749
Mark-to-market of securities available for sale	7,200	940	--
Deferred loan fees	2,595	3,492	4,337
Other items	5,489	7,574	8,419
	71,552	78,059	100,118
Net deferred tax asset (liability)	$ 29,108	$ (5,100)	$(47,490)

At December 31, 2001, the Corporation and certain subsidiaries had state net operating loss carryforwards totaling approximately $186,214,000 available for income tax purposes. A valuation allowance was established for these carryforwards which expire through 2021. The valuation allowance is primarily attributable to state deferred tax assets at December 31, 2001. The valuation allowance increased to $15,845,000 at December 31, 2001, compared to $10,911,000 at December 31, 2000, and $5,074,000 at June 30, 2000, primarily due to increases in state net operating loss carryforwards available for income tax purposes.

109

A deferred tax liability has not been recognized for the bad debt reserves of the Bank created in the tax years which began prior to December 31, 1987 (the base year). At December 31, 2001, these reserves totaled approximately $105,266,000 with an unrecognized deferred tax liability approximating $38,527,000. This unrecognized deferred tax liability could be recognized in the future, in whole or in part, if there is a change in federal tax law, the Bank fails to meet certain definitional tests and other conditions in the federal tax law, certain distributions are made with respect to the stock of the Bank, or the bad debt reserves are used for any purpose other that absorbing bad debt losses.

Note 16. Stockholders' Equity and Regulatory Restrictions

Effective December 18, 1998, the Corporation's Shareholder Rights Plan was amended primarily to extend the expiration date of such rights to December 19, 2008, unless earlier redeemed by the Corporation. In December 1988, the Board of Directors adopted a Shareholder Rights Plan and declared a dividend of stock purchase rights. This dividend consisted of one primary right and one secondary right for each outstanding share of common stock payable on December 30, 1988, and for each share of common stock issued by the Corporation at any time after December 30, 1988, and prior to the earlier of the occurrence of certain events or expiration of these rights. These rights are attached to and trade only together with the common stock shares. The provisions of the Shareholder Rights Plan are designed to protect the interests of the stockholders of record in the event of an unsolicited or hostile attempt to acquire the Corporation at a price or on terms that are not fair to all shareholders. Unless rights are exercised, holders have no rights as a stockholder of the Corporation (other than rights resulting from such holder's ownership of common shares), including, without limitation, the right to vote or to receive dividends. At December 31, 2001, no such rights were exercised.

The Corporation is authorized to issue 10,000,000 shares of preferred stock having a par value of $.01 per share. None of the shares of the authorized preferred stock have been issued. The Board of Directors is authorized to establish and state voting powers, designation preferences, and other special rights of these shares and their qualifications, limitations and restrictions. The preferred stock may rank prior to the common stock as to dividend rights, liquidation preferences, or both, and may have full or limited voting rights.

The capital distribution regulations of the OTS permit the Bank to pay capital distributions during a calendar year up to 100.0% of its retained net income for the current calendar year combined with the Bank's retained net income for the preceding two calendar years without requiring an application to be filed with the OTS. Retained net income is net income determined in accordance with generally accepted accounting principles less total capital distributions declared. At December 31, 2001, the Bank's total distributions exceeded its retained net income by $228,154,000 under this regulation thereby requiring the Bank to file an application with the OTS for any proposed capital distributions. Applicable regulations require approval by the OTS of any proposed dividends and, in some cases, could prohibit the payment of dividends.

In April 1999, the Corporation began repurchasing its outstanding common stock. From April 1999 through December 31, 2000, the Corporation purchased 8,038,900 shares of its common stock at a cost of $149,066,000. On May 7, 2001, a repurchase for 5,000,000 shares was authorized. The Corporation purchased 4,201,500 shares of its common stock under this authorization at a cost of $103,439,000 during 2001. This repurchase was completed on January 28, 2002, with the remaining 798,500 shares costing $19,474,000. During 2001, the Corporation purchased a total of 7,662,600 shares of its common stock at a total cost of $180,877,000.

Note 17. Regulatory Capital

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Regulators can initiate certain mandatory, and possibly additional discretionary, actions if the Bank fails to meet minimum capital requirements. These actions could have a direct material effect on the Corporation's financial position and results of operations. The regulations require the Bank to meet specific capital adequacy guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital classification is also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios as set forth in the following table. Prompt corrective action provisions pursuant to FDICIA require specific supervisory actions as capital levels decrease. To be considered well-capitalized under the regulatory framework for prompt corrective action provisions under FDICIA, the Bank must maintain certain minimum capital ratios as set forth below. The Bank exceeded the minimum requirements for the well-capitalized category for all periods presented.

The following presents the Bank's regulatory capital levels and ratios relative to its minimum capital requirements:

	As of December 31, 2001			
	Actual Capital		Required Capital	
	Amount	Ratio	Amount	Ratio
OTS capital adequacy:				
Tangible capital	$706,534	5.58%	$190,045	1.50%
Core capital	709,770	5.60	380,188	3.00
Risk-based capital	850,713	11.38	597,976	8.00
FDICIA regulations to be classified well-capitalized:				
Tier 1 leverage capital	709,770	5.60	633,646	5.00
Tier 1 risk-based capital	709,770	9.50	448,482	6.00
Total risk-based capital	850,713	11.38	747,470	10.00

	As of December 31, 2000			
	Actual Capital		Required Capital	
	Amount	Ratio	Amount	Ratio
OTS capital adequacy:				
Tangible capital	$800,630	6.51%	$184,557	1.50%
Core capital	805,693	6.55	369,267	3.00
Risk-based capital	879,845	11.84	594,373	8.00
FDICIA regulations to be classified well-capitalized:				
Tier 1 leverage capital	805,693	6.55	615,444	5.00
Tier 1 risk-based capital	805,693	10.84	445,780	6.00
Total risk-based capital	879,845	11.84	742,966	10.00

	As of June 30, 2000			
	Actual Capital		Required Capital	
	Amount	Ratio	Amount	Ratio
OTS capital adequacy:				
Tangible capital	$890,051	6.55%	$203,743	1.50%
Core capital	896,091	6.59	407,667	3.00
Risk-based capital	961,520	12.59	610,757	8.00
FDICIA regulations to be classified well-capitalized:				

Tier 1 leverage capital.........................	896,091	6.59	679,445	5.00
Tier 1 risk-based capital........................	896,091	11.74	458,067	6.00
Total risk-based capital.........................	961,520	12.59	763,446	10.00

As of December 31, 2001, the most recent notification from the OTS categorized the Bank as "well-capitalized" under the regulatory framework for prompt corrective action provisions under FDICIA. There are no conditions or events since such notification that management believes have changed the Bank's classification.

