NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar Amounts in Thousands, except per share data)

NOTE 1—*Statement of Accounting Policies (continued)*

New Accounting Pronouncements (continued)

December 31, 2001, by $837 annually. Management is currently assessing, but has not yet determined, the full impact of FAS No. 142 on the Corporation's financial condition or results of operations.

In June 2001, the FASB issued statement No. 143, "Accounting for Asset Retirement Obligations" ("FAS No. 143") which is effective for financial statements issued for fiscal years beginning after June 15, 2002. The statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and associated asset retirement costs. FAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently allocated to expense over the asset's useful life. Implementation of FAS No. 143 is not expected to have a material impact on the Corporation's financial condition or results of operations.

In August 2001, the FASB issued statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS No. 144") which is effective for financial statements issued for fiscal years beginning after December 15, 2001, including interim periods. This statement supersedes FASB Statement No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of", and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". FAS No. 144 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances, such as a significant decrease in the market value of an asset or the extent or manner in which an asset is used indicate that the carrying amount of an asset may not be recoverable. If there is an indication that the carrying amount of an asset may not be recoverable, future undiscounted cash flows expected to result from the use and disposition of the asset are estimated. If the sum of the expected cash flows is less than the carrying value of the asset, a loss is recognized for the difference between the carrying value and the market value of the asset. This statement also requires measurement of long-lived assets classified as held for sale at the lower of their carrying amount or fair value less cost to sell and to cease depreciation or amortization on these assets. Implementation of FAS No. 144 is not expected to have a material impact on the Corporation's financial condition or results of operations.

NOTE 2—*Supplemental Comprehensive Income Disclosures*

The following table identifies the related tax effects allocated to each component of other comprehensive income in the Statements of Changes in Shareholders' Equity:

	December 31, 2001			December 31, 2000			December 31, 1999		
	Pre-tax Amount	**Tax (Expense) Benefit**	**Net of Tax Amount**	Pre-tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Pre-tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Unrealized gains (losses) on securities:									
Unrealized holding gains (losses) arising during the period	**$ 28,676**	**$(10,037)**	**$ 18,639**	$ 51,739	$(18,109)	$ 33,630	$ (64,826)	$ 22,689	$(42,137)
Less: reclassification adjustment for gains realized in net income	**(3,274)**	**1,146**	**(2,128)**	(1,745)	611	(1,134)	(563)	197	(366)
Net unrealized gains (losses)	**25,402**	**(8,891)**	**16,511**	49,994	(17,498)	32,496	(65,389)	22,886	(42,503)
Other comprehensive income	**$ 25,402**	**$ (8,891)**	**$ 16,511**	$ 49,994	$(17,498)	$ 32,496	$ (65,389)	$ 22,886	$(42,503)