

Investor Presentation NBT Bancorp

Sandler O'Neill
East Coast Financial Services Conference
November 11, 2015

Presented by:

Michael J. Chewens, Senior EVP & Chief Financial Officer

Timothy L. Brenner, EVP & President of Wealth Management

John H. Watt, Jr., Executive Vice President



Overview

About NBT Bancorp

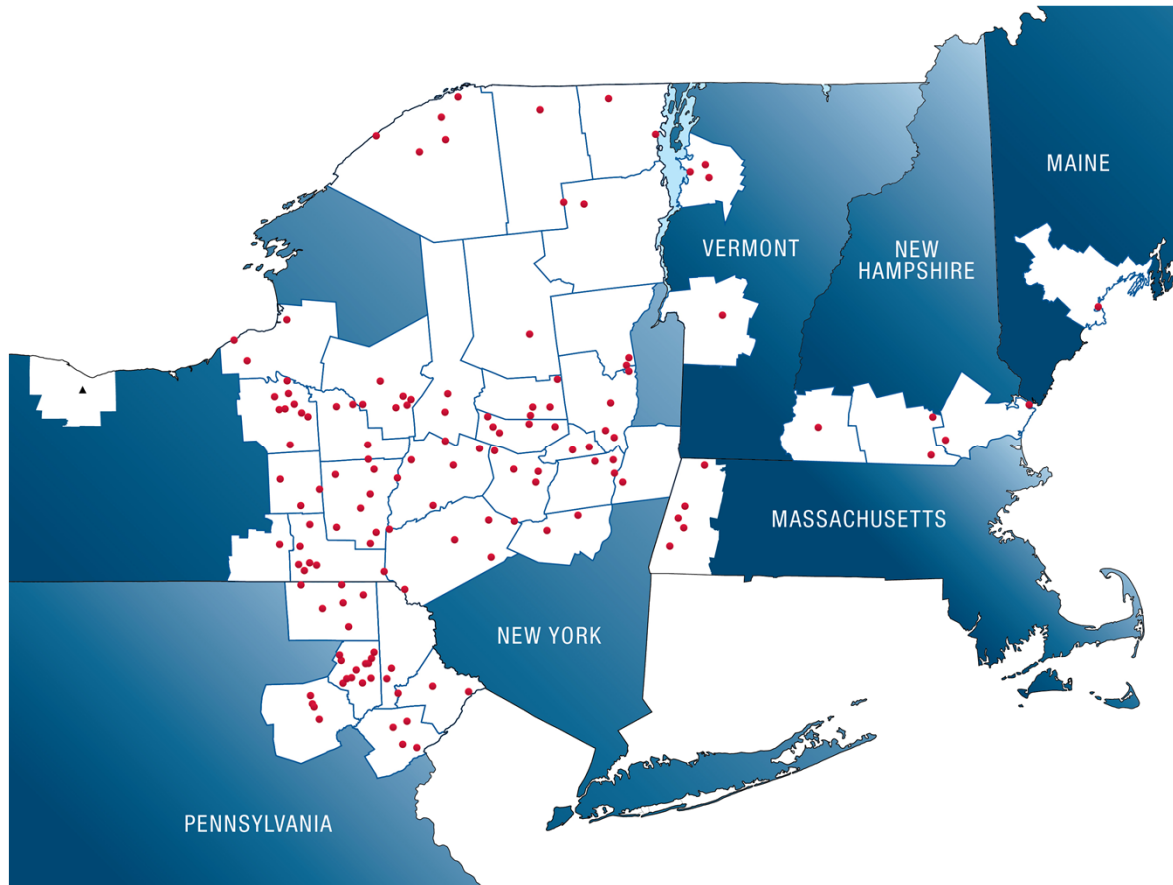
Consistent Financial Performance

Strategic Focuses

Appendix



Company Profile



- Founded in 1856
- NASDAQ Global Select Market, Symbol: NBTB
- Assets of \$8.2 billion at 9/30/2015
- Market capitalization of \$1.22 billion as of 10/31/2015
- 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**.