Note 18. Commitments and Contingencies

The Corporation is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to

extend credit, standby letters of credit, financial guarantees on certain loans sold with recourse and on other contingent obligations. These instruments involve elements of credit and interest rate risk in excess of the amount recognized in the Consolidated Statement of Financial Condition. The contractual amounts of these instruments represent the maximum credit risk to the Corporation. The Corporation uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

The following table presents outstanding commitments, excluding undisbursed portions of loans in process, as follows:

	At December 31,		At June 30,
	2001	2000	2000
Originate residential mortgage loans.........................	$180,129	$ 73,169	$143,394
Purchase residential mortgage loans..........................	75,086	49,048	102,347
Originate commercial real estate loans.......................	151,361	110,776	127,545
Originate consumer, commercial operating and agricultural loans	13,874	18,034	17,572
Unused lines of credit for commercial and consumer use.........	182,945	217,801	218,887
Purchase investment securities...............................	805	41,893	1,500
	$604,200	$510,721	$611,245

Loan commitments, which are funded subject to certain limitations, extend over various periods of time. Generally, unused loan commitments are canceled upon expiration of the commitment term as outlined in each individual contract. These outstanding loan commitments to extend credit do not necessarily represent future cash requirements since many of the commitments may expire without being drawn upon. The Corporation evaluates each customer's credit worthiness on a separate basis and requires collateral based on this evaluation. Collateral consists mainly of residential family units and personal property.

At December 31, 2001 and 2000, and June 30, 2000, the Corporation had approximately $445,000,000, $176,862,000 and $240,714,000, respectively, in mandatory forward delivery commitments to sell residential mortgage loans. At December 31, 2001 and 2000, and June 30, 2000, loans sold subject to recourse provisions totaled approximately $8,750,000, $12,912,000 and $13,178,000, respectively, which represents the total potential credit risk associated with these particular loans. Any credit risk would, however, be offset by the value of the single-family residential properties that collateralize these loans.

The Corporation is subject to a number of lawsuits and claims for various amounts which arise out of the normal course of its business. In the opinion of management, the disposition of claims currently pending will not have a material adverse effect on the Corporation's financial position or results of operations.

On September 12, 1994, the Bank and the Corporation commenced litigation relating to supervisory goodwill against the United States in the United States Court of Federal Claims seeking to recover monetary relief for the government's refusal to honor certain contracts that it had entered into with the Bank. The suit alleges that such governmental action constitutes a breach of contract and an unlawful taking of property by the United States without just compensation or due process in violation of the Constitution of the United States. The Corporation and the Bank are pursuing alternative damage claims of up to approximately $230,000,000. The Bank also assumed a lawsuit in the merger with Mid Continent against the United States also relating to a supervisory goodwill claim filed by the former Mid Continent. The litigation status and process of these legal actions, as well as that of numerous actions brought by others alleging similar claims with respect to supervisory goodwill and regulatory capital credits, make the value of the claims asserted by the Bank (including the Mid Continent claim) uncertain as to their ultimate outcome, and contingent on a number of factors and future events which are beyond the control of the Bank, both as to substance, timing and the dollar amount of damages that may be awarded to the Bank and the Corporation if they finally prevail in this litigation.

112

Note 19. Employee Benefit and Incentive Plans

Retirement Savings Plan

The Corporation maintains a contributory deferred savings 401(k) plan covering substantially all employees. The Corporation's matching contributions are equal to 100% of the first 8% of participant contributions. Participants vest immediately in their own contributions. For contributions of the Corporation, participants vest over a five-year period and, thereafter, vest 100% on an annual basis if employed on the last day of each calendar year. Contribution expense was $3,668,000, $2,091,000, $3,926,000 and $3,737,000 for the year ended December 31, 2001, the six months ended December 31, 2000, and fiscal years 2000 and 1999, respectively.

Stock Option and Incentive Plans

The Corporation maintains the 1996 Stock Option and Incentive Plan (the "1996 Plan"), the 1984 Stock Option and Incentive Plan, as amended (the "1984 Plan"), and various stock option and incentive plans assumed in certain mergers since 1995. These plans permit the granting of stock options, restricted stock awards and stock appreciation rights. The Corporation's stock options expire over periods not to exceed 10 years from the date of grant with the option price equal to market value on the date of grant. Stock options either are exercisable and vest on the date of grant or over various periods not exceeding three years. Recipients of restricted stock have the usual rights of a shareholder, including the rights to receive dividends and to vote the shares; however, the common stock will not be vested until certain restrictions are satisfied. The term of the 1984 Plan extends to July 31, 2002, and the term of the 1996 Plan to September 11, 2006.

The following table presents the activity of all stock option plans for each of the two fiscal years ended June 30, 2000, the six months ended December 31, 2000, and the year ended December 31, 2001, and the stock options outstanding at the end of the respective periods:

	Stock Option Shares	Weighted Average Price Per Share	Aggregate Amount
Outstanding at June 30, 1998	2,864,256	$19.11	$ 54,723
Granted	766,825	24.19	18,549
Exercised	(1,000,491)	12.78	(12,785)
Canceled	(41,483)	32.32	(1,357)
Outstanding at June 30, 1999	2,589,107	22.84	59,130
Granted	796,756	15.49	12,342
Exercised	(184,845)	11.58	(2,141)
Canceled	(251,216)	27.49	(6,906)
Outstanding at June 30, 2000	2,949,802	21.16	62,425
Granted	92,935	16.08	1,494
Exercised	(64,650)	12.96	(838)
Canceled	(143,107)	23.59	(3,376)
Outstanding at December 31, 2000	2,834,980	21.06	59,705
Granted	1,086,468	21.71	23,583
Exercised	(354,009)	13.03	(4,613)
Canceled	(335,317)	22.70	(7,612)
Outstanding at December 31, 2001	3,232,122	$21.99	$ 71,063
Exercisable at December 31, 2001	2,133,635	$22.88	$ 48,818
Shares available for future grants at December 31, 2001:			
1984 Plan	120,300		
1996 Plan	1,123,800		

The following table summarizes information about the Corporation's stock options outstanding at December 31, 2001:

Shares Subject to Outstanding Options				Shares Exercisable	
Range of Exercise	Stock Option Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise	Stock Option Shares	Weighted Average Exercise

Prices	Outstanding	in Years	Price	Exercisable	Price
$ 2.23 - $ 6.26	9,591	2.30	$ 6.22	9,591	$ 6.22
9.01 - 12.61	166,725	4.96	11.09	166,725	11.09
13.77 - 15.69	677,421	8.04	15.40	372,812	15.16
16.43 - 18.50	210,568	6.96	17.54	210,568	17.54
22.00 - 23.08	1,152,376	8.51	22.08	358,498	22.26
24.19 - 25.26	513,214	7.33	24.22	513,214	24.22
34.16	502,227	6.37	34.16	502,227	34.16
$ 2.23 - $34.16	3,232,122	7.59	$21.99	2,133,635	$22.88

During the year ended December 31, 2001, a total of 957,808 options were granted to executives, managers and employees under the 1996 Plan. During the six months ended December 31, 2000, and fiscal year 2000, a total of 50,000 options and 653,538 options, respectively, were granted to executives and managers under the 1996 Plan.

