

NBT Bancorp Inc.

Q4 2021 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, 2020 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.

Q4 & Full Year 2021 Highlights

EARNINGS

- Q4 2021
 - Net income of \$37.3 million, or diluted earnings per share of \$0.86, up 8 cents from prior year
 - Noninterest income up 8% from prior year and up 2% from previous quarter
- Full Year 2021
 - Record net income of \$154.9 million, or diluted earnings per share of \$3.54
 - Noninterest income of \$158 million, up 8% from 2020; represents 33% of total revenues
 - Full year loan growth of \$329 million, excluding Paycheck Protection Program (“PPP”) loans, or 5%

BALANCE SHEET & ASSET QUALITY

- Period end total loans were \$7.5 billion, including \$101 million in PPP outstandings
- Deposits were \$10.2 billion at December 31, 2021 with total cost of deposits at 0.08% for Q4 2021 compared to 0.10% for Q3 2021
- Allowance for loan losses to total loans of 1.23% (1.24% excluding PPP loans and related allowance), flat from 1.23% (1.28% excluding PPP loans and related allowance) in Q3 2021
- Net charge-offs to average loans was 0.22%, annualized and 0.14% for the full year of 2021, excluding PPP loans
- Continued decline in nonperforming loans, down 15% from previous quarter

CAPITAL STRENGTH

- Approved Q1 2022 dividend of \$0.28 per share, a 3.7% increase from Q1 2021
- Tangible book value per share¹ grew 1% for the quarter and 8% from prior year to \$22.96
- Leverage ratio was 9.41% at December 31, 2021
- Total capital grew 25% from December 31, 2019 to December 31, 2021

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

Q4 2021 Results Overview

Financial Highlights

(\$ in millions except per share data)	Q4 2021	Change		% Change	
		Q3 2021	Q4 2020	Q3 2021	Q4 2020
Period End Balance Sheet					
Total loans	\$ 7,498.5	\$ (68.0)	\$ (0.4)	(0.9%)	- %
Total loans, excluding PPP	7,397.2	107.0	329.2	1.5%	4.7%
Total deposits	10,234.5	39.3	1,152.8	0.4%	12.7%
Income Statement					
FTE net interest income ²	85.5	7.5	5.0	9.6%	6.3%
Provision for loan losses ³	3.1	6.4	3.7	(192.7%)	(610.2%)
Total noninterest income ³	41.1	0.7	3.2	1.7%	8.3%
Total noninterest expense	75.1	2.2	(0.1)	3.1%	(0.1%)
Provision for taxes	10.8	(0.3)	1.3	(2.4%)	14.3%
Net income	37.3	(0.1)	3.1	(0.3%)	9.1%
Pre-provision net revenue ²	51.5	4.1	3.3	8.7%	6.9%
Performance Ratios					
Earnings per share, diluted	\$ 0.86	\$ -	\$ 0.08	- %	10.3%
Net interest margin ²	3.08%	0.20%	(0.12%)	6.9%	(3.8%)
ROAA	1.23%	(0.03%)	(0.01%)	(2.4%)	(0.8%)
PPNR ROAA ²	1.70%	0.10%	(0.05%)	6.3%	(2.9%)
ROATCE ²	15.70%	(0.27%)	(0.01%)	(1.7%)	(0.1%)
NCOs/ Avg loans (%)	0.22%	0.11%	0.01%	100.0%	4.8%
NCOs/ Avg loans (%), excluding PPP	0.22%	0.10%	- %	83.3%	- %
Tangible book value per share ²	\$ 22.26	\$ 0.31	\$ 1.74	1.4%	8.5%
Tangible equity ratio ²	8.20%	0.07%	(0.21%)	0.9%	(2.5%)
Capital Ratios					
Leverage ratio	9.41%	(0.06%)	(0.15%)	(0.6%)	(1.6%)
Common equity tier 1 capital ratio	12.25%	0.05%	0.41%	0.4%	3.5%
Tier 1 capital ratio	13.43%	0.04%	0.34%	0.3%	2.6%
Total risk-based capital ratio	15.73%	(0.01%)	0.11%	(0.1%)	0.7%

1. Comparison to Q3 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

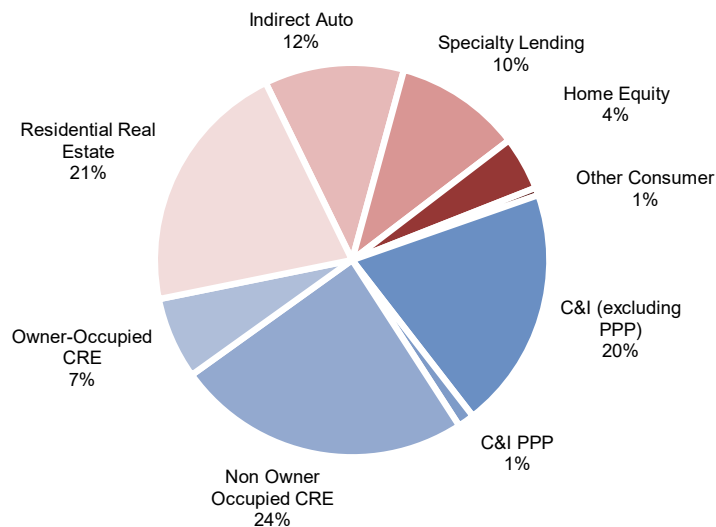
- Loans, excluding PPP, were up \$107 million
- Deposits increased \$39 million
- Tangible book value per share² up 1%

