

NBT Bancorp Inc.

KBW Winter Financial Services Symposium
February 13-14, 2020



Overview

About NBT Bancorp

Financial Performance

Strategic Initiatives

Appendix



Company Profile

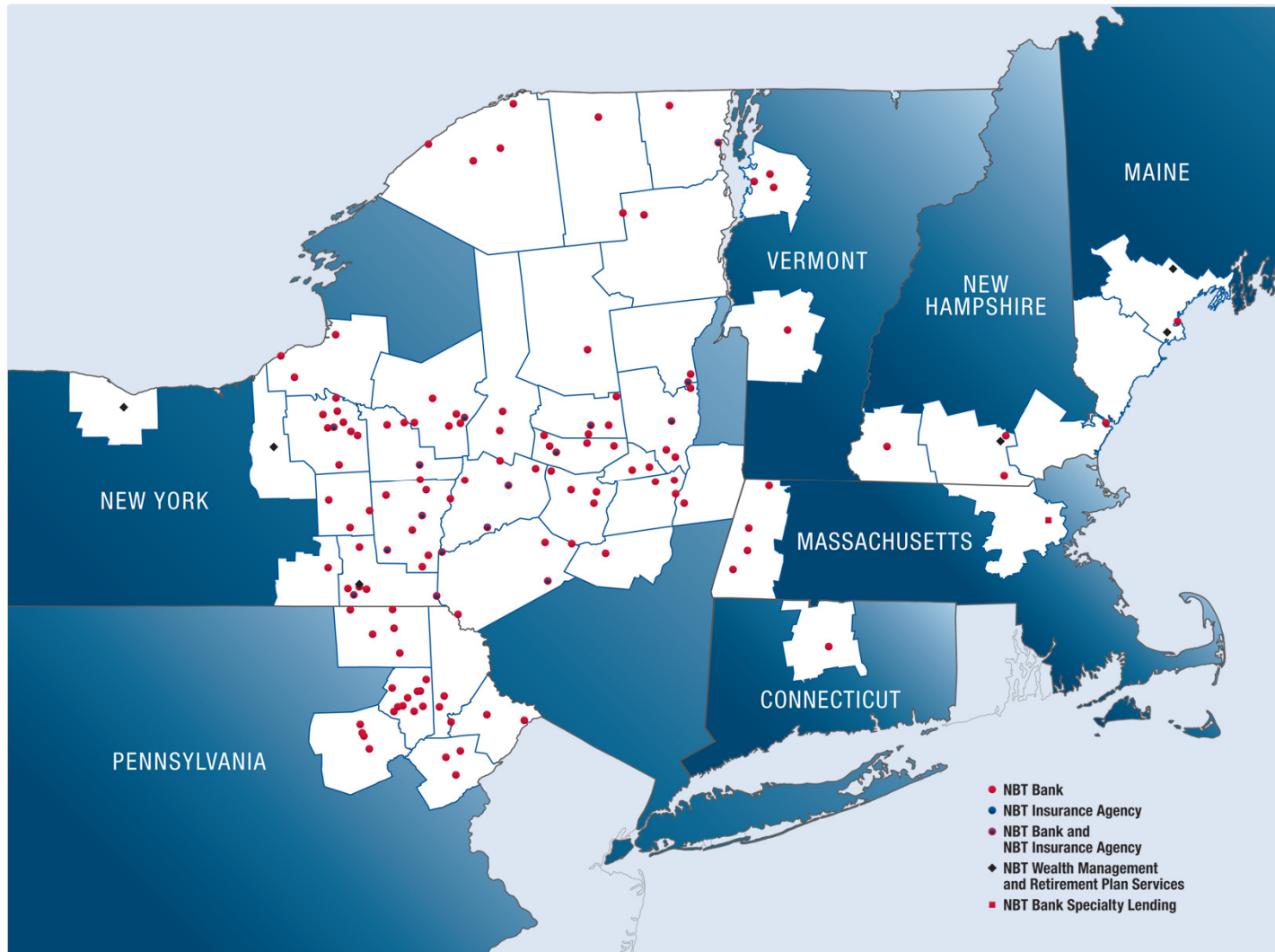
NBT Bancorp Inc. is a financial holding company headquartered in Norwich, NY.

- Founded in 1856
- Market: Nasdaq Global Select
- Ticker Symbol: NBTB
- Assets: \$9.7 Billion
- 95th Largest Bank Holding Company in US
- Market Capitalization: \$1.7 Billion
- Institutional Ownership: 57%
- Average Daily Volume: 128,300

The company primarily operates through a nationally-chartered community bank and two financial services companies.



NBT Bank Footprint



NBT Bank, N.A. has 146 banking locations and 199 ATMs in New York, Pennsylvania, Vermont, Massachusetts, New Hampshire, Maine and is now entering Connecticut.

NBT Insurance Agency, LLC based in Norwich, NY, is a full-service insurance agency.

EPIC Retirement Plan Services, based in Rochester, NY, is a full-service 401(k) plan recordkeeping firm.

