



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## **Public Disclosure**

July 6, 2004

# **Community Reinvestment Act Performance Evaluation**

**NBT Bank, National Association  
Charter Number: 1354**

**52 South Broad Street  
Norwich, NY 13815**

**Office of the Comptroller of the Currency**

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**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## Table of Contents

<b>OVERALL CRA RATING</b> .....	<b>1</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS</b> .....	<b>2</b>
<b>DESCRIPTION OF INSTITUTION</b> .....	<b>6</b>
<b>SCOPE OF THE EVALUATION</b> .....	<b>6</b>
<b>FAIR LENDING REVIEW</b> .....	<b>7</b>
<b>STATE RATING</b> .....	<b>8</b>
STATE OF NEW YORK: .....	8
<b>STATE RATING</b> .....	<b>21</b>
STATE OF PENNSYLVANIA.....	21
<b>APPENDIX A: SCOPE OF EXAMINATION</b> .....	<b>A-1</b>
<b>APPENDIX B: SUMMARY OF STATE RATINGS</b> .....	<b>B-1</b>
<b>APPENDIX C: MARKET PROFILES FOR FULL-SCOPE AREAS</b> .....	<b>C-1</b>
<b>ALBANY REGION AA</b> .....	<b>C-3</b>
<b>STATE OF PENNSYLVANIA FULL SCOPE AREAS</b> .....	<b>C-5</b>
<b>LACKAWANNA/LUZERNE AA</b> .....	<b>C-5</b>
<b>APPENDIX D: TABLES OF PERFORMANCE DATA</b> .....	<b>D-1</b>

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Outstanding**.

The following table indicates the performance level of **NBT Bank, National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	NBT Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending levels that reflect an excellent responsiveness by NBT to the credit needs of its assessment areas (AAs).
- Overall excellent distribution of loans among borrowers of different income levels.
- Overall good distribution of loans among geographies of different income levels, along with an excellent ratio of loans originated inside the AAs.
- A high level of community development lending that had a positive impact on the bank's lending performance.
- Flexible lending products that had a positive impact on the bank's lending performance.
- An overall excellent level of investments that reflect a good responsiveness to the credit and community development needs of the AAs.
- Overall service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the AAs.
- Good performance in providing community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

NBT Bank, National Association, (NBT) is an interstate bank headquartered in Norwich, New York and operating in the States of New York and Pennsylvania. NBT is a wholly owned subsidiary of NBT Bancorp, Inc. (NBTB). NBTB had total assets of \$4 billion as of March 31, 2004. In addition to NBT bank, NBTB also owns NBT Financial Services Inc. a securities and insurance business. NBT Bank has several subsidiaries, NBT Capital Corp. (NCC), a Small Business Investment Company (SBIC), LA Lease Inc., an auto and equipment leasing company, NBT Services, a title insurance company, Pennstar Realty and CNB Realty, both Real Estate Investment Trusts (REITS). The operating subsidiaries had no impact on the bank's capacity to lend in its AAs.

NBT is a full service bank with 111 branches serving the central, northern, eastern, and southern regions of New York State. The bank now operates in Northeastern Pennsylvania as the result of two bank acquisitions in that area. The bank's branch network tripled in size since the last examination as a result of the acquisition of banks in New York and Pennsylvania. NBT AAs cover 22 counties in New York State and seven counties in Pennsylvania.

NBT offers a wide range of financial services. In addition to traditional deposit and loan products, NBT also offers trust services. As of March 31, 2004, NBT had \$4 billion in total assets that included \$2.6 billion in net loans, representing 65% of total assets. The bank's loan mix consisted of 65% real estate loans (61% 1-4 family residential real estate, 31% commercial, 5% construction and 3% agricultural), 15% loans to individuals, 17% commercial and industrial loans, 2% agricultural and 1% other loans. Since March 31, 2003, total assets increased 11% due to growth in all loan categories except the Other Loan category. As of March 31, 2004, NBT reported Tier 1 capital of \$265 million.

NBT operates in a competitive financial services market with mortgage companies, large regional banks, credit unions, savings banks and community banks. NBT is not subject to any known financial, legal or regulatory restrictions that would impede its ability to help meet the credit needs of its assessment areas.

NBT's last CRA exam was September 17, 2001, at which time the bank's performance was rated "Satisfactory."

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period covered January 1, 2001, through December 31, 2002, for Home Mortgage Disclosure Act (HMDA) loans, small business loans, and small farm loans. HMDA loans include home purchase, home improvement and refinance loans. The evaluation period for Community Development (CD) loans, investments, and services is September 17, 2001, through July 6, 2004. This represents the time period between



the start of the bank's last and current CRA exams. The market share and peer comparisons are based on the information contained in the aggregate HMDA and Small Business/Farm Registers for 2002. The aggregate HMDA and Small Business/Farm Reports are available for public review. We did not consider the bank's multifamily dwelling loans for either state due to the limited activity for this product.

The peer comparisons in this report include only lenders who were required to file HMDA and Small Business/Farm Reports for 2002. Any lender with significant mortgage loan activity operating in NBT's 11 AAs would be required to file a HMDA report for 2002. Small business reporting is required only of bank and thrift institutions with assets of \$250 million or more as of December 31 of the prior two calendar years preceding the reporting year, or an affiliate of a holding company with \$1 billion or more in assets for the same time period.

### **Data Integrity**

We performed a data integrity exam of the loan information indicated above by reviewing the bank's recent internal audit of the data. The audit was of sufficient scope and quality for us to place reliance on its results. We took our own sample of the bank's loan sample to validate the quality of the audit work. The audit discovered a small number of loans with incorrect income information. Management provided us corrected data for this examination.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, a sample of an AA or AAs within that state was selected for full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were selected and why they are representative.

### **Ratings**

The bank's overall rating is a blend of the state ratings. In arriving at the overall rating, the greatest weight was given to the State of New York. The six AAs in this State represent the greatest volume of both loan and deposit activity. Also this is the bank's first examination that includes activities in the State of Pennsylvania. NBT acquired two banks in Pennsylvania in 2000 and did not merge them into the NBT bank charter until 2001.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

### **Fair Lending Review**

We found no evidence of illegal discrimination or other illegal credit practices.

## State Rating

### State of New York:

**CRA rating for New York: Outstanding**

**The Lending Test is rated: Outstanding**

**The Investment Test is rated: Outstanding**

**The Service Test is rated: Low Satisfactory**

The major factors that support this rating include:

- Lending levels that reflect an excellent responsiveness by NBT to the credit needs of its assessment areas (AAs).
- Excellent distribution of loans among borrowers of different income levels throughout the AAs.
- Good distribution of loans among geographies of different income levels throughout the AAs, along with an excellent ratio of loans originated inside the AAs.
- A high level of community development lending that had a positive impact on the bank's lending performance.
- Flexible lending products that had a positive impact on the bank's lending performance.
- Investments that reflect an excellent responsiveness to the credit and community development needs of the AAs.
- Service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the AAs.
- Good performance in providing community development services.

### Description of Institution's Operations in New York

NBT has six AAs within the State of New York. They include the Southern Tier Region AA, the Albany Region AA, the Broome/Tioga Region AA, the Fulton Region AA, the Mohawk Valley Region AA, and the North Region AA. NBT has 71 branches within the State, representing 64% of the bank's total branch network. Seventy-four percent of NBT's total deposits are from New York State. The bank ranked 29<sup>th</sup> in the State for deposit market share with .38% of deposits. During the evaluation period, NBT originated 77% of its total HMDA and small business/small farm loan volume within New York.

Refer to the Market Profiles for the State of New York in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in New York**

We conducted full-scope reviews of the Southern Tier Region AA and the Albany Region AA. These two areas combined represent 54% of the total lending activity, 58% of the total number of branches, and 66% of the total deposits in the State. The Southern Tier Region AA was weighted more heavily as 39% of the statewide lending activity, 47% of the statewide deposits and 35% of the statewide branches are located there. Home mortgage lending and small business lending were given equal weighting as they represented 42% and 39% of the total loans evaluated. We gave less weight to small farm loans, which represented 19% of lending activity.

Of the home mortgage lending products, we gave the greatest weight to refinances, which represented 49% of home mortgage loans, followed by home purchase loans (34%) and home improvement loans (17%).

We conducted two community contacts during this evaluation. Of the two contacts, one was made in the Albany Region AA and one was made in the Southern Tier Region AA. The organizations contacted were involved with affordable housing for low and moderate-income individuals. Both contacts confirmed the need for affordable housing and small business financing in the respective AAs. Both contacts stressed the need for financial literacy programs in conjunction with affordable loan programs. In the Southern Tier AA, the contact stated the need for affordable housing stock was significant. More affordable housing stock would reduce the number of lower income-residents who can only afford a modular or mobile home. In the Southern Tier Region AA, many of the elderly are having difficulty paying their property taxes or medical bills. Failing to pay property taxes can lead to the loss of a home. Many elderly residents with strained finances have resorted to reverse mortgages to help pay their bills. At this time residents can only obtain reverse mortgage loans from an out of the area lender. Reverse mortgages are a product local lenders could offer to assist lower income residents in the AA. The need for affordable housing and small business financing, investments and services in the AA's were considered in our evaluation of NBT's performance in the State of New York under the Lending, Investment and Service Tests. Refer to the Market Profile section in Appendix C for more information.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test in New York is rated "Outstanding." Based on full-scope reviews, the bank's performance in both the Southern Tier Region and Albany Region AAs is excellent.

## Lending Activity

Refer to Table 1 in the State of New York section of Appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall leading lending product was home mortgage loans, representing 42% of the loans originated during the evaluation period in the two Full Scope AAs. This was followed closely by small business loans representing 39% of total loans evaluated and small farm loans at 19%. Small business loans represented the largest share of total loans in the Southern Tier AA (41%), followed by home mortgage loans (39%) and small farm loans (20%). Home mortgage loans represented the largest share of total loans in the Albany Region AA (49%), followed by small business loans (35%) and small farm loans (16%).

Among originated home mortgage loans, 49% of Southern Tier Region loans and 48% of Albany Region loans were for home mortgage refinances, 35% of Southern Tier Region and 33% of Albany Region were home purchase loans, 16% of Southern Tier Region and 19% of Albany Region loans were for home improvement.

