SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-Q

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

For the quarterly period ended March 31, 2007.

OR

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

For the transition period from ________ to ________.

COMMISSION FILE NUMBER 0-14703

NBT BANCORP INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	**16-1268674**
(State of Incorporation)	(I.R.S. Employer Identification No.)

52 SOUTH BROAD STREET, NORWICH, NEW YORK 13815
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(607) 337-2265**

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 shorter periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large Accelerated Filer x Accelerated Filer ☐ Non-Accelerated Filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).
Yes ☐ No x

As of April 30, 2007, there were 34,011,906 shares outstanding of the Registrant's common stock, $0.01 par value.

NBT BANCORP INC.
FORM 10-Q--Quarter Ended March 31, 2007

TABLE OF CONTENTS

NBT Bancorp Inc. and Subsidiaries
Consolidated Balance Sheets (unaudited)

(In thousands, except share and per share data)	March 31, 2007	Decmeber 31, 2006	March 31, 2006
Assets			
Cash and due from banks	$ 132,494	$ 130,936	$ 123,593
Short-term interest bearing accounts	24,598	7,857	9,675
Securities available for sale, at fair value	1,116,205	1,106,322	1,112,118
Securities held to maturity (fair value $145,762, $136,287, and $102,338)	145,760	136,314	102,754
Federal Reserve and Federal Home Loan Bank stock	30,487	38,812	37,962
Loans and leases	3,395,476	3,412,654	3,247,841
Less allowance for loan and lease losses	50,554	50,587	49,818
Net loans and leases	3,344,922	3,362,067	3,198,023
Premises and equipment, net	65,784	66,982	67,889
Goodwill	103,420	103,356	102,692
Intangible assets, net	11,408	11,984	13,632
Bank owned life insurance	42,217	41,783	40,535
Other assets	83,486	81,159	76,978
Total assets	$ 5,100,781	$ 5,087,572	$ 4,885,851
Liabilities			
Demand (noninterest bearing)	$ 624,171	$ 646,377	$ 618,531
Savings, NOW, and money market	1,632,222	1,566,557	1,546,840
Time	1,710,262	1,583,304	1,454,690
Total deposits	3,966,655	3,796,238	3,620,061
Short-term borrowings	204,421	345,408	329,702
Long-term debt	392,792	417,728	424,865
Trust preferred debentures	75,422	75,422	75,422
Other liabilities	53,911	48,959	50,047
Total liabilities	4,693,201	4,683,755	4,500,097
Stockholders' equity			
Preferred stock, $0.01 par value. Authorized 2,500,000 shares at March 31, 2007, December 31, 2006 and March 31,2006	-	-	-
Common stock, $0.01 par value. Authorized 50,000,000 shares at March 31, 2007, December 31, 2006 and March 31, 2006; issued 36,459,481, 36,459,491, and 36,459,560 at March 31, 2007, December 31, 2006, and March 31, 2006, respectively	365	365	365
Additional paid-in-capital	272,026	271,528	270,462
Retained earnings	198,948	191,770	170,330
Accumulated other comprehensive loss	(11,724)	(14,014)	(12,210)
Common stock in treasury, at cost, 2,463,124, 2,203,549 and 2,126,450 shares at March 31, 2007, December 31, 2006, and March 31, 2006, respectively	(52,035)	(45,832)	(43,193)
Total stockholders' equity	407,580	403,817	385,754
Total liabilities and stockholders' equity	$ 5,100,781	$ 5,087,572	$ 4,885,851

See accompanying notes to unaudited interim consolidated financial statements.

NBT Bancorp Inc. and Subsidiaries **Consolidated Statements of Income (unaudited)**	Three months ended March 31, **2007**	 2006
(In thousands, except per share data)		
Interest, fee, and dividend income		
Interest and fees on loans and leases	**$ 59,808**	$ 52,833
Securities available for sale	**13,467**	11,877
Securities held to maturity	**1,444**	985
Other	**740**	611
Total interest, fee, and dividend income	**75,459**	66,306
Interest expense		
Deposits	**25,984**	17,225
Short-term borrowings	**3,092**	3,937
Long-term debt	**4,486**	4,142
Trust preferred debentures	**1,268**	883
Total interest expense	**34,830**	26,187
Net interest income	**40,629**	40,119
Provision for loan and lease losses	**2,096**	1,728
Net interest income after provision for loan and lease losses	**38,533**	38,391
Noninterest income		
Service charges on deposit accounts	**4,469**	4,219
Broker/ dealer and insurance revenue	**1,083**	908
Trust	**1,437**	1,358
Net securities losses	**(5)**	(934)
Bank owned life insurance	**434**	381
ATM fees	**1,896**	1,645
Retirement plan administration fees	**1,592**	1,231
Other	**1,784**	2,416
Total noninterest income	**12,690**	11,224
Noninterest expense		
Salaries and employee benefits	**15,964**	15,748
Occupancy	**3,169**	2,988
Equipment	**1,933**	2,156
Data processing and communications	**2,877**	2,702
Professional fees and outside services	**1,658**	1,832
Office supplies and postage	**1,296**	1,181
Amortization of intangible assets	**409**	323
Loan collection and other real estate owned	**377**	211
Other	**3,189**	3,331
Total noninterest expense	**30,872**	30,472
Income before income tax expense	**20,351**	19,143
Income tax expense	**6,219**	5,555
Net income	**$ 14,132**	$ 13,588
Earnings per share		
Basic	**$ 0.41**	$ 0.41
Diluted	**$ 0.41**	$ 0.40

See accompanying notes to unaudited interim consolidated financial statements.

NBT Bancorp Inc. and Subsidiaries
Consolidated Statements of Stockholders’ Equity (unaudited)

(in thousands, except share and per share data)	Common Stock	Additional Paid-in-Capital	Retained Earnings	Unvested Awards Stock	Accumulated Other Comprehensive loss	Treasury Stock	Total
Balance at December 31, 2005	$ 344	$ 219,157	$ 163,989	$ (457)	$ (6,477)	$ (42,613)	$ 333,943
Net income			13,588				13,588
Cash dividends - $0.19 per share			(6,550)				(6,550)
Purchase of 178,404 treasury shares						(4,055)	(4,055)
Issuance of 2,058,661 shares of common stock in connection With purchase business combination	21	48,604					48,625
Issuance of 237,278 incentive stock options in purchase transaction		1,955					1,955
Acquisition of 2,500 shares of company stock in purchase transaction						(55)	(55)
Issuance of 183,057 shares to employee benefit plans and Other stock plans, including tax benefit		234	(697)			3,788	3,325
Reclassification adjustment from the adoption of FAS123R				457		(457)	-
Stock-based compensation expense		756					756
Grant of 9,889 shares of restricted stock awards		(199)				199	-
Forfeit 2,625 shares of restricted stock		(45)					(45)
Other comprehensive loss					(5,733)		(5,733)
Balance at March 31, 2006	**$ 365**	**$ 270,462**	**$ 170,330**	**-**	**$ (12,210)**	**$ (43,193)**	**$ 385,754**
Balance at December 31, 2006	**$ 365**	**$ 271,528**	**$ 191,770**	**$ -**	**$ (14,014)**	**$ (45,832)**	**$ 403,817**
Net income			14,132				14,132
Cash dividends - $0.19 per share			(6,531)				(6,531)
Purchase of 373,967 treasury shares						(8,562)	(8,562)
Net issuance of 89,862 shares to employee benefit plans and other stock plans, including tax benefit		167	(423)			1,851	1,595
Stock-based compensation		839					839
Grant of 24,530 shares of restricted stock awards		(508)				508	-
Other comprehensive income					2,290		2,290
Balance at March 31, 2007	**$ 365**	**$ 272,026**	**$ 198,948**	**$ -**	**$ (11,724)**	**$ (52,035)**	**$ 407,580**

NBT Bancorp Inc. and Subsidiaries
Consolidated Statements of Cash Flows (unaudited)

(In thousands, except per share data)	Three Months Ended March 31, 2007	2006
Operating activities		
Net income	**$ 14,132**	$ 13,588
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan and lease losses	**2,096**	1,728
Depreciation and amortization of premises and equipment	**1,344**	1,590
Net accretion on securities	**19**	135
Amortization of intangible assets	**409**	323
Stock-based compensation	**839**	711
Bank owned life insurance income	**(434)**	(381)
Proceeds from sale of loans held for sale	**5,389**	8,837
Originations and purchases of loans held for sale	**(7,948)**	(6,957)
Net gains on sales of loans held for sale	**(43)**	(60)
Net security losses	**5**	934
Net gain on sales of other real estate owned	**(36)**	(60)
Net gain on sale of branch	**-**	(470)
Net (increase) decrease in other assets	**(2,135)**	6,025
Net increase (decrease) in other liabilities	**3,590**	(2,199)
Net cash provided by operating activities	**17,227**	23,744
Investing activities		
Net cash paid for sale of branch	**-**	(2,307)
Net cash used in CNB Bancorp, Inc. merger	**-**	(20,770)
Securities available for sale:		
Proceeds from maturities, calls, and principal paydowns	**56,182**	45,451
Proceeds from sales	**10,553**	42,292
Purchases	**(72,795)**	(108,488)
Securities held to maturity:		
Proceeds from maturities, calls, and principal paydowns	**8,094**	11,013
Purchases	**(17,581)**	(11,837)
Net decrease (increase) in loans	**17,313**	(38,054)
Net decrease in Federal Reserve and FHLB stock	**8,325**	2,297
Purchases of premises and equipment, net	**(146)**	(599)
Proceeds from sales of other real estate owned	**131**	210
Net cash provided by (used in) investing activities	**10,076**	(80,792)
Financing activities		
Net increase in deposits	**170,417**	130,856
Net decrease in short-term borrowings	**(140,987)**	(115,275)
Repayments of long-term debt	**(24,936)**	(12,020)
Proceeds from the issuance of trust preferred debentures	**-**	51,547
Tax benefit from exercise of stock options	**249**	313
Proceeds from the issuance of shares to employee benefit plans and other stock plans	**1,346**	3,012
Purchase of treasury stock	**(8,562)**	(4,055)
Cash dividends and payment for fractional shares	**(6,531)**	(6,550)
Net cash (used in) provided by financing activities	**(9,004)**	47,828
Net increase (decrease) in cash and cash equivalents	**18,299**	(9,220)
Cash and cash equivalents at beginning of year	**138,793**	142,488
Cash and cash equivalents at end of year	**$ 157,092**	$ 133,268

Supplemental disclosure of cash flow information	Three Months Ended March 31,			
Cash paid during the period for:		**2007**		2006
Interest	**$**	**33,783**	$	24,820
Income taxes		**96**		449
Noncash investing activities:				
Loans transferred to OREO	**$**	**338**	$	164
Dispositions:				
Fair value of assets sold	**$**	**-**	$	3,453
Fair value of liabilities transferred		**-**		5,760
Acquisitions:				
Fair value of assets acquired	**$**	**-**	$	431,943
Goodwill and identifiable intangible assets recognized in purchase combination		**-**		65,572
Fair value of liabilities assumed		**-**		360,648
Fair value of equity issued in purchase combination		**-**		50,525

See accompanying notes to unaudited interim consolidated financial statements.

	Three months ended March 31,			
Consolidated Statements of Comprehensive Income (unaudited)		**2007**		2006
(In thousands)				
Net income	**$**	**14,132**	$	13,588
Other comprehensive income (loss), net of tax				
Unrealized net holding gains (losses) arising during the year (pre-tax amounts of $3,806 and ($10,089))		**2,233**		(6,065)
Less reclassification adjustment for net losses related to securities available for sale included in net income (pre-tax amounts of $5 and $934)		**3**		561
Minimum pension liability adjustment		**-**		(229)
Changes in pension amounts previously recognized (pre-tax amounts of $90 and $0)		**54**		-
Total other comprehensive income (loss)		**2,290**		(5,733)
Comprehensive income	**$**	**16,422**	$	7,855

See accompanying notes to unaudited interim consolidated financial statements

NBT BANCORP INC. and Subsidiary
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2007

Note 1. Description of Business

NBT Bancorp Inc. (the Company or the Registrant) is a registered financial holding company incorporated in the state of Delaware in 1986, with its principal headquarters located in Norwich, New York. The Company is the parent holding company of NBT Bank, N.A. (the Bank), NBT Financial Services, Inc. (NBT Financial), Hathaway Agency, Inc., CNBF Capital Trust I, NBT Statutory Trust I and NBT Statutory Trust II. Through these subsidiaries, the Company operates as one segment focused on community banking operations. The Company's primary business consists of providing commercial banking and financial services to its customers in its market area. The principal assets of the Company are all of the outstanding shares of common stock of its direct subsidiaries, and its principal sources of revenue are the management fees and dividends it receives from the Bank and NBT Financial.

The Bank is a full service commercial bank formed in 1856, which provides a broad range of financial products to individuals, corporations and municipalities throughout the central and upstate New York and northeastern Pennsylvania market area.

Note 2. Basis of Presentation

The accompanying unaudited interim consolidated financial statements include the accounts of NBT Bancorp Inc. and its wholly owned subsidiaries, NBT Bank, N.A., NBT Financial Services, Inc., Hathaway Agency, Inc., CNBF Capital Trust I, NBT Statutory Trust I and NBT Statutory Trust II. Collectively, the Registrant and its subsidiaries are referred to herein as "the Company". All intercompany transactions have been eliminated in consolidation. Amounts in the prior period financial statements are reclassified whenever necessary to conform to current period presentation.

Note 3. New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157 – *Fair Value Measurements* ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement does not require any new fair value measurements, but the application of this Statement may change current practice. Adoption is required as of the beginning of the first fiscal year that begins after November 15, 2007. Early application of this Standard is encouraged. The Company is assessing the effect that SFAS 157 will have on our consolidated financial position, results of operations and cash flows.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Finanical Assets and Financial Liabilities* ("SFAS 159"). SFAS 159 allows entities to voluntarily choose, at election dates, to measure many financial assets and financial liabilities (as well as certain nonfinancial instruments that are similar to financial instruments) at fair value (the "fair value option"). The election is made on an instrument-by-instrument basis and is irrevocable. If the fair value option is elected for an instrument, the Statement specifies that all subsequent changes in fair value for that instrument shall be reported in earnings. The Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Earlier adoption of the Statement is permitted as of the beginning of an entity's fiscal year, provided the choice to early adopt is made within 120 days of the beginning of the fiscal year of adoption and the entity has not yet issued financial statements for any interim period of that fiscal year. In addition, in order to early adopt SFAS 159, an entity must also adopt all of the requirements of SFAS 157 (see above). The Company is not adopting SFAS 159 early.

