

# **NBT Bancorp Inc. Investor Presentation**

First Quarter 2023



# Overview

About NBT Bancorp

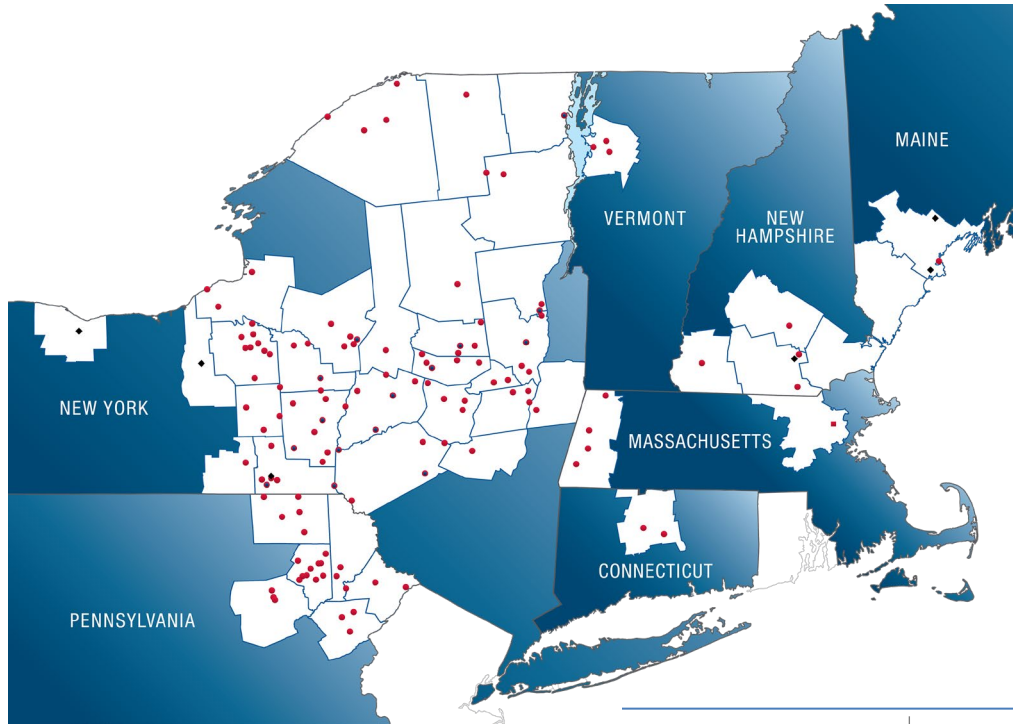
Strategic Initiatives

Financial Performance

Appendix



# Company Profile



## Financial Highlights

**Assets: \$11.74bn**

**Gross Loans: \$8.15bn**

**Deposits: \$9.50bn**

**Wealth AUM/A<sup>(1)</sup>:  
\$4.38bn/\$8.89bn  
EPIC AUA<sup>(2)</sup>: \$26.23bn**

**ROATCE: 16.89%**

## Company Overview

### 100th Largest Bank Holding Co.<sup>(4)</sup>

Headquarters	Norwich, NY
Founded	1856
Ticker	NASDAQ: NBTB
Market Cap <sup>(3)</sup>	\$1.77 billion
Branches	140
Employees	1,858
Institutional Ownership	58%
3 Mo. ADTV	165,500
52 Week H/L	\$48.68 / \$34.58
<b>Leadership:</b>	
Chairman	Martin A. Dietrich
President & CEO	John H. Watt, Jr.
EVP & CFO	Scott A. Kingsley

## Lines of Business



### RETAIL BANKING

- Retail Banking with 140 branch locations and approximately 200 ATMs
- Online and Mobile Banking



### COMMERCIAL

- C&I and CRE Lending
- SBA Lending
- Cash Management
- Card and Payment Services



### CONSUMER

- Business Banking
- Home Lending
- Personal Lending
- Indirect Auto Lending
- Secured and Unsecured Consumer Loans, including patient financing and solar financing



### FEE BUSINESSES

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

Note: Data as of 12/31/22 unless noted; bank holding company ranking source: S&P Global Market Intelligence.  
Note: Refer to appendix for reconciliation of Non-GAAP measures.

1. Assets under management and assets under administration in wealth management; excludes EPIC.
2. Assets under administration in EPIC.
3. Market Cap as of 02/03/23.
4. As of 09/30/22.

# Key Highlights



High-performing, community-focused bank that's large enough to be influential in our chosen markets



Consistent track record of organic growth selectively balanced with market and product expanding acquisitions



Low-cost, core deposits with dominant shares in "Hometown" markets that support growth in more dynamic adjacent markets



Conservative credit culture has produced strong asset quality and minimized "through-the-cycle" losses



Diversified fee income sources, including wealth management, retirement plan services and insurance



Multi-year commitment to technology supports corporate agility and digital transformation

# Market Detail

## Core Markets <sup>(1)</sup>

### Upstate NY and Northeastern PA

- NBTB holds significant market share in core / hometown markets
  - Approximately 38% of deposits are located in counties where NBTB has at least a 20% market share
  - Approximately 51% of deposits come from MSAs where NBTB holds a top 5 rank
  - Approximately 92% of deposits come from counties where NBTB holds a top 10 rank
  - Approximately 72% of deposits come from counties where NBTB holds a top 5 rank
- Retail, Commercial and Municipal deposits generated from long-duration relationships
- Core has rural, mature demographic with high loyalty to NBT brand and fewer competitors vs. large metro markets



Source: S&P Global Market Intelligence.

1. Deposit data as of 06/30/22.
2. Data as of 12/31/22.

## Expansion Markets <sup>(2)</sup>

### New England De Novo

- Dynamic markets with attractive demographics present a runway for growth
  - Opportunity to sell whole bank – leverage wealth management, insurance and all other financial products
- One of only a few \$10+ billion banks in New England (most are either much larger or smaller)
- Vermont
  - Market share dominated by larger banks. Opportunity for locally-focused bank
  - \$704 million combined loan and deposit balances
- Massachusetts
  - Strong retail team to leverage increasing commercial relationships
  - Positioned to take advantage of future market disruption
  - \$356 million combined loan and deposit balances
- New Hampshire
  - Strong entrepreneurial economy with close proximity to Boston
  - No income or sales tax
  - \$1.0 billion combined loan and deposit balances
- Maine
  - Vibrant southern coastal Maine markets
  - \$566 million combined loan and deposit balances
- Connecticut
  - Most recent expansion
  - Middle-market commercial and small business opportunities
  - Acquisition activity creating market disruption
  - \$185 million combined loan and deposit balances

# Overview

About NBT Bancorp

**Strategic Initiatives**

Financial Performance

Appendix



# Our Strategic Initiatives

## Execute on Long-Term Growth Strategy

- Organic Growth
- New England Expansion
  - Leverage Market Disruption
- Disciplined Acquisitions

1

## Grow and Augment Our Fee Businesses

- Continue Growth in Retirement Plan Administration, Wealth Management and Insurance Businesses
- Engage in Opportunistic Acquisitions

2

## Continue Our Transformative Digital Evolution

- Enhance Customer and Employee Experience Though Our Digital Initiatives
- Continue to Execute Our Technology Roadmap
- Focus on Technology-Enabled Solar Residential Lending

3

# New England Expansion

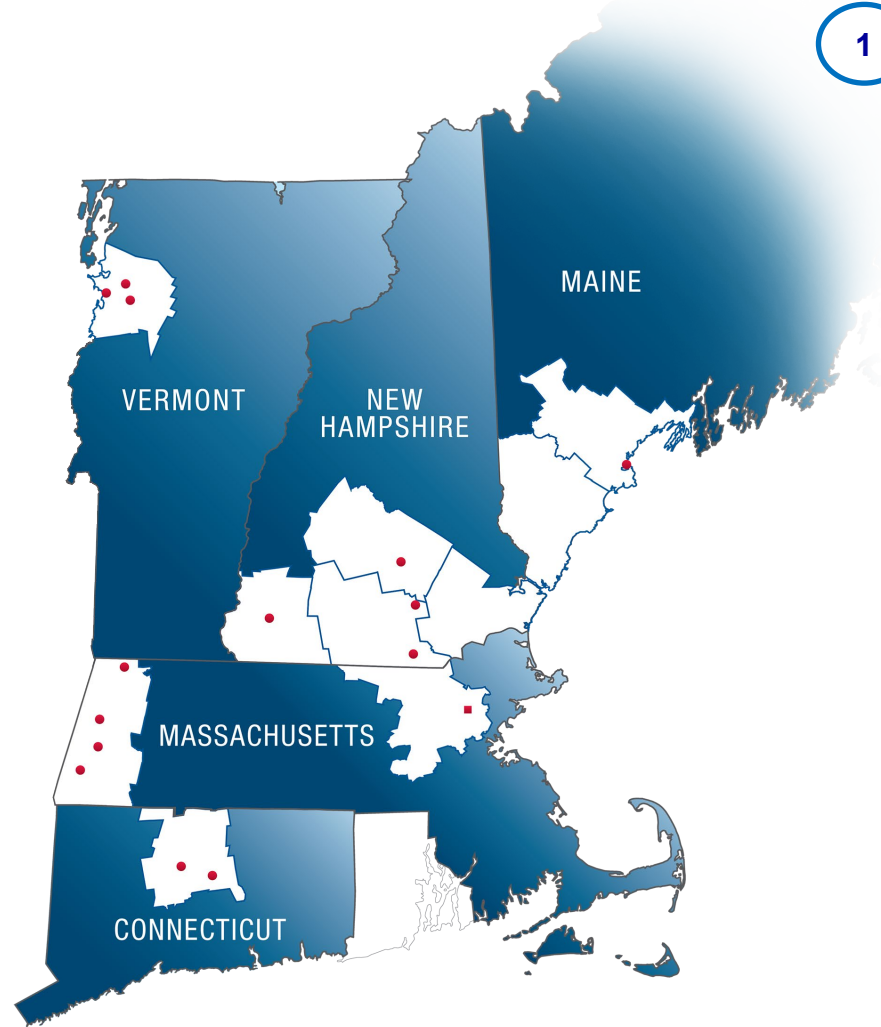
## Why New England?

### Banking Environment

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

### Market Dynamics<sup>(1)</sup>

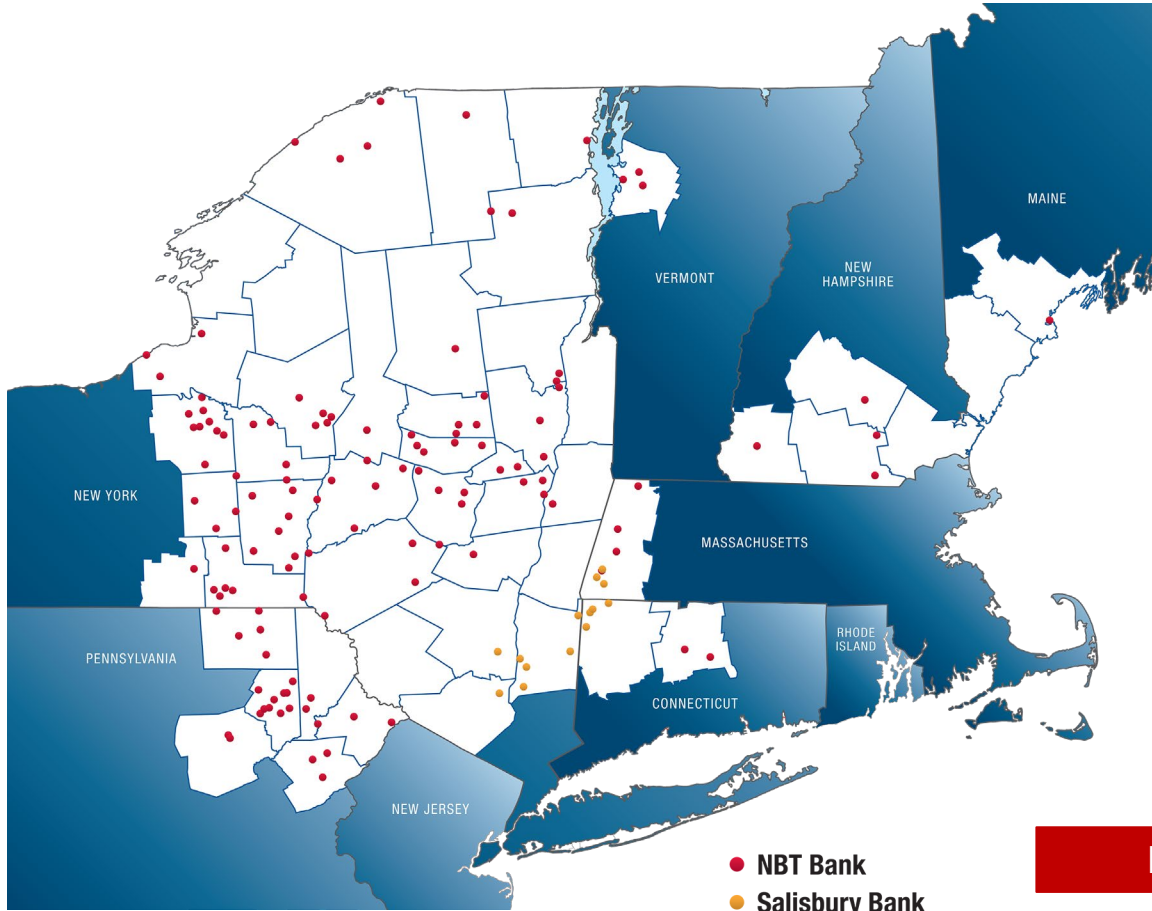
- Favorable employment opportunities
- Higher number of businesses per county
- Higher population density
- Higher median household income
- Lift from greater Boston economic growth
- Small to mid-sized cities poised to benefit from in-migration from large cities



