

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): January 26, 2004

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

NOT APPLICABLE

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

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Not Applicable

(b) Not Applicable

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

Exhibit No. -----	Description -----
99	Press Release dated January 26, 2004.

ITEM 9. REGULATION FD DISCLOSURE.

Information being provided under Item 12

On January 26, 2004, NBT Bancorp Inc. issued a press release describing its results of operations for the year and quarter ending December 31, 2003 as well as announcing a dividend declaration to be paid on March 15, 2004 to shareholders of record on March 1, 2004. 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.

(Registrant)

/s/ Michael J. Chewens

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

Date: January 26, 2004

EXHIBIT INDEX

Exhibit No. -----	Description -----
99	Press Release dated January 26, 2004.

 EXHIBIT 99 - PRESS RELEASE DATE JANUARY 26, 2004
 FOR IMMEDIATE RELEASE

ATTENTION: FINANCIAL AND BUSINESS EDITORS

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 QUARTERLY EARNINGS OF \$11.9 MILLION;
 DECLARES CASH DIVIDEND

NORWICH, NY (January 26, 2004) - NBT Bancorp Inc. (NBT) (NASDAQ: NBTB) reported today that net income for the quarter ended December 31, 2003 was \$11.9 million, or \$0.36 per diluted share, up 6% from \$11.2 million, or \$0.34 per diluted share for the same period a year ago. The increase in net income for the quarter ended December 31, 2003 was primarily the result of a \$1.6 million increase in noninterest income that was partially offset by a \$0.7 million increase in noninterest expense. Annualized return on average assets and return on average equity were 1.17% and 15.47%, respectively, for the quarter ended December 31, 2003, compared with 1.21% and 15.53%, respectively, for the same period in 2002.

Net income for the year ended December 31, 2003 was \$47.1 million, or \$1.43 per diluted share, up 6% compared with \$45.0 million or \$1.35 per diluted share for the same period in 2002. The increase in net income for the year ended December 31, 2003 was primarily the result of a \$6.3 million increase in noninterest income that was partially offset by a \$2.4 million decrease in net interest income and a \$2.1 million increase in noninterest expense. Return on average assets and return on average equity were 1.22% and 15.90%, respectively, for the year ended December 31, 2003, compared with 1.23% and 16.13%, respectively, for the same period in 2002.

NBT Chairman, President and CEO Daryl R. Forsythe stated, "The Company had loan growth of 12%, core deposit growth of 16%, noninterest income growth of 20% and improved asset quality in 2003. These factors aided the Company in overcoming a period of declining net interest margin and a central New York and northeastern Pennsylvania economy that has not yet regained significant momentum. Our banking franchise has become the financial service provider of

Page 2 of 10

choice in most of the communities we serve due primarily to a combination of financial services expertise and unparalleled customer service."

LOAN AND LEASE QUALITY AND PROVISION FOR LOAN AND LEASE LOSSES

Nonperforming loans at December 31, 2003 were \$14.8 million or 0.56% of total loans and leases compared with \$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 1.62% of loans and leases at December 31, 2003 compared to 1.70% at December 31, 2002. The ratio of the allowance for loan and lease losses to nonperforming loans was 287.62% at December 31, 2003 compared to 152.18% at December 31, 2002. Net charge-offs to average loans and leases for the year ended December 31, 2003, were 0.27% down from 0.58% for the year ended December 31, 2002. Mr. Forsythe commented, "Our conservative credit culture has served us well as nonperforming loan levels, net charge-offs and the quality of our loan portfolio improved markedly during the year."

For the quarter and year ended December 31, 2003, the provision for loan and lease losses totaled \$3.3 million and \$9.1 million, respectively, compared with the \$2.5 million and \$9.1 million for the same periods in 2002. The increase in the provision for the quarter ended December 31, 2003 when compared with the same period in the prior year was due primarily to strong loan growth during the last two quarters of 2003. The provision for loan and lease losses for the year ended December 31, 2003 remained relatively unchanged when compared with the same period in 2002 as improvements in credit quality were offset by significant loan growth during 2003.

