
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): October 28, 2013

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))
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ITEM 2.02 Results of Operations and Financial Condition

On October 28, 2013, NBT Bancorp Inc. issued a press release describing its results of operations for the quarter and nine months ended September 30, 2013 and announcing a quarterly cash dividend increase to \$0.21 per share to be paid on December 15, 2013 to shareholders of record on December 1, 2013. 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 October 28, 2013

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: October 29, 2013

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 RECORD THIRD QUARTER EARNINGS AND A 5% CASH DIVIDEND INCREASE

NORWICH, NY (October 28, 2013) – NBT Bancorp Inc. (NBT) (NASDAQ: NBTB) reported net income for the three months ended September 30, 2013 of \$19.3 million, up from \$16.9 million from the prior quarter, and up from \$14.5 million for the third quarter of 2012. Reported earnings per diluted share for the three months ended September 30, 2013 was \$0.44 as compared to \$0.38 from the prior quarter and \$0.43 for the third quarter of 2012. The third quarter 2013 earnings represent the third highest quarterly earnings per diluted share reported in the Company's history.

Core net income for the three months ended September 30, 2013 was \$19.4 million, up 8.5% from \$17.8 million for the prior quarter, and up 34.9% from \$14.4 million for the third quarter of 2012. Core diluted earnings per share for the three months ended September 30, 2013 was \$0.44, up from \$0.40 for the prior quarter, and up from \$0.42 for the third quarter of 2012.

Reported net income for the nine months ended September 30, 2013 was \$43.8 million, up from \$41.4 million for the same period last year. 2013 results included the impact of the acquisition of Alliance in March 2013, including approximately \$12.3 million in merger related expenses. Reported diluted earnings per share for the nine months ended September 30, 2013 was \$1.05, as compared to \$1.23 for the same period in 2012.

Core net income for the nine months ended September 30, 2013 was \$51.5 million, up 24.9% from \$41.2 million for the same period in 2012, due primarily to the impact of the Alliance acquisition. Core diluted earnings per share for the nine months ended September 30, 2013 was \$1.23, equivalent to the same period last year.

Third Quarter Highlights:

- Core diluted EPS \$0.44, up from \$0.40 in the prior quarter and \$0.42 for the third quarter of 2012
- Strong loan growth continued in the third quarter (5.7% annualized)
- Continued progress on operational efficiencies

“We are very pleased with our third quarter results, which were characterized by strong organic loan growth, earnings growth, stable asset quality and continued improvement in operational efficiencies,” said NBT President and CEO Martin Dietrich. “In addition, we are especially proud of the successful integration of Alliance Bank into NBT Bank that has strengthened our position in central New York. Through this acquisition, which is the largest in NBT's history, we have achieved the cost savings and operational synergies we identified and ushered in a new era for NBT. Over the last two years, we have added \$2 billion to our balance sheet through strategic expansion, providing NBT with significant new growth opportunities in markets where we believe we are well positioned to build upon our foundations and leverage the strong potential that exists. Finally, we are glad to have the opportunity to share our successes with our shareholders in the form of a 5% cash dividend increase.”

Net interest income was \$62.2 million for the three months ended September 30, 2013, up marginally from the prior quarter, and up \$9.6 million from the third quarter of 2012 primarily due to the acquisition of Alliance. Average interest earning assets were up \$50.1 million, or 0.7%, for the third quarter of 2013 as compared to the prior quarter, driven primarily by organic loan production during the third quarter. This increase was offset by a decrease in the yields on interest earning assets from 4.16% for the second quarter of 2013 to 4.08% for the third quarter, driven primarily by the 13 bp decrease in loan yields. Average interest bearing liabilities showed a 0.8% decrease from the second quarter of 2013 to the third quarter and rates paid on interest bearing liabilities decreased 5 bps during the same period resulting in a 7.6% decrease in interest expense from the second quarter of 2013 to the third quarter.

The Company's Fully Tax Equivalent ("FTE") net interest margin was 3.65% for the three months ended September 30, 2013, down from 3.69% from the prior quarter, and down from 3.90% for the third quarter of 2012. Rate compression on earning assets continued to negatively impact net interest margin in the third quarter of 2013 as evidenced by decreasing loan yields from 4.76% for the second quarter of 2013 to 4.63% for the third quarter of 2013. The rate compression on earning assets was partially offset by the 5 bp decrease in the rates paid on interest bearing liabilities in the third quarter of 2013 versus the prior quarter. This decrease was primarily driven by decreases in rates paid on long-term debt as maturing higher cost borrowings were replaced with lower rate short term borrowings.

Net interest income was \$176.0 million for the nine months ended September 30, 2013, up 16.0% from the same period in 2012. This increase from the prior year was due primarily to the 22.0% increase in average earning assets for the nine months ended September 30, 2013 over the prior year. The acquisition of Alliance in March 2013 as well as the full year impact of 2012 loan growth contributed to the growth in average earning assets.

