

NBT Bancorp Inc.

2021 RBC Capital Markets Global Financials Conference
March 9, 2021



Overview

About NBT Bancorp

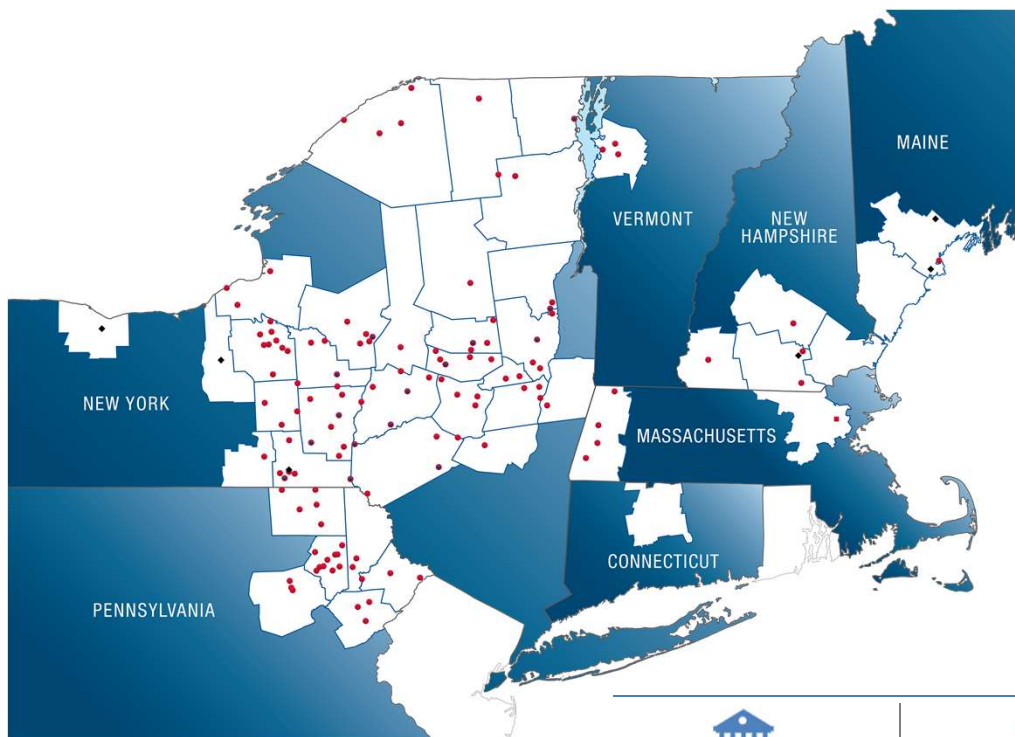
Strategic Initiatives

Financial Performance

Appendix



Company Profile



Financial Highlights

Assets: \$10.9bn

Gross Loans: \$7.5bn

Deposits: \$9.1bn

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

PPNR ROAA: 1.84%

Company Overview

98th Largest Bank Holding Co.

Headquarters	Norwich, NY
Founded	1856
Ticker	NASDAQ: NBTB
Market Cap ⁽³⁾	\$1.6 billion
Branches	141
Employees	1,877
Institutional Ownership	56%
3Mo. ADTV	142,800
52 Week H/L	\$41.27 / \$26.10
Management:	
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 unless noted; 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
 3. Market Cap as of March 3, 2021

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 ⁽¹⁾

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 ⁽²⁾

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 with lobbies fully accessible as of March 8, 2021

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

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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 Roadmap

New England Expansion

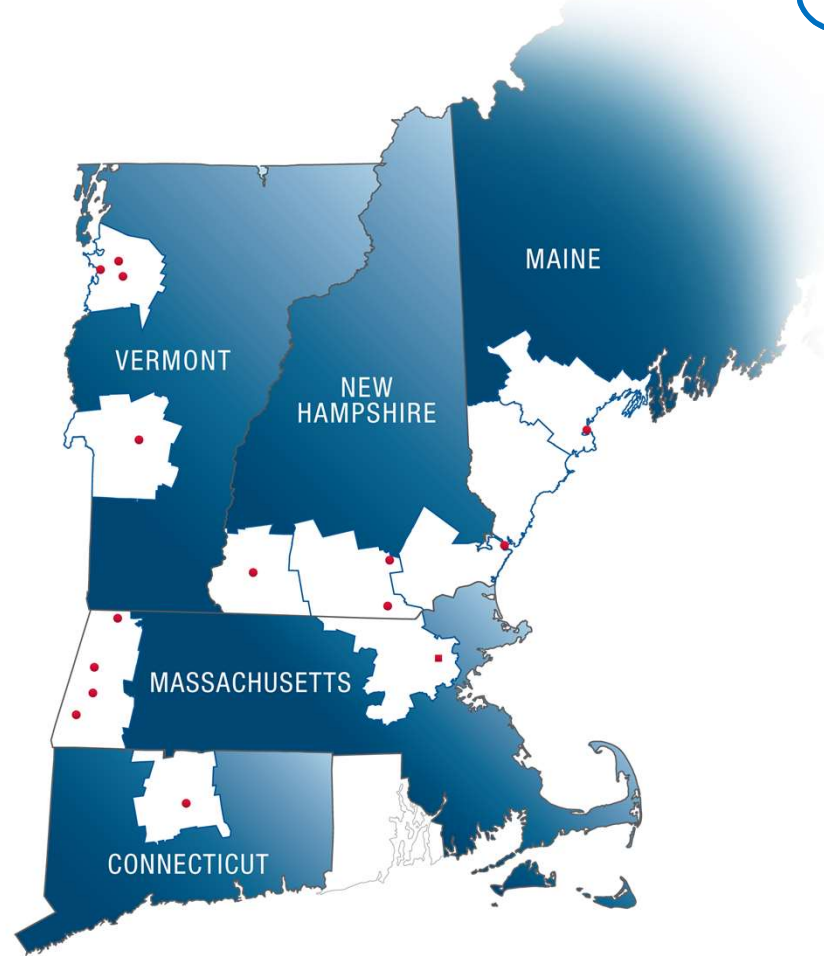
Why New England?

Banking Environment

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

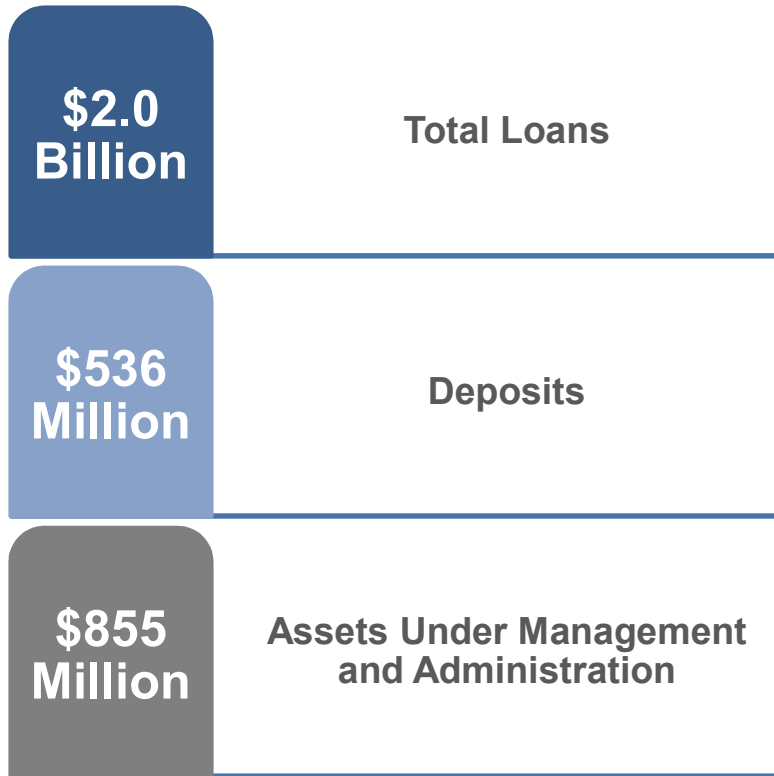
Market Dynamics⁽¹⁾

- 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

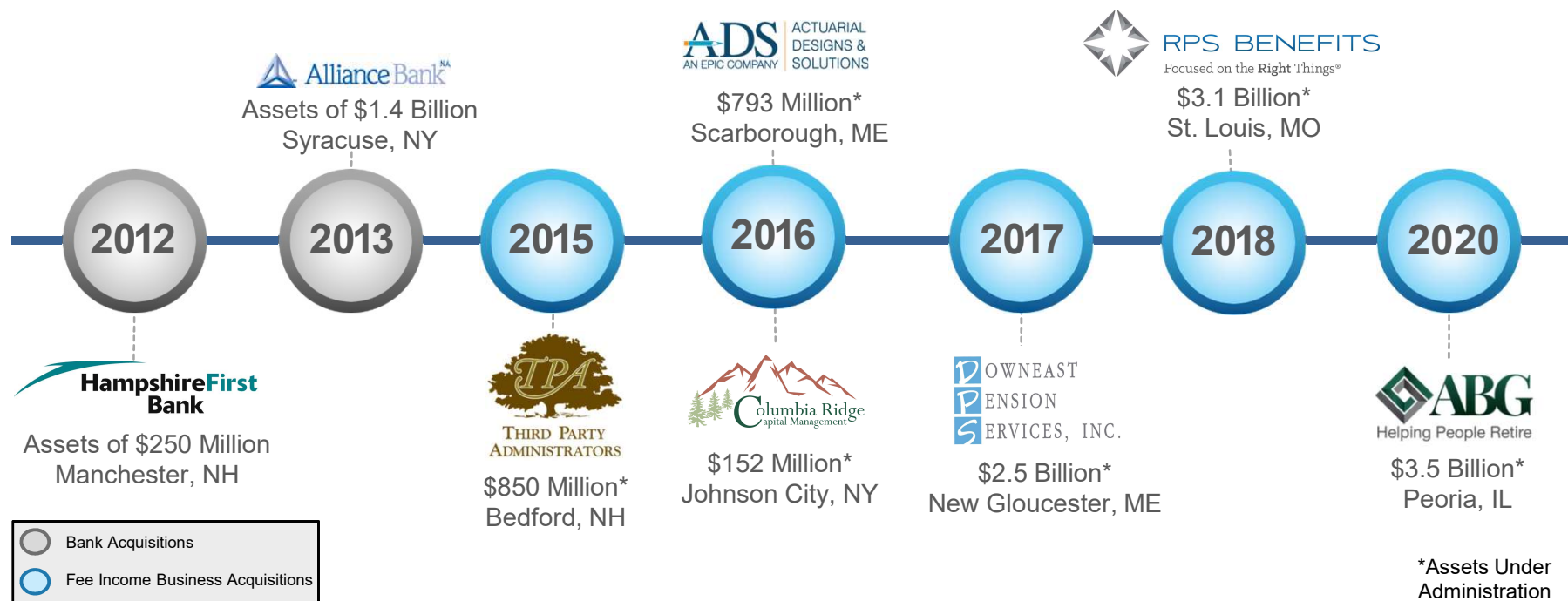
NBT's New England franchise represents 18% of assets and approximately one-quarter of the Bank's total loan portfolio.

