

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 23, 2012

NBT BANCORP INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation)

0-14703
(Commission File Number)

16-1268674
(IRS Employer Identification No.)

52 SOUTH BROAD STREET, NORWICH, NEW YORK 13815
(Address of principal executive offices)

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

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

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

ITEM 2.02 Results of Operations and Financial Condition

On April 23, 2012, NBT Bancorp Inc. issued a press release describing its results of operations for the quarter ending March 31, 2012. That press release is furnished as Exhibit 99.1 hereto.

ITEM 9.01 Financial Statements and Exhibits

(d) The following is being furnished herewith:

Exhibit No. Exhibit Description

[99.1](#) Press release text of NBT Bancorp Inc. dated April 23, 2012

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NBT BANCORP INC.

(Registrant)

/s/ Michael J. Chewens

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

Date: April 24, 2012

FOR IMMEDIATE RELEASE
ATTENTION: FINANCIAL AND BUSINESS EDITORS

Contact: Martin A. Dietrich, CEO
Michael J. Chewens, CFO
NBT Bancorp Inc.
52 South Broad Street
Norwich, NY 13815
607-337-6119

**NBT BANCORP INC. ANNOUNCES FIRST QUARTER DILUTED EARNINGS PER SHARE OF \$0.41, NET INCOME OF \$13.7 MILLION;
ORGANIC LOAN GROWTH OF 4.2%**

NORWICH, NY (April 23, 2012) – NBT Bancorp Inc. (NBT) (NASDAQ: NBTB) reported today net income for the three months ended March 31, 2012 was \$13.7 million, down \$0.6 million, or 4.6%, from the three months ended March 31, 2011. Net income per diluted share for the three months ended March 31, 2012 was \$0.41 per share, equal to the net income per diluted share for the three months ended March 31, 2011. Annualized return on average assets and return on average equity were 0.97% and 10.12%, respectively, for the three months ended March 31, 2012, compared with 1.08% and 10.78%, respectively, for the three months ended March 31, 2011. Net interest margin (on a fully taxable equivalent or FTE basis) was 3.90% for the three months ended March 31, 2012, down 21 basis points from 4.11% for the three months ended March 31, 2011.

Selected highlights for the first quarter of 2012 include:

- Diluted earnings per share of \$0.41 equaled last year's first quarter results.
- Outstanding loan balances as of March 31, 2012 are up 5.3% from a year ago, driven by 4.2% organic growth for the same period. Average loan balances for the quarter ending March 31, 2012 compared to March 31, 2011 were up the same.
- Net interest margin was 3.90% for the first quarter, down from the same period of 2011, resulting from the continued impact of the low rate environment on loans and investments.
- Annualized net charge-off ratio was 0.47% as compared to 0.59% for the same period last year.
- Past due loans to total loans and leases was 0.58% as compared to 0.89% at December 31, 2011.
- Continued strategic expansion:
 - In New York: Closed on three branches in Greene County and customer balances of a branch in Schoharie County on January 21, 2012.
 - In Massachusetts: Opened a fifth Massachusetts branch in Lenox on February 7, 2012.
 - In New Hampshire: Acquisition of Hampshire First Bank is expected to close in the second quarter of 2012.

“While the still-fragile economy poses ongoing challenges, NBT continues to invest in the future and expand delivery of our unique brand of community banking,” said NBT President and CEO Martin Dietrich. “During the first quarter of 2012, we were pleased to add locations in Greene County, N.Y., and to open our fifth office in Western Massachusetts. In the second quarter, we look forward to entering a fifth state with the completion of our acquisition of Hampshire First Bank. Our consistent ability to generate loan growth, coupled with our strong fundamentals and quality team of community-minded bankers will enable NBT to continue to navigate the challenges ahead.”