Note 4. Business Combination

On February 10, 2006, the Company completed the acquisition through merger of CNB Bancorp, Inc. ("CNB"). CNB was a bank holding company for City National Bank and Trust Company ("CNB Bank") and Hathaway Agency, Inc. ("Hathaway"), headquartered in Gloversville, NY. CNB Bank conducted business from nine community bank offices in four upstate New York counties—Fulton, Hamilton, Montgomery and Saratoga. The stockholders of CNB received approximately $39 million in cash and 2,058,661 shares of NBT common stock. The aggregate transaction value was approximately $89.0 million. The transaction was accounted for under the purchase method of accounting. CNB had total assets of $399.0 million, loans of $197.6 million, deposits of $335.0 million and shareholders equity of $40.1 million. As part of the merger, the Company acquired approximately $65.6 million in goodwill and identifiable intangibles. CNB was merged with and into the Company, CNB Bank was merged with and into NBT Bank and Hathaway became a direct subsidiary of the Company. The results of operations are included in the consolidated financial statements from the date of acquisition, February 10, 2006.

Note 5. Use of Estimates

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, as well as the disclosures provided. Actual results could differ from those estimates. Estimates associated with the allowance for loan losses, pension expense, fair values of financial instruments and status of contingencies are particularly susceptible to material change in the near term.

The allowance for loan and lease losses is the amount which, in the opinion of management, is necessary to absorb probable losses inherent in the loan and lease portfolio. The allowance is determined based upon numerous considerations, including local economic conditions, the growth and composition of the loan portfolio with respect to the mix between the various types of loans and their related risk characteristics, a review of the value of collateral supporting the loans, comprehensive reviews of the loan portfolio by the independent loan review staff and management, as well as consideration of volume and trends of delinquencies, nonperforming loans, and loan charge-offs. As a result of the test of adequacy, required additions to the allowance for loan and lease losses are made periodically by charges to the provision for loan and lease losses.

The allowance for loan and lease losses related to impaired loans is based on discounted cash flows using the loan's initial effective interest rate or the fair value of the collateral for certain loans where repayment of the loan is expected to be provided solely by the underlying collateral (collateral dependent loans). The Company's impaired loans are generally collateral dependent. The Company considers the estimated cost to sell, on a discounted basis, when determining the fair value of collateral in the measurement of impairment if those costs are expected to reduce the cash flows available to repay or otherwise satisfy the loans.

Management believes that the allowance for loan and lease losses is adequate. While management uses available information to recognize loan and lease losses, future additions to the allowance for loan and lease losses may be necessary based on changes in economic conditions or changes in the values of properties securing loans in the process of foreclosure. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Company's allowance for loan and lease losses. Such agencies may require the Company to recognize additions to the allowance for loan and lease losses based on their judgments about information available to them at the time of their examination which may not be currently available to management.

Other real estate owned (OREO) consists of properties acquired through foreclosure or by acceptance of a deed in lieu of foreclosure. These assets are recorded at the lower of fair value of the asset acquired less estimated costs to sell or “cost” (defined as the fair value at initial foreclosure). At the time of foreclosure, or when foreclosure occurs in-substance, the excess, if any, of the loan over the fair value of the assets received, less estimated selling costs, is charged to the allowance for loan and lease losses and any subsequent valuation write-downs are charged to other expense. Operating costs associated with the properties are charged to expense as incurred. Gains on the sale of OREO are included in income when title has passed and the sale has met the minimum down payment requirements prescribed by Generally Accepted Accounting Principles (“GAAP”).

Income taxes are accounted for under the asset and liability method. The Company files consolidated tax returns on the accrual basis. Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Realization of deferred tax assets is dependent upon the generation of future taxable income or the existence of sufficient taxable income within the available carryback period. A valuation allowance is provided when it is more likely than not that some portion of the deferred tax asset will not be realized. Based on available evidence, gross deferred tax assets will ultimately be realized and a valuation allowance was not deemed necessary at March 31, 2007 and 2006, or December 31, 2006. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Note 6. Commitments and Contingencies

The Company is a party to financial instruments in the normal course of business to meet financing needs of its customers and to reduce its own exposure to fluctuating interest rates. These financial instruments include commitments to extend credit, unused lines of credit, and standby letters of credit. Exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to make loans and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policy to make such commitments as it uses for on-balance-sheet items. Commitments to extend credit and unused lines of credit totaled $534.5 million at March 31, 2007 and $536.3 million at December 31, 2006. Since commitments to extend credit and unused lines of credit may expire without being fully drawn upon, this amount does not necessarily represent future cash commitments. Collateral obtained upon exercise of the commitment is determined using management’s credit evaluation of the borrower and may include accounts receivable, inventory, property, land and other items.

The Company guarantees the obligations or performance of customers by issuing stand-by letters of credit to third parties. These stand-by letters of credit are frequently issued in support of third party debt, such as corporate debt issuances, industrial revenue bonds, and municipal securities. The risk involved in issuing stand-by letters of credit is essentially the same as the credit risk involved in extending loan facilities to customers, and they are subject to the same credit origination, portfolio maintenance and management procedures in effect to monitor other credit and off-balance sheet products. Typically, these instruments have terms of five years or less and expire unused; therefore, the total amounts do not necessarily represent future cash requirements. Standby letters of credit totaled $27.9 million at March 31, 2007 and $30.8 million at December 31, 2006. As of March 31, 2007, the fair value of standby letters of credit was not material to the Company’s consolidated financial statements.

Note 7. Earnings per share

Basic earnings per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity (such as the Company's dilutive stock options).

The following is a reconciliation of basic and diluted earnings per share for the periods presented in the consolidated statements of income.

Three months ended March 31,		**2007**		2006
(in thousands, except per share data)				
Basic EPS:				
Weighted average common shares outstanding		**34,176**		33,422
Net income available to common shareholders	**$**	**14,132**	$	13,588
Basic EPS	**$**	**0.41**	$	0.41
Diluted EPS:				
Weighted average common shares outstanding		**34,176**		33,422
Dilutive effect of common stock options and restricted stock		**281**		324
Weighted average common shares and common share equivalents		**34,457**		33,746
Net income available to common shareholders	**$**	**14,132**	$	13,588
Diluted EPS	**$**	**0.41**	$	0.40

There were 272,565 stock options for the quarter ended March 31, 2007 and 375,211 stock options for the quarter ended March 31, 2006 that were not considered in the calculation of diluted earnings per share since the stock options' exercise price was greater than the average market price during these periods.

Note 8. Defined Benefit Postretirement Plans

The Company has a qualified, noncontributory, defined benefit pension plan covering substantially all of its employees at December 31, 2006. Benefits paid from the plan are based on age, years of service, compensation, social security benefits, and are determined in accordance with defined formulas. The Company's policy is to fund the pension plan in accordance with ERISA standards. Assets of the plan are invested in publicly traded stocks and bonds. Prior to January 1, 2000, the Company's plan was a traditional defined benefit plan based on final average compensation. On January 1, 2000, the plan was converted to a cash balance plan with grandfathering provisions for existing participants.

In addition to the pension plan, the Company also provides supplemental employee retirement plans to certain current and former executives. These supplemental employee retirement plans and the defined benefit pension plan are collectively referred to herein as "Pension Benefits".

Also, the Company provides certain health care benefits for retired employees. Benefits are accrued over the employees' active service period. Only employees that were employed by NBT Bank on or before January 1, 2000 are eligible to receive postretirement health care benefits. The plan is contributory for participating retirees, requiring participants to absorb certain deductibles and coinsurance amounts with contributions adjusted annually to reflect cost sharing provisions and benefit limitations called for in the plan. Employees become eligible for these benefits if they reach normal retirement age while working for the Company. The Company funds the cost of postretirement health care as benefits are paid. The Company elected to recognize the transition obligation on a delayed basis over twenty years. These postretirement benefits are referred to herein as "Other Benefits".

The Components of pension expense and postretirement expense are set forth below (in thousands):

	Pension Benefits		Other Benefits	
	Three months ended March 31,		Three months ended March 31,	
Components of net periodic benefit cost:	2007	2006	2007	2006
Service Cost	$ 526	$ 517	$ 6	$ 1
Interest Cost	740	555	54	51
Expected return on plan assets	(1,343)	(905)	-	-
Net amortization	105	182	(15)	(24)
Total	$ 28	$ 349	$ 45	$ 28

The Company is not required to make contributions to the Plan in the remainder of 2007. The Company recorded approximately $54,000, net of tax, as amortization of previously recognized pension amounts in Accumulated Other Comprehensive Income.

Note 9. Trust Preferred Debentures

CNBF Capital Trust I is a Delaware statutory business trust formed in 1999, for the purpose of issuing $18 million in trust preferred securities and lending the proceeds to the Company. NBT Statutory Trust I is a Delaware statutory business trust formed in 2005, for the purpose of issuing $5 million in trust preferred securities and lending the proceeds to the Company. NBT Statutory Trust II is a Delaware statutory business trust formed in 2006, for the purpose of issuing $50 million in trust preferred securities and lending the proceeds to the Company to provide funding for the acquisition of CNB Bancorp, Inc. These three statutory business trusts are collectively referred herein as "the Trusts". The Company guarantees, on a limited basis, payments of distributions on the trust preferred securities and payments on redemption of the trust preferred securities. The Trusts are variable interest entities (VIEs) for which the Company is not the primary beneficiary, as defined in Financial Accounting Standards Board Interpretation ("FIN") No. 46 "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51 (Revised December 2003) (FIN 46R)." In accordance with FIN 46R, which was implemented in the first quarter of 2004, the accounts of the Trusts are not included in the Company's consolidated financial statements.

As of March 31, 2007, the Trusts had the following issues of trust preferred debentures, all held by the Trusts, outstanding (dollars in thousands):

Description	Issuance Date	Trust Preferred Securities Outstanding	Interest Rate	Trust Preferred Debt Owed To Trust	Final Maturity date
CNBF Capital Trust I	August-99	18,000	3-month LIBOR plus 2.75%	18,720	August-29
NBT Statutory Trust I	November-05	5,000	6.30% Fixed	5,155	December-35
NBT Statutory Trust II	February-06	50,000	6.195% Fixed	51,547	March-36

The Company owns all of the common stock of the three business trusts, which have issued trust preferred securities in conjunction with the Company issuing trust preferred debentures to the Trusts. The terms of the trust preferred debentures are substantially the same as the terms of the trust preferred securities. In February 2005, the Federal Reserve Board issued a final rule that allows the continued inclusion of trust preferred securities in the Tier 1 capital of bank holding companies. The Board's final rule limits the aggregate amount of restricted core capital elements (which includes trust preferred securities, among other things) that may be included in the Tier 1 capital of most bank holding companies to 25% of all core capital elements, including restricted core capital elements, net of goodwill less any associated deferred tax liability. Large, internationally active bank holding companies (as defined) are subject to a 15% limitation. Amounts of restricted core capital elements in excess of these limits generally may be included in Tier 2 capital. The final rule provides a five-year transition period, ending March 31, 2009, for application of the quantitative limits. The Company does not expect that the quantitative limits will preclude it from including the trust preferred securities in Tier 1 capital. However, the trust preferred securities could be redeemed without penalty if they were no longer permitted to be included in Tier 1 capital.

Note 10. Income Taxes

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), on January 1, 2007. As a result of the implementation of FIN 48, the Company was not required to recognize any change in the liability for unrecognized tax benefits. The total unrecognized tax benefits upon adoption were approximately $2.6 million. Included in this amount is $1.2 million which would impact the effective rate if recognized or reversed and $0.4 million which would impact goodwill.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, New York State, Pennsylvania and certain other states. The Company is currently under examination by the Internal Revenue Service for tax years 2003 and 2004. All prior year federal returns are closed under the statute of limitations. The Company is also currently under examination by New York State for tax years 2000 through 2004. It is likely that the examination phase of some of these audits will conclude in 2007, and it is reasonably possible that a reduction in the unrecognized tax benefits may occur; however, quantification of an estimated range cannot be made at this time.

The Company's policy is to accrue interest and penalties as part of income tax expense. As of the date of adoption of FIN 48, the Company had accrued $0.5 million of interest. Interest accrued as of March 31, 2007 is $0.6 million.

NBT BANCORP INC. and Subsidiaries
Item 2 --MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this discussion and analysis is to provide the reader with a concise description of the financial condition and results of operations of NBT Bancorp Inc. (Bancorp) and its wholly owned subsidiaries, NBT Bank, N.A. (the Bank), NBT Financial Services, Inc. (NBT Financial), Hathaway Agency, Inc., CNBF Capital Trust I, NBT Statutory Trust I and NBT Statutory Trust II. (collectively referred to herein as the Company). This discussion will focus on Results of Operations, Financial Position, Capital Resources and Asset/Liability Management. Reference should be made to the Company's consolidated financial statements and footnotes thereto included in this Form 10-Q as well as to the Company's 2006 Form 10-K for an understanding of the following discussion and analysis.

FORWARD LOOKING STATEMENTS

Certain statements in this filing and future filings by the Company with the Securities and Exchange Commission, in the Company’s press releases or other public or shareholder communications, contain forward-looking statements, as defined in the Private Securities Litigation Reform Act. These statements may be identified by the use of phrases such as “anticipate,” “believe,” “expect,” “forecasts,” “projects,” or other similar terms. There are a number of factors, many of which are beyond the Company’s control that could cause actual results to differ materially from those contemplated by 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 effect 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 or tax laws, may adversely affect the businesses in which the Company is engaged; (6) competitors may have greater financial resources and develop products that enable such competitors to compete more successfully than the Company; (7) adverse changes may occur in the securities markets or with respect to inflation; (8) acts of war or terrorism; (9) the costs and effects of litigation and of unexpected or adverse outcomes in such litigation; (10) internal control failures; and (11) the Company’s success in managing the risks involved in the foregoing.