NBT's overall lending activity in the two full-scope AAs is excellent. NBT's lending activity is excellent in the Southern Tier Region AA. NBT ranks first for deposits with a 20.47% market share. Based on 2002 CRA aggregate data, NBT is the number two originator/purchaser of small loans to businesses (18.71% market share) and the number one originator/purchaser of small loans to farms (89.77% market share). In small business lending, NBT is only outranked by the Nation's largest bank. Based on 2002 aggregate HMDA data, NBT is the number one originator/purchaser of refinance loans (14.97% market share) and home improvement loans (19.93% market share). NBT was the number two originator/purchaser of home purchase loans (12.04% market share), exceeded only by a very large national mortgage company.

NBT's lending activity in the Albany Region AA is excellent. In the Albany Region, NBT ranks eighth for deposits with a 2.74% market share. Five of the seven banks ranking higher than NBT had more than twice the number of offices in the AA than NBT. The other two institutions have had a market presence in the AA for a much longer time than NBT. Based on 2002 aggregate HMDA data, NBT ranked thirty-one for originator/purchaser of home purchase (.67% market share), twenty-one for refinance loans (.81% market share), and sixth for home improvement loans (4.25% market share). Based on 2002 CRA aggregate data, NBT is the ninth largest originator/purchaser of small loans to businesses (4.30% market share) and the largest originator/purchaser of small loans to farms (88.89% market share). NBT's lower market rankings in home purchase, refinance and small business loans is not indicative of less effort by the bank in competing for these loans than for its deposits. There are many more competitors present in the AA for each of these loan products than there are for deposit products. Also NBT actually places at a higher percentile ranking for each of these loan products than it does for deposits. NBT's ranking for deposits is the 33<sup>rd</sup> percentile (8/24) while its ranking for home purchase loans is in the 14<sup>th</sup> percentile (31/228). It ranked in the 9<sup>th</sup> percentile for refinance loans (21/240). Its 4.25% market

share of small business loans exceeds its 2.74% deposit market share in addition to ranking at the 12<sup>th</sup> percentile (9/73) among originator/purchasers of small business loans.

## **Distribution of Loans by Income Level of the Geography**

The geographic distribution of NBT's small loans to businesses, home mortgage loans and small loans to farms reflects good penetration throughout the full scope AA geographies. Performance is good in the Southern Tier Region AA and excellent in the Albany Region AA. There are no low-income geographies in the Southern Tier Region AA. The small percentage of owner occupied housing in low-income geographies (less than 1%) in the Albany Region is not significant enough to affect the rating for the geographic distribution of home mortgage loans and therefore is not discussed further in this section.

## **Home Mortgage Loans**

Refer to Tables 2, 3, and 4 in State of New York section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is good. The geographic distribution is good in the Southern Tier AA and excellent in the Albany Region AA.

The overall geographic distribution of home purchase loans is excellent. The geographic distribution is excellent in both the Southern Tier Region and Albany Region AAs. In the Southern Tier Region AA, the portion of home purchase loans made in moderate-income geographies equals the portion of owner-occupied housing units that are in those geographies. The Southern Tier Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share. In the Albany Region AA, the portion of home purchase loans made in moderate-income geographies significantly exceeds the portion of owner-occupied housing units located in those geographies. NBT's market share of home purchase loans originated in moderate-income geographies in the Albany Region AA exceeds the bank's overall market share of home purchase loans.

The overall geographic distribution of home improvement loans is excellent. The geographic distribution is excellent in both the Southern Tier Region and Albany AAs. In both AAs, the portion of home improvement loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are in those geographies. The Southern Tier's market share of loans originated in moderate-income geographies is less than the bank's overall market share of home improvement loans. The Albany Region AA market share of loans originated in moderate-income geographies exceeds the bank's overall market share of home improvement loans.

The overall geographic distribution of refinance loans is good. The geographic distribution is adequate in the Southern Tier Region AA and excellent in the Albany

Region AA. The portion of refinance loans made in moderate-income geographies is in the Southern Tier AA is somewhat lower than the portion of owner-occupied housing units that are in those geographies. The Southern Tier Region's market share of loans originated in moderate-income geographies is less than the bank's overall market share. The portion of refinance loans made in moderate-income geographies in the Albany Region AA significantly exceeds the portion of owner-occupied housing in those areas. The Albany Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share.

## **Small Loans to Businesses**

Refer to Table 6 in The State of New York section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good. The geographic distribution is excellent in the Southern Tier Region AA and good in the Albany Region AA. In the Southern Tier Region, the portion of small loans to businesses made in moderate-income geographies exceeds the portion of businesses that are in those geographies. The Southern Tier Region's market share of loans originated in moderate-income geographies also exceeds the bank's overall market share. In the Albany Region, the portion of small loans to businesses made in moderate-income geographies significantly exceeds the portion of businesses that are in those geographies, while in low-income geographies the portion of small loans to businesses is significantly less than the portion of businesses that are in those geographies. The Albany Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share, while its market share of loans originated in low-income geographies is less than its overall market share of small business loans.

## **Small Loans to Farms**

Refer to Table 7 in the State of New York section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The overall geographic distribution of small loans to farms is good. The geographic distribution is good in the Southern Tier Region AA and excellent in the Albany Region AA. In the Southern Tier Region, the portion of small loans to farms made in moderate-income geographies is somewhat lower the portion of farms that are in those geographies. However, based on the somewhat limited opportunities for farm loans in these geographies (only 67 farms), the bank's performance is considered good. The Southern Tier Region's market share of loans originated in moderate-income geographies substantially meets the bank's overall market share. In the Albany Region, the portion of small loans to farms made in moderate-income geographies significantly exceeds the portion of farms that are in those geographies. The portion of small loans to farms made in low-income geographies is less than the portion of farms that are in

those geographies. The lack of farm loans in low-income geographies is insignificant with less than 1% of the AA farms located in those geographies. There are only seven farms located in a low-income geography. The Albany Region's market share of farm loans originated in moderate-income geographies exceeds the bank's overall market share of farm loans.

## **Lending Gap Analysis**

Reports detailing NBT's lending activity over the evaluation period for home mortgage loans, small loans to businesses and farms were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

## **Inside/Outside Ratio**

This portion of the evaluation was performed at the bank level. A substantial majority (93%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 95% of the bank's home mortgage loans, 92% of the small loans to businesses, 82% of the small loans to farms and 100% of the CD loans were within the bank's AAs. The home mortgage products were each close to the 95% overall in/out ratio with home purchase at 93%, home improvement at 98%, and refinances at 95%. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

## **Distribution of Loans by Income Level of the Borrower**

The borrower distribution of NBT's home mortgage, small loans to businesses and small loans to farms reflects an excellent dispersion among borrowers of different income levels. The dispersion among borrowers in both full scope AAs is excellent. In the evaluation of borrower distribution, we gave consideration to the high poverty level in each of the AAs. The poverty level in the Southern Tier Region AA is 12.21%. The poverty level in the Albany Region AA was 8.67%. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level would be involved in home mortgage financing. Accordingly, we considered this in evaluating the bank's lending distribution to low-income borrowers.

## **Home Mortgage Loans**

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is excellent in both full scope AAs.

Home purchase loan borrower distribution is excellent. In the Southern Tier Region AA, performance is excellent. The portion of home purchase loans to moderate-income borrowers is near to the portion of families defined as such. The portion of home purchase loans to low-income borrowers is lower than the portion of low-income families, but is excellent when considering that 12.21% of AA households are living

below the poverty level. The market share for loans made to both low and moderate-income borrowers exceeds NBT's overall market share in the AA for home purchase loans. Performance in the Albany Region AA is excellent. The portion of home purchase loans to moderate-income borrowers exceeds the portion of families defined as such. The portion of home purchase loans to low-income borrowers is less than the portion of low-income families, but is good when considering that 8.67% of AA households are living below the poverty level. The market share for loans made to both low and moderate-income borrowers exceeds NBT's overall market share in the AA for home purchase loans.

Home improvement loan borrower distribution is excellent in each AA. The portion of home improvement loans to low and moderate-income borrowers exceeds the portion of families defined as such in each AA. The market share for loans made to low and moderate-income borrowers exceeds NBT's overall home improvement loan market share in both AAs.

Refinance loan borrower distribution is excellent. In the Southern Tier Region AA, performance is excellent. The portion of refinance loans to moderate-income borrowers is near to the portion of families defined as such. The portion of refinance loans to low-income borrowers is less than the portion of low-income families, but is excellent when considering that 12.21% of AA households are living below the poverty level. The market share for loans made to both low and moderate-income borrowers significantly exceeds NBT's overall market share in the AA for refinance loans. Performance in the Albany Region is excellent. The portion of refinance loans to moderate-income borrowers exceeds the portion of families defined as such. The portion of refinance loans to low-income borrowers is lower than the portion of low-income families, but is good when considering 8.67% of AA households are living below the poverty level. The market share for loans made to both low-and moderate-income borrowers exceeds NBT's overall market share in the AA for refinance loans.

## **Small Loans to Businesses**

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent in both full scope AAs. The portion of NBT loans to small businesses (businesses with revenues of \$1 million or less) significantly exceeds the portion of businesses that are defined as such in both AAs. The portion of loans of \$100,000 or less also significantly exceeds the portion of small size businesses in both AAs. The market share of small loans to small businesses exceeds NBT's overall market share in both AAs.

## **Small Loans to Farms**

Refer to Table 12 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.



The borrower distribution of small loans to farms is excellent in both full scope AAs. The portion of NBT loans to small farms (farms with revenues of \$500,000 or less) exceeds the portion of farms that are defined as such in both AAs. The market share of small loans to small farms exceeds NBT's overall market share for small loans to all farms in both AAs.

## **Community Development Lending**

Refer to Table 1 Lending Volume in the State of New York section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

NBT's level of Community Development (CD) lending had a positive impact on the evaluation of its lending performance in the State of New York. NBT originated 12 CD loans for \$17.9 million in its Albany Region AA. Eight of these loans totaling \$13.4 million were made to small sized businesses that are creating or retaining jobs for low and/or moderate-income individuals. Two of the loans, totaling \$3.1 million support projects that are helping revitalize and stabilize low or moderate-income geographies. The remaining two loans, totaling \$1.4 million, are providing affordable housing for low or moderate-income individuals. NBT originated two CD loans for \$1.9 million in its Southern Tier Region AA. One loan for \$1.2 million was to a small size business that will create and retain jobs for low and moderate-income individuals. The other loan involved financing affordable housing for low and moderate-income individuals.

