

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 24, 2005

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)

(Zip Code)

Registrant's telephone number, including area code: (607) 337-2265

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On January 24, 2005, NBT Bancorp Inc. (the "Company") issued a press release describing its results of operations for quarter and year ending December 31, 2004. That press release is furnished as Exhibit 99.1 hereto.

Item 8.01 Other Events

In connection with the issuance of the press release described in Item 2.02, the Company announced the authorization by the Board of Directors of a new stock repurchase program for up to 1,500,000 shares of the Company's outstanding common stock from time to time as market conditions warrant in open market and privately negotiated transactions. Currently, there are 719,800 shares remaining under a previous authorization that will be superseded by the new repurchase program. The Company also announced a quarterly dividend of \$0.19 per share to be paid on March 15, 2005 to shareholders of record on March 1, 2005.

Item 9.01. Financial Statements and Exhibits.

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Exhibits.

99.1. Text of Press Release, dated January 24, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

NBT BANCORP INC.

Date: January 24, 2005

By: /s/ Michael J. Chewens

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

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1.	Text of Press Release, dated January 24, 2005.

 EXHIBIT 99.1
 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 ANNUAL EARNINGS OF \$50.0 MILLION AND STOCK BUYBACK;
 DECLARES CASH DIVIDEND

NORWICH, NY (January 24, 2005) - NBT Bancorp Inc. (NBT) (NASDAQ: NBTB) reported today that net income for the year ended December 31, 2004, was \$50.0 million, or \$1.51 per diluted share, up 6% compared with \$47.1 million or \$1.43 per diluted share for the same period in 2003. The increase in net income for the year ended December 31, 2004, was primarily the result of increases in net interest income of \$6.1 million and noninterest income of \$3.1 million that was partially offset by a \$5.3 million increase in noninterest expense. Return on average assets and return on average equity were 1.21% and 15.69%, respectively, for the year ended December 31, 2004, compared with 1.22% and 15.90%, respectively, for the same period in 2003.

Net income for the quarter ended December 31, 2004, was \$12.5 million, or \$0.38 per diluted share, up 6% on a per diluted share basis from \$11.9 million, or \$0.36 per diluted share for the same period a year ago. The increase in net income for the quarter ended December 31, 2004, was primarily the result of an increase in net interest income of \$1.3 million as well as decreases in the provision for loan and lease losses of \$0.6 million and income tax expense of \$1.1 million that was partially offset by a \$2.6 million increase in noninterest expense. Annualized return on average assets and return on average equity were 1.18% and 15.08%, respectively, for the quarter ended December 31, 2004, compared with 1.17% and 15.47%, respectively, for the same period in 2003.

NBT Chairman and CEO Daryl R. Forsythe stated, "With net income just over \$50 million, NBT delivered another year of solid performance in 2004. Our performance continues to be driven by strong loan growth and maintaining excellent credit quality. Our expansion efforts in the Albany and Binghamton markets helped contribute to another solid year of strong core deposit growth. As in 2004,

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2005 will be a year of investment in our newer banking markets, as NBT plans to continue expansion in Albany and northeastern Pennsylvania to complement the solid foundation we have built for continuing growth while building additional shareholder value."

LOAN AND LEASE QUALITY AND PROVISION FOR LOAN AND LEASE LOSSES

Nonperforming loans at December 31, 2004 were \$16.2 million or 0.56% of total loans and leases compared with \$14.8 million or 0.56% of total loans and leases at December 31, 2003. The Company's allowance for loan and lease losses was 1.57% of loans and leases at December 31, 2004 compared with 1.62% at December 31, 2003. The ratio of the allowance for loan and lease losses to nonperforming loans was 277.75% at December 31, 2004 compared with 287.62% at December 31, 2003. Net charge-offs to average loans and leases for the year ended December 31, 2004 and 2003, were 0.27%, respectively.

For the year and quarter ended December 31, 2004, the provision for loan and lease losses totaled \$9.6 million and \$2.8 million, respectively, compared with the \$9.1 million and \$3.3 million for the same periods in 2003. The increase in the provision for loan and lease losses for the year ended December 31, 2004, when compared with the same period in 2003 resulted mainly from continued loan growth and a slight increase in nonperforming loans. The decrease in the provision for the quarter ended December 31, 2004, when compared with the same period in the prior year was due to a higher net charge-off rate for the quarter ended December 31, 2003, as well as a stronger loan growth rate for that same period.

