

NBT Bancorp Inc.

Q4 2023 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, including international military conflicts, or terrorism; (8) the timely development and acceptance of new products and services and the perceived overall value of these products and services by users; (9) changes in consumer spending, borrowing and saving habits; (10) changes in the financial performance and/or condition of the Company’s borrowers; (11) technological changes; (12) acquisition and integration of acquired businesses; (13) the possibility that NBT may be unable to achieve expected synergies and operating efficiencies in the merger within the expected timeframes; (14) the ability to increase market share and control expenses; (15) changes in the competitive environment among financial holding companies; (16) 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, and the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018; (17) 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 and other accounting standard setters; (18) changes in the Company’s organization, compensation and benefit plans; (19) 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; (20) greater than expected costs or difficulties related to the integration of new products and lines of business; and (21) the Company’s success at managing the risks involved in the foregoing items.

The Company cautions readers not to 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.

Q4 2023 Highlights

▶ Well Positioned Balance Sheet

- ▶ Diversified loan portfolio with desirable balance of commercial and consumer loans and deposits
- ▶ Year-to-date loan growth, excluding the Salisbury Bancorp, Inc. (“Salisbury”) acquisition, was 3.9%

▶ Capital Strength

- ▶ Total risk-based capital of 14.75% as of December 31, 2023
- ▶ Announced first quarter 2024 cash dividend of \$0.32 per share, a 6.7% increase over the prior year’s first quarter; renewed stock repurchase program
- ▶ Tangible equity to assets grew 11% to 7.93%

▶ Diversified Revenue Sources

- ▶ Diversified revenue streams with 28% of revenues from noninterest income sources (excluding securities gains and losses)

1. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP Measures.
2. Annualized.

Reported	Operating ⁽¹⁾
\$0.64	\$0.72
<i>Earnings per share</i>	
Reported ⁽¹⁾⁽²⁾	Operating ⁽¹⁾⁽²⁾
13.08%	14.49%
<i>Return on average tangible equity</i>	
\$137 Million	
<i>Total revenue</i>	
\$9.65 Billion	
<i>Period end loans</i>	
\$10.97 Billion	
<i>Period end deposits</i>	
\$21.72 ▲ 107 bps vs.	
<i>Q4 2022 TBV per share⁽¹⁾</i>	

Q4 2023 Results Overview

Financial Highlights

(\$ in millions except per share data)	Change			% Change	
	Q4 2023	Q3 2023	Q4 2022	Q3 2023	Q4 2022
Period End Balance Sheet					
Total loans	\$ 9,650.7	\$ (16.7)	\$ 1,500.6	(0.2%)	18.4%
Total deposits	10,969.0	(432.5)	1,473.1	(3.8%)	15.5%
Income Statement					
FTE net interest income ⁽²⁾	\$ 99.8	\$ 4.4	\$ (0.3)	4.6%	(0.3%)
Net income	30.4	5.8	(5.7)	23.7%	(15.7%)
Earnings per share, diluted	0.64	0.10	(0.20)	18.5%	(23.8%)
Performance Ratios					
Net interest margin ⁽²⁾⁽³⁾	3.15%	(0.06%)	(0.53%)	(1.9%)	(14.4%)
ROAA ⁽³⁾	0.89%	0.13%	(0.34%)	17.1%	(27.6%)
ROATCE ⁽²⁾⁽³⁾	13.08%	2.35%	(3.46%)	21.9%	(20.9%)
NCOs/ Avg loans (%) ⁽³⁾	0.22%	0.04%	0.04%	22.2%	22.2%
Operating Results					
Net income ⁽²⁾	\$ 33.9	\$ (4.5)	\$ (3.2)	(11.6%)	(8.5%)
Earnings per share, diluted⁽²⁾	0.72	(0.12)	(0.14)	(14.3%)	(16.3%)
ROAA ⁽²⁾⁽³⁾	0.99%	(0.20%)	(0.27%)	(16.8%)	(21.4%)
ROATCE ⁽²⁾⁽³⁾	14.49%	(1.94%)	(2.46%)	(11.8%)	(14.5%)
Capital					
Tangible book value per share ⁽²⁾	\$ 21.72	\$ 1.33	\$ 1.07	6.5%	5.2%
Tangible equity ratio ⁽²⁾	7.93%	0.78%	0.20%	10.9%	2.6%
Leverage ratio	9.71%	(0.52%)	(0.61%)	(5.1%)	(5.9%)
Common equity tier 1 capital ratio	11.57%	0.26%	(0.55%)	2.3%	(4.5%)
Tier 1 capital ratio	12.50%	0.27%	(0.69%)	2.2%	(5.2%)
Total risk-based capital ratio	14.75%	0.30%	(0.63%)	2.1%	(4.1%)

1. Comparison to Q3 2023 unless otherwise stated.
2. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.
3. Annualized.

Highlights⁽¹⁾

Balance Sheet

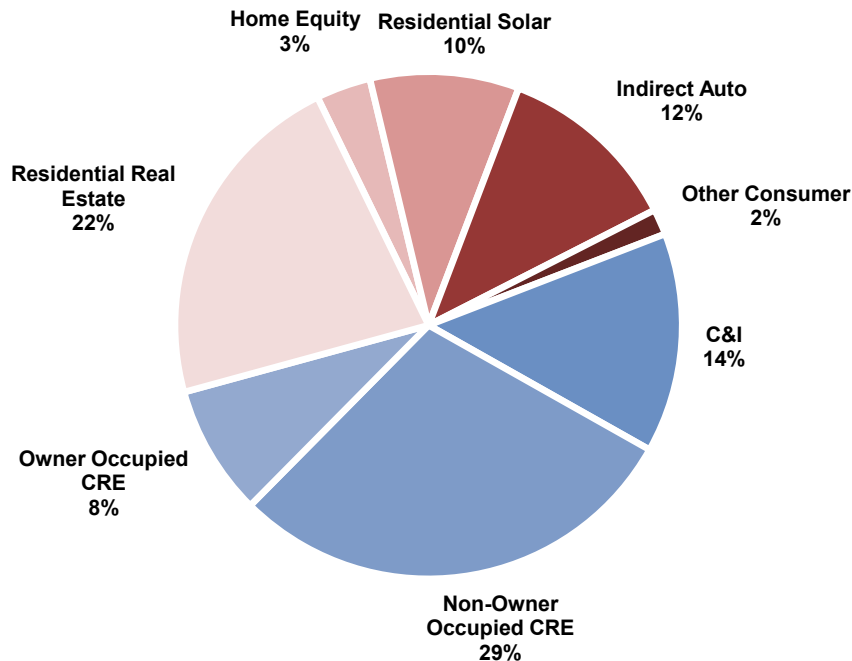
- Ending loan balances were consistent with prior quarter
- Period end deposits declined, consistent with seasonal historical trends
- Tangible equity ratio at year end increased 10.9% from prior quarter to 7.93%

