



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

March 14, 2011

## **COMMUNITY REINVESTMENT ACT (CRA) PERFORMANCE EVALUATION**

NBT Bank National Association  
Charter Number: 1354  
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Norwich, NY 13815

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Upstate New York Field Office  
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East Syracuse, New York 13057

**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.

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “**Satisfactory.**”

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

<b>Performance Levels</b>	NBT Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
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 a good 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.
- Adequate geographic distribution of loans among census tracts of different income levels.
- 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 excellent 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.

## 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.

**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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**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 householder 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 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 statistical 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). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**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.

**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 at least 120 percent of the area median income, or a median family income that is at least 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 operates in New York State, Pennsylvania and Vermont. The bank expanded into Vermont with the opening of two branches, one in December 2009 and the other in January 2011. NBT is a wholly owned subsidiary of NBT Bancorp, Inc. (NBTB), which had average assets of \$5.5 billion as of December 31, 2010. In addition to NBT, NBTB also has several other subsidiaries which include NBT Financial Services, Inc., NBT Holdings, Inc., Hathaway Agency, Inc., and three Trusts: CNBF Capital Trust I, NBT Statutory Trust I and NBT Statutory Trust II. Through NBT Financial Services, Inc., NBTB operates EPIC Advisors, Inc. and Pennstar Financial Services, Inc. Through NBT Holdings, Inc, NBTB operates Mang Insurance Agency, LLC. NBT has five operating subsidiaries: NBT Capital Corp. (NCC), a Small Business Investment Company (SBIC); NBT Services, Inc.; CNB Realty Trust, a Real Estate Investment Trust (REIT); Pennstar Bank Services Co., which provides administrative and support services to the bank; and Broad Street Property Associates, a property management company. The operating subsidiaries had no impact on the bank's capacity to lend in its AAs.

NBT is a full service bank with 123 branches serving central, northern, eastern, and southern New York State, northeastern Pennsylvania and one county in northwestern Vermont. NBT's AAs cover 21 counties in New York State, six counties in Pennsylvania, and one in Vermont. In Pennsylvania, NBT operates under the name of Pennstar Bank.

NBT offers a wide range of financial services. In addition to traditional deposit and loan products, NBT also offers trust services. As of December 31, 2010, NBT's total assets included \$3.5 billion in net loans, representing 67% of total assets. The bank's loan mix consisted of 56% real estate loans, 26% loans to individuals, 16% commercial and industrial loans, and 2% agricultural. As of December 31, 2010, NBT reported net Tier 1 Capital of \$461 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 AAs.

NBT's last CRA exam was September 10, 2007, at which time the bank's performance was rated "Outstanding."



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The Lending Test evaluation covers the time period January 1, 2007, through December 31, 2010 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 10, 2007 through March 13, 2011. 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 2009. The aggregate HMDA and Small Business/Farm Registers are available for public review. We did not consider the bank's multifamily dwelling loans for any state due to the limited activity for this product. Small farm loans were only considered in New York State, as NBT did not conduct farm lending in either Pennsylvania or Vermont.

The peer comparisons in this report include only lenders who were required to file HMDA and Small Business/Farm Registers for 2009. Any lender with significant mortgage loan activity operating in NBT's 11 AAs would be required to file a HMDA report for 2009. Small business reporting for 2009 was required only of bank and thrift institutions with assets of \$1.109 billion or more as of December 31 of the prior two calendar years preceding the reporting year.

### 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. We took our own sample of the bank's loan sample to validate the quality of the audit work. The audit testing of the HMDA and the Small Business/Farm Registers was of sufficient scope and quality for us to place reliance on its results.

### Selection of Areas for Full-Scope Review

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

### Ratings

The bank's overall rating is a blend of its state ratings for New York, Pennsylvania and Vermont. In arriving at the overall rating, the greatest weight was given to the New York rating due to it representing a significantly greater portion of the bank's overall business activity, followed by Pennsylvania and then Vermont. Please refer to the Description of Operations section for each state rating for further details.

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 each overall state rating.

## Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

### State Rating

#### State of New York

##### **CRA Rating for the State of New York: Satisfactory**

**The lending test is rated: High Satisfactory**

**The investment test is rated: Outstanding**

**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).
- Excellent distribution of loans among borrowers of different income levels throughout the AAs.
- Adequate geographic distribution of loans among census tracts of different income levels.
- 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 accessible to census tracts and individuals of different income levels in the AAs.
- Good performance in providing community development services.

#### **Description of Institution's Operations in the State of New York**

NBT has seven AAs in New York. They include the Southern Tier AA, the Northern AA, the Albany AA, the Utica-Rome AA, the Binghamton AA, the Fulton-Montgomery AA, and the Glens Falls AA. NBT has 84 branches within the state, representing 68% of the bank's total

branch network. Seventy-eight percent of NBT's total deposits are from New York State. The bank's deposit market share ranks 25<sup>th</sup> in the state, with .38% of state's total deposits. During the evaluation period, NBT originated 79% of its total HMDA and small business/small farm loans within New York State.

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 the State of New York**

We conducted full-scope reviews of the Southern Tier and the Northern AAs. The two areas combined represent 47% of the total lending activity evaluated, 46% of the total number of branches, and 46% of the total deposits in the state. The Southern Tier AA was weighted more heavily as 29% of the statewide lending activity, 34% of the statewide deposits and 30% of the statewide branches are located there. Small business loans were given the greatest weight, as they accounted for 50% of the number and 58% of the dollar volume of loans evaluated. Home mortgage lending followed representing 39% of the number and 35% of the dollar volume of loans evaluated. We gave the least weight to small farm loans, which represented only 11% of the number and 7% of the dollar volume of loans evaluated. Of the HMDA products, refinance loans were given the greatest weight as they represented 52% of the HMDA loans made, followed by home purchase loans (29%) and home improvement loans (19%).

We conducted two community contacts during this evaluation, one in each of the full-scope AAs. The organizations contacted were involved with affordable housing and community services for low- and moderate-income individuals. The contacts confirmed the need for affordable housing assistance and small business lending in their respective AAs. The contacts stressed the need for new homebuyer counseling and financial literacy programs in conjunction with affordable loan programs. There also is a great need for counseling for home repairs, and delinquency and foreclosure situations. The Southern Tier contact stressed the need for reverse mortgages as many elderly residents with strained finances have resorted to reverse mortgages to help pay their bills. At this time, AA residents can only obtain reverse mortgage loans from out of area lenders. Reverse mortgages are a product local lenders could offer to assist lower income residents in this AA. The contact also believes there is an under met need for credit establishing/rehabilitation products such as secured credit cards. Currently only one lender in the AA, a credit union, offers such a product. The need for affordable housing and small business related loans, investments and services in the AAs was considered in our evaluation of NBT's performance in 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 High Satisfactory. Based on full-scope reviews, the bank's performance in the Southern Tier AA is excellent and the Northern AA is adequate.

## **Lending Activity**

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

NBT's overall lending activity in the two full-scope AAs is excellent. NBT's lending activity is excellent in the Southern Tier AA. NBT ranks 1st for deposits with a 43.52% market share. Based on 2009 aggregate HMDA data, NBT is the number one originator/purchaser of refinance loans (14.86% market share) and home improvement loans (23.05% market share). NBT was the number two originator/purchaser of home purchase loans (10.40% market share), exceeded only by a very large national mortgage company. Based on 2009 CRA aggregate data, NBT ranks 2nd as originator/purchaser of small loans to businesses (12.90% market share) and the number one originator/purchaser of small loans to farms (76.72% market share). In small business lending, NBT is outranked only by a large national credit card company for the number of loans made. The company made average loans of only \$6,000 compared to NBT's average loan of \$82,000. NBT is the number one lender for business loans to small sized businesses with a 40.47% market share.

NBT's lending activity in the Northern AA is excellent. In the Northern AA, NBT ranks 4<sup>th</sup> for deposits with a 11.36% market share. Based on 2009 aggregate HMDA data, NBT ranked 5<sup>th</sup> for refinance loans (5.76%), 8<sup>th</sup> for originator/purchaser of home purchase loans (4.52% market share), and 3rd for home improvement loans (5.61% market share). Based on 2009 CRA aggregate data, NBT is the 3rd largest originator/purchaser of small loans to businesses (6.98% market share) and the 7th originator/purchaser of small loans to farms (2.01% market share). In small business lending, NBT is outranked only by two large national credit card companies for the number of loans made. These companies made average loans of less than \$7,000 compared to NBT's average loan of \$32,000. NBT is the number one lender for business loans to small sized businesses with a 26.39% market share and number six lender of dollars extended for farm loans to small sized farms with a 1.83% market share.

## **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 adequate penetration throughout the full-scope AA census tracts. Performance in the Southern Tier AA is good, and adequate in the Northern AA. The geographic distribution analysis is limited to moderate-income census tracts. There is no owner occupied housing in the one low-income census tract in the Northern AA. Owner occupied housing is required to evaluate geographic distribution.

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

The overall geographic distribution of home mortgage loans is adequate. The geographic distribution is adequate in the Southern Tier AA, and poor in the Northern AA.