Note: Data as of 12/31/2020

Disciplined Acquirer & Proven Integrator

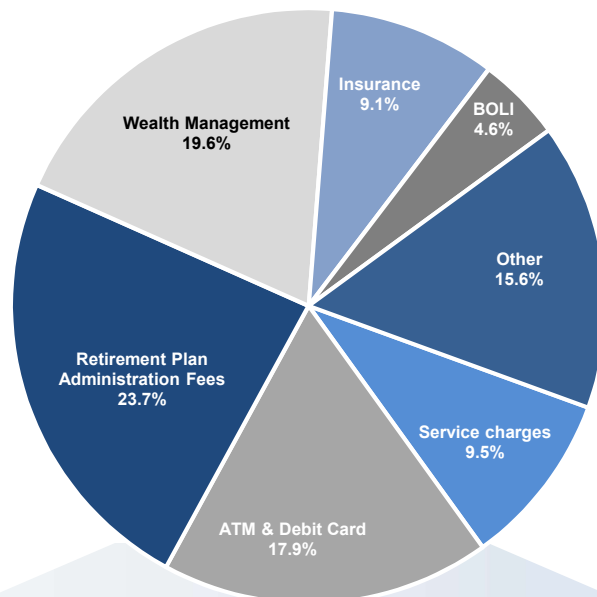
- Completed 7 whole-bank, 7 branch and 8 fee income business acquisitions since 2000
- Achieved or exceeded targeted cost saves
- Retained key personnel
- High retention rates in loans and deposits with bank and branch deals
- Successful integration of systems
- Non-bank acquisitions diversify revenue,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

Recent Acquisitions

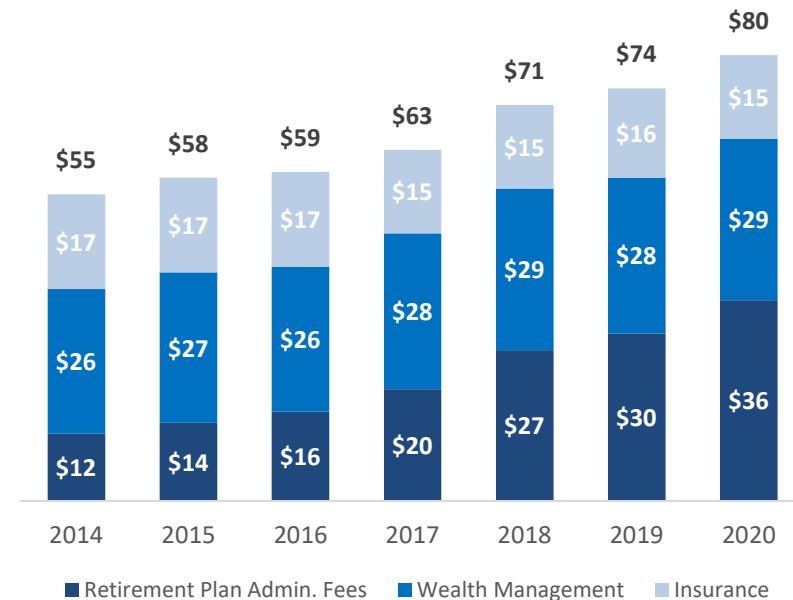


Focus on Fee-Based Businesses

Q4 2020 Fee Income Composition ⁽¹⁾ (%)



Key Fee Revenue Verticals Over Time ⁽²⁾ (\$million)



\$38.0 Million
Total Noninterest
Income ⁽¹⁾

Up 5.3% Compared
to Q4 2019

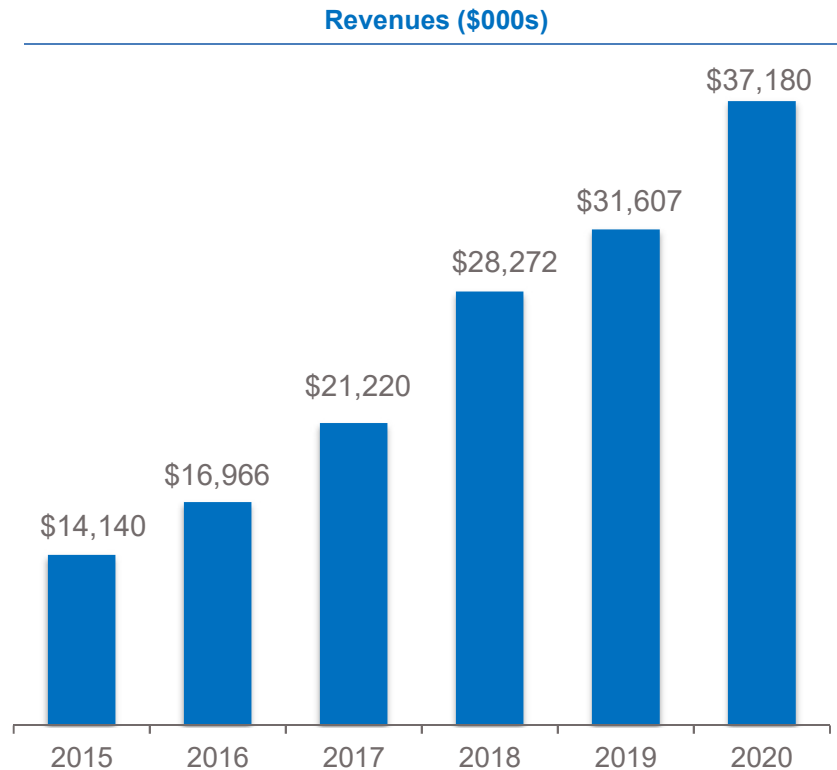
32%
Noninterest Income
to Total Revenue ⁽¹⁾
(compared to peer
median at 23%)

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”

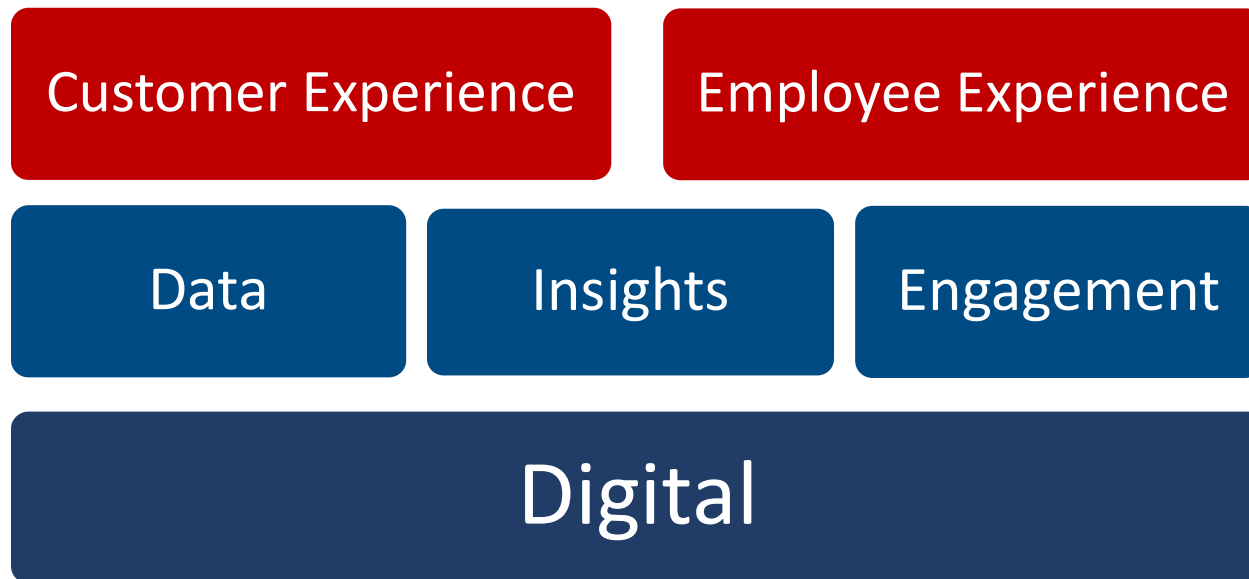
*Over 265,000 Plan
Participants Nationwide*

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

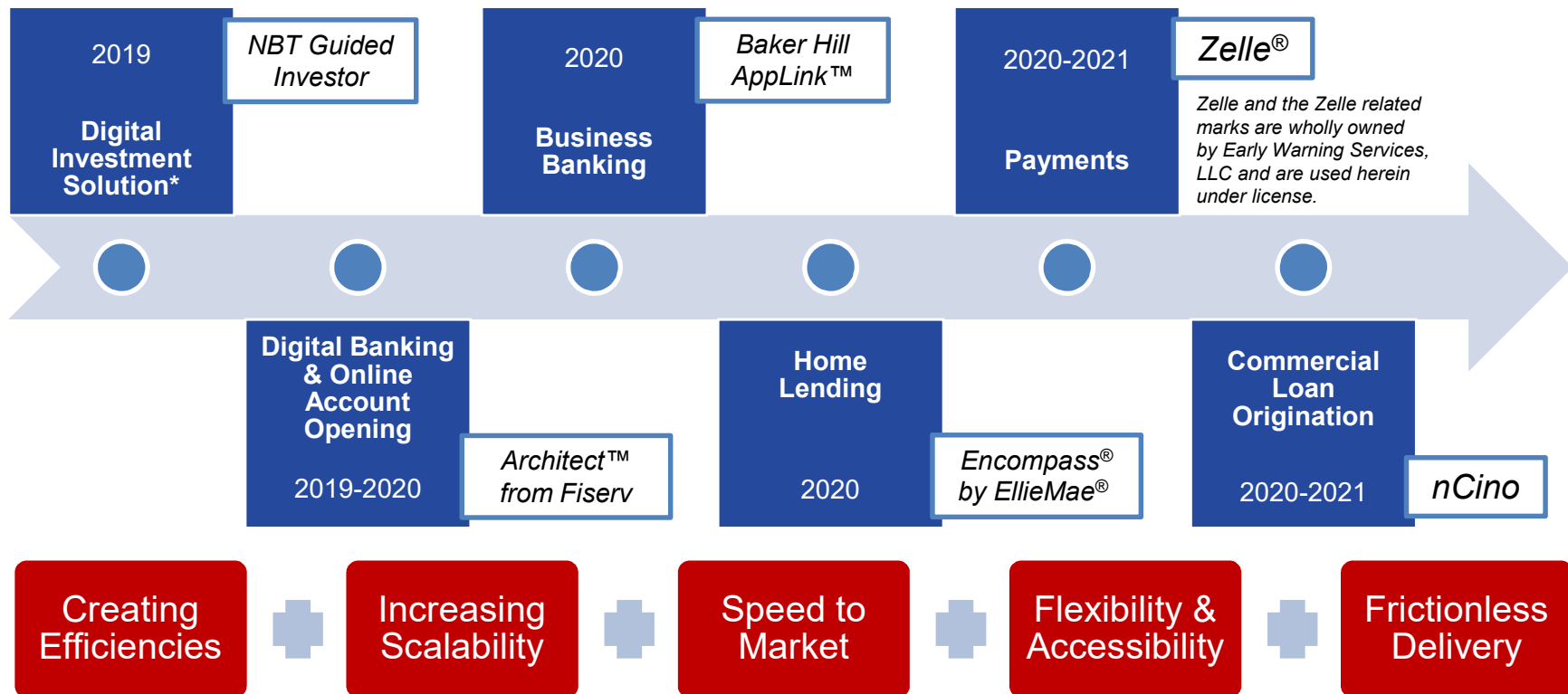
- Digital Banking Services
- APIs and Configurable Platforms
- Fintech Partnerships