NET INTEREST INCOME

Net interest income for the year ended December 31, 2004 increased 4% to \$150.5 million from \$144.4 million in the same period for 2003. The Company's net interest margin was 4.03% for the year ended December 31, 2004 compared with 4.16% in 2003. Net interest income was up 4% to \$38.7 million for the quarter ended December 31, 2004, compared with \$37.3 million for the same period a year ago. The increase in net interest income was due primarily to a 5% increase in average earning assets offset by a slight decline in the Company's net interest margin, which was 4.03% for the quarter ended December 31, 2004, down from 4.07% for the same period in 2003. The increase in average earning assets was due primarily to loan growth, as average loans were up 9% for the quarter ended

December 31, 2004, when compared with the same period in 2003. The Company's net interest margin of 4.03% for the quarter ended December 31, 2004, improved from the net interest margin for the

quarter ended September 30, 2004 of 3.99%, as the Company benefited from the recent increases in the federal funds rate during the second half of 2004.

NONINTEREST INCOME

Noninterest income for the year ended December 31, 2004 was \$40.9 million, up \$3.1 million or 8% from \$37.8 million for the same period in 2003. Service charges on deposit accounts for the year ended December 31, 2004, increased \$0.6 million or 4% over the same period in 2003. The increase in service charges on deposit accounts resulted primarily from higher revenue collected for overdraft fees. Revenue from trust services increased \$0.6 million or 14% for the year ended December 31, 2004, over the same period in 2003, due in part to 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 \$0.7 million for the year ended December 31, 2004, over the same period in the prior year resulting from the purchase of \$30 million in BOLI in June 2003. Other income increased \$1.3 million or 13% primarily from increases in revenue from ATM fees and other consumer and commercial banking fees. Noninterest income for the quarter ended December 31, 2004 was \$10.3 million, up \$0.2 million from \$10.1 million for the same period in 2003.

NONINTEREST EXPENSE

Noninterest expense for the year ended December 31, 2004, was \$109.8 million, up \$5.3 million or 5% from \$104.5 million for the same period in 2003. The increase in noninterest expense was due largely to increases in salaries and employee benefits, occupancy expense, professional fees and outside services and a \$2.0 million goodwill impairment charge partially offset by decreases in loan collection and OREO expenses and other operating expense. Salaries and employee benefits increased \$4.5 million primarily from increases in full-time-equivalent employees and merit increases as well as an increase in medical insurance costs and incentive compensation. Occupancy expense increased \$0.6 million primarily from branch expansion in the Albany and Binghamton markets. Professional fees and outside services increased \$0.7 million mainly from higher courier, legal and audit costs. The \$2.0 million goodwill impairment charge resulted from the expected sale of the Company's broker/dealer subsidiary in the first quarter of 2005. Loan collection and OREO costs decreased \$0.6 million from a decrease in OREO expenses resulting from a decline in the number of OREO properties under management as OREO totaled \$0.4 million at December 31, 2004, compared to \$1.2 million at December 31, 2003. Other operating expense decreased \$1.3 million primarily from the reversal of a previously accrued \$1.4 million liability that was determined in the fourth quarter of 2004 to no longer be required.

Noninterest expense for the quarter ended December 31, 2004, was \$29.4 million, up \$2.6 million or 10% from \$26.8 million for the same period in 2003. The increase in noninterest expense resulted principally from increases in salaries and benefits of \$1.7 million and the previously mentioned \$2.0 million goodwill impairment charge offset by an \$0.8 million decrease in other operating expense. 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 as well as increases in medical insurance and retirement expense. The decrease in other operating expense resulted from the previously mentioned reversal of a previously accrued \$1.4 million liability that was determined to no longer be required.

INCOME TAXES

Income tax expense for the quarter ended December 31, 2004, was \$4.4 million, down \$1.1 million from the \$5.5 million recorded during the same period in 2003. The effective rate for the quarter ended December 31, 2004, was 25.8%, down from 31.4% for the same period in 2003. The decrease in tax expense and the effective tax rate for the quarter ended December 31, 2004, was due to the reversal of a previously accrued \$0.8 million liability that was determined to no longer be required.

