

# **NBT Bancorp Inc.**

2021 Virtual KBW Winter Financial Services Symposium  
February 10, 2021



# Overview

About NBT Bancorp

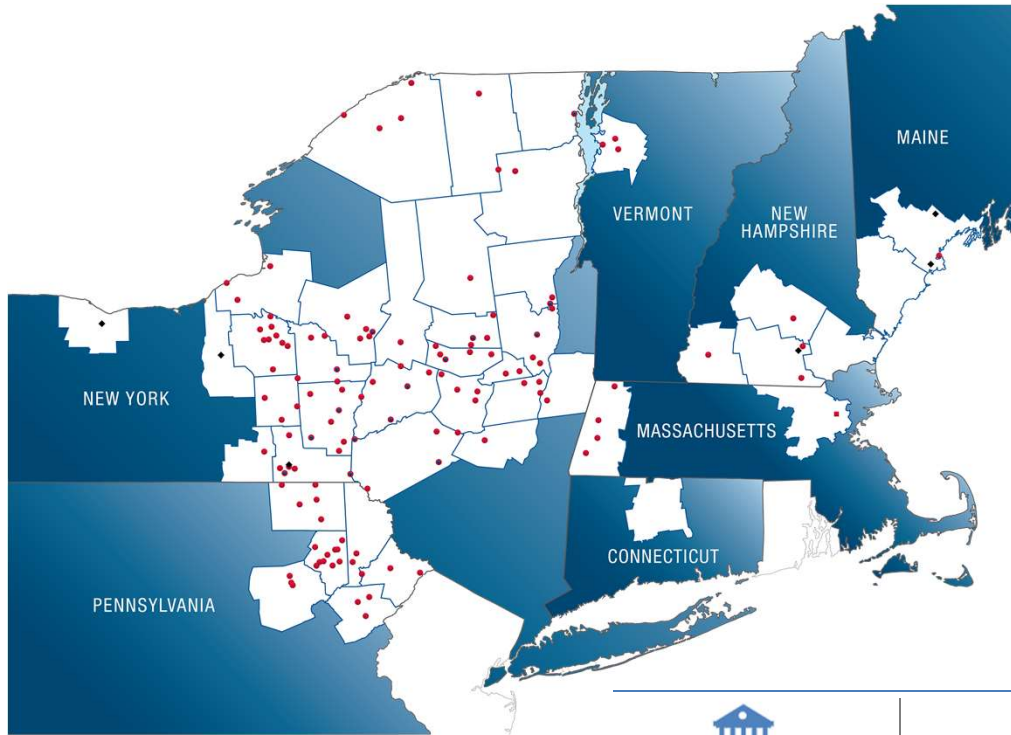
Strategic Initiatives

Financial Performance

Appendix



# Company Profile



## Financial Highlights

**Assets: \$10.9bn**

**Gross Loans: \$7.5bn**

**Deposits: \$9.1bn**

**Wealth AUM/A<sup>(1)</sup>: \$3.1bn/\$7.9bn**  
**EPIC AUA<sup>(2)</sup>: \$24.8bn**

**PPNR ROAA: 1.84%**

## Company Overview

| 98th Largest Bank Holding Co. |                    |
|-------------------------------|--------------------|
| Headquarters                  | Norwich, NY        |
| Founded                       | 1856               |
| Ticker                        | NASDAQ: NBTB       |
| Market Cap                    | \$1.4 billion      |
| Branches                      | 141                |
| Employees                     | 1,877              |
| Institutional Ownership       | 56%                |
| 3Mo. ADTV                     | 142,800            |
| 52 Week H/L                   | \$41.27 / \$26.10  |
| <b>Management:</b>            |                    |
| Chairman                      | Martin A. Dietrich |
| President & CEO               | John H. Watt, Jr.  |
| CFO                           | John V. Moran      |

## Lines of Business



### RETAIL BANKING

- Retail banking with 141 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 December 31, 2020; bank holding company ranking source: S&P Global Market Intelligence  
 Note: Non-GAAP reconciliation for PPNR ROAA (Pre-provision net revenue return on average assets) on pages 41-46  
 1. Assets under management and assets under administration in wealth management; excludes EPIC  
 2. Assets under administration in EPIC, includes ABG

# Key Highlights



High-performing, community-focused bank that's large enough to matter but small enough to remain nimble



Consistent track record of organic growth selectively balanced with bolt-on and bite-sized acquisitions



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



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



Diversified fee income, including a niche business with high recurring revenues



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

# Market Detail

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

### Central, Eastern and Upstate NY and Northeastern PA

- NBTB holds significant market share in core / hometown markets
  - Approximately 40% of deposits are located in counties where NBTB has at least a 20% market share
  - Approximately 50% 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 73% of deposits come from counties where NBTB holds a top 5 rank
- Deposits generated from long-duration relationships
- Upstate NY 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 6/30/20
2. Data as of 12/31/20

## 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
  - \$559 million in total loans, \$149 million in total deposits
- Massachusetts
  - Strong retail team to leverage increasing commercial relationships
  - Positioned to take advantage of future market disruption
- New Hampshire
  - Strong entrepreneurial economy with close proximity to Boston
  - No income or sales tax
  - 70% growth since 2017
- Maine
  - Vibrant southern coastal Maine markets
  - \$464 million in total loans, \$35 million in total deposits
- Connecticut
  - Middle-market commercial and small business opportunities
  - Acquisition activity creating market disruption

# COVID-19 Update

Immediately created **Executive Task Force** and engaged established **Incident Response Team** under NBTB's **Business Continuity Plan** to execute a **comprehensive pandemic response** and take decisive action to address the initial and ongoing needs of impacted customers and employees.

## EMPLOYEES

- NBT Forward team ensures safety and nimble response across geographic and functional areas with groups focusing on: Employee Wellbeing, Alternate Workplans, Physical Workspaces, Customers & Vendors, and Policies, Training & Communication
- Health and safety protocols protect branch and other onsite workers
- Full-Time Remote and Hybrid Work Arrangements continue for majority of non-branch staff
- Enhancing Work-From-Home Experience through investments in Digital Tools and Technology



## CUSTOMERS

- 31% increase in Consumer Digital Adoption in 2020, including 86% increase in Online Account Opening and 82% increase in Mobile Dollars Deposited
- Over 120,000 transactions moved to Self Service from teller line and call center per month in 2020 (21% increase)
- New mobile, online and mortgage banking platforms launched in 2020
- Open for business. Branches lobbies “by appointment” and drive-up as of November 27

## SBA PAYCHECK PROTECTION PROGRAM

- Began accepting applications from Current and New Customers for current round of funding on January 14 with enhanced digital interface. Now receiving SBA approvals
- Supporting Application and Forgiveness Processes with online resources, educational webinars and CPA partnership
- In 2020, secured 3,000 loans for \$548 million in relief. Helped retain over 61,000 workers



Responsive

Technology Enabled

# Overview

About NBT Bancorp

**Strategic Initiatives**

Financial Performance

Appendix



# Our Strategic Initiatives

1



## EXECUTE ON GROWTH STRATEGY

- New England Expansion
- Organic Growth
- Disciplined Acquisitions

2



## AUGMENT OUR FEE BUSINESSES

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

3



## CONTINUE OUR TRANSFORMATIVE DIGITAL EVOLUTION

- Enhance Customer and Employee Experience Through Our Digital Initiatives
- Continue to Execute Our Technology Road Map



# New England Expansion

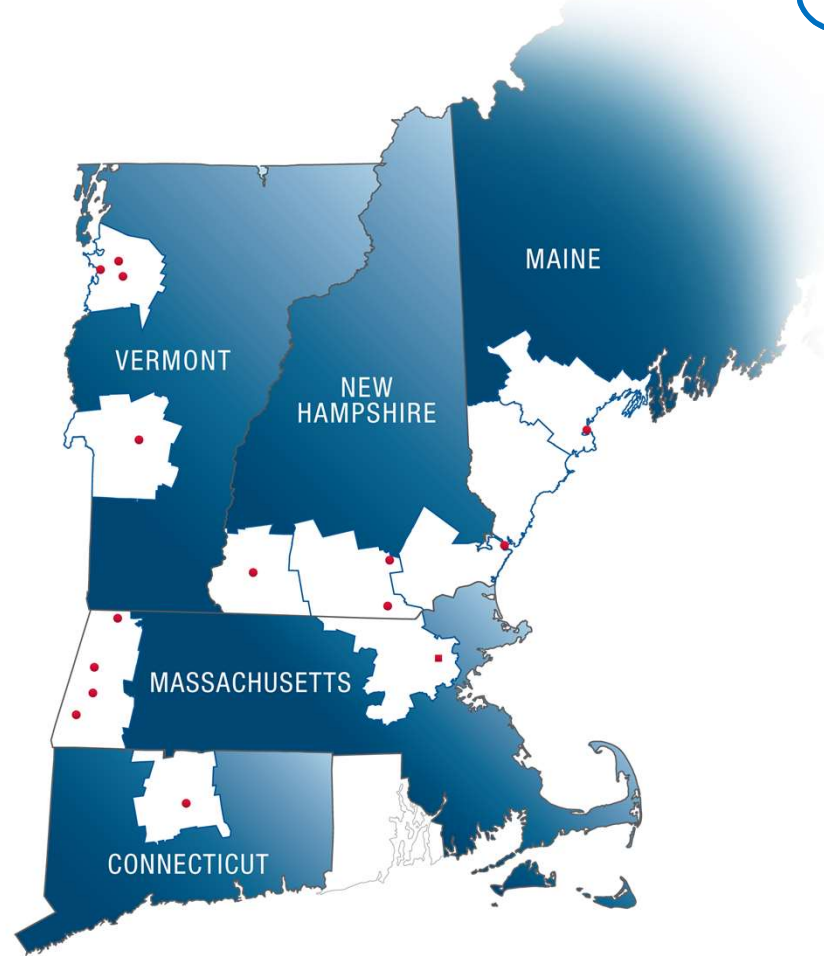
## Why New England?

### Banking Environment

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

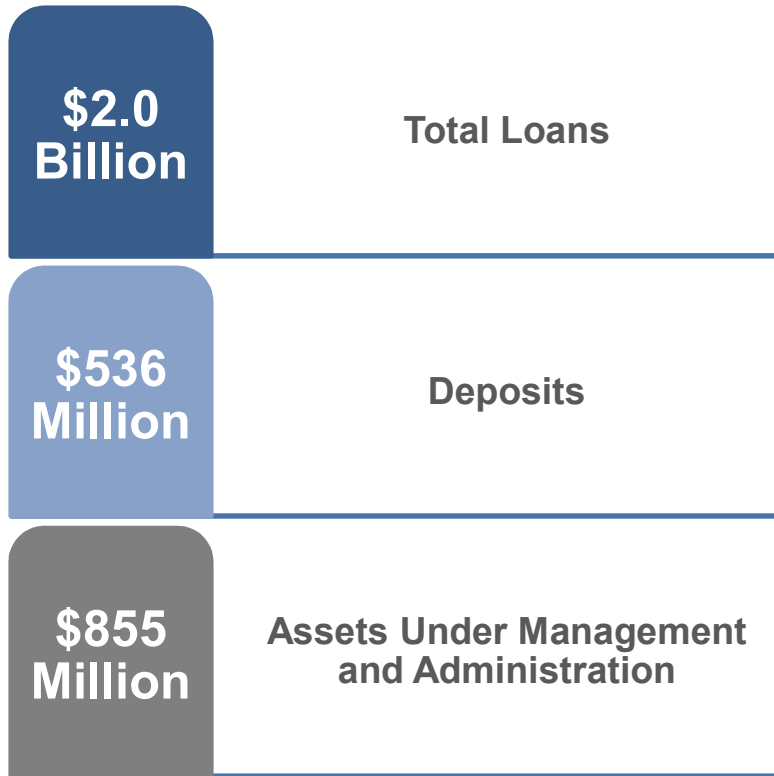
### Market Dynamics<sup>(1)</sup>

- Lower unemployment
- 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

# New England: 10 Years of Growth



| Year-Over-Year Growth |  |
|-----------------------|--|
| 18%                   | Loan Growth  |
| 19%                   | Growth in Deposits                                   |
| 14%                   | Growth in Assets Under Management and Administration |

## Local Talent with Deep Market Knowledge



New Hampshire Team

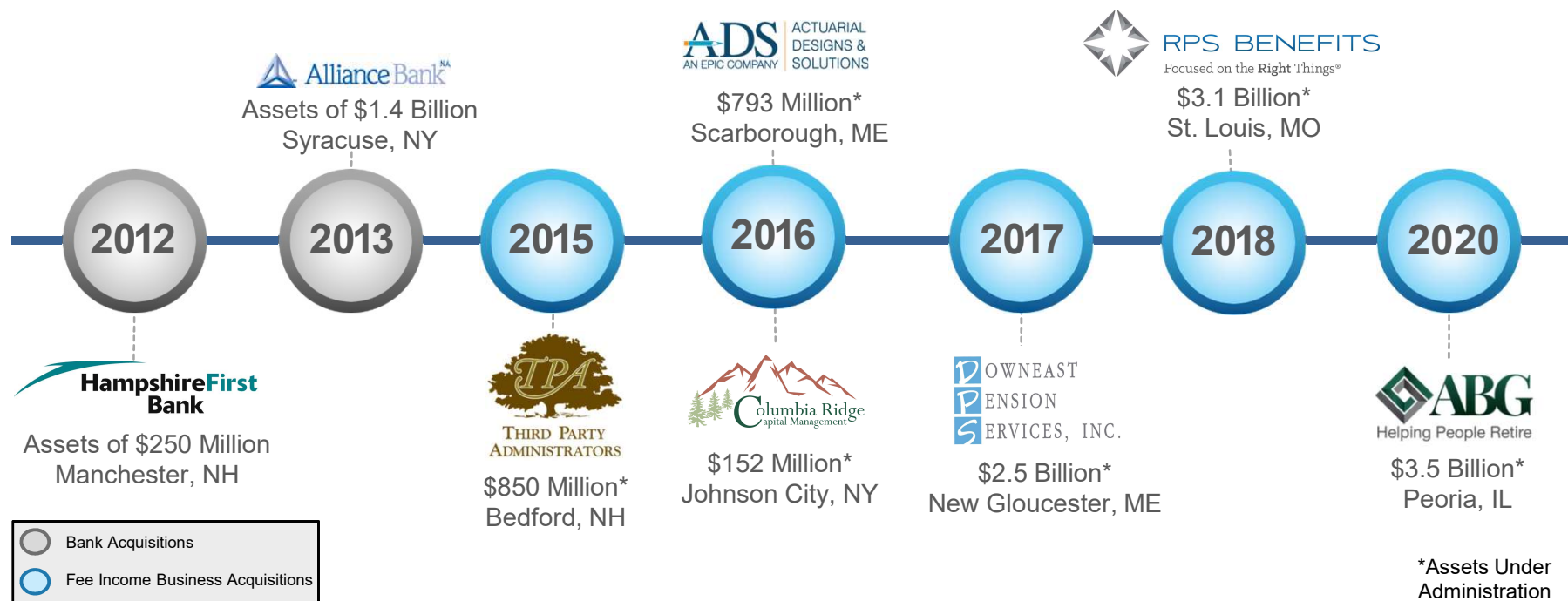
NBT's New England franchise represents 18% of assets and approximately one-quarter of the Bank's total loan portfolio.