Overview

About NBT Bancorp

Financial Performance

Strategic Initiatives

Appendix



Financial Highlights

As Reported Dollars in Millions Except Per Share Data	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Net Income	\$ 29.0	\$ 28.7	\$ 121.0	\$ 112.6
Earnings Per Share	\$ 0.66	\$ 0.65	\$ 2.74	\$ 2.56
Return on Average Assets	1.20%	1.20%	1.26%	1.20%
Return on Average Tangible Common Equity (1)	14.28%	16.37%	15.85%	16.71%
Net Interest Margin	3.52%	3.61%	3.58%	3.58%
Tangible Book Value Per Share (2)	\$19.03	\$16.66	\$19.03	\$16.66
Tangible Common Equity to Assets (3)	8.84%	7.85%	8.84%	7.85%

**Tangible Book Value Per Share
Up 14% from Prior Year**

**2019 EPS of \$2.74
Up 7% from Prior Year**

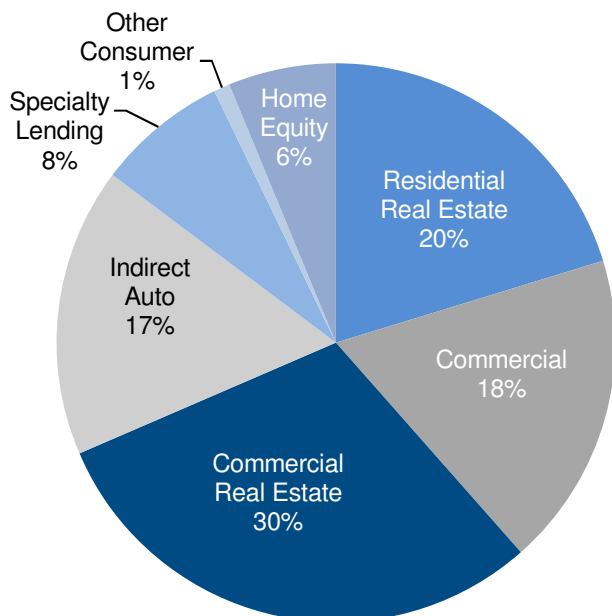
(1) Non-GAAP measure – See reconciliation to GAAP on slide 22 in Appendix.

(2) Non-GAAP measure – Stockholders' equity less goodwill and intangible assets divided total assets less goodwill and intangible assets.

(3) Non-GAAP measure – Stockholders' equity less goodwill and intangible assets divided by common shares outstanding.

Well-Positioned Balance Sheet

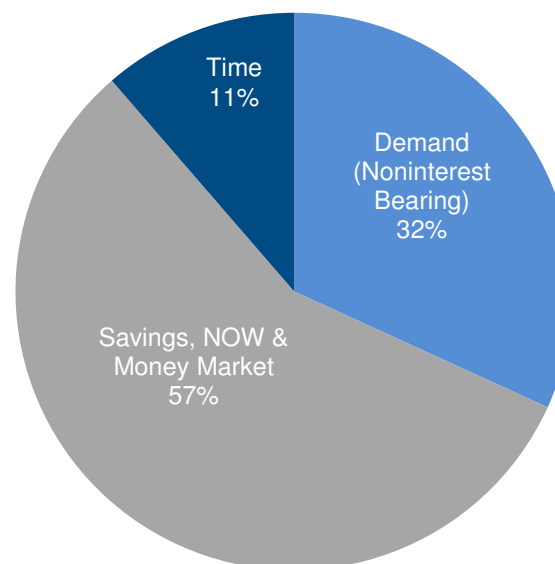
Loans \$7.1 Billion



Diversified Loan Portfolio

- 2019 Loan Growth 3.6%
- Non-owner Occupied CRE at 162.7% to Total Capital
- Loan-to-Deposit Ratio of 94%

