



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**September 17, 2001**

# **Community Reinvestment Act Performance Evaluation**

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

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

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

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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** with respect to the Lending, Investment, and Service Tests:

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

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

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

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. 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.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

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

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

**Full-Scope Review** - Performance under the lending, investment, and service tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the U.S. 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

**Limited-Scope 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, branch distribution).

**Low-Income** - Income levels that are less than 50 percent of the median family income.

**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 Statistical Area (MSA)** - Area defined by the director of the U.S. Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80 percent and less than 120 percent of the MFI.

**Moderate-Income** - Income levels that are at least 50 percent and less than 80 percent of the MFI.

**Small Loans to Businesses** - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Loans to Farms** - Loans with original amounts of \$500,000 or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 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** - Income levels that are 120 percent or more of the MFI.

## Description of Institution

NBT Bank, National Association, (NBT) is headquartered in Norwich, New York and is a wholly owned subsidiary of NBT Bancorp, Inc. (NBTB). NBTB had total average assets of \$2.6 billion as of December 31, 2000. NBTB's other subsidiaries, as of December 31, 2000 included NBT Financial Services, Inc. and Pennstar Bank. NBT has one operating subsidiary, NBT Capital Corp. (NCC), which is a Small Business Investment Company (SBIC). NCC had no impact on the bank's capacity to lend in the AA's where it operates.

NBT is a full service intrastate bank with 37 branches serving nine counties concentrated primarily in the central, northern and southern regions of New York State. In May of 2000, NBT opened a branch location in Albany, NY thereby extending their market area into the Capital Region.

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, 2000, NBT had \$1.51 billion in total assets that included \$1.05 billion in net loans, representing 70% of total assets. The bank's loan mix consists of 56% real estate loans (55% residential real estate, 41% commercial 2% construction and 2% agricultural), 21% loans to individuals, 17% commercial and industrial loans, 4% agricultural loans and 2% municipal loans. Since December 31, 1999 total assets increased 9.26% due primarily to an increase in net loans. During the period net loans increased 15.17% with real estate loans increasing 23.82%, commercial loans increasing 15.52% while loans to individuals decreased by 4.31%. As of December 31, 2000, NBT reported Tier 1 capital of \$110 million.

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

In March of 2001, Pennstar Bank, which was a subsidiary of NBTB was made a division of NBT Bank. This expanded NBT's market area into six counties of Northeast Pennsylvania and increased their branch facilities by 40. In June of 2001 NBT acquired First National Bancorp, Inc. and its subsidiary First National Bank of Northern New York (FNBNN). FNBNN was merged into NBT further increasing the branch network by 6 locations in northern New York. The activities of Pennstar and FNBNN were not reviewed nor evaluated as part of this examination because the merger activity occurred after the end of the evaluation period.

NBT's last CRA exam was June 29, 1998, at which time the bank's performance was rated "Satisfactory".

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period covered April 1, 1998 through December 31, 2000 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 CD loans, investments, and services is June 29, 1998 through September 17, 2001. 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 1999. The aggregate HMDA and Small Business/Farm Reports are available for public review. The 2000 information will not be available until later in 2001.

The peer comparisons in this report include only lenders who were required to file HMDA and Small Business/Farm Reports for 1999. Any lender with significant mortgage loan activity operating in NBT's six AAs would be required to file a HMDA report for 1999. Small business reporting is required only of bank and thrift institutions with assets of \$250 million or more as of December 31 of the prior two calendar years preceding the reporting year, or an affiliate of a holding company with \$1 billion or more in assets for the same time period.

### Data Integrity

We performed a data integrity exam of the loan information indicated above. We chose samples with 95% reliability and 5% precision, which resulted in random samples of 60 small business/small farm loans and 60 HMDA loans. We found the bank's data to be of very good quality, thus requiring only three corrections to small business and small farm loan data. There were no corrections to the HMDA data required. The three corrections involved the removal of a loan which did not belong on the Register, the reclassification of a loan from "made to a small business to made to a large business", and the correction of the loan amount for another borrower.

### Selection of Areas for Full-Scope Review

We completed full-scope reviews of the bank's Southern Tier Region and Mohawk Valley Region AAs. We completed limited scope reviews of the bank's Broome-Tioga Region, Fulton County Region, North Region and Albany Region AAs. We chose the Southern Tier Region and Mohawk Valley Region AAs because they are the two areas with the highest percentage of the bank's lending. Together the two Regions represented 69% of NBT's lending for the evaluation period. The AAs also comprise 72% of NBT's deposits and 63% of its branches. Please refer to Appendix A later in the report for more information.

### Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. When determining conclusions for the Lending Test, small loans to businesses were weighted the heaviest followed by home mortgage products and loans to small farms. Within the home

mortgage product category, home purchase and home refinance loans were weighted more heavily than home improvement loans. This weighting is reflective of NBT's volume by loan type over the evaluation period. Multifamily loans were not considered under the Lending Test due to the small number of multifamily loans made in the full scope AAs.

NBT's overall ratings under each test are the consolidation of conclusions reached for each full-scope AA, along with consideration of any impact on performance by the limited scope AAs. When consolidating full scope AA conclusions into overall ratings, greater weight was given to the Southern Tier Region AA than the Mohawk Valley Region AA. The weighting was based on the vastly greater lending and deposit activity in the Southern Tier Region AA and the much larger number of branch offices in this AA.

## **Other**

Two community contacts were made in conjunction with this review, one in the Southern Tier AA and the other in the Mohawk Valley AA. The contacts consisted of groups involved primarily with affordable housing finance, homebuyer education programs and other services for low and moderate-income individuals. The contacts stated that the primary credit needs of the area were affordable housing mortgages, home improvement loans and small business financing.

In the Southern Tier AA there is an unmet need for longer term home improvement financing for existing lower-income -homeowners. Much of the area's housing stock is over 80 years old and is in need of repair. Many times the rehabilitation costs are substantial, and thus require longer repayment terms than are currently offered by lending institutions to make the payments affordable for lower-income people.

In the Mohawk Valley AA our contact believed an unmet credit need exists concerning allowing a homebuyer to add the cost of rehabilitating/improving a home to the mortgage financing. This type of financing would enable a lower-income homebuyer to purchase a low cost home and pay for the high repair costs associated with these properties. Without this type of long term financing for home repairs, many lower income people are unable to make this type of home purchase. The contact also stressed the need for small dollar financing for mom/pop type businesses, particularly those located in low and moderate-income areas. Many local small businesses find it difficult, or perceive it is difficult to obtain bank financing of this nature.

