

NBT BANCORP INC
Form S-4/A
January 16, 2013
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As filed with the Securities and Exchange Commission on January 16, 2013

Registration No. 333-185074

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NBT Bancorp Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6712
(Primary Standard Industrial
Classification Code Number)

16-1268674
(I.R.S. Employer
Identification Number)

52 South Broad Street
Norwich, New York 13815
(607) 337-2265

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Martin A. Dietrich
President and Chief Executive Officer
NBT Bancorp Inc.
52 South Broad Street
Norwich, New York 13815
(607) 337-2265

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

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Columbia Square
Washington, D.C. 20004
(202) 637-5910

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 16, 2013

Joint Proxy Statement/Prospectus

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholder:

On October 7, 2012, the boards of directors of NBT Bancorp Inc., or NBT, and Alliance Financial Corporation, or Alliance, each unanimously approved a merger agreement between NBT and Alliance pursuant to which Alliance will merge with and into NBT, with NBT surviving the merger.

Each of NBT and Alliance is holding a special meeting for its stockholders to vote on the proposals necessary to complete the merger. The merger cannot be completed unless the holders of a majority of the shares of NBT common stock outstanding and entitled to vote and the holders of two-thirds of the shares of Alliance common stock outstanding and entitled to vote at each company's special meeting vote to adopt and approve the merger agreement.

The special meeting of NBT stockholders will be held at the Binghamton Riverwalk Hotel & Conference Center, 225 Water Street, Binghamton, New York 13901 on March 5, 2013, at 10:00 a.m., local time. The special meeting of Alliance shareholders will be held at Alliance Financial Corporation, 120 Madison Street, 18th Floor, Syracuse, New York 13202 on February 28, 2013, at 10:00 a.m., local time.

If the merger agreement is adopted and approved and the merger is subsequently completed, Alliance shareholders will receive 2.1779 shares of NBT common stock for each share of Alliance common stock they own on the effective date of the merger. Alliance shareholders will also receive cash in lieu of any fractional shares they would have otherwise received in the merger. NBT has registered 10,328,673 shares of its common stock for issuance to the Alliance shareholders, which represents the estimated maximum number of shares of NBT common stock that may be issued upon the completion of the merger described herein. NBT common stock is listed on the NASDAQ Global Select Market under the symbol NBTB and Alliance common stock is listed on the NASDAQ Global Select Market under the symbol ALNC. On January 14, 2013, the closing price of NBT common stock was \$20.77 per share and the closing price of Alliance common stock was \$44.81 per share. These prices will fluctuate between now and the closing of the merger. We urge you to obtain current market quotations for both NBT and Alliance common stock.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card or by submitting a proxy through the Internet or by telephone as described on the enclosed instructions as soon as possible to make sure your shares are represented at the special meeting. If you hold shares through a bank or broker, please use the voting instructions you have received from your bank or broker. If you submit a properly signed proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** each of the proposals being voted on at your company's special meeting. The failure to vote by submitting your proxy or attending your company's special meeting and voting in person will have the same effect as a vote against adoption and approval of the merger agreement.

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The accompanying document serves as the joint proxy statement for the special meetings of NBT and Alliance and as the prospectus for the shares of NBT common stock to be issued in connection with the merger. This joint proxy statement/prospectus describes the special meetings, the merger, the documents related to the merger and other related matters. Please carefully review and consider this joint proxy statement/prospectus. **Please give particular attention to the discussion under the heading Risk Factors beginning on page 26 for risk factors relating to the transaction which you should consider.**

We look forward to the successful completion of the merger.

Sincerely,

Martin A. Dietrich

Jack H. Webb

NBT Bancorp Inc.

Alliance Financial Corporation

President and CEO

President and CEO

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved of the securities to be issued in the merger or determined if the attached joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The shares of NBT common stock to be issued in the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by any federal or state governmental agency.

This joint proxy statement/prospectus is dated January , 2013, and is first being mailed to NBT stockholders and Alliance shareholders on or about January , 2013.

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120 Madison Street

Syracuse, New York 13202

(315) 475-2100

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON FEBRUARY 28, 2013

A special meeting of shareholders of Alliance Financial Corporation, or Alliance, will be held at Alliance Financial Corporation, 120 Madison Street, 18th Floor, Syracuse, New York 13202 on February 28, 2013, at 10:00 a.m., local time, for the following purposes:

1. to consider and vote upon a proposal to adopt the Agreement and Plan of Merger by and between NBT Bancorp Inc., or NBT, and Alliance, dated as of October 7, 2012, pursuant to which Alliance will merge with and into NBT with NBT surviving;
2. to consider and vote upon an advisory (non-binding) proposal to approve the golden parachute compensation payable to the named executive officers of Alliance in connection with the merger;
3. to consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt the merger agreement; and
4. to consider and act upon such other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

The merger agreement and proposed merger of Alliance with and into NBT is more fully described in the attached document, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Annex A to the attached joint proxy statement/prospectus.

The board of directors of Alliance has established the close of business on January 14, 2013, as the record date for the special meeting. Only record holders of Alliance common stock as of the close of business on that date will be entitled to notice of and vote at the special meeting or any adjournment or postponement of that meeting. A list of shareholders entitled to vote at the special meeting will be available for review at the special meeting upon request by any Alliance shareholder entitled to vote at the special meeting. The affirmative vote of holders of at least two-thirds of the shares of Alliance common stock outstanding and entitled to vote at the special meeting is required to adopt the merger agreement.

Your vote is important, regardless of the number of shares that you own. **Please complete, sign and return the enclosed proxy card promptly in the enclosed postage-paid envelope or submit a proxy through the Internet or by telephone as described in the enclosed instructions.** Voting by proxy will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend. You may revoke your proxy at any time before the meeting. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions furnished to you by such record holder with these materials. If you do not vote in person or by proxy, the effect will be a vote **AGAINST** adoption of the merger agreement.

The Alliance board of directors unanimously recommends that you vote **FOR adoption of the merger agreement, **FOR** approval, on an advisory (non-binding) basis, of the golden parachute compensation payable to the named executive officers of Alliance in connection with the merger, and **FOR** the adjournment proposal as described above.**

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By Order of the Board of Directors,

Judy A. Schultz

Secretary

Syracuse, New York

January , 2013

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52 South Broad Street

Norwich, New York 13815

(607) 337-2265

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON MARCH 5, 2013

A special meeting of stockholders of NBT Bancorp Inc., or NBT, will be held at the Binghamton Riverwalk Hotel & Conference Center, 225 Water Street, Binghamton, New York 13901, on March 5, 2013, at 10:00 a.m., local time, for the following purposes:

1. to consider and vote upon a proposal to adopt and approve the Agreement and Plan of Merger by and between NBT and Alliance Financial Corporation, or Alliance, dated as of October 7, 2012, pursuant to which Alliance will merge with and into NBT with NBT surviving;
2. to consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt and approve the merger agreement; and
3. to consider and act upon such other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

The merger agreement and proposed merger of Alliance with and into NBT is more fully described in the attached document, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Annex A to the attached joint proxy statement/prospectus.

The board of directors of NBT has established the close of business on January 14, 2013, as the record date for the special meeting. Only record holders of NBT common stock as of the close of business on that date will be entitled to notice of and vote at the special meeting or any adjournment or postponement of that meeting. The list of stockholders entitled to vote at the special meeting will be available for review by any NBT stockholder entitled to vote at the special meeting at NBT's principal executive offices during regular business hours for the 10 days before the special meeting. The affirmative vote of holders of at least a majority of the shares of NBT common stock outstanding and entitled to vote at the special meeting is required to adopt and approve the merger agreement.

Your vote is important, regardless of the number of shares that you own. **Please complete, sign and return the enclosed proxy card promptly in the enclosed postage-paid envelope or submit a proxy through the Internet or by telephone as described in the enclosed instructions.** Voting by proxy will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend. You may revoke your proxy at any time before the meeting. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions furnished to you by such record holder with these materials. If you do not vote in person or by proxy, the effect will be a vote **AGAINST** adoption and approval of the merger agreement.

The NBT board of directors unanimously recommends that you vote FOR adoption and approval of the merger agreement and FOR the adjournment proposal as described above.

By Order of the Board of Directors,
Daryl R. Forsythe
Chairman of the Board

Norwich, New York

January , 2013

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ADDITIONAL INFORMATION

The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about NBT and Alliance from documents that are not included in or delivered with the joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

NBT Bancorp Inc.	Alliance Financial Corporation
52 South Broad Street	120 Madison Street
Norwich, New York 13815	Syracuse, New York 13202
Attention: Michael J. Chewens, CFO	Attention: J. Daniel Mohr, CFO
(607) 337-2265	(315) 475-4478
<i>www.nbtbancorp.com</i>	<i>www.alliancefinancialcorporation.com</i>
<i>(Investor Relations tab)</i>	<i>(Investor Relations tab)</i>

To obtain timely delivery, you must request the information no later than five business days before the applicable special meeting. In the case of Alliance shareholders, this means that you must make your request no later than February 21, 2013, and in the case of NBT stockholders, this means that you must make your request no later than February 26, 2013.

