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Investor Presentation  
Financial Results  
September 30, 2014

# Forward-Looking Statements

This presentation may contain forward-looking statements regarding NBT Bancorp Inc. These statements constitute forward-looking information within the definition of the Private Securities Litigation Reform Act of 1995.

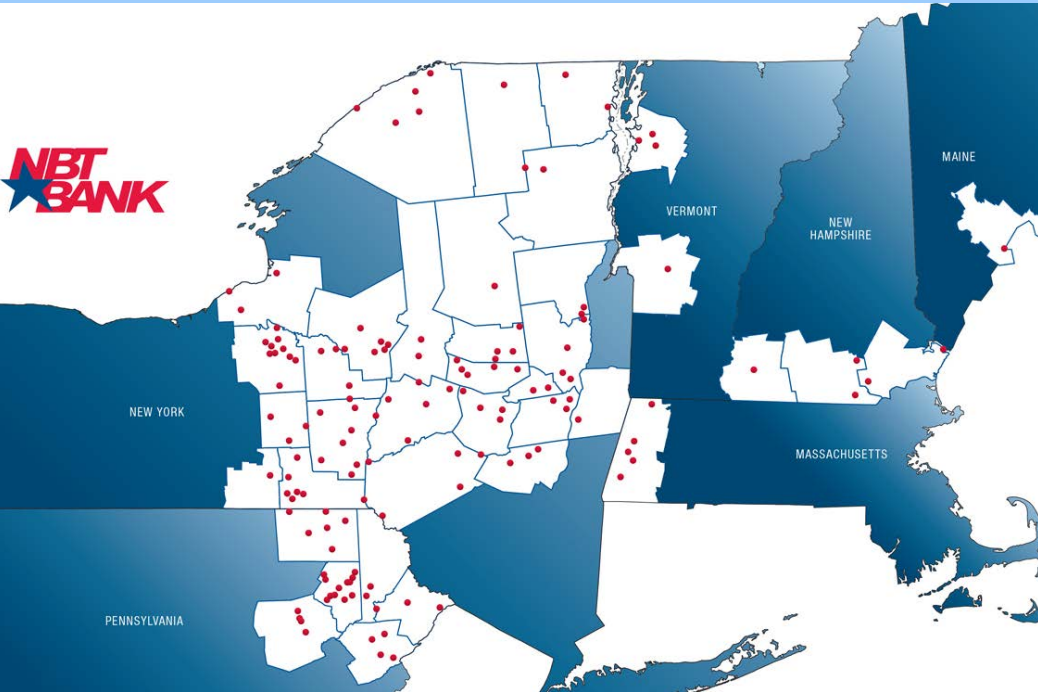
Actual results may differ materially from any forward-looking statements expressed in this presentation, since forward-looking information involves significant known and unknown risks, uncertainties and other factors.

For a discussion of the factors that might cause such differences, please refer to NBT Bancorp's public filings with the Securities and Exchange Commission. These are available online at <http://www.sec.gov>. NBT Bancorp does not undertake to update any forward-looking statements made in this presentation to reflect new information, future events or otherwise.

# Index

1. Corporate Overview
2. Strategic Focuses
  - Organic loan and deposit growth
  - Net interest margin and repricing
  - Noninterest income growth strategy
  - Organizational transformation
  - New England market
  - Efficiency
3. Alliance Acquisition
4. Financial and Stock Performance
5. Outlook

# Company Overview and Footprint



- Largest community bank headquartered in upstate New York with \$7.9 billion in assets
- Market capitalization of \$1.12 billion (at 10/31/2014, share price of \$25.68)
- NBT Bank, N.A. was founded in 1856
- Over 566,000 deposit accounts and 282,000 loans accounts
- Over 155 branch locations
- 186 ATMS

- Provide community banking services, as well as wealth management services, retirement plan administration services, and insurance services to communities across our market areas



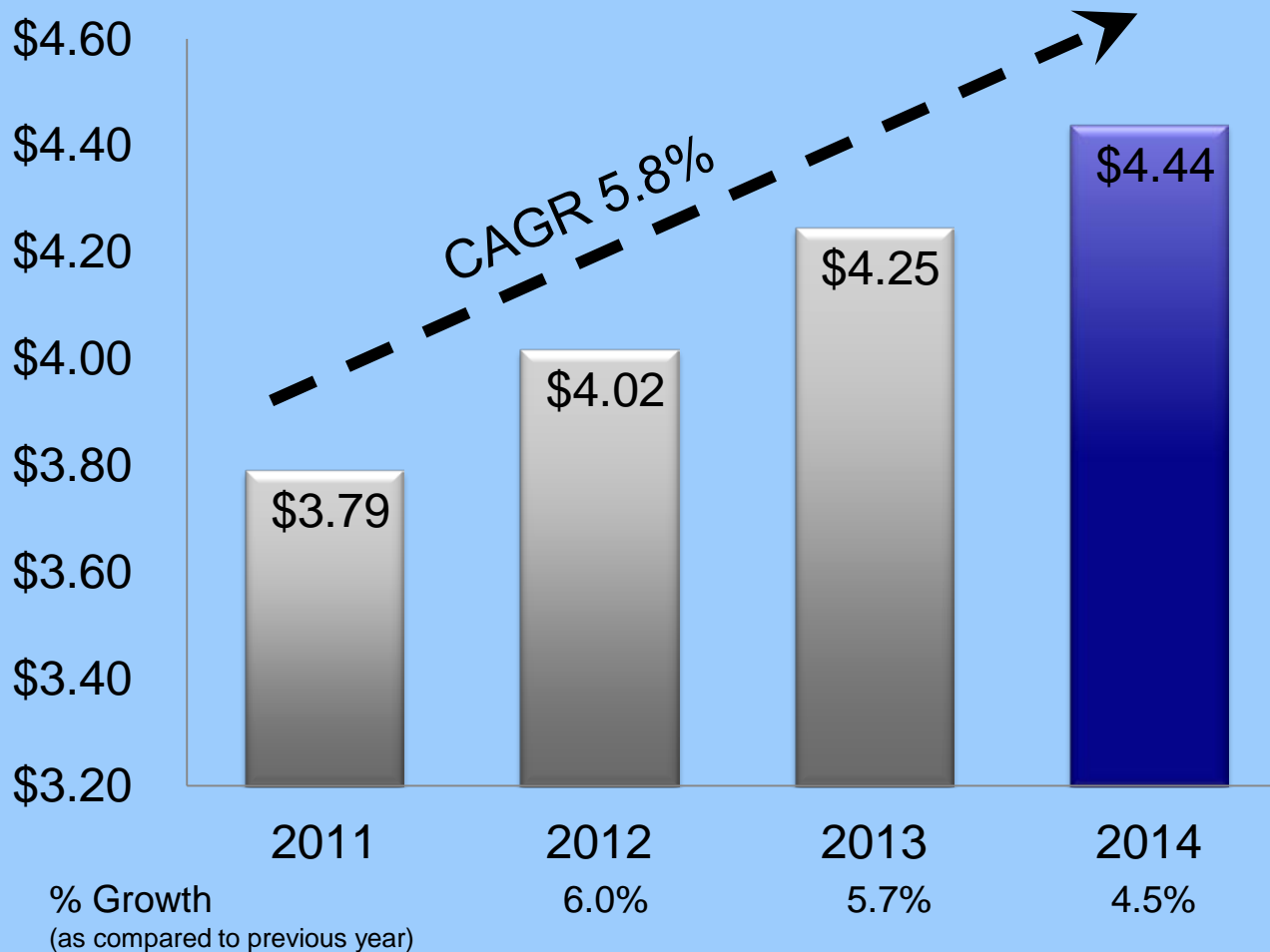
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## Strategic Focuses

