

NBT Bancorp Inc.

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Presented by:

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Strategic Initiatives

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Company Profile

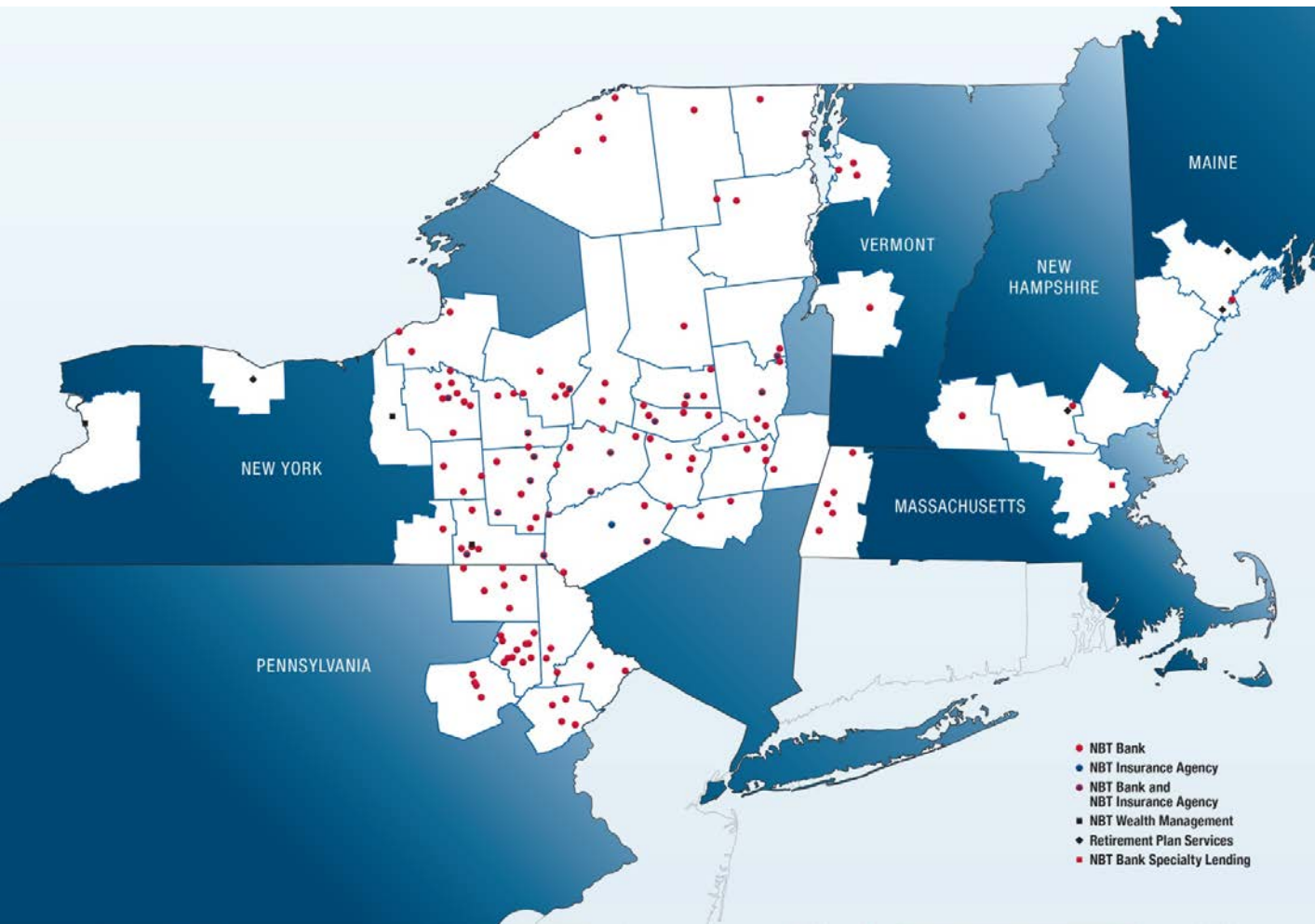
NBT Bancorp Inc. is a financial holding company headquartered in Norwich, NY.

- Founded in 1856
- Market: Nasdaq Global Select
- Ticker Symbol: NBTB
- Assets: \$9.2 Billion
- Market Capitalization: \$1.6 billion
- Institutional Ownership: 52%
- Average Daily Volume: 120,000

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



NBT Bank Footprint



NBT Bank, N.A. has 152 banking locations and 194 ATMs in New York, Pennsylvania, Vermont, Massachusetts, New Hampshire and Maine.

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

EPIC Advisors, Inc., based in Rochester, NY, is a full-service 401(k) plan recordkeeping firm.

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Financial Highlights

Dollars in Millions Except Per Share Data	Three Months Ended March 31,		Twelve Months Ended December 31,	
	2018	2017	2017 *	2016
Net Income	\$ 26.0	\$ 20.3	\$ 86.6	\$ 78.4
Earnings Per Share	\$ 0.59	\$ 0.46	\$ 1.97	\$ 1.80
Return on Average Assets	1.15%	0.92%	0.96%	0.92%
Return on Average Tangible Common Equity	15.95%	13.24%	13.48%	13.13%
Net Interest Margin	3.57%	3.46%	3.47%	3.43%

Q1 2018 Net Income up 28.1%
from the prior year

2017* Net Income up 10.4%
from the prior year

*Net Income, Earnings Per Share, Return on Average Assets and Average Tangible Common Equity were adjusted for the exclusion of a \$4.4 million one-time noncash charge associated with the Tax Cuts and Jobs Act. See appendix for reconciliation.

