

NBT Bancorp Inc.

Q1 2022 Earnings Presentation



Forward-Looking Statements

This presentation contains forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of phrases such as “anticipate,” “believe,” “expect,” “forecasts,” “projects,” “will,” “can,” “would,” “should,” “could,” “may,” or other similar terms. There are a number of factors, many of which are beyond the Company’s control that could cause actual results to differ materially from those contemplated by the forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following possibilities: (1) local, regional, national and international economic conditions and the impact they may have on the Company and its customers and the Company’s assessment of that impact; (2) changes in the level of nonperforming assets and charge-offs; (3) changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; (4) the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board (“FRB”); (5) inflation, interest rate, securities market and monetary fluctuations; (6) political instability; (7) acts of war or terrorism; (8) the timely development and acceptance of new products and services and perceived overall value of these products and services by users; (9) changes in consumer spending, borrowings and savings habits; (10) changes in the financial performance and/or condition of the Company’s borrowers; (11) technological changes; (12) acquisitions and integration of acquired businesses; (13) the ability to increase market share and control expenses; (14) changes in the competitive environment among financial holding companies; (15) the effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which the Company and its subsidiaries must comply, including those under the Dodd-Frank Act, Economic Growth, Regulatory Relief, Consumer Protection Act of 2018, Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), and other legislative and regulatory responses to the coronavirus (“COVID-19”) pandemic; (16) the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board (“FASB”) and other accounting standard setters; (17) changes in the Company’s organization, compensation and benefit plans; (18) the costs and effects of legal and regulatory developments including the resolution of legal proceedings or regulatory or other governmental inquiries and the results of regulatory examinations or reviews; (19) greater than expected costs or difficulties related to the integration of new products and lines of business; (20) the adverse impact on the U.S. economy, including the markets in which we operate, of COVID-19 global pandemic; and (21) the Company’s success at managing the risks involved in the foregoing items.

Currently, one of the most significant factors that could cause actual outcomes to differ materially from the Company’s forward-looking statements is the potential adverse effect of the current COVID-19 pandemic on the financial condition, results of operations, cash flows and performance of the Company, its customers and the global economy and financial markets. The extent to which the COVID-19 pandemic impacts the Company will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, treatment developments, public adoption rates of COVID-19 vaccines, including booster shots, and their effectiveness against emerging variants of COVID-19, including the Delta and Omicron variants, the impact of the COVID-19 pandemic on the Company’s customers and demand for financial services, the actions governments, businesses and individuals take in response to the pandemic, the impact of the COVID-19 pandemic and actions taken in response to the pandemic on global and regional economies, national and local economic activity, and the pace of recovery when the COVID-19 pandemic subsides, among others. Moreover, investors are cautioned to interpret many of the risks identified under the section entitled “Risk Factors” in our Form 10-K for the year ended December 31, 2021 as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

The Company cautions readers not place undue reliance on any forward-looking statements, which speak only as of the date made, and advises readers that various factors including, but not limited to, those described above and other factors discussed in the Company’s annual and quarterly reports previously filed with the SEC, could affect the Company’s financial performance and could cause the Company’s actual results or circumstances for future periods to differ materially from those anticipated or projected. Unless required by law, the Company does not undertake, and specifically disclaims any obligations to, publicly release any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

Q1 2022 Highlights

EARNINGS

- Net income of \$39.1 million, or diluted earnings per share of \$0.90, up 4 cents from prior quarter, or 5%
- Return on average tangible common equity of 16.87% for 1Q 2022, up from 15.70% in prior quarter
- Noninterest income up 15% from prior year and up 4% from previous quarter; represents 35% of total revenues
- Loan growth of \$202 million, or 2.7% linked quarter, excluding Paycheck Protection Program (“PPP”) loans

BALANCE SHEET & ASSET QUALITY

- Period end total loans were \$7.65 billion, including \$51 million in PPP outstandings; generated growth in all portfolios
- Deposits were \$10.5 billion at March 31, 2022, up \$227 million from prior quarter, with total cost of deposits at 0.07% for Q1 2022 compared to 0.08% for Q4 2021, and 0.14% for Q1 2021
- Allowance for loan losses to total loans of 1.18%, compared to 1.23% in Q4 2021 (compared to 1.07% on January 1, 2020)
- Net charge-offs of \$2.6 million, net charge-offs to average loans was 0.14%, annualized
- Continued decline in nonperforming loans, down 15% from previous quarter to \$27.8 million

CAPITAL STRENGTH

- Tangible book value per share¹ of \$21.25 at Q1 2022, \$22.26 at Q4 2021, and \$20.71 at Q1 2021
- Leverage ratio was 9.52% at March 31, 2022
- Total risk-based capital grew 6% from March 31, 2021 to March 31, 2022

1. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.

Q1 2022 Results Overview

Financial Highlights

(\$ in millions except per share data)	Q1 2022	Change		% Change	
		Q4 2021	Q1 2021	Q4 2021	Q1 2021
Period End Balance Sheet					
Total loans	\$ 7,649.8	\$ 151.4	\$ 16.4	2.0%	0.2%
Total loans, excluding PPP	7,598.8	201.6	501.9	2.7%	7.1%
Total deposits	10,461.6	227.2	645.7	2.2%	6.6%
Income Statement					
FTE net interest income ²	80.6	(4.8)	1.3	(5.7%)	1.6%
Provision for loan losses ³	0.6	(2.5)	3.4	(80.8%)	(121.3%)
Total noninterest income ³	42.8	1.7	6.3	4.2%	17.1%
Total noninterest expense	72.1	(3.0)	4.3	(3.9%)	6.3%
Provision for taxes	11.1	0.4	-	3.4%	(0.1%)
Net income	39.1	1.8	(0.7)	4.9%	(1.8%)
Pre-provision net revenue ²	50.9	(0.6)	3.4	(1.1%)	7.1%
Performance Ratios					
Earnings per share, diluted	\$ 0.90	\$ 0.04	\$ (0.01)	4.7%	(1.1%)
Net interest margin ²	2.95%	(0.13%)	(0.22%)	(4.2%)	(6.9%)
ROAA	1.32%	0.09%	(0.14%)	7.3%	(9.6%)
PPNR ROAA ²	1.71%	0.01%	(0.03%)	0.6%	(1.7%)
ROATCE ²	16.87%	1.17%	(1.37%)	7.5%	(7.5%)
NCOs/ Avg loans (%)	0.14%	(0.08%)	0.02%	(36.4%)	16.7%
NCOs/ Avg loans (%), excluding PPP	0.14%	(0.08%)	0.01%	(36.4%)	7.7%
Tangible book value per share ²	\$ 21.25	\$ (1.01)	\$ 0.54	(4.5%)	2.6%
Tangible equity ratio ²	7.70%	(0.50%)	(0.30%)	(6.1%)	(3.8%)
Capital Ratios					
Leverage ratio	9.52%	0.11%	(0.08%)	1.2%	(0.8%)
Common equity tier 1 capital ratio	12.23%	(0.02%)	0.10%	(0.2%)	0.8%
Tier 1 capital ratio	13.39%	(0.04%)	0.01%	(0.3%)	0.1%
Total risk-based capital ratio	15.64%	(0.09%)	(0.28%)	(0.6%)	(1.8%)

