

FORM 8-K  
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 28, 2003

NBT BANCORP INC.

-----  
(Exact name of registrant as specified in its charter)

DELAWARE	0-14703	16-1268674
----- (State or other jurisdiction of incorporation)	----- (Commission File Number)	----- (IRS Employer Identification No.)

52 SOUTH BROAD STREET, NORWICH, NEW YORK 13815

-----  
(Address of principal executive offices)

Registrant's telephone number, including area code: (607) 337-2265  
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NOT APPLICABLE

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(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

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(a) Not Applicable

(b) Not Applicable

(c) The following exhibit is furnished as a part of this report:

Exhibit No.	Description
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99	Press Release dated July 28, 2003.

ITEM 9. REGULATION FD DISCLOSURE.

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Information being provided under Item 12

On July 28, 2003, NBT Bancorp Inc. issued a press release describing its results of operations for the six months and quarter ending June 30, 2003 as well as announcing a dividend declaration to be paid on September 15, 2003 to shareholders of record on September 1, 2003. That press release is furnished as Exhibit 99 hereto. This information is being furnished pursuant to Item 12 of Form 8-K and is being presented under Item 9 as provided in the Commission's interim guidance regarding Form 8-K Item 11 and Item 12 filing requirements (Release No. 34-47583).

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 hereunto duly authorized.

NBT BANCORP INC.  
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(Registrant)

/s/ Michael J. Chewens

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

Date: July 28, 2003

EXHIBIT INDEX

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Exhibit No.	Description
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99	Press Release dated July 28, 2003.



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 EXHIBIT 99 - PRESS RELEASE DATE JULY 28, 2003

FOR IMMEDIATE RELEASE

ATTENTION: FINANCIAL AND BUSINESS EDITORS  
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Contact: Daryl R. Forsythe, CEO  
 Michael J. Chewens, CFO  
 NBT Bancorp Inc.  
 52 South Broad Street  
 Norwich, NY 13815  
 607-337-6416

NBT BANCORP ANNOUNCES YEAR TO DATE EARNINGS OF \$23.4 MILLION;  
 DECLARES CASH DIVIDEND

NORWICH, NY (July 28, 2003) - NBT Bancorp Inc. (NBT) (NASDAQ: NBTB) reported today that net income for the six months ended June 30, 2003 was \$23.4 million, or \$0.71 per diluted share, up 6% compared to \$22.3 million or \$0.67 per diluted share for the first six months of 2002. Return on average assets and return on average equity were 1.26% and 16.08%, respectively, for the six months ended June 30, 2003, compared with 1.25% and 16.54%, respectively, for the same period in 2002. The increase in net income for the six months ended June 30, 2003 was primarily the result of a \$2.5 million increase in noninterest income partially offset by a \$1.9 million decrease in net interest income.

Net income for the quarter ended June 30, 2003 was \$11.8 million, or \$0.36 per diluted share, up 6% from \$11.3 million, or \$0.34 per diluted share for the same period a year ago. Return on average assets and return on average equity were 1.25% and 16.07%, respectively, for the quarter ended June 30, 2003, compared with 1.24% and 16.50%, respectively, for the same period in 2002. The increase in net income for the quarter ended June 30, 2003 was primarily the result of a \$1.1 million increase in noninterest income, and decreases of \$0.7 million for the provision for loan and lease losses and \$0.2 million for noninterest expense offset by a \$1.6 million decrease in net interest income.

NBT Chairman, President and CEO Daryl R. Forsythe stated, "The Company achieved positive results for the quarter and first-half of the year with strong revenue growth from service charges on deposit accounts, financial services and trust income, as well as improved credit quality, and expense control. We also produced strong growth in loans and deposits in the second quarter of 2003, growth

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that is directly related to the execution of our strategy to expand our delivery of full-service community banking throughout upstate New York and northeastern Pennsylvania."

Mr. Forsythe continued, "During the second quarter of 2003, the Company acquired its 110th branch located in Whitney Point, New York, expanding our geographical presence in the state's Southern Tier. Our plans for the second half of 2003 call for the opening of two branches in the Albany market. This expansion of our footprint will provide more opportunities for our organization to serve a growing customer base, while adding diversity in the markets and economies we will serve in the years to come."

