



Promotion

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NBT Bank

A Steady Force in Community Banking

Strategic growth. Aggressive hiring. Successfully raising new capital. Increased profits and assets.

Those are hardly the attributes that one would use to describe the banking industry the last couple of years. But they are all traits that define the remarkable story of NBT Bank, one of the country's most successful community banks.

"We are among the largest community banks in the country. We think community banking is more of a mind-set than a matter of size," says Martin Dietrich, CEO of NBT Bancorp, which has \$5.5 billion in assets and is the parent company of NBT Bank. "We are a high-touch, high-service organization with deep-seated roots in our market areas. We stay very connected to our customers."

"Deep-seated roots" may be an understatement. The Norwich-based bank was founded in 1856 and has been building its presence in upstate New York and elsewhere ever since. It has made uninterrupted dividend payments since 1857, even during the Great Depression and the Great Recession. From the beginning, the bank's focus has been on employees and customers. "Our key strength is our people," says Dietrich. "Our absolute competitive advantage is our ability to attract, develop and retain quality employees. Good employees take good care of customers."



NBT Bancorp President and Chief Executive Officer Martin Dietrich (left) and NBT Bancorp Chairman Daryl Forsythe

Van Zandt Photography



"While many banks are playing defense right now, we are playing offense. We're expanding, hiring staff, opening new offices and trying to take advantage of the disruption in the marketplace so that we'll be even better positioned when the economy eventually turns around." —Martin Dietrich, President and CEO, NBT Bancorp

In recent years, NBT Bank has seen significant growth, expanding to more than 120 offices and over 1,500 employees. In nearly 70 percent of its markets, it is either first or second in market share. Since 2000, NBT Bank has operated in northeastern Pennsylvania through its Pennstar Bank division. In 2009, NBT Bank opened its first office in Vermont. The NBT Bank and NBT Bancorp success story includes several notable accomplishments over the last two years:

- Forbes.com ranked NBT Bancorp as the ninth-best bank in the nation at the end of 2009 in a survey of "America's Best And Worst Banks," based on eight financial measures.
- In its first quarter 2010 issue, *Bank Director* magazine ranked NBT Bancorp 13th in the country in terms of financial performance among the 150 largest banks.
- NBT Bancorp turned down TARP funds. It was able to raise capital the old-fashioned way: by selling stock. In 2009, the company was added to the S&P SmallCap 600 Index. Joining that prestigious index helped the company raise \$34.6 million in a public stock offering, likely making it the first bank in the U.S. to offer new stock in these difficult times.
- NBT Bank scored the highest rating in customer satisfaction, compared with the largest U.S. retail banks. That's according to the American Customer Satisfaction Index™, based on second quarter 2009 research.

Dedicated to Organic, Strategic Growth

The secret to NBT Bank's success is really no secret at all. It has simply done what banks traditionally do (or should do)—offer dedicated, personalized customer service and adhere to responsible loan and underwriting practices.

As Dietrich likes to put it: "We aggressively manage a conservative strategy."

NBT Bancorp has expanded its traditional banking services, positioning itself as a comprehensive provider of financial services. In recent years, it acquired a full-service 401(k) plan recordkeeping firm (EPIC Advisors) and a full-service insurance agency (Mang Insurance Agency). It also actively invests in the professional growth of its employees through a leadership development program.

"We want to keep posting good numbers relative to our peer group of banks, while continuing to seek out opportunities for new revenue," says Dietrich. "In striking that balance, we look to grow organically."

NBT Bancorp Chairman Daryl Forsythe sums up the company's growth strategy this way: "Bigger doesn't get us better. Better gets us bigger."



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