For a more detailed description of the information incorporated by reference in the accompanying joint proxy statement/prospectus and how you may obtain it, see *Where You Can Find More Information* beginning on page 116.

The accompanying joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to read the joint proxy statement/prospectus, including any documents incorporated by reference into the proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the other meeting matters or the joint proxy statement/prospectus, or need assistance voting your shares, please contact your company's proxy solicitor at the address or telephone number listed below:

For NBT Stockholders:	For Alliance Shareholders:
AST Phoenix Advisors	Regan & Associates, Inc.
110 Wall Street, 27th Floor	505 Eighth Avenue, Suite 800
New York, New York 10005	New York, New York 10018
(877) 478-5038	(800) 737-3426

Please do not send your stock certificates at this time. You will be sent separate instructions regarding the surrender of your stock certificates.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the special meetings. These questions and answers may not address all questions that may be important to you as a stockholder. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire joint proxy statement/prospectus, including the annexes, as well as the documents that have been incorporated by reference in this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: NBT and Alliance have agreed to the acquisition of Alliance by NBT under the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. In order to complete the merger, NBT and Alliance stockholders must vote to adopt and approve the merger agreement. NBT and Alliance will each hold a special meeting of stockholders to obtain this approval. This joint proxy statement/prospectus contains important information about the merger, the merger agreement, the special meetings of NBT and Alliance stockholders, respectively, and other related matters, and you should read it carefully. The enclosed voting materials for each special meeting allow you to vote your shares of common stock without attending your company's special meeting in person.

We are delivering this joint proxy statement/prospectus to you as both a joint proxy statement of NBT and Alliance and a prospectus of NBT. It is a joint proxy statement because the boards of directors of both NBT and Alliance are soliciting proxies from their respective stockholders to vote on the adoption and approval of the merger agreement at their respective special meetings of stockholders. Your proxy will be used at your respective special meeting or at any adjournment or postponement of that special meeting. It is also a prospectus because NBT will issue NBT common stock to Alliance shareholders as consideration in the merger, and this prospectus contains information about that common stock.

Q: What will happen in the merger?

A: In the proposed merger, Alliance will merge with and into NBT, with NBT being the surviving entity. Following the merger, Alliance Bank, N.A., or Alliance Bank, will be merged with and into NBT Bank, N.A., or NBT Bank, with NBT Bank being the surviving entity.

Q: What will I receive in the merger?

A: *Alliance Shareholders.* If the merger agreement is adopted and approved and the merger is subsequently completed, Alliance shareholders will be entitled to receive 2.1779 shares of NBT common stock (together with the associated stock purchase rights, which are attached to, and trade with, NBT common stock) for each outstanding share of Alliance common stock (other than stock held by Alliance or NBT) held at the time of the merger.

The value of the stock consideration is dependent upon the value of NBT common stock and therefore will fluctuate with the market price of NBT common stock. Accordingly, any change in the price of NBT common stock prior to the merger will affect the market value of the stock consideration that Alliance shareholders will receive as a result of the merger.

NBT Stockholders. NBT stockholders will continue to hold their existing shares, which will not change as a result of the merger.

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Q: Will I receive any fractional shares of NBT common stock as part of the merger consideration?

A: No. NBT will not issue any fractional shares of NBT common stock in the merger. Instead, NBT will pay you the cash value of a fractional share measured by the average of the daily closing prices of NBT common stock on The NASDAQ Stock Market, or NASDAQ, for the five consecutive trading days ending on the third business day immediately prior to the closing date, rounded to the nearest whole cent.

Q: What will happen to shares of NBT common stock in the merger?

A: Nothing. Each share of NBT common stock outstanding will remain outstanding as a share of NBT common stock.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of Alliance common stock?

A: The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Accordingly, Alliance shareholders generally will not recognize any gain or loss on the conversion of shares of Alliance common stock solely into shares of NBT common stock. However, an Alliance shareholder generally will be subject to tax on cash received in lieu of any fractional share of NBT common stock that an Alliance shareholder would otherwise be entitled to receive. See The Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 75.

Q: Will I be able to trade the shares of NBT common stock that I receive in the merger?

A: You may freely trade the shares of NBT common stock issued in the merger, unless you are an affiliate of NBT as defined by Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. Affiliates consist of individuals or entities that control, are controlled by, or are under the common control with NBT and include the executive officers and directors and may include significant stockholders of NBT.

Q: What are the conditions to completion of the merger?

A: The obligations of NBT and Alliance to complete the merger are subject to the satisfaction or waiver of certain closing conditions contained in the merger agreement, including the receipt of required regulatory approvals and tax opinions, and the adoption and approval of the merger agreement by the stockholders of both NBT and Alliance.

Q: When do you expect the merger to be completed?

A: We will complete the merger when all of the conditions to completion contained in the merger agreement are satisfied or waived, including obtaining required regulatory approvals and the adoption and approval of the merger agreement by NBT and Alliance stockholders at their respective special meetings. While we expect the merger to be completed in early 2013, because fulfillment of some of the conditions to completion of the merger is not entirely within our control, we cannot assure you of the actual timing.

Q: What stockholder approvals are required to complete the merger?

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- A: The merger cannot be completed unless a majority of the shares of NBT common stock outstanding and entitled to vote and two-thirds of the shares of Alliance common stock outstanding and entitled to vote at each company's special meeting adopt and approve the merger agreement.

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Q: Are there any shareholders already committed to voting in favor of the merger agreement?

A: Yes. Alliance's Chairman, Chief Executive Officer and President, Jack H. Webb entered into a voting agreement with NBT requiring him to vote all of his shares in favor of adoption of the merger agreement. As of the record date, Mr. Webb held 56,617 shares of Alliance common stock, which represented approximately 1.18% of the outstanding shares of Alliance common stock on the record date. In addition, NBT holds 39,693 shares of Alliance common stock, which represented approximately 0.8% of the outstanding shares of Alliance common stock as of the record date.

Q: When and where are the special meetings?

A: The special meeting of shareholders of Alliance will be held at Alliance Financial Corporation, 120 Madison Street, 18th Floor, Syracuse, New York 13202 on February 28, 2013, at 10:00 a.m., local time. The special meeting of stockholders of NBT will be held at the Binghamton Riverwalk Hotel & Conference Center, 225 Water Street, Binghamton, New York 13901 on March 5, 2013, at 10:00 a.m., local time.

Q: What will happen at the special meetings?

A: At the special meetings, NBT and Alliance stockholders will consider and vote upon the proposal to adopt and approve the merger agreement. Additionally, Alliance shareholders will consider and vote upon an advisory (non-binding) proposal to approve the golden parachute compensation payable to the named executive officers of Alliance in connection with the merger. If, at the time of the NBT or Alliance special meeting, there are not sufficient votes for the stockholders to adopt and approve the merger agreement, you may be asked to consider and vote upon a proposal to adjourn such special meeting, so that additional proxies may be collected.

Q: Who is entitled to vote at the special meetings?

A: *Alliance Shareholders:* All holders of Alliance common stock who held shares at the close of business on January 14, 2013, which is the record date for the special meeting of Alliance shareholders, are entitled to receive notice of and to vote at the Alliance special meeting. Each holder of Alliance common stock is entitled to one vote for each share of Alliance common stock owned as of the record date.
NBT Stockholders: All holders of NBT common stock who held shares at the close of business on January 14, 2013, which is the record date for the special meeting of NBT stockholders, are entitled to receive notice of and to vote at the NBT special meeting. Each holder of NBT common stock is entitled to one vote for each share of NBT common stock owned as of the record date.

Q: What constitutes a quorum for a special meeting?

A: The quorum requirement for each company's special meeting is the presence in person or by proxy of a majority of the total number of outstanding shares of common stock entitled to vote.

Q: How do the boards of directors of NBT and Alliance recommend I vote?

A: After careful consideration, each of the NBT and Alliance boards of directors unanimously recommend that all of their respective stockholders vote **FOR** adoption and approval of the merger agreement, and **FOR** the adjournment proposal, if necessary. The Alliance

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board of directors also recommends that shareholders vote **FOR** approval, on an advisory (non-binding) basis, of the golden parachute compensation payable to Alliance's named executive officers in connection with the merger.

Q: Are there any risks that I should consider in deciding whether to vote for adoption and approval of the merger agreement?

A: Yes. You should read and carefully consider the risk factors set forth in the section in this joint proxy statement/prospectus entitled Risk Factors beginning on page 26 as well as the other information

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contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section of this joint proxy statement/prospectus titled "Information Regarding Forward-Looking Statements" on page 30.

Q: Why am I being asked to cast an advisory (non-binding) vote to approve the golden parachute compensation payable to certain Alliance officers in connection with the merger?