Loan and Lease Quality and Provision for Loan and Lease Losses

The Company recorded a provision for loan and lease losses of \$4.5 million during the three months ended March 31, 2012, as compared with \$4.0 million for the three months ended March 31, 2011. Net charge-offs were \$4.5 million for the three months ended March 31, 2012, down from \$5.3 million for the same period in 2011, due primarily to the charge-off of one large commercial loan during the first quarter of 2011. The annualized net charge-off ratio for the three months ended March 31, 2012 was 0.47% compared to 0.59% for the three months ended March 31, 2011.

Past due loans as a percentage of total loans was 0.58% at March 31, 2012, as compared with 0.89% at December 31, 2011. Nonperforming loans increased to \$45.9 million or 1.20% of total loans and leases at March 31, 2012 compared with \$41.5 million or 1.09% at December 31, 2011, due to an increase in nonaccrual loans related to one commercial relationship, which has been specifically reserved for by the Company during the three months ended March 31, 2012.

Improvement in certain general asset quality indicators reduced the allowance which was offset by the aforementioned specific credit. The allowance for loan and lease losses totaled \$71.3 million at March 31, 2012 and December 31, 2011. The allowance for loan and lease losses as a percentage of loans and leases was 1.87% at March 31, 2012 as compared to 1.88% at December 31, 2011.

Net Interest Income

Net interest income was up slightly to \$49.4 million for the three months ended March 31, 2012, compared with \$49.3 million for the three months ended March 31, 2011. The Company's FTE net interest margin was 3.90% for the three months ended March 31, 2012, down from 4.11% for the three months ended March 31, 2011. The increase in average earning assets in the first quarter of 2012 as compared to the first quarter of 2011 offset the decline in net interest margin, resulting in a relatively flat net interest income for the periods.

While the yield on interest bearing liabilities decreased 20 basis points, the yield on interest earning assets declined 38 basis points, resulting in margin compression for the three months ended March 31, 2012, compared to the same period for 2011. The yield on securities available for sale was 2.61% for the three months ended March 31, 2012, as compared with 3.14% for the three months ended March 31, 2011. This decrease was due primarily to the reinvestment of cash flows from maturing securities and cash received from branch acquisitions into lower yielding securities in the current rate environment. The average balance of securities available for sale for the first quarter of 2012 was \$1.2 billion, up approximately \$114.7 million, or 10.4%, from the first quarter of 2011. This increase was due primarily to reinvestment of maturing held to maturity securities into available for sale securities, and investment of liquidity from acquisition activity and deposit growth into available for sale securities. The yield on loans and leases was 5.33% for the three months ended March 31, 2012, as compared with 5.73% for the three months ended March 31, 2011. The average balance of loans and leases for the first quarter of 2012 was \$3.8 billion, up approximately \$193.3 million, or 5.3% (4.2% organic), from the first quarter of 2011. The rate on time deposits was 1.63% for the three months ended March 31, 2012, as compared with 1.90% for the three months ended March 31, 2011, while the rate on money market deposit accounts was 0.23% for the three months ended March 31, 2012, as compared with 0.42% for the three months ended March 31, 2011.

Noninterest Income

Noninterest income for the three months ended March 31, 2012 was \$23.1 million, up 14.6% or \$3.0 million, compared with \$20.1 million for the same period in 2011. Insurance and other financial services revenue increased approximately \$0.4 million for the three months ended March 31, 2012, as compared to the three months ended March 31, 2011. This increase was due primarily to the acquisition of an insurance agency during the second quarter of 2011 and an increase in brokerage commission revenue from new business. ATM and debit card fees increased approximately \$0.3 million for the three months ended March 31, 2012, as compared to the three months ended March 31, 2011, due primarily to an increase in card usage. Other noninterest income increased approximately \$2.4 million for the three months ended March 31, 2012 as compared to March 31, 2011. This increase was due primarily to a \$1.1 million payoff gain on a purchased commercial real estate loan as well as a prepayment penalty fee collected totaling \$0.8 million during the first quarter of 2012, related to a previously disclosed loss of a retirement plan client. The Company also realized net securities gains of approximately \$0.5 million during the first quarter of 2012. These increases were offset by a decrease in service charges on deposit accounts of approximately \$0.7 million, or 14.4%, for the three months ended March 31, 2012, as compared with the same period in 2011 primarily due to a decrease in overdraft fee income.