1. As compared to core markets defined on page 5.



# Pending Merger Builds On Growth Opportunities



## Attractive Salisbury Markets

- Advances New England Growth Strategy
- Extends coverage of Upstate New York Chip Corridor
- Prestigious private and public school systems attract affluent individuals to Salisbury markets
- Steady influx of new residents and conversion of second homes to primary residences in Salisbury markets due to pandemic
- Proximity and easy access to New York City attracts businesses and homebuyers to Salisbury markets

## Proforma Combined Highlights<sup>1</sup>

Assets	\$13.2B	+ \$1.5B
Loans	\$9.4B	+ \$1.2B
Deposits	\$10.9B	+ \$1.4B
Branches	154	+ 14

1) Based on 12/31/22.

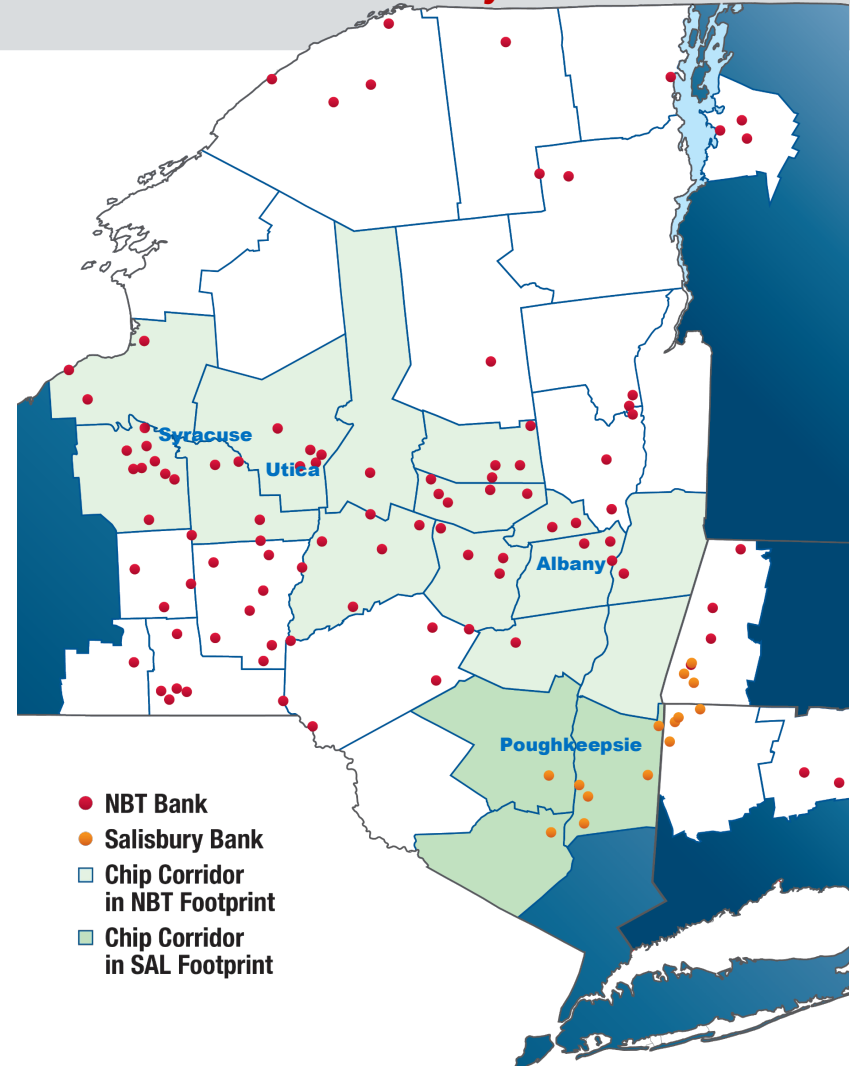


# Expanded Coverage of Upstate NY Chip Corridor

## About the Chip Corridor

- In October 2022, **two transformational investments** in the Upstate New York Chip Corridor were announced:
  - **Micron Technology Inc.** announced it will invest as much as **\$100 billion** over the next 20 years in a campus near Syracuse.
  - **IBM** announced a **\$20 billion** investment in the Hudson Valley region over the next 10 years with the vision that their Poughkeepsie facility will become a global hub for quantum computing development.
- NBT is well positioned to support this regional growth with leaders who are connected to key economic and workforce development initiatives.
- NBT's branch network is ideally situated in the Chip Corridor with coverage from greater Syracuse to the Mohawk Valley and Capital District.
- The acquisition of Salisbury Bank will extend NBT's branch network into the Hudson Valley.

## Salisbury Branch Network Uniquely Positioned in Hudson Valley



## KEY PLAYERS



# Disciplined Acquirer & Proven Integrator

We employ a strategic and selective acquisition strategy that targets high-value and accretive targets to enhance our existing franchise. In the last decade, NBTB has acquired 8 companies, including one bank and seven non-bank entities.

## BANK ACQUISITIONS



Acquired in 2013  
\$1.4 Billion in Assets



Pending Acquisition Announced  
December 5, 2022  
\$1.5 Billion in Assets

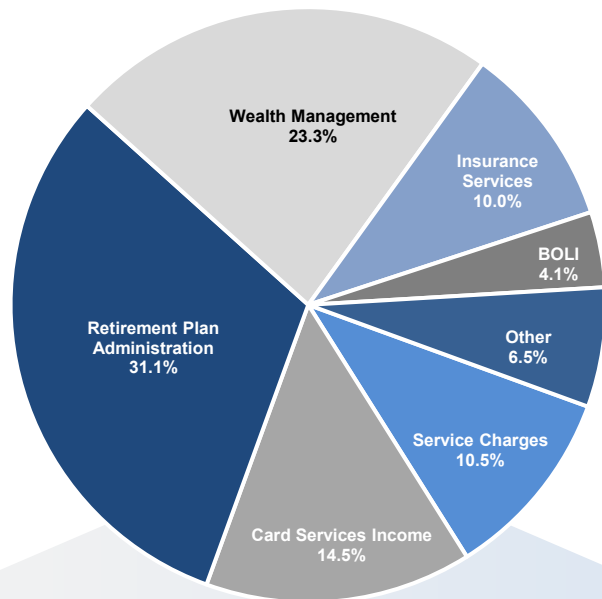
## NON-BANK ACQUISITIONS

*Diversify Revenue, Expand Capabilities and Build Scale*

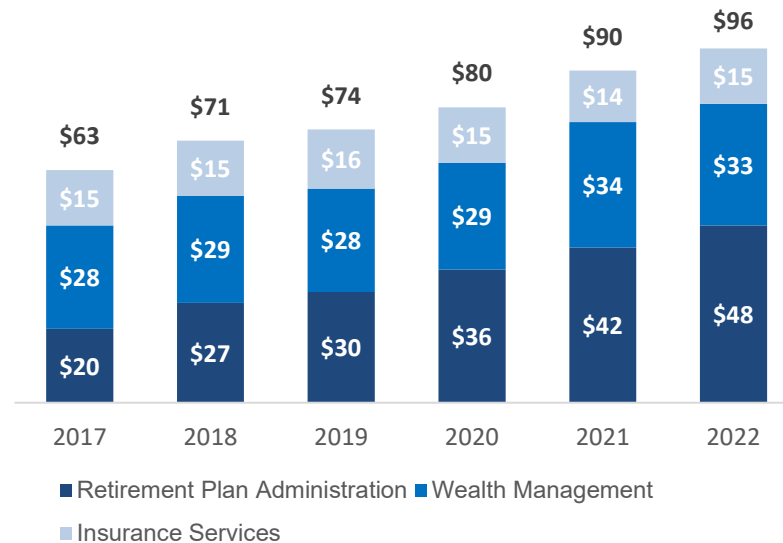
Year	Entity	Assets Under Administration
2015	Third Party Administrators Bedford, ME	\$850 Million
2016	Actuarial Designs & Solutions Scarborough, ME	\$793 Million
2017	Columbia Ridge Capital Management Johnson City, NY	\$152 Million
2018	Downeast Pension Services, Inc. New Gloucester, ME	\$2.5 Billion
2020	RPS Benefits St. Louis, MO	\$3.1 Billion
2022	Alliance Benefit Group of Illinois, Inc. Peoria, IL	\$3.5 Billion
2022	H.A. Rogers Insurance Agency Inc. Northern NY	N/A

# Focus on Fee-Based Businesses

Q4 2022 Fee Income Composition <sup>(1)</sup> (%)



Key Fee Revenue Verticals Over Time <sup>(2)</sup> (\$million)



**\$34.3 Million**  
Total Noninterest  
Q4 Income <sup>(1)</sup>

**26%**  
Noninterest Income to  
Total Revenue <sup>(1)</sup>  
(compared to peer median at 20%) <sup>(3)</sup>

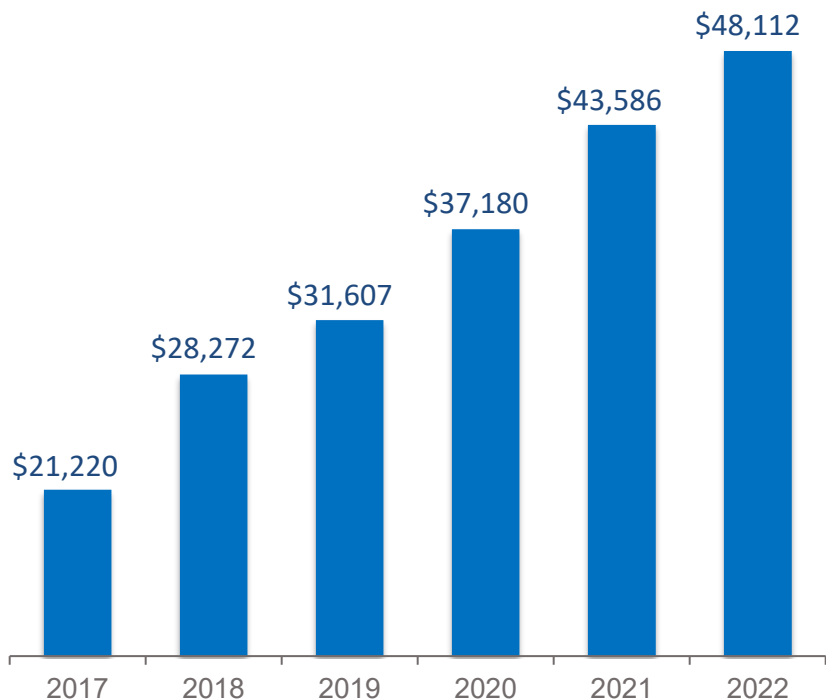
Source for Peer Data: S&P Global Market Intelligence; data as of the most recent available quarter; refer to appendix for Peer Group.

