ECONOMIC OUTLOOK

June 2, 2026


A Stronger Team
Starts Here.
NBT
BANK
Member FDIC

Company Profile

81st Largest Bank Holding Co.

Headquarters	Norwich, NY
Founded	1856
Ticker	NASDAQ: NBTB
Market Cap (1)	$2.27 Billion
Branches	176
Employees	2,385
Institutional Ownership	65%
3 Mo. ADTV	232,300
52 Week H/L(1)	$46.92 / $39.20

NBTB

Nasdaq Global Select Market

FINANCIAL HIGHLIGHTS

ASSETS
$16.2 Billion

LOANS
$11.55 Billion

DEPOSITS
$13.74 Billion

NONINTEREST INCOME TO REVENUE(2)
27%

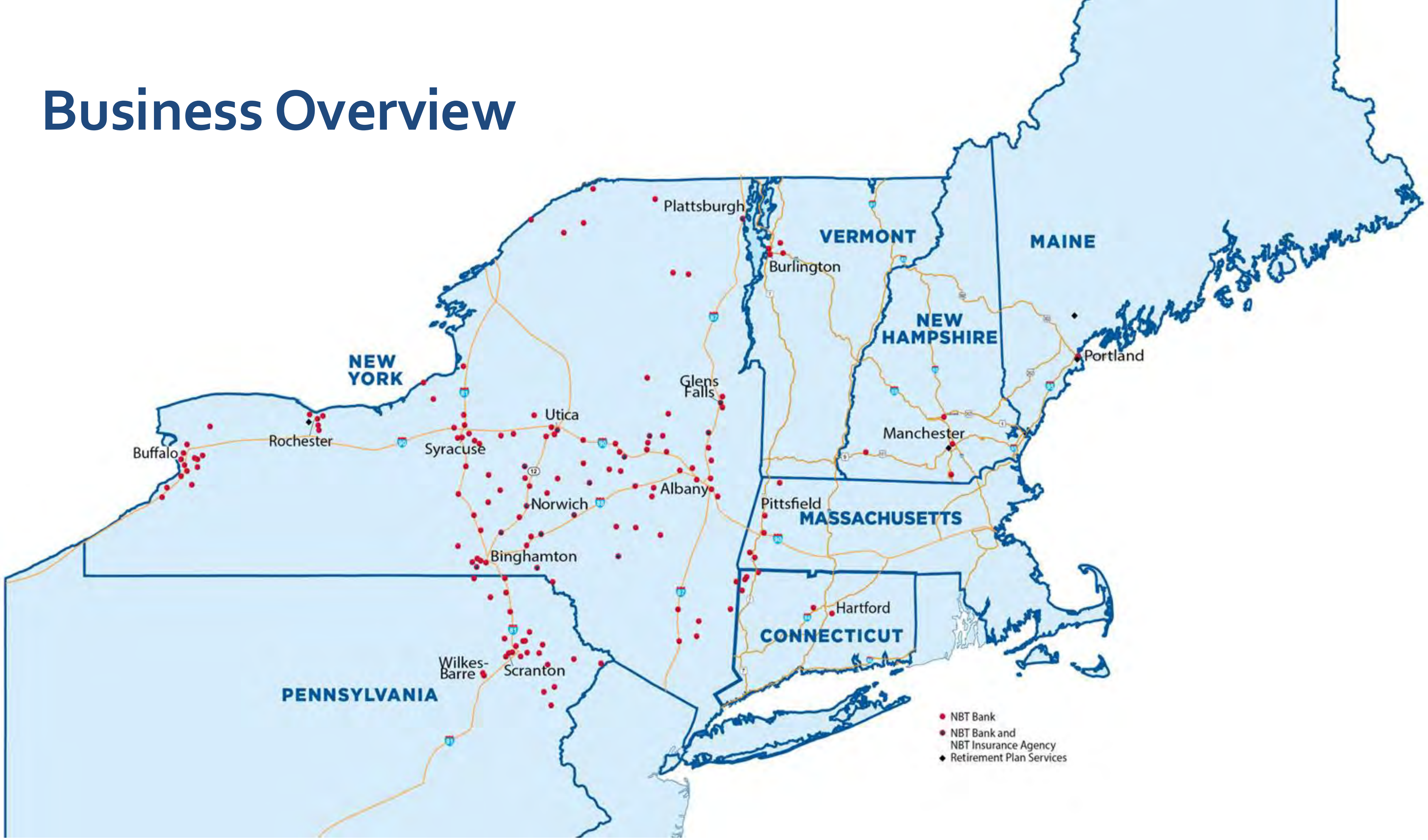
Wealth AUM/A(3): $6.38 Billion / $12.34 Billion

EPIC RPS AUA(4): $39.93 Billion

Data as of 03/31/2026 unless noted. Bank holding company ranking source: S&P Global Market Intelligence.

1. As of 04/30/2026.
2. Excludes gains/losses on sale of securities.
3. Assets under management and assets under administration in wealth management; excludes EPIC Retirement Plan Services.
4. Assets under administration in EPIC Retirement Plan Services.

Business Overview



NBT BANK | NBT WEALTH MANAGEMENT | NBT INSURANCE AGENCY LLC | EPIC Retirement Plan Services

RETAIL BANKING

- 176 Branches Across 7 States; 228 ATMs [(1)]
- Digital Banking

CONSUMER LENDING

- Home Lending
- Personal Lending
- Indirect Auto Lending

COMMERCIAL BANKING

- C&I and CRE Lending
- SBA Lending
- Business Banking
- Treasury Management
- Card and Payment Services

FEE BUSINESSES

- Retirement Plan Administration and Custody Services
- Business, Personal and Life Insurance
- Institutional Wealth Management
- Brokerage and Advisory Services
- Trust Services

1. As of 03/31/2026.

Economic Outlook

Kenneth J. Entenmann, CFA®

Senior Vice President,
Chief Investment Officer
& Chief Economist

NBT BANK

NBT | WEALTH MANAGEMENT

NBT Bank
Economic Overview
“A Tale of Two Cities”

June 2026

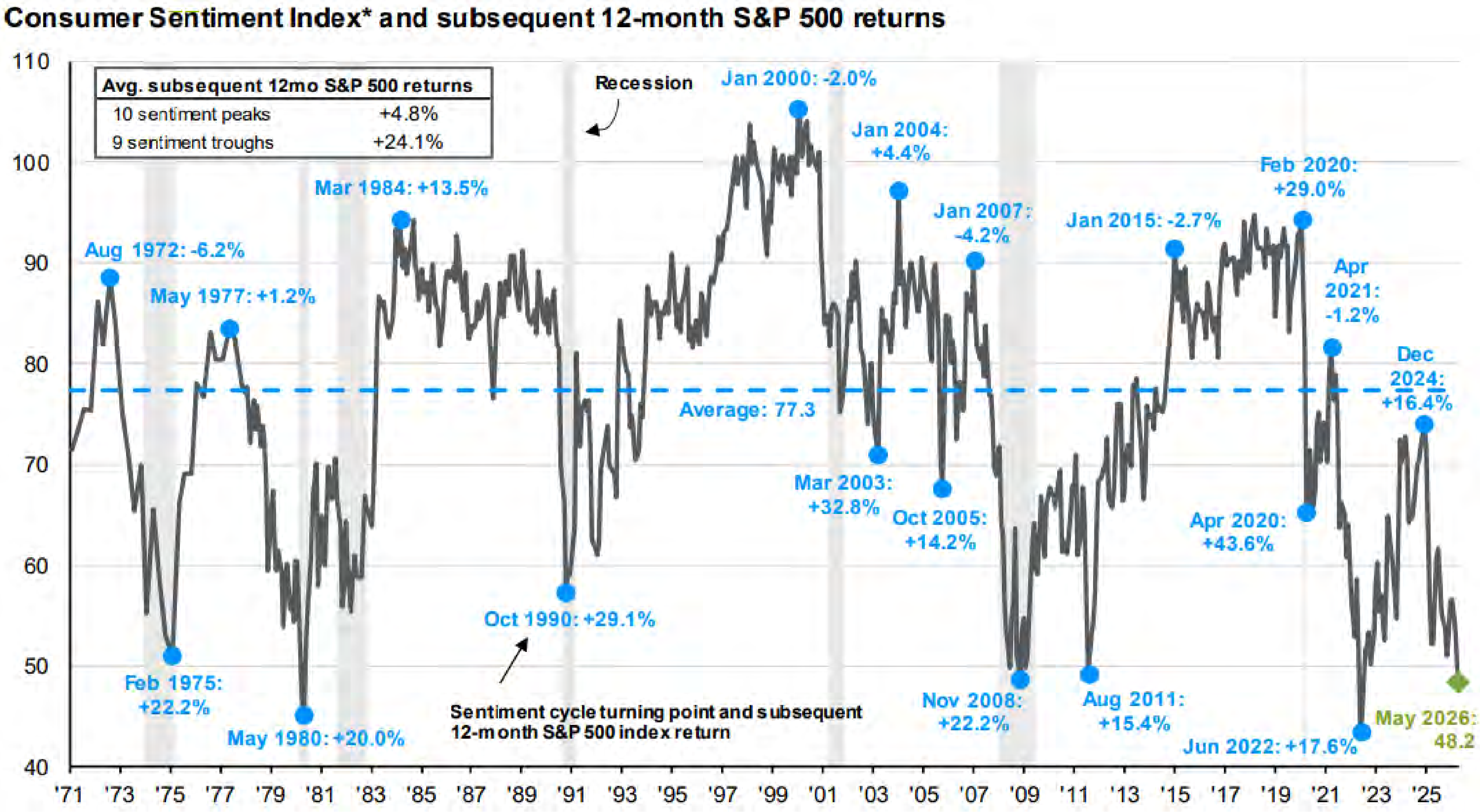
Kenneth J. Entenmann, CFA
Chief Investment Officer & Chief Economist
NBT Wealth Management

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way."

