

NBT Bancorp Inc.

Q4 and Full Year 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, 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.

Q4 & Full Year 2022 Highlights

EARNINGS

- Q4 2022
 - Net income of \$36.1 million, or diluted earnings per share of \$0.84 (\$0.86 excluding merger expenses and securities losses)
 - Net interest income up 5.6% from 3Q 2022 and up 17.1% from 4Q 2021
 - Noninterest income, excluding securities gains (losses) of \$34.3 million; represents 26% of total revenues
- Full Year 2022
 - Net income of \$152.0 million, or diluted earnings per share of \$3.52
 - Generated positive operating leverage of \$21.7 million with total revenues increasing 8.1% while operating expenses were higher by 6.0%

BALANCE SHEET & ASSET QUALITY

- Full year loan growth of \$752 million, or 10.2%, excluding Paycheck Protection Program (“PPP”) loans
- Period end total loans were \$8.15 billion
- Deposits were \$9.50 billion at December 31, 2022 with total cost of deposits at 0.17% for Q4 2022, 0.09% for Q3 2022 and 0.08% for Q4 2021
- Allowance for loan losses to total loans of 1.24% compared to 1.22% in Q3 2022 (compared to 1.07% at January 1, 2020)
- Quarterly net charge-offs of \$3.7 million, or 0.18%¹ of average loans and 0.11% of average loans for the full year of 2022
- Continued decline in nonperforming loans, down 4% from the previous quarter to \$21.1 million

CAPITAL STRENGTH

- Board of Directors approved a \$0.30 per share dividend, a \$0.02 or 7.1% increase from the first quarter of 2022
- Tangible book value per share² of \$20.65 at Q4 2022, \$20.25 at Q3 2022 and \$22.26 at Q4 2021
- Leverage ratio was 10.32% at December 31, 2022, more than two times the well-capitalized regulatory level
- Total risk-based capital was 15.38% at December 31, 2022

1. Annualized.

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

Q4 2022 Results Overview

Financial Highlights

(\$ in millions except per share data)	Q4 2022	Change		% Change	
		Q3 2022	Q4 2021	Q3 2022	Q4 2021
Period End Balance Sheet					
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%)
Income Statement					
FTE net interest income ²	100.2	5.4	14.7	5.6%	17.2%
Provision for loan losses ³	7.7	3.2	4.6	71.2%	147.9%
Total noninterest income ³	34.3	(3.0)	(6.8)	(8.1%)	(16.6%)
Total noninterest expense ⁴	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 ²	55.8	0.1	4.3	0.2%	8.3%
Performance Ratios					
Earnings per share, diluted	\$ 0.84	\$ (0.06)	\$ (0.02)	(6.7%)	(2.3%)
Net interest margin ^{2,5}	3.68%	0.17%	0.60%	4.8%	19.5%
ROAA ⁵	1.23%	(0.10%)	- %	(7.5%)	- %
PPNR ROAA ^{2,5}	1.90%	- %	0.20%	- %	11.8%
ROATCE ^{2,5}	16.54%	(0.58%)	0.84%	(3.4%)	5.4%
NCOs/ Avg loans (%) ⁵	0.18%	0.11%	(0.04%)	157.1%	(18.2%)
Tangible book value per share ²	\$ 20.65	\$ 0.40	\$ (1.61)	2.0%	(7.2%)
Tangible equity ratio ²	7.73%	0.09%	(0.47%)	1.2%	(5.7%)
Capital Ratios					
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 Highlights¹



Balance Sheet

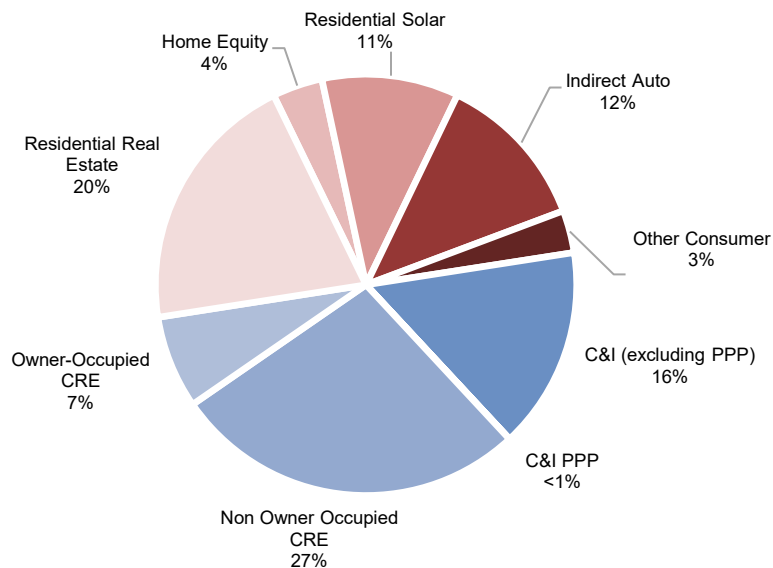
- Loans up \$245.4 million
- Deposits decreased \$422.8 million
- Tangible book value per share² of \$20.65