Earnings & Capital

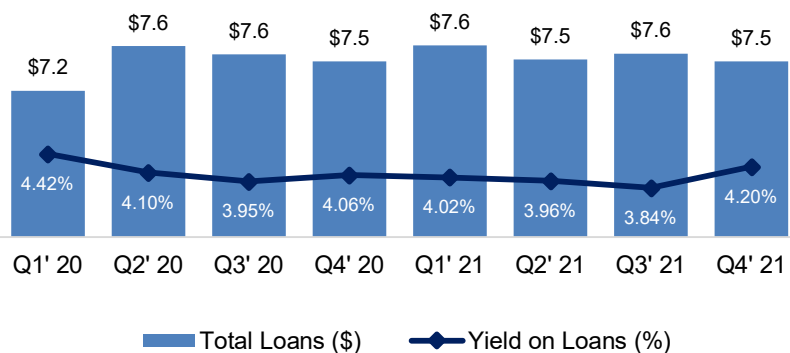
- Net income was \$37.3 million and diluted earnings per share was \$0.86
- Provision expense of \$3.1 million, decreasing allowance for loan losses to 1.24% (excluding PPP loans)
- Net interest margin² up 20 bps
- Fee income³ up 2%
- Noninterest expense up 3%
 - Q4 2021 includes \$0.3 million in non-recurring charges
- Effective tax rate of 22.4%

Loans

Total Loans: \$7.5 billion¹



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



Quarterly Highlights

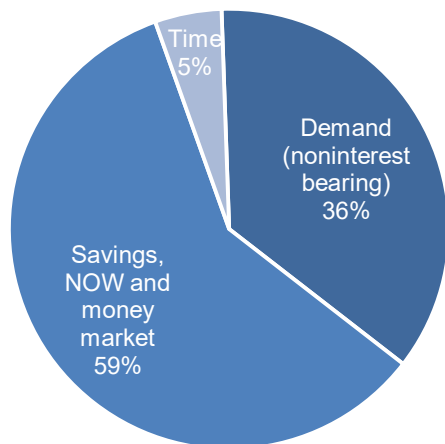


- Loans, excluding PPP, were up \$107 million from Q3 2021, or 1.5%
 - Total commercial loans, excluding PPP loans, increased \$24 million
 - Total consumer loans increased \$83 million to \$3.6 billion
- Loans, excluding PPP, were up \$329 million from December 31, 2020, or 5%
 - Total commercial loans, excluding PPP loans, increased \$163 million
 - Total consumer loans increased \$167 million
- Yields on loans increased 36 bps from Q3 2021
 - Excluding PPP loans, yields increased 3 bps
- Average new volume rates for quarter:
 - Commercial (excluding PPP): 3.23%
 - Indirect auto: 3.01%
 - Residential mortgage: 2.81%

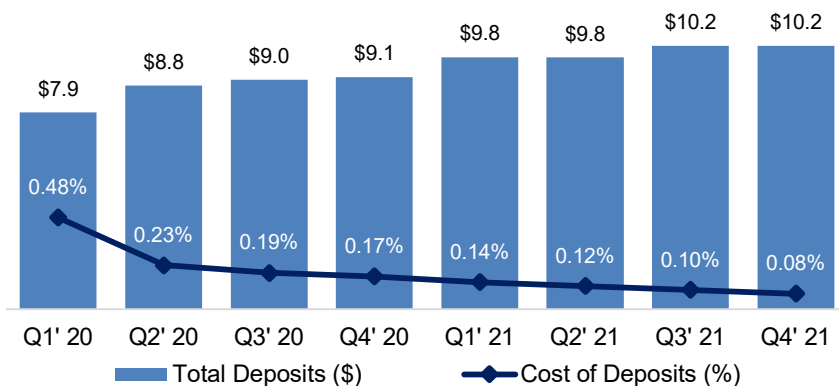
1. As of 12/31/21. Total loans included PPP loans of \$101.2 million net of \$3.4 million in unearned fees.

