

Investor Presentation NBT Bancorp

KBW Community Bank Investor Conference
August 2, 2016

Presented by:

Martin Dietrich, Chairman, President and Chief Executive Officer

John Watt, NBT Bank President and Incoming Chief Executive Officer



Overview

About NBT Bancorp

Consistent Financial Performance

Strategic Initiatives

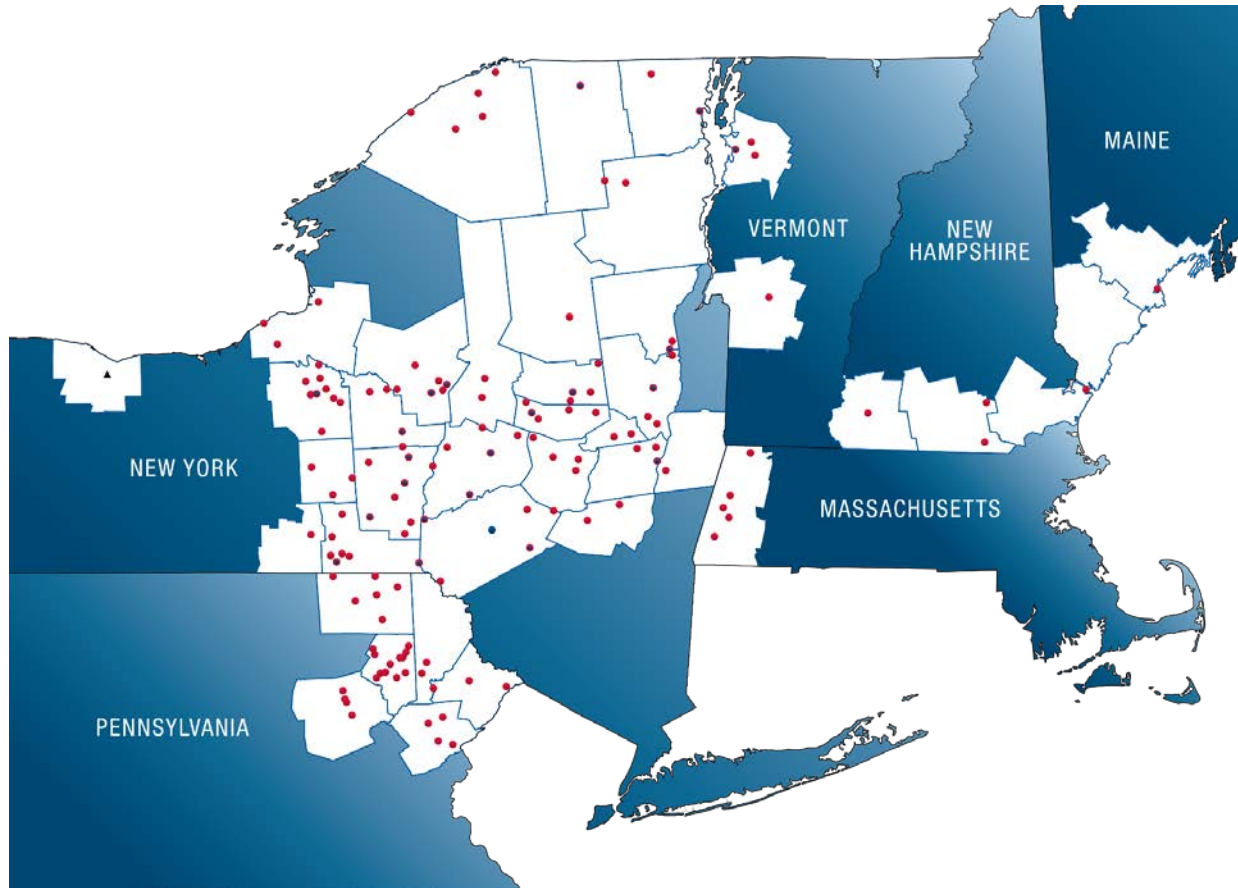
Appendix



Company Profile

NBT Bancorp Inc. is a financial holding company headquartered in Norwich, N.Y., with total assets of \$8.6 billion at June 30, 2016. The company primarily operates through NBT Bank, N.A., a full-service community bank, and through two financial services companies. **NBT Bank, N.A.** has 155 banking locations with offices in New York, Pennsylvania, Vermont, Massachusetts, New Hampshire and Maine. **EPIC Advisors, Inc.**, based in Rochester, N.Y., is a full-service 401(k) plan recordkeeping firm. **NBT-Mang Insurance Agency**, based in Norwich, N.Y., is a full-service insurance agency. More information about NBT and its divisions can be found on the Internet at: www.nbtbancorp.com, www.nbtbank.com, www.epic1st.com and www.nbtmang.com.

NBT Highlights



- Founded in 1856
- NASDAQ Global Select Market, Symbol: NBTB
- Assets of \$8.6 billion
- Market capitalization of \$1.27 billion
- Operating entities:
 - NBT Bank, N.A.
 - EPIC Advisors, Inc.
 - NBT-Mang Insurance Agency

Strategic Vision

NBT Bancorp will strive to remain an independent **community-oriented** financial services provider positioned to take advantage of **strategic growth** opportunities. **Stockholder value will be enhanced** by profitably servicing our markets and by offering our customers products and services that satisfy their changing needs while building customer loyalty through **responsive and superior customer service**.