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⁽¹⁾



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

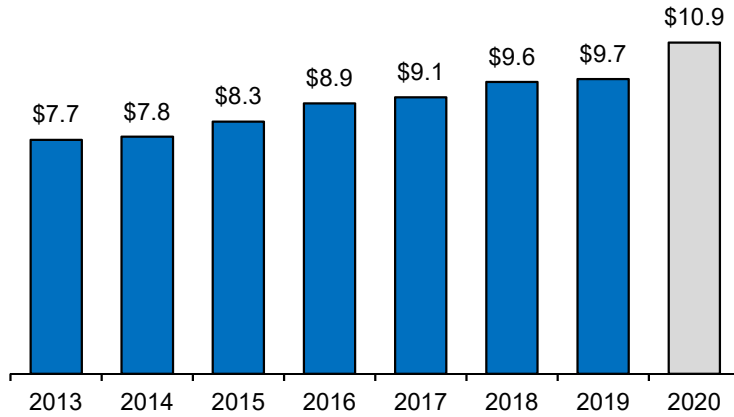
Financial Performance

Appendix

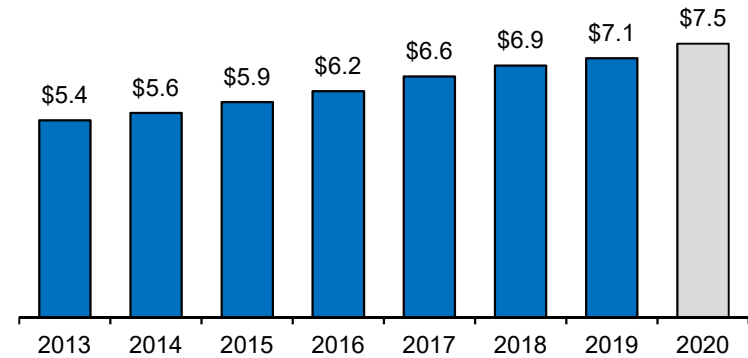


Track Record of Consistent Growth

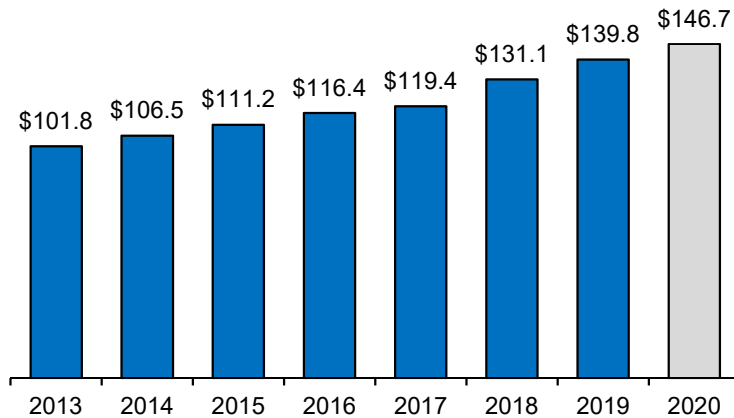
Total Assets (\$billion)



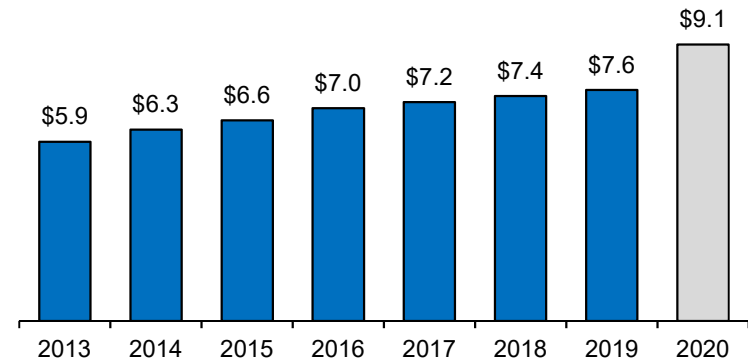
Gross Loans (\$billion)



Fee Income⁽¹⁾ (\$million)



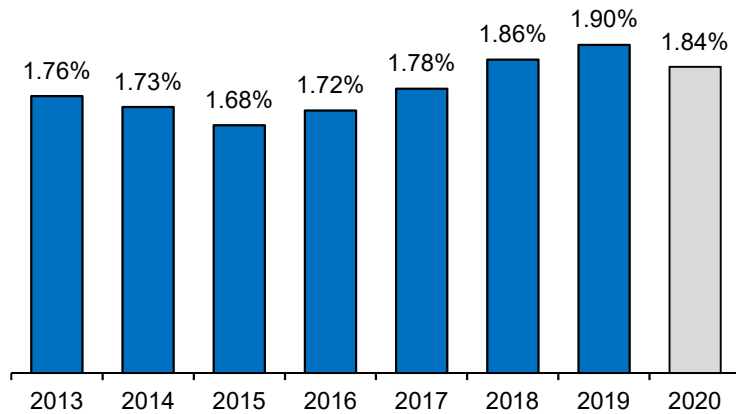
Deposits (\$billion)



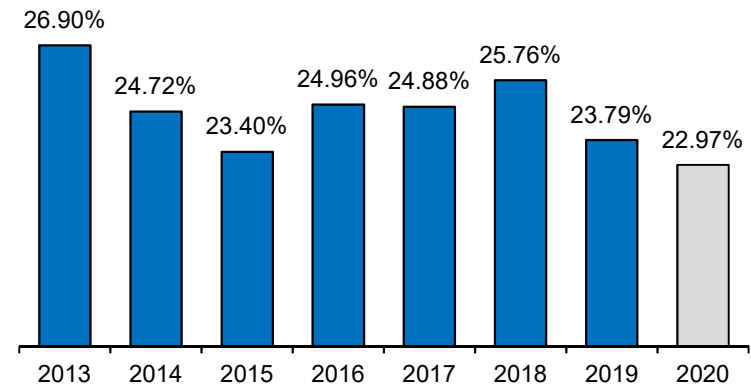
1. Excludes gains/losses on sale of securities and equity investments

Strong & Stable Profitability

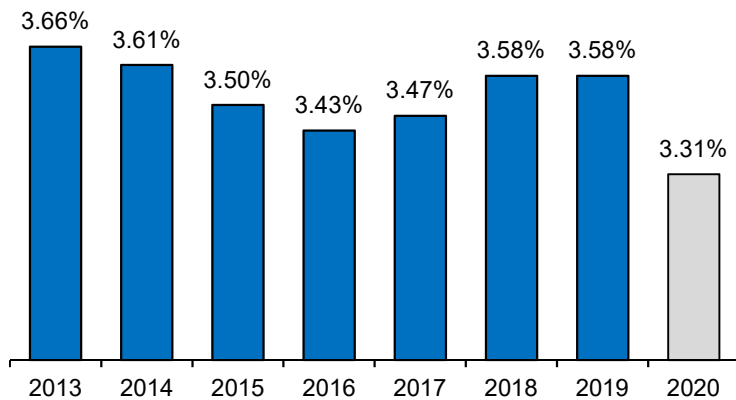
Pre-Provision Net Revenue ROAA (%)



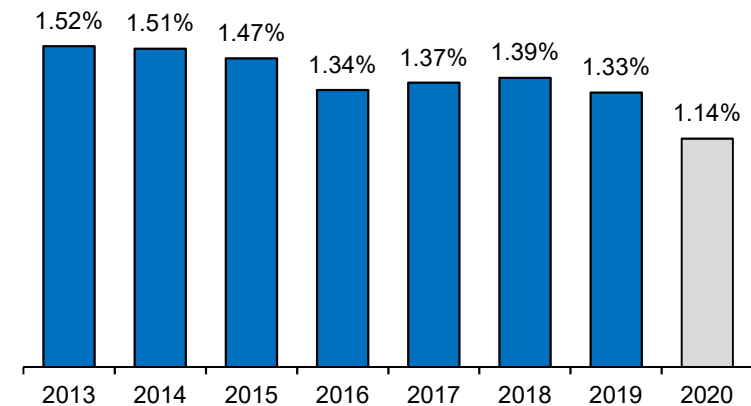
Pre-Provision Net Revenue ROATCE (%)



Net Interest Margin FTE (%)



Overhead Ratio (%)



Note: Non-GAAP reconciliations on pages 41-46

2020 Results Overview

Financial Highlights

(\$ in millions except per share data)	2020	Change 2019	% Change 2019
Period End Balance Sheet			
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%
Income Statement			
FTE net interest income ²	\$ 317.0	\$ 3.8	1.2%
Provision for loan losses ³	51.1	25.7	101.2%
Total noninterest income ³	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 ²	193.4	11.3	6.2%
Performance Ratios			
Earnings per share, diluted	\$ 2.37	\$ (0.37)	(13.5%)
Net interest margin ²	3.31%	(0.27%)	(7.5%)
ROAA	0.99%	(0.27%)	(21.4%)
PPNR ROAA ²	1.84%	(0.06%)	(3.2%)
ROATCE ²	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 ²	\$ 20.52	\$ 1.49	7.8%
Tangible equity ratio ²	8.41%	(0.43%)	(4.9%)
Capital Ratios			
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%

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

YTD Highlights⁽¹⁾



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
- PPNR² 6% higher than 2019
- Net interest margin² down 27 bps from 2019
- Fee income³ 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 share² up 8%

Q4 2020 Results Overview

Financial Highlights

(\$ in millions except per share data)	Q4 2020	Change		% Change	
		Q3 2020	Q4 2019	Q3 2020	Q4 2019
Period End Balance Sheet					
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%
Income Statement					
FTE net interest income ²	\$ 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 ³	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 ²	48.2	(1.4)	4.9	(2.9%)	11.3%
Performance Ratios					
Earnings per share, diluted	\$ 0.78	\$ (0.02)	\$ 0.12	(2.5%)	18.2%
Net interest margin ²	3.20%	0.03%	(0.32%)	0.9%	(9.1%)
ROAA	1.24%	(0.05%)	0.04%	(3.9%)	3.3%
PPNR ROAA ²	1.75%	(0.08%)	(0.04%)	(4.4%)	(2.2%)
ROATCE ²	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 ²	\$ 20.52	\$ 0.50	\$ 1.49	2.5%	7.8%
Tangible equity ratio ²	8.41%	0.14%	(0.43%)	1.7%	(4.9%)
Capital Ratios					
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⁽¹⁾