The Company wishes to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made, and to advise readers that various factors, including those described above and other factors discussed in the Company’s annual and quarterly reports previously filed with the Securities and Exchange Commission, could affect the Company’s financial performance and could cause the Company’s actual results or circumstances for future periods to differ materially from those anticipated or projected.

Unless required by law, the Company does not undertake, and specifically disclaims any obligations to publicly release the result of any revisions that may be made to any forward-looking statements to reflect statements to the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

Critical Accounting Policies

Management of the Company considers the accounting policy relating to the allowance for loan and lease losses to be a critical accounting policy given the uncertainty in evaluating the level of the allowance required to cover credit losses inherent in the loan and lease portfolio and the material effect that such judgments can have on the results of operations. While management's current evaluation of the allowance for loan and lease losses indicates that the allowance is adequate, under adversely different conditions or assumptions, the allowance would need to be increased. For example, if historical loan and lease loss experience significantly worsened or if current economic conditions significantly deteriorated, additional provisions for loan and lease losses would be required to increase the allowance. In addition, the assumptions and estimates used in the internal reviews of the Company's nonperforming loans and potential problem loans has a significant impact on the overall analysis of the adequacy of the allowance for loan and lease losses. While management has concluded that the current evaluation of collateral values is reasonable under the circumstances, if collateral evaluations were significantly lowered, the Company's allowance for loan and lease policy would also require additional provisions for loan and lease losses.

Management of the Company considers the accounting policy relating to pension accounting to be a critical accounting policy. Management is required to make various assumptions in valuing its pension assets and liabilities. These assumptions include the expected rate of return on plan assets, the discount rate, and the rate of increase in future compensation levels. Changes to these assumptions could impact earnings in future periods. The Company takes into account the plan asset mix, funding obligations, and expert opinions in determining the various rates used to estimate pension expense. The Company also considers the Moody's AA and AAA corporate bond yields and other market interest rates in setting the appropriate discount rate. In addition, the Company reviews expected inflationary and merit increases to compensation in determining the rate of increase in future compensation levels.

Overview

The Company earned net income of $14.1 million ($0.41 diluted earnings per share) for the three months ended March 31, 2007 compared to net income of $13.6 million ($0.40 diluted earnings per share) for the three months ended March 31, 2006. The increase in net income from 2006 to 2007 was primarily the result of increases in net interest income of $0.5 million and noninterest income of $1.5 million. These increases were partially offset by increases in total noninterest expense of $0.4 million, income tax expense of $0.7 million, and provision for loan and lease losses of $0.4 million. The increase in net interest income resulted primarily from 8% growth in average loans during the three months ended March 31, 2007 compared to the same period in 2006. Included in noninterest income for the three months ended March 31, 2006 were $0.9 million in net losses from investment securities sales. Excluding the effect of these securities transactions in 2006, noninterest income increased $0.5 million or 4.4% compared to the same period in 2006. The increase in noninterest income resulted from increases in service charges on deposit accounts, ATM and debit card fees, retirement plan administration fees, trust administration fees, broker/dealer and insurance revenue, and bank owned life insurance income. The increase in total noninterest expense was due primarily to increases in salaries and employee benefits, office supplies and postage, occupancy expense, amortization of intangible assets, data processing and communications, and loan collection and other real estate owned expenses.

Table 1 depicts several annualized measurements of performance using GAAP net income. Returns on average assets and equity measure how effectively an entity utilizes its total resources and capital, respectively. Net interest margin, which is the net federal taxable equivalent (FTE) interest income divided by average earning assets, is a measure of an entity's ability to utilize its earning assets in relation to the cost of funding. Interest income for tax-exempt securities and loans is adjusted to a taxable equivalent basis using the statutory Federal income tax rate of 35%.

Table 1 - Performance Measures

2007	**First Quarter**
Return on average assets (ROAA)	1.13%
Return on average equity (ROAE)	14.06%
Net Interest Margin	3.63%
2006	
Return on average assets (ROAA)	1.18%
Return on average equity (ROAE)	15.11%
Net Interest Margin	3.86%

Net Interest Income

Net interest income is the difference between interest income on earning assets, primarily loans and securities, and interest expense on interest-bearing liabilities, primarily deposits and borrowings. Net interest income is affected by the interest rate spread, the difference between the yield on earning assets and cost of interest-bearing liabilities, as well as the volumes of such assets and liabilities. Net interest income is one of the major determining factors in a financial institution's performance as it is the principal source of earnings. Table 2 represents an analysis of net interest income on a federal taxable equivalent basis.

Federal taxable equivalent (FTE) net interest income increased $0.8 million during the three months ended March 31, 2007, compared to the same period of 2006. The increase in FTE net interest income resulted primarily from 8.3% growth in average earning assets. The Company's interest rate spread declined 31 bp during the three months ended March 31, 2007 compared to the same period in 2006. The yield on earning assets for the period increased 32 bp, to 6.63% for the three months ended March 31, 2007 from 6.31% for the same period in 2006. Meanwhile, the rate paid on interest-bearing liabilities increased 63 bp, to 3.54% for the three months ended March 31, 2007 from 2.91% for the same period in 2006.

For the quarter ended March 31, 2007, total interest expense increased $8.6 million, primarily the result of the 50 bp increase in the Federal Funds target rate since March 31, 2006, which impacts the Company's short-term borrowing, money market account and time deposit rates. Additionally, average interest-bearing liabilities increased $335.4 million for the three months ended March 31, 2007 when compared to the same period in 2006, principally from strong organic deposit growth as well as deposits assumed from the CNB transaction. Total average interest-bearing deposits increased $435.5 million for the three months ended March 31, 2007 when compared to the same period in 2006. The rate paid on average interest-bearing deposits increased 76 bp from 2.49% for the three months ended March 31, 2006 to 3.25% for the same period in 2007. The increase in average interest-bearing deposits resulted from organic deposit growth as well as the previously mentioned deposits assumed from the CNB transaction, which increased average interest bearing deposits approximately $127.6 million for the three months ended March 31, 2007 as compared to March 31, 2006. For the quarter ended March 31, 2007, the Company experienced a shift in its deposit mix from savings and NOW accounts to money market and time deposit accounts, as interest sensitive customers shifted funds into higher paying interest bearing accounts. Savings and NOW accounts collectively decreased approximately $44.0 million and money market and time deposit accounts collectively increased approximately $479.4 million (time deposits was the primary driver of the increase). If short-term rates continue to rise, the Company anticipates that this trend will continue placing greater pressure on the net interest margin.

Total average borrowings, including trust preferred debentures, decreased $100.0 million for the three months ended March 31, 2007 compared with the same period in 2006. Average short-term borrowings decreased by $106.3 million, from $371.6 million for the three months ended March 31, 2006 to $265.3 million for the three months ended March 31, 2007. Despite this 28.6% decrease, interest expense from short-term borrowings only decreased $0.8 million, or 21.5%. The rate paid on short-term borrowings increased from 4.30% for the three months ended March 31, 2006 to 4.73% for the same period in 2007. Average trust preferred debentures increased $21.8 million for the three months ended March 31, 2007, compared with the same period in 2006, primarily from the issuance of $51.5 million in trust preferred debentures in February 2006 to fund the cash portion of the CNB transaction and to provide regulatory capital. The rate paid on trust preferred debentures increased to 6.82% for the three months ended March 31, 2007, compared with 6.68% for the same period in 2006, driven primarily by $51.5 million in trust preferred debentures issued in February 2006 with a fixed rate of 6.195% and $18.7 million in trust preferred debentures that reprice quarterly at 3-month LIBOR plus 275 bp.

Another important performance measurement of net interest income is the net interest margin. Despite a 31 bp decrease in the Company's net interest spread, the net interest margin only declined by 23 bp to 3.63% for the three months ended March 31, 2007, compared with 3.86% for the same period in 2006. The Company thus far has mitigated some of the margin pressure by growing noninterest bearing demand deposit accounts. Average demand deposits increased $25.9 million or 8.9% for the three months ended March 31, 2007, compared to the same period in 2006.

Table 2
Average Balances and Net Interest Income

The following table includes the condensed consolidated average balance sheet, an analysis of interest income/expense and average yield/rate for each major category of earning assets and interest bearing liabilities on a taxable equivalent basis. Interest income for tax-exempt securities and loans has been adjusted to a taxable-equivalent basis using the statutory Federal income tax rate of 35%.

Three months ended March 31,	**2007**			2006		
(dollars in thousands)	**Average Balance**	**Interest**	**Yield/ Rates**	Average Balance	Interest	Yield/ Rates
ASSETS						
Short-term interest bearing accounts	**$ 9,255**	**$ 110**	**4.83%**	$ 7,742	$ 78	4.09%
Securities available for sale (2)	**1,123,414**	**14,057**	**5.07%**	1,054,370	12,437	4.79%
Securities held to maturity (2)	**140,856**	**2,173**	**6.26%**	97,347	1,464	6.11%
Investment in FRB and FHLB Banks	**34,804**	**630**	**7.34%**	40,549	533	5.34%
Loans and leases (1)	**3,398,590**	**60,001**	**7.16%**	3,147,115	53,016	6.84%
Total interest earning assets	**4,706,919**	**76,971**	**6.63%**	4,347,123	67,528	6.31%
Other assets	**361,572**			319,040		
Total assets	**$ 5,068,491**			$ 4,666,163		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Money market deposit accounts	**$ 642,907**	**5,466**	**3.45%**	$ 451,822	3,239	2.91%
NOW deposit accounts	**441,230**	**945**	**0.87%**	431,503	646	0.61%
Savings deposits	**492,044**	**1,120**	**0.92%**	545,754	1,076	0.80%
Time deposits	**1,668,971**	**18,453**	**4.48%**	1,380,617	12,264	3.61%
Total interest bearing deposits	**3,245,152**	**25,984**	**3.25%**	2,809,696	17,225	2.49%
Short-term borrowings	**265,347**	**3,092**	**4.73%**	371,632	3,937	4.30%
Trust preferred debentures	**75,422**	**1,268**	**6.82%**	53,658	883	6.68%
Long-term debt	**406,603**	**4,486**	**4.47%**	422,097	4,142	3.98%
Total interest bearing liabilities	**3,992,524**	**34,830**	**3.54%**	3,657,083	26,187	2.91%
Demand deposits	**616,938**			591,087		
Other liabilities	**51,510**			52,978		
Stockholders' equity	**407,519**			365,015		
Total liabilities and stockholders' equity	**$ 5,068,491**			$ 4,666,163		
Net interest income (FTE basis)		**$ 42,141**			$ 41,341	
Interest rate spread			**3.09%**			3.40%
Net interest margin			**3.63%**			3.86%
Taxable equivalent adjustment		**$ 1,512**			$ 1,222	
Net interest income		**$ 40,629**			$ 40,119	

(1) For purposes of these computations, nonaccrual loans are included in the average loan balances outstanding.
(2) Securities are shown at average amortized cost.

The following table presents changes in interest income and interest expense attributable to changes in volume (change in average balance multiplied by prior year rate), changes in rate (change in rate multiplied by prior year volume), and the net change in net interest income. The net change attributable to the combined impact of volume and rate has been allocated to each in proportion to the absolute dollar amounts of change.

Analysis of Changes in Taxable Equivalent Net Interest Income

Three months ended March 31,

	Increase (Decrease) 2007 over 2006		
(in thousands)	Volume	Rate	Total
Short-term interest bearing accounts	$ 17	$ 15	$ 32
Securities available for sale	840	780	1,620
Securities held to maturity	670	39	709
Investment in FRB and FHLB Banks	(83)	180	97
Loans and leases	4,363	2,622	6,985
Total interest income	5,769	3,674	9,443
Money market deposit accounts	1,547	680	2,227
NOW deposit accounts	15	284	299
Savings deposits	(112)	156	44
Time deposits	2,850	3,339	6,189
Short-term borrowings	(1,209)	364	(845)
Trust preferred debentures	366	19	385
Long-term debt	(156)	500	344
Total interest expense	2,557	6,086	8,643
Change in FTE net interest income	$ 3,212	$ (2,412)	$ 800

Noninterest Income

Noninterest income is a significant source of revenue for the Company and an important factor in the Company's results of operations. The following table sets forth information by category of noninterest income for the years indicated:

	Three months ended March 31,	
	2007	2006
(in thousands)		
Trust	**$ 1,437**	$ 1,358
Service charges on deposit accounts	**4,469**	4,219
ATM fees	**1,896**	1,645
Broker/dealer and insurance fees	**1,083**	908
Net securities losses	**(5)**	(934)
Bank owned life insurance income	**434**	381
Retirement plan administration fees	**1,592**	1,231
Other	**1,784**	2,416
Total noninterest income	**$ 12,690**	$ 11,224

Noninterest income for the three months ended March 31, 2007, was $12.7 million, up $1.5 million or 13.1% from $11.2 million for the same period in 2006. Fees from service charges on deposit accounts and ATM and debit cards collectively increased $0.5 million from growth in our debit card base as well as growth in our demand deposit accounts. Retirement plan administration fees for the three months ended March 31, 2007, increased $0.4 million, compared with the same period in 2006, as a result of our growing client base. Broker/dealer and insurance revenue for the three months ended March 31, 2007, increased $0.2 million in large part due to the growth in brokerage income from retail financial services as well as the addition of Hathaway Insurance Agency as part of the acquisition of CNB. Bank-owned life insurance income for the three months ended March 31, 2007, increased $0.1 million, compared with the same period in 2006. This increase was due in large part to the acquisition of CNB. Trust administration income increased $0.1 million for the three months ended March 31, 2007, compared with the same period in 2006. This increase stems from the increased market value of accounts, an increase in customer accounts as a result of the acquisition of CNB and successful business development. Other noninterest income for the three months ended March 31, 2007, decreased $0.6 million, compared with the same period in 2006, primarily as a result of a gain on the sale of a branch in 2006. Net securities losses for the three months ended March 31, 2007, were nominal, compared with net securities losses of $0.9 million for the three months ended March 31, 2006. Excluding the effect of these securities transactions, noninterest income increased $0.5 million, or 4.4%, for the three months ended March 31, 2007, compared with the same period in 2006.