Deposits

Total Deposits: \$10.2 billion¹



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



Quarterly Highlights²

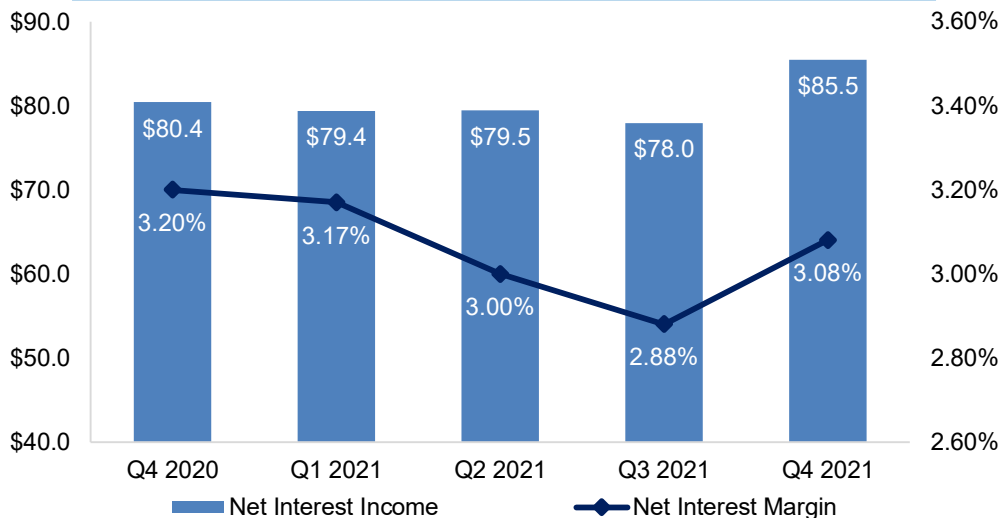


- Cost of total deposits of 0.08% down 2 bps
- Cost of interest-bearing deposits was 0.13%, down 3 bps or 19%
- Period end deposits increased \$39 million
 - Core deposits grew \$90 million with Savings, NOW and Money Market deposits up \$149 million
- Core deposits³ represent 95% of total deposit funding
- Noninterest bearing deposits were 36% of total deposits at Q4 2021
- \$121 million in time deposits repricing in Q1 2022 with average cost of 35 bps
- Loan to deposit ratio was 73.3%

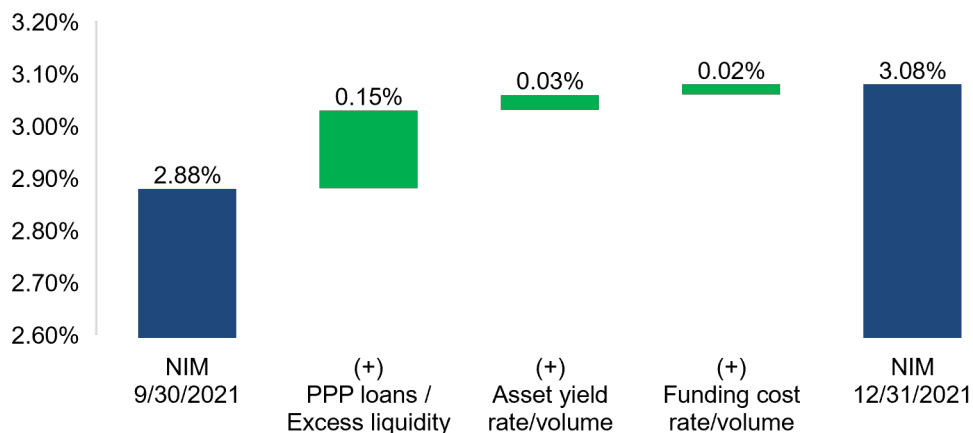
1. As of 12/31/2021.
 2. Comparison to Q3 2021 unless otherwise stated.
 3. Core deposits defined as total deposits less all time.