Overview

About NBT Bancorp

Consistent Financial Performance

Strategic Focuses

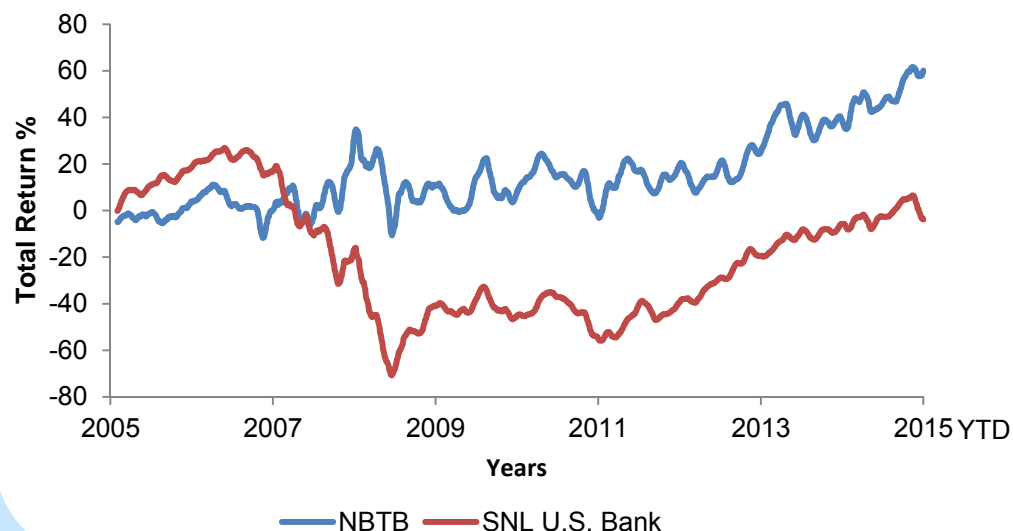
Appendix



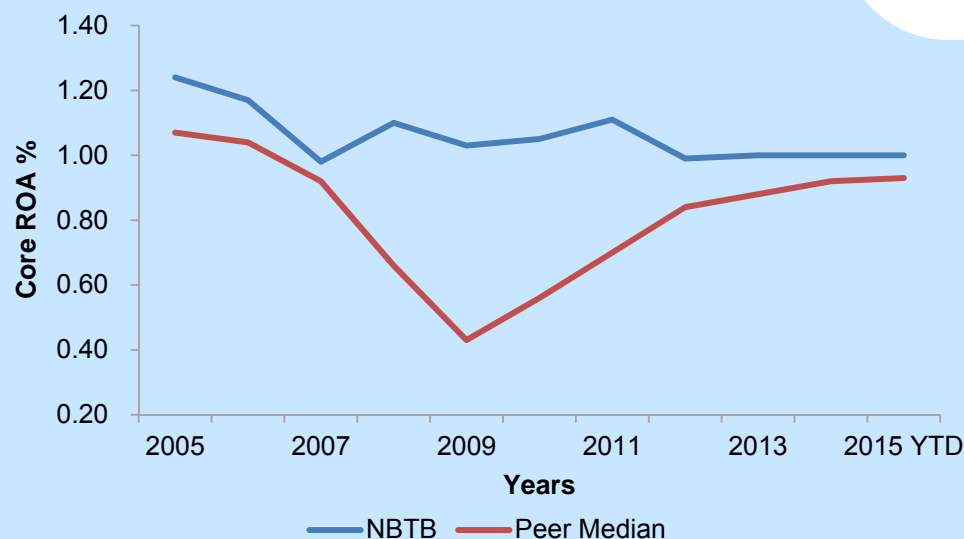
Remarkable Historical Performance

Consistent Market Returns

Total Return from 2005 to 2015



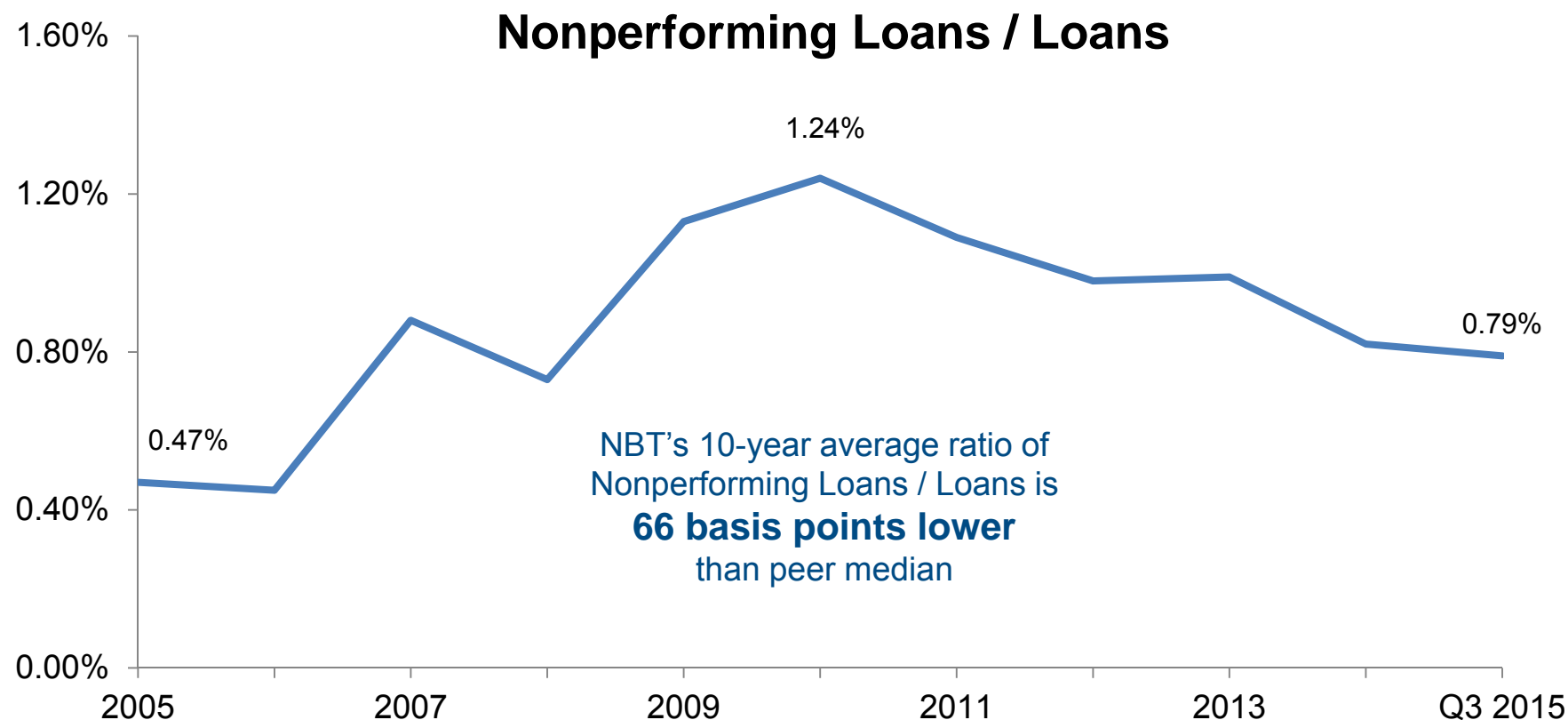
Core Return on Average Assets



Driven by Solid
Financial Performance

Source: SNL Financial Market

Stable Asset Quality



Stable asset quality trends continue in 2015

- YTD net charge-offs to average loans at 0.33% compared to 0.41% for 2014
- Current past due ratio of 0.63% is 6 basis points lower than December 31, 2014