Balance Sheet

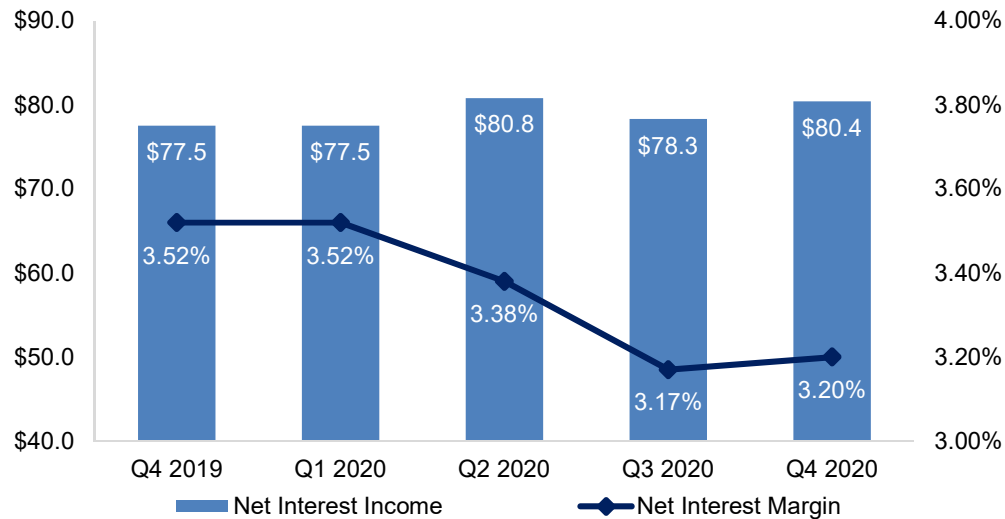
- Loans, excluding PPP, were up \$22 million from Q3 2020
- Deposits increased \$124 million during the quarter

Earnings & Capital

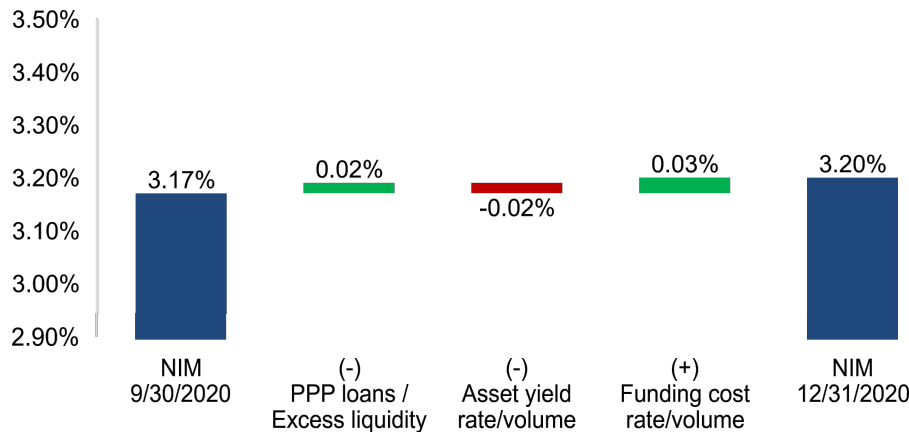
- Net income \$34.2 million and diluted earnings per share \$0.78
- Provision expense of (\$0.6) million, decreasing allowance for loan losses to 1.56% (excluding PPP loans)
- PPNR² 3% lower than Q3 2020
- Net interest margin² up 3 bps from Q3 2020
- Fee income³ up 1% from Q3 2020
- Noninterest expense up 13.4% from Q3 2020 due to branch optimization charges and increase in unfunded loan commitments reserve
- Tangible book value per share² up 2%

Net Interest Income & Net Interest Margin

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



Q4 2020 Net Interest Margin



Quarterly Highlights⁽¹⁾

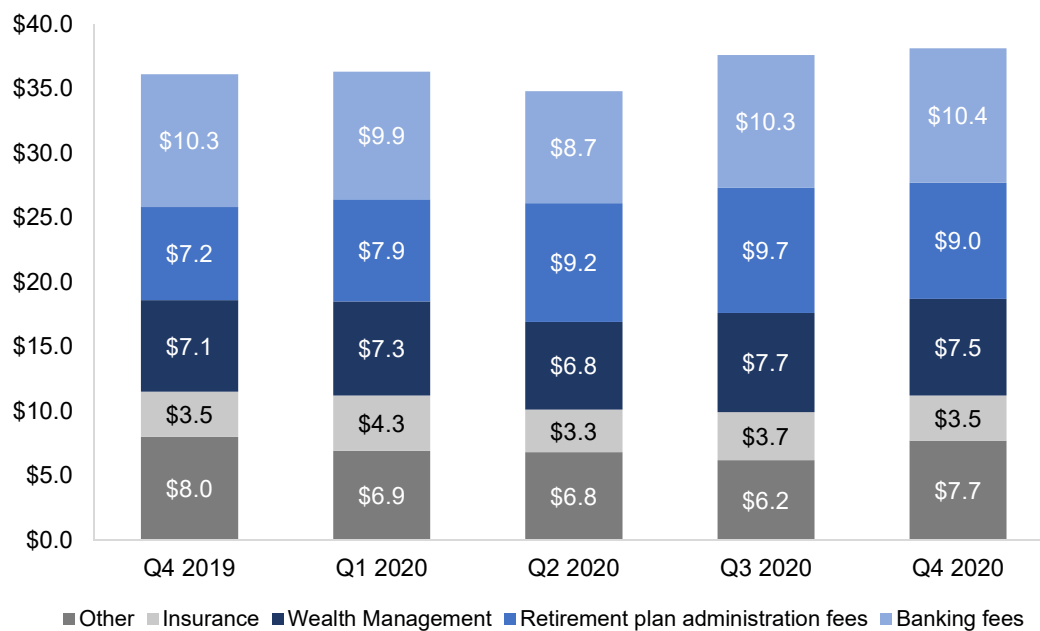
- Net interest income up \$2.2 million
- Net interest margin increased 3 bps to 3.20%
 - Net impact of excess liquidity and PPP lending positively impacted margin by additional 2 bps vs. Q3 2020
 - Normalized margin excluding PPP and excess liquidity up 1 bp due to reduction in the cost of interest-bearing 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

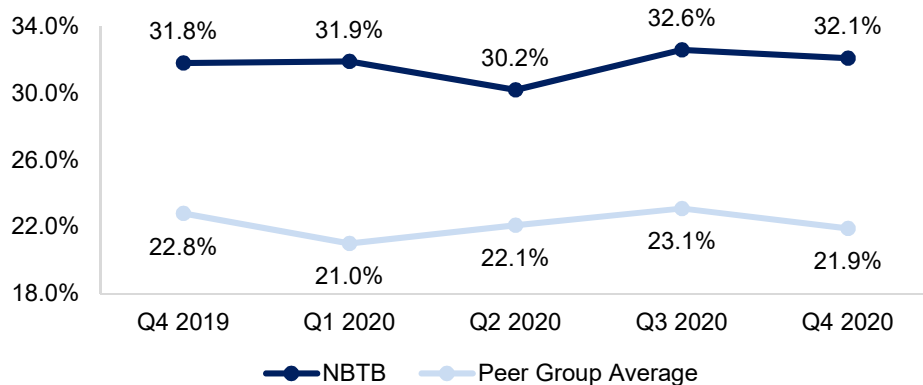
1. Comparison to Q3 2020 unless otherwise stated

Noninterest Income

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



Total Noninterest Income⁽¹⁾ / Total Revenue⁽¹⁾



Quarterly Highlights⁽²⁾

- Noninterest income to total revenue was 32.1%¹
- \$38.0 million¹ 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

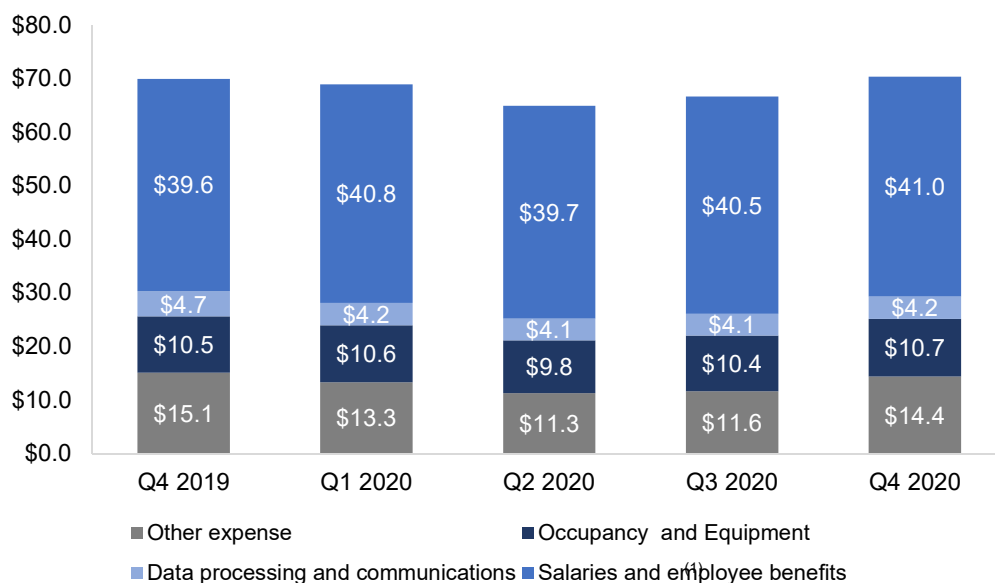
Peer Group information on slide 40

1. Excludes net securities gains (losses)

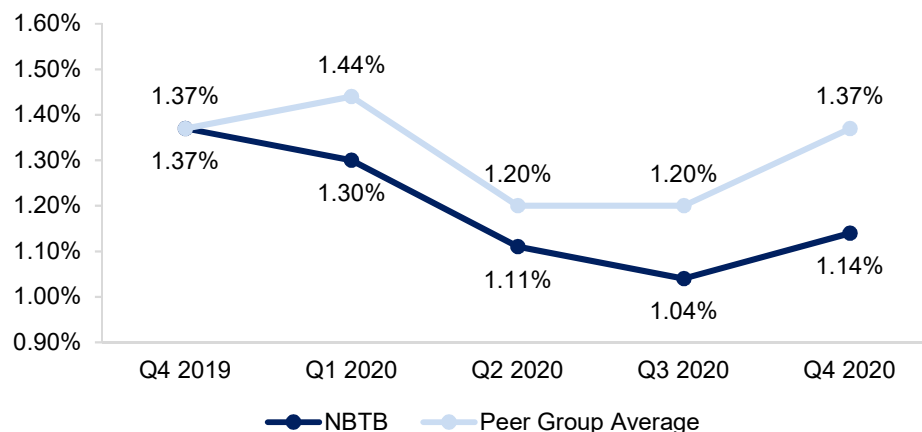
2. Comparison to Q3 2020 unless otherwise stated