## **Product Innovation and Flexibility**

NBT's innovative and flexible lending activity had a positive impact on the evaluation of its lending performance in the State of New York.

The bank offers an affordable housing mortgage product for people of low or moderate-income in conjunction with a number of non-profit agencies involved in affordable housing. The loan must be used in conjunction with a grant from an approved non-profit agency, and the borrower must complete a financial counseling program through an approved counseling service. These loans feature an interest rate 1/4 percent less than prevailing conventional mortgage rates, lower down payments (up to 98% loan to value) without requiring private mortgage insurance, no application fee, and the deferral of all closing costs until the time of closing. There were five loans for \$207,000 made in the Southern Tier Region AA and two loans for \$114,000 made in the Albany Region AA during the evaluation period.

NBT participates in three programs with the State of New York Mortgage Agency (SONYMA) that are designed to assist low and moderate-income people with home purchases. The Achieving the Dream Program is for low-income households only. It features a very low fixed interest rate, a 30 year loan term and up to 97% financing. The Low Interest Rate Program also allows for up to 97% financing. This program, which is available to both low and moderate-income first time homebuyers, features a

fixed interest rate that is less than current conventional rates and loan terms from 20-30 years. NBT originated 26 loans for \$1.2 million in the Southern Tier AA and six loans for \$392,000 under these programs. In addition, four of the borrowers from the Southern Tier AA and three from the Albany Region AA received closing cost assistance through the SONYMA Closing Cost Assistance Program. The Closing Cost Assistance Program covers up to \$5,000 in closing costs with 0% interest loans. The loan is forgiven if the borrower does not pay the loan off in the first 10 years.

During the examination period, NBT became a participant in the Federal Home Loan Bank (FHLB) First Home Club. The First Home Club is a first-time homebuyers program that provides subsidy funds to assist low-income households to purchase a home. The program provides down payment and closing cost assistance by granting three dollars in matching funds for every dollar saved to qualifying first time homebuyers. The homebuyers must follow a systematic savings plan and participate in an approved homeownership-counseling program. Up to \$5,000 in matching funds will be awarded to qualifying households based on the total savings deposited in a dedicated savings account with an approved FHLB member. NBT sponsored applications for two non-profit organizations during the examination period. NBT made one loan for \$40,000 during the evaluation period.

NBT was involved in a Wheels to Work program called "Keys to Success" in its Southern Tier Region AA. The program, sponsored by Opportunities for Chenango (OFC) was designed to aid low and moderate-income individuals whose barrier to employment is reliable transportation. The goal was to help individuals maintain or gain employment by providing them with vehicles and other supportive services, including budgeting and car maintenance courses. NBT provided reduced interest rates (5% below conventional rates) on these unsecured installment loans, which covered the cost of repairs and the first six-month insurance premium. The vehicles were donated and fixed up free of labor charges through an auto repair program at a local college. Borrowers had a choice of payment options, i.e., weekly, biweekly or monthly. If a borrower becomes delinquent on their payments, the bank contacts OFC, who will work with the delinquent borrower to help resolve the matter. The program was especially beneficial in this area as there is no public transportation available. The bank originated 15 loans for \$16,000 under this program in 2002 in its Southern Tier AA. The program ended after 2002 due to lack of funding.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the limited scope AAs of New York State is weaker than its Outstanding rating in the full scope AAs. Overall lending in each of the limited scope AAs is good. The lending performance in the limited scope AAs was weaker in both the geographic and borrower distribution categories. However each of the limited scope AAs met or exceeded the full scope AAs in CD lending. The Fulton and Mohawk Valley AAs both had excellent CD lending activity that far exceeded the full scope AAs. The CD lending in the North Region and Broome Tioga AAs was commensurate with the CD lending activity in the full scope AAs. Please refer to Tables 1 through 12 in the State of New York section of

Appendix D for the facts and data that support these conclusions. The weaker performance in the limited scope AAs did not impact the overall rating for the Lending Test.

## **INVESTMENT TEST**

The bank's performance under the Investment Test in New York is "Outstanding." Based on the full scope reviews, the bank's performances in the Southern Tier Region AA and Albany Region AA are both excellent.

Please refer to Table 14 in the State of New York section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

In the Southern Tier Region AA the level of investment was excellent. Both the current and prior period investments made a positive impact on the AA. Of the 52 investments totaling \$12.8 million, two are prior period investments. Seven current period investments valued at \$9.7 million contributed to the revitalization and stabilization of moderate-income geographies. The bank also made grants totaling \$47,000 to organizations who provide community services targeted to low and moderate-income individuals. One prior period investment for \$2.5 million provides financing for NBT Capital Corporation, a Small Business Investment Corporation (SBIC) that continues to support the AA with small business financing not available from banks. The AA has a good number of investment opportunities based on discussions with bank management, community contacts and an OCC Community Affairs specialist.

The level of investment in the Albany Region AA was excellent. The current period investments made a positive impact on the community by addressing important community credit needs. The bank made eight current investments, totaling over \$7 million that contributed to the revitalization and stabilization of moderate-income geographies. The bank also made five grants totaling \$8,000 to organizations who provide community services targeted to low and moderate-income individuals. The AA has a good number of investment opportunities based on discussions with bank management, community contacts and an OCC Community Affairs specialist.

## **Conclusions for Area Receiving Limited-Scope Reviews**

NBT's performance in its North Region and Fulton AAs is not inconsistent with its Outstanding rating in New York State. The bank's performance in the Mohawk Valley and Broome Tioga AAs is weaker than its performance in the full scope AAs. NBT had negligible investment activity in both of these AAs, which account for 13% of the bank's deposits in New York State. The weaker performance in these two AAs did not affect the overall rating under the Investment Test. Please refer to Table 14 in the State of New York section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in New York State is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in both the Southern Tier AA and Albany Region AA is adequate.

### **Retail Banking Services**

Refer to Table 15 in the State of New York section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

NBT's delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the full-scope AAs. Accessibility is adequate in both the Southern Tier AA and Albany Region AA.

In the Southern Tier AA, the distribution of NBT's offices throughout moderate-income geographies is somewhat less than the distribution of the population living in such geographies.

In the Albany Region AA, NBT's office distribution in moderate-income geographies is somewhat less than the distribution of the population living in these geographies. NBT does not have an office in a low-income geography in this AA where 7.19% of the population resides.

The branch network throughout the full-scope AAs expanded by 22 branches since the last evaluation. The expansion was mainly the result of acquisitions made by NBT. A branch was closed in a moderate-income geography in the Southern Tier AA. The branch, acquired through a bank acquisition was consolidated into the nearby (.1 miles) NBT Main Office Branch. The consolidation represented no inconvenience to customers in term of branch accessibility. In addition the branch was sold to a community bank in February 2002. The other branch closed in the Southern Tier AA was in a middle-income geography. In the Albany AA, two branches were closed in middle-income geographies, one branch opened in a middle-income geography, and one branch opened in an upper-income geography.

NBT's hours and services offered throughout the full-scope AAs are good. Hours and services are good in both the Southern Tier AA and Albany Region AA. Services offered are comparable among locations regardless of the income level of the geography. Substantially all branch offices offer extended hours on various days of the week including Saturday hours, which are offered in the majority of the branches. Management sets branch hours based on customer needs and traffic patterns in each area.

NBT offers services that provide easy access to funds for low-income people who receive government assistance. All NBT branches in the two full scope AAs will cash government checks for non-customers for a fee. Recipients (customer or non-customer) of New York State Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any NBT ATM free of charge.

NBT offers alternative delivery systems in the form of ATMs. A substantial majority of the bank's ATMs are located in the full-scope AAs. The geographic distribution of the bank's ATMs in the various categories of income geographies is similar to its branch distribution. Customers and non-customers alike can access their accounts through NBT ATMs, which are connected to the NYCE and PLUS ATM systems. Customers may also use their NBT ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE or PLUS logos.

NBT also offers alternative delivery systems of bank-by-phone and bank-by-mail. These services allow customers to obtain deposit and loan account information, make payments on NBT loans, transfer funds, and pay other household bills. We did not place significant weight on these alternative delivery systems because no data was available to determine the impact of these retail banking services on low and moderate-income geographies and individuals.

## **Community Development Services**

NBT's performance in providing community development services is good in both of its full scope AAs.

Management and bank employees support various organizations in the communities served by the bank by offering financial expertise to such groups. Numerous personnel are members of the boards of directors or finance committees of organizations that provide community development services.

In the Southern Tier Region AA, NBT employees provide a good level of support to various community development service organizations. Thirty of the 44 organizations that members of the NBT staff and Senior Management participate in concentrate their services primarily on providing affordable housing opportunities for low and moderate-income individuals. NBT employees also assist 14 organizations that support economic development by financing small businesses that are involved in job creation and retention for people of low and moderate-income.

In the Albany Region AA, NBT employees have continued to provide good support to various community development service organizations. Members of the NBT staff and Senior Management participate in 11 organizations that concentrate primarily on providing affordable housing opportunities and the provision of services aimed at assisting low and moderate-income individuals. They assist four other organizations that support economic development by financing small businesses that are involved in job creation and retention for people of low and moderate-income.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited scope reviews, NBT's performance under the Service Test is not inconsistent with its Low Satisfactory rating under the Service Test in New York State. Performance in the Mohawk and Broome Tioga AAs is not inconsistent with the performance in the full scope AAs. Performance in the Fulton and North Region AAs is weaker than performance in the full scope AAs. The weaker performance is due the absence of branches in low and moderate-income geographies. The weaker performance in these two AAs did not change the bank's rating for the Service Test.

## State Rating

### State of Pennsylvania

**CRA Rating for Pennsylvania: Satisfactory**

**The Lending Test is rated: High Satisfactory**

**The Investment Test is rated: Low Satisfactory**

**The Service Test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels that reflect an excellent responsiveness by NBT to the credit needs of its assessment areas (AAs).
- Good distribution of loans among borrowers of different income levels throughout the AAs.
- Adequate distribution of loans among geographies of different income levels throughout the AAs, along with an excellent ratio of loans originated inside the AAs.
- A high level of community development lending that had a positive impact on the bank's lending performance.
- Flexible lending products that had a positive impact on the bank's lending performance.
- Investment activity that reflects adequate responsiveness to the credit and community development needs of the AAs.
- Service delivery systems that are accessible to geographies and individuals of different income levels in the AAs.
- Good performance in providing community development services.