Proven Acquirer and Integrator

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



Recent Acquisitions

2012



\$250 million assets

2013



\$1.4 billion assets

2015



THIRD PARTY
ADMINISTRATORS

\$850 million in assets
under management

Overview

About NBT Bancorp

Consistent Financial Performance

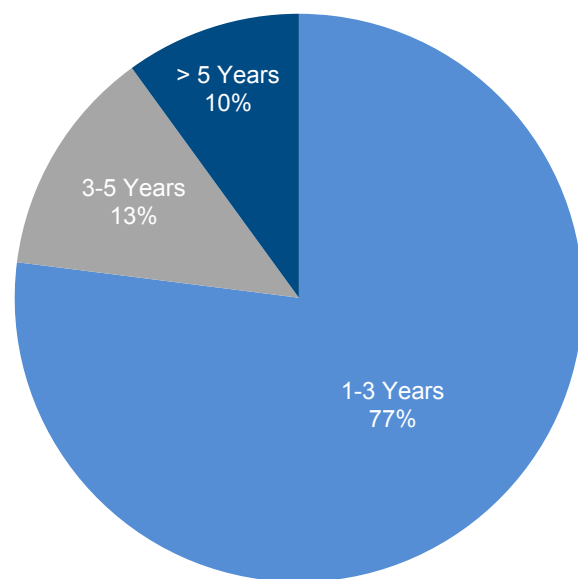
Strategic Initiatives

Appendix



Maintain Well-Positioned Balance Sheet

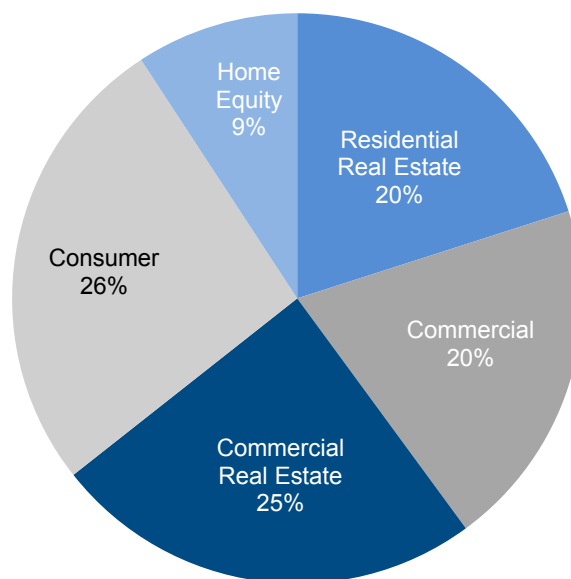
Repricing