A: The Securities and Exchange Commission, or SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, adopted rules that require Alliance to seek an advisory (non-binding) vote with respect to certain payments that will or may be made to Alliance's named executive officers in connection with the merger. See "The Merger: Interests of Alliance's Directors and Executive Officers in the Merger" beginning on page 61 and "Proposal II: Advisory (Non-Binding) Vote on Golden Parachute Compensation" beginning on page 79.

Q: What will happen if Alliance shareholders do not approve the golden parachute compensation at the special meeting?

A: Approval of the golden parachute compensation payable in connection with the merger is not a condition to completion of the merger. The vote with respect to the golden parachute compensation is an advisory vote and will not be binding on Alliance regardless of whether the merger agreement is adopted and approved. Accordingly, as the compensation to be paid to the Alliance executives in connection with the merger is contractual, such compensation will or may be payable if the merger is completed regardless of the outcome of the advisory vote.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in or incorporated by reference into this joint proxy statement/prospectus, including its annexes. It contains important information about the merger, the merger agreement, NBT and Alliance. After you have read and considered this information, you should complete and sign your proxy card and return it in the enclosed postage-paid return envelope or submit a proxy through the Internet or by telephone as soon as possible so that your shares will be represented and voted at your company's special meeting.

Q: How may I vote my shares for the special meeting proposals presented in this joint proxy statement/prospectus?

A: You may vote by accessing the Internet website or calling the telephone number specified on the proxy card or by completing, signing, dating and returning the proxy card in the enclosed postage-paid envelope as soon as possible. This will enable your shares to be represented and voted at your company's special meeting.

Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?

A: No. Your broker, bank or other nominee **will not** vote your shares unless you provide instructions to your broker, bank or other nominee on how to vote. You should instruct your broker, bank or other nominee to vote your shares by following the instructions provided by the broker, bank or nominee with this joint proxy statement/prospectus.

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Q: How will my shares be represented at the special meeting?

A: At the special meeting for each of NBT and Alliance, the officers named in your proxy card will vote your shares in the manner you requested if you properly signed and submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as the board of directors of the company in which you own such shares recommends, which is, for both of Alliance and NBT (1) **FOR** the adoption and approval of the merger agreement and (2) **FOR** the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt and approve the merger agreement at the time of the special meeting. Additionally, shares of Alliance common stock will be voted **FOR** the approval, on an advisory (non-binding) basis, of the golden parachute compensation payable to Alliance's named executive officers in connection with the merger.

Q: What if I fail to submit my proxy card or to instruct my broker, bank or other nominee?

A: If you fail to properly submit your proxy card or to instruct your broker, bank or other nominee to vote your shares of NBT or Alliance common stock and you do not attend your company's special meeting and vote your shares in person, your shares will not be voted. This will have the same effect as a vote **AGAINST** adoption and approval of the merger agreement, but will have no impact on the outcome of the other proposals.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. Although the NBT and Alliance boards of directors request that you return the proxy card accompanying this joint proxy statement/prospectus, all stockholders are invited to attend their company's special meeting. Shareholders of record on January 14, 2013, can vote in person at the Alliance special meeting, and stockholders of record on January 14, 2013, can vote in person at the NBT special meeting. If your shares are held by a broker, bank or other nominee, then you are not the stockholder of record and you must bring to the special meeting appropriate documentation from your broker, bank or other nominee to enable you to vote at the special meeting.

Q: Can I change my vote after I have submitted my proxy?

A: Yes. If you do not hold your shares in street name, there are three ways you can change your vote at any time after you have submitted your proxy and before your proxy is voted at the special meeting:

you may deliver a written notice bearing a date later than the date of your proxy card to the company's Secretary at the address listed below, stating that you revoke your proxy;

you may submit a new signed proxy card bearing a later date or vote again by telephone or Internet (any earlier proxies will be revoked automatically); or

you may attend the special meeting and vote in person, although attendance at the special meeting will not, by itself, revoke a proxy. You should send any notice of revocation to the appropriate company at:

NBT Bancorp Inc.

Alliance Financial Corporation

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52 South Broad Street

120 Madison Street

Norwich, New York 13815

Syracuse, New York 13202

Attn: F. Sheldon Prentice, Secretary

Attn: Judy A. Schultz, Secretary

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your voting instructions.

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Q: What happens if I sell my shares after the record date but before the special meeting?

A: The record dates of the special meetings are earlier than the dates of the special meetings and the date that the merger is expected to be completed. If you sell or otherwise transfer your shares after the record date for the special meeting of the company in which you own such shares, but before the date of such company's special meeting, you will retain your right to vote at such company's special meeting, but if you are an Alliance shareholder, you will not have the right to receive the merger consideration to be received by Alliance's shareholders in the merger. In order to receive the merger consideration, an Alliance shareholder must hold his or her shares through completion of the merger.

Q: What do I do if I receive more than one joint proxy statement/prospectus or set of voting instructions?

A: If you hold shares directly as a record holder and also in street name or otherwise through a nominee, you may receive more than one joint proxy statement/prospectus and/or set of voting instructions relating to the special meeting. These should each be voted and/or returned separately in order to ensure that all of your shares are voted.

Q: Are Alliance shareholders entitled to seek appraisal or dissenters' rights if they do not vote in favor of the adoption of the merger agreement?

A: No. Under the New York Business Corporation Law, Alliance shareholders will not have appraisal rights in connection with the merger.

Q: Should Alliance shareholders send in their stock certificates now?

A: No. Alliance shareholders will receive a letter of transmittal and instructions for surrendering of their stock certificates. In the meantime, you should retain your stock certificates because they are still valid. Please do not send in your stock certificates with your proxy card.

Q: Will a proxy solicitor be used?

A: Yes. NBT has engaged AST Phoenix Advisors and Alliance has engaged Regan & Associates, Inc. to assist in the solicitation of proxies for their respective special meetings. In addition, NBT and Alliance officers and employees may request the return of proxies by telephone or in person.

Q: Where can I find more information about the companies?

A: You can find more information about NBT and Alliance from the various sources described under [Where You Can Find More Information](#) beginning on page 116.

Q: Whom should I call with questions?

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A: If you have any questions concerning the merger, the other meeting matters or the joint proxy statement/prospectus, or need assistance voting your shares, please contact your company's proxy solicitor at the address or telephone number listed below:

For NBT Stockholders:

AST Phoenix Advisors
110 Wall Street, 27th Floor
New York, New York 10005
(877) 478-5038

For Alliance Shareholders:

Regan & Associates, Inc.
505 Eighth Avenue, Suite 800
New York, New York 10018
(800) 737-3426

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SUMMARY

*This summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this joint proxy statement/prospectus refers in order to fully understand the merger and the related transactions. See *Where You Can Find More Information* beginning on page 116. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.*

The Companies (Page 32)

NBT Bancorp Inc.

NBT is a registered financial holding company incorporated in Delaware in 1986, with its principal headquarters located in Norwich, New York. NBT is the parent holding company of NBT Bank, N.A., NBT Financial Services, Inc. (which operates EPIC Advisors, Inc.), and NBT Holdings, Inc. (which operates Mang Insurance Agency, LLC), NBT Capital Trust I, NBT Statutory Trust I and NBT Statutory Trust II.

NBT Bank is a national bank with 137 locations, including 95 NBT Bank offices located in upstate New York, northwestern Vermont and western Massachusetts, 35 Pennstar Bank offices located in northeastern Pennsylvania, and 5 Hampshire First Bank offices located in southern New Hampshire. NBT Bank provides its retail consumers and business customers with banking services including residential and commercial real estate loans, commercial business loans, consumer loans, as well as retail and commercial deposit products, various trust services, as well as investment, pension, estate planning and employee benefit administrative services.

At September 30, 2012, NBT had \$6.0 billion in assets, \$4.8 billion in deposits, and \$577.0 million of stockholders' equity.

NBT's principal executive offices are located at 52 South Broad Street, Norwich, New York 13815, its phone number is (607) 337-2265 and its website is www.nbtbancorp.com. Information that is included in this website does not constitute part of this joint proxy statement/prospectus.

Alliance Financial Corporation

Alliance is a New York corporation and a registered financial holding company formed on November 25, 1998, as a result of the merger of Cortland First Financial Corporation and Oneida Valley Bancshares, Inc., which were incorporated on May 30, 1986 and October 31, 1984, respectively. Alliance is the holding company of Alliance Bank, which was formed as the result of the merger of First National Bank of Cortland and Oneida Valley National Bank in 1999.

Alliance Bank provides financial services from 29 retail branches and customer service facilities in the New York counties of Cortland, Madison, Oneida, Onondaga and Oswego, and from a Trust Administration Center in Buffalo, New York. Primary services include commercial, retail and municipal banking, consumer finance, mortgage financing and servicing, and trust and investment management services. Alliance Bank has a substantially wholly owned subsidiary, Alliance Preferred Funding Corp., which is engaged in residential real estate activity, and a wholly owned subsidiary, Alliance Leasing, Inc., which is engaged in commercial leasing activity in over 30 states.