Investments Enabled by Tax Reform

Our People

Minimum hourly rate increased to \$15

5% increase for those with base pay \leq \$50,000

61% of employee base impacted

Our Customers

Additional capital resources for customer-facing technology

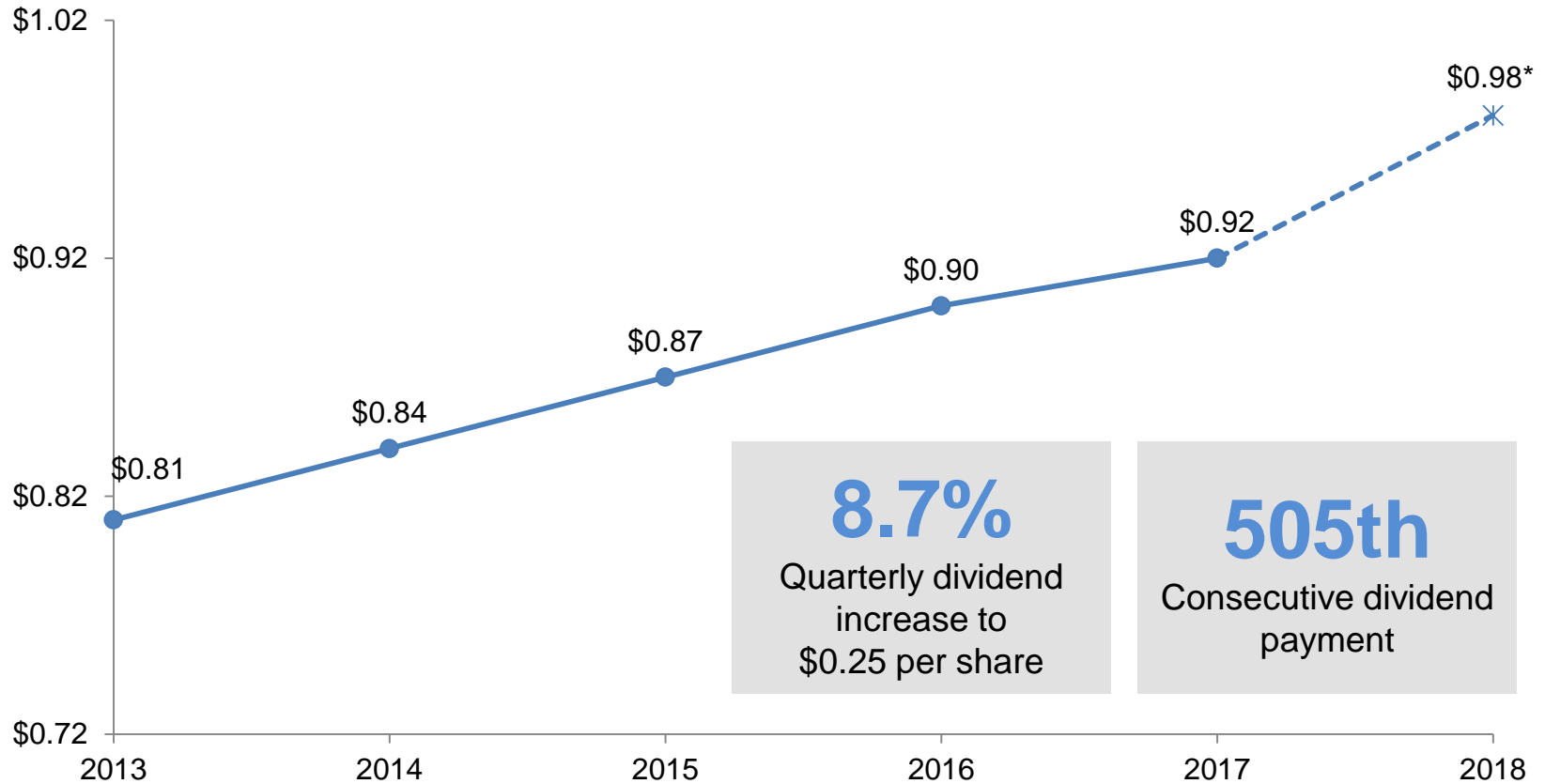
Our Communities

Additional charitable contribution resources allocated across franchise

Our Shareholders

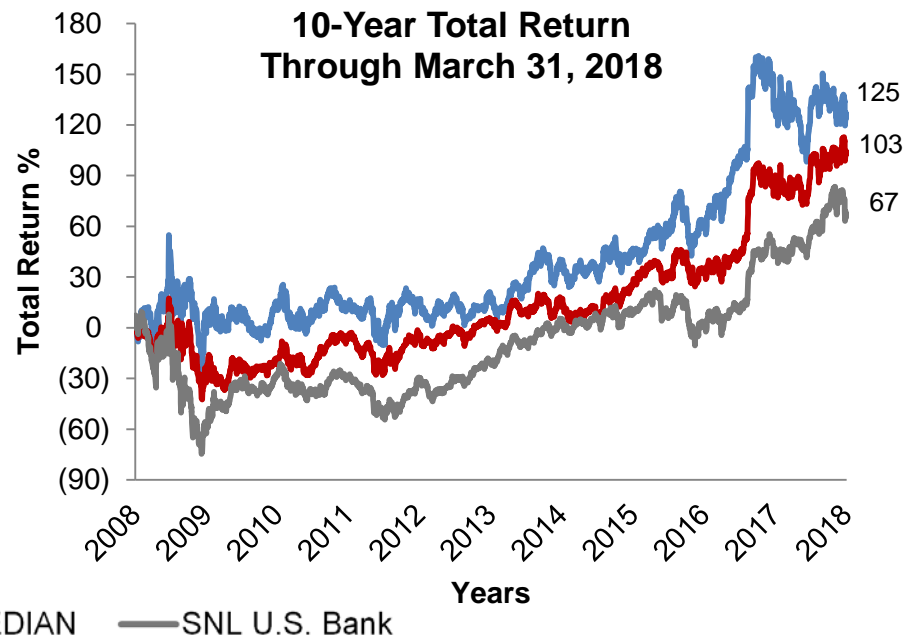
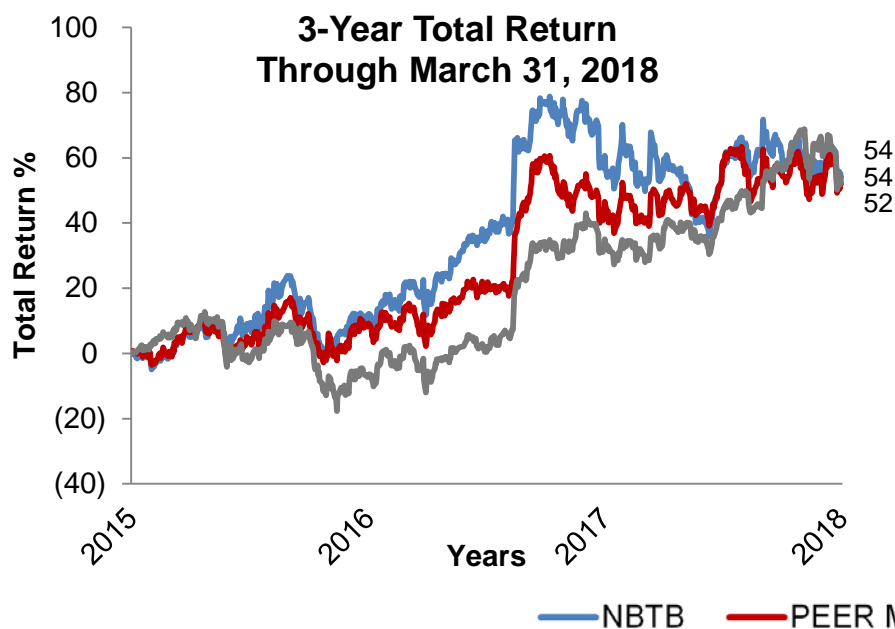
8.7% or \$0.02 quarterly dividend increase to \$0.25 per share

