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# Investor Presentation Financial Results March 31, 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.

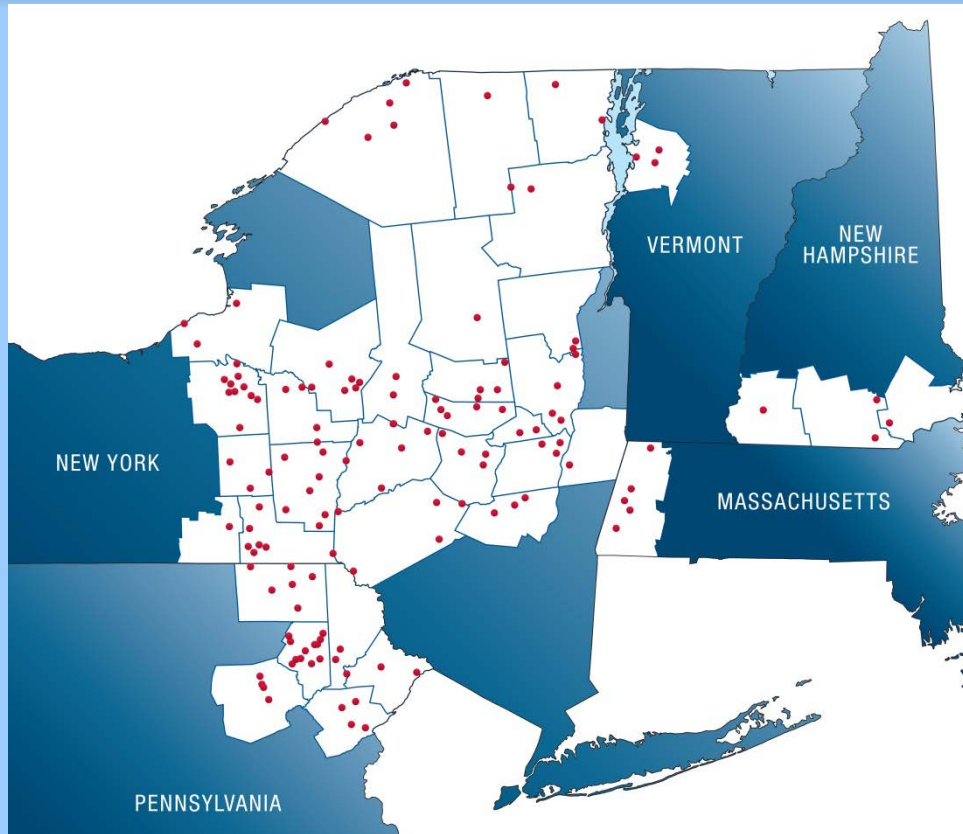
For a discussion of the factors that might cause such differences, please refer to NBT Bancorp's public filings with the Securities and Exchange Commission. These are available online at <http://www.sec.gov>. NBT Bancorp does not undertake to update any forward-looking statements made in this presentation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

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# Company Overview and Footprint



- Largest community bank headquartered in upstate New York with \$7.8 billion in assets
- Market capitalization of \$1.0 billion (at 5/09/2014, share price of \$22.67)
- NBT Bank, N.A. was founded in 1856
- Over 620,000 deposit accounts and 270,000 loans accounts
- Over 155 branch locations
- 187 ATMS

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



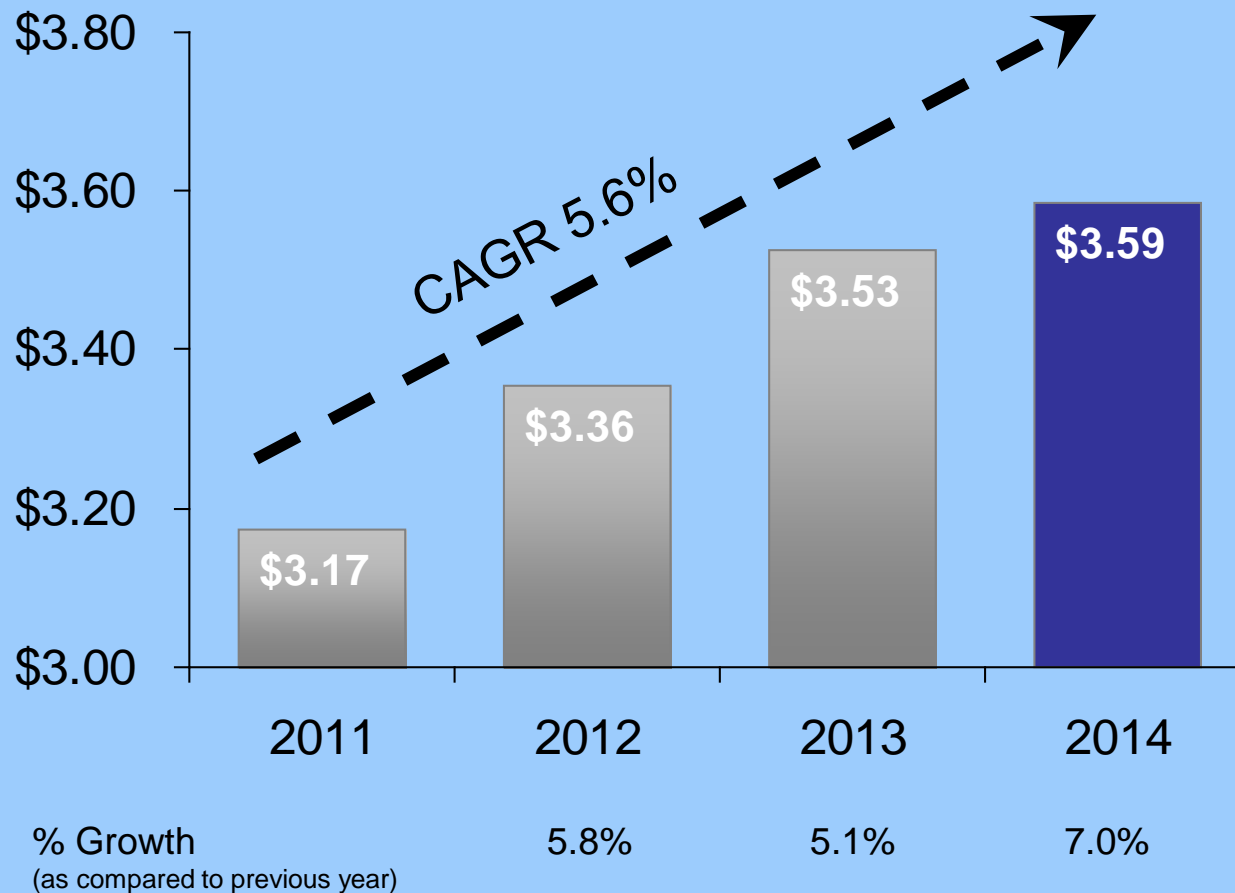
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## Strategic Focuses