Earnings & Capital

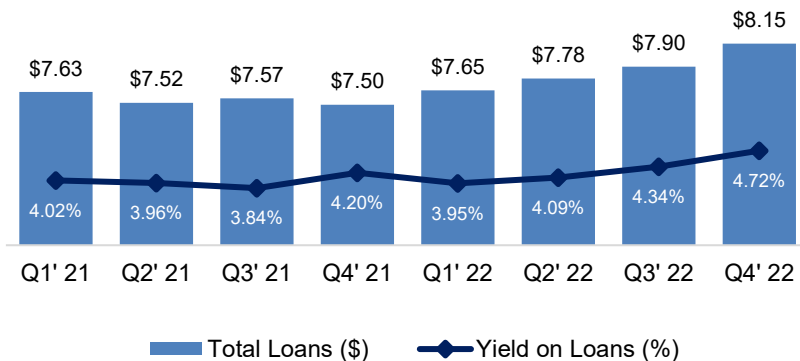
- Net income of \$36.1 million and diluted earnings per share of \$0.84
- Net interest margin² up 17 bps to 3.68%
- Provision expense of \$7.7 million with net charge-offs of \$3.7 million
- Noninterest expense⁴ up 2.4%
- Effective tax rate of 22.6%

Loans

Total Loans: \$8.15 billion¹



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



Quarterly Highlights

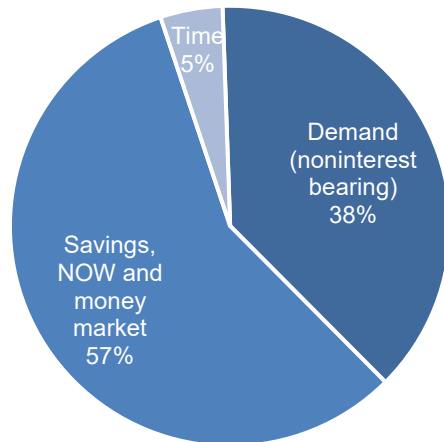


- Loans up \$245.4 million from Q3 2022, or 3.1%
- Total commercial loans increased \$87.0 million to \$4.07 billion
- Total consumer loans increased \$158.3 million to \$4.08 billion
- Yields on total loans increased 38 bps from Q3 2022
- Quarterly portfolio loan yields:
 - Commercial (excluding PPP): 4.89%
 - Residential mortgage and home equity: 3.72%
 - Consumer: 5.35%

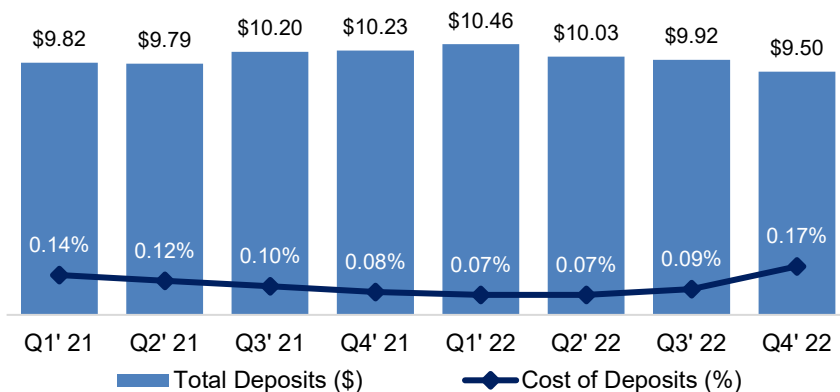
1. As of 12/31/22. Total loans included PPP loans of \$0.9 million net of <\$0.1 million in unearned fees.

Deposits

Total Deposits: \$9.50 billion¹



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



Quarterly Highlights²

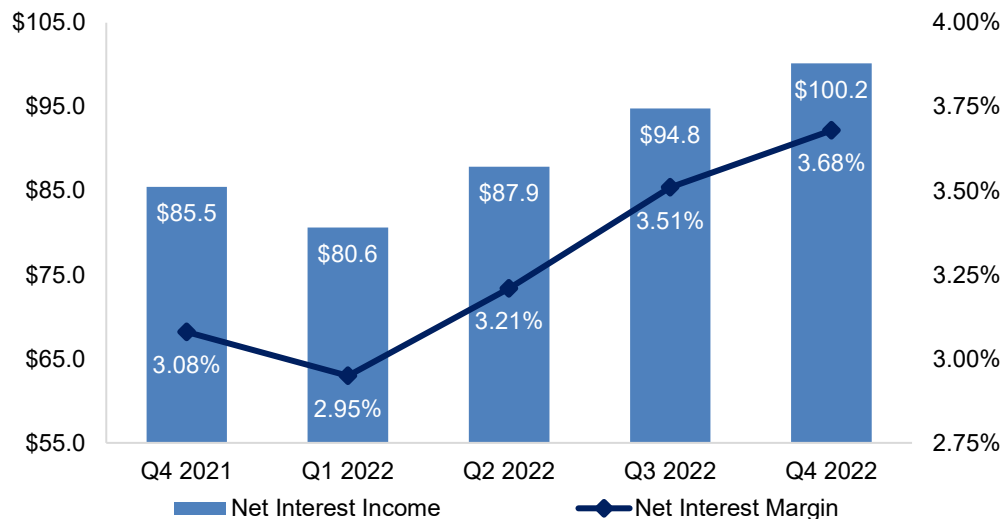


- Cost of total deposits of 0.17%, up 8 bps from the prior quarter
- Cost of interest-bearing deposits was 0.27%, up 13 bps from prior quarter
- Period end deposits decreased \$422.8 million, or 4.3%
- Noninterest bearing deposits were 38% of total deposits at Q4 2022
- Total deposits represent 92% of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