A Tale of Two Cities
1859, Charles Dickens

A Tale of Two Cities

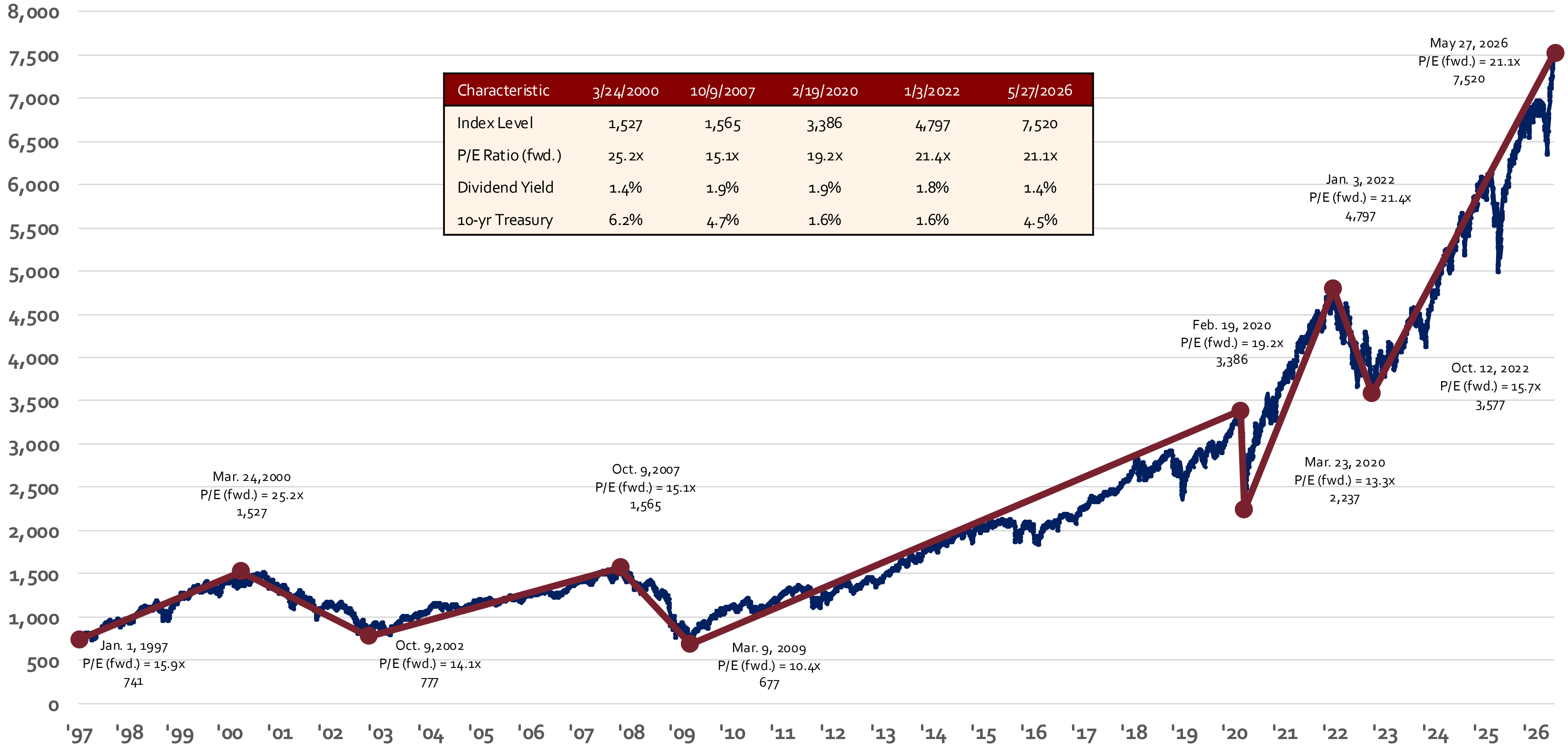
It Was the Worst of Times… Soft Data is *AWFUL!*



NBT BANK

Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of May 27, 2026.

It Was the Best of Times…Hard Data is Pretty Good!



Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	5/27/2026
Index Level	1,527	1,565	3,386	4,797	7,520
P/E Ratio (fwd.)	25.2x	15.1x	19.2x	21.4x	21.1x
Dividend Yield	1.4%	1.9%	1.9%	1.8%	1.4%
10-yr Treasury	6.2%	4.7%	1.6%	1.6%	4.5%

Source: *Guide to the Markets,* FactSet, May 27, 2026.

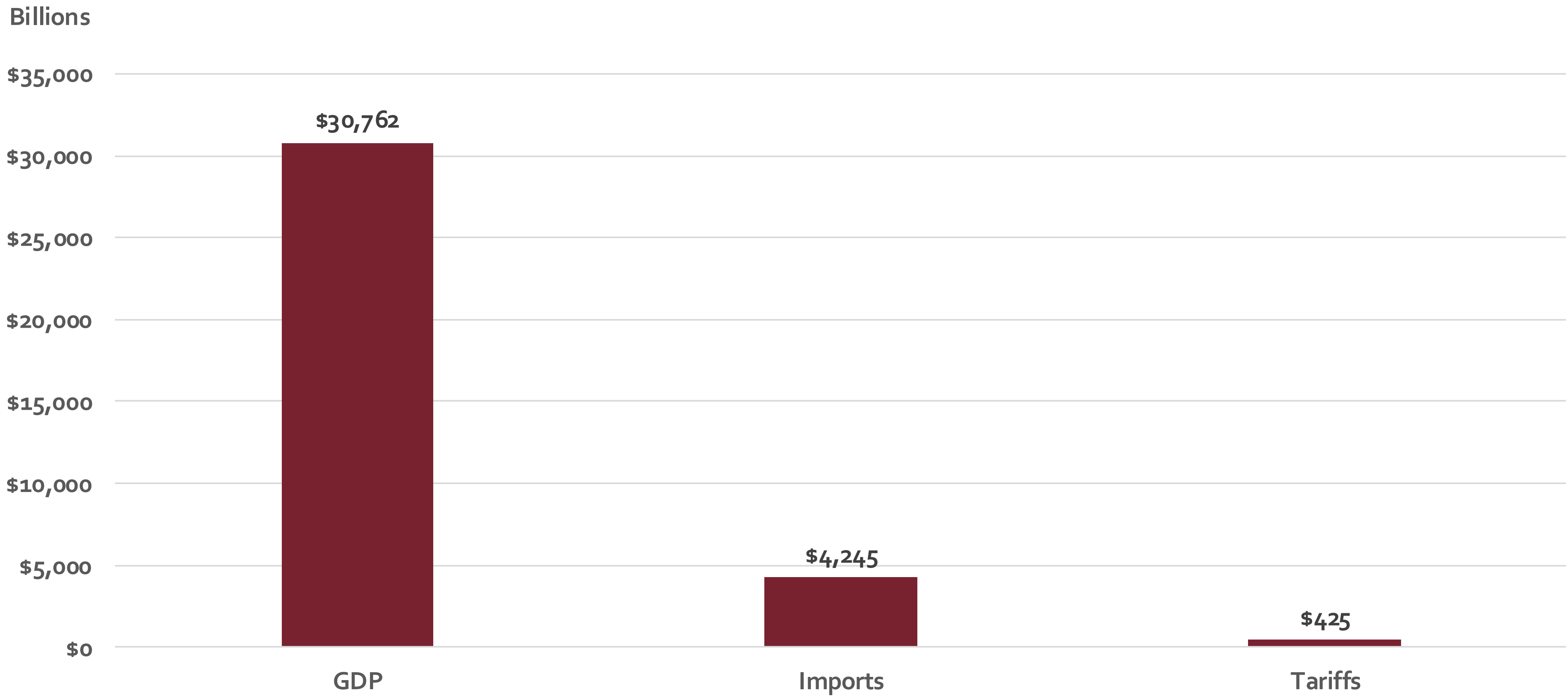
US GDP

Gross Domestic Product (GDP) =

C CONSUMPTION + **I** INVESTMENTS + **G** GOVERNMENT ± NET EXPORTS

The Worst of Times… Tariffs

Effects of a Broad-Based 10% Tariff



Source: Bureau of Economic Analysis, May 28, 2026.

