

# **NBT Bancorp Inc. Investor Presentation**

Second Quarter 2023



# Overview

About NBT Bancorp

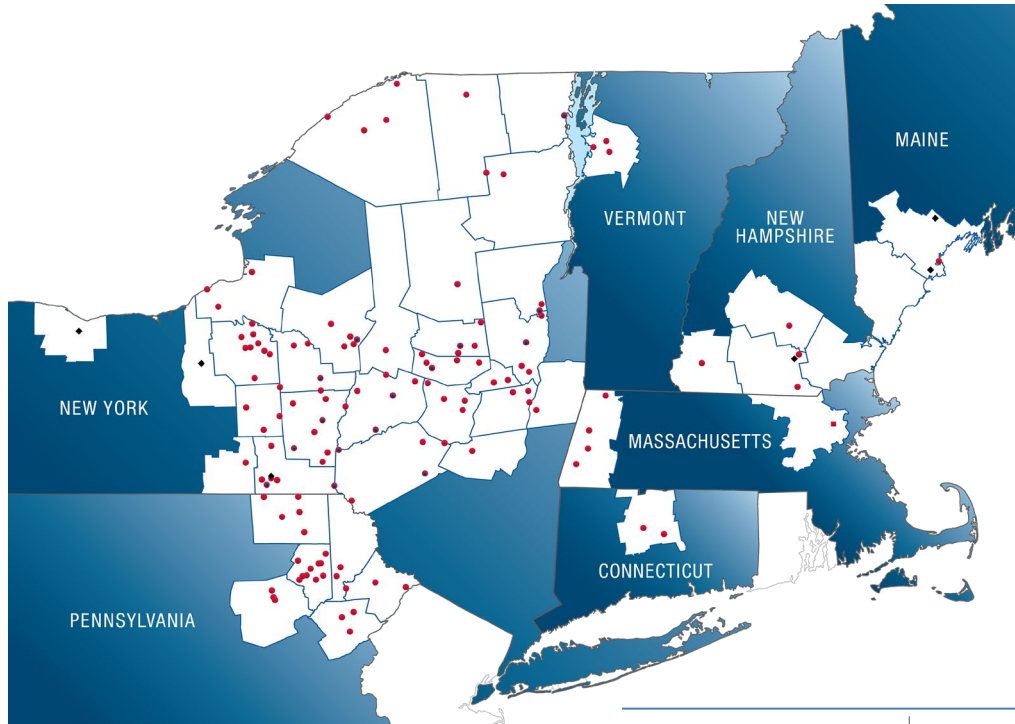
Strategic Initiatives

Financial Performance

Appendix



# Company Profile



## Financial Highlights

**Assets: \$11.84bn**

**Gross Loans: \$8.26bn**

**Deposits: \$9.68bn**

**Wealth AUM/A<sup>(1)</sup>: \$4.61bn/\$9.12bn**  
**EPIC AUA<sup>(2)</sup>: \$25.70bn**

**ROATCE: 15.31%**

## Company Overview

### 98th Largest Bank Holding Co.

Headquarters	Norwich, NY
Founded	1856
Ticker	NASDAQ: NBTB
Market Cap <sup>(3)</sup>	\$1.52 billion
Branches	140
Employees	1,873
Institutional Ownership	58%
3 Mo. ADTV	213,300
52 Week H/L	\$48.68 / \$27.53
<b>Leadership:</b>	
Chairman	Martin A. Dietrich
President & CEO	John H. Watt, Jr.
EVP & CFO	Scott A. Kingsley

## Lines of Business



### RETAIL BANKING

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



### COMMERCIAL

- C&I and CRE Lending
- SBA Lending
- Treasury 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 03/31/23 unless noted; bank holding company ranking source: S&P Global Market Intelligence.  
Note: Refer to appendix for reconciliation of Non-GAAP measures.

1. Assets under management and assets under administration in wealth management; excludes EPIC.
2. Assets under administration in EPIC.
3. Market Cap as of 5/23/23.

# Key Highlights



High-performing, community bank with strong capital position and traditional bank business model



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



Diverse, granular deposit base with dominant shares in “hometown” markets that support growth in more dynamic adjacent markets



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



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



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

# Consistent Strength

- Strong financial performance and capital position with \$1.4 billion in total capital
- Highly diversified loan and deposit portfolios, conducting business in 7 northeastern states
- Diverse and granular deposit mix with \$9.7 billion in deposits with an average balance per account of \$18,600
- Total deposits increased during first quarter 2023
- 78% of deposits are FDIC-insured or collateralized
- \$3.2 billion of available liquidity sources, which equates to 150% of estimated uninsured/uncollateralized deposits

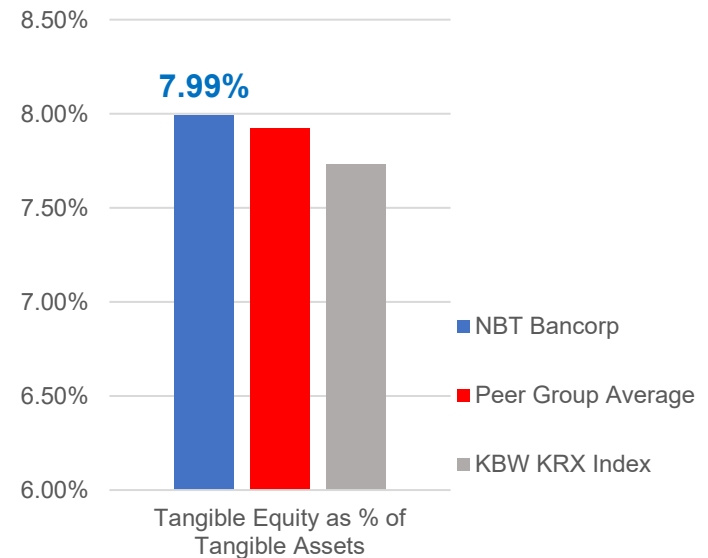
## Current Credit Ratings from Kroll Bond Rating Agency<sup>(1)</sup>



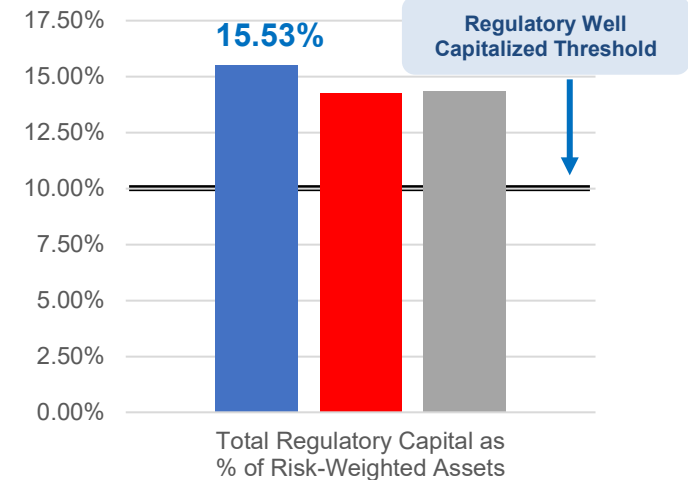
	NBT BANCORP	NBT BANK
Senior Unsecured Debt	BBB+	A-
Subordinated Debt	BBB	BBB+

<sup>1</sup> Kroll Bond Rating Agency (KBRA) credit ratings affirmed as of June 10, 2022. Market considers ratings BBB and above investment grade.

## Tangible Equity Ratio



## Total Risk-Based Capital Ratio



Data as of March 31, 2023 unless otherwise stated. Peer Data Source: S&P Global Market Intelligence as of the most recent quarter. Refer to appendix for Peer Group.

# Market Detail

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

### Upstate NY and Northeastern PA

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



Source: S&P Global Market Intelligence.

