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FOR IMMEDIATE RELEASE

ATTENTION: FINANCIAL AND BUSINESS EDITORS  
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Contact: Daryl R. Forsythe, CEO  
Michael J. Chewens, CFO  
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Pursuant to Rule 425 under the Securities Act of 1933

NBT BANCORP ANNOUNCES 2000 EARNINGS  
AND DECLARES CASH DIVIDEND

NORWICH, NY (January 22, 2001) - NBT Bancorp Inc. (NBT) (NASDAQ: NBTB), parent company of NBT Bank, N.A., Pennstar Bank, N.A. (previously LA Bank, N.A. and Pioneer American Bank, N.A.) and NBT Financial Services, Inc., reported net income of \$7.2 million or \$0.30 per diluted share for the twelve months ended December 31, 2000, compared to net income of \$26.3 million or \$1.12 per diluted share for the twelve months ended December 31, 1999. Recurring net income, which excludes the after-tax effect of costs related to merger and acquisition activity, reorganizations, and net security transactions was \$25.8 million, or \$1.09 per diluted share, for the twelve months ended December 31, 2000 compared to \$25.6 million, or \$1.09 per diluted share, for the twelve months ended December 31, 1999.

For the three months ended December 31, 2000, the Company reported a net loss of \$7.3 million, or \$(0.31) per diluted share, compared to net income of \$5.8 million, or \$0.25 per diluted share, for the same period in 1999. Recurring net income for the three months ended December 31, 2000 was \$5.6 million, or \$0.23 per diluted share, compared to \$6.2 million, or \$0.27 per diluted share, for the three months ended December 31, 1999.

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Commenting on 2000 results, President and CEO Daryl R. Forsythe noted, "Our net income for this year and, in particular, the results for the fourth quarter of 2000 were not unexpected based on merger, acquisition, and reorganization costs and net losses realized from security transactions in 2000. Core earnings remain strong, and we are confident in our strategic initiatives and earnings potential for the future."

The increase in recurring net income for 2000, as well as the decrease of only \$0.6 million in the fourth quarter of 2000 as compared to the comparable quarter in 1999, occurred despite a \$3.3 million (or \$2.1 million after-tax) increase in the provision for loan losses from \$5.4 million in 1999 to \$8.7 million in 2000, and a \$1.7 million (or \$1.1 million after-tax) increase in the provision for loan losses from \$1.6 million in the fourth quarter of 1999 to \$3.3 million in the corresponding quarter of 2000. These increases were necessitated by significant loan growth, primarily commercial loans, and an increase in nonperforming loans. Nonperforming loans at December 31, 2000 were \$21.5 million as compared to \$10.6 million at December 31, 1999. This increase was primarily the result of the continued process of integrating newly acquired banks into NBT. At December 31, 2000, the ratio of the allowance for loan losses to total loans was 1.41% compared to 1.34% at December 31, 1999, and the ratio of the allowance for loan losses to nonperforming loans was 113.12% at December 31, 2000 compared to 185.32% at December 31, 1999.

"This year has been a challenging and productive one for our organization," continued President Forsythe. "While maintaining our strong focus on core earnings, we closed mergers with Lake Ariel Bancorp, Inc. and Pioneer American Holding Company Corp. and our acquisition of M. Griffith, Inc., an investment and financial advisory firm. Additionally, the integration of LA Bank, Pioneer American Bank and six branches acquired from Sovereign Bank was completed during the fourth quarter and resulted in the creation of Pennstar

Bank. Our commitment and effort during 2000 have positioned our organization to continue to build shareholder value in 2001 and beyond. We have also enhanced our ability to maintain and develop long-term customer relationships and to deliver community banking and financial services in the markets we serve."

The Board of Directors also declared a first quarter 2001 cash dividend of \$0.17 per share to shareholders of record as of March 1, 2001, payable on March 15, 2001. Cash dividends paid in 2000 totaled \$15.4 million compared to \$12.9 million in 1999 for an increase of \$2.5 million, or 19.4 %.

On January 2, 2001, NBT announced the signing of a definitive agreement with First National Bancorp, Inc. (FNB), parent company of The First National Bank of Northern New York, providing for the merger of FNB into NBT. Closing of the merger is subject to approval by FNB's shareholders and by regulatory authorities and is expected to occur in the second quarter of 2001. In connection with this transaction, NBT also announced a plan to repurchase 1.03 million shares of its common stock. To date, NBT has repurchased approximately 20,000 shares within a price range of \$14.75-\$15.06.