# Organic Loan Growth



2014 shown as of March 31, 2014 annualized.  
Loan balances shown without mortgages, leasing and acquired portfolios  
Dollars in billions



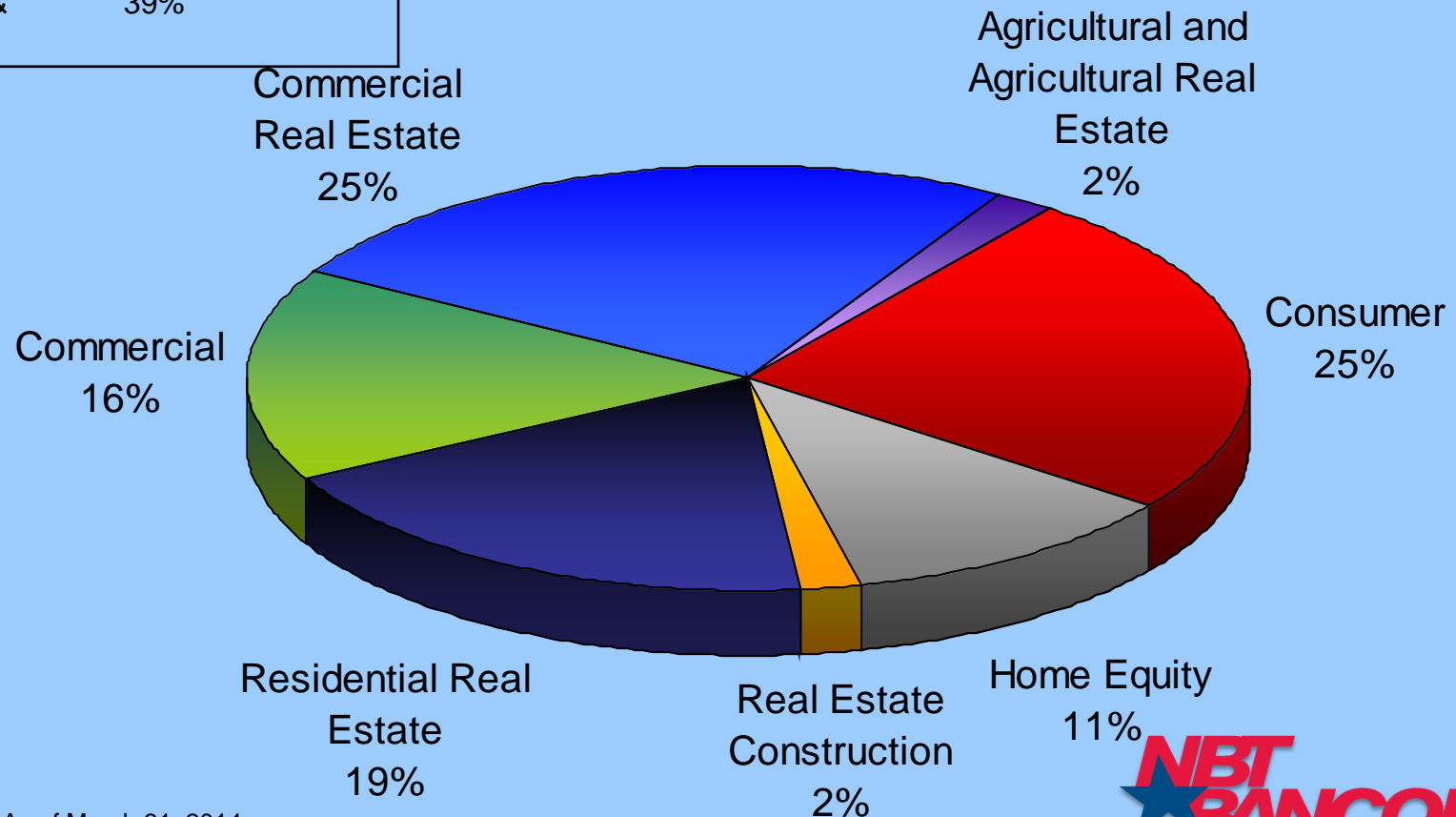


# Diversified Loan Portfolio

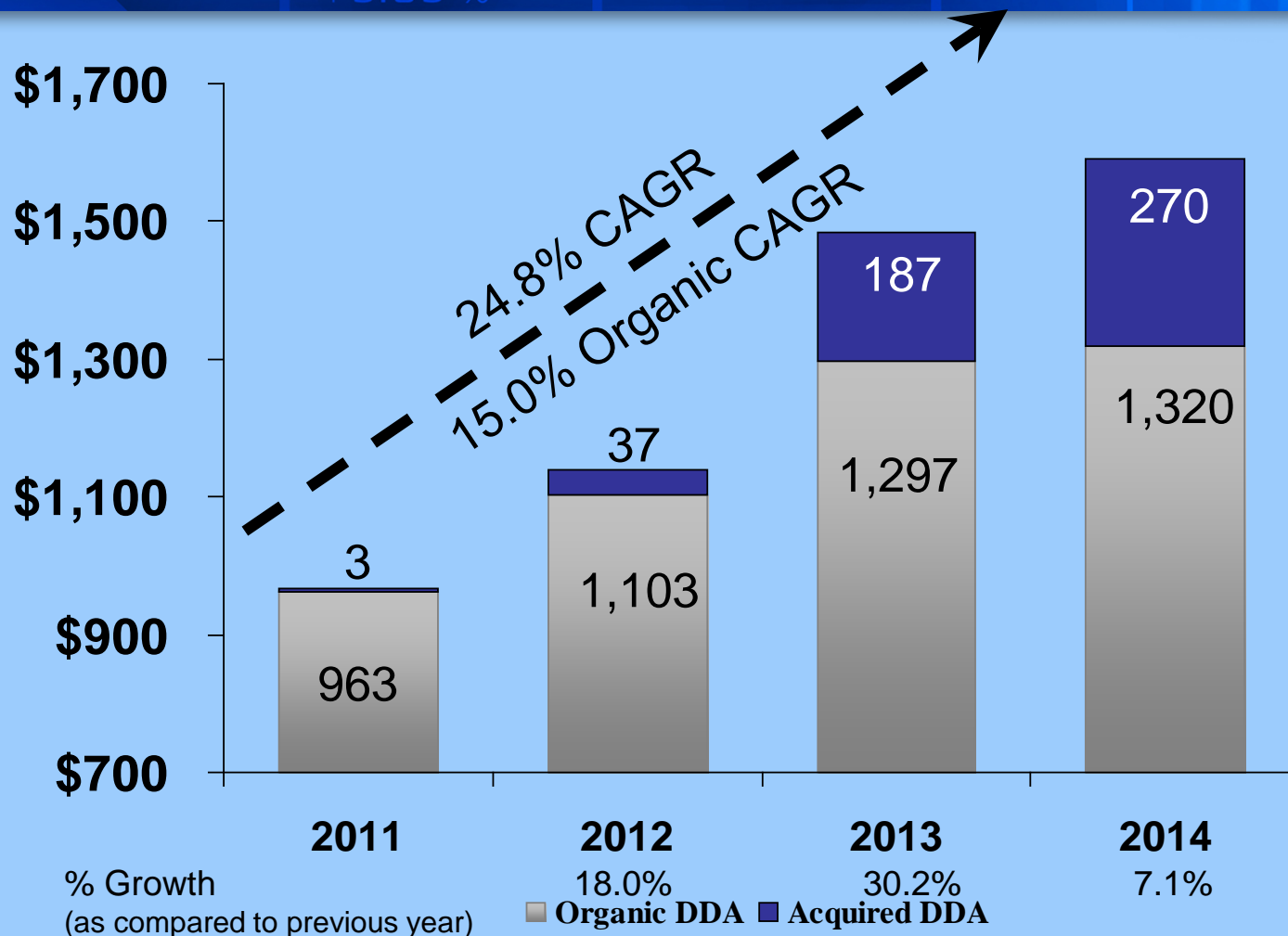
**Portfolios as of  
3/31/14**