Noninterest Expense and Income Tax Expense

Noninterest expense for the three months ended March 31, 2012 was \$48.5 million, up \$3.4 million or 7.6%, for the same period in 2011. Salaries and employee benefits increased \$1.7 million, or 6.9%, for the three months ended March 31, 2012, compared with the same period in 2011. This increase was due primarily to increases in full-time-equivalent employees from branch acquisitions and merit increases. Professional fees and outside services increased \$0.7 million, or 31.9%, for the three months ended March 31, 2012 as compared to the same period in 2011. This increase was due primarily to \$0.3 million in legal expenses incurred related to a class action lawsuit. Data processing and communications expenses increased approximately \$0.3 million, or 11.8%, for the three months ended March 31, 2012 as compared to the same period in 2011, due primarily to strategic expansion into new markets. Other operating expenses increased approximately \$0.7 million for the three months ended March 31, 2012, as compared to the same period in 2011. This increase was due primarily to merger related expenses of \$0.5 million incurred during the first quarter of 2012, with no other significant drivers. These increases were partially offset by a decrease in Federal Deposit Insurance Corporation ("FDIC") expenses of approximately \$0.6 million for the three months ended March 31, 2012 as compared to the three months ended March 31, 2011. This decrease was due to the FDIC redefining the deposit insurance assessment base effective the second quarter of 2011. Income tax expense for the three month period ended March 31, 2012 was \$5.9 million, down from \$6.0 million for the same period in 2011. The effective tax rate was 30.0% for the three months ended March 31, 2012, as compared to 29.7% for the same period in 2011.

Balance Sheet

Total assets were \$5.8 billion at March 31, 2012, up \$186.6 million or 3.3% from December 31, 2011. Loans and leases were \$3.8 billion at March 31, 2012, up \$18.5 million from December 31, 2011. Total deposits were \$4.6 billion at March 31, 2012, up \$200.3 million from December 31, 2011. Stockholders' equity was \$548.7 million, representing a total equity-to-total assets ratio of 9.49% at March 31, 2012, compared with \$538.1 million or a total equity-to-total assets ratio of 9.61% at December 31, 2011.

Stock Repurchase Program

The Company did not purchase any shares of its common stock during the three month period ended March 31, 2012. At March 31, 2012, there were 1,517,581 shares available for repurchase under two previously announced stock repurchase plans, which both expire on December 31, 2013.

Dividend

The Company anticipates that the NBT Board of Directors will declare a regular 2012 second-quarter cash dividend at their next scheduled meeting, which will be held on May 1, 2012.

Corporate Overview

NBT Bancorp Inc. is a financial holding company headquartered in Norwich, N.Y., with total assets of \$5.8 billion at March 31, 2012. The company primarily operates through NBT Bank, N.A., a full-service community bank with two divisions, and through two financial services companies. NBT Bank, N.A. has 132 locations, including 89 NBT Bank offices in upstate New York, five NBT Bank offices in western Massachusetts, three NBT Bank offices in northwestern Vermont and 35 Pennstar Bank offices in northeastern Pennsylvania. EPIC Advisors, Inc., based in Rochester, N.Y., is a full-service 401(k) plan recordkeeping firm. Mang Insurance Agency, LLC, based in Norwich, N.Y., is a full-service insurance agency. More information about NBT and its divisions can be found on the Internet at: www.nbtbancorp.com, www.nbtbank.com, www.pennstarbank.com, www.epic1st.com and www.manginsurance.com.