Note: Numbers may not foot due to rounding.

1. As of 12/31/22. Excludes gains/losses on sale of securities.
2. Does not represent all fee income.
3. As of 09/30/22.

# EPIC Retirement Plan Services

Revenues (\$000s)



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”***

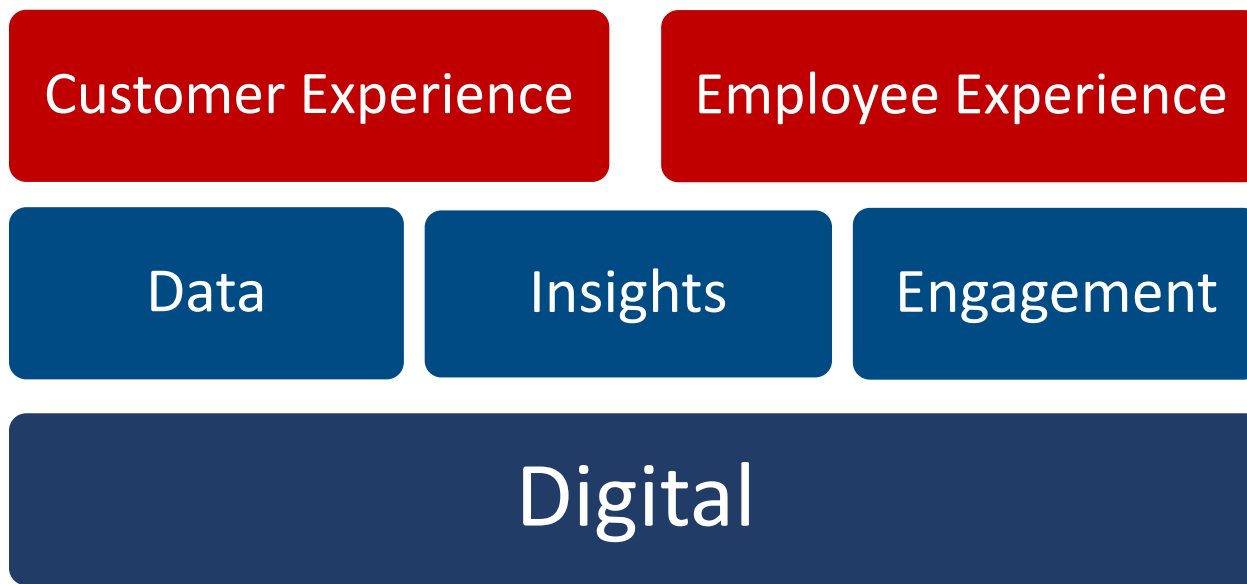
*Over 300,000 Plan  
Participants Nationwide*

# 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

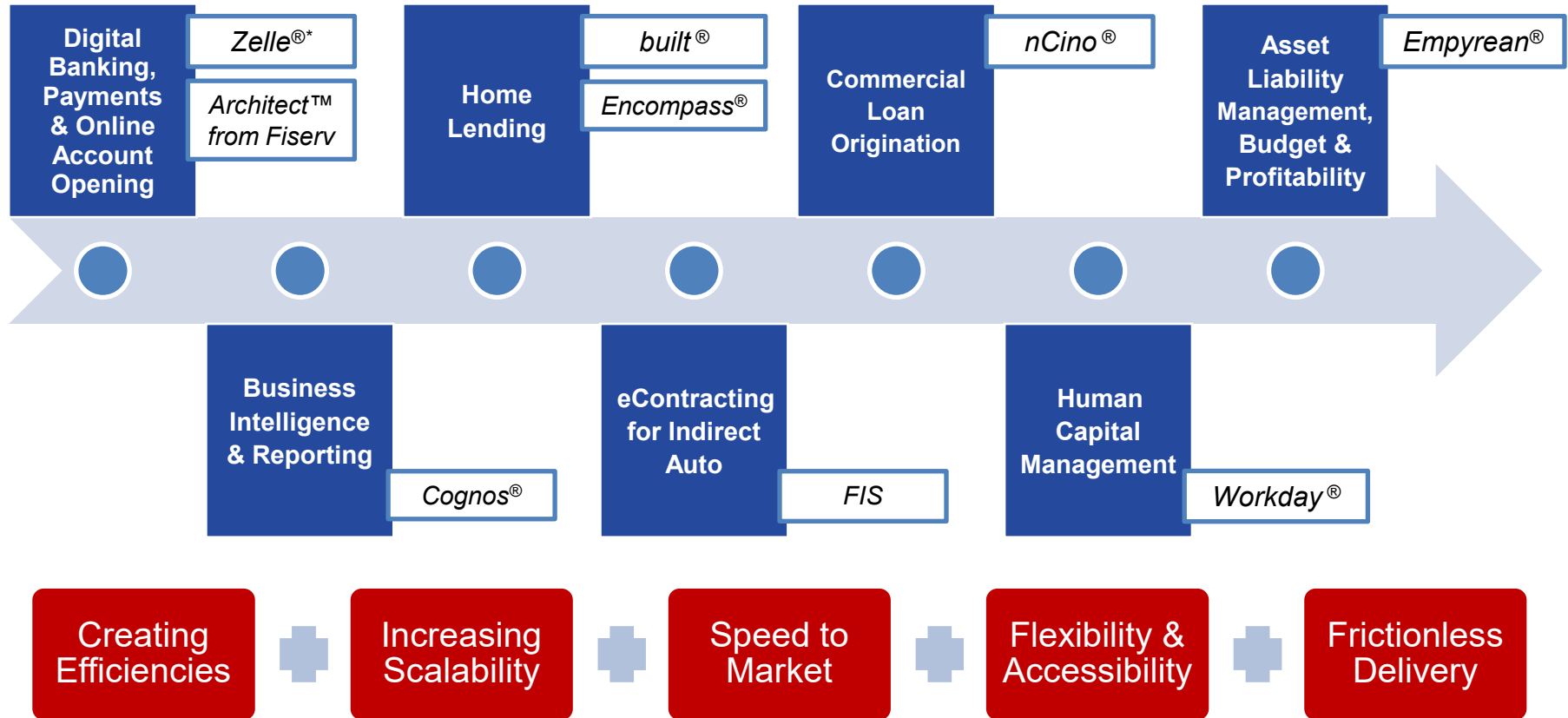
- Digital Banking Services
- APIs and Configurable Platforms
- Fintech Partnerships

## Data Analytics

- Governance Program
- Centralization of Data Management

# Digital Evolution

Our comprehensive rolling 3-year **technology roadmap** calls for continuous capital investment for the implementation of market-leading platforms across multiple business lines that will further enhance and transform the experience NBT delivers.



\* Zelle and the Zelle related marks are wholly owned by Early Warning Services, LLC and are used herein under license.

# Digital Adoption Rates



94% INCREASE IN  
CONSUMER DIGITAL  
ADOPTION



140% INCREASE IN  
MOBILE WALLETS



181% INCREASE IN  
MOBILE DOLLARS  
DEPOSITED



77% INCREASE IN  
MOBILE ITEMS  
DEPOSITED



74% INCREASE IN  
SELF-SERVICE  
TRANSACTIONS



21% INCREASE IN  
ATM DEPOSITS



4% INCREASE IN  
DEBIT CARD SWIPES  
PER CUSTOMER



29% DECREASE IN  
BRANCH  
TRANSACTIONS

Comparisons are from the quarter ending December 31, 2019 to the quarter ending December 31, 2022.



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Strategic Initiatives

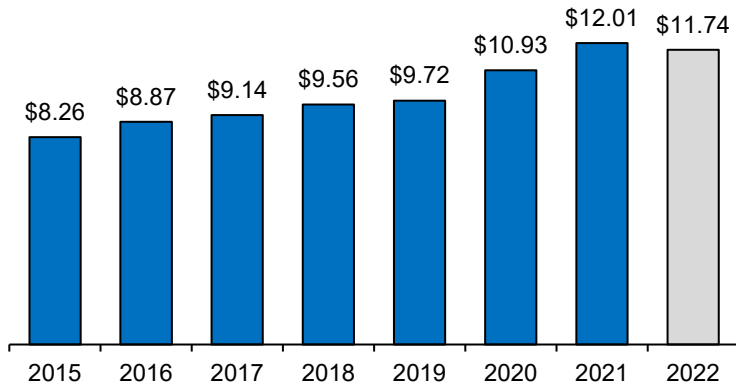
**Financial Performance**

Appendix

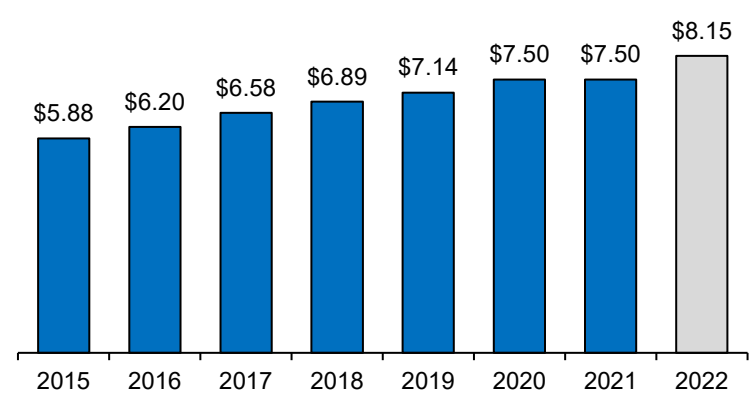


# Track Record of Consistent Growth

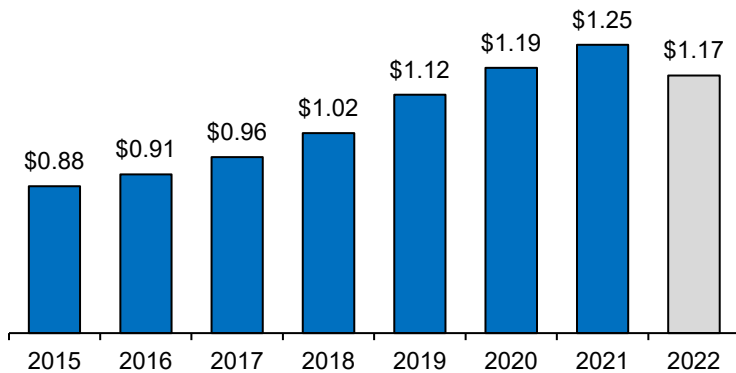
Total Assets (\$billion)



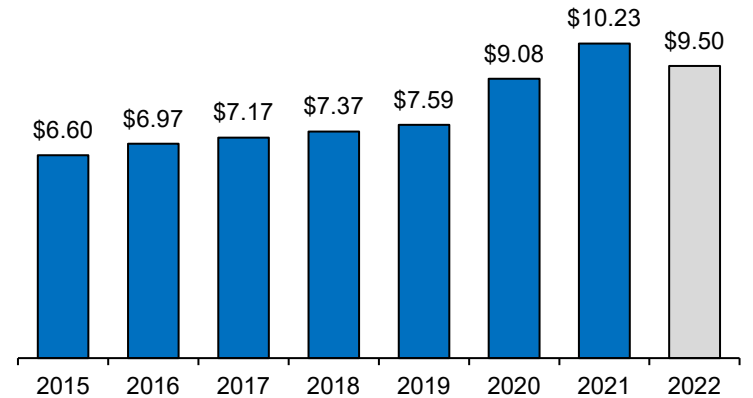
Gross Loans (\$billion)



Shareholders Equity (\$billion)