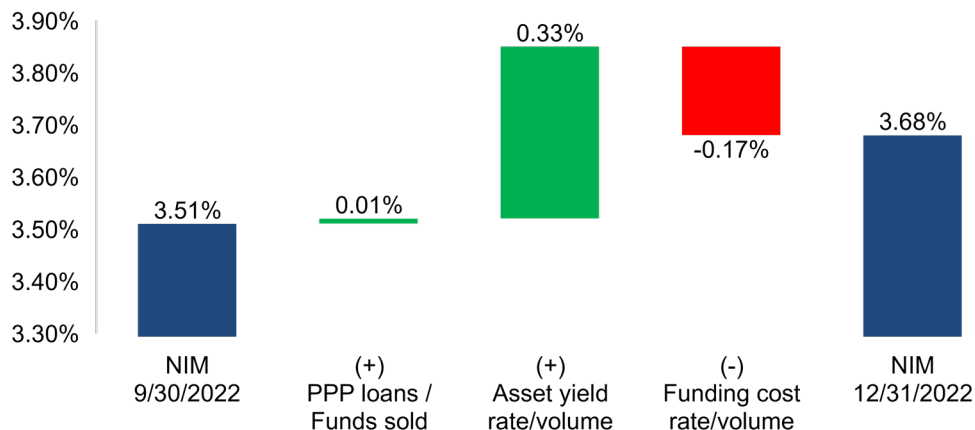
1. As of 12/31/2022.
2. Comparison to Q3 2022 unless otherwise stated.

Net Interest Income & Net Interest Margin

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



Q4 2022 Net Interest Margin



Quarterly Highlights¹

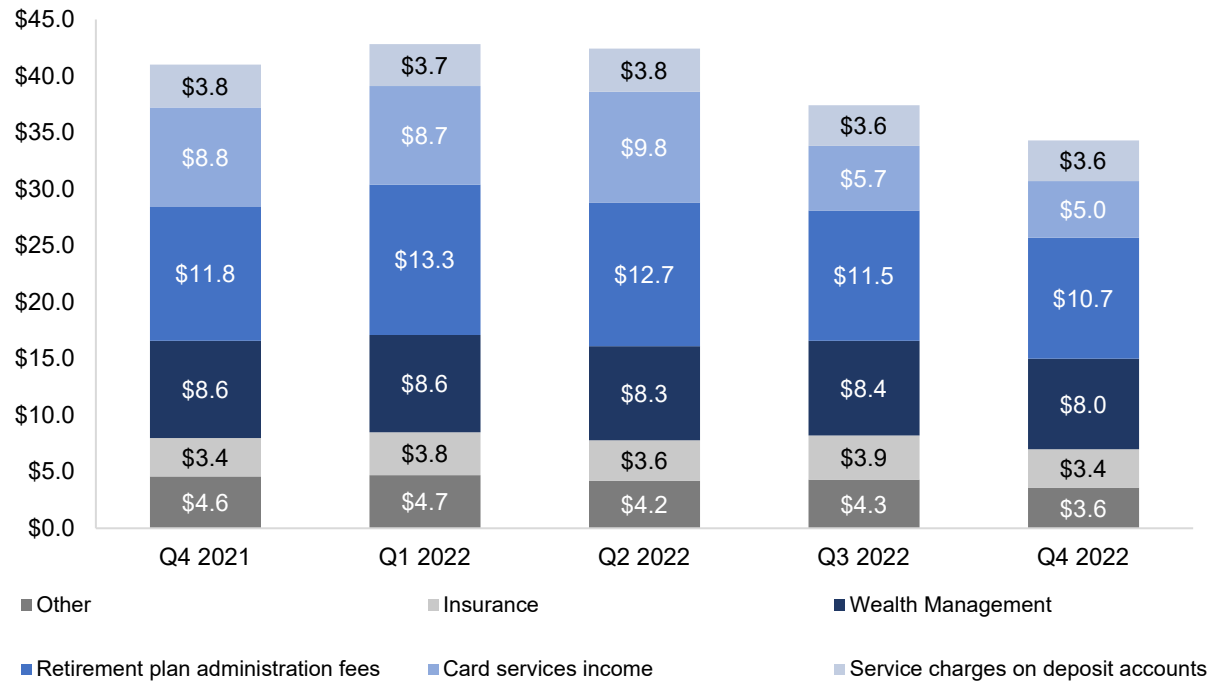
- Net interest margin increased 17 bps to 3.68%, primarily due to higher earning asset yields
- Interest earning asset yields increased 34 bps
- The total cost of funds increased 19 bps
- Net interest income increased \$5.4 million to \$100.2 million