Earnings & Capital

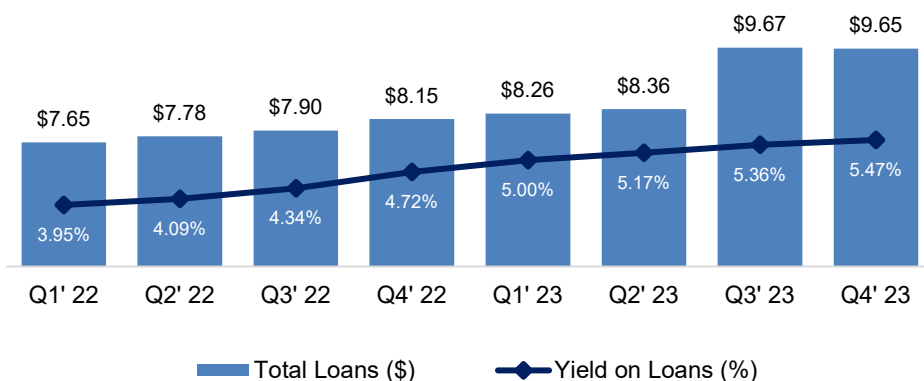
- Net income of \$30.4 million and diluted earnings per share of \$0.64, \$0.72 operating earnings per share⁽²⁾
- Net interest margin⁽²⁾⁽³⁾ down 6 bps to 3.15%
- Provision expense of \$5.1 million with net charge-offs of \$5.3 million
- Recorded a \$4.8 million impairment of a minority interest equity investment
- Quarterly effective tax rate of 23.5%

Loans

Total Loans: \$9.65 billion⁽¹⁾



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



Highlights⁽²⁾

- Loans increased \$1.50 billion from December 31, 2022, \$1.18 billion acquired from Salisbury
 - Total commercial loans increased \$907.2 million to \$4.98 billion
 - Total consumer loans increased \$593.4 million to \$4.67 billion
 - Loan Mix: Commercial 52% / Consumer 48%
- Excluding loans acquired from Salisbury, loans grew \$320.6 million, or 3.9% in 2023
- Quarterly yields on total loans increased 11 bps
- 61% Fixed and 39% Adjustable / Floating

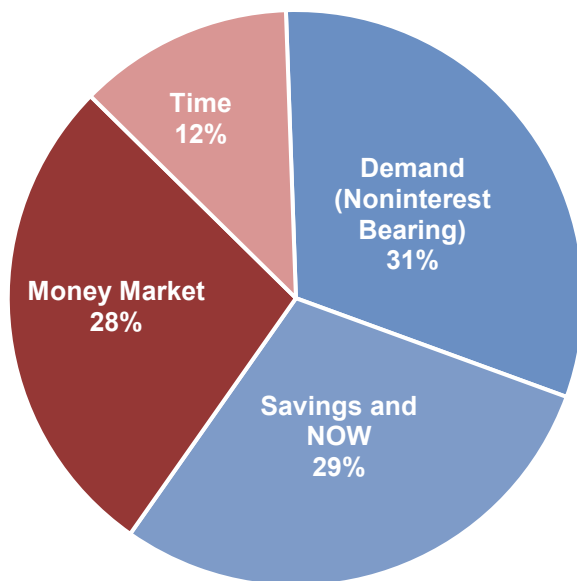
Quarterly Loan Yields

Line of Business	Portfolio	New Origination ⁽³⁾
Commercial	5.89%	7.39%
Consumer	5.91%	7.44%
Residential real estate	3.93%	6.42%

- As of 12/31/2023.
- Comparison to Q3 2023 unless otherwise stated.
- New origination yields for the fourth quarter of 2023.

Deposits

Total Deposits: \$10.97 billion⁽¹⁾



Diverse and Granular Deposit Mix

Deposit Mix	Balance as of December 31, 2023	Number of Accounts	Average Balance per Account
Consumer	\$ 5.83 billion	481,753	\$ 12,092
Commercial ⁽³⁾	\$ 5.14 billion	81,256	\$ 63,300
Total	\$ 10.97 billion	563,009	\$ 19,483

Highlights⁽²⁾

- Cost of total deposits of 1.51%, up 33 bps
- Total cost of funds was 1.72%, up 22 bps
- Month of December 2023:
 - 1.55% total cost of deposits
 - 1.75% total cost of funds
- Seasonally as expected, period end deposits decreased \$432.5 million from September 30, 2023 and increased \$1.47 billion from December 31, 2022, including \$1.31 billion of deposits acquired from Salisbury
- Noninterest bearing deposits were 31% of total deposits
- Total deposits represent 95% of funding
- Full cycle to-date deposit beta of 28%, including acquired deposits
- Loan to deposit ratio of 88.0%