Refer to Tables 2, 3, 4, and 5 in the State of New York 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 purchase loans is good. The geographic distribution was excellent in the Southern Tier AA and adequate in the Northern AA. The portion of home purchase loans made in moderate-income census tracts in the Southern Tier AA exceeded the portion of owner-occupied housing units that are in those census tracts. The market share of loans originated in moderate-income census tracts in the Southern Tier AA exceeded the bank's overall market share. The portion of home purchase loans made in moderate-income census tracts in the Northern AA was somewhat lower than the portion of owner-occupied housing units located in those census tracts. NBT's market share of home purchase loans originated in moderate-income census tracts in the Northern AA exceeded the bank's overall market share of home purchase loans.

The overall geographic distribution of home improvement loans is adequate. The geographic distribution was good in the Southern Tier AA and very poor in the Northern AA. The proportion of home improvement loans made in moderate-income census tracts in the Southern Tier AA was somewhat lower than the proportion of owner-occupied housing units that are in those census tracts. The market share of loans originated in moderate-income census tracts in the Southern Tier AA exceeded the bank's overall market share. The portion of home improvement loans made in moderate-income census tracts in the Northern AA was significantly lower than the portion of owner-occupied housing units located in those census tracts. NBT's market share of home improvement loans originated in moderate-income census tracts in the Northern AA was significantly lower than the bank's overall market share of home improvement loans.

The overall geographic distribution of refinance loans is adequate. The geographic distribution was adequate in the Southern Tier AA, and poor in the Northern AA. The portion of refinance loans made in moderate-income census tracts in the Southern Tier AA was somewhat lower than the portion of owner-occupied housing units located in those census tracts. The market share of loans originated in moderate-income census tracts in the Southern Tier AA exceeded the bank's overall market share. The portion of refinance loans made in moderate-income census tracts in the Northern AA was lower than the portion of owner-occupied housing units located in those census tracts. NBT's market share of refinance purchase loans originated in moderate-income census tracts in the Northern AA was significantly lower than the bank's overall market share of refinance loans.

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

Refer to Table 6 in the State of New York 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 loans to businesses is good. The geographic distribution is excellent in the Southern Tier AA and adequate in the Northern AA. In the Southern Tier AA, the portion of small loans to businesses made in moderate-income census tracts exceeded the portion of businesses that are in those census tracts. The Southern Tier AAs market share of loans originated in moderate-income census tracts exceeded the bank's overall market share. In the Northern AA, the portion of small loans to businesses made in moderate-income census tracts was somewhat lower than the portion of businesses that are in

those census tracts. The Northern AA market share of loans originated in moderate-income census tracts was lower than the bank's overall market share.

### ***Small Loans to Farms***

Refer to Table 7 in the State of New York 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 farms.

The overall geographic distribution of small loans to farms is adequate. The geographic distribution is good in the Southern Tier AA and very poor in the Northern AA. In the Southern Tier AA, the portion of small loans to farms made in moderate-income census tracts exceeded the portion of farms that are in those census tracts. The Southern Tier's AA market share of loans originated in moderate-income census tracts was significantly lower the bank's overall market share. In the Northern AA, the portion of small loans to farms made in moderate-income census tracts was significantly lower than the portion of farms that are in those census tracts. The Northern AAs market share of farm loans originated in moderate-income census tracts was also significantly lower than 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 (92%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 94% of the bank's home mortgage loans, 94% of the small loans to businesses, 74% of the small loans to farms, and 100% of the CD loans were within the bank's AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of census tracts.

### **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 the full-scope AAs is excellent. In the evaluation of borrower distribution, we gave consideration to the high household poverty level in each of the AAs. The household poverty level in the Southern Tier is 13.27% and is 14.47% in the Northern AA. 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 New York 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 full-scope AAs is excellent.

Home purchase loan borrower distribution was good. In the Southern Tier AA performance was good. The portion of home purchase loans to moderate-income borrowers was near to the portion of families defined as such. The portion of home purchase loans to low-income borrowers was lower than the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to moderate-income borrowers was near to NBT's overall market share in the AA for home purchase loans, while the market share for loans made to low-income borrowers was lower than NBT's overall market share in the AA for home purchase loans. Performance in the Northern was excellent. The portion of home purchase loans to moderate-income borrowers exceeded the portion of families defined as such. The portion of home purchase loans to low-income borrowers was lower than the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to low and moderate income borrowers exceeded NBT's overall market share in the Northern AA for home purchase loans.

Home improvement loan borrower distribution is good. In the Southern Tier AA, performance is good. The portion of home improvement loans to moderate-income borrowers exceeded the portion of families defined as such. The portion of home improvement loans to low-income borrowers was lower than the portion of families defined as such, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to moderate-income borrowers was near to NBT's overall market share in the AA for home improvement loans. The market share for loans made to low-income borrowers was somewhat lower than NBT's overall market share in the AA for home improvement loans. Performance in the Northern AA was excellent. The portion of home improvement loans made to moderate-income borrowers exceeded the portion of families defined as such. The portion of home improvement loans made to low-income borrowers was somewhat lower than the portion of families defined as such, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to low income borrowers exceeded and for moderate-income was somewhat lower than NBT's overall market share in the AA for home improvement loans.

Home refinance loan borrower distribution is excellent. In the Southern Tier AA, performance is excellent. The portion of home refinance loans to moderate-income borrowers exceeded the portion of families defined as such. The portion of home refinance loans to low-income borrowers was somewhat lower than the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to both low- and moderate-income borrowers exceeded NBT's overall market share in the AA for home refinance loans. Performance in the Northern AA was excellent. The portion of home refinance loans to moderate-income borrowers exceeded the portion of families defined as such. The portion of home refinance loans to low-income borrowers was somewhat lower than the portion of low-income families, but excellent when considering the

percentage of AA households living below the poverty level. The market share for loans made to low- and moderate-income borrowers exceeded NBT's overall market share in the AA for home refinance loans.

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

Refer to Table 11 in the State of New York 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. The portion of NBT loans to small businesses (businesses with revenues of \$1 million or less) was near to the portion of businesses that are defined in the Southern Tier AA and exceeded the portion of businesses defined as such in the Northern AA. The market share of small loans to businesses exceeded NBT's overall market share in both AAs.

### ***Small Loans to Farms***

Refer to Table 12 in the State of New York section of Appendix D 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 good. The portion of NBT loans to small farms (farms with revenues of \$1,000,000 or less) was near to the portion of farms that are defined as such in both the Southern Tier and Northern Tier AAs. The market share of small loans to small farms exceeded NBT's overall market share for small loans to all farms in the Southern Tier AA and was near to the NBT's overall market share for small loans to all farms in the Northern AA.

### **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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

NBT's substantial level of community development lending had a positive impact on the evaluation of its lending performance in the State of New York.

NBT originated four CD loans for \$7.1 million in its Southern Tier AA. One loan for \$3.6 million was made to fund a 24 unit affordable housing facility for low-income senior citizens. Two loans totaling \$2.4 million were made to a health care facility located in a designated distressed and underserved middle-income census tract. The facility is the area's largest employer and significantly contributes to the stability of the community. The remaining loan for \$1.1 million was made to a small sized business that is creating and retaining jobs for low and moderate-income people.

NBT did not originate any qualified CD loans in its Northern AA.



## 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% financing) without requiring private mortgage insurance, and no application fee. There were 13 loans for \$749,000 made in the Southern Tier AA and 28 loans for \$1.9 million made in the Northern AA during the evaluation period.

NBT participates in four 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 and Low Interest Rate Programs are for first time homebuyers only. Each features a low fixed interest rate, a 30 or 40 year loan term, flexible underwriting guidelines and up to 97% financing. NBT originated 11 loans for \$869,000 in the Southern Tier AA and 17 loans for \$1.6 million in the Northern AA under these programs during the evaluation period.

NBT participates in the US Department of Agriculture (USDA) Rural Development Guaranteed Housing Program. This loan program is designed to help low- and moderate-income individuals purchase affordable single-family homes in designated rural areas. Applicant(s) must have an adjusted household income that does not exceed income limit established for the area. The applicant(s) must occupy the home as their primary residence. The home may be existing, new, or proposed construction. The guarantee program also includes new manufactured homes, new or existing modular homes, condos and town houses (if it meets the standards for Fannie Mae, Freddie Mac, VA, or FHA). Other features include:

- \* Flexible credit and qualifying ratios
- \* 30 year fixed rates and no mortgage insurance
- \* No down payment and no cash reserve requirements
- \* No maximum purchase price or mortgage limit

NBT made 17 loans for \$1.6 million under the USDA program in the Southern Tier AA and 21 loans for \$2 million in the Northern AA during the evaluation period.

NBT participates in the Federal Housing Agency (FHA) home mortgage loan program. FHA loans are available for both first-time and existing home buyers. Borrowers can finance up to 96.5% for one family owner occupied residences. Other features include flexible underwriting, and up to 6% seller contributions to cover closing costs. NBT made 10 FHA loans for \$930,000 in the Southern Tier AA and seven loans for \$709,000 in the Northern 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 limited-scope AAs of New York State is weaker than its rating in the full-scope AAs. Overall lending in the limited-scope AAs is good. The weaker performance in the limited-scope AAs did not lower the bank's rating under the Lending Test. Refer to the Tables 1 through 12 in the State of New York section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in New York State is rated Outstanding. Based on full-scope reviews, the bank's performance in the Southern Tier and Northern AAs is excellent.