NET INTEREST INCOME

Net interest income was up 2% to \$37.3 million for the quarter ended December 31, 2003, compared with \$36.7 million for the same period a year ago. The increase in net interest income was due primarily to a 9% increase in average earning assets offset by a decline in the Company's net interest margin, which was 4.07% for the quarter ended December 31, 2003, down from 4.35% for the same period in 2002. The increase in average earning assets was due primarily to strong loan growth, as average loans were up 10% for the quarter ended December 31, 2003 when compared with the same period in 2002. Net interest income for the year ended December 31, 2003 decreased 2% to \$144.4 million from \$146.8 million in the same period for 2002. The Company's net interest margin was 4.16% for the

year ended December 31, 2003 compared with 4.43% in 2002. The decline in net interest margin during the year and quarter ended December 31, 2003 compared with 2002 resulted primarily from earning assets repricing down at a faster rate than interest-bearing liabilities.

NONINTEREST INCOME

Noninterest income for the quarter ended December 31, 2003 was \$10.1 million, up \$1.9 million or 22% from \$8.3 million for the same period in 2002. Broker/dealer and insurance revenue increased \$0.6 million or 39% for the quarter ended December 31, 2003 over the same period in 2002, driven primarily by the Company's initiative to offer financial services products throughout the Bank's branch network. This initiative was implemented at the end of 2002. Income from bank owned life insurance (BOLI) increased \$0.4 million for the quarter ended December 31, 2003 over the same period in the prior year resulting from the purchase of \$30 million in BOLI in June 2003.

Noninterest income for the year ended December 31, 2003 was \$37.8 million, up \$6.3 million or 20% from \$31.5 million for the same period in 2002. Service charges on deposit accounts for the year ended December 31, 2003 increased \$2.0 million or 14% over the same period in 2002. The increase in service charges on deposit accounts resulted primarily from higher revenue collected for overdraft fees and continued growth in core deposits. Broker/dealer and insurance revenue increased \$1.1 million or 19%, due primarily to the previously mentioned initiative related to the sale of financial services products throughout the Bank's 111-branch network. Revenue from trust services increased \$0.8 million or 25% for the year ended December 31, 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 the number of managed asset accounts. Income from BOLI increased \$0.8 million for the year ended December 31, 2003 over the same period in the prior year resulting from the previously mentioned purchase of \$30 million in BOLI in June 2003. Other income increased \$1.0 million or 11% primarily from increases in revenue from ATM fees and internet banking fees.

NONINTEREST EXPENSE

Noninterest expense for the quarter ended December 31, 2003 was \$26.8 million, up \$0.9 million or 4% from \$25.9 million for the same period in 2002. The increase in noninterest expense resulted primarily from increases in salaries and benefits of \$0.7 million and occupancy expenses of \$0.4 million. The increase in salaries and benefits was driven primarily by higher salaries expense resulting from an increase in full-time-equivalent employees and merit increases. The increase in occupancy expense resulted primarily from corporate headquarter renovations.

Noninterest expense for the year ended December 31, 2003 was \$104.5 million, up \$2.0 million or 2% from \$102.5 million for the same period in 2002. The increase in noninterest expense was due primarily to increases in other

operating expense, salaries and employee benefits 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 \$0.8 million charge for the writedown of non-marketable investment securities and increased insurance costs. Salaries and employee benefits increased \$1.3 million primarily from increases in full-time-equivalent employees and merit increases as well as an increase in commissions paid to the financial services sales force. Loan collection and OREO expenses decreased \$1.0 million from gains on the sale of OREO and a decrease in nonperforming loans. Professional fees and outside services decreased \$1.2 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.