The Company's FTE net interest margin was 3.67% for the nine months ended September 30, 2013, down from 3.87% for the same period last year. Rate compression on earning assets continued to negatively impact net interest margin for the first nine months of 2013 as evidenced by decreasing loan yields from 5.21% for the first nine months of 2012 to 4.75% for the first nine months of 2013. In addition, yields on available for sale securities declined 49 bps in the first nine months of 2013 as compared to the same period in 2012. The rate compression on earning assets was partially offset by the 24 bp decrease in the rates paid on interest bearing liabilities in the first nine months of 2013 as compared to the same period in 2012.

Noninterest income for the three months ended September 30, 2013 was \$27.1 million, up 6.3% from the prior quarter, and up 25.5% from the third quarter of 2012 due primarily to the acquisition of Alliance. The increase from the prior quarter was driven primarily by an increase in other noninterest income, which increased \$0.8 million from the prior quarter. Increases in loan fees collected and swap fees recognized during the third quarter contributed to this increase. In addition, the Company recorded \$0.3 million in securities gains during the third quarter, as compared to securities losses totaling \$0.1 million for the second quarter of 2013.

Noninterest income for the nine months ended September 30, 2013 was \$77.9 million, up 19.2% from the same period in 2012, with the primary drivers being increases in trust revenue and ATM and debit card fees driven primarily by the acquisition of Alliance. In addition, the Company experienced a 9.8% increase in insurance and financial services revenue for the nine months ended September 30, 2013 as compared to the same period in 2012, due primarily to an increase in insurance revenue of \$1.0 million as well as an increase in financial services revenue of \$0.6 million. Retirement plan administration fees were also up 16.6% for the nine months ended September 30, 2013 as compared to the same period in 2012 due to growth in new business of 2013.

Noninterest expense for the three months ended September 30, 2013 was \$56.3 million, down 0.3% from the prior quarter, and up 13.9% from the third quarter of 2012 primarily due to the acquisition of Alliance. Excluding merger expenses totaling \$0.3 million and \$1.3 million during the third quarter and second quarter of 2013, respectively, noninterest expense was up \$0.8 million, or 1.4%, for the third quarter of 2013 as compared to the prior quarter. Income tax expense for the three month period ended September 30, 2013 was \$8.6 million, up from \$7.4 million from the prior quarter, and up from \$5.5 million for the third quarter of 2012. The increase from previous quarters is due primarily to the increase in pre-tax income during the third quarter. The effective tax rate was 31.0% for the third quarter and 30.5% for the second quarter of 2013.

Noninterest expense for the nine months ended September 30, 2013 was \$173.4 million, up \$28.1 million or 19.4%, from the same period in 2012. Excluding merger expenses totaling \$12.3 million and \$1.9 million for the nine months ended September 30, 2013 and 2012, respectively, noninterest expense was up \$17.8 million, or 12.4%, for the first nine months of 2013 as compared to the same period in 2012. Several noninterest expense categories were affected by the acquisition of Alliance in March 2013 and the full year impact of the 2012 acquisition of Hampshire First Bank with salaries and employee benefits and occupancy expenses being the primary drivers of the increase over last year. Income tax expense for the nine months ended September 30, 2013 was \$19.4 million, up from \$17.0 million from the same period in 2012 due primarily to the increase in pre-tax income for the first nine months of 2013 and an increase in the effective tax rate to 30.7% for the nine months ended September 30, 2013 as compared with 29.1% for the same period last year.

Asset Quality

Net charge-offs were \$6.2 million for the three months ended September 30, 2013, up from \$4.0 million for the prior quarter, due primarily to the third quarter charge-off of one commercial real estate loan that was provided for in the prior quarter. The Company recorded a provision for loan losses of \$5.2 million for the three months ended September 30, 2013, compared with \$6.4 million for the prior quarter, and \$4.8 million for the third quarter of 2012. The decrease from the prior quarter was due primarily to a \$1.4 million specific reserve established on the aforementioned commercial real estate loan during the second quarter of 2013.

Net charge-offs were \$16.4 million for the nine months ended September 30, 2013, up from \$13.9 million from the same period in 2012 due primarily to two commercial loan charge-offs in 2013 totaling \$3.7 million, of which \$2.2 million was previously provided for in 2012. Annualized net charge-offs to average loans for the nine months ended September 30, 2013 was 0.44%, compared to 0.47% for the same period last year. The Company recorded a provision for loan losses of \$17.3 million for the nine months ended September 30, 2013, compared with \$13.3 million for the same period in 2012. This increase was due primarily to organic loan growth during the period and a higher level of charge-offs in 2013.

Nonperforming loans to total loans was 0.83% at September 30, 2013, up 3 bps from the prior quarter, and down from 0.98% at December 31, 2012. Past due loans as a percentage of total loans were 0.70% for the third quarter as compared to 0.71% for the second quarter of 2013, as well as December 31, 2012.