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 Trend¹ (\$ in millions)



Quarterly Highlights²

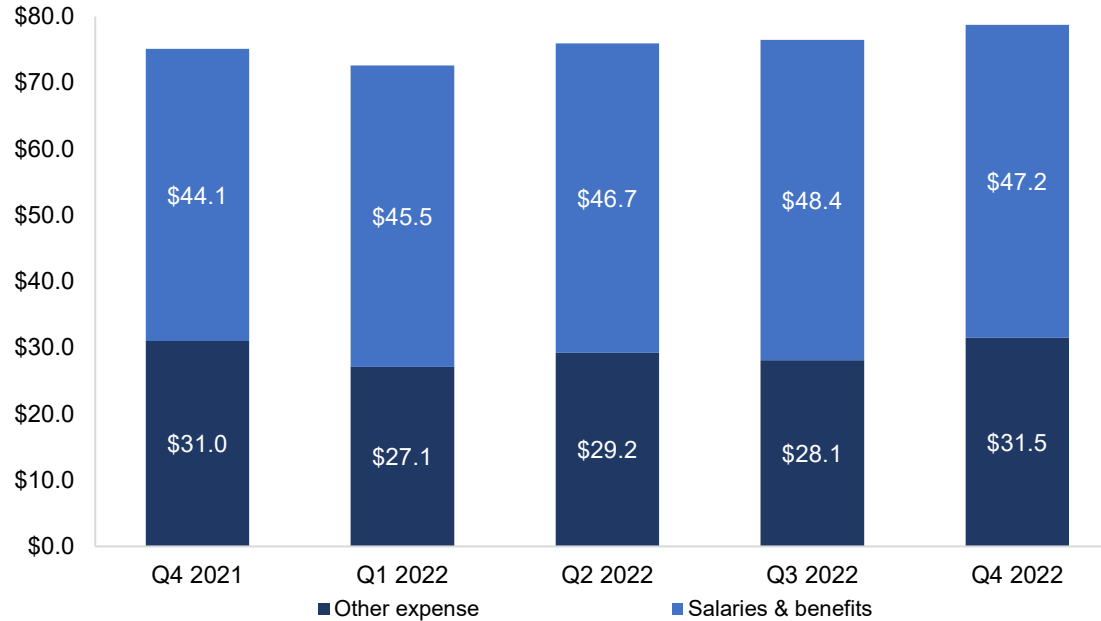
- Noninterest income to total revenue was 25.6%¹ (above peer levels)
- \$34.3 million¹ in noninterest income, down \$3.0 million
- Card services revenue down \$0.7 million driven primarily by lower levels of card utilization
- Retirement plan administration fees down \$0.8 million, driven by seasonal 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 Trend¹ (\$ in millions)



Quarterly Highlights²

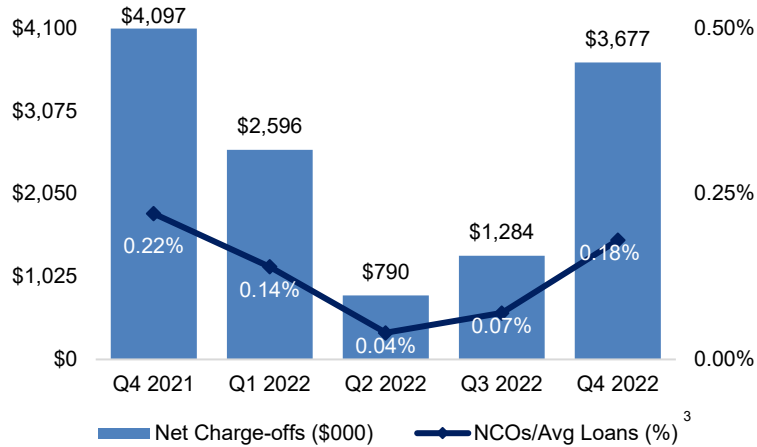
- Noninterest expense of \$79.5 million
 - Up \$2.8 million (3.7%)
- Salaries & Benefits decrease 2.3% driven by lower benefit plan costs
- Professional fees and outside services increased due to timing of external services for several tactical and strategic initiatives
- Merger expenses of \$1.0 million