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 AA the level of investment was excellent. The investments made a positive impact on the AA. The investment activity for the AA consisted of \$37 million in direct investment activity that was primarily for the revitalization and stabilization of underserved and distressed middle income census tracts. Several of the investments were made to revitalize/stabilize municipalities declared disaster areas by the Federal Emergency Management Agency (FEMA). Several counties in the AA were declared disaster areas at different times in the evaluation period due to severe flooding. The grants included in the total investments were primarily for community services targeted to people of low- or moderate-income and affordable housing services for people with low- or moderate-income.

The level of investment in the Northern AA was excellent. The investment activity for the AA consisted of \$3.8 million in direct investment activity that was primarily for the revitalization and stabilization of underserved and distressed middle income census tracts.

The direct investment activity in the AAs was augmented by \$1 million in statewide investment activity. The investments involved a community preservation corporation and a non profit business development organization.

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

Based on limited-scope reviews, the bank's overall performance under the Investment Test in the limited-scope AAs is not inconsistent with its performance in the full-scope AAs. The impact of the statewide investment activity was considered in arriving at the performance conclusion for the limited-scope AAs. Please refer to the 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 High Satisfactory. Based on full-scope reviews, the bank's performance in both the Southern Tier and Northern AAs 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 accessible to census tracts and individuals of different income levels throughout the full-scope AAs. Accessibility is good in the Southern Tier AA and adequate in the Northern AA.

In the Southern Tier AA, NBT has no offices located in moderate-income census tracts. However, the bank's main office in Norwich, NY, which is located in middle-income census tract 9903, is very convenient to census tract 9904, the only moderate-income census tract in the AA. A good portion of tract 9904 is nearer to the bank than portions of tract 9903. At its closest point, the office is within 25 feet of the tract 9904.

In the Northern AA NBT has no offices located in low or moderate-income census tracts where .77% and 5.79% of the population of those areas resides respectively. While no branches are located directly in a low or moderate-income census tract, the bank's Plattsburgh office located in census tract 1008 is located on the opposite side of the street from moderate census tract 1016, making the branch equally accessible to both census tracts 1008 and 1016. The bank's Potsdam office is located two miles from low income census tract 9911 and its Ogdensburg office is located two miles from moderate-income census tract 9916. Two miles is not considered a long distance in the Northern AA of New York State, where the residents rely heavily on motor vehicles for their transportation needs, as there is no public transportation in these areas.

NBT's branch openings and closings did not adversely affect its branch distribution in the full-scope AAs. There were no branch openings or closings in either full scope AA.

NBT's hours and services offered throughout the full-scope AAs do not vary in a way to inconvenience any census tracts or individuals. Hours and services are good in both the Southern Tier AA and Northern 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 or Pennsylvania Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any NBT ATM free of charge. The bank's Classic Checking Account, is a basic account without a monthly maintenance charge, an affordable option for people with low- or moderate-income. There are no balance requirements or check writing limits on the accounts.

NBT offers alternative delivery systems in the form of ATMs. A majority of the bank's ATMs are located in the full-scope AAs. The geographic distribution of the ATMs is similar to the 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 census tracts 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 provide a high level of support to various organizations in the communities served by the bank by offering financial expertise to such groups. Numerous employees are members of the boards of directors, loan committees, finance committees or serve as treasurers of organizations that provide community development services.

In the Southern Tier AA, NBT employees provide a high level of support to various community development organizations. Members of the NBT employees participated in 19 community organizations that are involved in community development activities, devoting over 1100 hours to such activities during the evaluation period. The organizations collectively cover a wide range of CD activities, i.e., providing community services targeted to low- and moderate-income people, supporting affordable housing for low- and moderate-income people, supporting economic development by financing small businesses that are creating and retaining jobs for low- and moderate-income people, or in a low-income census tracts, moderate-income census tracts, distressed or underserved middle-income census tracts, or in areas designated for economic development by federal, state or local government.

In the Northern AA, NBT employees also provide a high level of support to various community development service organizations. NBT employees participated in 13 organizations that are involved in community development activities, devoting over 700 hours to such activities during the evaluation period. The organizations collectively cover a wide range of CD activities, i.e., providing community services targeted to low- and moderate-income people, supporting affordable housing for low- and moderate-income people, supporting economic development by financing small businesses that are creating and retaining jobs for low- and moderate-

income people, or in a low-income census tracts, moderate-income census tracts, distressed or underserved middle-income census tracts, or in areas designated for economic development by federal, state or local government.

## Conclusions for Areas Receiving Limited-Scope Reviews

NBT's overall performance in the limited scope AAs is stronger than in the full scope AAs. NBT's performance under the Service Test is stronger in Albany-Schenectady-Troy and Fulton-Montgomery AAs. The Albany-Schenectady-Troy and Fulton-Montgomery AAs delivery systems are readily accessible to census tracts and individuals of different income levels throughout these two AAs. Fifty-nine percent of the limited scope AA branches are located in these two AAs. The AAs also encompass 32% of the entire branch network in the state. The Binghamton AA delivery systems are not inconsistent with performance in the full scope AAs, while performance in the Glens Falls and Utica AAs is weaker than the performance in the full scope AAs. The stronger overall performance in the limited scope AAs did not change the rating assigned to the Service Test based upon the full scope AA review. Refer to Table 15 in the State of New York section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Pennsylvania

#### CRA Rating for State of Pennsylvania: **Satisfactory**

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Low Satisfactory**

**The service test is rated: Outstanding**

The major factors that support this rating include:

- Lending levels that reflect adequate 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 census tracts of different income levels throughout the AAs, along with an excellent ratio of loans originated inside the AAs.
- Community development lending that had a neutral 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 adequate responsiveness to the credit and community development needs of the AAs.

- Service delivery systems that are readily accessible to census tracts and individuals of different income levels in the AAs.
- Good performance in providing community development services.

## **Description of Institution's Operations in the State of Pennsylvania**

NBT has three AAs within Pennsylvania. They include the Lackawanna-Luzerne AA, the Northeast AA, and the Pike AA. NBT has 37 branches within the state, representing 30% of the bank's total branch network. Twenty-two percent of NBT's total deposits are from Pennsylvania. The bank's deposit market share ranks 38th in the state, with .31% of the state's total deposits. During the evaluation period, NBT originated 18% of its total HMDA and small business/small farm loan volume within Pennsylvania.

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

## **Scope of Evaluation in the State of Pennsylvania**

We conducted a full-scope review of the Lackawanna-Luzerne AA. The area has 51% of the total number of branches, 50% of the total deposits in the state, and 59% of the loan originations.

Home mortgage loans were given the greatest weight, as they accounted for 60% of the number and 55% of the dollar volume of loans in Pennsylvania.

Of the home mortgage lending products, we gave the greatest weight to refinances, which represented 64% of home mortgage loans, followed by home purchase loans and home improvement loans, each representing 18% of lending activity.

We conducted one community contact in the full-scope AA during this evaluation. The non-profit organization contacted is involved in community services targeted to lower-income residents for a four county area in Pennsylvania. The contact stressed the need for affordable housing and foreclosure assistance. The need for affordable housing related loans, 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 Low Satisfactory. Based on the full-scope review, the bank's performance in the Lackawanna-Luzerne AA is good.

## **Lending Activity**

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 lending activity.

NBT's overall lending activity in the full-scope AA is good. NBT's lending activity is good in the Lackawanna-Luzerne AA. NBT ranks 9<sup>th</sup> for deposits with a 4.18% market share. Based on 2009 aggregate HMDA data, NBT ranks 16<sup>th</sup> as originator/purchaser of refinance loans (1.81% market share), 9<sup>th</sup> as originator/purchaser of home improvement loans (3.51% market share) and 30<sup>th</sup> as originator/purchaser of home purchase loans (.91% market share). Based on 2009 CRA aggregate data, NBT ranks 17<sup>th</sup> as originator/purchaser of small loans to businesses (1.32% market share). NBT ranks 9<sup>th</sup> with a 3.99% market share for business loans made to small sized businesses.

## **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 adequate penetration in the full-scope AA census tracts.

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

The overall geographic distribution of home mortgage loans in the Lackawanna–Luzerne AA is poor. Our analysis covers only the moderate-income census tracts in the Lackawanna–Luzerne AA. We did not analyze the bank's home mortgage lending in low income census tracts, due the insignificant amount owner-occupied housing located in the low-income tracts (.03%).

Refer to Tables 2, 3, 4, and 5 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 geographic distribution of home purchase loans is adequate. The portion of home purchase loans made in moderate-income census tracts in the Lackawanna–Luzerne AA was somewhat lower than the owner-occupied housing units that are in those census tracts. The market share of loans originated in moderate-income census tracts in the AA was somewhat lower than the bank's overall market share.

