

2022  
ANNUAL REPORT



## to our shareholders

Fellow Shareholders,

In a year underscored by volatile interest rate movements, unfavorable equity and fixed income market returns, we are pleased that our positive operating results drove total shareholder return of over 15% in 2022. Our achievement of 10 consecutive years of annual dividend increases was also a significant milestone that demonstrates our continued commitment to providing consistent and favorable long-term returns for our shareholders.

**Superior Operating Results.** Under our traditional bank business model, our talented team achieved superior 2022 operating results that included net income of \$152 million and earnings per diluted share of \$3.52. Our full-year return on average tangible common equity was 16.9%, and our return on average assets was 1.29%. These results were defined by strong loan growth in connection with our strategy to expand the balance sheet, build scale, and generate positive operating leverage.

Over 15%

TOTAL SHAREHOLDER  
RETURN IN 2022

In 2022, net interest income increased 13% as our earning assets were well-positioned to take advantage of rising interest rates. Loans grew to \$8.15 billion in 2022, up nearly 9% from the prior year. Credit quality remained strong, and nonperforming loans were down 36% year over year.

We have diverse and granular loan and deposit portfolios. Our 2022 lending highlights included new commercial loan production of over \$1 billion for the second consecutive year, a 9% increase in business banking loan originations, and over \$1.4 billion in home, personal, auto, and residential solar loan production. On the funding side, we continued to successfully add net new accounts in 2022.

## 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 140 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, LLC is a full-service insurance agency based in Norwich, NY.

Non-interest income generation makes up over a quarter of our revenue mix and continues to be a strength of our organization. In 2022, the revenue produced by our Retirement Plan Administration business increased 14% year over year, and total revenues for our Wealth and Insurance businesses grew to \$48 million.

**Opportunities for Strategic Growth.** Our financial accomplishments are the result of our team's focus on key themes and strategies. The most important element of our future success lies in our efficient pursuit of organic growth across our lines of business and across our footprint. From time to time, we supplement that growth with strategic acquisitions. In 2022, we grew our Retirement Plan Administration and Insurance businesses in this way.

In December, we were very pleased to announce a definitive agreement with Salisbury Bancorp, Inc. of Lakeville, CT to merge Salisbury Bank with and into NBT Bank. Our teams have been working to plan a seamless transition for Salisbury customers. We anticipate that, pending regulatory and Salisbury shareholder approval, the merger will close in the second quarter of 2023. We look forward to coming together with this high-quality, like-minded community bank and expanding our footprint into northwest Connecticut, southwest Massachusetts and New York's Hudson Valley.

Significant new opportunities for long-term organic growth also emerged in 2022 with news of transformational chip fabrication investments in upstate New York. This includes the recent announcement of a \$100 billion investment in Onondaga County by Micron Technology Inc. over the next 20 years and IBM's planned investment of \$20 billion in the Hudson Valley over the next decade.

NBT is uniquely positioned to support this regional growth. Our branch network is ideally situated along the Chip Corridor with coverage from greater Syracuse to the Mohawk Valley and Capital District that will extend to the Hudson Valley through our planned Salisbury acquisition. Our leaders are connected to key economic and workforce development initiatives, and we are ready to assist our customers and communities in being a part of this historic growth opportunity.

**Our Digital Mindset.** We continue to operate with a customer-first digital mindset and constantly upgrade the mobile and online services we provide to customers, who have embraced them with a 94% increase in consumer digital adoption over the last three years.



10  
CONSECUTIVE  
YEARS

ANNUAL DIVIDEND  
INCREASES

Well  
Positioned  
TO SUPPORT GROWTH  
ALONG NY CHIP CORRIDOR

## financial highlights

(In thousands, except per share data)

Our technology roadmap guides the ongoing enhancement of the customer and employee experience at NBT. Last year, our team continued to optimize new digital platforms for commercial lending, small business lending, consumer lending and financing through auto dealers. We also invested in technology to streamline and enhance the employee experience with new platforms for human capital management and accounting and finance.

**Impacting Our Communities.** As we have made great progress in moving our business forward, our team is also having a significant impact on the communities we serve. In addition to contributing \$2 million to community organizations and logging thousands of employee volunteer hours, NBT helped make quality banking resources more accessible by opening more than 3,500 NBT iSelect Accounts across our footprint in 2022. This account is certified by the Cities for Financial Empowerment Fund as meeting the Bank On National Account Standards, and it assists accountholders in establishing a stable financial foundation.

