The following table presents an analysis of the consolidated allowance for credit losses for the five years ended December 31, 2001 (Dollar Amounts in Thousands):

Summary of Loan Loss Experience

	2001	2000	1999	1998	1997
Loans outstanding at end of year	**$ 2,567,934**	$ 2,490,827	$ 2,500,059	$ 2,374,850	$ 2,436,337
Average loans outstanding	**$ 2,548,596**	$ 2,503,036	$ 2,408,450	$ 2,439,436	$ 2,330,657
Allowance for credit losses:					
Balance, beginning of year	**$ 33,601**	$ 33,539	$ 32,304	$ 25,932	$ 25,234
Loans charged off:					
Commercial, financial and agricultural	**3,297**	4,335	1,821	1,513	1,473
Loans to individuals	**4,199**	5,521	6,126	7,293	8,022
Real estate-construction	**-0-**	-0-	-0-	-0-	-0-
Real estate-commercial	**2,300**	130	427	812	664
Real estate-residential	**1,818**	874	1,035	690	819
Lease financing receivables	**606**	407	187	319	-0-
Total loans charged off	**12,220**	11,267	9,596	10,627	10,978
Recoveries of loans previously charged off:					
Commercial, financial and agricultural	**456**	406	290	462	223
Loans to individuals	**757**	826	1,057	1,328	1,218
Real estate-construction	**-0-**	-0-	-0-	-0-	-0-
Real estate-commercial	**-0-**	-0-	-0-	70	13
Real estate-residential	**49**	42	33	87	57
Lease financing receivables	**19**	25	1	3	13
Total recoveries	**1,281**	1,299	1,381	1,950	1,524
Net loans charged off	**10,939**	9,968	8,215	8,677	9,454
Provision charged to expense	**11,495**	10,030	9,450	15,049	10,152
Balance, end of year	**$ 34,157**	$ 33,601	$ 33,539	$ 32,304	$ 25,932
Ratios:					
Net charge-offs as a percentage of average loans outstanding	**0.43%**	0.40%	0.34%	0.36%	0.41%
Allowance for credit losses as a percentage of average loans outstanding	**1.34%**	1.34%	1.39%	1.32%	1.11%

Net securities gains increased $1.6 million during 2001 from $1.7 million reported in 2000 and compared to $565 thousand in 1999. The securities gains during 2001 resulted primarily from the sales of fixed rate corporate bonds classified as "available for sale" and Pennsylvania bank stocks with book values of $37.4 million and $12.7 million, respectively. The securities gains during 2000 resulted primarily from the sale of Pennsylvania bank stocks with a book value of $19.9 million. The securities gains during 1999 resulted in part from the sales of fixed rate U.S. government agency securities and U.S. treasury securities classified as securities "available for sale" having book values of $15.0 million and $21.9 million, respectively, which resulted in security gains of $167 and $317 thousand, respectively.

Trust income was $5.0 million for 2001 compared to $5.6 million for 2000 and $5.5 million for 1999. Trust income for 2001 reflected decreases in income from personal trusts, estates and mutual fund fees as market values declined.

Enhanced referral programs and integrated growth plans for financial affiliates have been initiated to help improve sales in various areas including trust assets managed. The Corporation's success in building relationships with commercial customers will also provide fee based affiliates with additional sales opportunities through the "Total Solutions Financial Management" process. This strategy marshals products, services and professional staff from the Corporation's trust, insurance and banking affiliates and unites them into a comprehensive financial services offering.

Service charges on deposits increased $598 thousand for 2001 compared to 2000 and included increases in insufficient funds fees "NSF" and bank club fees. Standardization of service charge routines achieved during conversion of the Corporation's deposit system during 2001 also generated additional fee revenue. The new deposit processing system implemented during the third quarter of 2001 will also facilitate the offering of enhanced deposit products and