The geographic distribution of home improvement loans is adequate. The portion of home improvement loans made in moderate-income census tracts in the Lackawanna–Luzerne AA was somewhat lower than the owner-occupied housing units that are in those census tracts. The market share of loans originated in moderate-income census tracts of the AA was lower than the bank's overall market share.

The overall geographic distribution of refinance loans is poor. The portion of refinance loans made in moderate-income census tracts in the Lackawanna–Luzerne AA was lower than the owner-occupied housing units that are in those census tracts. The market share of loans originated in moderate-income census tracts of the AA was lower than 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 loans to businesses is adequate. The portion of small loans to businesses made in moderate-income census tracts in the Lackawanna–Luzerne AA was somewhat lower than near to the portion of businesses that are in those census tracts. The AA market share of loans originated in moderate-income census tracts exceeded 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 (92%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 94% of the bank's home mortgage loans, 94% of the small loans to businesses, 74% of the small loans to farms, and 100% of the CD loans were within the bank's AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of census tracts.

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

The borrower distribution of NBT's home mortgage and small loans to businesses reflects a good dispersion among borrowers of different income levels. The dispersion among borrowers in the full-scope AA is good. In the evaluation of borrower distribution, we gave consideration to the high household poverty level in each of the AAs. The household poverty level in the Lackawanna-Luzerne AA is 11.80%. 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 full-scope AAs is good.



Home purchase loan borrower distribution is good. The portion of home purchase loans to moderate-income borrowers was near to the portion of families defined as such. The portion of home purchase loans to low-income borrowers was somewhat lower than the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to moderate-income borrowers was near to NBT's overall market share in the AA for home purchase loans, while the market share for loans made to low-income borrowers exceeded NBT's overall market share in the AA for home purchase loans.

Home improvement loan borrower distribution is good. The portion of home improvement loans to moderate-income borrowers was near to the portion of families defined as such. The portion of home improvement loans to low-income borrowers was somewhat lower than the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to moderate-income borrowers was somewhat lower than NBT's overall market share in the AA for home improvement loans, while the market share for loans made to low-income borrowers was lower than NBT's overall market share in the AA for home improvement loans.

Home refinance loan borrower distribution is good. The portion of refinance loans to moderate-income borrowers was near to the portion of families defined as such. The portion of refinance loans to low-income borrowers was somewhat lower than the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level. The market share for loans made to moderate-income borrowers was near to NBT's overall market share in the AA for refinance loans, while the market share for loans made to low-income borrowers exceeded NBT's overall market share in the AA for refinance loans.

### ***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 good. The portion of NBT loans to small businesses (businesses with revenues of \$1 million or less) in the Lackawanna-Luzerne AA was near to the portion of businesses that are defined as such. The market share of small loans to businesses exceeded NBT's overall market share in both AAs.

### **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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

NBT did not make any qualified CD loans in its Lackawanna-Luzerne AA. The absence of CD loans in the full scope AA had a neutral effect on the bank's lending performance in the State.

## **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 of a percent less than the prevailing conventional mortgage rate, lower down payments (up to 98% financing) without requiring private mortgage insurance, and no application fee. There were four loans for \$290,000 made in the Lackawanna-Luzerne AA during the evaluation period.

NBT participates in four loan programs through the Pennsylvania Housing Finance Agency (PHFA) for properties located in Pennsylvania. Key features of the home purchase loan program include a 30 year term, LTVs of up to 97%, and flexible underwriting guidelines. NBT made 13 loans for \$1.4 million under PHFA programs during the evaluation period.

NBT participates in the Federal Housing Agency (FHA) home mortgage loan program. FHA loans are available for both first-time and existing home buyers. Borrowers can finance up to 96.5% for one family owner occupied residences. Other features include flexible underwriting, and up to 6% seller contributions to cover closing costs. NBT made three FHA loans for \$440,000 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 performance in the Northeast Pennsylvania AA is stronger than on the full scope AA. The stronger performance in the AA is attributable to an excellent borrower loan distribution and community development lending that had a positive impact. Performance in the Pike County AA is not inconsistent with performance in the full scope AA. The stronger lending performance in the Northeast Pennsylvania AA did not change the Lending Test rating for the State. Refer to the Tables 1 through 12 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**

Based on the full-scope review of the Lackawanna-Luzerne AA, NBT's performance under the Investment Test in Pennsylvania is rated Low Satisfactory. 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 level of investment in the Lackawanna-Luzerne AA was adequate. NBT made current period investments of \$663 thousand in the AA. The investments consisted primarily of

mortgage backed securities that involve the purchase of mortgage loans made to low and moderate income borrowers.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Pike AA was stronger than in the full-scope AA. Performance in the Northeast AA was not inconsistent with performance in the full-scope AA. The stronger performance in the Pike AA did not change the bank's overall rating under the Investment Test, as this AA represents less than 10% of loan and deposit activity in the state. Refer to Table 14 in the State of Pennsylvania 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 Pennsylvania is rated Outstanding. Based on full-scope reviews, the bank's performance in the Lackawanna-Luzerne AA is excellent.

### **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 readily accessible to census tracts and individuals of different income levels throughout the full-scope AA.

In the Lackawanna-Luzerne AA, the distribution of NBT's offices in low-income census tracts significantly exceeds the distribution of the population living in such census tracts. The distribution of offices in moderate-income census tracts is near to the distribution of the population living in such census tracts.

NBT opened two offices in the AA during the evaluation period, one in a middle-income census tract and the other in an upper-income census tract. NBT did not close any offices in this AA during this period.

NBT's hours and services offered in the Lackawanna-Luzerne AA are excellent. 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 and some branches have Sunday hours. The Steamtown branch, which is located in a low-income census tract, has full-day Saturday and part-day Sunday hours. 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 or

Pennsylvania Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any NBT ATM free of charge. The bank's Classic Checking Account, is a basic account without a monthly maintenance charge that provides an affordable option for people with low- or moderate-income. There are no balance requirements or check writing limits on the account.

NBT offers alternative delivery systems in the form of ATMs. A majority of the bank's ATMs are located in the full-scope AA. The geographic distribution of the ATMs is similar to the 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 census tracts 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 a high level of support to various community development service organizations. NBT employees, including members of management, actively participated in 16 CD related organizations by serving on the boards of directors, or in treasurer positions for these organizations, expending approximately 1,000 hours on such activities. The organizations collectively cover a wide range of CD activities, i.e., providing community services targeted to low- and moderate-income people, supporting affordable housing for low- and moderate-income people, supporting economic development by financing small businesses that are creating and retaining jobs for low- and moderate-income people, or in a low-income census tracts, moderate-income census tracts, distressed or underserved middle-income census tracts, or in areas designated for economic development by federal, state or local government.

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

Based on limited-scope reviews, NBT's performance under the Service Test in the Pike AA is weaker than its performance in the full-scope AA. The weaker performance is due to a less favorable distribution of branches in moderate-income census tracts compared to the population of the census tracts. The Northeast AA does not have any low- or moderate-income census tracts, but had a balanced distribution of branches among the middle- and upper-income census tracts in the AA. The weaker performance in the Pike AA did not change the rating assigned to the Service Test based upon the full-scope AA review. Refer to Table 15 in the State of Pennsylvania section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Vermont

#### **CRA Rating for State of Vermont: Outstanding**

**The lending test is rated: High Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: Outstanding**

The major factors that support this rating include:

- Lending levels that reflect a good 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.
- Good distribution of loans among census tracts of different income levels throughout the AAs, along with an excellent ratio of loans originated inside the AAs.
- Community development lending that had a neutral impact on the bank's lending performance.
- Flexible lending products that had a neutral 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 readily accessible to census tracts and individuals of different income levels in the AAs.
- Good performance in providing community development services.

### **Description of Institution's Operations in the State of Vermont**

NBT has one AA in Vermont. The AA consists of only one county, Chittenden County. NBT has two branches within the state, representing 2% of the bank's total branch network. Only .2% of NBT's total deposits are from Vermont. The bank's deposit market share ranks 22<sup>nd</sup> in the state, with .1% of the total deposits in the state. During the evaluation period, NBT originated 1% of its total HMDA and small business/small farm loan volume within Vermont.

Refer to the Market Profiles for the State of Vermont in Appendix C for detailed demographics and other performance context information for the AA that received the full scope review.

### **Scope of Evaluation in the State of Vermont**

We conducted a full-scope review of NBT's only AA located in Vermont.

Small business loans were given slightly more weight than home mortgage loans, accounting for 51% of the number and 55% of the dollar volume of loans in Vermont.

Of the home mortgage lending products, we gave the greatest weight to refinances, which represented 74% of home mortgage loans, followed by home purchase loans (21%) and home improvement loans (5%).

We conducted one community contact in the full-scope AA during this evaluation. The contact is a community development credit union that serves all of Vermont. The contact stressed the need for permanent housing for homeless and previously homeless families and individuals, micro loans for small businesses, affordable home purchase loans, home improvement loans to rehab older properties, credit counseling and budgeting assistance. Banks can invest directly in the credit union to help provide the needed lending and banking services to the credit union's lower-income customers. The need for affordable housing and small business related loans, investments and services in the AA were considered in our evaluation of NBT's performance in Vermont 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 Vermont is rated High Satisfactory.