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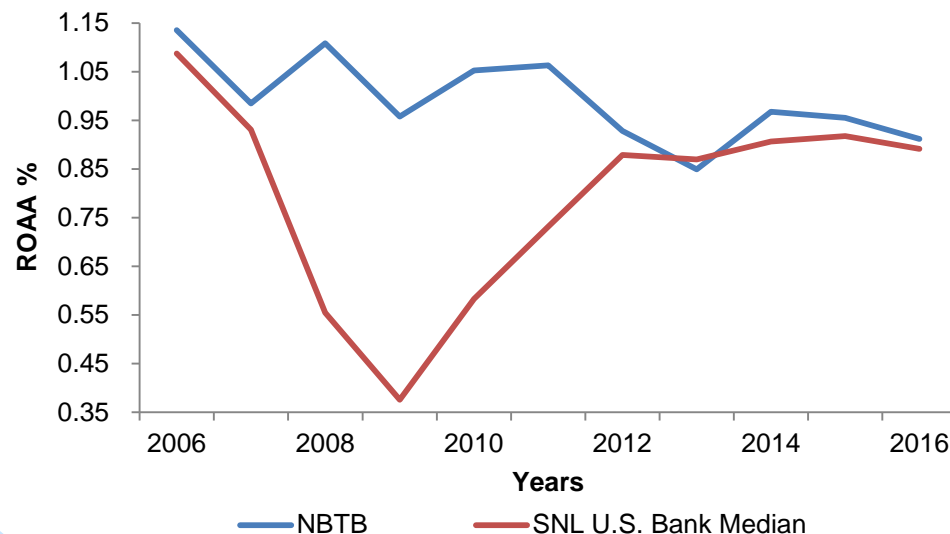
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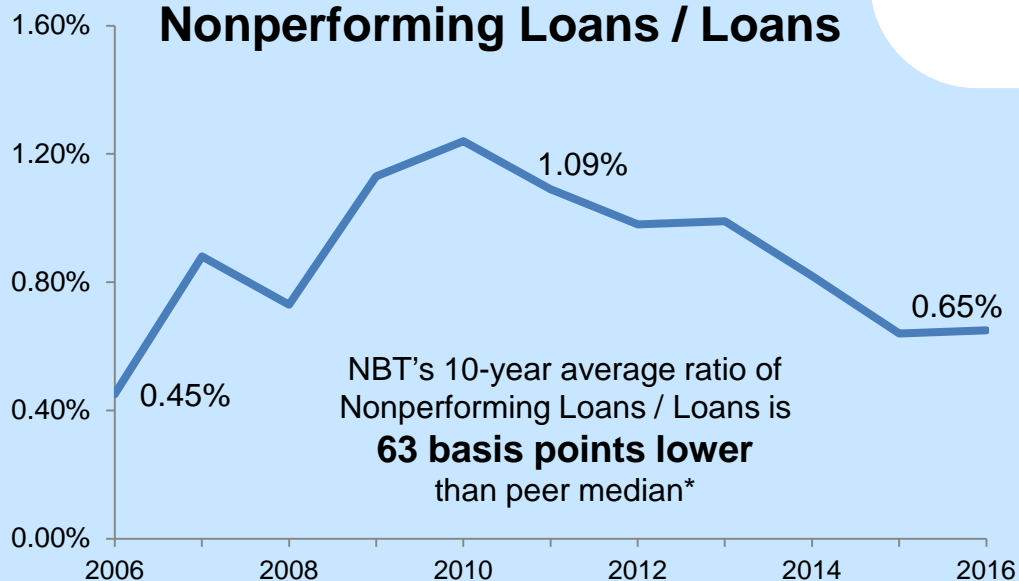
Strong Operating Results