Deposits \$7.6 Billion

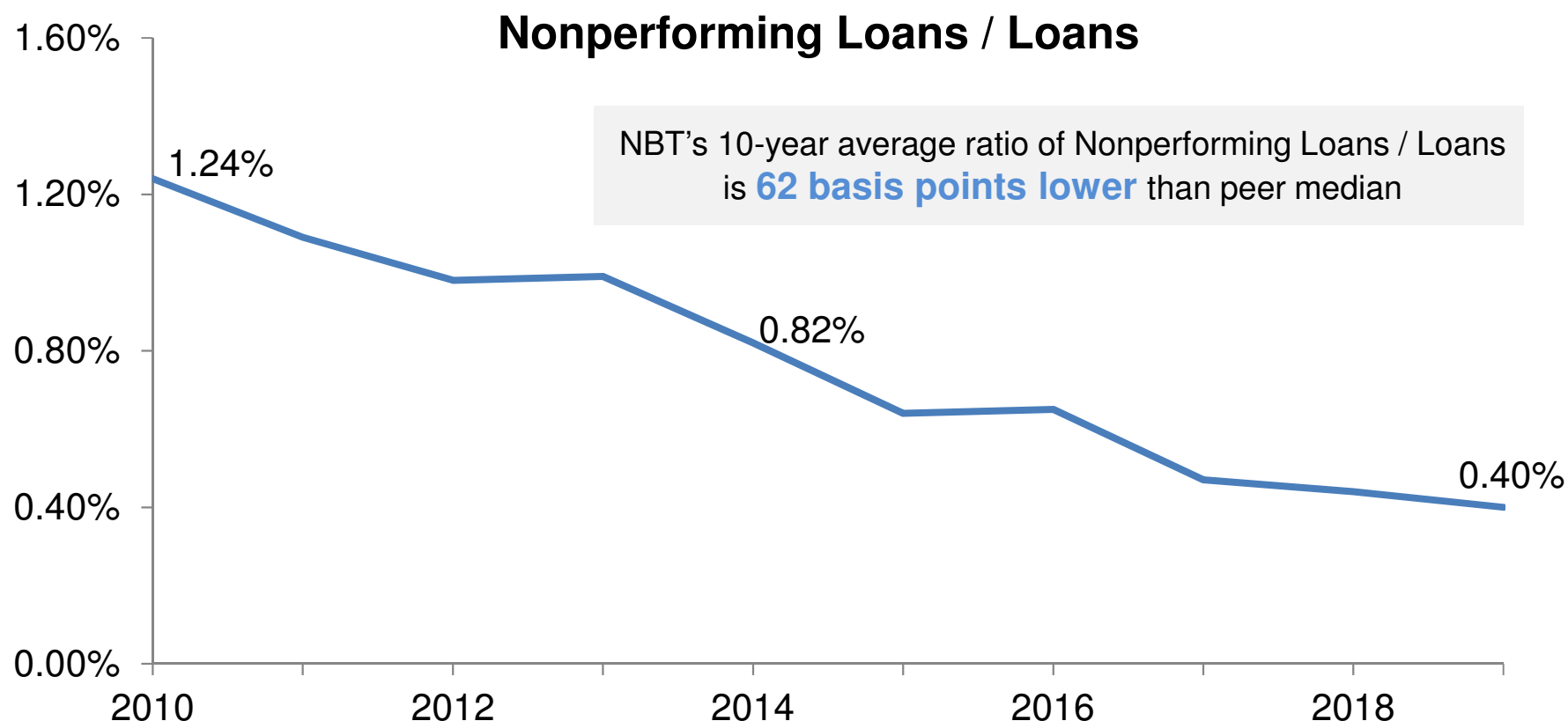


Low Funding Costs

- 5-Year CAGR of 7% for DDA
- Total Cost of Deposits 0.53%
- Core Deposits represent 82% of total funding vs. peer average of 76%

Peer Data Source: SNL Financial Market as of the most recent quarter. Peer Group information on page 21.