NBT Bancorp Inc. is a financial holding company headquartered in Norwich, NY with combined assets of \$2.7 billion at December 31, 2000. Wholly owned subsidiaries of NBT Bancorp at December 31, 2000, included NBT Bank with 37 locations serving Central and Northern New York, Pennstar Bank with 41 locations serving Northeastern Pennsylvania, and NBT Financial Services, Inc. which includes M. Griffith Inc., an investment and financial advisory firm. NBT Bank and Pennstar Bank are full-service community banks providing a broad range of financial products and services to businesses and individuals.

More information about NBT Bancorp's community bank subsidiaries can be obtained on the Internet at [www.nbtbank.com](http://www.nbtbank.com) and [www.pennstarbank.com](http://www.pennstarbank.com).

## FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of the management of NBT Bancorp Inc. and its subsidiaries and on the information available to management at the time that these statements were made. There are a number of factors, many of which are beyond NBT's control, that could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following possibilities: (1) competitive pressures among depository and other financial institutions may increase significantly; (2) revenues may be lower than expected; (3) changes in the interest rate environment may reduce interest margins; (4) general economic conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit; (5) legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which NBT is engaged; (6) costs or difficulties related to the integration of the businesses of NBT and its merger partners may be greater than expected; (7) expected cost savings associated with recent and pending mergers and acquisitions may not be fully realized or realized within the expected time frames; (8) deposit attrition, customer loss, or revenue loss following recent and pending mergers and acquisitions may be greater than expected; (9) regulatory approvals and clearances and other prerequisites to the merger of NBT and FNB may not be obtained, or may be received outside of expected time frames; (10) competitors may have greater financial resources and developed products that enable such competitors to compete more successfully than NBT; and (11) adverse changes may occur in the securities markets or with respect to inflation. Forward-looking statements

speak only as of the date they are made. NBT Bancorp does not undertake to update forward-looking statements to reflect subsequent circumstances or events.

In connection with the proposed merger, NBT will file with the SEC a registration statement on SEC Form S-4. The registration statement will contain a proxy statement/prospectus, which will describe the proposed merger of NBT and FNB and the proposed terms and conditions of the merger. Shareholders of FNB and other investors are encouraged to read the registration statement and proxy statement/prospectus because these documents will contain important information about the merger. After the registration statement is filed with the SEC, it will be available for free, both on the SEC's web site ([www.sec.gov](http://www.sec.gov)) or by contacting NBT Bancorp Inc., 52 South Broad Street, Norwich, New York 13815, Attention: Michael J. Chewens, telephone (607) 337-6520.

NBT BANCORP INC.  
SELECTED FINANCIAL HIGHLIGHTS  
(preliminary unaudited results)