5-Year Dividend Growth



*Annualized based on second quarter 2018 dividend declared of \$0.25

History of Superior Performance



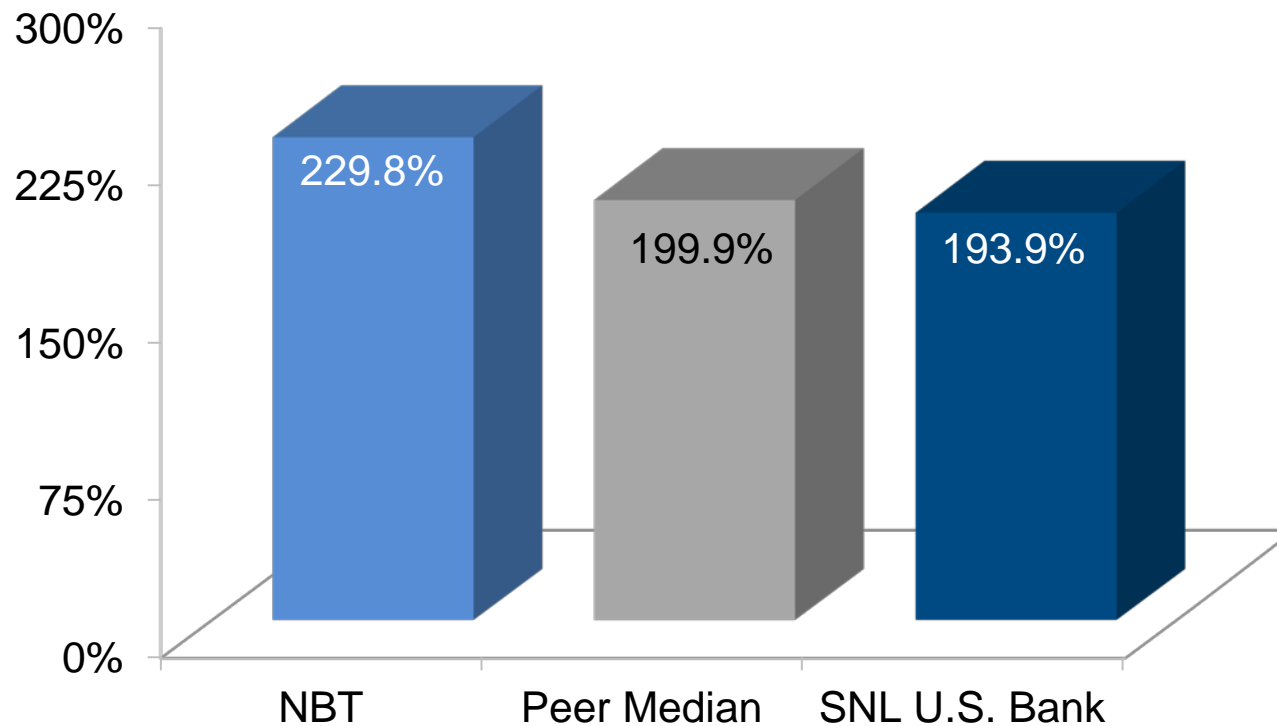
NBTB

Total Return of \$10,000 Investment	NBT	Peer Median	SNL U.S. Bank
10-Year Total Return	125%	103%	67%
Value of Investment	\$22,492	\$20,297	\$16,728
10-Year CAGR	8%	7%	5%

Peer Data Source: SNL Financial Market as of the most recent quarter. Peer Group information is included on page 25.