The allowance for loan losses totaled \$70.2 million at September 30, 2013, compared to \$71.2 million at June 30, 2013 and \$69.3 million at December 31, 2012. The allowance for loan losses as a percentage of loans was 1.31% (1.60% excluding acquired loans with no related allowance recorded) at September 30, 2013, compared to 1.35% (1.68% excluding acquired loans with no related allowance recorded) at June 30, 2013 and 1.62% (1.71% excluding acquired loans with no related allowance recorded) at December 31, 2012.

Balance Sheet

Total assets were \$7.7 billion at September 30, 2013, up \$1.6 billion (approximately \$1.4 billion from Alliance acquisition) or 26.9% from December 31, 2012. Loans were \$5.4 billion at September 30, 2013, up \$1.1 billion from December 31, 2012, primarily due to approximately \$904 million from the Alliance acquisition coupled with strong organic loan growth during the second and third quarters of 2013. Total deposits were \$6.0 billion at September 30, 2013, up \$1.2 billion from December 31, 2012, primarily due to the Alliance acquisition. Stockholders' equity was \$795.6 million, representing a total equity-to-total assets ratio of 10.37% at September 30, 2013, compared with \$582.3 million or a total equity-to-total assets ratio of 9.64% at December 31, 2012.

Stock Repurchase Program

Under a previously disclosed stock repurchase plan, the Company purchased 584,925 shares of its common stock during the nine month period ended September 30, 2013, for a total of \$12.5 million at an average price of \$21.30 per share. At September 30, 2013, there were 163,088 shares available for repurchase under this plan, which expires on December 31, 2013. On July 22, 2013, the NBT Board of Directors authorized a new repurchase program for NBT to repurchase up to an additional 1,000,000 shares of its outstanding common stock. This plan expires on December 31, 2014.

Dividend

The NBT Board of Directors declared a 2013 fourth-quarter cash dividend of \$0.21 per share at a meeting held today. This marks a 5% increase from the prior quarter dividend. The dividend will be paid on December 15, 2013 to shareholders of record as of December 1, 2013.

Corporate Overview

NBT Bancorp Inc. is a financial holding company headquartered in Norwich, N.Y., with total assets of \$7.7 billion at September 30, 2013. The company primarily operates through NBT Bank, N.A., a full-service community bank with two geographic divisions, and through two financial services companies.

NBT Bank, N.A. has 160 locations, including 125 NBT Bank offices in upstate New York, northwestern Vermont, western Massachusetts, and southern New Hampshire. NBT's Pennstar Bank division operates from 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; (7) adverse changes may occur in the securities markets or with respect to inflation; (8) operating costs, customer losses and business disruption following the recently completed acquisition of alliance, including adverse effects of relationships with employees, may be greater than expected; and (9) the risk that the anticipated benefits, costs savings and any other savings from the merger may not be fully realized or may take longer than expected to realize. Forward-looking statements speak only as of the date they are made. Except as required by law, NBT does not update forward-looking statements to reflect subsequent circumstances or events.

Non-GAAP Measures

This press release contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (GAAP). These measures adjust GAAP measures to exclude the effects of sales of securities and certain non-recurring and merger-related expenses. Where non-GAAP disclosures are used in this press release, the comparable GAAP measure, as well as a reconciliation to the comparable GAAP measure, is provided in the accompanying tables. Management believes that these non-GAAP measures provided useful information that is important to an understanding of the operating results of NBT's core business (due to the non-recurring nature of the excluded items). Non-GAAP measures should not be considered a substitute for financial measures determined in accordance with GAAP and investors should consider the Company's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Company.

NBT Bancorp Inc. and Subsidiaries
SELECTED FINANCIAL DATA

(unaudited, dollars in thousands except per share data)

| | 2013 | | | 2012 | |
|--|-----------|-----------|-----------|-----------|-----------|
| | 3rd Q | 2nd Q | 1st Q | 4th Q | 3rd Q |
| Reconciliation of Non-GAAP Financial Measures: | | | | | |
| Reported net income (GAAP) | \$ 19,257 | \$ 16,916 | \$ 7,649 | \$ 13,116 | \$ 14,535 |
| Adj: (Gain) / Loss on sale of securities, net (net of tax) | (228) | 42 | (795) | (15) | (18) |
| Adj: Other adjustments (net of tax) (1) | 110 | - | - | - | 239 |
| Plus: Merger related expenses (net of tax) | 224 | 882 | 7,423 | 496 | 388 |
| Reversal of uncertain tax position | - | - | - | - | (790) |
| Total Adjustments | 106 | 924 | 6,628 | 481 | (181) |
| Core net income | \$ 19,363 | \$ 17,840 | \$ 14,277 | \$ 13,597 | \$ 14,354 |