1. Comparison to Q4 2021 unless otherwise stated.

2. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.

3. Excludes net securities gains (losses).

Quarterly Highlights¹



Balance Sheet

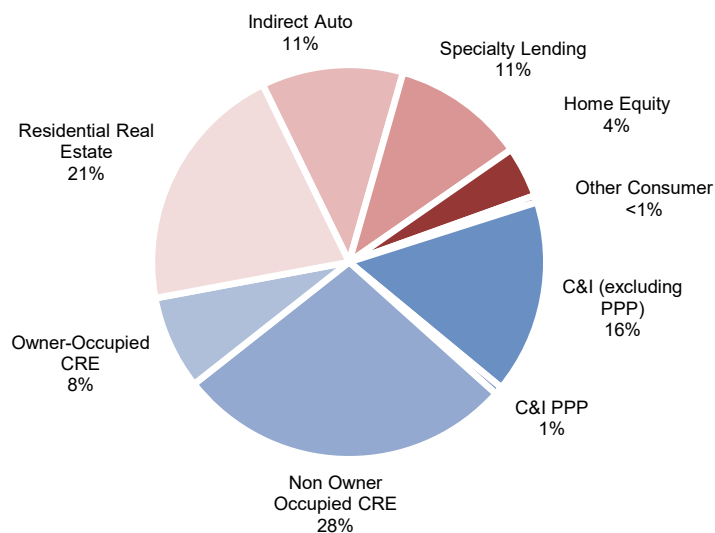
- Loans were up \$202 million, excluding PPP
- Deposits increased \$227 million
- Tangible book value per share² of \$21.25

Earnings & Capital

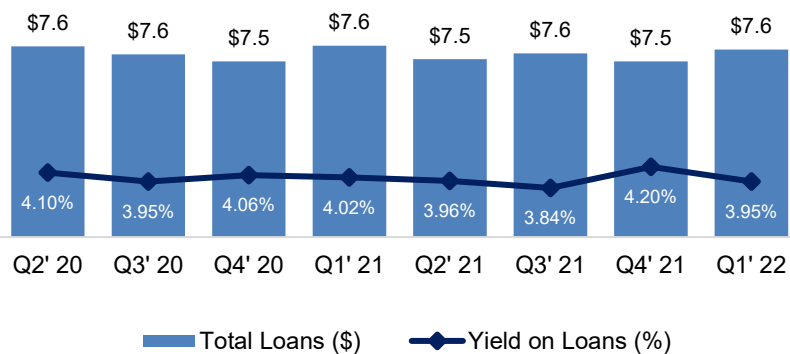
- Net income was \$39.1 million and diluted earnings per share was \$0.90
- Provision expense of \$0.6 million, decreasing allowance for loan losses to total loans to 1.18%
- Net interest margin² down 13 bps, 11 bps related to decrease in PPP income
- Fee income³ up 4%
- Noninterest expense down 4%
- Effective tax rate of 22.2%

Loans

Total Loans: \$7.6 billion¹



Yield on Loans (%) / Total Loans (\$ in billions)



Quarterly Highlights

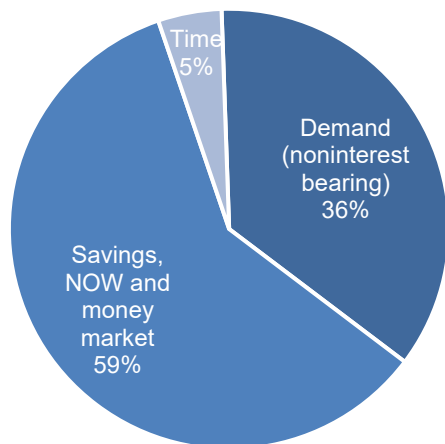


- Loans, excluding PPP, were up \$202 million from Q4 2021, or 2.7%
 - Total commercial loans, excluding PPP loans, increased \$113.8 million to \$3.9 billion
 - Total consumer loans increased \$88 million to \$3.7 billion
- Yields on loans decreased 25 bps from Q4 2021
 - Excluding PPP loans, yields decreased 1 bp
- Quarterly loan yields
 - Commercial (excluding PPP): 3.27%
 - Consumer: 5.46%
 - Residential mortgage: 3.38%

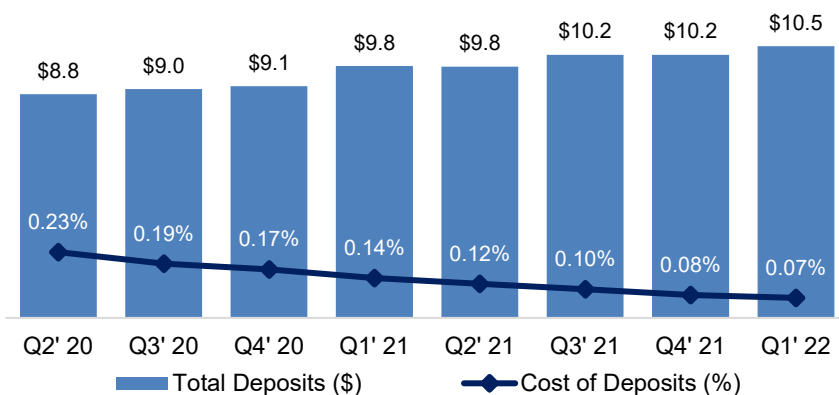
1. As of 3/31/22. Total loans included PPP loans of \$51.0 million net of \$1.6 million in unearned fees.