# Organic Loan Growth



2014 shown as of September 30, 2014

Loan balances shown without leasing and acquired portfolios.

Acquired loan portfolios excluded include 2012 and 2013 acquisitions.

Dollars in billions



# Diversified Loan Portfolio

**Portfolios as of**  
**9/30/14**

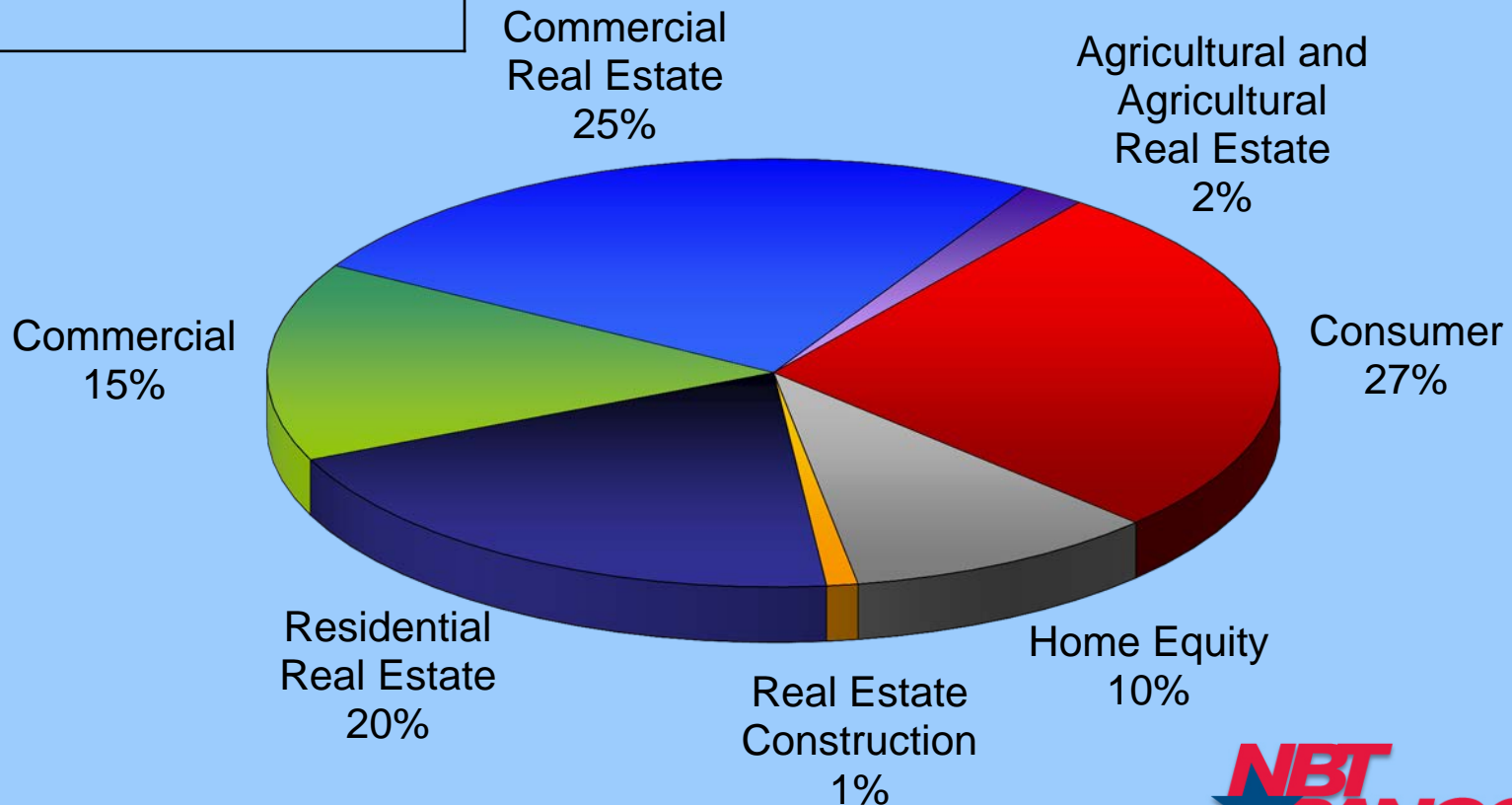
