

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): July 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 July 23, 2012, NBT Bancorp Inc. issued a press release describing its results of operations for the quarter and six months ending June 30, 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 July 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: July 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 SECOND QUARTER DILUTED EARNINGS PER SHARE OF \$0.40; STRONG LOAN GROWTH AND COMPLETION OF ACQUISITION

NORWICH, NY (July 23, 2012) – NBT Bancorp Inc. (NBT) (NASDAQ: NBTB) reported today net income for the six months ended June 30, 2012 was \$26.9 million, down \$2.1 million, or 7.1%, from the six months ended June 30, 2011. Net income per diluted share for the six months ended June 30, 2012 was \$0.80 per share, down from \$0.84 per diluted share for the six months ended June 30, 2011. The Company incurred approximately \$1.3 million in merger related expenses for the first six months of 2012, which had a negative impact on diluted earnings per share of approximately \$0.03. Annualized return on average assets and return on average equity were 0.94% and 9.89%, respectively, for the six months ended June 30, 2012, compared with 1.08% and 10.82%, respectively, for the six months ended June 30, 2011. Net interest margin (on a fully taxable equivalent or FTE basis) was 3.86% for the six months ended June 30, 2012, down 26 basis points from 4.12% for the six months ended June 30, 2011.

Net income for the three months ended June 30, 2012 was \$13.3 million, down \$1.4 million, or 9.5%, from the three months ended June 30, 2011. Net income per diluted share for the three months ended June 30, 2012 was \$0.40 per share, down from \$0.43 per diluted share for the three months ended June 30, 2011. The Company incurred approximately \$0.8 million in merger related expenses for the three months ended June 30, 2012, which had a negative impact on diluted earnings per share of approximately \$0.02. Annualized return on average assets and return on average equity were 0.92% and 9.66%, respectively, for the three months ended June 30, 2012, compared with 1.09% and 10.86%, respectively, for the three months ended June 30, 2011. FTE net interest margin was 3.82% for the three months ended June 30, 2012, down 31 basis points from 4.13% for the three months ended June 30, 2011.

Selected highlights for the second quarter of 2012 include:

- Outstanding loan balances as of June 30, 2012 are up \$361.0 million from December 31, 2011 driven by:
 - § 7.5% organic loan growth (annualized)
 - § Approximately \$217 million in loans from the Hampshire First acquisition
 - Net interest margin was 3.82% for the second quarter, down 8 basis points on a linked quarter basis, resulting from the continued impact of the low rate environment on loans and investments.
 - Annualized net charge-off ratio was 0.48% as compared to 0.60% for the same period last year.
 - Past due loans to total loans was 0.54% as of June 30, 2012, compared to 0.89% at December 31, 2011.
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Continued strategic expansion with the completion of the acquisition of Hampshire First Bank on June 8, 2012. The Company now operates 5 branches in southern New Hampshire.

"During the second quarter we continued to demonstrate commitment to strategic investment in our company's future with extension of our footprint into a fifth state through the successful acquisition of Hampshire First Bank in southern New Hampshire," said NBT President and CEO Martin Dietrich. "We are also encouraged by our strong loan growth during the first half of 2012, both organic and from our acquisition of Hampshire First Bank. Organic loan growth was spurred by strong commercial and consumer loan originations in our legacy markets, particularly our upstate New York footprint, as well as from our recent expansion into new markets such as Vermont. The economic and regulatory environment continues to present challenges, but we remain focused on the fundamentals of banking and customer service as our community-minded team works to meet the needs of our customers."

Loan and Lease Quality and Provision for Loan and Lease Losses

The Company recorded a provision for loan and lease losses of \$8.6 million during the six months ended June 30, 2012, compared with \$10.0 million for the six months ended June 30, 2011. Net charge-offs were \$9.2 million for the six months ended June 30, 2012, down from \$10.7 million for the same period in 2011, due primarily to the charge-off of one large commercial loan during the first quarter of 2011, as well as the general improvement in asset quality indicators. The annualized net charge-off ratio for the six months ended June 30, 2012 was 0.48%, compared to 0.60% for the six months ended June 30, 2011.

The Company recorded a provision for loan and lease losses of \$4.1 million during the three months ended June 30, 2012, compared with \$6.0 million for the three months ended June 30, 2011. Net charge-offs were \$4.7 million for the three months ended June 30, 2012, down from \$5.5 million for the same period in 2011, due primarily to the general improvement in asset quality indicators. The annualized net charge-off ratio for the three months ended June 30, 2012 was 0.48%, compared to 0.60% for the three months ended June 30, 2011.

Past due loans as a percentage of total loans was 0.54% at June 30, 2012, compared with 0.58% at March 31, 2012. Nonperforming loans decreased to \$45.6 million or 1.09% of total loans and leases at June 30, 2012, compared with \$45.9 million or 1.20% at March 31, 2012.