Net Interest Income & Net Interest Margin

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



Q4 2021 Net Interest Margin



Quarterly Highlights¹

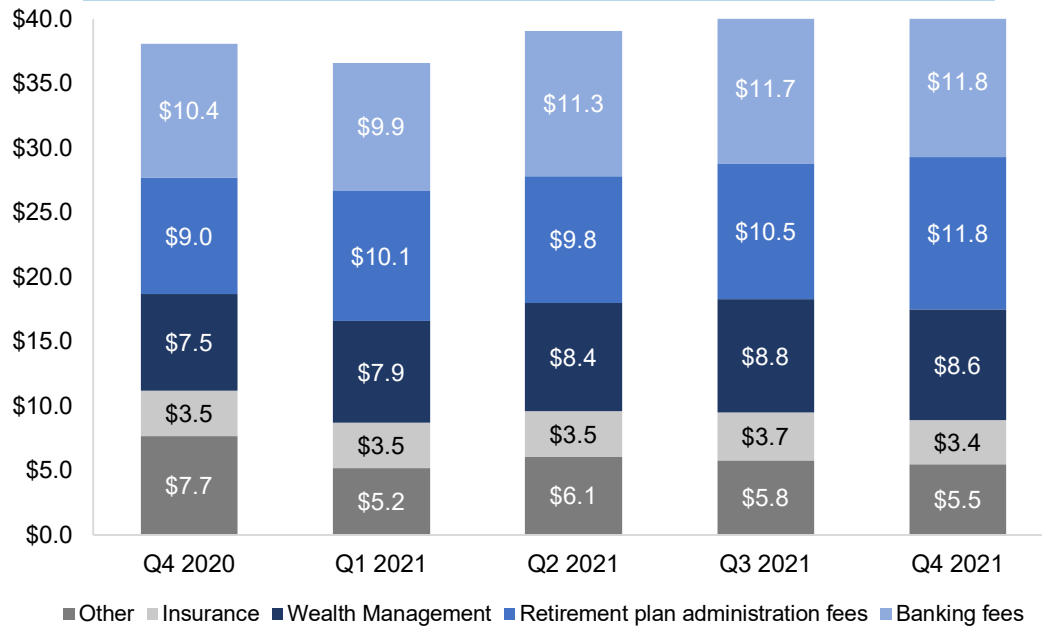
- Net interest income increased \$7.5 million to \$85.5 million
- PPP income increased \$4.7 million
- Net interest margin increased 20 bps to 3.08%
 - Net impact of excess liquidity and PPP lending negatively impacted NIM by 11 bps compared to negative 26 bps in 3Q 2021
 - Normalized margin, excluding PPP and excess liquidity, increased 5 bps from prior quarter primarily due to 3 bp increase in earning asset yields and 2 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.

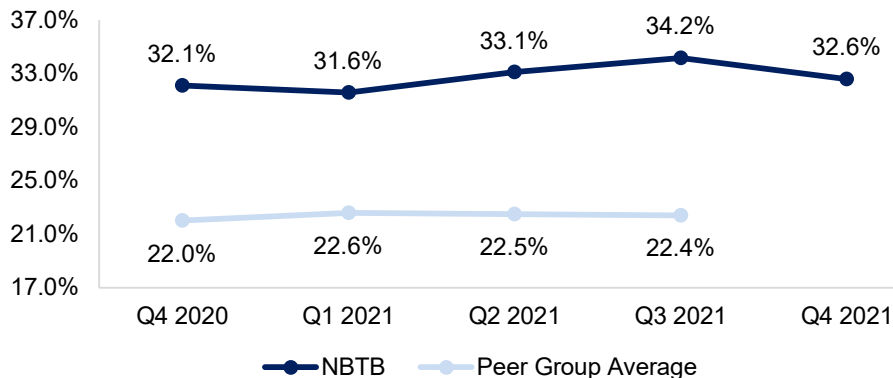
1. Comparison to Q3 2021 unless otherwise stated.

Noninterest Income

Noninterest Income Trend¹ (\$ in millions)



Total Noninterest Income¹ / Total Revenue¹



Quarterly Highlights²

- Noninterest income to total revenue was 32.6%¹
- \$41.1 million¹ in noninterest income, up \$0.7 million
- Retail banking fees (service charges and ATM and debit card fees)
 - Service charges on deposit accounts up \$0.3 million
 - ATM and debit card fees down \$0.2 million
- Retirement plan administration fees up \$1.3 million
- Wealth management fees down \$0.2 million
- Insurance revenues down \$0.3 million

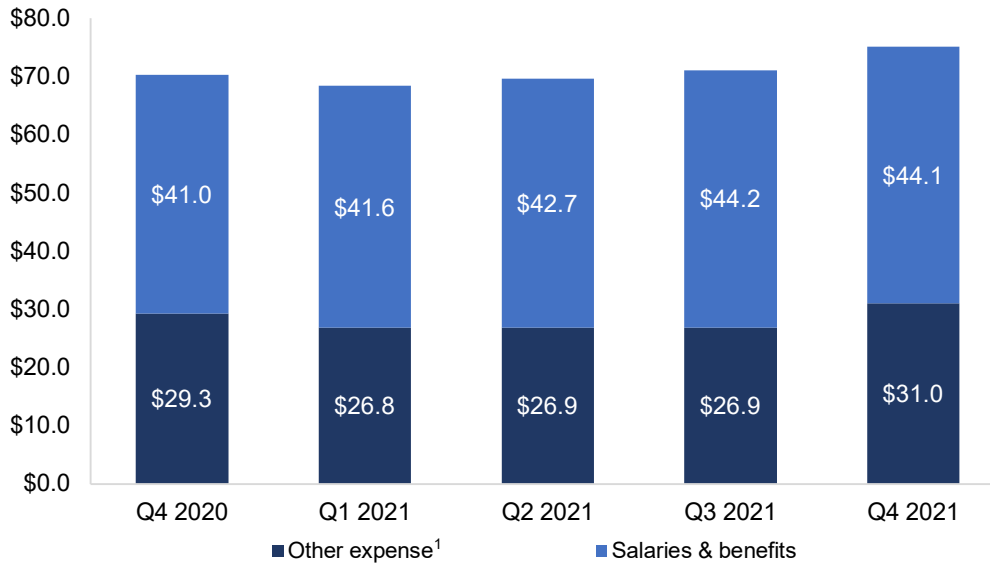
Assets under management / administration of \$10.1 billion

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

- Excludes net securities gains (losses).
- Comparison to Q3 2021 unless otherwise stated.