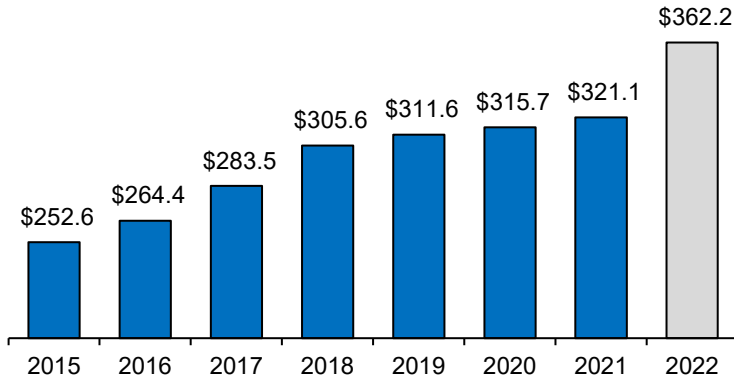


Deposits (\$billion)

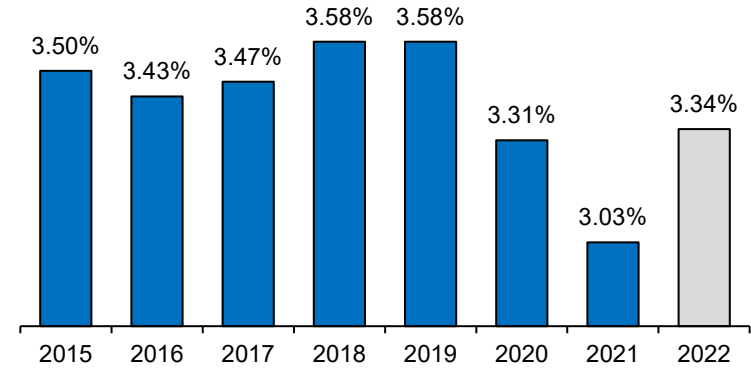


# Strong & Stable Profitability

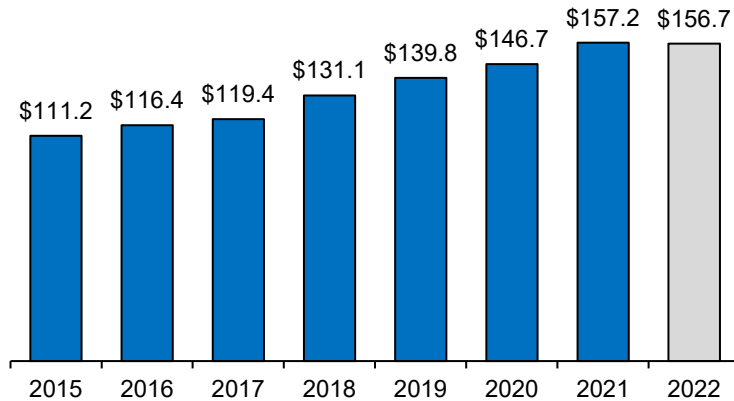
## Net Interest Income (\$million)



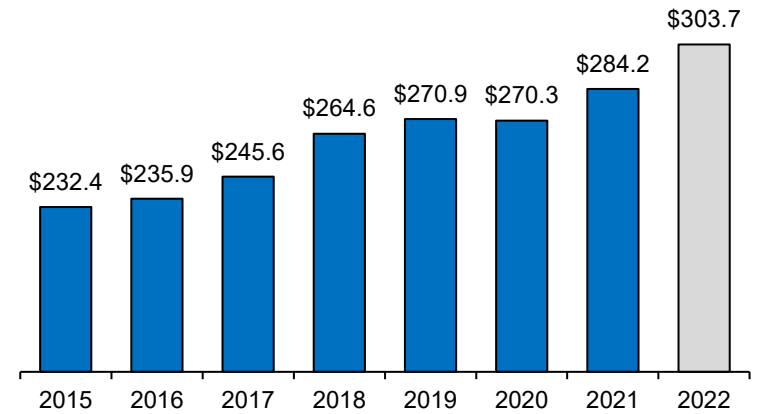
## Net Interest Margin FTE (%)



## Fee Income<sup>(1)</sup> (\$million)



## Adjusted Noninterest Expense (\$million)



Note: Refer to appendix for reconciliation of Non-GAAP measures.

1. Excludes gains/losses on sale of securities and equity investments.

# Q4 2022 Results Overview

## Financial Highlights

(\$ in millions except per share data)	Q4 2022	Change		% Change	
		Q3 2022	Q4 2021	Q3 2022	Q4 2021
<b>Period End Balance Sheet</b>					
Total loans	\$ 8,150.1	\$ 245.4	\$ 651.7	3.1%	8.7%
Total loans, excluding PPP	8,149.2	247.7	752.0	3.1%	10.2%
Total deposits	9,495.9	(422.8)	(738.5)	(4.3%)	(7.2%)
<b>Income Statement</b>					
FTE net interest income <sup>2</sup>	100.2	5.4	14.7	5.6%	17.2%
Provision for loan losses <sup>3</sup>	7.7	3.2	4.6	71.2%	147.9%
Total noninterest income <sup>3</sup>	34.3	(3.0)	(6.8)	(8.1%)	(16.6%)
Total noninterest expense <sup>4</sup>	78.5	1.8	3.4	2.4%	4.6%
Provision for taxes	10.6	(0.9)	(0.2)	(8.1%)	(2.0%)
Net income	36.1	(2.9)	(1.2)	(7.3%)	(3.2%)
Pre-provision net revenue <sup>2</sup>	55.8	0.1	4.3	0.2%	8.3%
<b>Performance Ratios</b>					
Earnings per share, diluted	\$ 0.84	\$ (0.06)	\$ (0.02)	(6.7%)	(2.3%)
Net interest margin <sup>2,5</sup>	3.68%	0.17%	0.60%	4.8%	19.5%
ROAA <sup>5</sup>	1.23%	(0.10%)	- %	(7.5%)	- %
PPNR ROAA <sup>2,5</sup>	1.90%	- %	0.20%	- %	11.8%
ROATCE <sup>2,5</sup>	16.54%	(0.58%)	0.84%	(3.4%)	5.4%
NCOs/ Avg loans (%) <sup>5</sup>	0.18%	0.11%	(0.04%)	157.1%	(18.2%)
Tangible book value per share <sup>2</sup>	\$ 20.65	\$ 0.40	\$ (1.61)	2.0%	(7.2%)
Tangible equity ratio <sup>2</sup>	7.73%	0.09%	(0.47%)	1.2%	(5.7%)
<b>Capital Ratios</b>					
Leverage ratio	10.32%	0.11%	0.91%	1.1%	9.7%
Common equity tier 1 capital ratio	12.12%	(0.05%)	(0.13%)	(0.4%)	(1.1%)
Tier 1 capital ratio	13.19%	(0.08%)	(0.24%)	(0.6%)	(1.8%)
Total risk-based capital ratio	15.38%	(0.12%)	(0.35%)	(0.8%)	(2.2%)

1. Comparison to Q3 2022 unless otherwise stated.
2. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.
3. Excludes net securities gains (losses).
4. Excludes merger expenses.
5. Annualized.

## Quarterly Highlights<sup>1</sup>



### Balance Sheet

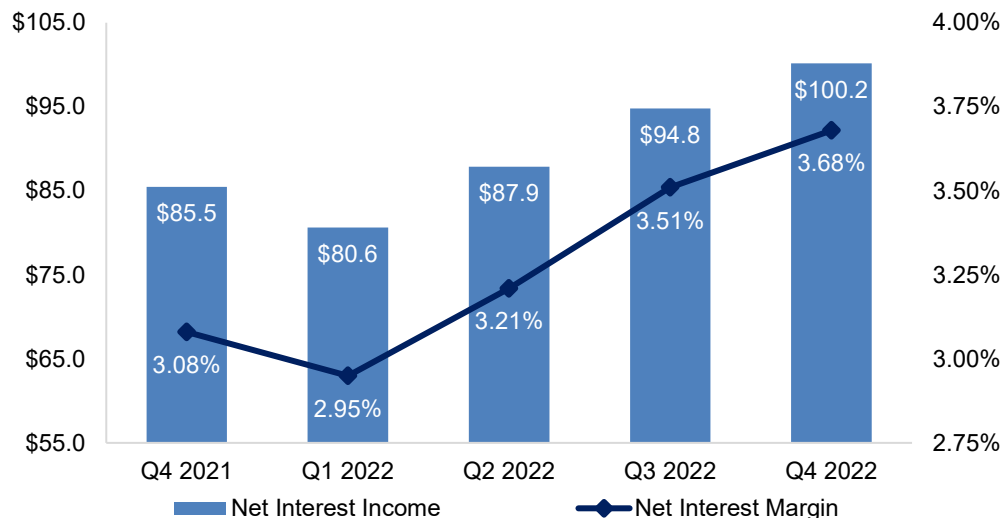
- Loans up \$245.4 million
- Deposits decreased \$422.8 million
- Tangible book value per share<sup>2</sup> of \$20.65

### Earnings & Capital

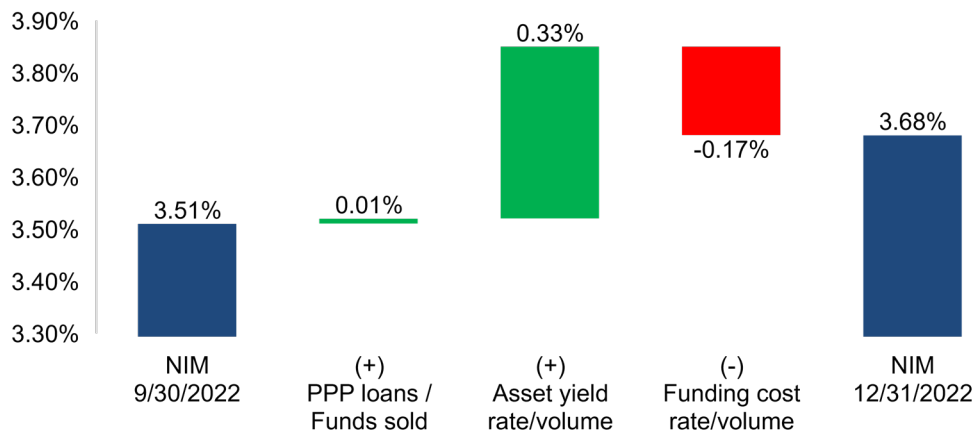
- Net income of \$36.1 million and diluted earnings per share of \$0.84
- Net interest margin<sup>2</sup> up 17 bps to 3.68%
- Provision expense of \$7.7 million with net charge-offs of \$3.7 million
- Noninterest expense<sup>4</sup> up 2.4%
- Effective tax rate of 22.6%

# Net Interest Income & Net Interest Margin

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



## Q4 2022 Net Interest Margin



## Quarterly Highlights<sup>1</sup>

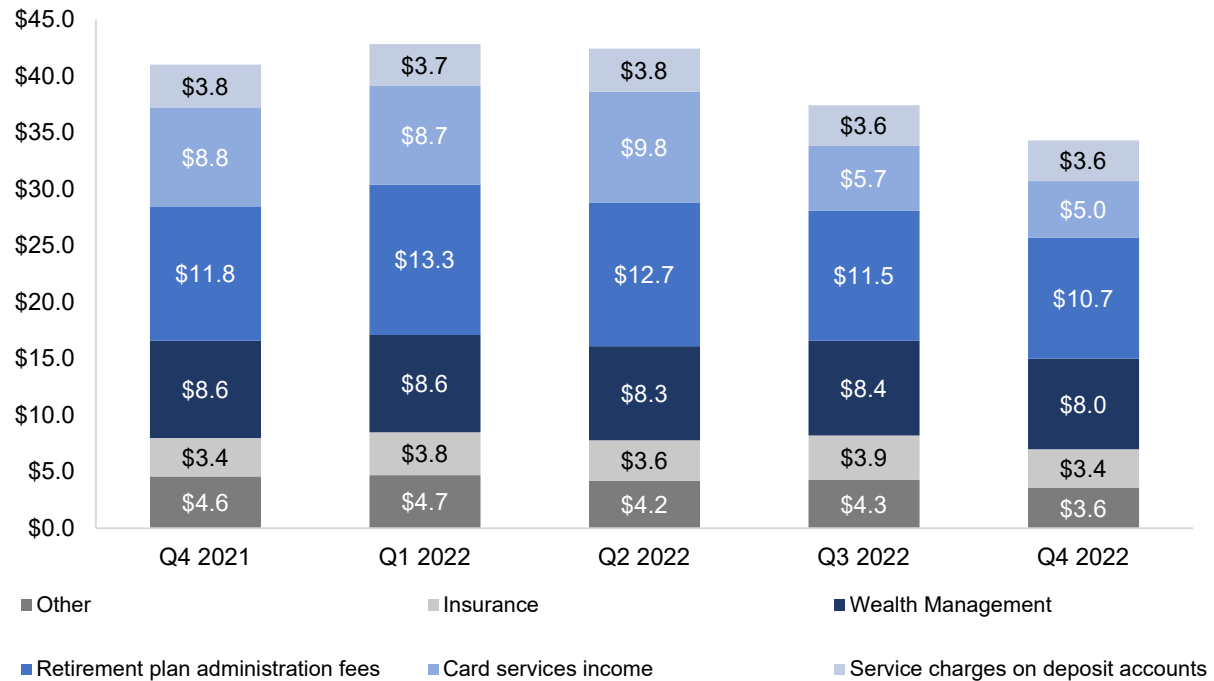
- Net interest margin increased 17 bps to 3.68%, primarily due to higher earning asset yields
- Interest earning asset yields increased 34 bps
- The total cost of funds increased 19 bps
- Net interest income increased \$5.4 million to \$100.2 million

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 2022 unless otherwise stated.