**Percent**

**Duration**

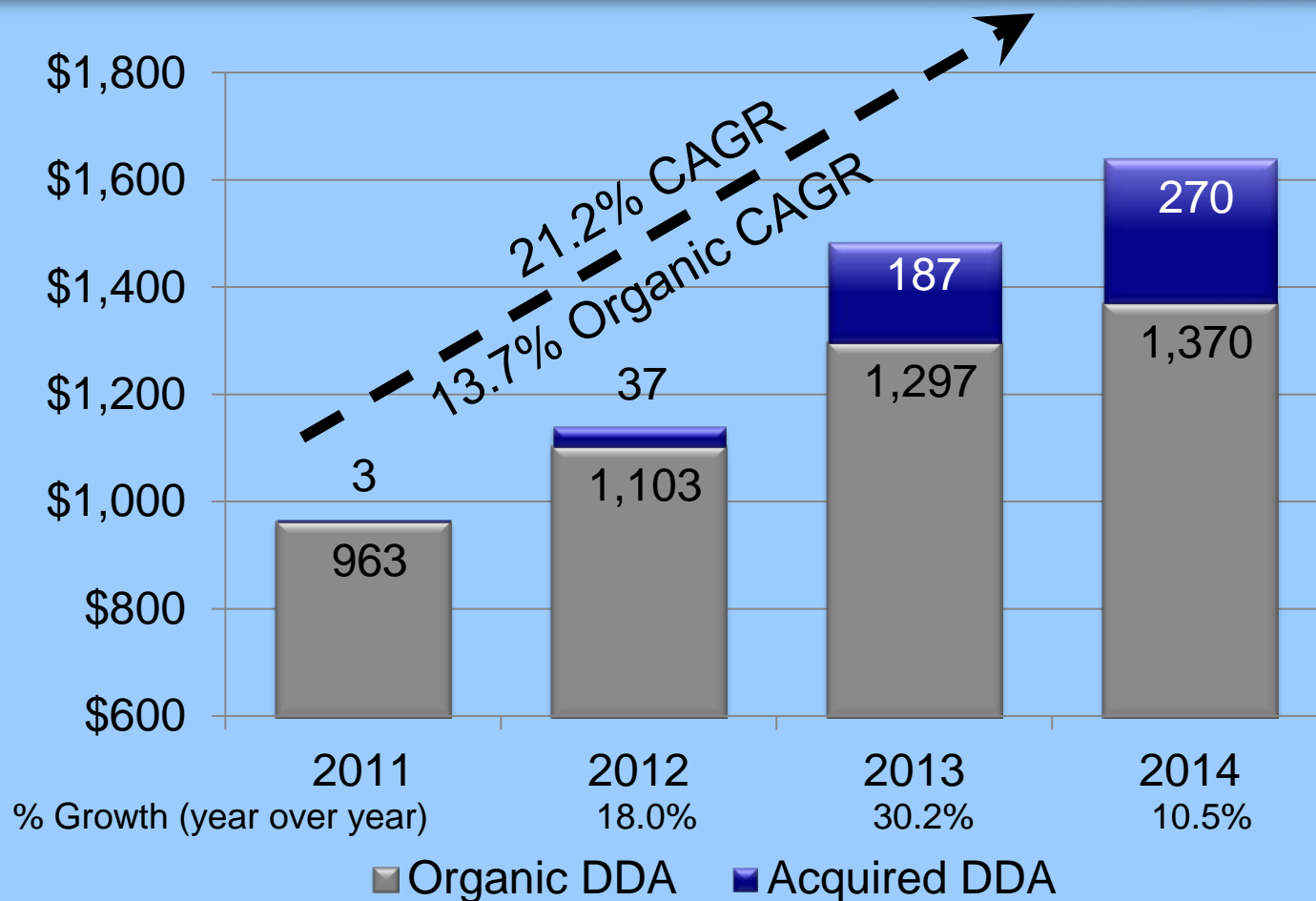
Fixed 61% 3.4 years

Adjustable &  
Variable 39%

Total Loans = \$5.6 Billion



# Demand Deposit Account Growth



2014 shown as of September 30, 2014

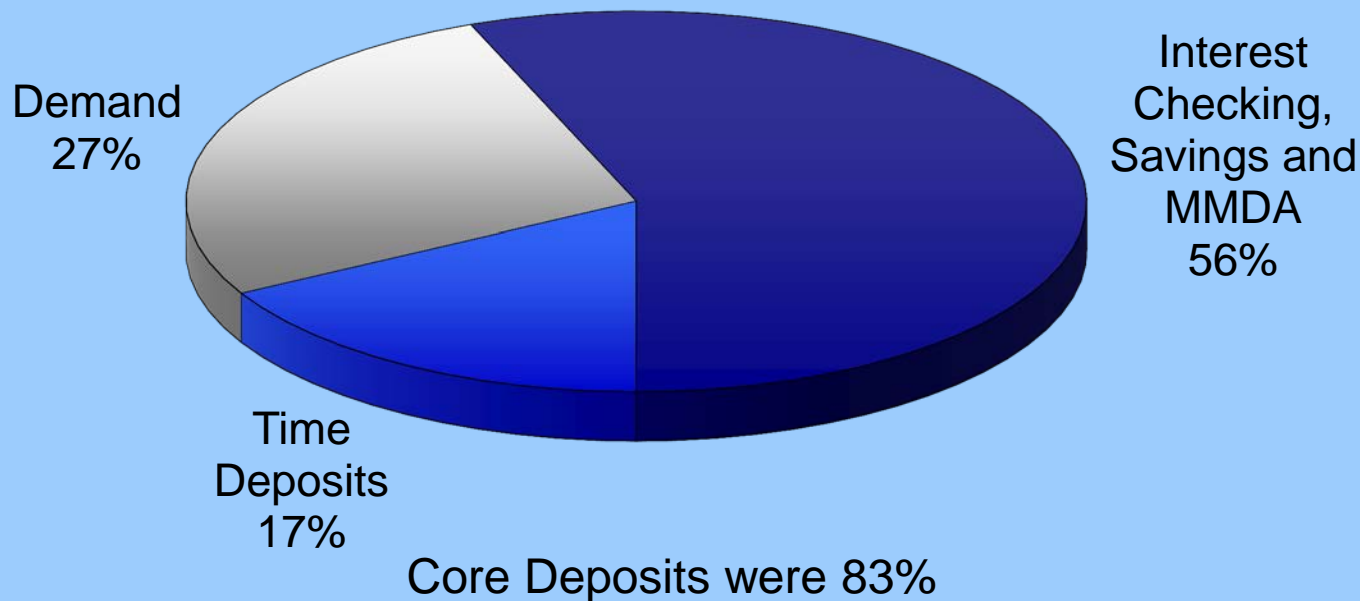
2012, 2013, and 2014 growth 14.6%, 17.6%, and 5.7% excluding acquisitions, respectively