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Profitability: | | | | | |
| Core Diluted Earnings Per Share | \$ 0.44 | \$ 0.40 | \$ 0.39 | \$ 0.40 | \$ 0.42 |
| Diluted Earnings Per Share | \$ 0.44 | \$ 0.38 | \$ 0.21 | \$ 0.39 | \$ 0.43 |
| Weighted Average Diluted | | | | | |
| Common Shares Outstanding | 44,135,114 | 44,316,531 | 36,794,356 | 33,987,465 | 33,961,375 |
| Core Return on Average Assets (2) | 1.02% | 0.95% | 0.90% | 0.89% | 0.96% |
| Return on Average Assets (2) | 1.01% | 0.90% | 0.48% | 0.86% | 0.97% |
| Core Return on Average Equity (2) | 9.67% | 8.88% | 9.01% | 9.34% | 10.00% |
| Return on Average Equity (2) | 9.62% | 8.42% | 4.83% | 9.01% | 10.13% |
| Core Return on Average Tangible Common Equity (2)(4) | 15.95% | 14.57% | 13.58% | 13.71% | 14.74% |
| Return on Average Tangible Common Equity (2)(4) | 15.86% | 13.85% | 7.49% | 13.25% | 14.93% |
| Net Interest Margin (3) | 3.65% | 3.69% | 3.68% | 3.83% | 3.90% |

Nine Months Ended September 30,

| | 2013 | 2012 |
|--|-----------|-----------|
| Reconciliation of Non-GAAP Financial Measures: | | |
| Reported net income (GAAP) | \$ 43,822 | \$ 41,442 |
| Adj: (Gain) / Loss on sale of securities, net (net of tax) | (981) | (405) |
| Adj: Other adjustments (net of tax) (6) | 110 | (365) |
| Plus: Merger related expenses (net of tax) | 8,529 | 1,322 |
| Reversal of uncertain tax position | - | (790) |
| Total Adjustments | 7,658 | (238) |
| Core net income | \$ 51,480 | \$ 41,204 |

| | | |
|--|------------|------------|
| Profitability: | | |
| Core Diluted Earnings Per Share | \$ 1.23 | \$ 1.23 |
| Diluted Earnings Per Share | \$ 1.05 | \$ 1.23 |
| Weighted Average Diluted | | |
| Common Shares Outstanding | 41,768,796 | 33,626,071 |
| Core Return on Average Assets (2) | 0.96% | 0.95% |
| Return on Average Assets (2) | 0.82% | 0.95% |
| Core Return on Average Equity (2) | 9.20% | 9.91% |
| Return on Average Equity (2) | 7.83% | 9.97% |
| Core Return on Average Tangible Common Equity (2)(5) | 14.75% | 14.37% |
| Return on Average Tangible Common Equity (2)(5) | 12.64% | 14.45% |
| Net Interest Margin (3) | 3.67% | 3.87% |

(1) Primarily reorganization expenses for 2013 and a write-down of an other asset for 2012

(2) Annualized

(3) Calculated on a Fully Tax Equivalent ("FTE")

(4) Excludes amortization of intangible assets (net of tax) from net income and average tangible common equity is calculated as follows:

| | 2013 | | | 2012 | |
|--|------------|------------|------------|------------|------------|
| | 3rd Q | 2nd Q | 1st Q | 4th Q | 3rd Q |
| Average stockholders' equity | \$ 794,273 | \$ 806,200 | \$ 642,693 | \$ 579,211 | \$ 570,880 |
| Less: average goodwill and other intangibles | 292,271 | 292,775 | 200,779 | 169,612 | 169,445 |
| Average tangible common equity | \$ 502,002 | \$ 513,425 | \$ 441,914 | \$ 409,599 | \$ 401,435 |

(5) Excludes amortization of intangible assets (net of tax) from net income and average tangible common equity is calculated as follows:

| | 9 Months ended September 30, | |
|--|------------------------------|------------|
| | 2013 | 2012 |
| Average stockholders' equity | \$ 748,277 | \$ 555,182 |
| Less: average goodwill and other intangibles | 262,277 | 158,035 |
| Average tangible common equity | \$ 486,000 | \$ 397,147 |

NBT Bancorp Inc. and Subsidiaries
SELECTED FINANCIAL DATA

(unaudited, dollars in thousands except per share data)