Deposits

Total Deposits: \$10.5 billion¹



Cost of Deposits (%) / Total Deposits (\$ in billions)



Quarterly Highlights²

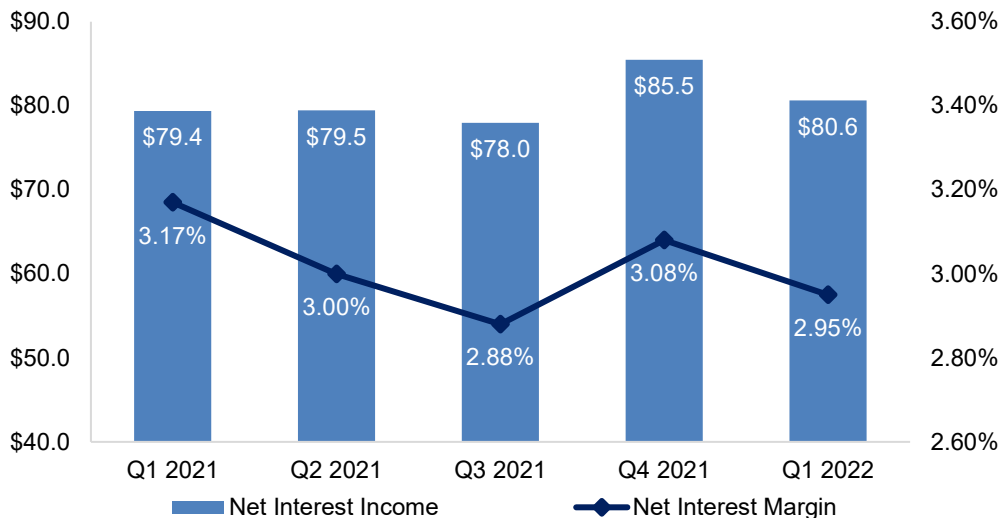


- Cost of total deposits of 0.07%, down 1 bp
- Cost of interest-bearing deposits was 0.11%, down 2 bps or 15%
- Period end deposits increased \$227 million, or 2.2%
- Core deposits³ represent 95% of total deposit funding
- Noninterest bearing deposits were 36% of total deposits at Q1 2022
- Loan to deposit ratio was 73.1%

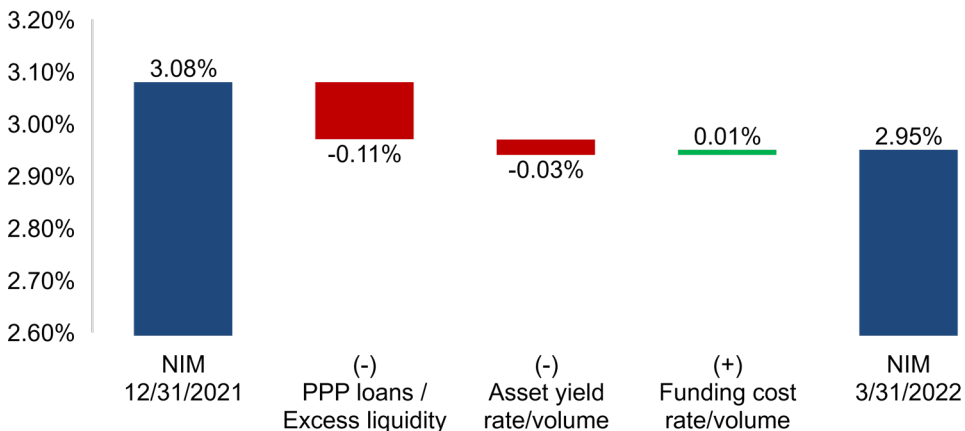
1. As of 3/31/2022.
 2. Comparison to Q4 2021 unless otherwise stated.
 3. Core deposits defined as total deposits less all time.

Net Interest Income & Net Interest Margin

Net Interest Income (\$ in millions) & Net Interest Margin (%)



Q1 2022 Net Interest Margin



Quarterly Highlights¹

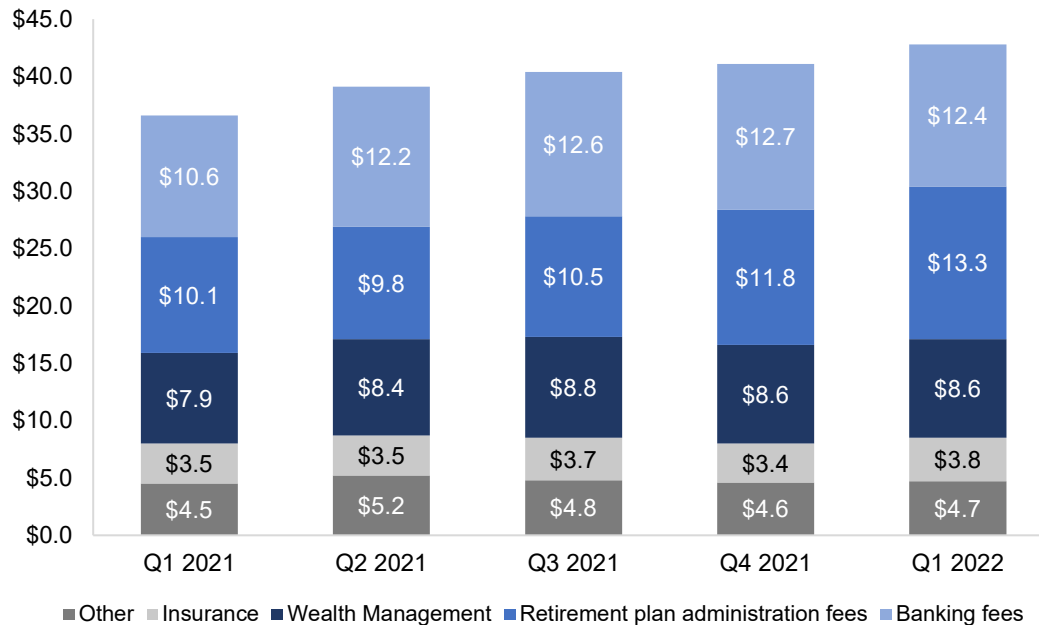
- Net interest income decreased \$4.8 million to \$80.6 million
- PPP income decreased \$5.6 million
- Net interest margin decreased 13 bps to 2.95%
 - Net impact of excess liquidity and PPP lending negatively impacted NIM by 22 bps compared to negative 11 bps in 4Q 2021
 - Normalized margin, excluding PPP and excess liquidity, decreased 2 bps from prior quarter primarily due to a 3 bp decrease in earning asset yields partly offset by a 1 bp decline in cost of interest-bearing liabilities

Net Interest Income and Net Interest Margin are shown on a fully tax equivalent basis, which is a Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.