The Worst of Times… Oil Prices

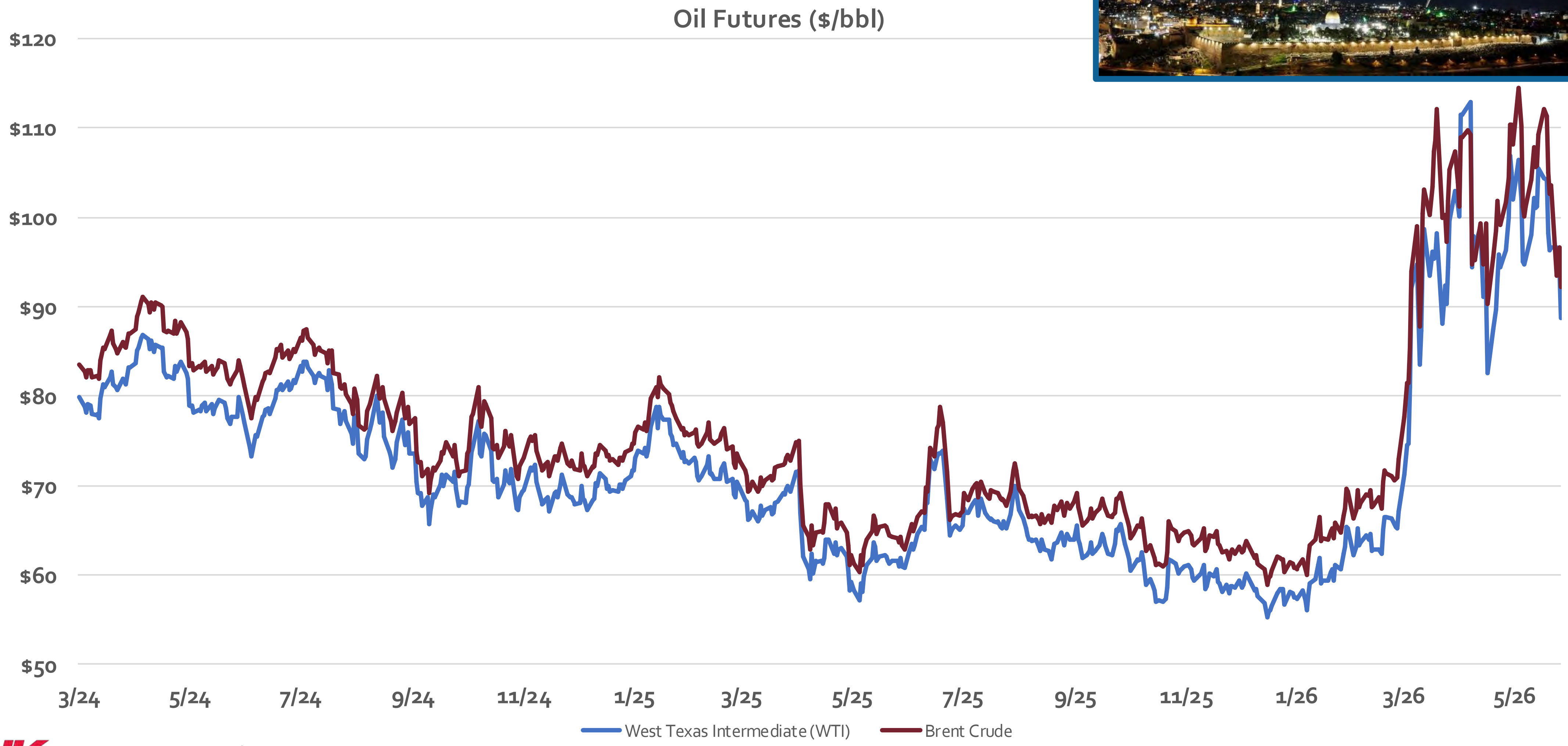
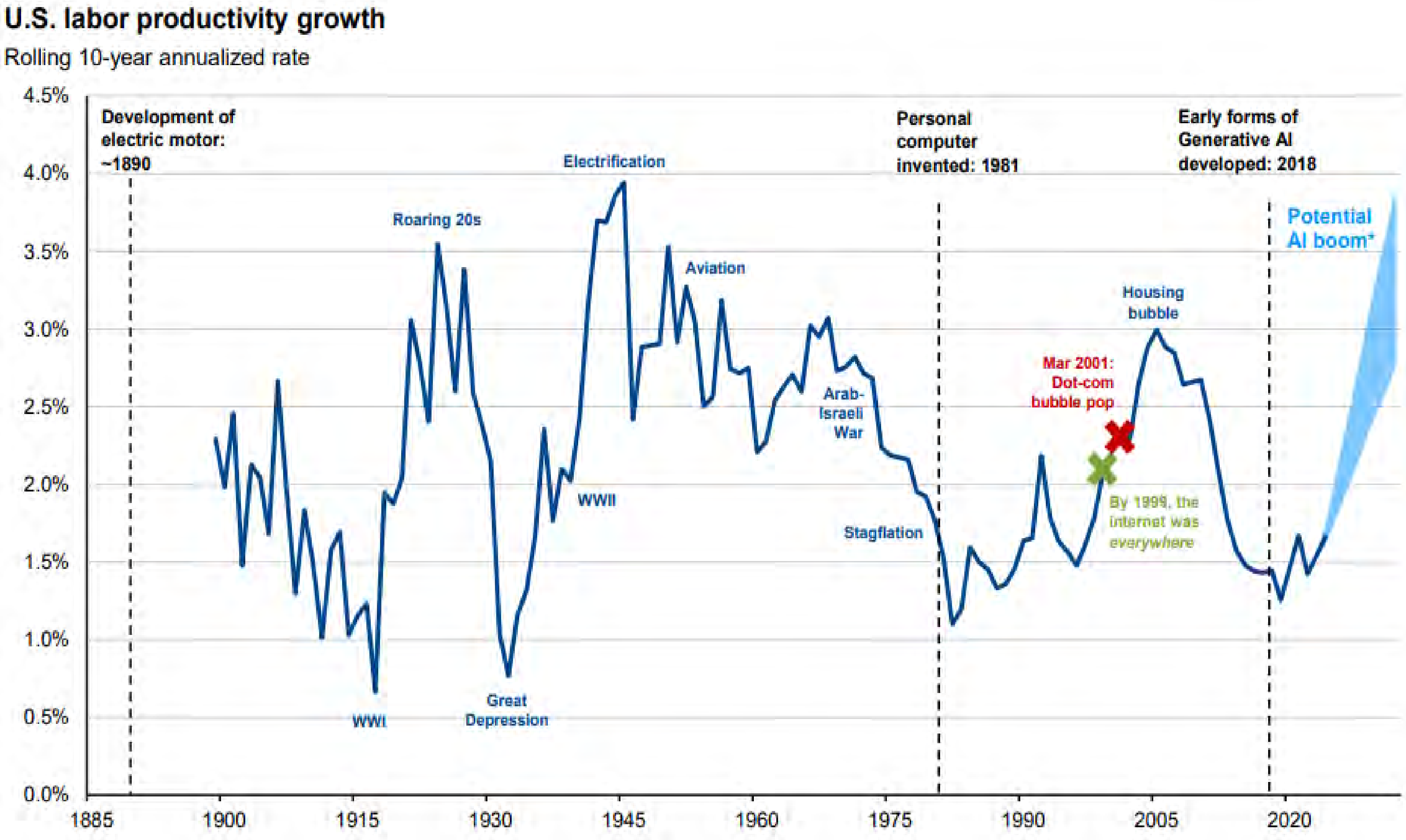


Chart Source: FactSet. Data as of May 27, 2026.
Image: REUTERS/Ammar Awad

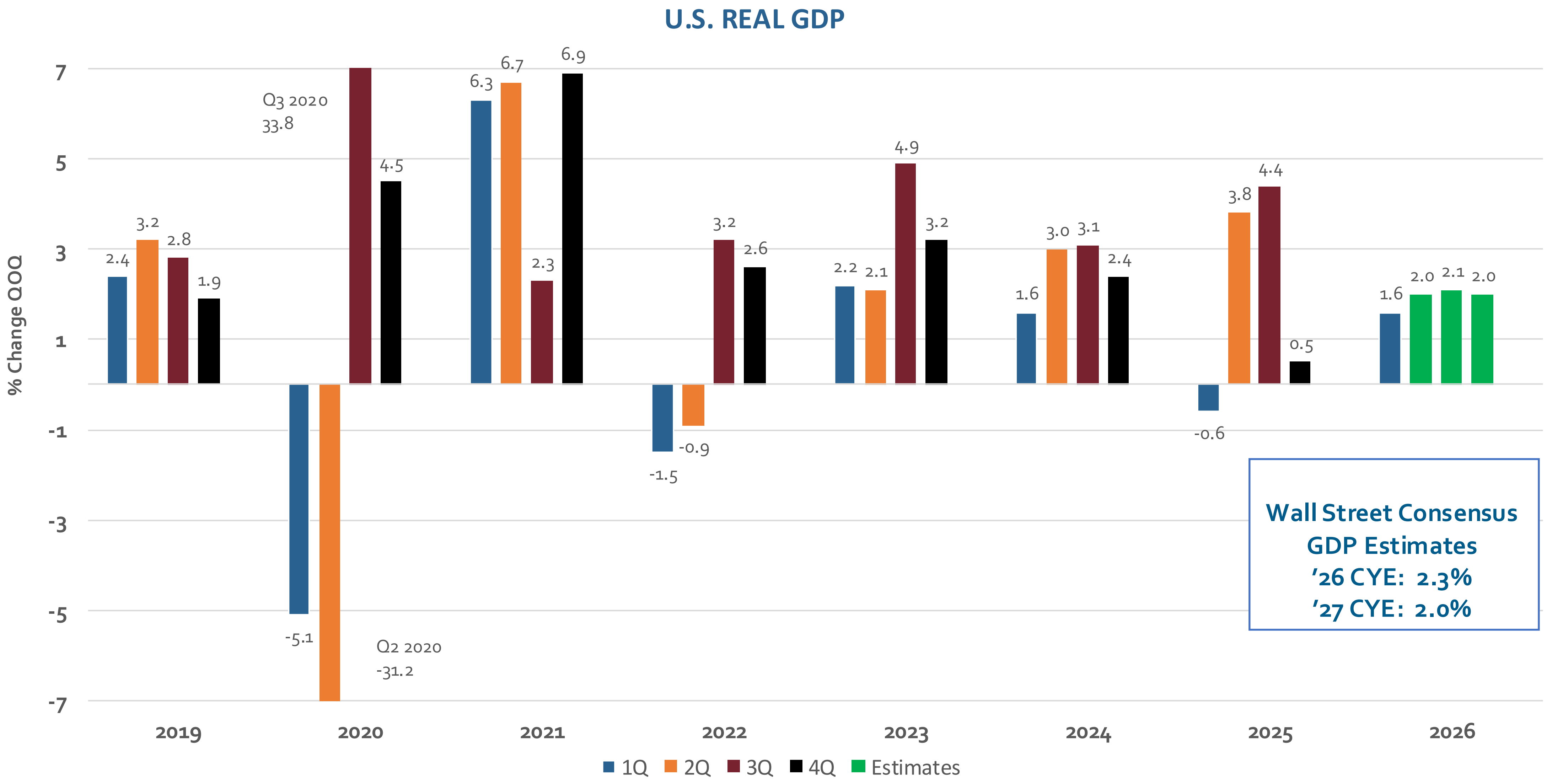
The Worst of Times… AI and Employment



*J.P. Morgan Asset Management estimates plausible productivity gains of 1.4-2.7% from generative AI and other AI technologies over the next few years, in addition to the expected 1.5% annual productivity growth projected by the Congressional Budget Office.

Source: BLS, NBER, J.P. Morgan Asset Management.
Data as of June 30, 2025.