| | 2013 | | | 2012 | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 3rd Q | 2nd Q | 1st Q | 4th Q | 3rd Q |
| Balance Sheet Data: | | | | | |
| Securities Available for Sale | \$ 1,385,734 | \$ 1,390,403 | \$ 1,465,791 | \$ 1,147,999 | \$ 1,191,107 |
| Securities Held to Maturity | 118,259 | 122,302 | 62,474 | 60,563 | 61,302 |
| Net Loans | 5,297,047 | 5,219,526 | 5,126,299 | 4,208,282 | 4,180,385 |
| Total Assets | 7,668,903 | 7,534,518 | 7,610,831 | 6,042,259 | 6,028,916 |
| Total Deposits | 6,003,138 | 5,878,176 | 6,015,963 | 4,784,349 | 4,806,015 |
| Total Borrowings | 783,439 | 795,918 | 715,728 | 605,855 | 579,931 |
| Total Liabilities | 6,873,344 | 6,742,943 | 6,807,536 | 5,459,986 | 5,452,255 |
| Stockholders' Equity | 795,559 | 791,575 | 803,295 | 582,273 | 576,661 |
| Asset Quality: | | | | | |
| Nonaccrual Loans | \$ 41,418 | \$ 40,525 | \$ 41,726 | \$ 39,676 | \$ 42,661 |
| 90 Days Past Due and Still Accruing | 3,286 | 2,004 | 1,651 | 2,448 | 2,963 |
| Total Nonperforming Loans | 44,704 | 42,529 | 43,377 | 42,124 | 45,624 |
| Other Real Estate Owned | 3,626 | 3,757 | 2,864 | 2,276 | 1,863 |
| Total Nonperforming Assets | 48,330 | 46,286 | 46,241 | 44,400 | 47,487 |
| Allowance for Loan Losses | 70,184 | 71,184 | 68,734 | 69,334 | 70,734 |
| Allowance for Loan Losses to Total Originated Loans (1) | 1.60% | 1.68% | 1.69% | 1.72% | 1.77% |
| Allowance for Loan Losses to Total Loans | 1.31% | 1.35% | 1.32% | 1.62% | 1.66% |
| Total Nonperforming Loans to Total Loans | 0.83% | 0.80% | 0.83% | 0.98% | 1.07% |
| Total Nonperforming Assets to Total Assets | 0.63% | 0.61% | 0.61% | 0.73% | 0.79% |
| Past Due Loans to Total Loans | 0.70% | 0.71% | 0.81% | 0.71% | 0.65% |
| Allowance for Loan Losses to Total Nonperforming Loans | 157.00% | 167.38% | 158.46% | 164.60% | 155.04% |
| Net Charge-Offs to Average Loans (4) | 0.46% | 0.30% | 0.56% | 0.78% | 0.45% |
| Capital: | | | | | |
| Equity to Assets | 10.37% | 10.51% | 10.55% | 9.64% | 9.56% |
| Book Value Per Share | \$ 18.38 | \$ 18.18 | \$ 18.36 | \$ 17.24 | \$ 17.09 |
| Tangible Book Value Per Share (2) | \$ 11.64 | \$ 11.46 | \$ 11.67 | \$ 12.23 | \$ 12.06 |
| Tier 1 Leverage Ratio (3) | 8.79% | 8.72% | 10.25% | 8.54% | 8.51% |
| Tier 1 Capital Ratio | 11.46% | 11.20% | 11.33% | 11.00% | 10.82% |
| Total Risk-Based Capital Ratio | 12.71% | 12.45% | 12.58% | 12.25% | 12.07% |
| Common Stock Price (End of Period) | \$ 22.98 | \$ 21.17 | \$ 22.15 | \$ 20.27 | \$ 22.07 |

(1) Excludes acquired loans with no related allowance recorded

(2) Stockholders' equity less goodwill and intangible assets divided by common shares outstanding

(3) The Tier 1 Leverage Ratio for the first quarter of 2013 was impacted by timing of the acquisition of Alliance on March 8, 2013

(4) Annualized

Note: Year-to-date (YTD) EPS may not equal sum of quarters due to share count differences.

NBT Bancorp Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS

(unaudited, dollars in thousands)

| | September 30, 2013 | December 31, 2012 |
|--|-----------------------|----------------------|
| ASSETS | | |
| Cash and due from banks | \$ 205,884 | \$ 157,094 |
| Short term interest bearing accounts | 2,358 | 6,574 |
| Securities available for sale, at fair value | 1,385,734 | 1,147,999 |
| Securities held to maturity (fair value of \$115,622 and \$61,535 at September 30, 2013 and December 31, 2012, respectively) | 118,259 | 60,563 |
| Trading securities | 5,285 | 3,918 |
| Federal Reserve and Federal Home Loan Bank stock | 43,490 | 29,920 |
| Loans | 5,367,231 | 4,277,616 |
| Less allowance for loan losses | 70,184 | 69,334 |
| Net loans | 5,297,047 | 4,208,282 |
| Premises and equipment, net | 86,891 | 77,875 |
| Goodwill | 265,052 | 152,373 |
| Intangible assets, net | 26,857 | 16,962 |
| Bank owned life insurance | 113,821 | 80,702 |
| Other assets | 118,225 | 99,997 |
| TOTAL ASSETS | \$ 7,668,903 | \$ 6,042,259 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Deposits: | | |
| Demand (noninterest bearing) | \$ 1,595,571 | \$ 1,242,712 |
| Savings, NOW, and money market | 3,343,837 | 2,558,376 |
| Time | 1,063,730 | 983,261 |
| Total deposits | 6,003,138 | 4,784,349 |
| Short-term borrowings | 373,234 | 162,941 |
| Long-term debt | 309,009 | 367,492 |
| Junior subordinated debt | 101,196 | 75,422 |
| Other liabilities | 86,767 | 69,782 |
| Total liabilities | 6,873,344 | 5,459,986 |
| Total stockholders' equity | 795,559 | 582,273 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 7,668,903 | \$ 6,042,259 |

