

Filed by NBT Bancorp Inc.  
(Commission File No. 000-14703)  
pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934

Subject Company: Salisbury Bancorp, Inc.  
(Commission File No. 001-14854)



# *A Partnership for Growth*

December 5, 2022



Salisbury  
Bancorp, Inc.

# Forward-Looking Statements

This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements about NBT Bancorp Inc. ("NBT") and Salisbury Bancorp, Inc. ("Salisbury" or "SAL") and their industry involve substantial risks and uncertainties. Statements other than statements of current or historical fact, including statements regarding NBT's or Salisbury's future financial condition, results of operations, business plans, liquidity, cash flows, projected costs, and the impact of any laws or regulations applicable to NBT or Salisbury, are forward-looking statements. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "projects," "may," "will," "should" and other similar expressions are intended to identify these forward-looking statements. Such statements are subject to factors that could cause actual results to differ materially from anticipated results.

Among the risks and uncertainties that could cause actual results to differ from those described in the forward-looking statements include, but are not limited to the following: (1) the businesses of NBT and Salisbury may not be combined successfully, or such combination may take longer to accomplish than expected; (2) the cost savings from the merger may not be fully realized or may take longer to realize than expected; (3) operating costs, customer loss and business disruption following the merger, including adverse effects on relationships with employees, may be greater than expected; (4) governmental approvals of the merger may not be obtained, or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger; (5) the shareholders of Salisbury may fail to approve the merger; (6) the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (7) diversion of management's attention from ongoing business operations and opportunities; (8) the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected timeframes or at all and to successfully integrate Salisbury's operations and those of NBT; (9) such integration may be more difficult, time consuming or costly than expected; (10) revenues following the proposed transaction may be lower than expected; (11) NBT's and Salisbury's success in executing their respective business plans and strategies and managing the risks involved in the foregoing; (12) the dilution caused by NBT's issuance of additional shares of its capital stock in connection with the proposed transaction; (13) changes in general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government; (14) legislative and regulatory changes; and (15) uncertainty as to the extent of the duration, scope, and impacts of the COVID-19 pandemic on NBT, Salisbury and the proposed transaction. Further information about these and other relevant risks and uncertainties may be found in NBT's and Salisbury's respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2021 and in subsequent filings with the Securities and Exchange Commission ("SEC").

Forward-looking statements speak only as of the date they are made. NBT and Salisbury do not undertake, and specifically disclaim any obligation, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. You are cautioned not to place undue reliance on these forward-looking statements.

# Additional Information & Where To Find It

In connection with the proposed transaction, NBT expects to file with the SEC a registration statement on Form S-4 that will include a proxy statement of Salisbury that also constitutes a prospectus of NBT (the "proxy statement/prospectus"), which proxy statement/prospectus will be mailed or otherwise disseminated to Salisbury's shareholders when it becomes available. NBT and Salisbury also plan to file other relevant documents with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE PROXY STATEMENT/PROSPECTUS TO BE INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4, AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT NBT, SALISBURY AND THE PROPOSED TRANSACTION. You may obtain a free copy of the registration statement, including the proxy statement/prospectus (when it becomes available) and other relevant documents filed by NBT and Salisbury with the SEC, without charge, at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of the documents filed by NBT with the SEC will be available free of charge on NBT's website at [www.nbtbancorp.com](http://www.nbtbancorp.com) or by directing a request to NBT Bancorp Inc., 52 South Broad Street, Norwich, NY 13815, attention: Corporate Secretary, telephone (607) 337-6141. Copies of the documents filed by Salisbury with the SEC will be available free of charge on Salisbury's website at [www.salisburybank.com](http://www.salisburybank.com) or by directing a request to Salisbury Bancorp, Inc., 5 Bissell Street, P.O. Box 1868, Lakeville, CT 06039-1868, attention: Corporate Secretary, telephone (860) 453-3432.