Average balance shown in millions (Includes municipal, commercial, and retail deposits)

2014 YTD DDA growth excluding municipal accounts was 9%



# Favorable Deposit Mix

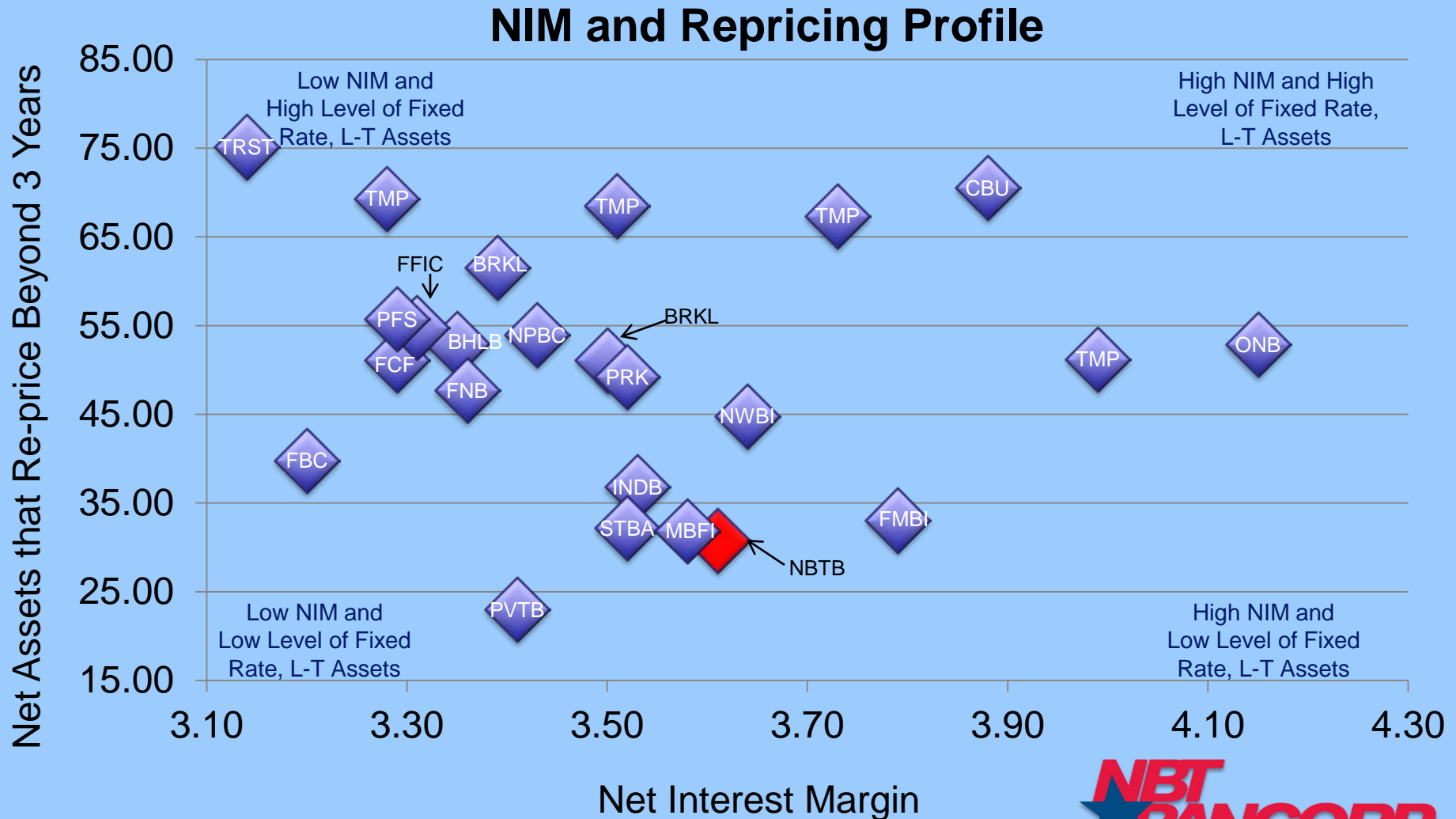


Core deposits are in the form of checking, savings and money market instruments. A mix with these desirable rate characteristics will be particularly important during a period of rising rates.

# NIM and Repricing Profile

## NBT and its Peer Group

Excludes UMBF's outlying position (data source as of 6/30/14)