Note: Data as of 12/31/2020

# Disciplined Acquirer & Proven Integrator

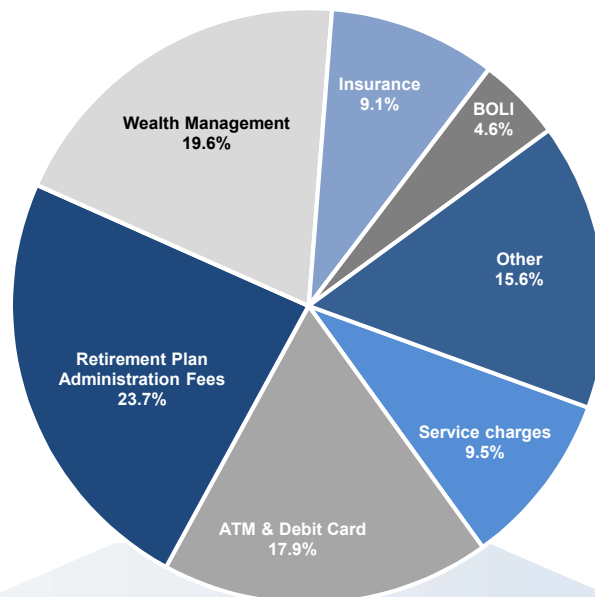
- Completed 7 whole-bank, 7 branch and 8 fee income business acquisitions since 2000
- Achieved or exceeded targeted cost saves
- Retained key personnel
- High retention rates in loans and deposits with bank and branch deals
- Successful integration of systems
- Non-bank acquisitions diversify revenue, expand capabilities and build scale

## Recent Acquisitions

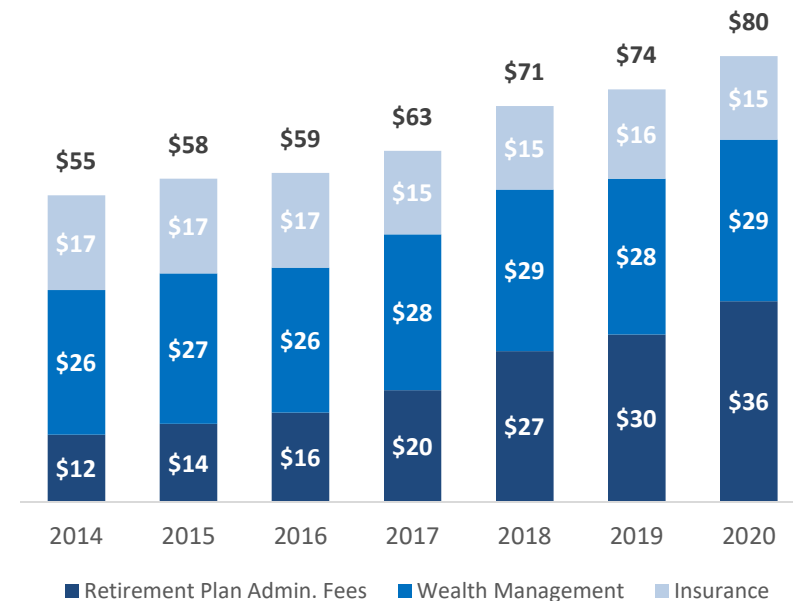


# Focus on Fee-Based Businesses

Q4 2020 Fee Income Composition <sup>(1)</sup> (%)



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



**\$38.0 Million**  
Total Noninterest  
Income <sup>(1)</sup>

**Up 5.3% Compared**  
to Q4 2019

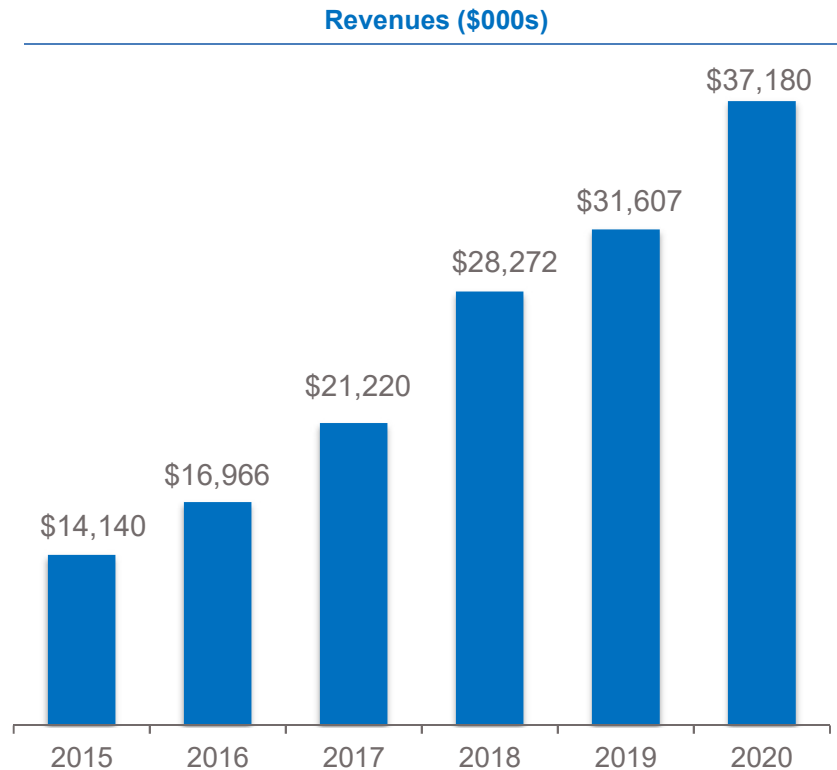
**32%**  
Noninterest Income  
to Total Revenue <sup>(1)</sup>  
(compared to peer  
median at 24%)

Source for Peer Data: S&P Global Market Intelligence; Data as of the most recent available quarter; Peer Group information on slide 40

Note: Numbers may not foot due to rounding

1. Excludes gains/losses on sale of securities
2. Does not represent all fee income

# EPIC Retirement Plan Services



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

2020 ABG Acquisition – Provides Retirement Plan Solutions for Over 600 Qualified Retirement Plans with Over 40,000 Plan Participants and Accumulated Assets of \$3.5 Billion; ABG Brings 70 New Team Members to EPIC RPS



***“Helping America Retire”***

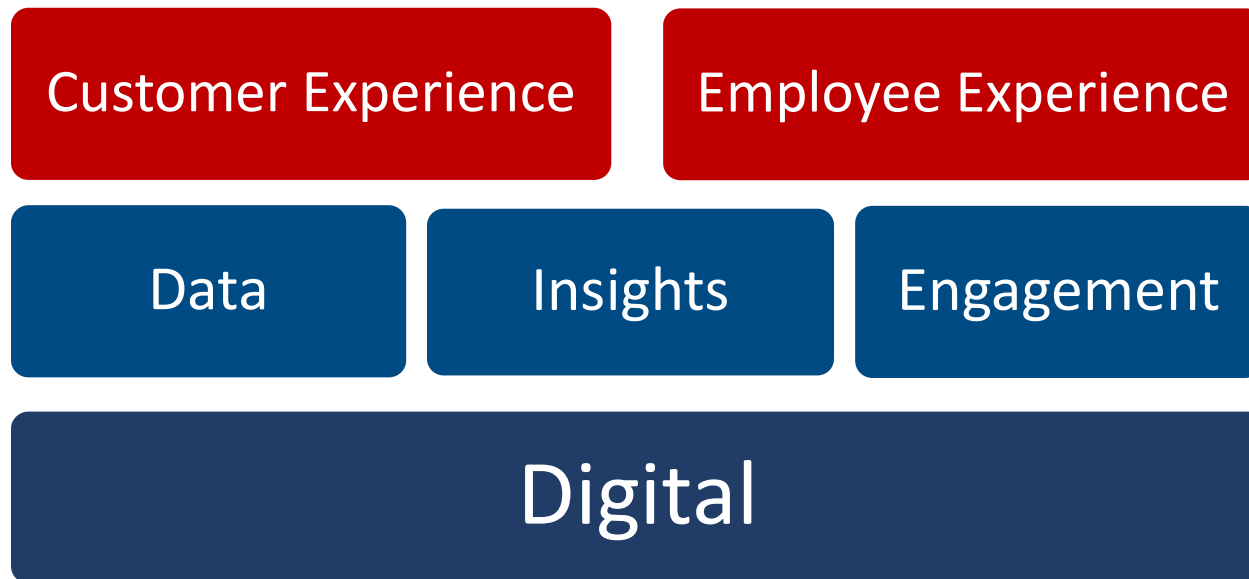
*Over 265,000 Plan  
Participants Nationwide*

# 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

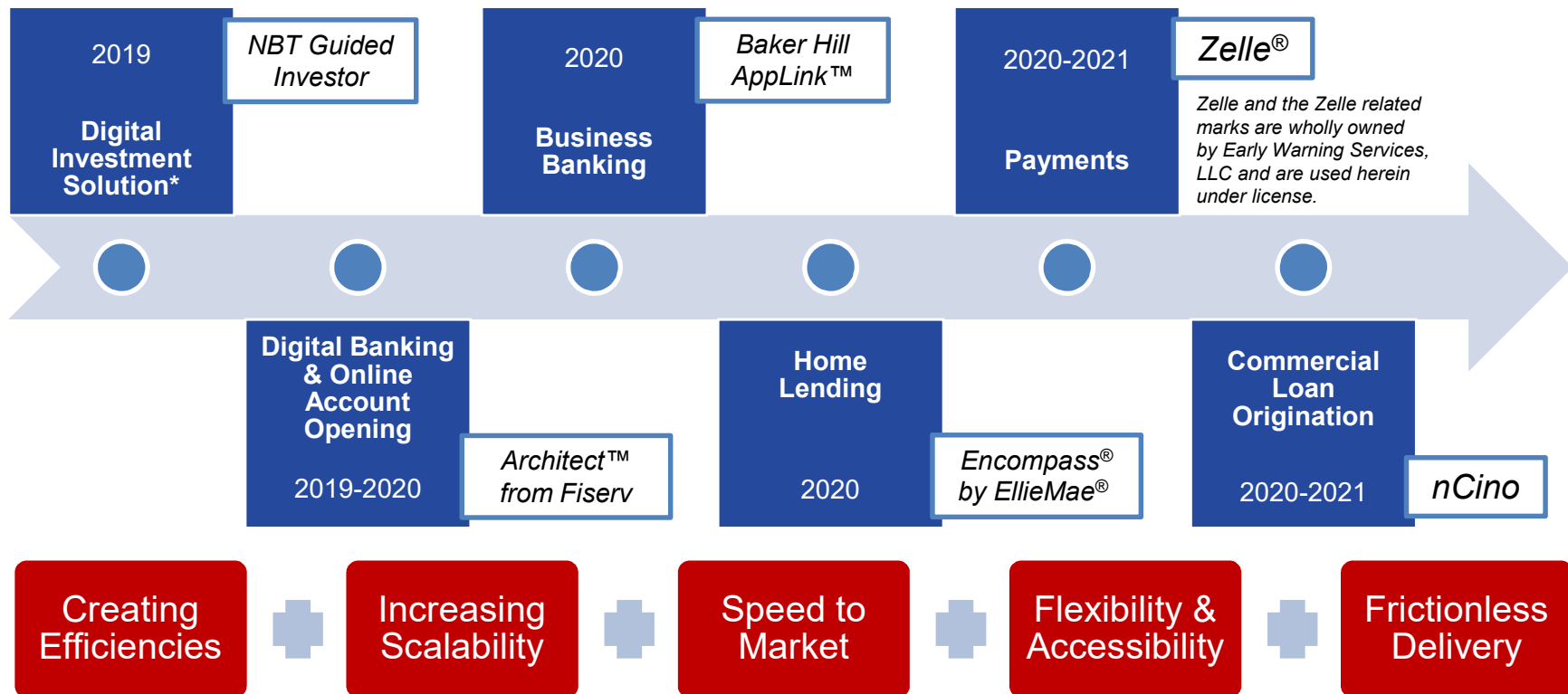
- Digital Banking Services
- APIs and Configurable Platforms
- Fintech Partnerships

## Data Analytics

- Governance Program
- Centralization of Data Management

# Digital Evolution

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



*\*Advisory services are offered through NBT Capital Management, a registered investment adviser. NBT Bank is not registered as an investment adviser. Investment adviser representatives of NBT Capital Management offer products and services using the name NBT Capital Management and may also be employees of NBT Bank. These products and services are being offered through NBT Capital Management, which is a separate entity from NBT Bank. Advisory services offered through NBT Capital Management are:*

Not Insured by FDIC or Any Other Government Agency

Not Bank Guaranteed

Not Bank Deposits or Obligations

May Lose Value

# Digital Adoption Rates<sup>(1)</sup>



31% INCREASE IN  
CONSUMER DIGITAL  
ADOPTION



86% INCREASE IN  
ONLINE ACCOUNT  
OPENING



82% INCREASE IN  
MOBILE DOLLARS  
DEPOSITED



34% INCREASE IN  
MOBILE ITEMS  
DEPOSITED



21% INCREASE IN  
SELF-SERVICE  
TRANSACTIONS



16% INCREASE IN  
ATM DEPOSITS



4% INCREASE IN  
DEBIT CARD SWIPES  
PER CUSTOMER



BRANCH  
TRANSACTIONS  
DOWN 20%

1. Comparisons are year-over-year as of December 31, 2020



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Strategic Initiatives

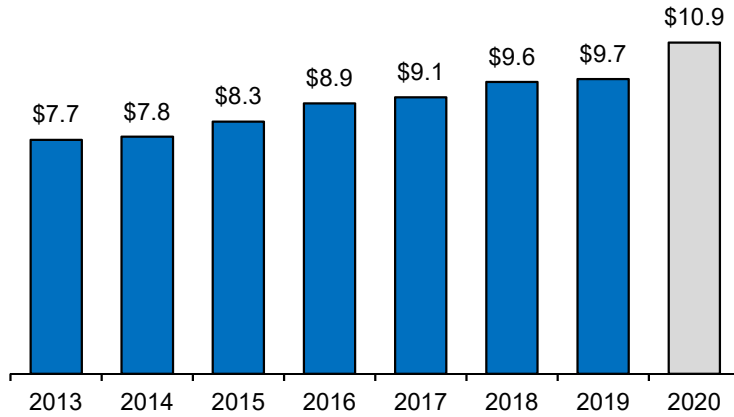
**Financial Performance**

Appendix

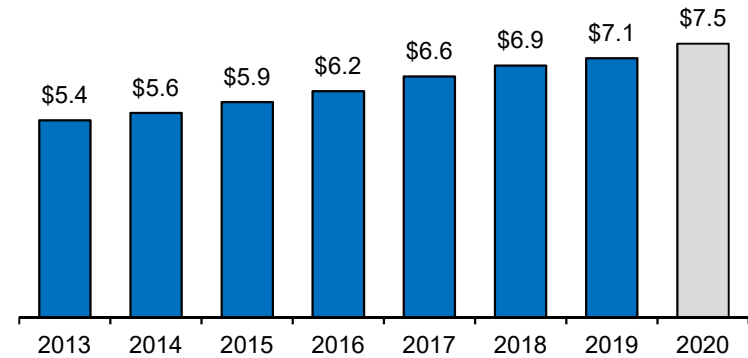


# Track Record of Consistent Growth

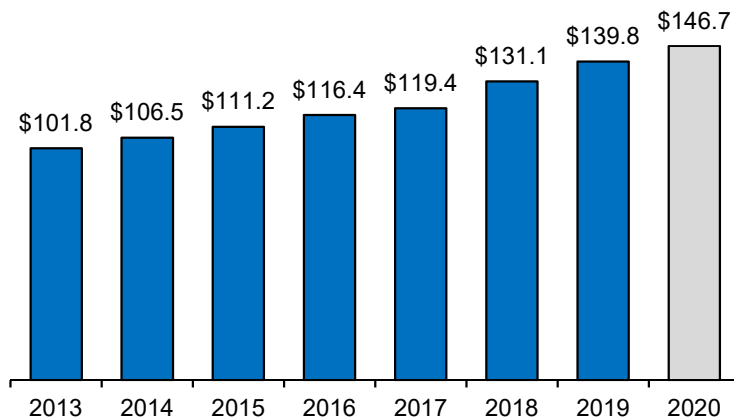
Total Assets (\$billion)