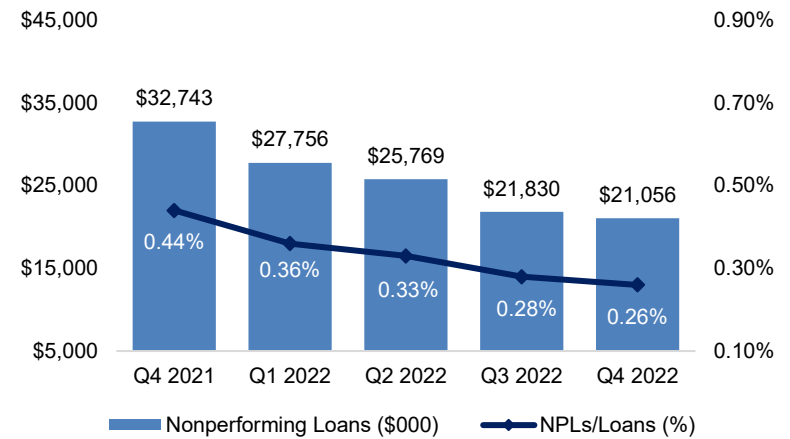
1. Other Expense includes Technology and data services, Occupancy, Professional fees and outside services, Office supplies and postage, FDIC expense, Advertising, Amortization of intangible assets, Loan collection & OREO, net and other expense. Presented excluding provision for unfunded commitment reserves, merger expenses and other non-recurring expense.
2. Comparisons to Q3 2022 unless otherwise stated.

Asset Quality

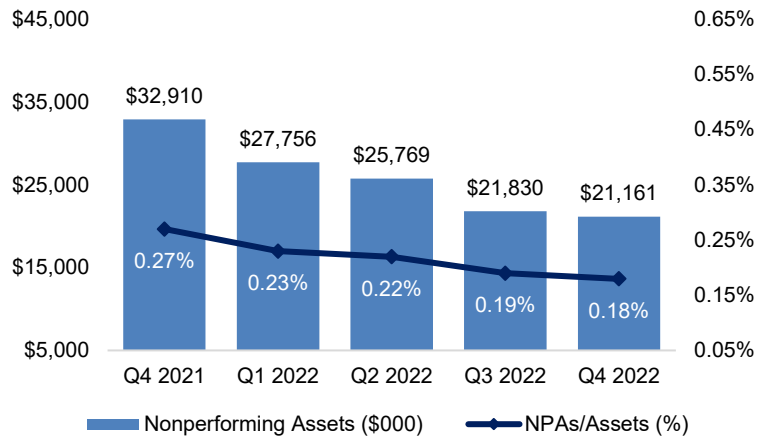
Net Charge-Offs



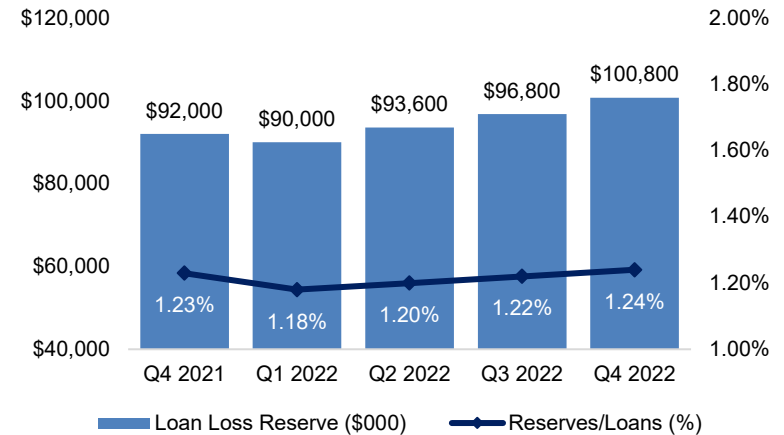
Nonperforming Loans¹



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. Annualized.

APPENDIX



Fourth Quarter Trends

(\$ in thousands except per share data)	Q4 2022	Q4 2021	Q4 2020	Q4 2019
Income Statement				
Loan interest income, excluding PPP income	\$ 95,549	\$ 71,925	\$ 71,192	\$ 79,800
PPP interest income and fees	71	7,545	5,671	-
Securities	12,881	9,198	9,010	9,852
Other interest income	671	639	568	924
Total interest income	109,172	89,307	86,441	90,576
Total interest expense	9,393	4,126	6,333	13,393
Net interest income	99,779	85,181	80,108	77,183
Card services income	4,958	8,847	7,495	6,651
Other noninterest income	29,133	32,264	30,620	29,590
Total net revenue	133,870	126,292	118,223	113,424
Merger expense	967	-	-	-
Other noninterest expense	78,542	75,105	75,204	70,294
Income before provision and income taxes	54,361	51,187	43,019	43,130
Provision for credit losses	7,677	3,097	(607)	6,004
Income before taxes	46,684	48,090	43,626	37,126
Income taxes	10,563	10,780	9,432	8,166
Net Income	\$ 36,121	\$ 37,310	\$ 34,194	\$ 28,960
Performance Ratios				
Diluted earnings per share	\$ 0.84	\$ 0.86	\$ 0.78	\$ 0.66
Net interest margin ^{1,2}	3.68%	3.08%	3.20%	3.52%
ROATCE ^{1,2}	16.54%	15.70%	15.71%	14.28%
NCOs/Avg loans ²	0.18%	0.22%	0.21%	0.30%