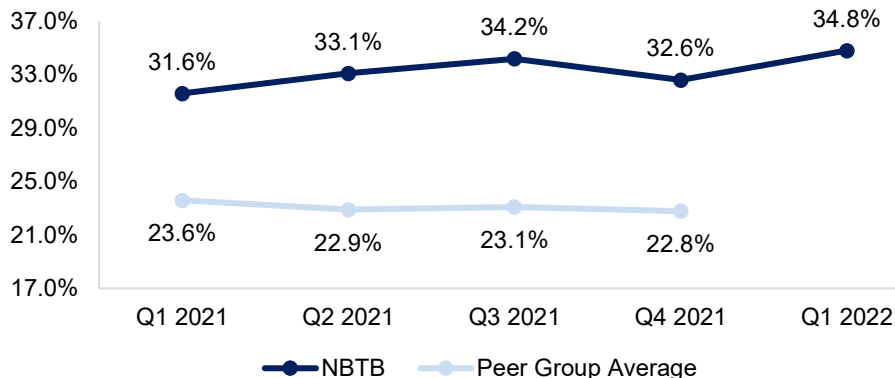
1. Comparison to Q4 2021 unless otherwise stated.

Noninterest Income

Noninterest Income Trend¹ (\$ in millions)



Total Noninterest Income¹ / Total Revenue¹



Quarterly Highlights²



- Noninterest income to total revenue was 34.8%¹
- \$42.8 million¹ in noninterest income, up \$1.7 million
- Retail banking fees (service charges and card services) consistent with prior 3 quarters
- Retirement plan administration fees up \$1.5 million
- Wealth management fees were comparable
- Insurance revenues up \$0.4 million

Assets under management / administration of \$9.6 billion

Peer Source Data: S&P Global Market Intelligence.

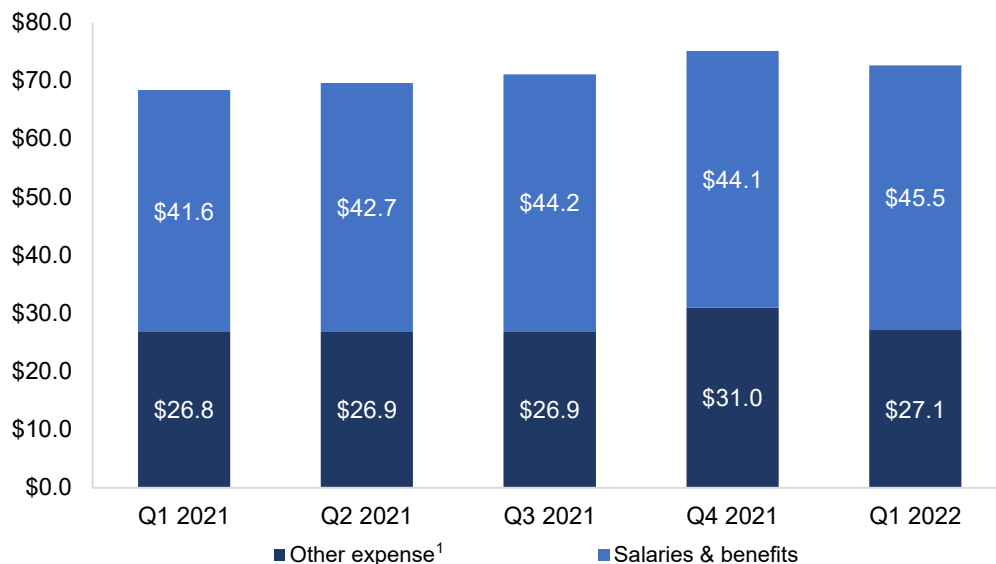
Refer to appendix for Peer Group.

1. Excludes net securities gains (losses).

2. Comparison to Q4 2021 unless otherwise stated.

Noninterest Expense

Noninterest Expense Trend (\$ in millions)



Quarterly Highlights²



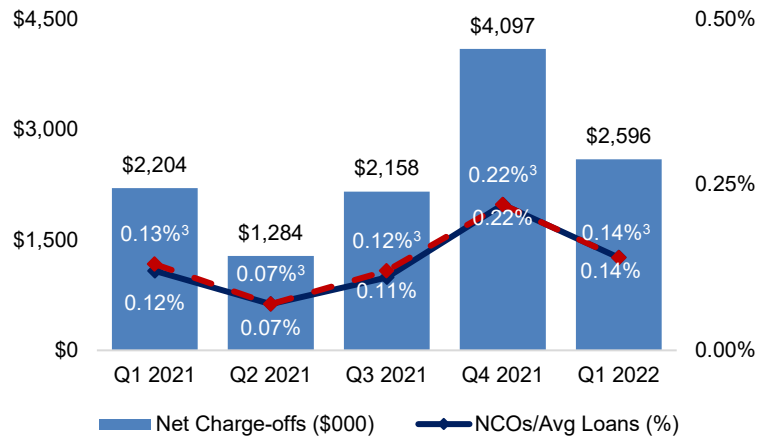
- Noninterest expense of \$72.1 million
 - Down \$3.0 million (3.9%)
- Salaries & Benefits increase driven by seasonally higher payroll taxes and stock-based compensation expenses, partly offset by two less payroll days
- Professional fees and outside services decrease due to timing of costs associated with several technology-related initiatives
- Loan collection and other real estate owned lower due to gain on the sale of a property in 1Q 2022 and the write-down of a property in 4Q 2021
- Other expenses decreased due to timing of charitable contributions and travel and training costs

1. Other Expense includes Occupancy expense, Equity expense, Data processing & Communications, Professional fees and outside services, Office supplies and postage, FDIC expense, Advertising, Amortization of intangible assets, Loan collection & OREO, net and other expense. Presented excluding provision for unfunded commitment reserves and other non-recurring expense.