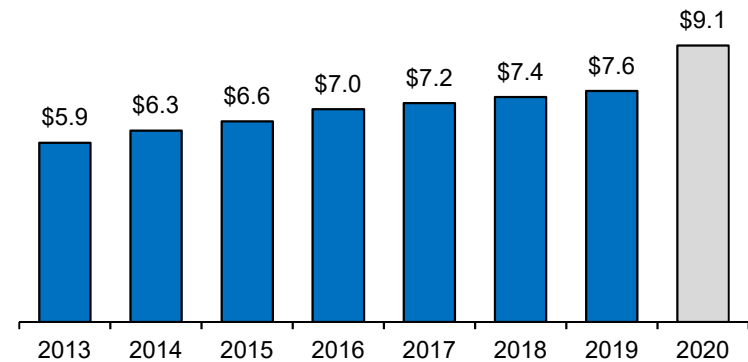
Gross Loans (\$billion)



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



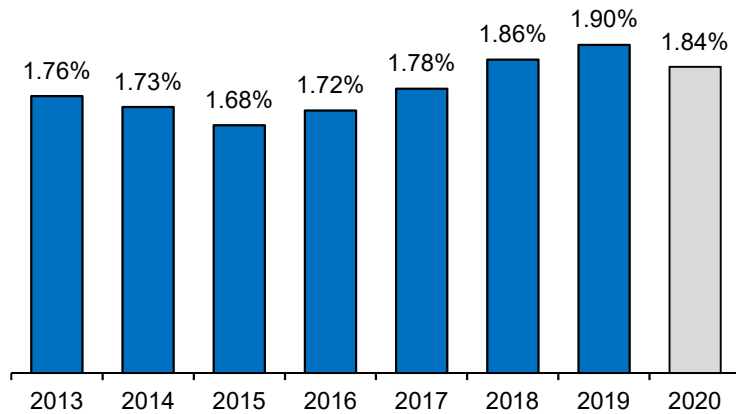
Deposits (\$billion)



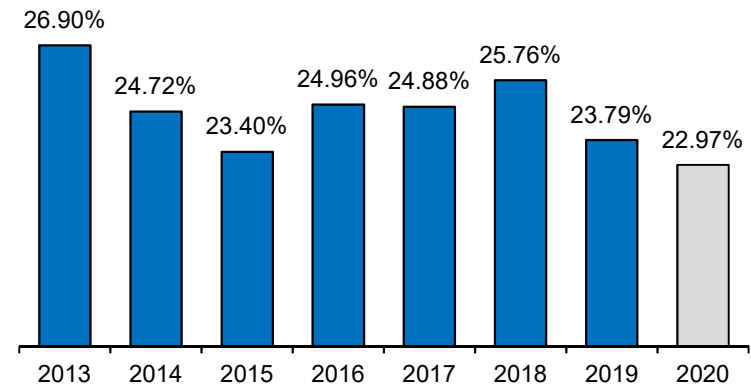
1. Excludes gains/losses on sale of securities and equity investments

# Strong & Stable Profitability

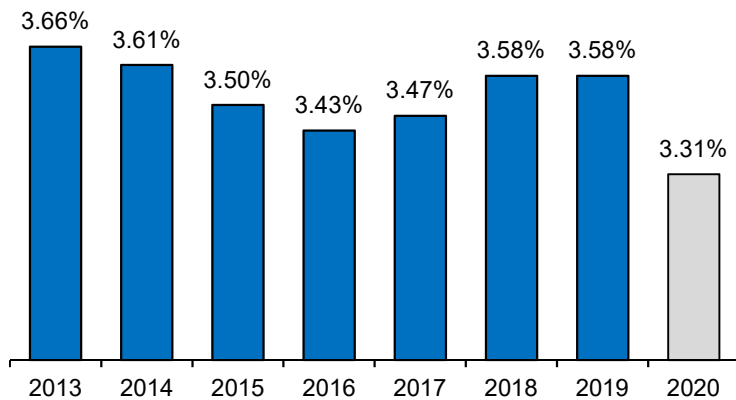
Pre-Provision Net Revenue ROAA (%)



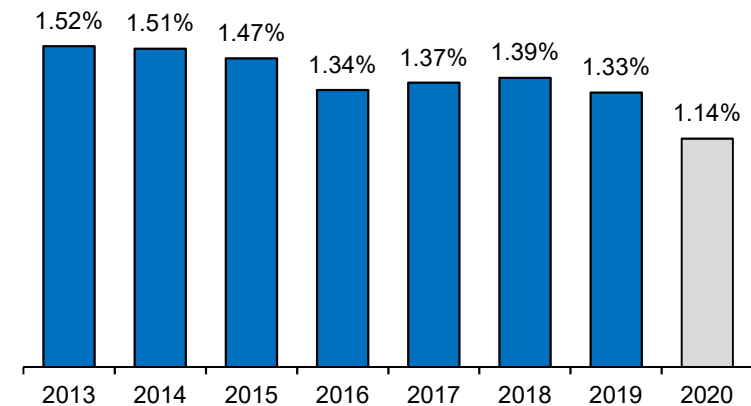
Pre-Provision Net Revenue ROATCE (%)



Net Interest Margin FTE (%)



Overhead Ratio (%)



Note: Non-GAAP reconciliations on pages 41-46

# 2020 Results Overview

## Financial Highlights

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



#### Balance Sheet

- Loans, excluding PPP, were down \$68 million from 2019
- Deposits increased \$1.5 billion

#### Earnings & Capital

- Net income \$104.4 million and diluted earnings per share \$2.37
- Provision expense of \$51.1 million, increasing allowance for loan losses to 1.56% (excluding PPP loans) from 1.02% at December 31, 2019
- PPNR<sup>2</sup> 6% higher than 2019
- Net interest margin<sup>2</sup> down 27 bps from 2019
- Fee income<sup>3</sup> up 5% from 2019
- Noninterest expense up 1% from 2019
  - Branch optimization charges of \$4.8 million in 2020 and \$2.9 million in 2019
- Tangible book value per share<sup>2</sup> up 8%

| (\$ in millions except per share data)     | 2020       | Change 2019 | % Change 2019 |
|--|------------|-------------|---------------|
| <b>Period End Balance Sheet</b>            |            |             |               |
| Total loans                                | \$ 7,498.9 | \$ 362.8    | 5.1%          |
| Total loans, excluding PPP                 | 7,068.1    | (68.0)      | (1.0%)        |
| Total deposits                             | 9,081.7    | 1,493.9     | 19.7%         |
| <b>Income Statement</b>                    |            |             |               |
| FTE net interest income <sup>2</sup>       | \$ 317.0   | \$ 3.8      | 1.2%          |
| Provision for loan losses <sup>3</sup>     | 51.1       | 25.7        | 101.2%        |
| Total noninterest income <sup>3</sup>      | 146.7      | 6.9         | 4.9%          |
| Total noninterest expense                  | 277.7      | 3.0         | 1.1%          |
| Provision for taxes                        | 28.7       | (5.7)       | (16.6%)       |
| Net income                                 | 104.4      | (16.6)      | (13.7%)       |
| Pre-provision net revenue <sup>2</sup>     | 193.4      | 11.3        | 6.2%          |
| <b>Performance Ratios</b>                  |            |             |               |
| Earnings per share, diluted                | \$ 2.37    | \$ (0.37)   | (13.5%)       |
| Net interest margin <sup>2</sup>           | 3.31%      | (0.27%)     | (7.5%)        |
| ROAA                                       | 0.99%      | (0.27%)     | (21.4%)       |
| PPNR ROAA <sup>2</sup>                     | 1.84%      | (0.06%)     | (3.2%)        |
| ROATCE <sup>2</sup>                        | 12.48%     | (3.37%)     | (21.3%)       |
| NCOs/ Avg loans (%)                        | 0.23%      | (0.13%)     | (36.1%)       |
| NCOs/ Avg loans (%), excluding PPP         | 0.24%      | (0.12%)     | (33.3%)       |
| Tangible book value per share <sup>2</sup> | \$ 20.52   | \$ 1.49     | 7.8%          |
| Tangible equity ratio <sup>2</sup>         | 8.41%      | (0.43%)     | (4.9%)        |
| <b>Capital Ratios</b>                      |            |             |               |
| Leverage ratio                             | 9.56%      | (0.77%)     | (7.5%)        |
| Common equity tier 1 capital ratio         | 11.84%     | 0.55%       | 4.9%          |
| Tier 1 capital ratio                       | 13.09%     | 0.53%       | 4.2%          |
| Total risk-based capital ratio             | 15.62%     | 2.10%       | 15.5%         |

- Comparison to 2019 unless otherwise stated
- Non-GAAP measure; reconciliation of Non-GAAP measures on slides 41 - 46
- Excludes net securities gains (losses)

# Q4 2020 Results Overview

## Financial Highlights

| (\$ in millions except per share data)     | Q4 2020    | Change    |          | % Change |          |
|--|------------|-----------|----------|----------|----------|
|  |            | Q3 2020   | Q4 2019  | Q3 2020  | Q4 2019  |
| <b>Period End Balance Sheet</b>            |            |           |          |          |          |
| Total loans                                | \$ 7,498.9 | \$ (61.8) | \$ 362.8 | (0.8%)   | 5.1%     |
| Total loans, excluding PPP                 | 7,068.1    | 22.0      | (68.0)   | 0.3%     | (1.0%)   |
| Total deposits                             | 9,081.7    | 123.5     | 1,493.9  | 1.4%     | 19.7%    |
| <b>Income Statement</b>                    |            |           |          |          |          |
| FTE net interest income <sup>2</sup>       | \$ 80.4    | \$ 2.2    | \$ 2.9   | 2.8%     | 3.7%     |
| Provision for loan losses                  | (0.6)      | (3.9)     | (6.6)    | (118.6%) | (110.1%) |
| Total noninterest income <sup>3</sup>      | 38.0       | 0.3       | 1.9      | 0.8%     | 5.3%     |
| Total noninterest expense                  | 75.2       | 8.9       | 4.9      | 13.4%    | 7.0%     |
| Provision for taxes                        | 9.4        | (1.6)     | 1.3      | (14.2%)  | 15.5%    |
| Net income                                 | 34.2       | (0.9)     | 5.2      | (2.6%)   | 18.1%    |
| Pre-provision net revenue <sup>2</sup>     | 48.2       | (1.4)     | 4.9      | (2.9%)   | 11.3%    |
| <b>Performance Ratios</b>                  |            |           |          |          |          |
| Earnings per share, diluted                | \$ 0.78    | \$ (0.02) | \$ 0.12  | (2.5%)   | 18.2%    |
| Net interest margin <sup>2</sup>           | 3.20%      | 0.03%     | (0.32%)  | 0.9%     | (9.1%)   |
| ROAA                                       | 1.24%      | (0.05%)   | 0.04%    | (3.9%)   | 3.3%     |
| PPNR ROAA <sup>2</sup>                     | 1.75%      | (0.08%)   | (0.04%)  | (4.4%)   | (2.2%)   |
| ROATCE <sup>2</sup>                        | 15.71%     | (0.80%)   | 1.43%    | (4.8%)   | 10.0%    |
| NCOs/ Avg loans (%)                        | 0.21%      | 0.09%     | (0.09%)  | 75.0%    | (30.0%)  |
| NCOs/ Avg loans (%), excluding PPP         | 0.22%      | 0.09%     | (0.08%)  | 69.2%    | (26.7%)  |
| Tangible book value per share <sup>2</sup> | \$ 20.52   | \$ 0.50   | \$ 1.49  | 2.5%     | 7.8%     |
| Tangible equity ratio <sup>2</sup>         | 8.41%      | 0.14%     | (0.43%)  | 1.7%     | (4.9%)   |
| <b>Capital Ratios</b>                      |            |           |          |          |          |
| Leverage ratio                             | 9.56%      | 0.08%     | (0.77%)  | 0.8%     | (7.5%)   |
| Common equity tier 1 capital ratio         | 11.84%     | 0.21%     | 0.55%    | 1.8%     | 4.9%     |
| Tier 1 capital ratio                       | 13.09%     | 0.21%     | 0.53%    | 1.6%     | 4.2%     |
| Total risk-based capital ratio             | 15.62%     | 0.19%     | 2.10%    | 1.2%     | 15.5%    |

1. Comparison to Q3 2020 unless otherwise stated
2. Non-GAAP measure; reconciliation of Non-GAAP measures on slides 41 - 46
3. Excludes net securities gains (losses)

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



### Balance Sheet

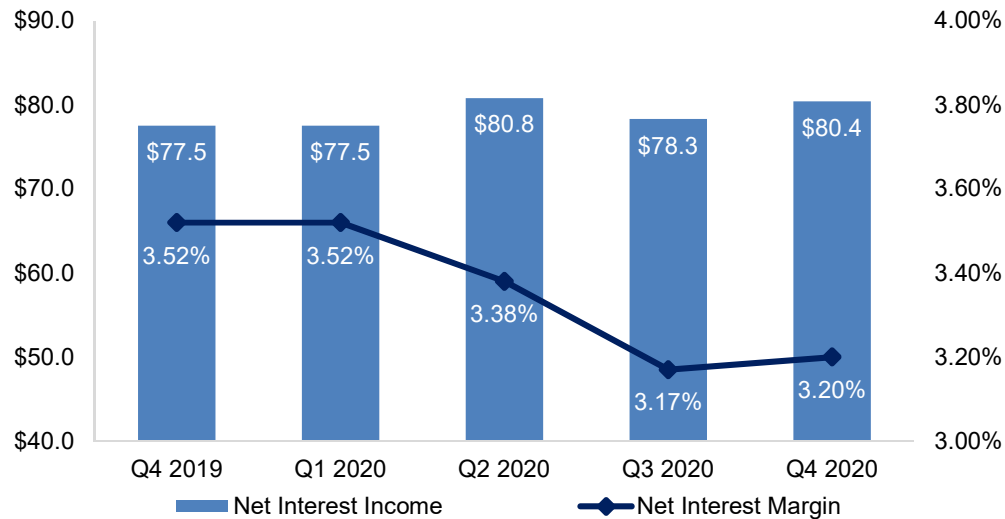
- Loans, excluding PPP, were up \$22 million from Q3 2020
- Deposits increased \$124 million during the quarter