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

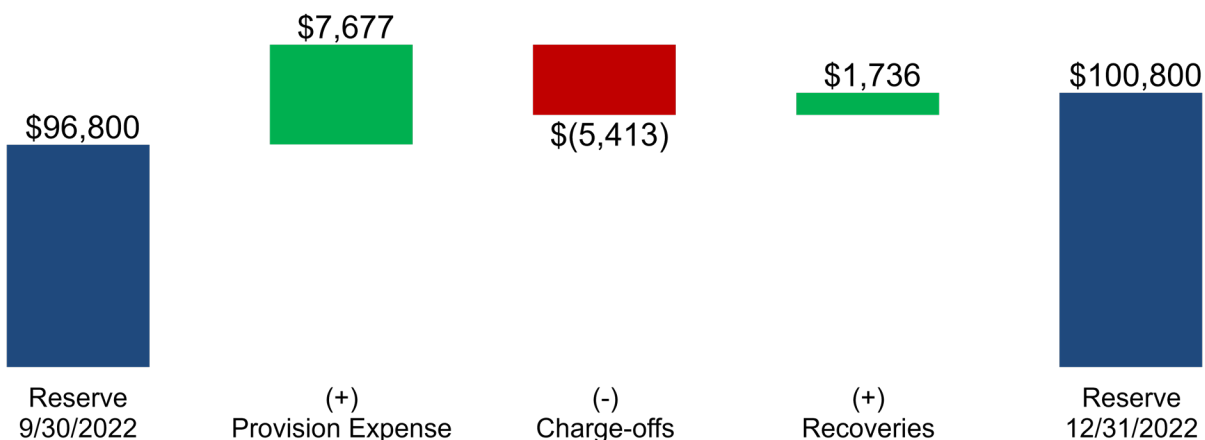
2. Annualized.

Loan Loss Reserve (CECL)

Reserve / Loans by Segment

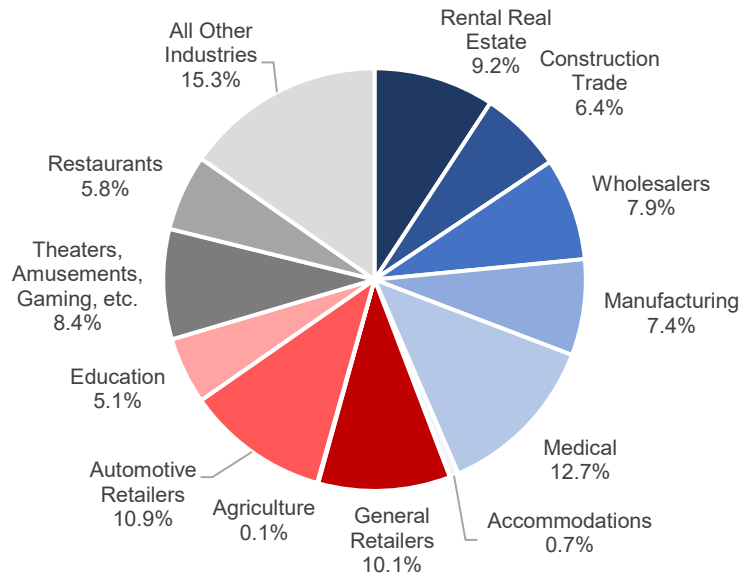
Loan Type	1/1/2020	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Commercial & Industrial	0.98%	0.78%	0.66%	0.75%	0.80%	0.82%
Paycheck Protection Program	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%
Commercial Real Estate	0.74%	0.78%	0.79%	0.89%	0.88%	0.91%
Residential Real Estate	0.83%	0.92%	0.88%	0.79%	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%
Total	1.07%	1.23%	1.18%	1.20%	1.22%	1.24%
Total excluding PPP loans	1.07%	1.24%	1.18%	1.21%	1.23%	1.24%