Noninterest Expense

Noninterest Expense Trend (\$ in millions)



Quarterly Highlights²



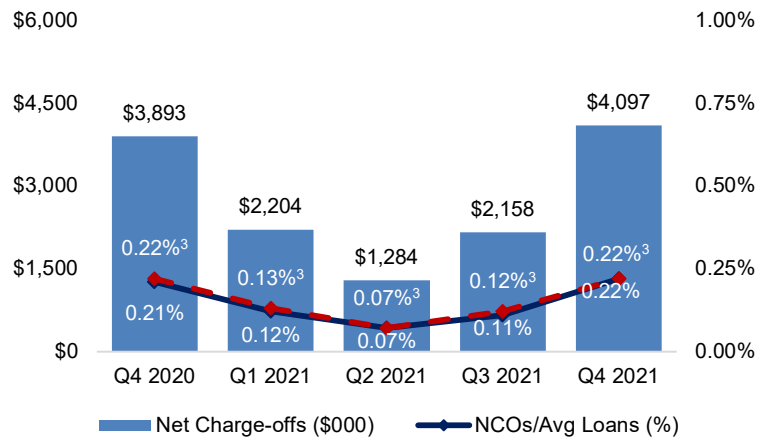
- Noninterest expense of \$75.1 million
 - Up \$2.2 million (3.1%)
- Salaries & Benefits consistent with Q3 2021
- Occupancy expense increased driven by seasonally higher repair and maintenance costs
- Professional fees and outside services increase due to higher costs associated with several digital and other technology-related initiatives
- Advertising and marketing expenses higher due to timing of refreshed collateral and messaging materials

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.

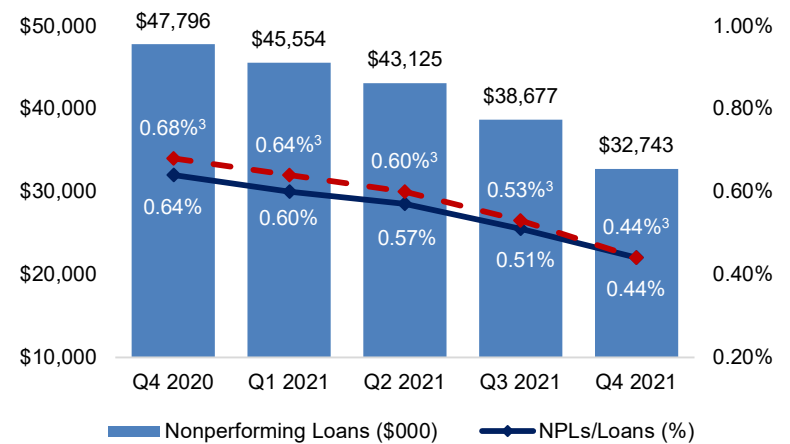
2. Comparisons to Q3 2021 unless otherwise stated.