At September 30, 2012, Alliance had \$1.4 billion in assets, \$1.1 billion in deposits, and \$148.4 million of shareholders' equity.

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Alliance's principal executive offices are located on the 18th Floor, 120 Madison Street, Syracuse, New York 13202. Alliance's telephone number is (315) 475-2100 and its website is www.alliancefinancialcorporation.com. Information that is included in this website does not constitute part of this joint proxy statement/prospectus.

The Special Meeting of Shareholders of Alliance

Date, Time and Place of the Special Meeting (Page 33)

Alliance will hold its special meeting of shareholders at Alliance Financial Corporation, 120 Madison Street, 18th Floor, Syracuse, New York 13202 on February 28, 2013, at 10:00 a.m., local time.

Purpose of the Special Meeting (Page 33)

At the special meeting you will be asked to vote upon a proposal to adopt the merger agreement, a proposal to approve, on an advisory (non-binding) basis, the golden parachute compensation payable to the named executive officers of Alliance in connection with the merger and, if necessary, a proposal to approve one or more adjournments of the special meeting.

Recommendation of Alliance Board of Directors (Page 33)

The Alliance board of directors unanimously recommends that you vote **FOR** adoption of the merger agreement, **FOR** approval, on an advisory (non-binding) basis, of the golden parachute compensation payable to the named executive officers of Alliance in connection with the merger, and **FOR** approval of the proposal to adjourn the special meeting.

Record Date; Outstanding Shares; Shares Entitled to Vote (Page 33)

Only holders of record of Alliance common stock at the close of business on the record date of January 14, 2013, are entitled to notice of and to vote at the special meeting. As of the record date, there were 4,782,185 shares of Alliance common stock outstanding, held of record by approximately 843 shareholders.

Quorum; Vote Required (Page 33)

A quorum of Alliance shareholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of Alliance common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. Alliance will include proxies marked as abstentions and broker non-votes in determining the presence of a quorum at the special meeting.

The affirmative vote of the holders of at least two-thirds of the outstanding shares of Alliance common stock is required to adopt the merger agreement. The affirmative vote of the holders of at least a majority of votes cast is required to approve, on an advisory (non-binding) basis, the golden parachute compensation payable to the named executive officers of Alliance in connection with the merger, and the proposal to adjourn the special meeting.

Share Ownership of Management; Voting Agreement (Page 34)

As of the record date, the directors and executive officers of Alliance and their affiliates collectively owned 475,617 shares of Alliance common stock, or approximately 9.95% of Alliance's outstanding shares. Alliance currently expects that each of its directors and executive officers and their affiliates will vote their shares of Alliance common stock **FOR** adoption of the merger agreement and the other proposals described in the notice for the special meeting, although, except for Alliance's Chairman, Chief Executive Officer and President, Jack H. Webb, none of them has entered into an agreement requiring them to do so.

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Mr. Webb has entered into a voting agreement with NBT, which requires Mr. Webb to vote all of the shares of Alliance common stock beneficially owned by him in favor of adoption of the merger agreement. As of the record date, Mr. Webb held 56,617 shares of Alliance common stock, which represented approximately 1.18% of the outstanding shares of Alliance common stock as of the record date. Mr. Webb was not paid any additional consideration in connection with the execution of the voting agreement. In addition, NBT holds 39,693 shares of Alliance common stock, which represented approximately 0.8% of the outstanding shares of Alliance common stock as of the record date.

The Special Meeting of Stockholders of NBT

Date, Time and Place of the Special Meeting (Page 37)

NBT will hold its special meeting of stockholders at the Binghamton Riverwalk Hotel & Conference Center, 225 Water Street, Binghamton, New York 13901 on March 5, 2013, at 10:00 a.m., local time.

Purpose of the Special Meeting (Page 37)

At the special meeting you will be asked to vote upon a proposal to adopt and approve the merger agreement and, if necessary, a proposal to approve one or more adjournments of the special meeting.

Recommendation of NBT Board of Directors (Page 37)

The NBT board of directors unanimously recommends that you vote **FOR** adoption and approval of the merger agreement and **FOR** approval of the proposal to adjourn the special meeting.

Record Date; Outstanding Shares; Shares Entitled to Vote (Page 37)

Only holders of record of NBT common stock at the close of business on the record date of January 14, 2013, are entitled to notice of and to vote at the special meeting. As of the record date, there were 33,762,092 shares of NBT common stock outstanding, held of record by approximately 6,598 stockholders.

Quorum; Vote Required (Page 37)

A quorum of NBT stockholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of NBT common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. NBT will include proxies marked as abstentions and broker non-votes in determining the presence of a quorum at the special meeting.

The affirmative vote of the holders of at least a majority of the outstanding shares of NBT common stock is required to adopt and approve the merger agreement. The affirmative vote of the holders of at least a majority of the shares present and entitled to vote at the special meeting is required to approve the proposal to adjourn the special meeting.

Share Ownership of Management (Page 38)

As of the record date, the directors and executive officers of NBT and their affiliates collectively owned 1,140,693 shares of NBT common stock, or approximately 3.38% of NBT's outstanding shares. NBT currently expects that each of its directors and executive officers and their affiliates will vote their shares of NBT common stock **FOR** adoption and approval of the merger agreement, although none of them has entered into an agreement requiring them to do so.

The Merger and the Merger Agreement

The proposed merger is of Alliance with and into NBT, with NBT as the surviving corporation in the merger. The merger agreement is attached to this joint proxy statement/prospectus as Annex A. Please carefully read the merger agreement as it is the legal document that governs the merger.

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Structure of the Merger (Page 81)

Subject to the terms and conditions of the merger agreement, and in accordance with the Delaware General Corporation Law and the New York Business Corporation Law, at the completion of the merger, Alliance will merge with and into NBT. NBT will be the surviving corporation in the merger and will continue its corporate existence under the laws of the State of Delaware. Upon completion of the merger, the separate corporate existence of Alliance will terminate.

Consideration to be Received in the Merger (Page 82)

Upon completion of the merger, each outstanding share of Alliance common stock (other than any stock held by Alliance or NBT, which will be cancelled) will be converted into the right to receive 2.1779 shares of NBT common stock (together with the associated stock purchase rights which are attached to, and trade with, shares of NBT common stock).

No fractional shares of NBT common stock will be issued to any holder of Alliance common stock upon completion of the merger. For each fractional share that would otherwise be issued, NBT will pay each shareholder cash (without interest) in an amount equal to the fractional share interest to which such shareholder would otherwise be entitled multiplied by the average of the daily closing prices of NBT common stock during the regular session of NBT common stock on NASDAQ for the five consecutive trading days ending on the third business day immediately prior to the closing date, rounded to the nearest whole cent.

Treatment of Stock-Based Awards (Page 82)

At the effective time of the merger, all of the then outstanding Alliance restricted stock awards will fully vest in accordance with their existing terms, and all of the related shares will be converted in the merger into the right to receive the same merger consideration for which other outstanding shares of Alliance common stock will be exchanged in the merger.

Treatment of Alliance's Deferred Compensation Plans (Page 83)

Without any action of any participant in any Alliance stock-based deferred compensation plan, all amounts held in participant accounts and denominated in Alliance common stock will be converted in accordance with the existing terms of such plans into the number of shares of NBT common stock that is equal to the number of shares of Alliance common stock immediately prior to the effective time multiplied by 2.1779.

Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Alliance (Page 50)

On October 7, 2012, Keefe, Bruyette & Woods, Inc., or KBW, rendered to the Alliance board of directors its oral opinion, subsequently confirmed in writing that, as of such date, the consideration to be received in the merger was fair to Alliance shareholders from a financial point of view. The full text of KBW's written opinion, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken in connection with the opinion, is attached to this document as [Annex B](#). Alliance shareholders are urged to read the opinion in its entirety. KBW's opinion speaks only as of the date of the opinion. **The opinion is directed to the Alliance board of directors and addresses only the fairness, from a financial point of view, of the exchange ratio to the holders of Alliance common stock. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any Alliance shareholder as to how the shareholder should vote at the Alliance special meeting on the merger agreement or any related matter.**

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Opinion of Ambassador Financial Group, Financial Advisor to NBT (Page 67)

On October 7, 2012, Ambassador Financial Group, or AFG, rendered to the NBT board its oral opinion, subsequently confirmed in writing that, as of such date, the consideration to be paid in the merger was fair to NBT stockholders from a financial point of view. The full text of AFG's written opinion, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken in connection with the opinion, is attached to this document as Annex C. NBT stockholders are urged to read the opinion in its entirety. **AFG's written opinion is addressed to the board of directors of NBT and is directed only to the fairness of the merger consideration to NBT stockholders from a financial point of view. The written opinion does not address the underlying business decision of NBT to engage in the merger or any other aspect of the merger and is not a recommendation to any NBT stockholder as to how such stockholder should vote at the special meeting with respect to the merger agreement or any other matter.**

Interests of Alliance's Directors and Executive Officers in the Merger (Page 61)

Alliance executive officers and directors have financial interests in the merger that are in addition to, or different from, the interests of Alliance shareholders generally. These interests include certain payments and benefits that may be provided to directors and executive officers of Alliance upon completion of the merger, including acceleration of restricted stock awards and payment of discretionary bonuses, or upon termination of their employment under specified circumstances at the time of or following the merger, including cash severance and continued health insurance benefits. Additionally, NBT entered into an agreement with Jack H. Webb regarding his continuing role with the combined company following the merger. The Alliance board of directors was aware of those interests and considered them, among other matters, when it approved the merger agreement.