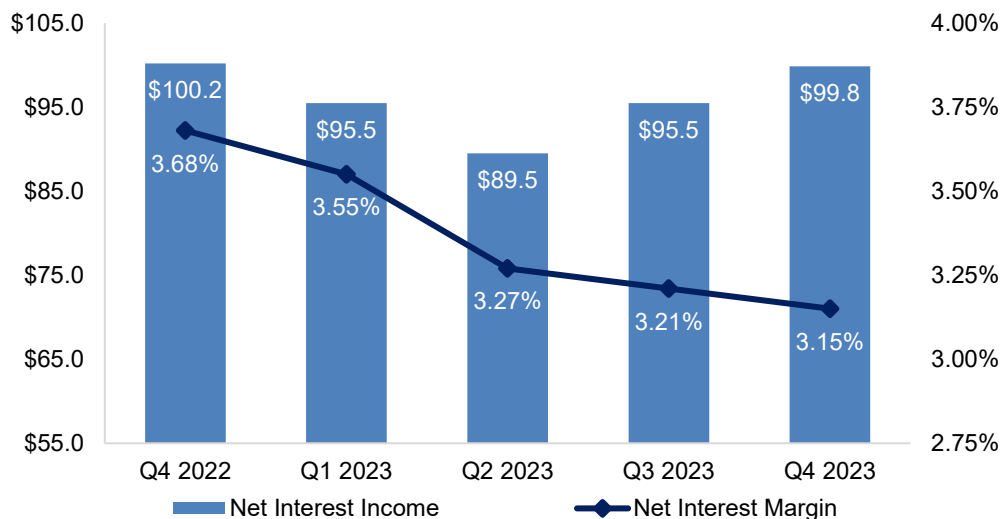
1. As of 12/31/2023.

2. Comparison to Q3 2023 unless otherwise stated.

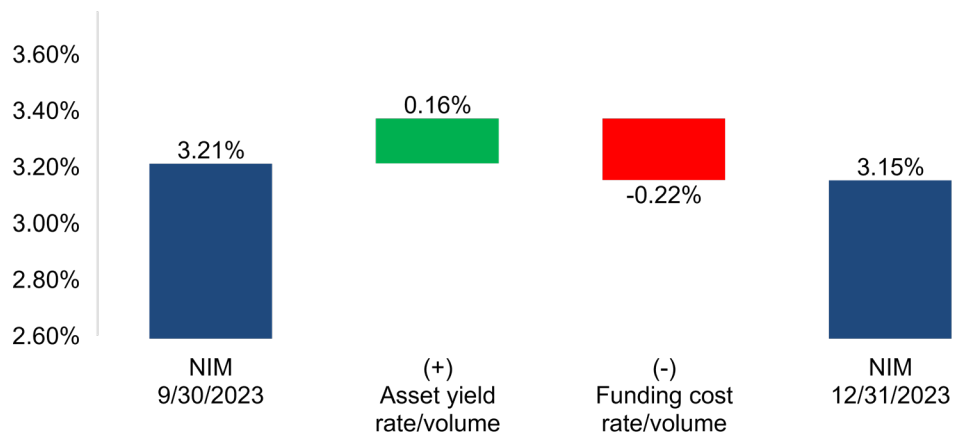
3. Includes commercial, business banking and municipal customers.

Net Interest Income & Net Interest Margin

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



Q4 2023 Net Interest Margin



Highlights⁽¹⁾

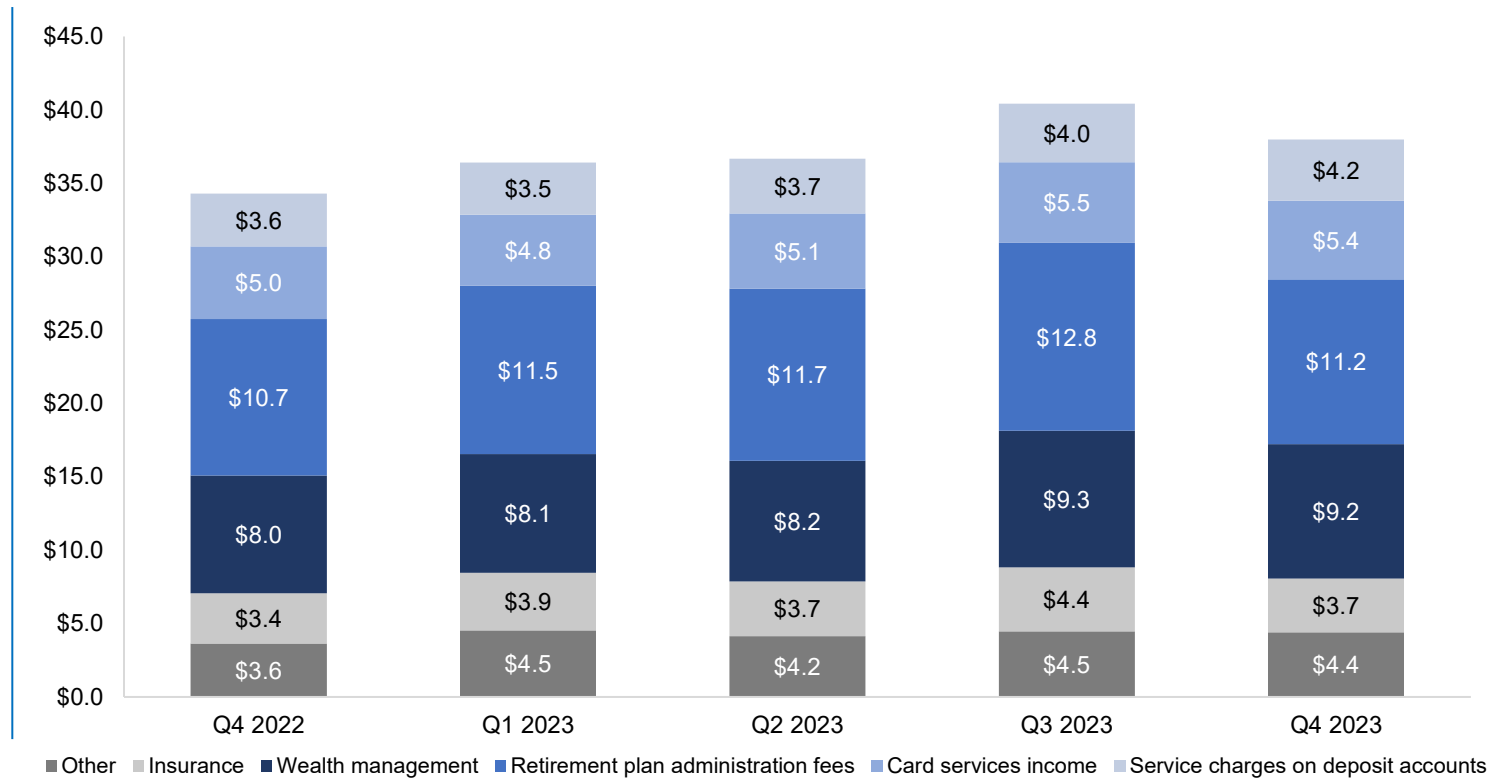
- Net interest margin decreased 6 bps to 3.15%, primarily due to higher funding costs more than offsetting the increase in earning asset yields
 - Interest earning asset yields increased 16 bps with loan yields up 11 bps
 - The total cost of funds increased 22 bps
 - Net accretion of acquired loans and borrowings was \$2.6 million for Q4 2023
- Net interest income increased \$4.4 million (\$0.07 per diluted share) to \$99.8 million, reflecting the full quarter impact of Salisbury