### Description of Institution's Operations in Pennsylvania

NBT has five AAs within the State of Pennsylvania. They include the Lackawanna/Luzerne AA, the Monroe Region AA, the Pike/Port Jervis AA, the Susquehanna Region AA, and the Wayne County AA. NBT has 40 branches within the State, representing 36% of the bank's total branch network. The State of Pennsylvania represents 26% of NBT's total deposits. The bank ranked 33rd in the State for deposit market share with .37% of deposits. During the evaluation period, NBT originated 23% of its total HMDA and small business loans within Pennsylvania.

Refer to the Market Profiles for the State of Pennsylvania in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.



## **Scope of Evaluation in Pennsylvania**

We conducted a full-scope review of the Lackawanna/Luzerne AA. This area represented 58% of the total lending activity, 58% of the total number of branches, and 51% of the total deposits in the State. Home mortgage lending, which represented 67% of lending activity, was weighted more heavily than small business lending. We did not consider small farm loans in this State due to the very limited activity in this product.

Of the home mortgage lending products, we gave the greatest weight to refinances, which represented 52% of home mortgage loans, followed by home purchase loans (26%) and home improvement loans (21%).

We conducted a community contact in the Lackawanna/Luzerne Region AA during this evaluation. The organization contacted was a community group concerned with affordable housing for low and moderate-income individuals. The contact confirmed the need for affordable housing and small business financing in the AA. The contact stressed the need having concurrent homebuyer education programs with affordable housing loans. The contact mentioned the need for more financial investments into organizations that rehabilitate homes of low-income families at low or no cost to the family. The need for affordable housing and small business financing, investments and services in the AA was considered in our evaluation of NBT's performance in the State of Pennsylvania under the Lending, Investment and Service Tests. Refer to the Market Profile section in Appendix C for more information.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test in Pennsylvania is rated "High Satisfactory."

### **Lending Activity**

Refer to Table 1 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's leading product was home mortgage loans, representing 67% of the loans originated during the evaluation period in the Full Scope AA. This was followed by small business loans representing 33% of total loans evaluated.

Among originated home mortgage loans, 53% were home mortgage refinances, 26% were home purchase loans, and 21% were home improvement loans.

NBT's overall lending activity in its full-scope AAs is excellent. NBT's lending activity is excellent in the Lackawanna/Luzerne AA. NBT ranked eighth for deposits with a 4.20% market share. Based on 2002 CRA aggregate data, NBT is ranked number nine in activity as an originator/purchaser of small loans to businesses with a 3% market share.

Based on 2002 aggregate HMDA data, NBT ranked ninth as originator/purchaser of refinance loans (2% market share), 17<sup>th</sup> for home purchase loans with a 2% market share and 12<sup>th</sup> for home improvement loans with a 12% market share.

NBT's lower market rankings for its loan products is not indicative of less effort by the bank in competing for these loans than for its deposits. There are many more competitors present in the AA for each of these loan products than there are for deposit products. Also NBT actually places at a higher percentile ranking for each of these loan products than it does for deposits. NBT's ranking for deposits is the 30<sup>th</sup> percentile (8/27) while its ranking for home purchase loans is in the 9<sup>th</sup> percentile (17/200). It ranked in the 3<sup>rd</sup> percentile for refinance loans (9/249), 18<sup>th</sup> percentile for home improvement loans (12/65), and 13<sup>th</sup> percentile for small business loans (9/69).

### **Distribution of Loans by Income Level of the Geography**

The geographic distribution of NBT's small loans to businesses and home mortgage loans reflects adequate penetration throughout the full scope AA geographies. The small percentage of owner occupied housing in low-income geographies (.02%) in the Lackawanna/Luzerne Region is not significant enough to affect the rating for the geographic distribution of home mortgage loans and therefore is not discussed further in this section.

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The overall geographic distribution of home mortgage loans is adequate.

The geographic distribution of home purchase loans in the Lackawanna /Luzerne AA is good. The portion of home purchase loans made in moderate-income geographies is near to the portion of owner-occupied housing units that are in those geographies. The market share of loans originated in moderate-income geographies substantially meets the bank's overall market share.

The overall geographic distribution of home improvement loans in the Lackawanna/Luzerne AA is excellent. The portion of home improvement loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are in those geographies. The market share of loans originated in moderate-income geographies is exceeds the bank's overall market share of home improvement loans.

The overall geographic distribution of refinance loans in the Lackawanna/Luzerne AA is adequate. The portion of refinance loans made in moderate-income geographies is somewhat less than the portion of owner-occupied housing units that are in those

geographies. The market share of loans originated in moderate-income geographies exceeds the bank's overall market share.

### ***Small Loans to Businesses***

Refer to Table 6 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small business loans in the Lackawanna/Luzerne AA is adequate. The portion of small business loans made in low and moderate-income geographies is somewhat less than the portion of businesses that are in those geographies. The market share of loans originated in moderate-income geographies is also somewhat less than the bank's overall market share.

### **Lending Gap Analysis**

Reports detailing NBT's lending activity over the evaluation period for home mortgage loans, small loans to businesses and farms were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

### **Inside/Outside Ratio**

This portion of the evaluation was performed at the bank level. A substantial majority (93%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 95% of the bank's home mortgage loans, 92% of the small loans to businesses, 82% of the small loans to farms and 100% of the CD loans were within the bank's AAs. The home mortgage products were each close to the 95% overall in/out ratio with home purchase at 93%, home improvement at 98%, and refinances at 95%. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The borrower distribution of NBT's home mortgage and small loans to businesses a good dispersion among borrowers of different income levels. In the evaluation of borrower distribution, we gave consideration to the high poverty level in the AA. The poverty level in the Lackawanna/Luzerne AA is 12.65%. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level would be involved in home mortgage financing. Accordingly, we considered this in evaluating the bank's lending distribution to low-income borrowers.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans in the Lackawanna/Luzerne AA is good.

Home purchase loan borrower distribution is good in the Lackawanna/Luzerne AA. The portion of home purchase loans to moderate-income borrowers is somewhat less than the portion of families defined as such. The portion of home purchase loans to low-income borrowers is lower than the portion of low-income families, but is excellent when considering that 12.65% of households in the AA are living below the poverty level. The market share for loans made to low-income borrowers exceeds NBT's overall market share in the AA for home purchase loans. The market share for loans made to moderate-income borrowers is somewhat less than NBT's overall market share in the AA for home purchase loans.

Home improvement loan borrower distribution is excellent in the Lackawanna/Luzerne AA. The portion of home improvement loans to moderate-income borrowers exceeds the portion of families defined as such in each AA. The portion of home improvement loans to low-income borrowers is lower than the portion of low-income families, but is excellent when considering that 12.65% of households in the AA are living below the poverty level. The market share for loans made to low and moderate-income borrowers exceeds NBT's overall home improvement loan market share in the AA.

Refinance loan borrower distribution is good in the Lackawanna/Luzerne AA. The portion of refinance loans to moderate-income borrowers is near to the portion of families defined as such in the AA. The portion of refinance improvement loans to low-income borrowers is lower than the portion of low-income families, but is excellent when considering that 12.65% of the households in the AA are living below the poverty level. The market share for loans made to low-income borrowers exceeds NBT's overall refinance loan market share in the AA. The market share for loans made to moderate-income borrowers substantially meets NBT's overall refinance loan market share in the AA.

### ***Small Loans to Businesses***

Refer to Table 11 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent in the Lackawanna/Luzerne AA. The portion of NBT loans to small businesses (businesses with revenues of \$1 million or less) exceeds the portion of businesses that are defined as such. The portion of loans of \$100,000 or less also exceeds the portion of small size businesses. The market share of small loans to small businesses exceeds NBT's overall market share.

## **Community Development Lending**

Refer to Table 1 Lending Volume in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

NBT's level of Community Development (CD) lending had a positive impact on the evaluation of its lending performance in the State of Pennsylvania. NBT originated 5 CD loans for \$5.9 million in its full scope AA. Three of the loans, totaling \$5.7 million supported economic development by providing financing to small sized businesses who are creating and improving jobs for people of low and moderate-income. The other two loans, totaling \$200 thousand, were directed toward affordable housing for people of low or moderate-income.

## **Product Innovation and Flexibility**

NBT's innovative and flexible lending activity had a positive impact on the evaluation of its lending performance in the State of Pennsylvania.

The bank offers an affordable housing mortgage product for people of low or moderate-income in conjunction with a number of non-profit agencies involved in affordable housing. The loan must be used in conjunction with a grant from an approved non-profit agency, and the borrower must complete a financial counseling program through an approved counseling service. These loans feature an interest rate 1/4 percent less than prevailing conventional mortgage rates, lower down payments (up to 98% loan to value) without requiring private mortgage insurance, no application fee, and the deferral of all closing costs until the time of closing. There were seven loans for \$705,000 made in the Lackawanna/Luzerne AA during the evaluation period.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Pike Port Jervis AA of Pennsylvania is not inconsistent with the bank's overall High Satisfactory Lending Test rating. Performance under the Lending Test in the Susquehanna, Monroe and Wayne AAs of Pennsylvania is weaker than in the full scope AA due mainly to borrower distribution to low-income borrowers. NBT's weaker performance in these AAs did not have an impact on its overall rating for the Lending Test. Refer to the Tables 1 through 13 in the State of Pennsylvania section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 14 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test in Pennsylvania is rated "Low Satisfactory."

The level of investment in the Lackawanna/Luzerne AA was adequate low when considering the investment opportunities available in the AA. The current period investments of \$474,000 consisted of \$350,000, which supported affordable housing for low and moderate-income individuals, an important identified credit need in this AA. The remaining investments were for community service targeted to low and moderate-income individuals. The AA has a good number of investment opportunities based on discussions with bank management, community contacts, and an OCC Community Affairs specialist.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Performance in the limited service AAs was weaker than the Low Satisfactory Investment Test performance in the Full Scope AA. There was only \$5,000 in qualified investments made in the limited scope AAs.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in Pennsylvania is rated "High Satisfactory."