The Best of Times… US GDP

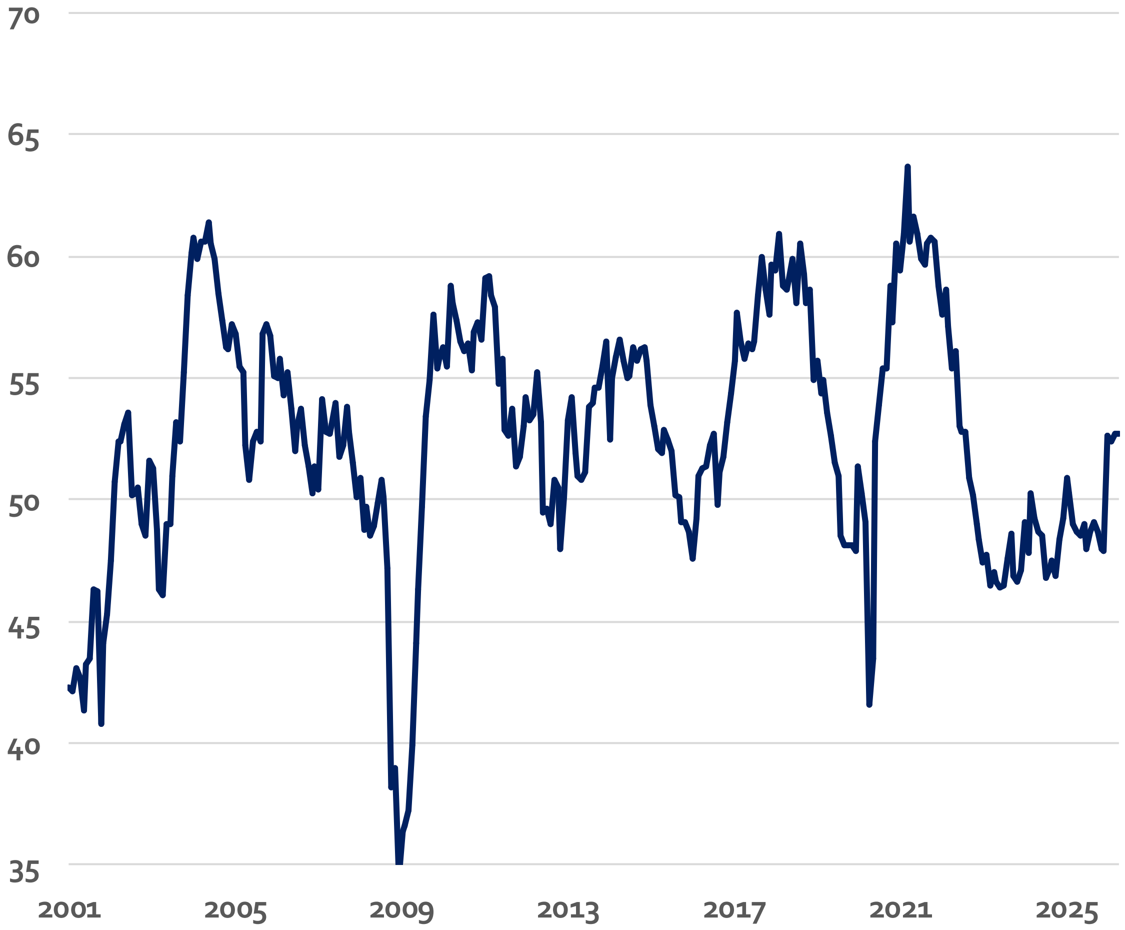


NBT BANK

Source: FactSet, May 28, 2026.

U.S. Business Environment

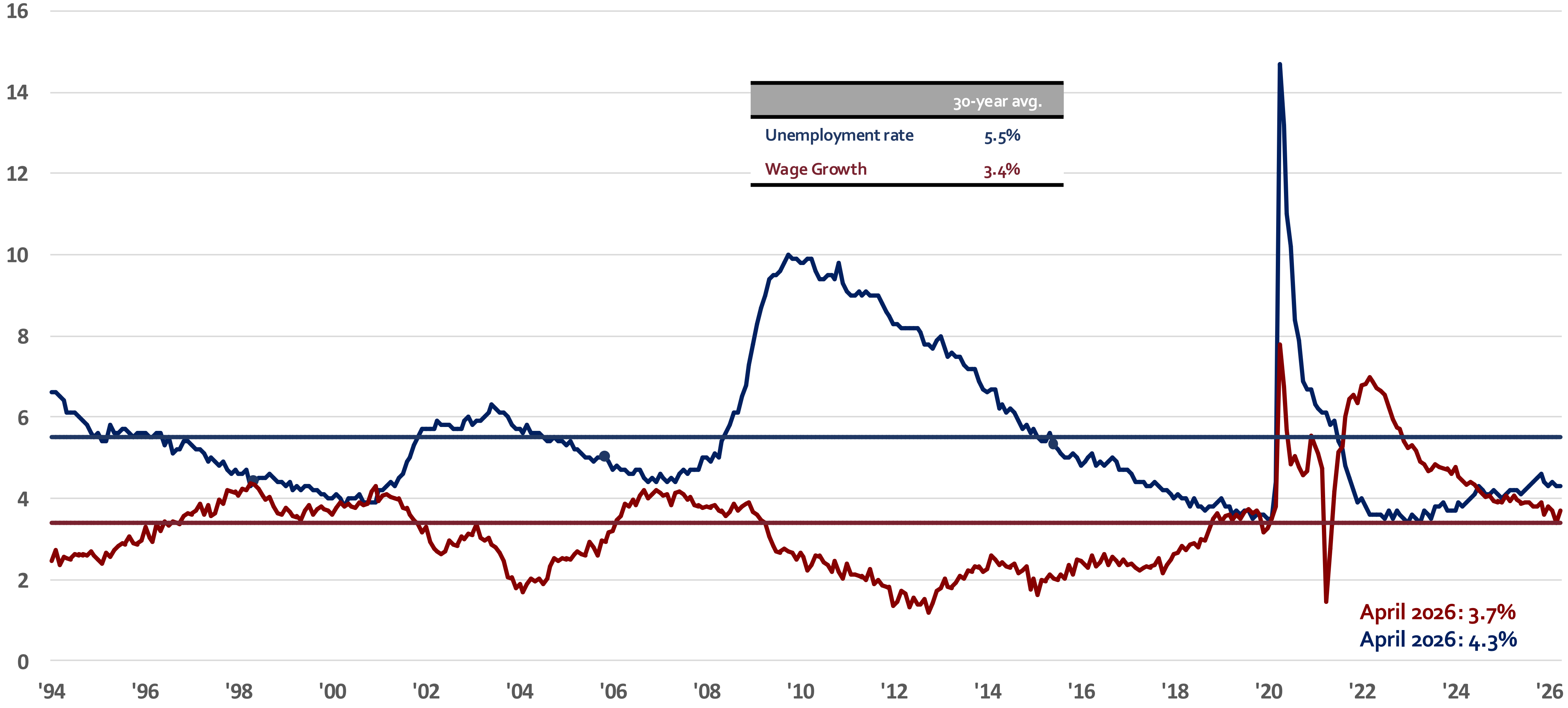
ISM Manufacturing Index (PMI)



ISM Non-Manufacturing Index (NMI)

Source: FactSet, May 28, 2026.

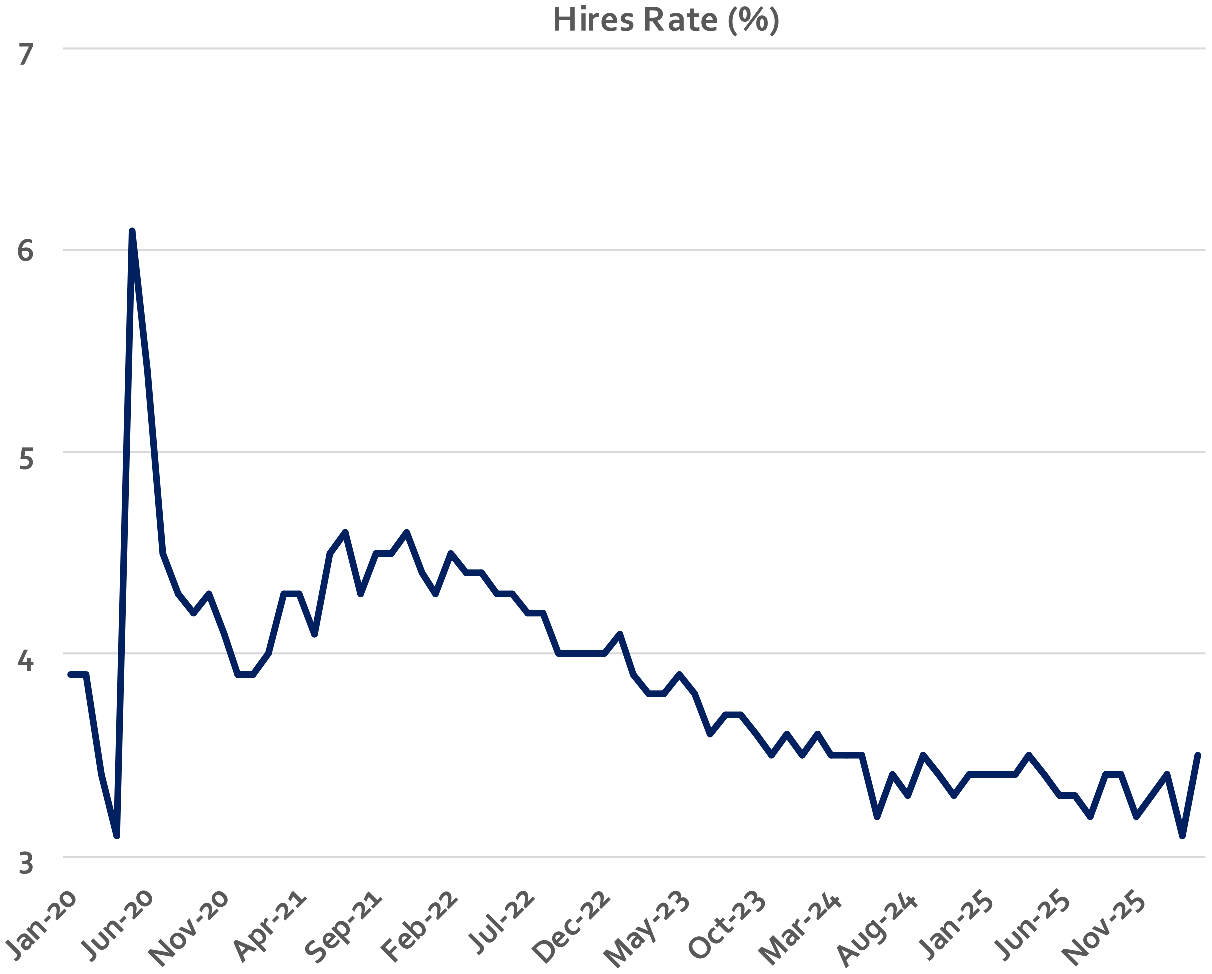
The Best of Times… Labor Market
“Low Hire… Low Fire”