Noninterest Expense

Noninterest Expense Trend (\$ in millions)



Overhead Ratio⁽³⁾ Trend



Quarterly Highlights⁽²⁾

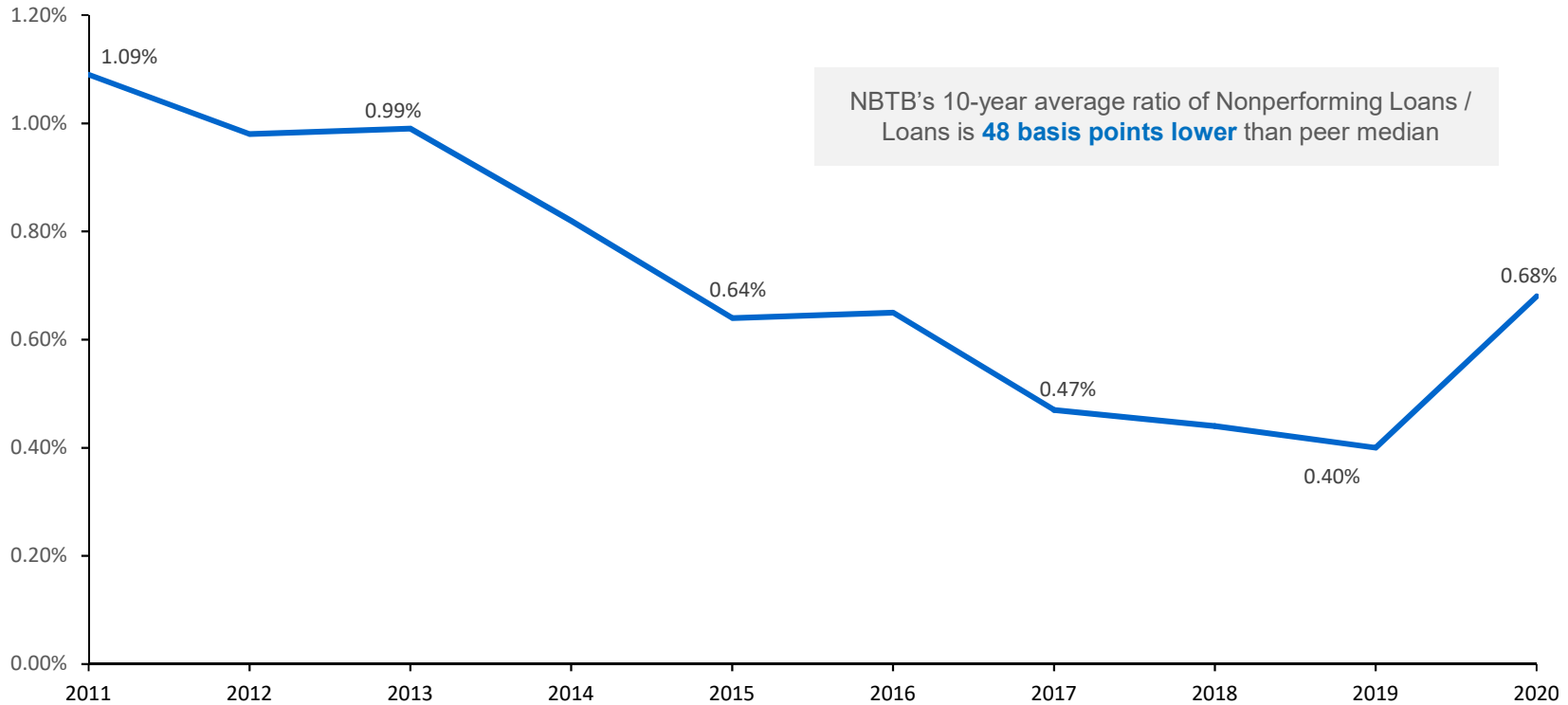
- Noninterest expense of \$75.2 million (\$4.1 million in branch optimization costs)
 - Up \$8.9 million (13.4%)
 - Overhead ratio at 1.15%³
- Salaries & Benefits
 - Timing of medical expenses
- Occupancy & Equipment
 - Higher software licensing costs related to technology initiatives
- Other expense 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

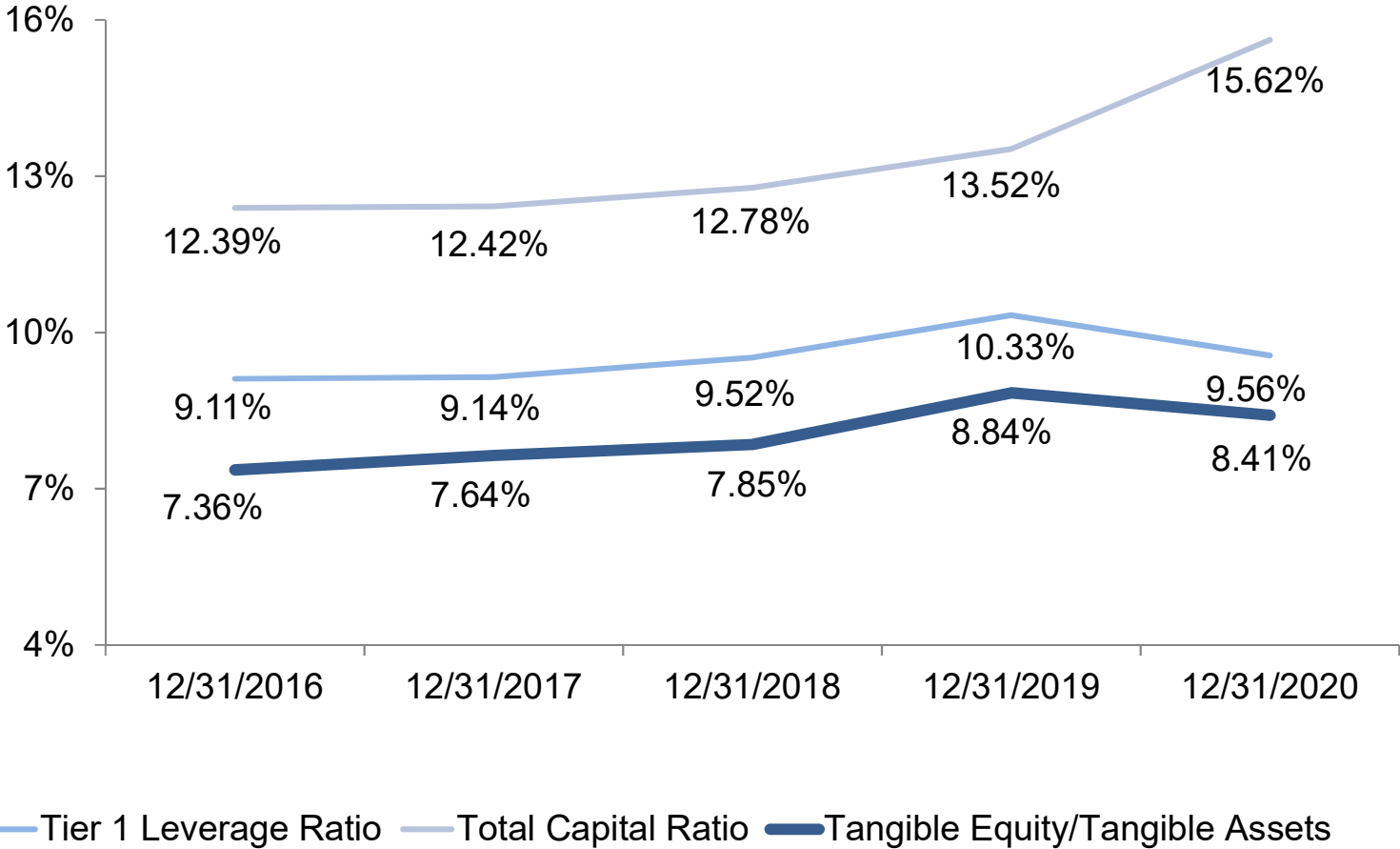
- 0.22% Q4 2020 Net Charge-offs to Average Loans compared to 0.30% Net Charge-offs to Average Loans in Q4 2019
- Nonperforming loans to total loans increased during 2020 due to an increase in nonperforming commercial and residential real estate loans

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

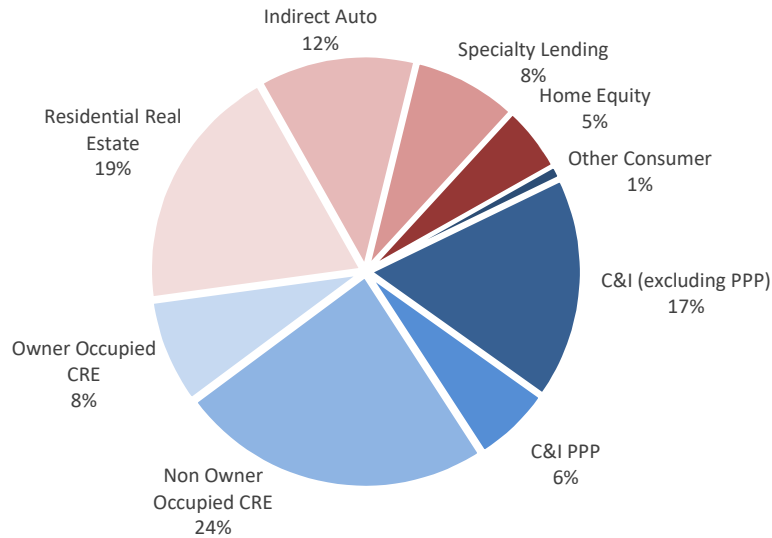
Capital Strength



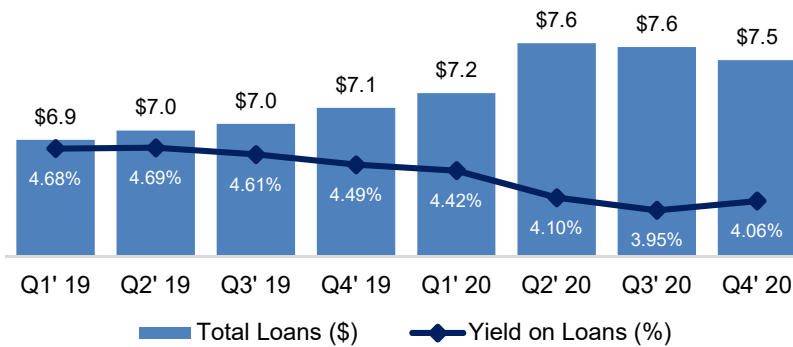
Note: Non-GAAP reconciliation for Tangible Equity/Tangible Asset on slides 41-46