Premium Valuation

Price to Tangible Book Value as of March 31, 2018



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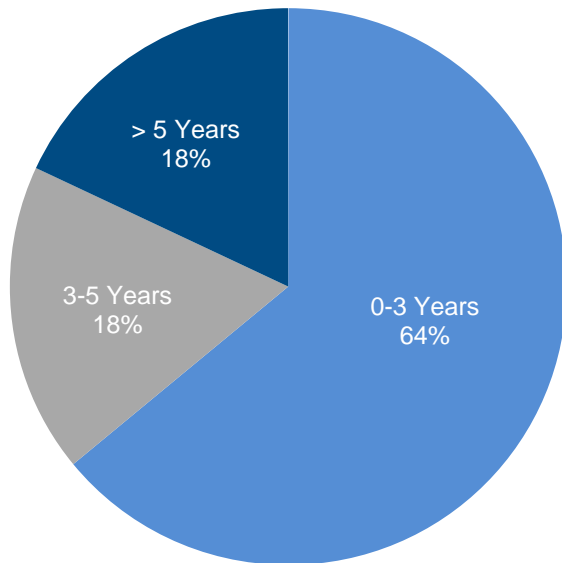
Strategic Initiatives

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Well-Positioned Balance Sheet

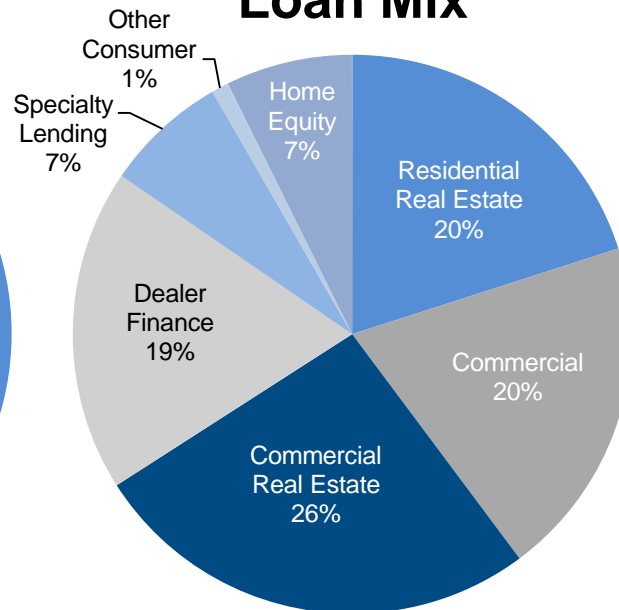
Investment and Loan Repricing



Favorable Interest Rate Risk Profile

- 2018 YTD net interest margin at 3.57% vs. peer average at 3.50%

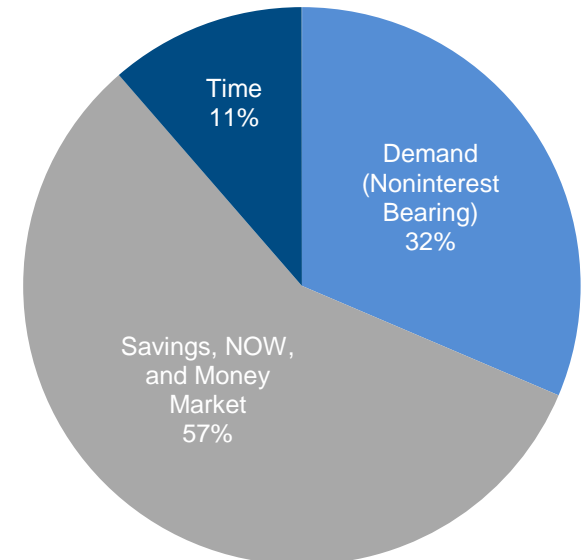
Loan Mix



Diversified Loan Portfolio

- CRE at 194% of total capital
- Loan-to-deposit ratio of 90%

Deposit Mix



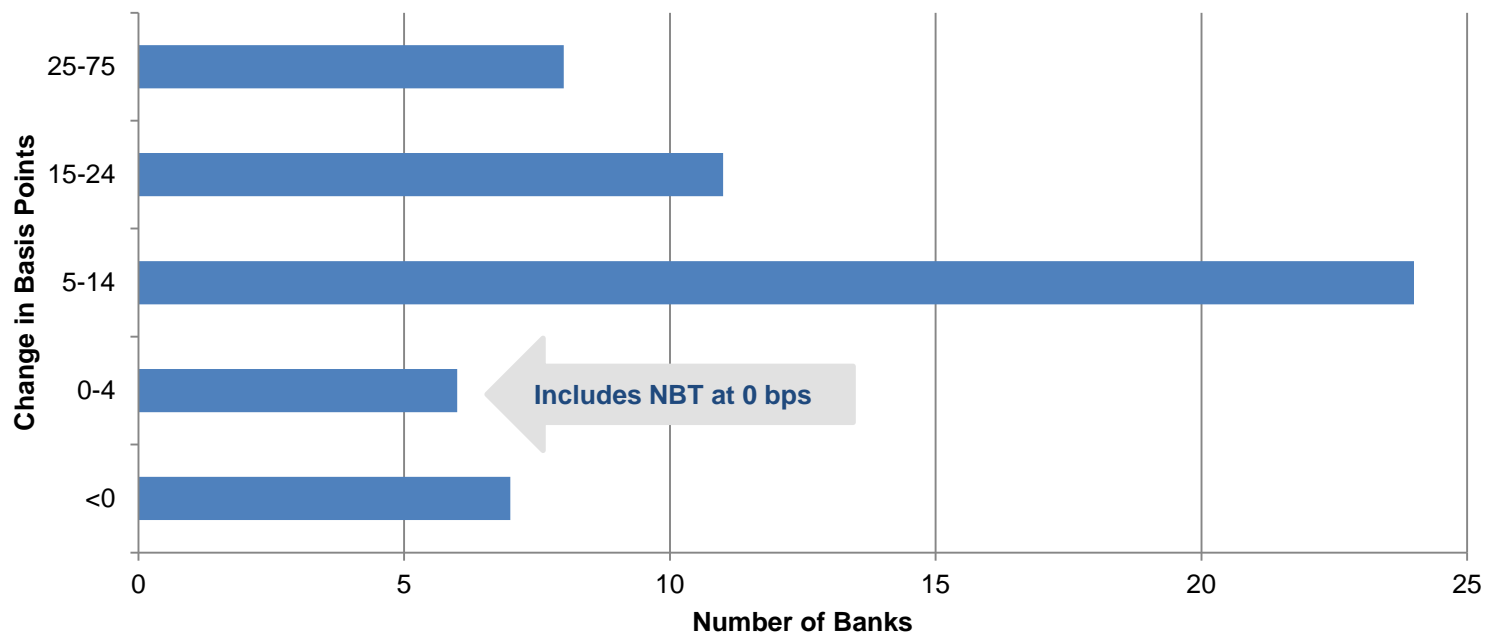
Low Funding Costs

- 2014 – 2018 CAGR of 9% for DDA
- Core deposits represent 79% of total funding vs. peer average of 71%

Peer Data Source: SNL Financial Market as of the most recent quarter. Peer Group information included on page 25.