### Earnings & Capital

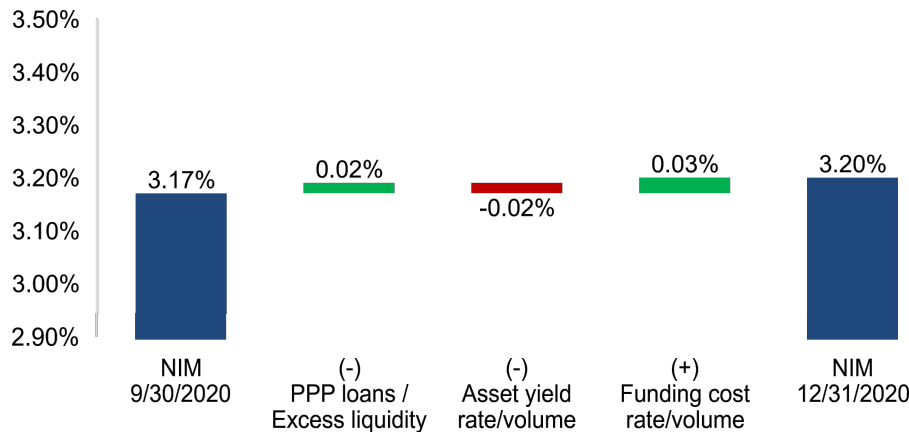
- Net income \$34.2 million and diluted earnings per share \$0.78
- Provision expense of (\$0.6) million, decreasing allowance for loan losses to 1.56% (excluding PPP loans)
- PPNR<sup>2</sup> 3% lower than Q3 2020
- Net interest margin<sup>2</sup> up 3 bps from Q3 2020
- Fee income<sup>3</sup> up 1% from Q3 2020
- Noninterest expense up 13.4% from Q3 2020 due to branch optimization charges and increase in unfunded loan commitments reserve
- Tangible book value per share<sup>2</sup> up 2%

# Net Interest Income & Net Interest Margin

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



Q4 2020 Net Interest Margin



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

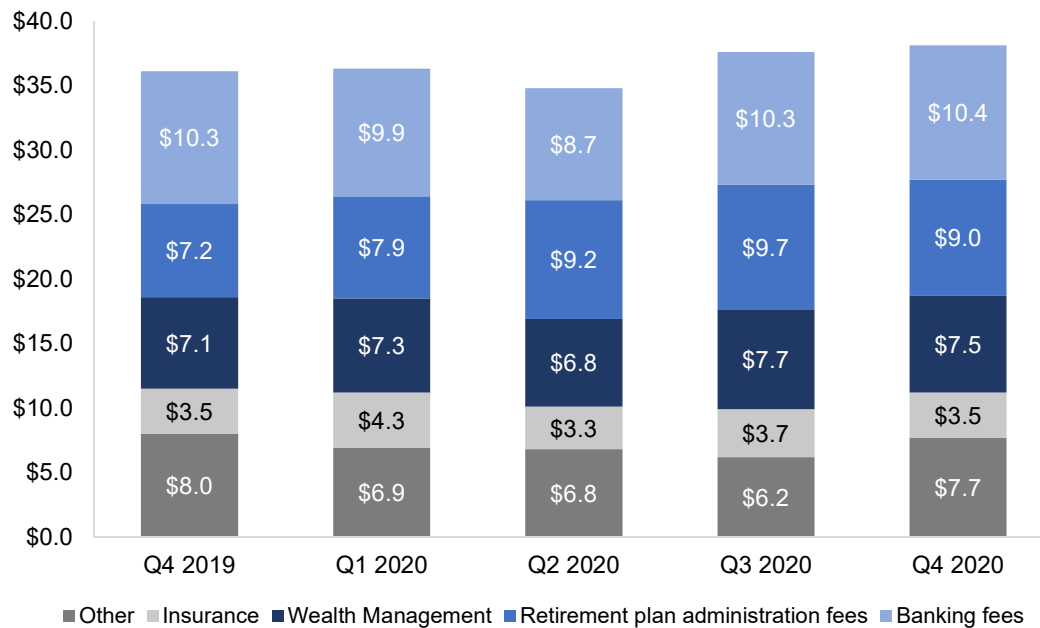
- Net interest income up \$2.2 million
- Net interest margin increased 3 bps to 3.20%
  - Net impact of excess liquidity and PPP lending positively impacted margin by additional 2 bps vs. Q3 2020
  - Normalized margin excluding PPP and excess liquidity up 1 bp due to reduction in the cost of interest-bearing liabilities and minimal asset repricing
  - \$45 million increase in higher yielding consumer loans had 7 bps positive impact to margin in Q4 2020

Net Interest Income and Net Interest Margin are shown on a fully tax equivalent basis which is a Non-GAAP measure; reconciliation of Non-GAAP measures on slides 41 - 46

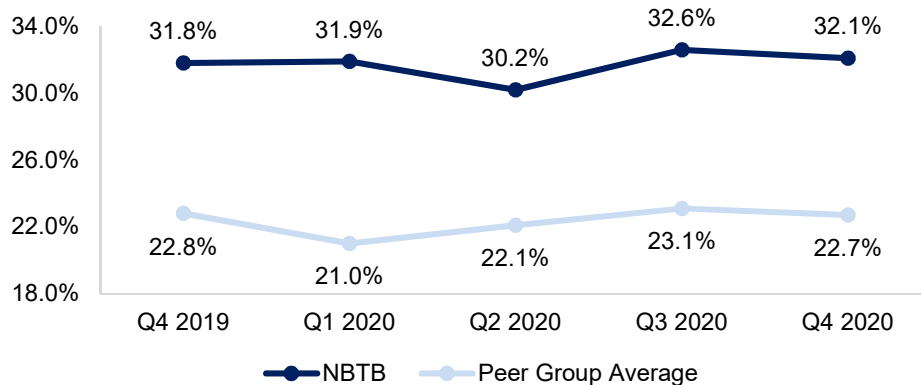
1. Comparison to Q3 2020 unless otherwise stated

# Noninterest Income

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



Total Noninterest Income<sup>(1)</sup> / Total Revenue<sup>(1)</sup>



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

- Noninterest income to total revenue was 32.1%<sup>1</sup>
- \$38.0 million<sup>1</sup> in noninterest income, up \$0.3 million from Q3 2020
- Retail banking fees (service charges and ATM and debit card fees)
  - Service charges on deposit accounts up \$0.5 million due to higher overdraft fees
  - ATM and debit card fees were down due to seasonality
- Retirement plan administration fees down \$0.7 million
  - ABG contributed \$1.5 million
- Wealth management fees down \$0.2 million
- Insurance revenues down \$0.3 million
- Other revenues up \$1.5 million driven by higher swap fee income
- Record levels of assets under management / administration of almost \$8 billion

Peer Source Data: S&P Global Market Intelligence

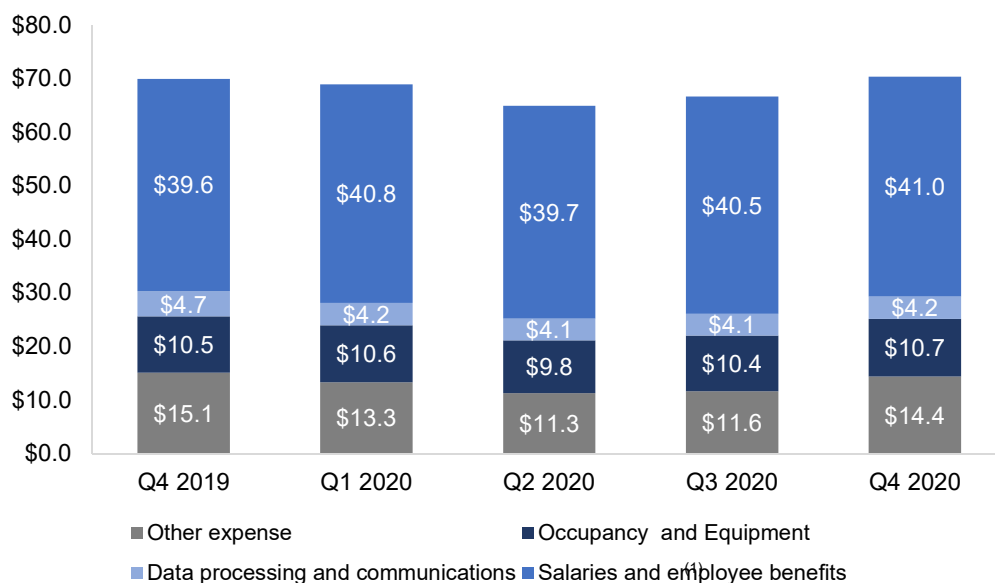
Peer Group information on slide 40

1. Excludes net securities gains (losses)

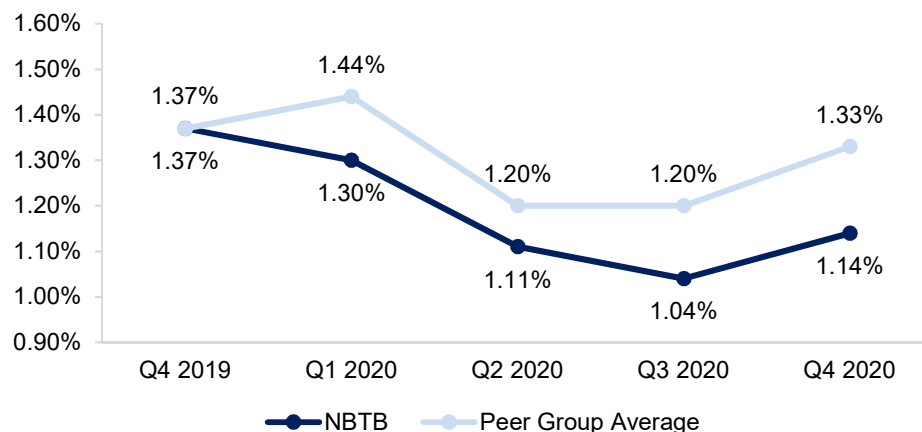
2. Comparison to Q3 2020 unless otherwise stated

# Noninterest Expense

## Noninterest Expense Trend (\$ in millions)



## Overhead Ratio<sup>(3)</sup> Trend



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

- Noninterest expense of \$75.2 million (\$4.1 million in branch optimization costs)
  - Up \$8.9 million (13.4%)
  - Overhead ratio at 1.15%<sup>3</sup>
- Salaries & Benefits
  - Timing of medical expenses
- Occupancy & Equipment
  - Higher software licensing costs related to technology initiatives
- Other expense increased due to timing of expenses
  - Professional fees and outside services
  - Advertising
  - Contributions
  - Travel and training
- Other expense included \$0.9 million in provision for unfunded commitments
- Full year tax rate of 21.6%

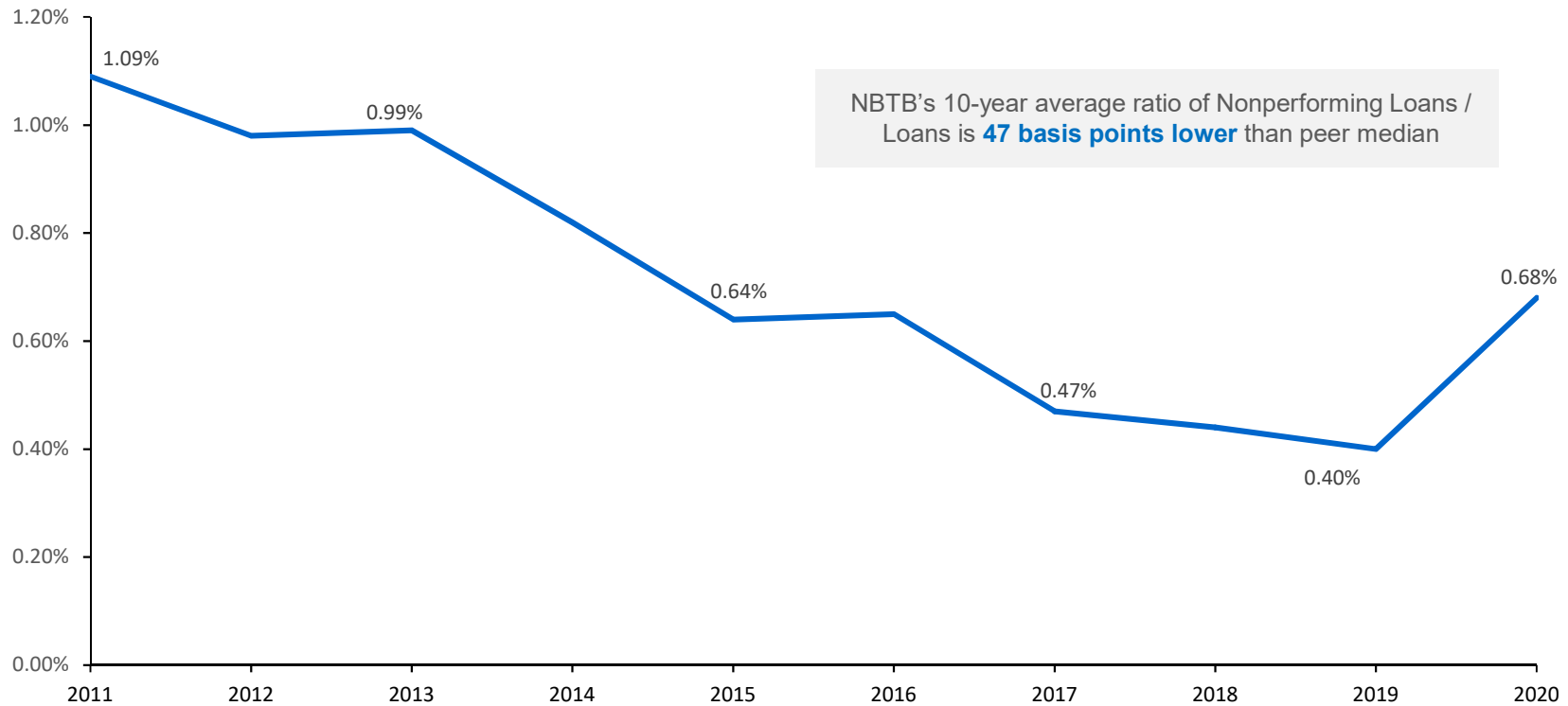
Peer Data Source: S&P Global Market Intelligence  
Peer Group information on slide 40

1. Other Expense includes 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 gain(loss) on OREO, provision for unfunded commitment reserves under CECL and other non-recurring expense – see slide 45 for reconciliation
2. Comparisons to Q3 2020 unless otherwise stated
3. See Appendix slide 45 for overhead ratio calculation



# Asset Quality

Nonperforming Loans / Loans (%)