The Board of Directors received their fees as discounted stock options under the 1996 Plan for 68,660 shares, 42,935 shares and 83,218 shares, respectively, during the year ended December 31, 2001, the six months ended December 31, 2000, and fiscal year 2000. Director compensation expense resulting from the issuance of these stock options totaled $321,000, $558,000 and $168,000 for the respective periods. During the year ended December 31, 2001, and during fiscal years 2000 and 1999, non-incentive stock options for 60,000 shares, 60,000 shares and 50,000 shares, respectively, also were granted to directors under the 1996 Plan.

The Corporation applies APB Opinion No. 25 in accounting for its stock option and incentive plans so no compensation cost is recognized for stock options granted. The effect on the Corporation's net income (loss) and earnings (loss) per share is presented in the following table as if compensation cost was determined based on the fair value at the grant dates for stock options awarded pursuant to the provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation."

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ended June 30, 2000	Year Ended June 30, 1999
Net income (loss):				
As reported............	$97,682	$(69,501)	$104,008	$92,392
Pro forma..............	95,150	(69,883)	102,400	84,101
Earnings (loss) per share:				
Basic--				
As reported............	$ 1.95	$ (1.27)	$ 1.79	$ 1.55
Pro forma..............	1.90	(1.28)	1.76	1.41
Diluted--				
As reported............	$ 1.93	$ (1.27)	$ 1.79	$ 1.54
Pro forma..............	1.91	(1.28)	1.79	1.42

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the weighted-average assumptions used as follows:

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year Ended June 30, 2000	1999
Dividend yield................	1.26%--1.95%	1.51%--2.27%	1.47%--2.25%	1.07%
Expected stock price volitility	29%	29%	29%	26%
Risk-free interest rates.......	4.17%--5.03%	5.07%--5.93%	5.97%--6.75%	5.50%
Expected option lives..........	6 years	6 years	6 years	6 years

Restricted stock may also be granted for awards earned under management incentive plans. On the grant dates of December 31, 2001, and June 30, 1999, the Corporation issued restricted stock for 84,030 shares and 39,072 shares, respectively, with an aggregate market value of $1,975,000 and $906,000, respectively. No awards were granted for the six months ended December 31, 2000, or fiscal year 2000. The awards of restricted stock vest 20% on each anniversary of the grant date, provided that the employee has completed the specified service requirement, or earlier under certain conditions. Total deferred compensation on the unvested restricted stock totaled $2,193,000, $503,000, $805,000, and $1,887,000 at December 31, 2001 and 2000, and June 30, 2000 and 1999, respectively, and is recorded as a reduction of stockholders' equity. The value of the restricted shares is amortized to compensation expense over the five-year vesting period. Compensation expense applicable to the restricted stock totaled $196,000, $177,000, $607,000 and $960,000 for the year ended December 31, 2001, the six months ended December 31, 2000, and fiscal years 2000 and 1999, respectively.

Postretirement Benefits

The Corporation recognizes the cost of providing postretirement benefits other than pensions over the employee's period of service. The determination of the accrued liability requires a calculation of the accumulated postretirement benefit obligation which represents the actuarial present value of postretirement benefits to be paid out in the future (primarily health care benefits to be paid to retirees) that have been earned as of the end of the year. The Corporation's postretirement benefit plan is unfunded and amounts are not material.

Note 20. Exit Costs and Termination Benefits

August 2000 Key Strategic Initiatives

On August 14, 2000 the Board of Directors approved a series of strategic initiatives aimed at improving the overall operations of the Corporation. Key initiatives included:

- A complete balance sheet review including the disposition of over $2.0 billion in low-yielding and higher risk investments and residential mortgage loans. The proceeds from these dispositions were to be used to reduce high-cost borrowings, repurchase additional shares of common stock and reinvest in lower risk securities.

- A thorough assessment of the Bank's delivery and servicing systems.

. The sale of the leasing company acquired in a February 1998 acquisition.

. Acceleration of the disposition of other real estate owned.

. A management restructuring to further streamline the organization and improve efficiencies as well as the appointment of a new chief operating officer.

. A program to further strengthen the commercial lending portfolio by actively recruiting new lenders in order to accelerate the growth in loans experienced over the past year, while maintaining credit quality.

115

. A change in the Corporation's fiscal year end from June 30 to December 31.

. An expansion of the Corporation's common stock repurchase program by up to 10% of its outstanding shares, or approximately 5,500,000 shares.

During the six months ended December 31, 2000, the Corporation transferred $1,751,195,000 of held-to-maturity securities to the trading and available for sale portfolios. The transfer of these securities resulted in an after-tax loss of $18,483,000 recorded against current operations on July 1, 2000, as a cumulative adjustment of a change in accounting principle, net of income tax benefits of $9,952,000. During the six months ended December 31, 2000, the Corporation also sold investment securities and mortgage-backed securities totaling $1,166,953,000 resulting in pre-tax losses of $29,970,000 and securitized residential loans totaling $1,651,578,000 resulting in a pre-tax loss of $18,248,000. Proceeds from these sales were used to purchase lower-risk, higher-yielding assets, repay FHLB advances and repurchase common stock. The balance sheet restructuring was completed during the six months ended December 31, 2000.

Under this initiative, the Corporation closed or consolidated 12 branches and sold 34 branches in 2001. The branches were located in Iowa (22), Kansas (11), Missouri (6), Nebraska (3), Oklahoma (3) and Arizona (1). Deposits totaling $446,267,000 were associated with these branch sales. During the year ended December 31, 2001, the Corporation realized net gains totaling $18,304,000 relating to the sold branches. These gains were from the premiums received on the sales of deposits, loans and fixed assets. Severance costs associated with right-sizing branch personnel and expenses to close branches totaled $1,979,000. Four branches in Minnesota with deposits totaling approximately $20,000,000 are remaining to be sold as of December 31, 2001. It is anticipated that these four branches will be sold by June 30, 2002. During the six months ended December 31, 2000, the Corporation recorded a pre-tax charge of $16,992,000 related to exit costs and write-offs of intangible assets associated with these branch divestitures.

The leasing portfolio was reclassified to held for sale during the six months ended December 31, 2000. A substantial portion of the leasing portfolio was sold in February 2001 with the closing of the transaction in April 2001. Additional expenses to finalize this transaction totaling $754,000 were recorded in the first quarter of 2001. Adjustment to fair value and additional expenses totaling $4,602,000 were recorded as exit costs and termination benefits during the six months ended December 31, 2000.

The Corporation purchased 7,662,500 shares of its common stock during 2001 at a cost of $180,877,000. Of this amount, a total of 4,201,500 shares costing $103,439,000 were purchased during 2001 under the 5,500,000 shares authorization.

During the six months ended December 31, 2000, the Corporation recorded $2,119,000 as exit costs and termination benefits related to the outplacement of personnel. These costs consist of severance, benefits and related professional services. The Corporation also incurred fees totaling $2,887,000 for consulting services during the six months ended December 31, 2000. The consulting services were related to the identification and implementation of these key strategic initiatives.