# Noninterest Income

## Noninterest Income Trend<sup>1</sup> (\$ in millions)



## Quarterly Highlights<sup>2</sup>

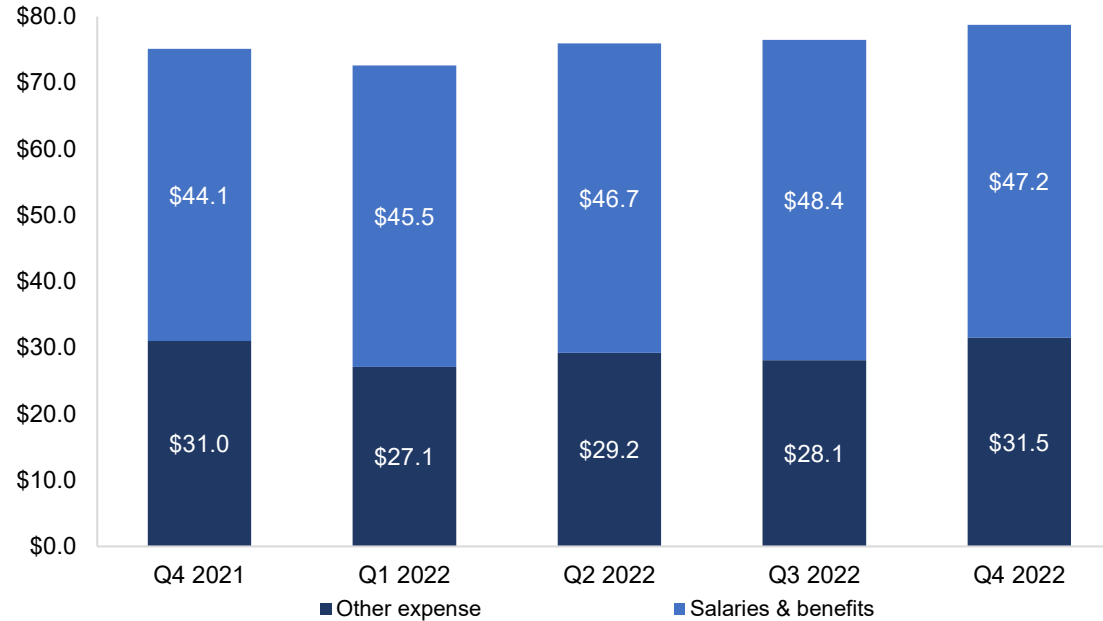
- Noninterest income to total revenue was 25.6%<sup>1</sup> (above peer levels)
- \$34.3 million<sup>1</sup> in noninterest income, down \$3.0 million
- Card services revenue down \$0.7 million driven primarily by lower levels of card utilization
- Retirement plan administration fees down \$0.8 million, driven by seasonal revenues and lower activity-based fees
- Wealth management and insurance fees down \$0.8 million

Peer Source Data: S&P Global Market Intelligence.  
Refer to appendix for Peer Group.

1. Excludes net securities gains (losses).
2. Comparison to Q3 2022 unless otherwise stated.

# Noninterest Expense

## Noninterest Expense Trend<sup>1</sup> (\$ in millions)



## Quarterly Highlights<sup>2</sup>

- Noninterest expense of \$79.5 million
  - Up \$2.8 million (3.7%)
- Salaries & Benefits decrease 2.3% driven by lower benefit plan costs
- Professional fees and outside services increased due to timing of external services for several tactical and strategic initiatives
- Merger expenses of \$1.0 million



1. Other Expense includes Technology and data services, Occupancy, 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, merger expenses and other non-recurring expense.
2. Comparisons to Q3 2022 unless otherwise stated.

# Capital Strength

Regulatory Capital Ratios	NBT 12/31/2022	Regulatory Well Capitalized Level
Tier 1 Leverage	10.32%	5.00%
Total Risk-Based Capital	15.38%	10.00%

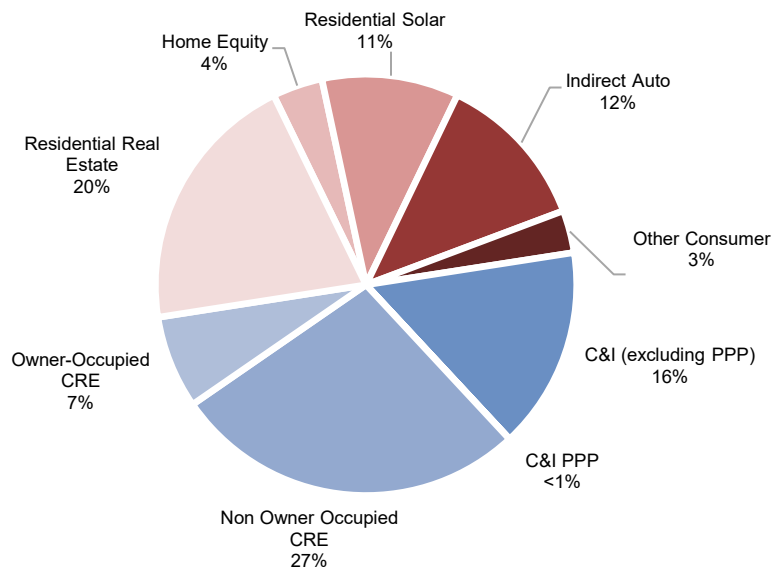
**Shareholder  
Dividend Increase  
of 2 Cents or 7.1%  
in 2022**

**10th Consecutive  
Year of Annual  
Dividend Increases  
in 2022**

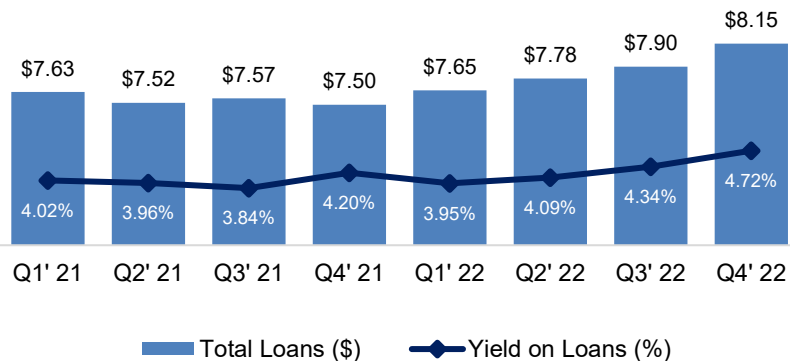


# Loans

Total Loans: \$8.15 billion<sup>1</sup>



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



## Portfolio Highlights<sup>(1)</sup>

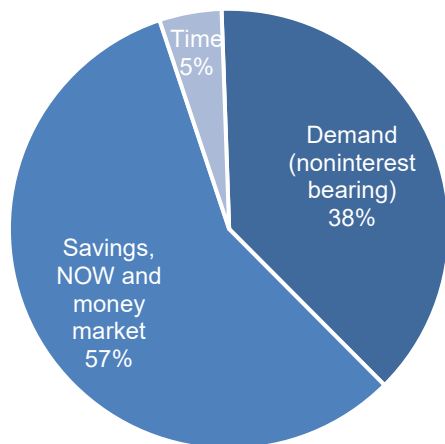


- Loans up \$245.4 million from Q3 2022, or 3.1%
- Non-Owner Occupied CRE at 153% to Total Capital
- Loan-to-Deposit Ratio of 86%
- Commercial (includes C&I and CRE)
  - 31.3% fixed
  - 18.9% variable (e.g., 10-year fixed for 5 years)
  - 49.8% floating
- Residential Mortgages
  - 95.4% fixed
  - 4.6% ARMs
- Consumer Loans (includes indirect auto, home equity, specialty consumer lending and other)
  - 8.3% floating
  - 91.7% fixed

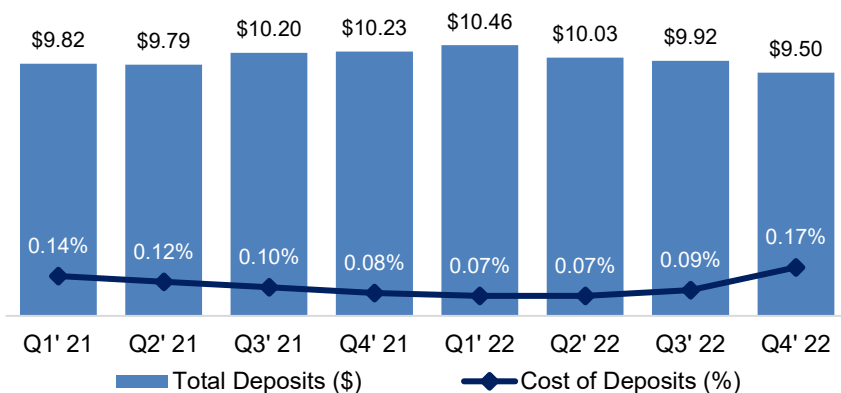
1. As of 12/31/22. Total loans included PPP loans of \$0.9 million net of <\$0.1 million in unearned fees.