## Asset Quality Trends Continue

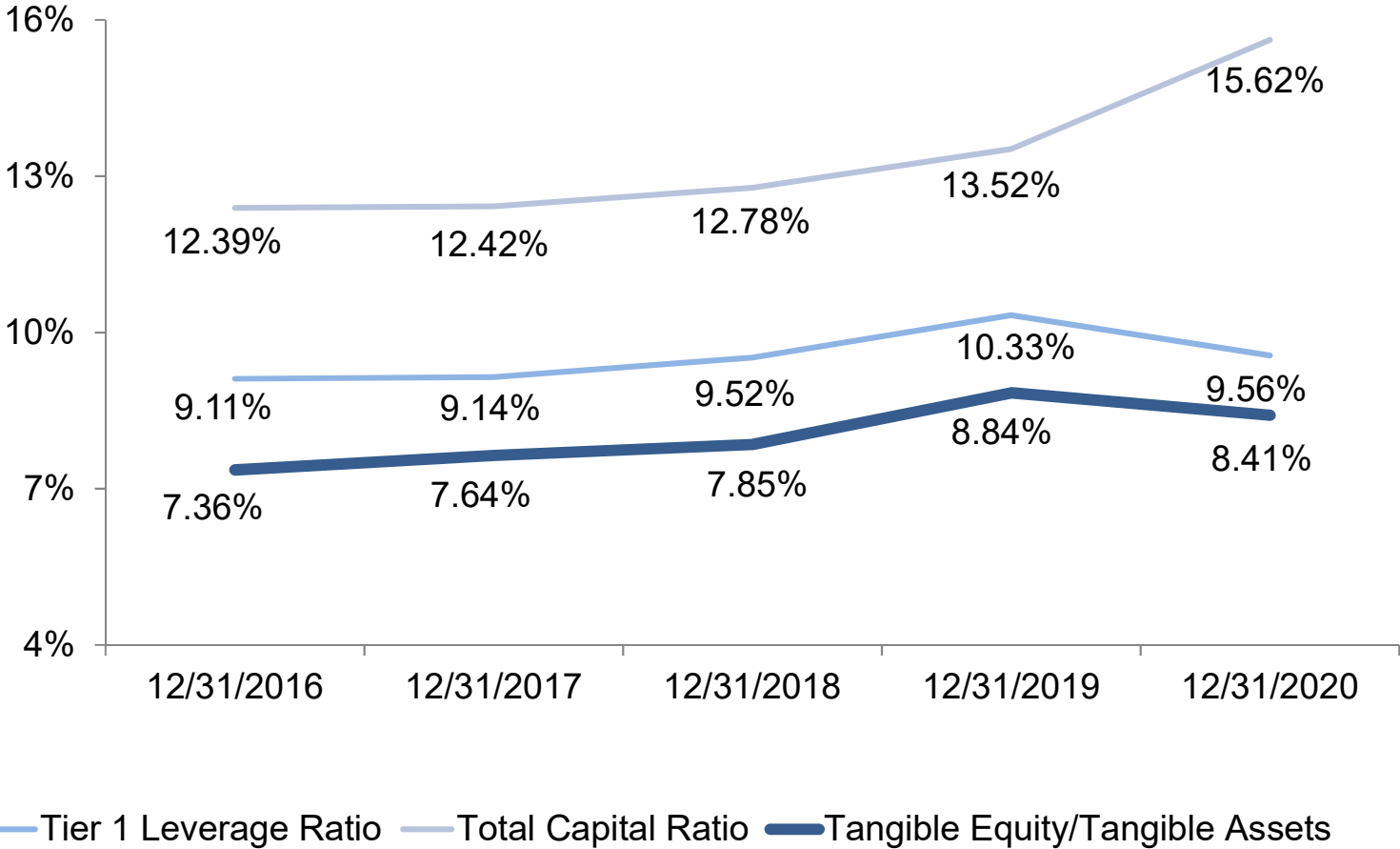
- 0.22% Q4 2020 Net Charge-offs to Average Loans compared to 0.30% Net Charge-offs to Average Loans in Q4 2019
- Nonperforming loans to total loans increased during 2020 due to an increase in nonperforming commercial and residential real estate loans

Peer Data Source: S&P Global Market Intelligence as of the most recent quarter. Peer Group information on slide 40

Note: NBTB nonperforming loans exclude performing TDRs and exclude PPP

Note: Net charge-offs to average loans exclude PPP

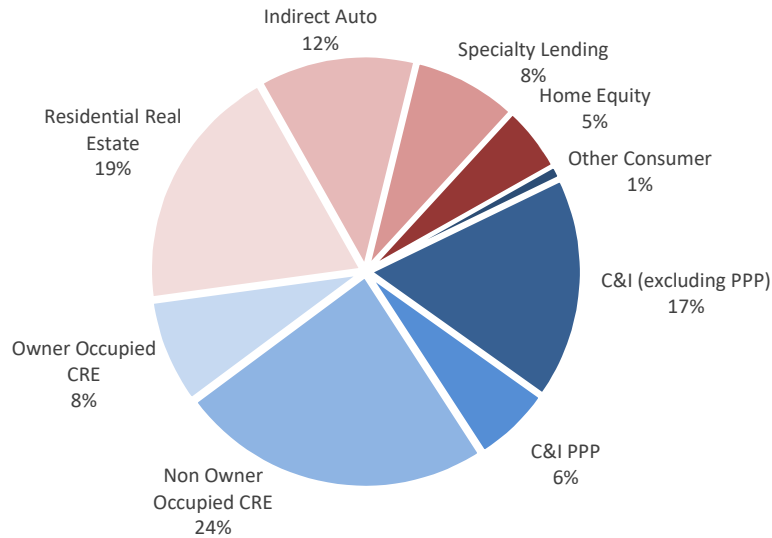
# Capital Strength



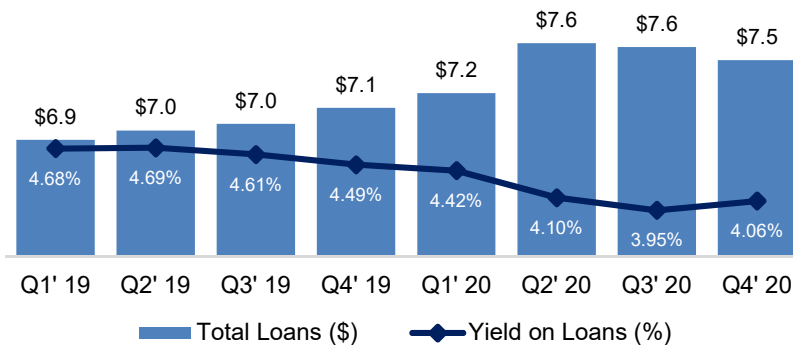
Note: Non-GAAP reconciliation for Tangible Equity/Tangible Asset on slides 41-46

# Loans

Total Loans: \$7.5 billion<sup>(1)</sup>



Yield on Loans (%) / Total Loans (\$billion)



1. Data as of 12/31/2020

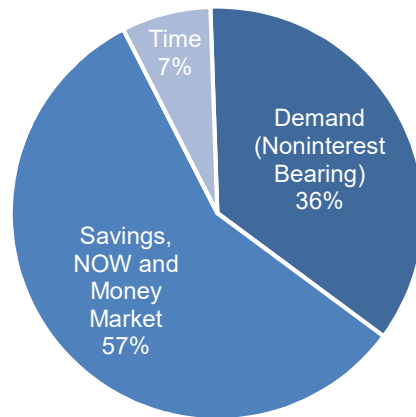
## Portfolio Highlights<sup>(1)</sup>



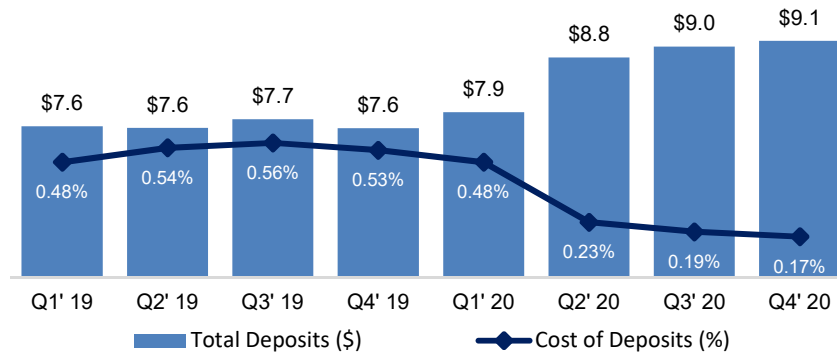
- Q4 2019–Q4 2020 Loan Growth 5.1%
- Non-Owner Occupied CRE at 149% to Total Capital
- Loan-to-Deposit Ratio of 83%
- Commercial (includes C&I and CRE)
  - 32.3% fixed
  - 17.5% variable (e.g., 10-yr fixed for 5 years)
  - 50.2% floating
- Residential Mortgages
  - 94.4% fixed
  - 5.6% ARMs
- Consumer Loans (includes indirect auto, home equity, specialty consumer lending and other)
  - 13.8% floating
  - 86.2% Fixed
- Average FICO in Home Equity portfolio of 760
- Average FICO in Indirect Auto portfolio of 749
- Average FICO in Residential Real Estate portfolio of 760

# Deposits

Total Deposits: \$9.1billion <sup>(1)</sup>



Cost of Deposits (%) / Total Deposits (\$billion)



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

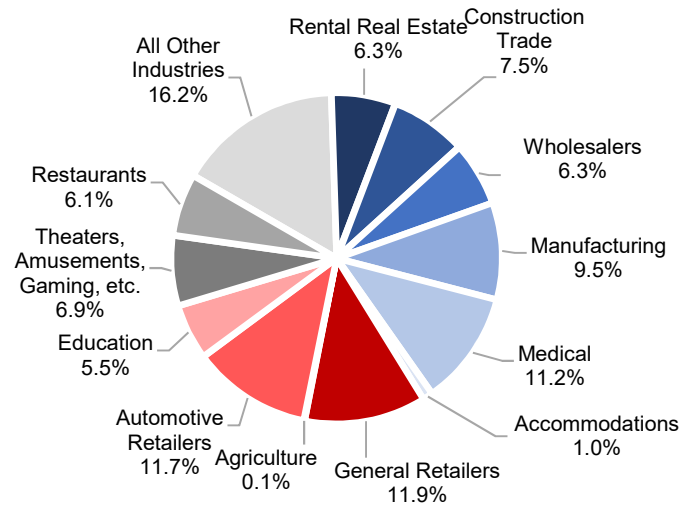


- Period end deposits grew \$124 million from previous quarter
  - Core deposits grew \$150 million with noninterest bearing demand deposits up \$77 million
- Core deposits<sup>3</sup> represent 93% of total deposit funding
- Noninterest bearing deposits were 36% of total deposits at Q4 2020
- Q4 2020 cost of total deposits of 0.17% decreased 2 bps from prior quarter
- Q4 2020 cost of interest-bearing deposits was 0.26%, down 4 bps or 13%
- \$160 million in time deposits repricing in Q1 2021 with average cost of 123 bps
- Loan to deposit ratio was 82.6% at December 31, 2020

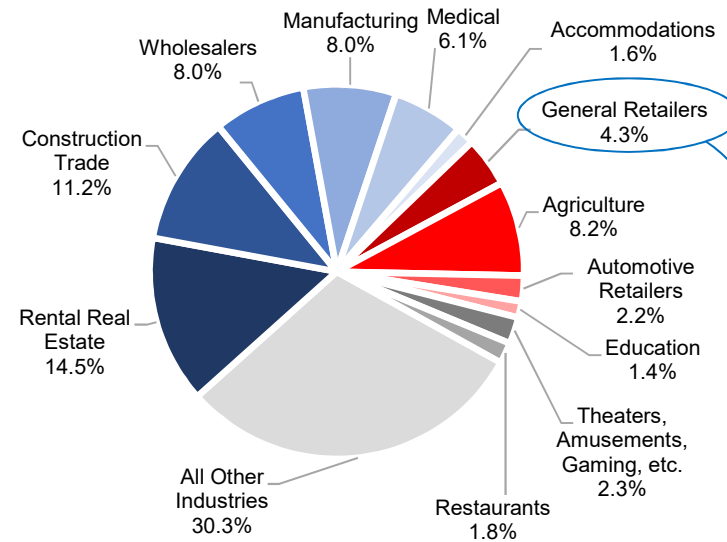
1. As of 12/31/2020  
 2. Comparison to Q3 2020 unless otherwise stated  
 3. Core deposits defined as total deposits less all time

# Commercial Loan Portfolio Detail

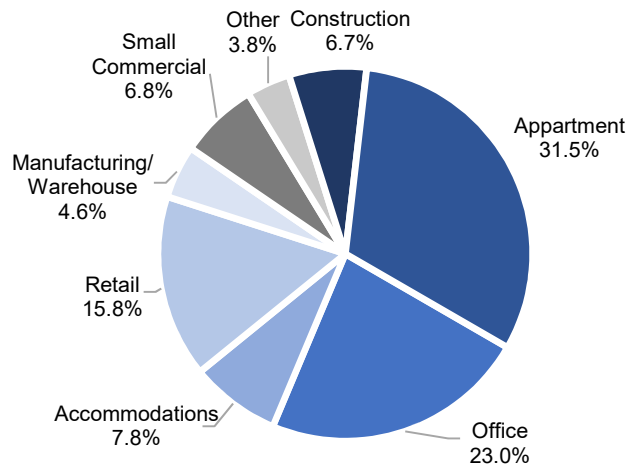
Owner Occupied CRE (\$0.6 billion)<sup>(1)</sup>



Commercial & Industrial (\$1.3 billion)<sup>(1)</sup>



Non-Owner Occupied CRE (\$1.8 billion)<sup>(1)</sup>

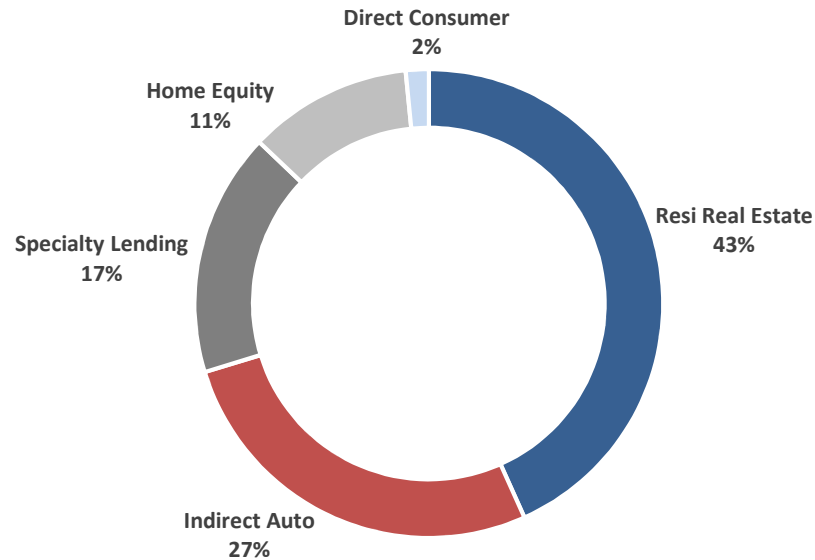


| Retail |                                       |
|--------|---------------------------------------|
| •      | 24% Home Furnishings                  |
| •      | 21% Building Materials / Home Centers |
| •      | 13% Grocery Stores / Pharmacies       |
| •      | 9% Gasoline / C-Stores                |