Consistent Financial
Performance

Return on Average Assets*



Nonperforming Loans / Loans



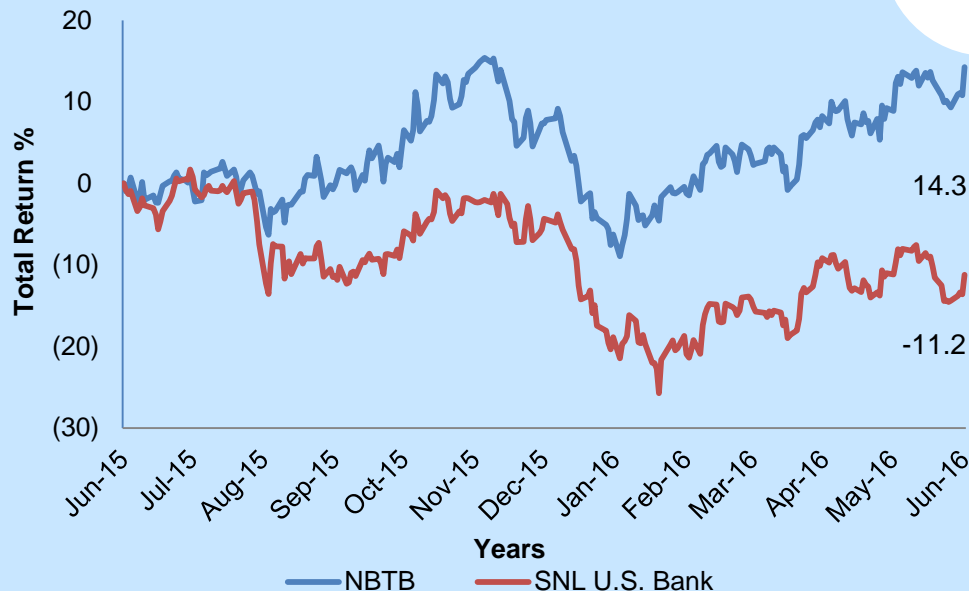
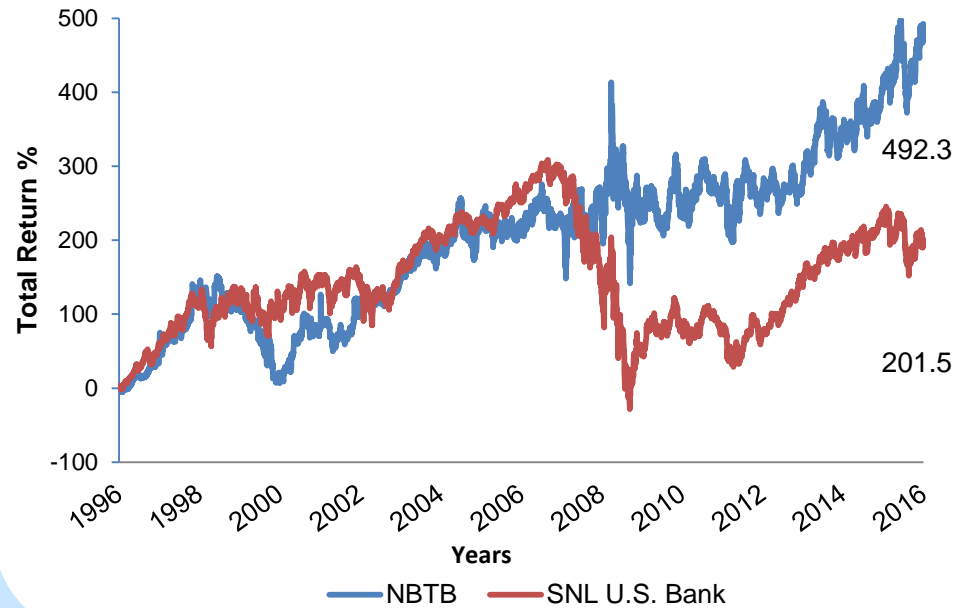
NBT's 10-year average ratio of
Nonperforming Loans / Loans is
63 basis points lower
than peer median*

Stable Asset Quality Trends

*Peer median and SNL U.S. Bank median as of Q1 2016

Remarkable Returns

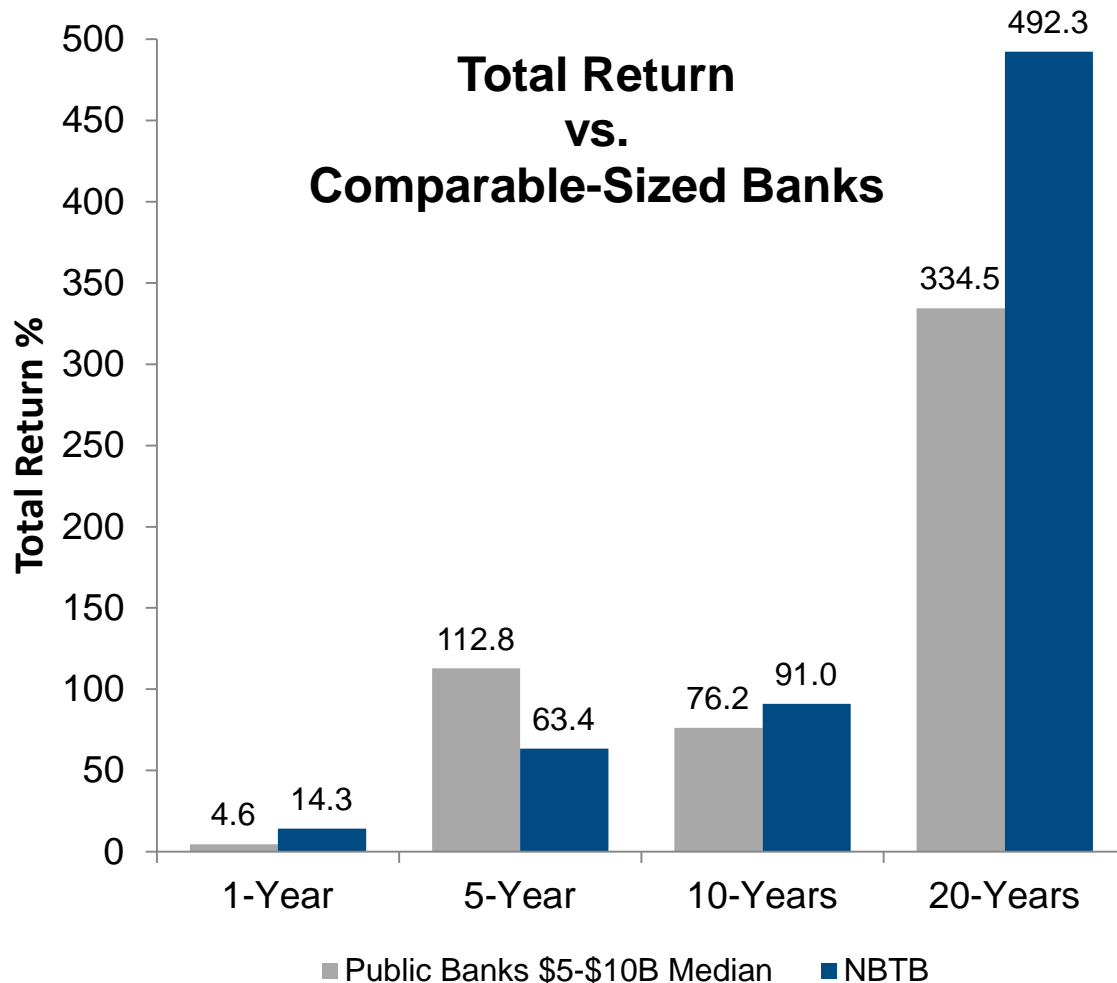
20-Year Total Return
Through 6/30/2016



LTM Total Shareholder Return

Source: SNL Financial Market

Consistently Outperform Banks Our Size



The only period where NBT does not outperform is the period that begins while the recovery is still underway (5 years beginning mid-2011)