# Deposits

Total Deposits: \$9.50 billion<sup>1</sup>



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



## Quarterly Highlights<sup>2</sup>



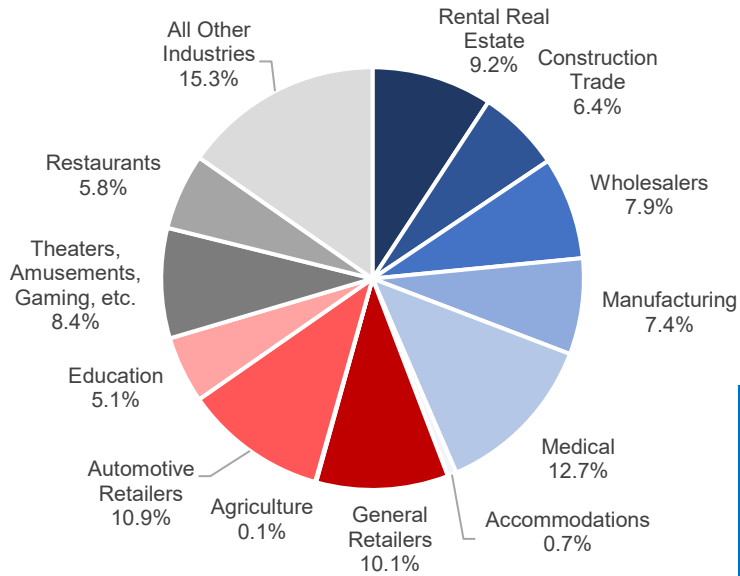
- Cost of total deposits of 0.17%, up 8 bps from the prior quarter
- Cost of interest-bearing deposits was 0.27%, up 13 bps from prior quarter
- Period end deposits decreased \$422.8 million, or 4.3%
- Noninterest bearing deposits were 38% of total deposits at Q4 2022
- Total deposits represent 92% of funding
- Loan to deposit ratio was 85.8%

1. As of 12/31/2022.

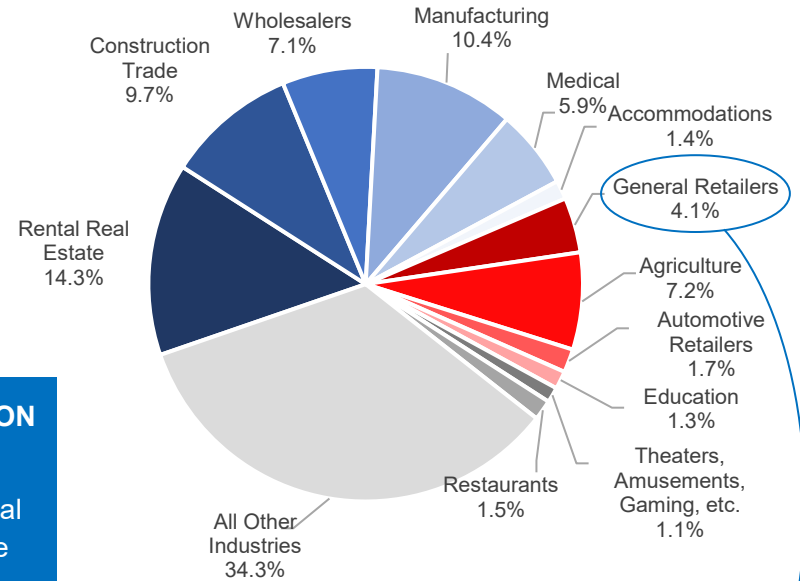
2. Comparison to Q3 2022 unless otherwise stated.

# Commercial Loan Portfolio Detail

## Owner Occupied CRE (\$0.56 billion)<sup>1</sup>

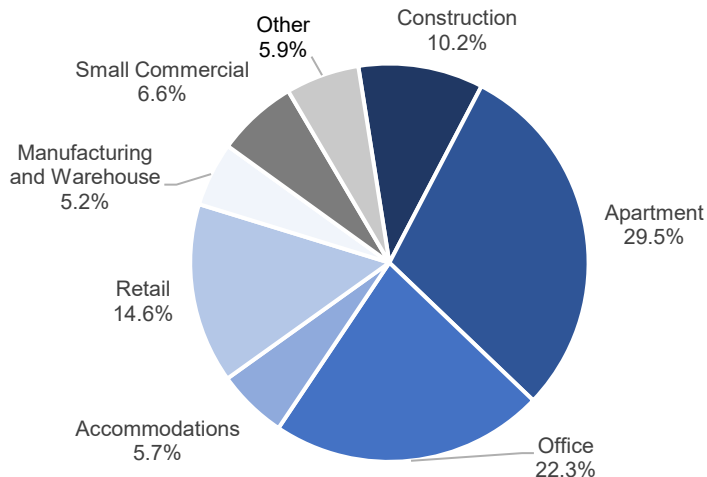


## Commercial & Industrial (\$1.27 billion)<sup>1</sup>



**\$1.1 MILLION**  
Average Commercial Loan Size

## Non-Owner Occupied CRE (\$2.23 billion)<sup>1</sup>



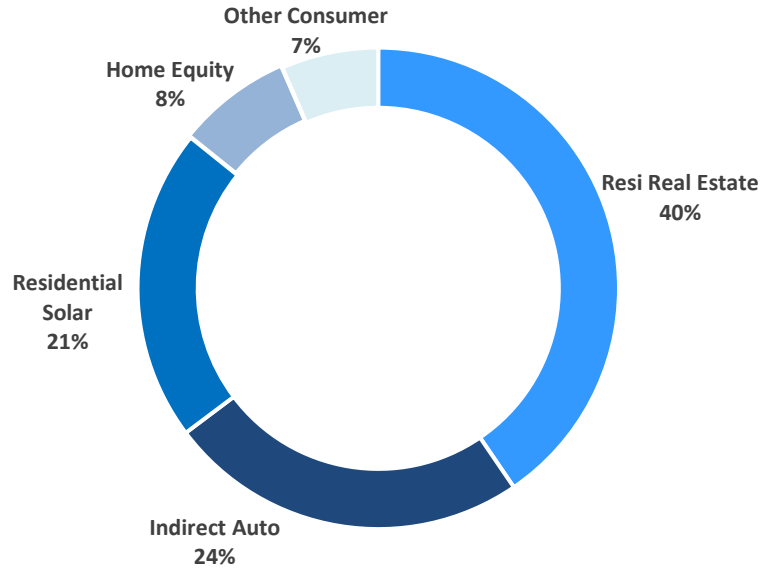
### Retail

- 13% Building Materials / Home Centers
- 19% Grocery Stores / Pharmacies
- 20% Gasoline / C Stores
- 23% Home Furnishings

1. Data as of 12/31/2022, excludes PPP balances.

# Consumer & Residential Portfolio Detail

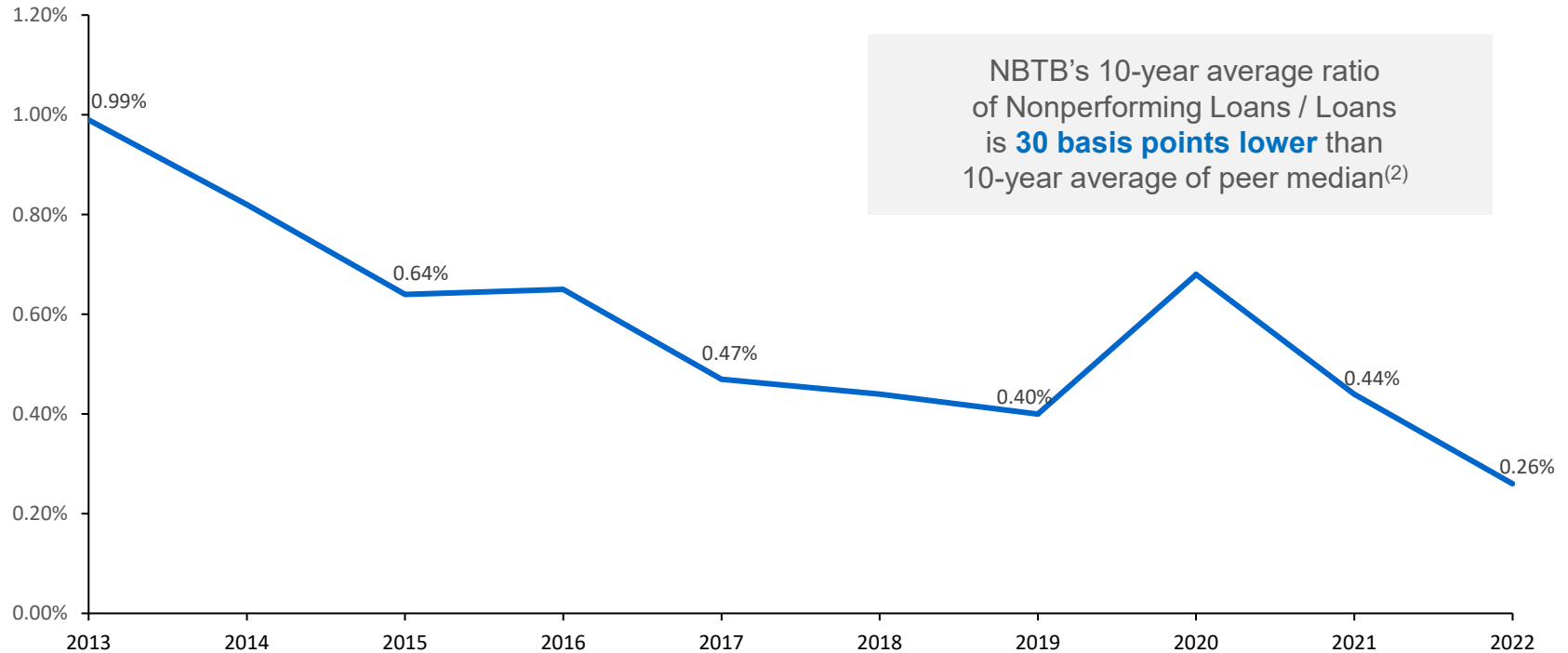
Consumer Lending Portfolio: \$4.08 billion as of 12/31/22



As of 12/31/2022	Consumer Lending Portfolio Metrics				
	Total Outstandings (\$'000s)	# of Accounts	Avg. Balance	wAve Max FICO	Avg. DTI
Resi Real Estate	\$ 1,649,870	11,889	\$ 138,773	764	35
Home Equity	\$ 314,124	10,924	\$ 28,755	778	33
Indirect Auto	\$ 989,587	55,145	\$ 17,945	753	30
Residential Solar	\$ 856,798	25,585	\$ 33,488	762	34
Other Consumer	\$ 265,796	44,702	\$ 5,946	748	26

# Asset Quality

## Nonperforming Loans / Loans (%)



### Asset Quality Trends Continue

- 0.11% 2022 Net Charge-offs to Average Loans compared to 0.14% Net Charge-offs to Average Loans in 2021 <sup>(1)</sup>
- Nonperforming loans to total loans decrease in 2022 driven by a decrease in commercial and residential nonperforming loans

Peer Data Source: S&P Global Market Intelligence as of the most recent quarter. Refer to appendix for Peer Group.

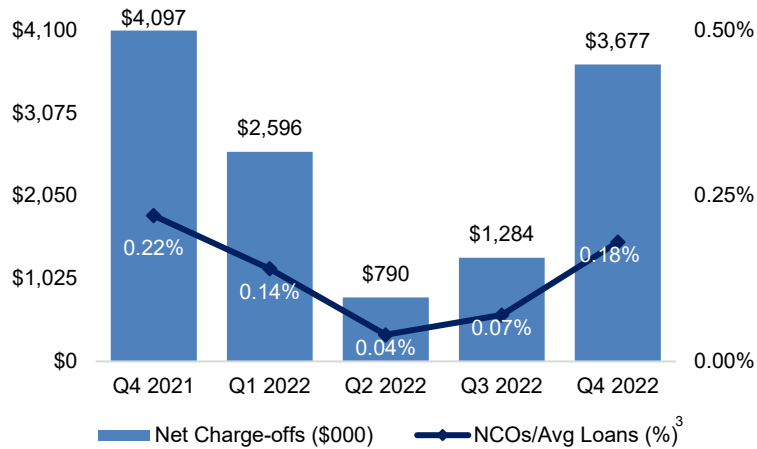
Note: NBTB nonperforming loans exclude performing TDRs and exclude PPP.

1. Net charge-offs to average loans excludes PPP balances.

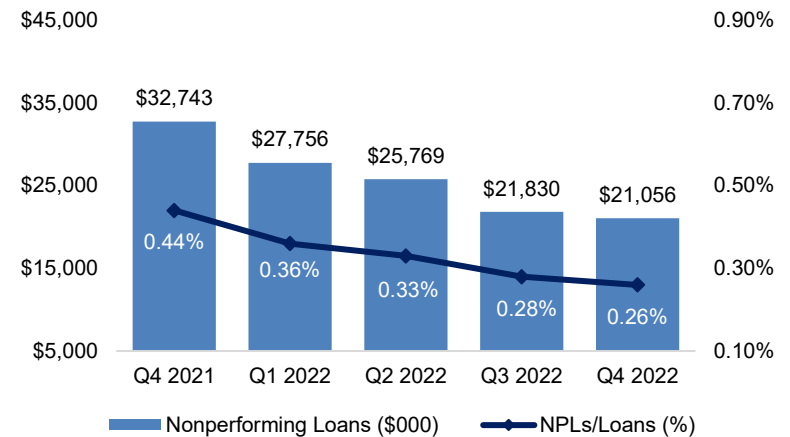
2. As of 09/30/22.