November 1999 Initiative

On November 5, 1999, the Corporation announced an initiative to integrate the Corporation's new data processing system to support community-banking operations. Major aspects of the plan included 21 branches to be sold or closed, the elimination of 121 positions and the consolidation of the correspondent loan servicing operations. Implementation of this plan resulted in charges totaling $3,941,000 that was recorded in fiscal year 2000. The plan eliminated 121 positions with personnel costs consisting of severance, benefits and related professional services totaling $1,564,000. The plan also included the consolidation of the correspondent loan servicing functions to Omaha, Nebraska from Wichita, Kansas and Denver, Colorado. The portion of the plan relating to eliminating positions and consolidating the loan servicing operations was completed by June 30, 2000. The 21 branches to be sold and closed were located in Iowa (15), Kansas (5) and Missouri (1). Direct and

incremental costs associated with this part of the plan totaled $2,377,000. Six branches were sold or closed as of June 30, 2000.

During the six months ended December 31, 2000, 14 remaining branches were sold or closed with one remaining branch considered part of the August 2000 branch divestitures. The Corporation realized net gains totaling $2,524,000 during the six months ended December 31, 2000, primarily from the branches sold. These gains were from premiums realized on the sales of deposits, loans and fixed assets.

Total exit costs and termination benefits relating to the 2000 and 1999 initiatives are summarized below for the following periods:

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Ye End June 20
Branch sales and closings..................................	$ 1,979	$ 16,992	$ 2
Exiting leasing operations................................	754	4,602	
Management restructuring and personnel outplacement..........	--	2,119	1
Consulting services..	--	2,887	
Various other charges......................................	5	1,688	
	2,738	28,288	3
Less net gains on the sales of branches.....................	(18,304)	(2,524)	
Total exit costs and termination benefits (gains), before tax	(15,566)	25,764	3

Income tax expense (benefit), net	5,448	(4,653)	(1
Total exit costs and termination benefits (gains), after tax	$ (10,118)	$ 21,111	$ 2

Note 21. Change in Fiscal Year End

Effective July 1, 2000, the Corporation changed its fiscal year from a twelve month period ending June 30 to a twelve month period ending December 31. The Corporation's consolidated financial statements include the six-month transition period from July 1, 2000, to December 31, 2000.

The following table presents certain financial information for the six months ended December 31, 2000, to the comparable six month period ending December 31, 1999:

	2000	1
		(Una
Total interest income	$ 498,732	$
Total interest expense	344,297	
Provision for loan losses	(27,854)	
Total other income (loss)	(40,106)	
Total other expense	156,542	
Income (loss) before income taxes and cumulative effect of change in accounting principle	(70,067)	
Income tax provision (benefit)	(19,691)	
Income (loss) before cumulative effect of change in accounting principle	(50,376)	
Cumulative effect of change in accounting principle, net of tax benefit	(19,125)	
Net income (loss)	$ (69,501)	$
Per common share:		
Income (loss) before cumulative effect of change in accounting principle	$ (.92)	$
Cumulative effect of change in accounting principle, net	(.35)	
Net income (loss)	$ (1.27)	$
Dividends declared per common share	$ .140	$
Weighted average shares outstanding	54,705,067	59,

Note 22. Cumulative Effect of Change in Accounting Principle

Accounting for Derivative Instruments and Hedging Activities

Effective July 1, 2000, the Corporation adopted the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 required the recognition of all derivative financial instruments as either assets or liabilities in the statement of financial condition and measurement of those instruments at fair value. Changes in the fair values of those derivatives are reported in current operations or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting. The accounting for gains and losses associated with changes in the fair value of a derivative and the effect on the consolidated financial statements will depend on its hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair value or cash flows of the asset or liability hedged. Under the provisions of SFAS No. 133, the method used for assessing the effectiveness of a hedging derivative, as well as the measurement approach for determining the ineffective aspects of the hedge, must have been established at the inception of the hedge.

The Corporation identified four types of derivative instruments which were recorded on the Corporation's Consolidated Statement of Financial Condition on July 1, 2000. The derivative instruments are interest rate swap agreements, interest rate floor agreements, forward loan sales commitments and fixed-rate conforming loan commitments.

The interest rate swap agreements are used to synthetically extend the maturities of certain deposits and FHLB advances for asset liability management and interest rate risk management purposes. Since the swap agreements qualify as a cash flow hedge under SFAS No. 133, the fair value of these agreements totaling $8,686,000 was recorded as a credit to other comprehensive income in stockholders' equity at July 1, 2000, net of income taxes of $3,238,000, or $5,448,000 after-tax.

The interest rate cap agreements, interest rate floor agreements, forward loan sales commitments and the conforming loan commitments did not qualify for hedge accounting or were not designed hedges so their fair value adjustments were recorded to operations. The fair value of these derivatives totaling $1,002,000 was recorded as a charge to operations on July 1, 2000, as part of a cumulative effect of a change in accounting principle.

Under the provisions of SFAS No. 133, on July 1, 2000, the Corporation transferred substantially all of its securities from the held-to-maturity portfolio to the available-for-sale and trading portfolios as follows:

	Securities Transferred				
Security	Available for Sale (at Fair Value)	Trading (at Fair Value)	Total Fair Value	Total Book Value	Pre-tax Loss
Investment securities.....	$ 491,865	$336,651	$ 828,516	$ 893,419	$(64,903)
Mortgage-backed securities	767,542	67,510	835,052	857,776	(22,724)
	$1,259,407	$404,161	$1,663,568	$1,751,195	$(87,627)

As of July 1, 2000, the transfer of the securities had the following effect on operations and other comprehensive income (loss):

	Adjustment to Operations	Adjustment to Other Comprehensive Income (Loss)	Total Adjustments
Pre-tax loss on securities	$(28,435)	$(59,192)	$(87,627)
Income tax benefit........	9,952	22,984	32,936
Net loss..................	$(18,483)	$(36,208)	$(54,691)

Adopting the provisions of SFAS No. 133 on July 1, 2000, which included the transfer of securities and recording the fair value of the derivative instruments, had the following effect on operations and other comprehensive income (loss):

	Pre-tax Gain (Loss)	Income Taxes	Net Gain (Loss)
Recorded to current operations as a cumulative effect of a change in accounting principle:			
Transfer of securities from held-to-maturity to trading........	$(28,435)	$ 9,952	$(18,483)
Fair value of interest rate floor agreements..................	(316)	114	(202)
Fair value of forward loan sales commitments..................	(1,420)	510	(910)
Fair value of conforming loan commitments.....................	734	(264)	470
	$(29,437)	$10,312	$(19,125)
Recorded to other comprehensive income (loss) as a cumulative effect of a change in accounting principle:			
Transfer of securities from held-to-maturity to available for sale	$(59,192)	$22,984	$(36,208)
Fair value of interest rate swap agreements.....................	8,686	(3,238)	5,448
	$(50,506)	$19,746	$(30,760)

All of the securities in the trading portfolio were sold during the three months ended September 30, 2000. Future changes in fair value on the remaining available-for-sale portfolio are adjusted through other comprehensive income (loss).