### **Retail Banking Services**

Refer to Table 15 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

NBT's delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope AAs.

In the Lackawanna/Luzerne AA, the distribution of NBT's offices in low-income geographies exceeds the distribution of the population living in such geographies. The distribution of offices in moderate-income geographies is somewhat less than the distribution of the population living in such geographies.

There were no offices opened or closed during the examination period in this AA.

NBT's hours and services offered in the Lackawanna/Luzerne are good. Services offered are comparable among locations regardless of the income level of the geography. Substantially all branch offices offer extended hours on various days of the week including Saturday hours, which are offered at nearly all branches. Management sets branch hours based on customer needs and traffic patterns in each area.

NBT offers services that provide easy access to funds for low-income people who receive government assistance. All NBT branches in the full scope AA will cash government checks for non-customers for a fee. Recipients (customer or non customer) of New York State Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any NBT ATM free of charge.

NBT offers alternative delivery systems in the form of ATMs. A substantial majority of the bank's ATMs are located in the full-scope AA. The geographic distribution of the bank's ATMs in the various categories of income geographies is similar to its branch distribution. Customers and non-customers alike can access their accounts through NBT ATMs, which are connected to the NYCE and PLUS ATM systems. Customers may also use their NBT ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE or PLUS logos.

NBT also offers alternative delivery systems of bank-by-phone and bank-by-mail. These services allow customers to obtain deposit and loan account information, make payments on NBT loans, transfer funds, and pay other household bills. We did not place significant weight on these alternative delivery systems because no data was available to determine the impact of these retail banking services on low and moderate income geographies and individuals.

## **Community Development Services**

NBT's performance in providing community development services in the State of Pennsylvania is good.

NBT management and employees provide support to various community development service organizations. NBT employees, including members of Senior Management, actively participate in 13 CD organizations by serving on the Boards of Directors, Loan or Finance Committees of these organizations. Six of the organizations provide community services targeted to low and moderate-income people, six organizations support economic development by financing small businesses that are creating and retaining jobs in the AA, and one organization supports affordable housing for low and moderate-income individuals.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

NBT's performance under the Service Test in the Pike Jervis AA is stronger than its High Satisfactory rating under the Service Test in the State of Pennsylvania. The distribution of branches in low and moderate-income geographies in the Pike/Jervis AA

exceeds the population in those geographies. The other three AAs do not have any low or moderate-income geographies. The stronger performance in the Pikes/Jervis AA did not change the bank's rating for the Service Test.



## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 1/1/2001 to 12/31/2002 Investment and Service Tests and CD Loans: 9/17/2001 to 7/6/2004	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
NBT Bank, N.A. (NBT) Norwich New York	Home Purchase, Home Improvement, and Refinance Loans reported on the HMDA LAR, Small Business and Small Farm Loans reported on the CRA Register, and CD Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
New York State  Southern Tier Region Albany Region  Mohawk Valley Region Broome-Tioga Region Fulton County Region North Region  Pennsylvania  Lackawanna/Luzerne  Monroe Region Pike/Point Jervis Susquehanna Region Wayne County	  Full Scope Full Scope  Limited Scope Limited Scope Limited Scope Limited Scope  Full Scope  Limited Scope Limited Scope Limited Scope Limited Scope	  See Descriptions of the Assessment Areas for further information on the Full Scope Assessment Areas.

## Appendix B: Summary of State Ratings

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RATINGS      NBT Bank, NA				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Rating
NBT Bank, NA	Outstanding	Outstanding	Low Satisfactory	Outstanding
State:				
New York	Outstanding	Outstanding	Low Satisfactory	Outstanding
Pennsylvania	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

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### Table of Contents

#### Market Profiles for Areas Receiving Full-Scope Reviews

<i>Southern Tier Region AA</i> .....	C-2
<i>Albany Region AA</i> .....	C-3
<i>Lackawanna/Luzerne</i> .....	C-5

## New York State Full Scope Areas

### Southern Tier AA

Demographic Information for Full Scope Area: 2002 NY SOUTHERN TIER REGION						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	49	0.00	10.20	83.67	6.12	0.00
Population by Geography	185,458	0.00	6.98	88.28	4.74	0.00
Owner-Occupied Housing by Geography	50,011	0.00	5.84	92.66	1.50	0.00
Business by Geography	9712	0.00	6.76	90.33	2.91	0.00
Farms by Geography	836	0.00	8.20	90.36	1.44	0.00
Family Distribution by Income Level	47,770	19.75	21.07	24.17	35.01	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	19,500	0.00	7.91	90.66	1.43	0.00
Median Family Income HUD Adjusted Median Family Income for 2002		31,896 44,147	Median Housing Value Unemployment Rate 6/2004		68,470 4.70%	
Households Below Poverty Level		12.21%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2002 HUD updated MFI

The Southern Tier AA consists of the counties of Chenango, Delaware and Otsego, the southern-most sections of Madison, and the western portions of Greene and Ulster Counties. The AA is primarily a nonmetropolitan area, but does include a very small portion of the Syracuse MSA (8160). Although there are no branch offices located in the MSA, NBT has branch offices located close to the borders of the MSA. Management included the geographies in the MSA that are serviced by those branch offices. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 0% low-income, 10% moderate-income, 84% middle-income, and 6% upper-income.

The Southern Tier AA is by far the largest geographically of the bank's six AAs in New York State. The AA has the largest representation of branch offices in New York with 35% of the branches and ATMs. Forty seven percent of the bank's total deposits in New York State were domiciled in the AA as of June 30, 2003. Loan originations in the AA represented 39% of loan originations in New York State for the evaluation period.

The Southern Tier AA is a fairly competitive market for financial services. NBT competes with large mortgage companies, several large regional banks, credit unions,

and various community and savings banks. According to the FDIC market share report as of June 30, 2003, NBT is ranked number one for market share of deposits in the AA at 18.20% share. NBT is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, and consumer loans. The bank's business focus is primarily on retail lending and commercial lending.

Seventy-seven percent of the housing in the AA is one to four family units, 4% is multifamily units, and 15% is mobile homes. Of total housing units, 53% is owner-occupied, 20% is renter-occupied, and 27% is vacant. The median housing value was \$68,470 in the 1990 census. Housing stock consists mostly of older homes with the median year built of 1952.

According to the 2002 business demographics there are 10,548 businesses in the AA, of which 836 are farms. Small businesses represent 65% of the businesses. Approximately 72% of businesses reported have less than 10 employees. The primary industries in the AA are services 35%, retail trade 19%, and agricultural 18%. Major employers in the AA include NBT Bank, Chenango Memorial Hospital, Bassett Healthcare, Amphenol Corporation, Mead Westvaco, Mirabito Fuel Group and the Raymond Corporation.

There are a variety of community development opportunities available in the AA as evidenced by the bank's CD activities, our review of OCC internal resources, and information from community contacts and public information.

## Albany Region AA

Demographic Information for Full Scope Area: 2002 NY ALBANY REGION						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	137	3.65	27.01	48.18	18.25	2.92
Population by Geography	566,056	2.94	21.22	52.90	22.63	0.31
Owner-Occupied Housing by Geography	142,051	0.98	18.51	56.83	23.68	0.00
Business by Geography	37475	11.31	17.59	48.57	22.52	0.00
Farms by Geography	1082	.74	32.06	52.80	14.39	0.00
Family Distribution by Income Level	147,134	17.76	19.20	25.50	37.54	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	54,376	5.14	32.82	51.49	10.54	0.00
Median Family Income		39,425	Median Housing Value		96,221	
HUD Adjusted Median Family Income for 2002		55,500	Unemployment Rate 6/2004		3.80%	
Households Below Poverty Level		8.67%				

(\* ) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

The Albany Region AA consists of the counties of Montgomery, Saratoga, Schenectady and Schoharie and the Northern portion of Albany County. The AA is part of the Albany/Schenectady/Troy MSA (0160). The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 4% low-income, 27% moderate-income, 48% middle-income, 18% upper-income. and 3% not assigned an income classification.

The Albany Region AA is by the second largest of the bank's six AAs in New York State in terms of branches, deposits and home mortgage loans. The AA has 23% of the bank's branches and ATMs in New York State. Nineteen percent of the bank's total deposits in New York State were domiciled in the AA as of June 30, 2003. Loan originations in the AA represented 15% of the bank's loan originations in New York State for the evaluation period.

The Albany Region AA is a very competitive market for financial services. NBT competes with large mortgage companies, several large regional banks, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2003, NBT is ranked number eight for market share of deposits in the AA at 2.74% share. NBT is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, and consumer loans. The bank's business focus is primarily on retail lending and commercial lending.

Eighty one percent of the housing in the AA is one to four family units, 12% is multifamily units, 6% is mobile homes, and 1% is condominiums. Of total housing units, 61% is owner-occupied, 31% is renter-occupied, and 8% is vacant. The median housing value was \$96,221 in the 1990 census. Housing stock consists mostly of older homes with the median year built of 1956.

According to the 2002 business demographics there are 38,557 businesses in the AA, of which 1,082 are farms. Small businesses represent 61% of the businesses. Approximately 63% of businesses reported having less than 10 employees. The primary industries in the AA are services 37%, retail trade 17%, construction 7%, and finance 7%. Major employers in the AA include New York State, General Electric, Golub Corporation (Price Chopper Supermarkets), and the US Government.

There are a variety of community development opportunities available in the AA as evidenced by the bank's CD activities, and our review of OCC internal resources, information from community contacts and public information.

## State of Pennsylvania Full Scope Areas

### Lackawanna/Luzerne AA

Demographic Information for Full Scope Area: 2002 PA LACKAWANNA/LUZERNE REGION						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	129	1.55	12.40	75.19	10.85	0.00
Population by Geography	434,178	0.63	10.11	74.19	15.07	0.00
Owner-Occupied Housing by Geography	113,200	0.02	7.02	77.53	15.43	0.00
Business by Geography	31,211	4.84	11.05	68.04	16.07	0.00
Farms by Geography	447	0.00	4.71	73.54	21.75	0.00
Family Distribution by Income Level	116,084	18.70	18.12	24.22	38.97	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	42,740	0.49	14.04	77.02	8.45	0.00
Median Family Income		30,676	Median Housing Value		62,606	
HUD Adjusted Median Family Income for 2002		45,100	Unemployment Rate 6/2004		6.90%	
Households Below Poverty Level		12.65%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

The Lackawanna/Luzerne AA consists of the entire county of Lackawanna, the northeast portion of Luzerne County, and the eastern portion of Wyoming County. The AA is part of the Scranton/Wilkes-Barre MSA (7560). The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 2% low-income, 12% moderate-income, 75% middle-income, and 11% upper-income.