Portfolios as of 3/31/14	Percent	Duration
Fixed	61%	3.5 years
Adjustable & Variable	39%	

Total Loans = \$5.5 Billion



# DDA Deposit Growth



2014 shown as of March 31, 2014 annualized.

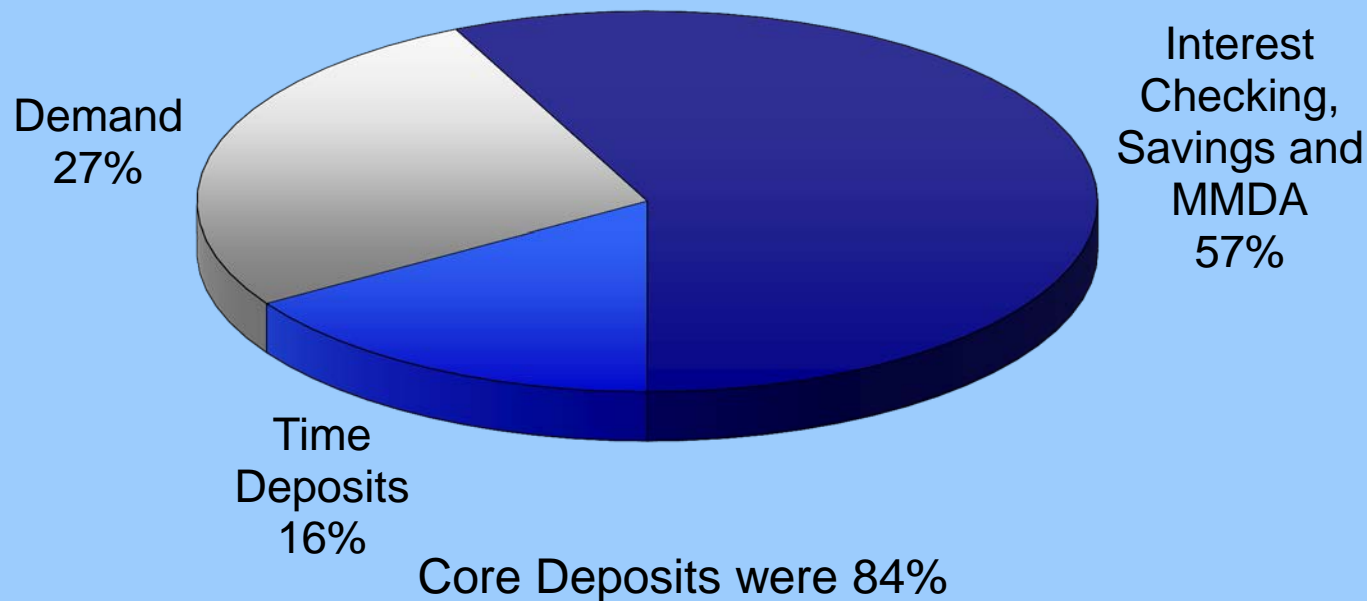
2012, 2013, and 2014 growth 14.6%, 17.6%, and 1.8% excluding acquisitions, respectively