Forward-Looking Statements

This news release contains forward-looking statements. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of the management of NBT Bancorp and its subsidiaries and on the information available to management at the time that these statements were made. There are a number of factors, many of which are beyond NBT's control, that could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following possibilities: (1) competitive pressures among depository and other financial institutions may increase significantly; (2) revenues may be lower than expected; (3) changes in the interest rate environment may reduce interest margins; (4) general economic conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit; (5) legislative or regulatory changes, including changes in accounting standards and tax laws, may adversely affect the businesses in which NBT is engaged; (6) competitors may have greater financial resources and develop products that enable such competitors to compete more successfully than NBT; and (7) adverse changes may occur in the securities markets or with respect to inflation. Forward-looking statements speak only as of the date they are made. Except as required by law, NBT does not undertake to update forward-looking statements to reflect subsequent circumstances or events.

**NBT Bancorp Inc. and
Subsidiaries**
**SELECTED FINANCIAL
HIGHLIGHTS**
(unaudited)

| | <u>2012</u> | <u>2011</u> | <u>Net Change</u> | <u>Percent Change</u> |
|-------------------------------------|---|-------------|-----------------------|---------------------------|
| | (dollars in thousands, except per share data) | | | |
| Three Months Ended March 31, | | | | |
| Net Income | \$ 13,650 | \$ 14,307 | \$ (657) | -5% |
| Diluted Earnings Per Share | \$ 0.41 | \$ 0.41 | \$ 0.00 | 0% |
| Weighted Average Diluted | | | | |
| Common Shares Outstanding | 33,441,652 | 34,650,368 | (1,208,716) | -3% |
| Return on Average Assets (1) | 0.97% | 1.08% | -11bp | -10% |
| Return on Average Equity (1) | 10.12% | 10.78% | -66bp | -6% |
| Net Interest Margin (2) | 3.90% | 4.11% | -21bp | -5% |

| Asset Quality | March 31, 2012 | December 31, 2011 |
|--|---------------------------|------------------------------|
| Nonaccrual Loans | \$ 44,481 | \$ 38,290 |
| 90 Days Past Due and Still Accruing | \$ 1,437 | \$ 3,190 |
| Total Nonperforming Loans | \$ 45,918 | \$ 41,480 |
| Other Real Estate Owned | \$ 1,954 | \$ 2,160 |
| Total Nonperforming Assets | \$ 47,872 | \$ 43,640 |
| Allowance for Loan and Lease Losses | \$ 71,334 | \$ 71,334 |
| Allowance for Loan and Lease Losses to Total Loans and Leases | 1.87% | 1.88% |
| Total Nonperforming Loans to Total Loans and Leases | 1.20% | 1.09% |
| Total Nonperforming Assets to Total Assets | 0.83% | 0.78% |
| Past Due Loans to Total Loans and Leases | 0.58% | 0.89% |
| Allowance for Loan and Lease Losses to Total Nonperforming Loans | 155.35% | 171.97% |
| Net Charge-Offs to YTD Average Loans and Leases (1) | 0.47% | 0.56% |

| Capital | | |
|--------------------------------|----------|----------|
| Equity to Assets | 9.49% | 9.61% |
| Book Value Per Share | \$ 16.51 | \$ 16.23 |
| Tangible Book Value Per Share | \$ 11.94 | \$ 11.70 |
| Tier 1 Leverage Ratio | 8.80% | 8.74% |
| Tier 1 Capital Ratio | 11.64% | 11.56% |
| Total Risk-Based Capital Ratio | 12.90% | 12.81% |

| Quarterly Common Stock Price | 2012 | | 2011 | |
|-------------------------------------|-------------|------------|-------------|------------|
| | <u>High</u> | <u>Low</u> | <u>High</u> | <u>Low</u> |
| Quarter End | | | | |
| March 31 | \$ 24.10 | \$ 20.75 | \$ 24.98 | \$ 21.55 |
| June 30 | | | \$ 23.32 | \$ 20.62 |
| September 30 | | | \$ 23.25 | \$ 17.05 |
| December 31 | | | \$ 22.63 | \$ 17.47 |