NBT's and NBT Bank's Board of Directors After the Merger (Page 75)

Immediately following the effective time of the merger, NBT has agreed that it will designate Jack H. Webb, the current Chairman, Chief Executive Officer and President of Alliance, and two other Alliance directors to serve on the NBT board of directors. The designees shall also be appointed to the board of directors of NBT Bank effective immediately following the effective time of the bank merger.

Bank Merger (Page 75)

The merger agreement provides that as soon as practicable after the consummation of the merger, Alliance Bank shall be merged with and into NBT Bank with NBT Bank surviving.

No Solicitation of Alternative Transactions (Page 88)

The merger agreement restricts Alliance's ability to solicit or engage in discussions or negotiations with a third party regarding a proposal to acquire a significant interest in Alliance. However, if Alliance receives a bona fide unsolicited written acquisition proposal from a third party that is, or is reasonably likely to be, more favorable to Alliance shareholders than the terms of the merger agreement, Alliance may furnish nonpublic information to that third party and engage in negotiations regarding an acquisition proposal with that third party, subject to specified conditions in the merger agreement. In addition, the Alliance board of directors may not:

modify, qualify, withhold or withdraw its approval or recommendation of the merger agreement;

approve or recommend another acquisition proposal to its shareholders; or

cause Alliance to enter into a letter of intent or definitive agreement with respect to an acquisition transaction or that requires Alliance to abandon, terminate or fail to consummate the merger.

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However, the Alliance board of directors may modify, qualify, withhold or withdraw its recommendation of the merger agreement if it determines in good faith, after consultation with counsel and a financial advisor, that an acquisition proposal is a superior proposal and, after consultation with counsel, that it is required to take such action to comply with its fiduciary duties to shareholders under applicable law. In that event, Alliance must provide NBT with notice of such determination and cooperate and negotiate in good faith with NBT to adjust or modify the terms and conditions of the merger agreement.

Conditions to Completion of the Merger (Page 93)

As more fully described in this joint proxy statement/prospectus and the merger agreement, the completion of the merger depends on a number of conditions being satisfied or waived, including:

NBT and Alliance stockholders must approve the merger agreement;

NBT and Alliance must have obtained all regulatory approvals required to consummate the transactions contemplated by the merger agreement, all related statutory waiting periods must have expired, and none of the regulatory approvals shall have imposed any term, condition or restriction that NBT reasonably determines would prohibit or materially limit the ownership or operation by NBT or Alliance of all or any material portion of the business or assets of NBT or Alliance, or compel NBT to dispose of or hold separate all or any material portion of the business or assets of Alliance or NBT, which we refer to in this joint proxy statement/prospectus as a burdensome condition;

the absence of any order, decree or injunction in effect, or any law, statute or regulation enacted or adopted, that enjoins, prohibits, materially restricts or makes illegal the consummation of the transactions contemplated by the merger agreement;

NBT and Alliance must each receive a legal opinion from their respective counsel regarding treatment of the merger as a reorganization for federal income tax purposes;

the representations and warranties of each of NBT and Alliance in the merger agreement must be accurate, subject to exceptions that would not have a material adverse effect;

NBT and Alliance must each have performed in all material respects all obligations required to be performed by it; and

no event or development must have occurred with respect to NBT or Alliance that has had, or would reasonably be expected to have, a material adverse effect.

Termination of the Merger Agreement (Page 94)

NBT and Alliance can mutually agree to terminate the merger agreement before the merger has been completed, and either company can terminate the merger agreement if:

the merger is not consummated by July 1, 2013, unless the terminating party's failure to comply with the merger agreement was the cause of the failure of the merger to occur on or before this date;

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the other party materially breaches any of its representations, warranties, covenants or other agreements contained in the merger agreement (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement), and the breach cannot be or has not been cured within 30 days of written notice of the breach and such breach would entitle the non-breaching party not to consummate the transactions contemplated by the merger agreement;

any regulatory approval required for consummation of the merger and the other transactions contemplated by the merger agreement has been denied by final nonappealable action of any regulatory

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authority, or any governmental entity has issued a final nonappealable order, injunction or decree enjoining or otherwise prohibiting the transactions contemplated by the merger agreement, provided that the terminating party has used its reasonable best efforts to have the order, injunction or decree lifted; or

the required approval of the merger agreement by the NBT or Alliance stockholders is not obtained.

In addition, NBT may terminate the merger agreement if:

the Alliance board of directors:

withdraws, qualifies, amends, modifies or withholds its recommendation to the Alliance shareholders to vote in favor of the merger agreement or makes any statement, filing or release that is inconsistent with the recommendation;

materially breaches its obligation to call, give notice of and commence the special meeting;

approves or recommends another acquisition proposal;

fails to publicly recommend against a publicly announced acquisition proposal within five business days of being requested to do so by NBT;

fails to publicly reconfirm its recommendation to its shareholders to vote in favor of the merger agreement within five business days of being requested to do so by NBT; or

resolves or otherwise determines to take, or announces an intention to take, any of the actions listed above; or

Alliance breaches in any material respect the provisions in the merger agreement prohibiting the solicitation of other offers.

In addition, Alliance has the right to terminate the merger agreement if the average closing price of NBT common stock for a specified period prior to closing is less than \$17.74 and NBT common stock underperforms a specified peer-group index by more than 20%. However, NBT will have the option to increase the amount of NBT common stock to be provided to Alliance shareholders, in which case no termination will occur.

Termination Fee (Page 96)

Alliance has agreed to pay to NBT a termination fee of approximately \$9.3 million if:

NBT terminates the merger agreement as a result of the Alliance board of directors:

withdrawing, qualifying, amending, modifying or withholding its recommendation to the Alliance shareholders to vote in favor of the merger agreement or making any statement, filing or release that is inconsistent with the recommendation;

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materially breaching its obligation to call, give notice of and commence the special meeting;

approving or recommending another acquisition proposal;

failing to publicly recommend against a publicly announced acquisition proposal within five business days of being requested to do so by NBT;

failing to publicly reconfirm its recommendation to its shareholders to vote in favor of the merger agreement within five business days of being requested to do so by NBT; or

resolving or otherwise determining to take, or announcing an intention to take, any of the actions listed above;

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NBT terminates the merger agreement as a result of a material breach by Alliance of the provisions in the merger agreement prohibiting the solicitation of other offers;

NBT or Alliance terminates the merger agreement as a result of:

the failure of the Alliance shareholders to approve the merger agreement, or the merger not having been consummated by July 1, 2013, due to the failure of Alliance shareholders to approve the merger agreement, and both an acquisition proposal with respect to Alliance has been publicly announced, disclosed or otherwise communicated to the Alliance board of directors or senior management of Alliance prior to July 1, 2013, or prior to the special meeting, as applicable; and

within 12 months of termination of the merger agreement, Alliance recommends to its shareholders another acquisition proposal or enters into a definitive agreement with respect to, or consummates, another acquisition transaction; or

NBT terminates the merger agreement as a result of a material breach by Alliance of any of its representations, warranties, covenants or agreements contained in the merger agreement, if both:

an acquisition proposal with respect to Alliance has been publicly announced, disclosed or otherwise communicated to the Alliance board of directors or senior management of Alliance prior to such breach or during the related cure period; and

within 12 months of termination of the merger agreement, Alliance recommends to its shareholders another acquisition proposal or enters into a definitive agreement with respect to, or consummates, another acquisition transaction.

Waiver or Amendment of Merger Agreement Provisions (Page 97)

At any time prior to the completion of the merger, a provision of the merger agreement may be waived by the party intended to benefit by the provision, or may be amended or modified by a written action taken or authorized by the parties' respective boards of directors. However, after the approval of the merger agreement by the Alliance shareholders, no amendment will be made which by law requires further approval by Alliance shareholders without such further approval.

Material U.S. Federal Income Tax Consequences of the Merger (Page 75)

The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Accordingly, Alliance shareholders generally will not recognize any gain or loss on the conversion of shares of Alliance common stock solely into shares of NBT common stock. However, an Alliance shareholder generally will be subject to tax on cash received in lieu of any fractional share of NBT common stock that an Alliance shareholder would otherwise be entitled to receive.