Companies with:	10-Yr Total Return (%)
> 10 Deals	78.1
Between 5 & 10 Deals	75.3
Between 1 & 5 Deals	75.4
0 Deals	78.0
NBT Bancorp Inc.	91.0

NBT's 10-year total shareholder return has outperformed peers regardless of M&A strategy

Source: SNL Financial Market

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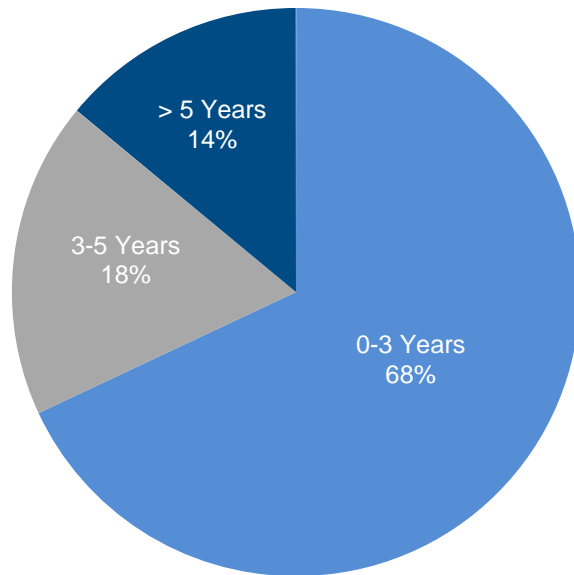
Strategic Initiatives

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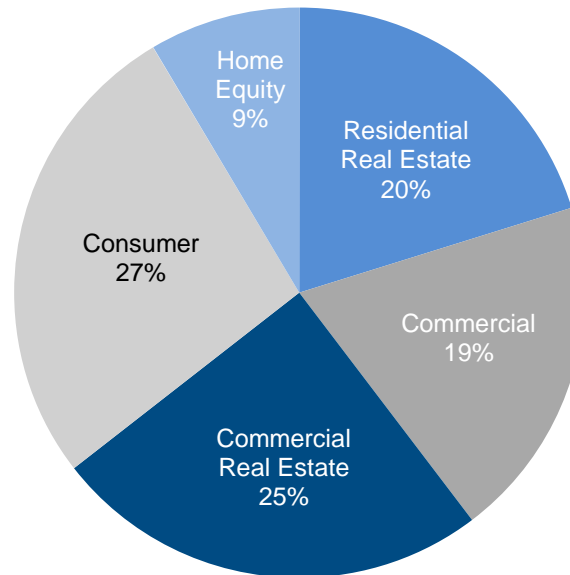


Maintain Well-Positioned Balance Sheet

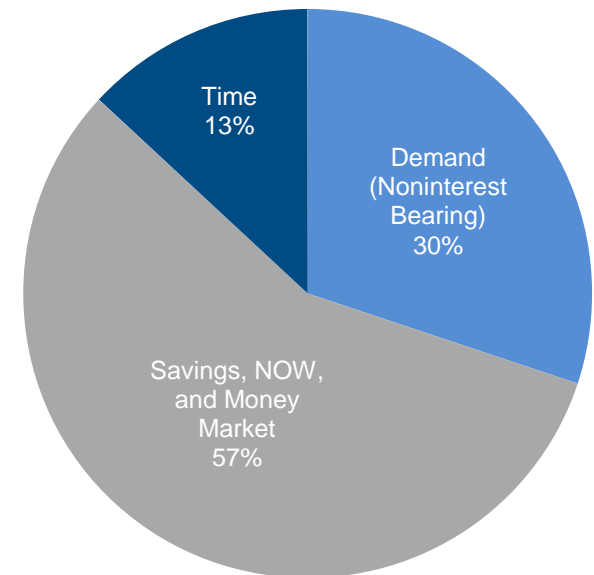
Investment and Loan Repricing*



Loan Mix



Deposit Mix



Favorable Interest Rate Risk Profile

- Q2 2016 Net Interest Margin at 3.44% vs. peer average 3.39%

Diversified Loan Portfolio

- Q2 2016 annualized loan growth 4.8%
- Shorter loan cash flows with disciplined pricing (average yield 4.20%* same as peer average)