(1) Annualized

(2) Calculated on a FTE basis

**NBT Bancorp Inc. and
Subsidiaries
SELECTED FINANCIAL
HIGHLIGHTS
(unaudited)**

| | March 31, 2012 | December 31, 2011 | Net Change | Percent Change |
|----------------------|---------------------------|----------------------|---------------|-------------------|
| | (dollars in thousands) | | | |
| Balance Sheet | | | | |
| Loans and Leases | \$ 3,818,666 | \$ 3,800,203 | \$ 18,463 | 0% |
| Earning Assets | \$ 5,319,419 | \$ 5,112,831 | \$ 206,588 | 4% |
| Total Assets | \$ 5,784,973 | \$ 5,598,406 | \$ 186,567 | 3% |
| Deposits | \$ 4,567,404 | \$ 4,367,149 | \$ 200,255 | 5% |
| Stockholders' Equity | \$ 548,733 | \$ 538,110 | \$ 10,623 | 2% |

| | March 31, 2012 | March 31, 2011 | |
|---|---------------------------|-------------------|-------------|
| | (dollars in thousands) | | |
| Average Balances Three Months Ended | | | |
| Loans and Leases | \$ 3,809,461 | \$ 3,616,191 | \$ 193,270 |
| Securities Available For Sale (excluding unrealized gains or losses) | \$ 1,212,766 | \$ 1,098,042 | \$ 114,724 |
| Securities Held To Maturity | \$ 70,542 | \$ 94,098 | \$ (23,556) |
| Trading Securities | \$ 3,298 | \$ 2,969 | \$ 329 |
| Regulatory Equity Investment | \$ 27,020 | \$ 27,246 | \$ (226) |
| Short-Term Interest Bearing Accounts | \$ 80,127 | \$ 141,309 | \$ (61,182) |
| Total Earning Assets | \$ 5,199,916 | \$ 4,976,886 | \$ 223,030 |
| Total Assets | \$ 5,659,458 | \$ 5,397,057 | \$ 262,401 |
| Interest Bearing Deposits | \$ 3,382,603 | \$ 3,289,925 | \$ 92,678 |
| Non-Interest Bearing Deposits | \$ 1,062,557 | \$ 904,748 | \$ 157,809 |
| Short-Term Borrowings | \$ 162,806 | \$ 153,374 | \$ 9,432 |
| Long-Term Borrowings | \$ 445,817 | \$ 445,401 | \$ 416 |
| Total Interest Bearing Liabilities | \$ 3,991,226 | \$ 3,888,700 | \$ 102,526 |
| Stockholders' Equity | \$ 542,628 | \$ 538,211 | \$ 4,417 |

NBT Bancorp Inc. and Subsidiaries
Consolidated Balance Sheets (unaudited)
March 31,
2012
December 31,
2011

(in thousands)

ASSETS

| | | |
|---|---------------------|---------------------|
| Cash and due from banks | \$ 108,400 | \$ 128,517 |
| Short term interest bearing accounts | 191,204 | 864 |
| Securities available for sale, at fair value | 1,243,122 | 1,244,619 |
| Securities held to maturity (fair value of \$71,570 and \$72,198 at March 31, 2012 and December 31, 2011, respectively) | 70,280 | 70,811 |
| Trading securities | 3,736 | 3,062 |
| Federal Reserve and Federal Home Loan Bank stock | 27,020 | 27,020 |
| Loans and leases | 3,818,666 | 3,800,203 |
| Less allowance for loan and lease losses | 71,334 | 71,334 |
| Net loans and leases | 3,747,332 | 3,728,869 |
| Premises and equipment, net | 75,232 | 74,541 |
| Goodwill | 133,614 | 132,029 |
| Intangible assets, net | 18,130 | 18,194 |
| Bank owned life insurance | 78,597 | 77,626 |
| Other assets | 88,306 | 92,254 |
| TOTAL ASSETS | \$ 5,784,973 | \$ 5,598,406 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|---|---------------------|---------------------|
| Deposits: | | |
| Demand (noninterest bearing) | \$ 1,111,563 | \$ 1,052,906 |
| Savings, NOW, and money market | 2,492,811 | 2,381,116 |
| Time | 963,030 | 933,127 |
| Total deposits | 4,567,404 | 4,367,149 |
| Short-term borrowings | 165,977 | 181,592 |
| Long-term debt | 370,490 | 370,344 |
| Trust preferred debentures | 75,422 | 75,422 |
| Other liabilities | 56,947 | 65,789 |
| Total liabilities | 5,236,240 | 5,060,296 |
| | | |
| Total stockholders' equity | 548,733 | 538,110 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 5,784,973 | \$ 5,598,406 |