#### **Lending Activity**

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

NBT's overall lending activity in the full-scope AA is good. NBT's lending activity is good in the Vermont AA. NBT ranks 22<sup>nd</sup> for deposits with a .10% market share out of 23 depository institutions operating in the AA. NBT did not make any HMDA or small business loans in Vermont in 2009, hence there are no market share reports comparing them with their peers available. NBT did not open its first branch in the state until December 1, 2009. Its second branch did not open until January 2011. The bank's lending activity is reasonable for a bank having opened a new branch office in a new market, and having only one branch office for the rating period.

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

The geographic distribution of NBT's small loans to businesses and home mortgage loans reflects good penetration in the Vermont AA census tracts.

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

The overall geographic distribution of home mortgage loans in the Vermont AA is adequate. Our analysis covers only the moderate-income census tracts in the in the AA and only the

refinance loans. NBT made only eight home purchase loans and two home improvement loans in the AA in 2010, and none were made in moderate-income census tracts. We did not evaluate lending in low income census tracts, due the insignificant amount of owner-occupied housing located in the low-income tracts (.53%), and the limited time available in the evaluation period to develop loan activity in this small of a market.

Refer to Tables 2, 3, 4, and 5 in the State of Vermont 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 refinance loans is adequate. The portion of refinance loans made in moderate-income census tracts in the Vermont AA was somewhat lower than the owner-occupied housing units that are in those census tracts.

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

Refer to Table 6 in the State of Vermont 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 loans to businesses is excellent. The portion of small loans to businesses made in moderate-income census tracts in the Vermont AA significantly exceeded the portion of businesses that are in those census tracts. NBT did not make any small business loans in low-income census tracts in the Vermont AA, where only 1.64% of the AAs businesses are located. NBT made only 40 small business loans in the AA in 2010. Its only office in 2010 was located in a moderate-income census tract. Under these circumstances, it is reasonable that NBT would have not originated any loans in low-income census tracts in 2010.

### ***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 (92%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 94% of the bank's home mortgage loans, 94% of the small loans to businesses, 74% of the small loans to farms, and 100% of the CD loans were within the bank's AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of census tracts.

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

The borrower distribution of NBT's home mortgage and small loans to businesses reflects a good dispersion among borrowers of different income levels. In the evaluation of borrower distribution, we gave consideration to the high household poverty level in each of the AAs. The household poverty level in the Vermont AA is 8.91%. 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 Vermont 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 full-scope AAs is excellent.

Home purchase loan borrower distribution was good. The portion of home purchase loans to low-income borrowers was near to the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level. NBT made no home purchase loans to moderate-income borrowers during the evaluation period, having made only eight mortgage home purchase loans in 2010.

Home improvement loan borrower distribution was good. The portion of home improvement loans to moderate-income borrowers exceeded the portion of families defined as such. NBT made no home improvement loans to low-income borrowers during the evaluation period, having made only two home improvement loans in 2010.

Home refinance loan borrower distribution was excellent. The portion of refinance loans to moderate-income borrowers was exceeded the portion of families defined as such. The portion of refinance loans to low-income borrowers was lower than the portion of low-income families, but excellent when considering the percentage of AA households living below the poverty level.

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

Refer to Table 11 in the State of Vermont 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 adequate. The portion of NBT loans to small businesses (businesses with revenues of \$1 million or less) in the Vermont AA was somewhat lower than the portion of businesses that are defined as such.



## **Community Development Lending**

Refer to Table 1 Lending Volume in the State of Vermont 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. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

NBT did not make any qualified CD loans in its Vermont AA. The absence of CD loans in the full scope AA had a neutral effect on the bank's lending performance in the State.

## **Product Innovation and Flexibility**

NBT did not make any loans under any special innovative and/or flexible loan programs in the Vermont AA during the evaluation period. The absence of active innovative and flexible loan programs in the full scope AA had a neutral effect on the bank's lending performance in the State.

## **INVESTMENT TEST**

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

Based on the full-scope review of the Vermont AA, NBT's performance under the Investment Test in Vermont is rated Outstanding. Refer to Table 14 in the State of Vermont section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of investment in the Vermont AA was excellent. NBT made one current period investment of \$3 million in the AA. The investment is a low income housing tax credit (LIHTC) used to build affordable housing for low income people.

## **SERVICE TEST**

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

The bank's performance under the service test in Vermont is rated Outstanding. Based on full-scope reviews, the bank's performance in the Vermont AA is excellent.

## **Retail Banking Services**

Refer to Table 15 in the State of Vermont 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 readily accessible to census tracts and individuals of different income levels throughout the full-scope AA. The bank has two branches in the Vermont AA, one located in a moderate-income census tract and the other in an upper-income census tract. This compares favorable to the distribution of the population living in moderate-income tracts.

NBT opened both of its offices in the AA during the evaluation period, one in December 2009 (located in moderate-income census tract) and the other January 2011. The bank did not close any offices in this AA during this period.

NBT's hours and services offered in the Vermont AA are good. Management sets branch hours based on customer needs and traffic patterns in each area. The office hours at the two branches are comparable, with the exception that the branch located in the upper-income census tract has Saturday hours. Saturday hours are appropriate for the branch since it is located in a shopping center. Services offered are comparable among locations regardless of the income level of the census tract.

NBT offers services that provide easy access to funds for low-income people who receive government assistance. Both branches will cash government checks for non-customers for a fee. Recipients (customer or non-customer) of New York State or Pennsylvania Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any NBT ATM free of charge. The bank's Classic Checking Account, is a basic account without a monthly maintenance charge, an affordable option for people with low- or moderate-income. There are no balance requirements or check writing limits on the accounts.

NBT offers alternative delivery systems in the form of ATMs. A majority of the bank's ATMs are located in the full-scope AA. The geographic distribution of the bank's ATMs 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 census tracts and individuals.

## **Community Development Services**

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

NBT management and employees provide a high level of support to various community development service organizations. NBT employees, including members of management, actively participated in five CD related organizations by serving on the boards of directors, or in treasurer positions for these organizations, expending 120 hours on such activities. The organizations either provide community services targeted to low- and moderate-income people, or support affordable housing for low- and moderate-income individuals.

## 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 nonmetropolitan areas that received a 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): 1/1/2007 to 12/31/2010 Investment and Service Tests and CD Loans: 9/10/2007 to March 13, 2011	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
NBT Bank, N.A. Norwich, NY	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 Northern  Binghamton MSA Fulton-Montgomery Albany -Schenectady -Troy MSA Utica-Rome MSA Glens Falls MSA  Pennsylvania  Lackawanna-Luzerne Pike Northeast PA  Vermont  Chittenden County	  Full-Scope Full-Scope  Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope   Full-Scope Limited Scope Limited Scope   Full-Scope	

## Appendix B: Summary of State Ratings

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

(\*) 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

### State of New York Full Scope AA

#### 2010 Southern Tier NY

Demographic Information for Full Scope Area: 2010 Southern Tier NY						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	41	0.00	2.44	90.24	4.88	2.44
Population by Geography	161,132	0.00	2.01	94.54	1.84	1.60
Owner-Occupied Housing by Geography	46,613	0.00	1.17	98.25	0.58	0.00
Business by Geography	10,415	0.00	2.64	96.83	0.50	0.03
Farms by Geography	833	0.00	0.12	99.76	0.12	0.00
Family Distribution by Income Level	41,504	19.48	20.83	22.81	36.87	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	16,733	0.00	2.19	97.50	0.31	0.00
Median Family Income		41,761	Median Housing Value		70,227	
HUD Adjusted Median Family Income for 2010		55,300	Unemployment Rate April 2011		8.0 --8.9%	
Households Below Poverty Level		13%				

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

Source: 2000 US Census and 2010 HUD updated MFI

The Southern Tier AA consists of the counties of Chenango, Delaware and Otsego. The AA is part of the non-metropolitan area of the state. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The composition of the AA census tracts by income level is: 0% low-income, 2.44% moderate-income, 90.24% middle-income, 4.88% upper-income and 2.44% unclassified for income.

The Southern Tier AA is by far the largest geographically of the bank's seven AAs in New York State. The AA has the largest representation of branch offices in New York with 30% of the bank's total branches. Thirty-four percent of the bank's total deposits in New York State were domiciled in the AA as of June 30, 2010. Loan originations in the AA represented 29% of loan originations in New York State.

The Southern Tier AA is a fairly competitive market for financial services. NBT competes with large mortgage companies, large money center banks, credit unions, community banks and savings banks. According to the FDIC market share report as of June 30, 2010, NBT is ranked number one for market share of deposits in the AA with a 43.52% 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% are multifamily units, and 18% are mobile homes. Of total housing units, 57% are owner-occupied, 20% are renter-occupied, and 23% are vacant. The median housing value was \$70,227 in the 2000 census. Housing stock consists mostly of older homes, with 1959 the median year homes were built in the AA. Sixteen percent of the population is over age 65.