Net Interest Income and annualized 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 Q3 2023 unless otherwise stated.

Noninterest Income

Noninterest Income Trend⁽¹⁾ (\$ in millions)



Highlights⁽²⁾

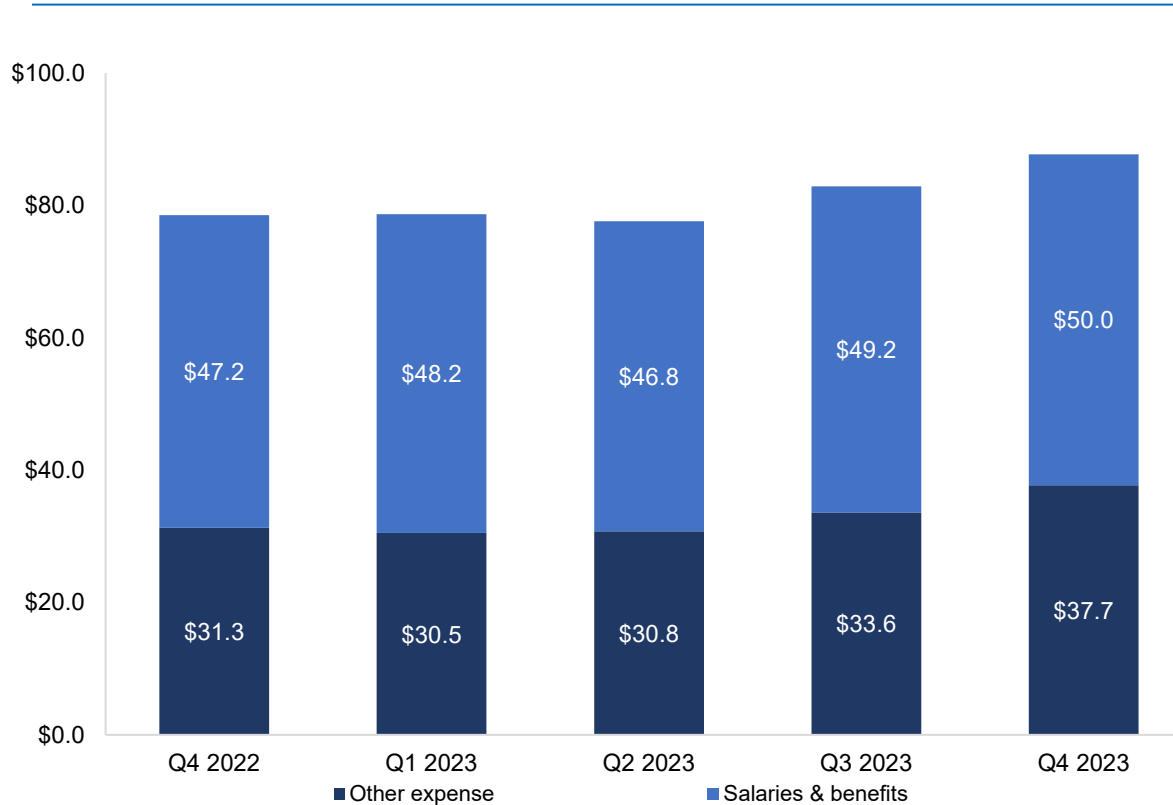
- Noninterest income to total revenue was 28%⁽¹⁾ (above peer levels)
- \$38.0 million⁽¹⁾ in noninterest income, down \$2.4 million from 3Q 2023 and consistent with historic quarterly trends
- Noninterest income increased \$3.7 million⁽¹⁾ or 11% from 4Q 2022 due to both organic and acquired growth

Peer Source Data: S&P Global Market Intelligence.

- Refer to appendix for Peer Group.
- Excludes net securities gains (losses).
 - Comparison to Q3 2023 unless otherwise stated.

Noninterest Expense

Noninterest Expense Trend⁽¹⁾
(\$ in millions)



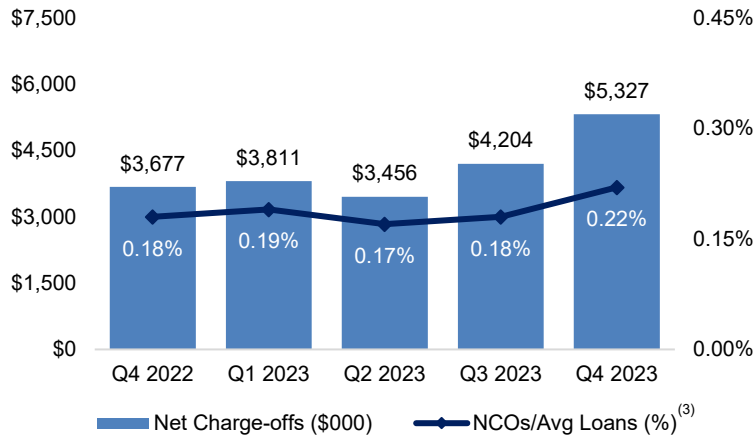
Highlights⁽²⁾

- Noninterest expense of \$92.8 million, up \$2.0 million (2.2%)
- Excluding acquisition expenses and impairment loss, noninterest expense was up \$4.9 million (5.9%), reflective of a full quarter of Salisbury
- Salaries & benefits increased of 1.6% driven by a full quarter impact of Salisbury, partly offset by lower incentive costs
- Other expenses, including amortization of intangible assets, increased due to the full quarter impact of Salisbury as well as timing of certain company-wide initiatives