| NBT Bancorp Inc. and Subsidiaries Consolidated Statements of Income (unaudited) | Three Months Ended March 31, | |
|--|---------------------------------|------------------|
| | 2012 | 2011 |
| (in thousands, except per share data) | | |
| Interest, fee and dividend income: | | |
| Loans and leases | \$ 50,208 | \$ 50,860 |
| Securities available for sale | 7,366 | 7,904 |
| Securities held to maturity | 640 | 800 |
| Other | 392 | 493 |
| Total interest, fee and dividend income | 58,606 | 60,057 |
| Interest expense: | | |
| Deposits | 5,143 | 6,287 |
| Short-term borrowings | 41 | 58 |
| Long-term debt | 3,581 | 3,571 |
| Trust preferred debentures | 449 | 889 |
| Total interest expense | 9,214 | 10,805 |
| Net interest income | 49,392 | 49,252 |
| Provision for loan and lease losses | 4,471 | 3,965 |
| Net interest income after provision for loan and lease losses | 44,921 | 45,287 |
| Noninterest income: | | |
| Insurance and other financial services revenue | 6,154 | 5,773 |
| Service charges on deposit accounts | 4,341 | 5,072 |
| ATM and debit card fees | 2,962 | 2,668 |
| Retirement plan administration fees | 2,333 | 2,171 |
| Trust | 2,129 | 2,036 |
| Bank owned life insurance income | 971 | 1,035 |
| Net securities gains | 455 | 27 |
| Other | 3,711 | 1,344 |
| Total noninterest income | 23,056 | 20,126 |
| Noninterest expense: | | |
| Salaries and employee benefits | 26,725 | 25,004 |
| Occupancy | 4,491 | 4,522 |
| Data processing and communications | 3,258 | 2,914 |
| Professional fees and outside services | 2,725 | 2,066 |
| Equipment | 2,380 | 2,190 |
| Office supplies and postage | 1,671 | 1,545 |
| FDIC expenses | 931 | 1,496 |
| Advertising | 802 | 568 |
| Amortization of intangible assets | 819 | 733 |
| Loan collection and other real estate owned | 638 | 719 |
| Other operating | 4,034 | 3,304 |
| Total noninterest expense | 48,474 | 45,061 |
| Income before income taxes | 19,503 | 20,352 |
| Income taxes | 5,853 | 6,045 |
| Net income | \$ 13,650 | \$ 14,307 |
| Earnings Per Share: | | |
| Basic | \$ 0.41 | \$ 0.42 |
| Diluted | \$ 0.41 | \$ 0.41 |