Noninterest Expense

Noninterest expenses are also an important factor in the Company's results of operations. The following table sets forth the major components of noninterest expense for the periods indicated:

	Three months ended March 31,	
(in thousands)	**2007**	**2006**
Salaries and employee benefits	**$ 15,964**	$ 15,748
Occupancy	**3,169**	2,988
Equipment	**1,933**	2,156
Data processing and communications	**2,877**	2,702
Professional fees and outside services	**1,658**	1,832
Office supplies and postage	**1,296**	1,181
Amortization of intangible assets	**409**	323
Loan collection and other real estate owned	**377**	211
Other	**3,189**	3,331
Total noninterest expense	**$ 30,872**	$ 30,472

Noninterest expense for the three months ended March 31, 2007, was $30.9 million, up from $30.5 million for the same period in 2006. Office expenses, such as supplies and postage, occupancy, equipment and data processing and communications charges, increased collectively by $0.2 million, or 2.7%, for the three months ended March 31, 2007, compared with the same period in 2006. Salaries and employee benefits increased $0.2 million, or 1.4%, for the three months ended March 31, 2007, over the same period in 2006. Professional fees and services decreased $0.2 million, or 9.5%, for the three months ended March 31, 2007, compared with the same period in 2006 in large part due to a decrease in information technology and other consulting services. Amortization expense increased $0.1 million for the three months ended March 31, 2007, over the same period in 2006. This increase was due primarily to the acquisition of CNB in February 2006. Loan collection and other real estate owned expenses increased $0.2 million for the three months ended March 31, 2007, over the same period in 2006. This increase was due primarily to an increase in the amount of real estate taxes paid on foreclosures in 2007 compared with 2006. Other operating expense for the three months ended March 31, 2007, decreased $0.1 million, or 4.3%, compared with the same period in 2006.

Income Taxes

Income tax expense for the three months ended March 31, 2007, was $6.2 million, up from $5.6 million for the same period in 2006. The effective rate for the three months ended March 31, 2007, was 30.6%, up from 29.0% for the same period in 2006. The increase in the effective tax rate for the three months ended March 31, 2007, versus the same period in 2006 resulted primarily from a tax refund received in the first quarter of 2006.

ANALYSIS OF FINANCIAL CONDITION

Loans and Leases

A summary of loans and leases, net of deferred fees and origination costs, by category for the periods indicated follows:

(In thousands)	**March 31, 2007**	December 31, 2006	March 31, 2006
Residential real estate mortgages	$ 738,336	$ 739,607	$ 747,912
Commercial	637,828	658,647	661,302
Commercial real estate mortgages	592,605	581,736	564,708
Real estate construction and development	82,040	94,494	77,682
Agricultural and agricultural real estate mortgages	119,399	118,278	114,008
Consumer	598,758	586,922	523,381
Home equity	541,352	546,719	477,173
Lease financing	85,158	86,251	81,675
Total loans and leases	$ 3,395,476	$ 3,412,654	$ 3,247,841

Real estate construction and development loans presented in March 2006 have been reclassified to conform with current year presentation which represents the conversion of construction loans to permanent financing

Total loans and leases were $3.4 billion, or 66.6% of assets, at March 31, 2007, $3.4 billion, or 67.1% of assets, at December 31, 2006, and $3.2 billion, or 66.5%, at March 31, 2006. Total loans and leases decreased slightly by $17.2 million or 0.5% from December 31, 2006 to March 31, 2007. This decrease was due primarily to a 0.8% decrease in commercial and commercial real estate loans. Home equity loans decreased $5.4 million, or 1.0%. Consumer loans, most notably indirect installment loans, increased $11.8 million or 2.0%. Real estate construction and development loans decreased $12.5 million, or 13.2%, at March 31, 2007, as compared to December 31, 2006.

Securities

The Company classifies its securities at date of purchase as available for sale, held to maturity or trading. Held to maturity debt securities are those that the Company has the ability and intent to hold until maturity. Available for sale securities are recorded at fair value. Unrealized holding gains and losses, net of the related tax effect, on available for sale securities are excluded from earnings and are reported in stockholders' equity as a component of accumulated other comprehensive income or loss. Held to maturity securities are recorded at amortized cost. Trading securities are recorded at fair value, with net unrealized gains and losses recognized currently in income. Transfers of securities between categories are recorded at fair value at the date of transfer. A decline in the fair value of any available for sale or held to maturity security below cost that is deemed other-than-temporary is charged to earnings resulting in the establishment of a new cost basis for the security. Securities with an other-than-temporary impairment are generally placed on nonaccrual status.

Average total earning securities increased $112.6 million for the three months ended March 31, 2007 when compared to the same period in 2006. The average balance of securities available for sale increased $69.0 million for the three months ended March 31, 2007 when compared to the same period in 2006. The average balance of securities held to maturity increased $43.5 million for the three months ended March 31, 2007, compared to the same period in 2006. The average total securities portfolio represents 26.9% of total average earning assets for the three months ended March 31, 2007, up from 26.5% for the same period in 2006.

The following details the composition of securities available for sale, securities held to maturity and regulatory investments for the periods indicated:

	At March 31,	
	2007	2006
Mortgage-backed securities:		
With maturities 15 years or less	26%	33%
With maturities greater than 15 years	4%	4%
Collateral mortgage obligations	19%	17%
Municipal securities	19%	16%
US agency notes	28%	26%
Other	4%	4%
Total	100%	100%

Allowance for Loan and Lease Losses, Provision for Loan and Lease Losses, and Nonperforming Assets

The allowance for loan and lease losses is maintained at a level estimated by management to provide adequately for risk of probable losses inherent in the current loan and lease portfolio. The adequacy of the allowance for loan and lease losses is continuously monitored. It is assessed for adequacy using a methodology designed to ensure the level of the allowance reasonably reflects the loan portfolio's risk profile. It is evaluated to ensure that it is sufficient to absorb all reasonably estimable credit losses inherent in the current loan and lease portfolio.

Management considers the accounting policy relating to the allowance for loan and lease losses to be a critical accounting policy given the inherent uncertainty in evaluating the levels of the allowance required to cover credit losses in the portfolio and the material effect that such judgements can have on the consolidated results of operations.

For purposes of evaluating the adequacy of the allowance, the Company considers a number of significant factors that affect the collectibility of the portfolio. For individually analyzed loans, these include estimates of loss exposure, which reflect the facts and circumstances that affect the likelihood of repayment of such loans as of the evaluation date. For homogeneous pools of loans and leases, estimates of the Company's exposure to credit loss reflect a thorough current assessment of a number of factors, which could affect collectibility. These factors include: past loss experience; the size, trend, composition, and nature of the loans and leases; changes in lending policies and procedures, including underwriting standards and collection, charge-off and recovery practices; trends experienced in nonperforming and delinquent loans and leases; current economic conditions in the Company's market; portfolio concentrations that may affect loss experienced across one or more components of the portfolio; the effect of external factors such as competition, legal and regulatory requirements; and the experience, ability, and depth of lending management and staff. In addition, various regulatory agencies, as an integral component of their examination process, periodically review the Company's allowance for loan and lease losses. Such agencies may require the Company to recognize additions to the allowance based on their judgment about information available to them at the time of their examination, which may not be currently available to management.

After a thorough consideration and validation of the factors discussed above, required additions to the allowance for loan and lease losses are made periodically by charges to the provision for loan and lease losses. These charges are necessary to maintain the allowance at a level which management believes is reasonably reflective of overall inherent risk of probable loss in the portfolio. While management uses available information to recognize losses on loans and leases, additions to the allowance may fluctuate from one reporting period to another. These fluctuations are reflective of changes in risk associated with portfolio content and/or changes in management's assessment of any or all of the determining factors discussed above. The allowance for loan and lease losses to outstanding loans and leases at March 31, 2007 was 1.49% compared with 1.48% at December 31, 2006, and 1.53% at March 31, 2006. Management considers the allowance for loan losses to be adequate based on evaluation and analysis of the loan portfolio.

Table 4 reflects changes to the allowance for loan and lease losses for the periods presented. The allowance is increased by provisions for losses charged to operations and is reduced by net charge-offs. Charge-offs are made when the collectability of loan principal within a reasonable time is unlikely. Any recoveries of previously charged-off loans are credited directly to the allowance for loan and lease losses.

Table 4
Allowance For Loan and Lease Losses

	Three months ended March 31,			
(dollars in thousands)	**2007**		2006	
Balance, beginning of period	**$ 50,587**		$ 47,455	
Recoveries	**1,444**		1,175	
Chargeoffs	**(3,573)**		(2,950)	
Net chargeoffs	**(2,129)**		**(1,775)**	
Allowance related to purchase acquisition	-		2,410	
Provision for loan losses	**2,096**		1,728	
Balance, end of period	**$ 50,554**		**$ 49,818**	
Composition of Net Chargeoffs				
Commercial and agricultural	**$ (701)**	**33%**	$ (858)	48%
Real estate mortgage	**(307)**	**14%**	(71)	4%
Consumer	**(1,121)**	**53%**	(846)	48%
Net chargeoffs	**$ (2,129)**	**100%**	**$ (1,775)**	**100%**
Annualized net chargeoff's to average loans and leases	**0.25%**		0.23%	

Nonperforming assets consist of nonaccrual loans, loans 90 days or more past due and still accruing, restructured loans, other real estate owned (OREO), and nonperforming securities. Loans are generally placed on nonaccrual when principal or interest payments become ninety days past due, unless the loan is well secured and in the process of collection. Loans may also be placed on nonaccrual when circumstances indicate that the borrower may be unable to meet the contractual principal or interest payments. OREO represents property acquired through foreclosure and is valued at the lower of the carrying amount or fair market value, less any estimated disposal costs. Nonperforming securities include securities which management believes are other-than-temporarily impaired, carried at their estimated fair value and are not accruing interest.

Total nonperforming assets were $18.0 million at March 31, 2007, $15.7 million at December 31, 2006, and $13.6 million at March 31, 2006. Nonaccrual loans were $16.3 million at March 31, 2007, as compared to $13.7 million at December 31, 2006 and $12.6 million at March 31, 2006. The increase in nonperforming assets from March 31, 2006 to March 31, 2007 was mainly attributable to increases in nonperforming small business and agricultural loans, primarily due to regional flooding as well as falling milk prices. OREO increased from $0.3 million at March 31, 2006 to $0.6 million at March 31, 2007.

In addition to the nonperforming loans discussed above, the Company has also identified approximately $70.9 million in potential problem loans at March 31, 2007 as compared to $69.8 million at December 31, 2006. Potential problem loans are loans that are currently performing, but where known information about possible credit problems of the borrowers causes management to have serious 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. At the Company, potential problem loans are typically loans that are performing but are classified by the Company's loan rating system as "substandard." At March 31, 2007, potential problem loans primarily consisted of commercial real estate and commercial and agricultural loans. Management cannot predict the extent to which economic conditions may worsen or other factors which may impact borrowers and the potential problem loans. Accordingly, there can be no assurance that other loans will not become 90 days or more past due, be placed on nonaccrual, become restructured, or require increased allowance coverage and provision for loan losses.

Subsequent to March 31, 2007, the Company has identified $4.9 million of loans that has migrated to nonaccrual status as of the date of filing this 10-Q, of which $1.7 million was included in the potential problem loan balance at March 31, 2007. The $4.9 million of new non-accrual loans consists of two commercial real estate relationships aggregating $3.0 million, with the remainder of the balance consisting of agricultural loans. Also, subsequent to March 31, 2007, the Company has identified an additional $4.7 million in potential problem loans as of the date of filing this 10-Q.

Net chargeoffs totaled $2.1 million for the three months ended March 31, 2007, up $0.3 million from the $1.8 million charged off during the same period in 2006. The provision for loan and lease losses totaled $2.1 million for the three months ended March 31, 2007, compared with the $1.7 million provided during the same period in 2006.

Table 5
Nonperforming Assets

(Dollars in thousands)	**March 31, 2007**	December 31, 2006	March 31, 2006
Nonaccrual loans			
Commercial and agricultural loans and real estate	**$ 12,082**	**$ 9,346**	**$ 9,188**
Real estate mortgages	**2,290**	**2,338**	**1,816**
Consumer	**1,922**	**1,981**	**1,612**
Total nonaccrual loans	**16,294**	**13,665**	**12,616**
Loans 90 days or more past due and still accruing			
Commercial and agricultural loans and real estate	**-**	**138**	**-**
Real estate mortgages	**46**	**682**	**55**
Consumer	**1,023**	**822**	**665**
Total loans 90 days or more past due and still accruing	**1,069**	**1,642**	**720**
Total nonperforming loans	**17,363**	**15,307**	**13,336**
Other real estate owned (OREO)	**632**	**389**	**279**
Total nonperforming assets	**17,995**	**15,696**	**13,615**
Total nonperforming loans to loans and leases	**0.51%**	**0.45%**	**0.41%**
Total nonperforming assets to assets	**0.35%**	**0.31%**	**0.28%**
Total allowance for loan and lease losses to nonperforming loans	**291.16%**	**330.48%**	**373.56%**

Deposits

Total deposits were $4.0 billion at March 31, 2007, up $170.4 million from year-end 2006, and up $346.6 million, or 9.6%, from the same period in the prior year. The increase in deposits compared with March 31, 2006, was driven by organic deposit growth (driven primarily by time deposit growth). Total average deposits for the three months ended March 31, 2007 increased $461.3 million, or 13.6%, from the same period in 2006. The Company experienced an increase in average time deposits of $288.4 million or 20.9%, for the three months ended March 31, 2007 compared to the same period in 2006. This increase in average time deposits was due to organic growth of approximately $230.9 million, as well as approximately $57.5 million resulting from the CNB transaction. The Company experienced a shift in its deposit mix from interest sensitive customers into higher paying time accounts. Average savings and NOW accounts experienced a decrease of $44.0 million for the three month period ending March 31, 2007 as compared to the same period in 2006. This decrease was the result of the previously mentioned shift in deposit mix from lower cost deposit accounts to higher cost deposit accounts with more attractive interest rates (which have increased due to the rising rate environment). Average money market accounts increased $191.1 million for the three months ended March 31, 2007 from the same period in 2006, as organic money market account growth totaled approximately $167.9 million and approximately $23.2 million was attributed to the acquisition of CNB. Average demand deposit accounts increased $25.9 million for the three months ended March 31, 2007 as compared to the same period in 2006. This was due primarily to the CNB transaction, which accounted for approximately $21.3 million of the increase.