LOAN AND LEASE QUALITY AND PROVISION FOR LOAN AND LEASE LOSSES

Mr. Forsythe commented, "Despite challenging economic conditions and strong loan growth during the first half of 2003, we continue to see improvement in credit quality. This achievement speaks highly of our credit management process and business development activities." Nonperforming loans at June 30, 2003 were \$16.8 million or 0.67% of total loans and leases compared to \$31.3 million or 1.34% of total loans and leases at June 30, 2002 and \$26.4 million or 1.12% of total loans and leases at December 31, 2002. The Company's allowance for loan and lease losses was 1.64% of loans and leases at June 30, 2003 compared to 1.87% at June 30, 2002 and 1.70% at December 31, 2002. The ratio of the allowance for loan and lease losses to nonperforming loans improved to 242.58% at June 30, 2003 from 139.63% at June 30, 2002 and 152.18% at December 31, 2002. Annualized net charge-offs to average loans and leases for the six months ended June 30, 2003, were 0.23%, down from the 0.45% annualized ratio for the six months ended June 30, 2002, and down from the year-to-date December 31, 2002 rate of 0.58%.

For the six months and quarter ended June 30, 2003, the provision for loan

and lease losses totaled \$3.4 million and \$1.4 million, down from the \$4.1 million and \$2.1 million provided in the same periods in 2002. The decrease in the provision for loan and lease losses for the six months and quarter ended June 30, 2003 when compared to the same periods in 2002 was due primarily to lower net charge-offs and a decrease in nonperforming loans.

#### NET INTEREST INCOME

Net interest income for the six months ended June 30, 2003 decreased 3% to \$71.5 million from \$73.4 million in the same period for 2002. The Company's net interest margin was 4.29% for the six months ended June 30, 2003 compared to 4.51% for the same period a year ago. Net interest income was down 4% to \$35.5 million for the quarter ended June 30, 2003, compared to \$37.1 million for the same period a year ago. The decrease in net interest income was primarily attributable to the decline in the Company's net interest margin, which was 4.18% for the quarter ended June 30, 2003, down from the

4.48% for the same period in 2002. Mr. Forsythe stated, "The extraordinarily low interest rate environment that currently exists has presented a challenge in maintaining our net interest margin. In spite of an aggressive interest pricing strategy on both sides of the balance sheet and constant analysis of the most favorable asset/liability mix, our margins decreased during the second quarter of 2003. We feel fortunate we were able to mitigate the effect of margin compression with improving credit quality, increasing noninterest income and controlling noninterest expense."

The compression in net interest margin during the six months and quarter and ended June 30, 2003 compared to the same periods last year resulted from earning assets repricing down at a faster rate than interest-bearing liabilities. This net interest margin compression was also impacted by accelerating pre-payments from mortgage-related loans and various securities, which in turn were reinvested at lower rates. For the remainder of 2003, the Company expects its net interest margin to continue to compress from the quarter ended June 30, 2003 levels if the interest rate environment remains at current levels or lower.

#### NONINTEREST INCOME

Noninterest income for the six months ended June 30, 2003 was \$17.7 million, up \$2.5 million or 16% from \$15.2 million for the same period in 2002. Service charges on deposit accounts for the six months ended June 30, 2003 increased \$1.1 million or 17% over the same period in 2002. The increase in service charges on deposit accounts resulted primarily from higher fees collected for insufficient funds on deposit accounts and continued growth from core deposits. Other income for the six months ended June 30, 2003 increased \$0.5 million or 12% over the same period in 2002. The increase in other income was driven primarily by strong growth in ATM fees. Securities transactions resulted in a \$0.1 million net gain for the six months ended June 30, 2003 and a \$0.4 million net loss resulting from a write-down of an impaired security for the same period in 2002. Revenue from trust services increased \$0.4 million or 24% for the six months ended June 30, 2003 over the same period in 2002, due in part to higher fees collected for estate management services as well as an increase in assets under management resulting from improved stock market conditions and an increase in managed trust accounts.