The Lackawanna/Luzerne AA is the largest of the bank's five AAs in the State of Pennsylvania. The AA has the 58% of the bank's branches and ATMs in Pennsylvania. Fifty-one percent of the bank's total deposits in Pennsylvania were domiciled in the AA as of June 30, 2003. Loan originations in the AA represented 58% of the bank's loan originations in Pennsylvania for the evaluation period.

The Lackawanna/Luzerne AA is a very competitive market for financial services. NBT competes with large mortgage companies, several large regional banks, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2003, NBT is ranked number eight for market share of deposits in the AA

at 4.20% share. NBT is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, and consumer loans. The bank's business focus is primarily on retail lending and commercial lending.

Eighty five percent of the housing in the AA is one to four family units, 9% is multifamily units, and 3% is mobile homes. Of total housing units, 63% is owner-occupied, 30% is renter-occupied, and 7% is vacant. The median housing value was \$62,606 in the 1990 census. Housing stock consists mostly of older homes with the median year built of 1948.

According to the 2002 business demographics there are 31,658 businesses in the AA, of which 447 are farms. Small businesses represent 62% of the businesses. Approximately 60% of businesses reported having less than 10 employees. The primary industries in the AA are services 32%, retail trade 19%, construction 7% and finance 6%. Major employers in the AA include Wyoming Valley Healthcare System, Commonwealth Telephone, Techneglas Inc, US Veterans Hospital, Allied Services, Community Medical Center, Gentex Corporation and Mercy Hospital.

There are a variety of community development opportunities available in the AA as evidenced by the bank's CD loan and service activities, and our review of OCC internal resources, information from community contacts and public information.



## Appendix D: Tables of Performance Data

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### Table of Contents

DISTRIBUTION OF LOANS BY INCOME LEVEL OF THE BORROWER.....	13
CONTENT OF STANDARDIZED TABLES .....	2
State of New York	
TABLES OF PERFORMANCE DATA.....	5
State of Pennsylvania	
TABLES OF PERFORMANCE DATA.....	20

## Content of Standardized Tables

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A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_\_ .12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.

**Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

**Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

**Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6.** Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7.** **Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8.** **Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9.** **Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10.** **Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11.** **Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12.** **Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to

\$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Tables of Performance Data**

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**New York State**

Institution ID: 1354 NBT BANK, NA

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: NBT NEW YORK												
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
2002 NY ALBANY REGION	15.38	694	40,748	494	53,964	234	12,592	12	17,889	1,434	125,193	18.75
2002 NY SOUTHERN TIER REGION	38.81	1,414	80,242	1,454	100,271	721	34,734	2	1,868	3,591	217,115	47.31
<b>Limited Review:</b>												
2002 NY BROOME-TIOGA REGION	4.76	142	5,826	197	12,720	101	8,191	1	1,350	441	28,087	6.08
2002 NY FULTON REGION	6.06	253	11,524	300	32,771	7	263	22	112,607	582	157,165	6.51
2002 NY MOHAWK VALLEY REGION	19.39	615	45,601	852	99,908	326	17,060	21	46,341	1,814	208,910	8.31
2002 NY NORTH REGION	15.61	511	37,223	876	70,948	56	2,391	5	8,286	1,448	118,848	13.04

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From September 17, 2001 to July 6, 2004

Deposit Data as of June 30, 2003 . Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 1354 NBT BANK, NA

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE															Geography: NBT NEW YORK					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
2002 NY ALBANY REGION	228	17.59	0.98	0.44	18.51	52.19	56.83	36.84	23.68	10.53	0.67	0.00	2.63	0.44	0.09									
2002 NY SOUTHERN TIER REGION	499	38.50	0.00	0.00	5.84	5.81	92.66	92.79	1.50	1.40	12.04	0.00	12.24	12.17	6.52									
<b>Limited Review:</b>																								
2002 NY BROOME-TIOGA REGION	29	2.24	0.00	0.00	2.62	0.00	59.49	86.21	37.88	13.79	1.54	0.00	0.00	2.38	0.49									
2002 NY FULTON REGION	86	6.64	0.00	0.00	13.23	5.81	86.77	94.19	0.00	0.00	5.77	0.00	2.15	6.35	0.00									
2002 NY MOHAWK VALLEY REGION	274	21.14	0.23	0.00	10.79	3.65	62.99	60.95	25.98	35.40	3.04	0.00	0.59	2.71	4.42									
2002 NY NORTH REGION	180	13.89	0.03	0.00	22.18	10.00	71.89	88.33	5.90	1.67	5.44	0.00	3.90	6.42	0.61									

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1354 NBT BANK, NA

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: NBT NEW YORK					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
2002 NY ALBANY REGION	133	22.24	0.98	0.00	18.51	81.20	56.83	18.05	23.68	0.75	4.25	0.00	15.42	1.66	0.43	
2002 NY SOUTHERN TIER REGION	223	37.29	0.00	0.00	5.84	6.73	92.66	92.83	1.50	0.45	19.93	0.00	13.33	20.70	11.11	
<b>Limited Review:</b>																
2002 NY BROOME-TIOGA REGION	31	5.18	0.00	0.00	2.62	0.00	59.49	93.55	37.88	6.45	1.69	0.00	0.00	2.88	0.41	
2002 NY FULTON REGION	71	11.87	0.00	0.00	13.23	12.68	86.77	87.32	0.00	0.00	16.96	0.00	12.50	17.69	0.00	
2002 NY MOHAWK VALLEY REGION	76	12.71	0.23	0.00	10.79	7.89	62.99	84.21	25.98	7.89	1.44	0.00	2.10	1.59	0.79	
2002 NY NORTH REGION	64	10.70	0.03	0.00	22.18	10.94	71.89	82.81	5.90	6.25	3.41	0.00	0.81	4.82	3.51	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.



Institution ID: 1354 NBT BANK, NA

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NBT NEW YORK				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
2002 NY ALBANY REGION	333	19.34	0.98	0.00	18.51	58.26	56.83	33.63	23.68	8.11	0.81	0.00	4.77	0.39	0.16	
2002 NY SOUTHERN TIER REGION	690	40.07	0.00	0.00	5.84	4.35	92.66	94.35	1.50	1.30	14.97	0.00	11.11	15.42	5.77	
<b>Limited Review:</b>																
2002 NY BROOME-TIOGA REGION	82	4.76	0.00	0.00	2.62	2.44	59.49	93.90	37.88	3.66	2.76	0.00	3.70	4.73	0.18	
2002 NY FULTON REGION	95	5.52	0.00	0.00	13.23	9.47	86.77	90.53	0.00	0.00	4.31	0.00	2.25	4.53	0.00	
2002 NY MOHAWK VALLEY REGION	263	15.27	0.23	0.00	10.79	6.08	62.99	65.40	25.98	28.52	2.23	0.00	2.10	2.35	2.04	
2002 NY NORTH REGION	259	15.04	0.03	0.00	22.18	8.11	71.89	86.10	5.90	5.41	6.42	0.00	3.38	7.38	4.13	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1354 NBT BANK, NA

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NBT NEW YORK					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
2002 NY SOUTHERN TIER REGION	2	15.38	0.00	0.00	10.60	0.00	84.94	100.00	4.46	0.00	20.00	0.00	0.00	20.00	0.00	
2002 NY ALBANY REGION	0	0.00	9.04	0.00	16.65	0.00	49.89	0.00	24.30	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
2002 NY NORTH REGION	8	61.54	2.13	0.00	37.22	50.00	53.49	37.50	7.17	12.50	47.06	0.00	80.00	37.50	25.00	
2002 NY MOHAWK VALLEY REGION	2	15.38	8.83	0.00	40.05	0.00	36.98	50.00	14.14	50.00	11.11	0.00	0.00	0.00	50.00	
2002 NY FULTON REGION	1	7.69	0.00	0.00	42.72	0.00	57.28	100.00	0.00	0.00	100.00	0.00	0.00	100.00	0.00	
2002 NY BROOME-TIOGA REGION	0	0.00	0.00	0.00	0.12	0.00	20.31	0.00	79.57	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 1354 NBT BANK, NA

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: NBT NEW YORK					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans						
<b>Full Review:</b>																
2002 NY ALBANY REGION	494	11.84	11.31	1.43	17.59	49.80	48.57	38.37	22.52	10.41	1.64	0.52	5.32	1.29	0.68	
2002 NY SOUTHERN TIER REGION	1,454	34.84	0.00	0.00	6.76	8.80	90.33	90.72	2.91	0.48	6.20	0.00	12.20	9.86	0.17	
<b>Limited Review:</b>																
2002 NY BROOME-TIOGA REGION	197	4.72	0.00	0.00	3.15	0.00	67.53	84.77	29.32	15.23	2.43	0.56	2.06	3.27	2.28	
2002 NY FULTON REGION	300	7.19	0.00	0.00	16.59	9.00	83.41	91.00	0.00	0.00	10.25	0.00	5.00	12.43	0.00	
2002 NY MOHAWK VALLEY REGION	852	20.42	2.19	1.53	22.41	12.82	52.29	45.76	23.11	39.88	7.52	8.03	5.80	6.53	13.54	
2002 NY NORTH REGION	876	20.99	0.84	0.00	23.58	14.30	69.11	75.29	6.19	10.41	8.17	0.00	6.63	9.63	14.19	

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet.