## **No Offer**

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

## **Participants in Solicitation**

NBT and Salisbury and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. You can find information about NBT'S executive officers and directors in NBT'S definitive proxy statement filed with the SEC on APRIL 7, 2022. You can find information about SALISBURY'S executive officers and directors in SALISBURY'S definitive proxy statement filed with the SEC on April 8, 2022. Additional information regarding the interests of such potential participants will be included in the proxy statement/prospectus and other relevant documents filed with the SEC when they become available. You may obtain free copies of these documents from NBT or SALISBURY using the sources indicated above.

# Strategic Rationale

## Extension into Contiguous Attractive Markets

- Advances our New England Growth Strategy by adding scale to NBT's presence in Connecticut and western Massachusetts
- Expansion into the Hudson Valley Region and further extends our coverage of the Upstate New York Chip Corridor
- Bridges the gap between the Southern Tier and the Berkshires allowing for increased market penetration in the Catskills and the Hudson Valley

## Financially Attractive Transaction with High Quality Franchise

- Salisbury is a high-performing \$1.5 billion franchise that immediately increases the depth of our balance sheet, enhances long-term earnings growth and is aligned with our strong credit culture
- Expected strong earnings accretion of nearly 10% to first full year pro-forma GAAP earnings
- Immediate premium and 40% dividend improvement<sup>1</sup> for Salisbury shareholders
- Opportunity to leverage diverse product offerings across scalable client base

## Consistent Business Model, Culturally Aligned

- Retention of key talent
  - Rick Cantele will join NBT's Executive Management Team
  - Regional commercial leadership positions in Hudson Valley
- Wealth Advisory business enhances NBT's fee-based revenue streams
- Complementary, high-touch retail and business banking services
- Strong commitment to home lending

1) Based on historical dividend levels as of September 30, 2022

# Overview of Salisbury Bancorp, Inc.

## Company Overview

- Full-service community banking institution offering consumer and business banking products and services, as well as trust and wealth advisory services with roots dating back to 1848
- Operating footprint includes 14 banking locations in Litchfield County, CT; Berkshire County, MA; Dutchess, Orange and Ulster Counties, NY
- Franchise is well positioned in the Hudson Valley

## Q3 2022 Financial Highlights

Balance Sheet (\$M)		LTM Profitability (%)	
Assets	\$1,512	ROAA	1.07
Loans HFI	1,191	ROATCE	13.34
Deposits	1,325	Net Interest Margin	3.12
Loans HFI / Deposits (%)	89.9	Efficiency Ratio	60.4
Capital Ratios (%)		Credit Quality (%)	
TCE / TA	7.28	NPAs / Assets	0.30
Leverage Ratio <sup>1</sup>	9.83	ALLL / Loans HFI	1.20
Total RBC Ratio <sup>1</sup>	13.24	NCOs / Average Loans	0.02

## Core Business Lines



### Retail & Business Banking

- Standard Services
  - Retail / Business Deposits
  - Cash Management
  - Merchant / Payroll Services
- Electronic Banking
  - Mobile
  - Debit / Credit Card
  - Remote Deposit Capture



### Business Lending

- Business Loans
- Commercial Mortgages



### Trust & Wealth Advisory

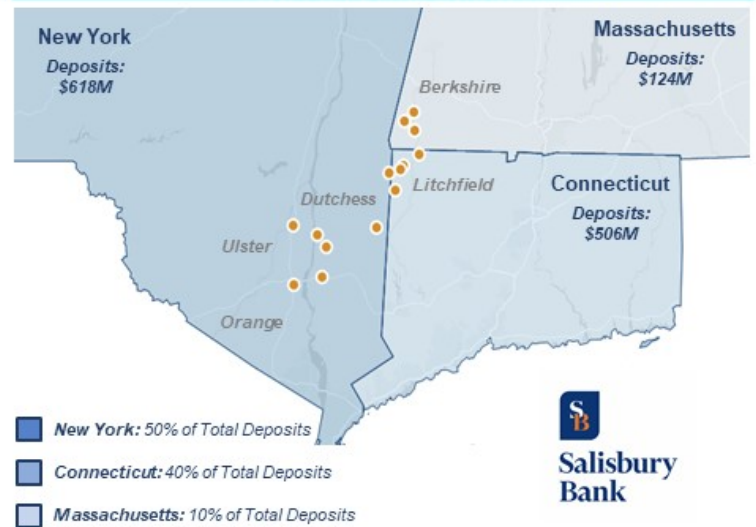
- Investment Management
- Trust & Estate Services
- Financial Planning