1. Data as of 12/31/2020, excludes PPP balances

# Consumer & Residential Portfolio Detail

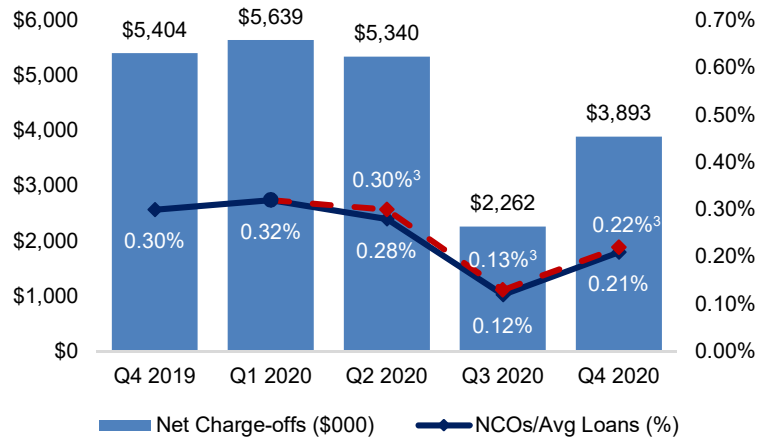
Consumer Lending Portfolio: \$3.4 billion as of 12/31/20



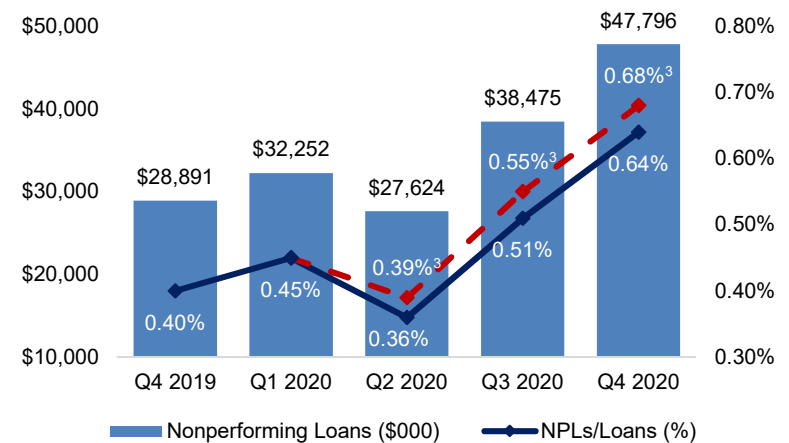
| As of 12/31/2020         | Consumer Lending Portfolio Metrics |               |                   |               |           |
|--------------------------|------------------------------------|---------------|-------------------|---------------|-----------|
|                          | Total Outstandings (\$000s)        | # of Accounts | Avg. Balance      | wAve Max FICO | Avg. DTI  |
| <b>Resi Real Estate</b>  | <b>\$ 1,466,662</b>                | <b>11,684</b> | <b>\$ 125,527</b> | <b>760</b>    | <b>35</b> |
| <b>Indirect Auto</b>     | <b>\$ 931,286</b>                  | <b>63,104</b> | <b>\$ 14,758</b>  | <b>749</b>    | <b>30</b> |
| <b>Specialty Lending</b> | <b>\$ 579,644</b>                  | <b>33,900</b> | <b>\$ 17,099</b>  | <b>759</b>    | <b>21</b> |
| <b>Home Equity</b>       | <b>\$ 387,974</b>                  | <b>15,062</b> | <b>\$ 25,758</b>  | <b>760</b>    | <b>34</b> |
| <b>Direct Consumer</b>   | <b>\$ 54,472</b>                   | <b>28,403</b> | <b>\$ 1,918</b>   | <b>748</b>    | <b>34</b> |

# Q4 2020 Asset Quality

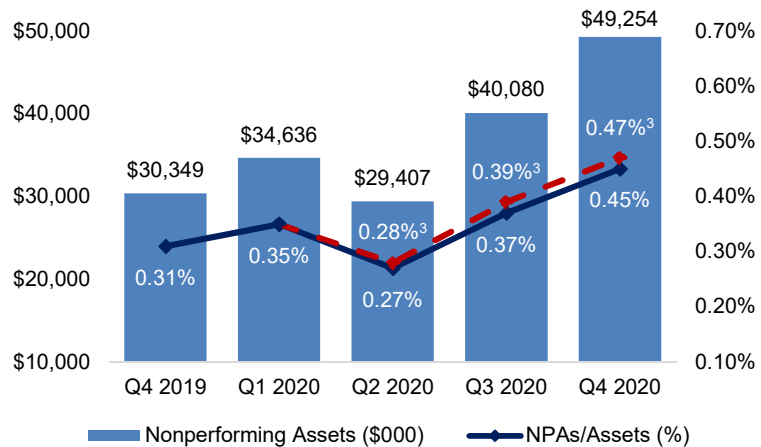
## Net Charge-Offs



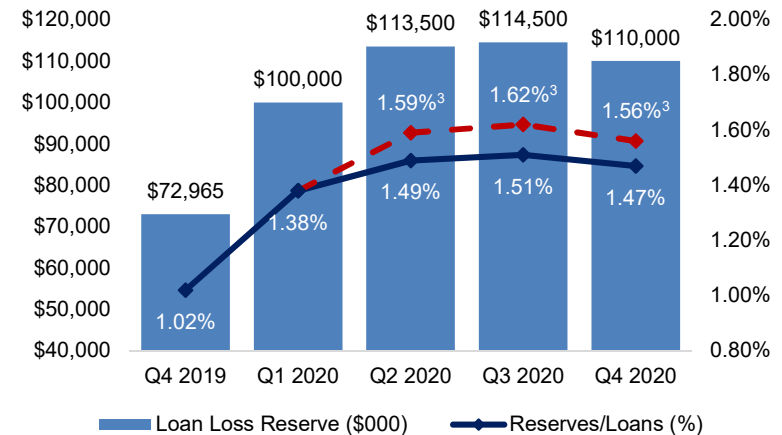
## Nonperforming Loans<sup>1</sup>



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



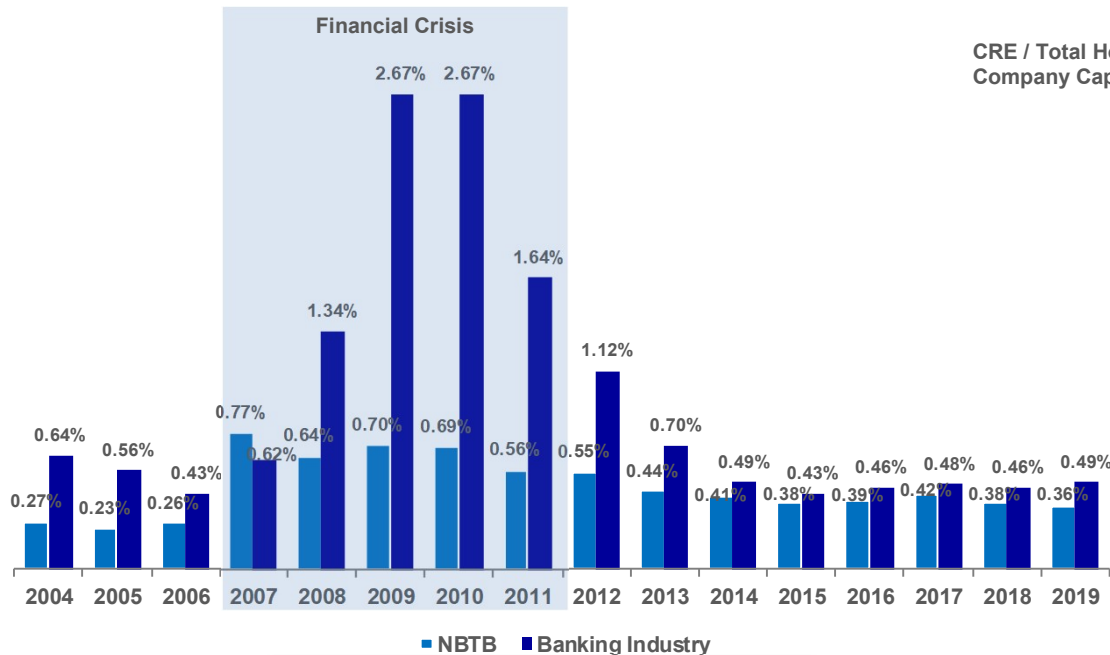
## Loan Loss Reserves



1. Nonperforming loans exclude performing TDRs
2. Nonperforming assets include nonaccrual loans, loans ninety days past due and still accruing and OREO
3. - - Excluding PPP loans of \$510.1 million and related allowance of \$26 thousand as of June 30, 2020, PPP loans of \$514.6 million and related allowance of \$26 thousand as of September 30, 2020 and PPP loans of \$430.8 million and related allowance of \$21 thousand as of December 31, 2020

# History of Prudent Credit Culture

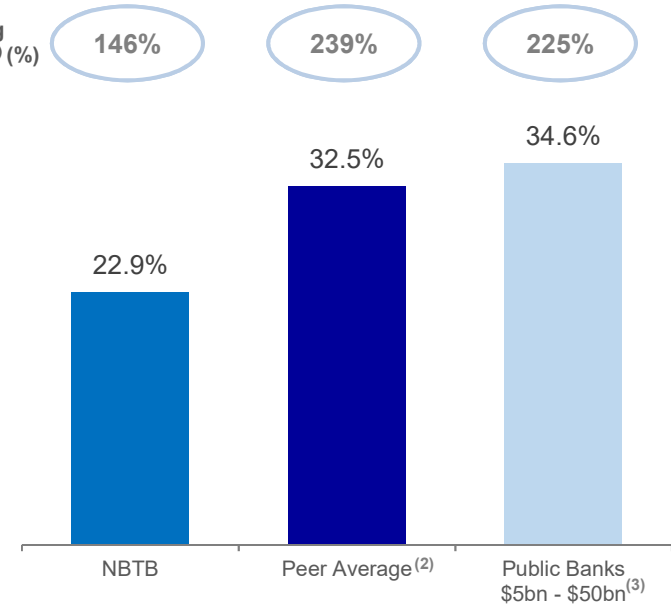
15-year Cumulative NCOs / Avg. Loans vs. Banking Industry (%)



| 15-Year Peak NCOs / Avg. Loans (%) |             |           |
|------------------------------------|-------------|-----------|
|                                    | 15-Yr. Peak | Peak Year |
| NBTB                               | 0.77%       | 2007Y     |
| Peer <sup>(2)</sup> Average        | 1.47%       | 2009Y     |

CRE / Total Loans<sup>(1)</sup> (%)

CRE / Total Holding Company Capital<sup>(1)</sup> (%)



**NBTB as of 12/31/2020**

- CRE / Total Loans – 24.2%
- CRE / TRBC – 149%

Source: S&P Global Market Intelligence; Data as of the most recent available quarter

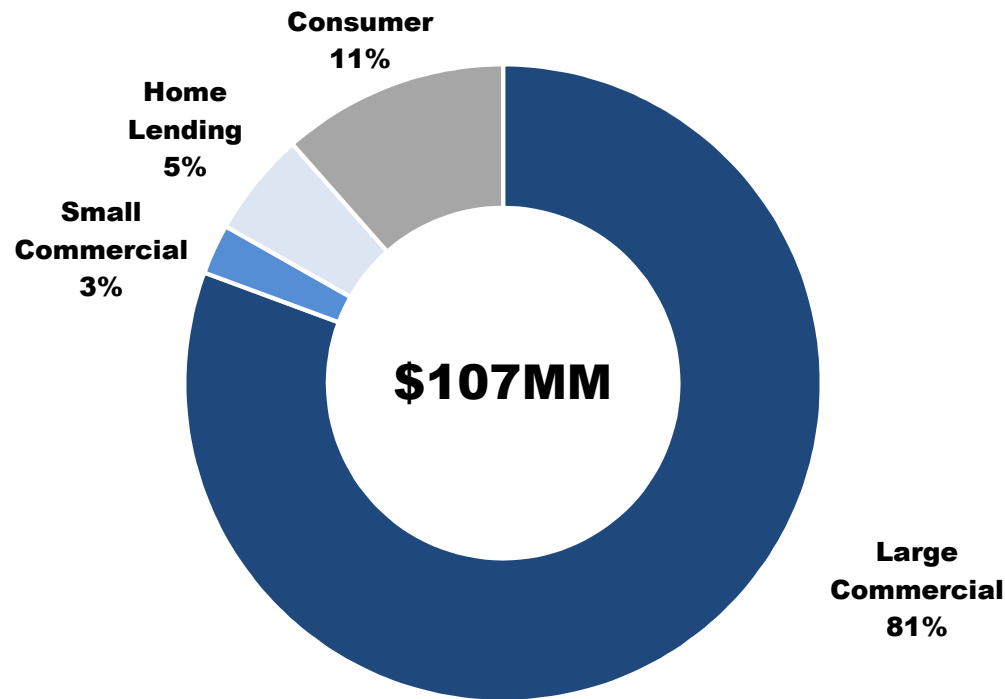
Note: Banking industry data per S&P Global & FDIC

1. Outstanding commercial real estate loans per definition in regulatory guidance includes non-owner occupied real estate, multifamily loans, construction and development loans and loans to finance commercial real estate, construction and land development activities not secured by real estate. Data as of 9/30/2020
2. Peer Group information on slide 40
3. Includes all publicly exchange traded banks / thrifts with total assets between \$5.0 billion – \$50.0 billion; excludes merger targets & MHCs



# Bank-Wide Payment Deferrals

(As of 1/19/2021)



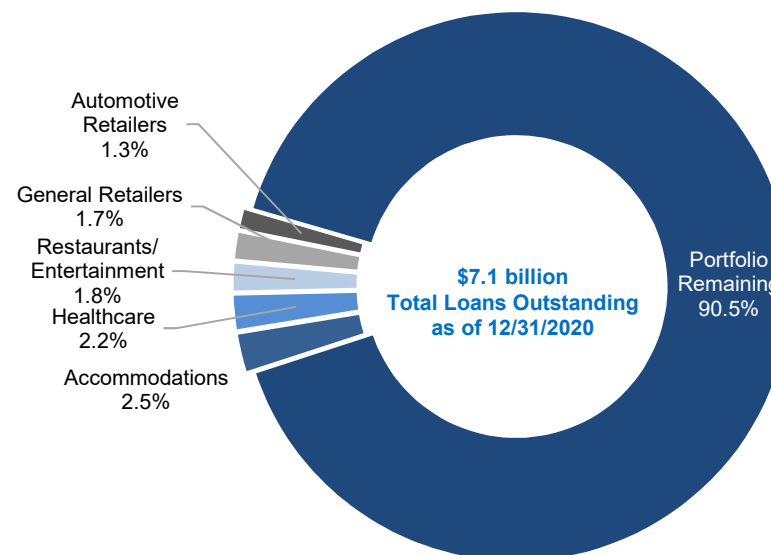
| Loan Category                   | Total Deferrals Customer Loan Balance (000's) | Total Deferrals % of Portfolio Outstandings <sup>(1)</sup> | % of Portfolio Outstandings at Q2 High <sup>(2)</sup> |
|---------------------------------|---|--|---|
| Large Commercial <sup>(3)</sup> | \$85,970                                      | 2.8%   | 21.5%   |
| Small Commercial <sup>(3)</sup> | \$2,720                                       | 0.5%   | 24.2%   |
| Home Lending                    | \$5,670                                       | 0.3%   | 6.9%  |
| Consumer                        | \$12,258                                      | 0.8%   | 8.9%  |
| <b>Total</b>                    | <b>\$106,618</b>                              | <b>1.5%</b>  | <b>14.9%</b>  |