Institution ID: 1354 NBT BANK, NA

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: NBT NEW YORK					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
2002 NY ALBANY REGION	234	16.19	0.74	0.00	32.06	94.87	52.80	5.13	14.39	0.00	80.35	0.00	97.66	40.74	27.27	
2002 NY SOUTHERN TIER REGION	721	49.90	0.00	0.00	8.20	6.80	90.36	93.07	1.43	0.14	81.69	0.00	78.95	87.01	14.29	
<b>Limited Review:</b>																
2002 NY BROOME-TIOGA REGION	101	6.99	0.00	0.00	9.68	6.93	74.19	84.16	16.13	8.91	55.17	0.00	14.29	67.47	33.33	
2002 NY FULTON REGION	7	0.48	0.00	0.00	2.41	0.00	97.59	100.00	0.00	0.00	100.00	0.00	0.00	100.00	0.00	
2002 NY MOHAWK VALLEY REGION	326	22.56	0.00	0.00	2.61	0.31	77.17	88.65	20.22	11.04	86.76	0.00	0.00	88.83	85.71	
2002 NY NORTH REGION	56	3.88	0.13	0.00	33.77	30.36	62.71	64.29	3.39	5.36	7.21	0.00	6.81	7.51	33.33	

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet

Institution ID: 1354 NBT BANK, NA

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: NBT NEW YORK					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
2002 NY ALBANY REGION	228	17.59	17.76	8.52	19.20	23.32	25.50	32.29	37.54	35.87	0.79	1.73	0.98	0.58	0.68	
2002 NY SOUTHERN TIER REGION	499	38.50	19.75	8.43	21.07	19.28	24.17	25.30	35.01	46.99	13.42	25.74	15.38	14.45	10.98	
<b>Limited Review:</b>																
2002 NY BROOME-TIOGA REGION	29	2.24	14.38	6.90	18.36	27.59	24.51	17.24	42.76	48.28	1.78	2.17	2.12	0.43	2.41	
2002 NY FULTON REGION	86	6.64	21.85	5.81	20.56	19.77	25.27	24.42	32.32	50.00	6.81	9.30	6.57	5.92	7.05	
2002 NY MOHAWK VALLEY REGION	274	21.14	18.31	4.38	18.93	17.52	24.04	18.25	38.72	59.85	3.60	2.43	2.83	2.05	5.34	
2002 NY NORTH REGION	180	13.89	22.38	6.67	18.85	15.56	23.70	30.56	35.07	47.22	5.89	4.65	5.75	6.76	5.56	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.46% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Institution ID: 1354 NBT BANK, NA

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: NBT NEW YORK				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
2002 NY ALBANY REGION	133	22.24	17.76	36.64	19.20	32.06	25.50	20.61	37.54	10.69	4.64	17.83	7.23	2.66	0.68	
2002 NY SOUTHERN TIER REGION	223	37.29	19.75	20.63	21.07	26.46	24.17	29.60	35.01	23.32	20.73	40.00	22.40	22.22	11.24	
<b>Limited Review:</b>																
2002 NY BROOME-TIOGA REGION	31	5.18	14.38	23.33	18.36	16.67	24.51	36.67	42.76	23.33	1.75	7.89	2.21	1.74	0.44	
2002 NY FULTON REGION	71	11.87	21.85	18.31	20.56	35.21	25.27	25.35	32.32	21.13	17.79	22.73	22.22	19.05	11.11	
2002 NY MOHAWK VALLEY REGION	76	12.71	18.31	14.47	18.93	30.26	24.04	35.53	38.72	19.74	1.50	6.56	2.68	1.20	0.29	
2002 NY NORTH REGION	64	10.70	22.38	20.31	18.85	20.31	23.70	25.00	35.07	34.38	3.51	8.21	3.28	2.20	3.22	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.50% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Institution ID: 1354 NBT BANK, NA

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: NBT NEW YORK				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
2002 NY ALBANY REGION	333	19.34	17.76	7.65	19.20	24.46	25.50	31.50	37.54	36.39	1.02	1.94	1.78	1.32	0.54	
2002 NY SOUTHERN TIER REGION	690	40.07	19.75	7.56	21.07	19.19	24.17	23.98	35.01	49.27	17.12	32.43	22.19	14.26	15.46	
<b>Limited Review:</b>																
2002 NY BROOME-TIOGA REGION	82	4.76	14.38	14.63	18.36	26.83	24.51	36.59	42.76	21.95	3.19	11.54	4.57	4.76	1.31	
2002 NY FULTON REGION	95	5.52	21.85	4.30	20.56	18.28	25.27	31.18	32.32	46.24	5.06	12.00	5.97	5.10	4.24	
2002 NY MOHAWK VALLEY REGION	263	15.27	18.31	3.85	18.93	12.31	24.04	23.85	38.72	60.00	2.49	2.89	2.37	2.02	2.70	
2002 NY NORTH REGION	259	15.04	22.38	7.36	18.85	13.57	23.70	27.52	35.07	51.55	7.16	13.00	6.61	6.75	7.06	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.81% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Institution ID: 1354 NBT BANK, NA

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NBT NEW YORK			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
2002 NY ALBANY REGION	494	11.84	60.75	72.47	72.47	17.00	10.53	1.64	4.30
2002 NY SOUTHERN TIER REGION	1,454	34.84	65.41	76.89	83.84	10.80	5.36	6.20	16.09
<b>Limited Review:</b>									
2002 NY BROOME-TIOGA REGION	197	4.72	66.11	83.25	84.26	13.20	2.54	2.43	8.24
2002 NY FULTON REGION	300	7.19	65.69	74.33	74.00	15.67	10.33	10.25	24.95
2002 NY MOHAWK VALLEY REGION	852	20.42	63.74	71.48	71.13	15.96	12.91	7.52	16.35
2002 NY NORTH REGION	876	20.99	62.08	79.45	80.02	12.56	7.42	8.17	19.40

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B) -

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.



Institution ID: 1354 NBT BANK, NA

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NBT NEW YORK			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
2002 NY ALBANY REGION	234	16.19	92.59	95.30	85.47	12.82	1.71	80.35	88.89
2002 NY SOUTHERN TIER REGION	721	49.90	94.40	96.53	88.07	10.26	1.66	81.69	86.28
<b>Limited Review:</b>									
2002 NY BROOME-TIOGA REGION	101	6.99	87.10	93.07	80.20	8.91	10.89	55.17	55.86
2002 NY FULTON REGION	7	0.48	93.98	100.00	100.00	0.00	0.00	100.00	100.00
2002 NY MOHAWK VALLEY REGION	326	22.56	94.91	95.71	87.73	10.43	1.84	86.76	90.00
2002 NY NORTH REGION	56	3.88	92.57	100.00	91.07	7.14	1.79	7.21	7.53

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B)-.

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Institution ID: 1354 NBT BANK, NA

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: NBT NEW YORK									
Evaluation Period: September 17, 2001 TO July 6, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
2002 NY ALBANY REGION	0	0	13	7,194	13	7,194	26.57	0	0
2002 NY SOUTHERN TIER REGION	2	3,095	50	9,681	52	12,776	47.18	0	0
<b>Limited Review:</b>									
2002 NY BROOME-TIOGA REGION	0	0	4	6	4	6	0.03	0	0
2002 NY FULTON REGION	0	0	5	1,493	5	1,493	5.51	0	0
2002 NY MOHAWK VALLEY REGION	1	2,500	8	22	8	2,522	9.31	0	0
2002 NY NORTH REGION	0	0	26	3,086	26	3,086	11.40	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: 1354 NBT BANK, NA

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: NBT NEW YORK				Evaluation Period: September 17, 2001 TO July 6, 2004					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)**				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
2002 NY ALBANY REGION	18.75	16	23	0.00	19.00	62.00	19.00	2	2	0	0	-1	+1	7.19	24.18	43.14	24.18
2002 NY SOUTHERN TIER REGION	47.31	25	35	0.00	4.00	96.00	0.00	0	2	0	-1	-1	0	0.00	5.63	89.47	3.53
<b>Limited Review:</b>																	
2002 NY BROOME-TIOGA REGION	6.08	6	8	0.00	0.00	83.00	17.00	2	0	0	0	+1	+1	0.00	2.63	63.63	36.37
2002 NY FULTON REGION	6.51	4	6	0.00	0.00	100.0	0.00	0	1	0	0	-1	0	0.00	17.54	82.46	0.00
2002 NY MOHAWK VALLEY REGION	8.31	8	11	0.00	12.50	62.50	25.00	0	0	0	0	0	0	5.95	13.31	60.65	20.07
2002 NY NORTH REGION	13.04	12	17	0.00	0.00	100.0	0.00	0	0	0	0	0	0	.85	9.56	84.84	3.47

\* 1.31% of the Albany Region population, .02% of the Mohawk Valley Region population and 1.28% of the Northern Region population reside in census tracts that are not classified for income.

\*\* Location of branches by income and population within each geography is based on 2000 Census data.

**Tables of Performance Data**

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**State of Pennsylvania**

Institution ID: 1354 NBT BANK, NA

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: NBT - Pennsylvania												
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
2002 PA LACKAWANNA/LUZERNE	58.35	1,056	77,940	521	50,167	2	316	5	5,949	1,584	133,740	50.99
<b>Limited Review:</b>												
2002 PA MONROE REGION	7.72	127	13,103	82	8,095	0	0	0	0	209	21,198	9.08
2002 PA PIKE/PORT JERVIS	12.08	231	22,252	96	6,515	0	0	0	0	327	28,767	7.91
2002 PA SUSQUEHANNA REGION	13.19	256	14,545	101	9,907	0	0	0	0	357	24,452	12.63
2002 PA WAYNE COUNTY REGION	8.65	191	15,759	43	3,354	0	0	0	0	234	19,113	19.39

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From September 17, 2001 to July 6, 2004.