# Repricing Profile – Key Metrics

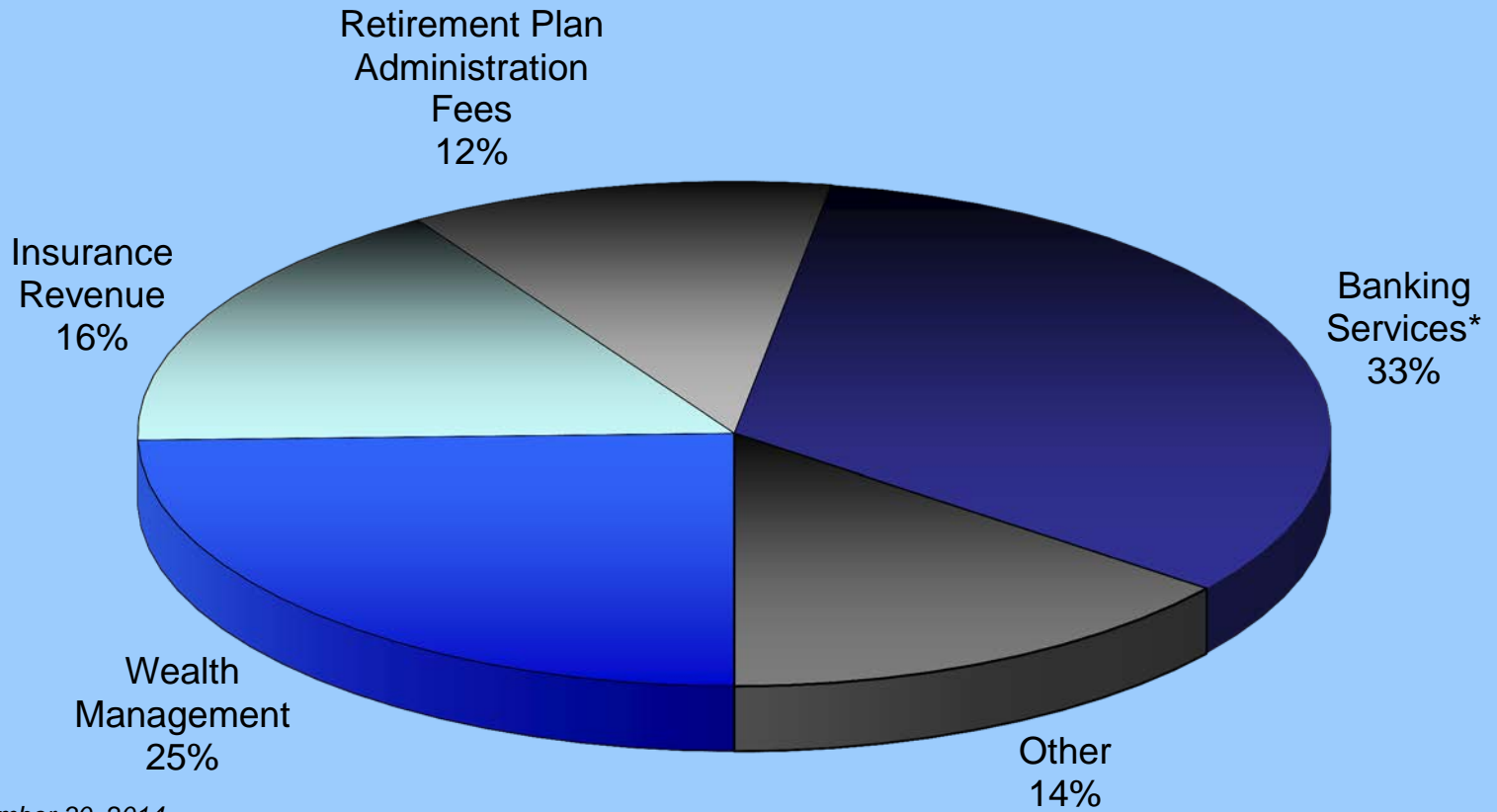
## NBT Average Ranking #3

Bank Name	Holding Company Ticker	NIM	Net Over 3 Year Position	Nonint Dep/ Deposits	Ranking
First Midwest Bank	FMBI	3.79	33.05	29.38%	1
MB Financial bank, National Association	MBFI	3.58	31.87	33.56%	2
<b>NBT Bank, National Association</b>	<b>NBTB</b>	<b>3.61</b>	<b>30.81</b>	<b>27.74%</b>	<b>3</b>
S&T Bank	STBA	3.52	32.21	28.20%	4
Old National Bank	ONB	4.15	52.88	28.19%	5
Rockland Trust Company	INDB	3.53	36.86	27.61%	6
Privatebank and Trust Company	PVTB	3.41	23.03	27.68%	6
VIST Bank	TMP	3.99	51.24	22.34%	8
Park National Bank	PRK	3.52	49.25	23.61%	9
UMB Bank, National Association	UMBF	2.49	40.13	44.35%	10
Mahopac National Bank	TMP	3.73	67.37	22.34%	11
Northwest Savings Bank	NWBI	3.64	44.83	15.11%	12
Brookline Bank	BRKL	3.50	51.11	18.57%	13
First Commonwealth Bank	FCF	3.29	51.11	22.60%	13
First National Bank of Pennsylvania	FNB	3.36	47.69	21.97%	13
Community Bank, National Association	CBU	3.88	70.55	21.05%	16
Bank of Castile	TMP	3.51	68.48	22.34%	17
Flagstar Bank	FBC	3.20	39.81	16.27%	18
National Penn Bank	NPBC	3.43	53.97	16.88%	18
Berkshire Bank	BHLB	3.35	53.00	17.74%	20
First Ipswich Bank	BRKL	3.39	61.54	18.57%	20
Tompkins Trust Company	TMP	3.28	69.34	22.34%	22
Provident Bank	PFS	3.29	55.72	17.62%	23
Flushing Bank	FFIC	3.31	54.82	6.58%	24
TrustCo Bank	TRST	3.14	75.16	8.12%	25
Data Source as of 6/30/14	UBPR	UBPR	UBPR	SNL – Hold Co	Avg. Ranking



# Diverse Sources of Noninterest Income

Total Noninterest Income = \$79.5 million  
Noninterest Income / Total Revenues = 29.7%



As of September 30, 2014

Total revenues = net interest income + noninterest income

Shown excluding securities gains/losses and gain on the sale of Springstone

\* Banking services include service charges on deposit accounts and ATM and debit card fees



# Strategic Focus on Noninterest Income Sources

*Focus on sources has helped mitigate pressure on service charges*

<u>Source of Fee Income</u>	<u>QTD</u> <u>9/30/14</u>	<u>QTD</u> <u>9/30/11</u>	<u>Change</u>	<u>CAGR</u>	<u>CAGR</u> <u>Excluding</u> <u>ALNC</u>
<u>Banking Services</u>					
Service charges on deposit accounts*	\$4,519	\$5,532	(\$1,013)	-6.52%	-13.11%
ATM and debit card fees	4,440	3,135	1,305	12.30%	5.92%
<u>Nonbanking Sources</u>					
Wealth management	6,642	3,282	3,360	26.50%	11.74%
Insurance revenue	4,295	3,935	360	2.96%	2.96%
Retirement plan administration fees	3,272	2,295	977	12.55%	12.55%

# Noninterest Income Growth Strategy

## Wealth Management

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- \$5.7 billion in assets under management and 40,858 accounts under management
- Hired Tim Brenner in March 2012
- Acquired \$905 million in assets under management with Alliance acquisition in Upstate and Western New York
  - TAC (Trust Administration Center) in Buffalo generated approximately 70% of Alliance's trust revenue
- Key growth strategies
  - Retirement plan accounts
  - Institutional investment accounts
  - Life insurance
- Growth markets include the Capital Region, New England and Syracuse

Assets and accounts under management as of September 30, 2014

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# Organizational Transformation

# Maintain Market Share in Legacy Markets and Generate Growth in New Markets



## Legacy Markets

- Significant market share
  - Pricing power
  - Strong returns
- "But limited growth opportunities"*