Asset Quality

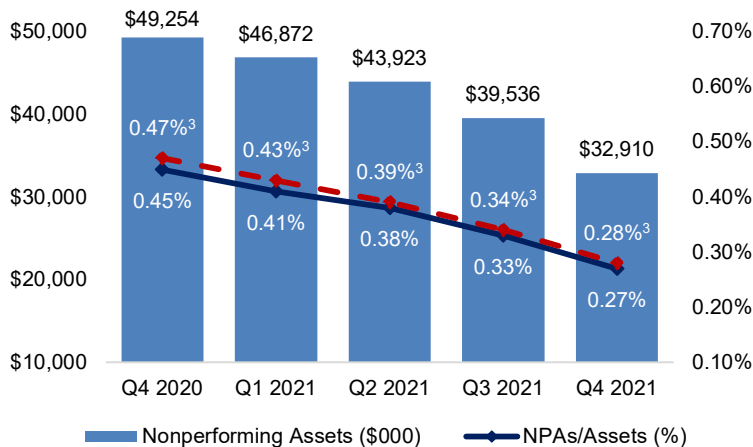
Net Charge-Offs



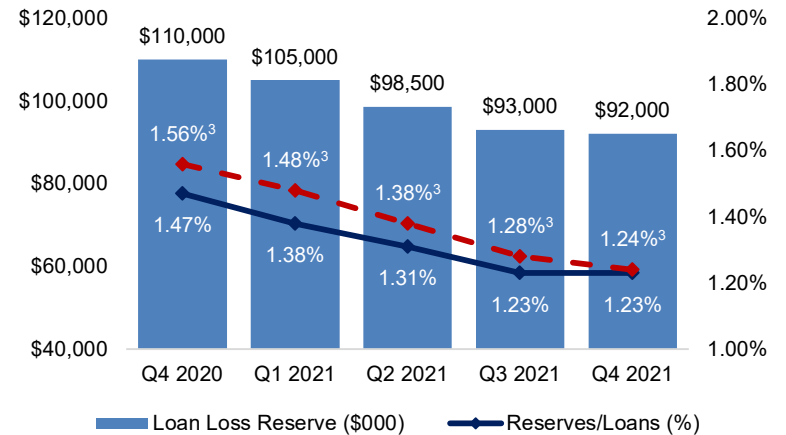
Nonperforming Loans¹



Nonperforming Assets²



Loan Loss Reserves

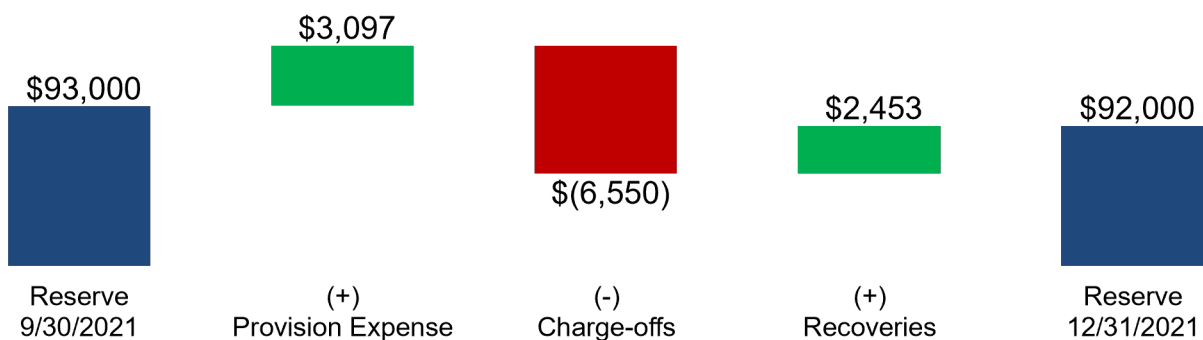


1. Nonperforming loans exclude performing TDRs.
2. Nonperforming assets include nonaccrual loans, loans ninety days past due and still accruing and OREO.
3. ³ Excluding PPP loans of \$430.8 million and related allowance of \$21 thousand as of December 31, 2020, PPP loans of \$536.5 million and related 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 and PPP loans of \$101.2 million and related allowance of \$5 thousand as of December 31, 2021.

Reserve / Loans by Segment

Loan Type	1/1/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021
Commercial & Industrial	0.98%	1.34%	1.20%	1.11%	0.83%	0.78%
Paycheck Protection Program	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%
Commercial Real Estate	0.74%	1.49%	1.48%	1.26%	0.93%	0.78%
Residential Real Estate	0.83%	1.07%	1.03%	0.98%	0.93%	0.92%
Auto	0.78%	0.93%	0.78%	0.76%	0.78%	0.79%
Other Consumer	3.66%	4.55%	4.34%	4.27%	4.57%	4.49%
Total	1.07%	1.47%	1.38%	1.31%	1.23%	1.23%
Total excluding PPP loans	1.07%	1.56%	1.48%	1.38%	1.28%	1.24%

12/31/2021 Loan Loss Reserve Activity (\$ in Thousands)



APPENDIX



Paycheck Protection Program

Dollars in Thousands	Q1 2021	Q2 2021	Q3 2021	Q4 2021
\$ of Loans Originated	797,747	835,535	835,535	835,535
# of Loans Originated	5,492	6,060	6,060	6,060
Avg Originated Balance	145	138	138	138
Current Balance	536,494	359,738	276,195	101,222
Cumulative Forgiveness %	26%	52%	63%	84%
QTD Income	6,171	4,732	2,861	7,545