Stable Asset Quality



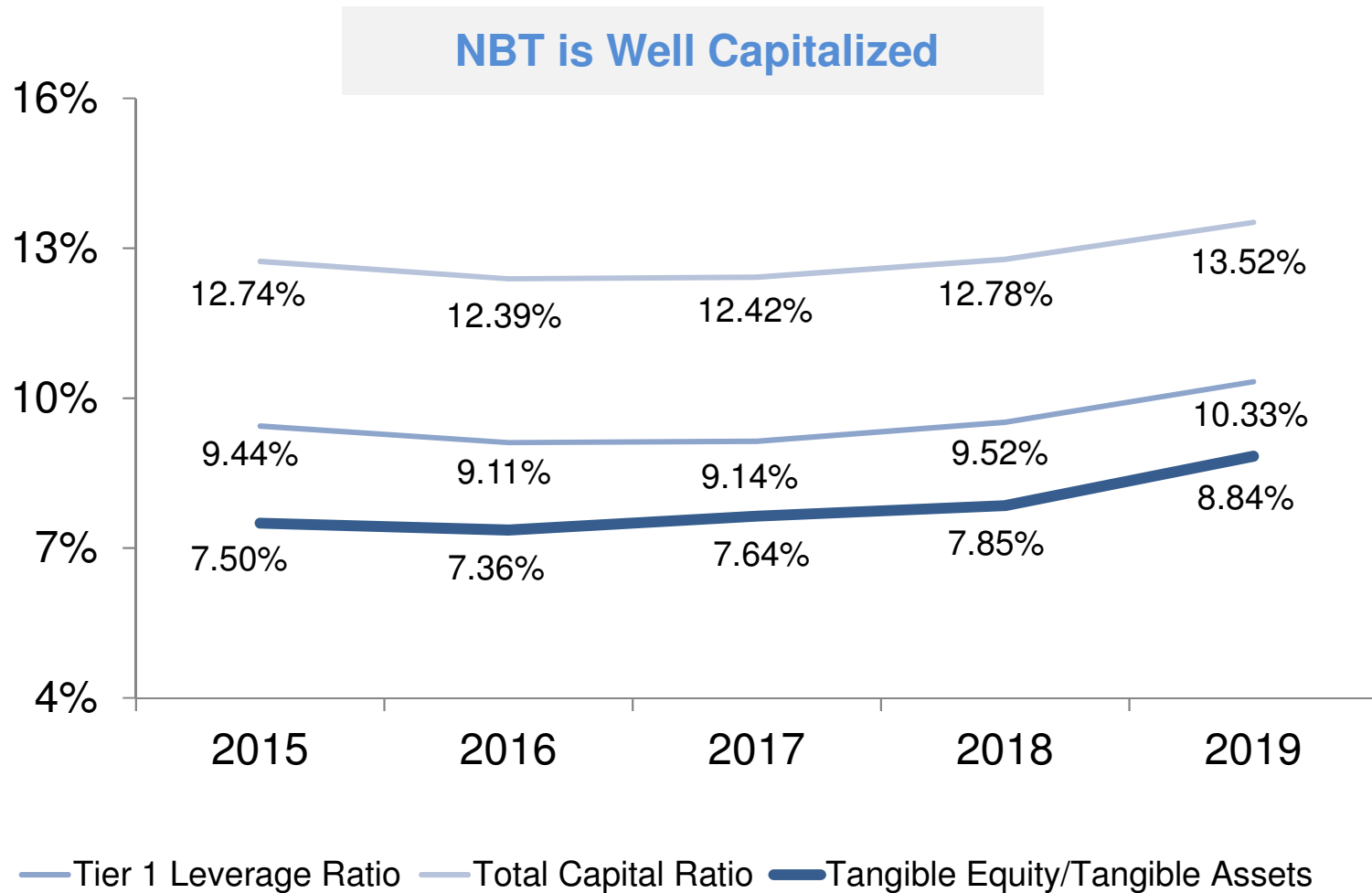
Stable Asset Quality Trends Continue

- 2019 Net Charge-offs to Average Loans at 0.36% compared to 0.38% for 2018
- Current Past Due Ratio of 0.49% is 6 basis points lower than December 31, 2018

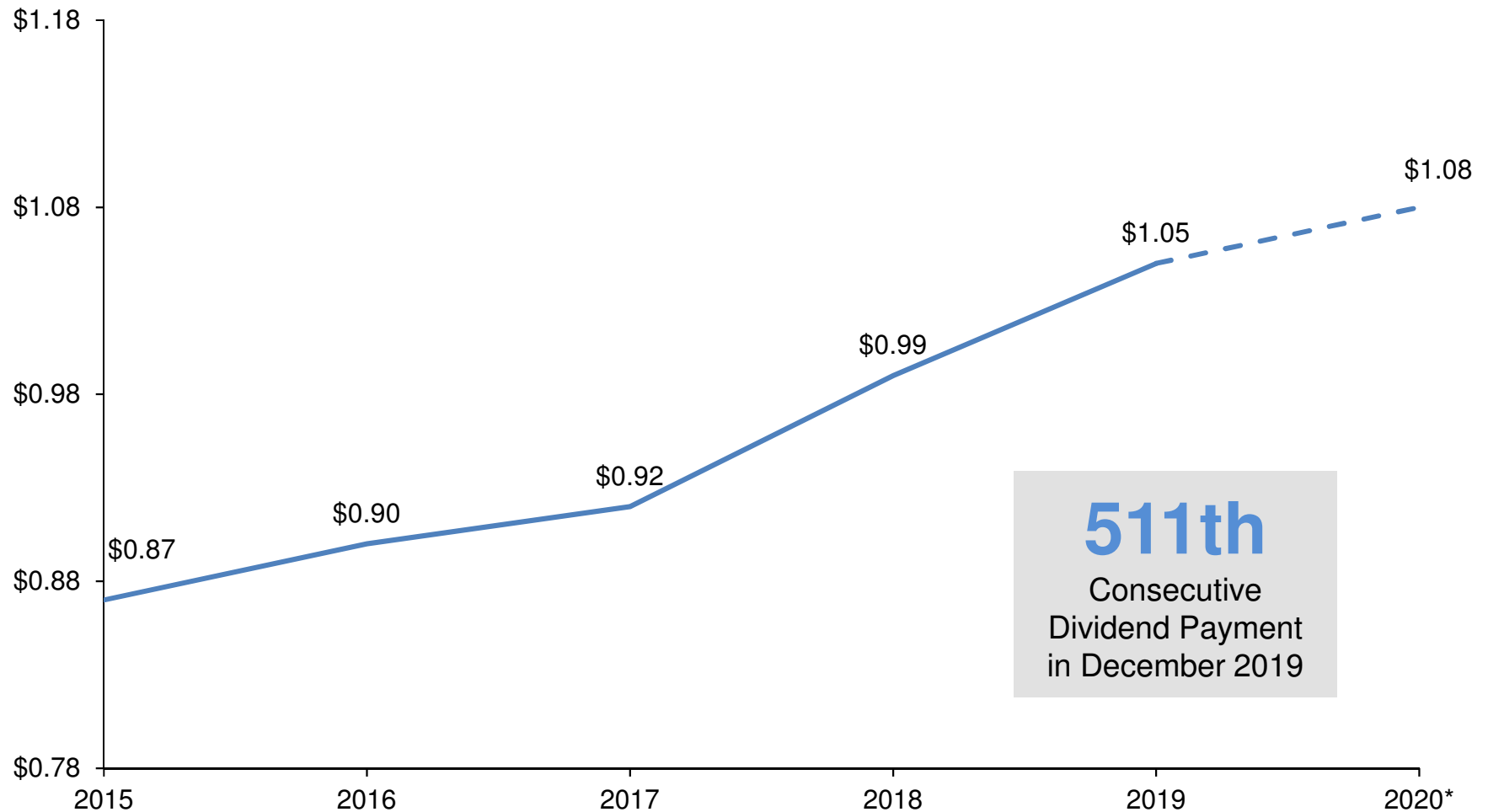
Peer Data Source: SNL Financial Market as of the most recent quarter. Peer Group information on page 21.