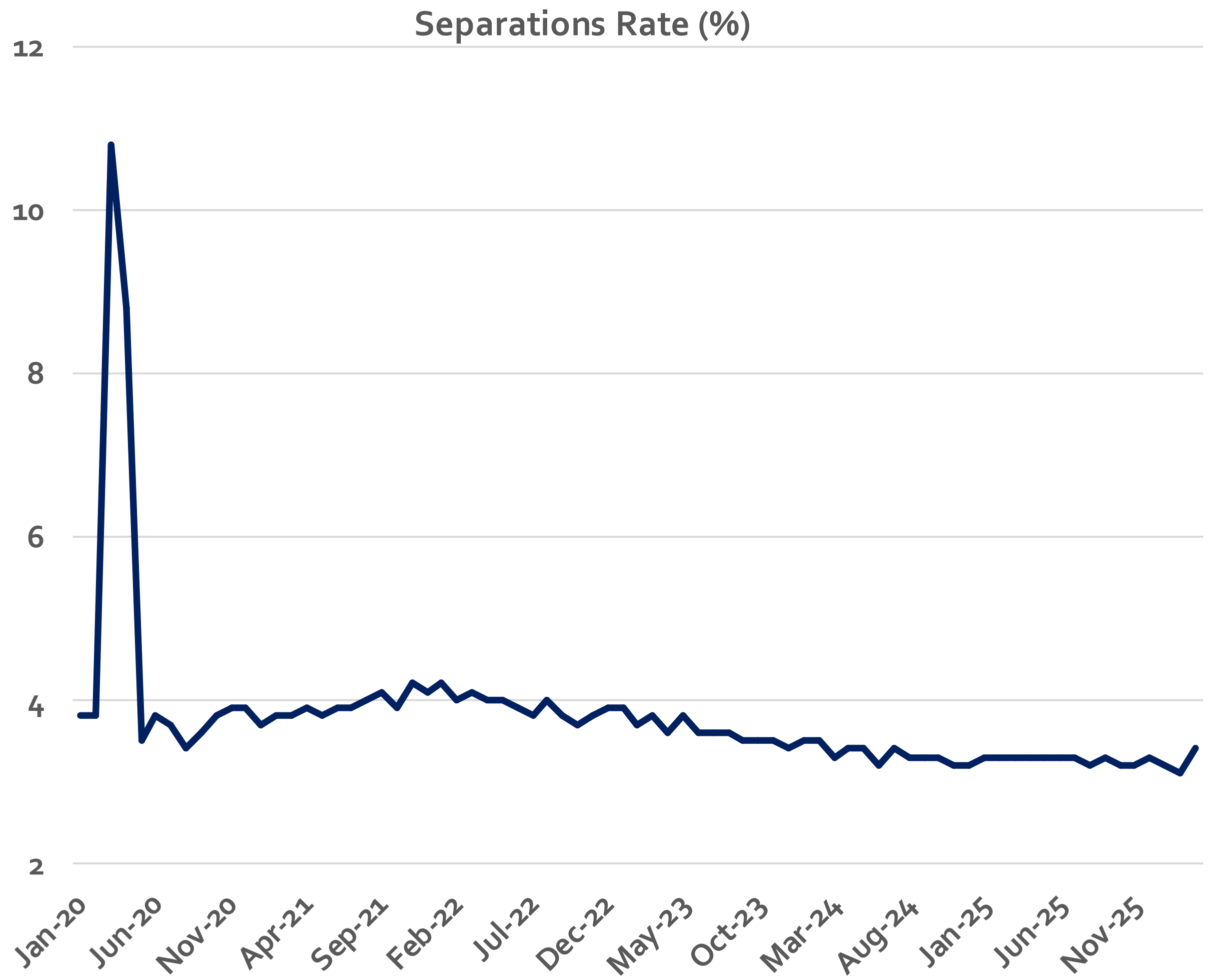


	30-year avg.
Unemployment rate	5.5%
Wage Growth	3.4%

Source: *Guide to the Markets,* FactSet, May 28, 2026.

Labor Market
"Low Hire…Low Fire"

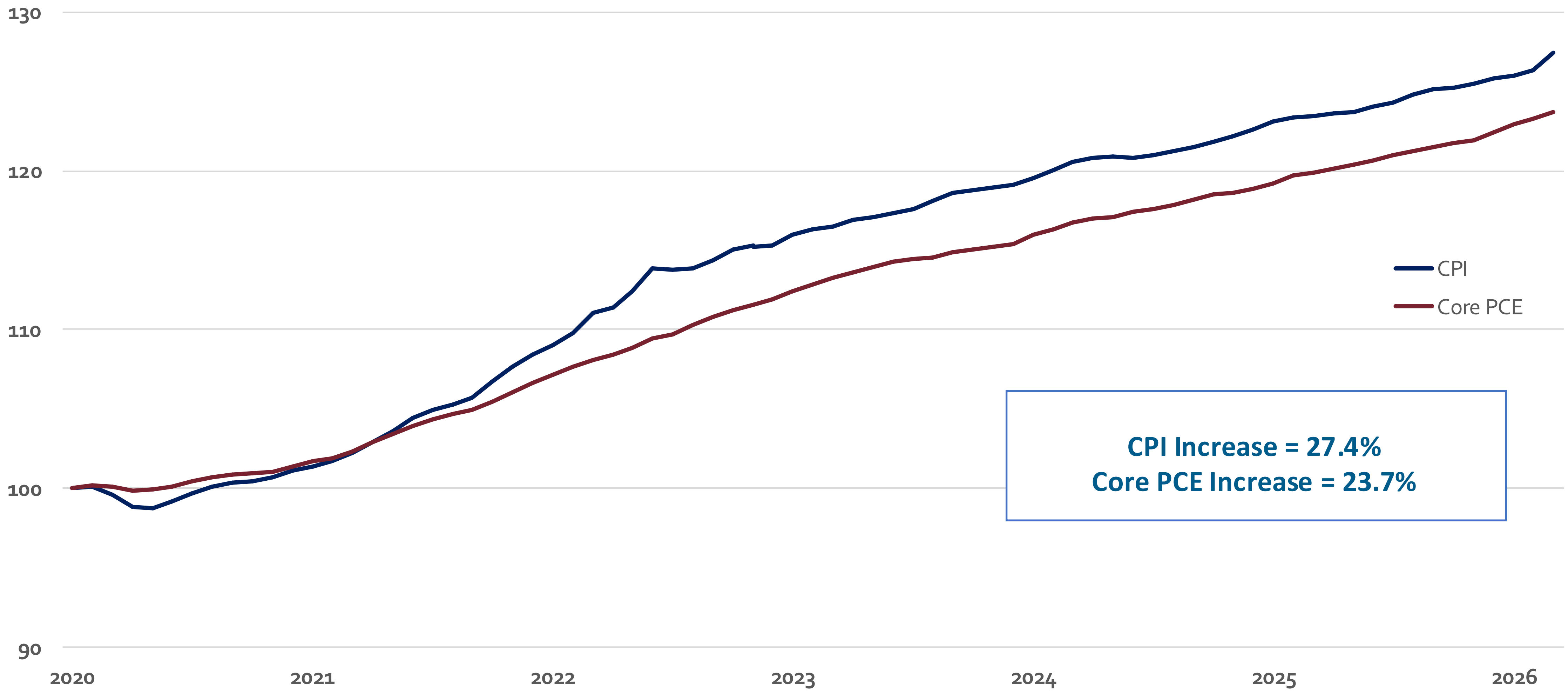




Source: Bureau of Labor Statistics. Data as of May, 28 2026.

