



2023  
ANNUAL REPORT



# to our shareholders

Fellow Shareholders,

NBT's 2023 results reflect our consistent dedication to improving our traditional banking franchise while growing our diversified revenue sources. In a year characterized by unprecedented market volatility, we grew loans and deposits, maintained strong asset quality, improved our capital position, completed the high-value acquisition of Salisbury Bancorp, Inc., and continued to deliver best-in-class service to our customers.

We reported earnings per diluted share of \$2.65 for the full year 2023. Our 2023 operating net income results, which exclude certain acquisition-related and other one-time expenses, were \$144.7 million, or \$3.23 per diluted share. We achieved loan growth of 4%, excluding acquired loans. At year-end, our well-diversified, total loan portfolio reached \$9.65 billion and was comprised of 52% commercial relationships and 48% consumer loans. Asset quality remained strong attributed to disciplined underwriting and our relationship-focused bankers.



**Well  
Diversified**  
LOAN PORTFOLIO

The rate environment in 2023 was volatile by any standard. Four additional rate increases by the Federal Reserve Bank over the course of the year and the “crisis of confidence” driven by the failure of three monoline mid-size regional banks early in the year contributed to this situation. At NBT, we affirmed for our customers and communities that

we operate under a traditional bank business model. We are well capitalized, and we have significant sources of liquidity, including a very granular and diverse deposit base. In addition, because of our diversified portfolio of loan customers, we are not overly sensitive to unique niche market conditions or industries.

We maintained our focus on being responsive with real-time feedback from our bankers and an agile process to address the needs of our customers as we navigated the volatility. Total deposits increased in 2023 and were \$10.97 billion at year-end with over 563,000 customer accounts and an average per account balance of \$19,500. Net interest income was up \$16 million or 4% from the prior year, despite the challenging environment.

Non-interest income generation continues to be a core strength, and in 2023 it made up 29% of our total revenue, excluding net securities gains and losses. Total revenue for our Wealth and Insurance businesses increased 5.0% to over \$50 million. Our Retirement Plan Administration business grew organically, and that growth was complemented by a strategic acquisition in July. Pursuing the vision of “Helping America Retire,” this business now administers 8,500 plans and supports 375,000 participants nationwide.

**Salisbury  
Acquisition**

+13 BRANCHES  
+\$1.2 BILLION IN LOANS  
+\$1.3 BILLION IN DEPOSITS

## 2024 annual meeting

Tuesday, May 21, 2024 | 10:00 a.m. ET  
[www.virtualshareholdermeeting.com/NBTB2024](http://www.virtualshareholdermeeting.com/NBTB2024)

### Forward-Looking Statements

This letter contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to a number of risks and uncertainties. Such statements are not guarantees of future performance and actual results may differ materially from any forward-looking statements contained in this letter. For a discussion of the factors that might cause such differences, please refer to our filings with the Securities and Exchange Commission.

**Acquisition Success.** We expanded NBT's footprint, customer base and team through the merger and integration of Salisbury Bancorp, Inc. in August 2023. We added 135 new team members, 13 branches, \$1.2 billion in loans, \$1.3 billion in deposits, and a well-established wealth management business with \$1.2 billion in assets under administration. The acquisition also brought Richard J. Cantele, Jr., the Chief Executive Officer of Salisbury, onto our team and our Board of Directors.

Our joint integration teams demonstrated their dedication, expertise and thoughtfulness in making this a smooth transition for our new customers and communities. As a result of their efforts, this acquisition has added attractive and complementary markets in northwest Connecticut, western Massachusetts and New York's Hudson Valley to our service area. It has also advanced our New England growth strategy and extended our coverage of the semiconductor “chip corridor” in upstate New York.

**Chip Corridor Opportunities.** NBT has identified significant opportunities for long-term organic growth with announcements of transformational investments in semiconductor chip manufacturing to be made over the next decade and beyond in the core markets we serve. Multi-billion-dollar commitments have been announced along the chip corridor, including plans by Micron Technology, Inc. to invest \$100 billion in Onondaga County and IBM's planned investment of \$20 billion in the Hudson Valley.