Favorable Interest Rate Risk Profile

- Current QTD Net Interest Margin at 3.48% vs. peer average 3.33%

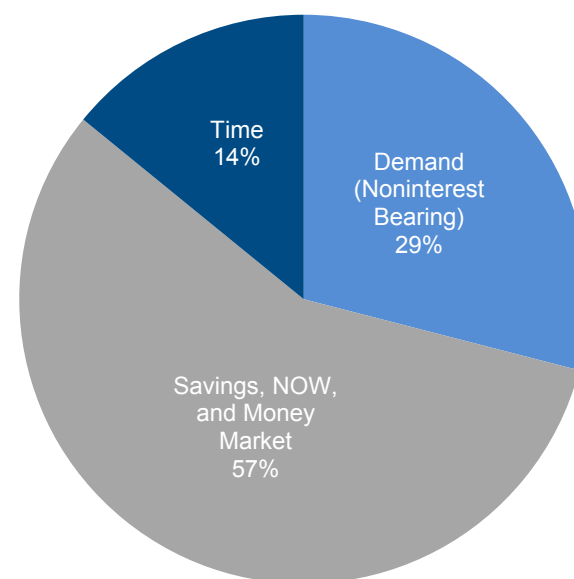
Loan Mix



Diversified Loan Portfolio

- YTD Annualized Loan growth 6.6%
- Shorter loan cash flows with disciplined pricing average yield 4.21% vs. peer average 4.19%

Deposit Mix

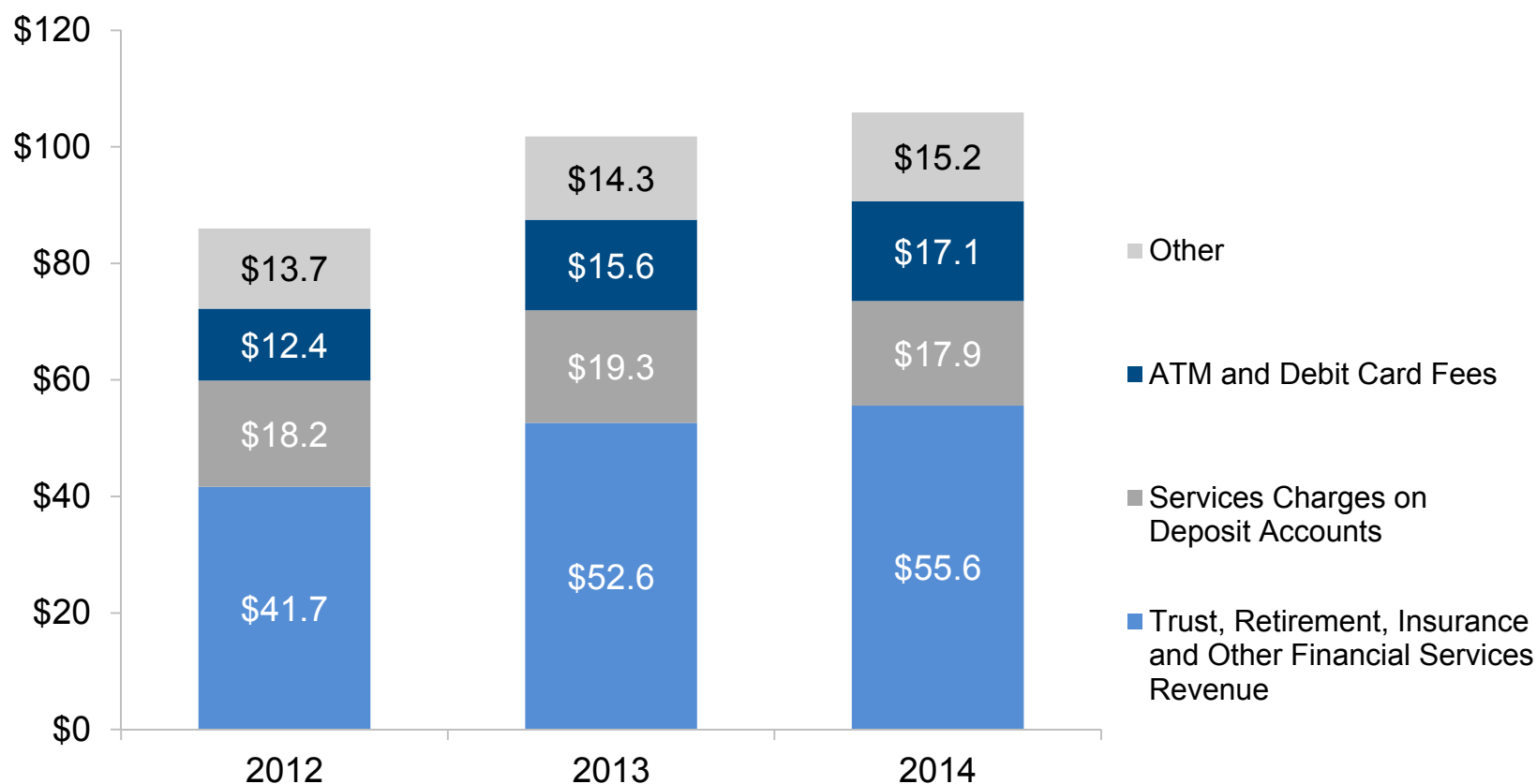


Low Funding Costs

- Year over year DDA growth 11%
- Core Deposits represent 77% of total funding vs. peers 73%