Capital Strength

As of December 31, 2019



Dividend Growth



*Annualized based on first quarter 2020 dividend declared of \$0.27

Overview

About NBT Bancorp
Financial Performance

Strategic Initiatives

Appendix



New England Expansion

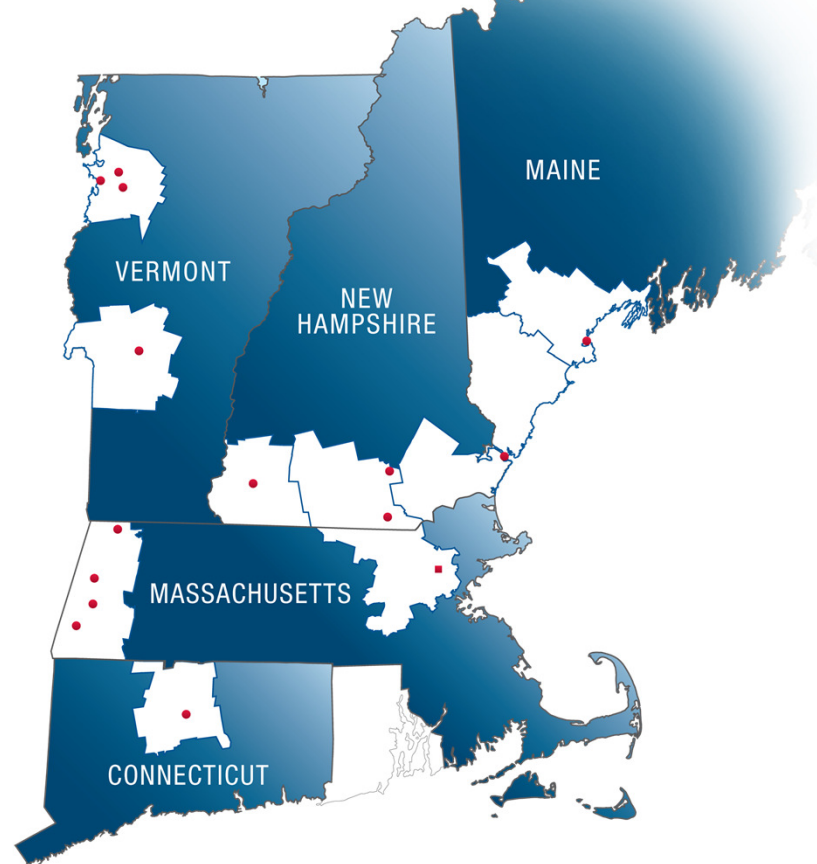
Why New England?

Banking Environment

- Larger financial institutions dominate market share
- Market disruption creates opportunities
- Opening for locally-focused bank with larger lending capacity

Market Dynamics

- Lower unemployment
- Higher number of businesses per county
- Higher population density
- Higher median household income
- Lift from greater Boston economic growth



2009
VT
De Novo

2011
MA Branch
Acquisition

2012
NH Bank
Acquisition

2014
ME
De Novo

2019
CT
De Novo

New England: 10 Years of Growth

\$1.7
Billion

Total Loans

\$475
Million

Deposits

\$748
Million

Assets Under
Management and
Administration

NBT's New England franchise represents 18% of assets and one-quarter of the Bank's total loan portfolio.

Year-Over-Year Growth

- 24% loan growth
- 8% growth in deposits
- 19% growth in asset under management and administration

Our People

Local talent with deep market knowledge

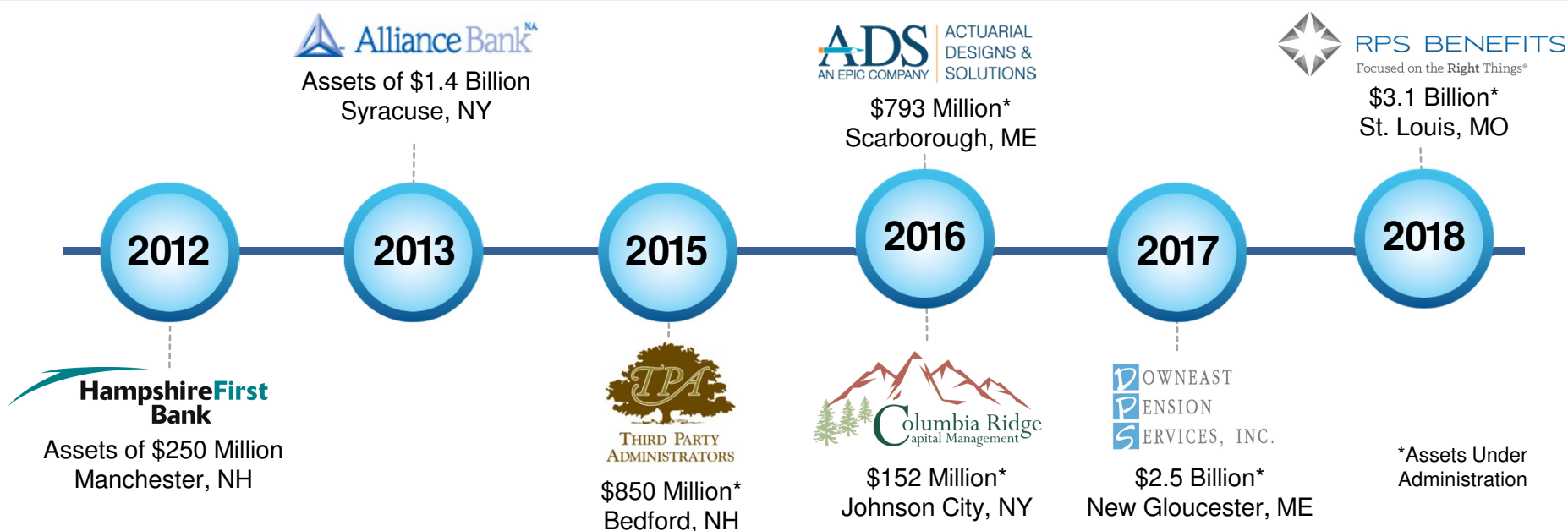


New Hampshire Team

Disciplined Acquirer and Proven Integrator

- Completed 7 whole-bank, 7 branch and 7 non-bank business acquisitions since 2000
- Achieved or exceeded targeted cost saves
- Retained key personnel
- High retention rates in loans and deposits with bank and branch deals
- Successful integration of systems
- Non-bank acquisitions diversify revenue, expand capabilities and build scale