Funds allocated under the CHIPS and Science Act of 2022 are now being awarded. In February 2024, the U.S. Department of Commerce announced \$1.5 billion in planned direct funding for GlobalFoundries in the Capital District that will allow for expansion and new manufacturing capability to securely produce more essential chips. We anticipate more awards to companies in the markets we serve this year.

We are active in assisting our customers and communities as this historic growth opportunity comes to fruition. As we work to generate awareness, share information, finance housing and provide banking services to businesses in the chip manufacturing ecosystem, we are also supporting workforce development. In 2023, we funded a full-time career advisor position for On Point for College to help students in Central New York and the Mohawk Valley to earn the skills needed for successful careers in microchip manufacturing. This investment in the future helps to address the anticipated skilled labor shortage and positions people in the communities we serve to benefit from the developing semiconductor industry.

**Succession Transition.** At the beginning of this year, we made an important announcement about the future leadership of NBT. Effective May 21, 2024, John Watt will step down as NBT's President and Chief Executive Officer. He will continue to serve

on the Board of Directors and be named Vice Chairman. The Board enthusiastically and unanimously approved the succession plan announced in January, which provides for the promotion of Scott A. Kingsley, our current Chief Financial Officer, to President and Chief Executive Officer of NBT. Scott is a director nominee and, if elected by the shareholders, will join the Board in May.



**Leadership  
Transition**  
ENTHUSIASTICALLY  
AND UNANIMOUSLY  
APPROVED  
BY BOARD

In addition, the Company also announced the promotions of Joseph R. Stagliano, currently NBT's President of Retail Community Banking and Chief Information Officer, to the position of President of NBT Bank, N.A., and Annette L. Burns, NBT's Chief Accounting Officer, to the role of Chief Financial Officer. These promotions are also effective in May.

As stewards of a publicly traded company, the Board was focused on ensuring the leadership transition takes place in a thoughtful and orderly manner. We are fortunate to have a tested and aligned Executive Management Team with strong and experienced leaders like Scott, Joe and Annette, who are poised to assume these top leadership roles. We are confident that the upcoming transition will be successful and that it will provide important continuity for NBT.

May will also bring the retirement of James H. Douglas from our Board of Directors. The former Governor of Vermont, Jim has

served as a Director since 2011. We have greatly appreciated his wise counsel and guidance as our Lead Director and wish him the very best.



**Long-Term Value.** We marked 11 consecutive years of annual dividend increases in 2023. This is a testament to our focus on continuing to provide consistent and favorable long-term returns to our shareholders. Across our banking footprint and all lines

of business, we will continue to pursue our strategies for organic growth. We will optimize the experience of our customers and employees and build on our rich culture. We will do all these things from our position of strength as a well capitalized company with strong liquidity.

We extend our thanks and deep appreciation to our shareholders, directors and our employees for your continued support and confidence in NBT.

Sincerely,



John H. Watt, Jr.  
President and  
Chief Executive Officer



Martin A. Dietrich  
Chairman of the Board



**Nasdaq**

**NBTB**  
NasdaqListed

*“I am deeply grateful for the opportunity to lead NBT and to work with the team I truly believe is the best in community banking. I am proud of the way we serve our customers and communities and how we have continued to create long-term value for our shareholders. The Board has been very supportive of our strategy, and I am also thankful for their guidance over the last 7 years.”*

– John H. Watt, Jr.

## company profile

- NBT Bancorp Inc. is a financial holding company incorporated in 1986 in the state of Delaware.
- The Company primarily operates through NBT Bank, N.A. and two financial services companies.
- NBT Bank, N.A. offers personal banking, commercial banking and wealth management services through online and mobile channels and 154 locations in New York, Pennsylvania, Vermont, Massachusetts, New Hampshire, Maine and Connecticut.
- EPIC Retirement Plan Services is a national benefits administration firm based in Rochester, NY.
- NBT Insurance Agency is a full-service insurance agency based in Norwich, NY.