The allowance for loan and lease losses totaled \$70.7 million at June 30, 2012, compared to \$71.3 million at March 31, 2012. Improvement in the asset quality indicators noted above resulted in a reduction in the allowance, partially offset by reserves provided for the aforementioned loan growth. The allowance for loan losses as a percentage of loans and leases was 1.70% at June 30, 2012, compared to 1.87% at March 31, 2012. This reduction was due primarily to the addition of the Hampshire First loans that were recorded at fair value at acquisition. As acquired loans do not have a related allowance recorded, this resulted in a decrease of 11 basis points in the allowance for loan losses as a percentage of total loans as of June 30, 2012.

Net Interest Income

Net interest income was down slightly to \$99.1 million for the six months ended June 30, 2012, compared with \$99.4 million for the six months ended June 30, 2011. The Company's FTE net interest margin was 3.86% for the six months ended June 30, 2012, down from 4.12% for the six months ended June 30, 2011. The increase in average earning assets for the six months ended June 30, 2012, compared to the same period 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 19 basis points, the yield on interest earning assets declined 42 basis points, resulting in margin compression for the six months ended June 30, 2012, compared to the same period for 2011. The yield on securities available for sale was 2.57% for the six months ended June 30, 2012, compared with 3.12% for the six months ended June 30, 2011. This decrease was due primarily to the reinvestment of cash flows from maturing securities and cash received from branch acquisitions in 2011 and the first quarter of 2012 into lower yielding securities in the current rate environment. The average balance of securities available for sale for the six months ended June 30, 2012 was \$1.2 billion, up approximately \$112.1 million, or 10.2%, from the six months ended June 30, 2011. This increase was due primarily to reinvestment of maturing held to maturity securities into available for sale securities, and investment of liquidity from branch acquisition activity and deposit growth into available for sale securities. The yield on loans and leases was 5.25% for the six months ended June 30, 2012, compared with 5.69% for the six months ended June 30, 2011. The average balance of loans and leases for the six months ended June 30, 2012 was \$3.9 billion, up approximately \$241.7 million, or 6.7%, from the six months ended June 30, 2011. The reduction in yields on earning assets was partially offset by a reduction in rates paid on interest bearing liabilities. The rate on time deposits was 1.58% for the six months ended June 30, 2012, compared with 1.87% for the six months ended June 30, 2011. The rate on money market deposit accounts was 0.21% for the six months ended June 30, 2012, compared with 0.39% for the six months ended June 30, 2011.

Net interest income was down slightly to \$49.8 million for the three months ended June 30, 2012, compared with \$50.2 million for the three months ended June 30, 2011. The Company's FTE net interest margin was 3.82% for the three months ended June 30, 2012, down from 4.13% for the three months ended June 30, 2011. The increase in average earning assets for the three months ended June 30, 2012 as compared to the same period 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 17 basis points, the yield on interest earning assets declined 45 basis points, resulting in margin compression for the three months ended June 30, 2012, compared to the same period for 2011. The yield on securities available for sale was 2.53% for the three months ended June 30, 2012, as compared with 3.11% for the three months ended June 30, 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 three months ended June 30, 2012 was \$1.2 billion, up approximately \$109.4 million, or 10.0%, from the three months ended June 30, 2011. This increase was due primarily to reinvestment of maturing held to maturity securities into available for sale securities, and investment of liquidity from branch acquisition activity and deposit growth into available for sale securities. The yield on loans and leases was 5.18% for the three months ended June 30, 2012, compared with 5.65% for the three months ended June 30, 2011. The average balance of loans and leases for the three months ended June 30, 2012 was \$3.9 billion, up approximately \$290.2 million, or 8.0%, from the three months ended June 30, 2011. The reduction in yields on earning assets was partially offset by a reduction in rates paid on interest bearing liabilities. The rate on time deposits was 1.52% for the three months ended June 30, 2012, compared with 1.85% for the three months ended June 30, 2011. The rate on money market deposit accounts was 0.19% for the three months ended June 30, 2012, compared with 0.37% for the three months ended June 30, 2011.

Noninterest Income

Noninterest income for the six months ended June 30, 2012 was \$43.7 million, up 9.4% or \$3.7 million, compared with \$40.0 million for the same period in 2011. Insurance and other financial services revenue increased approximately \$0.6 million for the six months ended June 30, 2012, compared to the six months ended June 30, 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 \$0.4 million for the six months ended June 30, 2012, compared to the six months ended June 30, 2011, due primarily to an increase in card usage. Other noninterest income increased approximately \$3.5 million for the six months ended June 30, 2012 as compared to June 30, 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 of \$0.8 million during the six months ended June 30, 2012 related to a previously disclosed loss of a retirement plan client. In addition, mortgage banking revenue increased approximately \$1.1 million for the six months ended June 30, 2012 as compared to the same period in 2011 as the Company sold certain residential mortgages as market conditions warranted. The Company also realized net securities gains of approximately \$0.6 million during the six months ended June 30, 2012. These increases were partially offset by a decrease in service charges on deposit accounts of approximately \$1.6 million, or 15.3%, for the six months ended June 30, 2012, compared with the same period in 2011 primarily due to a decrease in overdraft fee income.