BALANCE SHEET

Total assets were \$4.2 billion at December 31, 2004 up \$0.2 billion from \$4.0 billion at December 31, 2003. Loans and leases increased \$0.2 billion or 9% from \$2.6 billion at December 31, 2003 to \$2.9 billion at December 31, 2004. Loan growth was driven predominantly by consumer loans and commercial loans. Total deposits were \$3.1 billion at December 31, 2004, up \$0.1 billion from \$3.0 billion at December 31, 2003. Core deposits, which include checking, savings and money market accounts increased \$0.1 billion or 3% from \$1.9 billion at December 31, 2003 to \$2.0 billion at December 31, 2004. Meanwhile, average core deposits for the year ended December 31, 2004 increased 12% to \$2.0 billion from \$1.8 billion for the same period in 2003. Stockholders' equity was \$332.2 million representing a Tier 1 leverage ratio of 7.13% at December 31, 2004 compared with \$310.0 million or a Tier 1 leverage ratio of 6.76% at December 31, 2003.

DIVIDEND DECLARED

The NBT Board of Directors declared a quarterly cash dividend of \$0.19 per share at a meeting held today. The dividend will be paid on March 15, 2005, to shareholders of record as of March 1, 2005.

OTHER MATTERS

NBT announced today that it has acquired EPIC Advisors, Inc. ("EPIC"), effective January 21, 2005. EPIC, located in Rochester, NY, is engaged primarily in the administration of corporate pension and 401 (k) plans. NBT President Martin A. Dietrich stated, "EPIC is a growing, well-managed firm with a great group of employees and the right customer base for us. The acquisition of EPIC will allow us to offer our Trust customers additional services from a quality firm. EPIC will play an important role in diversifying our revenue channels and strengthening our position as a full-service financial resource provider for our customers." NBT also announced today that it has entered into a definitive agreement to sell its broker-dealer subsidiary, M. Griffith, Inc. The sale is expected to be completed during the first quarter of 2005.

STOCK BUYBACK

NBT announced today that the NBT Board of Directors authorized a new repurchase program whereby NBT intends to repurchase up to an additional 1,500,000 shares (approximately 5%) of its outstanding common stock from time to time as market conditions warrant in open market and privately negotiated transactions. Currently, there are 719,800 shares remaining under a previous authorization that will be superseded by the new repurchase program. Under the program no shares will knowingly be repurchased from officers and directors of NBT or from persons who hold in excess of five percent of its outstanding shares of common stock. The Company repurchased a total of 423,989 shares in the year ended December 31, 2004, at an average price of \$21.58 per share. Total cash paid for these repurchases was \$9.1 million. Total shares outstanding at December 31, 2004 were 32.9 million shares, compared to 32.8 million shares at December 31, 2003.

CORPORATE OVERVIEW

NBT is a financial services holding company headquartered in Norwich, NY, with total assets of \$4.2 billion at December 31, 2004. The Company primarily operates through NBT Bank, N.A., a full-service community bank with two divisions and through a financial services company. NBT Bank, N.A. has 114 locations, including 73 NBT Bank offices in upstate New York and 41 Pennstar Bank offices in northeastern Pennsylvania. More information about NBT and its banking divisions can be found on the Internet at www.nbtbank.com,

www.nbtbank.com, and www.pennstarbank.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 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)

	2004		2003		NET CHANGE	PERCENT CHANGE
(dollars in thousands, except share and per share data)						
=====						
THREE MONTHS ENDED DECEMBER 31,						
Net Income	\$ 12,491	\$	11,882	\$	609	5%
Diluted Earnings Per Share	\$ 0.38	\$	0.36	\$	0.02	6%
Weighted Average Diluted Common Shares Outstanding	33,155,085		33,070,298		84,787	0%
Return on Average Assets	1.18%		1.17%		0.01%	1%
Return on Average Equity	15.08%		15.47%		-0.39%	-3%
Net Interest Margin	4.03%		4.07%		-0.04%	-1%
=====						

=====						
TWELVE MONTHS ENDED DECEMBER 31,						
Net Income	\$ 50,047	\$	47,104	\$	2,943	6%
Diluted Earnings Per Share	\$ 1.51	\$	1.43	\$	0.08	6%
Weighted Average Diluted Common Shares Outstanding	33,086,716		32,843,582		243,134	1%
Return on Average Assets	1.21%		1.22%		-0.01%	-1%
Return on Average Equity	15.69%		15.90%		-0.21%	-1%
Net Interest Margin	4.03%		4.16%		-0.13%	-3%
=====						