Noninterest income for the quarter ended June 30, 2003 was \$8.9 million, up \$1.1 million or 15% from \$7.8 million for the same period in 2002. Service charges on deposit accounts for the quarter ended June 30, 2003 increased \$0.5 million or 16% over the same period in 2002. The increase in service charges on deposit accounts resulted primarily from higher fees collected for insufficient funds on deposit accounts. The increase in fees for insufficient funds was driven primarily by the combination of

continued growth in core deposit products as well as several pricing adjustments implemented during 2002. Revenue from trust services increased \$0.3 million or 39% for the quarter ended June 30, 2003 over the same period in 2002, due in part to an increase in estate management services. Broker/dealer and insurance revenue increased \$0.3 million or 18% for the quarter ended June 30, 2003 over the same period in 2002, due primarily to the Company's successful initiative in delivering financial service related products through its 110-branch network, which was implemented at the end of 2002. Mr. Forsythe stated, "We've developed a concentration of talent and resources that is able to respond to the complex financial needs of our customers. And, as a result, our strategy of offering a broad range of financial service products throughout our branch network is beginning to pay dividends and diversify our revenue sources."

#### NONINTEREST EXPENSE

Noninterest expense for the six months ended June 30, 2003 was \$51.7 million, up \$0.5 million or 1% from \$51.3 million for the same period in 2002. The increase in noninterest expense was due primarily to increases in other operating expense and occupancy expense partially offset by decreases in loan collection and OREO expenses and professional fees and outside services. Other operating expense increased \$1.7 million, primarily from a \$0.6 million charge for the writedown of venture capital investments. Loan collection and OREO expenses decreased \$0.9 million from gains on the sale of OREO and a decrease in nonperforming loans. Professional fees and outside services decreased \$0.9 million primarily from a \$0.4 million charge related to an adverse judgement against the Company in 2002 as well as legal fees incurred during 2002 for the recovery of deposit overdraft writeoffs.

Noninterest expense for the quarter ended June 30, 2003 was \$25.8 million, down \$0.2 million or 1% from \$26.1 million for the same period in 2002. The reduction in noninterest expense resulted from decreases in several line items and was partially offset by an increase in other operating expense. Professional fees and outside services decreased \$0.5 million due to lower legal fees. Loan collection and other real estate owned ("OREO") expense decreased \$0.3 million, due to a decrease in nonperforming loans and gains on the sale of OREO. Other operating expense increased \$1.0 million, due mainly to charges of \$0.3 million for the writedown of venture capital investments in the quarter ended June 30, 2003.

## BALANCE SHEET

Total assets were \$3.9 billion at June 30, 2003, up \$0.2 billion from \$3.7 billion at June 30, 2002. Loans and leases increased \$0.2 billion or 7% from \$2.3 billion at June 30, 2002 to \$2.5 billion at June 30, 2003. Loan growth has increased at an annual rate of 12% from December 31, 2002 levels. Loan growth was fueled primarily by consumer loans, particularly home equity loans, which experienced strong growth during the quarter ended June 30, 2003. Total deposits were \$3.0 billion at June 30, 2003, up \$0.1 billion from \$2.9 billion at June 30, 2002. Core deposits, which include checking, savings and money market accounts increased \$0.2 billion or 15% from \$1.5 billion at June 30, 2002 to \$1.8 billion at June 30, 2003, offset by a \$0.1 billion decrease in time deposits during the same period. Stockholders' equity was \$297.9 million, representing a Tier 1 leverage ratio of 6.72% at June 30, 2003, compared to \$282.8 million or a Tier 1 leverage ratio of 6.78% at June 30, 2002.

## DIVIDEND DECLARED

The NBT Board of Directors declared a third quarter cash dividend of \$0.17 per share at a meeting held today. The dividend will be paid on September 15, 2003 to shareholders of record as of September 1, 2003.

## CORPORATE OVERVIEW

NBT is a financial services holding company headquartered in Norwich, NY, with combined assets of \$3.9 billion at June 30, 2003. The Company primarily operates through one full-service community bank with three geographic divisions and through a financial services company. NBT Bank, N.A. has 110 locations, including 44 NBT Bank offices and 26 Central National Bank offices in upstate New York and 40 Pennstar Bank offices in northeastern Pennsylvania. NBT also provides financial services related products through M. Griffith, Inc. More information about NBT's banking divisions can be obtained on the Internet at [www.nbtbank.com](http://www.nbtbank.com), [www.pennstarbank.com](http://www.pennstarbank.com) and [www.canajocnb.com](http://www.canajocnb.com).

## FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of the management of NBT Bancorp Inc. and its subsidiaries and on the information available to management at the time that these statements were made. There are a number of factors, many of which are beyond NBT's control, that could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. Factors that may cause actual results to differ materially from those



contemplated by such forward-looking statements include, among others, the following possibilities: (1) competitive pressures among depository and other financial institutions may increase significantly; (2) revenues may be lower than expected; (3) changes in the interest rate environment may reduce interest margins; (4) general economic conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit; (5) legislative or regulatory changes, including changes in accounting standards and tax laws, may adversely affect the businesses in which NBT is engaged; (6) competitors may have greater financial resources and develop products that enable such competitors to compete more successfully than NBT; and (7) adverse changes may occur in the securities markets or with respect to inflation. Forward-looking statements speak only as of the date they are made. Except as required by law, NBT does not undertake to update forward-looking statements to reflect subsequent circumstances or events.

FINANCIAL TABLES APPEAR ON FOLLOWING PAGES (7-11).

NBT BANCORP INC.  
SELECTED FINANCIAL HIGHLIGHTS  
(unaudited)

	2003		2002		NET	PERCENT	
	----		----		CHANGE	CHANGE	
	-----						
(dollars in thousands, except share and per share data)							
<b>SIX MONTHS ENDED JUNE 30,</b>							
Net Income	\$	23,374	\$	22,343	\$	1,031	5%
Diluted Earnings Per Share	\$	0.71	\$	0.67	\$	0.04	6%
Weighted Average Diluted Common Shares Outstanding		32,717,725		33,348,063		(630,338)	-2%
Return on Average Assets		1.26%		1.25%		0.01%	1%
Return on Average Equity		16.08%		16.54%		-0.46%	-3%
Net Interest Margin		4.29%		4.51%		-0.22%	-5%

<b>THREE MONTHS ENDED JUNE 30,</b>							
Net Income	\$	11,808	\$	11,266	\$	542	5%
Diluted Earnings Per Share	\$	0.36	\$	0.34	\$	0.02	6%
Weighted Average Diluted Common Shares Outstanding		32,652,900		33,401,648		(748,748)	-2%
Return on Average Assets		1.25%		1.24%		0.01%	1%
Return on Average Equity		16.07%		16.50%		-0.43%	-3%
Net Interest Margin		4.18%		4.48%		-0.30%	-7%

ASSET QUALITY	JUNE 30, 2003		DECEMBER 31, 2002		JUNE 30, 2002	
	----		----		----	
	-----					
Nonaccrual Loans	\$	15,906	\$	24,009	\$	30,527
90 Days Past Due and Still Accruing	\$	642	\$	1,976	\$	253
Troubled Debt Restructuring Loans	\$	295	\$	409	\$	530
Total Nonperforming Loans	\$	16,843	\$	26,394	\$	31,310
Other Real Estate Owned (OREO)	\$	2,280	\$	2,947	\$	2,047
Total Nonperforming Loans and OREO	\$	19,123	\$	29,341	\$	33,357
Nonperforming Securities	\$	735	\$	1,122	\$	1,560
Total Nonperforming Assets	\$	19,858	\$	30,463	\$	34,917
Allowance for Loan and Lease Losses	\$	40,858	\$	40,167	\$	43,719
Year-to-Date (YTD) Net Charge-Offs	\$	2,662	\$	13,652	\$	5,130
Allowance to Loans and Leases		1.64%		1.70%		1.87%
Total Nonperforming Loans to Loans and Leases		0.67%		1.12%		1.34%
Total Nonperforming Assets to Assets		0.51%		0.82%		0.95%
Allowance to Nonperforming Loans		242.58%		152.18%		139.63%
Annualized Net Charge-Offs to YTD Average Loans and Leases		0.23%		0.58%		0.45%

<b>CAPITAL</b>						
Equity to Assets		7.60%		7.85%		7.69%
Book Value Per Share	\$	9.19	\$	8.96	\$	8.52
Tangible Book Value Per Share	\$	7.64	\$	7.47	\$	7.05
Tier 1 Leverage Ratio		6.72%		6.73%		6.78%
Tier 1 Capital Ratio		9.44%		9.93%		10.04%
Total Risk-Based Capital Ratio		10.70%		11.18%		11.30%