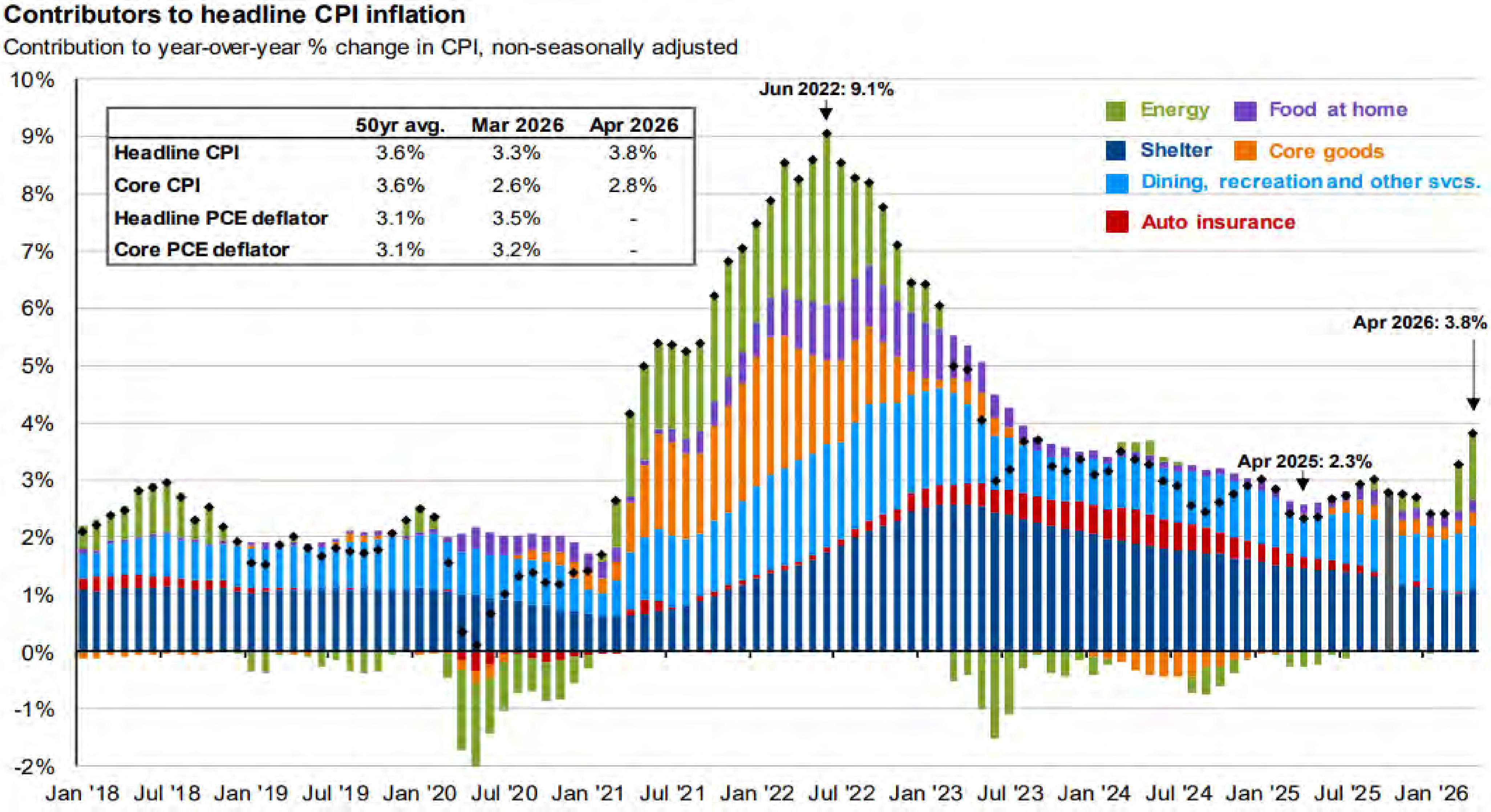
The Worst of Times…Inflation and the Affordability Crisis

Five Years…Long-Term Pain



Source: FRED Economic Data, May 1, 2026.

The Best or Worst of Times?...Inflation

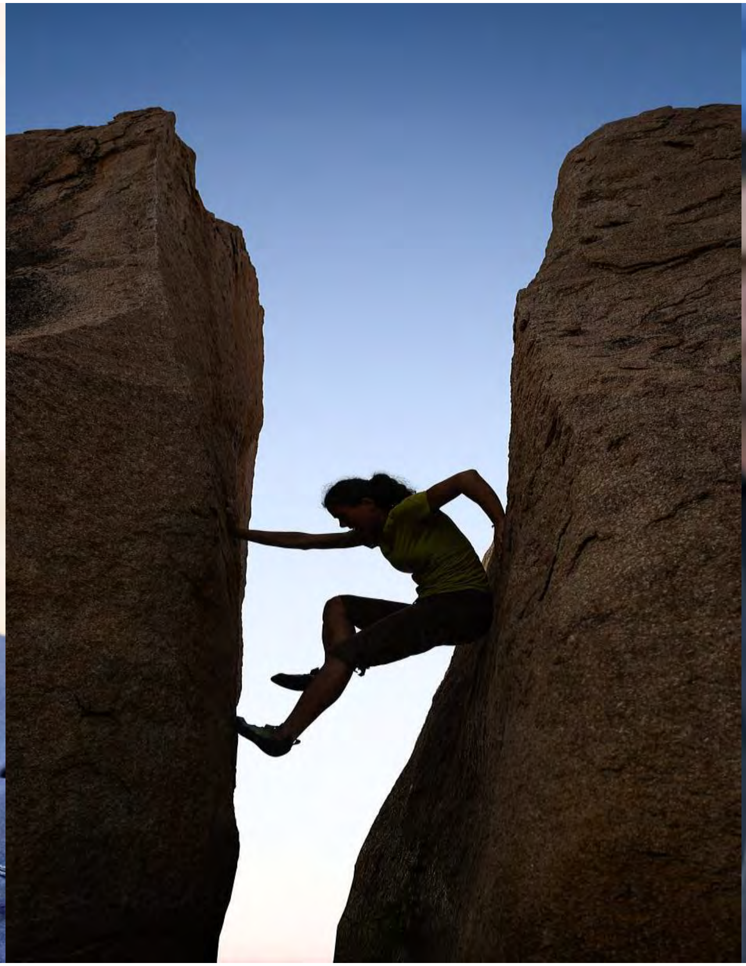


	50yr avg.	Mar 2026	Apr 2026
Headline CPI	3.6%	3.3%	3.8%
Core CPI	3.6%	2.6%	2.8%
Headline PCE deflator	3.1%	3.5%	-
Core PCE deflator	3.1%	3.2%	-

NBT BANK

Source: BLS, FactSet, J.P. Morgan Asset Management
Guide to the Markets – U.S. Data are as of May 27, 2026.

Federal Reserve Bank:
Stuck Between a Rock and a Hard Place
Dual Mandate – Maximize Employment and Price Stability


Federal Reserve Bank

Dual Mandate – Maximize Employment and Price Stability

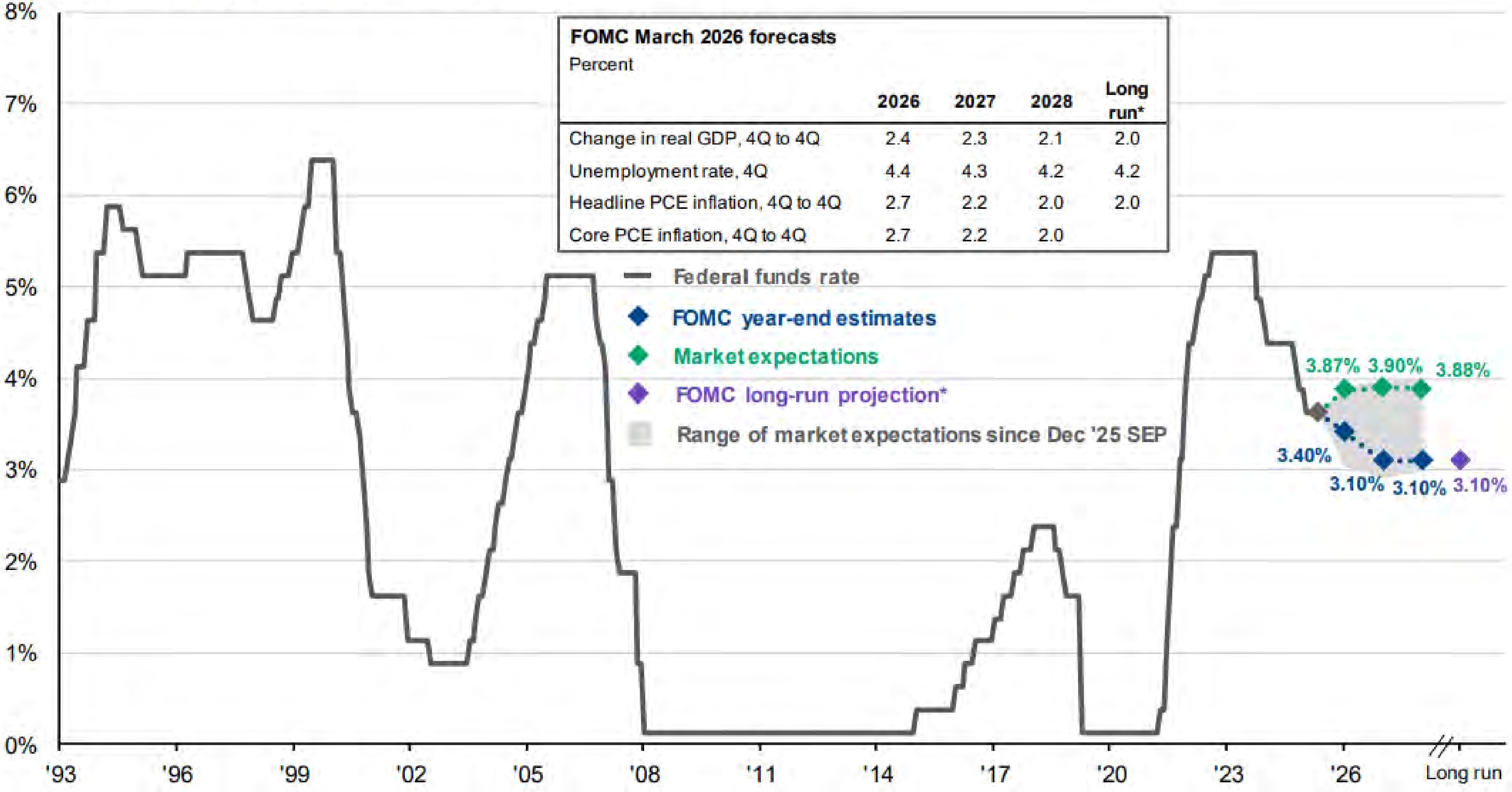
"Recent indicators suggest that job gains remain low, on average, and the unemployment rate has been little changed in recent months. Inflation is elevated, in part reflecting the recent increase in global energy prices."