| NBT Bancorp Inc. and Subsidiaries | 1Q | 4Q | 3Q | 2Q | 1Q |
|--|------------------|------------------|------------------|------------------|------------------|
| Quarterly Consolidated Statements of Income (unaudited) | 2012 | 2011 | 2011 | 2011 | 2011 |
| (in thousands, except per share data) | | | | | |
| Interest, fee and dividend income: | | | | | |
| Loans and leases | \$ 50,208 | \$ 51,393 | \$ 50,991 | \$ 51,126 | \$ 50,860 |
| Securities available for sale | 7,366 | 7,461 | 7,771 | 7,947 | 7,904 |
| Securities held to maturity | 640 | 661 | 680 | 745 | 800 |
| Other | 392 | 383 | 342 | 440 | 493 |
| Total interest, fee and dividend income | 58,606 | 59,898 | 59,784 | 60,258 | 60,057 |
| Interest expense: | | | | | |
| Deposits | 5,143 | 5,330 | 5,352 | 6,051 | 6,287 |
| Short-term borrowings | 41 | 39 | 56 | 52 | 58 |
| Long-term debt | 3,581 | 3,621 | 3,621 | 3,591 | 3,571 |
| Trust preferred debentures | 449 | 409 | 394 | 400 | 889 |
| Total interest expense | 9,214 | 9,399 | 9,423 | 10,094 | 10,805 |
| Net interest income | 49,392 | 50,499 | 50,361 | 50,164 | 49,252 |
| Provision for loan and lease losses | 4,471 | 5,576 | 5,175 | 6,021 | 3,965 |
| Net interest income after provision for loan and lease losses | 44,921 | 44,923 | 45,186 | 44,143 | 45,287 |
| Noninterest income: | | | | | |
| Insurance and other financial services revenue | 6,154 | 4,918 | 5,127 | 5,025 | 5,773 |
| Service charges on deposit accounts | 4,341 | 5,405 | 5,532 | 5,455 | 5,072 |
| ATM and debit card fees | 2,962 | 2,911 | 3,135 | 2,928 | 2,668 |
| Retirement plan administration fees | 2,333 | 2,184 | 2,295 | 2,268 | 2,171 |
| Trust | 2,129 | 2,480 | 2,090 | 2,258 | 2,036 |
| Bank owned life insurance income | 971 | 716 | 674 | 660 | 1,035 |
| Net securities gains | 455 | 52 | 12 | 59 | 27 |
| Other | 3,711 | 1,464 | 1,329 | 1,208 | 1,344 |
| Total noninterest income | 23,056 | 20,130 | 20,194 | 19,861 | 20,126 |
| Noninterest expense: | | | | | |
| Salaries and employee benefits | 26,725 | 25,105 | 25,068 | 24,035 | 25,004 |
| Occupancy | 4,491 | 3,967 | 3,887 | 3,987 | 4,522 |
| Data processing and communications | 3,258 | 3,186 | 3,054 | 3,117 | 2,914 |
| Professional fees and outside services | 2,725 | 2,552 | 2,215 | 2,088 | 2,066 |
| Equipment | 2,380 | 2,206 | 2,288 | 2,180 | 2,190 |
| Office supplies and postage | 1,671 | 1,655 | 1,531 | 1,342 | 1,545 |
| FDIC expenses | 931 | 886 | 920 | 965 | 1,496 |
| Advertising | 802 | 1,174 | 685 | 1,033 | 568 |
| Amortization of intangible assets | 819 | 760 | 782 | 771 | 733 |
| Loan collection and other real estate owned | 638 | 793 | 676 | 443 | 719 |
| Other operating | 4,034 | 5,128 | 3,940 | 3,196 | 3,304 |
| Total noninterest expense | 48,474 | 47,412 | 45,046 | 43,157 | 45,061 |
| Income before income taxes | 19,503 | 17,641 | 20,334 | 20,847 | 20,352 |
| Income taxes | 5,853 | 3,919 | 5,117 | 6,192 | 6,045 |
| Net income | \$ 13,650 | \$ 13,722 | \$ 15,217 | \$ 14,655 | \$ 14,307 |
| Earnings per share: | | | | | |
| Basic | \$ 0.41 | \$ 0.42 | \$ 0.46 | \$ 0.43 | \$ 0.42 |
| Diluted | \$ 0.41 | \$ 0.41 | \$ 0.45 | \$ 0.43 | \$ 0.41 |