8 Average balance shown in millions





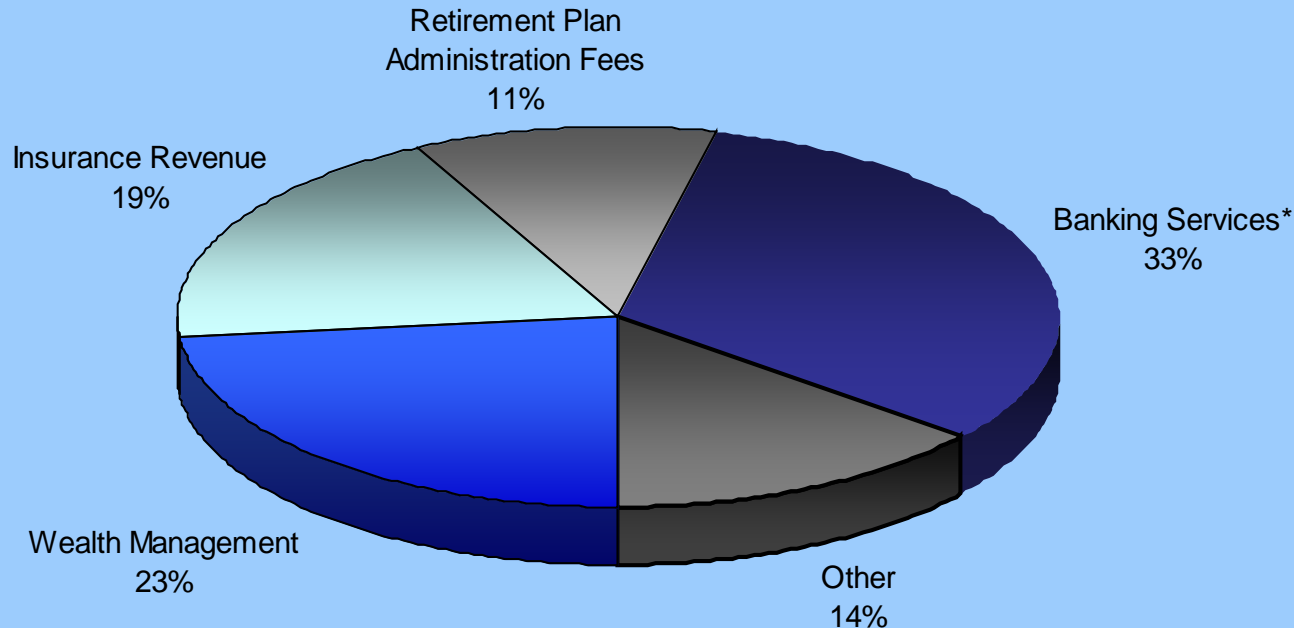
# Favorable Deposit Mix



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.

# Diverse Sources of Noninterest Income

Total Noninterest Income = \$26.3 million  
Noninterest Income / Total Revenues = 29.9%



As of March 31, 2014

Total revenues = net interest income + noninterest income

Shown excluding securities gains/losses

10 \* 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>3/31/14</u>	<u>QTD</u> <u>3/31/11</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*	\$4,369	\$5,072	(\$703)	-4.85%	-9.74%
ATM and debit card fees	4,072	2,668	1,404	15.13%	8.12%
<u>Nonbanking Sources</u>					
Wealth management	6,116	3,293	2,823	22.92%	7.36%
Insurance revenue	5,067	4,516	551	3.91%	3.91%
Retirement plan administration fees	2,918	2,171	747	10.36%	10.36%

# Noninterest Income Growth Strategy

## Wealth Management

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- \$5.7 billion in assets under management and 40,149 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 March 31, 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"*

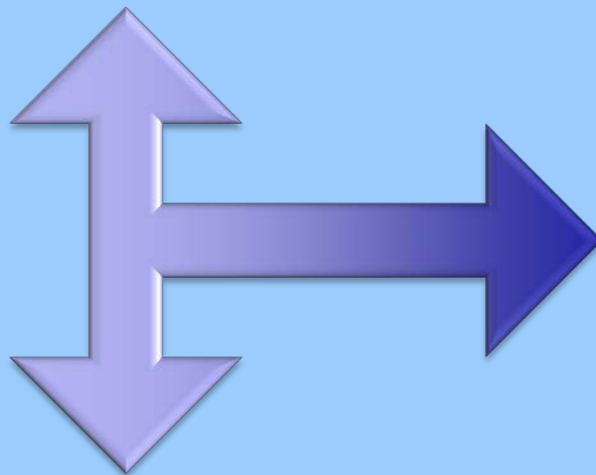


## New Markets

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



# Unified Branding





# New England Region



*Rutland Vermont and Portland Maine to open in 2014*

State	Year Opened	Branches	Assets	Deposits
VT	2009	3	\$336	\$72
MA	2011	6	\$63	\$111
NH	2012	5	\$254	\$117
		14	\$653	\$300

## Region Highlights

- Proven growth strategy
  - Expansion in Vermont
    - YOY loan & Deposit growth 21% and 29%
  - Acquisitions in MA and NH in 2011 and 2012
    - YOY loan growth 11.6%
- Total annual payroll in market is \$6 million
- Attractive market demographics
  - Higher median household income
- Large banks have over 65% of market share
- Wealth management assets under management \$179 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