Noninterest income for the three months ended June 30, 2012 was \$20.7 million, up 4.1% or \$0.8 million, compared with \$19.9 million for the same period in 2011. Insurance and other financial services revenue increased approximately \$0.3 million for the three months ended June 30, 2012, compared to the three months ended June 30, 2011. This increase was due primarily to the acquisition of an insurance agency in May 2011. Other noninterest income increased approximately \$1.1 million for the three months ended June 30, 2012 as compared to the three months ended June 30, 2011. This increase was due primarily to an increase in mortgage banking activity during the three months ended June 30, 2012 as compared with the three months ended June 30, 2011. These increases were partially offset by a decrease in service charges on deposit accounts of approximately \$0.9 million, or 16.2%, for the three months ended June 30, 2012, compared with the same period in 2011 primarily due to the aforementioned decrease in overdraft fee income.

Noninterest Expense and Income Tax Expense

Noninterest expense for the six months ended June 30, 2012 was \$95.9 million, up \$7.6 million or 8.7%, for the same period in 2011. Salaries and employee benefits increased \$2.7 million, or 5.5%, for the six months ended June 30, 2012, compared with the same period in 2011. This increase was due primarily to increases in full-time-equivalent employees from acquisitions, merit increases, and increased pension expenses. Professional fees and outside services increased \$1.0 million, or 23.1%, for the six months ended June 30, 2012 as compared to the same period in 2011. Data processing and communications expenses increased approximately \$0.7 million, or 10.9%, for the six months ended June 30, 2012 as compared to the same period in 2011, due primarily to expansion into the new markets. Merger related expenses totaled \$1.3 million in the first six months of 2012, which also contributed to the increase in noninterest expense for the period. These increases were partially offset by a decrease in Federal Deposit Insurance Corporation ("FDIC") expenses of approximately \$0.6 million for the six months ended June 30, 2012 as compared to the six months ended June 30, 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 six month period ended June 30, 2012 was \$11.5 million, down from \$12.2 million for the same period in 2011. The effective tax rate was 30.0% for the six months ended June 30, 2012, compared to 29.7% for the same period in 2011.

Noninterest expense for the three months ended June 30, 2012 was \$47.4 million, up \$4.2 million or 9.8%, for the same period in 2011. Salaries and employee benefits increased \$1.0 million, or 4.0%, for the three months ended June 30, 2012, compared with the same period in 2011. This increase was due primarily to increases in full-time-equivalent employees from acquisitions, merit increases, and increased pension expenses. Data processing and communications expenses increased approximately \$0.3 million, or 10.1%, for the three months ended June 30, 2012 as compared to the same period in 2011, due primarily to expansion into the new markets. Loan collection and other real estate owned expenses increased \$0.4 million for the three months ended June 30, 2012 as compared to the same period in 2011. Merger related expenses totaled \$0.8 million for the three months ended June 30, 2012, which also contributed to the increase in noninterest expense for the period. Income tax expense for the three month period ended June 30, 2012 was \$5.7 million, down from \$6.2 million for the same period in 2011. The effective tax rate was 30.0% for the three months ended June 30, 2012, compared to 29.7% for the same period in 2011.

Balance Sheet

Total assets were \$6.0 billion at June 30, 2012, up \$369.2 million or 6.6% from December 31, 2011. Loans and leases were \$4.2 billion at June 30, 2012, up \$361.0 million from December 31, 2011. Total deposits were \$4.7 billion at June 30, 2012, up \$321.8 million from December 31, 2011. Stockholders' equity was \$566.5 million, representing a total equity-to-total assets ratio of 9.49% at June 30, 2012, compared with \$538.1 million or a total equity-to-total assets ratio of 9.61% at December 31, 2011.

Stock Repurchase Program

Under previously disclosed stock repurchase plans, the Company purchased 769,568 shares of its common stock during the six month period ended June 30, 2012, for a total of \$15.5 million at an average price of \$20.13 per share. At June 30, 2012, there were 748,013 shares available for repurchase under a previously disclosed repurchase plan, which expires on December 31, 2013.

Dividend

The NBT Board of Directors declared a 2012 third-quarter cash dividend of \$0.20 per share at a meeting held today. The dividend will be paid on September 15, 2012 to shareholders of record as of September 1, 2012.

Corporate Overview

NBT Bancorp Inc. is a financial holding company headquartered in Norwich, N.Y., with total assets of \$6.0 billion at June 30, 2012. The company primarily operates through NBT Bank, N.A., a full-service community bank with three divisions, and through two financial services companies. NBT Bank, N.A. has 137 locations, including 97 NBT Bank offices in upstate New York, northwestern Vermont and western Massachusetts, 35 Pennstar Bank offices in northeastern Pennsylvania, and 5 Hampshire First Bank offices in southern New Hampshire. 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.hampshirefirst.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 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</u> <u>Change</u> | <u>Percent</u> <u>Change</u> |
|------------------------------------|---|-------------|-----------------------------|---------------------------------|
| | (dollars in thousands, except per share data) | | | |
| Three Months Ended June 30, | | | | |
| Net Income | \$ 13,257 | \$ 14,655 | \$ (1,398) | -10% |
| Diluted Earnings Per Share | \$ 0.40 | \$ 0.43 | \$ (0.03) | -7% |
| Weighted Average Diluted | | | | |
| Common Shares Outstanding | 33,492,659 | 34,319,665 | (827,006) | -2% |
| Return on Average Assets (1) | 0.92% | 1.09% | -17bp | -16% |
| Return on Average Equity (1) | 9.66% | 10.86% | -120bp | -11% |
| Net Interest Margin (2) | 3.82% | 4.13% | -31bp | -8% |