Three Months ended March 31,

| (dollars in thousands) | 2012 | | | 2011 | | |
|---|--------------------|-----------|-----------------|--------------------|-----------|-----------------|
| | Average Balance | Interest | Yield/ Rates | Average Balance | Interest | Yield/ Rates |
| ASSETS | | | | | | |
| Short-term interest bearing accounts | \$ 80,127 | \$ 35 | 0.18% | \$ 141,309 | \$ 69 | 0.20% |
| Securities available for sale (1)(excluding unrealized gains or losses) | 1,212,766 | 7,855 | 2.61% | 1,098,042 | 8,501 | 3.14% |
| Securities held to maturity (1) | 70,542 | 965 | 5.50% | 94,098 | 1,202 | 5.18% |
| Investment in FRB and FHLB Banks | 27,020 | 357 | 5.31% | 27,246 | 425 | 6.33% |
| Loans and leases (2) | 3,809,461 | 50,445 | 5.33% | 3,616,191 | 51,092 | 5.73% |
| Total interest earning assets | \$ 5,199,916 | \$ 59,657 | 4.61% | \$ 4,976,886 | \$ 61,289 | 4.99% |
| Other assets | 459,542 | | | 420,171 | | |
| Total assets | \$ 5,659,458 | | | \$ 5,397,057 | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| EQUITY | | | | | | |
| Money market deposit accounts | \$ 1,089,347 | 612 | 0.23% | \$ 1,085,882 | \$ 1,116 | 0.42% |
| NOW deposit accounts | 694,937 | 530 | 0.31% | 698,141 | 635 | 0.37% |
| Savings deposits | 641,969 | 114 | 0.07% | 574,370 | 165 | 0.12% |
| Time deposits | 956,350 | 3,887 | 1.63% | 931,532 | 4,371 | 1.90% |
| Total interest bearing deposits | \$ 3,382,603 | \$ 5,143 | 0.61% | \$ 3,289,925 | \$ 6,287 | 0.78% |
| Short-term borrowings | 162,806 | 41 | 0.10% | 153,374 | 58 | 0.15% |
| Trust preferred debentures | 75,422 | 449 | 2.40% | 75,422 | 889 | 4.78% |
| Long-term debt | 370,395 | 3,581 | 3.89% | 369,979 | 3,571 | 3.91% |
| Total interest bearing liabilities | \$ 3,991,226 | \$ 9,214 | 0.93% | \$ 3,888,700 | \$ 10,805 | 1.13% |
| Demand deposits | 1,062,557 | | | 904,748 | | |
| Other liabilities | 63,047 | | | 65,398 | | |
| Stockholders' equity | 542,628 | | | 538,211 | | |
| Total liabilities and stockholders' equity | \$ 5,659,458 | | | \$ 5,397,057 | | |
| Net interest income (FTE) | | 50,443 | | | 50,484 | |
| Interest rate spread | | | 3.68% | | | 3.86% |
| Net interest margin | | | 3.90% | | | 4.11% |
| Taxable equivalent adjustment | | 1,051 | | | 1,232 | |
| Net interest income | | \$ 49,392 | | | \$ 49,252 | |

(1) Securities are shown at average amortized cost

(2) For purposes of these computations, nonaccrual loans are included in the average loan balances outstanding

NBT Bancorp Inc. and Subsidiaries
Loans and Leases (Unaudited)

| <i>(In thousands)</i> | March 31, 2012 | December 31, 2011 |
|---|---------------------------|------------------------------|
| Residential real estate mortgages | \$ 581,709 | \$ 581,511 |
| Commercial | 631,019 | 611,298 |
| Commercial real estate mortgages | 896,149 | 888,879 |
| Real estate construction and development | 88,316 | 93,977 |
| Agricultural and agricultural real estate mortgages | 106,790 | 108,423 |
| Consumer | 954,910 | 946,470 |
| Home equity | 559,773 | 569,645 |
| Total loans and leases | <u>\$ 3,818,666</u> | <u>\$ 3,800,203</u> |
