

> **Note 27 - Fair Value of Financial Instruments**

The information about the estimated fair values of financial instruments as required by generally accepted accounting principles, is presented hereunder. The disclosure requirements exclude certain financial instruments and all non financial instruments. Accordingly, the aggregate fair value amounts presented do not represent Management's estimate of the underlying value of the Corporation. A summary table of estimated fair values and carrying values of financial instruments at December 31, 2001 and 2000 follows:

	December 31,			
	2001		2000	
	Estimated fair value	Carrying value	Estimated fair value	Carrying value
(In thousands)				
Assets:				
Cash and due from banks and money market instruments	\$ 94,463	\$ 94,463	\$ 65,393	\$ 65,393
Investment securities	3,652,031	3,658,544	2,210,138	2,212,659
FHLB stock	22,891	22,891	18,537	18,537
Loans receivable, including loans held for sale - net	4,226,033	4,217,719	3,396,324	3,421,279
Liabilities:				
Deposits	4,121,145	4,098,554	3,351,069	3,345,984
Federal funds, securities sold under agreements to repurchase	3,005,466	2,997,174	1,857,651	1,856,436
Advances from FHLB	348,733	343,700	68,607	67,000
Notes payable and subordinated notes	83,729	84,362	144,853	146,048
Interest rate swaps	15,053	15,053		

The estimated fair values are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in the underlying assumptions used in calculating the fair values could significantly affect the results. In addition, the fair value estimates are based on outstanding balances without attempting to estimate the value of anticipated future business. Therefore, the estimated fair values may materially differ from the values that could actually be realized on a sale.

The estimated fair values were calculated using certain facts and assumptions which vary depending on the specific financial instrument, as follows:

Cash and due from banks and money market instruments

The carrying amounts of cash and due from banks and money market instruments are reasonable estimates of their fair values.

Investment securities

The fair values of investment securities are the market values based on quoted market prices and dealer quotes.

FHLB stock

Investments in FHLB stock are valued at their redemption values.

Loans receivable, including loans held for sale - net

The fair value of all loans was estimated by the discounted present values of loans with similar financial characteristics. Loans were classified by type such as commercial, residential mortgage, credit card and automobile. These asset categories were further segmented into fixed and adjustable rate categories and by accruing and non-accruing groups. Performing floating rate loans were valued at book if they reprice at least once every three months. The fair value of fixed rate performing loans was calculated by discounting expected cash flows through the estimated maturity date. Recent prepayment experience was assumed to continue for mortgage loans, cred-