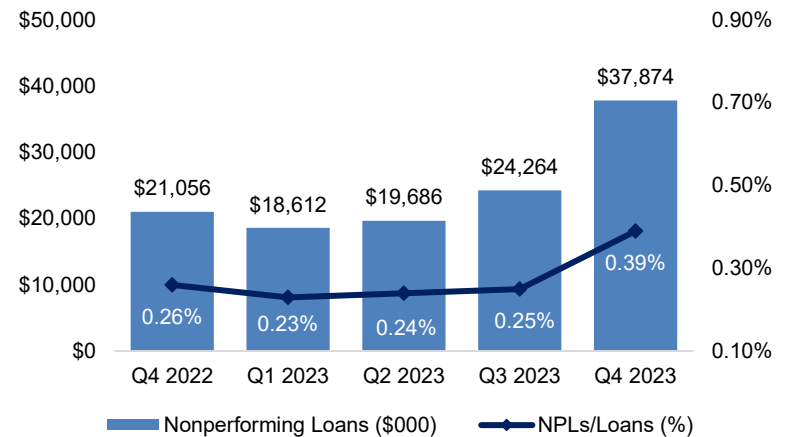
1. Other expense excludes acquisition expenses in all quarters and \$4.8 million of impairment of a minority interest equity investment in the fourth quarter 2023.
2. Comparisons to Q3 2023 unless otherwise stated.

Asset Quality

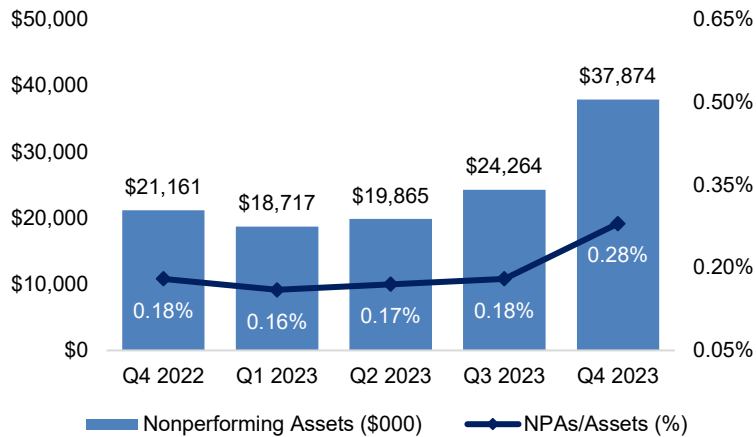
Net Charge-Offs



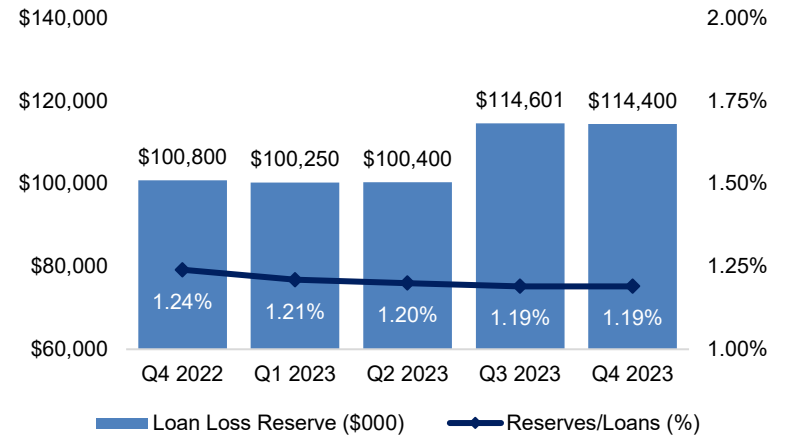
Nonperforming Loans⁽¹⁾



Nonperforming Assets⁽²⁾



Loan Loss Reserves



1. Nonperforming loans exclude performing troubled debt restructurings / trouble loan modifications.
2. Nonperforming assets include nonaccrual loans, loans ninety days past due and still accruing and other real estate owned.
3. Annualized.