BALANCE SHEET

Total assets were \$4.0 billion at December 31, 2003 up \$0.3 billion from \$3.7 billion at December 31, 2002. Loans and leases increased \$0.3 billion or 12% from \$2.4 billion at December 31, 2002 to \$2.6 billion at December 31, 2003. Loan growth was fueled primarily by consumer loans and residential real estate, which experienced strong growth during the second half of 2003. Total deposits were \$3.0 billion at December 31, 2003, up \$0.1 billion from \$2.9 billion at December 31, 2002. Core deposits, which include checking, savings and money market accounts increased \$0.3 billion or 16% from \$1.6 billion at December 31, 2002 to \$1.9 billion at December 31, 2003 offset by a \$0.2 billion decrease in time deposits during the same period. Stockholders' equity was \$310.0 million representing a Tier 1 leverage ratio of 6.76% at December 31, 2003 compared with \$292.4 million or a Tier 1 leverage ratio of 6.73% at December 31, 2002.

DIVIDEND DECLARED

The NBT Board of Directors declared a quarterly cash dividend of \$0.17 per share at a meeting held today. The dividend will be paid on March 15, 2004 to shareholders of record as of March 1, 2004.

CORPORATE OVERVIEW

NBT is a financial services holding company headquartered in Norwich, NY, with total assets of \$4.0 billion at December 31, 2003. The Company primarily operates through NBT Bank, N.A., a full-service community bank with three geographic divisions and through a financial services company. NBT Bank, N.A. has 111 locations, including 44 NBT Bank offices and 27 Central National Bank offices in upstate New York and 40 Pennstar Bank offices in northeastern Pennsylvania. NBT also provides financial services products through M. Griffith,

Inc. More information about NBT's banking divisions can be found on the Internet at www.nbtbank.com, www.pennstarbank.com and 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 (6-10).

NBT BANCORP INC.
SELECTED FINANCIAL HIGHLIGHTS
(unaudited)

	2003		2002		NET CHANGE	PERCENT CHANGE
(dollars in thousands, except share and per share data)						
TWELVE MONTHS ENDED DECEMBER 31,						
Net Income	\$ 47,104	\$	\$ 44,999	\$	\$ 2,105	5%
Diluted Earnings Per Share	\$ 1.43	\$	\$ 1.35	\$	\$ 0.08	6%
Weighted Average Diluted Common Shares Outstanding	32,843,582		33,234,622		-391,040	-1%
Return on Average Assets	1.22%		1.23%		-0.01%	-1%
Return on Average Equity	15.90%		16.13%		-0.23%	-1%
Net Interest Margin	4.16%		4.43%		-0.27%	-6%

THREE MONTHS ENDED DECEMBER 31,						
Net Income	\$ 11,882	\$	\$ 11,244	\$	\$ 638	6%
Diluted Earnings Per Share	\$ 0.36	\$	\$ 0.34	\$	\$ 0.02	6%
Weighted Average Diluted Common Shares Outstanding	33,070,298		32,951,311		118,987	0%
Return on Average Assets	1.17%		1.21%		-0.04%	-3%
Return on Average Equity	15.47%		15.53%		-0.06%	0%
Net Interest Margin	4.07%		4.35%		-0.28%	-6%

ASSET QUALITY	DECEMBER 31, 2003		DECEMBER 31, 2002	
Nonaccrual Loans	\$ 13,861	\$	\$ 24,009	
90 Days Past Due and Still Accruing	\$ 968	\$	\$ 1,976	
Troubled Debt Restructuring Loans	\$ 0	\$	\$ 409	
Total Nonperforming Loans	\$ 14,829	\$	\$ 26,394	
Other Real Estate Owned (OREO)	\$ 1,157	\$	\$ 2,947	
Total Nonperforming Loans and OREO	\$ 15,986	\$	\$ 29,341	
Nonperforming Securities	\$ 395	\$	\$ 1,122	
Total Nonperforming Assets	\$ 16,381	\$	\$ 30,463	
Allowance for Loan and Lease Losses	\$ 42,651	\$	\$ 40,167	
Year-to-Date (YTD) Net Charge-Offs	\$ 6,627	\$	\$ 13,652	
Allowance to Loans and Leases	1.62%		1.70%	
Total Nonperforming Loans to Loans and Leases	0.56%		1.12%	
Total Nonperforming Assets to Assets	0.40%		0.82%	
Allowance to Nonperforming Loans	287.62%		152.18%	
Net Charge-Offs to YTD Average Loans and Leases	0.27%		0.58%	