Deposit Pricing Strength

Change in Cost of Interest Bearing Deposits from Q4 2015 – Q4 2017



Of the 56 banks in the Mid-Atlantic region with assets of \$1 to \$10 billion, **86% have experienced a larger increase in deposit costs than NBT** since Q4 2015

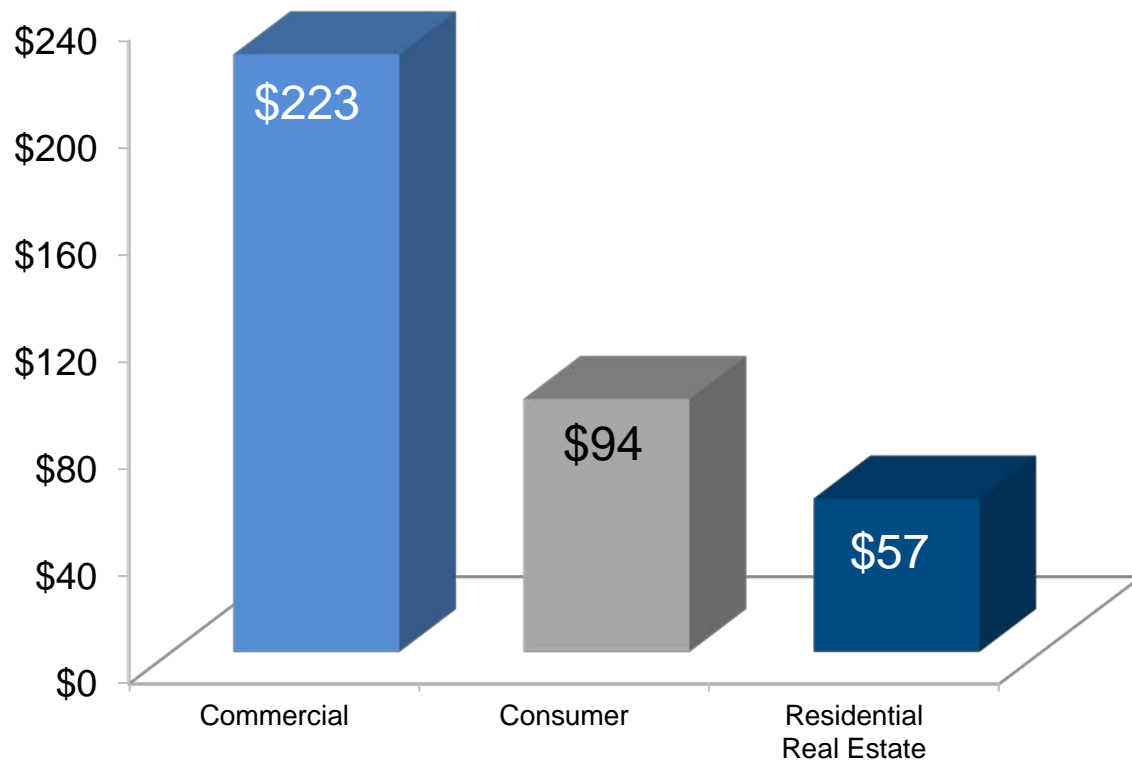
During the last cycle of increasing rates (2004 – 2007), NBT's total deposit beta was 32% vs. peers of 36%; NBT's current cycle beta (beginning Q4 2015) is 0% vs. peers of 3%

Source: SNL Financial. Banks in New England, PA and NY with \$1 to \$10 billion in assets as of December 31, 2017.

Consistent Loan Growth

(Dollars in Millions)