1. Deposit data as of 06/30/22.
2. Data as of 03/31/23.

## 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
  - \$697 million combined loan and deposit balances
- Massachusetts
  - Strong retail team to leverage increasing commercial relationships
  - Positioned to take advantage of future market disruption
  - \$383 million combined loan and deposit balances
- New Hampshire
  - Strong entrepreneurial economy with close proximity to Boston
  - No income or sales tax
  - \$1.0 billion combined loan and deposit balances
- Maine
  - Vibrant southern coastal Maine markets
  - \$572 million combined loan and deposit balances
- Connecticut
  - Most recent expansion
  - Middle-market commercial and small business opportunities
  - Acquisition activity creating market disruption
  - \$209 million combined loan and deposit balances

# Overview

About NBT Bancorp

**Strategic Initiatives**

Financial Performance

Appendix



# Our Strategic Initiatives

## Execute on Long-Term Growth Strategy

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

1

## Grow and Augment Our Fee Businesses

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

2

## Continue Our Transformative Digital Evolution

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

3



# New England Expansion

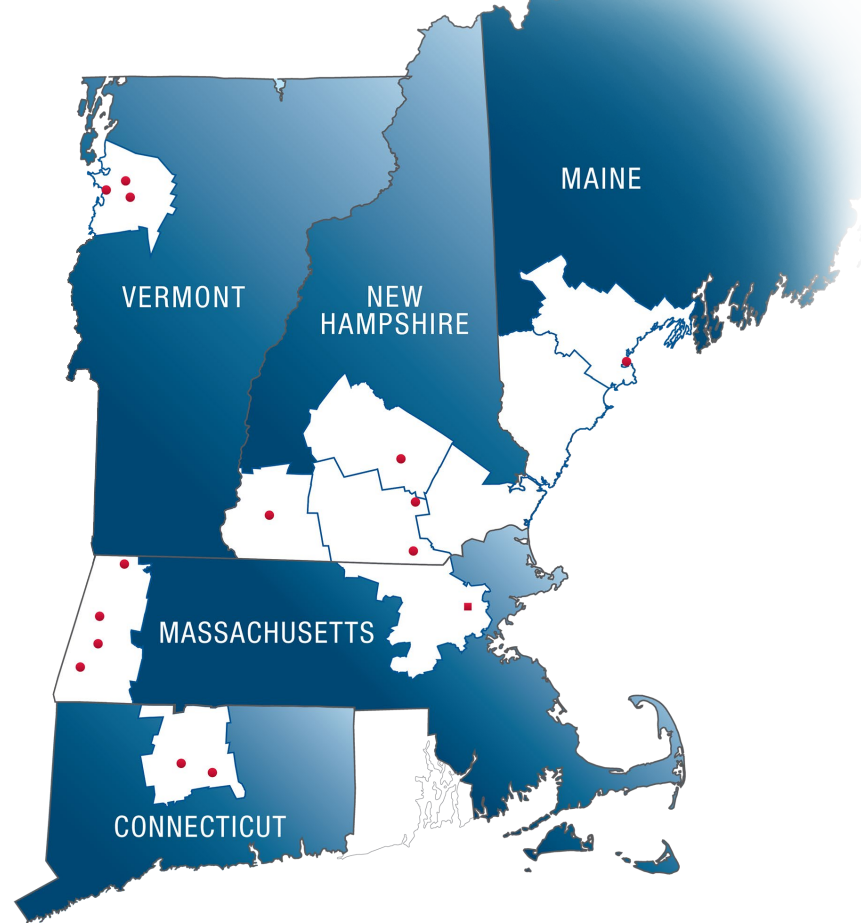
## Why New England?

### Banking Environment

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

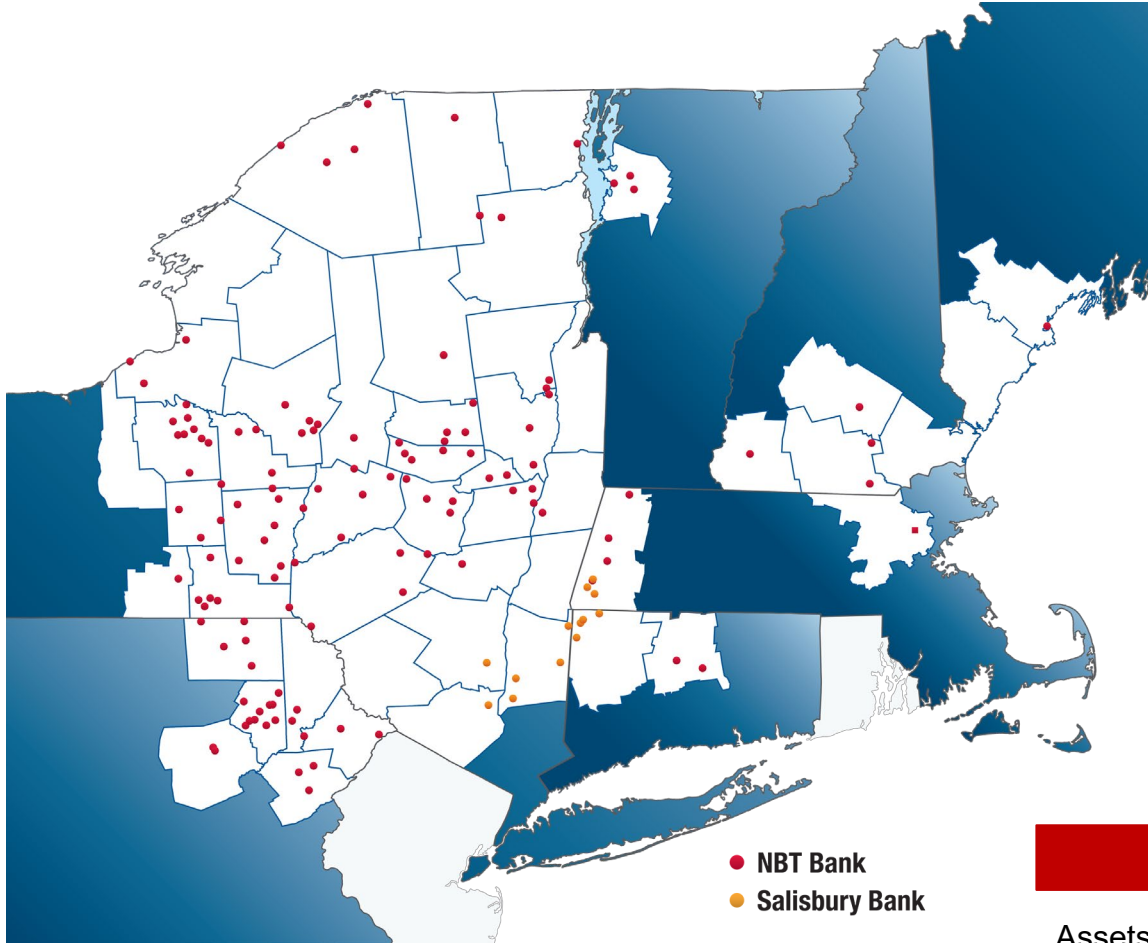
### Market Dynamics<sup>(1)</sup>

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



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

# Pending Merger Builds On Growth Opportunities



## Attractive Salisbury Markets

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

## Proforma Combined Highlights

Assets <sup>1</sup>	\$13.4B	+ \$1.6B
Loans <sup>1</sup>	\$9.5B	+ \$1.2B
Deposits <sup>1</sup>	\$11.0B	+ \$1.3B
Branches	153	+ 13

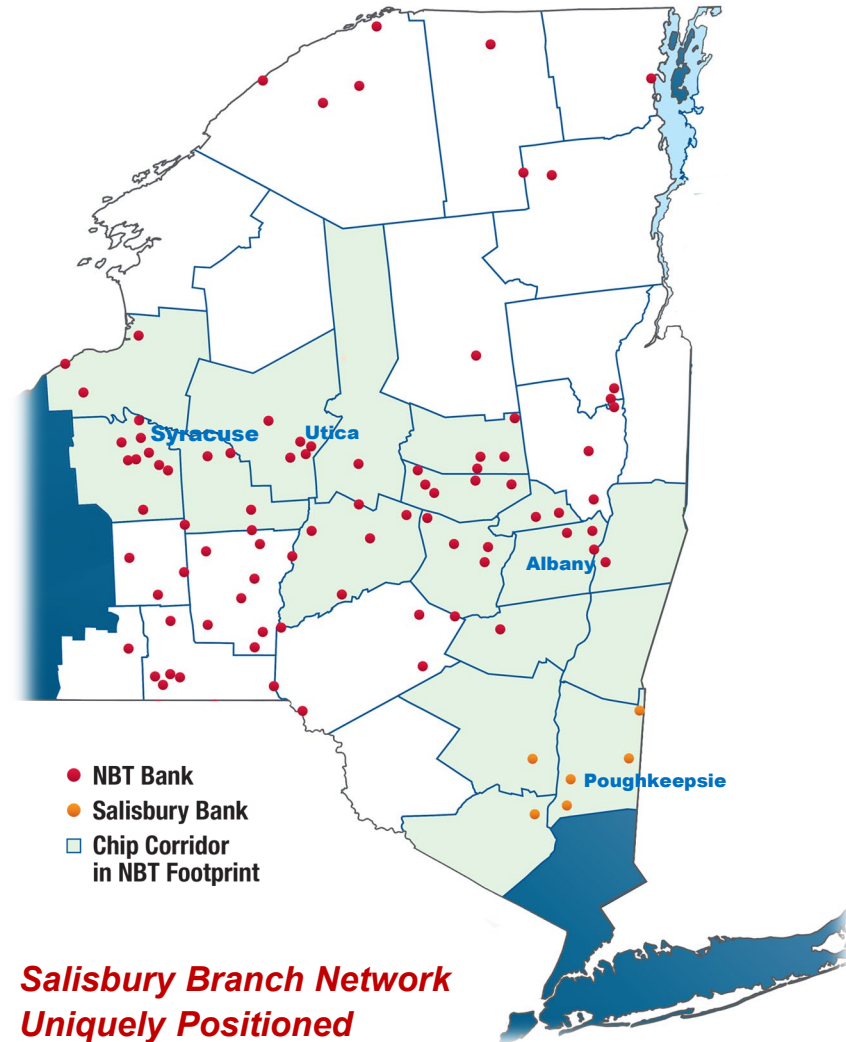
1) Based on 3/31/2023.