Loans

Total Loans: \$7.5 billion⁽¹⁾



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



1. Data as of 12/31/2020

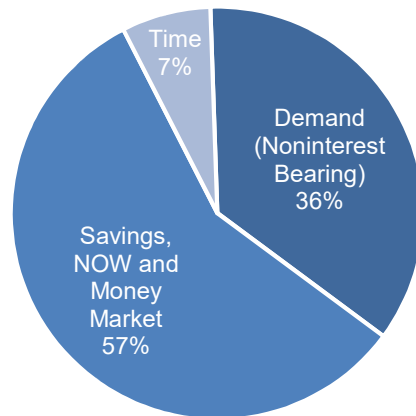
Portfolio Highlights⁽¹⁾



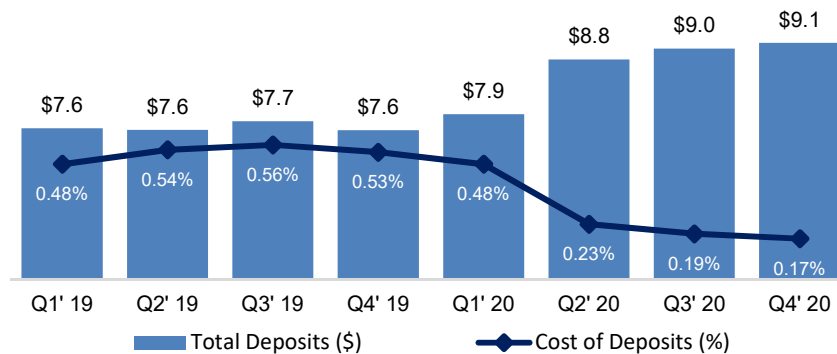
- Q4 2019–Q4 2020 Loan Growth 5.1%
- Non-Owner Occupied CRE at 149% to Total Capital
- Loan-to-Deposit Ratio of 83%
- Commercial (includes C&I and CRE)
 - 32.3% fixed
 - 17.5% variable (e.g., 10-yr fixed for 5 years)
 - 50.2% floating
- Residential Mortgages
 - 94.4% fixed
 - 5.6% ARMs
- Consumer Loans (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 ⁽¹⁾



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



Quarterly Highlights²

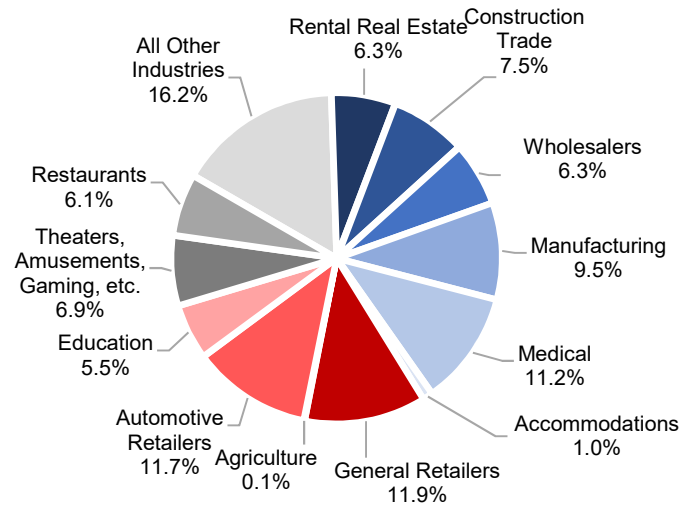


- Period end deposits grew \$124 million from previous quarter
 - Core deposits grew \$150 million with noninterest bearing demand deposits up \$77 million
- Core deposits³ represent 93% of total deposit funding
- Noninterest bearing deposits were 36% of total deposits at Q4 2020
- Q4 2020 cost of total 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

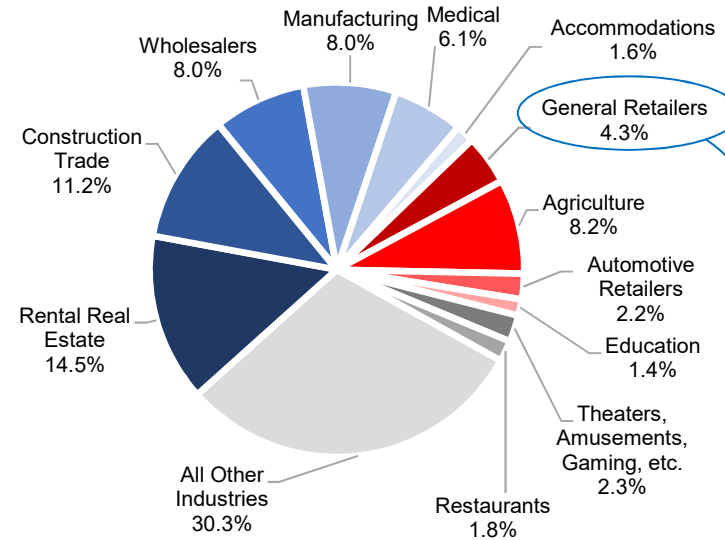
1. As of 12/31/2020
 2. Comparison to Q3 2020 unless otherwise stated
 3. Core deposits defined as total deposits less all time

Commercial Loan Portfolio Detail

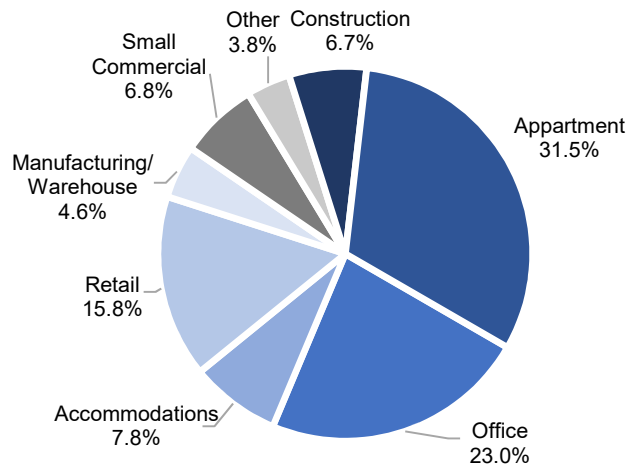
Owner Occupied CRE (\$0.6 billion)⁽¹⁾



Commercial & Industrial (\$1.3 billion)⁽¹⁾



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

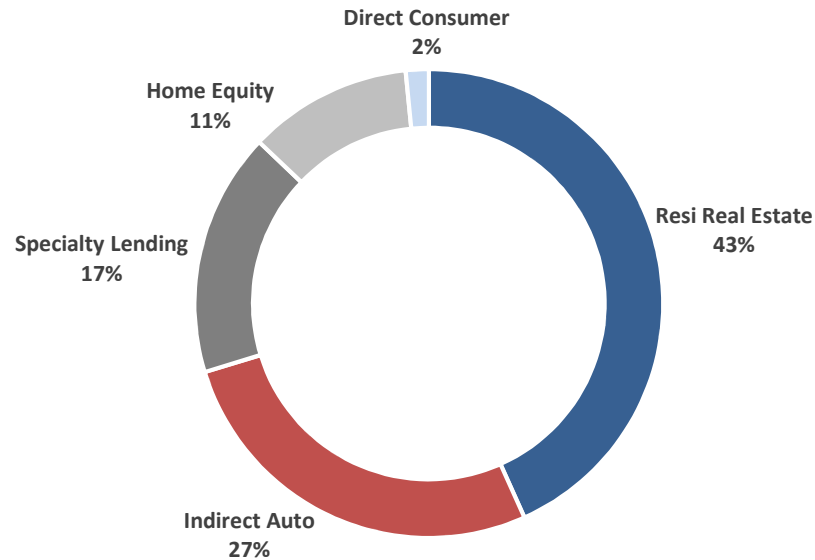


Retail
• 24% Home Furnishings
• 21% Building Materials / Home Centers
• 13% Grocery Stores / Pharmacies
• 9% Gasoline / C-Stores

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

Consumer & Residential Portfolio Detail

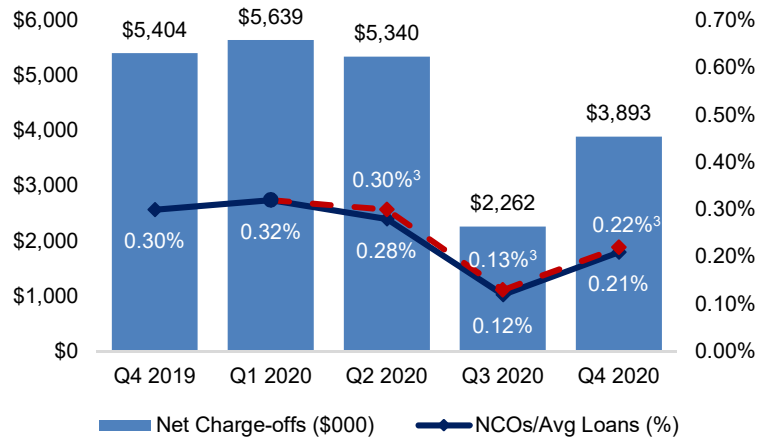
Consumer Lending Portfolio: \$3.4 billion as of 12/31/20



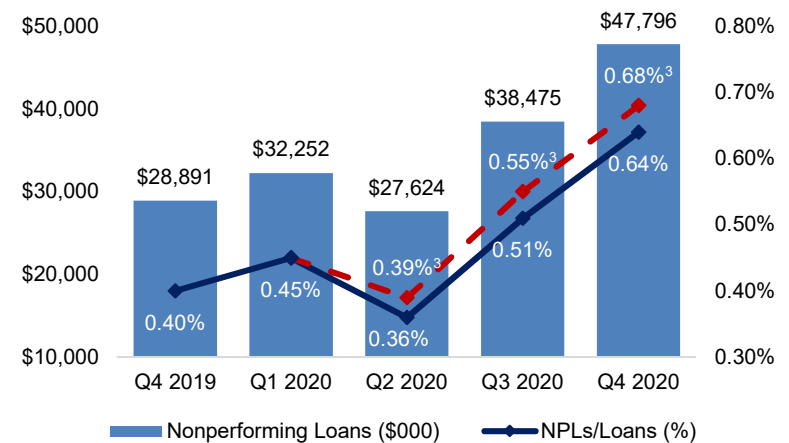
As of 12/31/2020	Consumer Lending Portfolio Metrics				
	Total Outstandings (\$000s)	# of Accounts	Avg. Balance	wAve Max FICO	Avg. DTI
Resi Real Estate	\$ 1,466,662	11,684	\$ 125,527	760	35
Indirect Auto	\$ 931,286	63,104	\$ 14,758	749	30
Specialty Lending	\$ 579,644	33,900	\$ 17,099	759	21
Home Equity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