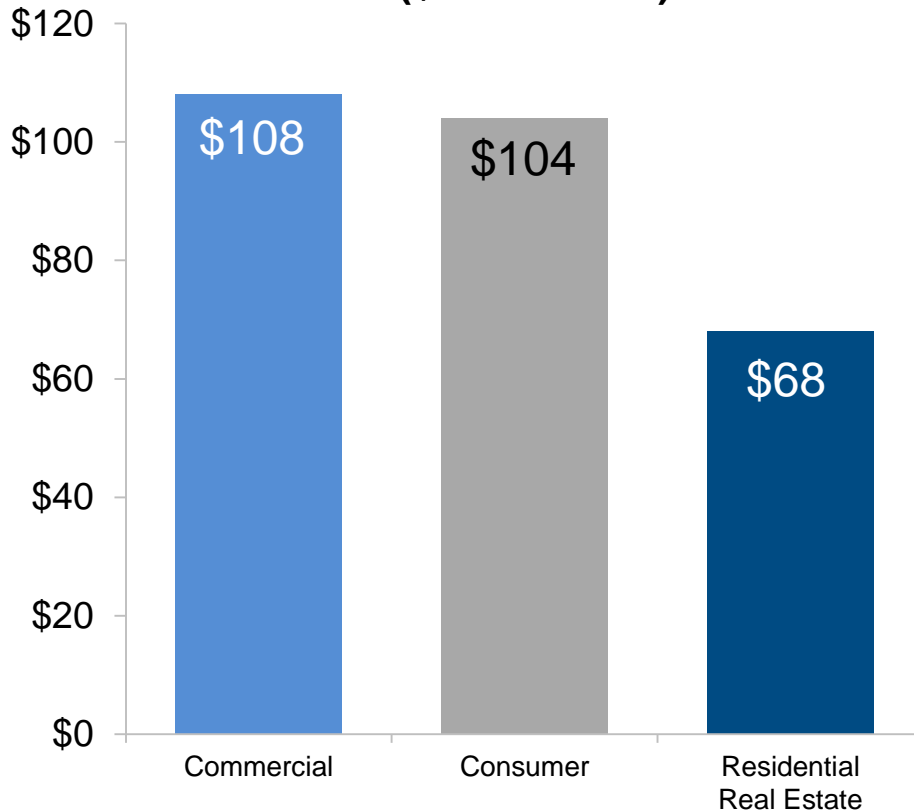
Low Funding Costs

- Year-over-year average DDA growth 9%
- Core deposits represent 79% of total funding vs. peers 73%*

*Data as of Q1 2016

Balanced Loan Growth

Annual Growth (\$ in millions)



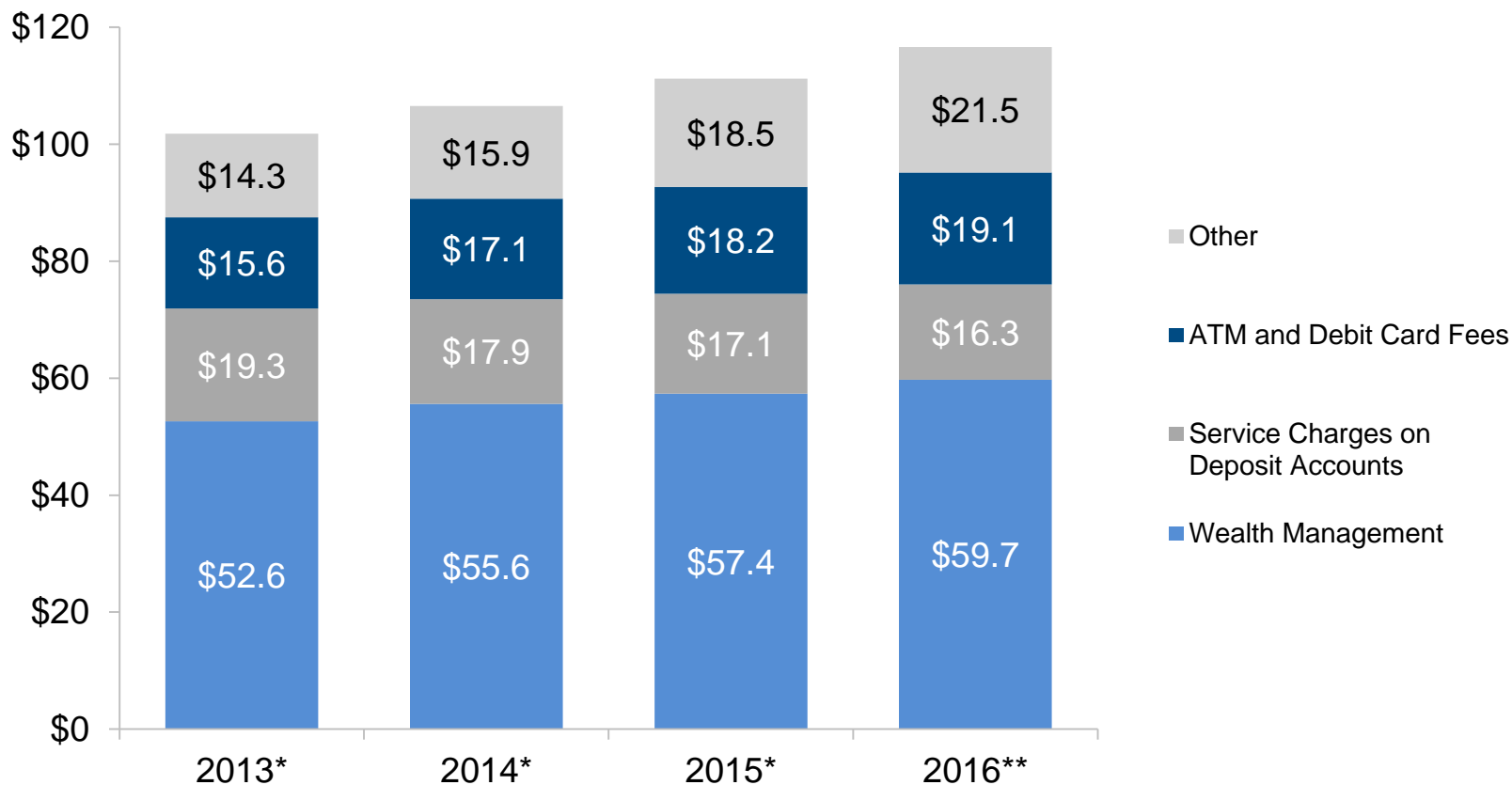
Percent of Annual Growth

36% 42% 22%

Year Over Year as of 6/30/16

- 5.5% 5-Year Organic Growth Rate
- 4.7% Annual Growth
 - 4.2% commercial growth
 - 5.1% consumer growth
 - 6.0% residential real estate growth
- New England Growth
 - \$93 million
 - 35% of total loan growth
 - 11.3% annual growth