Recent Acquisitions



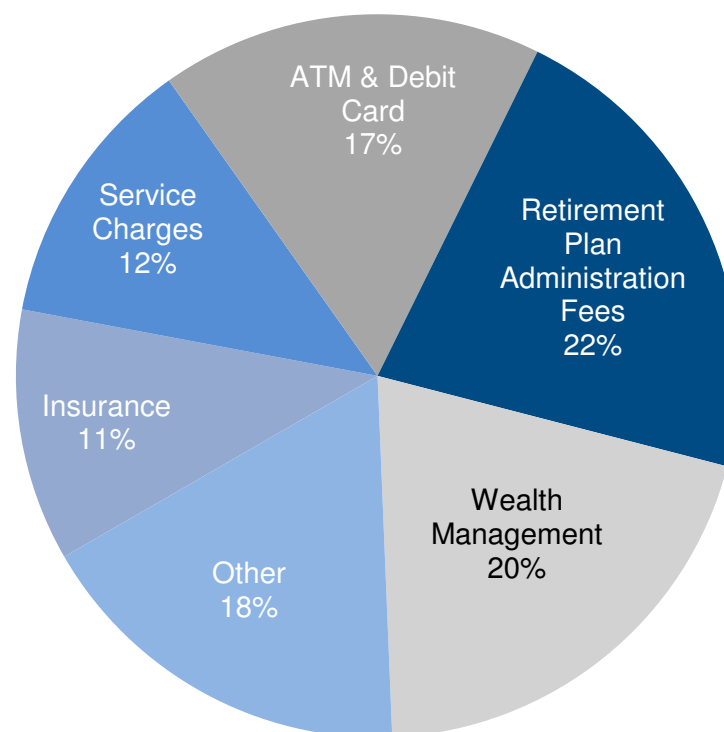
Focus on Fee-Based Businesses

As of December 31, 2019

\$140 Million
Total Noninterest Income*

Up 7% Over Prior Year*

Noninterest Income to Total Revenue
was 31% compared to
peer median at 22%

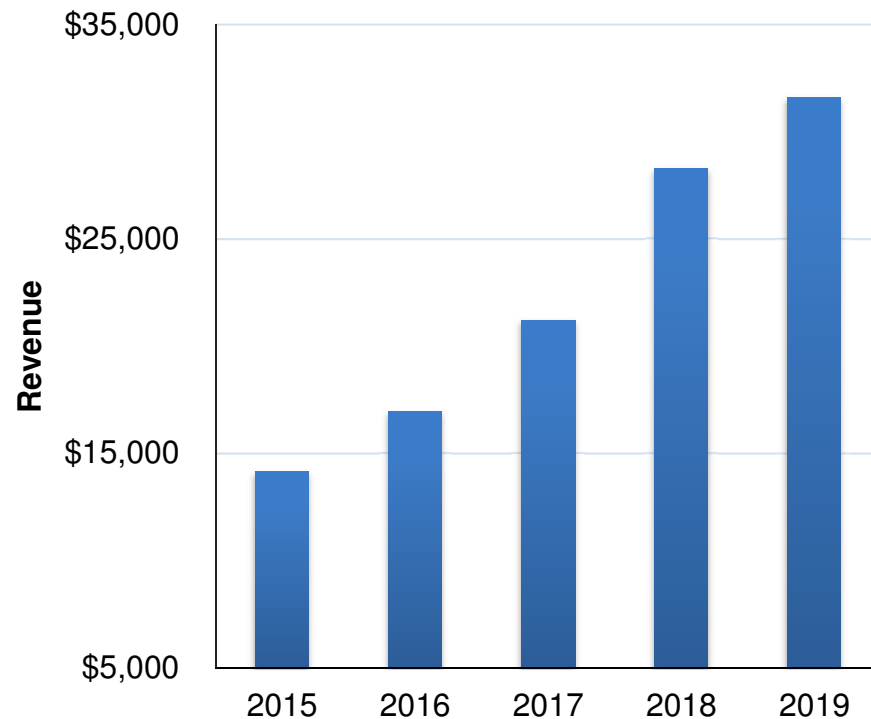


*Excludes securities gains/(losses)

Note: Given the current level of interchange fees, the estimated full year Durbin impact is a decrease of \$9 - \$10 million.

Peer Data Source: SNL Financial Market as of the most recent quarter. Peer Group information on page 21.