\*\*\* Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 1354 NBT BANK, NA

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: NBT - Pennsylvania					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
2002 PA LACKAWANNA/LUZERNE REGION	279	50.27	0.02	0.00	7.02	6.45	77.53	73.84	15.43	19.71	1.64	0.00	1.54	1.70	1.48	
<b>Limited Review:</b>																
2002 PA MONROE REGION	62	11.17	0.00	0.00	0.00	0.00	26.05	29.03	73.95	70.97	0.36	0.00	0.00	0.48	0.27	
2002 PA PIKE/PORT JERVIS	102	18.38	0.00	0.00	24.10	21.57	75.90	78.43	0.00	0.00	1.62	0.00	1.77	1.59	0.00	
2002 PA SUSQUEHANNA REGION	58	10.45	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.28	0.00	0.00	4.28	0.00	
2002 PA WAYNE COUNTY REGION	54	9.73	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.76	0.00	0.00	1.76	0.00	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1354 NBT BANK, NA

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: NBT - Pennsylvania					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
2002 PA LACKAWANNA/LUZERNE REGION	223	60.60	0.02	0.00	7.02	7.17	77.53	75.78	15.43	17.04	2.69	0.00	3.54	2.83	1.88	
<b>Limited Review:</b>																
2002 PA MONROE REGION	17	4.62	0.00	0.00	0.00	0.00	26.05	35.29	73.95	64.71	1.12	0.00	0.00	1.43	1.02	
2002 PA PIKE/PORT JERVIS	31	8.42	0.00	0.00	24.10	22.58	75.90	77.42	0.00	0.00	2.09	0.00	0.00	2.65	0.00	
2002 PA SUSQUEHANNA REGION	56	15.22	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	7.69	0.00	0.00	7.69	0.00	
2002 PA WAYNE COUNTY REGION	41	11.14	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.80	0.00	0.00	3.80	0.00	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1354 NBT BANK, NA

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: NBT - Pennsylvania					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
2002 PA LACKAWANNA/LUZERNE REGION	552	59.10	0.02	0.00	7.02	4.71	77.53	73.19	15.43	22.10	2.32	0.00	2.86	2.34	2.15									
<b>Limited Review:</b>																								
2002 PA MONROE REGION	48	5.14	0.00	0.00	0.00	0.00	26.05	18.75	73.95	81.25	0.44	0.00	0.00	0.29	0.50									
2002 PA PIKE/PORT JERVIS	96	10.28	0.00	0.00	24.10	29.17	75.90	70.83	0.00	0.00	1.65	0.00	2.82	1.39	0.00									
2002 PA SUSQUEHANNA REGION	142	15.20	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	7.29	0.00	0.00	7.29	0.00									
2002 PA WAYNE COUNTY REGION	96	10.28	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.16	0.00	0.00	3.16	0.00									

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.



Institution ID: 1354 NBT BANK, NA

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: NBT - PA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
2002 PA LACKAWANNA/LUZERNE REGION	2	50.00	7.37	0.00	29.04	50.00	50.98	0.00	12.60	50.00	5.26	0.00	20.00	0.00	0.00									
<b>Limited Review:</b>																								
2002 PA WAYNE COUNTY REGION	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
2002 PA SUSQUEHANNA REGION	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	100.00	0.00	100.00	0.00	0.00									
2002 PA PIKE/PORT JERVIS	2	50.00	0.00	0.00	76.48	50.00	23.52	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
2002 PA MONROE REGION	0	0.00	0.00	0.00	0.00	0.00	57.27	0.00	42.73	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 1354 NBT BANK, NA

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: NBT - Pennsylvania				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2002 PA LACKAWANNA/LUZERNE REGION	521	61.80	4.84	3.26	11.05	5.95	68.04	67.75	0.00	23.03	1.26	0.54	0.35	1.38	1.90
<b>Limited Review:</b>															
2002 PA MONROE REGION	82	9.73	0.00	0.00	0.00	0.00	41.31	15.85	58.69	84.15	0.80	0.00	0.00	0.48	1.23
2002 PA PIKE/PORT JERVIS	96	11.39	0.00	0.00	23.70	29.17	76.30	70.83	0.00	0.00	0.30	0.00	0.96	0.39	0.00
2002 PA SUSQUEHANNA REGION	101	11.98	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.76	0.00	0.00	5.01	0.00
2002 PA WAYNE COUNTY REGION	43	5.10	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.53	0.00	0.00	2.07	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet.

Institution ID: 1354 NBT BANK, NA

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: NBT - PA															
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2002 PA LACKAWANNA/LUZERNE REGION	2	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	6.06	0.00	0.00	10.00	0.00
<b>Limited Review:</b>															
2002 PA MONROE REGION	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002 PA PIKE/PORT JERVIS	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.06	0.00	0.00	18.18	0.00
2002 PA SUSQUEHANNA REGION	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002 PA WAYNE COUNTY REGION	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet .

Institution ID: 1354 NBT BANK, NA

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: NBT - Pennsylvania					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
2002 PA LACKAWANNA/LUZERNE REGION	279	50.27	18.70	8.96	18.12	13.98	24.22	20.43	38.97	56.63	1.84	1.92	1.01	1.27	2.66	
<b>Limited Review:</b>																
2002 PA MONROE REGION	62	11.17	10.89	3.23	13.54	1.61	21.14	11.29	54.42	83.87	0.42	0.00	0.00	0.12	0.55	
2002 PA PIKE/PORT JERVIS	102	18.38	23.20	4.95	23.13	15.84	27.03	28.71	26.65	50.50	1.85	0.00	1.94	1.73	2.17	
2002 PA SUSQUEHANNA REGION	58	10.45	19.31	1.72	17.90	18.97	24.03	27.59	38.77	51.72	4.65	3.70	6.17	2.38	5.71	
2002 PA WAYNE COUNTY REGION	54	9.73	18.09	3.70	20.10	9.26	23.51	20.37	38.29	66.67	1.91	0.00	3.00	1.49	1.92	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.18% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Institution ID: 1354 NBT BANK, NA

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: NBT - Pennsylvania				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
2002 PA LACKAWANNA/LUZERNE REGION	223	60.60	18.70	12.11	18.12	23.77	24.22	23.77	38.97	40.36	2.87	5.44	5.69	1.62	1.80	
<b>Limited Review:</b>																
2002 PA MONROE REGION	17	4.62	10.89	17.65	13.54	23.53	21.14	17.65	54.42	41.18	1.22	6.67	0.00	2.04	0.89	
2002 PA PIKE/PORT JERVIS	31	8.42	23.20	19.35	23.13	25.81	27.03	19.35	26.65	35.48	2.20	9.09	1.32	1.06	2.38	
2002 PA SUSQUEHANNA REGION	56	15.22	19.31	10.71	17.90	28.57	24.03	28.57	38.77	32.14	8.17	29.41	13.95	3.28	4.60	
2002 PA WAYNE COUNTY REGION	41	11.14	18.09	19.51	20.10	17.07	23.51	36.59	38.29	26.83	4.02	16.67	4.35	3.70	1.89	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Institution ID: 1354 NBT BANK, NA

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NBT - Pennsylvania					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
2002 PA LACKAWANNA/LUZERNE REGION	552	59.10	18.70	7.44	18.12	15.97	24.22	29.04	38.97	47.55	2.61	4.69	2.56	2.83	2.31	
<b>Limited Review:</b>																
2002 PA MONROE REGION	48	5.14	10.89	6.25	13.54	4.17	21.14	14.58	54.42	75.00	0.51	2.44	0.27	0.64	0.45	
2002 PA PIKE/PORT JERVIS	96	10.28	23.20	9.38	23.13	17.71	27.03	25.00	26.65	47.92	1.92	3.31	2.24	1.68	1.73	
2002 PA SUSQUEHANNA REGION	142	15.20	19.31	6.34	17.90	21.13	24.03	25.35	38.77	47.18	8.03	8.93	9.58	6.97	7.93	
2002 PA WAYNE COUNTY REGION	96	10.28	18.09	7.29	20.10	10.42	23.51	27.08	38.29	55.21	3.65	6.67	3.57	4.53	3.17	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.11% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Institution ID: 1354 NBT BANK, NA

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NBT - Pennsylvania			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
2002 PA LACKAWANNA/LUZERNE REGION	521	61.80	62.46	74.28	77.35	15.55	7.10	1.26	3.40
<b>Limited Review:</b>									
2002 PA MONROE REGION	82	9.73	63.11	74.39	73.17	17.07	9.76	0.80	1.96
2002 PA PIKE/PORT JERVIS	96	11.39	67.78	84.38	81.25	14.58	4.17	0.30	1.04
2002 PA SUSQUEHANNA REGION	101	11.98	67.28	81.19	81.19	8.91	9.90	3.76	8.84
2002 PA WAYNE COUNTY REGION	43	5.10	68.77	72.09	79.07	11.63	9.30	1.53	4.57

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses.

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.12% of small loans to businesses originated and purchased by the bank.

Institution ID: 1354 NBT BANK, NA

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NBT - PA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
2002 PA LACKAWANNA/LUZERNE REGION	2	100.00	0.00	50.00	50.00	0.00	50.00	6.06	5.26
<b>Limited Review:</b>									
2002 PA MONROE REGION	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002 PA PIKE/PORT JERVIS	0	0.00	0.00	0.00	0.00	0.00	0.00	6.06	8.00
2002 PA SUSQUEHANNA REGION	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002 PA WAYNE COUNTY REGION	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.



Institution ID: 1354 NBT BANK, NA

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: NBT - Pennsylvania									
Evaluation Period: September 17, 2001 TO July 6, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
2002 PA LACKAWANNA/LUZERNE REGION	0	0	29	474	29	474	98.96	0	0
<b>Limited Review:</b>									
2002 PA MONROE REGION	0	0	2	1	2	1	0.21	0	0
2002 PA PIKE/PORT JERVIS	0	0	3	2	3	2	0.41	0	0
2002 PA SUSQUEHANNA REGION	0	0	3	1	3	1	0.21	0	0
2002 PA WAYNE COUNTY REGION	0	0	1	1	1	1	0.21	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: 1354 NBT BANK, NA

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: NBT - Pennsylvania				Evaluation Period: September 17, 2001 TO July 6, 2004									
MA/Assessment Area:	Deposits	Branches*						Branch Openings/Closings				Population*					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
2002 PA LACKAWANNA/LUZERNE REGION	50.99	23	57	8.70	8.70	47.83	34.77	0	0	0	0	0	0	.59	11.67	71.46	16.28
<b>Limited Review:</b>																	
2002 PA MONROE REGION	9.08	4	10	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	0.00	32.70	67.30
2002 PA PIKE/PORT JERVIS	7.91	4	10	25.00	25.00	50.00	0.00	0	0	0	0	0	0	3.84	19.15	77.01	0.00
2002 PA SUSQUEHANNA REGION	12.63	6	15	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
2002 PA WAYNE COUNTY REGION	19.39	3	8	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00

\* Location of branches by income and population within each geography is based on 2000 Census data.