2020

Originated \$548 million with average loan size of \$184,000

94% of loans forgiven

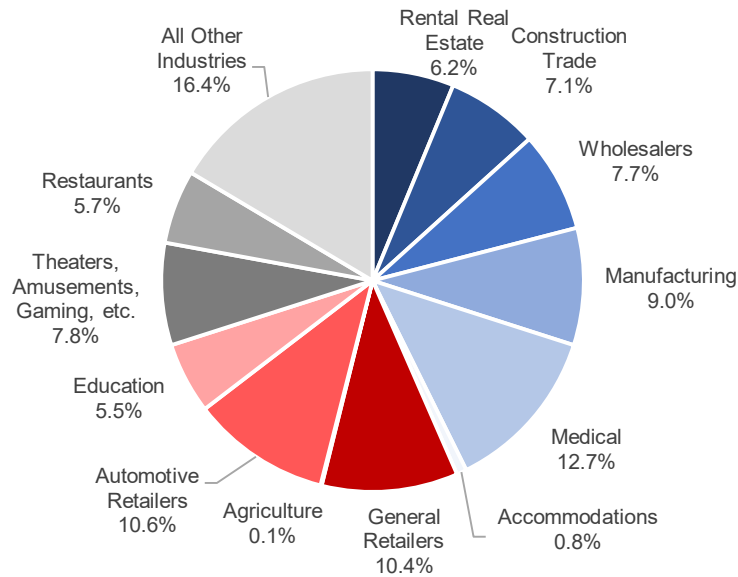
2021

Originated \$287 million with average loan size of \$93,000

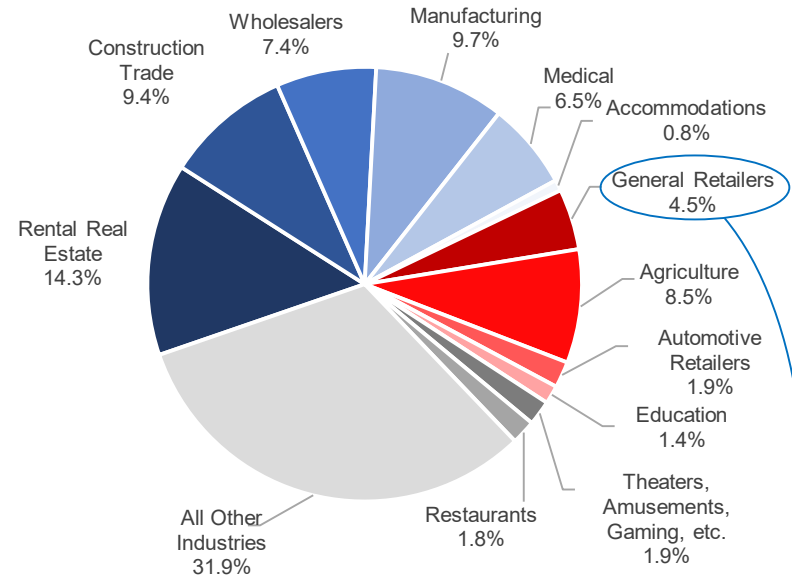
\$3.4 million remaining in unamortized fees
66% of loans forgiven

Commercial Loan Portfolio Detail

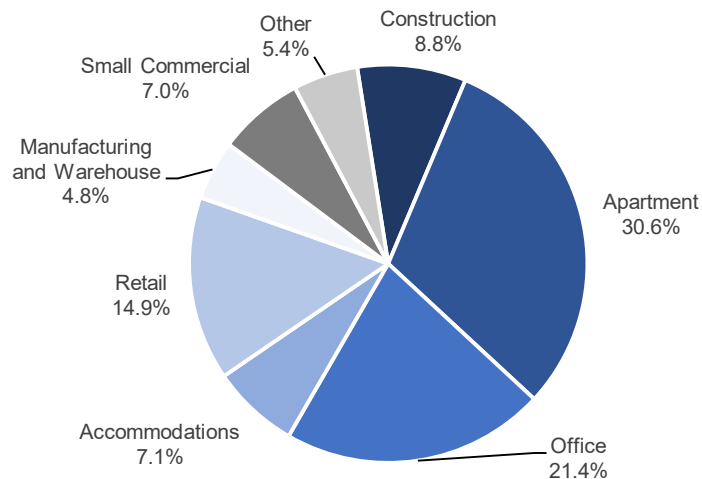
Owner Occupied CRE (\$0.5 billion)¹



Commercial & Industrial (\$1.5 billion)¹



Non-Owner Occupied CRE (\$1.8 billion)¹



Retail

- 17% Building Materials / Home Centers
- 17% Grocery Stores / Pharmacies
- 10% Gasoline / C Stores
- 27% Home Furnishings