CAPITAL						
Equity to Assets		7.66%		7.85%		
Book Value Per Share	\$ 9.46	\$	\$ 8.96			
Tangible Book Value Per Share	\$ 7.94	\$	\$ 7.47			
Tier 1 Leverage Ratio		6.76%		6.73%		
Tier 1 Capital Ratio		9.96%		9.93%		
Total Risk-Based Capital Ratio		11.21%		11.18%		

QUARTERLY COMMON STOCK PRICE*	2003		2002		2001	
	High	Low	High	Low	High	Low
Quarter End						
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	21.76	19.24	18.50	16.36	17.30	13.50
December 31	22.78	19.50	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 DECEMBER 31,				
Loans & Leases	\$2,639,976	\$2,355,932	\$284,044	12%
Earning Assets	\$3,741,131	\$3,445,235	\$295,896	9%
Total Assets	\$4,046,885	\$3,723,726	\$323,159	9%
Deposits	\$3,001,351	\$2,922,040	\$ 79,311	3%
Stockholders Equity	\$ 310,034	\$ 292,382	\$ 17,652	6%

AVERAGE BALANCES				
YEAR ENDED DECEMBER 31,				
Loans & Leases	\$2,474,899	\$2,337,767	\$137,132	6%
Securities AFS (excluding unrealized gains or losses)	\$ 984,620	\$ 947,042	\$ 37,578	4%
Securities HTM	\$ 90,601	\$ 92,981	(\$2,380)	-3%
Trading Securities	\$ 133	\$ 208	(\$75)	-36%
Regulatory Equity Investment	\$ 28,117	\$ 21,766	\$ 6,351	29%
Short-Term Interest Bearing Accounts	\$ 3,225	\$ 12,389	(\$9,164)	-74%
Total Earning Assets	\$3,581,595	\$3,412,153	\$169,442	5%
Total Assets	\$3,852,523	\$3,649,072	\$203,451	6%
Interest Bearing Deposits	\$2,483,026	\$2,472,562	\$ 10,464	0%
Non-Interest Bearing Deposits	\$ 457,238	\$ 419,744	\$ 37,494	9%
Short-Term Borrowings	\$ 190,332	\$ 87,039	\$103,293	119%
Long-Term Borrowings	\$ 360,928	\$ 334,479	\$ 26,449	8%
Total Interest Bearing Liabilities	\$3,034,286	\$2,894,080	\$140,206	5%
Stockholders' Equity	\$ 296,276	\$ 278,955	\$ 17,321	6%

AVERAGE BALANCES				
QUARTER ENDED DECEMBER 31,				
Loans & Leases	\$2,597,259	\$2,360,531	\$236,728	10%
Securities AFS (excluding unrealized gains or losses)	\$1,018,157	\$ 969,024	\$ 49,133	5%
Securities HTM	\$ 95,581	\$ 83,994	\$ 11,587	14%
Trading Securities	\$ 60	\$ 239	(\$179)	-75%
Regulatory Equity Investment	\$ 35,383	\$ 22,314	\$ 13,069	59%
Short-Term Interest Bearing Accounts	\$ 2,261	\$ 8,842	(\$6,581)	-74%
Total Earning Assets	\$3,748,701	\$3,444,944	\$303,757	9%
Total Assets	\$4,032,250	\$3,686,352	\$345,898	9%
Interest Bearing Deposits	\$2,485,494	\$2,478,501	\$ 6,993	0%
Non-Interest Bearing Deposits	\$ 480,141	\$ 433,724	\$ 46,417	11%
Short-Term Borrowings	\$ 324,737	\$ 79,673	\$245,064	308%
Long-Term Borrowings	\$ 369,712	\$ 348,891	\$ 20,821	6%
Total Interest Bearing Liabilities	\$3,179,943	\$2,907,065	\$272,878	9%
Stockholders' Equity	\$ 304,915	\$ 287,278	\$ 17,637	6%