	2000 ----	1999 ----	Net CHANGE -----	Percent CHANGE -----
(in thousands, except share and per share data)				
<b>THREE MONTHS ENDED DECEMBER 31,</b>				
Net Income (Loss)	\$ (7,313)	\$ 5,820	\$ (13,133)	(225.65)%
Diluted Earnings (Loss) Per Share	\$ (0.31)	\$ 0.25	\$ (0.56)	(224.00)%
Recurring Net Income*	\$ 5,582	\$ 6,188	\$ (606)	(9.79)%
Recurring Diluted Earnings Per Share**	\$ 0.23	\$ 0.27	\$ (0.04)	(14.81)%
Weighted Average Diluted Common Shares Outstanding	23,759,097	23,336,696	422,401	1.81 %
Return (Loss) on Average Assets (ROAA)	(1.12)%	0.98%	(2.10)%	(214.29)%
ROAA based on Recurring Net Income	0.85 %	1.04%	(0.19)%	(18.27)%
Return ( Loss) on Average Equity (ROAE)	(13.95)%	11.83%	(25.78)%	(217.92 %)
ROAE based on Recurring Net Income	10.64 %	12.58%	(1.94)%	(15.42)%
Net Interest Margin	3.96 %	4.26%	(0.30)%	(7.04)%
Efficiency Ratio***	65.41 %	59.53%	5.88 %	9.88 %
<b>TWELVE MONTHS ENDED DECEMBER 31,</b>				
Net Income	\$ 7,191	\$ 26,257	\$ (19,066)	(72.61)%
Diluted Earnings Per Share	\$ 0.30	\$ 1.12	\$ (0.82)	(73.21)%
Recurring Net Income*	\$ 25,836	\$ 25,628	\$ 208	0.81 %
Recurring Diluted Earnings Per Share**	\$ 1.09	\$ 1.09	\$ -	- %
Weighted Average Diluted Common Shares Outstanding	23,600,294	23,414,336	185,958	0.79 %
Return on Average Assets (ROAA)	0.29%	1.16%	(0.87)%	(75.00)%
ROAA based on Recurring Net Income	1.03%	1.13%	(0.10)%	(8.85)%
Return on Average Equity (ROAE)	3.60%	13.17%	(9.57)%	(72.67)%
ROAE based on Recurring Net Income	12.92%	12.86%	0.06 %	0.47 %
Net Interest Margin	4.12%	4.32%	(0.20)%	(4.63)%
Efficiency Ratio***	59.11%	57.41%	1.70 %	2.96 %
<b>BALANCE SHEET AS OF DECEMBER 31,</b>				
Loans	\$1,726,482	\$1,466,867	\$259,615	17.70 %
Earning Assets	\$2,472,529	\$2,254,729	\$217,800	9.66 %
Total Assets	\$2,655,788	\$2,380,673	\$275,115	11.56 %
Deposits	\$2,040,238	\$1,777,091	\$263,147	14.81 %
Stockholders' Equity	\$ 208,021	\$ 191,472	\$ 16,549	8.64 %
<b>AVERAGE BALANCES</b>				
<b>QUARTER ENDED DECEMBER 31,</b>				
Loans	\$1,692,949	\$1,431,276	\$261,673	18.28 %
Earning Assets	\$2,457,272	\$2,230,853	\$226,419	10.15 %
Total Assets	\$2,602,882	\$2,360,982	\$241,900	10.25 %
Deposits	\$2,001,355	\$1,762,853	\$238,502	13.53 %
Stockholders' Equity	\$ 208,615	\$ 195,112	\$ 12,926	6.61 %

\* Recurring net income comprises net income (loss) excluding the after-tax effect of costs related to merger and acquisition activity, reorganizations and net security transactions.

\*\* Recurring diluted earnings per share represents recurring net income divided by the weighted average diluted common shares outstanding.

\*\*\* The efficiency ratio is computed as total non-interest expense (excluding merger, acquisition and reorganization costs as well as OREO gains and losses) divided by fully taxable equivalent net interest income plus non-interest income (excluding net security transactions).

NBT BANCORP INC.  
SELECTED FINANCIAL HIGHLIGHTS  
(preliminary unaudited results)

	2000 ----	1999 ----	Net CHANGE -----	Percent CHANGE -----
(in thousands, except share and per share data)				
<b>ASSET QUALITY AT DECEMBER 31,</b>				
Nonaccrual Loans	\$12,688	\$ 7,596	\$ 5,092	67.04 %
90 Days and Still Accruing	\$ 8,181	\$ 2,026	\$ 6,155	303.80 %
Troubled Debt Restructured Loans	\$ 656	\$ 1,014	\$ (358)	(35.31)%
Total Nonperforming Loans	\$21,525	\$10,636	\$10,889	102.38 %
Other Real Estate Owned (OREO)	\$ 722	\$ 1,438	\$ (716)	(49.79)%
Total Nonperforming Assets	\$22,247	\$12,074	\$10,173	84.26 %
Allowance to Loans	1.41%	1.34%	0.07 %	5.22 %
Total Nonperforming Loans to Loans	1.25%	0.73%	0.52 %	71.23 %
Total Nonperforming Assets to Assets	0.84%	0.51%	0.33 %	64.71 %
Allowance to Nonperforming Loans	113.12%	185.32%	(72.20)%	(38.96)%
<b>AT DECEMBER 31,</b>				
Equity to Assets	7.83%	8.04%	(0.21)%	(2.61)%
Book Value Per Share	\$ 8.77	\$ 8.24	\$ 0.53	6.43 %
Tangible Book Value Per Share	\$ 7.60	\$ 7.85	\$ (0.25)	(3.18)%
Tier 1 Leverage Ratio	7.10%	8.63%	(1.53)%	(17.73)%
Tier 1 Capital Ratio	10.25%	13.78%	(3.53)%	(25.62)%
Total Risk-Based Capital Ratio	11.48%	14.95%	(3.47)%	(23.21)%