Diversification of Noninterest Income (\$ in millions)



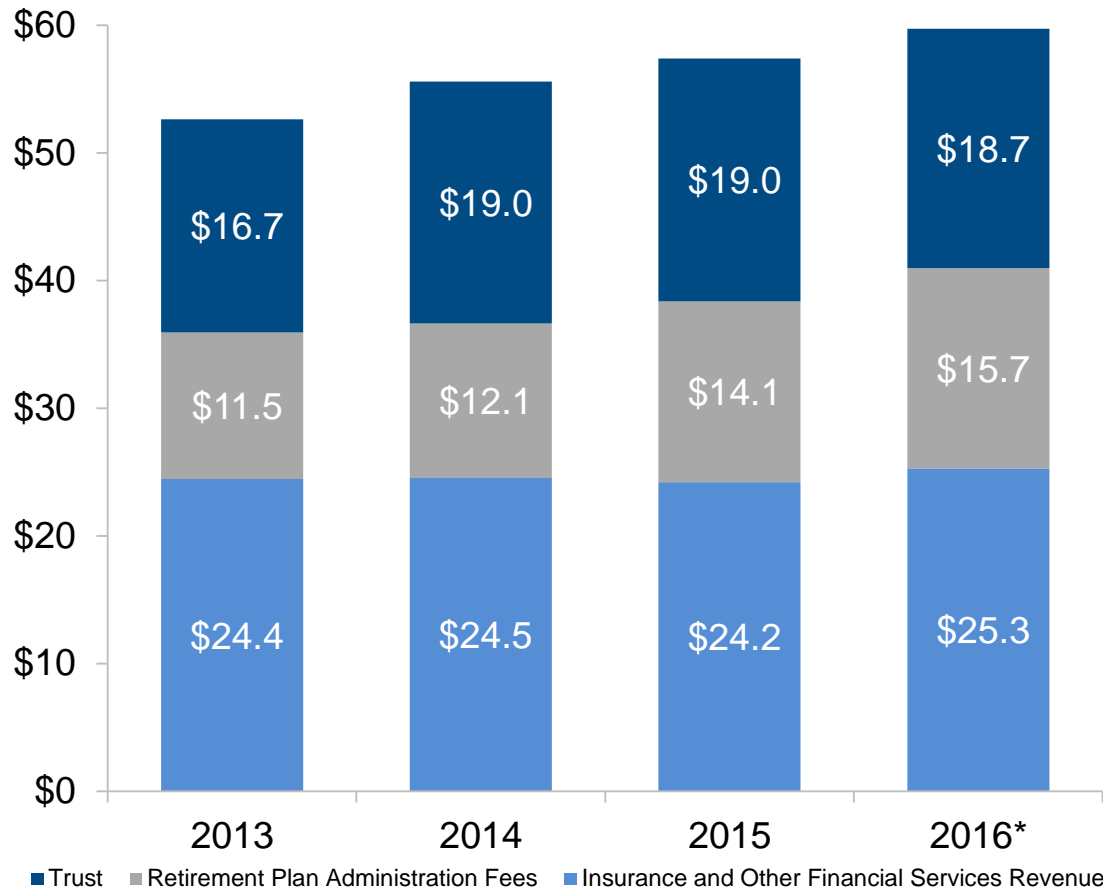
7% CAGR since 2013 on Noninterest Income excluding service charges on deposit accounts

Service charges as a percentage of average transaction deposit accounts have decreased 50 basis points since 2013

*Excludes net securities gains and gains from sale of Springstone LLC totaling \$1.4 million in 2013, \$19.5 million in 2014 and \$7.3 million in 2015

**2016 Annualized

Emphasis on Wealth Management (\$ in millions)



*2016 Annualized

- Trust
 - Personal, Retirement and Institutional
- Retirement Plan Business
 - EPIC and TPA
 - Revenue Growth 2010 – 2015 CAGR 7.5%
- Insurance and Other Financial Services Revenue
 - “2015 Financial Institution of the Year” Award from LPL



Proven Acquirer and Integrator

- Completed 7 whole-bank, 7 branch and 3 non-bank business acquisitions since 2000
- Achieved or exceeded targeted cost saves
- Retained key personnel
- Experienced no material run-off in loans and deposits with bank and branch deals
- Continued diversification of revenue sources through non-bank acquisitions