| | | | | |
|----------------------------------|------------|------------|-------------|------|
| Six Months Ended June 30, | | | | |
| Net Income | \$ 26,907 | \$ 28,962 | \$ (2,055) | -7% |
| Diluted Earnings Per Share | \$ 0.80 | \$ 0.84 | \$ (0.04) | -5% |
| Weighted Average Diluted | | | | |
| Common Shares Outstanding | 33,452,970 | 34,491,627 | (1,038,657) | -3% |
| Return on Average Assets (1) | 0.94% | 1.08% | -14bp | -13% |
| Return on Average Equity (1) | 9.89% | 10.82% | -93bp | -9% |
| Net Interest Margin (2) | 3.86% | 4.12% | -26bp | -6% |

| Asset Quality | June 30, 2012 | December 31, 2011 |
|--|--------------------------------|------------------------------------|
| Nonaccrual Loans | \$ 43,924 | \$ 38,290 |
| 90 Days Past Due and Still Accruing | \$ 1,629 | \$ 3,190 |
| Total Nonperforming Loans | \$ 45,553 | \$ 41,480 |
| Other Real Estate Owned | \$ 1,815 | \$ 2,160 |
| Total Nonperforming Assets | \$ 47,368 | \$ 43,640 |
| Allowance for Loan and Lease Losses | \$ 70,734 | \$ 71,334 |
| Allowance for Loan and Lease Losses to Total Loans and Leases | 1.70% | 1.88% |
| Total Nonperforming Loans to Total Loans and Leases | 1.09% | 1.09% |
| Total Nonperforming Assets to Total Assets | 0.79% | 0.78% |
| Past Due Loans to Total Loans and Leases | 0.54% | 0.89% |
| Allowance for Loan and Lease Losses to Total Nonperforming Loans | 155.28% | 171.97% |
| Net Charge-Offs to YTD Average Loans and Leases (1) | 0.48% | 0.56% |

| Capital | 2012 | 2011 |
|--------------------------------|-------------|-------------|
| Equity to Assets | 9.49% | 9.61% |
| Book Value Per Share | \$ 16.79 | \$ 16.23 |
| Tangible Book Value Per Share | \$ 11.76 | \$ 11.70 |
| Tier 1 Leverage Ratio | 8.59% | 8.74% |
| Tier 1 Capital Ratio | 10.78% | 11.56% |
| Total Risk-Based Capital Ratio | 12.03% | 12.81% |

| Quarterly Common Stock Price | 2012 | | 2011 | |
|-------------------------------------|-------------|----------|-------------|----------|
| Quarter End | High | Low | High | Low |
| March 31 | \$ 24.10 | \$ 20.75 | \$ 24.98 | \$ 21.55 |
| June 30 | \$ 22.50 | \$ 19.19 | \$ 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)

| | <u>June 30,</u> <u>2012</u> | <u>December 31,</u> <u>2011</u> | <u>Net</u> <u>Change</u> | <u>Percent</u> <u>Change</u> |
|----------------------|--------------------------------|------------------------------------|-----------------------------|---------------------------------|
| | (dollars in thousands) | | | |
| Balance Sheet | | | | |
| Loans and Leases | \$ 4,161,214 | \$ 3,800,203 | \$ 361,011 | 9% |
| Earning Assets | \$ 5,470,270 | \$ 5,112,831 | \$ 357,439 | 7% |
| Total Assets | \$ 5,967,568 | \$ 5,598,406 | \$ 369,162 | 7% |
| Deposits | \$ 4,688,907 | \$ 4,367,149 | \$ 321,758 | 7% |
| Stockholders' Equity | \$ 566,505 | \$ 538,110 | \$ 28,395 | 5% |