Although one of our community contacts was unaware of it, NBT does offer a combination rehabilitation/purchase loan, which is available throughout their service area. The product is designed similar to a construction loan with the costs of the rehabilitation amortized over the term of the mortgage. NBT also offers traditional secured and unsecured home improvement loans. The maximum term on an unsecured home improvement loan is four years. A 15-year secured fixed rate home equity loan is available that can be used for home improvements. NBT also has a variable rate home equity line of credit, which also has a 15-year repayment feature.

The need for affordable housing and small business related credit, investments and services was considered in our evaluation of NBT's performance under the Lending, Investment and Service Tests. Refer to the Market Profile in Appendix B of this Evaluation for more information.



## Fair Lending Review

An analysis of 1999's Home Mortgage Disclosure Data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed June 1998.

### Conclusions with Respect to Performance Tests

#### LENDING TEST

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

The bank's performance under the lending test is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Southern Tier Region AA is excellent and the Mohawk Valley Region AA is good.

##### Lending Activity

Refer to Table 1 in appendix C for the facts and data used to evaluate the bank's lending activity.

The bank's leading product was small loans to businesses, representing 50% of the loans originated during the evaluation period in the Southern Tier Region AA and 64% in the Mohawk Valley Region AA. Home mortgage loans accounted for 33% of originated loans in the Southern Tier Region and 30% in Mohawk Valley Region. Small loans to farms had the smallest representation with 17% of originated loans in the Southern Tier Region and 6% in the Mohawk Valley Region.

Among originated home mortgage loans, 43% of Southern Tier Region loans and 53% of Mohawk Valley Region loans were for home purchase, 39% of Southern Tier Region and 38% of Mohawk Valley Region were home mortgage refinance loans and 18% of Southern Tier Region and 8% of Mohawk Valley Region loans were for home improvement. The remaining 1% for Mohawk Valley Region is for multifamily dwellings.

NBT's overall lending activity in the two full-scope AAs is excellent. NBT's lending activity is excellent in the Southern Tier Region AA. NBT ranks first for deposits with a 22.04% market share. Based on 1999 CRA aggregate data, NBT is the number one originator/purchaser of small loans to businesses (28.5%) and small loans to farms (69.86%). Based on 1999 aggregate HMDA data, NBT is the number one originator/purchaser of home purchase (10.61%) and refinance loans (11.04%). It ranked second in home improvement loans with a 16.95% market share.

NBT's lending activity in the Mohawk Region AA is excellent. In the Mohawk Valley Region AA, NBT ranks seventh for deposits with a 4.43% market share. The six banks ranking higher than NBT were all local banks with a significant presence in the market. With the exception of home improvement lending, NBT's HMDA product market ranks were essentially equal or higher than its deposit market share ranking. Based on 1999 CRA aggregate data, NBT is the fifth largest originator/purchaser of small loans to businesses (9.77%) and the second largest originator/purchaser of small loans to farms (20.92%). Based on 1999 aggregate HMDA data, NBT is the seventh ranking originator/purchaser of home purchase (3.22%), the eight ranked for refinance loans (2.30%), and the 15<sup>th</sup> ranked for home improvement loans (1.10%).

With the exception of one local bank, NBT is outranked in the home purchase market by large mortgage and finance companies. The bank is primarily outranked by local banks and credit unions in the refinance and home improvement markets.

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

The geographic distribution of NBT's small loans to businesses, home mortgage loans and small loans to farms reflects good penetration throughout the full scope AA geographies. Performance is good in the Southern Tier Region AA and adequate in the Mohawk Valley Region AA. There are no low-income geographies in the Southern Tier Region AA. The percentage of owner occupied housing in low-income geographies (.34%) in the Mohawk Valley Region is too insignificant to evaluate.

### **Home Mortgage Loans**

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

The overall geographic distribution of home mortgage loans is good. The geographic distribution is good in the Southern Tier AA and adequate in the Mohawk Valley AA.

The overall geographic distribution of home purchase loans is good. The geographic distribution is excellent in the Southern Tier Region AA and adequate in the Mohawk Valley Region AA. In the Southern Tier Region, the portion of home purchase loans made in moderate-income geographies equals the portion of owner-occupied housing units that are in those geographies. The Southern Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share. In the Mohawk Valley Region, the portion of home purchase loans made in moderate-income geographies is significantly less than the portion of owner-occupied housing units that are in those geographies. The Mohawk Valley Region's market share of loans originated in moderate-income geographies substantially meets the bank's overall market share of home purchase loans.

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

Mohawk Valley Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share of home improvement loans.

The overall geographic distribution of refinance loans is adequate. The geographic distribution is adequate in both the Southern Tier Region and Mohawk Valley Region AAs. The portion of refinance loans made in moderate-income geographies is lower than the portion of owner-occupied housing units that are in those geographies in both AAs. The Southern Region's market share of loans originated in moderate-income geographies is less than the bank's overall market share. The Mohawk Valley Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share.

### **Small Loans to Businesses**

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good. The geographic distribution is good in the Southern Tier Region AA and adequate in the Mohawk Valley Region AA. In the Southern Tier Region, the portion of small loans to businesses made in moderate-income geographies is near to the portion of businesses that are in those geographies. The Southern Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share. In the Mohawk Valley Region, the portion of small loans to businesses made in moderate-income geographies is less than the portion of businesses that are in those geographies, while in low-income geographies the portion of small loans to businesses is significantly less than the portion of businesses that are in those geographies. The Mohawk Valley Region's market share of loans originated in moderate-income geographies substantially meets the bank's overall market share. The Mohawk Valley Region had no market share of loans originated in low-income geographies, as a result of NBT not originating any small business loans in these geographies in 1999.

### **Small Loans to Farms**

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

The overall geographic distribution of small loans to farms is excellent. The geographic distribution is excellent in the Southern Tier Region AA and adequate in the Mohawk Valley Region AA. In the Southern Tier Region, the portion of small loans to farms made in moderate-income geographies exceeds the portion of farms that are in those geographies. The Southern Region's market share of loans originated in moderate-income geographies is excellent, with the market share in moderate-income geographies exceeding the bank's overall market share. In the Mohawk Valley Region, the portion of small loans to farms made in moderate-income geographies is less than the portion of farms that are in those geographies. However, this is not viewed as highly significant since only 11 farms are located in these geographies, and only four farm loans were made by all lenders in 1999. The lack of farm loans in low-income geographies is insignificant with only one farm (.27%) located in a low-income geography. There is only one farm in a low-income geography. The Mohawk Valley

Region's market share of loans originated in moderate-income geographies is low, with a market share in moderate-income geographies far less than the bank's overall market share.