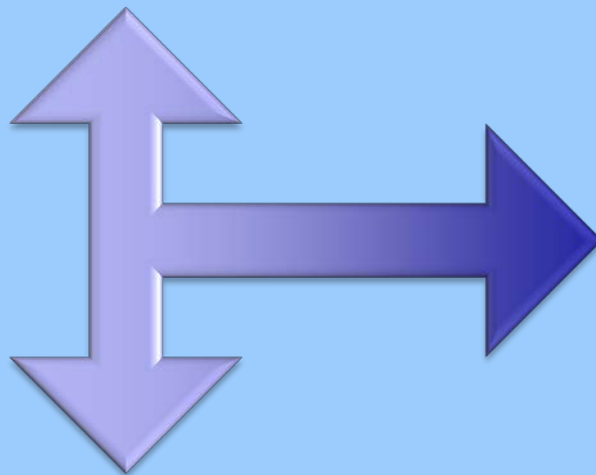


## New Markets

- Market disruption
  - Acquisition of best in-market talent
  - Capitalize on opportunities
- "Markets where we can grow"*



# Unified Branding



# New England Region



*Rutland Vermont opened August 12 and Portland Maine office opened in 2014*

State	Year Opened	Branches	Assets	Deposits
VT	2009	4	\$361	\$82
MA	2011	6	\$78	\$118
NH	2012	5	\$276	\$112
		15	\$715	\$312

## Region Highlights

- Proven growth strategy
  - Expansion in Vermont
    - YOY Loan & Deposit growth 20% and 31%
  - Acquisitions in MA and NH in 2011 and 2012
    - YOY Loan & Deposit growth 19% and 14%
- Total annual payroll in market is \$6 million
- Attractive market demographics
  - Higher median household income
- Large banks have over 60% of market share
- Wealth management assets under management \$205 million

# New England Strategy

## Maine Expansion

- Portland Location
- Targeted Focus on Corporate Clients
  - Commercial Banking
  - Wealth Management
- Leadership
  - John H. Watt, Jr., President of Maine

# New England Strategy

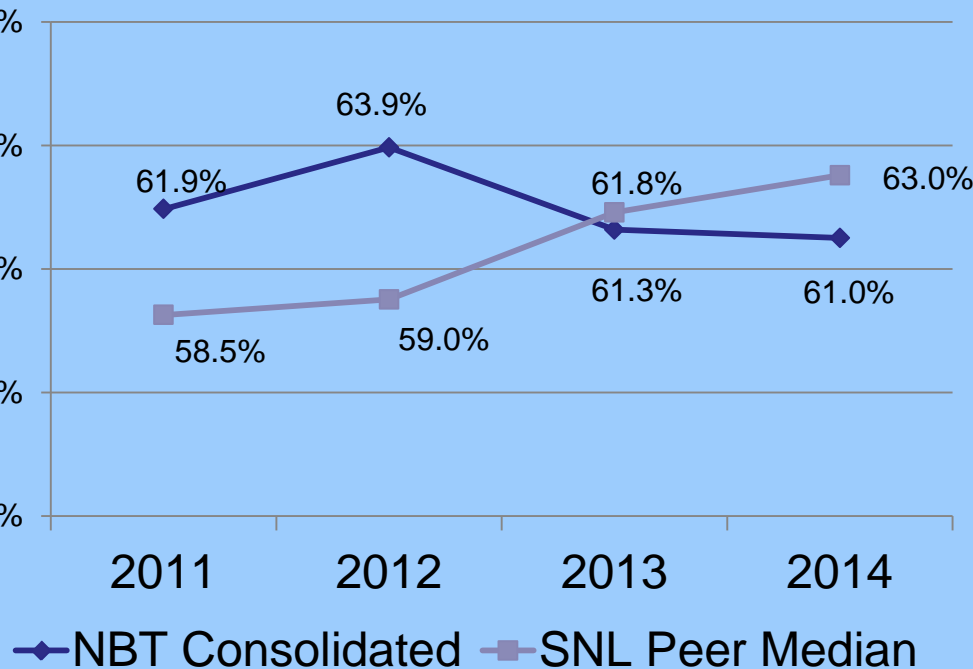
## Rutland Vermont Office

- Opened August 12
- Established NBT Presence on Route 7 Corridor
- Focus on Commercial Banking
- Modest Investment