Year-Over-Year Growth as of March 31, 2018



Percent of Annual Growth

60%

25%

15%

6.0%

Year-Over-Year
Growth

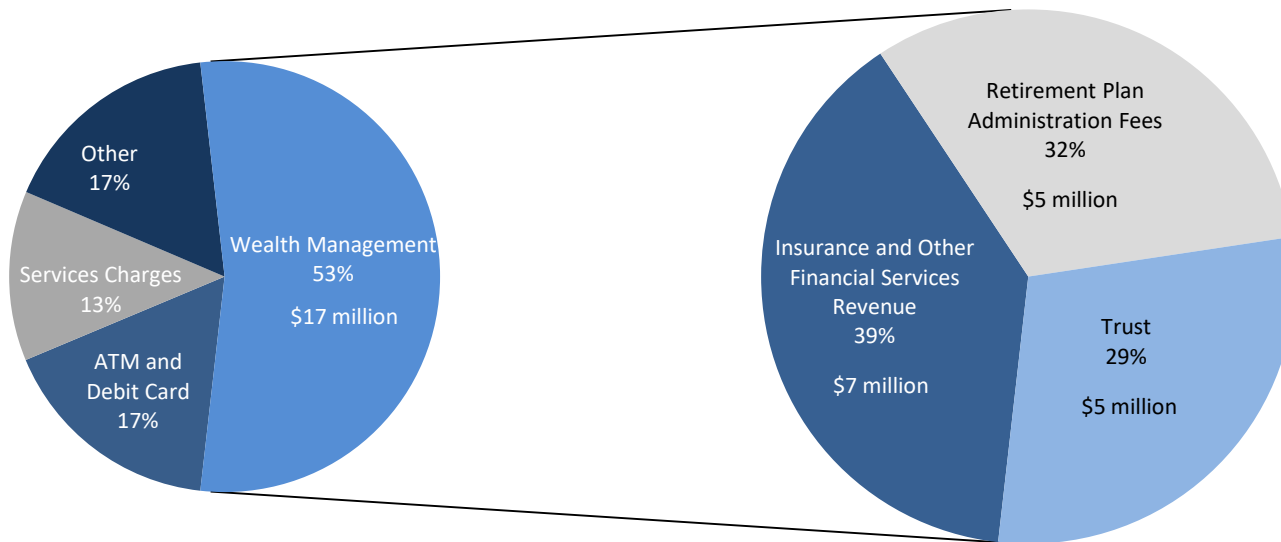
5.1%

5-Year
CAGR

Emphasis on Fee Based Businesses

As of March 31, 2018

Total Noninterest Income – \$31 million



Noninterest income to total revenues was 30% compared to peer median at 24%

Wealth Management
2015 – 2018
CAGR of 6%

Peer Data Source: SNL Financial Market as of the most recent quarter. Peer Group information is included on page 25.

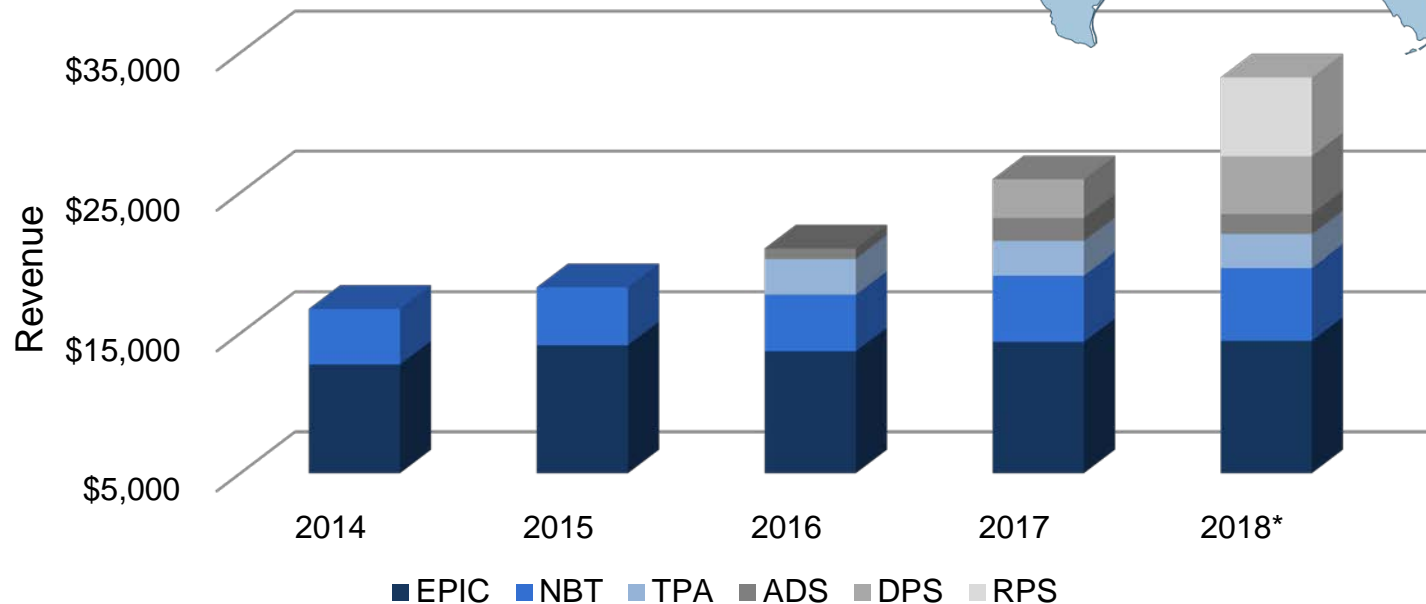
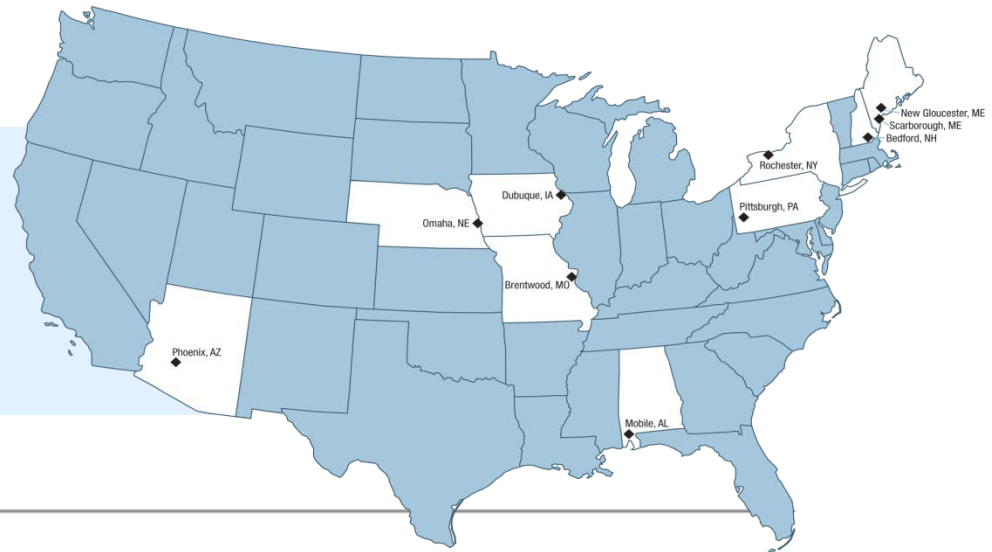
Retirement Plan Services Line of Business