# Asset Quality

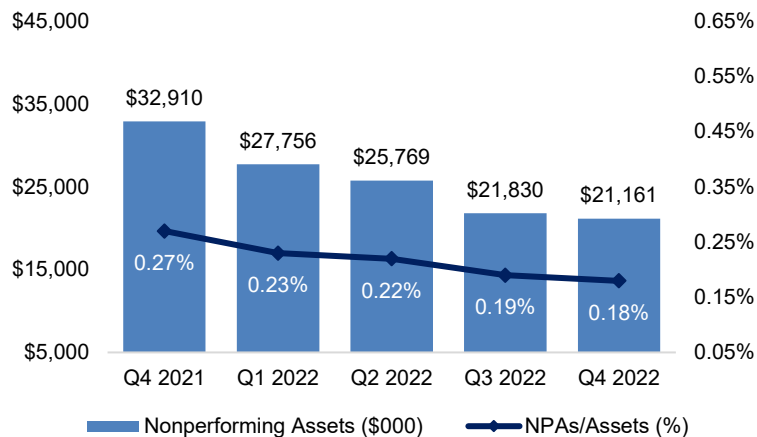
## Net Charge-Offs



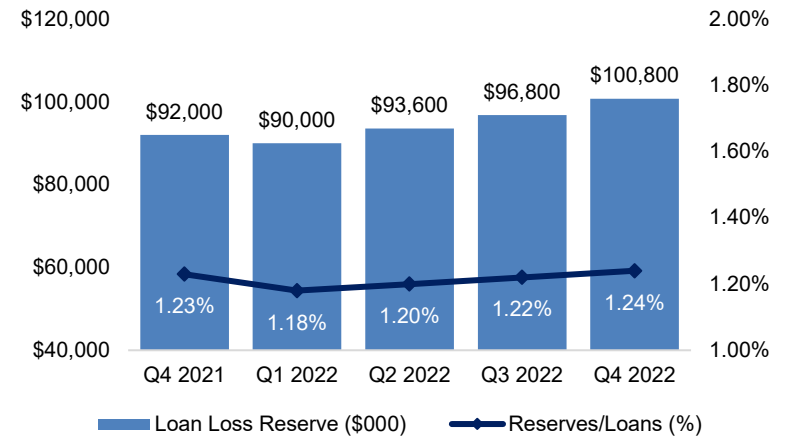
## Nonperforming Loans<sup>1</sup>



## Nonperforming Assets<sup>2</sup>



## 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. Annualized.

# Overview

About NBT Bancorp

Strategic Initiatives

Financial Performance

**Appendix**



# Performance to Peer Group

September 30, 2022			
Performance Ratios %	NBTB	Peer Median	Peer Average
PPNR ROA <sup>(1)</sup>	1.82%	1.70%	1.75%
Core ROAE <sup>(1)(2)</sup>	12.97%	10.93%	11.61%
Core ROATCE <sup>(1)(2)</sup>	17.04%	16.44%	16.79%
Net Interest Margin <sup>(1)</sup>	3.22%	3.28%	3.26%
Fee Income / Revenue <sup>(3)</sup>	31.81%	20.51%	21.14%
Loans / Deposits	79.70%	83.85%	83.45%

December 31, 2022			
Market Ratios	NBTB	Peer Median	Peer Average
Price / EPS (x)*	12.34	10.53	11.20
Price / TBV (%) <sup>*(1)</sup>	210.27%	176.39%	197.02%
Current Dividend Yield (%)	2.76%	3.68%	3.45%

\* Market data as of 12/31/22 for NBT and peers.

Data Source: S&P Global Market Intelligence as of the most recent quarter. Refer to appendix for Peer Group.

Note: Peer data pro forma for recently announced acquisitions.

1. Refer to appendix for reconciliation of Non-GAAP measures.
2. Core Income excludes extraordinary items, non-recurring items, amortization of intangibles & goodwill impairment and gains/losses on sale of securities.
3. Excludes gains / losses on sale of securities.

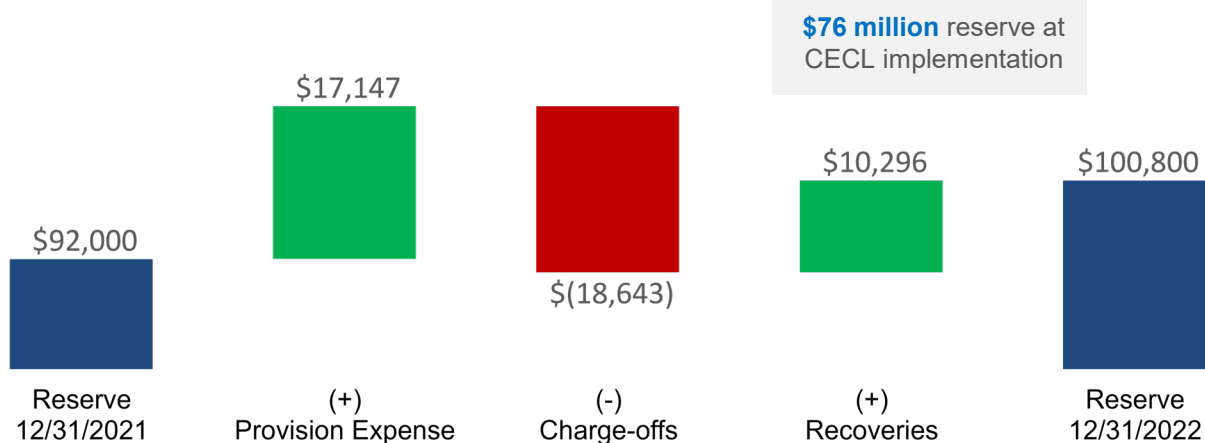


# Loan Loss Reserve (CECL)

## Reserve / Loans by Segment

Loan Type	1/1/2020	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Commercial & Industrial	0.98%	0.78%	0.66%	0.75%	0.80%	0.82%
Paycheck Protection Program	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%
Commercial Real Estate	0.74%	0.78%	0.79%	0.89%	0.88%	0.91%
Residential Real Estate	0.83%	0.92%	0.88%	0.79%	0.74%	0.72%
Auto	0.78%	0.79%	0.76%	0.79%	0.78%	0.81%
Residential Solar	2.54%	3.04%	2.97%	3.00%	3.08%	3.21%
Other Consumer	4.74%	6.66%	6.24%	6.19%	6.67%	6.27%
<b>Total</b>	<b>1.07%</b>	<b>1.23%</b>	<b>1.18%</b>	<b>1.20%</b>	<b>1.22%</b>	<b>1.24%</b>
<b>Total excluding PPP loans</b>	<b>1.07%</b>	<b>1.24%</b>	<b>1.18%</b>	<b>1.21%</b>	<b>1.23%</b>	<b>1.24%</b>

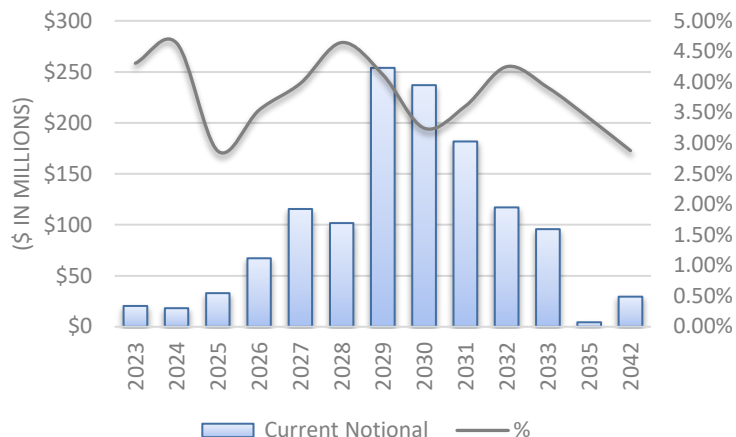
## 12/31/2022 Loan Loss Reserve Activity (\$ in Thousands)



# Interest Rate & Liquidity Risk

## Interest Rate Risk Position<sup>1</sup>

- Loan portfolio:
  - 64% Fixed / 36% Adjustable/Floating
- Commercial Back-to-Back Swap Program Maturity Schedule:

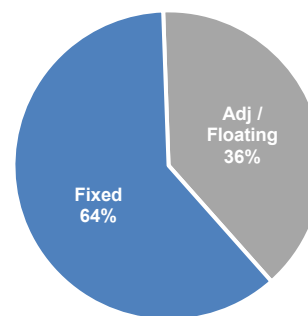


## Year 1 Interest Rate Sensitivity<sup>1</sup>

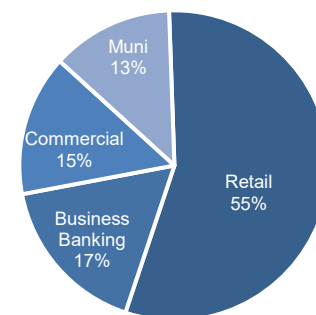
	Net Interest Income
Change in interest rates	% Change from base
Up 200 bps	2.83%
Up 100 bps	1.60%
Down 100 bps	-1.98%
Down 200 bps	-3.99%

## Loan & Deposit Mix<sup>1</sup>

### Loans



### Deposits



- Investments:
  - 4.8 year modified duration, 0.4% of portfolio floating rate

## Liquidity<sup>1</sup>

- Liquid Assets to Total Assets ratio of 8.4%
- Loan-to-deposit ratio of 85.8%
- Available lines of credit:
  - \$1.17 billion FHLB (secured)
  - \$0.62 billion Fed discount window (secured)
  - \$0.25 billion Fed funds (unsecured)

1. Data as of 12/31/22.

# Four-Year Trend

(\$ in thousands except per share data)	2022	2021	2020	2019
<b>Income Statement</b>				
Loan interest income, excluding PPP income	\$ 329,100	\$ 280,867	\$ 293,673	\$ 321,474
PPP interest income and fees	3,668	21,308	41,186	-
Securities	47,235	35,856	37,717	42,408
Other interest income	4,067	1,845	2,706	3,652
Total interest income	384,070	339,876	348,282	367,534
Total interest expense	21,880	18,788	32,604	55,979
Net interest income	362,190	321,088	315,678	311,555
Card services income	29,058	34,682	28,611	26,805
Net securities (losses) gains	(1,131)	566	(388)	4,213
Other noninterest income	127,651	122,546	118,053	113,055
Total net revenue	517,768	478,882	461,954	455,578
Merger expense	967	-	-	-
Other noninterest expense	303,498	287,281	277,733	274,734
Income before provision and income taxes	213,303	191,601	184,221	180,844
Provision for credit losses	17,147	(8,257)	51,134	25,412
Income before taxes	196,156	199,858	133,087	155,432
Income taxes	44,161	44,973	28,699	34,411
Net Income	\$ 151,995	\$ 154,885	\$ 104,388	\$ 121,021
<b>Performance Ratios</b>				
Diluted earnings per share	\$ 3.52	\$ 3.54	\$ 2.37	\$ 2.74
Net interest margin <sup>1</sup>	3.34%	3.03%	3.31%	3.58%
ROATCE <sup>1</sup>	16.89%	16.92%	12.48%	15.85%
NCOs/Avg loans	0.11%	0.13%	0.23%	0.36%

