

The weighted average interest rates of federal funds purchased and repurchase agreements at December 31, 2001 and 2000 was 4.05% and 6.32%, respectively.

At December 31, 2001 and 2000, the securities underlying such agreements were delivered to, and are being held by the dealers with which the repurchase agreements were transacted, except for transactions where the Corporation has agreed to repurchase similar but not identical securities. The maximum aggregate balance outstanding at any month-end during 2001 was \$2,986,174,065 (2000 - \$1,851,285,585). The average balance during 2001 was approximately \$1,997,705,000 (2000 - \$1,687,880,000).

> **Note 20 - Advances From The Federal Home Loan Bank (FHLB)**

Following is a detail of the advances from the FHLB:

Maturity		December 31,	
	Interest rate	2001	2000
		(In thousands)	
January 2, 2001	6.35%		\$ 1,000
January 5, 2001	6.41%		16,000
January 2, 2002	1.85%	\$ 20,700	
August 16, 2005	6.30%	50,000	50,000
October 9, 2008	5.10%	14,000	
October 16, 2008	5.09%	15,000	
February 28, 2011	4.50%	79,000	
March 21, 2011	4.42%	165,000	
		<u>\$343,700</u>	<u>\$67,000</u>

Advances are received from the FHLB under an Advances, Collateral Pledge and Security Agreement (the Collateral Agreement). Under the Collateral Agreement, the Corporation is required to maintain a minimum amount of qualifying mortgage collateral with a market value at least 110% of the outstanding advances. At December 31, 2001, specific mortgage loans with an estimated market value of \$197,506,039 (2000 - \$76,485,860) were pledged to the FHLB as part of the Collateral Agreement. The carrying value of such loans at December 31, 2001 amounted to \$192,371,368 (2000 - \$73,700,000). In addition, securities with an approximated market value of \$145,140,574 (2000 - \$5,704,606) and a carrying value of \$158,117,351 (2000 - \$5,675,689) were pledged to the FHLB.

> **Note 21- Subordinated Notes**

On December 20, 1995, the Corporation issued 7.63% subordinated capital notes in the amount of \$100,000,000 maturing in 2005. The notes were issued at a discount. At December 31, 2001 the outstanding balance net of the unamortized discount and notes repurchased was \$84,361,525 (2000 - \$90,548,314). Interest on the notes is payable semiannually and at maturity. The notes represent unsecured obligations of the Corporation ranking subordinate in right of payment to all existing and future senior debt including the claims of depositors and other general creditors. The notes may not be redeemed prior to their maturity. At December 31, 2001, the Corporation has transferred to capital reserves from the retained earnings account \$60,000,000, as a result of the requirement explained in Note 3 - "Stockholders' Equity."

> **Note 22 - Unused Lines Of Credit**

The Corporation maintains unsecured standby lines of credit with other banks. At December 31, 2001, the Corporation's total unused lines of credit with these banks amounted to approximately \$180,000,000 (2000 - \$133,500,000). At December 31, 2000, the Corporation has an available line of credit with the FHLB guaranteed with excess collateral, in the amount of \$66,841,562.