NBT BANCORP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

DECEMBER 31, December 31,
2003 2002

(in thousands)	(Unaudited)	
ASSETS		
Cash and due from banks	\$ 125,590	\$ 121,824
Short term interest bearing accounts	2,454	2,799
Trading securities, at fair value	48	203
Securities available for sale, at fair value	980,961	1,007,583
Securities held to maturity (fair value of \$98,576 and \$84,517 at December 31, 2003 and December 31, 2002, respectively)	97,204	82,514
Federal Reserve and Federal Home Loan Bank stock	34,043	23,699
Loans and leases	2,639,976	2,355,932
Less allowance for loan and lease losses	42,651	40,167
===== Net loans and leases	2,597,325	2,315,765
Premises and equipment, net	62,443	61,261
Goodwill	47,521	46,121
Intangible assets, net	2,331	2,246
Bank owned life insurance	30,815	-
Other assets	66,150	59,711
----- TOTAL ASSETS	\$ 4,046,885	\$ 3,723,726
=====		
LIABILITIES, GUARANTEED PREFERRED BENEFICIAL INTERESTS IN COMPANY'S JUNIOR SUBORDINATE DEBENTURES AND CAPITAL		
Deposits:		
Demand (noninterest bearing)	\$ 500,303	\$ 449,201
Savings, NOW, and money market	1,401,825	1,183,603
Time	1,099,223	1,289,236
----- Total deposits	3,001,351	2,922,040
Short-term borrowings	302,931	105,601
Long-term debt	369,700	345,475
Other liabilities	45,869	41,228
----- Total liabilities	3,719,851	3,414,344
Guaranteed preferred beneficial interests in Company's junior subordinated debentures	17,000	17,000
Total stockholders' equity	310,034	292,382
=====		
TOTAL LIABILITIES, GUARANTEED PREFERRED BENEFICIAL INTERESTS IN COMPANY'S JUNIOR SUBORDINATE DEBENTURES AND CAPITAL	\$ 4,046,885	\$ 3,723,726
=====		

NBT BANCORP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME	Three months ended		Twelve months ended	
	December 2003	31, 2002	December 2003	31, 2002

(in thousands, except per share data)	(Unaudited)			
INTEREST, FEE AND DIVIDEND INCOME:				
Loans and leases	\$ 40,082	\$41,598	\$159,118	\$167,185
Securities available for sale	11,311	12,329	43,851	54,404
Securities held to maturity	805	951	3,391	4,260
Other	84	521	938	1,373

Total interest, fee and dividend income	52,282	55,399	207,298	227,222

INTEREST EXPENSE:				
Deposits	10,369	14,328	45,941	63,332
Short-term borrowings	808	282	2,171	1,334
Long-term debt	3,780	4,103	14,762	15,736

Total interest expense	14,957	18,713	62,874	80,402

Net interest income	37,325	36,686	144,424	146,820
Provision for loan and lease losses	3,322	2,546	9,111	9,073

Net interest income after provision for loan and lease losses	34,003	34,140	135,313	137,747

NONINTEREST INCOME:				
Trust	1,075	860	4,041	3,226
Service charges on deposit accounts	4,302	4,055	15,833	13,875
Broker/dealer and insurance revenue	1,964	1,409	6,869	5,780
Net securities gains (losses)	92	26	175	(413)
Bank owned life insurance	403	-	815	-
Other	2,288	1,917	10,045	9,053