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QUARTERLY COMMON STOCK PRICE

Quarter End	2000		1999		1998	
	HIGH ----	LOW ---	HIGH -----	LOW ---	HIGH -----	LOW ---
March 31	\$16.50	\$11.38	\$23.33	\$19.89	\$19.05	\$15.99
June 30	14.50	9.38	21.19	19.05	23.48	18.37
September 30	12.50	9.75	20.90	16.43	23.81	17.58
December 31	15.94	11.13	17.98	14.63	24.29	19.72

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All common stock and per share data have been restated to give retroactive effect to stock dividends and splits.

NBT BANCORP INC. AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS

DECEMBER 31,  
 2000

December 31,  
 1999

(in thousands, except share and per share data)

(Unaudited)

ASSETS

Cash and due from banks	\$ 96,429	\$ 74,304
Short term interest bearing accounts	14,233	5,325
Trading securities	20,541	-
Securities available for sale, at fair value	576,372	606,727
Securities held to maturity (fair value of \$101,833 and \$109,147 at December 31, 2000 and 1999, respectively)	102,413	113,318
Federal Reserve and Federal Home Loan Bank stock	27,647	27,654
Loans	1,726,482	1,466,867
Less allowance for loan losses	(24,349)	(19,711)
Net loans	1,702,133	1,447,156
Premises and equipment, net	43,457	47,097
Intangible assets	27,739	9,081
Other assets	44,824	50,011
<b>TOTAL ASSETS</b>	<b>\$2,655,788</b>	<b>\$2,380,673</b>

LIABILITIES AND STOCKHOLDERS' EQUITY

Deposits:		
Demand (noninterest bearing)	\$ 302,137	\$ 267,895
Savings, NOW, and money market	671,980	605,334
Time	1,066,121	903,862
Total deposits	2,040,238	1,777,091
Short-term borrowings	132,375	142,267
Long-term debt	234,872	251,970
Other liabilities	40,282	17,873
Total liabilities	2,447,767	2,189,201
Total stockholders' equity	208,021	191,472
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$2,655,788</b>	<b>\$2,380,673</b>

NBT BANCORP INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF INCOME

Twelve months ended  
 December 31,  
 2000                      1999

(in thousands, except per share data)

(Unaudited)

Interest and dividend income:

Loans	\$ 140,725	\$ 115,990
Securities - available for sale	40,927	40,254
Securities - held to maturity	6,127	6,166
Other	2,752	2,462
Total interest and dividend income	190,531	164,872

Interest expense:

Deposits	73,791	56,565
Short-term borrowings	8,777	6,011
Long-term debt	13,453	12,882
Total interest expense	96,021	75,458

Net interest income	94,510	89,414
Provision for loan losses	8,678	5,440
Net interest income after provision for loan losses	85,832	83,974

Noninterest income:

Trust	3,382	3,305
Broker-dealer commission income	2,723	46
Service charges on deposit accounts	8,284	7,588
Net securities (losses) gains	(1,216)	1,803
Other	6,043	6,340
Total noninterest income	19,216	19,082

Noninterest expense:

Salaries and employee benefits	35,411	30,751
Office supplies and postage	2,954	3,044
Occupancy	5,692	5,212
Equipment	5,728	5,368
Professional fees and outside services	3,754	3,008
Data processing and communications	5,828	5,392
Amortization of intangible assets	1,722	1,323
Merger, acquisition and reorganization costs	23,625	835
Other operating	9,148	7,984
Total noninterest expense	93,862	62,917

Income before income taxes	11,186	40,139
Income taxes	3,995	13,882
NET INCOME	\$ 7,191	\$ 26,257

Earnings Per Share:

Basic	\$ 0.31	\$ 1.14
Diluted	\$ 0.30	\$ 1.12

All per share data have been restated to give retroactive effect to stock dividends and splits.

\*\*\*\*END OF RELEASE\*\*\*\*