| | <u>June 30,</u> <u>2012</u> | <u>June 30,</u> <u>2011</u> | <u>Net</u> <u>Change</u> |
|---|--------------------------------|--------------------------------|-----------------------------|
| | (dollars in thousands) | | |
| Average Balances | | | |
| Three Months Ended | | | |
| Loans and Leases | \$ 3,938,592 | \$ 3,648,343 | \$ 290,249 |
| Securities Available For Sale (excluding unrealized gains or losses) | \$ 1,208,384 | \$ 1,098,964 | \$ 109,420 |
| Securities Held To Maturity | \$ 68,472 | \$ 85,615 | \$ (17,143) |
| Trading Securities | \$ 3,725 | \$ 3,202 | \$ 523 |
| Regulatory Equity Investment | \$ 27,886 | \$ 27,071 | \$ 815 |
| Short-Term Interest Bearing Accounts | \$ 102,192 | \$ 128,799 | \$ (26,607) |
| Total Earning Assets | \$ 5,345,526 | \$ 4,988,792 | \$ 356,734 |
| Total Assets | \$ 5,810,584 | \$ 5,412,979 | \$ 397,605 |
| Interest Bearing Deposits | \$ 3,470,553 | \$ 3,290,469 | \$ 180,084 |
| Non-Interest Bearing Deposits | \$ 1,111,804 | \$ 932,066 | \$ 179,738 |
| Short-Term Borrowings | \$ 171,545 | \$ 135,618 | \$ 35,927 |
| Long-Term Borrowings | \$ 443,673 | \$ 444,881 | \$ (1,208) |
| Total Interest Bearing Liabilities | \$ 4,085,771 | \$ 3,870,968 | \$ 214,803 |
| Stockholders' Equity | \$ 551,865 | \$ 541,349 | \$ 10,516 |

| | <u>June 30,</u> <u>2012</u> | <u>June 30,</u> <u>2011</u> | <u>Net</u> <u>Change</u> |
|---|--------------------------------|--------------------------------|-----------------------------|
| | (dollars in thousands) | | |
| Average Balances | | | |
| Six Months Ended | | | |
| Loans and Leases | \$ 3,874,027 | \$ 3,632,355 | \$ 241,672 |
| Securities Available For Sale (excluding unrealized gains or losses) | \$ 1,210,575 | \$ 1,098,506 | \$ 112,069 |
| Securities Held To Maturity | \$ 69,507 | \$ 89,833 | \$ (20,326) |
| Trading Securities | \$ 3,512 | \$ 3,086 | \$ 426 |
| Regulatory Equity Investment | \$ 27,453 | \$ 27,158 | \$ 295 |
| Short-Term Interest Bearing Accounts | \$ 91,159 | \$ 135,019 | \$ (43,860) |
| Total Earning Assets | \$ 5,272,721 | \$ 4,982,871 | \$ 289,850 |
| Total Assets | \$ 5,735,021 | \$ 5,405,062 | \$ 329,959 |
| Interest Bearing Deposits | \$ 3,426,578 | \$ 3,290,198 | \$ 136,380 |
| Non-Interest Bearing Deposits | \$ 1,087,180 | \$ 918,483 | \$ 168,697 |
| Short-Term Borrowings | \$ 167,176 | \$ 144,447 | \$ 22,729 |
| Long-Term Borrowings | \$ 444,745 | \$ 445,139 | \$ (394) |
| Total Interest Bearing Liabilities | \$ 4,038,499 | \$ 3,879,784 | \$ 158,715 |
| Stockholders' Equity | \$ 547,246 | \$ 539,789 | \$ 7,457 |

NBT Bancorp Inc. and Subsidiaries
Consolidated Balance Sheets (unaudited)
June 30,
2012
December 31,
2011

(in thousands)

ASSETS

| | | |
|--|---------------------|---------------------|
| Cash and due from banks | \$ 114,441 | \$ 128,517 |
| Short term interest bearing accounts | 24,723 | 864 |
| Securities available for sale, at fair value | 1,221,706 | 1,244,619 |
| Securities held to maturity (fair value of \$65,556 and \$72,198 at June 30, 2012 and December 31, 2011, respectively) | 64,387 | 70,811 |
| Trading securities | 3,641 | 3,062 |
| Federal Reserve and Federal Home Loan Bank stock | 28,706 | 27,020 |
| Loans and leases | 4,161,214 | 3,800,203 |
| Less allowance for loan and lease losses | 70,734 | 71,334 |
| Net loans and leases | 4,090,480 | 3,728,869 |
| Premises and equipment, net | 76,906 | 74,541 |
| Goodwill | 151,628 | 132,029 |
| Intangible assets, net | 18,191 | 18,194 |
| Bank owned life insurance | 79,215 | 77,626 |
| Other assets | 93,544 | 92,254 |
| TOTAL ASSETS | \$ 5,967,568 | \$ 5,598,406 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|---|---------------------|---------------------|
| Deposits: | | |
| Demand (noninterest bearing) | \$ 1,152,646 | \$ 1,052,906 |
| Savings, NOW, and money market | 2,483,683 | 2,381,116 |
| Time | 1,052,578 | 933,127 |
| Total deposits | 4,688,907 | 4,367,149 |
| Short-term borrowings | 212,203 | 181,592 |
| Long-term debt | 367,147 | 370,344 |
| Trust preferred debentures | 75,422 | 75,422 |
| Other liabilities | 57,384 | 65,789 |
| Total liabilities | 5,401,063 | 5,060,296 |
| Total stockholders' equity | 566,505 | 538,110 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 5,967,568 | \$ 5,598,406 |