NBT Bancorp Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME
(unaudited, dollars in thousands except per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------------|------------------------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| Interest, fee and dividend income: | | | | |
| Loans | \$ 61,773 | \$ 53,817 | \$ 177,499 | \$ 154,534 |
| Securities available for sale | 6,520 | 6,550 | 18,803 | 21,024 |
| Securities held to maturity | 804 | 572 | 1,877 | 1,829 |
| Other | 472 | 348 | 1,363 | 1,153 |
| Total interest, fee and dividend income | 69,569 | 61,287 | 199,542 | 178,540 |
| Interest expense: | | | | |
| Deposits | 3,999 | 4,544 | 12,445 | 14,521 |
| Short-term borrowings | 232 | 60 | 341 | 149 |
| Long-term debt | 2,561 | 3,640 | 9,196 | 10,801 |
| Trust preferred debt | 551 | 436 | 1,539 | 1,319 |
| Total interest expense | 7,343 | 8,680 | 23,521 | 26,790 |
| Net interest income | 62,226 | 52,607 | 176,021 | 151,750 |
| Provision for loan losses | 5,198 | 4,755 | 17,258 | 13,329 |
| Net interest income after provision for loan losses | 57,028 | 47,852 | 158,763 | 138,421 |
| Noninterest income: | | | | |
| Insurance and other financial services revenue | 6,038 | 5,591 | 18,686 | 17,024 |
| Service charges on deposit accounts | 5,055 | 4,626 | 14,311 | 13,538 |
| ATM and debit card fees | 4,276 | 3,378 | 11,562 | 9,403 |
| Retirement plan administration fees | 3,062 | 2,718 | 8,701 | 7,462 |
| Trust | 4,345 | 2,242 | 11,957 | 6,683 |
| Bank owned life insurance income | 913 | 639 | 2,648 | 2,228 |
| Net securities gains | 329 | 26 | 1,413 | 578 |
| Other | 3,129 | 2,407 | 8,635 | 8,449 |
| Total noninterest income | 27,147 | 21,627 | 77,913 | 65,365 |
| Noninterest expense: | | | | |
| Salaries and employee benefits | 29,267 | 26,641 | 85,474 | 78,358 |
| Occupancy | 5,262 | 4,437 | 15,458 | 13,150 |
| Data processing and communications | 4,059 | 3,352 | 11,368 | 10,041 |
| Professional fees and outside services | 3,202 | 2,735 | 9,340 | 7,848 |
| Equipment | 2,988 | 2,435 | 8,480 | 7,224 |
| Office supplies and postage | 1,640 | 1,597 | 4,886 | 4,842 |
| FDIC expenses | 1,285 | 939 | 3,688 | 2,812 |
| Advertising | 722 | 701 | 2,445 | 2,308 |
| Amortization of intangible assets | 1,346 | 870 | 3,548 | 2,530 |
| Loan collection and other real estate owned | 886 | 614 | 2,025 | 2,051 |
| Merger related | 326 | 558 | 12,276 | 1,895 |
| Other operating | 5,303 | 4,552 | 14,453 | 12,236 |
| Total noninterest expense | 56,286 | 49,431 | 173,441 | 145,295 |
| Income before income taxes | 27,889 | 20,048 | 63,235 | 58,491 |
| Income taxes | 8,632 | 5,513 | 19,413 | 17,049 |
| Net income | \$ 19,257 | \$ 14,535 | \$ 43,822 | \$ 41,442 |
| Earnings Per Share: | | | | |
| Basic | \$ 0.44 | \$ 0.43 | \$ 1.06 | \$ 1.24 |
| Diluted | \$ 0.44 | \$ 0.43 | \$ 1.05 | \$ 1.23 |

Note: Year-to-date (YTD) EPS may not equal sum of quarters due to share count differences.

NBT Bancorp Inc. and Subsidiaries
QUARTERLY CONSOLIDATED STATEMENTS OF INCOME

(unaudited, dollars in thousands except per share data)