The following reflects the net changes in accumulated other comprehensive income (loss) for the six months ended December 31, 2000:

	Balance,	Six Months Ended December 31, 2000: Implementation of SFAS	Net Changes	Reclassification of Net	Balance

	June 30, 2000	No. 133 on July 1, 2000	in Fair Values	Gains (Losses) to Earnings	December 31, 2000
Securities available for sale	$(27,503)	$(59,192)	$ 77,728	$29,970	$ 21,003
Interest rate swap agreements	--	8,686	(92,749)	38,379	(45,684)
Interest only strips.........	2,057	--	(2,160)	460	357
	(25,446)	(50,506)	(17,181)	68,809	(24,324)
Income tax effect...........	9,506	19,746	(16,457)	(3,793)	9,002
Net changes.................	$(15,940)	$(30,760)	$(33,638)	$65,016	$(15,322)

Reporting the Costs of Start-Up Activities

Effective July 1, 1999, the Corporation adopted the provisions of Statement of Position 98-5 "Reporting the Costs of Start-Up Activities," which required that costs of start-up activities and organizational costs be expensed as incurred. The effect of adopting the provisions of this statement was to record a charge of $1,776,000 net of an income tax benefit of $978,000, or $.03 per diluted share, as a cumulative effect of a change in accounting principle for the fiscal year ended June 30, 2000. These costs consist of organizational costs primarily associated with the creation of a real estate investment trust subsidiary and start-up costs of the proof of deposit department for processing customer transactions following the conversion of the Corporation's deposit system.

Note 23. Acquisitions

Fiscal Year 1999 Acquisitions

On March 1, 1999, the Corporation acquired Midland for total consideration of $83,000,000. Midland Bank operated eight branches in the greater Kansas City, Missouri area. At February 28, 1999, Midland had total assets of $399,200,000, deposits of $353,100,000 and stockholders' equity of $24,200,000. This acquisition was accounted for as a purchase. Core value of deposits totaling $9,298,000 is amortized on an accelerated basis over 10 years. Goodwill totaling $54,389,000 was amortized on a straight-line basis over 25 years. The effect of the Midland acquisition on the Corporation's consolidated financial statements as if this acquisition had occurred at the beginning of fiscal year 1999 is not material.

On August 14, 1998, the Corporation acquired First Colorado for 18,278,789 shares of its common stock. This acquisition was accounted for as a pooling of interests. First Colorado operated 27 branches in Colorado. At July 31, 1998, First Colorado had assets of $1,572,200,000, deposits of $1,192,700,000 and stockholders' equity of $254,700,000.

On July 31, 1998, the Corporation acquired AmerUs for total consideration of $178,269,000. AmerUs operated 47 branches located in Iowa, Missouri, Nebraska, Kansas, Minnesota and South Dakota. At July 31, 1998, before purchase accounting adjustments, AmerUs had total assets of $1,266,800,000, deposits of $949,700,000 and stockholder's equity of $84,800,000. This acquisition was accounted for as a purchase. Core value of deposits totaling $16,242,000 is amortized on an accelerated basis over 10 years. Goodwill totaling $107,739,000 was amortized on a straight-line basis over 25 years. The accounts and consolidated results of operations for fiscal year 1999 include the results of AmerUs beginning July 31, 1998. The following table summarizes results on an audited consolidated pro forma basis for the fiscal year ended June 30, 1999, as though this purchase had occurred at the beginning of the period:

Total interest income and other income	$921,607
Net income..........................	69,345
Diluted earnings per common share.....	1.15

Note 24. Merger Expenses and Other Nonrecurring Charges

During fiscal year 1999 the Corporation incurred merger expenses and other nonrecurring charges totaling $30,043,000 ($27,089,000 after tax). The merger expenses totaled $29,917,000 and were associated with the First Colorado acquisition and the termination of three employee stock ownership plans acquired in mergers. Other nonrecurring net charges totaled $126,000 but were not classified in the merger expenses category of general and administrative expenses.

121

Note 25. Financial Information (Parent Company Only)

CONDENSED STATEMENT OF FINANCIAL CONDITION

	December 31,		June 30,
	2001	2000	2000
A S S E T S			
Cash..	$ 13,416	$ 36,026	$ 44,374
Investment securities available for sale, at fair value.........	--	302	562
Investment securities held to maturity (fair value of $8,614)...	--	--	8,711
Other assets..	2,805	4,100	3,571
Equity in CFC Preferred Trust................................	1,392	1,392	1,392
Equity in Commercial Federal Bank.............................	854,176	999,914	1,120,268
Total Assets..	$871,789	$1,041,734	$1,178,878
L I A B I L I T I E S A N D S T O C K H O L D E R S' E Q U I T Y			
Liabilities:			
Other liabilities..	$ 4,643	$ 8,165	$ 19,258
Term note..	54,375	63,438	65,250
Revolving line of credit..................................	10,000	10,000	10,000
Subordinated extendible notes..............................	21,725	50,000	50,000
Junior subordinated deferrable interest debentures...........	46,392	46,392	46,392
Total Liabilities......................................	137,135	177,995	190,900
Stockholders' Equity.......................................	734,654	863,739	987,978
Total Liabilities and Stockholders' Equity..............	$871,789	$1,041,734	$1,178,878

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122

CONDENSED STATEMENT OF OPERATIONS

	Year Ended December 31, 2001	Six Months Ended December 31, 2000	Year End 2000
Revenues:			
Dividend income from the Bank	$ 216,000	$ 57,000	$117,818
Interest income	1,304	902	767
Other income (loss)	26	(235)	54
Expenses:			
Interest expense	(12,601)	(7,620)	(14,526
Operating expenses	(981)	(1,255)	(1,218
Income before income taxes, extraordinary items and equity in undistributed earnings (losses) of subsidiaries	203,748	48,792	102,895
Income tax benefit	(4,215)	(2,994)	(5,430
Income before extraordinary items and equity in undistributed earnings (losses) of subsidiaries	207,963	51,786	108,325
Cumulative effect of change in accounting principle, net	--	--	(12
Income before equity in undistributed earnings (losses) of subsidiaries	207,963	51,786	108,313
Equity in undistributed (overdistributed) earnings (losses) of subsidiaries	(110,281)	(121,287)	(4,305
Net income (loss)	$ 97,682	$ (69,501)	$104,008

123

CONDENSED STATEMENT OF CASH FLOWS

	Year Ended December 31, 2001	Six Months Ended December 31 2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 97,682	$(69,501)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Cumulative effect of change in accounting principle, net	--	--