### **Lending Gap Analysis**

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

### **Inside/Outside Ratio**

A substantial majority (88%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 91% of the bank's home mortgage loans, 89% of the small loans to businesses, 77% of the small loans to farms and 65% of the CD loans were within the bank's AAs. The home mortgage products were each close to the 91% overall in/out ratio with home purchase at 89%, home improvement at 92%, and refinances at 92%. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

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

The borrower distribution of NBT's home mortgage, small loans to businesses and small loans to farms reflects an excellent dispersion among borrowers of different income levels. The dispersion among borrowers in the Southern Tier Region AA is excellent and is good throughout the Mohawk Valley Region AA. In the evaluation of borrower distribution, we gave consideration to the high poverty level in each of the AAs. The poverty level in the Southern Tier Region AA is 12.36%. One of our community contacts indicated this rate was expected to rise to over 15% with the 2000 census data. The poverty level in the Mohawk Valley Region AA was 12.58%. A community contact in the AA felt the poverty level would remain unchanged or increase under the new census information. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level would be involved in home mortgage financing. Accordingly, we considered this in evaluating the bank's lending distribution to low-income borrowers.

### **Home Mortgage Loans**

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

The overall distribution of home mortgage loans is good in the Southern Tier Region AA and adequate in the Mohawk Valley Region AA.

Home purchase loan borrower distribution is good. In the Southern Tier Region AA, performance is good. The portion of home purchase loans to moderate-income borrowers is near to the portion of families defined as such. The portion of home purchase loans to low-income borrowers is lower than the portion of low-income families, but is good when adjusted for the 12.36% families living below the poverty level. The market share for loans made to moderate-income borrowers exceeds and to low-income borrowers is less than NBT's overall market share in the AA for home purchase loans. Performance in the Mohawk Valley Region

AA is adequate. The portion of home purchase loans to moderate-income borrowers is lower than the portion of families defined as such. The portion of home purchase loans to low-income borrowers is less than the portion of low-income families, but is good when adjusted for the 12.58% families living below the poverty level. The market share for loans made to moderate-income borrowers is less than and to low-income borrowers exceeds NBT's overall market share in the AA for home purchase loans.

Home improvement loan borrower distribution is excellent in each AA. The portion of home improvement loans to moderate-income borrowers exceeds the portion of families defined as such in each AA. In the Southern Tier Region AA, the portion of home improvement loans to low-income borrowers exceeds the portion of low-income families. In the Mohawk Valley Region AA, the portion of home improvement loans to low-income borrowers is near to the portion of low-income families, and is excellent when adjusted for families living below the poverty level. The market share for loans made to low and moderate-income borrowers exceeds NBT's overall market share in both AAs for home improvement loans.

Refinance loan borrower distribution is good. In the Southern Tier Region AA, performance is good. The portion of refinance loans to moderate-income borrowers is near to the portion of families defined as such. The portion of refinance loans to low-income borrowers is less than the portion of low-income families, but is good when adjusted for the 12.36% families living below the poverty level. The market share for loans made to moderate-income borrowers exceeds, and to low-income borrowers is less than NBT's overall market share in the AA for refinance loans. Performance in the Mohawk Valley Region AA is adequate. The portion of refinance loans to moderate-income borrowers is lower than the portion of families defined as such. The portion of refinance loans to low-income borrowers is lower than the portion of low-income families, but is good when adjusted for the 12.58% families living below the poverty level. The market share for loans made to moderate-income borrowers substantially meets, and to low-income borrowers is less than NBT's overall market share in the AA for refinance loans.

### **Small Loans to Businesses**

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

The borrower distribution of small loans to businesses is excellent. In the Southern Tier Region AA, 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) exceeds the portion of businesses that are defined as such in the AA. The portion of loans of \$100,000 or less also exceeds the portion of small size businesses in the AA. The market share of small loans to small businesses exceeds NBT's overall market share in this AA. In the Mohawk Valley Region AA, the borrower distribution of small loans to businesses is good. The portion of NBT loans to small businesses is somewhat less than the portion of businesses defined as such in the AA. The portion of loans of \$100,000 or less substantially meets the portion of small size businesses in the AA. The market share of small loans to small businesses exceeds NBT's overall market share in this AA for small loans to all businesses.

## Small Loans to Farms

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

The borrower distribution of small loans to farms is excellent. In the Southern Tier Region AA, the borrower distribution of small loans to farms is excellent. The portion of NBT loans to small farms (farms with revenues of \$500 thousand or less) exceeds the portion of farms that are defined as such in the AA. The portion of loans of \$100,000 or less also exceeds the portion of small size farms in the AA. The market share of small loans to small farms exceeds NBT's overall market share in this AA. In the Mohawk Valley Region AA, the borrower distribution of small loans to farms is good. The portion of NBT loans to small farms is somewhat less than the portion of farms defined as such in the AA. The portion of loans of \$100,000 or less substantially meets the portion of small size farms in the AA. The market share of small loans to small farms exceeds NBT's overall market share in this AA for small loans to all farms.

## Community Development Lending

Refer to Table 1 in appendix C for the facts and data used to evaluate the bank's level of community development lending.

NBT's high level of community development lending had a positive impact on the evaluation of its lending performance activity. The bank's CD activities were very responsive to the credit needs of the AAs.

NBT originated five CD loans for \$6.3 million in its Southern Tier Region AA. The loans were comprised of: one loan for \$1.4 million for affordable housing for low and moderate income individuals; two loans for \$3 million to organizations that provide community services targeted to low and moderate-income individuals; and two loans for \$1.9 million that were made to businesses meeting the CD size eligibility requirements of the regulation and will provide new jobs for low and moderate-income individuals, or support permanent job creation in low or moderate-income geographies or areas targeted for redevelopment by New York State.

NBT originated eight CD loans for \$12.1 million in its Mohawk Valley Region AA. The loans were comprised of: one loan for \$600 thousand for affordable housing for low and moderate income people; one loan for \$2.8 million to an organization that provides community services targeted to low and moderate-income people; two loans for \$3 million that were made to businesses that meet the CD size eligibility requirements of the regulation and will provide new jobs for low and moderate-income individuals, or support permanent job creation in low or moderate-income geographies or areas targeted for redevelopment by New York State.; and three loans for \$5.7 million that are revitalizing and stabilizing low or moderate-income geographies.

## Product Innovation and Flexibility

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

The bank offers an affordable housing mortgage product for people of low or moderate-income through a number of non-profit agencies involved in affordable housing. These loans feature an interest rate 1/4 percent less than prevailing conventional mortgage rates, lower down payments (up to 98% loan to value) without requiring private mortgage insurance, waiving of the standard \$100 application fee, and the deferral of all closing costs until the time of closing. There were 21 loans for \$848 thousand made in the Southern Tier Region AA and 14 loans for \$470 thousand made in the Mohawk Valley Region AA during the evaluation period.