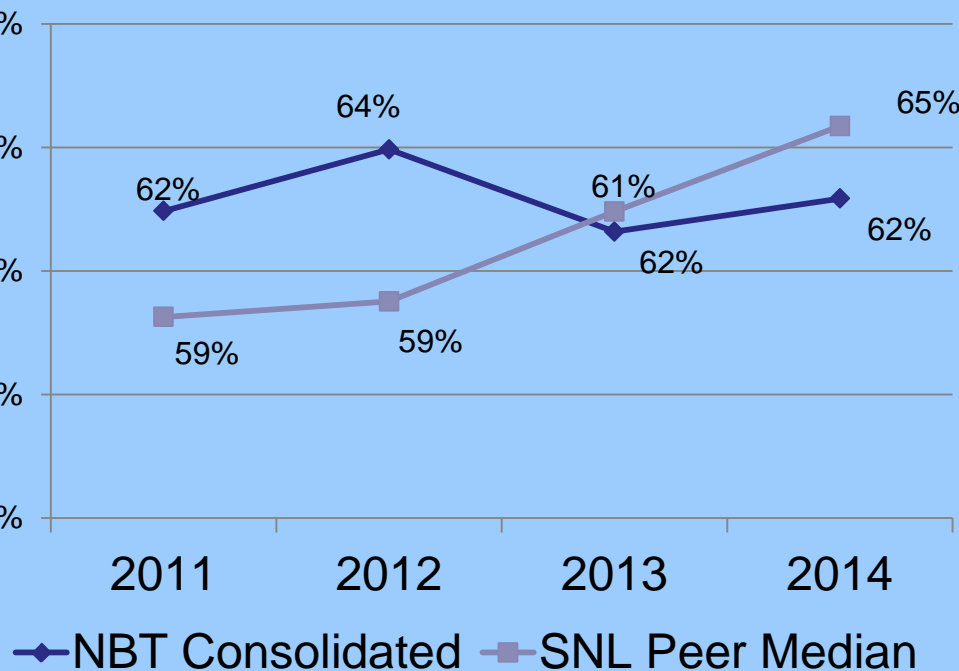
# New England Strategy

## **Rutland Vermont Office**

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

# Focus on Cost Structure and Efficiencies

Efficiency Ratio

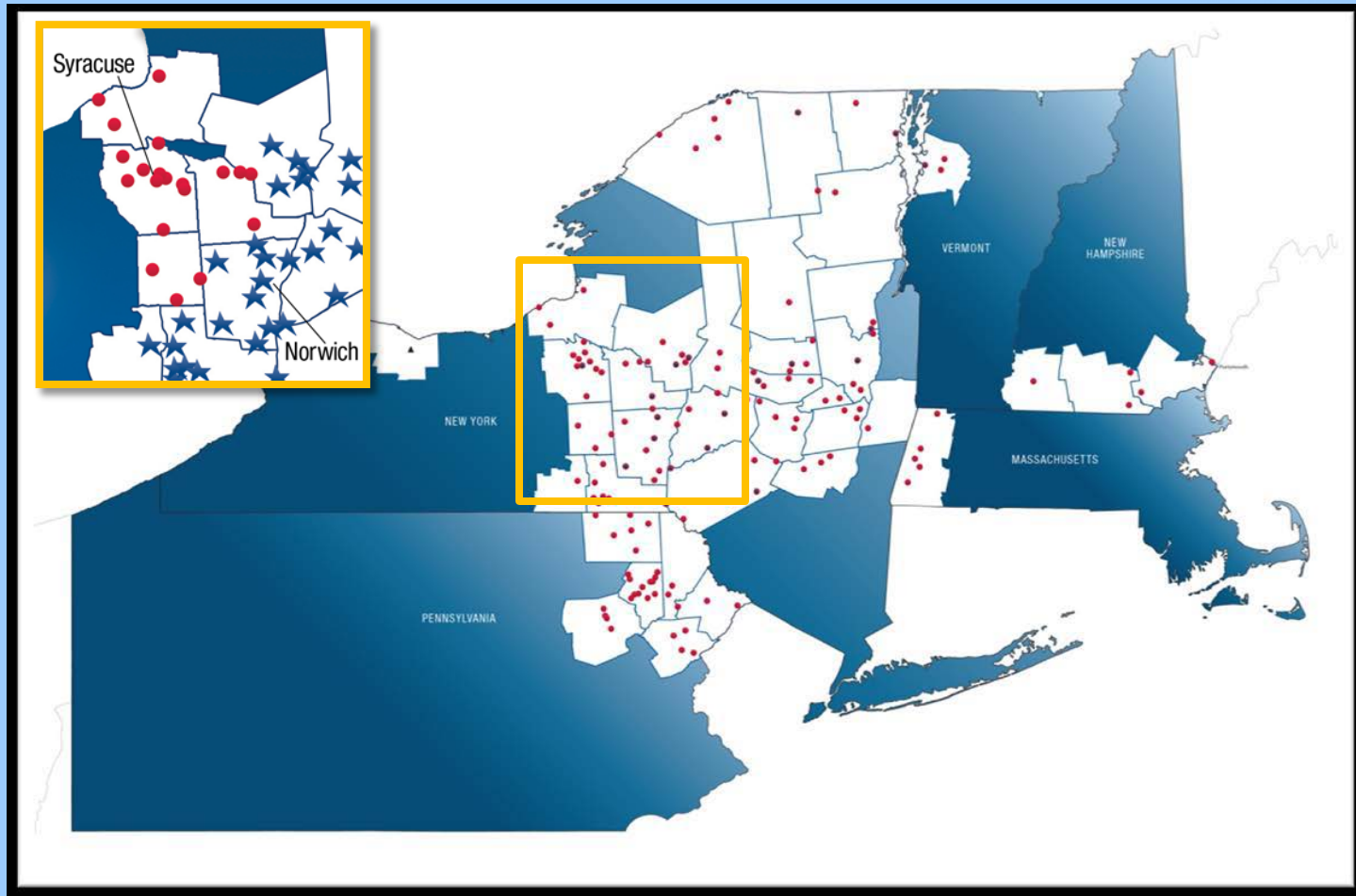


Primary drivers of the decrease in the efficiency ratio from 2012:

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

Q1 2014 elevated due to traditionally higher level of incentive compensation recognition and occupancy costs (severe weather)