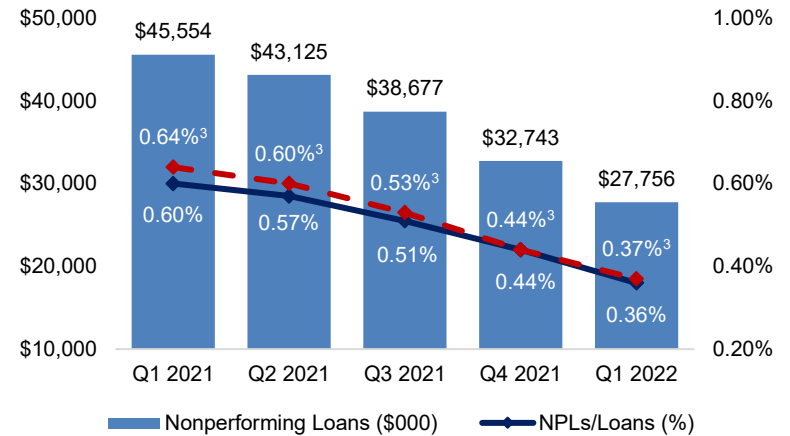
2. Comparisons to Q4 2021 unless otherwise stated.

Asset Quality

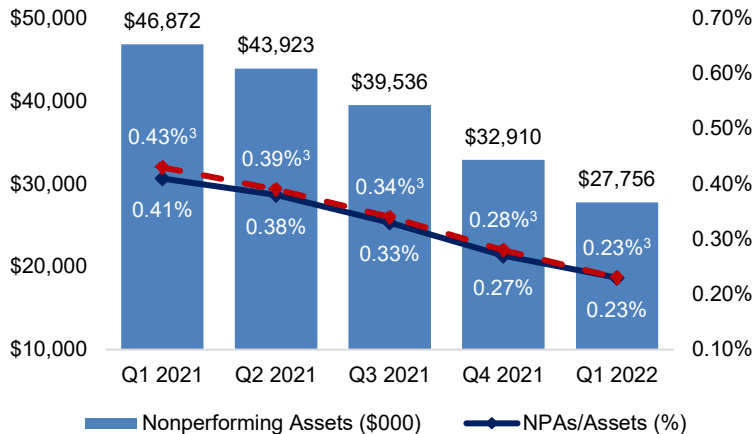
Net Charge-Offs



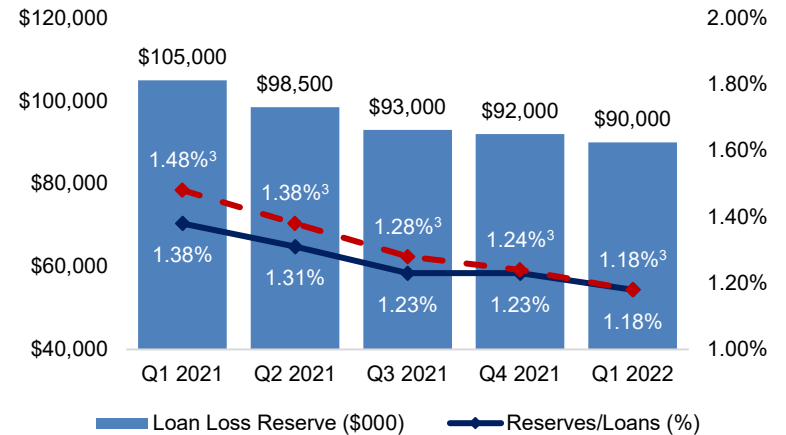
Nonperforming Loans¹



Nonperforming Assets²



Loan Loss Reserves



1. Nonperforming loans exclude performing TDRs.
2. Nonperforming assets include nonaccrual loans, loans ninety days past due and still accruing and OREO.
3. - - Excluding PPP loans of \$536.5 million and related allowance of \$27 thousand as of March 31, 2021, PPP loans of \$359.7 million and related allowance of \$18 thousand as of June 30, 2021, PPP loans of \$276.2 million and related allowance of \$14 thousand as of September 30, 2021, PPP loans of \$101.2 million and related allowance of \$5 thousand as of December 31, 2021 and PPP loans of \$51.0 million and related allowance of \$3 thousand as of March 31, 2022.

APPENDIX



First Quarter Trends

(\$ in thousands except per share data)	Q1 2022	Q1 2021	Q1 2020	Q1 2019
Income Statement				
Loan interest income, excluding PPP income	\$ 71,367	\$ 68,922	\$ 78,728	\$ 79,321
PPP interest income and fees	1,976	6,171	-	-
Securities	10,333	8,926	9,844	11,139
Other interest income	525	291	829	884
Total interest income	84,201	84,310	89,401	91,344
Total interest expense	3,853	5,255	12,220	13,653
Net interest income	80,348	79,055	77,181	77,691
Noninterest income	42,659	37,038	35,423	33,821
Total net revenue	123,007	116,093	112,604	111,512
Noninterest expense	72,143	67,888	70,881	68,460
Income before provision and income taxes	50,864	48,205	41,723	43,052
Provision for credit losses	596	(2,796)	29,640	5,807
Income before taxes	50,268	51,001	12,083	37,245
Income taxes	11,142	11,155	1,715	8,118
Net Income	\$ 39,126	\$ 39,846	\$ 10,368	\$ 29,127
Performance Ratios				
<i>Diluted earnings per share</i>	\$ 0.90	\$ 0.91	\$ 0.23	\$ 0.66
<i>Net interest margin</i> ¹	2.95%	3.17%	3.52%	3.64%
<i>ROATCE</i> ¹	16.87%	18.24%	5.24%	16.45%
<i>NCOs/Avg loans</i>	0.14%	0.12%	0.32%	0.41%

