

September 26, 2005

BY EDGAR AND OVERNIGHT DELIVERY

Mr. Donald Walker
 Senior Assistant Chief Accountant
 United States Securities and Exchange Commission
 100 F Street, N.E.
 Washington, D.C. 20549

RE: NBT BANCORP INC.
 FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
 FILED MARCH 16, 2005
 FILE NO. 000-14703

Dear Mr. Walker:

I am writing in response to the Staff's letter of comment dated September 15, 2005 (the "Comment Letter") to Mr. Daryl R. Forsythe of NBT Bancorp Inc. (the "Company"). The responses to the Comment Letter set forth below are keyed to the sequence of the comments in the Comment Letter.

ITEM 1. BUSINESS

 NONPERFORMING ASSETS

1. We note your disclosures regarding the determination of your allowance for loan losses. Please tell us:
- the amount of the specific allowance attributable to your non-performing loans, if any;
 - why your provision for loan losses has remained constant over the past several years in view of your net charge-off history; and
 - how you have considered the \$48.0 million in potential problem loans as of December 31, 2004 in determining your allowance.

RESPONSE:

- a) Specific allocations are established in compliance with Financial Accounting Standard Board (FASB) Statement of Financial Accounting Standards (FAS) No. 114, "Accounting by Creditors for Impairment of a Loan". At December 31, 2004, and 2003 the Company had \$10.5 million and \$8.7 million, respectively, in nonaccrual commercial and agricultural loans and real estate loans, that were considered impaired with a specific allocation of \$0.2 million for both periods.
- b) The following represents Tables 7 (Nonperforming Assets) and 8 (Allowance for Loan and Lease Losses) from the Company's Form 10-K for the fiscal year ended December 31, 2004 ("Form 10-K"):

TABLE 7. NONPERFORMING ASSETS

(Dollars in thousands)	As of December 31,				
	2004	2003	2002	2001	2000

NONACCRUAL LOANS					
Commercial and agricultural loans and real estate	\$10,550	\$ 8,693	\$16,980	\$31,372	\$14,054
Real estate mortgages	2,553	2,483	5,522	5,119	647
Consumer	1,888	2,685	1,507	3,719	2,402

Total nonaccrual loans	14,991	13,861	24,009	40,210	17,103

LOANS 90 DAYS OR MORE PAST DUE AND STILL

ACCRUING					
Commercial and agricultural loans and real estate	-	242	237	198	4,523
Real estate mortgages	737	244	1,325	1,844	3,042
Consumer	449	482	414	933	865

Total loans 90 days or more past due and still accruing	1,186	968	1,976	2,975	8,430
Restructured loans	-	-	409	603	656

Total nonperforming loans	16,177	14,829	26,394	43,788	26,189
Other real estate owned	428	1,157	2,947	1,577	1,856

Total nonperforming loans and other real estate owned	16,605	15,986	29,341	45,365	28,045
Nonperforming securities	-	395	1,122	4,500	1,354

Total nonperforming loans, securities, and other real estate owned	\$16,605	\$16,381	\$30,463	\$49,865	\$29,399
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Total nonperforming loans to loans and leases	0.56%	0.56%	1.12%	1.87%	1.17%
Total nonperforming loans and other real estate owned to total assets	0.39%	0.40%	0.79%	1.25%	0.78%
Total nonperforming loans, securities, and other real estate owned to total assets	0.39%	0.40%	0.82%	1.37%	0.82%
Total allowance for loan and lease losses to nonperforming loans	277.75%	287.62%	152.18%	102.19%	124.07%

TABLE 8. ALLOWANCE FOR LOAN AND LEASE LOSSES

(Dollars in thousands)	2004	2003	2002	2001	2000

Balance at January 1	\$42,651	\$40,167	\$44,746	\$32,494	\$28,240

LOANS AND LEASES CHARGED-OFF					
Commercial and agricultural	4,595	5,619	9,970	17,097	3,949
Real estate mortgages	772	362	2,547	783	1,007
Consumer*	6,239	5,862	5,805	4,491	2,841

Total loans and leases charged-off	11,606	11,843	18,322	22,371	7,797

RECOVERIES					
Commercial and agricultural	2,547	3,185	3,394	1,063	503
Real estate mortgages	215	430	104	122	141
Consumer*	1,510	1,601	1,172	1,004	739

Total recoveries	4,272	5,216	4,670	2,189	1,383

Net loans and leases charged-off	7,334	6,627	13,652	20,182	6,414
Allowance related to purchase acquisitions	-	-	-	505	525
Provision for loan and lease losses	9,615	9,111	9,073	31,929	10,143

Balance at December 31	\$44,932	\$42,651	\$40,167	\$44,746	\$32,494
=====					
Allowance for loan and lease losses to loans and leases outstanding at end of year	1.57%	1.62%	1.70%	1.91%	1.45%
Net charge-offs to average loans and leases outstanding	0.27%	0.27%	0.58%	0.87%	0.31%

* Consumer charge-off and recoveries include consumer, home equity, and lease financing.

Our provision for loan losses, net charge-offs, loan growth, and nonperforming loans, have remained relatively consistent over the past several years, with the exception of 2001 and 2002. During 2001, the provision for loan losses was increased to \$31.9 million from \$10.1 million in 2000 in consideration of following: the significant increase in non-performing loans and net charge-offs that occurred in 2001; the growth in higher credit risk loan types in 2001, as the Company's strategic focus on loan growth, particularly commercial lending, was also the focus of the banks acquired by the Company in 2001 and 2000 (commercial loans grew from \$755.4 million at December 31, 1999 to \$958.1 million at December 31, 2001); the fact that recently acquired banks appeared to have used generally less conservative underwriting and monitoring standards than the Company (the Company acquired CNB Bank in 2001 and LA Bank, NA and Pioneer American Bank in 2000); and the significant downturn in economic conditions in the Company's market areas during 2001. Non-performing loans increased from \$26.2 million at December 31, 2000 to \$43.8 million at December 31, 2001. Net charge-offs increased from \$6.4 million in 2000 to \$20.2 million in 2001. During 2002, the provision decreased to \$9.1 million. Net charge-offs decreased to \$13.7 million during 2002. Net charge-offs in 2002 exceeded the 2002 provision for loan and lease losses because the Company had provided for certain of the 2002 charge-offs in previous years. Since 2002, both the provision for loan losses and net charge-offs have returned to more normalized levels and have remained relatively consistent. The levels of provisions in recent years reflect in large part loan growth, as loans grew at a 12% rate in 2003 and a 9% rate in 2004. Although 2004 loan growth was somewhat less than 2003, that loan growth was significantly in higher credit risk type loans.

- c) As disclosed under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations - Nonperforming Assets" in the Form 10-K, potential problem loans are performing loans, but known information exists about possible credit problems of the related borrowers that causes management to have doubts as to the ability of such borrowers to comply with the present loan repayment terms and which may result in disclosure of such loans as nonperforming at some time in the future. Potential problem loans are loans that are performing but are classified by the Company's loan rating system as "substandard." Loans so classified must have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the bank will sustain some loss if the deficiencies are not corrected. These criticized loans are assigned a loss factor by the severity of classification utilizing the bank's allowance methodology that is established based upon consideration of historical charge-off experience among other relevant factors.

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The Company hereby acknowledges that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

If you have any questions or would like further information concerning the foregoing please do not hesitate to contact me at (607) 337-6520.

Sincerely,

Michael J. Chewens
Senior Executive Vice President
Chief Financial Officer and
Corporate Secretary

cc: Daryl R. Forsythe
NBT Bancorp Inc.