Borrowed Funds

The Company's borrowed funds consist of short-term borrowings and long-term debt. Short-term borrowings totaled $204.4 million at March 31, 2007 compared to $345.4 million and $329.7 million at December 31, and March 31, 2006, respectively. Long-term debt was $392.8 million at March 31, 2007, and was $417.7 and $424.9 million at December 31, and March 31, 2006, respectively. For more information about the Company’s borrowing capacity and liquidity position, see the section with the title caption of “Liquidity Risk” on page 32 in this discussion.

Capital Resources

Stockholders' equity of $407.6 million represents 8.0% of total assets at March 31, 2007, compared with $385.8 million, or 7.9% as of March 31, 2006, and $403.8 million, or 7.9% at December 31, 2006. On April 23, 2007, the NBT Board of Directors authorized a new repurchase program whereby NBT intends to repurchase up to an additional 1,000,000 shares (approximately 3%) of its outstanding common stock, as market conditions warrant in open market and privately negotiated transactions. When this repurchase was authorized, there were 363,180 shares remaining under previous authorizations. These remaining shares were combined with this new authorization, increasing the total shares available for repurchase to 1,363,180. Under the authorized programs for the period, the Company purchased 373,967 shares of its common stock during the three months ended March 31, 2007, for a total of $8.6 million at an average price of $22.90 per share.

The Board of Directors considers the Company's earnings position and earnings potential when making dividend decisions. The Company does not have a target dividend pay out ratio.

As the capital ratios in Table 6 indicate, the Company remains "well capitalized". Capital measurements are significantly in excess of regulatory minimum guidelines and meet the requirements to be considered well capitalized for all periods presented. Tier 1 leverage, Tier 1 capital and Risk-based capital ratios have regulatory minimum guidelines of 3%, 4% and 8% respectively, with requirements to be considered well capitalized of 5%, 6% and 10%, respectively.

Table 6

Capital Measurements

2007		**March 31,**
Tier 1 leverage ratio		7.60%
Tier 1 capital ratio		10.53%
Total risk-based capital ratio		11.78%
Cash dividends as a percentage of net income		46.21%
Per common share:		
Book value	$	11.99
Tangible book value	$	8.61

2006		March 31,
Tier 1 leverage ratio		7.77%
Tier 1 capital ratio		10.30%
Total risk-based capital ratio		11.56%
Cash dividends as a percentage of net income		48.20%
Per common share:		
Book value	$	11.22
Tangible book value	$	7.84

The accompanying Table 7 presents the high, low and closing sales price for the common stock as reported on the NASDAQ Stock Market, and cash dividends declared per share of common stock. The Company's price to book value ratio was 1.95 at March 31, 2007 and 2.07 in the comparable period of the prior year. The Company's price was 14.3 times trailing twelve months earnings at March 31, 2007, compared to 14.2 times for the same period last year.

Table 7
Quarterly Common Stock and Dividend Information

Quarter Endings	High	Low	Close	Cash Dividends Declared
2006				
March 31	$ 23.90	$ 21.02	$ 23.25	$ 0.190
June 30	23.24	21.03	23.23	0.190
September 30	24.57	21.44	23.26	0.190
December 31	26.47	22.36	25.51	0.190
2007				
March 31	**$ 25.81**	**$ 21.73**	**$ 23.43**	**$ 0.200**

Liquidity and Interest Rate Sensitivity Management

Market Risk

Interest rate risk is among the most significant market risk affecting the Company. Other types of market risk, such as foreign currency exchange rate risk and commodity price risk, do not arise in the normal course of the Company’s business activities. Interest rate risk is defined as an exposure to a movement in interest rates that could have an adverse effect on the Company’s net interest income. Net interest income is susceptible to interest rate risk to the degree that interest-bearing liabilities mature or reprice on a different basis than earning assets. When interest-bearing liabilities mature or reprice more quickly than earning assets in a given period, a significant increase in market rates of interest could adversely affect net interest income. Similarly, when earning assets mature or reprice more quickly than interest-bearing liabilities, falling interest rates could result in a decrease in net interest income.

In an attempt to manage the Company's exposure to changes in interest rates, management monitors the Company’s interest rate risk. Management’s Asset Liability Committee (ALCO) meets monthly to review the Company’s interest rate risk position and profitability, and to recommend strategies for consideration by the Board of Directors. Management also reviews loan and deposit pricing, and the Company’s securities portfolio, formulates investment and funding strategies, and oversees the timing and implementation of transactions to assure attainment of the Board’s objectives in the most effective manner. Notwithstanding the Company’s interest rate risk management activities, the potential for changing interest rates is an uncertainty that can have an adverse effect on net income.

In adjusting the Company’s asset/liability position, the Board and management attempt to manage the Company’s interest rate risk while minimizing net interest margin compression. At times, depending on the level of general interest rates, the relationship between long- and short-term interest rates, market conditions and competitive factors, the Board and management may determine to increase the Company’s interest rate risk position somewhat in order to increase its net interest margin. The Company’s results of operations and net portfolio values remain vulnerable to changes in interest rates and fluctuations in the difference between long- and short-term interest rates.

The primary tool utilized by ALCO to manage interest rate risk is a balance sheet/income statement simulation model (interest rate sensitivity analysis). Information such as principal balance, interest rate, maturity date, cash flows, next repricing date (if needed), and current rates is uploaded into the model to create an ending balance sheet. In addition, ALCO makes certain assumptions regarding prepayment speeds for loans and leases and mortgage related investment securities along with any optionality within the deposits and borrowings.

The model is first run under an assumption of a flat rate scenario (i.e. no change in current interest rates) with a static balance sheet over a 12-month period. Two additional models are run with static balance sheets: (1) a gradual increase of 200 bp, (2) and a gradual decrease of 200 bp takes place over a 12 month period with a static balance sheet. Under these scenarios, assets subject to prepayments are adjusted to account for faster or slower prepayment assumptions. Any investment securities or borrowings that have callable options embedded into them are handled accordingly based on the interest rate scenario. The resultant changes in net interest income are then measured against the flat rate scenario.

In the declining rate scenario, net interest income is projected to decrease when compared to the forecasted net interest income in the flat rate scenario through the simulation period. The decrease in net interest income is a result of earning assets repricing downward at a faster rate than interest bearing liabilities. The inability to effectively lower deposit rates will likely reduce or eliminate the benefit of lower interest rates. In the rising rate scenarios, net interest income is projected to experience a decline from the flat rate scenario. Net interest income is projected to remain at lower levels than in a flat rate scenario through the simulation period primarily due to a lag in assets repricing while funding costs increase. The potential impact on earnings is dependent on the ability to lag deposit repricing. If short-term rates continue to increase, the Company expects competitive pressures will likely lead to core deposit pricing increases, which will likely continue compression of the net interest margin.

Net interest income for the next 12 months in the + 200/- 200 bp scenarios, as described above, is within the internal policy risk limits of not more than a 7.5% change in net interest income. The following table summarizes the percentage change in net interest income in the rising and declining rate scenarios over a 12-month period from the forecasted net interest income in the flat rate scenario using the March 31, 2007 balance sheet position:

Table 8
Interest Rate Sensitivity Analysis

Change in interest rates (in basis points)	Percent change in net interest income
+200	(3.00%)
-200	(0.12%)

The Company has taken several measures to mitigate net interest margin compression. The Company began originating 20-year and 30-year residential real estate mortgages with the intent to sell beginning with the second quarter of 2005. Over time, the Company has shortened the average life of its investment securities portfolio by limiting purchases of mortgage-backed securities and redirecting proceeds into short-duration CMOs and US Agency notes and bonds. Lastly, the Company will continue to focus on growing noninterest bearing demand deposits and prudently managing deposit costs.

Liquidity Risk

Liquidity involves the ability to meet the cash flow requirements of customers who may be depositors wanting to withdraw funds or borrowers needing assurance that sufficient funds will be available to meet their credit needs. The ALCO is responsible for liquidity management and has developed guidelines which cover all assets and liabilities, as well as off balance sheet items that are potential sources or uses of liquidity. Liquidity policies must also provide the flexibility to implement appropriate strategies and tactical actions. Requirements change as loans and leases grow, deposits and securities mature, and payments on borrowings are made. Liquidity management includes a focus on interest rate sensitivity management with a goal of avoiding widely fluctuating net interest margins through periods of changing economic conditions.

The primary liquidity measurement the Company utilizes is called the Basic Surplus which captures the adequacy of its access to reliable sources of cash relative to the stability of its funding mix of average liabilities. This approach recognizes the importance of balancing levels of cash flow liquidity from short- and long-term securities with the availability of dependable borrowing sources which can be accessed when necessary. At March 31, 2007, the Company's Basic Surplus measurement was 8.92% of total assets or $453 million, which was above the Company's minimum of 5% or $255 million set forth in its liquidity policies.

This Basic Surplus approach enables the Company to adequately manage liquidity from both operational and contingency perspectives. By tempering the need for cash flow liquidity with reliable borrowing facilities, the Company is able to operate with a more fully invested and, therefore, higher interest income generating, securities portfolio. The makeup and term structure of the securities portfolio is, in part, impacted by the overall interest rate sensitivity of the balance sheet. Investment decisions and deposit pricing strategies are impacted by the liquidity position. At March 31, 2007, the Company Basic Surplus improved compared to December 31, 2006, Basic Surplus of 7.9%, driven primarily by the CNB transaction.

The Company's primary source of funds is from its subsidiary, NBT Bank. Certain restrictions exist regarding the ability of the Company's subsidiary bank to transfer funds to the Company in the form of cash dividends. The approval of the Office of Comptroller of the Currency (OCC) is required to pay dividends when a bank fails to meet certain minimum regulatory capital standards or when such dividends are in excess of a subsidiary bank's earnings retained in the current year plus retained net profits for the preceding two years (as defined in the regulations). At March 31, 2007, approximately $55.1 million of the total stockholders' equity of NBT Bank was available for payment of dividends to the Company without approval by the OCC. NBT Bank's ability to pay dividends also is subject to the Bank being in compliance with regulatory capital requirements. NBT Bank is currently in compliance with these requirements. Under the State of Delaware Business Corporation Law, the Company may declare and pay dividends either out of accumulated net retained earnings or capital surplus.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Information called for by Item 3 is contained in the Liquidity and Interest Rate Sensitivity Management section of the Management Discussion and Analysis.

Item 4. Controls and Procedures

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended) as of March 31, 2007. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective in timely alerting them to any material information relating to the Company and its subsidiaries required to be included in the Company's periodic SEC filings.

There were no changes made in the Company's internal controls over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1 -- Legal Proceedings

There are no material legal proceedings, other than ordinary routine litigation incidental to business to which the Company is a party or of which any of its property is subject.

Item 1A – Risk Factors

Management of the Company does not believe there have been any material changes in the risk factors that were disclosed in the Form 10-K filed with the Securities and Exchange Commission on March 1, 2007.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable

(b) Not applicable

(c) The table below sets forth the information with respect to purchases made by the Company (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934), of our common stock during the quarter ended March 31, 2007:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares That May Yet be Purchased Under The Plans (1)
1/1/07 - 1/31/07	-	$ -	-	737,147
2/1/07 - 2/28/07	-	-	-	737,147
3/1/07 - 3/31/07	373,967	22.90	373,967	363,180
Total	**373,967**	**$ 22.90**	**373,967**	**363,180**

(1) On April 23, 2007, the NBT Board of Directors authorized a new repurchase program whereby NBT intends to repurchase up to an additional 1,000,000 shares (approximately 3%) of its outstanding common stock, as market conditions warrant in open market and privately negotiated transactions. When this repurchase was authorized, there were 363,180 shares remaining under previous authorizations. These remaining shares were combined with this new authorization, increasing the total shares available for repurchase to 1,363,180. Under the authorized programs for the period, the Company purchased 373,967 shares of its common stock during the three months ended March 31, 2007, for a total of $8.6 million at an average price of $22.90 per share.

Item 3 -- Defaults Upon Senior Securities

None

Item 4 -- Submission of Matters to a Vote of Security Holders

None

Item 5 -- Other Information

On April 23, 2007, NBT Bancorp Inc. announced the declaration of a regular quarterly cash dividend of $0.20 per share. The cash dividend will be paid on June 15, 2007 to stockholders of record as of June 1, 2007.

Item 6 -- Exhibits

3.1 Certificate of Incorporation of NBT Bancorp Inc. as amended through July 23, 2001 (filed as Exhibit 3.1 to Registrant's Form 10-K for the year ended December 31, 2001, filed on March 29, 2002 and incorporated herein by reference).

3.2 By-laws of NBT Bancorp Inc. as amended and restated through July 23, 2001 (filed as Exhibit 3.2 to Registrant's Form 10-K for the year ended December 31, 2001, filed on March 29, 2002 and incorporated herein by reference).

3.3 Rights Agreement, dated as of November 15, 2004, between NBT Bancorp Inc. and Registrar and Transfer Company, as Rights Agent (filed as Exhibit 4.1 to Registrant's Form 8-K, file number 0-14703, filed on November 18, 2004, and incorporated by reference herein).

3.4 Certificate of Designation of the Series A Junior Participating Preferred Stock (filed as Exhibit A to Exhibit 4.1 of the Registration's Form 8-K, file Number 0-14703, filed on November 18, 2004, and incorporated herein by reference).

4.1 Specimen common stock certificate for NBT's common stock (filed as exhibit 4.1 to the Registrant's Amendment No. 1 to Registration Statement on Form S-4 filed on December 27, 2005 and incorporated herein by reference).

10.1 Form of Employment Agreement between NBT Bancorp, Inc. and Jeffrey M. Levy made as of April 23, 2007.

10.2 Change in control agreement with Jeffrey M. Levy made as of April 23, 2007.

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Written Statement of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Written Statement of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, this 10th day of May 2007.