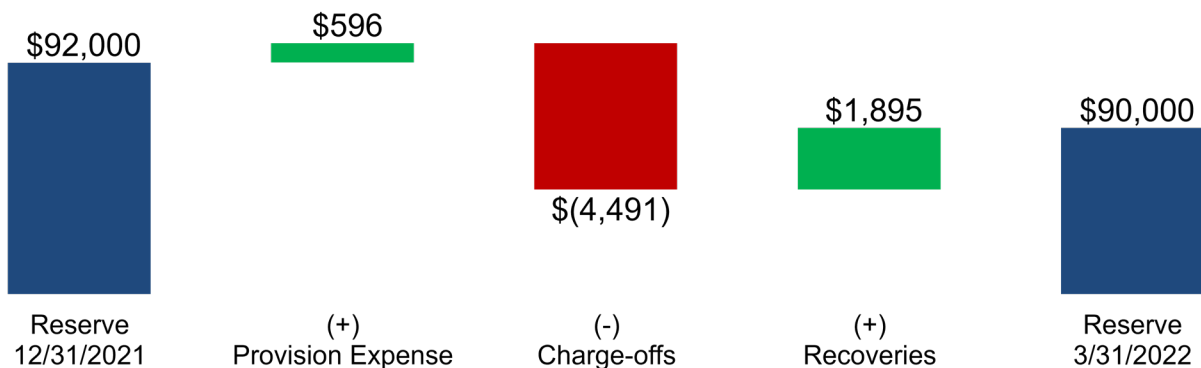
1. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.

Loan Loss Reserve (CECL)

Reserve / Loans by Segment

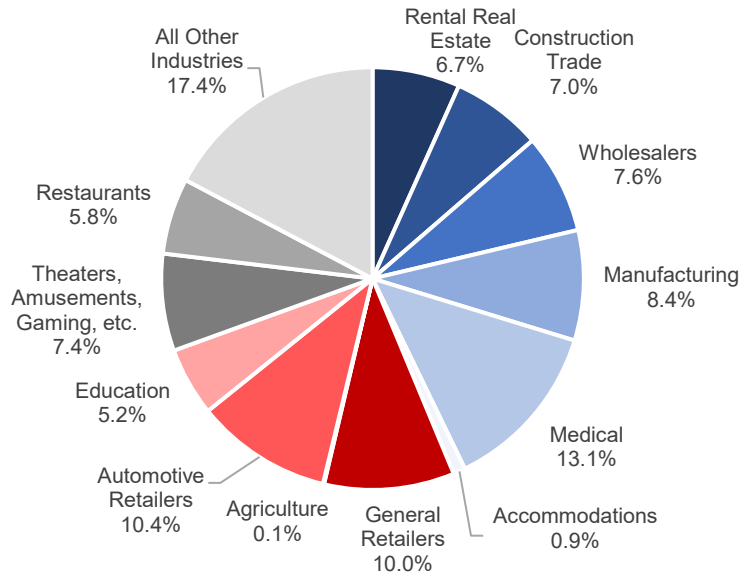
Loan Type	1/1/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022
Commercial & Industrial	0.98%	1.20%	1.11%	0.83%	0.78%	0.66%
Paycheck Protection Program	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%
Commercial Real Estate	0.74%	1.48%	1.26%	0.93%	0.78%	0.79%
Residential Real Estate	0.83%	1.03%	0.98%	0.93%	0.92%	0.88%
Auto	0.78%	0.78%	0.76%	0.78%	0.79%	0.76%
Other Consumer	3.66%	4.34%	4.27%	4.57%	4.49%	4.14%
Total	1.07%	1.38%	1.31%	1.23%	1.23%	1.18%
Total excluding PPP loans	1.07%	1.48%	1.38%	1.28%	1.24%	1.18%

3/31/2022 Loan Loss Reserve Activity (\$ in Thousands)

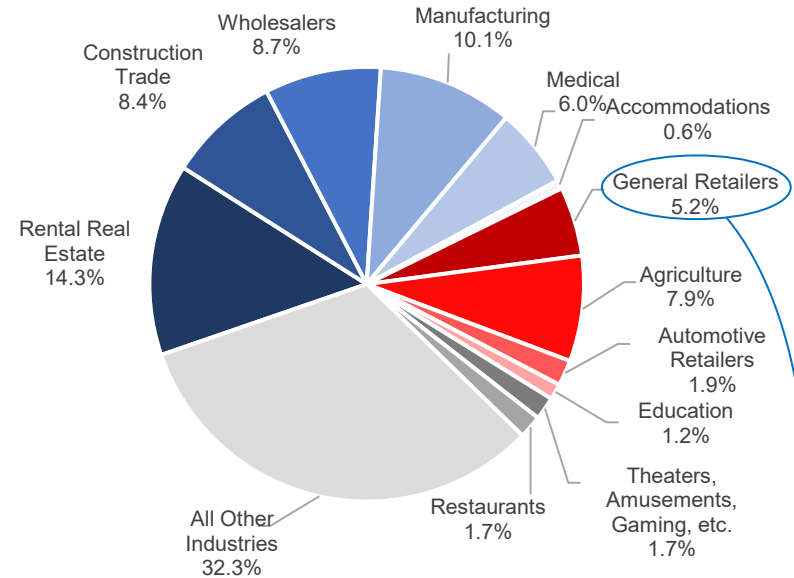


Commercial Loan Portfolio Detail

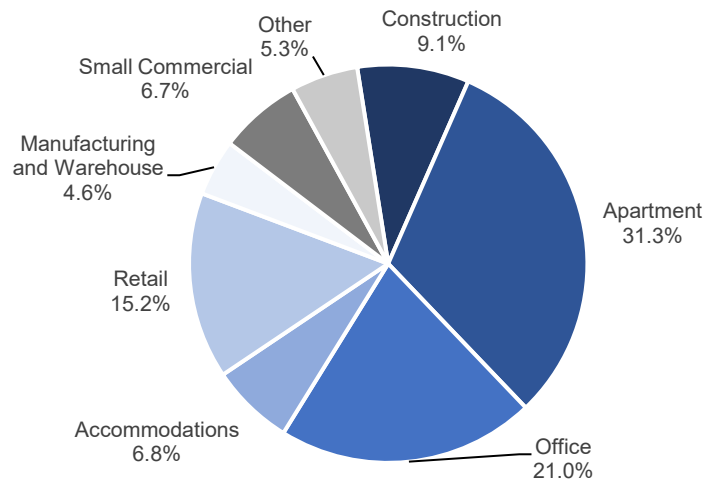
Owner Occupied CRE (\$0.6 billion)¹



Commercial & Industrial (\$1.2 billion)¹



Non-Owner Occupied CRE (\$2.1 billion)¹



Retail

- 19% Building Materials / Home Centers
- 17% Grocery Stores / Pharmacies
- 9% Gasoline / C Stores
- 29% Home Furnishings