### Retail Lending

- Mortgage Loans
- Home Equity Loans

## Geographic Footprint

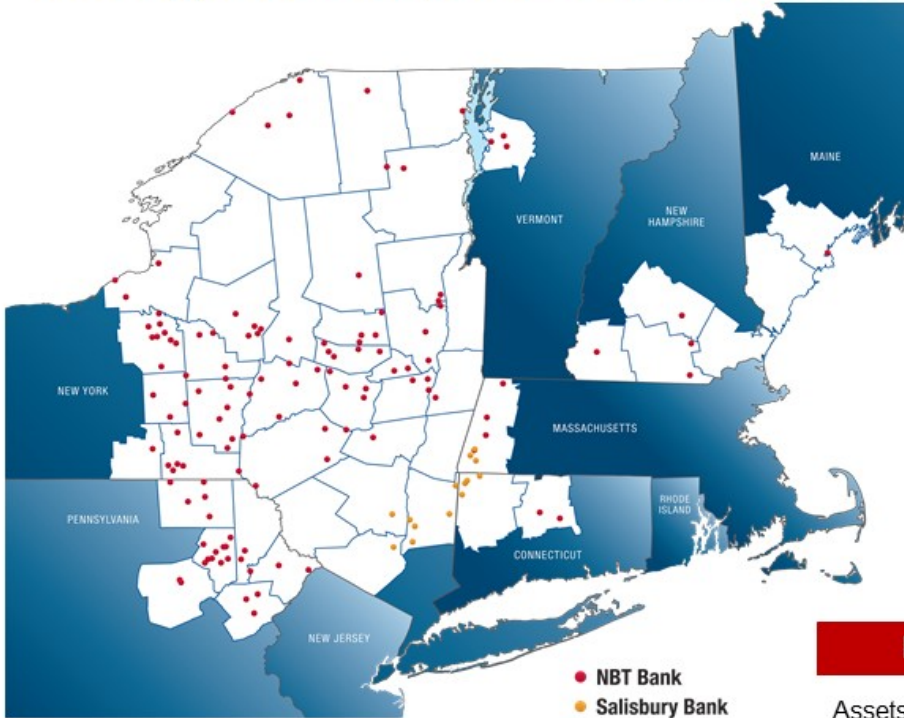


1) Reflects bank-level Call Report data

Note: Financial data as of September 30, 2022, except deposits by state which are as of June 30, 2022

Source: S&P Capital IQ Pro; Company filings

# Contiguous Expansion Into Attractive Markets



## Attractive SAL Markets

- Advances New England Growth Strategy
- Extends coverage of Upstate New York Chip Corridor
- Prestigious private and public school systems attract affluent individuals to SAL markets
- Steady influx of new residents and conversion of second homes to primary residences in SAL markets due to pandemic
- Proximity and easy access to New York City attracts businesses and homebuyers to SAL markets

## Proforma Combined Highlights<sup>1</sup>

Assets	\$13.3B	+ \$1.7B
Loans	\$9.1B	+ \$1.2B
Deposits	\$11.2B	+ \$1.3B
Market Capitalization	\$2.2B	+\$0.2B
Branches	154	+ 14