(Dollars in Thousands)

Helping America Retire

National Reach • Clients in 50 States

Over 220,000 plan participants

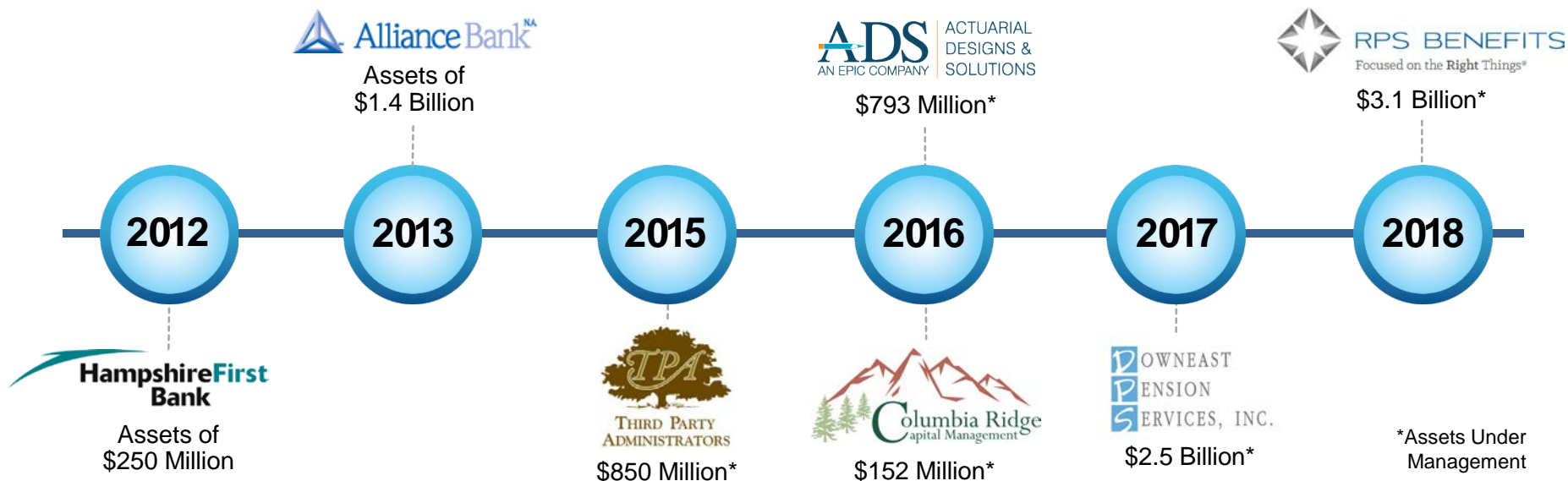


* Annualized based upon March 31, 2018 results and the estimated pro forma impact of Retirement Plan Services, LLP (RPS) acquired in April 2018.

Proven Acquirer and Integrator

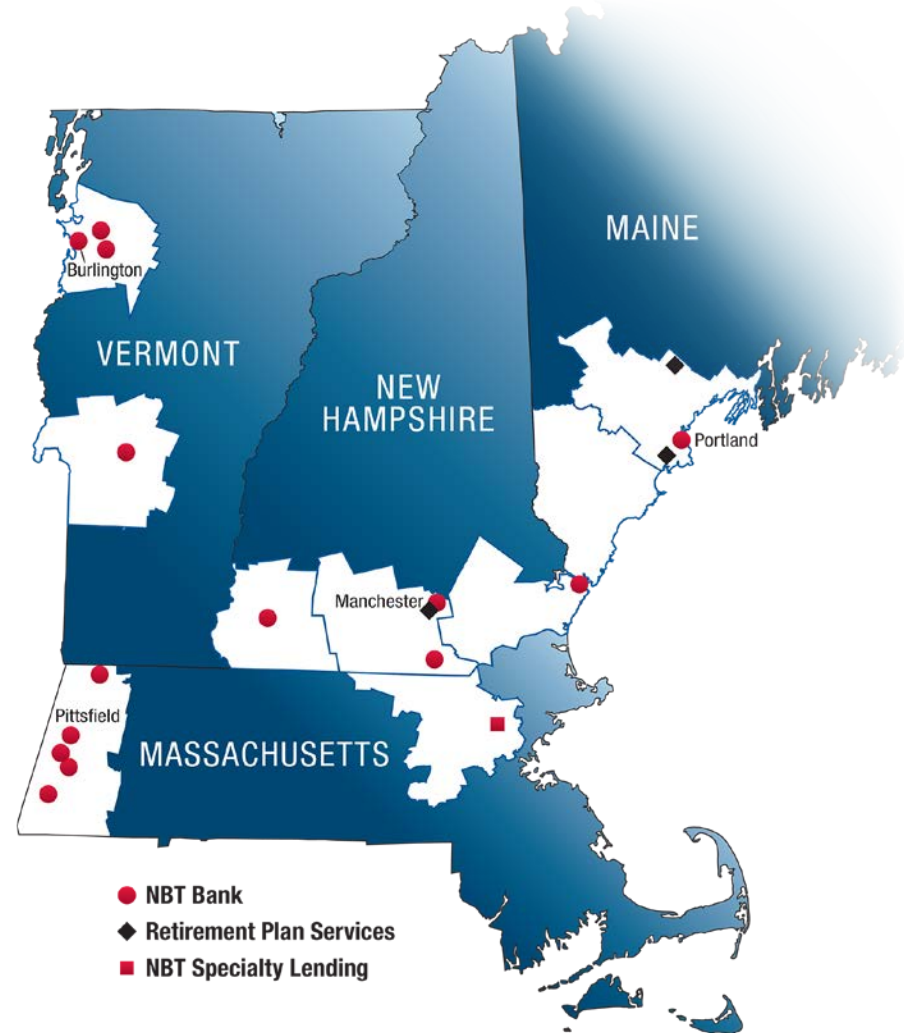
- Completed 7 whole-bank, 7 branch and 7 non-bank business acquisitions since 2000
- Achieved or exceeded targeted cost saves
- Retained key personnel
- Experienced no material run-off in loans and deposits with bank and branch deals
- Continued to diversify revenue sources and expand capabilities through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