ASSET QUALITY	DECEMBER 31, 2004		December 31, 2003
Nonaccrual Loans	\$ 14,991	\$	13,861
90 Days Past Due and Still Accruing	\$ 1,186	\$	968
Total Nonperforming Loans	\$ 16,177	\$	14,829
Other Real Estate Owned (OREO)	\$ 428	\$	1,157
Total Nonperforming Loans and OREO	\$ 16,605	\$	15,986
Nonperforming Securities	\$ 0	\$	395
Total Nonperforming Assets	\$ 16,605	\$	16,381
Allowance for Loan and Lease Losses	\$ 44,932	\$	42,651
Year-to-Date (YTD) Net Charge-Offs	\$ 7,334	\$	6,627
Allowance to Loans and Leases	1.57%		1.62%
Total Nonperforming Loans to Loans and Leases	0.56%		0.56%
Total Nonperforming Assets to Assets	0.39%		0.40%
Allowance to Nonperforming Loans	277.75%		287.62%
Annualized Net Charge-Offs to YTD Average Loans and Leases	0.27%		0.27%
=====			

CAPITAL			
Equity to Assets	7.89%		7.66%
Book Value Per Share	\$ 10.11	\$	9.46
Tangible Book Value Per Share	\$ 8.66	\$	7.94
Tier 1 Leverage Ratio	7.13%		6.76%
Tier 1 Capital Ratio	9.78%		9.96%
Total Risk-Based Capital Ratio	11.04%		11.21%
=====			

QUARTERLY COMMON STOCK PRICE Quarter End	2004		2003		2002	
	High	Low	High	Low	High	Low
March 31	\$23.00	\$21.21	\$ 18.60	\$16.76	\$ 15.15	\$13.15
June 30	\$23.18	\$19.92	19.94	17.37	19.32	14.00
September 30	\$24.34	\$21.02	21.76	19.24	18.50	16.36
December 31	\$26.84	\$21.94	22.78	19.50	18.60	14.76

NBT BANCORP INC.
SELECTED FINANCIAL HIGHLIGHTS
(UNAUDITED)

	2004		2003	Net Change	Percent Change
(dollars in thousands, except share and per share data)					
BALANCE SHEET AS OF DECEMBER 31,					
Loans	\$ 2,869,921	\$	2,639,976	\$ 229,945	9%
Earning Assets	\$ 3,940,565	\$	3,741,131	\$ 199,434	5%
Total Assets	\$ 4,212,304	\$	4,046,885	\$ 165,419	4%
Deposits	\$ 3,073,838	\$	3,001,351	\$ 72,487	2%
Stockholders' Equity	\$ 332,233	\$	310,034	\$ 22,199	7%

AVERAGE BALANCES					
QUARTER ENDED DECEMBER 31,					
Loans	\$ 2,843,841	\$	2,597,259	\$ 246,582	9%
Securities AFS (excluding unrealized gains or losses)	\$ 956,183	\$	1,018,157	(\$61,974)	-6%
Securities HTM	\$ 81,152	\$	95,581	(\$14,429)	-15%
Regulatory Equity Investment	\$ 34,920	\$	35,383	(\$463)	-1%
Short-Term Interest Bearing Accounts	\$ 7,419	\$	2,321	\$ 5,098	220%
Total Earning Assets	\$ 3,923,514	\$	3,748,701	\$ 174,813	5%
Total Assets	\$ 4,206,900	\$	4,032,250	\$ 174,650	4%
Interest Bearing Deposits	\$ 2,593,393	\$	2,485,494	\$ 107,899	4%
Non-Interest Bearing Deposits	\$ 513,795	\$	480,141	\$ 33,654	7%
Short-Term Borrowings	\$ 299,372	\$	324,737	(\$25,365)	-8%
Long-Term Borrowings	\$ 413,255	\$	369,712	\$ 43,543	12%
Total Interest Bearing Liabilities	\$ 3,306,021	\$	3,179,943	\$ 126,078	4%
Stockholders' Equity	\$ 329,543	\$	304,915	\$ 24,628	8%