NBT is involved in a Wheels to Work program called "Keys to Success" in its Southern Tier Region AA. The program, sponsored by Opportunities for Chenango (OFC), is designed to aid low and moderate-income individuals whose barrier to employment is reliable transportation. The goal is to help individuals maintain or gain employment by providing them with vehicles and other supportive services, including budgeting and car maintenance courses. NBT provides reduced interest rates (5% below conventional rates) on these unsecured instalment loans, which cover the cost of repairs and the first six-month insurance premium. The vehicles are donated and are fixed up free of labor charges through the auto repair program at a local college. Borrowers can choose the payment option they are most comfortable with, i.e., weekly, biweekly or monthly. If a borrower becomes delinquent on their payments, the bank will contact OFC. OFC counselors will work with the delinquent borrower to help resolve the matter. The program is especially beneficial in this area as there is no public transportation available. The bank originated four loans for \$6 thousand under this program 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 Broome Tioga Region and North Region AAs is not inconsistent with the bank's overall performance under the lending test. In the Albany Region AA, and the Fulton Region AA, the bank's performance is weaker than the bank's overall performance. The Albany Region's weaker performance is attributable to the newness of the AA. NBT opened its only office in the AA in May 2000, thus only operating in the AA for a short time during the evaluation period. The Fulton Region AA had poor geographic lending performance and adequate lending activity and borrower distribution. All four AAs had CD lending that contributed positively to lending performance. The weaker performance noted did not have a negative impact on the lending test conclusions or rating. Refer to Tables 1 through 12 in appendix C 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 is rated "High Satisfactory". Based on this full-scope review, the bank's performance in the Southern Tier AA is excellent and in the Mohawk Valley AA is good in relation to the bank's size and resources.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, NBT made 31 qualified investments totaling \$9.8 million in the Southern Tier AA. In its investing activities, NBT exhibited an excellent responsiveness to credit and community development needs. Community development investment opportunities are available in the AA. While none of the investments are considered complex or innovative for this evaluation period, NBT remains only one of a few banks in the State to own a Small Business Investment Company (SBIC), which it created on its own. The SBIC was created during the bank's last evaluation period, at which time it received credit for the complexity of creating this investment. The SBIC serves to meet a need not routinely provided by other investors.

The following is a discussion of some of the major investments in the Southern Tier AA:

NBT has continued its management and commitment to its SBIC by investing an additional \$2.5 million in equity into NBT Capital Corp. This investment was pro-rated on Table 12 based on the SBIC's loan activity in the AA, with 50% or \$1.25 million being allocated to the Southern Tier. SBIC's are dedicated to assisting socially or economically disadvantaged small business entrepreneurs by providing equity and venture capital for business growth and development. The SBIC has been very active, granting \$2.7 million in debt and equity capital funding to small businesses in the Southern Tier AA during the evaluation period. NBT also has a prior period investment of \$2.5 million in equity in NBT Capital Corp. This investment was also pro-rated on Table 12 based on the SBIC's loan activity in the AA, with 50% or \$1.25 million being allocated to the Southern Tier. This prior period investment has a continuing impact on the AA by increasing the level of small business financing available in the AA.



NBT invested \$4.125 million in a bond anticipation note issued December 27, 1999 by the City of Norwich. This is part of the Clinton Administration's Water 2000 initiative, which targets low and moderate-income rural communities for USDA/Rural Development loans and grants for improved water and wastewater systems. The substantial majority of the funds will be used to replace water mains serving residences and businesses located in a moderate-income geography.

NBT invested \$2.6 million in four bond anticipation notes issued by the Town of Norwich during the evaluation period. The funds will be used to extend water and sewer lines north and south along Route 12 within the Greater Norwich Empire Zone, which is an area targeted by State government for redevelopment. The improved water and sewer lines are necessary to retain and attract businesses, many of which are small businesses, and residents to the area thereby supporting and retaining permanent job creation.

NBT invested in four statutory installment bonds totaling \$400,000 issued by the Towns of Otselic and Plymouth. The funds will be used in the capping, venting and closing of the local landfills and as mandated by the NYS DEC. The expenses involved would have caused the property taxes in this moderate-income geography to greatly increase. The bonds will allow the clean up without burdening the residents and substantially serve to revitalize and stabilize this moderate-income geography.

NBT also made seven additional investments totaling \$1.4 million during the evaluation period. All of these investments fund activities that revitalize and stabilize moderate-income geographies.

During the evaluation period, NBT made 14 qualifying grants and donations totaling \$25,000 in the Southern Tier AA. The grants were spread among five organizations, the vast majority serving affordable housing for low and moderate income individuals or community service targeted to low and moderate-income people.

During the evaluation period, NBT made 16 qualified investment totaling \$1.312 million in the Mohawk Valley AA. In its investing activities, NBT exhibited a good responsiveness to credit and community development needs. Community development investment opportunities are available in the AA.

As discussed earlier, NBT continued its commitment to its SBIC by investing an additional \$2.5 million in equity into NBT Capital Corp. This investment was pro-rated on Table 12 based on the SBIC's loan activity in the AA, with 50% or \$1.25 million being allocated to the Mohawk Valley AA. The SBIC has also been very active in the Mohawk Valley AA, granting \$2.7 million in debt and equity capital funding to small businesses during the evaluation period. As stated above, NBT also has a prior period investment of \$2.5 million in equity in NBT Capital Corp. This investment was also pro-rated on Table 12 based on the SBIC's loan activity in the AA, with 50% or \$1.25 million being allocated to the Mohawk Valley. This prior period investment has a continuing impact on the AA by increasing the level of small business financing available in the AA.

During the evaluation period, NBT made 15 qualifying grants and donations totaling \$62,000 in the Mohawk Valley AA. The grants were spread among seven organizations, the vast majority serving affordable housing or community service needs primarily serving low and moderate-

income people. The remaining grants were allocated to organizations for financial literacy and credit education initiatives for low and moderate-income individuals.

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

Based on limited-scope reviews, NBT's performance under the Investment Test in the limited scope AAs is weaker than the bank's performance in the full scope AAs. Refer to Table 14 in appendix C for the facts and data that support these conclusions.

The weaker performance is centered in the proportionately lower volume of investments in the limited scope AAs compared to the full scope areas. The performance in the limited scope AAs is considered poor given the level of opportunities available in these areas, and did impact the overall rating for the Investment Test. The limited scope AAs contain 31% of the bank's lending activity, 28% of its deposits and 38% of its branches, however, only 0.94% of current period investments were made in the limited scope areas. Two of the AAs, the Fulton Region and the Albany Region had no investments at all, and the Broome-Tioga AA had only \$3 thousand in investments.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Southern Tier Region AA is adequate and its performance in the Mohawk Valley Region AA is good.

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

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

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

In the Mohawk Valley AA, NBT's office distribution in moderate-income geographies is near to the distribution of the population living in these geographies. NBT does not have an office in a low-income geography, however, only 1.43% of the population resides in these geographies.