Total noninterest income	10,124	8,267	37,778	31,521

NONINTEREST EXPENSE:				
Salaries and employee benefits	12,355	11,621	49,560	48,212
Office supplies and postage	1,028	1,206	4,216	4,446
Occupancy	2,477	2,036	9,328	8,333
Equipment	2,008	1,862	7,627	7,066
Professional fees and outside services	1,470	1,746	5,433	6,589
Data processing and communications	2,671	2,725	10,752	10,593
Amortization of intangible assets	145	164	620	774
Loan collection and other real estate owned	636	601	1,840	2,846
Capital securities	181	172	732	839
Other operating	3,823	3,728	14,409	12,757

Total noninterest expense	26,794	25,861	104,517	102,455

Income before income taxes	17,333	16,546	68,574	66,813
Income taxes	5,451	5,302	21,470	21,814

NET INCOME	\$ 11,882	\$11,244	\$ 47,104	\$ 44,999

Earnings Per Share:				
Basic	\$ 0.36	\$ 0.34	\$ 1.45	\$ 1.36
Diluted	\$ 0.36	\$ 0.34	\$ 1.43	\$ 1.35
=====				

NBT BANCORP INC. AND SUBSIDIARIES
 QUARTERLY CONSOLIDATED STATEMENTS OF INCOME

4Q 3Q 2Q 1Q 4Q
 2003 2003 2003 2003 2002

(in thousands, except per share data)					
(Unaudited)					
INTEREST, FEE AND DIVIDEND INCOME:					
Loans and leases	\$ 40,082	\$39,881	\$39,540	\$39,615	\$41,598
Securities available for sale	11,311	9,871	10,864	11,805	12,329
Securities held to maturity	805	840	857	889	951
Other	84	196	332	326	521
Total interest, fee and dividend income	52,282	50,788	51,593	52,635	55,399
INTEREST EXPENSE:					
Deposits	10,369	10,920	12,040	12,612	14,328
Short-term borrowings	808	704	370	289	282
Long-term debt	3,780	3,586	3,691	3,705	4,103
Total interest expense	14,957	15,210	16,101	16,606	18,713
Net interest income	37,325	35,578	35,492	36,029	36,686
Provision for loan and lease losses	3,322	2,436	1,413	1,940	2,546
Net interest income after provision for loan and lease losses	34,003	33,142	34,079	34,089	34,140
NONINTEREST INCOME:					
Trust	1,075	958	1,116	892	860
Service charges on deposit accounts	4,302	4,164	3,764	3,603	4,055
Broker/dealer and insurance fees	1,964	1,763	1,750	1,392	1,409
Net securities gains (losses)	92	18	38	27	26
Bank owned life insurance	403	398	14	-	-
Other	2,288	2,672	2,257	2,828	1,917
Total noninterest income	10,124	9,973	8,939	8,742	8,267
NONINTEREST EXPENSE:					
Salaries and employee benefits	12,355	12,486	12,060	12,659	11,621
Office supplies and postage	1,028	1,104	1,011	1,073	1,206
Occupancy	2,477	2,143	2,182	2,526	2,036
Equipment	2,008	1,909	1,944	1,766	1,862
Professional fees and outside services	1,470	1,421	1,240	1,302	1,746
Data processing and communications	2,671	2,640	2,720	2,721	2,725
Amortization of intangible assets	145	158	155	162	164
Loan collection and other real estate owned	636	448	476	280	601
Capital securities	181	181	179	191	172
Other operating	3,823	3,493	3,881	3,212	3,728
Total noninterest expense	26,794	25,983	25,848	25,892	25,861
Income before income taxes	17,333	17,132	17,170	16,939	16,546
Income taxes	5,451	5,284	5,362	5,373	5,302
NET INCOME	\$ 11,882	\$11,848	\$11,808	\$11,566	\$11,244
Earnings per share:					
Basic	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.34
Diluted	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.35	\$ 0.34