Diversification of Core Noninterest Income

(\$ in millions)

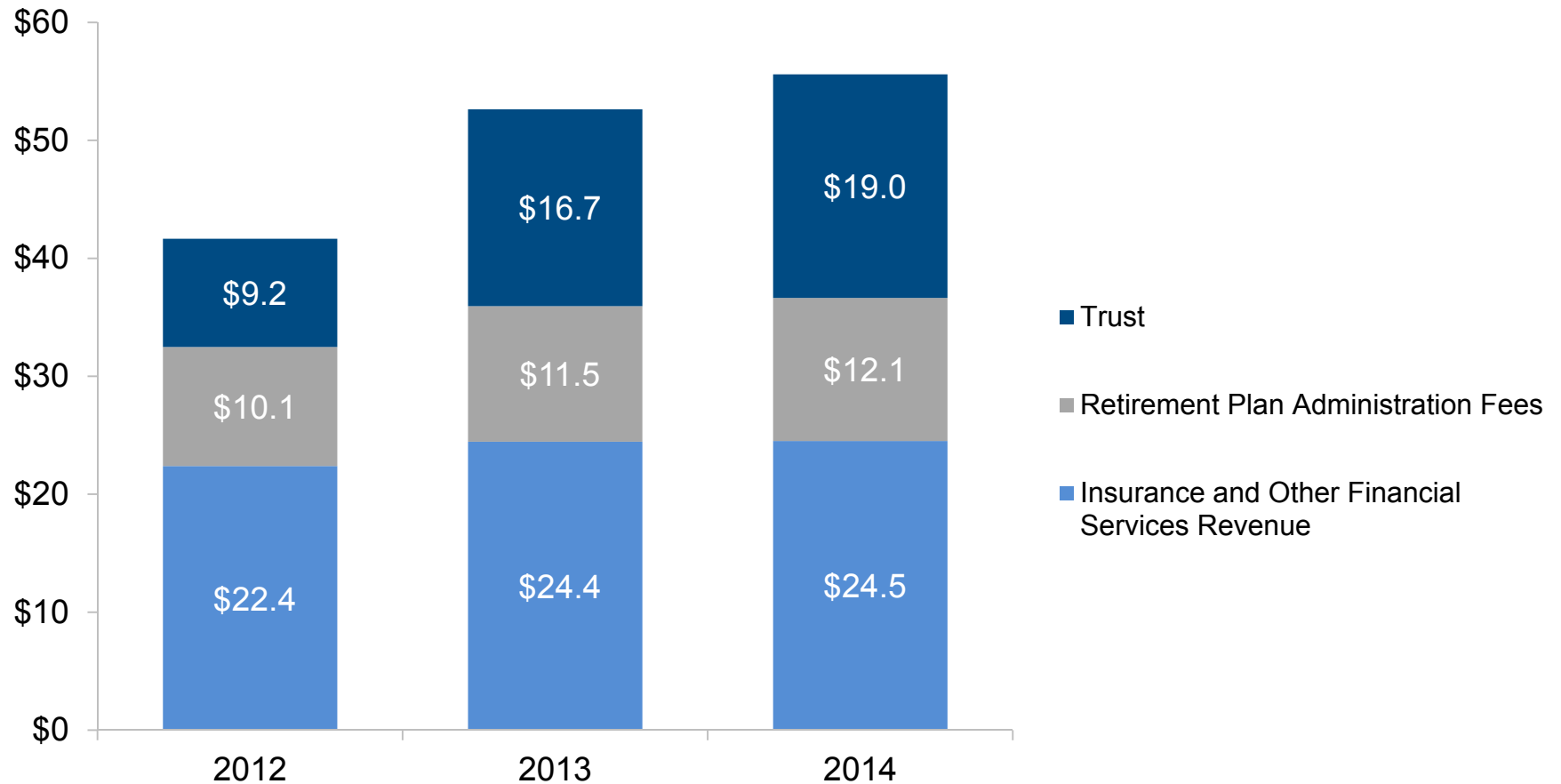


Core Noninterest Income / Core Revenue increased from 29.6% in 2012 to 30.2% in 2015

Service charges as a percentage of average transaction deposit accounts have decreased 37 basis points since 2012