Regulatory Approvals Required for the Merger (Page 77)

To complete the merger, NBT and Alliance need the prior approval of the Board of Governors of the Federal Reserve Board, or FRB. The United States Department of Justice is able to provide input into the approval process of federal banking agencies to challenge the approval on antitrust grounds. The FRB approved NBT's request to waive the filing requirements of the Bank Holding Company Act of 1956, as amended, or the BHCA, on January 14, 2013. In addition, the Office of the Comptroller of the Currency, or OCC, approved the merger of Alliance Bank, N.A. into NBT Bank, N.A. on December 21, 2012.

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Accounting Treatment of the Merger (Page 78)

The merger will be accounted for using the purchase method of accounting with NBT treated as the acquiror. Under this method of accounting, Alliance's assets and liabilities will be recorded by NBT at their respective fair values as of the closing date of the merger and added to those of NBT. Any excess of purchase price over the net fair values of Alliance's assets and liabilities will be recorded as goodwill. Any excess of the fair value of Alliance's net assets over the purchase price will be recognized in earnings by NBT on the closing date of the merger.

Appraisal Rights (Page 78)

Under the New York General Corporation Law, Alliance shareholders will not have appraisal rights in connection with the merger.

Listing of NBT Common Stock to be Issued in the Merger (Page 78)

NBT's common stock is quoted on the NASDAQ Global Select Market under the trading symbol NBTB.

Charitable Commitments (Page 91)

For a period of three years following the effective time, NBT will continue Alliance's charitable giving in the region currently served by Alliance at an annual level of at least \$300,000.

Differences Between Rights of NBT and Alliance Stockholders (Page 98)

As a result of the merger, holders of Alliance common stock will become holders of NBT common stock. Following the merger, Alliance shareholders will have different rights as stockholders of NBT than as shareholders of Alliance due to the different provisions of the governing documents of NBT and Alliance. For additional information regarding the different rights as stockholders of NBT than as shareholders of Alliance, see *Comparison of Stockholder Rights* beginning on page 98.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF NBT BANCORP INC.**

The following tables set forth selected historical financial and other data of NBT for the periods and at the dates indicated. The information is derived in part from and should be read together with the audited consolidated financial statements and notes thereto of NBT incorporated by reference elsewhere in this joint proxy statement/prospectus. The information at and for the nine months ended September 30, 2012 and 2011 is unaudited. However, in the opinion of management of NBT, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of operations for the unaudited periods have been made. The selected operating data presented below for the nine months ended September 30, 2012 and 2011 are not necessarily indicative of the results that may be expected for future periods.

<i>(In thousands, except share and per share data)</i>	At or for the Nine Months Ended September 30,			At or for the Year ended December 31,			
	2012	2011	2011	2010	2009	2008	2007
Interest, fee and dividend income	\$ 178,540	\$ 180,099	\$ 239,997	\$ 255,738	\$ 273,393	\$ 294,414	\$ 306,117
Interest expense	26,790	30,322	39,721	53,210	76,924	108,368	141,090
Net interest income	151,750	149,777	200,276	202,528	196,469	186,046	165,027
Provision for loan and lease losses	13,329	15,161	20,737	29,809	33,392	27,181	30,094
Noninterest income excluding securities gains	64,787	60,083	80,161	80,614	79,987	70,171	57,586
Securities gains, net	578	98	150	3,274	144	1,535	2,113
Noninterest expense	145,295	133,264	180,676	178,291	170,566	146,813	122,517
Income before income taxes	58,491	61,533	79,174	78,316	72,642	83,758	72,115
Net income	41,442	44,179	57,901	57,404	52,011	58,353	50,328
Per common share							
Basic earnings	\$ 1.24	\$ 1.30	\$ 1.72	\$ 1.67	\$ 1.54	\$ 1.81	\$ 1.52
Diluted earnings	1.23	1.29	1.71	1.66	1.53	1.80	1.51
Cash dividends paid	0.60	0.60	0.80	0.80	0.80	0.80	0.79
Book value at year-end	17.09	16.28	16.23	15.51	14.69	13.24	12.29
Tangible book value at year-end(1)	12.06	12.24	11.70	11.63	10.75	9.01	8.78
Average diluted common shares outstanding	33,626	34,159	33,924	34,509	33,903	32,427	33,421
Securities available for sale, at fair value	\$ 1,191,107	\$ 1,169,552	\$ 1,244,619	\$ 1,129,368	\$ 1,116,758	\$ 1,119,665	\$ 1,140,114
Securities held to maturity, at amortized cost	61,302	72,959	70,811	97,310	159,946	140,209	149,111
Loans and leases	4,251,119	3,708,090	3,800,203	3,610,006	3,645,398	3,651,911	3,455,851
Allowance for loan and lease losses	70,734	71,334	71,334	71,234	66,550	58,564	54,183
Assets	6,028,916	5,478,451	5,598,406	5,338,856	5,464,026	5,336,088	5,201,776
Deposits	4,806,015	4,265,064	4,367,149	4,134,352	4,093,046	3,923,258	3,872,093
Borrowings	579,931	604,054	627,358	604,730	786,097	914,123	868,776
Stockholders equity	576,661	538,848	538,110	533,572	505,123	431,845	397,300

(1) Calculated by subtracting goodwill and intangible assets from stockholders equity and dividing the difference by common shares outstanding.

Table of Contents**Tangible Book Value:**

Year End Equity	576,661	538,848	538,110	533,572	505,123	431,845	397,300
Year End Intangibles	169,597	133,747	150,223	132,384	135,528	138,205	113,571
Common Shares Outstanding	33,743	33,103	33,157	34,503	34,385	32,606	32,326
	\$ 12.06	\$ 12.24	\$ 11.70	\$ 11.63	\$ 10.75	\$ 9.01	\$ 8.78

Key ratios

Return on average assets(a)	0.95%	1.09%	1.06%	1.05%	0.96%	1.11%	0.98%
Return on average equity(a)	9.97	10.95	10.73	10.92	10.90	14.16	12.60
Average equity to average assets	9.55	10.00	9.90	9.63	8.79	7.83	7.81
Net interest margin(b)	3.87	4.13	4.09	4.15	4.04	3.95	3.61
Dividend payout ratio	48.78	46.51	46.78	48.19	52.29	44.44	52.32
Tier 1 leverage	8.51	9.21	8.74	9.16	8.35	7.17	7.14
Tier 1 risk-based capital	10.82	12.00	11.56	12.44	11.34	9.75	9.79
Total risk-based capital	12.07	13.25	12.81	13.70	12.59	11.00	11.05

Asset Quality

Total nonperforming loans to loans and leases	1.07%	1.19%	1.09%	1.24%	1.13%	0.73%	0.88%
Total nonperforming assets to total assets	0.79%	0.82%	0.78%	0.86%	0.80%	0.51%	0.60%
Total allowance for loan and lease losses to nonperforming loans	155.04%	161.11%	171.97%	159.03%	161.25%	221.03%	177.19%
Allowance for loan and lease losses to loans and leases outstanding at end of year	1.66%	1.92%	1.88%	1.97%	1.83%	1.60%	1.57%
Net charge-offs to average loans and leases outstanding(a)	0.47%	0.55%	0.56%	0.69%	0.70%	0.64%	0.77%

(a) Annualized

(b) Calculated on a FTE basis

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF
ALLIANCE FINANCIAL CORPORATION

The following tables set forth selected historical financial and other data of Alliance for the periods and at the dates indicated. The information is derived in part from and should be read together with the audited consolidated financial statements and notes thereto of Alliance incorporated by reference elsewhere in this joint proxy statement/prospectus. The information at and for the nine months ended September 30, 2012 and 2011 is unaudited. However, in the opinion of management of Alliance, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of operations for the unaudited periods, have been made. The selected operating data presented below for the nine months ended September 30, 2012 and 2011 are not necessarily indicative of the results that may be expected for future periods.