| NBT Bancorp Inc. and Subsidiaries Consolidated Statements of Income (unaudited) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------------|------------------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| (in thousands, except per share data) | | | | |
| Interest, fee and dividend income: | | | | |
| Loans and leases | \$ 50,509 | \$ 51,126 | \$ 100,717 | \$ 101,986 |
| Securities available for sale | 7,108 | 7,947 | 14,474 | 15,851 |
| Securities held to maturity | 617 | 745 | 1,257 | 1,545 |
| Other | 413 | 440 | 805 | 933 |
| Total interest, fee and dividend income | 58,647 | 60,258 | 117,253 | 120,315 |
| Interest expense: | | | | |
| Deposits | 4,834 | 6,051 | 9,977 | 12,338 |
| Short-term borrowings | 48 | 52 | 89 | 110 |
| Long-term debt | 3,580 | 3,591 | 7,161 | 7,162 |
| Trust preferred debentures | 434 | 400 | 883 | 1,289 |
| Total interest expense | 8,896 | 10,094 | 18,110 | 20,899 |
| Net interest income | 49,751 | 50,164 | 99,143 | 99,416 |
| Provision for loan and lease losses | 4,103 | 6,021 | 8,574 | 9,986 |
| Net interest income after provision for loan and lease losses | 45,648 | 44,143 | 90,569 | 89,430 |
| Noninterest income: | | | | |
| Insurance and other financial services revenue | 5,279 | 5,025 | 11,433 | 10,798 |
| Service charges on deposit accounts | 4,571 | 5,455 | 8,912 | 10,527 |
| ATM and debit card fees | 3,063 | 2,928 | 6,025 | 5,596 |
| Retirement plan administration fees | 2,411 | 2,268 | 4,744 | 4,439 |
| Trust | 2,312 | 2,258 | 4,441 | 4,294 |
| Bank owned life insurance income | 618 | 660 | 1,589 | 1,695 |
| Net securities gains | 97 | 59 | 552 | 86 |
| Other | 2,331 | 1,208 | 6,042 | 2,552 |
| Total noninterest income | 20,682 | 19,861 | 43,738 | 39,987 |
| Noninterest expense: | | | | |
| Salaries and employee benefits | 24,992 | 24,035 | 51,717 | 49,039 |
| Occupancy | 4,222 | 3,987 | 8,713 | 8,509 |
| Data processing and communications | 3,431 | 3,117 | 6,689 | 6,031 |
| Professional fees and outside services | 2,388 | 2,088 | 5,113 | 4,154 |
| Equipment | 2,409 | 2,180 | 4,789 | 4,370 |
| Office supplies and postage | 1,574 | 1,342 | 3,245 | 2,887 |
| FDIC expenses | 942 | 965 | 1,873 | 2,461 |
| Advertising | 805 | 1,033 | 1,607 | 1,601 |
| Amortization of intangible assets | 841 | 771 | 1,660 | 1,504 |
| Loan collection and other real estate owned | 799 | 443 | 1,437 | 1,162 |
| Merger | 826 | - | 1,337 | - |
| Other operating | 4,161 | 3,196 | 7,684 | 6,500 |
| Total noninterest expense | 47,390 | 43,157 | 95,864 | 88,218 |
| Income before income taxes | 18,940 | 20,847 | 38,443 | 41,199 |
| Income taxes | 5,683 | 6,192 | 11,536 | 12,237 |
| Net income | \$ 13,257 | \$ 14,655 | \$ 26,907 | \$ 28,962 |
| Earnings Per Share: | | | | |
| Basic | \$ 0.40 | \$ 0.43 | \$ 0.81 | \$ 0.85 |
| Diluted | \$ 0.40 | \$ 0.43 | \$ 0.80 | \$ 0.84 |