EPIC Retirement Plan Services



Customized Consulting, Recordkeeping, Actuarial and Administrative Services for All Types of Retirement Plans

Deep Partnerships with Clients Across 50 States, Including Retirement Plan Advisors, Banks and TPAs

Proprietary Customer Experience Delivery Platform Driving Adoption and Satisfaction

Acquisition Activity Provides Revenue Growth, Client Diversification and Expands Capabilities and Geography



“Helping America Retire”

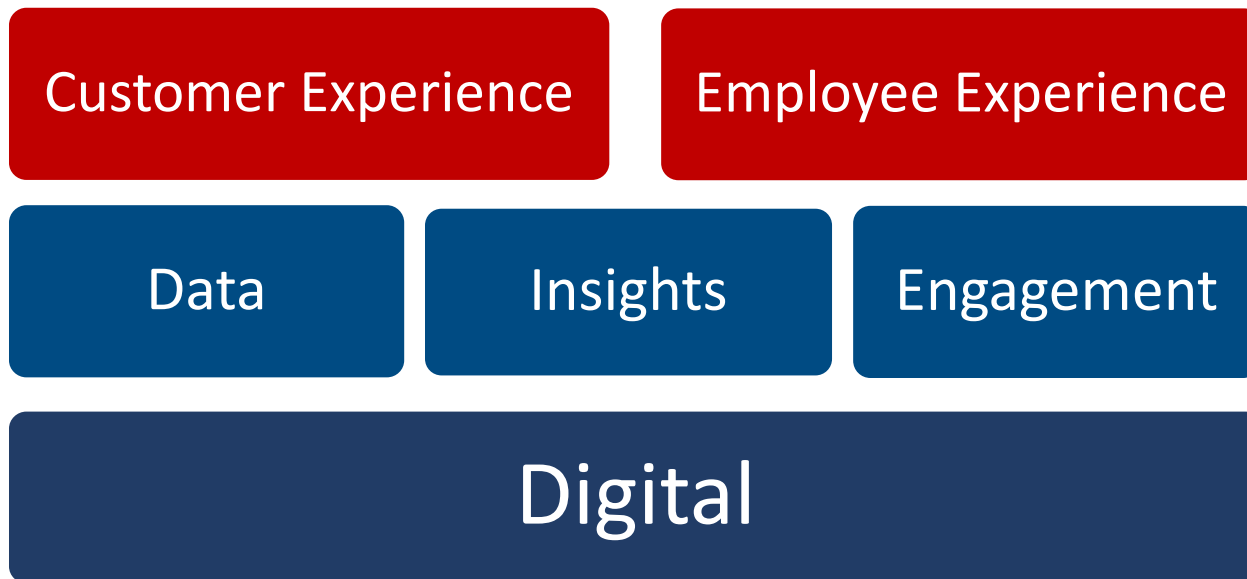
Over 225,000 Plan Participants Nationwide

Digital Evolution

NBT operates with a **customer-first digital mindset**.

- Informed by data
- Embedded in our culture
- Focused on agility and innovation
- Driven by our business lines and customer needs

This mindset is **transforming the experience** we deliver now and into the future.



Infrastructure

- Virtualization and Cloud Environment
- Enhanced Resiliency and Cybersecurity
- Agile and Scalable Core Systems

Operational Efficiencies

- Robotic Process Automation
- Streamlining Business Process Management
- Self-Service Transactions

Agile Development

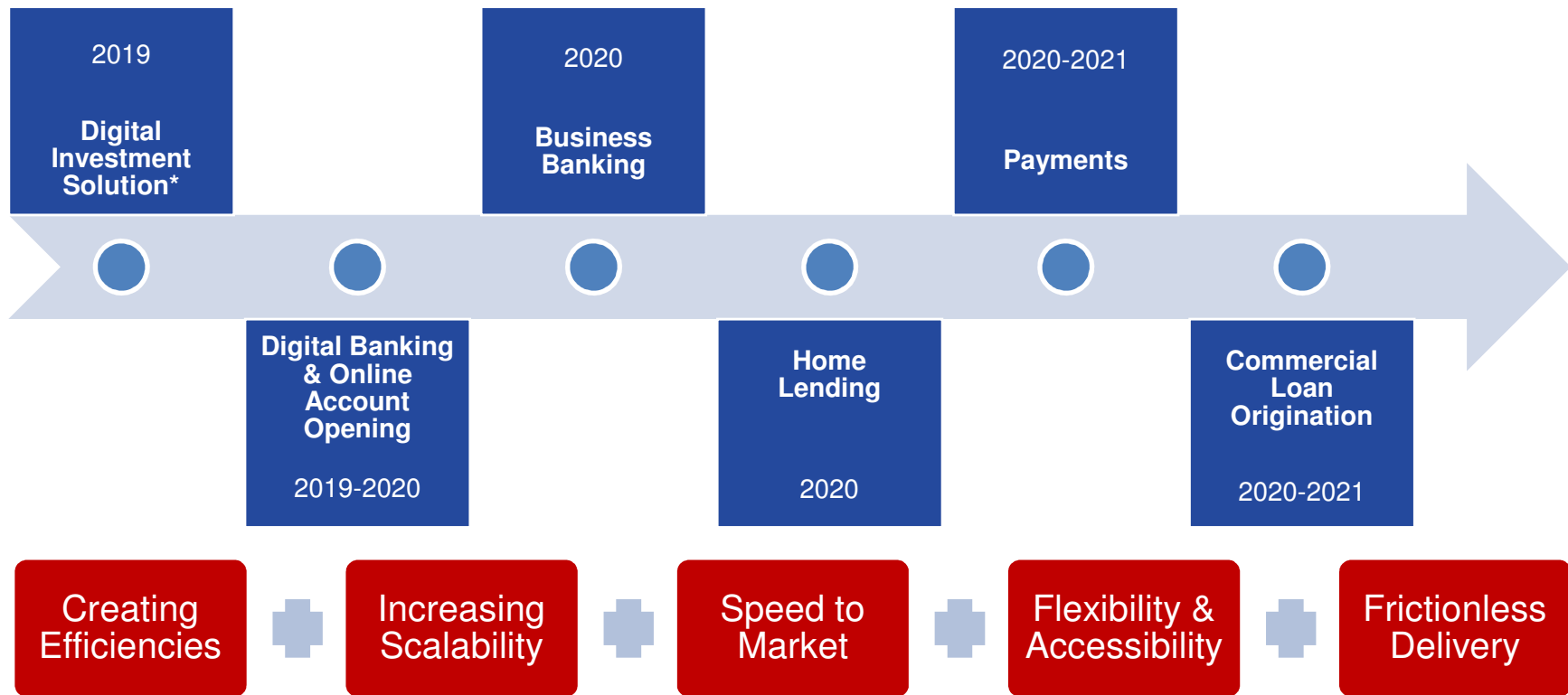
- Digital Banking Services
- APIs and Configurable Platforms
- Fintech Partnerships