The branch network throughout the full-scope AAs expanded by one branch since the last evaluation. A branch was opened in the City of Oneonta, a middle income geography in the Southern Tier Region. There have been no branch closures during the evaluation period.

NBT's hours and services offered throughout the full-scope AAs are adequate. Hours and services are adequate in the Southern Tier AA and good in the Mohawk Valley 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 26 of the 37 branches. The South Otselic branch is the only branch in the Southern Tier AA located in a moderate-income geography. The office hours at the branch are not fully responsive to the needs of branch customers. During the prior evaluation period, customers of the South Otselic branch were surveyed by the bank to determine the hours and services they needed. While not requesting Saturday hours, customers did request the branch open Monday through Thursday from 9:00 A.M. to 3:00 P.M. and on Friday until 5:30 P.M. Management has only partially met the request by accommodating the 5:30 P.M. closing on Fridays, but continues to close the branch at 1:00 P.M. Monday through Thursday.

NBT offers alternative delivery systems in the form of ATMs. A substantial majority of the bank's ATMs are located in the full-scope AAs. The geographic distribution of the bank's ATMs in the various categories of income geographies is similar to its branch distribution. Customers and non-customers alike can access their accounts through NBT ATMs which are connected to the NYCE and PLUS ATM systems. Customers may also use their NBT ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE or PLUS logos. All of the ATMs in the low and moderate-income geographies are accessible 24 hours every day.

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

## **Community Development Services**

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

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

In the Southern Tier AA, NBT employees have continued to provide a good level of support to various community development service organizations. Members of the NBT staff and Board participate in 19 organizations concentrating primarily in those organizations focused on providing affordable housing opportunities for low and moderate-income individuals, services targeted to small sized businesses and farms who employ low and moderate-income individuals and services aimed at assisting low and moderate income individuals.

Major highlights of CD service activities in the Southern Tier AA during the evaluation period include:

Chenango County Area Corp. - Two senior officers serve on the Board of Directors of this corporation, which owns and operates the Eaton Center. The Eaton Center provides office space to new and existing small businesses, often with rents below market rates. The bank's SBIC is located in this building.

Opportunities for Chenango - A bank employee serves on the Board of Directors of this nonprofit corporation serving Chenango County. This agency provides affordable housing assistance to those of low and moderate-income. Their services include a first-time home-buyers program, a owner-occupied rehabilitation loan program and pre-purchase counseling.

Habitat for Humanity - A bank employee serves on the Board committee of this organization. This organization provides affordable housing to mostly low-income individuals and families. This is accomplished primarily through a home building partnership between the organization's client and volunteer labor.

Norwich Housing Authority - A bank employee serves as Chairperson of the Board of this organization that provides assistance and affordable housing opportunities to those residents of low and moderate-income in the City of Norwich.

Norwich Lions Club - A bank employee serves on the Board of Directors of this non-profit organization. This organization provides eye examinations and eyewear to children from low or moderate-income families who would otherwise be unable to otherwise obtain them.

In the Mohawk Valley AA, NBT employees have continued to provide good support to various community development service organizations. Members of the NBT staff participate in five organizations concentrating primarily in those organizations focused on affordable housing opportunities and support for small business development.

Major highlights of CD service activities in the Mohawk Valley AA during the evaluation period include:

Mohawk Valley EDGE- Two bank employees serve as finance committee members for this organization. This organization promotes economic revitalization by providing incentives to businesses expanding within or relocating to the Empire Zone. These incentives include technical assistance and job development loan programs.

Rome Industrial Development Corp. - A bank employee serves as the Treasurer and on the Finance Committee of the corporation. The organization is concerned with economic development, much of which involves small businesses, in the City of Rome. Much of this area includes the area's Empire Zone and several moderate- income geographies.

Utica Neighborhood Housing Services, Inc. - During the evaluation period bank employees served on the Board of Directors and Partnership Committee of this corporation. The organization provides housing services to low and moderate-income individuals. Housing services include an affordable housing homebuyer's program and pre-purchase counseling.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Albany Region and Fulton AAs is weaker than the bank's overall performance under the Service Test. Performance in the Broome-Tioga AA is not inconsistent with the bank's overall performance under the Service Test. Performance in the North AA, the largest of the limited scope review AAs, is stronger than the bank's overall performance under the Service Test. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

The weaker performance is due to the accessibility of NBT's offices in the two AAs. The portion of NBT's offices in low and moderate-income geographies is less than the portion of the population living in such geographies. In the North AA, the accessibility of offices exceeds the portion of the population residing in moderate- income geographies. This weaker performance in the two AAs did not negatively impact the rating for the Services Test.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 4/1/1998 to 12/31/2000 Investment and Service Tests and CD Loans: 6/29/1998 to 9/17/2001	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
NBT Bank , N.A. (NBT) Norwich, New York	Home Purchase, Home Improvement, and Refinance Loans reported on the HMDA LAR, Small Business and Small Farm Loans reported on the CRA Register, and CD loans.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Southern Tier Region Mohawk Valley Region	Full Scope Full Scope	See “Descriptions of the Assessment Areas”
Albany Region	Limited Scope	
Broome -Tioga Region	Limited Scope	
Fulton County Region	Limited Scope	
North Region	Limited Scope	

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

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

<a href="#">Southern Tier Region</a> .....	B-2
Mohawk Valley Region.....	B3

## Southern Tier Region

Institution ID: 1354 NBT BANK, NA

### nbt - southern tier

Demographic Information for Full Scope Area: nbt - southern tier						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	47	0.00	14.89	78.72	6.38	0.00
Population by Geography	174,440	0.00	10.78	84.18	5.04	0.00
Owner-Occupied Housing by Geography	46,999	0.00	10.15	88.26	1.59	0.00
Business by Geography	6,944	0.00	12.67	83.83	3.50	0.00
Farms by Geography	723	0.00	14.66	82.71	2.63	0.00
Family Distribution by Income Level	44,788	20.42	21.39	23.97	34.23	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	18,724	0.00	13.13	85.38	1.49	0.00
Median Family Income		31,472	Median Housing Value		67,832	
HUD Adjusted Median Family Income for 2001		41,400	Unemployment Rate (1990 US Census)		3.14%	
Households Below Poverty Level		12.36%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census and 2001 HUD updated MFI

The Southern Tier AA consists of Chenango County, Delaware County, the southern-most sections of Madison, Otsego and Schoharie Counties, and the western portions of Greene and Ulster Counties. The AA is primarily a nonmetropolitan area, but does include a very small portion of the Syracuse MSA (8160) and the Albany-Schenectady-Troy MSA (0160). Although there are no branch offices located in the two MSAs, NBT has branch offices located close to the borders of the MSAs. Management included the geographies in each MSA that are serviced by those branch offices. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 0% low-income, 15% moderate-income, 79% middle-income, and 6% upper-income.