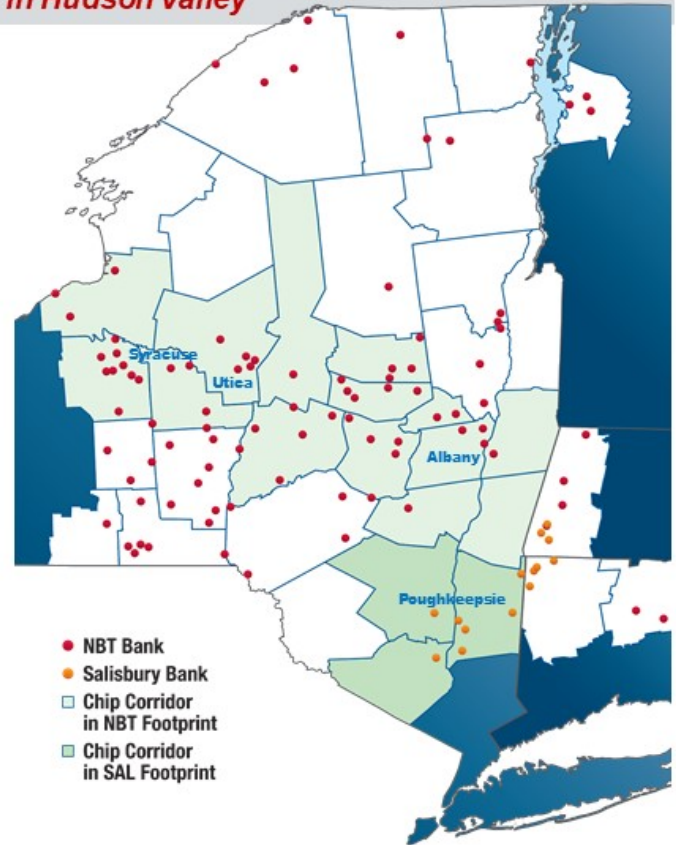
1) Based on September 30, 2022, except market capitalization which is as of December 2, 2022

# Expanded Coverage of Upstate NY Chip Corridor

## About the Chip Corridor

- In October 2022, **two transformational investments** in the Upstate New York Chip Corridor were announced:
  - **Micron Technology Inc.** announced it will invest as much as **\$100 billion** over the next 20 years in a campus near Syracuse.
  - **IBM** announced a **\$20 billion** investment in the Hudson Valley region over the next 10 years with the vision that their Poughkeepsie facility will become a global hub for quantum computing development.
- NBT is well positioned to support this regional growth with leaders who are connected to key economic and workforce development initiatives.
- NBT's branch network is ideally situated in the Chip Corridor with coverage from greater Syracuse to the Mohawk Valley and Capital District.
- The acquisition of SAL will extend NBT's branch network into the Hudson Valley.