# Expanded Coverage of Upstate NY Chip Corridor

## About the Chip Corridor

- **Transformational investments** are underway in the Upstate New York Chip Corridor.
  - **Micron Technology Inc.** announced in October 2022 that it will invest as much as **\$100 billion** over the next 20 years in a campus near Syracuse.
  - **IBM** announced in October 2022 a **\$20 billion** investment in the Hudson Valley region over the next 10 years with the vision that their Poughkeepsie facility will become a global hub for quantum computing development. In February 2023, **onsemi** held a ribbon cutting at their recently acquired Fishkill plant where they will invest \$1.3 billion.
- NBT is well positioned to support this regional growth with leaders who are connected to key economic and workforce development initiatives.
- NBT's branch network is ideally situated in the Chip Corridor with coverage from greater Syracuse to the Mohawk Valley and Capital District.
- The acquisition of Salisbury Bank will extend NBT's branch network into the Hudson Valley.



**Salisbury Branch Network  
Uniquely Positioned  
in Hudson Valley**

### KEY PLAYERS



# Disciplined Acquirer & Proven Integrator

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

## BANK ACQUISITIONS



Acquired in 2013

\$1.4 Billion in Assets



Pending Acquisition Announced  
December 5, 2022

\$1.6 Billion in Assets

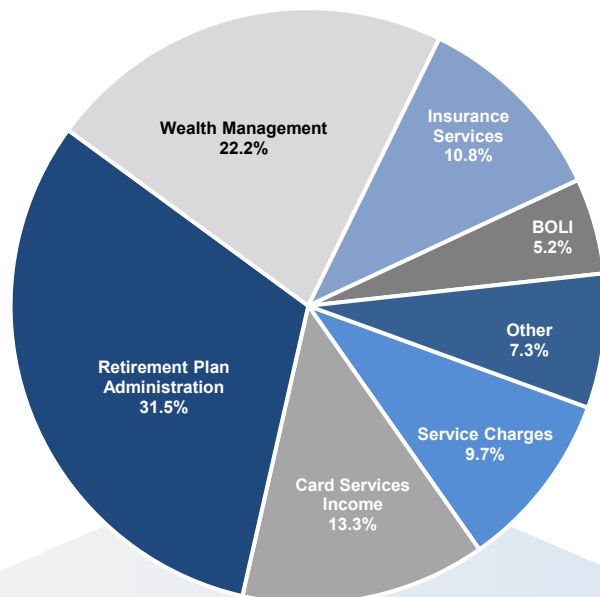
## NON-BANK ACQUISITIONS

*Diversify Revenue, Expand Capabilities and Build Scale*

Year	Entity	Assets Under Administration
2015	Third Party Administrators Bedford, ME	\$850 Million
2016	Actuarial Designs & Solutions Scarborough, ME	\$793 Million
2016	Columbia Ridge Capital Management Johnson City, NY	\$152 Million
2017	Downeast Pension Services, Inc. New Gloucester, ME	\$2.5 Billion
2018	RPS Benefits St. Louis, MO	\$3.1 Billion
2020	Alliance Benefit Group of Illinois, Inc. Peoria, IL	\$3.5 Billion
2022	Cleveland Hauswirth Investment Management Milwaukee, WI	\$150 Million
2022	H.A. Rogers Insurance Agency Inc. Northern NY	N/A

# Focus on Fee-Based Businesses

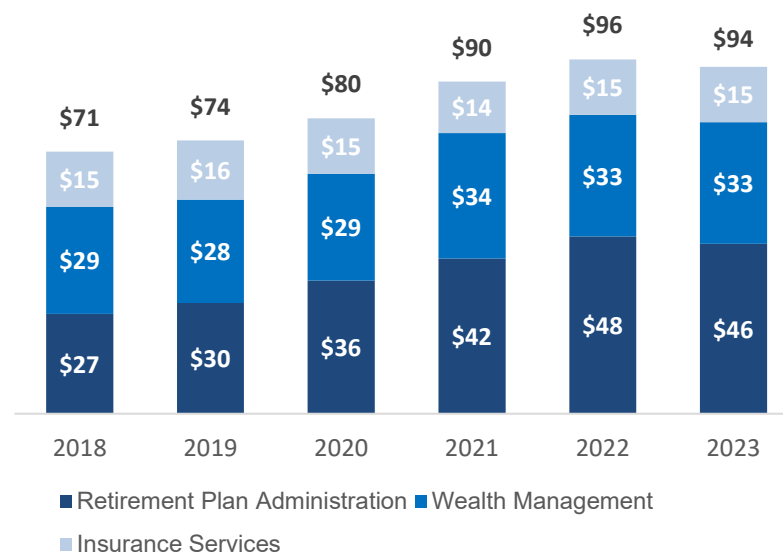
## Q1 2023 Fee Income Composition <sup>(1)</sup> (%)



**\$36.4 Million**  
Total Noninterest  
Q1 Income <sup>(1)</sup>

**28%**  
Noninterest Income  
to Total Revenue <sup>(1)</sup>  
(compared to peer median at 17%)

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



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

Note: Numbers may not foot due to rounding.

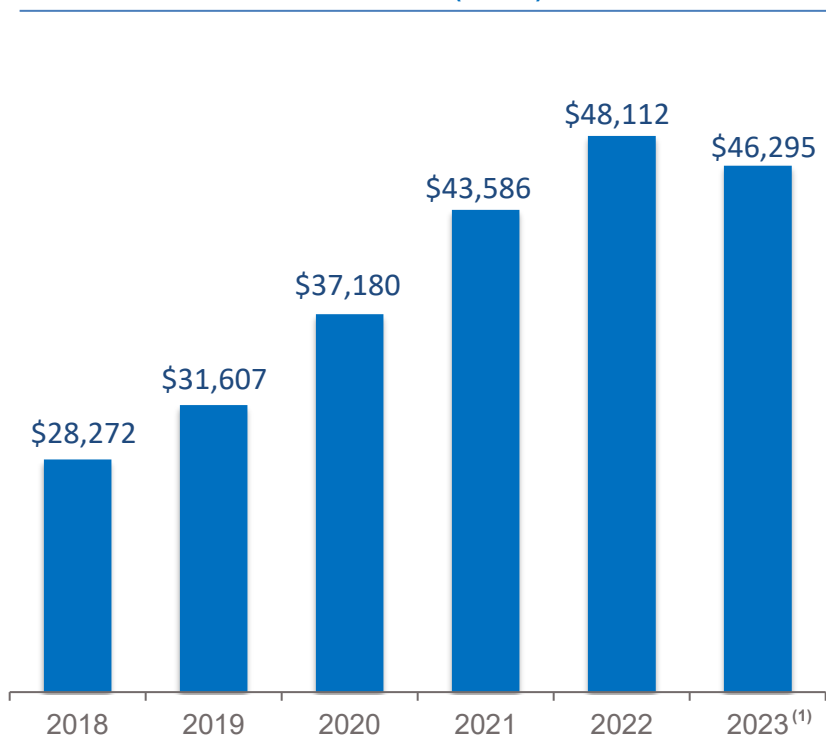
1. As of 03/31/23. Excludes gains/losses on sale of securities.