Q4 2020 Asset Quality

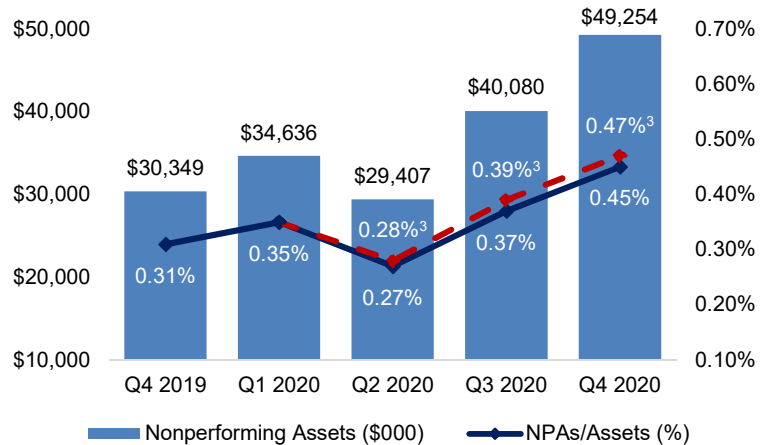
Net Charge-Offs



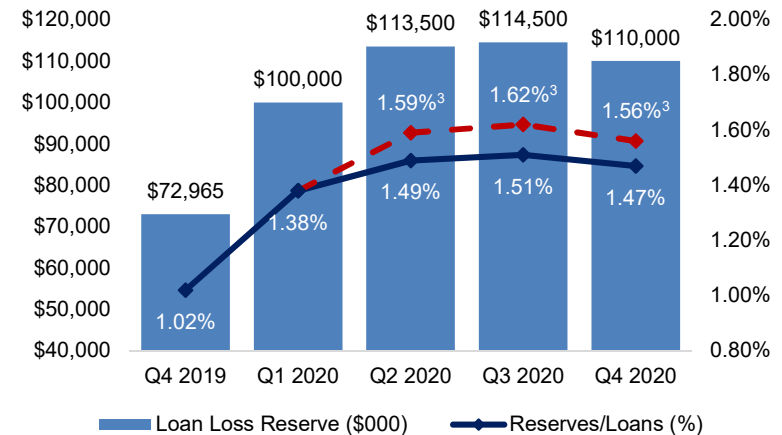
Nonperforming Loans¹



Nonperforming Assets²



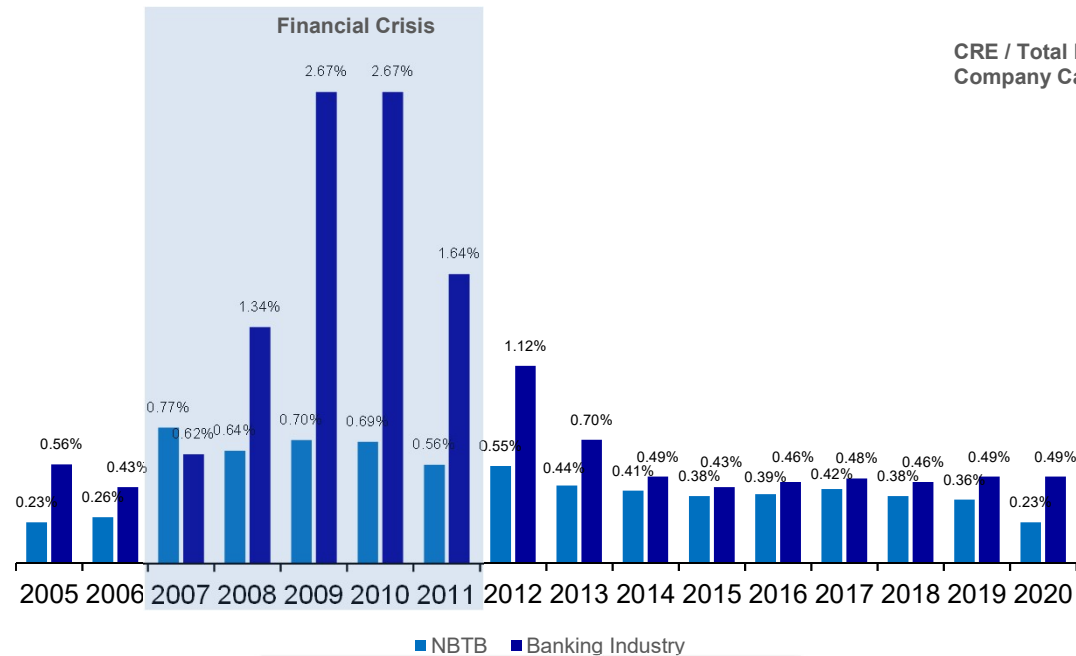
Loan Loss Reserves



1. Nonperforming loans exclude performing TDRs
2. Nonperforming assets include nonaccrual loans, loans ninety days past due and still accruing and OREO
3. - - 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

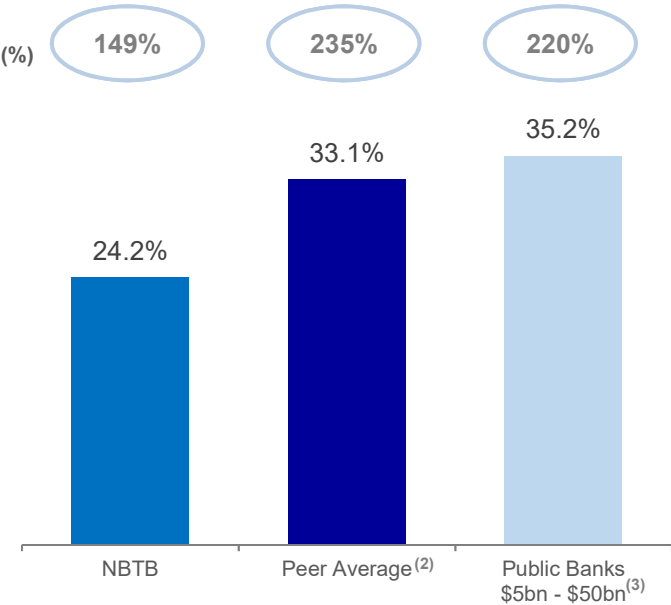
History of Prudent Credit Culture

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



CRE / Total Loans⁽¹⁾ (%)

CRE / Total Holding Company Capital⁽¹⁾ (%)



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

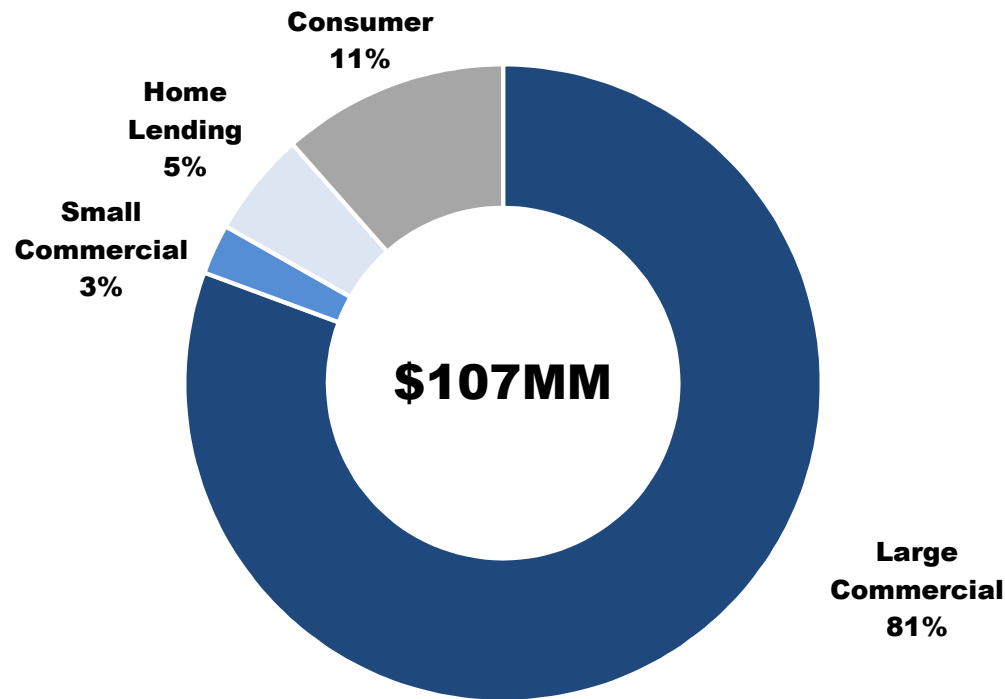
Source: S&P Global Market Intelligence; Data as of the most recent available quarter

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.
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)



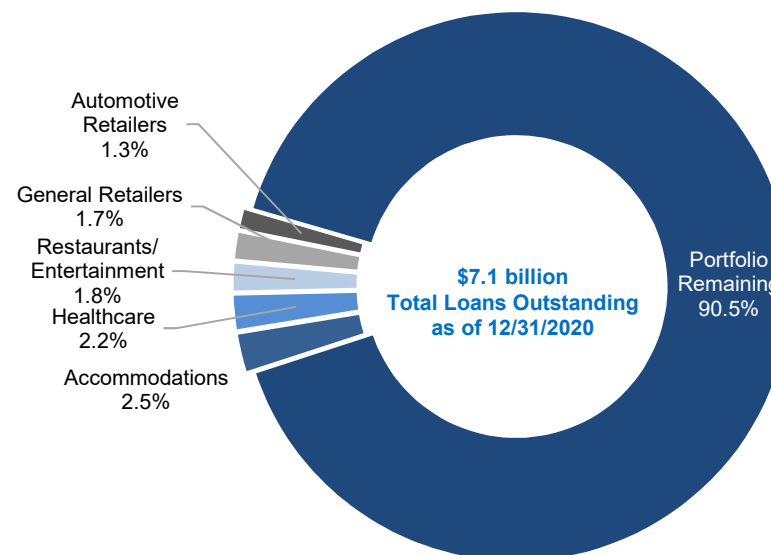
Loan Category	Total Deferrals Customer Loan Balance (000's)	Total Deferrals % of Portfolio Outstandings ⁽¹⁾	% of Portfolio Outstandings at Q2 High ⁽²⁾
Large Commercial ⁽³⁾	\$85,970	2.8%	21.5%
Small Commercial ⁽³⁾	\$2,720	0.5%	24.2%
Home Lending	\$5,670	0.3%	6.9%
Consumer	\$12,258	0.8%	8.9%
Total	\$106,618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

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 ⁽¹⁾
Accommodations	\$171,924
Healthcare	\$155,319
Restaurants/Entertainment	\$128,027
General Retailers	\$122,587
Automotive Retailers	\$93,815
Total	\$671,672
Total Loans	\$7,068,075



Industry	Balance Deferred	% of All Deferrals Bank-Wide	% of Total Industry Loans in Deferral ⁽²⁾	Deferral % Industry at Q2 Peak ⁽³⁾
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%
Total	\$54,740	51%		
Total Deferrals	\$106,618			