The Southern Tier AA is by far the largest geographically of the bank's six AAs. The AA has the largest representation of branch offices and ATMs, at 49% for each. Sixty percent of the bank's total deposits were domiciled in the AA as of June 30, 2000. Loan originations in the AA for the evaluation period represented 53% of loan originations for the evaluation period.

The competition among financial service providers is moderate. NBT competes with large mortgage companies, a large interstate regional banking company, and various community and savings banks. According to the FDIC market share report as of June 30, 2000, NBT is ranked number one for market share of deposits in the AA at 22.04%. 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-eight percent of the housing in the AA is one to four family units, 4% is multifamily units, 17% is mobile homes, and 1% is condominiums. Of total housing units, 53% is owner-occupied, 19% is renter-occupied, and 28% is vacant. The median housing value was \$67,832 in the 1990 census. Housing stock consists mostly of older homes with the median year built of 1954.

According to the 2001 business demographics there are 7,667 businesses, of which 723 are farms in the AA. Small businesses represent 85% of the businesses. Approximately 83% of businesses reported having less than 10 employees. The primary industries in the AA are services 36%, retail trade 23%, and agricultural 10%. Major employers in the AA include NBT Bank, Proctor and Gamble, Chenango Memorial Hospital, At A Glance Corporation and Unison Corporation.

The AA has community development opportunities available, especially for community development lending and services. Community development investment opportunities are also available based on OCC internal resources, bank management, and public information.

## Mohawk Valley Region

Institution ID: 1354 NBT BANK, NA

### nbt - mohawk valley

Demographic Information for Full Scope Area: nbt - mohawk valley						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	77	5.19	22.08	41.56	27.27	3.90
Population by Geography	224,295	1.42	22.16	44.06	31.21	1.16
Owner-Occupied Housing by Geography	53,170	0.34	11.33	50.12	38.21	0.00
Business by Geography	7,769	4.31	20.92	41.29	32.32	1.16
Farms by Geography	368	0.27	2.99	59.24	37.23	0.27
Family Distribution by Income Level	56,915	17.49	18.29	23.39	40.83	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	20,364	2.41	32.43	46.46	18.69	0.00
Median Family Income		31,702	Median Housing Value		67,184	
HUD Adjusted Median Family Income for 2001		40,500	Unemployment Rate (1990		3.03%	
Households Below Poverty Level		12.58%	US Census)			

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

Source: 1990 US Census and 2001 HUD updated MFI

The Mohawk Valley AA consists of the substantial majority of Oneida County, and a small portion of eastern Herkimer County. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 5% low-income, 22% moderate-income, 42% middle-income, 27% upper-income, and 4% not designated. The unclassified income geographies consist of a psychiatric center, a prison and Utica College.

Fourteen percent of the branch offices and 11% of the ATMs are located in the AA. Twelve percent of total deposits were domiciled in the AA as of June 30, 2000. Loan originations in the AA for the evaluation period represented 15% of total loan originations.

The competition among financial service providers is strong. NBT competes with several large mortgage companies, three large interstate regional banking companies, numerous community banks and savings banks, and some credit unions. NBT's market share of deposits in the AA is 4.43% as of June 30, 2000 according to the FDIC market share report and is ranked seventh in the area. 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-two percent of the housing in the AA is one to four family units, 12% is multifamily units, 5% is mobile homes, and 1% is condominiums. Of total housing units, 60% is owner-occupied, 34% is renter-occupied, and 6% is vacant. The median housing value was \$67,073 in the 1990 census. Housing stock consists mostly of older homes with the median year built

of 1949. Housing units in the low and moderate-income geographies are older than the average, the median years built being 1942 and 1948, respectively.

According to the 2001 business demographics there are 8,137 businesses, of which 368 are farms in the AA. Small businesses represent 86% of the businesses. Approximately 77% of businesses reported having less than 10 employees. The primary industries in the AA are services 40%, retail trade 23%, and finance, insurance or real estate 8%. Major employers in the AA include the Oneida Nation, Fleet Financial Group, ConMed Corp., and St. Luke's Memorial Hospital.

The AA has community development opportunities available, especially for community development lending and services. Community development investment opportunities are also available based on our community contacts, OCC internal resources, bank management, and public information.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- 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 Refinance Loans** - See Table 2.
- Table 5 - Geographic Distribution of Multifamily Loans** - See Table 2
- 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.
- 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.
- 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 MSA/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 MSA/assessment area.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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.
- 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Institution ID: 1354 NBT BANK, NA

Table 1. Lending Volume

LENDING VOLUME		Geography: NBT AAs				Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000						
MA/Assessment Area :	% 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>												
Mohawk Valley Region	15.29	339	30,089	724	57,002	62	2,219	8	12,070	1,133	101,380	12.40
Southern Tier Region	53.35	1,315	61,599	1,960	90,105	663	17,677	5	6,273	3,943	175,654	59.89
<b>Limited Review:</b>												
Albany Region	0.77	2	141	53	7,282	0	0	2	3,429	57	10,852	0.05
Broome Tioga Region	9.69	190	8,317	369	11,128	158	5,209	1	1,275	718	25,929	8.03
Fulton Region	5.91	168	6,692	261	19,907	0	0	9	9,232	438	35,831	7.13
North Region	15.12	309	18,010	773	38,523	35	2,175	3	3,400	1,120	62,108	12.51

\* Loan Data as of December 31, 2000. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From June 29, 1998 to September 17, 2001.

\*\*\* Deposit Data as of June 30, 2000. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE			Geography: NBT AAs				Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	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>																
Mohawk Valley Region	180	20.00	0.34	0.00	11.33	4.44	50.12	37.78	38.21	57.78	3.22	0.00	2.18	2.94	3.80	
Southern Tier Region	569	63.22	0.00	0.00	10.15	10.02	88.26	89.10	1.59	0.88	10.61	0.00	13.68	10.47	2.27	
<b>Limited Review:</b>																
Albany Region	0	0.00	2.08	0.00	9.67	0.00	51.17	0.00	37.08	0.00	0.00	0.00	0.00	0.00	0.00	
Broome Tioga Region	45	5.00	0.00	0.00	2.53	0.00	74.42	86.67	23.05	13.33	1.51	0.00	0.00	1.75	1.01	
Fulton Region	25	2.78	0.00	0.00	14.33	4.00	85.67	96.00	0.00	0.00	1.09	0.00	0.00	1.27	0.00	
North Region	81	9.00	0.00	0.00	7.45	3.70	81.37	86.42	11.18	9.88	3.58	0.00	4.26	3.52	3.65	

\* Based on 1999 Aggregate HMDA Data Only.