2. Does not represent all fee income.

3. Trailing four quarters.

# EPIC Retirement Plan Services

Revenues (\$000s)



Customized Consulting, Recordkeeping, Actuarial and Administrative Services for All Types of Retirement Plans

Deep Partnerships with Clients Across 50 States, Including Retirement Plan Advisors, Banks and TPAs

Proprietary Customer Experience Delivery Platform Driving Adoption and Satisfaction

Acquisition Activity Provides Revenue Growth, Client Diversification and Expands Capabilities and Geography



***“Helping America Retire”***

*Over 300,000 Plan  
Participants Nationwide*

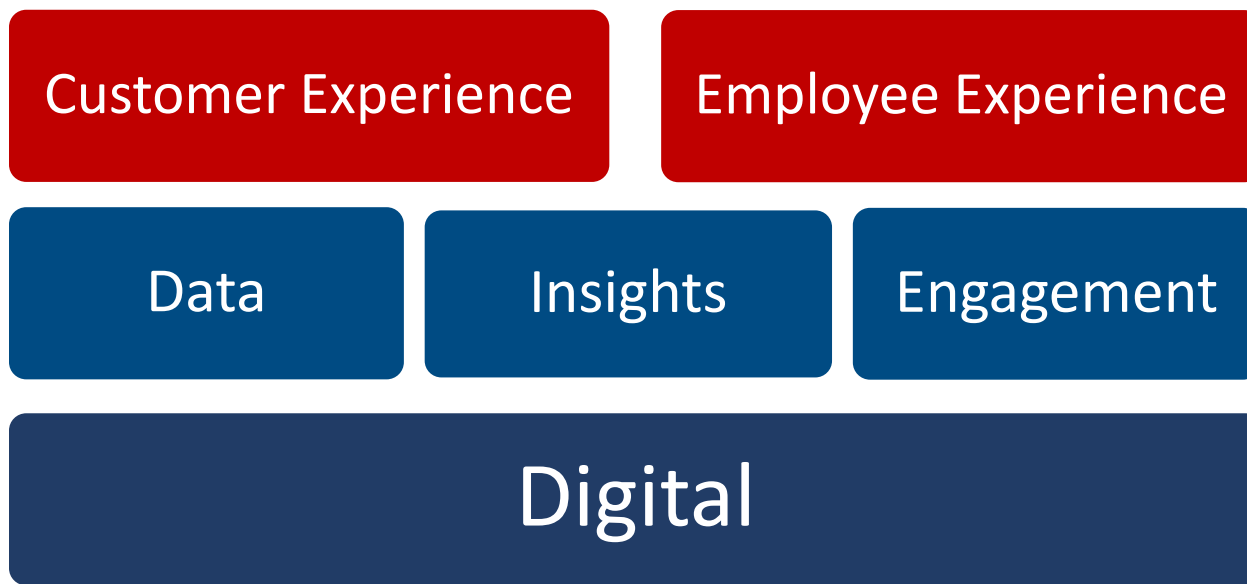
1. Trailing four quarters.

# Digital Evolution

NBT operates with a **customer-first digital mindset**.

- Informed by data
- Embedded in our culture
- Focused on agility and innovation
- Driven by our business lines and customer needs

This mindset is **transforming the experience** we deliver now and into the future.



## Infrastructure

- Virtualization and Cloud Environment
- Enhanced Resiliency and Cybersecurity
- Agile and Scalable Core Systems

## Operational Efficiencies

- Robotic Process Automation
- Streamlining Business Process Management
- Self-Service Transactions

## Agile Development

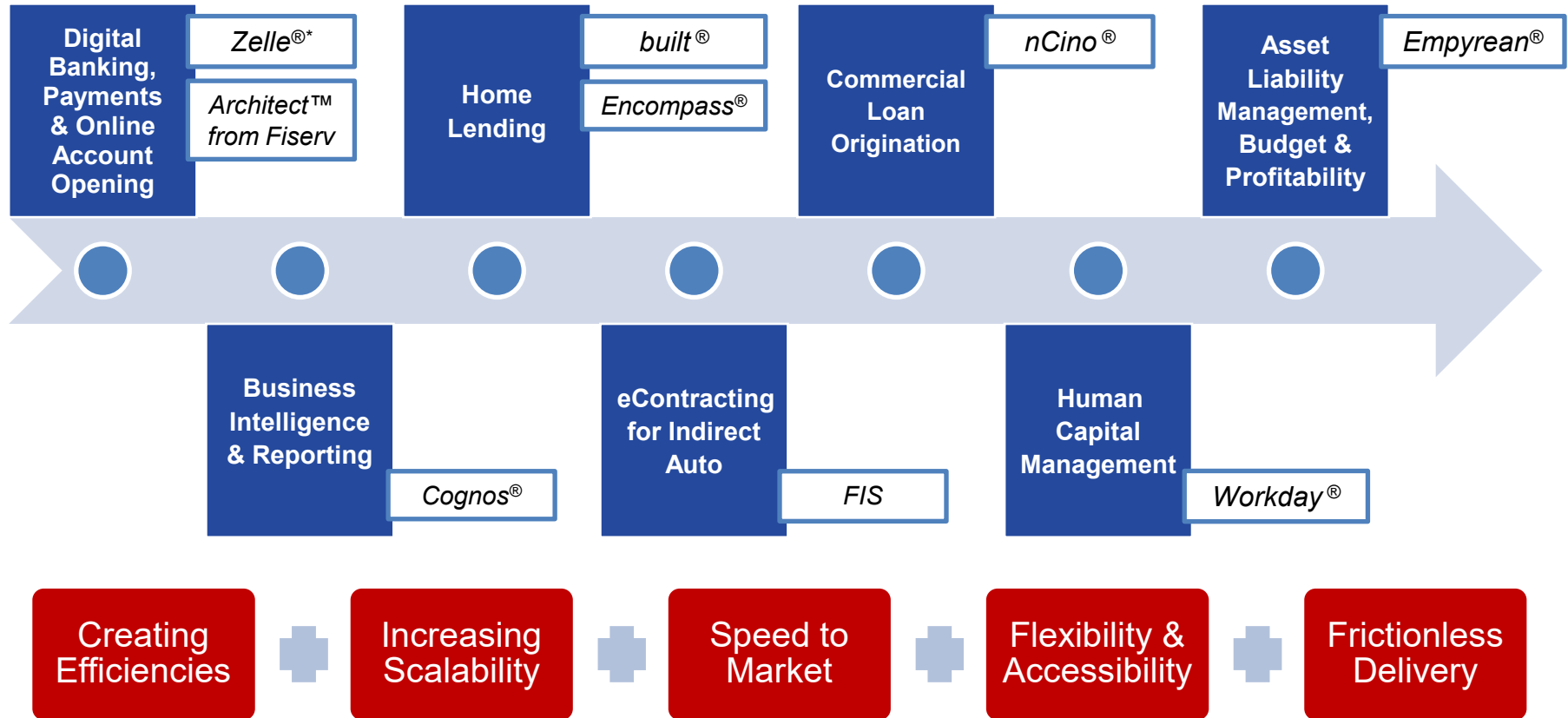
- Digital Banking Services
- APIs and Configurable Platforms
- Fintech Partnerships

## Data Analytics

- Governance Program
- Centralization of Data Management

# Digital Evolution

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



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



# Digital Adoption Rates



101% INCREASE IN  
CONSUMER DIGITAL  
ADOPTION



153% INCREASE IN  
MOBILE WALLETS



177% INCREASE IN  
MOBILE DOLLARS  
DEPOSITED



68% INCREASE IN  
MOBILE ITEMS  
DEPOSITED



74% INCREASE IN  
SELF-SERVICE  
TRANSACTIONS



8% INCREASE IN  
ATM DEPOSITS



4% INCREASE IN  
DEBIT CARD SWIPES  
PER CUSTOMER



32% DECREASE IN  
BRANCH  
TRANSACTIONS

Comparisons are from the quarter ending December 31, 2019 to the quarter ending March 31, 2023.