## financial highlights

(In thousands, except per share data)

FOR THE YEAR	2023	2022
<b>OPERATING PERFORMANCE*</b>		
Net income . . . . .	\$144,747	\$153,618
Diluted earnings . . . . .	\$3.23	\$3.56
<b>PERFORMANCE</b>		
Net income . . . . .	\$118,782	\$151,995
Return on average assets . . . . .	0.95%	1.29%
Return on average tangible equity . . . . .	13.02%	16.89%
Net interest margin . . . . .	3.29%	3.34%
<b>PER COMMON SHARE DATA</b>		
Diluted earnings . . . . .	\$2.65	\$3.52
Cash dividends . . . . .	\$1.24	\$1.16
Dividend yield . . . . .	2.96%	2.67%
Tangible book value per share . . . . .	\$21.72	\$20.65
<b>AT DECEMBER 31</b>		
<b>BALANCE SHEET DATA</b>		
Total assets . . . . .	\$13,309,040	\$11,739,296
Total loans . . . . .	\$9,650,713	\$8,150,147
Allowance for loan losses . . . . .	\$114,400	\$100,800
Deposits . . . . .	\$10,968,994	\$9,495,933
Total shareholders' equity . . . . .	\$1,425,691	\$1,173,554
<b>ASSET QUALITY</b>		
Net charge-offs to average loans . . . . .	0.19%	0.11%
Nonperforming loans to total loans . . . . .	0.39%	0.26%
Nonperforming assets to total assets . . . . .	0.28%	0.18%
Allowance for loan losses to total loans . . . . .	1.19%	1.24%
<b>CAPITAL</b>		
Common equity tier 1 capital ratio . . . . .	11.57%	12.12%
Tier 1 capital ratio . . . . .	12.50%	13.19%
Total risk-based capital ratio . . . . .	14.75%	15.38%
Closing stock price . . . . .	\$41.91	\$43.42
Market capitalization . . . . .	\$1,974,376	\$1,860,887

\*Operating Performance excludes acquisition expenses, acquisition-related provision for credit losses, securities gains and (losses) and an impairment of a minority interest equity investment, net of tax. A reconciliation of operating results with GAAP results and information regarding why these measures provide useful information about our results is included in Item 7 in the 2023 Form 10-K.

## Executive Management Team

**John H. Watt, Jr.**  
President and CEO

**Scott A. Kingsley**  
Executive Vice President  
and Chief Financial Officer

**Richard J. Cantele, Jr.**  
Executive Vice President,  
Strategic Integration

**M. Randolph Sparks**  
Executive Vice President,  
General Counsel, Chief Ethics Officer  
and Corporate Secretary

**Amy Wiles**  
Executive Vice President,  
Chief Credit Officer and  
Chief Risk Officer

**Joseph R. Stagliano**  
Executive Vice President,  
President of Retail Community  
Banking and Chief Information Officer

**Sarah A. Halliday**  
Executive Vice President and  
President of Commercial Banking

**Sauna M. Hyle**  
Executive Vice President,  
Consumer Lending

**Ruth H. Mahoney**  
Executive Vice President,  
President of Wealth Management  
and Regional President for the  
Capital District, North Country and  
Hudson Valley