| | 2013 | | | 2012 | |
|---|-----------|-----------|-----------|-----------|-----------|
| | 3rd Q | 2nd Q | 1st Q | 4th Q | 3rd Q |
| Interest, fee and dividend income: | | | | | |
| Loans | \$ 61,773 | \$ 62,031 | \$ 53,695 | \$ 53,924 | \$ 53,817 |
| Securities available for sale | 6,520 | 6,537 | 5,746 | 5,981 | 6,550 |
| Securities held to maturity | 804 | 548 | 525 | 549 | 572 |
| Other | 472 | 488 | 403 | 403 | 348 |
| Total interest, fee and dividend income | 69,569 | 69,604 | 60,369 | 60,857 | 61,287 |
| Interest expense: | | | | | |
| Deposits | 3,999 | 4,296 | 4,150 | 4,327 | 4,544 |
| Short-term borrowings | 232 | 67 | 42 | 39 | 60 |
| Long-term debt | 2,561 | 3,026 | 3,609 | 3,627 | 3,640 |
| Junior subordinated debt | 551 | 560 | 428 | 411 | 436 |
| Total interest expense | 7,343 | 7,949 | 8,229 | 8,404 | 8,680 |
| Net interest income | 62,226 | 61,655 | 52,140 | 52,453 | 52,607 |
| Provision for loan losses | 5,198 | 6,402 | 5,658 | 6,940 | 4,755 |
| Net interest income after provision for loan losses | 57,028 | 55,253 | 46,482 | 45,513 | 47,852 |
| Noninterest income: | | | | | |
| Insurance and other financial services revenue | 6,038 | 5,755 | 6,893 | 5,363 | 5,591 |
| Service charges on deposit accounts | 5,055 | 4,933 | 4,323 | 4,687 | 4,626 |
| ATM and debit card fees | 4,276 | 4,044 | 3,242 | 2,955 | 3,378 |
| Retirement plan administration fees | 3,062 | 2,957 | 2,682 | 2,635 | 2,718 |
| Trust | 4,345 | 4,699 | 2,913 | 2,489 | 2,242 |
| Bank owned life insurance income | 913 | 886 | 849 | 849 | 639 |
| Net securities gains (losses) | 329 | (61) | 1,145 | 21 | 26 |
| Other | 3,129 | 2,324 | 3,182 | 2,963 | 2,407 |
| Total noninterest income | 27,147 | 25,537 | 25,229 | 21,962 | 21,627 |
| Noninterest expense: | | | | | |
| Salaries and employee benefits | 29,267 | 29,160 | 27,047 | 26,457 | 26,641 |
| Occupancy | 5,262 | 5,219 | 4,977 | 4,265 | 4,437 |
| Data processing and communications | 4,059 | 3,854 | 3,455 | 3,396 | 3,352 |
| Professional fees and outside services | 3,202 | 3,237 | 2,901 | 2,615 | 2,735 |
| Equipment | 2,988 | 2,910 | 2,582 | 2,403 | 2,435 |
| Office supplies and postage | 1,640 | 1,656 | 1,590 | 1,647 | 1,597 |
| FDIC expenses | 1,285 | 1,273 | 1,130 | 1,020 | 939 |
| Advertising | 722 | 1,000 | 723 | 581 | 701 |
| Amortization of intangible assets | 1,346 | 1,351 | 851 | 864 | 870 |
| Loan collection and other real estate owned | 886 | 421 | 718 | 509 | 614 |
| Merger | 326 | 1,269 | 10,681 | 713 | 558 |
| Other operating | 5,303 | 5,100 | 4,050 | 4,122 | 4,552 |
| Total noninterest expense | 56,286 | 56,450 | 60,705 | 48,592 | 49,431 |
| Income before income taxes | 27,889 | 24,340 | 11,006 | 18,883 | 20,048 |
| Income taxes | 8,632 | 7,424 | 3,357 | 5,767 | 5,513 |
| Net income | \$ 19,257 | \$ 16,916 | \$ 7,649 | \$ 13,116 | \$ 14,535 |
| Earnings per share: | | | | | |
| Basic | \$ 0.44 | \$ 0.39 | \$ 0.21 | \$ 0.39 | \$ 0.43 |
| Diluted | \$ 0.44 | \$ 0.38 | \$ 0.21 | \$ 0.39 | \$ 0.43 |

Note: Year-to-date (YTD) EPS may not equal sum of quarters due to share count differences.

NBT Bancorp Inc. and Subsidiaries
AVERAGE BALANCE SHEETS

(unaudited, dollars in thousands)