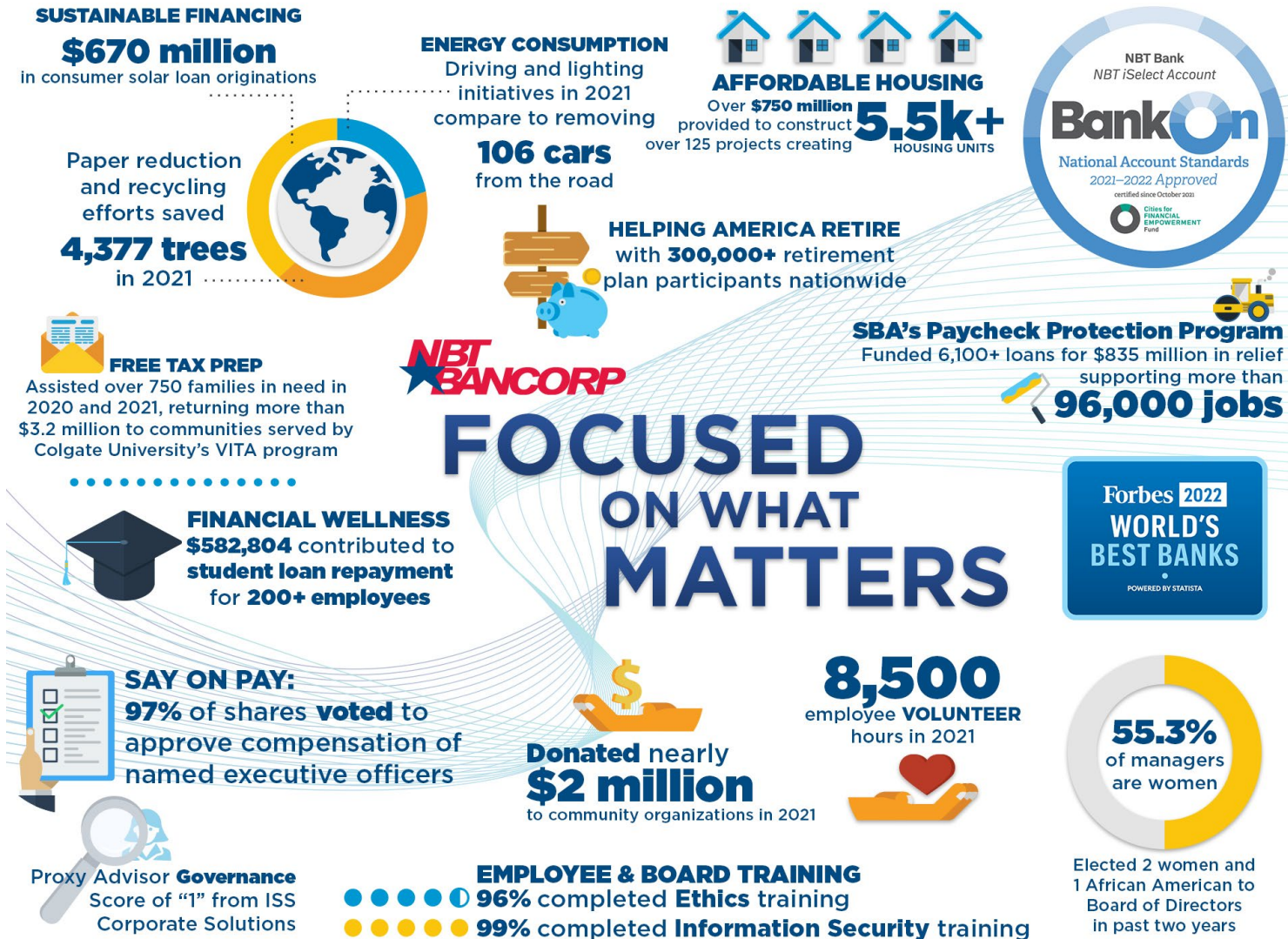
1. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.

# 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.	Dubuque	IA	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

# Corporate Social Responsibility

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



# Commitment to ESG Principles

NBT's Board of Directors recognizes the importance of Environmental, Social and Governance (ESG) principals to NBT's stakeholders, including stockholders, customers, communities and employees.



## BOARD COMMITMENTS

Oversight of ESG matters at Board level and active participation and monitoring of the Company's ESG efforts within the Nominating and Governance Committee

Commitment to each of the three pillars with action plans for each pillar

Regular assessment of existing ESG practices within the Company and identification of opportunities for further development

Public disclosure of the Company's efforts and measurement of progress and results

# External Recognition

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

POWERED BY STATISTA

**J.D. Power**  
**2022 U.S. Retail Banking  
Satisfaction Study**

Ranked #2 in the New York  
Tri-State Region  
Includes New York, Connecticut and New Jersey.



ALBANY BUSINESS REVIEW



2022 BEST PLACES TO WORK

**BEST PLACES TO WORK  
IN CONNECTICUT**



# Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q3 2022 YTD	Q4 2022	Q3 2022	Q4 2021
Net Income	\$ 115,874	\$ 36,121	\$ 38,973	\$ 37,310
Income Tax Expense	33,598	10,563	11,499	10,780
Provision Expense	9,470	7,677	4,484	3,097
FTE Adjustment	912	392	337	292
Net Securities Losses	914	217	148	2
Provision for Unfunded Loan Commitments Reserve	205	(185)	225	(250)
Merger Expense	-	967	-	-
Nonrecurring (Revenue) Expense <sup>(1)</sup>	(172)	-	-	250
PPNR <sup>(2)</sup>	\$ 160,801	\$ 55,752	\$ 55,666	\$ 51,481

Average Assets	\$ 11,837,746	\$ 11,656,525	\$ 11,614,669	\$ 11,999,360
----------------	---------------	---------------	---------------	---------------

<b>Return on Average Assets<sup>(3)</sup></b>	<b>1.31%</b>	<b>1.23%</b>	<b>1.33%</b>	<b>1.23%</b>
<b>PPNR Return on Average Assets<sup>(3)</sup></b>	<b>1.82%</b>	<b>1.90%</b>	<b>1.90%</b>	<b>1.70%</b>

(Dollars in Thousands)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net Interest Income	\$ 99,779	\$ 94,478	\$ 87,585	\$ 80,348	\$ 85,181
FTE Adjustment	392	337	290	285	292
Net Interest Income, Tax Equivalent	\$ 100,171	\$ 94,815	\$ 87,875	\$ 80,633	\$ 85,473

Average Total Interest Earning Assets	\$ 10,801,115	\$ 10,727,291	\$ 10,983,020	\$ 11,089,110	\$ 11,017,224
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<b>Net Interest Margin, Tax Equivalent<sup>3</sup></b>	<b>3.68%</b>	<b>3.51%</b>	<b>3.21%</b>	<b>2.95%</b>	<b>3.08%</b>
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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)	2022	Q3 2022 YTD	2021	2020	2019	2018	2017	2016	2015
Net Interest Income	\$ 362,190	\$ 262,411	\$ 321,088	\$ 315,678	\$ 311,555	\$ 305,629	\$ 283,493	\$ 264,441	\$ 252,608
FTE Adjustment	1,304	912	1,191	1,301	1,667	2,007	3,799	3,549	3,292
Net Interest Income Tax Equivalent	\$ 363,494	\$ 263,323	\$ 322,279	\$ 316,979	\$ 313,222	\$ 307,636	\$ 287,292	\$ 267,990	\$ 255,900
Average Total Interest Earning Assets	\$ 10,898,871	\$ 10,931,815	\$ 10,631,890	\$ 9,571,777	\$ 8,739,258	\$ 8,594,469	\$ 8,274,334	\$ 7,816,448	\$ 7,305,934
<b>Net Interest Margin, Tax Equivalent</b>	<b>3.34%</b>	<b>3.22%</b>	<b>3.03%</b>	<b>3.31%</b>	<b>3.58%</b>	<b>3.58%</b>	<b>3.47%</b>	<b>3.43%</b>	<b>3.50%</b>

(Dollars in Thousands)	2022	2021	2020	2019	2018	2017	2016	2015
Noninterest Expense	\$ 304,465	\$ 287,281	\$ 277,733	\$ 274,734	\$ 264,561	\$ 245,648	\$ 235,922	\$ 236,176
Provision for Unfunded Loan Commitments Reserve	(20)	1,300	(2,700)	-	-	-	-	-
Nonrecurring Expense <sup>(1)</sup>	172	(4,418)	(4,750)	(3,800)	-	-	-	(3,779)
Merger Expense	(967)	-	-	-	-	-	-	-
Adjusted Noninterest Expense	\$ 303,650	\$ 284,163	\$ 270,283	\$ 270,934	\$ 264,561	\$ 245,648	\$ 235,922	\$ 232,397

(Dollars in Thousands)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Noninterest Expense	\$ 79,509	\$ 76,694	\$ 76,119	\$ 72,143	\$ 75,105
Provision for Unfunded Loan Commitments Reserve	185	(225)	(240)	260	250
Nonrecurring Expense <sup>(1)</sup>	-	-	-	172	(250)
Merger Expense	(967)	-	-	-	-
Adjusted Noninterest Expense	\$ 78,727	\$ 76,469	\$ 75,879	\$ 72,575	\$ 75,105

1. Items per S&P Global Market Intelligence.
2. Annualized.

# Reconciliation of Non-GAAP Measures

(Dollars in Thousands, Except Per Share Data)	Q4 2022	Q3 2022	Q4 2021
Net Income	\$ 36,121	\$ 38,973	\$ 37,310
Amortization of Intangible Assets (Net of Tax)	404	408	488
Net Income, Excluding Intangibles Amortization	\$ 36,525	\$ 39,381	\$ 37,798
Average Tangible Common Equity	\$ 876,060	\$ 912,360	954,917
<b>Return on Average Tangible Common Equity<sup>(1)</sup></b>	<b>16.54%</b>	<b>17.12%</b>	<b>15.70%</b>
Total Stockholder's Equity	\$ 1,173,554	\$ 1,156,546	\$ 1,250,453
Goodwill and Other Intangibles	(288,545)	(289,083)	(289,468)
Tangible Common Equity	\$ 885,009	\$ 867,463	\$ 960,985
Total Assets	\$ 11,739,296	\$ 11,640,742	\$ 12,012,111
Goodwill and Other Intangibles	(288,545)	(289,083)	(289,468)
Tangible Assets	\$ 11,450,751	\$ 11,351,659	\$ 11,722,643
<b>Tangible Common Equity to Tangible Assets</b>	<b>7.73%</b>	<b>7.64%</b>	<b>8.20%</b>
Common Shares Outstanding	42,857,823	42,839,255	43,168,012
<b>Book Value Per Share</b>	<b>\$ 27.38</b>	<b>\$ 27.00</b>	<b>\$ 28.97</b>
<b>Tangible Book Value Per Share</b>	<b>\$ 20.65</b>	<b>\$ 20.25</b>	<b>\$ 22.26</b>

1. Annualized.

# Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q3 YTD 2022
Net Income	\$ 115,874
Securities Loss (Net of Tax) <sup>(1)</sup>	722
Amortization of Intangibles (Net of Tax) <sup>(1)</sup>	1,363
Merger expense <sup>(1)</sup>	-
Nonrecurring expense (Net of Tax) <sup>(1)</sup>	(136)
<b>Core Net Income<sup>(2)</sup></b>	<b>\$ 117,823</b>
Average Stockholders' Equity	\$ 1,210,998
Average Tangible Equity	\$ 921,876
<b>Core Return on Average Equity<sup>(2)</sup></b>	<b>12.97%</b>
<b>Core Return on Average Tangible Common Equity<sup>(2)</sup></b>	<b>17.04%</b>

1. Balance per S&P Global Market Intelligence, utilizes a 21% statutory tax rate.
2. Calculation per S&P Global Market Intelligence.
3. Balance per S&P Global Market Intelligence.

# Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	2022	2021	2020	2019
Net Interest Income	\$ 362,190	\$ 321,088	\$ 315,678	\$ 311,555
FTE Adjustment	1,304	1,191	1,301	1,667
Net Interest Income, Tax Equivalent	\$ 363,494	\$ 322,279	\$ 316,979	\$ 313,222
Average Total Interest Earning Assets	\$ 10,898,871	\$ 10,631,890	\$ 9,571,777	\$ 8,739,258
<b>Net Interest Margin, Tax Equivalent</b>	<b>3.34%</b>	<b>3.03%</b>	<b>3.31%</b>	<b>3.58%</b>

(Dollars in Thousands)	2022	2021	2020	2019
Net Income	\$ 151,995	\$ 154,885	\$ 104,388	\$ 121,021
Amortization of Intangible Assets (Net of Tax)	1,698	2,106	2,546	2,684
Net Income, Excluding Intangibles Amortization	\$ 153,693	\$ 156,991	\$ 106,934	\$ 123,705
Average Tangible Common Equity	\$ 910,145	\$ 927,611	\$ 856,688	\$ 780,409
<b>Return on Average Tangible Common Equity</b>	<b>16.89%</b>	<b>16.92%</b>	<b>12.48%</b>	<b>15.85%</b>

# 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 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 the COVID-19 global pandemic; 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