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

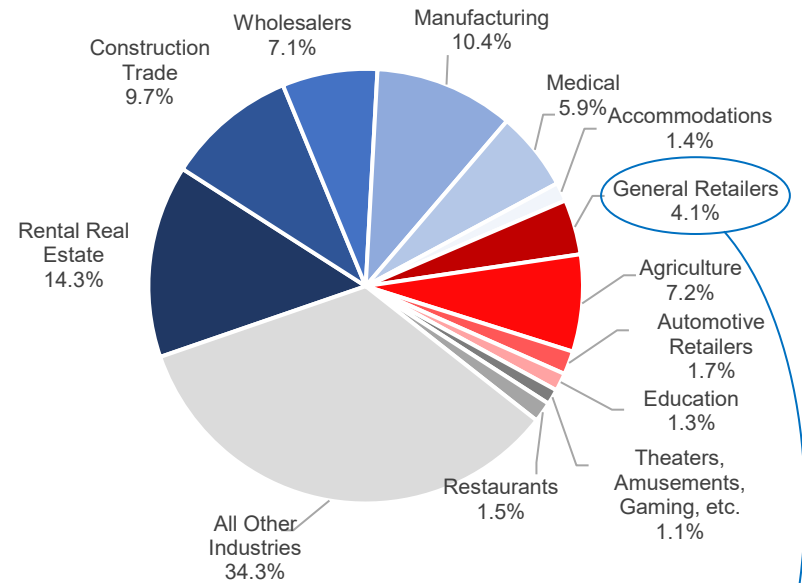


Commercial Loan Portfolio Detail

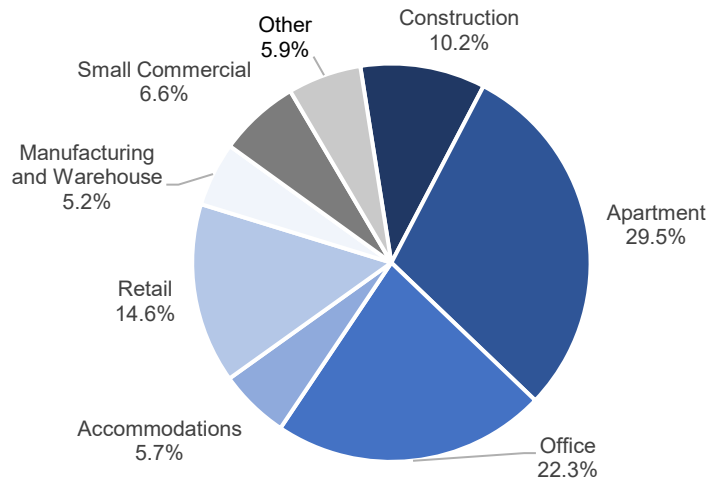
Owner Occupied CRE (\$0.56 billion)¹



Commercial & Industrial (\$1.27 billion)¹



Non-Owner Occupied CRE (\$2.23 billion)¹

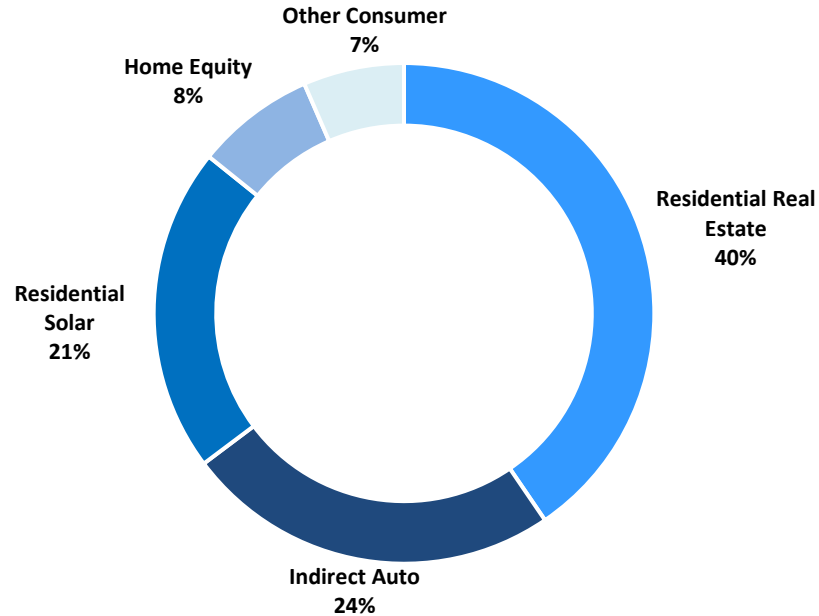


Retail	
•	13% Building Materials / Home Centers
•	19% Grocery Stores / Pharmacies
•	20% Gasoline / C Stores
•	23% Home Furnishings

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

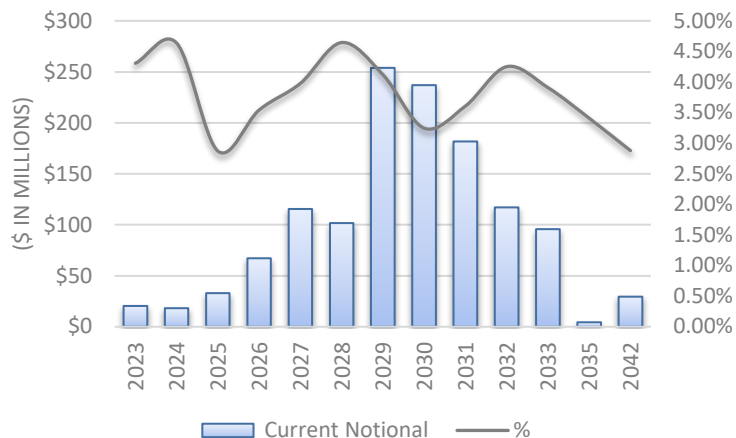


As of 12/31/2022	Consumer Lending Portfolio Metrics				
	Total Outstandings (\$000s)	# of Accounts	Avg. Balance	wAve Max FICO	Avg. DTI
Residential Real Estate	\$ 1,649,870	11,889	\$ 138,730	764	35
Indirect Auto	\$ 989,587	55,145	\$ 17,556	753	30
Residential Solar	\$ 856,798	25,585	\$ 33,417	762	34
Home Equity	\$ 314,124	10,924	\$ 28,341	778	33
Other Consumer	\$ 265,796	44,702	\$ 5,748	748	26