QUARTERLY COMMON STOCK PRICE*	2003		2002		2001	
Quarter End	High	Low	High	Low	High	Low
	----		----		----	
	-----					
March 31	\$ 18.60	\$16.76	\$15.15	\$13.15	\$17.50	\$13.25
June 30	19.94	17.37	19.32	14.00	25.42**	14.30
September 30			18.50	16.36	17.30	13.50
December 31			18.60	14.76	15.99	12.55

\*historical NBT Bancorp Inc. only

\*\*This price was reported on June 29, 2001, a day on which the Nasdaq Stock Market experienced computerized trading disruptions which, among other things, forced it to extend its regular trading session and cancel its late trading session. Subsequently the Nasdaq Stock Market recalculated and republished several closing stock prices (not including NBT Bancorp Inc., for which had reported a closing price of \$19.30). Excluding trading on June 29, 2001, the high sales price for the quarter ended June 30, 2001 was \$16.75.



NBT BANCORP INC.  
SELECTED FINANCIAL HIGHLIGHTS  
(UNAUDITED)

	2003 ----	2002 ----	Net Change -----	Percent Change -----
(dollars in thousands, except share and per share data)				
BALANCE SHEET AS OF JUNE 30,				
Loans & Leases	\$2,496,385	\$2,336,041	\$ 160,344	7%
Earning Assets	\$3,584,137	\$3,427,738	\$ 156,399	5%
Total Assets	\$3,917,457	\$3,678,942	\$ 238,515	6%
Deposits	\$2,965,196	\$2,867,645	\$ 97,551	3%
Stockholders' Equity	\$ 297,850	\$ 282,762	\$ 15,088	5%

AVERAGE BALANCES				
YEAR ENDED JUNE 30,				
Loans & Leases	\$2,386,173	\$2,319,971	\$ 66,202	3%
Securities AFS (excluding unrealized gains or losses)	\$ 976,909	\$ 926,713	\$ 50,196	5%
Securities HTM	\$ 83,388	\$ 100,670	(\$17,282)	-17%
Trading Securities	\$ 202	\$ 166	\$ 36	22%
Regulatory Equity Investment	\$ 23,736	\$ 21,004	\$ 2,732	13%
Short-Term Interest Bearing Accounts	\$ 4,554	\$ 12,674	(\$8,120)	-64%
Total Earning Assets	\$3,474,962	\$3,381,198	\$ 93,764	3%
Total Assets	\$3,735,711	\$3,613,282	\$ 122,429	3%
Interest Bearing Deposits	\$2,477,483	\$2,477,426	\$ 57	0%
Non-Interest Bearing Deposits	\$ 439,398	\$ 409,086	\$ 30,312	7%
Short-Term Borrowings	\$ 110,713	\$ 81,136	\$ 29,577	36%
Long-Term Borrowings	\$ 351,931	\$ 318,935	\$ 32,996	10%
Total Interest Bearing Liabilities	\$2,940,127	\$2,877,497	\$ 62,630	2%
Stockholders' Equity	\$ 293,607	\$ 272,490	\$ 21,117	8%

AVERAGE BALANCES				
QUARTER ENDED JUNE 30,				
Loans & Leases	\$2,417,364	\$2,317,838	\$ 99,526	4%
Securities AFS (excluding unrealized gains or losses)	\$ 975,929	\$ 964,555	\$ 11,374	1%
Securities HTM	\$ 86,400	\$ 98,040	(\$11,640)	-12%
Trading Securities	\$ 209	\$ 205	\$ 4	2%
Regulatory Equity Investment	\$ 23,987	\$ 20,965	\$ 3,022	14%
Short-Term Interest Bearing Accounts	\$ 4,122	\$ 11,806	(\$7,684)	-65%
Total Earning Assets	\$3,508,011	\$3,413,409	\$ 94,602	3%
Total Assets	\$3,773,460	\$3,643,519	\$ 129,941	4%
Interest Bearing Deposits	\$2,479,636	\$2,494,878	(\$15,242)	-1%
Non-Interest Bearing Deposits	\$ 448,597	\$ 412,729	\$ 35,868	9%
Short-Term Borrowings	\$ 122,794	\$ 75,672	\$ 47,122	62%
Long-Term Borrowings	\$ 358,119	\$ 329,375	\$ 28,744	9%
Total Interest Bearing Liabilities	\$2,960,549	\$2,899,925	\$ 60,624	2%
Stockholders' Equity	\$ 294,659	\$ 273,862	\$ 20,797	8%