According to the 2010 business demographics, there are 11,248 businesses in the AA, of which 833 are farms. Small businesses represent 78% of the businesses reporting revenues (20% of AA businesses did not report revenues). Approximately 81% of businesses reported having less than 10 employees. The primary industries in the AA are services 46%, retail trade 15%, and construction 7%. Major employers in the AA include NBT Bank, Chenango Memorial Hospital, Bassett Healthcare, Amphenol Corporation, Mead Westvaco, SUNY Oneonta, New York Mutual Fire Insurance Company, and the Raymond Corporation.

The unemployment rate in April 2011 was in the 8-8.9% range in each of the three counties compared to the state average of 7.7%

There are ample community development opportunities available in the AA as evidenced by the bank’s CD activities, information from community contacts and other public information.

**2010 North NY**

Demographic Information for Full Scope Area: 2010 North NY						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	77	1.30	6.49	83.12	6.49	2.60
Population by Geography	287,189	0.77	5.79	86.50	5.79	1.16
Owner-Occupied Housing by Geography	74,356	0.00	5.06	88.78	6.16	0.00
Business by Geography	17,234	0.17	6.45	86.02	6.94	0.43
Farms by Geography	936	0.00	7.26	90.28	2.46	0.00
Family Distribution by Income Level	69,885	20.17	18.83	22.69	38.31	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	27,257	0.12	8.35	87.85	3.68	0.00
Median Family Income		41,761	Median Housing Value		69,615	
HUD Adjusted Median Family Income for 2010		55,300	Unemployment Rate (April 2011)		9 – 9.9% with St Lawrence	
Households Below Poverty Level		14%			County 10% or more	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 US Census and 2010 HUD updated MFI

The Northern New York AA consists of the entire counties of St. Lawrence, Franklin, Clinton, Hamilton and Essex. The AA is part of the non-metropolitan area of the state. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The composition of the AA census tracts by income

level is: 1.30% low-income, 6.49% moderate-income, 83.12% middle-income, 6.49% upper-income, and 2.60% unclassified income.

The Northern NY AA has 15% of the bank's branches in New York. Twelve percent of the bank's total deposits in New York were domiciled in the AA as of June 30, 2010. Loan originations in the AA represented 18% of the bank's loan originations in New York during the evaluation period.

The Northern NY AA is a competitive market for financial services. NBT competes with large mortgage companies, large money center banks, credit unions, community banks and savings banks. According to the FDIC market share report as of June 30, 2010, NBT ranked fourth for market share of deposits in the AA at 11.36% 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 percent of the housing in the AA is one to four family units and 7% is multifamily units. 13% of the housing is mobile homes. Of total housing units, 54% are owner-occupied, 22% are renter-occupied, and 24% are vacant. The median housing value was \$69,615 in the 2000 census. Housing stock consists mostly of older homes, with 1959 the median year homes were built in the AA. Thirteen percent of the population is over age 65.

According to the 2010 business demographics, there are 18,170 businesses in the AA, of which 936 are farms. Small businesses represent 74% of the businesses. Twenty-two percent of AA businesses did not report revenues for 2010. Approximately 79% of businesses reported having less than 10 employees. The primary industries in the AA are services 49%, retail trade 15%, construction 7% and finance 5%. Major employers in the AA include ALCOA, CVPH Medical Center, International Paper, St. Regis Mohawk Tribe, Wyeth Pharmaceuticals, Clinton Correctional Facility, and Clarkson University.

The unemployment rate in April 2011 was in the 9-9.9% range for each county except St. Lawrence County which had a rate above 10%. The unemployment rates were considerably higher than the state average of 7.7%

The AA has community development opportunities available as evidenced by the bank's CD activities, and information from community contacts and public information.

## State of Pennsylvania Full Scope AA

Institution ID: NBT Charter #1354

### 2010 Lackawanna-Luzerne

Demographic Information for Full Scope Area: 2010 Lackawanna-Luzerne						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	161	0.62	13.04	73.29	13.04	0.00
Population by Geography	532,545	0.49	10.80	71.81	16.91	0.00
Owner-Occupied Housing by Geography	150,164	0.03	8.34	73.46	18.17	0.00
Business by Geography	32,537	3.27	10.12	67.98	18.63	0.00
Farms by Geography	642	0.16	3.74	64.33	31.78	0.00
Family Distribution by Income Level	140,741	19.04	18.71	22.85	39.40	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	53,133	0.39	15.50	73.84	10.27	0.00
Median Family Income		43,893	Median Housing Value		87,056	
HUD Adjusted Median Family Income for 2010		56,500	Unemployment Rate April		8.3%	
Households Below Poverty Level		12%	2011			

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

Source: 2000 US Census and 2010 HUD updated MFI

The Lackawanna-Luzerne AA consists of the entire counties of Lackawanna and Luzerne. The AA is part of the Scranton/Wilkes-Barre MSA (42540). The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The composition of the AA census tracts by income level is: .62% low-income, 13.04% moderate-income, 73.29% middle-income, and 13.04% upper-income.

The Lackawanna-Luzerne AA is the largest of the bank's three AAs in the State of Pennsylvania. The AA has 51% of the bank's branches in Pennsylvania. Fifty percent of the bank's total deposits in Pennsylvania were domiciled in the AA as of June 30, 2010. Loan originations in the AA represented 59% of the bank's loan originations in Pennsylvania in the evaluation period.

The Lackawanna-Luzerne AA is a very competitive market for financial services. NBT competes with large mortgage companies, large money center banks, credit unions, and various community and savings banks. According to the FDIC market share report as of June 30, 2010, NBT ranked ninth for market share of deposits in the AA at 4.18% 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-eight percent of the housing in the AA is one to four family units, 9% is multifamily units, and 4% is mobile homes. Of total housing units, 63% are owner-occupied, 28% are renter-occupied, and 10% are vacant. The median housing value



was \$87,056 in the 2000 census. Housing stock consists mostly of older homes, with 1950 the median year homes were built in the AA. Twenty percent of the population is over age 65.

According to the 2010 business demographics, there are 33,179 businesses in the AA, of which 642 are farms. Small businesses represent 74% of the businesses. Twenty one percent of businesses did not report revenues for 2010. Approximately 77% of businesses reported having less than 10 employees. The primary industries in the AA are services 45%, retail trade 19%, construction 9% and finance 7%. Major employers in the AA include Wyoming Valley Healthcare System, Tobyhanna Army Depot, Proctor and Gamble Paper Products, Keystone Automotive Operations, PTG Energy, and Price Mobility Products.

The unemployment rate in April 2011 in the AA was 8.3% compared to the state average of 7.1%.

There is a reasonable level of community development opportunities available in the AA as evidenced by the bank's CD activities, information from community contacts and public information.

## State of Vermont Full Scope AA

### Vermont AA

#### 2010 Vermont

Demographic Information for Full Scope Area: 2010 Vermont						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	3.23	12.90	51.61	32.26	0.00
Population by Geography	146,571	2.04	8.22	54.17	35.56	0.00
Owner-Occupied Housing by Geography	37,291	0.53	4.84	53.11	41.52	0.00
Business by Geography	13,750	1.64	13.75	47.24	37.37	0.00
Farms by Geography	354	1.13	3.95	45.48	49.44	0.00
Family Distribution by Income Level	35,439	15.10	18.04	24.13	42.73	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	11,744	3.30	14.23	57.71	24.76	0.00
Median Family Income		55,265	Median Housing Value		139,478	
HUD Adjusted Median Family Income for 2010		73,800	Unemployment Rate April 2011		4.3%	
Households Below Poverty Level		9%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2010 HUD updated MFI

The Vermont AA consists of only one county, Chittenden county. The AA is part of the Burlington-South Burlington MSA (MSA #15540). The AA meets the requirement of the

regulation and does not arbitrarily exclude low- or moderate-income census tracts. The composition of the AA census tracts by income level is: 3.23% low-income, 12.90% moderate-income, 51.61% middle-income, and 32.26% upper-income.

The Vermont AA is a competitive market for financial services. NBT competes with large mortgage companies, large money center banks, credit unions, community banks and savings banks. According to the FDIC market share report as of June 30, 2010, NBT ranked seventh for market share of deposits in the AA at .35% 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 percent of the housing in the AA is one to four family units and 16% is multifamily units. Four percent of the housing is mobile homes. Of total housing units, 63% are owner-occupied, 33% are renter-occupied, and 4% are vacant. The median housing value was \$139,478 in the 2000 census. The housing stock in this AA is newer than the full scope AAs in New York and Pennsylvania, with 1968 as the median year the housing was built.

According to the 2010 business demographics, there are 14,104 businesses in the AA, of which 354 are farms. Small businesses represent 75% of the businesses. Twenty percent of AA businesses did not report revenues for 2010. Approximately 77% of businesses reported having less than 10 employees. The primary industries in the AA are services 51%, retail trade 13%, and construction and finance each 8%. Major employers in the AA include IBM, Fletcher Allen Healthcare, the University of Vermont, and Goodrich Corp.

The unemployment rate in April 2011 in the AA was 4.3% compared to the state average of 5.9%.

The AA has community development opportunities available as evidenced by the bank's CD activities, and information from community contacts and public information.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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: (1) 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; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. 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. [Note: Do not renumber the tables.]