1. Portfolio outstandings as of 12/31/2020; excludes PPP balances
2. Bank-wide deferrals reached Q2 peak as of 5/28/2020; Portfolio outstandings as of 3/31/2020
3. Large Commercial is defined as total relationship commitments of at least \$1 million; Small Commercial is defined as those < \$1 million

# Sectors with Escalated Monitoring

(9.5% of Total Loans)

| Industry                  | Loan Balance <sup>(1)</sup> |
|---------------------------|-----------------------------|
| Accommodations            | \$171,924                   |
| Healthcare                | \$155,319                   |
| Restaurants/Entertainment | \$128,027                   |
| General Retailers         | \$122,587                   |
| Automotive Retailers      | \$93,815                    |
| <b>Total</b>              | <b>\$671,672</b>            |
| <b>Total Loans</b>        | <b>\$7,068,075</b>          |



| Industry                  | Balance Deferred | % of All Deferrals Bank-Wide | % of Total Industry Loans in Deferral <sup>(2)</sup> | Deferral % Industry at Q2 Peak <sup>(3)</sup> |
|---------------------------|------------------|------------------------------|--|---|
| Accommodations            | \$39,363         | 37%                          | 23%  | 69%   |
| Healthcare                | \$0              | 0%                           | 0%   | 23%   |
| Restaurants/Entertainment | \$15,035         | 14%                          | 12%  | 54%   |
| General Retailers         | \$20             | 0%                           | 0%   | 23%   |
| Automotive Retailers      | \$322            | 0%                           | 0%   | 44%   |
| <b>Total</b>              | <b>\$54,740</b>  | <b>51%</b>                   |  |   |
| <b>Total Deferrals</b>    | <b>\$106,618</b> |                              |  |   |

1. Loan balances as of 12/31/2020; excludes PPP balances

2. Deferral rate as of 1/19/2021; Deferrals as a % of total industry exposure in Commercial (Industry Balances as of 12/31/2020)

3. Bank-wide deferrals reached Q2 peak as of 5/28/2020; Portfolio outstandings as of 3/31/2020

# Overview

About NBT Bancorp

Strategic Initiatives

Financial Performance

**Appendix**



# Performance to Peer Group

| December 31, 2020                   |          |             |              |
|-------------------------------------|----------|-------------|--------------|
| Performance Ratios %                | NBTB     | Peer Median | Peer Average |
| PPNR ROA <sup>(1)</sup>             | 1.84%    | 1.57%       | 1.30%        |
| Core ROAE <sup>(1)(2)</sup>         | 9.68%    | 6.93%       | 6.93%        |
| Core ROATCE <sup>(1)(2)</sup>       | 12.95%   | 9.90%       | 9.56%        |
| Net Interest Margin <sup>(1)</sup>  | 3.31%    | 3.29%       | 3.14%        |
| Fee Income / Revenue <sup>(3)</sup> | 31.72%   | 23.09%      | 22.34%       |
| Overhead Ratio <sup>(1)</sup>       | 1.14%    | 1.25%       | 1.29%        |
| Loans / Deposits                    | 82.57%   | 90.89%      | 91.91%       |
| <b>Market Ratios</b>                |          |             |              |
| Current Market Price (\$)*          | \$ 32.10 | \$ 18.18    | \$ 32.11     |
| Price / EPS (x)*                    | 13.54    | 13.65       | 15.73        |
| Price / TBV (%) <sup>(1)</sup>      | 156.43%  | 128.39%     | 137.53%      |
| Current Dividend Yield (%)          | 3.36%    | 3.65%       | 3.45%        |

\* Market data as of 12/31/2020

Data Source: S&P Global Market Intelligence as of the most recent quarter. Peer Group Information is on slide 40.

Note: Peer data pro forma for recently announced acquisitions

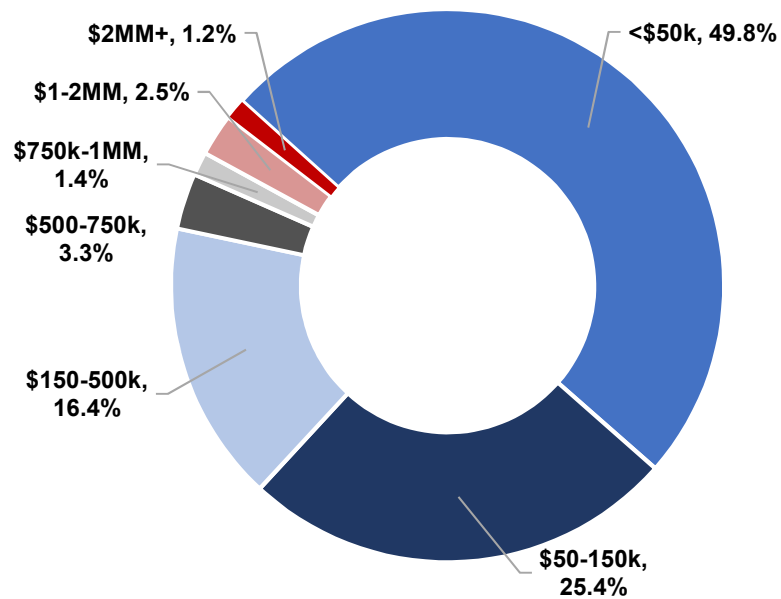
1. Non-GAAP measure; reconciliation of Non-GAAP measures on slides 41 - 46
2. Core Income excludes extraordinary items, non-recurring items, amortization of intangibles & goodwill impairment and gains/losses on sale of securities
3. Excludes gains / losses on sale of securities

# Paycheck Protection Program in 2020

- 2,971 total approved PPP Loans for a total of \$548 million through December 31, 2020 with average loan size of \$184,000
- Average fee of 3.2%
- \$5.7 million in income earned during the quarter on PPP loans
- \$431 million Outstanding as of 12/31/2020; \$73 million forgiven during the fourth quarter

2,971 Total Approved PPP Loans<sup>1</sup>

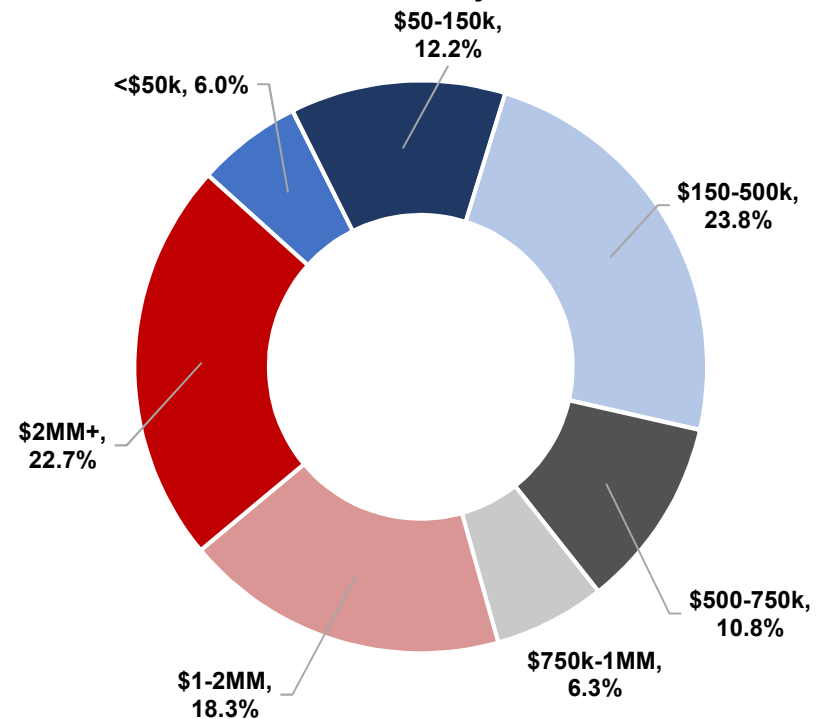
# of PPP Loans by Loan Size



1. Data as of 12/31/2020

\$548 Million Approved PPP Loans<sup>1</sup>

\$ of PPP Loans by Loan Size



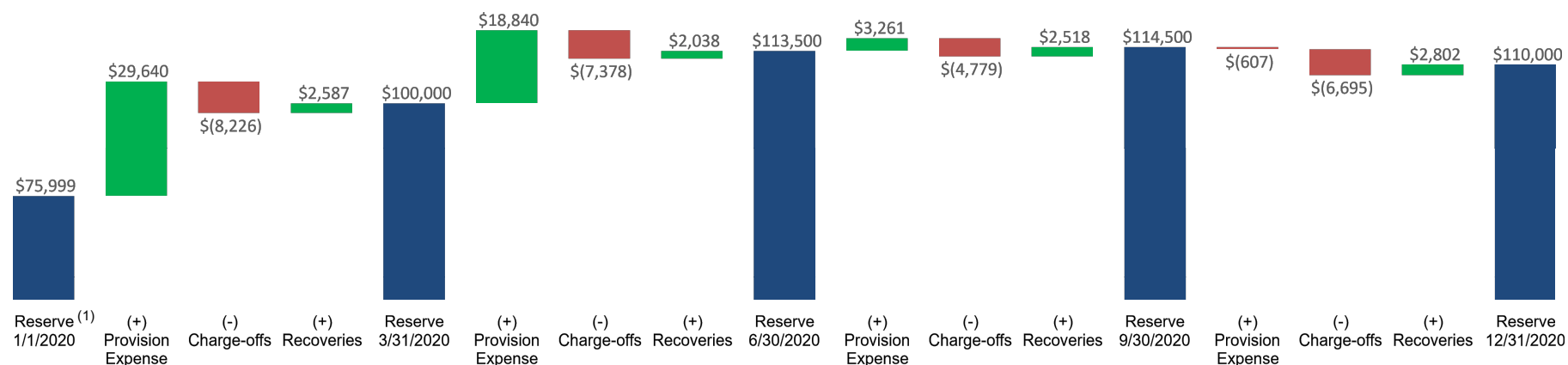
# CECL 2020

## Reserves/Loans by Segment

| Loan Type                   | CECL Accounting |              |              |               |               |               |
|-----------------------------|-----------------|--------------|--------------|---------------|---------------|---------------|
|                             | 12/31/2019      | 1/1/2020     | 3/31/2020    | 6/30/2020     | 9/30/2020     | 12/31/2020    |
| Commercial & Industrial     | 0.96%           | 0.98%        | 1.43%        | 1.25%         | 1.34%         | 1.47%         |
| Paycheck Protection Program | 0.00%           | 0.00%        | 0.00%        | 0.01%         | 0.01%         | 0.01%         |
| Commercial Real Estate      | 1.02%           | 0.74%        | 1.10%        | 1.56%         | 1.57%         | 1.43%         |
| Residential Real Estate     | 0.27%           | 0.83%        | 0.99%        | 1.13%         | 1.21%         | 1.07%         |
| Auto                        | 0.83%           | 0.78%        | 1.08%        | 0.99%         | 0.92%         | 0.93%         |
| Other Consumer              | 3.74%           | 3.66%        | 4.00%        | 5.01%         | 4.66%         | 4.55%         |
| <b>Total</b>                | <b>1.02%</b>    | <b>1.07%</b> | <b>1.38%</b> | <b>1.49%*</b> | <b>1.51%*</b> | <b>1.47%*</b> |

\*Excluding PPP loans and related reserve, reserves / loans was 1.59%, 1.62% and 1.56% as of June 30, 2020, September 30, 2020 and December 31, 2020, respectively.

## YTD 12/31/2020 Loan Loss Reserve Build (in thousands)



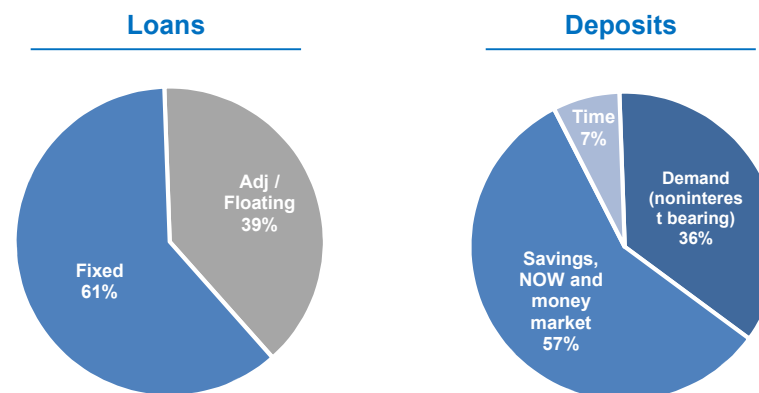
1. Includes day one adjustment for CECL implementation of \$3,034 which was offset to retained earnings.