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Strategic Initiatives

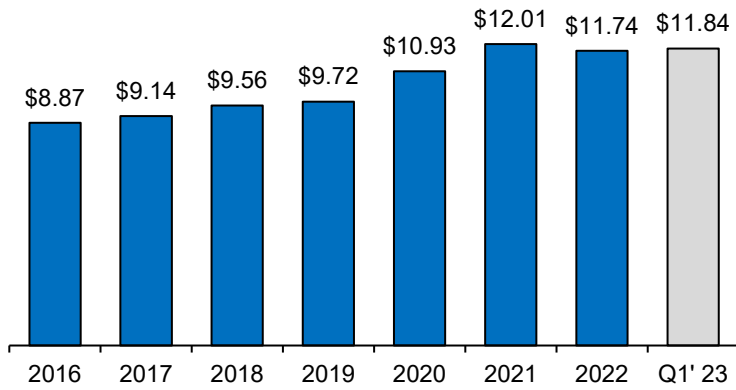
**Financial Performance**

Appendix

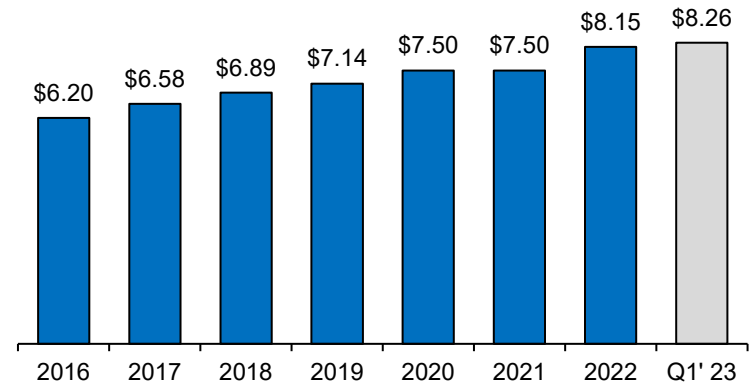


# Track Record of Consistent Growth

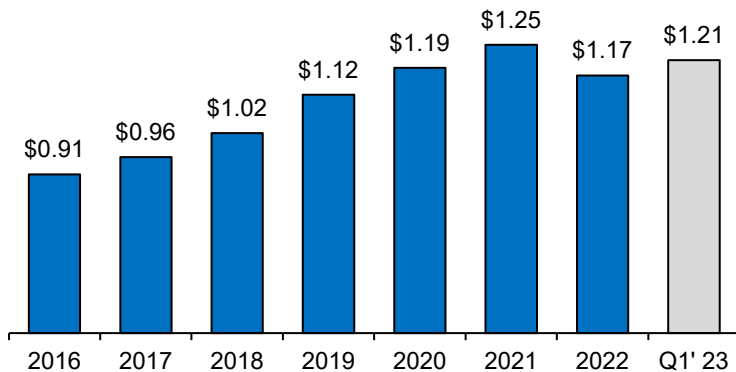
Total Assets (\$billion)



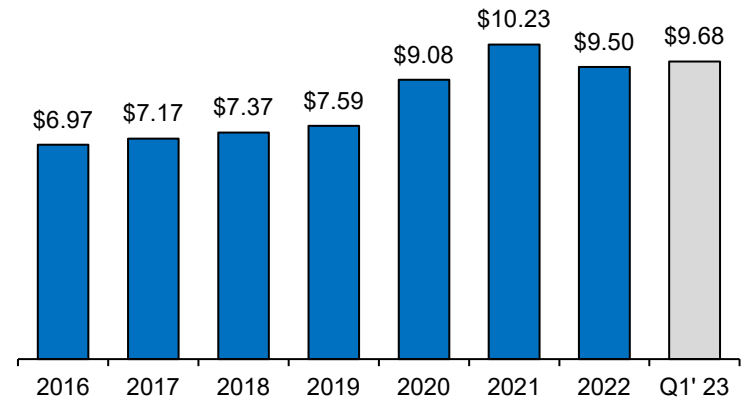
Gross Loans (\$billion)



Shareholders Equity (\$billion)

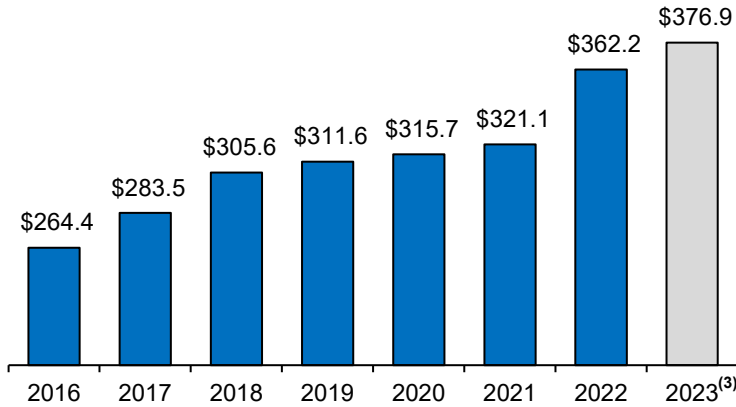


Deposits (\$billion)

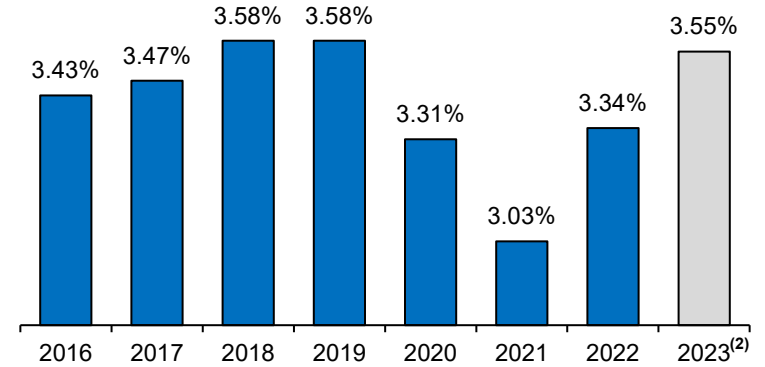


# Strong & Stable Profitability

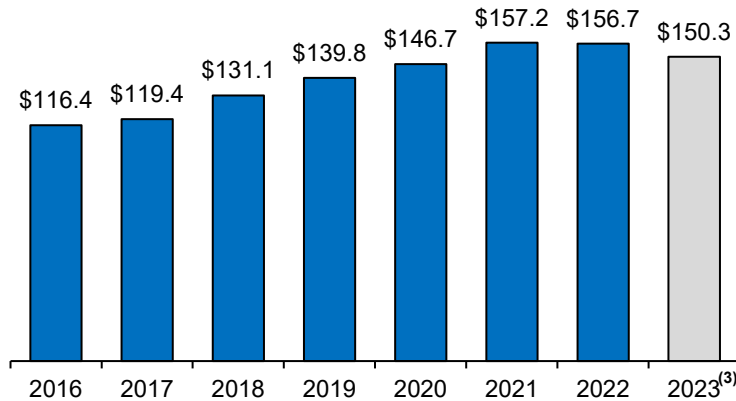
## Net Interest Income (\$million)



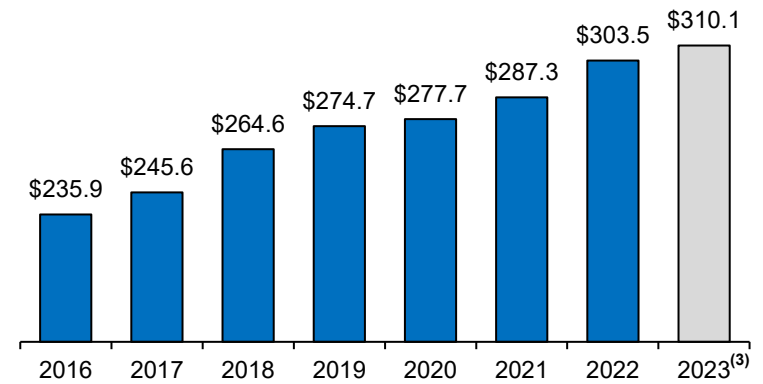
## Net Interest Margin FTE (%)



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



## Adjusted Noninterest Expense (\$million)



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

1. Excludes gains/losses on sale of securities and equity investments.
2. Annualized based on YTD 03/31/23.
3. Trailing four quarters.

# Q1 2023 Results Overview

## Financial Highlights

(\$ in millions except per share data)	Q1 2023	Change		% Change	
		Q4 2022	Q1 2022	Q4 2022	Q1 2022
<b>Period End Balance Sheet</b>					
Total loans	\$ 8,264.6	\$ 114.4	\$ 614.8	1.4%	8.0%
Total deposits	9,681.2	185.3	(780.4)	2.0%	(7.5%)
<b>Income Statement</b>					
FTE net interest income <sup>2</sup>	95.5	(4.7)	14.8	(4.7%)	18.4%
Provision for loan losses <sup>3</sup>	3.9	(3.8)	3.3	(49.1%)	555.9%
Total noninterest income <sup>3</sup>	36.4	2.1	(6.4)	6.1%	(15.0%)
Net securities (losses)	(5.0)	(4.8)	(4.8)	(2,203.2%)	(2,692.2%)
Total noninterest expense <sup>4</sup>	78.7	0.2	6.6	0.2%	9.1%
Provision for taxes	9.6	(1.0)	(1.6)	(9.2%)	(14.0%)
Net income	33.7	(2.5)	(5.5)	(6.8%)	(14.0%)
<b>Performance Ratios</b>					
Earnings per share, diluted	\$ 0.78	\$ (0.06)	\$ (0.12)	(7.1%)	(13.3%)
Net interest margin <sup>2,5</sup>	3.55%	(0.13%)	0.60%	(3.5%)	20.3%
ROAA <sup>5</sup>	1.16%	(0.07%)	(0.16%)	(5.7%)	(12.1%)
ROATCE <sup>2,5</sup>	15.31%	(1.23%)	(1.56%)	(7.4%)	(9.2%)
NCOs/ Avg loans (%) <sup>5</sup>	0.19%	0.01%	0.05%	5.6%	35.7%
Tangible book value per share <sup>2</sup>	\$ 21.52	\$ 0.87	\$ 0.27	4.2%	1.3%
Tangible equity ratio <sup>2</sup>	7.99%	0.26%	0.29%	3.4%	3.8%
<b>Capital Ratios</b>					
Leverage ratio	10.43%	0.11%	0.91%	1.1%	9.6%
Common equity tier 1 capital ratio	12.28%	0.16%	0.05%	1.3%	0.4%
Tier 1 capital ratio	13.34%	0.15%	(0.05%)	1.1%	(0.4%)
Total risk-based capital ratio	15.53%	0.15%	(0.11%)	1.0%	(0.7%)

1. Comparison to Q4 2022 unless otherwise stated.
2. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.
3. Excludes net securities (losses).
4. Excludes acquisition expenses.
5. Annualized.