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 all entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- 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/al 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. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**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

### State of New York

Institution ID: NBT - Charter # 1354

#### Table 1. Lending Volume

LENDING VOLUME		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010						
Assessment Area (2010):	% 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>												
2010	17.70	1,089	86,188	1,441	137,207	40	2,531	0	0	2,570	225,926	12.25
2010 Southern	29.06	1,820	135,920	1,683	138,828	720	37,957	4	7,108	4,223	312,705	34.04
<b>Limited Review:</b>												
2010 Albany-Schenectady-	13.49	697	87,073	1,120	145,013	138	8,252	7	15,700	1,955	256,038	16.34
2010 Binghamton	9.34	470	35,466	775	95,322	107	7,007	6	0	1,354	137,795	8.80
2010 Fulton-Montgomery	13.13	887	54,549	803	67,749	218	17,070	0	2,246	1,909	141,614	17.57
2010 Glens Falls	1.93	95	16,060	137	22,710	48	4,508	0	3,000	280	43,278,278	1.42
2010 Utica-Rochester	15.35	584	47,798	1,311	166,781	333	19,546	9	27,915	2,228	262,040	9.58

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from September 10, 2007 to March 13, 2011.

\*\*\* Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: NBT - Charter # 1354

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE															Geography: NEW YORK STATE					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
2010 North NY	304	18.70	0.00	0.00	5.06	2.63	88.78	92.43	6.16	4.93	4.43	0.00	5.13	4.60	2.45									
2010 Southern Tier NY	504	31.00	0.00	0.00	1.17	1.39	98.25	98.41	0.58	0.20	10.37	0.00	10.53	10.50	0.00									
<b>Limited Review:</b>																								
2010 Albany-Schenectady-Troy MSA	240	14.76	2.78	1.25	13.35	23.33	53.66	54.58	30.21	20.83	0.49	0.00	0.96	0.56	0.23									
2010 Binghamton MSA	160	9.84	0.97	1.88	9.07	6.25	61.79	73.75	28.17	18.13	1.24	0.00	1.53	1.34	0.98									
2010 Fulton-Montgomery	150	9.23	0.00	0.00	12.94	8.00	87.06	92.00	0.00	0.00	3.88	0.00	5.60	3.58	0.00									
2010 Glens Falls MSA	52	3.20	0.00	0.00	7.87	9.62	76.58	53.85	15.56	36.54	1.37	0.00	1.52	0.86	3.25									
2010 Utica-Rome MSA	216	13.28	2.64	1.39	9.37	4.63	65.33	71.30	22.66	22.69	1.88	0.00	1.22	2.04	1.84									

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)



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

Geographic Distribution: HOME IMPROVEMENT		Geography: NEW YORK STATE					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010									
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>																
2010 North NY	205	19.21	0.00	0.00	5.06	0.49	88.78	98.05	6.16	1.46	5.63	0.00	0.00	6.16	0.00	
2010 Southern Tier NY	327	30.65	0.00	0.00	1.17	0.92	98.25	98.17	0.58	0.92	22.73	0.00	25.00	22.78	0.00	
<b>Limited Review:</b>																
2010 Albany-Schenectady-Troy MSA	115	10.78	2.78	0.00	13.35	33.04	53.66	48.70	30.21	18.26	1.61	0.00	2.75	1.75	0.97	
2010 Binghamton MSA	60	5.62	0.97	1.67	9.07	1.67	61.79	85.00	28.17	11.67	2.29	11.11	0.00	2.80	1.26	
2010 Fulton-Montgomery	247	23.15	0.00	0.00	12.94	4.86	87.06	95.14	0.00	0.00	35.12	0.00	5.00	39.19	0.00	
2010 Glens Falls MSA	11	1.03	0.00	0.00	7.87	0.00	76.58	72.73	15.56	27.27	0.51	0.00	0.00	0.00	3.13	
2010 Utica-Rome MSA	102	9.56	2.64	0.98	9.37	7.84	65.33	67.65	22.66	23.53	2.60	0.00	1.15	3.11	1.94	

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT - Charter # 1354

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

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: NEW YORK STATE					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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>																								
2010 North NY	562	19.38	0.00	0.00	5.06	2.14	88.78	93.77	6.16	4.09	5.66	0.00	1.16	6.02	3.33									
2010 Southern Tier NY	984	33.93	0.00	0.00	1.17	0.81	98.25	98.78	0.58	0.41	14.90	0.00	16.67	14.93	11.76									
<b>Limited Review:</b>																								
2010 Albany-Schenectady-Troy MSA	338	11.66	2.78	0.30	13.35	36.09	53.66	46.45	30.21	17.16	0.45	0.00	1.41	0.42	0.30									
2010 Binghamton MSA	239	8.24	0.97	1.67	9.07	3.35	61.79	86.19	28.17	8.79	1.77	0.00	0.54	2.70	0.67									
2010 Fulton-Montgomery	488	16.83	0.00	0.00	12.94	7.79	87.06	92.21	0.00	0.00	10.00	0.00	7.78	10.18	0.00									
2010 Glens Falls MSA	29	1.00	0.00	0.00	7.87	6.90	76.58	51.72	15.56	41.38	0.87	0.00	0.61	0.59	2.07									
2010 Utica-Rome MSA	260	8.97	2.64	0.38	9.37	8.85	65.33	68.85	22.66	21.92	1.75	0.00	2.83	1.76	1.55									

\* Based on 2009 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)























Tables of Performance Data

State of Pennsylvania

Institution ID: NBT –Charter # 1354

Table 1. Lending Volume

LENDING VOLUME												
Geography: NBT - PA												
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010												
Assessment Area (2010):	% 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>												
2010 Lackawanna	58.98	1,108	105,783	810	104,364	0	0	0	0	1,918	210,147	50.17
<b>Limited Review:</b>												
2010 Northampton	32.66	626	58,355	436	43,546	0	0	1	0	1,063	101,901	42.81
2010 Pike County	8.36	205	21,322	67	3,760	0	0	0	0	272	25,082	7.02

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from September 10, 2007 to March 13, 2011.  
 \*\*\* Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: NBT # 1354

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																
Geography: NBT - PA																
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010																
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	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid
<b>Full Review:</b>																
2010 Lackawanna-Luzerne	226	65.70	0.03	0.00	8.34	6.19	73.46	72.57	18.17	21.24	0.83	0.00	0.57	0.84	0.85	
<b>Limited Review:</b>																
2010 Northeast PA	101	29.36	0.00	0.00	0.00	0.00	61.43	90.10	38.57	9.90	0.44	0.00	0.00	0.60	0.18	
2010 Pike County PA	17	4.94	0.00	0.00	76.83	70.59	23.17	29.41	0.00	0.00	0.20	0.00	0.13	0.45	0.00	

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT - #1354

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

Geographic Distribution: HOME IMPROVEMENT		Geography: NBT - PA				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement 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>															
2010 Lackawanna-Luzerne	187	52.82	0.03	0.00	8.34	4.28	73.46	63.10	18.17	32.62	3.54	0.00	1.55	3.09	5.93
<b>Limited Review:</b>															
2010 Northeast PA	115	32.49	0.00	0.00	0.00	0.00	61.43	88.70	38.57	11.30	3.91	0.00	0.00	4.57	1.92
2010 Pike County PA	52	14.69	0.00	0.00	76.83	69.23	23.17	30.77	0.00	0.00	6.04	0.00	4.52	14.81	0.00

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT - #1354

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

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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>																								
2010 Lackawanna-Luzerne	687	55.76	0.03	0.00	8.34	3.93	73.46	67.39	18.17	28.68	1.81	0.00	0.61	1.73	2.17									
<b>Limited Review:</b>																								
2010 Northeast PA	409	33.20	0.00	0.00	0.00	0.00	61.43	87.29	38.57	12.71	1.45	0.00	0.00	2.15	0.34									
2010 Pike County PA	136	11.04	0.00	0.00	76.83	60.29	23.17	39.71	0.00	0.00	1.14	0.00	0.82	2.06	0.00									

\* Based on 2009 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)



Institution ID: NBT - #1354

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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>																								
2010 Lackawanna-Luzerne	8	88.89	6.58	0.00	23.47	25.00	60.18	75.00	9.78	0.00	4.55	0.00	0.00	7.14	0.00									
<b>Limited Review:</b>																								
2010 Northeast PA	1	11.11	0.00	0.00	0.00	0.00	72.62	100.00	27.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
2010 Pike County PA	0	0.00	0.00	0.00	48.00	0.00	52.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: NBT - #1354

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
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>																
2010 Lackawanna-Luzerne	810	61.69	3.27	3.58	10.12	6.79	67.98	62.10	18.63	27.53	1.32	1.87	1.71	1.14	1.76	
<b>Limited Review:</b>																
2010 Northeast PA	436	33.21	0.00	0.00	0.00	0.00	63.17	84.86	36.83	15.14	2.19	0.00	0.00	3.39	0.65	
2010 Pike County PA	67	5.10	0.00	0.00	67.42	65.67	32.58	34.33	0.00	0.00	0.52	0.00	0.48	0.67	0.00	

\* Based on 2009 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 (2010).