1. Data as of 3/31/2022, excludes PPP balances.

Interest Rate & Liquidity Risk

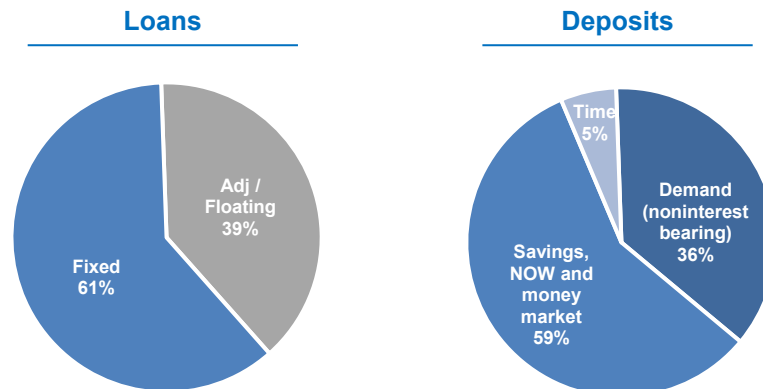
Interest Rate Risk Position¹

- Loan portfolio:
 - 61% Fixed / 39% Adjustable/Floating
- Deposit repricing information:
 - \$126 million CDs re-price in Q2 2022
- Offsets to low-rate environment: \$763 million adjustable/floating loans with floors and resets
 - \$354 million loans with in-the-money interest rate floors
 - \$386 million loans with interest rate floors out-of-the-money
 - \$24 million loans at introductory rates expected to reset higher by approximately 50 bps
- Investments:
 - 4.7 year modified duration, 0.5% of portfolio floating rate

Liquidity¹

- Continued significant excess liquidity
 - \$0.91 billion in excess reserves at Fed
- Loan-to-deposit ratio of 73.1%
- Available lines of credit:
 - \$1.75 billion FHLB (secured)
 - \$0.57 billion Fed discount window (secured)
 - \$0.25 billion Fed funds (unsecured)

Loan & Deposit Mix¹



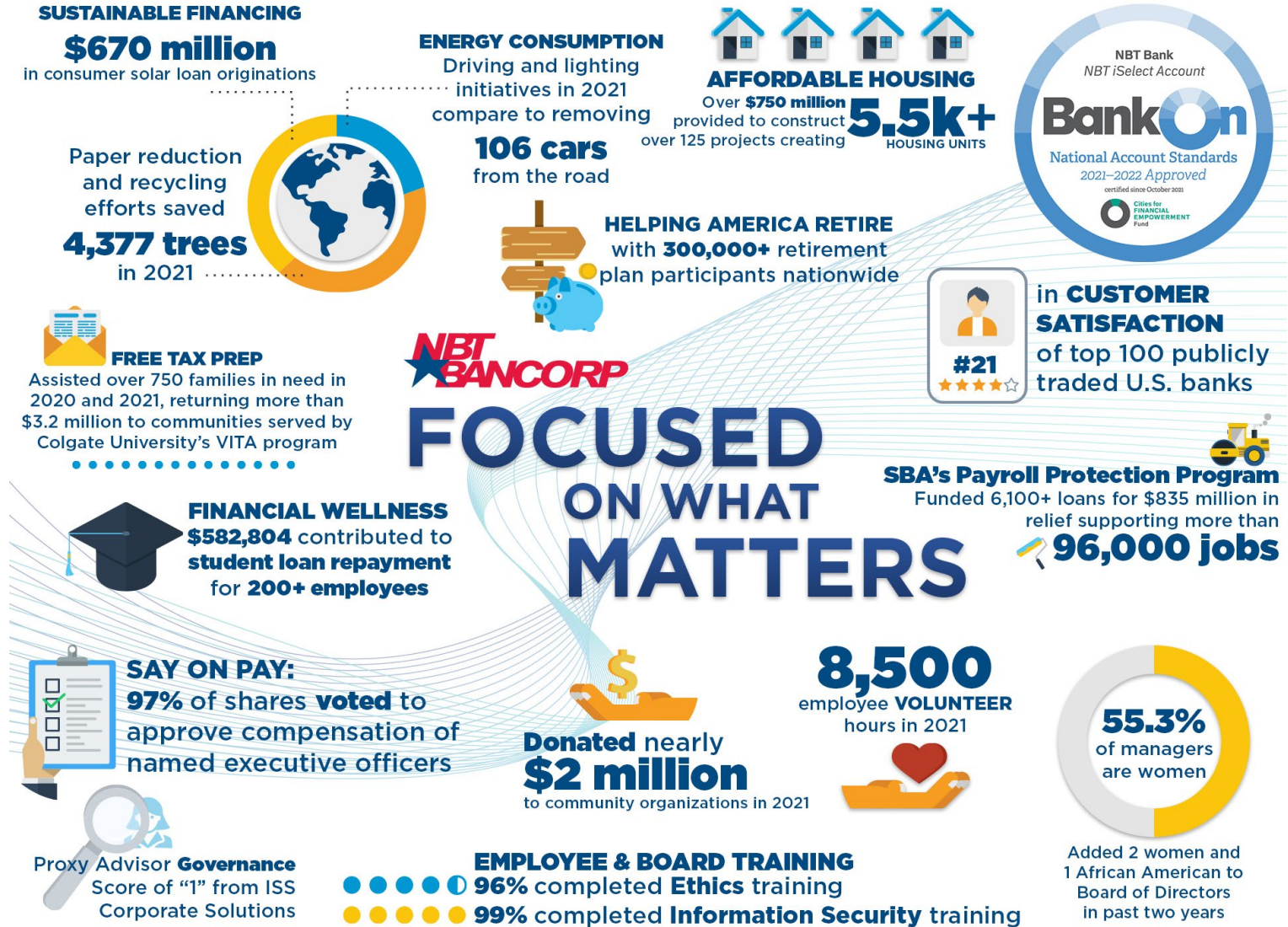
Year 1 Interest Rate Sensitivity¹

	Net Interest Income
Change in interest rates	% Change from base
Up 200 bps	5.64%
Up 100 bps	3.07%
Down 50 bps	-1.53%

1. Data as of 03/31/2022.

Corporate Social Responsibility

The highlights featured here depict some of the many ways the Company and our people are focused on what matters.