NBT BANCORP INC.

By: /s/ MICHAEL J. CHEWENS
Michael J. Chewens, CPA
Senior Executive Vice President
Chief Financial Officer and Corporate Secretary

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Exhibit 10.1

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 23rd day of April 2007, by and between Jeffrey M. Levy ("Executive") and NBT BANCORP INC., a Delaware corporation having its principal office in Norwich, New York ("NBTB")

W I T N E S S E T H T H A T:

WHEREAS, Executive is serving as the Executive Vice President, Regional President, Capital Region of NBT Bank, National Association, a national banking association which is a wholly-owned subsidiary of NBTB ("NBT Bank");

WHEREAS, the parties desire to enter into this Agreement, setting forth the terms and conditions of the continued employment relationship of Executive with NBTB;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements set forth in this Agreement, intending to be legally bound, the parties agree as follows:

1. Employment; Responsibilities and Duties.

(a) NBTB hereby agrees to continue to employ Executive and to cause NBT Bank and any successor organization to NBT Bank to employ Executive, and Executive hereby agrees to serve as the Executive Vice President, Regional President, Capital Region of NBT Bank and any successor organization to NBTB or NBT Bank, as applicable, during the Term of Employment (as such term is defined below). During the Term of Employment, Executive shall perform all duties, and responsibilities, and have the authority as shall be set forth in the bylaws of NBTB or NBT Bank or as may otherwise be determined and assigned to his by NBTB or by NBT Bank.

(b) Executive shall devote his full working time and best efforts to the performance of his responsibilities and duties hereunder. During the Term of Employment, Executive shall not, without the prior written consent of the Chief Executive Officer of NBTB, render services as an employee, independent contractor, or otherwise, whether or not compensated, to any person or entity other than NBTB, NBT Bank or their affiliates; provided that Executive may, where involvement in such activities does not individually or in the aggregate significantly interfere with the performance of his duties or violate the provisions of section 4 hereof, (i) render services to charitable organizations, (ii) manage his personal investments, and (iii) with the prior permission of the Chief Executive Officer of NBTB, hold such other directorships or part-time academic appointments or have such other business affiliations as would otherwise be prohibited under this section 1.

2. Term of Employment.

(a) The initial term of employment under this Agreement shall be for the period commencing on the date hereof and ending on January 1, 2008 (the “Initial Term”), provided, however, that on December 31, 2007, and each December 31st thereafter, the term of the agreement shall extend itself by one additional year (the “Extended Term”), unless NBTB has given contrary written notice to Executive at least 90 days before any such renewal date. The Initial Term and all such Extended Terms are collectively referred to herein as the “Term of Employment.”

(b) Executive’s employment with NBTB shall not terminate prior to the expiration of the Initial Term or any Extended Term, except as provided below:

(i) Voluntary Termination. Executive may terminate this Agreement upon not less than 90 days prior written notice delivered to NBTB, in which event Executive shall be entitled to compensation and benefits earned or accrued through the effective date of termination (the “Termination Date”).

(ii) Termination Upon Death. This Agreement shall terminate upon Executive’s death, in which event Executive’s estate shall be entitled to compensation and benefits earned or accrued through the date of death.

(iii) Termination Upon Disability. NBTB may terminate this Agreement upon Executive’s disability. For purposes of this Agreement, Executive’s inability to perform his duties hereunder by reason of physical or mental illness or injury for a period of at least 90 consecutive days or at least 120 days in any period of 12 consecutive months (the “Disability Period”) shall constitute disability. The determination of disability shall be made by a physician selected by NBTB. During the Disability Period, Executive shall be entitled to the Base Salary (as such term is defined below) otherwise payable during that period, reduced by any other NBTB-provided benefits to which Executive may be entitled, which benefits are specifically payable solely on account of such disability (including, but not limited to, benefits provided under any disability insurance policy or program, worker’s compensation law, or any other benefit program or arrangement). In the event of termination upon Executive’s disability, Executive shall be entitled to compensation or benefits earned or accrued through the Termination Date.

(iv) Termination for Cause. NBTB may terminate Executive’s employment for Cause by written notice to Executive. For purposes of this Agreement, “Cause” shall mean Executive’s: (1) personal dishonesty, incompetence (which shall be measured against standards generally prevailing in the financial institutions industry), willful or gross misconduct with respect to the business and affairs of NBTB or NBT Bank, or with respect to any of their affiliates for which Executive is assigned material responsibilities or duties; (2) willful neglect, failure, or refusal to carry out his duties hereunder in a reasonable manner after a written demand for substantial performance is delivered to Executive that specifically identifies the manner in which NBTB believes that Executive has not substantially performed his duties and Executive has not resumed such substantial performance within 21 days of receiving such demand; (3) willful violation of any law, rule, or regulation (other than traffic violations or similar offenses) or the conviction of a felony, whether or not committed in the course of his employment with NBTB; (4) being a specific subject of a final cease and desist order from, written agreement with, or other order or supervisory direction from, any federal or state regulatory authority; (5) conduct tending to bring NBTB, NBT Bank or any of their affiliates into public disgrace or disrepute; or (6) breach of any representation or warranty in section 6(a) hereof or of any agreement contained in section 1, 4, 5 or 6(b) hereof.

Notwithstanding any other term or provision of this Agreement to the contrary, if Executive's employment is terminated for Cause, Executive shall forfeit all rights to compensation and benefits otherwise provided pursuant to this Agreement; provided, however, that the Base Salary shall be paid through the Termination Date.

(v) Termination Without Cause. NBTB may terminate Executive's employment for reasons other than Cause upon not less than 30 days prior written notice delivered to Executive, in which event Executive shall be entitled to the Base Salary for a period of 12 months following the Termination Date and the compensation and benefits earned or accrued through the Termination Date.

(vi) Termination for Good Reason. If Executive terminates his employment with NBTB for Good Reason, other than following a Change of Control, such termination shall be deemed to have been a termination by NBTB of the Executive's employment without Cause and Executive shall be entitled to receive all benefits and payments due to his under such a termination."Good Reason" shall mean, without Executive's express written consent, reassignment of Executive to a position other than for "Cause," or a decrease in the amount or level of Executive's salary or benefits from the amount or level established herein.

(vii) Resignation. Effective upon Executive's termination of employment for any reason, Executive hereby resigns from any and all offices and positions related to Executive's employment with NBTB, NBT Bank or any affiliates thereof, and held by Executive at the time of termination.

(viii) Regulatory Limits. Notwithstanding any other provision in this Agreement NBTB may terminate or suspend this Agreement and the employment of Executive hereunder, as if such termination were for Cause under section 2(b)(iv) hereof, to the extent required by the applicable federal or state statue related to banking, deposit insurance or bank or savings institution holding companies or by regulations or orders issued by the Office of the Controller of the Currency, the Federal Deposit Insurance Corporation or any other state or federal banking regulatory agency having jurisdiction over NBT Bank or NBTB, and no payment shall be required to be made to or for the benefit of Executive under this Agreement to the extent such payment is prohibited by applicable law, regulation or order issued by a banking agency or a court of competent jurisdiction; provided, that it shall be NBTB's burden to prove that any such action was so required

(c) Any provision of this section 2 to the contrary notwithstanding, in the event that the employment of Executive with NBTB is terminated in any situation described in section 3 of the change-in-control letter agreement dated April 23, 2007 between NBTB and Executive (the "Change-in-Control Agreement") so as to entitle Executive to a severance payment and other benefits described in section 3 of the Change-in-Control Agreement, then Executive shall be entitled to receive the following, and no more, under this section 2:

(i) compensation and benefits earned or accrued through the Termination Date; and
(ii) the severance payment and other benefits provided in the Change-in-Control Agreement.

(d) Any provision of this Section 2 to the contrary notwithstanding, in the event that the Employment of the Executive with NBTB is terminated in any situation described in section 3 of the Change-in-Control Agreement so as to entitle Executive to a severance payment and other benefits described in section 3 of the Change-in-Control Agreement, and if as of the Termination Date the Executive is a “key employee” for the purposes of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, NBTB will delay the payment of such severance payments six (6) months from the date they otherwise would be paid hereunder.

3. Compensation. For the services to be performed by Executive for NBTB and its affiliates under this Agreement, Executive shall be compensated in the following manner:

(a) Base Salary. During the Term of Employment:

(i) NBTB shall pay Executive a salary which, on an annual basis, shall be $198,600.00 (the “Base Salary”) commencing on December 12, 2006. Thereafter, Executive’s salary may, in the sole discretion of NBTB, be negotiated between Executive and the Chief Executive Officer of NBTB based on recommendations from NBTB’s Compensation and Benefits Committee and in line with compensation for comparable positions in companies of similar size and structure, but in no case less than $198,600.00. Adjustments to the Base Salary, if any, shall be determined by NBTB. The Base Salary shall be payable in accordance with the normal payroll practices of NBTB with respect to executive personnel as presently in effect or as they may be modified by NBTB from time to time.

(ii) Executive shall be eligible to be considered for performance bonuses commensurate with the Executive’s title and salary grade in accordance with the compensation policies of NBTB with respect to executive personnel as presently in effect or as they may be modified by NBTB from time to time.

(b) Employee Benefit Plans or Arrangements. During the Term of Employment, Executive shall be entitled to participate in all employee benefit plans of NBTB, as presently in effect or as they may be modified by NBTB from time to time, under such terms as may be applicable to officers of Executive's rank employed by NBTB or its affiliates, including, without limitation, plans providing retirement benefits, stock options, medical insurance, life insurance, disability insurance, and accidental death or dismemberment insurance, provided that there be no duplication of such benefits as are provided under any other provision of this Agreement.

(c) Stock Options and Restricted Stock. Each January or February annually during the Term of Employment, Executive will be eligible to be granted a non-statutory ("non-qualified") stock option (each an "Option") to purchase the number of shares of the common stock of NBTB, $0.01 par value, (the "NBTB Common Stock"), pursuant to the NBT Bancorp Inc. 1993 Stock Option Plan, as amended, or any appropriate successor plan (the "Stock Option Plan"), computed by using a formula approved by NBTB that is commensurate with Executive's title and salary grade. The option exercise price per share of the shares subject to each Option shall be such Fair Market Value as set forth in the Stock Option Plan, and the terms, conditions of exercise, and vesting schedule of such Option shall be as set forth in section 8 of the Stock Option Plan.

In addition, Executive shall be entitled to participate in the NBTB Performance Share Plan as applicable to officers of Executive's rank subject to the terms, conditions and vesting schedule set forth in the NBT Bancorp Inc. Performance Share Plan, dated May 1, 2003.

(d) Vacation and Sick Leave. During the Term of Employment, Executive shall be entitled to paid annual vacation periods and sick leave in accordance with the policies of NBTB as in effect as of the date hereof or as may be modified by NBTB from time to time, as may be applicable to officers of Executive's rank employed by NBTB or its affiliates, but in no event shall Executive be entitled to less than four weeks of paid vacation per year.

(e) Country Club Dues. During the Term of Employment, Executive shall be eligible for a bank-paid membership at a country club mutually agreed upon by the chief executive officer of NBTB and the Executive.

(f) Withholding. All compensation to be paid to Executive hereunder shall be subject to required benefit deductions, tax withholding and other deductions required by law.

(g) Expenses. During the Term of Employment, Executive shall be reimbursed for reasonable travel and other expenses incurred or paid by Executive in connection with the performance of her services under this Agreement, upon presentation of expense statements or vouchers or such other supporting information as may from time to time be requested, in accordance with such policies of NBTB as are in effect as of the date hereof and as may be modified by NBTB from time to time, under such terms as may be applicable to officers of Executive's rank employed by NBTB or its affiliates.

4. Confidential Business Information; Non-Competition.

(a) Executive acknowledges that during the term of his employment he has been and will continue to be entrusted with, have access to and become familiar with various trade secrets and other confidential business information of NBTB, NBT Bank and/or their affiliates which have been developed and maintained at great effort and expense, have been kept protected and confidential, are of great value to NBTB, NBT Bank and/or their affiliates, and provide them with a significant competitive advantage. Such confidential information includes but is not limited to procedures, methods, sales relationships developed while in the service of NBTB, NBT Bank or their affiliates, knowledge of customers and their requirements, marketing plans, marketing information, studies, forecasts, and surveys, competitive analyses, mailing and marketing lists, new business proposals, lists of vendors, consultants, and other persons who render service or provide material to NBTB or NBT Bank or their affiliates, and compositions, ideas, plans, and methods belonging to or related to the affairs of NBTB or NBT Bank or their affiliates. In this regard, NBTB asserts proprietary rights in all of its business information and that of its affiliates except for such information as is clearly in the public domain. Notwithstanding the foregoing, information that would be generally known or available to persons skilled in Executive's fields shall be considered to be "clearly in the public domain" for the purposes of the preceding sentence. Executive agrees that he will hold in the strictest confidence and not disclose or divulge to any third party, except as may be required by his duties hereunder, by law, regulation, or order of a court or government authority, or as directed by NBTB, nor shall he use to the detriment of NBTB, NBT Bank or their affiliates or use in business or on behalf of any business competitive with or substantially similar to any business of NBTB, NBT Bank or their affiliates, any confidential business information obtained during the course of his employment by NBTB. The foregoing shall not be construed as restricting Executive from disclosing such information to the employees of NBTB, NBT Bank or their affiliates. On or before the Termination Date, Executive shall promptly deliver to NBTB all material containing NBTB's confidential information including any photocopies, extracts or summaries of it) in his possession, custody or control.

(b) Executive hereby agrees that from the Commencement Date until the first anniversary of the Termination Date, Executive will not, for any reason, directly or indirectly, either personally or on behalf of any other person or entity (whether as a director, stockholder, owner, partner, officer, consultant, principal, employee, agent or otherwise): (i) interfere with the relationship of NBTB or NBT Bank or their affiliates with any of their employees, suppliers, agents, or representatives (including, without limitation, causing or helping another business to hire any employee of NBTB or NBT Bank or their affiliates), (ii) divert or attempt to divert from NBTB, NBT Bank or their affiliates any business in which any of them has been actively engaged during the Term of Employment, nor interfere with the relationship of NBTB, NBT Bank or their affiliates with any of their customers or prospective customers, or (iii) take any action which is intended, or would reasonably be expected, to adverely affect NBTB, NBT Bank or their affiliates, their business, reputation, or their relationship with their customers or prospective customers. This paragraph 4(b) shall not, in and of itself, prohibit Executive from engaging in the banking, trust, or financial services business in any capacity, including that of an owner or employee.