APPENDIX

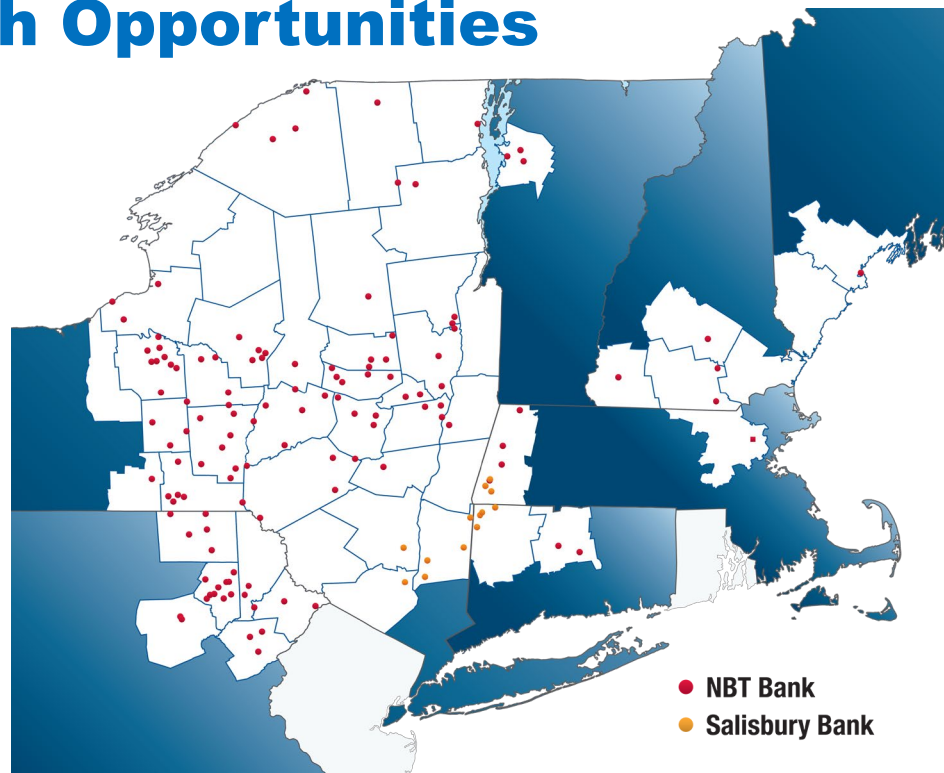


Merger Builds On Growth Opportunities



Acquisition Completed August 2023

- Advances NE Growth Strategy
- Extends coverage of Upstate New York Chip Corridor
- Attractive, complementary markets added to footprint
- Well-established wealth management business



Purchase Accounting Impacts

Fair Value Adjustments		Q4 2023 Accretion / (Amortization)	FY 2023 Accretion / (Amortization)
Loans	(\$78.7 million)	\$2.8 million	\$4.4 million
Subordinated Debt	(\$3.0 million)	(\$0.2 million)	(\$0.4 million)
Identifiable Intangibles ⁽²⁾			
Core Deposits	\$31.2 million	(\$1.4 million)	(\$2.4 million)
Wealth Management Customer List	\$4.7 million	(\$0.2 million)	(\$0.3 million)

1. Based on 8/11/2023.

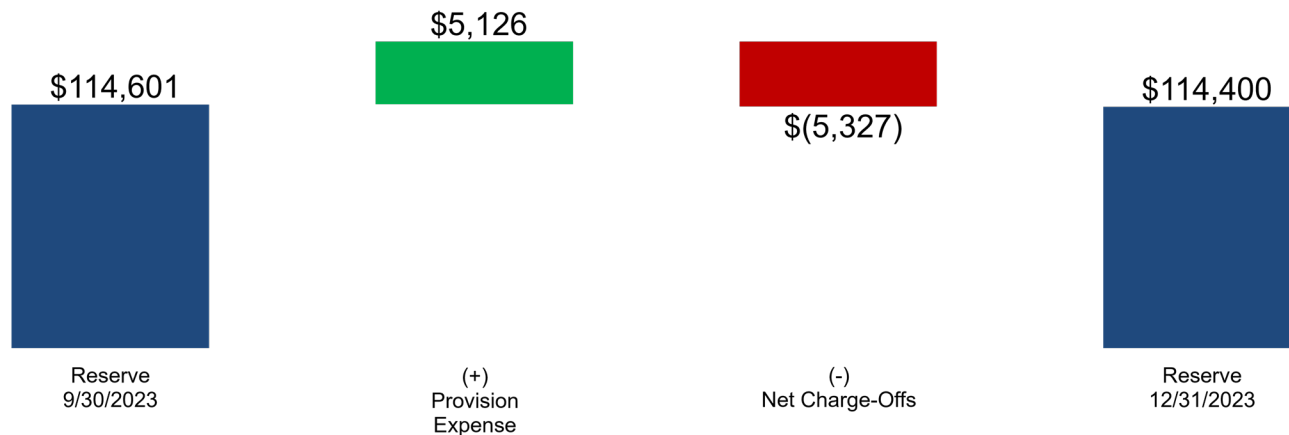
2. Amortized using the sum of years digits method over 10 and 12 years for the core deposit and wealth management customer list intangible, respectively.

Loan Loss Reserve (CECL)

Reserve / Loans by Segment

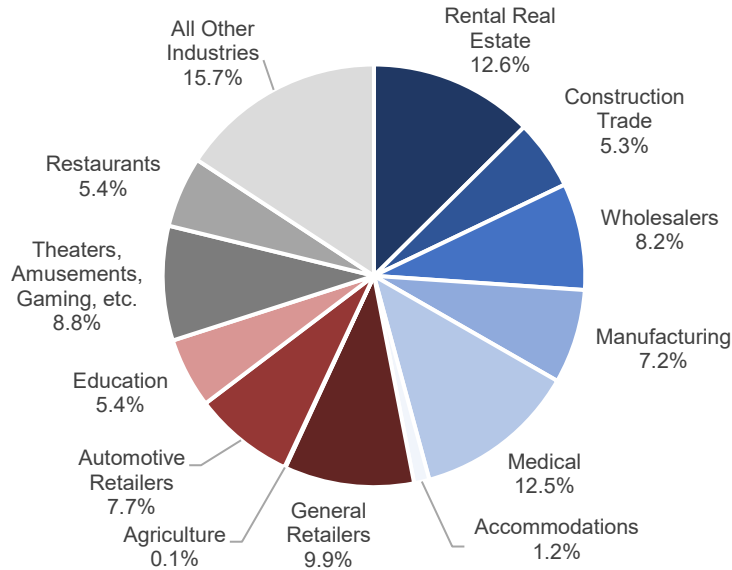
Loan Type	1/1/2020	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Commercial & Industrial	0.98%	0.82%	0.85%	0.86%	0.87%	0.84%
Commercial Real Estate	0.74%	0.91%	0.93%	0.93%	1.00%	0.99%
Residential Real Estate	0.83%	0.72%	0.73%	0.73%	0.79%	0.84%
Auto	0.78%	0.81%	0.77%	0.80%	0.82%	0.83%
Residential Solar	2.54%	3.21%	3.04%	3.09%	3.19%	3.28%
Other Consumer	4.74%	6.27%	6.19%	5.98%	5.23%	4.70%
Total	1.07%	1.24%	1.21%	1.20%	1.19%	1.19%

12/31/2023 Loan Loss Reserve Activity (\$ in Thousands)