External Recognition

Forbes **2022**
**WORLD'S
BEST BANKS**

POWERED BY STATISTA

Forbes **2021**
**BEST-IN-STATE
BANKS**

POWERED BY STATISTA

In the **J.D. Power** 2022 U.S. Retail Banking Satisfaction Study, **NBT Bank ranked #2** in the New York Tri-State Region, which includes New York, Connecticut and New Jersey.



Second Consecutive Year

Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q1 2022	Q4 2021	Q1 2021
Net Income	\$ 39,126	\$ 37,310	\$ 39,846
Income Tax Expense	11,142	10,780	11,155
Provision Expense	596	3,097	(2,796)
FTE Adjustment	285	292	302
Net Securities Losses (Gains)	179	2	(467)
Provision for Unfunded Loan Commitments Reserve	(260)	(250)	(500)
Nonrecurring Expense ¹	(172)	250	-
Pre-Provision Net Revenue ("PPNR")²	\$ 50,896	\$ 51,481	\$ 47,540
Average Assets	\$ 12,036,688	\$ 11,999,360	\$ 11,102,082
Return on Average Assets³	1.32%	1.23%	1.46%
PPNR Return on Average Assets³	1.71%	1.70%	1.74%

(Dollars in Thousands)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net Interest Income	\$ 80,348	\$ 85,181	\$ 77,674	\$ 79,178	\$ 79,055
FTE Adjustment	285	292	298	299	302
Net Interest Income, Tax Equivalent	\$ 80,633	\$ 85,473	\$ 77,972	\$ 79,477	\$ 79,357
Average Total Interest Earning Assets	\$ 11,089,110	\$ 11,017,224	\$ 10,727,498	\$ 10,631,071	\$ 10,141,088
Net Interest Margin, Tax Equivalent³	2.95%	3.08%	2.88%	3.00%	3.17%

1. Items per S&P Global Market Intelligence.

2. Net interest income, on a fully tax-equivalent basis if available, fees and other noninterest income, net of non-credit-related expenses. Represents earnings capacity that can be applied to capital or loan losses per S&P Global Market Intelligence calculation.

3. Annualized.

Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q1 2022	Q1 2021	Q1 2020	Q1 2019
Net Interest Income	\$ 80,348	\$ 79,055	\$ 77,181	\$ 77,691
FTE Adjustment	285	302	329	500
Net Interest Income, Tax Equivalent	\$ 80,633	\$ 79,357	\$ 77,510	\$ 78,191
Average Total Interest Earning Assets	\$ 11,089,110	\$ 10,141,088	\$ 8,862,518	\$ 8,712,163
Net Interest Margin, Tax Equivalent¹	2.95%	3.17%	3.52%	3.64%

(Dollars in Thousands)	Q1 2022	Q1 2021	Q1 2020	Q1 2019
Net Income	\$ 39,126	\$ 39,846	\$ 10,368	\$ 29,127
Amortization of Intangible Assets (Net of Tax)	477	609	626	726
Net Income, Excluding Intangibles Amortization	\$ 39,603	\$ 40,455	\$ 10,994	\$ 29,853
Average Tangible Common Equity	\$ 951,970	\$ 899,359	\$ 843,195	\$ 735,840
Return on Average Tangible Common Equity¹	16.87%	18.24%	5.24%	16.45%

1. Annualized.

Reconciliation of Non-GAAP Measures

(Dollars in Thousands, Except Per Share Data)	Q1 2022	Q4 2021	Q1 2021
Net Income	\$ 39,126	\$ 37,310	\$ 39,846
Amortization of Intangible Assets (Net of Tax)	477	488	609
Net Income, Excluding Intangibles Amortization	\$ 39,603	\$ 37,798	\$ 40,455
Average Tangible Common Equity	\$ 951,970	\$ 954,917	\$ 899,359
Return on Average Tangible Common Equity¹	16.87%	15.70%	18.24%
Total Stockholder's Equity	\$ 1,202,250	\$ 1,250,453	\$ 1,190,981
Goodwill and Other Intangibles	(288,832)	(289,468)	(291,464)
Tangible Common Equity	\$ 913,418	\$ 960,985	\$ 899,517
Total Assets	\$ 12,147,833	\$ 12,012,111	\$ 11,537,253
Goodwill and Other Intangibles	(288,832)	(289,468)	(291,464)
Tangible Assets	\$ 11,859,001	\$ 11,722,643	\$ 11,245,789
Tangible Common Equity to Tangible Assets	7.70%	8.20%	8.00%
Common Shares Outstanding	42,992,323	43,168,012	43,425,202
Book Value Per Share	\$ 27.96	\$ 28.97	\$ 27.43
Tangible Book Value Per Share	\$ 21.25	\$ 22.26	\$ 20.71

1. Annualized.

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
First Merchants Corporation	Muncie	IN	FRME
Heartland Financial USA, Inc.	Dubuque	IA	HTLF
Independent Bank Corp.	Rockland	MA	INDB
Merchants Bancorp	Carmel	IN	MBIN
Northwest Bancshares, Inc.	Warren	PA	NWBI
OceanFirst Financial Corp.	Toms River	NJ	OCFC
Premier Financial	Defiance	OH	PFC
Provident Financial Services	Jersey City	NJ	PFS
Park National Corporation	Newark	OH	PRK
S&T Bancorp, Inc.	Indiana	PA	STBA
Tompkins Financial Corporation	Ithaca	NY	TMP
WesBanco, Inc.	Wheeling	WV	WSBC