Federal Reserve Bank
Federal Open Market Committee Statement
April 29,2026

Fed Policy: The Battle of the Dual Mandate

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



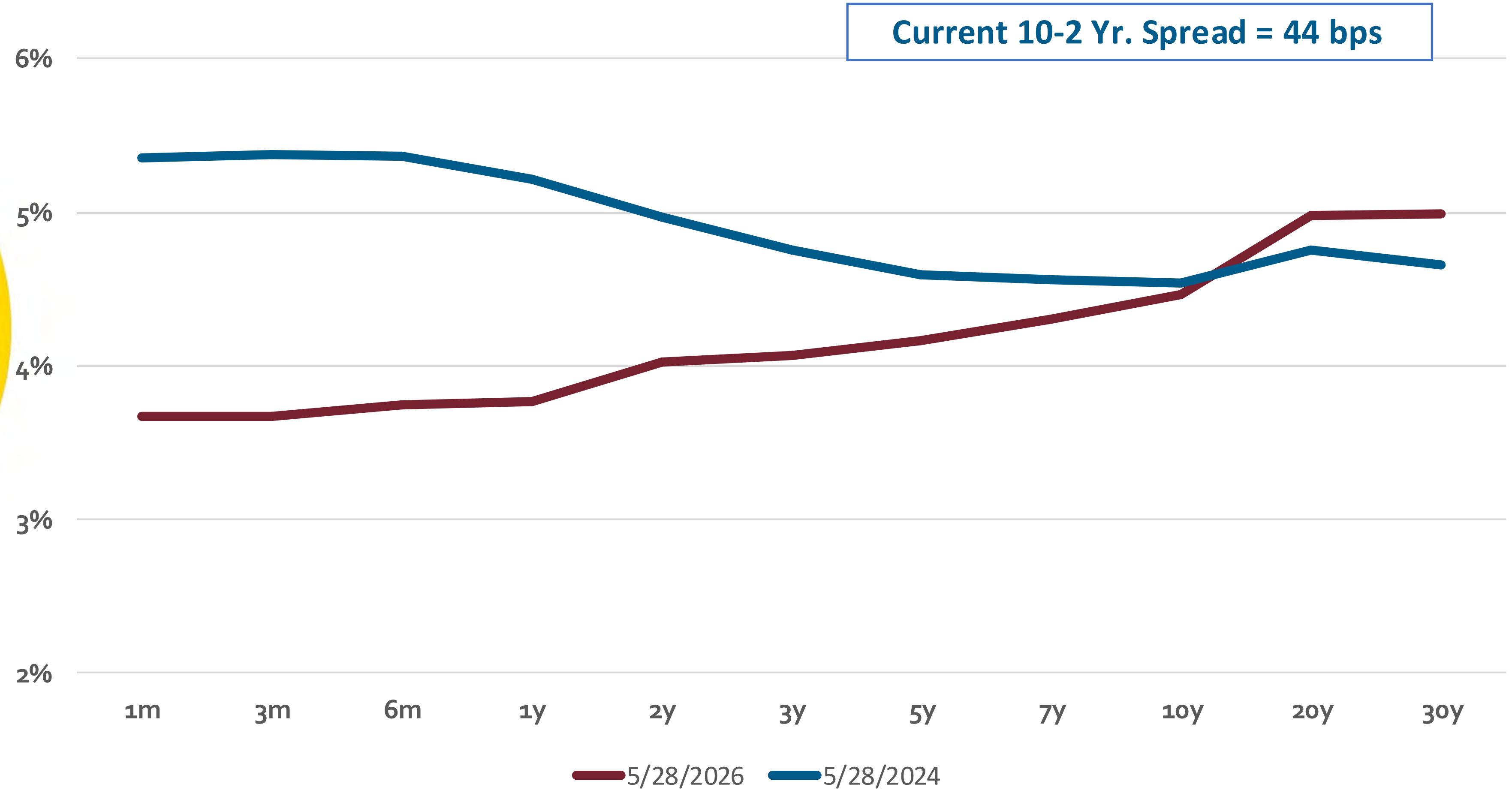
FOMC March 2026 forecasts

Percent

	2026	2027	2028	Long run*
Change in real GDP, 4Q to 4Q	2.4	2.3	2.1	2.0
Unemployment rate, 4Q	4.4	4.3	4.2	4.2
Headline PCE inflation, 4Q to 4Q	2.7	2.2	2.0	2.0
Core PCE inflation, 4Q to 4Q	2.7	2.2	2.0	

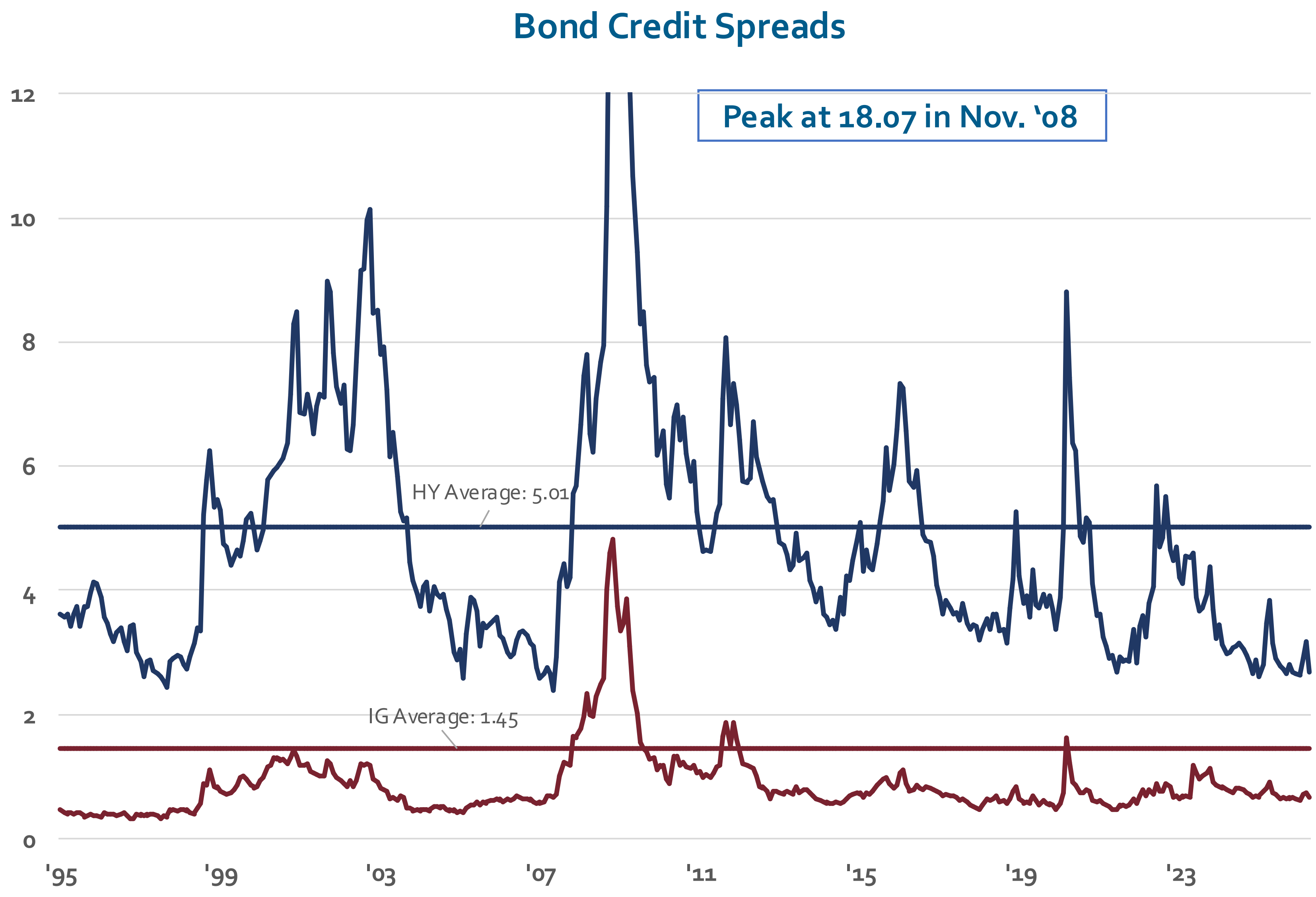
Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of May 27, 2026.

The Interest Rate Yield Curve is "Normalizing"



Source: FactSet, May 28, 2026.

Where Are the Bond Vigilantes?