| NBT Bancorp Inc. and Subsidiaries | 2Q | 1Q | 4Q | 3Q | 2Q |
|--|------------------|------------------|------------------|------------------|------------------|
| Quarterly Consolidated Statements of Income (unaudited) | 2012 | 2012 | 2011 | 2011 | 2011 |
| (in thousands, except per share data) | | | | | |
| Interest, fee and dividend income: | | | | | |
| Loans and leases | \$ 50,509 | \$ 50,208 | \$ 51,393 | \$ 50,991 | \$ 51,126 |
| Securities available for sale | 7,108 | 7,366 | 7,461 | 7,771 | 7,947 |
| Securities held to maturity | 617 | 640 | 661 | 680 | 745 |
| Other | 413 | 392 | 383 | 342 | 440 |
| Total interest, fee and dividend income | 58,647 | 58,606 | 59,898 | 59,784 | 60,258 |
| Interest expense: | | | | | |
| Deposits | 4,834 | 5,143 | 5,330 | 5,352 | 6,051 |
| Short-term borrowings | 48 | 41 | 39 | 56 | 52 |
| Long-term debt | 3,580 | 3,581 | 3,621 | 3,621 | 3,591 |
| Trust preferred debentures | 434 | 449 | 409 | 394 | 400 |
| Total interest expense | 8,896 | 9,214 | 9,399 | 9,423 | 10,094 |
| Net interest income | 49,751 | 49,392 | 50,499 | 50,361 | 50,164 |
| Provision for loan and lease losses | 4,103 | 4,471 | 5,576 | 5,175 | 6,021 |
| Net interest income after provision for loan and lease losses | 45,648 | 44,921 | 44,923 | 45,186 | 44,143 |
| Noninterest income: | | | | | |
| Insurance and other financial services revenue | 5,279 | 6,154 | 4,918 | 5,127 | 5,025 |
| Service charges on deposit accounts | 4,571 | 4,341 | 5,405 | 5,532 | 5,455 |
| ATM and debit card fees | 3,063 | 2,962 | 2,911 | 3,135 | 2,928 |
| Retirement plan administration fees | 2,411 | 2,333 | 2,184 | 2,295 | 2,268 |
| Trust | 2,312 | 2,129 | 2,480 | 2,090 | 2,258 |
| Bank owned life insurance income | 618 | 971 | 716 | 674 | 660 |
| Net securities gains | 97 | 455 | 52 | 12 | 59 |
| Other | 2,331 | 3,711 | 1,464 | 1,329 | 1,208 |
| Total noninterest income | 20,682 | 23,056 | 20,130 | 20,194 | 19,861 |
| Noninterest expense: | | | | | |
| Salaries and employee benefits | 24,992 | 26,725 | 25,105 | 25,068 | 24,035 |
| Occupancy | 4,222 | 4,491 | 3,967 | 3,887 | 3,987 |
| Data processing and communications | 3,431 | 3,258 | 3,186 | 3,054 | 3,117 |
| Professional fees and outside services | 2,388 | 2,725 | 2,552 | 2,215 | 2,088 |
| Equipment | 2,409 | 2,380 | 2,206 | 2,288 | 2,180 |
| Office supplies and postage | 1,574 | 1,671 | 1,655 | 1,531 | 1,342 |
| FDIC expenses | 942 | 931 | 886 | 920 | 965 |
| Advertising | 805 | 802 | 1,174 | 685 | 1,033 |
| Amortization of intangible assets | 841 | 819 | 760 | 782 | 771 |
| Loan collection and other real estate owned | 799 | 638 | 793 | 676 | 443 |
| Merger | 826 | 511 | 649 | 155 | - |
| Other operating | 4,161 | 3,523 | 4,479 | 3,785 | 3,196 |
| Total noninterest expense | 47,390 | 48,474 | 47,412 | 45,046 | 43,157 |
| Income before income taxes | 18,940 | 19,503 | 17,641 | 20,334 | 20,847 |
| Income taxes | 5,683 | 5,853 | 3,919 | 5,117 | 6,192 |
| Net income | \$ 13,257 | \$ 13,650 | \$ 13,722 | \$ 15,217 | \$ 14,655 |
| Earnings per share: | | | | | |
| Basic | \$ 0.40 | \$ 0.41 | \$ 0.42 | \$ 0.46 | \$ 0.43 |
| Diluted | \$ 0.40 | \$ 0.41 | \$ 0.41 | \$ 0.45 | \$ 0.43 |

Three Months ended June 30,

| (dollars in thousands) | 2012 | | | 2011 | | |
|---|-----------------|-----------|-------------|-----------------|-----------|-------------|
| | Average Balance | Interest | Yield/Rates | Average Balance | Interest | Yield/Rates |
| ASSETS | | | | | | |
| Short-term interest bearing accounts | \$ 102,192 | \$ 84 | 0.33% | \$ 128,799 | \$ 111 | 0.35% |
| Securities available for sale (1)(excluding unrealized gains or losses) | 1,208,384 | 7,605 | 2.53% | 1,098,964 | 8,512 | 3.11% |
| Securities held to maturity (1) | 68,472 | 931 | 5.47% | 85,615 | 1,125 | 5.27% |
| Investment in FRB and FHLB Banks | 27,886 | 328 | 4.73% | 27,071 | 329 | 4.87% |
| Loans and leases (2) | 3,938,592 | 50,741 | 5.18% | 3,648,343 | 51,359 | 5.65% |
| Total interest earning assets | \$ 5,345,526 | \$ 59,689 | 4.49% | \$ 4,988,792 | \$ 61,436 | 4.94% |
| Other assets | 465,058 | | | 424,187 | | |
| Total assets | \$ 5,810,584 | | | \$ 5,412,979 | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| EQUITY | | | | | | |
| Money market deposit accounts | \$ 1,115,812 | 539 | 0.19% | \$ 1,091,001 | \$ 1,009 | 0.37% |
| NOW deposit accounts | 704,896 | 480 | 0.27% | 672,345 | 627 | 0.37% |
| Savings deposits | 676,794 | 127 | 0.08% | 607,533 | 182 | 0.12% |
| Time deposits | 973,051 | 3,688 | 1.52% | 919,590 | 4,233 | 1.85% |
| Total interest bearing deposits | \$ 3,470,553 | \$ 4,834 | 0.56% | \$ 3,290,469 | \$ 6,051 | 0.74% |
| Short-term borrowings | 171,545 | 48 | 0.11% | 135,618 | 52 | 0.15% |
| Trust preferred debentures | 75,422 | 434 | 2.31% | 75,422 | 400 | 2.13% |
| Long-term debt | 368,251 | 3,580 | 3.91% | 369,459 | 3,591 | 3.90% |
| Total interest bearing liabilities | \$ 4,085,771 | \$ 8,896 | 0.88% | \$ 3,870,968 | \$ 10,094 | 1.05% |
| Demand deposits | 1,111,804 | | | 932,066 | | |
| Other liabilities | 61,144 | | | 68,596 | | |
| Stockholders' equity | 551,865 | | | 541,349 | | |
| Total liabilities and stockholders' equity | \$ 5,810,584 | | | \$ 5,412,979 | | |
| Net interest income (FTE) | | 50,793 | | | 51,342 | |
| Interest rate spread | | | 3.61% | | | 3.89% |
| Net interest margin | | | 3.82% | | | 4.13% |
| Taxable equivalent adjustment | | 1,042 | | | 1,178 | |
| Net interest income | | \$ 49,751 | | | \$ 50,164 | |