	Nine months ended September 30,		2011	Year ended December 31,			
	2012	2011		2010	2009	2008	2007
	(In thousands)						
Selected Financial Condition Data							
Total assets	\$ 1,446,040	\$ 1,430,783	\$ 1,409,090	\$ 1,454,622	\$ 1,417,244	\$ 1,367,358	\$ 1,307,014
Loans & leases, net of unearned income	906,383	873,166	872,721	898,537	914,162	910,755	895,533
Allowance for credit losses	8,483	11,294	10,769	10,683	9,414	9,161	8,426
Securities available-for-sale	343,211	409,155	374,306	414,410	362,158	310,993	282,220
Goodwill	30,844	30,844	30,844	30,844	32,073	32,073	32,187
Intangible assets, net	7,029	7,916	7,694	8,638	10,075	11,528	13,183
Deposits	1,126,403	1,108,061	1,083,065	1,134,598	1,075,671	937,882	945,230
Borrowings	127,134	135,181	136,310	142,792	172,707	238,972	200,757
Junior subordinated obligations	25,774	25,774	25,774	25,774	25,774	25,774	25,774
Shareholders equity	148,378	143,137	143,997	133,131	123,935	144,481	115,560
Common shareholders equity	148,378	143,137	143,997	133,131	123,935	117,563	115,560
Investment assets under management (Market value, not included in total assets)	\$ 885,067	\$ 783,215	\$ 827,504	\$ 829,426	\$ 786,302	\$ 726,019	\$ 971,078

	Nine months ended September 30,		2011	Year ended December 31,			
	2012	2011		2010	2009	2008	2007
	(In thousands, except share and per share data)						
Selected Operating Data							
Interest income	\$ 36,659	\$ 42,817	\$ 55,759	\$ 60,342	\$ 63,962	\$ 67,964	\$ 71,032
Interest expense	6,859	9,531	12,459	16,053	20,581	30,267	38,550
Net interest income	29,800	33,286	43,300	44,289	43,381	37,697	32,482
Provision for credit losses	(300)	1,110	1,910	4,085	6,100	5,502	3,790
Net interest income after provision for credit losses	30,100	32,176	41,390	40,204	37,281	32,195	28,692
Non-interest income	13,585	14,940	20,002	20,505	20,811	20,360	21,292
Total operating income	43,685	47,116	61,392	60,709	58,092	52,555	49,984
Non-interest expense	33,618	32,941	43,581	44,480	43,208	39,378	37,638
Income before taxes	10,067	14,175	17,811	16,229	14,884	13,177	12,346
Income tax expense	2,224	3,723	4,514	4,605	3,436	2,820	2,869
Net income	7,843	10,452	13,297	11,624	11,448	10,357	9,477
Dividends and accretion of discount on preferred stock					1,084	47	

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Net income available to common shareholders	\$ 7,843	\$ 10,452	\$ 13,297	\$ 11,624	\$ 10,364	\$ 10,310	\$ 9,477
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Table of Contents**Stock and Per Share Data**

Basic earnings per common share	\$ 1.64	\$ 2.20	\$ 2.80	\$ 2.49	\$ 2.25	\$ 2.23	\$ 1.98
Diluted earnings per common share	\$ 1.64	\$ 2.20	\$ 2.80	\$ 2.48	\$ 2.24	\$ 2.21	\$ 1.96
Basic weighted average common shares outstanding	4,700,624	4,664,070	4,670,052	4,619,718	4,514,268	4,542,957	4,710,530
Diluted weighted average common shares outstanding	4,700,624	4,671,688	4,675,212	4,640,096	4,543,069	4,565,709	4,754,045
Cash dividends declared	\$ 0.94	\$ 0.91	\$ 1.22	\$ 1.16	\$ 1.08	\$ 1.00	\$ 0.90
Dividend payout ratio(1)	57.3%	41.4%	43.6%	46.8%	48.2%	44.6%	45.5%
Common book value	\$ 31.03	\$ 30.15	\$ 30.19	\$ 28.15	\$ 26.86	\$ 25.67	\$ 24.53
Tangible common book value(2)	\$ 23.11	\$ 21.99	\$ 22.11	\$ 19.80	\$ 17.72	\$ 16.15	\$ 14.90

	Nine months ended September 30,		Year ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
Selected Financial and Other Data(3)							
Performance Ratios							
Return on average assets	0.74%	0.95%	0.92%	0.81%	0.81%	0.78%	0.74%
Return on average equity	7.34%	10.47%	9.88%	9.17%	8.68%	8.77%	8.48%
Return on average common equity	7.34%	10.47%	9.88%	9.17%	8.46%	8.80%	8.48%
Return on average tangible common equity	10.02%	14.83%	13.91%	13.64%	13.02%	14.19%	14.77%
Non-interest income to total income(4)	31.31%	29.03%	30.14%	30.44%	30.06%	34.86%	39.29%
Efficiency ratio(5)	77.49%	70.24%	70.32%	69.86%	69.66%	68.04%	70.35%
Rate/Yield Information							
Yield on interest-earning assets (tax equivalent)	3.95%	4.44%	4.37%	4.78%	5.15%	5.88%	6.36%
Cost of interest-bearing liabilities	0.86%	1.12%	1.11%	1.42%	1.85%	2.87%	3.78%
Net interest margin (tax equivalent)(6)	3.24%	3.49%	3.43%	3.55%	3.55%	3.35%	3.02%

	Nine months ended September 30,		At or for the Year ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
(Dollars in thousands)							
Asset Quality Ratios							
Nonperforming loans and leases	\$ 4,104	\$ 12,192	\$ 11,287	\$ 8,493	\$ 8,582	\$ 4,478	\$ 6,706
Nonperforming assets	\$ 5,089	\$ 12,864	\$ 11,772	\$ 9,145	\$ 9,027	\$ 5,135	\$ 6,935
Nonperforming loans and leases to total loans and leases	0.46%	1.40%	1.30%	0.95%	0.94%	0.49%	0.75%
Nonperforming assets to total assets	0.35%	0.90%	0.84%	0.63%	0.64%	0.38%	0.53%
Allowance for credit losses to nonperforming loans and leases	206.7%	92.6%	95.4%	125.8%	109.7%	204.6%	125.7%
Allowance for credit losses to total loans and leases	0.94%	1.30%	1.24%	1.19%	1.03%	1.01%	0.94%
Net charge-offs to average loans and leases(8)	0.30%	0.08%	0.21%	0.31%	0.63%	0.53%	0.27%
Equity Ratios							
Total common shareholders' equity to total assets	10.26%	10.00%	10.22%	9.15%	8.74%	8.60%	8.84%
Tangible common equity to tangible assets(9)	7.85%	7.50%	7.69%	6.62%	5.95%	5.59%	5.56%

Table of Contents**Regulatory Ratios****Consolidated:**

Tier 1 (core) capital	9.43%	8.80%	9.09%	8.28%	7.55%	9.59%	7.53%
Tier 1 risk-based capital	14.82%	14.42%	14.72%	13.43%	12.07%	14.05%	10.64%
Tier 1 risk based common capital(7)	11.98%	11.52%	11.81%	10.56%	9.22%	11.24%	8.76%
Total risk-based capital	15.79%	15.68%	15.97%	14.65%	13.14%	15.08%	11.59%

Bank:

Tier 1 (core) capital	8.86%	8.25%	8.50%	7.72%	7.14%	8.97%	7.26%
Tier 1 risk-based capital	13.96%	13.58%	13.80%	12.56%	11.47%	13.15%	10.34%
Total risk-based capital	14.94%	14.84%	15.05%	13.79%	12.55%	14.19%	11.30%

- (1) Cash dividends declared per share divided by diluted earnings per share.
- (2) Common shareholders' equity less goodwill and intangible assets divided by common shares outstanding.
- (3) Averages presented are daily averages.
- (4) Non-interest income (net of realized gains and losses on securities and non-recurring items; primarily a gain on the sale of the insurance agency in 2010) divided by the sum of net interest income and non-interest income (net of realized gains and losses on securities and non-recurring items; primarily a gain on the sale of the insurance agency in 2010).
- (5) Non-interest expense divided by the sum of net interest income and non-interest income (net of realized gains and losses on securities and non-recurring items; primarily a gain on the sale of the insurance agency in 2010).
- (6) Tax equivalent net interest income divided by average interest-earning assets.
- (7) Tier 1 capital excluding junior subordinated obligations issued to unconsolidated trusts divided by total risk-adjusted assets.
- (8) Net charge-offs annualized where appropriate
- (9) Alliance uses certain non-GAAP U.S. generally accepted accounting principles or non-GAAP financial measures, such as the Tangible Common Equity to Tangible Assets ratio (TCE), to provide information for investors to effectively analyze financial trends of ongoing business activities, and to enhance comparability with peers across the financial sector. Alliance believes TCE is useful because it is a measure utilized by regulators, market analysts and investors in evaluating a company's financial condition and capital strength. TCE, as defined by Alliance, represents common equity less goodwill and intangible assets. A reconciliation from Alliance's GAAP Total Equity to Total Assets ratio to the Non-GAAP Tangible Common Equity to Tangible Assets ratio is presented below (dollars in thousands):

	Nine months ended September 30,		Year ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
Total assets	\$ 1,446,040	\$ 1,430,783	\$ 1,409,090	\$ 1,454,622	\$ 1,417,244	\$ 1,367,358	\$ 1,307,014
Less: Goodwill and intangible assets, net	37,873	38,760	38,538	39,482	42,148	43,601	45,370
Tangible assets (non-GAAP)	1,408,167	1,392,023	1,370,552	1,415,140	1,375,096	1,323,757	1,261,644
Total Common Equity	148,378	143,137	143,997	133,131	123,935	117,563	115,560
Less: Goodwill and intangible assets, net	37,873	38,760	38,538	39,482	42,148	43,601	45,370
Tangible Common Equity (non-GAAP)	110,505	104,377	105,459	93,649	81,787	73,962	70,190
Total Equity/Total Assets	10.26%	10.00%	10.22%	9.15%	8.74%	8.60%	8.84%
Tangible Common Equity/Tangible Assets (non-GAAP)	7.85%	7.50%	7.69%	6.62%	5.95%	5.59%	5.56%

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SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA FOR NBT

The following Selected Unaudited Pro Forma Condensed Combined Financial Data is based on the historical financial data of NBT and Alliance, and has been prepared to illustrate the effects of the merger. The Selected Unaudited Pro Forma Condensed Combined Financial Data does not give effect to any anticipated synergies, operating efficiencies or cost savings that may be associated with the merger. The Selected Unaudited Pro Forma Condensed Combined Financial Data also does not include any integration costs the companies may incur related to the merger as part of combining the operations of the companies.