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



### Balance Sheet

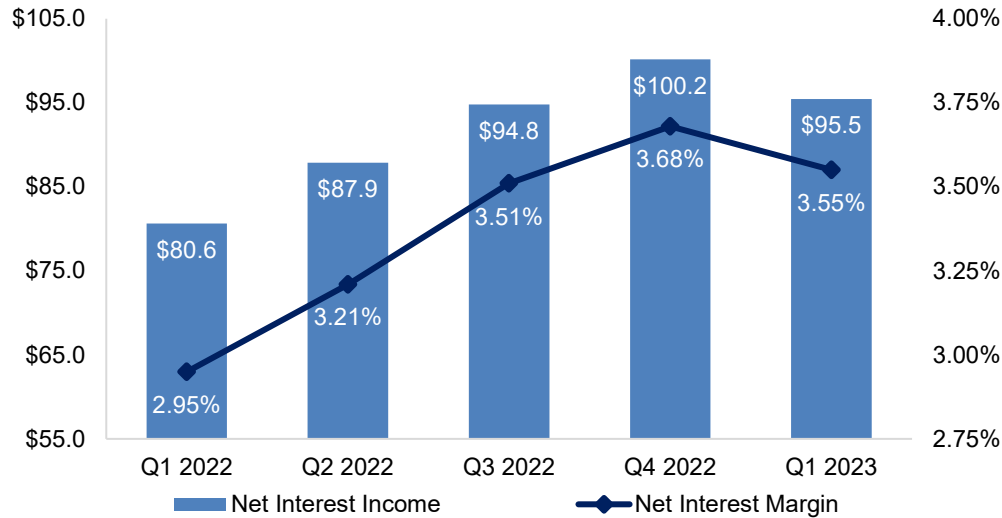
- Loans up \$114.4 million
- Deposits increased \$185.3 million
- Tangible book value per share<sup>2</sup> of \$21.52

### Earnings & Capital

- Net income of \$33.7 million and diluted earnings per share of \$0.78, \$0.88 excluding the impact of securities losses and acquisition expenses
- Net interest margin<sup>2,5</sup> down 13 bps to 3.55%
- Provision expense of \$3.9 million with net charge-offs of \$3.8 million
- Noninterest expense<sup>4</sup> up 0.2%
- Effective tax rate of 22.2%

# Net Interest Income & Net Interest Margin

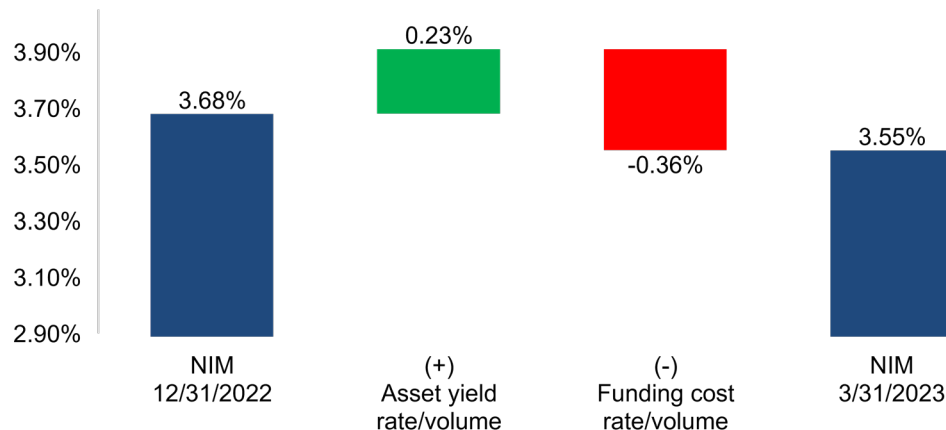
Net Interest Income (\$ in millions) & Net Interest Margin (%)



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

- Net interest margin decreased 13 bps to 3.55%, primarily due to higher funding costs offsetting the increase in earning asset yields
- Interest earning asset yields increased 24 bps with loan yields up 28 bps
- Total cost of funds increased 38 bps
- Net interest income decreased \$4.7 million to \$95.5 million

## Q1 2023 Net Interest Margin

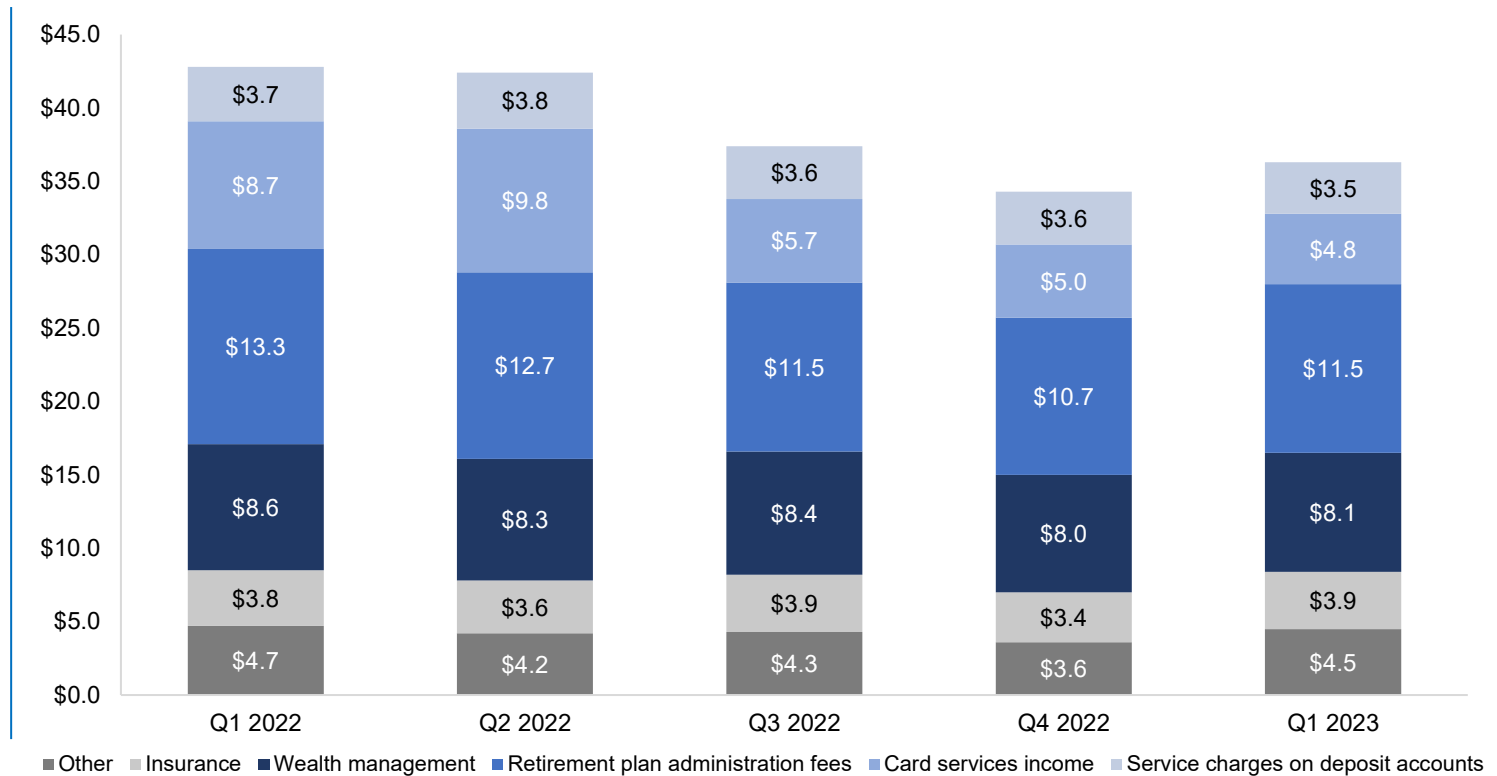


Net Interest Income and annualized Net Interest Margin are shown on a fully tax equivalent basis, which is a Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.

