

> **Note 13 - Loans Receivable**

The following is a detail of the loan portfolio:

	December 31, 2001	December 31, 2000
	(In thousands)	
Residential real estate loans:		
Secured by first mortgages:		
Conventional	\$ 955,573	\$ 695,344
Insured by government agencies:		
Federal Housing Administration and Veterans		
Administration	25,211	20,004
Puerto Rico Housing Bank and Finance Agency	23,513	28,037
Secured by second mortgages	8,088	8,964
	1,012,385	752,349
Deferred net loan fees	(5,107)	(5,557)
Residential real estate loans	<u>1,007,278</u>	<u>746,792</u>
Commercial loans:		
Construction loans	219,396	203,955
Commercial loans	1,238,173	947,709
Commercial mortgage	688,922	438,321
Commercial loans	<u>2,146,491</u>	<u>1,589,985</u>
Finance leases	<u>127,935</u>	<u>122,883</u>
Consumer and other loans:		
Personal	362,490	388,696
Personal lines of credit	11,216	12,852
Auto	502,902	530,534
Boat	39,570	33,954
Credit card	176,226	174,797
Home equity reserve loans	1,851	2,134
Unearned interest	(71,810)	(104,429)
Consumer and other loans	<u>1,022,445</u>	<u>1,038,538</u>
Loans receivable	4,304,149	3,498,198
Loans held for sale	4,630	
Total loans	4,308,779	3,498,198
Allowance for loan losses	(91,060)	(76,919)
Total loans-net	<u>\$4,217,719</u>	<u>\$3,421,279</u>

The Corporation's primary lending area is Puerto Rico. At December 31, 2001 and 2000 there is no significant concentration of credit risk in any specific industry on the loan portfolio.

At December 31, 2001, loans in which the accrual of interest income had been discontinued amounted to \$72,998,000 (2000 - \$67,716,000; 1999 - \$53,816,000). If these loans had been accruing interest, the additional interest income realized would have been approximately \$5,735,000 (2000 - \$5,937,000; 1999 - \$4,544,000). There are no material commitments to lend additional funds to borrowers whose loans were in non-accruing status at these dates.

At December 31, 2001 mortgage loans held for sale amounted to \$4.6 million. All mortgage loans were sold at market values, which exceeded the carrying value of the loans.

At December 31, 2001, the Corporation was servicing mortgage loans owned by others aggregating approximately \$160,583,000 (2000 - \$144,805,000; 1999 - \$134,348,000).