# Focus on Cost Structure and Efficiencies

Efficiency Ratio

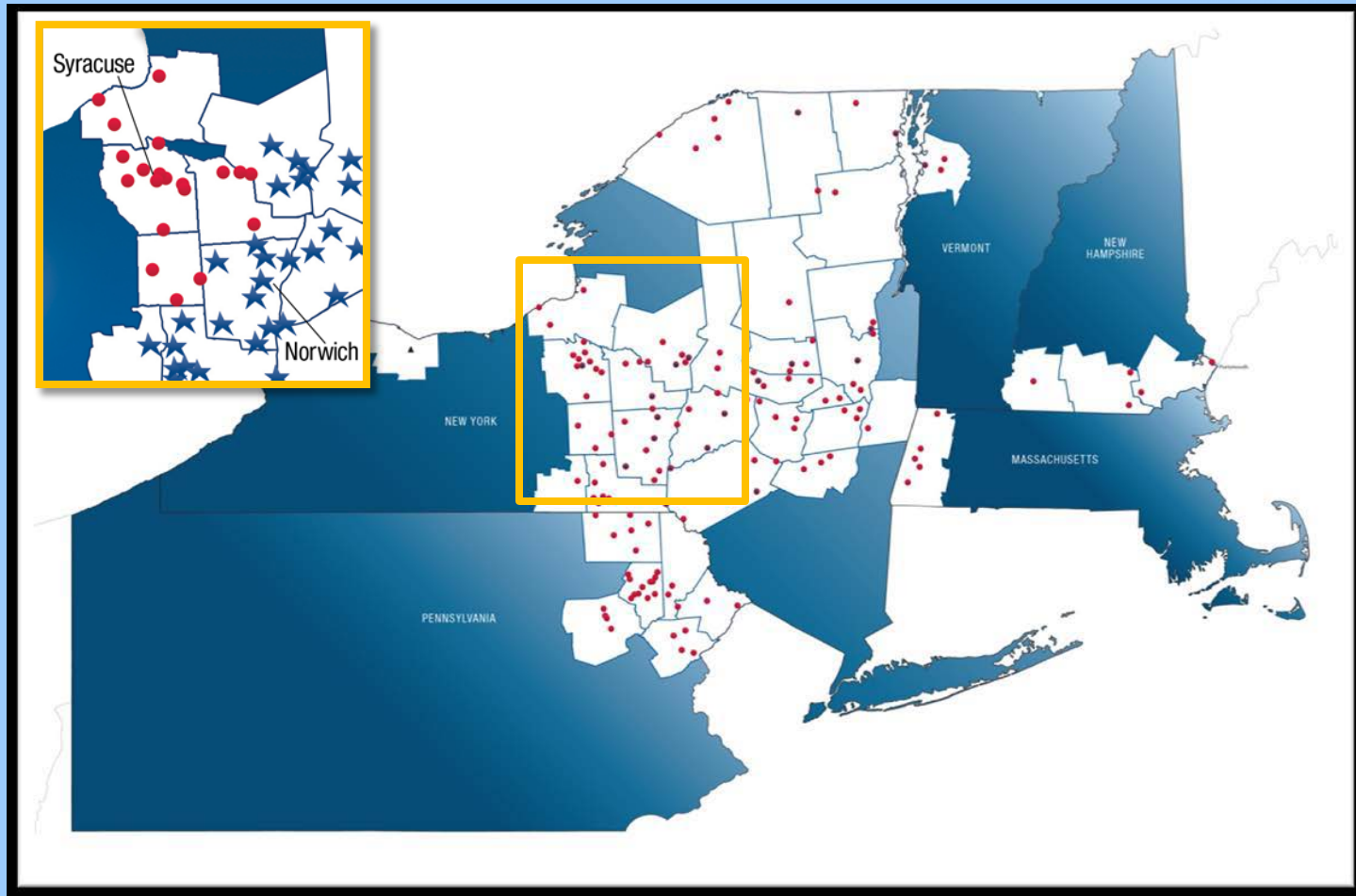


Primary drivers of the decrease in the efficiency ratio from 2012:

- Growth in net interest income
  - Loan growth
  - Growth in noninterest checking
- Increase in wealth management revenues
- Strategic focus on efficiency
- Alliance cost savings achieved

The efficiency ratio for the year is expected to be under 61%

# Alliance Acquisition



# Successful Integration of Alliance

- Achieved 35% cost savings
- Resulted in no material run off in loans and deposits
- Retained key personnel
- Created a franchise that began growing immediately

## Composite Ranking

CBU	1
STBA	2
NPBC	3
FNB	4
NBTB	5
PVTB	5
TMP	7
MBFI	8
ONB	9
INDB	10
BRKL	11
PRK	11
PFS	13
TRST	13
BHLB	15
FFIC	16
FMBI	16
UMBF	18
FCF	19
NWBI	20
FBC	21

# NBT Bancorp Historical Performance

## Financial Performance Composite Ranking

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
CBU 1		CBU 1		CBU 1
STBA 2		FNB 2		STBA 2
NPBC 3		BHLB 3		BRKL 4
FNB 4		NPBC 3		INDB 5
<b>NBTB 5</b>	CBU 1	<b>NBTB 5</b>	CBU 1	<b>NBTB 3</b>
PVTB 5	FNB 3	BRKL 6	STBA 3	TMP 6
TMP 7	NPBC 4	TMP 7	INDB 4	FNB 7
MBFI 8	BHLB 5	INDB 8	BRKL 5	FFIC 8
ONB 9	TMP 6	ONB 8	TMP 6	PRK 9
INDB 10	STBA 7	FBC 10	FNB 7	TRST 9
BRKL 11	ONB 8	MBFI 11	PRK 8	PFS 11
PRK 11	PRK 9	PRK 12	NPBC 9	UMBF 12
PFS 13	INDB 10	PFS 13	ONB 10	NWBI 13
TRST 13	PVTB 11	TRST 13	BHLB 11	BHLB 14
BHLB 15	BRKL 12	FFIC 15	TRST 12	FCF 14
FFIC 16	MBFI 13	STBA 15	UMBF 13	FMBI 14
FMBI 16	PFS 14	UMBF 17	FFIC 14	NPBC 14
UMBF 18	FBC 15	PVTB 18	PFS 15	MBFI 18
FCF 19	FFIC 16	FMBI 19	MBFI 16	ONB 19
NWBI 20	TRST 17	NWBI 19	NWBI 17	PVTB 20
FBC 21	UMBF 18	FCF 21	FMBI 18	FBC 21
	FMBI 19		PVTB 19	
	NWBI 20		FCF 20	
	FCF 21		FBC 21	

# NBT Bancorp Stock Performance

<u>P/15 EPS</u>		<u>P / TBV</u>	<u>YTD Stock Perf.</u>	<u>Composite Ranking</u>
NWBI	19.3 x			
UMBF	17.7		PVTB 11.7 %	
CBU	16.7		STBA 9.0	INDB 1
PRK	15.9		FCF 6.0	FNB 2
PVTB	15.7	CBU 2.5 x	INDB 4.3	CBU 3
TRST	15.5	INDB 2.2	TRST 1.7	PRK 4
BRKL	15.5	FNB 2.2	FNB 1.3	PVTB 5
INDB	15.4	PRK 2.1	BRKL 0.4	MBFI 6
MBFI	14.6	MBFI 2.1	PRK (0.8)	STBA 6
NBTB	14.4	NBTB 2.0	NBTB (0.8)	NBTB 8
TMP	14.2	TMP 1.9	MBFI (1.6)	TMP 9
FCF	14.1	STBA 1.9	TMP (2.3)	TRST 10
FNB	14.1	PVTB 1.9	FFIC (2.7)	UMBF 11
STBA	13.7	ONB 1.9	CBU (3.9)	ONB 12
FMBI	13.7	UMBF 1.8	FMBI (4.2)	FCF 13
BHLB	13.5	TRST 1.8	ONB (5.3)	FMBI 14
NPBC	13.3	FMBI 1.7	BHLB (5.5)	BRKL 15
PFS	13.2	NPBC 1.7	PFS (5.6)	NPBC 16
FFIC	13.2	PFS 1.6	UMBF (7.3)	PFS 17
ONB	12.6	FCF 1.6	NPBC (9.2)	BHLB 18
FBC	12.0	BHLB 1.5	NWBI (13.2)	FFIC 19
		BRKL 1.4	FBC (19.9)	NWBI 20
		FFIC 1.4		FBC 21
		NWBI 1.4		
		FBC 0.8		