1. Comparison to Q4 2022 unless otherwise stated.

# Noninterest Income

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



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

- Noninterest income to total revenue was 27.7%<sup>1</sup> (above peer levels)
- \$36.4 million<sup>1</sup> in noninterest income, up \$2.1 million
- Retirement plan administration fees up \$0.8 million, driven by seasonal revenues

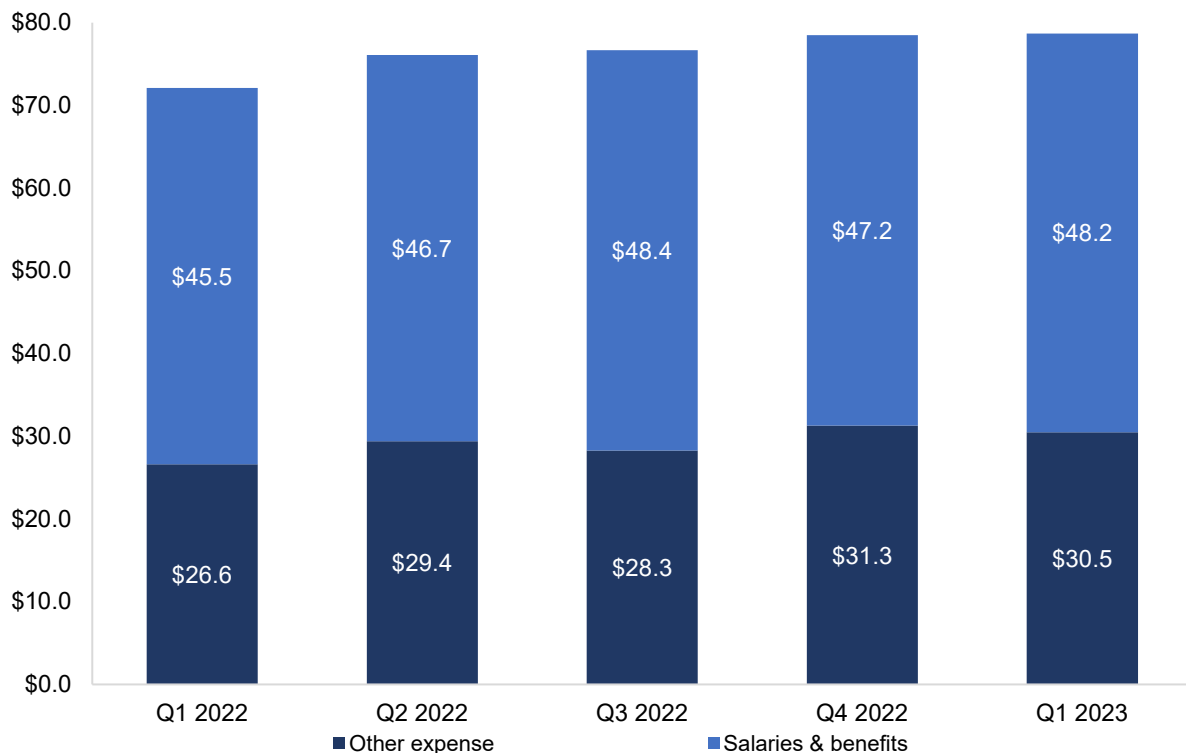


Peer Source Data: S&P Global Market Intelligence.  
Refer to appendix for Peer Group.

- Excludes net securities (losses).
- Comparison to Q4 2022 unless otherwise stated.

# Noninterest Expense

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



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



- Noninterest expense of \$79.3 million, down \$0.2 million (0.2%)
- Salaries & benefits increase of 1.9% driven by seasonally higher payroll taxes, seasonally higher stock-based compensation expense and merit pay increases
- Occupancy costs increased due to seasonal costs including utilities
- Professional fees and outside services decreased due to timing of external services for several tactical and strategic initiatives in the prior quarter
- FDIC assessment expense increased \$0.6 million due to the increase in the FDIC assessment rate
- Other expenses decreased due to seasonal timing of certain expenditures
- Acquisition expenses of \$0.6 million

1. Other expense excludes acquisition expenses.  
2. Comparisons to Q4 2022 unless otherwise stated.



# Capital Strength

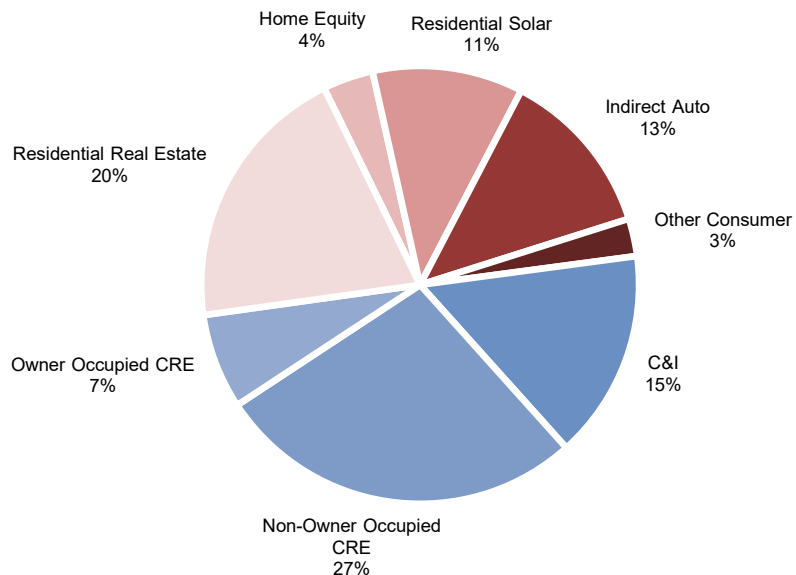
Regulatory Capital Ratios	NBT 03/31/2023	Regulatory Well Capitalized Level
Tier 1 Leverage	10.43%	5.00%
Total Risk-Based Capital	15.53%	10.00%

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

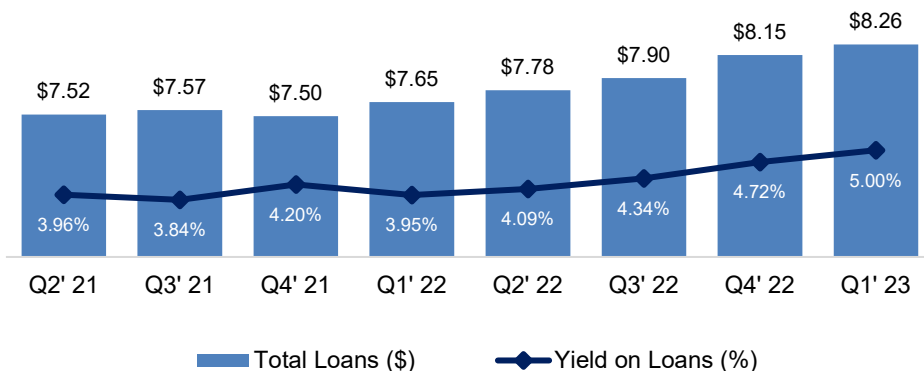
**10th Consecutive  
Year of Annual  
Dividend Increases  
in 2022**

# Loans

Total Loans: \$8.26 billion<sup>1</sup>



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



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



- Loans up \$114.4 million from Q4 2022, or 1.4%
- Non-Owner Occupied CRE at 152% to Total Capital
- Loan to Deposit Ratio of 85%
- Commercial (includes C&I and CRE)
  - 31.3% fixed
  - 19.9% variable (e.g., 10-year fixed for 5 years)
  - 48.8% floating
- Residential Mortgages
  - 95.4% fixed
  - 4.6% ARMs
- Consumer Loans (includes indirect auto, home equity, specialty consumer lending and other)
  - 7.9% floating
  - 92.1% fixed

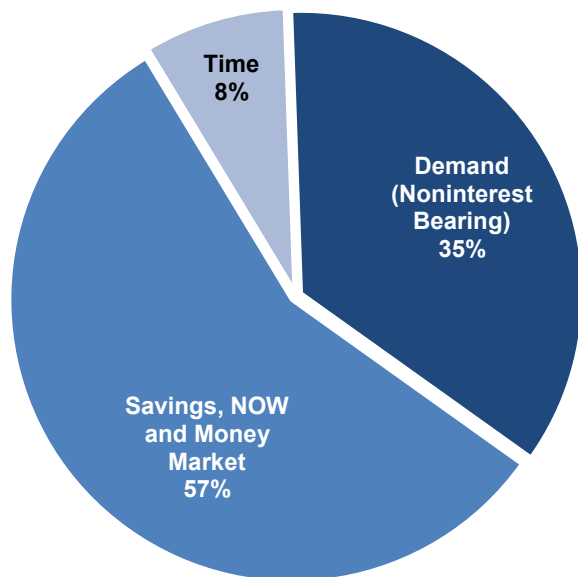
## Quarterly Loan Yields

Line of Business	Portfolio	New Origination <sup>2</sup>
Commercial	5.32%	6.56%
Consumer	5.47%	6.81%
Residential real estate	3.50%	5.39%