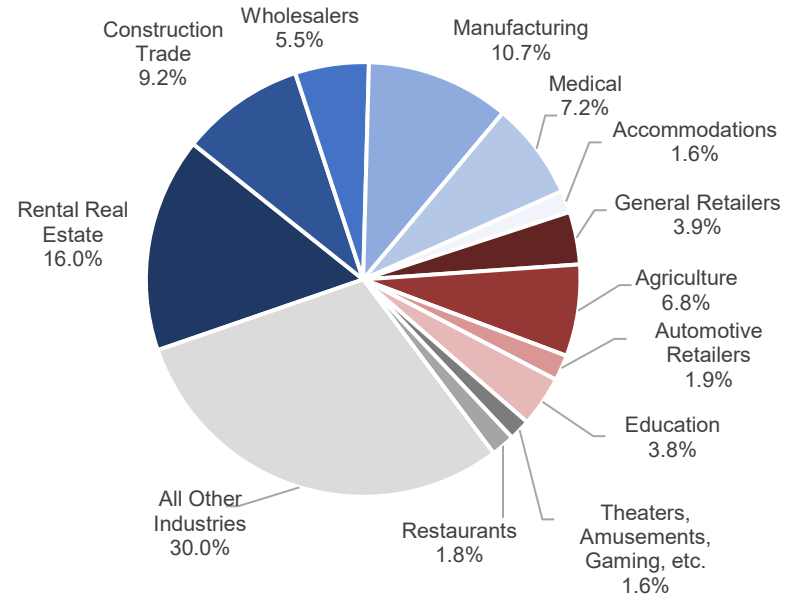


Commercial Loan Portfolio Detail

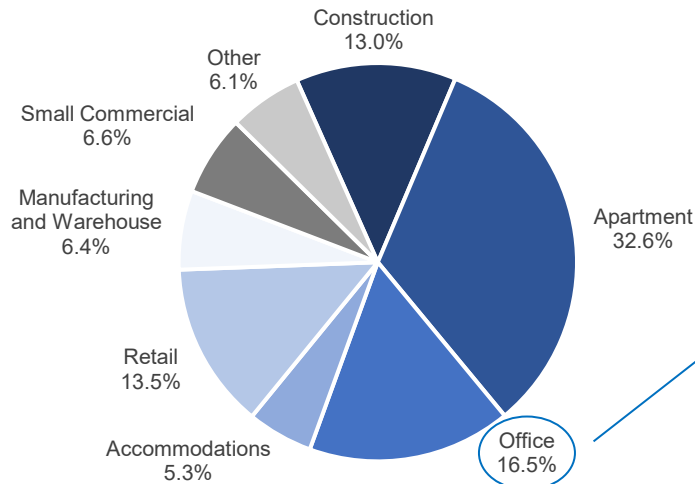
Owner Occupied CRE (\$0.80 billion)⁽¹⁾



Commercial & Industrial (\$1.35 billion)⁽¹⁾



Non-Owner Occupied CRE (\$2.82 billion)⁽¹⁾



Office

- 4.8% of total outstanding loans
- Regionally diversified across our tertiary markets
- Primarily comprised of suburban medical and professional tenants
- \$2.5 million average loan size
- Only 14% of portfolio matures in next two years

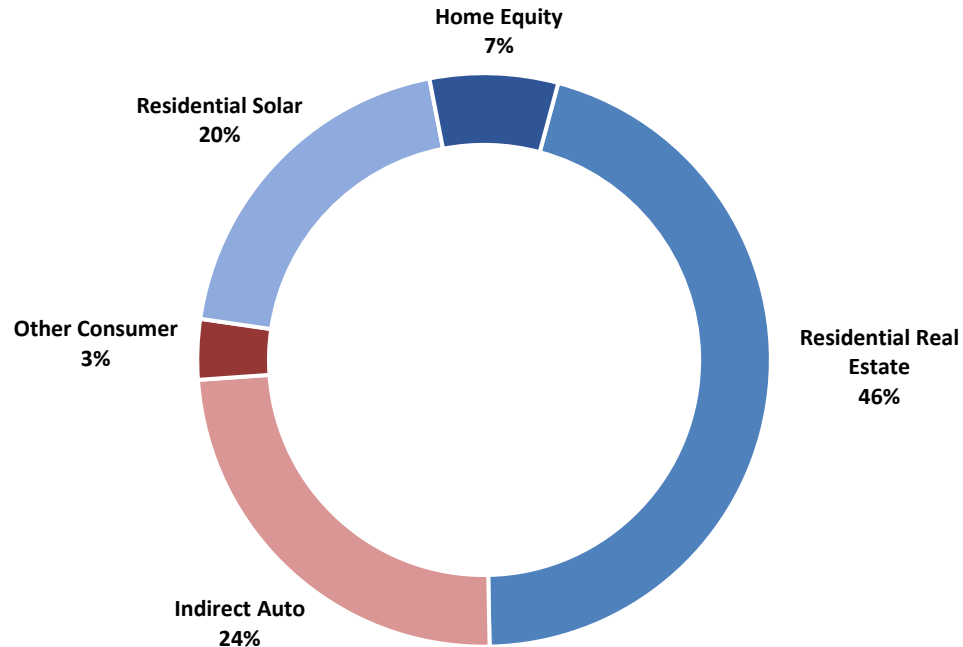
Commercial Lending Portfolio

\$4.98 billion
as of 12/31/23

1. Data as of 12/31/2023.

Consumer & Residential Portfolio Detail

Consumer Lending Portfolio:
\$4.67 billion as of 12/31/23



As of 12/31/2023	Consumer Lending Portfolio Metrics				
	Total Outstandings (\$000s)	# of Accounts	Average Balance	Weighted Average Max FICO	Average DTI
Residential Real Estate	\$ 2,125,804	13,549	\$ 156,897	764	35
Indirect Auto	\$ 1,130,132	56,556	\$ 19,983	764	30
Residential Solar	\$ 917,755	27,871	\$ 32,929	763	34
Home Equity	\$ 337,214	11,123	\$ 30,317	779	33
Other Consumer	\$ 158,650	42,445	\$ 3,738	751	27