Stock multiple lagging financial performance metrics

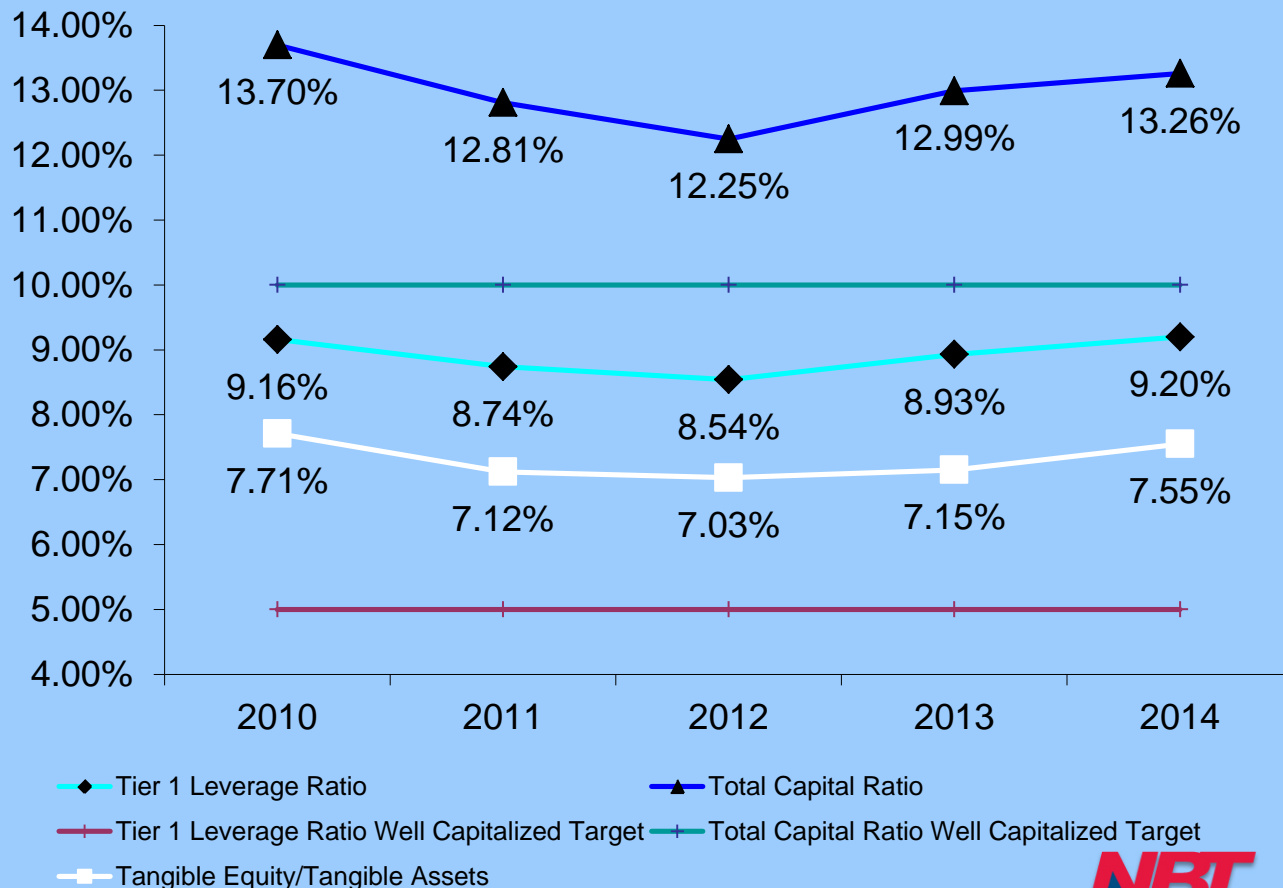
26 All information as of 10/31/14, with the exception of TBV (September 30, 2014)

Source: SNL



# Capital Strength

NBT remains above levels considered well capitalized by regulators.



# Industry Recognition

The Forbes logo is displayed in a large, bold, blue serif font.

**America's Best And Worst Banks**

Ranked #23 in December 2013  
Five Consecutive Years in Top 25



**Best-Performing  
Regional Banks**

Ranked #25 in April 2014  
SNL Financial rank uses six core financial metrics focusing on profitability, asset quality and growth

# Outlook

- Mergers and Acquisitions
- Continued focus on efficiencies
- Asset quality
- Net interest margin
- Road to \$10 Billion

# Why Invest in NBTB?

- Consistent strong financial performance (organic loan growth, core deposit growth, stable asset quality, tangible book value growth)
- Proven acquirer
- Low risk profile
  - Well capitalized
  - Diversified balance sheet
  - Strong asset quality
- Continuing success transforming to markets with higher growth opportunities
- Balance sheet well positioned for rising interest rates
  - Short duration of investment securities and loan portfolio
  - High level of core deposits
- High level and diversified source of noninterest income

# Appendix A - Our Peer Group

NAME	HQ CITY	STATE	TICKER
Berkshire Hills Bancorp, Inc.	Pittsfield	MA	BHLB
Brookline Bancorp Inc.	Boston	MA	BRKL
Community Bank System, Inc.	Dewitt	NY	CBU
Flagstar Bancorp Inc.	Troy	MI	FBC
First Commonwealth Financial Corporation	Indiana	PA	FCF
Flushing Financial Corp.	Lake Success	NY	FFIC
First Midwest Bancorp Inc.	Itasca	IL	FMBI
F.N.B. Corporation	Heritage	PA	FNB
Independent Bank Corp.	Rockland	MA	INDB
MB Financial Inc.	Chicago	IL	MBFI
National Penn Bancshares, Inc.	Boyetown	PA	NPBC
Northwest Bancorp, Inc.	Warren	PA	NWBI
Old National Bancorp	Evansville	IN	ONB
Provident Financial Services	Jersey City	NJ	PFS
Park National Corp.	Newark	OH	PRK
PrivateBancorp Inc.	Chicago	IL	PVTB
S&T Bancorp, Inc.	Indiana	PA	STBA
Tompkins Financial Corporation	Ithaca	NY	TMP
TrustCo Bank Corp NY	Glenville	NY	TRST
UMB Financial Corp.	Kansas City	MO	UMBF