(c) Executive acknowledges and agrees that irreparable injury will result to NBTB in the event of a breach of any of the provisions of this section 4 (the "Designated Provisions") and that NBTB will have no adequate remedy at law with respect thereto. Accordingly, in the event of a material breach of any Designated Provision, and in addition to any other legal or equitable remedy NBTB may have, NBTB shall be entitled to the entry of a preliminary and permanent injunction (including, without limitation, specific performance) by a court of competent jurisdiction in Chenango County, New York, or elsewhere, to restrain the violation or breach thereof by Executive, and Executive submits to the jurisdiction of such court in any such action.

(d) It is the desire and intent of the parties that the provisions of this section 4 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this section 4 shall be adjudicated to be invalid or unenforceable, such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. In addition, should any court determine that the provisions of this section 4 shall be unenforceable with respect to scope, duration, or geographic area, such court shall be empowered to substitute, to the extent enforceable, provisions similar hereto or other provisions so as to provide to NBTB, to the fullest extent permitted by applicable law, the benefits intended by this section 4.

5. Life Insurance. In light of the unusual abilities and experience of Executive, NBTB, NBT Bank or their affiliates, in their discretion, may apply for and procure as owner, and for their own benefit, insurance on the life of Executive, in such amount and in such form as NBTB, NBT Bank or their affiliates may choose. NBTB shall make all payments for such insurance and shall receive all benefits from it. Executive shall have no interest whatsoever in any such policy or policies but, at the request of NBTB, NBT Bank or their affiliates, shall submit to medical examinations and supply such information and execute such documents as may reasonably be required by the insurance company or companies to which NBTB, NBT Bank or their affiliates has applied for insurance.

6. Representations and Warranties.

(a) Executive represents and warrants to NBTB that his execution, delivery, and performance of this Agreement will not result in or constitute a breach of or conflict with any term, covenant, condition, or provision of any commitment, contract, or other agreement or instrument, including, without limitation, any other employment agreement, to which Executive is or has been a party.

(b) Executive shall indemnify, defend, and hold harmless NBTB for, from, and against any and all losses, claims, suits, damages, expenses, or liabilities, including court costs and counsel fees, which NBTB has incurred or to which NBTB may become subject, insofar as such losses, claims, suits, damages, expenses, liabilities, costs, or fees arise out of or are based upon any failure of any representation or warranty of Executive in section 6(a) hereof to be true and correct when made.

7. Notices. All notices, consents, waivers, or other communications which are required or permitted hereunder shall be in writing and deemed to have been duly given if delivered personally or by messenger, transmitted by telex or telegram, by express courier, or sent by registered or certified mail, return receipt requested, postage prepaid. All communications shall be addressed to the appropriate address of each party as follows:

If to NBTB:

NBT Bancorp Inc.
52 South Broad Street
Norwich, New York 13815

Attention: Chief Executive Officer

With a required copy (which shall not constitute notice) to:

Stuart G. Stein, Esq.
Hogan & Hartson L.L.P.
555 13th Street, N.W.
Washington, D.C. 20004-1109
Fax: (202) 637-5910

If to Executive:

Mr. Jeffrey M. Levy
701 Waldens Pond Rd
Albany, NY 12203

All such notices shall be deemed to have been given on the date delivered, transmitted, or mailed in the manner provided above.

8. Assignment. Neither party may assign this Agreement or any rights or obligations hereunder without the consent of the other party.

9. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof. The parties hereby designate Chenango County, New York to be the proper jurisdiction and venue for any suit or action arising out of this Agreement. Each of the parties consents to personal jurisdiction in such venue for such a proceeding and agrees that it may be served with process in any action with respect to this Agreement or the transactions contemplated thereby by certified or registered mail, return receipt requested, or to its registered agent for service of process in the State of New York. Each of the parties irrevocably and unconditionally waives and agrees, to the fullest extent permitted by law, not to plead any objection that it may now or hereafter have to the laying of venue or the convenience of the forum of any action or claim with respect to this Agreement or the transactions contemplated thereby brought in the courts aforesaid.

10. Entire Agreement. This Agreement, together with the Change-in-Control Agreement, constitutes the entire understanding between NBTB, NBT Bank and their affiliates, and Executive relating to the subject matter hereof. Any previous discussions, agreements, commitments or understandings of any kind or nature between the parties hereto or between Executive and NBTB, NBT Bank or any of their affiliates, whether oral or written, regarding the subject matter hereof, including without limitation the terms and conditions of employment, compensation, benefits, retirement, competition following employment, and the like, are merged into and superseded by this Agreement. Neither this Agreement nor any provisions hereof can be modified, changed, discharged, or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge, or termination is sought.

11. Illegality; Severability.

(a) Anything in this Agreement to the contrary notwithstanding, this Agreement is not intended and shall not be construed to require any payment to Executive which would violate any federal or state statute or regulation, including without limitation the "golden parachute payment regulations" of the Federal Deposit Insurance Corporation codified to Part 359 of title 12, Code of Federal Regulations.

(b) If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable for any reason whatsoever:

(i) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby; and

(ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provisions held to be invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

12. Arbitration. Subject to the right of each party to seek specific performance (which right shall not be subject to arbitration), if a dispute arises out of or is in any way related to this Agreement or the asserted breach thereof, such dispute shall be referred to arbitration before the American Arbitration Association the (“AAA”) pursuant to the AAA’s National Rules for the Resolution of Employment Disputes (the “Arbitration Rules”). A dispute subject to the provisions of this section will exist if either party notifies the other party in writing that a dispute subject to arbitration exists and states, with reasonable specificity, the issue subject to arbitration (the "Arbitration Notice"). The parties agree that, after the issuance of the Arbitration Notice, the parties will try in good faith between the date of the issuance of the Arbitration Notice and the date the dispute is set for arbitration to resolve the dispute by mediation in accordance with the Arbitration Rules. If the dispute is not resolved by the date set for arbitration, then any controversy or claim arising out of this Agreement or the asserted breach hereof shall be resolved by binding arbitration and judgment upon any award rendered by arbitrator(s) may be entered in a court having jurisdiction. In the event any claim or dispute involves an amount in excess of $100,000, either party may request that the matter be heard and resolved by a single arbitrator. The arbitrator shall have the same power to compel the attendance of witnesses and to order the production of documents or other materials and to enforce discovery as could be exercised by a United States District Court judge sitting in the Northern District of New York. In the event of any arbitration, each party shall have a reasonable right to conduct discovery to the same extent permitted by the Federal Rules of Civil Procedure, provided that discovery shall be concluded within 90 days after the date the matter is set for arbitration. The arbitrator or arbitrators shall have the power to award reasonable attorneys’ fees to the prevailing party. Any provisions in this Agreement to the contrary notwithstanding, this section shall be governed by the Federal Arbitration Act and the parties have entered into this Agreement pursuant to such Act.

13. Costs of Litigation. In the event litigation is commenced to enforce any of the provisions hereof, or to obtain declaratory relief in connection with any of the provisions hereof, the prevailing party shall be entitled to recover reasonable attorneys' fees. In the event this Agreement is asserted in any litigation as a defense to any liability, claim, demand, action, cause of action, or right asserted in such litigation, the party prevailing on the issue of that defense shall be entitled to recovery of reasonable attorneys' fees.

14. Affiliation. A company will be deemed to be an "affiliate" of, or "affiliated" NBTB or NBT Bank according to the definition of "Affiliate" set forth in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

15. Headings. The section and subsection headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

* * * * *

IN WITNESS WHEREOF, the parties hereto executed or caused this Agreement to be executed as of the day and year first above written.

NBT BANCORP INC.

By: /S/ Martin A. Dietrich
Martin A. Dietrich
President/CEO

/S/ Jeffrey M. Levy
Jeffrey M. Levy
Executive

Exhibit 10.2

April 23, 2007

Mr. Jeffrey M. Levy
701 Waldens Pond Rd
Albany, NY 12203

Dear Mr. Levy:

NBT Bancorp Inc. (which, together with its wholly-owned subsidiary, NBT Bank, National Association, is referred to as the "Company") considers the stability of its key management group to be essential to the best interests of the Company and its shareholders. The Company recognizes that, as is the case with many publicly-held corporations, the possibility of a change in control may arise and that the attendant uncertainty may result in the departure or distraction of key management personnel to the detriment of the Company and its shareholders.

Accordingly, the Board of Directors of the Company (the "Board") has determined that appropriate steps should be taken to encourage members of the Company's key management group to continue as employees notwithstanding the possibility of a change in control of the Company.

The Board also believes it important that, in the event of a proposal for transfer of control of the Company, you be able to assess the proposal and advise the Board without being influenced by the uncertainties of your own situation.

In order to induce you to remain in the employ of the Company, this Agreement, which has been approved by the Board, sets forth the severance compensation which the Company agrees will be provided to you in the event your employment with the Company is terminated subsequent to a “change in control” of the Company under the circumstances described below.

1. Agreement to Provide Services; Right to Terminate.

(a) Termination Prior to Certain Offers. Except as otherwise provided in paragraph (b) below, or in any written employment agreement between you and the Company, the Company or you may terminate your employment at any time. If, and only if, such termination occurs after a "change in control of the Company" (as defined in section 6), the provisions of this Agreement regarding the payment of severance compensation and benefits shall apply.

(b) Termination Subsequent to Certain Offers. In the event a tender offer or exchange offer is made by a "person" (as defined in section 6) for more than 30 percent of the combined voting power of the Company's outstanding securities ordinarily having the right to vote at elections of directors ("Voting Securities"), including shares of common stock, no par value, of the Company (the "Company Shares"), you agree that you will not leave the employ of the Company (other than as a result of Disability as such term is defined in section 6) and will render services to the Company in the capacity in which you then serve until such tender offer or exchange offer has been abandoned or terminated or a change in control of the Company has occurred as a result of such tender offer or exchange offer. If, during the period you are obligated to continue in the employ of the Company pursuant to this section 1(b), the Company reduces your compensation, terminates your employment without Cause, or you provide written notice of your decision to terminate your employment for Good Reason, your obligations under this section 1(b) shall thereupon terminate and you will be entitled to payments provided under Section 3(b).

2. Term of Agreement. This Agreement shall commence on the date hereof and shall continue in effect until December 31, 2009; provided, however, that commencing December 31, 2007 and each December 31st thereafter, the remaining term of this Agreement shall automatically be extended for one additional year (to a total of three years) unless at least 90 days prior to such anniversary, the Company or you shall have given notice that this Agreement shall not be extended; and provided, however, that if a change in control of the Company shall occur while this Agreement is in effect, this Agreement shall automatically be extended for 24 months from the date the change in control of the Company occurs. This Agreement shall terminate if you or the Company terminates your employment prior to a change in control of the Company but without prejudice to any remedy the Company may have for breach of your obligations, if any, under section 1(b).

3. Severance Payment and Benefits If Termination Occurs Following Change in Control for Disability, Without Cause, With Good Reason Within 24 Months of the Change or Without Good Reason within 12 Months of the Change. If, (I) within 24 months from the date of occurrence of any event constituting a change in control of the Company (it being recognized that more than one such event may occur in which case the 24-month period shall run from the date of occurrence of each such event), your employment with the Company is terminated (i) by the Company for Disability, (ii) by the Company without Cause, or (iii) by you with Good Reason (as defined in section 6), or (II) within 12 months from the date of occurrence of any event constituting a change in control of the Company (it being recognized that more than one such event may occur in which case the 12-month period shall run from the date of occurrence of each such event) you terminate your employment either with or without Good Reason, you shall be entitled to a severance payment and other benefits as follows:

(a) Disability. If your employment with the Company is terminated for Disability, your benefits shall thereafter be determined in accordance with the Company's long-term disability income insurance plan. If the Company's long-term disability income insurance plan is modified or terminated following a change in control, the Company shall substitute such a plan with benefits applicable to you substantially similar to those provided by such plan prior to its modification or termination. During any period that you fail to perform your duties hereunder as a result of incapacity due to physical or mental illness, you shall continue to receive your full base salary at the rate then in effect until your employment is terminated by the Company for Disability.

(b) Termination Without Cause or With Good Reason or Within 24 Months of Change in Control or Without Good Reason within 12 Months of the Change. If your employment with the Company is terminated without Cause by the Company or with Good Reason by you within 24 months of a change in control, or by you within 12 months of a change in control of the Company without Good Reason, then the Company shall pay to you, upon demand, the following amounts (net of applicable payroll taxes):

(i) Your full base salary through the Date of Termination at the rate in effect on the date the change in control of the Company occurs plus year-to-date accrued vacation.

(ii) As severance pay, an amount equal to the product of 1.00 multiplied by the greater of (A) the sum of your annualized salary for the calendar year in which the change in control of the Company occurs, the maximum target bonus that could have been paid to you for such year if all applicable targets and objectives had been achieved, or if no formal bonus program is in effect, the largest bonus amount paid to you during any one of the three preceding calendar years, your income from the exercise of nonqualified options during such year, your compensation income from any disqualifying disposition during such year of stock acquired pursuant to the exercise of incentive stock options and other annualized amounts that constitute taxable income to you from the Company for such year, without reduction for salary reduction amounts excludible from income under Section 402(e)(3) or 125 of the Internal Revenue Code of 1986, as amended (the "Code"), or (B) your average "Compensation" (as defined below) for the three calendar years preceding the calendar year in which the change in control of the Company occurs. As used in this subsection 3(b)(ii) your "Compensation" shall mean your base salary, bonus, income from the exercise of nonqualified options, compensation income from any disqualifying disposition of stock acquired pursuant to the exercise of incentive stock options and any other amounts that constitute taxable income to you from the Company, without reduction for salary reduction amounts excludible from income under Section 402(e)(3) or 125 of the Code.