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

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

Institution ID: 1354 NBT BANK, NA

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

Geographic Distribution: HOME IMPROVEMENT		Geography: NBT AAs								Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mohawk Valley Region	26	5.37	0.34	0.00	11.33	11.54	50.12	76.92	38.21	11.54	1.10	0.00	1.18	1.88	0.23
Southern Tier Region	233	48.14	0.00	0.00	10.15	14.59	88.26	85.41	1.59	0.00	16.95	0.00	18.46	17.11	0.00
<b>Limited Review:</b>															
Albany Region	1	0.21	2.08	0.00	9.67	0.00	51.17	100.00	37.08	0.00	0.10	0.00	0.00	0.19	0.00
Broome Tioga Region	37	7.64	0.00	0.00	2.53	0.00	74.42	100.00	23.05	0.00	2.73	0.00	0.00	3.69	0.00
Fulton Region	104	21.49	0.00	0.00	14.33	10.58	85.67	89.42	0.00	0.00	15.92	0.00	10.87	17.09	0.00
North Region	83	17.15	0.00	0.00	7.45	2.41	81.37	91.57	11.18	6.02	8.06	0.00	6.67	8.64	4.55

\* Based on 1999 Aggregate HMDA Data Only.

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

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



Institution ID: 1354 NBT BANK, NA

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

Geographic Distribution: HOME MORTGAGE REFINANCE 2000		Geography: NBT AAs								Evaluation Period: APRIL 1, 1998 TO DECEMBER 31,					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ*** Units	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mohawk Valley Region	128	13.87	0.34	0.00	11.33	7.03	50.12	34.38	38.21	58.59	2.30	0.00	2.33	1.67	2.97
Southern Tier Region	512	55.47	0.00	0.00	10.15	6.64	88.26	91.60	1.59	1.76	11.04	0.00	7.96	11.68	2.38
<b>Limited Review:</b>															
Albany Region	1	0.11	2.08	0.00	9.67	0.00	51.17	0.00	37.08	100.00	0.03	0.00	0.00	0.00	0.06
Broome Tioga Region	107	11.59	0.00	0.00	2.53	5.61	74.42	92.52	23.05	1.87	4.77	0.00	10.00	6.10	0.36
Fulton Region	37	4.01	0.00	0.00	14.33	2.70	85.67	97.30	0.00	0.00	3.10	0.00	0.00	3.61	0.00
North Region	138	14.95	0.00	0.00	7.45	2.90	81.37	90.58	11.18	6.52	4.23	0.00	2.52	4.59	3.03

\* Based on 1999 Aggregate HMDA Data Only.

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

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

Institution ID: 1354 NBT BANK, NA

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

Geographic Distribution: MULTIFAMILY		Geography: NBT AAs						Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mohawk Valley Region	5	31.25	10.99	0.00	41.45	20.00	29.98	60.00	17.58	20.00	31.25	0.00	25.00	33.33	33.33
Southern Tier Region	1	6.25	0.00	0.00	11.37	0.00	83.35	100.00	4.78	0.00	20.00	0.00	0.00	20.00	0.00
<b>Limited Review:</b>															
Albany Region	7	43.75	12.16	0.00	13.85	28.57	43.30	71.43	30.69	0.00	28.57	0.00	20.00	42.86	0.00
Broome Tioga Region	2	12.50	0.00	0.00	.20	0.00	69.14	100.00	30.66	0.00	20.00	0.00	0.00	25.00	0.00
Fulton Region	1	6.25	0.00	0.00	42.5379	0.00	57.21	0.00	0.00	100.00	11.11	0.00	0.00	0.00	33.33
North Region	0	0.00	2.08	0.00	37.27	0.00	54.52	0.00	8.20	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 1999 Aggregate HMDA Data Only.

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

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

Institution ID: 1354 NBT BANK, NA

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

Geographic Distribution: SMALL LOANS TO BUSINESSES 2000			Geography: NBT AAs								Evaluation Period: APRIL 1, 1998 TO DECEMBER 31,				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mohawk Valley Region	724	17.49	4.31	0.55	20.92	16.16	41.29	33.56	32.32	48.90	9.77	0.00	9.23	6.82	17.65
Southern Tier Region	1,960	47.34	0.00	0.00	12.67	11.99	83.83	87.60	3.50	0.41	11.88	0.00	19.55	16.98	0.40
<b>Limited Review:</b>															
Albany Region	53	1.28	11.91	11.32	11.35	3.77	45.46	52.83	31.29	32.08	0.30	0.00	1.47	0.22	0.05
Broome Tioga Region	369	8.91	0.00	0.00	1.55	0.81	81.88	97.29	16.57	1.90	6.66	1.30	4.90	9.74	3.25
Fulton Region	261	6.30	0.00	0.00	22.52	10.73	77.48	89.27	0.00	0.00	18.50	0.00	15.28	19.53	0.00
North Region	773	18.67	0.00	0.00	16.74	10.74	74.33	82.28	8.33	6.99	17.41	0.00	9.92	19.88	17.28

\* Based on 1999 Aggregate Small Business Data Only.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1354 NBT BANK, NA

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

Geographic Distribution: SMALL LOANS TO FARMS			Geography: NBT AAs						Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000						
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mohawk Valley Region	62	6.75	0.27	0.00	2.99	0.00	59.24	72.58	37.23	27.42	20.92	0.00	0.00	20.14	44.44
Southern Tier Region	663	72.22	0.00	0.00	14.66	15.23	82.71	84.62	2.63	0.15	62.30	0.00	77.78	65.56	8.57
<b>Limited Review:</b>															
Albany Region	0	0.00	0.74	0.00	5.20	0.00	59.48	0.00	34.57	0.00	0.00	0.00	0.00	0.00	0.00
Broome Tioga Region	158	17.21	0.00	0.00	4.56	5.70	85.55	87.97	9.89	6.33	52.54	0.00	30.77	62.22	13.33
Fulton Region	0	0.00	0.00	0.00	8.62	0.00	91.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Region	35	3.81	0.00	0.00	3.02	0.00	89.22	97.14	7.76	2.86	4.87	0.00	0.00	11.46	100.00

\* Based on 1999 Aggregate Small Farm Data Only.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1354 NBT BANK, NA

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

Borrower Distribution: HOME PURCHASE		Geography: NBT AAS						Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000							
MA/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****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mohawk Valley Region	180	20.00	17.49	6.11	18.29	11.11	23.39	21.11	40.83	61.67	4.05	4.24	2.92	2.75	5.43
Southern Tier Region	569	63.22	20.42	8.08	21.39	20.21	23.97	25.31	34.23	46.40	12.5 2	8.03	13.4 1	13.5 1	12.5 2
<b>Limited Review:</b>															
Albany Region	0	0.00	16.60	0.00	17.33	0.00	24.22	0.00	41.86	0.00	0.00	0.00	0.00	0.00	0.00
Broome Tioga Region	45	5.00	16.74	11.11	19.54	22.22	25.64	24.44	38.08	42.22	1.69	0.87	1.57	0.72	2.79
Fulton Region	25	2.78	21.59	4.00	20.43	12.00	24.95	32.00	33.02	52.00	1.29	0.00	0.00	2.27	1.71
North Region	81	9.00	18.67	4.94	18.33	20.99	24.04	17.28	38.96	56.79	3.91	0.00	5.84	1.49	5.47

\* Based on 1999 Aggregate HMDA Data Only.