Recent Acquisitions



New England Expansion

- 19 locations in 4 states
 - 15 banking locations
 - 3 retirement plan services
 - 1 specialty lending
- 160 employees
- 2017 growth
 - 15% growth in total outstanding loans
 - 39% of total loan growth
 - 5% growth in deposits
 - 20% increase in wealth assets under management



NBT in New England

Established presence in 2009 with regional headquarters in Burlington, VT. Growth has been both organic and through bank and nonbank acquisitions.

Multi-Faceted Digital Strategy



Customer Mobility

- Regularly enhancing mobile and online banking, including biometric authentication, mobile check images and text alerts
- Experiencing strong adoption of self-service options, with over 60% of checking customers using mobile and online banking



Branch Digitization

- Expanding number of digital branch locations that leverage technology and create more opportunities for consultation
- Continuing to deploy deposit automation ATMs with 76% of full-service machines upgraded
- Driving efficiency through digital processes and document delivery



Digital Marketing

- Ongoing focus on multi-channel campaigns to promote brand awareness and drive customer acquisition
- Continue to enhance customer experience across all channels
- Data analytics program in place to drive customer engagement strategy and decision making



Employee Mobility

- Enhancing productivity and communication through:
 - Data-driven decision making
 - New collaboration tools
 - Mobile device deployment and customized app development

Specialty Lending Line of Business

EXPERIENCE

- Decade of niche experience in technology-driven consumer lending through partnerships with fintech companies delivering financing at the point of purchase

PORTFOLIO

- \$472 million at March 31, 2018
- 7% of total loans

PARTNERSHIPS



- Launched partnership in July 2017 with Sungage Financial, Inc. to offer benefits of solar ownership to homeowners with program delivered through solar installers
- Exploring new fintech partnership opportunities to expand servicing expertise, enhance yields and enter niche markets at the point of sale. Partners will be aligned with our culture and engaged in prime lending using prudent and fair lending practices

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Reconciliation to 2017 Reported Results

The following table reconciles 2017 reported net income to adjusted net income and related performance ratios to exclude the one-time noncash charge associated with the Tax Cuts and Jobs Act.

Dollars in Millions Except Per Share Data	Reported Twelve Months Ended December 31, 2017	Add back: Tax Cuts and Jobs Act charge	Adjusted Twelve Months Ended December 31, 2017
Net Income	\$ 82.2	\$4.4	\$ 86.6
Earnings Per Share	\$ 1.87	\$0.10	\$ 1.97
Return on Average Assets	0.91%	0.05%	0.96%
Return on Average Tangible Common Equity	12.82%	0.66%	13.48%

Compliance Readiness Plans

\$10 Billion

Estimated Annual Costs

\$9 to \$11 million (including Durbin impact)

- Dodd-Frank Act Stress Testing
- Consumer Financial Protection Bureau Oversight
- Durbin Impact Revenue Replacement Strategies
- Enhancement of Corporate Governance and Risk Management Practices
- Adaptable to Accelerate Plan in Event of Acquisition

CECL

- Effective January 1, 2020
- Readiness and Gap Assessment Conducted
- Software Selected and Implementation Underway

Recruiting Key Talent

Recent Hires	Position with NBT	Prior Experience
Sarah Halliday	President of Commercial Banking	M&T Bank
Amy Wiles	Chief Credit/Risk Officer	KeyBank, JP Morgan Chase
Dawn Gillette	Manager of Specialty Lending	KeyBank, Bank of America
Bill Huba	Deputy BSA and Sanctions Officer	Office of U.S. Inspector General, FBI
Dan Kinney	New England Territory Manager	Legacy Banks, Citizens Bank
Tucker Lounsbury	President of NBT Insurance Agency, LLC	M&T Insurance Agency
Steve Lubelczyk	New Hampshire Regional President	Citizens Bank
Tom McEntee	Chief Marketing Officer	BlueCross/Blue Shield, MetLife
Mark Mershon	Corporate Treasurer	National Penn Bancshares, BNY Mellon
Al Romero	New Hampshire Regional Commercial Banking Manager	Eastern Bank, Bank of America, KeyBank
Margaret Scopelianos	Director of Cash Management and Government Banking	Bank of America, JP Morgan Chase
Kim Twitchell	Maine Regional President	TD Bank
Daryl Wentworth	Maine Regional Commercial Banking Manager	Northeast Bank, Citizens Bank, KeyBank
Dan Werme	Vermont Regional Commercial Banking Manager	Community Bank, Merchants Bank
Ben Wheeler	Western New Hampshire Regional Manager	TD Bank

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
S&T Bancorp, Inc.	Indiana	PA	STBA
Tompkins Financial Corporation	Ithaca	NY	TMP
TrustCo Bank Corp NY	Glenville	NY	TRST

Top Ten Institutional Investors

Institutional Investors	% Ownership (as of December 31, 2017)
BlackRock Institutional Trust Company, N.A.	12.04%
The Vanguard Group, Inc.	9.57%
Dimensional Fund Advisors, L.P.	4.73%
Macquarie Investment Management	3.39%
State Street Global Advisors (US)	2.99%
Northern Trust Investments, Inc.	1.74%
Mellon Capital Management Corporation	1.06%
Geode Capital Management, L.L.C.	0.98%
Northern Trust Global Investments	0.76%
Principal Global Investors (Equity)	0.75%

Top ten institutional investors own 38% of our shares outstanding

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.