Equity in undistributed (overdistributed) losses (earnings) of subsidiaries	110,281	121,287
Other items, net	(2,009)	(11,177)
Total adjustments	108,272	110,110
Net cash provided by operating activities	205,954	40,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment securities available for sale	121	8,122
Maturities and repayments of investment securities available for sale	180	666
Purchase of investment securities held to maturity	--	--
Purchase of investment securities available for sale	--	--
Payments for acquisitions	--	--
Other items, net	--	--
Net cash provided (used) by investing activities	301	8,788
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of notes payable	--	--
Payment of notes payable	(37,338)	(1,812)
Repurchases of common stock	(180,877)	(48,953)
Issuance of common stock	4,579	775
Payment of cash dividends on common stock	(15,239)	(7,755)
Other items, net	10	--
Net cash (used) provided by financing activities	(228,865)	(57,745)
CASH AND CASH EQUIVALENTS		
(Decrease) increase in net cash position	(22,610)	(8,348)
Balance, beginning of year	36,026	44,374
Balance, end of year	$ 13,416	$ 36,026
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid (received) during the period for:		
Interest expense	$ 14,841	$ 4,709
Income taxes, net	31,049	(12,791)
Non-cash investing and financing activities:		
Securities transferred from held-to-maturity to available for sale	--	8,711
Common stock received in connection with employee benefit and incentive plans, net	(114)	--

	Year Ended June 30,	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$104,008	$ 92,392
Adjustments to reconcile net income (loss) to net cash provided		

by operating activities:		
Cumulative effect of change in accounting principle, net......	12	--
Equity in undistributed (overdistributed) losses (earnings) of subsidiaries..........	4,305	(39,443)
Other items, net..........	9,457	16,639
Total adjustments..........	13,774	(22,804)
Net cash provided by operating activities................	117,782	69,588
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment securities available for sale..	--	--
Maturities and repayments of investment securities available for sale..........	--	--
Purchase of investment securities held to maturity..............	(8,711)	--
Purchase of investment securities available for sale............	(581)	--
Payments for acquisitions..........	--	(179,556)
Other items, net..........	30	2,479
Net cash provided (used) by investing activities..........	(9,262)	(177,077)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of notes payable..........	50,000	85,000
Payment of notes payable..........	(47,250)	(13,500)
Repurchases of common stock..........	(63,895)	(36,218)
Issuance of common stock..........	2,363	45,095
Payment of cash dividends on common stock..........	(15,776)	(13,539)
Other items, net..........	--	11,058
Net cash (used) provided by financing activities..........	(74,558)	77,896
CASH AND CASH EQUIVALENTS		
(Decrease) increase in net cash position..........	33,962	(29,593)
Balance, beginning of year..........	10,412	40,005
Balance, end of year..........	$ 44,374	$ 10,412
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid (received) during the period for:		
Interest expense..........	$ 16,611	$ 10,722
Income taxes, net..........	24,275	54,249
Non-cash investing and financing activities:		
Securities transferred from held-to-maturity to available for sale..........	--	--
Common stock received in connection with employee benefit and incentive plans, net..........	(135)	(475)

Note 26. Segment Information

The Corporation currently has two distinct lines of business operations for the purposes of management reporting: Community Banking and Mortgage Banking. These segments were determined based on the Corporation's financial accounting and reporting processes. Management makes operating decisions and assesses performance based on a continuous review of these two primary operations.

The Community Banking segment involves a variety of traditional banking and financial services. These services include retail banking services, consumer checking and savings accounts, and loans for consumer, commercial real estate, residential mortgage and business purposes. Also included in this segment is insurance and securities brokerage services. The Community Banking services are offered through the Bank's branch network, ATMs, 24-hour telephone centers and the Internet. Community Banking is also responsible for the Corporation's investment and mortgage-backed securities portfolios and the corresponding management of deposits, advances from the FHLB and certain other borrowings.

The Mortgage Banking segment involves the origination and purchase of residential mortgage loans, the sale of these mortgage loans in the secondary mortgage market, the servicing of mortgage loans and the purchase and origination of rights to service mortgage loans. Mortgage Banking operations are conducted through the Bank's branches, offices of a mortgage banking subsidiary and a nationwide correspondent network of mortgage loan originators. The Bank allocates expenses to the Mortgage Banking operation on terms that are not necessarily indicative of those which would be negotiated between unrelated parties. The Mortgage Banking segment also originates and sells loans to the Bank. Substantially all loans sold to the Bank from the Mortgage Banking operation are at net book value, resulting in no gains or losses. In fiscal year 1999 and previous years, these sales were primarily at par such that the Mortgage Banking operation recorded losses equal to the expenses it incurred net of fees collected. All of these losses were deferred by the Bank and amortized over the estimated life of the loans the Bank purchased.

The parent company includes interest income earned on intercompany cash balances and intercompany transactions, interest expense on parent company debt and operating expenses for general corporate purposes. The contribution of the major business segments to the consolidated results for the periods indicated is summarized in the following tables:

	Community Banking	Mortgage Banking	Parent Company	Eliminations/ Adjustments	Consolidated Total
YEAR ENDED DECEMBER 31, 2001:					
Net interest income (expense)..	$ 286,506	$ 14,529	$(11,297)	$ 17,691	$ 307,429
Provision for loan losses......	(38,354)	(591)	--	--	(38,945)
Total other income.............	122,864	31,080	105,745	(139,302)	120,387
Total other expense............	218,869	28,086	981	(121)	247,815
Net income before income taxes.	152,147	16,932	93,467	(121,490)	141,056
Income tax provision (benefit).	41,402	6,187	(4,215)	--	43,374
Net income.....................	110,745	10,745	97,682	(121,490)	97,682
Total revenue..................	963,261	45,609	107,049	(124,158)	991,761
Intersegment revenue...........	26,276	1,800	106,974		
Depreciation and amortization..	18,131	696	14	--	18,841
Total assets...................	12,879,048	679,984	871,789	(1,529,236)	12,901,585

	Community Banking	Mortgage Banking	Parent Company	El A
SIX MONTHS ENDED DECEMBER 31, 2000:				
Net interest income (expense)	$ 141,772	$ 6,981	$ (6,718)	$
Provision for loan losses	(27,447)	(407)	--	
Total other income (loss)	(46,196)	23,793	(64,522)	
Total other expense	140,892	14,457	1,255	
Net income (loss) before income taxes and cumulative effect of change in accounting principle	(72,763)	15,910	(72,495)	
Income tax provision (benefit)	(22,435)	5,738	(2,994)	
Income (loss) before cumulative effect of change in accounting principle	(50,328)	10,172	(69,501)	
Cumulative effect of change in accounting principle, net	(18,483)	(642)	--	
Net income (loss)	(68,811)	9,530	(69,501)	
Total revenue	435,750	30,774	(63,620)	
Intersegment revenue	12,125	9,574	(63,579)	
Depreciation and amortization	9,556	403	9	
Total assets	12,822,566	368,190	1,041,734	
YEAR ENDED JUNE 30, 2000:				
Net interest income (expense)	$ 310,923	$ 21,495	$ (13,759)	$
Provision for loan losses	(12,993)	(767)	--	
Total other income	110,770	58,237	113,567	
Total other expense	242,653	34,319	1,218	
Net income before income taxes and cumulative effect of change in accounting principle	166,047	44,646	98,590	
Income tax provision (benefit)	46,711	13,988	(5,430)	
Income before cumulative effect of change in accounting principle	119,336	30,658	104,020	
Cumulative effect of change in accounting principle, net	(1,759)	(5)	(12)	
Net income	117,577	30,653	104,008	
Total revenue	1,000,338	79,750	114,334	
Intersegment revenue	42,582	11,083	114,246	
Depreciation and amortization	19,160	1,243	11	
Total assets	13,922,296	324,987	1,178,878	
YEAR ENDED JUNE 30, 1999:				
Net interest income (expense)	$ 312,502	$ 11,075	$ (10,802)	$
Provision for loan losses	(11,980)	(420)	--	
Total other income	95,020	41,015	107,709	
Total other expense	224,578	21,549	8,557	
Net income before income taxes	170,964	30,121	88,350	
Income tax provision (benefit)	57,474	9,828	(4,042)	
Net income	113,490	20,293	92,392	
Total revenue	909,055	52,708	110,082	
Intersegment revenue	33,764	6,952	109,034	
Depreciation and amortization	16,382	1,760	30	
Total assets	12,909,398	282,374	1,146,605	