Recent Acquisitions

2015



THIRD PARTY
ADMINISTRATORS

\$850 million in assets
under management

2013



\$1.4 billion assets

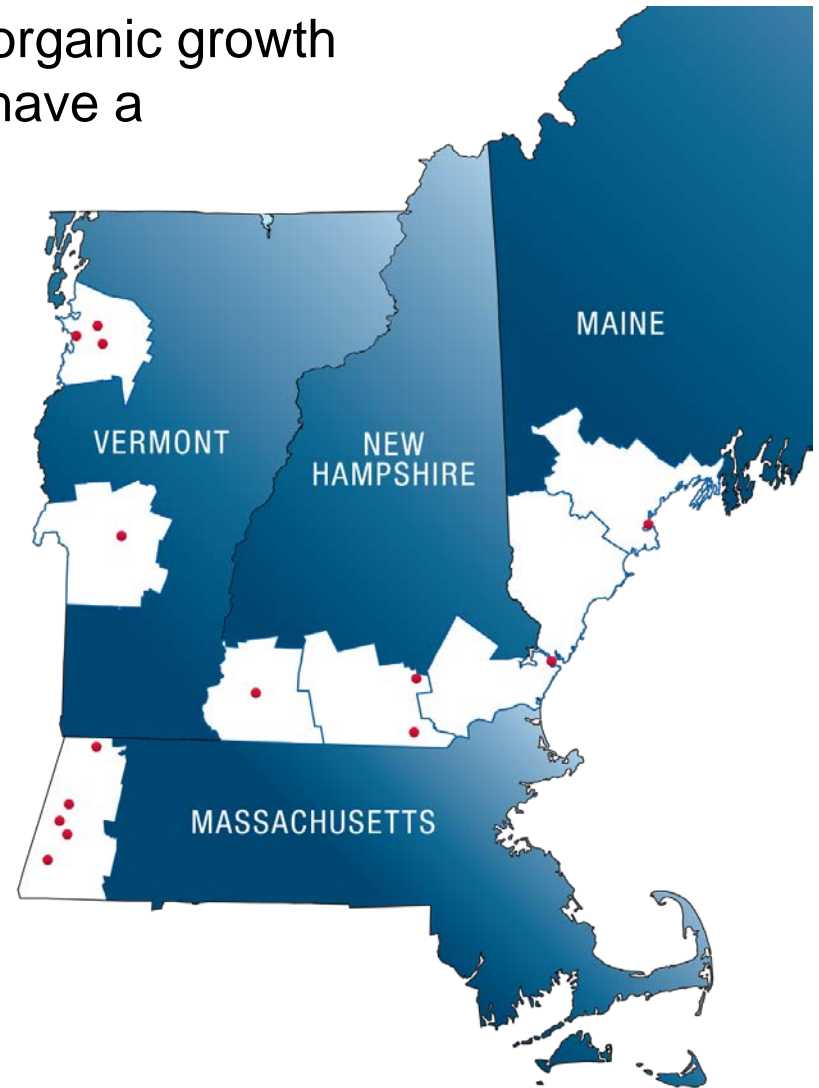
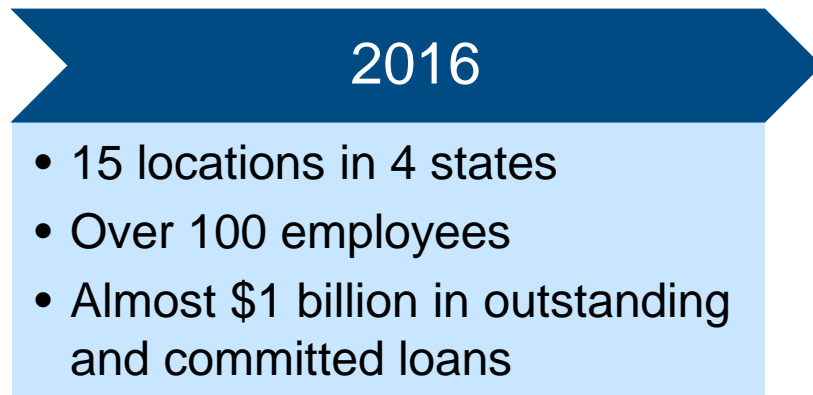
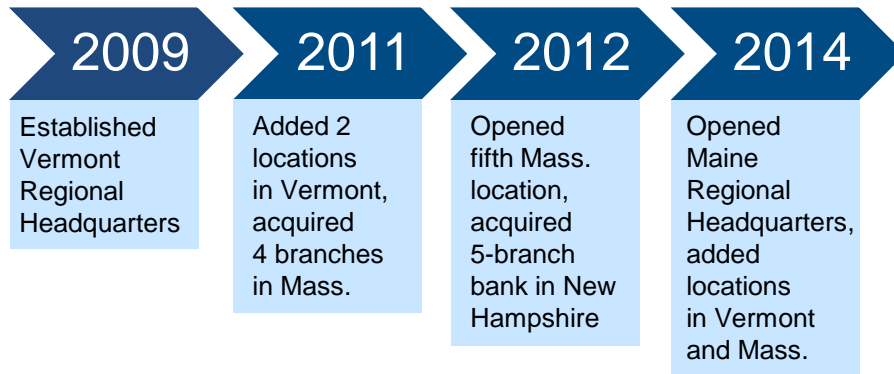
2012



\$250 million assets

NBT in New England

Quickly established presence through organic growth and acquisitions in markets where we have a competitive advantage