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

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

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

Institution ID: 1354 NBT BANK, NA

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

Borrower Distribution: HOME IMPROVEMENT			Geography: NBT AAs				Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****						
<b>Full Review:</b>																
Mohawk Valley Region	26	5.37	17.49	15.38	18.29	23.08	23.39	19.23	40.83	42.31	1.12	3.33	1.64	1.03	0.67	
Southern Tier Region	233	48.14	20.42	21.74	21.39	31.30	23.97	25.65	34.23	21.30	17.74	27.63	22.31	17.91	9.70	
<b>Limited Review:</b>																
Albany Region	1	0.21	16.60	0.00	17.33	0.00	24.22	100.00	41.86	0.00	0.10	0.00	0.00	0.39	0.00	
Broome Tioga Region	37	7.64	16.74	22.22	19.54	25.00	25.64	44.44	38.08	8.33	2.79	6.25	6.98	2.44	0.00	
Fulton Region	104	21.49	21.59	18.27	20.43	39.42	24.95	22.12	33.02	20.19	16.53	50.00	21.88	9.84	8.99	
North Region	83	17.15	18.67	14.81	18.33	27.16	24.04	30.86	38.96	27.16	7.80	11.63	10.39	8.41	4.20	

\* Based on 1999 Aggregate HMDA Data Only.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.24% of loans originated and purchased by BANK.

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

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

Institution ID: 1354 NBT BANK, NA

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

Borrower Distribution: HOME MORTGAGE REFINANCE 2000			Geography: NBT AAs								Evaluation Period: APRIL 1, 1998 TO DECEMBER 31,				
MA/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****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mohawk Valley Region	128	13.87	17.49	1.56	18.29	11.72	23.39	18.75	40.83	67.97	2.75	0.00	2.85	1.49	3.69
Southern Tier Region	512	55.47	20.42	7.24	21.39	19.37	23.97	24.85	34.23	48.53	12.87	8.40	14.79	14.15	12.11
<b>Limited Review:</b>															
Albany Region	1	0.11	16.60	0.00	17.33	0.00	24.22	0.00	41.86	100.00	0.03	0.00	0.00	0.00	0.07
Broome Tioga Region	107	11.59	16.74	13.08	19.54	26.17	25.64	27.10	38.08	33.64	5.70	8.75	6.52	6.15	4.54
Fulton Region	37	4.01	21.59	10.81	20.43	29.73	24.95	29.73	33.02	29.73	3.82	2.50	7.21	5.51	1.36
North Region	138	14.95	18.67	8.70	18.33	21.01	24.04	21.01	38.96	49.28	4.75	14.89	5.03	4.36	4.12

\* Based on 1999 Aggregate HMDA Data Only.

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

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

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

Institution ID: 1354 NBT BANK, NA

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: NBT AAs			Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000	
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK****	\$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>									
Mohawk Valley Region	724	17.49	85.55	77.07	82.32	10.36	7.32	9.77	11.75
Southern Tier Region	1,960	47.34	85.24	85.97	90.36	6.84	2.81	11.88	16.05
<b>Limited Review:</b>									
Albany Region	53	1.28	84.20	79.25	64.15	16.98	18.87	0.30	0.44
Broome Tioga Region	369	8.91	86.46	89.70	95.12	4.34	0.54	6.66	11.65
Fulton Region	261	6.30	85.68	72.80	83.14	9.96	6.90	18.50	21.41
North Region	773	18.67	85.62	87.19	89.00	7.89	3.10	17.41	24.80

\* Based on 1999 Aggregate Small Business Data Only.

\*\* 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 - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.41% of small loans to businesses originated and purchased by the bank.



Institution ID: 1354 NBT BANK, NA

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS					Geography: NBT AAs			Evaluation Period: APRIL 1, 1998 TO DECEMBER 31, 2000		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share		
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
Mohawk Valley Region	62	6.75	95.65	98.39	91.94	6.45	1.61	20.92	21.19	
Southern Tier Region	663	72.22	95.44	97.59	95.48	4.07	0.45	62.30	64.83	
<b>Limited Review:</b>										
Albany Region	0	0.00	92.94	0.00	0.00	0.00	0.00	0.00	0.00	
Broome Tioga Region	158	17.21	90.87	95.57	95.57	3.16	1.27	52.54	52.25	
Fulton Region	0	0.00	96.55	0.00	0.00	0.00	0.00	0.00	0.00	
North Region	35	3.81	89.66	100.00	80.00	14.29	5.71	4.87	4.92	

\* Based on 1999 Aggregate Small Business Data Only.

\*\* Small loans to farms originated and purchased in the 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 - 2001).

\*\*\*\* 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 0.76% of small loans to farms originated and purchased by the bank.

Institution ID: 1354 NBT BANK, NA

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: NBT AAs				Evaluation Period: June 29, 1998 TO DECEMBER 17, 2001			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Mohawk Valley Region	1	1,250	16	1,312	17	2,562	18.68	0	0
Southern Tier Region	1	1,250	31	9,800	32	11,050	80.55	0	0
<b>Limited Review:</b>									
Albany Region	0	0	0	0	0	0	0.00	0	0
Broome Tioga Region	0	0	2	3	2	3	0.02	0	0
Fulton Region	0	0	0	0	0	0	0.00	0	0
North Region	0	0	3	103	3	103	0.75	0	0

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

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

Institution ID: 1354 NBT BANK, NA

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: NBT AAs				Evaluation Period: June 29, 1998 TO September 17, 2001					
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>																	
Mohawk Valley Region	12.40	5	14	0.00	20.00	40.00	40.00	0	0	0	0	0	0	1.42	22.16	44.06	31.21
Southern Tier Region	59.89	18	49	0.00	5.56	94.44	0.00	1	0	0	0	1	0	0.00	10.78	84.18	5.04
<b>Limited Review:</b>																	
Albany Region	0.05	1	3	0.00	0.00	100.00	0.00	1	0	0	0	1	0	5.82	14.89	44.26	35.03
Broome Tioga Region	8.03	4	11	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	2.60	75.57	21.84
Fulton Region	7.13	3	8	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	19.31	80.69	0.00
North Region	12.51	6	16	0.00	16.67	83.33	0.00	0	0	0	0	0	0	0.00	15.23	70.67	11.92

\* In the Mohawk Valley Region 1.15% of the population resides in geographies where income is not designated.