Data Analytics

- Governance Program
- Centralization of Data Management

Digital Evolution

Our comprehensive **technology roadmap** calls for the implementation of market-leading platforms across multiple business lines that will further enhance and transform the experience NBT delivers.



*Advisory services are offered through NBT Capital Management, a registered investment adviser. NBT Bank is not registered as an investment adviser. Investment adviser representatives of NBT Capital Management offer products and services using the name NBT Capital Management and may also be employees of NBT Bank. These products and services are being offered through NBT Capital Management, which is a separate entity from NBT Bank. Advisory services offered through NBT Capital Management are:

Not Insured by FDIC or Any Other Government Agency

Not Bank Guaranteed

Not Bank Deposits or Obligations

May Lose Value

Overview

About NBT Bancorp
Financial Performance
Strategic Initiatives

Appendix



Performance to Peer Group

December 31, 2019			
Performance Ratios %	NBTB	Peer Median	Peer Average
ROA	1.26%	1.17%	1.16%
ROAE	11.32%	9.42%	9.39%
ROATCE	15.87%	13.60%	13.35%
Net Interest Margin	3.58%	3.64%	3.46%
Efficiency Ratio	59.01%	56.74%	57.22%
Loans / Deposits	94.05%	96.90%	96.95%
Market Ratios			
Current Market Price (\$)*	\$ 40.56	\$ 26.12	\$ 40.00
Price / EPS (x)*	14.80	14.59	14.96
Price / TBV (%)*	213.11%	177.82%	188.07%
Current Dividend Yield (%)	2.66%	2.76%	2.64%

Data Source: SNL Financial Market as of the most recent quarter. Peer Group Information is on page 21.

* Market price as of December 31, 2019

Peer Group

Name	HQ City	State	Ticker
Berkshire Hills Bancorp, Inc.	Boston	MA	BHLB
Brookline Bancorp Inc.	Boston	MA	BRKL
First Busey Corporation	Champaign	IL	BUSE
Community Bank System, Inc.	Dewitt	NY	CBU
Customers Bancorp, Inc.	Wyomissing	PA	CUBI
First Commonwealth Financial Corporation	Indiana	PA	FCF
First Financial Bancorp	Cincinnati	OH	FFBC
Flushing Financial Corp.	Uniondale	NY	FFIC
First Midwest Bancorp Inc.	Chicago	IL	FMBI
First Merchants Corporation	Muncie	IN	FRME
Independent Bank Corp.	Rockland	MA	INDB
Northwest Bancorp, Inc.	Warren	PA	NWBI
OceanFirst Financial Corp.	Toms River	NJ	OCFC
Provident Financial Services	Jersey City	NJ	PFS
Park National Corp.	Newark	OH	PRK
1 st Source Corporation	South Bend	IN	SRCE
S&T Bancorp, Inc.	Indiana	PA	STBA
Tompkins Financial Corporation	Ithaca	NY	TMP
TriState Capital Holdings, Inc.	Pittsburgh	PA	TSC

Reconciliation of Non-GAAP Measure

(Dollars in thousands)

Return on Tangible Common Equity is a non-GAAP measure excluding amortization of intangible assets (net of tax) from net income and average tangible common equity is calculated as follows:

Tangible Common Equity (non-GAAP)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Net Income	\$ 29.0	\$ 28.7	\$ 121.0	\$ 112.6
Amortization of Intangible Assets (Net of Tax)	0.6	0.7	2.7	3.0
Net Income, Excluding Intangibles Amortization	\$ 29.6	\$ 29.4	\$ 123.7	\$ 115.6
Average Stockholder's Equity	\$ 1,109.2	\$ 1,002.8	\$ 1,068.9	\$ 980.0
Average Goodwill and Other Intangibles	287.2	290.8	288.5	288.3
Average Tangible Common Equity	\$ 822.0	\$ 712.0	\$ 780.4	\$ 691.7
Return on Average Equity	10.36%	11.34%	11.32%	11.49%
Return on Average Tangible Common Equity	14.28%	16.37%	15.85%	16.71%

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.