AVERAGE BALANCES					
YEAR ENDED DECEMBER 31,					
Loans	\$ 2,743,753	\$	2,474,899	\$ 268,854	11%
Securities AFS (excluding unrealized gains or losses)	\$ 970,024	\$	984,620	(\$14,596)	-1%
Securities HTM	\$ 85,771	\$	90,601	(\$4,830)	-5%
Regulatory Equity Investment	\$ 34,813	\$	28,117	\$ 6,696	24%
Short-Term Interest Bearing Accounts	\$ 7,538	\$	3,358	\$ 4,180	124%
Total Earning Assets	\$ 3,841,944	\$	3,581,595	\$ 260,349	7%
Total Assets	\$ 4,120,547	\$	3,852,523	\$ 268,024	7%
Interest Bearing Deposits	\$ 2,555,384	\$	2,483,026	\$ 72,358	3%
Non-Interest Bearing Deposits	\$ 492,746	\$	457,238	\$ 35,508	8%
Short-Term Borrowings	\$ 302,276	\$	190,332	\$ 111,944	59%
Long-Term Borrowings	\$ 400,053	\$	360,928	\$ 39,125	11%
Total Interest Bearing Liabilities	\$ 3,257,713	\$	3,034,286	\$ 223,427	7%
Stockholders' Equity	\$ 318,901	\$	296,276	\$ 22,625	8%

NBT BANCORP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

DECEMBER 31, December 31,
2004 2003

(in thousands)

(UNAUDITED)

ASSETS			
Cash and due from banks	\$	98,437	\$ 125,590
Short term interest bearing accounts		8,286	2,502
Securities available for sale, at fair value		952,542	980,961
Securities held to maturity (fair value of \$82,712 and \$98,576 at December 31, 2004 and December 31, 2003 respectively)		81,782	97,204
Federal Reserve and Federal Home Loan Bank stock		36,842	34,043
Loans and leases		2,869,921	2,639,976
Less allowance for loan and lease losses		44,932	42,651
Net loans and leases		2,824,989	2,597,325
Premises and equipment, net		63,743	62,443
Goodwill		45,570	47,521
Intangible assets, net		2,013	2,331
Bank owned life insurance		32,302	30,815
Other assets		65,798	66,150
TOTAL ASSETS	\$	4,212,304	\$ 4,046,885

LIABILITIES, GUARANTEED PREFERRED BENEFICIAL
INTERESTS IN COMPANY'S JUNIOR SUBORDINATE
DEBENTURES AND CAPITAL

Deposits:			
Demand (noninterest bearing)	\$	520,218	\$ 500,303
Savings, NOW, and money market		1,435,561	1,401,825
Time		1,118,059	1,099,223
Total deposits		3,073,838	3,001,351
Short-term borrowings		338,823	302,931
Long-term debt		394,523	369,700
Trust preferred debentures		18,720	-
Other liabilities		54,167	45,869
Total liabilities		3,880,071	3,719,851
Guaranteed preferred beneficial interests in Company's junior subordinated debentures		-	17,000
Total stockholders' equity		332,233	310,034

TOTAL LIABILITIES, GUARANTEED PREFERRED
BENEFICIAL INTERESTS IN COMPANY'S JUNIOR
SUBORDINATE DEBENTURES AND CAPITAL

\$ 4,212,304 \$ 4,046,885

NBT BANCORP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

Three months ended
December 31,
2004 2003

Twelve months ended
December 31,
2004 2003

(in thousands, except per share data)

(Unaudited)

INTEREST, FEE AND DIVIDEND INCOME:

Loans and leases	\$ 42,983	\$ 40,082	\$163,795	\$159,118
Securities available for sale	10,398	11,311	42,264	43,851
Securities held to maturity	761	805	3,044	3,391
Other	279	84	1,076	938

Total interest, fee and dividend income	54,421	52,282	210,179	207,298
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INTEREST EXPENSE:

Deposits	10,299	10,369	39,761	45,941
Short-term borrowings	1,307	808	4,086	2,171
Long-term debt	3,919	3,780	15,022	14,762
Trust preferred debentures	235	-	823	-

Total interest expense	15,760	14,957	59,692	62,874
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Net interest income	38,661	37,325	150,487	144,424
Provision for loan and lease losses	2,750	3,322	9,615	9,111

Net interest income after provision for loan and lease losses	35,911	34,003	140,872	135,313
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NONINTEREST INCOME:

Trust	1,174	1,075	4,605	4,041
Service charges on deposit accounts	4,184	4,302	16,470	15,833
Broker/dealer and insurance revenue	1,572	1,964	6,782	6,869
Net securities gains	160	92	216	175
Bank owned life insurance income	345	403	1,487	815
Other	2,905	2,288	11,329	10,045

Total noninterest income	10,340	10,124	40,889	37,778
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NONINTEREST EXPENSE:

Salaries and employee benefits	14,063	12,355	54,063	49,560
Office supplies and postage	1,118	1,028	4,459	4,216
Occupancy	2,416	2,477	9,905	9,328
Equipment	1,998	2,008	7,573	7,627
Professional fees and outside services	1,583	1,470	6,175	5,433
Data processing and communications	2,740	2,671	10,972	10,752
Capital securities	-	181	-	732
Amortization of intangible assets	71	145	284	620
Loan collection and other real estate owned	431	636	1,241	1,840
Goodwill impairment	1,950	-	1,950	-
Other operating	3,037	3,823	13,155	14,409

Total noninterest expense	29,407	26,794	109,777	104,517
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Income before income taxes	16,844	17,333	71,984	68,574
Income taxes	4,353	5,451	21,937	21,470

NET INCOME	\$ 12,491	\$ 11,882	\$ 50,047	\$ 47,104
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Earnings Per Share:

Basic	\$ 0.38	\$ 0.36	\$ 1.53	\$ 1.45
Diluted	\$ 0.38	\$ 0.36	\$ 1.51	\$ 1.43

NBT BANCORP INC. AND SUBSIDIARIES
 QUARTERLY CONSOLIDATED STATEMENTS OF INCOME

4Q 3Q 2Q 1Q 4Q
 2004 2004 2004 2004 2003

(in thousands, except per share data)

(Unaudited)

INTEREST, FEE AND DIVIDEND INCOME:

Loans	\$42,983	\$41,283	\$39,635	\$39,894	\$40,082
Securities available for sale	10,398	10,784	10,313	10,769	11,311
Securities held to maturity	761	731	755	797	805
Other	279	295	235	267	84

Total interest, fee and dividend income	54,421	53,093	50,938	51,727	52,282
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INTEREST EXPENSE:

Deposits	10,299	9,743	9,674	10,045	10,369
Short-term borrowings	1,307	1,192	794	793	808
Long-term debt	3,919	3,861	3,627	3,615	3,780
Trust preferred debentures	235	245	163	180	-

Total interest expense	15,760	15,041	14,258	14,633	14,957
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Net interest income	38,661	38,052	36,680	37,094	37,325
Provision for loan and lease losses	2,750	2,313	2,428	2,124	3,322

Net interest income after provision for loan and lease losses	35,911	35,739	34,252	34,970	34,003
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NONINTEREST INCOME:

Trust	1,174	1,182	1,142	1,107	1,075
Service charges on deposit accounts	4,184	4,159	4,090	4,037	4,302
Broker/dealer and insurance fees	1,572	1,696	1,783	1,731	1,964
Net securities gains	160	18	29	9	92
Bank owned life insurance income	345	348	409	385	403
Other	2,905	2,714	2,536	3,174	2,288

Total noninterest income	10,340	10,117	9,989	10,443	10,124
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NONINTEREST EXPENSE:

Salaries and employee benefits	14,063	13,345	12,542	14,113	12,355
Office supplies and postage	1,118	1,167	1,143	1,031	1,028
Occupancy	2,416	2,445	2,446	2,598	2,477
Equipment	1,998	1,941	1,781	1,853	2,008
Professional fees and outside services	1,583	1,536	1,424	1,632	1,470
Data processing and communications	2,740	2,688	2,852	2,692	2,671
Capital securities	-	-	-	-	181
Amortization of intangible assets	71	71	71	71	145
Loan collection and other real estate owned	431	339	99	372	636
Goodwill impairment	1,950	-	-	-	-
Other operating	3,037	3,773	3,505	2,840	3,823

Total noninterest expense	29,407	27,305	25,863	27,202	26,794
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Income before income taxes	16,844	18,551	18,378	18,211	17,333
Income taxes	4,353	5,934	5,810	5,840	5,451

NET INCOME	\$12,491	\$12,617	\$12,568	\$12,371	\$11,882
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Earnings per share:

Basic	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.36
Diluted	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.37	\$ 0.36