1. Data as of 12/31/2021, excludes PPP balances.

Interest Rate & Liquidity Risk

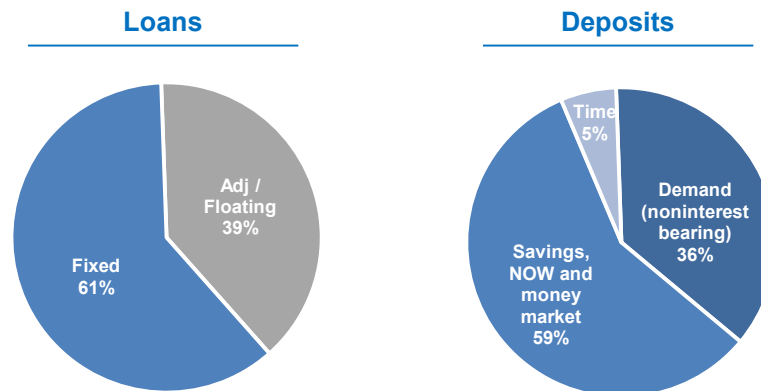
Interest Rate Risk Position¹

- Loan portfolio:
 - 61% Fixed / 39% Adjustable/Floating
- Deposit repricing information:
 - \$121 million CDs re-price in Q1 2022
- Offsets to low-rate environment: \$761 million adjustable/floating loans with floors and resets
 - \$409 million loans with in-the-money interest rate floors
 - \$327 million loans with interest rate floors out-of-the-money
 - \$25 million loans at introductory rates expected to reset higher by approximately 50 bps
- Investments:
 - 4.0 year modified duration, 0.6% of portfolio floating rate

Liquidity¹

- Continued significant excess liquidity
 - \$1.06 billion in excess reserves at Fed
- Loan-to-deposit ratio of 73.3%
- Available lines of credit:
 - \$1.67 billion FHLB (secured)
 - \$0.58 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	6.46%
Up 100 bps	3.10%
Down 50 bps	-0.74%

1. Data as of 12/31/2021.

Corporate Social Responsibility

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



External Recognition



*Second
Consecutive Year*

Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q4 2021	Q3 2021	Q4 2020
Net Income	\$ 37,310	\$ 37,433	\$ 34,194
Income Tax Expense	10,780	11,043	9,432
Provision Expense	3,097	(3,342)	(607)
FTE Adjustment	292	298	318
Net Securities Losses (Gains)	2	100	(160)
Provision for Unfunded Loan Commitments Reserve	(250)	(470)	900
Nonrecurring Expense ¹	250	2,288	4,100
Pre-Provision Net Revenue ("PPNR") ²	\$ 51,481	\$ 47,350	\$ 48,177
Average Assets	\$ 11,999,360	\$ 11,747,295	\$ 10,939,713
Return on Average Assets³	1.23%	1.26%	1.24%
PPNR Return on Average Assets³	1.70%	1.60%	1.75%

(Dollars in Thousands)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net Interest Income	\$ 85,181	\$ 77,674	\$ 79,178	\$ 79,055	\$ 80,108
FTE Adjustment	292	298	299	302	318
Net Interest Income, Tax Equivalent	\$ 85,473	\$ 77,972	\$ 79,477	\$ 79,357	\$ 80,426
Average Total Interest Earning Assets	\$ 11,017,224	\$ 10,727,498	\$ 10,631,071	\$ 10,141,088	\$ 9,985,590
Net Interest Margin, Tax Equivalent³	3.08%	2.88%	3.00%	3.17%	3.20%

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, Except Per Share Data)	Q4 2021	Q3 2021	Q4 2020
Net Income	\$ 37,310	\$ 37,433	\$ 34,194
Amortization of Intangible Assets (Net of Tax)	488	497	617
Net Income, Excluding Intangibles Amortization	\$ 37,798	\$ 37,930	\$ 34,811
Average Tangible Equity	\$ 954,917	\$ 942,553	\$ 881,377
Return on Average Tangible Common Equity¹	15.70%	15.97%	15.71%
Total Stockholder's Equity	\$ 1,250,453	\$ 1,241,457	\$ 1,187,618
Goodwill and Other Intangibles	(289,468)	(290,119)	(292,276)
Tangible Common Equity	\$ 960,985	\$ 951,338	\$ 895,342
Total Assets	\$ 12,012,111	\$ 11,994,411	\$ 10,932,906
Goodwill and Other Intangibles	(289,468)	(290,119)	(292,276)
Tangible Assets	\$ 11,722,643	\$ 11,704,292	\$ 10,640,630
Tangible Common Equity to Tangible Assets	8.20%	8.13%	8.41%
Common Shares Outstanding	43,168,012	43,337,693	43,629,094
Book Value Per Share	\$ 28.97	\$ 28.65	\$ 27.22
Tangible Book Value Per Share	\$ 22.26	\$ 21.95	\$ 20.52

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 Midwest Bancorp, Inc.	Chicago	IL	FMBI
First Merchants Corporation	Muncie	IN	FRME
Heartland Financial USA, Inc.	Dubuque	IA	HTLF
Independent Bank Corp.	Rockland	MA	INDB
Northwest Bancshares, Inc.	Warren	PA	NWBI
OceanFirst Financial Corp.	Toms River	NJ	OCFC
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
TriState Capital Holdings, Inc.	Pittsburgh	PA	TSC
WesBanco, Inc.	Wheeling	WV	WSBC