# 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

# NBT Bancorp Financial Performance

<u>NPA/Assets</u>	<u>NIM</u>	<u>SNL Efficiency</u>	<u>Core ROAA</u>	<u>Core ROATE</u>	<u>Composite Ranking</u>
UMBF 0.2 %		TRST 51.3 %			
BRKL 0.4		PVTB 53.3			
CBU 0.4		FNB 56.8	CBU 1.3 %		
STBA 0.5	ONB 4.2 %	FFIC 57.2	STBA 1.2		
BHLB 0.5	CBU 3.9	NPBC 58.4	ONB 1.2		
NPBC 0.6	MBFI 3.6	STBA 59.2	PRK 1.2		
NBTB 0.7	NBTB 3.6	CBU 59.2	NPBC 1.1	CBU 18.6 %	CBU 1
INDB 0.8	FNB 3.6	PFS 60.0	TMP 1.0	ONB 15.4	STBA 2
TMP 0.8	BRKL 3.8	BRKL 63.5	PVTB 1.0	TMP 14.8	NBTB 3
PVTB 0.8	NBTB 3.6	NBTB 64.0	NBTB 1.0	NBTB 14.8	ONB 4
FNB 0.9	FNB 3.6	TMP 64.7	MBFI 1.0	STBA 14.7	NPBC 5
PFS 0.9	FMBI 3.6	INDB 65.0	FNB 1.0	FNB 13.6	TMP 5
FFIC 1.0	TMP 3.6	PRK 65.3	PFS 0.9	PRK 13.5	FNB 7
FCF 1.1	PRK 3.6	MBFI 65.4	TRST 0.9	INDB 12.4	PVTB 8
ONB 1.2	STBA 3.5	ONB 65.8	FFIC 0.9	NPBC 11.7	BRKL 9
TRST 1.2	INDB 3.5	FMBI 66.1	FMBI 0.8	PVTB 11.6	INDB 10
FMBI 1.3	NWBI 3.5	NWBI 66.7	INDB 0.8	TRST 11.0	PRK 10
FBC 1.5	NPBC 3.4	FCF 66.9	UMBF 0.8	UMBF 10.8	TRST 12
MBFI 1.5	BHLB 3.4	UMBF 76.0	BRKL 0.8	PFS 10.6	MBFI 13
NWBI 1.6	FCF 3.3	BHLB 77.8	FCF 0.7	MBFI 10.5	PFS 13
PRK 2.7	PFS 3.3	FBC 104.6	NWBI 0.6	FFIC 9.8	FFIC 15
	FFIC 3.3		BHLB 0.3	FMBI 9.8	UMBF 16
	PVTB 3.2		FBC NM	FCF 8.3	FMBI 17
	TRST 3.1			BRKL 8.2	BHLB 18
	FBC 3.0			NWBI 5.1	FCF 19
	UMBF 2.4			BHLB 4.5	NWBI 20
				FBC NM	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
<b>NBTB 3</b>		BHLB 3		
ONB 4	CBU 1	NPBC 3	CBU 1	
NPBC 5	<b>NBTB 2</b>	BRKL 6	<b>NBTB 2</b>	<b>NBTB 3</b>
TMP 5	FNB 3	TMP 7	STBA 3	BRKL 4
FNB 7	NPBC 4	INDB 8	INDB 4	INDB 5
PVTB 8	BHLB 5	ONB 8	BRKL 5	TMP 6
BRKL 9	TMP 6	FBC 10	TMP 6	FNB 7
INDB 10	STBA 7	MBFI 11	FNB 7	FFIC 8
PRK 10	ONB 8	PRK 12	PRK 8	PRK 9
TRST 12	PRK 9	PFS 13	NPBC 9	TRST 9
MBFI 13	INDB 10	TRST 13	ONB 10	PFS 11
PFS 13	PVTB 11	FFIC 15	BHLB 11	UMBF 12
FFIC 15	BRKL 12	STBA 15	TRST 12	NWBI 13
UMBF 16	MBFI 13	UMBF 17	UMBF 13	BHLB 14
FMBI 17	PFS 14	PVTB 18	FFIC 14	FCF 14
BHLB 18	FBC 15	FMBI 19	PFS 15	FMBI 14
FCF 19	FFIC 16	NWBI 19	MBFI 16	NPBC 14
NWBI 20	TRST 17	FCF 21	NWBI 17	MBFI 18
FBC 21	UMBF 18		FMBI 18	ONB 19
	FMBI 19		PVTB 19	PVTB 20
	NWBI 20		FCF 20	FBC 21
	FCF 21		FBC 21	

# NBT Bancorp Stock Performance

<u>P/2015 EPS</u>			<u>P / TBV</u>	<u>YTD Stock Perf.</u>	<u>Composite Ranking</u>
NWBI	20.9	x		PVTB 61.5 %	
UMBF	18.1			FBC 59.5	
CBU	17.1			UMBF 31.9	
PVTB	16.3			CBU 31.7	CBU 1
BRKL	15.7			FMBI 28.6	UMBF 1
PRK	14.8			MBFI 28.1	PVTB 3
INDB	14.7			STBA 27.8	INDB 4
FMBI	14.5			TRST 26.2	FNB 5
FNB	14.3		CBU 2.8 x	FFIC 24.4	MBFI 5
TRST	14.1		FNB 2.4	FCF 21.2	FMBI 7
MBFI	14.0		UMBF 2.3	INDB 20.8	PRK 8
FFIC	13.7		INDB 2.2	PFS 20.3	TRST 9
FCF	13.7		PRK 2.0	TMP 15.8	NWBI 10
PFS	13.7		TMP 2.0	NWBI 15.1	TMP 11
NBTB	13.6		NBTB 2.0	FNB 10.7	NBTB 12
TMP	13.5		PVTB 1.9	NBTB 10.4	FFIC 13
NPBC	13.5		MBFI 1.9	PRK 10.2	STBA 13
BHLB	13.3		ONB 1.8	ONB 8.4	FCF 15
STBA	13.0		ONB 1.8	BRKL 3.1	PFS 16
ONB	12.6		TRST 1.8	BHLB 1.3	BRKL 17
FBC	10.3		NPBC 1.8	NPBC (2.2)	FBC 17
			STBA 1.7		ONB 19
			FMBI 1.7		NPBC 20
			PFS 1.7		BHLB 21
			BHLB 1.6		
			FCF 1.5		
			FFIC 1.5		
			NWBI 1.4		
			BRKL 1.4		
			FBC 1.2		