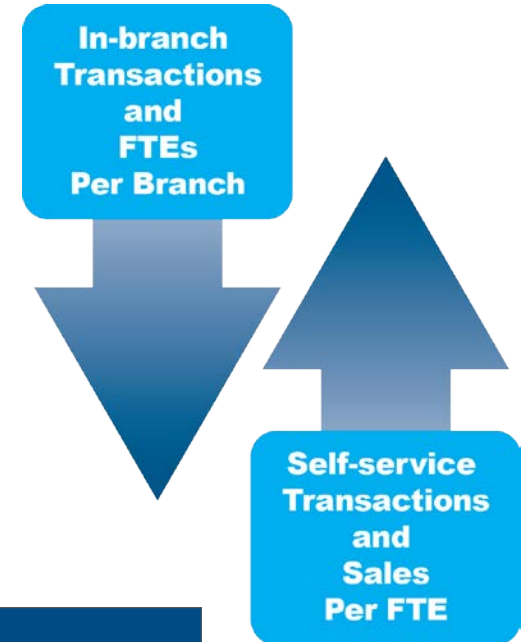
Adapting to Customer Preferences

- **Responsive to Industry Trends**

- In-branch transactions are down and self-service transactions are on the rise
- FTEs per branch are down, but Sales per FTE continue to grow

- **Enhancing Access Points**

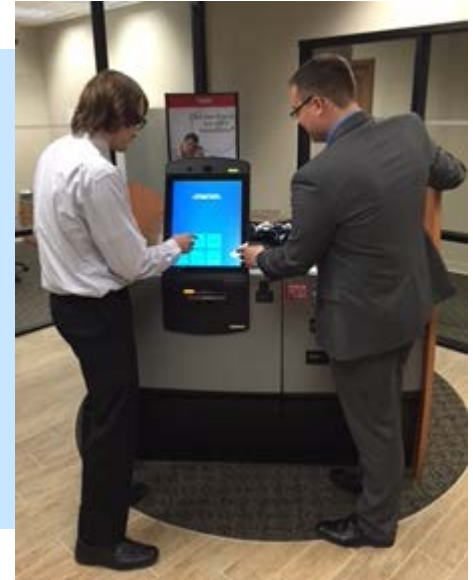
- Online and mobile banking upgrades
- Online loan origination
- Deposit automation ATMs
- Select digital branch migration



Optimizing Our Physical Network

Branch Consolidations and Space Reductions

- 26 branch consolidations since 2005
 - 14 branches in 7 NY counties
 - 11 branches in 5 PA counties
 - 1 branch in 1 NH county
- Opportunities identified to reduce space by an additional 11,800 sq. ft.



NBT-Mang Consolidations

- Consolidated 8 offices in 2012 and 2013
- Net average savings of \$18,000 per office

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Leadership Transition

The Board of Directors of NBT Bancorp Inc. (NBT) elected President and CEO Martin A. Dietrich to the position of chairman on May 3, 2016, following the retirement of Daryl R. Forsythe. Dietrich also announced his intention to retire from active employment in December 2016.

The NBT Board of Directors also unanimously endorsed a succession plan that calls for the promotion of John H. Watt, Jr. to the position of president of NBT Bank effective immediately and expanded roles for other members of NBT's Executive Management Team. Upon Dietrich's retirement from active employment, Watt will succeed him as chief executive officer of NBT and the Bank.

Dietrich began his career in financial services with NBT Bank in 1981. He joined the Bank's senior management team in 1995. Dietrich became president of the Bank in 2000; advanced to president and CEO of the Bank and president of NBT in 2004; and ultimately became CEO of NBT in 2006.

Dietrich joined the Bank Board of Directors in 1993 and NBT's Board of Directors in 2005.

Dietrich is a graduate of Colgate University with a Bachelor's Degree in Economics.



Martin A. Dietrich
NBT Bancorp Chairman,
President & CEO

Leadership Transition



John H. Watt, Jr.
NBT Bank President

Watt has over 30 years of experience in financial services. He joined NBT in 2014 to lead the Bank's expansion into Maine. He quickly established a regional headquarters in Portland with a strong team of local bankers. His role with the Bank then expanded to include providing executive leadership for credit administration, consumer lending, marketing and product development. Watt was promoted to executive vice president and joined NBT's Executive Management Team in 2015.

Prior to joining NBT, Watt was executive vice president of commercial banking, investment management and bank operations at Alliance Bank, N.A. through the merger with the Bank in 2013. He was also a member of the Board of Directors for Alliance Bank and Alliance Financial Corporation. Previously, he was employed by JP Morgan Chase and its predecessors.

Watt is a graduate of Rutgers University with a Bachelor's Degree in Political Science. He earned his Juris Doctor from The National Law Center at George Washington University.

Succession Announcement

"NBT has benefited from consistent leadership for several decades," said Dietrich. "We are pleased to have the resources within our organization to create this succession plan. The Board's unanimous endorsement of the plan speaks to the high level of confidence they have in John Watt and NBT's entire Executive Management Team."

Financial Highlights

\$ in millions except per share data	2Q16	1Q16	4Q15	3Q15	2Q15
Net Income	\$ 19.9	\$ 18.9	\$ 19.1	\$ 19.9	\$ 19.3
Earnings Per Share	\$ 0.46	\$ 0.43	\$ 0.43	\$ 0.45	\$ 0.43
Return on Average Assets	0.94%	0.92%	0.93%	0.97%	0.97%
Return on Average Tangible Common Equity	13.54%	13.17%	13.04%	13.66%	13.47%
Net Interest Margin	3.44%	3.47%	3.42%	3.48%	3.51%

Q2 2016 Net Income of \$19.9 million
increased \$0.6 million compared to
second quarter of prior year

Q2 2016 EPS of \$0.46
increased \$0.03 compared
to second quarter of prior year

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.

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
Independent Bank Corp.	Rockland	MA	INDB
MB Financial Inc.	Chicago	IL	MBFI
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