We also launched the NBT CEI-Boulos Impact Fund—a \$10 million real estate equity investment fund with NBT Bank as the sole investor. This fund is designed to support individuals and communities with low and moderate incomes through investments in high-impact, community-supported, commercial real estate projects located within the bank's Community Reinvestment Act assessment areas in New York State.

**The Power of Our People.** NBT's success is truly powered by our people. We have a dedicated team devoted to the ongoing pursuit of the strategies that have made us successful. We appreciate the guidance offered by our Board of Directors and extend best wishes to Joseph A. Santangelo, who will retire in May with 22 years of service. His commitment to our company and faithfulness to our community banking values have never wavered.

We remain a strong, stable and well-capitalized company with various and long-established sources of liquidity. We could not be more optimistic about the future and the opportunities before us to grow our business and serve our customers and communities. Thank you for your support and confidence in NBT.

Sincerely,

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

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

FOR THE YEAR	2022	2021
<b>PERFORMANCE</b>		
Net income . . . . .	\$151,995	\$154,885
Return on average assets . . . . .	1.29%	1.33%
Return on average tangible equity . . . . .	16.89%	16.92%
Net interest margin . . . . .	3.34%	3.03%
<b>PER COMMON SHARE DATA</b>		
Diluted earnings . . . . .	\$3.52	\$3.54
Cash dividends . . . . .	\$1.16	\$1.10
Dividend yield . . . . .	2.67%	2.86%
Tangible book value per share . . . . .	\$20.65	\$22.26
<b>AT DECEMBER 31</b>		
<b>BALANCE SHEET DATA</b>		
Total assets . . . . .	\$11,739,296	\$12,012,111
Total loans . . . . .	\$8,150,147	\$7,498,459
Allowance for loan losses . . . . .	\$100,800	\$92,000
Deposits . . . . .	\$9,495,933	\$10,234,469
Total shareholders' equity . . . . .	\$1,173,554	\$1,250,453
<b>ASSET QUALITY</b>		
Net charge-offs to average loans . . . . .	0.11%	0.13%
Nonperforming loans to total loans . . . . .	0.26%	0.44%
Nonperforming assets to total assets . . . . .	0.18%	0.27%
Allowance for loan losses to total loans . . . . .	1.24%	1.23%
<b>CAPITAL</b>		
Common equity tier 1 capital ratio . . . . .	12.12%	12.25%
Tier 1 capital ratio . . . . .	13.19%	13.43%
Total risk-based capital ratio . . . . .	15.38%	15.73%
Closing stock price . . . . .	\$43.42	\$38.52
Market capitalization . . . . .	\$1,860,887	\$1,662,832

## 2023 annual meeting

Tuesday, May 16, 2023 | 10:00 a.m. ET

[www.virtualshareholdermeeting.com/NBTB2023](http://www.virtualshareholdermeeting.com/NBTB2023)

### 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.

# leadership

## Executive Management Team

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

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

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

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

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

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

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

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

## Board of Directors

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

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

**Johanna R. Ames**

**J. David Brown**

**Timothy E. Delaney**

**James H. Douglas**

**Heidi M. Hoeller**

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

**V. Daniel Robinson II**

**Matthew J. Salanger**

**Joseph A. Santangelo**

**Lowell A. Seifter, Esq.**

**Jack H. Webb**

## NBT Bank Honorary Directors

Richard Chojnowski  
Patricia T. Civil  
Daryl R. Forsythe  
Paul D. Horger, Esq.  
Janet H. Ingraham  
John C. Mitchell  
Van Ness D. Robinson  
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  
2023 Annual Meeting of Stockholders.*

## EPIC Retirement Plan Services

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

## NBT Insurance Agency, LLC

**Tucker H. Lounsbury, cfc**  
President

## Regional Presidents

**Ruth H. Mahoney**  
Capital District  
and North Country

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

**Jeffrey D. Lake**  
Greater Binghamton

**Stephen P. Lubelczyk**  
New England

**Andreas A. Kapetanopoulos**  
Connecticut

**Kimberly J. Twitchell**  
Maine

**Justin L. Jennings**  
New Hampshire

**Daniel P. Werme**  
Vermont and Massachusetts

## 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

**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, LLC

**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. Sastri, 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

# 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

American Stock Transfer  
& Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219  
800.NBT.BANK  
(800.628.2265, Option 7)  
[www.astfinancial.com](http://www.astfinancial.com)  
[help@astfinancial.com](mailto:help@astfinancial.com)