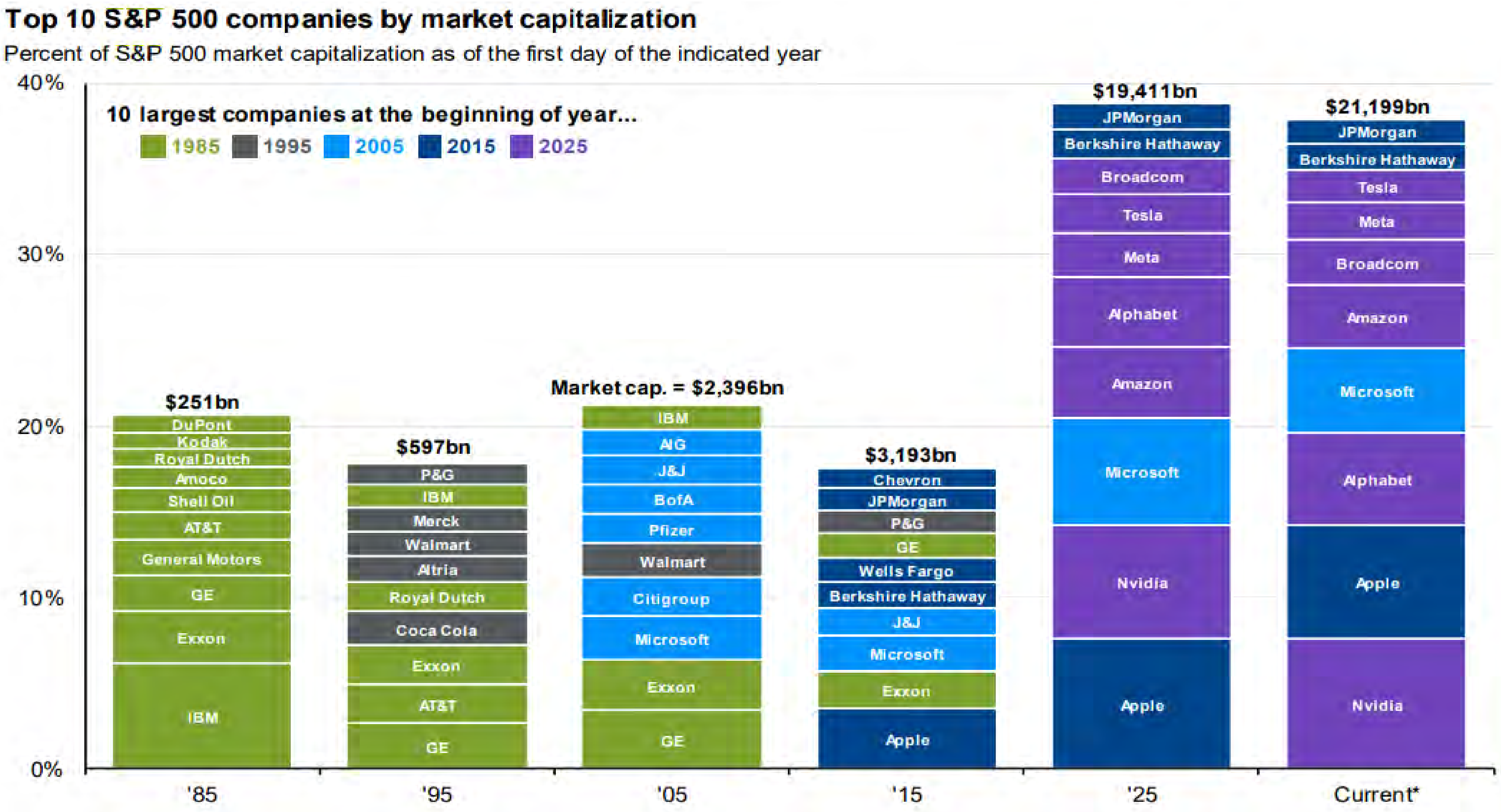


Source: FactSet, May 28, 2026.

Equity Markets: The Revenge of Diversification

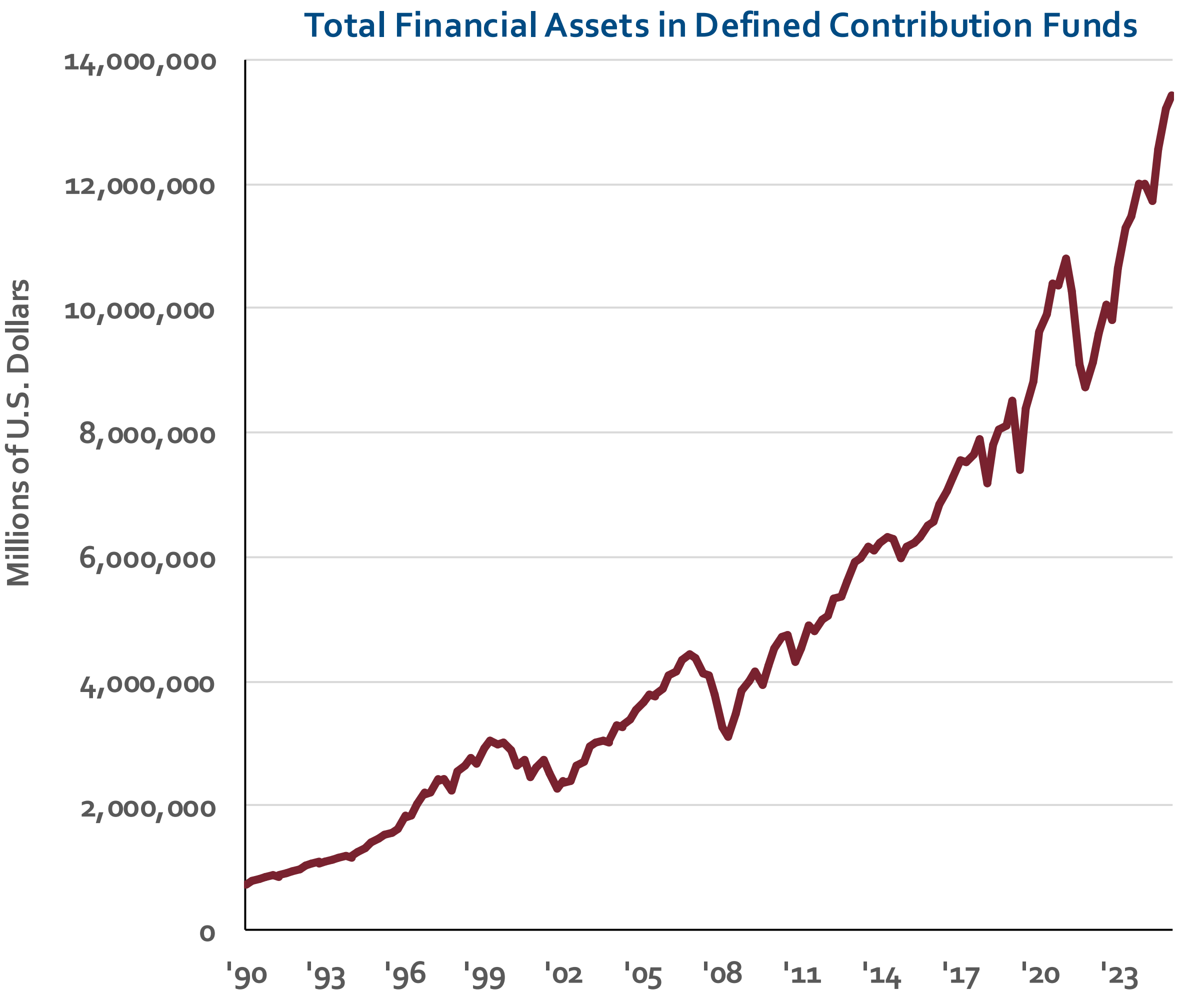
Is this the end of the Mag 7 Dominance?

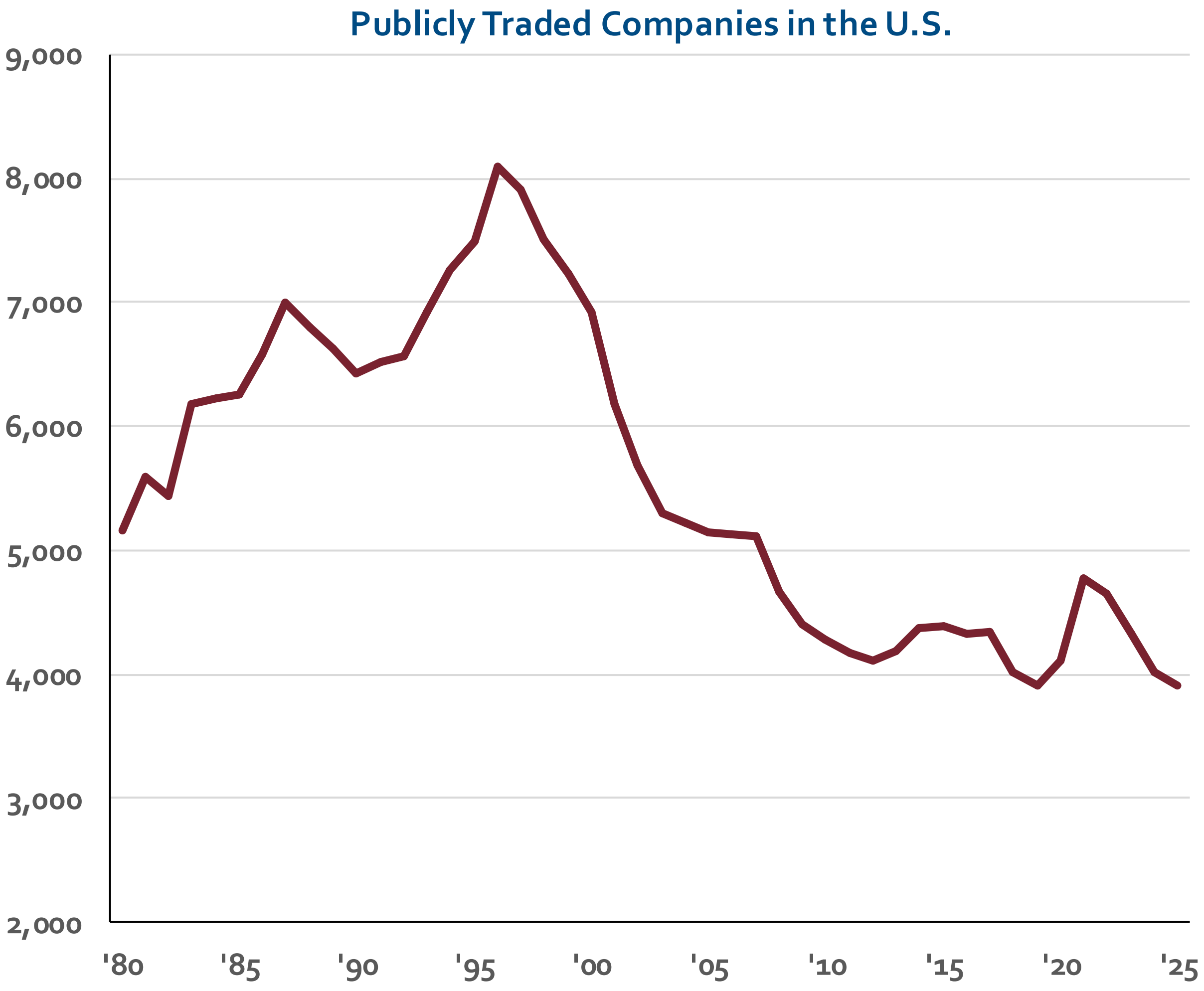
Overconcentration in U.S. Stocks



Source: Bloomberg, FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of May 27, 2026.

More Money...Less Options





Source: FRED Economic Data, FactSet. Data as of May 29, 2026.

Executive Summary

Economic growth has been expanding a solid pace

Tariffs, Oil Prices and AI Employment fears are weighing on Consumer Sentiment

Between a rock and a hard place!

Federal Reserve Bank in a difficult position due to "Low Hire-Low Fire" labor market and inflation

U.S. Credit environment appears stable… for now

Equity market remains highly valued and concentrated, led by the "Magnificent Seven" stocks

The Revenge of Diversification. Niche asset classes provide significant benefit in a volatile market

Thank You!

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