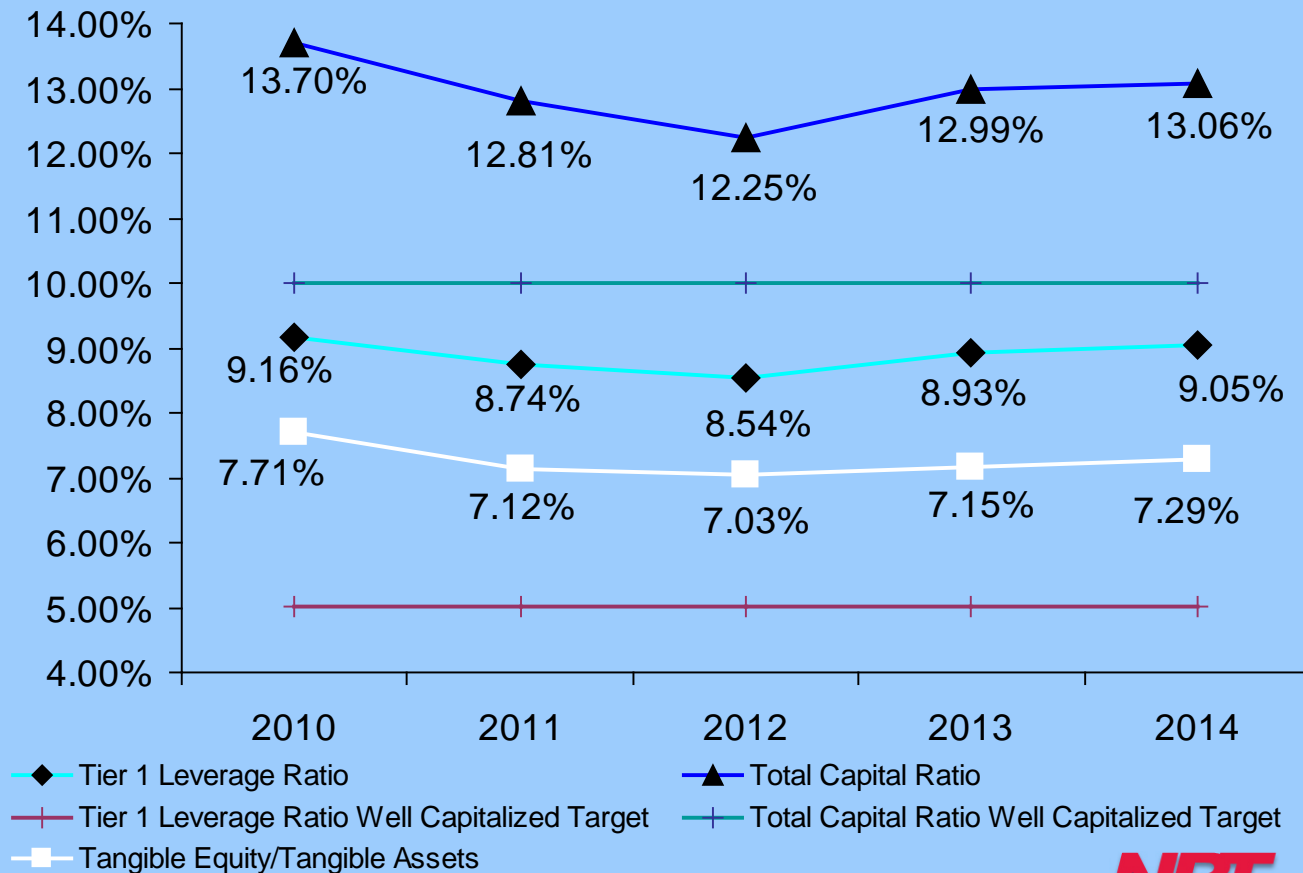
Stock multiple lagging financial performance metrics





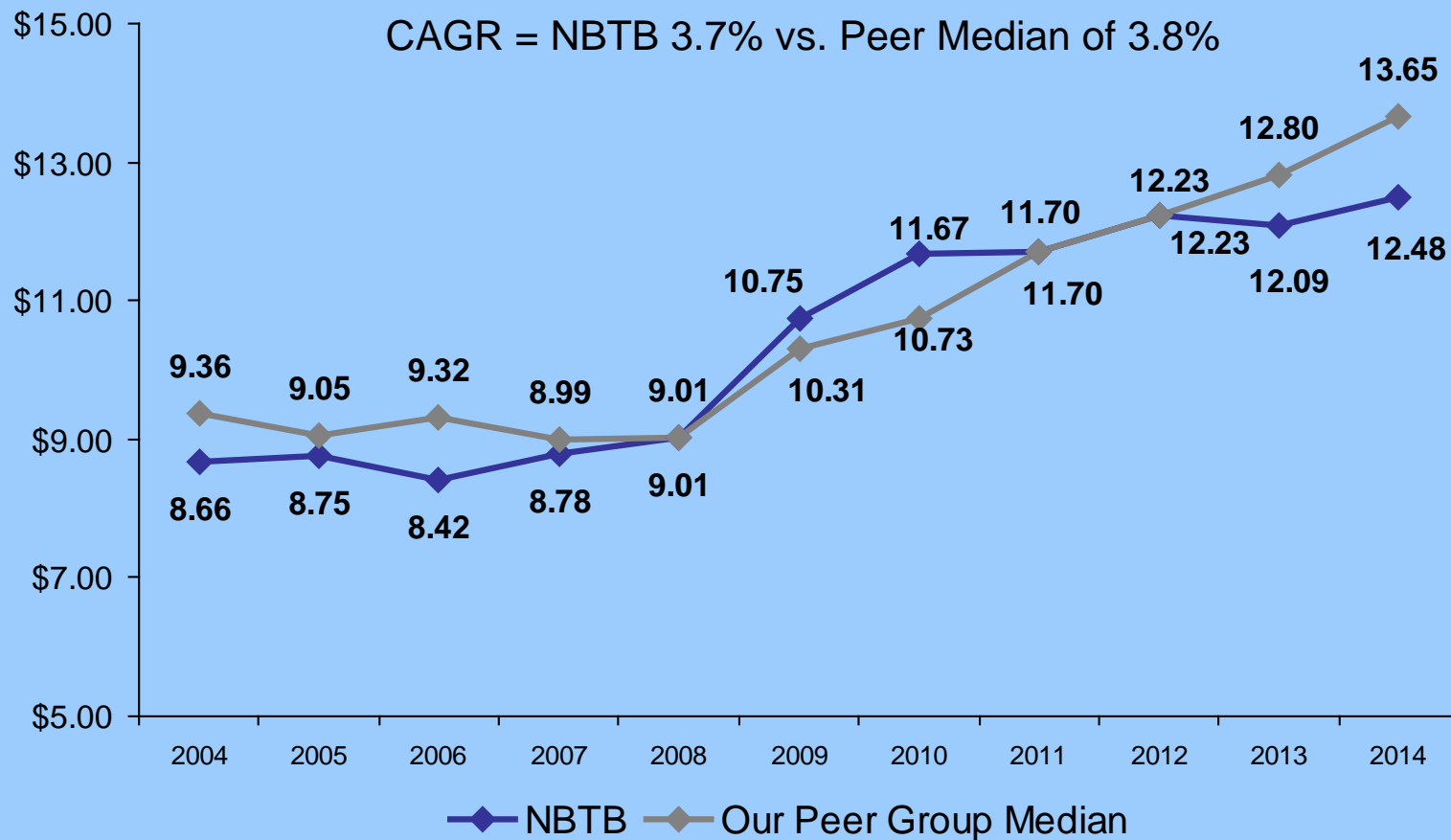
# Capital Strength

NBT remains above levels considered well capitalized by regulators.