(c) Related Benefits. Unless you die or your employment is terminated by the Company for Cause or Disability, or by you other than for Good Reason and not within 12 months after a change in control of the Company, the Company shall maintain in full force and effect, for your continued benefit and, if applicable, for the continued benefit of your spouse and family, for three years after the Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, certain noncash employee benefit plans, programs, or arrangements (including, without limitation, pension and retirement plans and arrangements, life insurance and accident plans and arrangements, medical insurance plans and disability plans, but excluding stock option plans and vacation plans) in which you were entitled to participate immediately prior to the Date of Termination, as in effect at the Date of Termination, or, if more favorable to you and, if applicable, your spouse and family, as in effect generally at any time thereafter with respect to executive employees of the Company or any successor; provided that your continued participation is possible after Termination under the general terms and provisions of such plans, programs, and arrangements; provided, however, that if you become eligible to participate in a benefit plan, program, or arrangement of another employer which confers substantially similar benefits upon you, you shall cease to receive benefits under this subsection in respect of such plan, program, or arrangement. In the event that your participation in any such plan, program, or arrangement is not possible after Termination under the general terms and provisions of such plans, programs, and arrangements, the Company shall arrange to provide you with benefits substantially similar to those which you are entitled to receive under such plans, programs and arrangements or alternatively, pay an amount equal to the reasonable value of such substantially similar benefits. If, after termination of employment following a change in control of the Company, you elect or, if applicable, your spouse or family elects, COBRA continuation coverage, the Company will pay the applicable COBRA premium for the maximum period during which such coverage is available. If termination follows a change in control of the Company specified in Section 6(b)(iii), then you and, if applicable, your spouse and family may elect in lieu of COBRA continuation coverage to have the acquiring entity obtain an individual or group health insurance coverage and the acquiring entity will pay premiums thereunder for the maximum period during which you and, if applicable, your spouse and family could have elected to receive COBRA continuation coverage.

(d) Establishment of Trust. Within five days following conclusion of a change in control of the Company, the Company shall establish a trust that conforms in all regards with the model trust published in Revenue Procedure 92-64 and deposit an amount sufficient to satisfy all liabilities of the Company under Section 3(b) of this Agreement.

(e) Automatic Extension. Notwithstanding the prior provisions of this Section, if an individual is elected to the Board of Directors who has not been nominated by the Board of Directors as constituted prior to his election, then the term of this Agreement will automatically be extended until two years from the date on which such individual was elected if such extended termination date is later than the normal termination date of this Agreement, otherwise, the termination date of this Agreement will be as provided above. This extension will take effect only upon the first instance of an individual being elected to the Board of Directors without having been nominated by the original Board.

(f) Alternative to Lump Sum Payout. The amount described in this subsection will be paid to you in a single lump-sum unless, at least 30 days before the conclusion of a change in control of the Company, you elect in writing to receive the severance pay in 3 equal annual payments with the first payment to be made within 30 days of demand and the subsequent payments to be made by January 31st of each year subsequent to the year in which the first payment is made, provided that under no circumstances will two payments be made during a single tax year of the recipient.

(g) Section 409A Compliance. Section 409A was added to the Internal Revenue Code by the American Jobs Creation Act of 2004 (the “Act”). The Act made significant changes in the tax law as it applies to executive compensation. One change involves delaying distributions to “key employees” (as defined below) by a minimum of six months. Therefore, severance payments payable hereunder must be made in compliance with the Act or a substantial excise tax (payable by you) would be imposed. For purposes of the Act, a “key employee” is generally one who is an officer of the Company with annual compensation greater than $130,000 as provided in Section 416(i) of the Internal Revenue Code and the regulations promulgated thereunder. If you become entitled to the severance payments provided hereunder and if you are in fact a key employee at time payment is owed to you, the Act provides that these payments will be subject to a 20% excise tax. Under the Act, one of the ways to avoid application of the excise tax to severance due a “key employee” is to defer payment for six (6) months after separation from employment.

Accordingly, if you become entitled to payments hereunder and if at this time you are in fact a "key employee" with the Company, the Company will defer commencement of your severance payments until six (6) months after your Date of Termination.

4. Payment If Termination Occurs Following Change in Control, Because of Death, For Cause, or Without Good Reason and not within 12 Months of the Change in Control. If your employment shall be terminated following any event constituting a change in control of the Company because of your death, or by the Company for Cause, or by you other than for Good Reason and not within 12 months after a change in control of the Company, the Company shall pay you your full base salary through the Date of Termination at the rate in effect on the date the change in control of the Company occurs plus year-to-date accrued vacation. The Company shall have no further obligations to you under this Agreement.

5. No Mitigation. You shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor, except as expressly set forth herein, shall the amount of any payment provided for in this Agreement be reduced by any compensation earned by you as the result of employment by another employer after the Date of Termination, or otherwise.

6. Definitions of Certain Terms. For the purpose of this Agreement, the terms defined in this section 6 shall have the meanings assigned to them herein.

(a) Cause. Termination of your employment by the Company for "Cause" shall mean termination because, and only because, you committed an act of fraud, embezzlement, or theft constituting a felony or an act intentionally against the interests of the Company which causes the Company material injury. Notwithstanding the foregoing, you shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the Board), finding that in the good faith opinion of the Board you were guilty of conduct constituting Cause as defined above and specifying the particulars thereof in detail.

(b) Change in Control of the Company. A "change in control of the Company" shall mean:

(i) A change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A as in effect on the date hereof pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"); provided that, without limitation, such a change in control shall be deemed to have occurred at such time as any Person hereafter becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 30 percent or more of the combined voting power of the Company's Voting Securities; or

(ii) During any period of two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof unless the election, or the nomination for election by the Company's shareholders, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; or

(iii) There shall be consummated (x) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which Voting Securities would be converted into cash, securities, or other property, other than a merger of the Company in which the holders of Voting Securities immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, or (y) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all, or substantially all of the assets of the Company, provided that any such consolidation, merger, sale, lease, exchange or other transfer consummated at the insistence of an appropriate banking regulatory agency shall not constitute a change in control of the Company; or

(iv) Approval by the shareholders of the Company of any plan or proposal for the liquidation or dissolution of the Company.

(c) Date of Termination. "Date of Termination" shall mean (i) if your employment is terminated by the Company for Disability, 30 days after Notice of Termination is given (provided that you shall not have returned to the performance of your duties on a full-time basis during such 30-day period), and (ii) if your employment is terminated for any other reason, the date on which a Notice of Termination is given; provided that if within 30 days after any Notice of Termination is given the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties or by a final judgment, order, or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected). The term of this Agreement shall be extended until the Date of Termination.

(d) Disability. Termination of your employment by the Company for "Disability" shall mean termination because of your absence from your duties with the Company on a full-time basis for 180 consecutive days as a result of your incapacity due to physical or mental illness and your failure to return to the performance of your duties on a full-time basis during the 30-day period after Notice of Termination is given.

(e) Good Reason. Termination by you of your employment for "Good Reason" shall mean termination based on any of the following:

(i) A change in your status or position(s) with the Company, which in your reasonable judgment, does not represent a promotion from your status or position(s) as in effect immediately prior to the change in control of the Company, or a change in your duties or responsibilities which, in your reasonable judgment, is inconsistent with such status or position(s), or any removal of you from, or any failure to reappoint or reelect you to, such position(s), except in connection with the termination of your employment for Cause or Disability or as a result of your death or by you other than for Good Reason.

(ii) A reduction by the Company in your base salary as in effect immediately prior to the change in control of the Company.

(iii) The failure by the Company to continue in effect any Plan (as hereinafter defined) in which you are participating at the time of the change in control of the Company (or Plans providing you with at least substantially similar benefits) other than as a result of the normal expiration of any such Plan in accordance with its terms as in effect at the time of the change in control of the Company, or the taking of any action, or the failure to act, by the Company which would adversely affect your continued participation in any of such Plans on at least as favorable a basis to you as is the case on the date of the change in control of the Company or which would materially reduce your benefits in the future under any of such Plans or deprive you of any material benefit enjoyed by you at the time of the change in control of the Company.

(iv) The failure by the Company to provide and credit you with the number of paid vacation days to which you are then entitled in accordance with the Company's normal vacation policy as in effect immediately prior to the change in control of the Company.

(v) The Company's requiring you to be based anywhere other than where your office is located immediately prior to the change in control of the Company except for required travel on the Company's business to an extent substantially consistent with the business travel obligations which you undertook on behalf of the Company prior to the change in control of the Company.

(vi) The failure by the Company to obtain from any successor the assent to this Agreement contemplated by section 8 hereof.

(vii) Any purported termination by the Company of your employment which is not effected pursuant to a Notice of Termination satisfying the requirements of this Agreement; and for purposes of this Agreement, no such purported termination shall be effective.

(viii) Any refusal by the Company to continue to allow you to attend to matters or engage in activities not directly related to the business of the Company which, prior to the change in control of the Company, you were permitted by the Board to attend to or engage in.

For purposes of this subsection, "Plan" shall mean any compensation plan such as an incentive or stock option plan or any employee benefit plan such as a thrift, pension, profit sharing, medical, disability, accident, life insurance plan, or a relocation plan or policy or any other plan, program, or policy of the Company intended to benefit employees.

(f) Notice of Termination. A "Notice of Termination" of your employment given by the Company shall mean a written notice given to you of the termination of your employment which shall indicate the specific termination provision in this Agreement relied upon, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated.

(g) Person. The term "Person" shall mean and include any individual, corporation, partnership, group, association, or other "person," as such term is used in section 14(d) of the Exchange Act, other than the Company or any employee benefit plan(s) sponsored by the Company.

7. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer of the Company with a copy to the Secretary of the Company, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

8. Successors; Binding Agreement.

(a) This Agreement shall inure to the benefit of, and be binding upon, any corporate or other successor or assignee of the Company which shall acquire, directly or indirectly, by merger, consolidation or purchase, or otherwise, all or substantially all of the business or assets of the Company. The Company shall require any such successor, by an agreement in form and substance satisfactory to you, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform if no such succession had taken place.

(b) This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee, or other designee or, if there is no such designee, to your estate.

9. Maximization of After-Tax Amounts. Notwithstanding any other provision of this Agreement, and notwithstanding any other agreement or formal or informal compensation plan or arrangement, if you are a “disqualified individual,” as defined in Section 280G(c) of the Internal Revenue Code of 1986, as amended (the “Code”), your right to receive any payment or benefit under this Agreement shall be limited to the extent that: (i) such payment or benefit, taking into account any other “payment in the nature of compensation” (within the meaning of Section 280G of the Code) to you or for your benefit (“Compensation”), would cause any payment or benefit under this Agreement to be considered a “parachute payment” within the meaning of Section 280G(b)(2) of the Code as then in effect (a “Parachute Payment”) and (ii) as a result of receiving a Parachute Payment, the aggregate after-tax amount you would receive (under this Agreement and otherwise) would be less than the maximum after-tax amount that you could receive without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such payment or benefit under this Agreement, in conjunction with your other Compensation, would cause you to be considered to have received a Parachute Payment that would have the effect of decreasing the after-tax amount received by you as described in clause (ii) of the preceding sentence, then you shall have the right, in your sole discretion, to designate any payments or benefits under this Agreement, and any other Compensation, that shall be reduced or eliminated so as to avoid having the payment or benefit to you under this Agreement be deemed to be a Parachute Payment.

10. Miscellaneous. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in a writing signed by you and the Chief Executive Officer or President of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same, or at any prior or subsequent, time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity, interpretation, construction, and performance of this Agreement shall be governed by laws of the State of New York without giving effect to the principles of conflict of laws thereof.

11. Legal Fees and Expenses. The Company shall pay or reimburse any reasonable legal fees and expenses you may incur in connection with any legal action to enforce your rights under, or to defend the validity of, this Agreement. The Company will pay or reimburse such legal fees and expenses on a regular, periodic basis upon presentation by you of a statement or statements prepared by your counsel in accordance with its usual practices.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Payments During Controversy. Notwithstanding the pendency of any dispute or controversy, the Company will continue to pay you your full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, base salary and installments of incentive compensation) and continue you as a participant in all compensation, benefit, and insurance plans in which you were participating when the notice giving rise to the dispute was given, until the dispute is finally resolved in accordance with section 7(c). Amounts paid under this section are in addition to all other amounts due under this Agreement and shall not be offset against or reduce any other amounts due under this Agreement. You shall be entitled to seek specific performance of your right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

14. Illegality. Anything in this Agreement to the contrary notwithstanding, this Agreement is not intended and shall not be construed to require any payment to you which would violate any federal or state statute or regulation, including without limitation the "golden parachute payment regulations" of the Federal Deposit Insurance Corporation codified to Part 359 of title 12, Code of Federal Regulations.

If this letter correctly sets forth our agreement on the subject matter hereof, kindly sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

Very truly yours,

NBT BANCORP INC.

By: /S/ Martin A. Dietrich

AGREED TO:

/S/ Jeffrey M. Levy
Jeffrey M. Levy

EXHIBIT 31.1

CERTIFICATIONS

I, Martin A. Dietrich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NBT Bancorp Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operations of internal controls which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 10, 2007

By: /s/ Martin A. Dietrich
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Michael J. Chewens, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NBT Bancorp Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operations of internal controls which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 10, 2007

By: /s/ Michael J. Chewens
Senior Executive Vice President,
Chief Financial Officer and
Corporate Secretary

EXHIBIT 32.1

Written Statement of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Executive Officer of NBT Bancorp Inc. (the "Company"), hereby certifies that to his knowledge on the date hereof:

(a) the Form 10-Q of the Company for the Quarterly Period Ended March 31, 2007, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martin A. Dietrich
Martin A. Dietrich
Chief Executive Officer
May 10, 2007

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to NBT Bancorp Inc. and will be retained by NBT Bancorp Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Written Statement of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Financial Officer of NBT Bancorp Inc. (the "Company"), hereby certifies that to his knowledge on the date hereof:

(a) the Form 10-Q of the Company for the Quarterly Period Ended March 31, 2007, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael J. Chewens
Michael J. Chewens
Senior Executive Vice President Chief
Financial Officer and Corporate Secretary
May 10, 2007

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to NBT Bancorp Inc. and will be retained by NBT Bancorp Inc. and furnished to the Securities and Exchange Commission or its staff upon request.