NBT BANCORP INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS	JUNE 30, 2003	December 31, 2002	June 30, 2002
(in thousands)	(Unaudited)		(Unaudited)
<b>ASSETS</b>			
Cash and due from banks	\$ 143,884	\$ 121,824	\$ 108,456
Short term interest bearing accounts	3,507	2,799	5,950
Trading securities, at fair value	69	203	280
Securities available for sale, at fair value	987,147	1,007,583	988,538
Securities held to maturity (fair value of \$94,339, \$84,517, and 89,880, at June 30, 2003, December 31, 2002 and June 30, 2002, respectively)	92,452	82,514	88,882
Federal Reserve and Federal Home Loan Bank stock	29,175	23,699	23,372
Loans and leases	2,496,385	2,355,932	2,336,041
Less allowance for loan and lease losses	40,858	40,167	43,719
Net loans and leases	2,455,527	2,315,765	2,292,322
Premises and equipment, net	61,332	61,261	61,716
Goodwill	47,558	46,121	46,121
Intangible assets, net	2,606	2,246	2,589
Bank owned life insurance	30,014	-	0
Other assets	64,186	59,711	60,716
<b>TOTAL ASSETS</b>	<b>\$ 3,917,457</b>	<b>\$ 3,723,726</b>	<b>\$3,678,942</b>
<b>LIABILITIES, GUARANTEED PREFERRED BENEFICIAL INTERESTS IN COMPANY'S JUNIOR SUBORDINATE DEBENTURES AND CAPITAL</b>			
Deposits:			
Demand (noninterest bearing)	\$ 470,422	\$ 449,201	\$ 424,615
Savings, NOW, and money market	1,304,304	1,183,603	1,119,730
Time	1,190,470	1,289,236	1,323,300
Total deposits	2,965,196	2,922,040	2,867,645
Short-term borrowings	211,981	105,601	122,903
Long-term debt	370,129	345,475	350,729
Other liabilities	55,301	41,228	37,903
Total liabilities	3,602,607	3,414,344	3,379,180
Guaranteed preferred beneficial interests in Company junior subordinated debentures	17,000	17,000	17,000
Total stockholders' equity	297,850	292,382	282,762
<b>TOTAL LIABILITIES, GUARANTEED PREFERRED BENEFICIAL INTERESTS IN COMPANY'S JUNIOR SUBORDINATE DEBENTURES AND CAPITAL</b>	<b>\$ 3,917,457</b>	<b>\$ 3,723,726</b>	<b>\$3,678,942</b>

NBT BANCORP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME	Three months ended		Six months ended	
	June 30,		June 30,	
	2003	2002	2003	2002
-----				
(in thousands, except per share data)	(Unaudited)			
INTEREST, FEE AND DIVIDEND INCOME:				
Loans and leases	\$ 39,540	\$ 41,390	\$ 79,155	\$ 83,617
Securities available for sale	10,864	14,668	22,669	28,297
Securities held to maturity	857	1,115	1,746	2,299
Securities trading	1	2	3	4
Other	331	315	655	595
-----				
Total interest, fee and dividend income	51,593	57,490	104,228	114,812
-----				
INTEREST EXPENSE:				
Deposits	12,040	16,265	24,652	33,256
Short-term borrowings	370	287	659	635
Long-term debt	3,691	3,856	7,396	7,494
-----				
Total interest expense	16,101	20,408	32,707	41,385
-----				
Net interest income	35,492	37,082	71,521	73,427
Provision for loan and lease losses	1,413	2,092	3,353	4,103
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Net interest income after provision for loan and lease losses	34,079	34,990	68,168	69,324
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NONINTEREST INCOME:				
Trust	1,116	804	2,008	1,623
Service charges on deposit accounts	3,764	3,239	7,367	6,289
Broker/dealer and insurance revenue	1,750	1,483	3,142	2,978
Net securities gains (losses)	38	69	65	(433)
Gain on sale of a branch	-	-	-	220
Other	2,271	2,207	5,099	4,536
-----				
Total noninterest income	8,939	7,802	17,681	15,213
-----				
NONINTEREST EXPENSE:				
Salaries and employee benefits	12,060	12,497	24,719	24,871
Office supplies and postage	1,011	1,227	2,084	2,124
Occupancy	2,182	2,096	4,708	4,265
Equipment	1,944	1,818	3,710	3,532
Professional fees and outside services	1,240	1,782	2,542	3,397
Data processing and communications	2,720	2,598	5,441	5,163
Capital securities	179	230	370	446
Amortization of intangible assets	155	208	317	433
Loan collection and other real estate owned	476	748	756	1,675
Other operating	3,881	2,858	7,093	5,368
-----				
Total noninterest expense	25,848	26,062	51,740	51,274
-----				
Income before income taxes	17,170	16,730	34,109	33,263
Income taxes	5,362	5,464	10,735	10,920
-----				
NET INCOME	\$ 11,808	\$ 11,266	\$ 23,374	\$ 22,343
-----				
Earnings Per Share:				
Basic	\$ 0.36	\$ 0.34	\$ 0.72	\$ 0.67
Diluted	\$ 0.36	\$ 0.34	\$ 0.71	\$ 0.67