## SAL Branch Network Uniquely Positioned in Hudson Valley



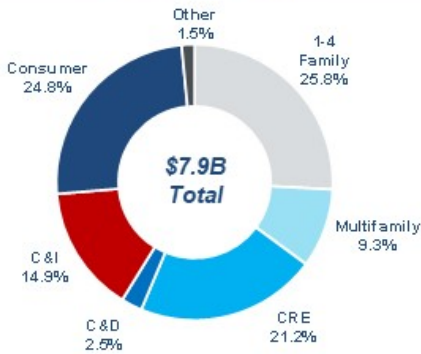
## KEY PLAYERS



# Pro Forma Loan & Deposit Composition

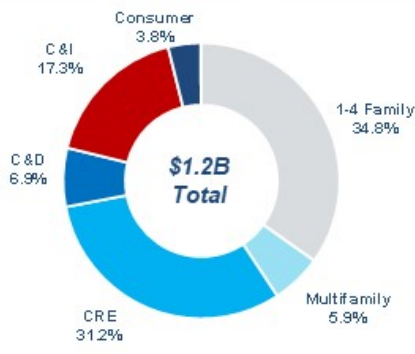
Loan Composition

## NBT Bancorp



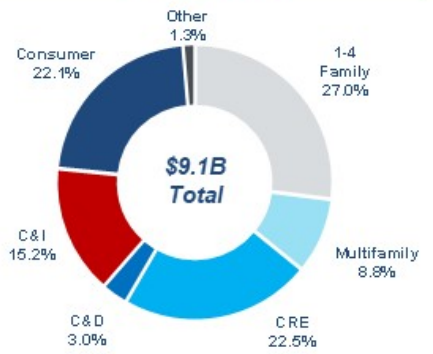
3Q 2022 Yield: 4.37%

## Salisbury Bancorp



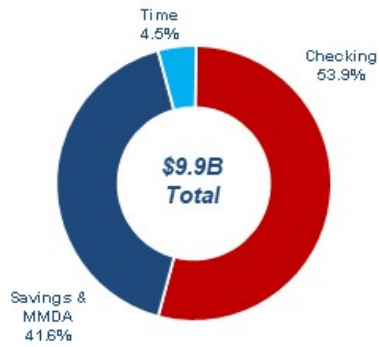
3Q 2022 Yield: 3.94%

## Pro Forma

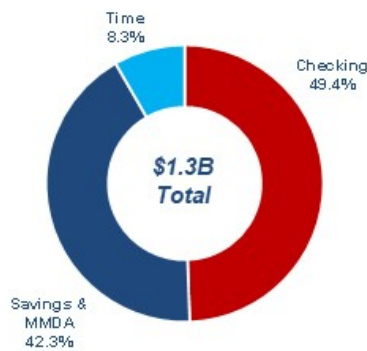


3Q 2022 Yield: 4.31%

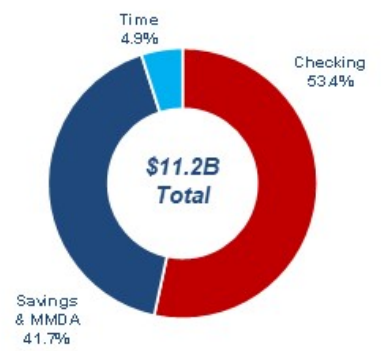
Deposit Composition



3Q 2022 Cost: 0.09%



3Q 2022 Cost: 0.26%



3Q 2022 Cost: 0.11%

Note: Reflects regulatory Holding Company financial data as of September 30, 2022  
Source: S&P Capital IQ Pro





# Key Transaction Terms

<b>Transaction</b>	<ul style="list-style-type: none"> <li>NBT Bancorp Inc. (NBT) will acquire 100% of Salisbury Bancorp, Inc.'s (SAL) outstanding common stock</li> </ul>
<b>Consideration Mix</b>	<ul style="list-style-type: none"> <li>100% Stock; assumed 5.827 million exchangeable shares</li> </ul>
<b>Fixed Exchange Ratio</b>	<ul style="list-style-type: none"> <li>0.7450 shares of NBT common stock per share<sup>1</sup></li> </ul>
<b>Merger Consideration</b>	<ul style="list-style-type: none"> <li>\$204 million, or \$35.00 per SAL share</li> </ul>
<b>Implied Metrics</b>	<ul style="list-style-type: none"> <li>Price / TBVPS: 186% (154% - excluding AOCI) - as of Q3 2022</li> <li>Price to Full Year EPS: 8.2x<sup>2</sup></li> <li>Pay-to-Trade Ratio: 80%<sup>3</sup></li> <li>Core Deposit Premium: 8.3%</li> <li>TBV Earnback Period: 1.40 years – earnings accretion method</li> </ul>
<b>Pro Forma Ownership</b>	<ul style="list-style-type: none"> <li>NBT: 91% / SAL: 9%</li> </ul>
<b>Management &amp; Board Representation</b>	<ul style="list-style-type: none"> <li>Rick Cantele, SAL President and CEO, to join NBT's Executive Management Team</li> <li>One SAL director to join NBT Board of Directors</li> </ul>
<b>Due Diligence</b>	<ul style="list-style-type: none"> <li>Completed comprehensive due diligence across all business lines</li> </ul>
<b>Approvals and Close</b>	<ul style="list-style-type: none"> <li>SAL shareholder approval</li> <li>Customary regulatory approvals</li> <li>Anticipated closing in Q2 2023</li> </ul>