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 ⁽¹⁾	1.84%	1.58%	1.29%
Core ROAE ⁽¹⁾⁽²⁾	9.68%	7.57%	7.11%
Core ROATCE ⁽¹⁾⁽²⁾	12.95%	10.46%	9.86%
Net Interest Margin ⁽¹⁾	3.31%	3.28%	3.13%
Fee Income / Revenue ⁽³⁾	31.72%	23.13%	23.08%
Overhead Ratio ⁽¹⁾	1.14%	1.29%	1.30%
Loans / Deposits	82.57%	90.89%	91.78%
Market Ratios			
Current Market Price (\$)*	\$ 32.10	\$ 18.18	\$ 32.11
Price / EPS (x)*	13.54	13.65	15.73
Price / TBV (%) ⁽¹⁾	156.43%	127.44%	137.58%
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

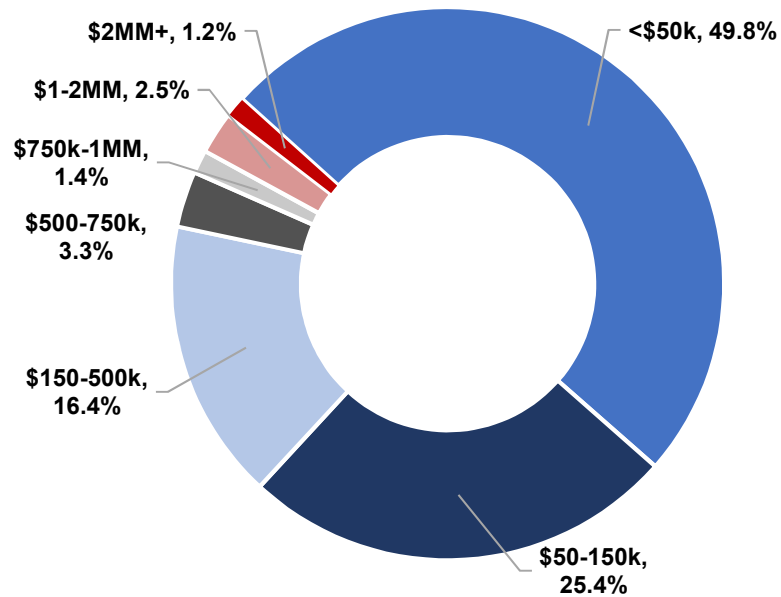
1. Non-GAAP measure; reconciliation of Non-GAAP measures on slides 41 - 46
2. Core Income excludes extraordinary items, non-recurring items, amortization of intangibles & goodwill impairment and gains/losses on sale of securities
3. Excludes gains / losses on sale of securities

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 Loans¹

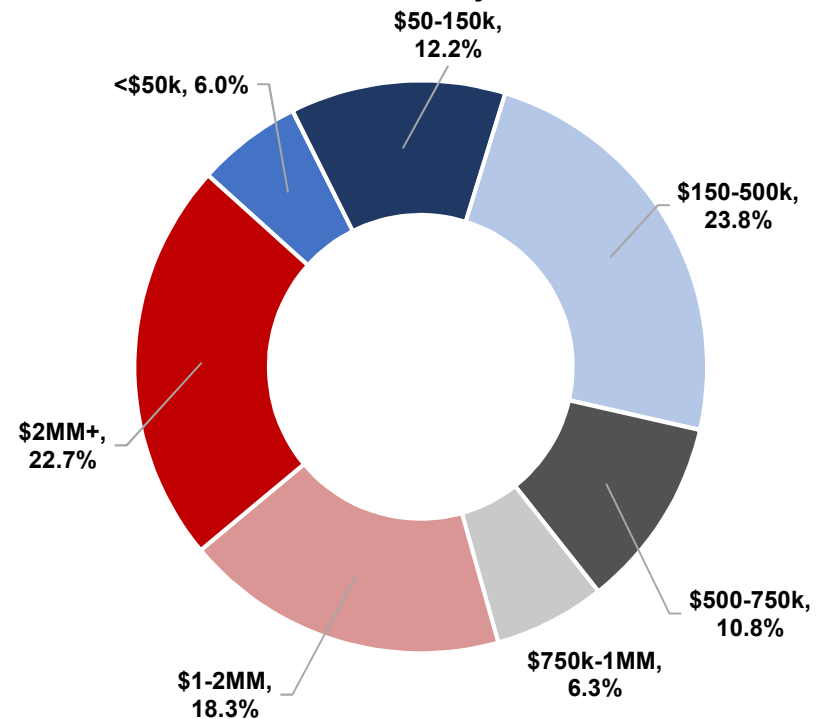
of PPP Loans by Loan Size



1. Data as of 12/31/2020

\$548 Million Approved PPP Loans¹

\$ of PPP Loans by Loan Size



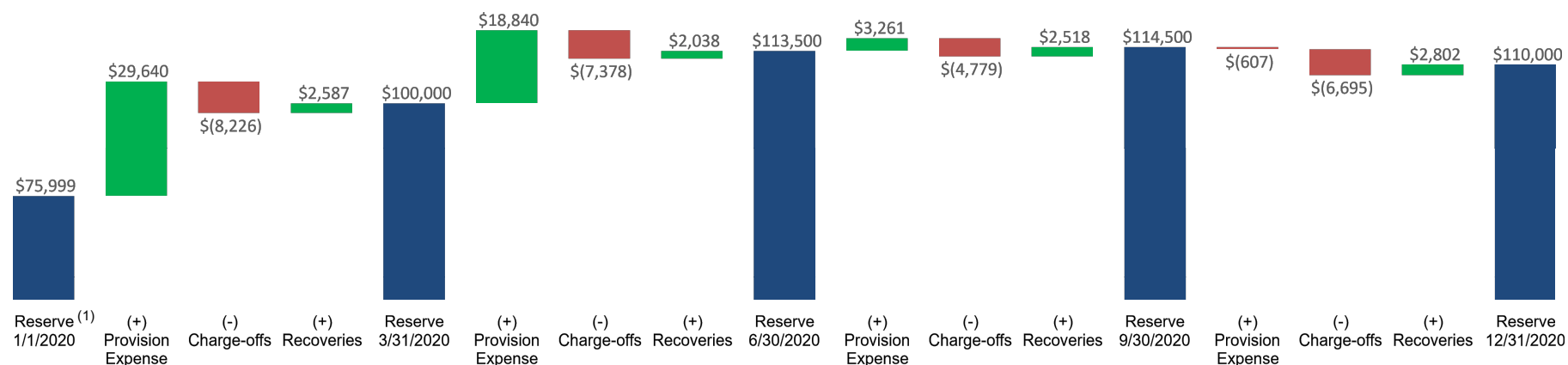
CECL 2020

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%
Total	1.02%	1.07%	1.38%	1.49%*	1.51%*	1.47%*

*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)



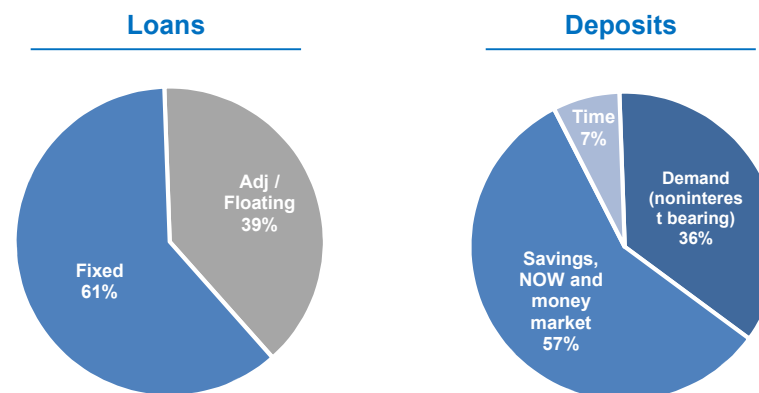
1. Includes day one adjustment for CECL implementation of \$3,034 which was offset to retained earnings.

Interest Rate & Liquidity Risk

Interest Rate Risk Position¹

- 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 Mix¹



Liquidity¹

- 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 Sensitivity¹

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 st 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) ⁽¹⁾	4,750	3,800	-	(818)	(1,300)	(400)	(1,195)	13,121
PPNR ⁽²⁾	\$ 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
Return on Average Assets	0.99%	1.26%	1.20%	0.91%	0.92%	0.96%	0.97%	0.85%
PPNR Return on Average Assets	1.84%	1.90%	1.86%	1.78%	1.72%	1.68%	1.73%	1.76%
Return on Average Tangible Common Equity	12.48%	15.85%	16.71%	12.82%	13.13%	13.31%	13.90%	13.11%
PPNR Return on Average Tangible Common Equity	22.97%	23.79%	25.76%	24.88%	24.96%	23.40%	24.72%	26.90%

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
Net Interest Margin, Tax Equivalent	3.31%	3.58%	3.58%	3.47%	3.43%	3.50%	3.61%	3.66%
(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 ⁽¹⁾	(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
Overhead Ratio (Net Operating Expense / Average Assets)	1.14%	1.33%	1.39%	1.37%	1.34%	1.47%	1.51%	1.52%

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) ⁽¹⁾	4,100	-	-
PPNR⁽²⁾	\$ 48,177	\$ 49,603	\$ 43,290
Average Assets	\$ 10,939,713	\$ 10,793,494	\$ 9,600,259
Return on Average Assets	1.24%	1.29%	1.20%
PPNR Return on Average Assets	1.75%	1.83%	1.79%

(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
Net Interest Margin, Tax Equivalent	3.20%	3.17%	3.38%	3.52%	3.52%

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				
Return on Average Tangible Common Equity	15.71%	16.51%	14.28%				
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
Tangible Common Equity to Tangible Assets	8.41%	8.27%	8.84%	8.84%	7.85%	7.64%	7.36%
Common Shares Outstanding	43,629,094	43,611,380	43,796,611				
Book Value Per Share	\$ 27.22	\$ 26.74	\$ 25.58				
Tangible Book Value Per Share	\$ 20.52	\$ 20.02	\$ 19.03				

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 ⁽¹⁾	(4,100)	-	(650)	-	-
Net Operating Expense	\$ 31,280	\$ 27,967	\$ 29,772	\$ 31,801	\$ 32,993
Average Assets	\$ 10,939,713	\$ 10,793,494	\$ 10,567,163	\$ 9,748,088	\$ 9,600,259
Overhead Ratio (Net Operating Expense / Average Assets)	1.14%	1.04%	1.11%	1.30%	1.37%

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) ⁽¹⁾	307
Amortization of Intangibles (Net of Tax) ⁽¹⁾	3,753
Nonrecurring expense (Net of Tax) ⁽¹⁾	2,682
Core Net Income⁽²⁾	\$ 111,129
Average Stockholders' Equity	\$ 1,148,475
Average Tangible Equity ⁽³⁾	\$ 857,840
Core Return on Average Equity⁽²⁾	9.68%
Core Return on Average Tangible Common Equity⁽²⁾	12.95%

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.