

COMMERCIAL FEDERAL CORP  
Form 10-Q  
May 15, 2003  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly period ended March 31, 2003

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-11515

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**COMMERCIAL FEDERAL CORPORATION**

(Exact name of registrant as specified in its charter)

Nebraska  
(State or other jurisdiction of

incorporation or organization)

47-0658852  
(I. R. S. Employer

Identification Number)

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13220 California Street, Omaha, Nebraska  
(Address of principal executive offices)

68154  
(Zip Code)

(402) 554-9200

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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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  NO

Indicate by check mark whether the registrant is an accelerated filer as defined in rule 12b-2 of the Securities Exchange Act of 1934. YES  NO

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Title of Each Class</u>	<u>Outstanding at May 8, 2003</u>
Common Stock, Par Value \$.01 Per Share	44,230,176

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**COMMERCIAL FEDERAL CORPORATION**

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	March 31,	December 31,
(Dollars in Thousands)	2003	2002
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Cash (including short-term investments of \$842 and \$505)	\$ 223,129	\$ 200,581
Investment securities available for sale, at fair value	1,271,810	1,296,050
Mortgage-backed securities available for sale, at fair value	1,588,715	1,632,622
Loans held for sale, net	1,013,067	868,569
Loans receivable, net of allowances of \$108,857 and \$106,148	7,808,986	7,703,016
Federal Home Loan Bank stock	264,028	283,193
Foreclosed real estate	41,316	40,008
Premises and equipment, net	143,904	148,374
Bank owned life insurance	232,262	228,958
Other assets	557,290	495,014
Core value of deposits, net of accumulated amortization of \$62,817 and \$61,268	20,816	22,365
Goodwill	162,717	162,717
<b>Total Assets</b>	<b>\$ 13,328,040</b>	<b>\$ 13,081,467</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Liabilities:		
Deposits	\$ 6,740,117	\$ 6,439,041
Advances from Federal Home Loan Bank	4,770,335	4,848,997
Other borrowings	569,943	603,306
Other liabilities	489,290	433,602
<b>Total Liabilities</b>	<b>12,569,685</b>	<b>12,324,946</b>
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; 44,808,282 and 45,270,360 shares issued and outstanding	448	453
Additional paid-in capital	51,837	61,712
Retained earnings	816,909	797,778
Accumulated other comprehensive loss, net	(110,839)	(103,422)

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Total Stockholders Equity	758,355	756,521
Total Liabilities and Stockholders Equity	\$ 13,328,040	\$ 13,081,467

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See accompanying Notes to Condensed Consolidated Financial Statements.

**Table of Contents****COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF OPERATIONS****(Unaudited)**

(Dollars in Thousands Except Per Share Data)	Three Months Ended	
	March 31,	
	2003	2002
<b>Interest Income:</b>		
Loans receivable	\$ 142,351	\$ 152,039
Mortgage-backed securities	16,447	26,858
Investment securities	17,576	19,119
<b>Total interest income</b>	<b>176,374</b>	<b>198,016</b>
<b>Interest Expense:</b>		
Deposits	39,614	48,804
Advances from Federal Home Loan Bank	56,920	58,894
Other borrowings	5,012	5,735
<b>Total interest expense</b>	<b>101,546</b>	<b>113,433</b>
<b>Net Interest Income</b>	<b>74,828</b>	<b>84,583</b>
Provision for Loan Losses	(7,146)	(6,589)
<b>Net Interest Income After Provision for Loan Losses</b>	<b>67,682</b>	<b>77,994</b>
<b>Other Income (Loss):</b>		
Retail fees and charges	13,503	12,408
Loan servicing fees, net of amortization	(1,025)	2,836
Mortgage servicing rights valuation adjustment	(13,528)	529
Gain (loss) on sales of securities and changes in fair values of derivatives, net	19,000	(4,843)
Gain on sales of loans	5,480	3,439
Bank owned life insurance	3,304	3,345
Other operating income	5,656	7,876
<b>Total other income</b>	<b>32,390</b>	<b>25,590</b>
<b>Other Expense:</b>		
General and administrative expenses	30,813	28,495
Compensation and benefits	10,436	9,326
Occupancy and equipment	4,675	4,434
Advertising	4,130	2,915
Communication	3,414	3,056
Item processing	3,469	3,461
Outside services	2,391	3,638
Foreclosed real estate, net	1,381	1,442
Other operating expenses	5,923	5,799

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Total general and administrative expenses	66,632	62,566
Amortization of core value of deposits	1,549	1,633
Total other expense	68,181	64,199
Income Before Income Taxes	31,891	39,385
Provision for Income Taxes	8,760	11,402
Net Income	\$ 23,131	\$ 27,983

**Table of Contents****COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF OPERATIONS (Continued)****(Unaudited)**

(Dollars in Thousands Except Per Share Data)	Three Months Ended	
	March 31,	
	2003	2002
Weighted Average Number of Common Shares Outstanding Used in Basic Earnings Per Share Calculation	45,092,714	45,355,667
Add Assumed Exercise of Outstanding Stock Options as Adjustments for Dilutive Securities	328,646	555,035
Weighted Average Number of Common Shares Outstanding Used in Diluted Earnings Per Share Calculation	45,421,360	45,910,702
Basic Earnings Per Common Share	\$ .51	\$ .62
Diluted Earnings Per Common Share	\$ .51	\$ .61
Dividends Declared Per Common Share	\$ .09	\$ .08

See accompanying Notes to Condensed Consolidated Financial Statements.



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**COMMERCIAL FEDERAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(Unaudited)**

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(Dollars in Thousands)	Three Months Ended	
	March 31,	
	2003	2002
Net Income	\$ 23,131	

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