1) Based on NBT's 10-day volume-weighted average closing stock price ("VWAP") of \$46.98/share, as of November 29, 2022

2) Annualized Q3 2022 EPS, inclusive of expected cost savings and Durbin amendment impact on total exchangeable shares

3) Defined as Deal Price per Share / SAL TBV per Share divided by NBT Trading Price per Share / NBT TBV per Share, based on NBT's VWAP of \$46.98

# Transaction Assumptions

<b>Earnings Projections</b>	<ul style="list-style-type: none"><li>▪ First full year expectations based on Q3 2022 and year-to-date results</li></ul>
<b>Merger Costs</b>	<ul style="list-style-type: none"><li>▪ 9% of deal value of one-time merger-related expenses</li></ul>
<b>Estimated Expense Savings</b>	<ul style="list-style-type: none"><li>▪ Fully phased-in cost savings of \$10.7 million (pre-tax) based on SAL noninterest expense through end of Q3 2022<ul style="list-style-type: none"><li>▪ ~30% of SAL's total noninterest expense</li></ul></li><li>▪ Fully phased-in during the first full year post-close</li></ul>
<b>Loan Credit Mark</b>	<ul style="list-style-type: none"><li>▪ Credit mark on loans: ~\$18 million</li><li>▪ Non-PCD reserve of \$12.6 million (70% of fair value credit mark on loans)</li><li>▪ Non-PCD credit mark is accreted into earnings over five years using sum-of-years digits</li></ul>
<b>Interest Rate Marks</b>	<ul style="list-style-type: none"><li>▪ ~\$30 million pre-tax of available-for-sale securities accreted over five years (includes existing AOCI at Q3 2022)</li><li>▪ 2.0% of gross loans accreted over five years</li></ul>
<b>Core Deposit Intangible</b>	<ul style="list-style-type: none"><li>▪ 2.0% of SAL's \$1.2 billion core deposits, amortized over 10 years using sum-of-years digits</li></ul>

# Expected Financial Impact<sup>1</sup>

## Including All Purchase Accounting Adjustments (GAAP)

Financial Impact	
TBV Dilution	(2.4%)
EPS Accretion <sup>2</sup>	9.8%
TBV Earnback <sup>3</sup>	1.4 years

## Estimated Pro Forma Capital Ratios

Tier 1 Leverage	9.75%
Tier 1 Risk-Based	12.50%
Total Risk-Based	14.59%
Tangible Common Equity Ratio	7.13%

## “Core Earnings” Excluding Purchase Accounting Adjustments (Non-GAAP)<sup>4</sup>

Financial Impact	
TBV Dilution	(0.5%)
EPS Accretion	4.9%
TBV Earnback <sup>3</sup>	0.6 years

## Estimated Pro Forma Capital Ratios

Tier 1 Leverage	9.88%
Tier 1 Risk-Based	12.68%
Total Risk-Based	14.78%
Tangible Common Equity Ratio	7.26%

1) Presented on a first full year, pro forma basis using Q3 2022 results

2) Includes mark-related accretion/amortization items netting to \$10.7 million pre-tax

3) Earnings accretion method

4) Excludes interest rate marks on loans and securities for TBV calculation purposes, and all purchase accounting accretion/amortization for EPS calculation purposes

# GAAP vs. Non-GAAP Financial Impact Reconciliation

	%	\$
TBV Dilution	(2.4%)	\$ (0.49)
Loan Interest Rate Mark	(1.9%)	(0.39)
TBV Dilution (Adjusted)	(0.5%)	\$ (0.10)
EPS Accretion (GAAP)	9.8%	\$ 0.35
Loan Interest Rate Mark Accretion	(2.1%)	(0.07)
Securities Interest Rate Mark Accretion	(2.9%)	(0.11)
Non-PCD Credit Mark Accretion	(1.9%)	(0.07)
CDI Amortization	2.0%	0.08
EPS Accretion (Adjusted) <sup>1</sup>	4.9%	\$ 0.18
1) All EPS figures presented on a first full year, pro forma basis using Q3 2022 results		