Note 27. Quarterly Financial Data (Unaudited)

The following summarizes the unaudited quarterly results of operations for the periods indicated:

	Quarter Ended			
	December 31	September 30	June 30	March 31
YEAR ENDED DECEMBER 31, 2001:				
Total interest income	$208,519	$217,914	$220,863	$224,078
Net interest income	82,092	78,227	75,281	71,829
Provision for loan losses	(8,265)	(19,800)	(6,437)	(4,443)
Gain (loss) on sales of securities and loans, net	(185)	18,833	(1,076)	6,589
Net income	25,116	23,982	26,350	22,234
Earnings per common share:				
Basic	.54	.48	.51	.42
Diluted	.53	.48	.51	.42
Dividends declared per share	.08	.08	.08	.07

	Quarter Ended	
	December 31	September 30
SIX MONTHS ENDED DECEMBER 31, 2000:		
Total interest income	$247,017	$251,715
Net interest income	73,882	80,553
Provision for loan losses	(15,206)	(12,648)
Loss on sales of securities and loans, net	(84,208)	(3,277)
Cumulative effect of change in accounting principle, net	--	(19,125)
Net loss	(47,675)	(21,826)
Loss per basic and diluted common share:		
Loss before cumulative effect of change in accounting principle	(.88)	(.04)
Cumulative effect of change in accounting principle, net	--	(.35)
Net loss	(.88)	(.39)
Dividends declared per share	.07	.07

	Quarter Ended			
	June 30	March 31	December 31	
YEAR ENDED JUNE 30, 2000:				
Total interest income	$239,280	$ 232,529	$ 232,344	$
Net interest income	83,125	85,071	86,338	
Provision for loan losses	(3,300)	(3,700)	(3,460)	
Gain (loss) on sales of securities and loans, net	(112)	(239)	363	

Cumulative effect of change in accounting principle, net....	--	--	--
Net income..	24,321	26,490	28,759
Earnings per basic and diluted common share:			
Income before cumulative effect of change in accounting principle..	.43	.46	.49
Cumulative effect of change in accounting principle, net.	--	--	--
Net income..	.43	.46	.49
Dividends declared per share...............................	.07	.07	.07
YEAR ENDED JUNE 30, 1999:			
Total interest income......................................	$220,706	$ 216,072	$ 203,715 $
Net interest income..	88,856	87,442	81,415
Provision for loan losses..................................	(2,800)	(2,800)	(3,000)
Gain on sales of securities and loans, net.................	30	883	3,293
Net income...	29,874	16,169	31,226
Earnings per common share:			
Basic..	.49	.27	.53
Diluted..	.49	.27	.52
Dividends declared per share...............................	.065	.065	.065

Note 28. Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments," requires that the Corporation disclose estimated fair value amounts of its financial instruments. It is management's belief that the fair values presented below are reasonable based on the valuation techniques and data available to the Corporation as of December 31, 2001 and 2000, and June 30, 2000, as more fully described in the following discussion. It should be noted that the operations of the Corporation are managed from a going concern basis and not a liquidation basis. As a result, the ultimate value realized for the financial instruments presented could be substantially different when actually recognized over time through the normal course of operations. The valuation does not consider the intangible franchise value of the institution, which management believes to be substantial.

128

The following presents the carrying value and fair value of the specified assets and liabilities held by the Corporation as of the dates indicated. This information is presented solely for compliance with SFAS No. 107 and is subject to change over time based on a variety of factors.

	December 31, 2001		December 31, 2000		June 30,	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	F
FINANCIAL ASSETS						
Cash (including short-term investments)	$ 206,765	$ 206,765	$ 192,358	$ 192,358	$ 199,566	$
Investment securities.................	1,150,345	1,150,345	771,137	771,137	993,167	
Mortgage-backed securities..........................	1,829,728	1,829,728	1,514,510	1,514,510	1,220,138	
Loans receivable, net.................	8,403,425	8,561,303	8,893,374	8,927,404	10,407,692	
Federal Home Loan Bank stock...........	253,946	253,946	251,537	251,537	255,756	
Other assets--						
Conforming loan commitments.........	68	68	354	354	n/a	

Interest rate floor agreements......	3,071	3,071	1,809	1,809	n/a
Forward loan sales commitments......	3,060	3,060	--	--	n/a
FINANCIAL LIABILITIES					
Deposits:					
Passbook accounts..................	1,939,596	1,939,596	1,861,074	1,861,074	1,575,380
NOW checking accounts..............	1,198,646	1,198,646	1,065,970	1,065,970	1,028,640
Market rate savings accounts........	304,620	304,620	382,344	382,344	531,317
Certificates of deposit............	2,953,660	2,961,651	4,385,098	4,368,094	4,195,163
Total deposits...................	6,396,522	6,404,513	7,694,486	7,677,482	7,330,500
Advances from Federal Home Loan Bank...	4,939,056	5,078,278	3,565,465	3,574,225	5,049,582
Other borrowings......................	520,213	520,602	175,343	169,522	206,026
Other liabilities--					
Forward loan sales commitments......	--	--	2,085	2,085	n/a
Interest rate swap agreements.......	109,913	109,913	37,252	37,252	n/a
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS					
Interest rate swap and floor agreements	n/a	n/a	n/a	n/a	417
Forward loan sales commitments.........	n/a	n/a	n/a	n/a	--
Conforming loan commitments...........	n/a	n/a	n/a	n/a	--

129

The following sets forth the methods and assumptions used in determining the fair value estimates for the Corporation's financial instruments at December 31, 2001 and 2000, and June 30, 2000.

Cash and Short-Term Investments

The book value of cash and short-term investments is assumed to approximate the fair value of these assets.

Investment Securities

Quoted market prices or dealer quotes were used to determine the fair value of investment securities available for sale and held to maturity. At December 31, 2001 and 2000, all investment securities were classified as available for sale.