NBT BANCORP INC. AND SUBSIDIARIES QUARTERLY CONSOLIDATED STATEMENTS OF INCOME	2Q 2003	1Q 2003	4Q 2002	3Q 2002	2Q 2002
-----					
(in thousands, except per share data)					
INTEREST, FEE AND DIVIDEND INCOME: (Unaudited)					
Loans and leases	\$ 39,540	\$39,615	\$41,598	\$41,970	\$41,390
Securities available for sale	10,864	11,805	12,329	13,778	14,668
Securities held to maturity	857	889	951	1,010	1,115
Trading securities	1	2	2	2	2
Other	331	324	519	251	315
-----					
Total interest, fee and dividend income	51,593	52,635	55,399	57,011	57,490
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INTEREST EXPENSE:					
Deposits	12,040	12,612	14,328	15,748	16,265
Short-term borrowings	370	289	282	417	287
Long-term debt	3,691	3,705	4,103	4,139	3,856
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Total interest expense	16,101	16,606	18,713	20,304	20,408
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Net interest income	35,492	36,029	36,686	36,707	37,082
Provision for loan and lease losses	1,413	1,940	2,546	2,424	2,092
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Net interest income after provision for loan and lease losses	34,079	34,089	34,140	34,283	34,990
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NONINTEREST INCOME:					
Trust	1,116	892	860	743	804
Service charges on deposit accounts	3,764	3,603	4,055	3,531	3,239
Broker/dealer and insurance fees	1,750	1,392	1,409	1,393	1,483
Net securities gains (losses)	38	27	26	(6)	69
Other	2,271	2,828	1,917	2,380	2,207
-----					
Total noninterest income	8,939	8,742	8,267	8,041	7,802
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NONINTEREST EXPENSE:					
Salaries and employee benefits	12,060	12,659	11,621	11,720	12,497
Office supplies and postage	1,011	1,073	1,206	1,116	1,227
Occupancy	2,182	2,526	2,036	2,032	2,096
Equipment	1,944	1,766	1,862	1,672	1,818
Professional fees and outside services	1,240	1,302	1,746	1,446	1,782
Data processing and communications	2,720	2,721	2,725	2,705	2,598
Capital securities	179	191	172	221	230
Amortization of intangible assets	155	162	164	177	208
Merger, acquisition and reorganization (recovery) costs	-	-	-	(130)	-
Loan collection and other real estate owned	476	280	601	570	748
Other operating	3,881	3,212	3,728	3,791	2,858
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Total noninterest expense	25,848	25,892	25,861	25,320	26,062
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Income before income taxes	17,170	16,939	16,546	17,004	16,730
Income taxes	5,362	5,373	5,302	5,592	5,464
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NET INCOME	\$ 11,808	\$11,566	\$11,244	\$11,412	\$11,266
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Earnings per share:					
Basic	\$ 0.36	\$ 0.36	\$ 0.34	\$ 0.35	\$ 0.34
Diluted	\$ 0.36	\$ 0.35	\$ 0.34	\$ 0.34	\$ 0.34
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