Emphasis on Non-Banking Sources

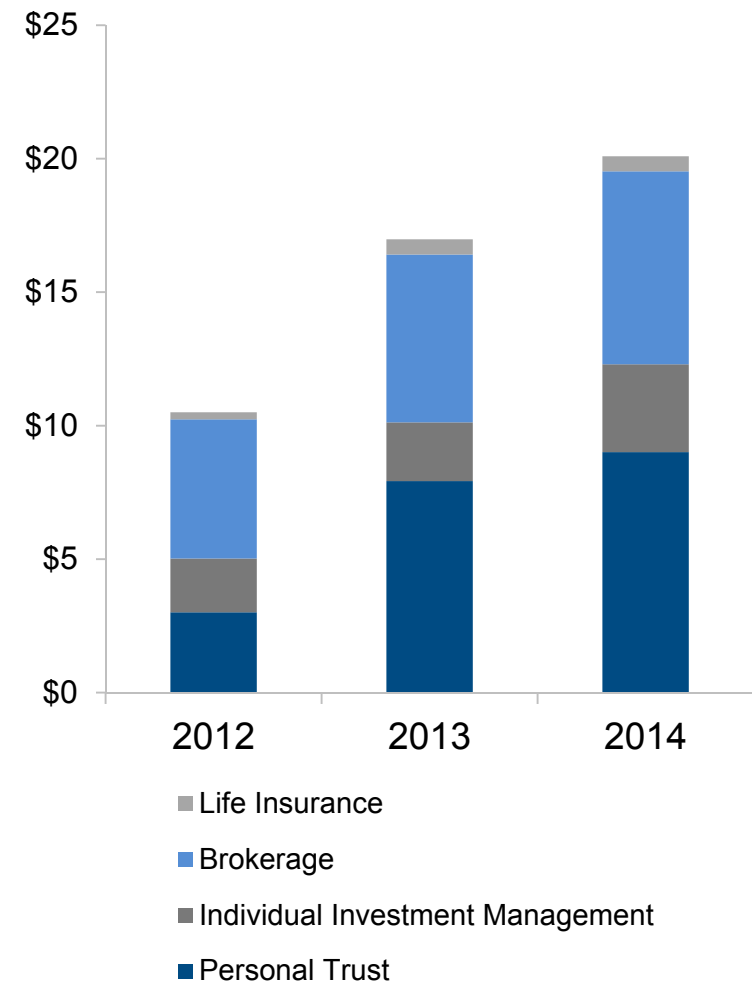
(\$ in millions)



Individual Wealth Management

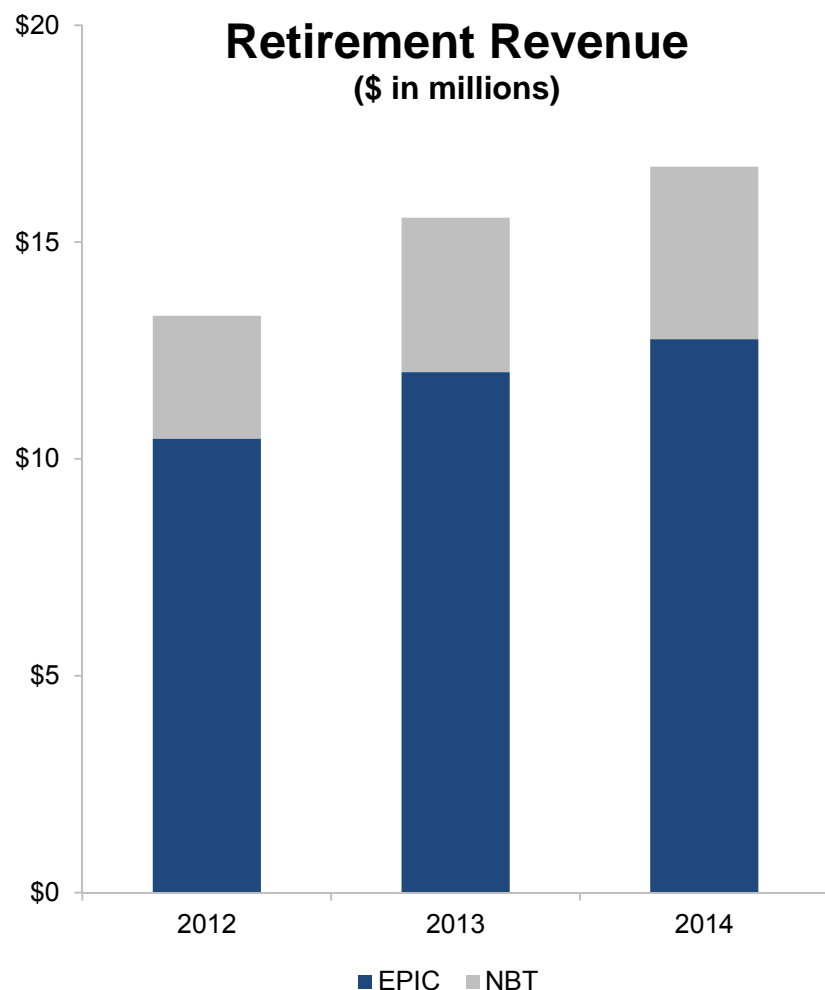
(\$ in millions)