# Ability to grow Tangible Book Value

Shown for last ten years



Source: SNL Peer Analytics

26 Refer to Appendix A for Our Peer Group  
2014 shown as of March 31, 2014



# Industry Recognition

# Forbes

**America's Best And Worst Banks**



**Best-Performing  
Regional Banks**



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

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

Ranked #32 in Third Quarter 2013  
On Bank Performance Scorecard for \$5-\$50 Billion Category



# Outlook

- Mergers and Acquisitions
- Continued focus on efficiencies
- Asset quality
- Net interest margin

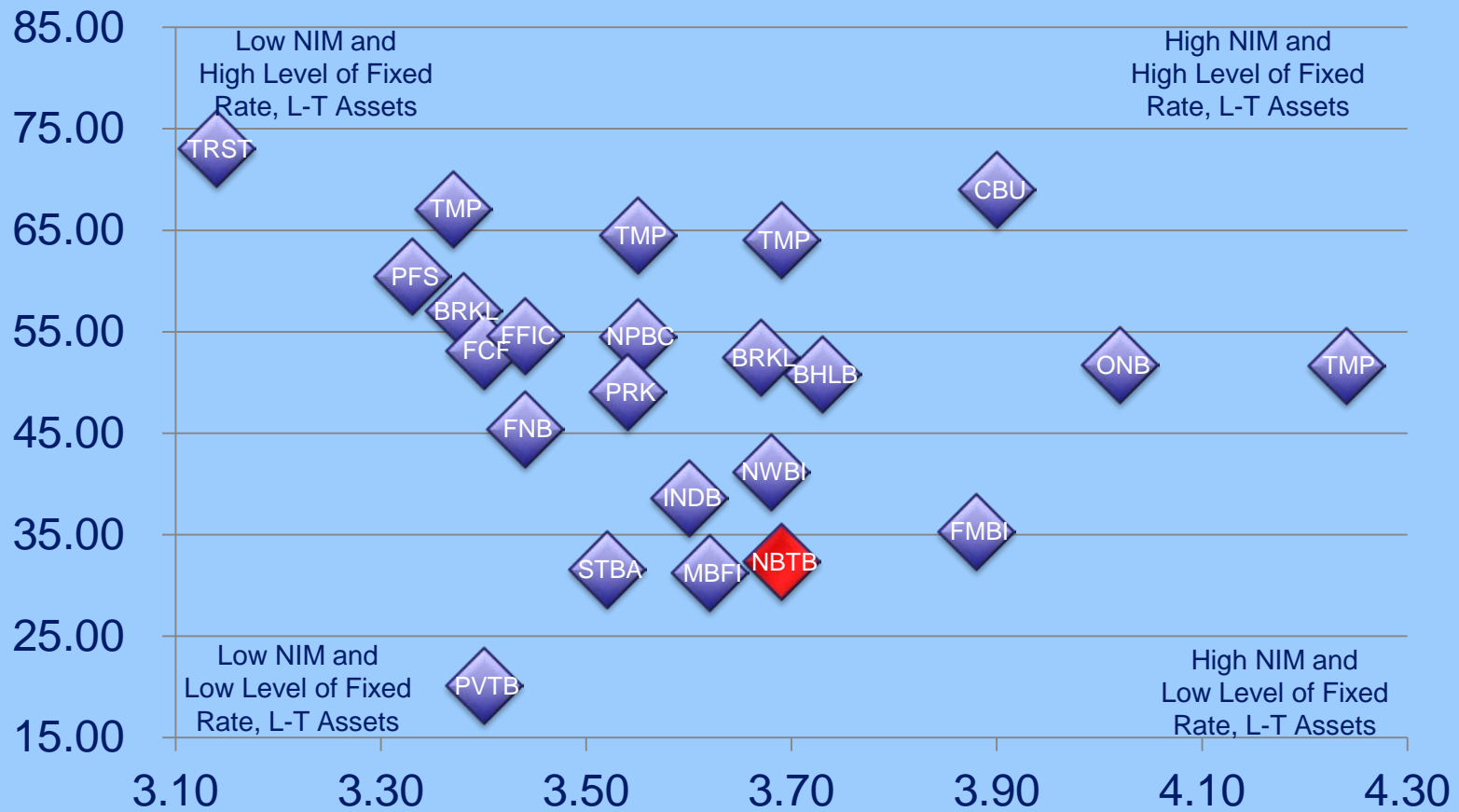


# NIM and Repricing Profile

## NBT and its Peer Group

*Excludes FBC and UMBF's outlying positions (data source as of 12/31/13)*

### NIM and Repricing Profile



# 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	3.88	35.34	28.25	1
MB Financial bank, N.A.	MBFI	3.62	31.28	32.19	2
<b>NBT Bank, National Association</b>	<b>NBTB</b>	<b>3.69</b>	<b>32.37</b>	<b>27.94</b>	<b>3</b>
Old National Bank	ONB	4.02	51.77	28.10	4
Rockland Trust Company	INDB	3.60	38.64	27.46	5
VIST Bank	TMP	4.24	51.71	22.57	5
S&T Bank	STBA	3.52	31.59	27.03	7
Privatebank and Trust Company	PVTB	3.40	20.13	26.41	8
UMB Bank, National Association	UMBF	2.59	36.74	38.05	9
Park National Bank	PRK	3.54	49.09	24.92	10
Berkshire Bank	BHLB	3.73	50.84	17.61	11
Mahopac National Bank	TMP	3.69	64.07	22.57	12
Northwest Savings Bank	NWBI	3.68	41.22	13.92	13
First National Bank of Pennsylvania	FNB	3.44	45.45	21.57	13
Brookline Bank	BRKL	3.67	52.48	18.44	15
Community Bank, National Association	CBU	3.90	69.02	20.41	16
Bank of Castile	TMP	3.55	64.54	22.57	17
First Commonwealth Bank	FCF	3.40	53.16	19.82	18
National Penn Bank	NPBC	3.55	54.55	15.97	18
Tompkins Trust Company	TMP	3.37	67.16	22.57	20
Flagstar Bank	FBC	1.86	40.40	15.15	21
First Ipswich Bank	BRKL	3.38	57.07	17.61	22
Flushing Bank	FFIC	3.44	54.66	6.10	23
Provident Bank	PFS	3.33	60.46	16.63	24
TrustCo Bank	TRST	3.14	73.10	8.11	25
Data Source as of 12/31/13	UBPR	UBPR	UBPR	SNL – Hold Co	Avg. Ranking

# 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