(1)Securities are shown at average amortized cost

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

Six Months ended June 30,

| (dollars in thousands) | 2012 | | | 2011 | | |
|---|-----------------|------------|-------------|-----------------|------------|-------------|
| | Average Balance | Interest | Yield/Rates | Average Balance | Interest | Yield/Rates |
| ASSETS | | | | | | |
| Short-term interest bearing accounts | \$ 91,159 | \$ 120 | 0.26% | \$ 135,019 | \$ 180 | 0.27% |
| Securities available for sale (1)(excluding unrealized gains or losses) | 1,210,575 | 15,460 | 2.57% | 1,098,506 | 17,013 | 3.12% |
| Securities held to maturity (1) | 69,507 | 1,896 | 5.48% | 89,833 | 2,327 | 5.22% |
| Investment in FRB and FHLB Banks | 27,453 | 685 | 5.02% | 27,158 | 754 | 5.60% |
| Loans and leases (2) | 3,874,027 | 101,184 | 5.25% | 3,632,355 | 102,451 | 5.69% |
| Total interest earning assets | \$ 5,272,721 | \$ 119,345 | 4.55% | \$ 4,982,871 | \$ 122,725 | 4.97% |
| Other assets | 462,300 | | | 422,191 | | |
| Total assets | \$ 5,735,021 | | | \$ 5,405,062 | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| EQUITY | | | | | | |
| Money market deposit accounts | \$ 1,102,579 | 1,151 | 0.21% | \$ 1,088,456 | \$ 2,125 | 0.39% |
| NOW deposit accounts | 699,917 | 1,010 | 0.29% | 685,171 | 1,261 | 0.37% |
| Savings deposits | 659,381 | 242 | 0.07% | 591,043 | 347 | 0.12% |
| Time deposits | 964,701 | 7,574 | 1.58% | 925,528 | 8,605 | 1.87% |
| Total interest bearing deposits | \$ 3,426,578 | \$ 9,977 | 0.59% | \$ 3,290,198 | \$ 12,338 | 0.76% |
| Short-term borrowings | 167,176 | 89 | 0.11% | 144,447 | 110 | 0.15% |
| Trust preferred debentures | 75,422 | 883 | 2.35% | 75,422 | 1,289 | 3.45% |
| Long-term debt | 369,323 | 7,161 | 3.90% | 369,717 | 7,162 | 3.91% |
| Total interest bearing liabilities | \$ 4,038,499 | \$ 18,110 | 0.90% | \$ 3,879,784 | \$ 20,899 | 1.09% |
| Demand deposits | 1,087,180 | | | 918,483 | | |
| Other liabilities | 62,096 | | | 67,006 | | |
| Stockholders' equity | 547,246 | | | 539,789 | | |
| Total liabilities and stockholders' equity | \$ 5,735,021 | | | \$ 5,405,062 | | |
| Net interest income (FTE) | | 101,235 | | | 101,826 | |
| Interest rate spread | | | 3.65% | | | 3.88% |
| Net interest margin | | | 3.86% | | | 4.12% |
| Taxable equivalent adjustment | | 2,092 | | | 2,410 | |
| Net interest income | | \$ 99,143 | | | \$ 99,416 | |

(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> | June 30, 2012 | December 31, 2011 |
|---|--------------------------|------------------------------|
| Residential real estate mortgages | \$ 630,791 | \$ 581,511 |
| Commercial | 691,055 | 611,298 |
| Commercial real estate mortgages | 1,066,039 | 888,879 |
| Real estate construction and development | 99,236 | 93,977 |
| Agricultural and agricultural real estate mortgages | 107,337 | 108,423 |
| Consumer | 993,586 | 946,470 |
| Home equity | 573,170 | 569,645 |
| Total loans and leases | <u>\$ 4,161,214</u> | <u>\$ 3,800,203</u> |