Client-Centric Planning Process



Emphasis on Non-Banking Sources

Retirement Plan Business



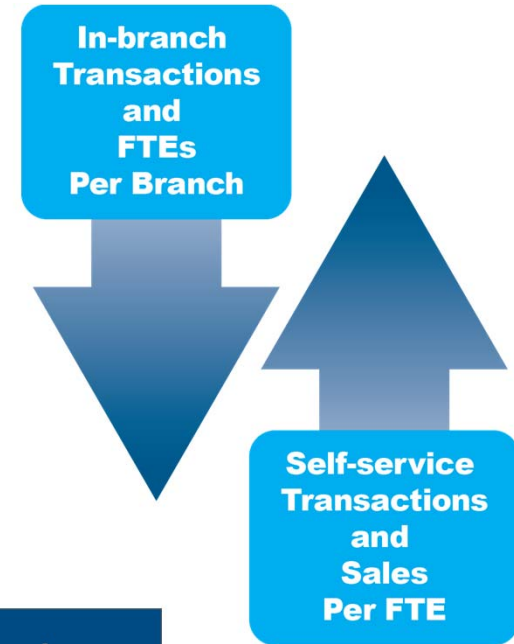
- Organic Revenue Growth
5-year CAGR 7.5%
- NBT Bank Wealth Management Division
 - Advisory approach offering trust and brokerage products
 - Tradition of fiduciary expertise
 - \$5.9 billion in managed and custodial assets
- EPIC Advisors, Inc.
 - 1,700 retirement plans in 44 states
 - \$6.6 billion in retirement plan assets

October 2015 Acquisition

- TPA, Inc.
 - Third party administration firm
 - Replicate EPIC-NBT model for unbundled “trust product” with bundled brokerage product
 - \$850 million in retirement plan assets

Adapting to Customer Preferences and Branch Optimization

- NBT Bank is responsive to certain trends faced across the industry:
 - 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
 - New digital branch concept



Adapting to Customer Preferences and Branch Optimization

Branch Consolidations and Space Reductions

- 14 branch consolidations since 2011
- Decreased space by 50,000 sq. ft. since 2011
- Opportunities identified to reduce space by an additional 36,000 sq. ft.

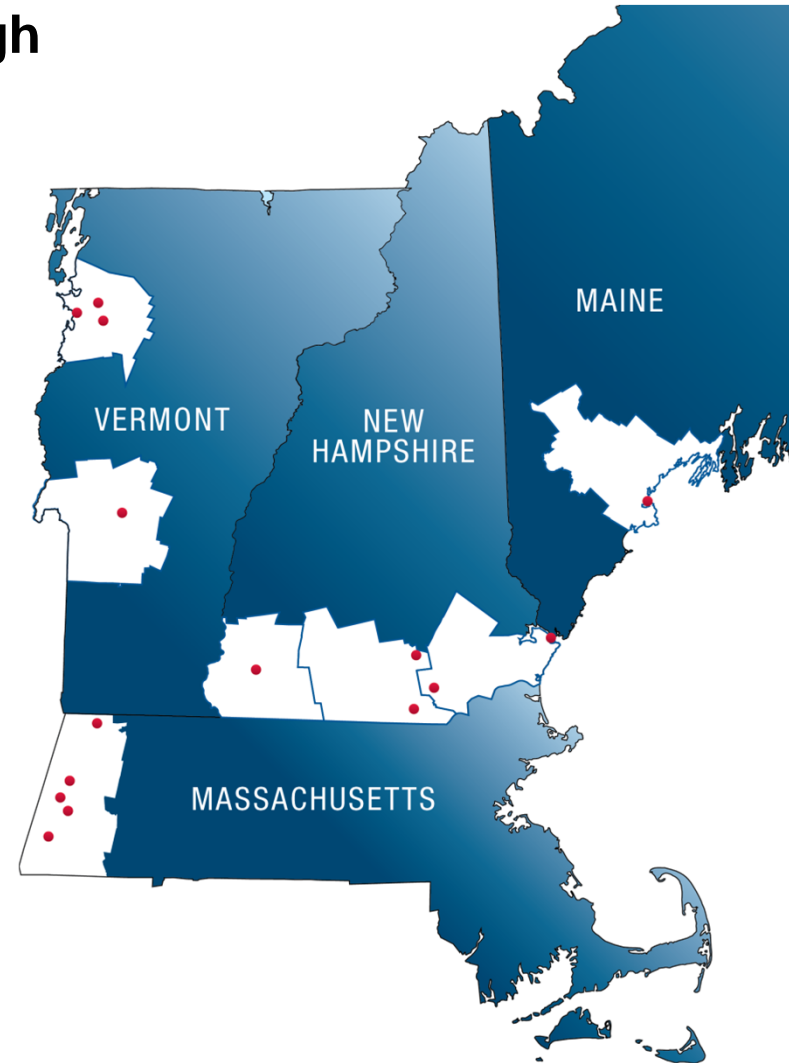
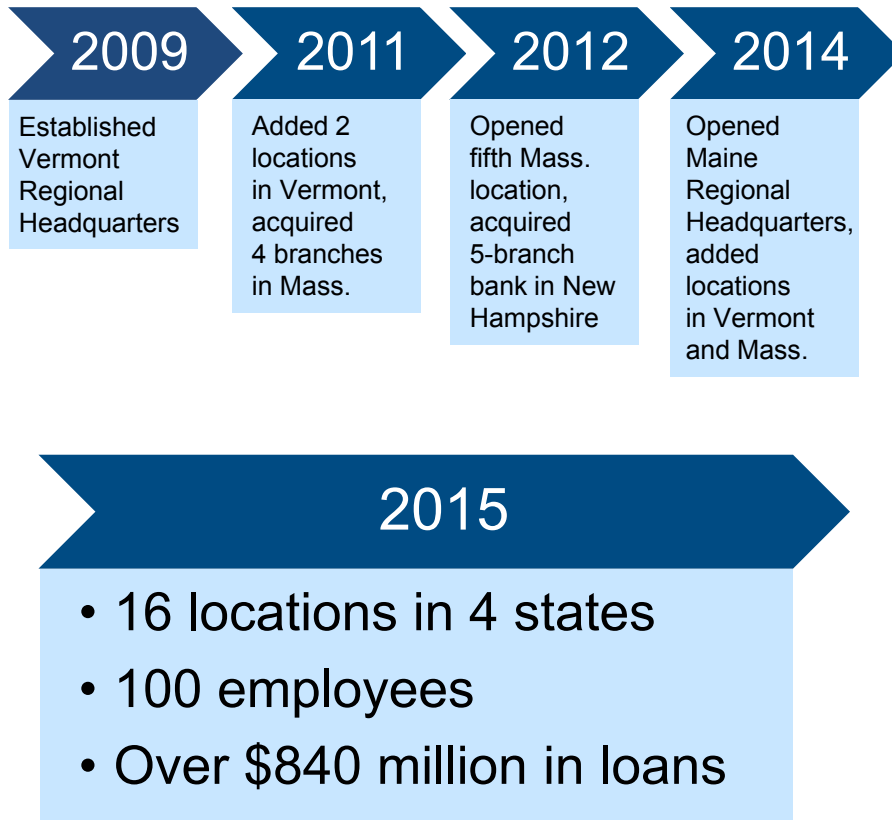