Mortgage-Backed Securities

For mortgage-backed securities available for sale and held to maturity the Corporation utilized quotes for similar or identical securities in an actively traded market, where such a market exists, or obtained quotes from independent security brokers to determine the fair value of these assets. At December 31, 2001 and 2000, all mortgage-backed securities were classified as available for sale.

Loans Receivable, Net

The fair value of loans receivable was estimated by discounting anticipated future cash flows using the current market rates at which similar loans would be made to borrowers with similar credit ratings and for similar remaining maturities. When using the discounting method to determine fair value, loans were gathered by homogeneous groups with similar terms and conditions and discounted at derived current market rates or rates at which similar loans would be made to borrowers as of December 31, 2001 and 2000, and June 30, 2000. The fair value of loans held for sale was determined based on quoted market prices for the intended delivery vehicle of those loans, generally agency mortgage-backed securities. In addition, when computing the estimated fair value for all loans, allowances for loan losses were subtracted from the calculated fair value for consideration of potential credit issues.

Federal Home Loan Bank Stock

The fair value of such stock approximates book value since the Corporation is able to redeem this stock with the Federal Home Loan Bank at par value.

Deposits

The fair value of savings deposits were determined as follows: (i) for passbook accounts, NOW checking accounts and market rate savings accounts, fair value is determined to approximate the carrying value (the amount payable on demand) since such deposits are primarily withdrawable immediately; (ii) for certificates of deposit, the fair value has been estimated by discounting expected future cash flows by derived current market rates offered on certificates of deposit with similar remaining maturities as of December 31, 2001 and 2000, and June 30, 2000. In accordance with the provisions of this statement, no value has been assigned to the Corporation's long-term relationships with its deposit customers (core value of deposits intangible) since such intangible is not a financial instrument as defined under this statement.

Advances From Federal Home Loan Bank

The fair value of these advances was estimated by discounting the expected future cash flows using current interest rates as of December 31, 2001 and 2000, and June 30, 2000, for advances with similar terms and remaining maturities.

Other Borrowings

Included in other borrowings are subordinated extendible notes with carrying values of $21,725,000 at December 31, 2001, and $50,000,000 at December 31, 2000, and June 30, 2000. Also included in other borrowings are the guaranteed preferred beneficial interests in the Corporation's junior subordinated debentures totaling $45,000,000 at December 31, 2001 and 2000, and June 30, 2000, and the subordinated debt securities for $30,000,000 and junior subordinated debentures for $20,000,000 at December 31, 2001. The fair value of such borrowings is based on quoted market prices or dealer quotes. The fair value of other borrowings, excluding the aforementioned borrowings, was estimated by discounting the expected future cash flows using derived interest rates approximating market as of December 31, 2001 and 2000, and June 30, 2000, over the contractual maturity of such other borrowings.

Derivative Financial Instruments

The fair value of the interest rate swap and floor agreements, obtained from market quotes from independent security brokers, is the estimated amount that would be paid to terminate the swap agreements and the estimated amount that would be received to terminate the floor agreements.

The fair value of commitments to originate, purchase, and sell residential mortgage loans was determined based on quoted market prices for forward purchases and sales of such product. The fair value of commitments to originate other loans was estimated by discounting anticipated future cash flows using the current market rates at which similar loans would be made to borrowers with similar credit ratings and for similar remaining maturities as of December 31, 2001 and 2000, and June 30, 2000.

Limitations

It must be noted that fair value estimates are made at a specific point in time, based on relevant market information about the financial instruments without attempting to estimate the value of anticipated future business, customer relationships and the value of assets and liabilities that are not considered financial instruments. These estimates do not reflect any premium or discount that could result from offering the Corporation's entire holdings of a particular financial instrument for sale at one time. Furthermore, since no market exists for certain of the Corporation's financial instruments, fair value estimates may be based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with a high level of precision. Changes in assumptions as well as tax considerations could significantly affect the estimates. Accordingly, based on the limitations described above, the aggregate fair value estimates as of December 31, 2001 and 2000, and June 30, 2000, are not intended to represent the underlying value of the Corporation, on either a going concern or a liquidation basis.

Note 29. Current Accounting Pronouncements

On July 20, 2001, Statement of Financial Accounting Standards No. 141 "Business Combinations" ("SFAS No. 141") was issued. This statement supercedes APB Opinion No. 16 "Business Combinations." SFAS No. 141 requires that the purchase method of accounting be applied to all business combinations initiated after June 30, 2001. The use of the pooling-of-interests method is prohibited under this statement.

Also on July 20, 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 142 which supercedes APB Opinion No. 17 "Intangible Assets." The provisions of SFAS No. 142 require that upon initial adoption, amortization of goodwill will cease, and the carrying value of goodwill will be evaluated for impairment at the initial implementation. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment under SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, or as of January 1, 2002, for the Corporation. At December 31, 2001, goodwill and core value of deposits totaled $162,717,000 and $28,733,000, respectively. Beginning January 1, 2002, goodwill will no longer be subject to

amortization but will be evaluated at least annually for impairment. For calendar year 2002, goodwill totaling $7,791,000, or approximately $.16 per share, will not be amortized against current operations pursuant to this statement. Management of the Corporation has not completed its overall assessment of any additional effects of SFAS No. 142, and therefore has not determined the total effect that the initial adoption of this statement will have on the Corporation's financial position, liquidity or results of operations.

On August 16, 2001, the FASB issued Statement of Financial Accounting Standards No. 143 "Accounting for Asset Retirement Obligations" ("SFAS No.

143"). The provisions of this statement require entities to record the fair value of a liability for an asset retirement obligation in the period that it is incurred. When the liability is initially recorded, the entity will capitalize a cost by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for its recorded amount or incurs a gain or loss. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002, or as of January 1, 2003, for the Corporation. Management of the Corporation does not believe that this statement will have any material effect on the Corporation's financial position, liquidity or results of operations.

On October 3, 2001, the FASB issued Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144") that replaces SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." This statement developed on accounting model, based on the provisions of SFAS No. 121, for long-lived assets to be disposed of by sale and addressed implementation issues arising from SFAS No. 121. The accounting model for long-lived assets to be disposed of by sale applies to all long-lived assets, including discontinued operations, and replaces the provisions of APB Opinion No. 30 "Reporting Results of Operations--Reporting the Effects of Disposal of a Segment of a Business," for the disposal of segments of a business. SFAS No. 144 requires that those long-lived assets be measured at the lower of carrying amount or fair value less costs to sell, whether reported in continuing operations or in discontinued operations. Therefore, discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. SFAS No. 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001, or as of January 1, 2002, for the Corporation. Provisions of this statement are generally to be applied prospectively. Management of the Corporation is currently evaluating the provisions of SFAS No. 144 but does not believe that this statement will have any material effect on the Corporation's financial position, liquidity or results of operations.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

COMMERCIAL FEDERAL CORPORATION

Date: April 11, 2002   By: /s/ DAVID S. FISHER

David S. Fisher
Executive Vice President
and Chief Financial
Officer