Institution ID: NBT - #1354

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

Geographic Distribution: SMALL LOANS TO FARMS															Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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>																								
2010 Lackawanna-Luzerne	0	0.00	0.16	0.00	3.74	0.00	64.33	0.00	31.78	0.00	0.00	0.00	0.00	0.00	0.00									
<b>Limited Review:</b>																								
2010 Northeast PA	0	0.00	0.00	0.00	0.00	0.00	72.57	0.00	27.43	0.00	0.00	0.00	0.00	0.00	0.00									
2010 Pike County PA	0	0.00	0.00	0.00	70.73	0.00	29.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2009 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 (2010).

Institution ID: NBT - #1354

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

Borrower Distribution: HOME PURCHASE															Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families***	% BANK Loans****	% Families*	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
2010 Lackawanna-Luzerne	226	65.70	19.04	12.80	18.71	18.01	22.85	24.64	39.40	44.55	0.87	1.27	0.71	0.55	1.09									
<b>Limited Review:</b>																								
2010 Northeast PA	101	29.36	15.30	3.09	16.85	16.49	21.78	24.74	46.07	55.67	0.48	0.00	0.70	0.41	0.49									
2010 Pike County PA	17	4.94	29.29	11.76	28.33	41.18	23.07	17.65	19.31	29.41	0.23	0.00	0.74	0.00	0.00									

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 5.5% of loans originated and purchased by bank.

\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT - #1354

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

Borrower Distribution: HOME IMPROVEMENT															
Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010										
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families*	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2010 Lackawanna-Luzerne	187	52.82	19.04	11.96	18.71	16.85	22.85	25.00	39.40	46.20	3.63	1.79	2.44	4.42	4.44
<b>Limited Review:</b>															
2010 Northeast PA	115	32.49	15.30	5.26	16.85	27.19	21.78	26.32	46.07	41.23	3.90	1.61	6.52	5.10	2.83
2010 Pike County PA	52	14.69	29.29	13.46	28.33	40.38	23.07	26.92	19.31	19.23	6.15	0.00	8.33	4.88	10.00

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.1% of loans originated and purchased by bank.

\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT - #1354

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share*				
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>																
2010 Lackawanna-Luzerne	687	55.76	19.04	12.59	18.71	17.99	22.85	23.69	39.40	45.73	2.04	2.96	1.79	1.99	2.03	
<b>Limited Review:</b>																
2010 Northeast PA	409	33.20	15.30	8.11	16.85	18.92	21.78	27.76	46.07	45.21	1.68	3.11	2.61	2.26	1.15	
2010 Pike County PA	136	11.04	29.29	18.38	28.33	27.94	23.07	30.88	19.31	22.79	1.35	2.24	1.53	0.84	1.17	

\* Based on 2009 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.8% of loans originated and purchased by bank.

\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT - #1354

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

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: NBT - PA					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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>									
2010 Lackawanna-Luzerne	810	61.69	74.25	70.00	68.89	17.53	13.58	1.32	3.99
<b>Limited Review:</b>									
2010 Northeast PA	436	33.21	77.09	74.08	76.15	15.14	8.72	2.19	5.63
2010 Pike County PA	67	5.10	80.06	83.58	85.07	11.94	2.99	0.52	2.42

\* Based on 2009 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 - 2010).

\*\*\*\* 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 4.87% of small loans to businesses originated and purchased by the bank.

Institution ID: NBT - #1354

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

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NBT - PA			Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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 \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
2010 Lackawanna-Luzerne	0	0.00	95.95	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
2010 Northeast PA	0	0.00	97.88	0.00	0.00	0.00	0.00	0.00	0.00
2010 Pike County PA	0	0.00	98.78	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2009 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 - 2010).

\*\*\*\* 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: NBT - #1354

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
			Geography: NBT - PA		Evaluation Period: September 10, 2007 TO March 13, 2011				
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>									
2010 Lackawanna-Luzerne	4	2,134	13	663	0	2,797	65.20	0	0
<b>Limited Review:</b>									
2010 Northeast PA	0	0	13	0744	13	744	17.34	0	0
2010 Pike County PA	0	0	4	749	4	749	17.46	0	0

\* 'Prior Period Investments' means investments made in a previous 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: NBT - #1354

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		
Geography: NBT - PA																		
Evaluation Period: September 10, 2007 TO March 13, 2011																		
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>																		
2010 Lackawanna-Luzerne	50.17	0	51.35	5.26	10.53	52.63	31.58	0	0	0	0	0	0	01	0.49	10.80	71.81	16.91
<b>Limited Review:</b>																		
2010 Northeast PA	42.81	015	40.54	0.00	0.00	66.67	33.33	0	0	0	0	0	0	1	0.00	0.00	61.89	38.11
2010 Pike County PA	7.02	3	8.11	0.00	33.33	66.67	0.00	0	0	0	0	0	0	0	0.00	75.85	24.15	0.00

**Tables of Performance Data**

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**State of Vermont**

**Institution ID: NBT- Charter # 1354**

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: NBT - VERMONT												
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010												
Assessment Area (2010):	% 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>												
2010	100.00	38	8,023	40	9,796	0	0	0	0	78	17,819	100.00

\* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from September 10, 2007 to March 13, 2011.

\*\*\* Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: NBT- Charter # 1354

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: NBT - VERMONT				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
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>															
2010 Vermont	8	100.00	0.53	0.00	4.84	0.00	53.11	62.50	41.52	37.50	100.00	100.00	100.00	100.00	100.00

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT- Charter # 1354

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

Geographic Distribution: HOME IMPROVEMENT		Geography: NBT - VERMONT				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement 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>															
2010 Vermont	2	100.00	0.53	0.00	4.84	0.00	53.11	50.00	41.52	50.00	100.00	100.00	100.00	100.00	100.00

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT- Charter # 1354

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NBT - VERMONT				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
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>																
2010 Vermont	28	100.00	0.53	0.00	4.84	3.57	53.11	46.43	41.52	50.00	100.00	100.00	100.00	100.00	100.00	

\* Based on 2009 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT- Charter # 1354

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: NBT - VERMONT					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010									
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	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
2010 Vermont	0	0.00	6.59	0.00	19.81	0.00	53.51	0.00	20.09	0.00	100.00	100.00	100.00	100.00	100.00	

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: NBT- Charter # 1354

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NBT - VERMONT				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
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>																
2010 Vermont	40	100.00	1.64	0.00	13.75	35.00	47.24	42.50	37.37	22.50	100.00	100.00	100.00	100.00	100.00	

\* Based on 2009 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 (2010).



Institution ID: NBT- Charter # 1354

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

Geographic Distribution: SMALL LOANS TO FARMS			Geography: NBT - VERMONT				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010									
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>																
2010 Vermont	0	0.00	1.13	0.00	3.95	0.00	45.48	0.00	49.44	0.00	100.00	0.00	0.00	100.00	100.00	

\* Based on 2009 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 (2010).

Institution ID: NBT- Charter # 1354

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

Borrower Distribution: HOME PURCHASE		Geography: NBT - VERMONT					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010					Market Share*				
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>																
2010 Vermont	8	100.00	15.10	12.50	18.04	0.00	24.13	37.50	42.73	50.00	100.00	100.00	100.00	100.00	100.00	

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT- Charter # 1354

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

Borrower Distribution: HOME IMPROVEMENT															
Geography: NBT - VERMONT															
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010															
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families*	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2010 Vermont	2	100.00	15.10	0.00	18.04	100.00	24.13	0.00	42.73	0.00	100.00	100.00	100.00	100.00	100.00

\* Based on 2009 Peer Mortgage Data (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT- Charter # 1354

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

Borrower Distribution: HOME MORTGAGE REFINANCE															
Geography: NBT - VERMONT					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010										
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families*	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
2010 Vermont	28	100.00	15.10	7.14	18.04	21.43	24.13	14.29	42.73	57.14	100.00	100.00	100.00	100.00	100.00

\* Based on 2009 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: NBT- Charter # 1354

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

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: NBT - VERMONT					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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>									
2010 Vermont	40	100.00	75.18	45.00	30.00	30.00	40.00	0.00	0.00

\* Based on 2009 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 - 2010).

\*\*\*\* 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 7.50% of small loans to businesses originated and purchased by the bank.

Institution ID: NBT- Charter # 1354

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

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NBT - VERMONT			Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010				
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 \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
2010 Vermont	0	0.00	96.33	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2009 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 - 2010).

\*\*\*\* 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: NBT- Charter # 1354

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: NBT - VERMONT			Evaluation Period: September 10, 2007 TO March 13, 2011				
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>									
2010 Vermont	0	0	0	03,000	1	3,000	100.00		

\* 'Prior Period Investments' means investments made in a previous 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: NBT- Charter # 1354

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
								Geography: NBT - VERMONT				Evaluation Period: September 10, 2007 TO March 13, 2011					
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>																	
2010 Vermont	100.0	2	0.00	0.00	50.00	0.00	50.00	0	0	0	0	0	0	2.04	8.22	54.17	35.56