Workforce Management

- Leveraging state-of-the-art system to optimize hours and staffing

NBT in New England

Quickly established presence through organic growth and acquisitions



Overview

About NBT Bancorp

Consistent Financial Performance

Strategic Focuses

Appendix



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.

About NBT Bancorp

NBT Bancorp Inc. is a financial holding company headquartered in Norwich, N.Y., with total assets of \$8.2 billion at September 30, 2015. 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 over 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.

Core Financial Highlights

\$ in millions except per share data	3Q15	2Q15	1Q15	4Q14	3Q14
Net Income	\$ 19.8	\$ 19.6	\$ 18.2	\$ 18.5	\$ 19.8
Earnings Per Share	\$ 0.45	\$ 0.44	\$ 0.41	\$ 0.42	\$ 0.45
Return on Average Assets	0.97%	0.99%	0.94%	0.94%	1.01%
Return on Average Tangible Common Equity	13.60%	13.67%	13.07%	13.08%	14.35%
Net Interest Margin	3.48%	3.51%	3.60%	3.61%	3.61%

Net Income of \$19.8 million
increased \$0.2 million compared
to linked quarter and
flat year-over-year

EPS of \$0.45
increased \$0.01
compared to linked quarter
and flat year-over-year

Non-GAAP Measures

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (GAAP). These measures adjust GAAP measures to exclude the effects of sales of securities and certain non-recurring and merger-related expenses. Where non-GAAP disclosures are used in this presentation, the comparable GAAP measure, as well as a reconciliation to the comparable GAAP measure, is provided in the accompanying table. Management believes that these non-GAAP measures provide useful information that is important to an understanding of the operating results of NBT's core business (due to the non-recurring nature of the excluded items). Non-GAAP measures should not be considered a substitute for financial measures determined in accordance with GAAP and investors should consider NBT's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of NBT.

Non-GAAP Measures

\$ in thousands	3Q15	2Q15	1Q15	4Q14	3Q14
Net Income	\$ 19,851	\$ 19,281	\$ 18,166	\$ 18,513	\$ 10,912
Gain on Sale of Securities	\$ (3)	\$ (26)	\$ (14)	\$ (33)	\$ (38)
Gain on Sale of Springstone	\$ (4,179)	\$ -	\$ -	\$ -	\$ -
Prepayment Penalties Related to Debt Restructuring	\$ -	\$ -	\$ -	\$ -	\$ 13,348
Other Adjustments	\$ 4,043	\$ 489	\$ -	\$ 17	\$ 126
Total Adjustments	\$ (139)	\$ 463	\$ (14)	\$ (16)	\$ 13,436
Total Adjustments, Net of Tax	\$ (92)	\$ 307	\$ (9)	\$ (11)	\$ 8,891
Core Net Income	\$ 19,759	\$ 19,588	\$ 18,157	\$ 18,502	\$ 19,803

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
National Penn Bancshares, Inc.	Boyertown	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