Investment Securities Portfolio

AFS Securities (In thousands)	December 31, 2023			December 31, 2022		
	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value
U.S. treasury & federal agency	\$ 381,686	\$ (41,922)	\$ 339,764	\$ 381,310	\$ (53,233)	\$ 328,077
State & municipal	96,251	(9,945)	86,306	97,036	(14,185)	82,851
U.S. government sponsored:						
Mortgage-backed	473,813	(51,545)	422,268	536,021	(62,327)	473,694
Collateralized mortgage obligations	614,886	(73,342)	541,544	669,111	(80,748)	588,363
Corporate	48,442	(7,466)	40,976	60,404	(6,164)	54,240
Total securities	\$ 1,615,078	\$ (184,220)	\$ 1,430,858	\$ 1,743,882	\$ (216,657)	\$ 1,527,225

HTM Securities (In thousands)	December 31, 2023			December 31, 2022		
	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value
U.S. treasury & federal agency	\$ 100,000	\$ (17,784)	\$ 82,216	\$ 100,000	\$ (20,678)	\$ 79,322
State & municipal	308,126	(17,911)	290,215	277,244	(24,240)	253,004
U.S. government sponsored:						
Mortgage-backed	245,806	(32,176)	213,630	267,907	(37,434)	230,473
Collateralized mortgage obligations	251,335	(22,872)	228,463	274,366	(24,518)	249,848
Corporate	-	-	-	-	-	-
Total securities	\$ 905,267	\$ (90,743)	\$ 814,524	\$ 919,517	\$ (106,870)	\$ 812,647

Investment Securities Highlights

- 15% decrease in unrealized loss on available for sale securities (“AFS”)
- 15% decrease in unrealized loss on held to maturity securities (“HTM”)
- \$200 – \$215 million of annual expected cash flows

External Recognition



Highest Ranked Bank in NY

**BEST PLACES TO WORK
IN CONNECTICUT**



ALBANY BUSINESS REVIEW



2023 BEST PLACES TO WORK



Reconciliation of Non-GAAP Measures

(Dollars in Thousands, Except Per Share Data)	Q4 2023	Q3 2023	Q4 2022
Net Income	\$ 30,446	\$ 24,606	\$ 36,121
Amortization of Intangible Assets (Net of Tax)	1,599	1,206	404
Net Income, Excluding Intangibles Amortization	\$ 32,045	\$ 25,812	\$ 36,525
Average Tangible Common Equity	\$ 971,665	\$ 954,774	\$ 876,060
Return on Average Tangible Common Equity⁽¹⁾	13.08%	10.73%	16.54%
Total Stockholder's Equity	\$ 1,425,691	\$ 1,362,821	\$ 1,173,554
Goodwill and Other Intangibles	(402,294)	(402,745)	(288,545)
Tangible Common Equity	\$ 1,023,397	\$ 960,076	\$ 885,009
Total Assets	\$ 13,309,040	\$ 13,827,628	\$ 11,739,296
Goodwill and Other Intangibles	(402,294)	(402,745)	(288,545)
Tangible Assets	\$ 12,906,746	\$ 13,424,883	\$ 11,450,751
Tangible Common Equity to Tangible Assets	7.93%	7.15%	7.73%
Common Shares Outstanding	47,109,899	47,087,597	42,857,823
Book Value Per Share	\$ 30.26	\$ 28.94	\$ 27.38
Tangible Book Value Per Share	\$ 21.72	\$ 20.39	\$ 20.65

1. Annualized.

Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net Interest Income	\$ 99,173	\$ 94,895	\$ 89,085	\$ 95,066	\$ 99,779
FTE Adjustment	669	568	402	395	392
Net Interest Income, Tax Equivalent	\$ 99,842	\$ 95,463	\$ 89,487	\$ 95,461	\$ 100,171

Average Total Interest Earning Assets	\$ 12,564,076	\$ 11,803,043	\$ 10,983,347	\$ 10,909,932	\$ 10,801,115
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Net Interest Margin, Tax Equivalent⁽¹⁾	3.15%	3.21%	3.27%	3.55%	3.68%
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(Dollars in Thousands, Except Per Share Data)	Q4 2023	Q3 2023	Q4 2022
Net Income	\$ 30,446	\$ 24,606	\$ 36,121
Acquisition Expenses	254	7,917	967
Acquisition-Related Provision for Credit Losses	-	8,750	-
Acquisition-Related Reserve for Unfunded Loan Commitments	-	836	-
Impairment of a Minority Interest Equity Investment	4,750	-	-
Securities (Gains) Losses	(507)	183	217
Adjustments to Net Income	\$ 4,497	\$ 17,686	\$ 1,184
Adjustments to Net Income, (Net of Tax)	\$ 3,435	\$ 13,730	\$ 913
Operating Net Income	\$ 33,881	\$ 38,336	\$ 37,034
Operating Diluted Earnings Per Share	\$ 0.72	\$ 0.84	\$ 0.86
Operating Return on Average Assets	0.99%	1.19%	1.26%
Operating Return on Average Tangible Common Equity	14.49%	16.43%	16.95%

1. Annualized.

Peer Group

Name	HQ City	State	Ticker
Berkshire Hills Bancorp, Inc.	Boston	MA	BHLB
Brookline Bancorp, Inc.	Boston	MA	BRKL
Community Bank System, Inc.	Dewitt	NY	CBU
Customers Bancorp, Inc.	West Reading	PA	CUBI
First Busey Corporation	Champaign	IL	BUSE
First Commonwealth Financial Corporation	Indiana	PA	FCF
First Financial Bancorp	Cincinnati	OH	FFBC
First Merchants Corporation	Muncie	IN	FRME
Heartland Financial USA, Inc.	Denver	CO	HTLF
Independent Bank Corp.	Rockland	MA	INDB
Merchants Bancorp	Carmel	IN	MBIN
Northwest Bancshares, Inc.	Columbus	OH	NWBI
OceanFirst Financial Corp.	Red Bank	NJ	OCFC
Park National Corporation	Newark	OH	PRK
Premier Financial Corp.	Defiance	OH	PFC
Provident Financial Services, Inc.	Jersey City	NJ	PFS
S&T Bancorp, Inc.	Indiana	PA	STBA
Tompkins Financial Corporation	Ithaca	NY	TMP
WesBanco, Inc.	Wheeling	WV	WSBC