| | Average Balance | Yield / Rates | Average Balance | Yield / Rates | Average Balance | Yield / Rates | Average Balance | Yield / Rates | Average Balance | Yield / Rates |
|--|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | Q3 - 2013 | | Q2 - 2013 | | Q1 - 2013 | | Q4 - 2012 | | Q3 - 2012 | |
| ASSETS: | | | | | | | | | | |
| Short-term interest bearing accounts | \$ 1,955 | 1.73% | \$ 41,313 | 0.57% | \$ 75,110 | 0.21% | \$ 72,660 | 0.26% | \$ 10,392 | 0.43% |
| Securities available for sale (1)(2) | 1,387,714 | 2.00% | 1,428,864 | 1.97% | 1,197,238 | 2.09% | 1,123,110 | 2.27% | 1,168,326 | 2.39% |
| Securities held to maturity (1) | 118,781 | 3.54% | 62,463 | 5.23% | 52,905 | 6.06% | 60,651 | 5.42% | 62,746 | 5.46% |
| Investment in FRB and FHLB Banks | 43,895 | 4.20% | 35,497 | 4.85% | 31,312 | 4.75% | 29,801 | 4.75% | 28,706 | 4.67% |
| Loans (3) | 5,309,446 | 4.63% | 5,243,534 | 4.76% | 4,492,106 | 4.87% | 4,264,680 | 5.05% | 4,197,046 | 5.12% |
| Total interest earning assets | \$ 6,861,791 | 4.08% | \$ 6,811,671 | 4.16% | \$ 5,848,671 | 4.25% | \$ 5,550,902 | 4.43% | \$ 5,467,216 | 4.53% |
| Other assets | 671,482 | | 705,869 | | 554,355 | | 503,124 | | 504,194 | |
| Total assets | \$ 7,533,273 | | \$ 7,517,540 | | \$ 6,403,026 | | \$ 6,054,026 | | \$ 5,971,410 | |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | | | | | | | | | |
| Money market deposit accounts | \$ 1,360,067 | 0.15% | \$ 1,402,429 | 0.15% | \$ 1,190,555 | 0.14% | \$ 1,149,248 | 0.14% | \$ 1,111,624 | 0.18% |
| NOW deposit accounts | 877,387 | 0.13% | 927,037 | 0.19% | 799,219 | 0.23% | 752,737 | 0.25% | 686,768 | 0.22% |
| Savings deposits | 984,093 | 0.09% | 983,413 | 0.09% | 770,559 | 0.08% | 694,226 | 0.08% | 706,927 | 0.08% |
| Time deposits | 1,081,549 | 1.09% | 1,136,511 | 1.10% | 1,015,711 | 1.26% | 1,006,581 | 1.31% | 1,035,868 | 1.35% |
| Total interest bearing deposits | \$ 4,303,096 | 0.37% | \$ 4,449,390 | 0.39% | \$ 3,776,044 | 0.45% | \$ 3,602,792 | 0.48% | \$ 3,541,187 | 0.51% |
| Short-term borrowings | 383,238 | 0.24% | 229,906 | 0.12% | 168,783 | 0.10% | 150,372 | 0.10% | 178,277 | 0.13% |
| Junior subordinated debentures | 101,196 | 2.16% | 101,196 | 2.22% | 82,295 | 2.11% | 75,422 | 2.17% | 75,422 | 2.30% |
| Long-term debt | 309,069 | 3.29% | 355,702 | 3.41% | 382,177 | 3.83% | 367,312 | 3.93% | 367,146 | 3.94% |
| Total interest bearing liabilities | \$ 5,096,599 | 0.57% | \$ 5,136,194 | 0.62% | \$ 4,409,299 | 0.76% | \$ 4,195,898 | 0.80% | \$ 4,162,032 | 0.83% |
| Demand deposits | 1,559,506 | | 1,496,486 | | 1,283,737 | | 1,210,440 | | 1,173,638 | |
| Other liabilities | 82,896 | | 78,660 | | 67,297 | | 68,477 | | 64,860 | |
| Stockholders' equity | 794,272 | | 806,200 | | 642,693 | | 579,211 | | 570,880 | |
| Total liabilities and stockholders' equity | \$ 7,533,273 | | \$ 7,517,540 | | \$ 6,403,026 | | \$ 6,054,026 | | \$ 5,971,410 | |
| Interest rate spread | | 3.51% | | 3.54% | | 3.49% | | 3.63% | | 3.70% |
| Net interest margin | | 3.65% | | 3.69% | | 3.68% | | 3.83% | | 3.90% |

(1) Securities are shown at average amortized cost

(2) Excluding unrealized gains or losses

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

NBT Bancorp Inc. and Subsidiaries
CONSOLIDATED LOAN BALANCES

(unaudited, dollars in thousands)

| | 2013 | | | 2012 | | | 2013 Acquired Balances * |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|--------------------------------|
| | 3rd Q | 2nd Q | 1st Q | 4th Q | 3rd Q | | |
| Residential real estate mortgages | \$ 1,028,158 | \$ 1,001,642 | \$ 996,925 | \$ 651,107 | \$ 650,448 | \$ 333,105 | |
| Commercial | 849,095 | 867,513 | 829,766 | 694,799 | 697,213 | 179,672 | |
| Commercial real estate mortgages | 1,302,978 | 1,241,271 | 1,233,763 | 1,072,807 | 1,083,675 | 117,752 | |
| Real estate construction and development | 116,662 | 152,548 | 136,402 | 123,078 | 99,181 | - | |
| Agricultural and agricultural real estate mortgages | 110,113 | 107,565 | 107,023 | 112,687 | 112,822 | - | |
| Consumer | 1,327,203 | 1,284,888 | 1,253,645 | 1,047,856 | 1,031,572 | 200,470 | |
| Home equity | 633,022 | 635,283 | 637,509 | 575,282 | 576,208 | 73,474 | |
| Total loans | <u>\$ 5,367,231</u> | <u>\$ 5,290,710</u> | <u>\$ 5,195,033</u> | <u>\$ 4,277,616</u> | <u>\$ 4,251,119</u> | <u>\$ 904,473</u> | |

* Balances are as of Alliance acquisition date of March 8, 2013