Interest Rate & Liquidity Risk

Interest Rate Risk Position¹

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

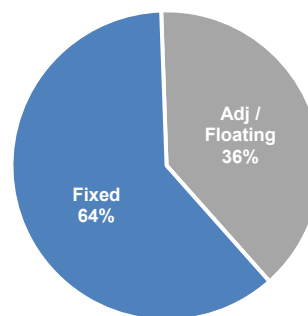


Year 1 Interest Rate Sensitivity¹

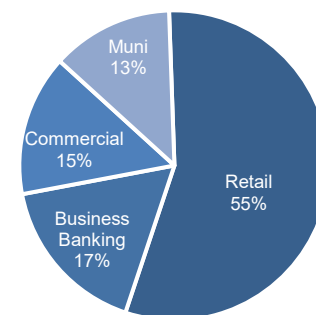
	Net Interest Income
Change in interest rates	% Change from base
Up 200 bps	2.83%
Up 100 bps	1.60%
Down 100 bps	-1.98%
Down 200 bps	-3.99%

Loan & Deposit Mix¹

Loans



Deposits



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

Liquidity¹

- 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 12/31/2022.

Corporate Social Responsibility

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

SUSTAINABLE FINANCING

\$670 million
in consumer solar loan originations

Paper reduction and recycling efforts saved
4,377 trees
in 2021



FREE TAX PREP

Assisted over 750 families in need in 2020 and 2021, returning more than \$3.2 million to communities served by Colgate University's VITA program



FINANCIAL WELLNESS
\$582,804 contributed to student loan repayment for **200+** employees



SAY ON PAY:
97% of shares **voted** to approve compensation of named executive officers



Proxy Advisor **Governance**
Score of "1" from ISS Corporate Solutions

ENERGY CONSUMPTION

Driving and lighting initiatives in 2021 compare to removing

106 cars
from the road



HELPING AMERICA RETIRE
with **300,000+** retirement plan participants nationwide



AFFORDABLE HOUSING
Over **\$750 million** provided to construct over 125 projects creating **5.5k+** HOUSING UNITS



FOCUSED ON WHAT MATTERS



8,500
employee **VOLUNTEER**
hours in 2021

Donated nearly \$2 million

to community organizations in 2021



EMPLOYEE & BOARD TRAINING
●●●●● **96%** completed **Ethics** training
●●●●● **99%** completed **Information Security** training



SBA's Paycheck Protection Program
Funded 6,100+ loans for \$835 million in relief supporting more than **96,000 jobs**



Elected 2 women and 1 African American to Board of Directors in past two years

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

Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q4 2022	Q3 2022	Q4 2021
Net Income	\$ 36,121	\$ 38,973	\$ 37,310
Income Tax Expense	10,563	11,499	10,780
Provision Expense	7,677	4,484	3,097
FTE Adjustment	392	337	292
Net Securities Losses	217	148	2
Provision for Unfunded Loan Commitments Reserve	(185)	225	(250)
Merger Expense	967	-	-
Nonrecurring Expense ¹	-	-	250
Pre-Provision Net Revenue ("PPNR") ²	\$ 55,752	\$ 55,666	\$ 51,481

Average Assets	\$ 11,656,525	\$ 11,614,669	\$ 11,999,360
Return on Average Assets³	1.23%	1.33%	1.23%
PPNR Return on Average Assets³	1.90%	1.90%	1.70%

(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
Net Interest Margin, Tax Equivalent³	3.68%	3.51%	3.21%	2.95%	3.08%

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 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
Return on Average Tangible Common Equity¹	16.54%	17.12%	15.70%
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
Tangible Common Equity to Tangible Assets	7.73%	7.64%	8.20%
Common Shares Outstanding	42,857,823	42,839,255	43,168,012
Book Value Per Share	\$ 27.38	\$ 27.00	\$ 28.97
Tangible Book Value Per Share	\$ 20.65	\$ 20.25	\$ 22.26

1. Annualized.

Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q4 2022	Q4 2021	Q4 2020	Q4 2019
Net Interest Income	\$ 99,779	\$ 85,181	\$ 80,108	\$ 77,183
FTE Adjustment	392	292	318	349
Net Interest Income, Tax Equivalent	\$ 100,171	\$ 85,473	\$ 80,426	\$ 77,532
Average Total Interest Earning Assets	\$ 10,801,115	\$ 11,017,224	\$ 9,985,590	\$ 8,738,350
Net Interest Margin, Tax Equivalent¹	3.68%	3.08%	3.20%	3.52%

(Dollars in Thousands)	Q4 2022	Q4 2021	Q4 2020	Q4 2019
Net Income	\$ 36,121	\$ 37,310	\$ 34,194	\$ 28,960
Amortization of Intangible Assets (Net of Tax)	404	488	617	633
Net Income, Excluding Intangibles Amortization	\$ 36,525	\$ 37,798	\$ 34,811	\$ 29,593
Average Tangible Common Equity	\$ 876,060	954,917	\$ 881,377	\$ 821,957
Return on Average Tangible Common Equity¹	16.54%	15.70%	15.71%	14.28%

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.	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