# Interest Rate & Liquidity Risk

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

- Loan portfolio:
  - 61% Fixed / 39% Adjustable/Floating
- Deposit repricing information:
  - \$126 million CDs re-price in Q1 2021
- Offsets to low-rate environment: \$775 million adjustable/floating loans with floors and resets
  - \$440 million loans with in-the-money interest rate floors
  - \$286 million loans with interest rate floors out-of-the-money
  - \$49 million loans at teaser rate expected to reset higher by approximately 62 bps
- Investments:
  - 3.4-year modified duration, 1.1% of portfolio floating rate

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



## Liquidity<sup>1</sup>

- Continued significant excess liquidity
  - \$400 million in excess reserves at Fed
- Loan-to-deposit ratio of 82.6%
- Available lines of credit:
  - \$1.57 billion FHLB (secured)
  - \$0.66 billion Fed discount window (secured)
  - \$0.25 billion Fed funds (unsecured)
  - \$0.45 billion available through PPP Liquidity Facility

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

| Change in interest rates | Net Interest Income |              |
|--------------------------|---------------------|--------------|
|                          | % Change from base  | Policy limit |
| Up 200 bps               | 1.71%               | 7.50%        |
| Up 100 bps               | 0.96%               | N/A          |
| Down 50 bps              | -0.66%              | N/A          |
| Forward Curve            | 0.63%               | N/A          |

1. Data as of 12/31/2020

# Peer Group

| Name                                     | Head Quarter 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   |
| Flushing Financial Corp.                 | Uniondale         | NY    | FFIC   |
| First Midwest Bancorp Inc.               | Chicago           | IL    | FMBI   |
| First Merchants Corporation              | Muncie            | IN    | FRME   |
| Independent Bank Corp.                   | Rockland          | MA    | INDB   |
| Northwest Bancorp, Inc.                  | Warren            | PA    | NWBI   |
| OceanFirst Financial Corp.               | Toms River        | NJ    | OCFC   |
| Provident Financial Services             | Jersey City       | NJ    | PFS    |
| Park National Corp.                      | Newark            | OH    | PRK    |
| 1 <sup>st</sup> Source Corporation       | South Bend        | IN    | SRCE   |
| S&T Bancorp, Inc.                        | Indiana           | PA    | STBA   |
| Tompkins Financial Corporation           | Ithaca            | NY    | TMP    |
| TriState Capital Holdings, Inc.          | Pittsburgh        | PA    | TSC    |



# Reconciliation of Non-GAAP Measures

| (Dollars in Thousands)                               | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          | 2013          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Income   | \$ 104,388    | \$ 121,021    | \$ 112,566    | \$ 82,151     | \$ 78,409     | \$ 76,425     | \$ 75,074     | \$ 61,747     |
| Income Tax Expense                                   | 28,699        | 34,411        | 24,436        | 46,010        | 40,392        | 40,203        | 37,229        | 28,196        |
| Provision Expense                                    | 51,134        | 25,412        | 28,828        | 30,988        | 25,431        | 18,285        | 19,539        | 22,424        |
| FTE Adjustment                                       | 1,301         | 1,667         | 2,007         | 3,799         | 3,549         | 3,292         | 3,432         | 3,785         |
| Securities Losses (Gains)                            | 388           | (4,213)       | 6,341         | (1,867)       | 644           | (3,087)       | (92)          | (1,426)       |
| Unfunded Loan Commitments Reserve from CECL Adoption | 2,700         | -             | -             | -             | -             | -             | -             | -             |
| Nonrecurring Expense (Revenue) <sup>(1)</sup>        | 4,750         | 3,800         | -             | (818)         | (1,300)       | (400)         | (1,195)       | 13,121        |
| PPNR <sup>(2)</sup>                                  | \$ 193,360    | \$ 182,098    | \$ 174,178    | \$ 160,263    | \$ 147,125    | \$ 134,718    | \$ 133,987    | \$ 127,847    |
| Average Assets                                       | \$ 10,514,051 | \$ 9,571,212  | \$ 9,359,139  | \$ 9,026,592  | \$ 8,556,954  | \$ 7,997,517  | \$ 7,756,047  | \$ 7,266,639  |
| Average Stockholders' Equity                         | \$ 1,148,475  | \$ 1,068,948  | \$ 980,005    | \$ 943,676    | \$ 897,230    | \$ 878,110    | \$ 849,465    | \$ 763,026    |
| Average Tangible Equity                              | \$ 856,688    | \$ 780,409    | \$ 691,732    | \$ 660,103    | \$ 615,472    | \$ 596,439    | \$ 562,452    | \$ 493,343    |
| <b>Return on Average Assets</b>                      | <b>0.99%</b>  | <b>1.26%</b>  | <b>1.20%</b>  | <b>0.91%</b>  | <b>0.92%</b>  | <b>0.96%</b>  | <b>0.97%</b>  | <b>0.85%</b>  |
| <b>PPNR Return on Average Assets</b>                 | <b>1.84%</b>  | <b>1.90%</b>  | <b>1.86%</b>  | <b>1.78%</b>  | <b>1.72%</b>  | <b>1.68%</b>  | <b>1.73%</b>  | <b>1.76%</b>  |
| <b>Return on Average Tangible Common Equity</b>      | <b>12.48%</b> | <b>15.85%</b> | <b>16.71%</b> | <b>12.82%</b> | <b>13.13%</b> | <b>13.31%</b> | <b>13.90%</b> | <b>13.11%</b> |
| <b>PPNR Return on Average Tangible Common Equity</b> | <b>22.97%</b> | <b>23.79%</b> | <b>25.76%</b> | <b>24.88%</b> | <b>24.96%</b> | <b>23.40%</b> | <b>24.72%</b> | <b>26.90%</b> |

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.

# Reconciliation of Non-GAAP Measures

| (Dollars in Thousands)                | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Interest Income                   | \$ 315,678   | \$ 311,555   | \$ 305,629   | \$ 283,493   | \$ 264,441   | \$ 252,608   | \$ 251,878   | \$ 238,079   |
| Tax-equivalent Adjustment             | 1,301        | 1,667        | 2,007        | 3,799        | 3,549        | 3,292        | 3,432        | 3,785        |
| Net Interest Income Tax Equivalent    | \$ 316,979   | \$ 313,222   | \$ 307,636   | \$ 287,292   | \$ 267,990   | \$ 255,900   | \$ 255,310   | \$ 241,864   |
| Average Total Interest Earning Assets | \$ 9,571,777 | \$ 8,739,258 | \$ 8,594,469 | \$ 8,274,334 | \$ 7,816,448 | \$ 7,305,934 | \$ 7,064,113 | \$ 6,613,207 |

|  |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net Interest Margin, Tax Equivalent</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> | <b>3.61%</b> | <b>3.66%</b> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

| (Dollars in Thousands)   | 2020          | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Noninterest Expense  | \$ 277,733    | \$ 274,734   | \$ 264,561   | \$ 245,648   | \$ 235,922   | \$ 236,176   | \$ 246,063   | \$ 228,927   |
| Gains (Losses) on OREO   | 96            | (227)        | 230          | 221          | 687          | 1,337        | 459          | 1,106        |
| Amortization of Intangibles and Goodwill Impairment            | (3,395)       | (3,579)      | (4,042)      | (3,960)      | (3,928)      | (4,864)      | (5,047)      | (4,872)      |
| Noninterest Income   | (146,276)     | (144,023)    | (124,762)    | (121,304)    | (115,713)    | (118,481)    | (126,027)    | (103,215)    |
| Net Securities Gains (Losses)                                  | (388)         | 4,213        | (6,341)      | 1,867        | (644)        | 3,087        | 92           | 1,426        |
| Unfunded Loan Commitments Reserve from CECL Adoption           | (2,700)       | -            | -            | -            | -            | -            | -            | -            |
| Nonrecurring (Expense) Revenue <sup>(1)</sup>                  | (4,750)       | (3,800)      | -            | 818          | (1,265)      | 400          | 1,195        | (13,121)     |
| Net Operating Expense  | \$ 120,320    | \$ 127,318   | \$ 129,646   | \$ 123,290   | \$ 115,059   | \$ 117,655   | \$ 116,735   | \$ 110,251   |
| Average Assets   | \$ 10,514,051 | \$ 9,571,212 | \$ 9,359,139 | \$ 9,026,592 | \$ 8,556,954 | \$ 7,977,517 | \$ 7,756,047 | \$ 7,266,639 |
| <b>Overhead Ratio (Net Operating Expense / Average Assets)</b> | <b>1.14%</b>  | <b>1.33%</b> | <b>1.39%</b> | <b>1.37%</b> | <b>1.34%</b> | <b>1.47%</b> | <b>1.51%</b> | <b>1.52%</b> |

1. Items per S&P Global Market Intelligence

# Reconciliation of Non-GAAP Measures

| (Dollars in Thousands)                               | Q4 2020          | Q3 2020          | Q4 2019          |
|--|------------------|------------------|------------------|
| Net Income   | \$ 34,194        | \$ 35,113        | \$ 28,960        |
| Income Tax Expense                                   | 9,432            | 10,988           | 8,166            |
| Provision Expense                                    | (607)            | 3,261            | 6,004            |
| FTE Adjustment                                       | 318              | 325              | 349              |
| Net Securities (Gains) Losses                        | (160)            | (84)             | (189)            |
| Unfunded Loan Commitments Reserve from CECL Adoption | 900              | -                | -                |
| Nonrecurring Expense (Revenue) <sup>(1)</sup>        | 4,100            | -                | -                |
| <b>PPNR<sup>(2)</sup></b>                            | <b>\$ 48,177</b> | <b>\$ 49,603</b> | <b>\$ 43,290</b> |
| Average Assets                                       | \$ 10,939,713    | \$ 10,793,494    | \$ 9,600,259     |
| <b>Return on Average Assets</b>                      | <b>1.24%</b>     | <b>1.29%</b>     | <b>1.20%</b>     |
| <b>PPNR Return on Average Assets</b>                 | <b>1.75%</b>     | <b>1.83%</b>     | <b>1.79%</b>     |

| (Dollars in Thousands)                     | Q4 2020      | Q3 2020      | Q2 2020      | Q1 2020      | Q4 2019      |
|--|--------------|--------------|--------------|--------------|--------------|
| Net Interest Income                        | \$ 80,108    | \$ 77,943    | \$ 80,446    | \$ 77,181    | \$ 77,183    |
| FTE Adjustment                             | 318          | 325          | 329          | 329          | 349          |
| Net Interest Income, Tax Equivalent        | \$ 80,426    | \$ 78,268    | \$ 80,775    | \$ 77,510    | \$ 77,532    |
| Average Total Interest Earning Assets      | \$ 9,985,50  | \$ 9,826,300 | \$ 9,605,356 | \$ 8,862,518 | \$ 8,738,350 |
| <b>Net Interest Margin, Tax Equivalent</b> | <b>3.20%</b> | <b>3.17%</b> | <b>3.38%</b> | <b>3.52%</b> | <b>3.52%</b> |

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.

# Reconciliation of Non-GAAP Measures

| (Dollars in Thousands, Except Per Share Data)    | Q4 2020         | Q3 2020         | Q4 2019         | 2019         | 2018         | 2017         | 2016         |
|--|-----------------|-----------------|-----------------|--------------|--------------|--------------|--------------|
| Net Income                                       | \$ 34,194       | \$ 35,113       | \$ 28,960       |              |              |              |              |
| Amortization of Intangible Assets (Net of Tax)   | 617             | 642             | 633             |              |              |              |              |
| Net Income, Excluding Intangibles Amortization   | \$ 34,811       | \$ 35,755       | \$29,593        |              |              |              |              |
| Average Tangible Equity                          | \$ 881,337      | \$ 861,484      | \$ 821,957      |              |              |              |              |
| <b>Return on Average Tangible Common Equity</b>  | <b>15.71%</b>   | <b>16.51%</b>   | <b>14.28%</b>   |              |              |              |              |
| Total Stockholder's Equity                       | \$ 1,187,618    | \$ 1,166,111    | \$ 1,120,397    | \$ 1,120,397 | \$ 1,017,909 | \$ 958,177   | \$ 913,316   |
| Goodwill and Other Intangibles                   | (292,276)       | (293,098)       | (286,789)       | (286,789)    | (290,368)    | (281,463)    | (281,254)    |
| Tangible Common Equity                           | \$ 895,342      | \$ 870,013      | \$ 833,608      | \$ 833,608   | \$ 727,541   | \$ 676,714   | \$ 632,062   |
| Total Assets                                     | \$ 10,932,906   | \$ 10,850,212   | \$ 9,715,925    | \$ 9,715,925 | \$9,556,363  | \$ 9,136,812 | \$ 8,867,268 |
| Goodwill and Other Intangibles                   | (292,276)       | (293,098)       | (286,789)       | (286,789)    | (290,368)    | (281,463)    | (281,254)    |
| Tangible Assets                                  | \$ 10,640,630   | \$ 10,557,114   | \$ 9,429,136    | \$ 9,429,136 | \$ 9,265,995 | \$ 8,855,349 | \$ 8,586,014 |
| <b>Tangible Common Equity to Tangible Assets</b> | <b>8.41%</b>    | <b>8.27%</b>    | <b>8.84%</b>    | <b>8.84%</b> | <b>7.85%</b> | <b>7.64%</b> | <b>7.36%</b> |
| Common Shares Outstanding                        | 43,629,094      | 43,611,380      | 43,796,611      |              |              |              |              |
| <b>Book Value Per Share</b>                      | <b>\$ 27.22</b> | <b>\$ 26.74</b> | <b>\$ 25.58</b> |              |              |              |              |
| <b>Tangible Book Value Per Share</b>             | <b>\$ 20.52</b> | <b>\$ 20.02</b> | <b>\$ 19.03</b> |              |              |              |              |

# Reconciliation of Non-GAAP Measures

| (Dollars in Thousands)   | Q4 2020          | Q3 2020          | Q2 2020          | Q1 2020          | Q4 2019          |
|--|------------------|------------------|------------------|------------------|------------------|
| Noninterest Expense  | \$ 75,204        | \$ 66,308        | \$ 65,340        | \$ 70,881        | \$ 70,294        |
| Gains (Losses) on OREO   | (147)            | 158              | 96               | (11)             | (405)            |
| Amortization of Intangibles and Goodwill Impairment            | (822)            | (856)            | (883)            | (834)            | (844)            |
| Noninterest Income   | (38,115)         | (37,727)         | (35,011)         | (35,423)         | (36,241)         |
| Net Securities Gains (Losses)                                  | 160              | 84               | 180              | (812)            | 189              |
| Unfunded Loan Commitments Reserve from CECL Adoption           | (900)            | -                | 200              | (2,000)          | -                |
| Nonrecurring Expense <sup>(1)</sup>                            | (4,100)          | -                | (650)            | -                | -                |
| <b>Net Operating Expense</b>                                   | <b>\$ 31,280</b> | <b>\$ 27,967</b> | <b>\$ 29,772</b> | <b>\$ 31,801</b> | <b>\$ 32,993</b> |
| Average Assets   | \$ 10,939,713    | \$ 10,793,494    | \$ 10,567,163    | \$ 9,748,088     | \$ 9,600,259     |
| <b>Overhead Ratio (Net Operating Expense / Average Assets)</b> | <b>1.14%</b>     | <b>1.04%</b>     | <b>1.11%</b>     | <b>1.30%</b>     | <b>1.37%</b>     |

1. Items per S&P Global Market Intelligence

# Reconciliation of Non-GAAP Measures

| (Dollars in Thousands)   | 2020              |
|--|-------------------|
| Net Income   | \$ 104,388        |
| Securities Loss (Net of Tax) <sup>(1)</sup>                        | 307               |
| Amortization of Intangibles (Net of Tax) <sup>(1)</sup>            | 3,753             |
| Nonrecurring expense (Net of Tax) <sup>(1)</sup>                   | 2,682             |
| <b>Core Net Income<sup>(2)</sup></b>                               | <b>\$ 111,129</b> |
| <br>   |                   |
| Average Stockholders' Equity                                       | \$ 1,148,475      |
| Average Tangible Equity <sup>(3)</sup>                             | \$ 857,840        |
| <br>   |                   |
| <b>Core Return on Average Equity<sup>(2)</sup></b>                 | <b>9.68%</b>      |
| <b>Core Return on Average Tangible Common Equity<sup>(2)</sup></b> | <b>12.95%</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

# 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 regulatory pronouncements around CARES Act; (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 novel coronavirus, which causes Coronavirus disease 2019 (“COVID-19”), global pandemic; (21) the impact of a slowing U.S. economy and increased unemployment on the performance of our loan portfolio, the market value of our investment securities, the availability of sources of funding and the demand for our products; and (22) 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 and its impact 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, 2019 and in our Form 10-Q for the quarter ended September 30, 2020 as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

You should not place undue reliance on any forward-looking statements, which speak only as of the date made, and you are advised 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.