## EPIC Retirement Plan Services

**Manuel Marques, CPC, QPA, QKA,  
QPFC, AIF\***  
President

## NBT Insurance Agency

**Tucker H. Lounsbury, cfc**  
President

## Regional Presidents

**Ruth H. Mahoney**  
Capital District, North Country  
and Hudson Valley

**David A. Kavney**  
Central New York  
and Mohawk Valley

**Jeffrey D. Lake**  
Greater Binghamton

**Andreas A. Kapetanopoulos**  
Connecticut

**Michael P. O'Reilly**  
Maine and New England

**Justin L. Jennings**  
New Hampshire

**Daniel P. Werme**  
Vermont and Massachusetts



## Board of Directors

**Martin A. Dietrich**  
Chairman of the Board

**John H. Watt, Jr.**  
President and CEO

**Johanna R. Ames**

**J. David Brown**

**Richard J. Cantele, Jr.**

**Timothy E. Delaney**

**James H. Douglas**

**Heidi M. Hoeller**

**Andrew S. Kowalczyk III, Esq.**

**V. Daniel Robinson II**

**Matthew J. Salanger**

**Lowell A. Seifter, Esq.**

**Jack H. Webb**

## NBT Bank Honorary Directors

Richard Chojnowski  
Patricia T. Civil  
Daryl R. Forsythe  
Paul D. Horgler, Esq.  
Janet H. Ingraham  
John C. Mitchell  
Van Ness D. Robinson  
Joseph A. Santangelo  
Paul M. Solomon  
Paul O. Stillman  
Robert A. Wadsworth

*Additional information regarding  
our Executive Management Team  
and Board of Directors can be found  
in the proxy statement for our  
2024 Annual Meeting of Stockholders.*

## Operating Committee

The following NBT leaders serve on the Operating Committee with the Executive Management Team and Regional Presidents.

**Annette L. Burns, SVP**  
and Chief Accounting Officer

**Leonard P. Chinski, SVP**  
and Chief Audit Officer

**Matthew K. Colgan, SVP** and  
Regional Commercial Banking  
Manager, Pennsylvania

**John M. Davies, SVP** and  
Regional Executive, Hudson Valley

**Jeffrey S. Delepine II, SVP**  
and Senior Director of  
Enterprise Risk Management

**Kurt T. Edwards, SVP** and  
Chief Consumer Credit Officer

**Kenneth J. Entenmann, CFA\***  
SVP, Chief Investment Officer  
and Chief Economist

**Dawn D. Gillette, SVP** and  
Head of FinTech Partners  
and Specialty Lending

**Amy S. Hurta, SVP** and  
Senior Director of Operations

**David Krupski, SVP** and  
Commercial Chief of Staff

**Tucker H. Lounsbury, cfc**,  
President, NBT Insurance Agency

**Marc J. Monahan, SVP** and  
Regional Executive, Glens Falls

**Joseph M. Ondesko, SVP**  
and Corporate Treasurer

**Manuel S. Orta, SVP** and  
Director of Business Development,  
Wealth Management

**Karen A. Sastrri, VP**  
and Chief Diversity Officer

**Cynthia A. Smaniotto, SVP** and  
Chief Human Resources Officer

**Thomas M. Sutton, SVP** and  
Director of Retail Banking

**Jennifer R. Telesky, SVP** and  
Regional Commercial Banking  
Manager, Southern Tier

**Alfred V. Testa, SVP** and Commercial  
Banking Executive, Capital Region

**Tara F. Trafton, SVP** and  
Chief Commercial Credit Officer

**Kimberly J. Twitchell, SVP** and  
Senior Director of Affordable Housing

## shareholder information

### Corporate Headquarters

NBT Bancorp Inc.  
52 South Broad Street  
Norwich, NY 13815  
800.NBT.BANK

### Independent Auditors

KPMG LLP  
515 Broadway  
Albany, NY 12207

### Financial Reports and Releases

Copies of the Company's annual report to the Securities and Exchange Commission on Form 10-K, quarterly reports on Form 10-Q, and news releases may be obtained without charge by visiting our website at [www.nbtbancorp.com](http://www.nbtbancorp.com) or by writing to the attention of our Chief Financial Officer at the corporate headquarters address.

### Investor Relations

Information regarding the Company, our dividend reinvestment and stock purchase plan, and direct deposit of dividends can be found on our website at [www.nbtbancorp.com](http://www.nbtbancorp.com). Those seeking additional information may contact us by phone at 800.NBT.BANK (800.628.2265, Option 7) or by mail at the corporate headquarters address.

### Stock Transfer and Registrar Agent

Equiniti Trust Company, LLC  
55 Challenger Road, Floor 2  
Ridgefield Park, NJ 07660  
800.NBT.BANK  
(800.628.2265, Option 7)  
[www.equiniti.com](http://www.equiniti.com)  
[helpast@equiniti.com](mailto:helpast@equiniti.com)