The results of operations data below is presented as if the merger was completed on January 1, 2011 and the balance sheet data below is presented as if the merger was completed on September 30, 2012.

The unaudited pro forma financial data included in this joint proxy statement/prospectus is based on the historical financial statements of NBT and Alliance, and on publicly available information and certain assumptions that NBT and Alliance believe are reasonable, which are described in the notes to the Unaudited Pro Forma Condensed Combined Financial Statements included in this joint proxy statement/prospectus.

This data should be read in conjunction with the NBT and Alliance historical consolidated financial statements and accompanying notes in NBT's and Alliance's respective Quarterly Reports on Form 10-Q as of and for the nine months ended September 30, 2012 and NBT's Annual Report on Form 10-K and Alliance's Annual Report on Form 10-K as of and for the year ended December 31, 2011.

NBT has not performed detailed valuation analysis necessary to determine the fair market values of Alliance's assets to be acquired and liabilities to be assumed. Accordingly, the pro forma condensed combined financial data does not include an allocation of the purchase price, unless otherwise specified. The pro forma adjustments included in this joint proxy statement/prospectus are subject to change depending on changes in interest rates and the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after completion of thorough analyses to determine the fair value of Alliance's tangible and identifiable intangible assets and liabilities as of the date the merger is completed. Increases or decreases in the fair values of the net assets as compared with the information shown in the unaudited pro forma combined condensed consolidated financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact NBT's statement of operations due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to Alliance's shareholders' equity, including results of operations from September 30, 2012 through the date the merger is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented in this joint proxy statement/prospectus.

NBT anticipates that the merger with Alliance will provide the combined company with financial benefits that include reduced operating expenses. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical benefits of the combined company would have been had the two companies been combined during these periods.

The unaudited pro forma stockholders' equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of NBT common stock or the actual or future results of operations of NBT for any period. Actual results may be materially different than the pro forma information presented.

See also the Unaudited Pro Forma Condensed Combined Financial Statements and notes thereto beginning on page 107.

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Selected Unaudited Pro Forma Condensed Combined Financial Data

<i>(In thousands, except per share data)</i>	As of and for the Nine Months Ended September 30, 2012	For the Year Ended December 31, 2011
<u>Consolidated Statements of Income</u>		
Total interest, fee and dividend income	\$ 212,165	\$ 290,803
Total interest expense	31,206	48,923
Net interest income	180,959	241,880
Provision for loan and lease losses	13,029	22,647
Net interest income after provision for loan and lease losses	167,930	219,233
Noninterest income	78,950	100,313
Noninterest expense	178,755	225,339
Income before income tax expense	68,125	94,207
Income tax expense	19,152	24,686
Net income	\$ 48,973	\$ 69,521
<u>Common Share Data</u>		
Basic earnings per share	\$ 1.12	\$ 1.58
Diluted earnings per share	1.11	1.57
Cash dividends per share	0.60	0.80
<u>Consolidated Balance Sheets</u>		
Total assets	\$ 7,550,468	
Securities available for sale, at fair value	1,532,413	
Securities held to maturity (fair value \$62,401)	61,302	
Loans and Leases	5,162,395	
Total Deposits	5,933,544	
Total Stockholders' equity	789,508	

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

The table below summarizes selected per share information about NBT and Alliance. NBT share information is presented on a pro forma basis to reflect the proposed merger with Alliance. NBT expects to issue approximately 10.3 million shares of its common stock in the merger.

The data in the table should be read together with the financial information and the financial statements of NBT and Alliance incorporated by reference in this joint proxy statement/prospectus. The pro forma per share data or combined results of operations per share data is presented as an illustration only. The data does not necessarily indicate the combined financial position per share or combined results of operations per share that would have been reported if the merger had occurred when indicated, nor is the data a forecast of the combined financial position or combined results of operations for any future period. No pro forma adjustments have been included in this joint proxy statement/prospectus to reflect potential effects of merger integration expenses, cost savings or operational synergies which may be obtained by combining the operations of NBT and Alliance or the costs of combining the companies and their operations.

It is further assumed that NBT will continue to pay a cash dividend after the completion of the merger at an annual rate of \$0.80 per share. The actual payment of dividends is subject to numerous factors, and no assurance can be given that NBT will pay dividends following the completion of the merger or that dividends will not be reduced in the future.

	NBT Historical	Alliance Historical	Combined Pro Forma Amounts for NBT/Alliance	Pro Forma Alliance Equivalent Shares(4)
Book value per share:(1)				
September 30, 2012	\$ 17.09	\$ 31.03	\$ 20.49	\$ 17.91
December 31, 2011(5)	\$ 16.23	\$ 30.19	\$ 19.80	\$ 17.27
Shares outstanding:				
September 30, 2012	33,742,677	4,782,185	44,071,350	
December 31, 2011(5)	33,156,710	4,769,241	43,485,383	
Cash dividends paid per common share:(2)				
Nine months ended September 30, 2012	\$ 0.60	\$ 0.94	\$ 0.60	\$ 0.60
Year ended December 31, 2011(5)	\$ 0.80	\$ 1.22	\$ 0.80	\$ 0.80
Basic earnings (loss) per common share:(3)				
Nine months ended September 30, 2012	\$ 1.24	\$ 1.64	\$ 1.29	\$ 1.12
Year ended December 31, 2011(5)	\$ 1.72	\$ 2.80	\$ 1.81	\$ 1.58
Diluted earnings (loss) per common share:(3)				
Nine months ended September 30, 2012	\$ 1.23	\$ 1.64	\$ 1.28	\$ 1.11
Year ended December 31, 2011(5)	\$ 1.71	\$ 2.80	\$ 1.80	\$ 1.57

- (1) The pro forma combined book value per share of NBT common stock is based on the pro forma combined common stockholders' equity for the merged entities divided by total pro forma common shares of the combined entity.
- (2) Pro forma cash dividends paid per share represent NBT's historical dividends per share.
- (3) The pro forma combined basic and diluted earnings per share of NBT common stock is based on the pro forma combined net income for the merged entities divided by the total pro forma basic and diluted common shares of the combined entity.
- (4) The Pro Forma Alliance Equivalent Shares are calculated by multiplying the amounts in the Combined Pro Forma for NBT/Alliance column times the 2.1779 exchange ratio, which represents the number of shares of NBT common stock an Alliance shareholder will receive for each share of Alliance common stock owned.
- (5) Historical information for Hampshire First Bank acquisition, which was completed on June 8, 2012, is not reflected in NBT's December 31, 2011 historical information; however, Hampshire First Bank is reflected in NBT's September 30, 2012 historical information.

Table of Contents**COMPARATIVE MARKET PRICE DATA AND DIVIDEND INFORMATION**

NBT and Alliance common stock are listed and traded on the NASDAQ Global Select Market under the symbols NBTB and ALNC, respectively. The following table sets forth, for the calendar quarters indicated, the high and low sales prices per share of NBT and Alliance common stock, as reported on the NASDAQ Global Select Market. In addition, the table also sets forth the quarterly cash dividends per share declared by NBT and Alliance with respect to their common stock. On January 14, 2013, the last practicable trading day prior to the date of this joint proxy statement/prospectus, there were 33,762,092 shares of NBT common stock outstanding and 4,782,185 shares of Alliance common stock outstanding.

<i>For the calendar</i>	NBT			Alliance		
	High	Low	Dividends Declared	High	Low	Dividends Declared
<i>quarterly period ended:</i>						
2013						
March 31, 2013 (up to January 14, 2013)	\$ 21.38	\$ 20.42	\$	\$ 46.26	\$ 44.42	\$
2012						
March 31, 2012	\$ 24.10	\$ 20.75	\$ 0.20	\$ 32.85	\$ 28.55	\$ 0.31
June 30, 2012	\$ 22.50	\$ 19.19	\$ 0.20	\$ 34.46	\$ 29.26	\$ 0.31
September 30, 2012	\$ 22.89	\$ 19.91	\$ 0.20	\$ 41.85	\$ 33.06	\$ 0.32
December 31, 2012	\$ 22.45					