1. As of 03/31/23.  
2. New origination yields for the month of March 2023.

# Deposits

Total Deposits: \$9.68 billion<sup>1</sup>



## Diverse and Granular Deposit Mix

Deposit Mix	Balance as of March 31, 2023	Number of Accounts	Average Balance per Account
Consumer	\$5.00 billion	449,054	\$11,139
Commercial <sup>3</sup>	\$4.68 billion	72,720	\$64,343
<b>Total</b>	<b>\$9.68 billion</b>	<b>521,774</b>	<b>\$18,554</b>

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

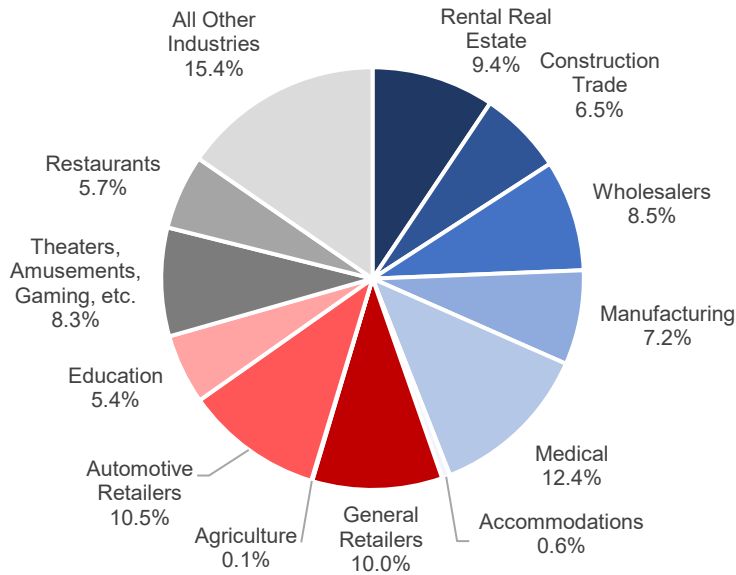


- Cost of total deposits of 0.47%, up 30 bps from the prior quarter
- Total cost of funds was 0.75%, up 38 bps from prior quarter
- Month of March 2023:
  - 0.62% total cost of deposits
  - 0.88% total cost of funds
- Period end deposits increased \$185.3 million, or 2.0%
- Noninterest bearing deposits were 35% of total deposits at Q1 2023
- Total deposits represent 93% of funding
- Loan to deposit ratio was 85.4%

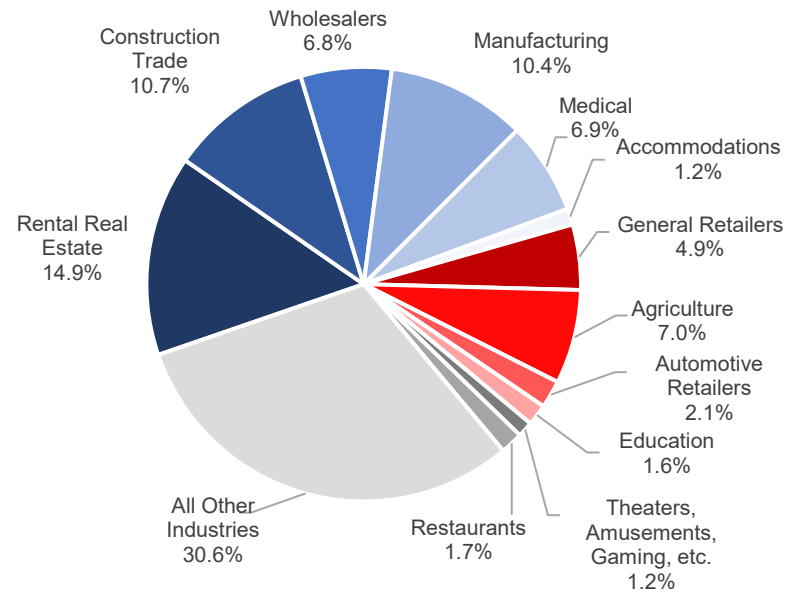
1. As of 3/31/2023.  
 2. Comparison to Q4 2022 unless otherwise stated.  
 3. Includes commercial, business banking and municipal customers.

# Commercial Loan Portfolio Detail

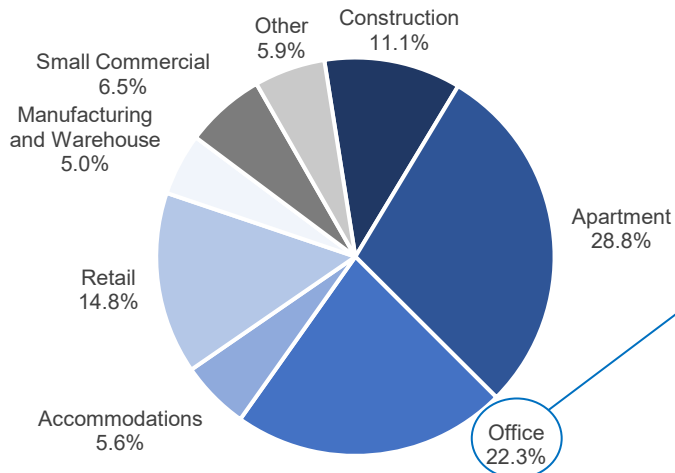
## Owner Occupied CRE (\$0.58 billion)<sup>1</sup>



## Commercial & Industrial (\$1.28 billion)<sup>1</sup>



## Non-Owner Occupied CRE (\$2.26 billion)<sup>1</sup>



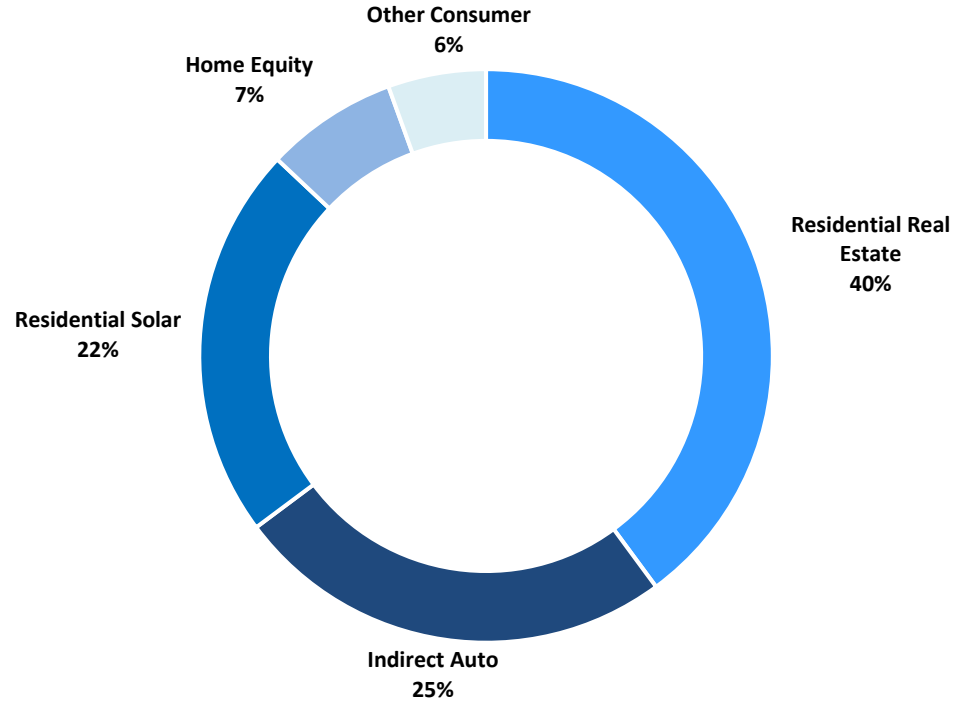
**Office**

- 6.5% of total outstanding loans
- Regionally diversified across our tertiary markets
- Primarily comprised of suburban medical and professional tenants
- \$2.2 million average loan size
- Only 11% of the portfolio matures in next two years

1. Data as of 3/31/2023.

# Consumer & Residential Portfolio Detail

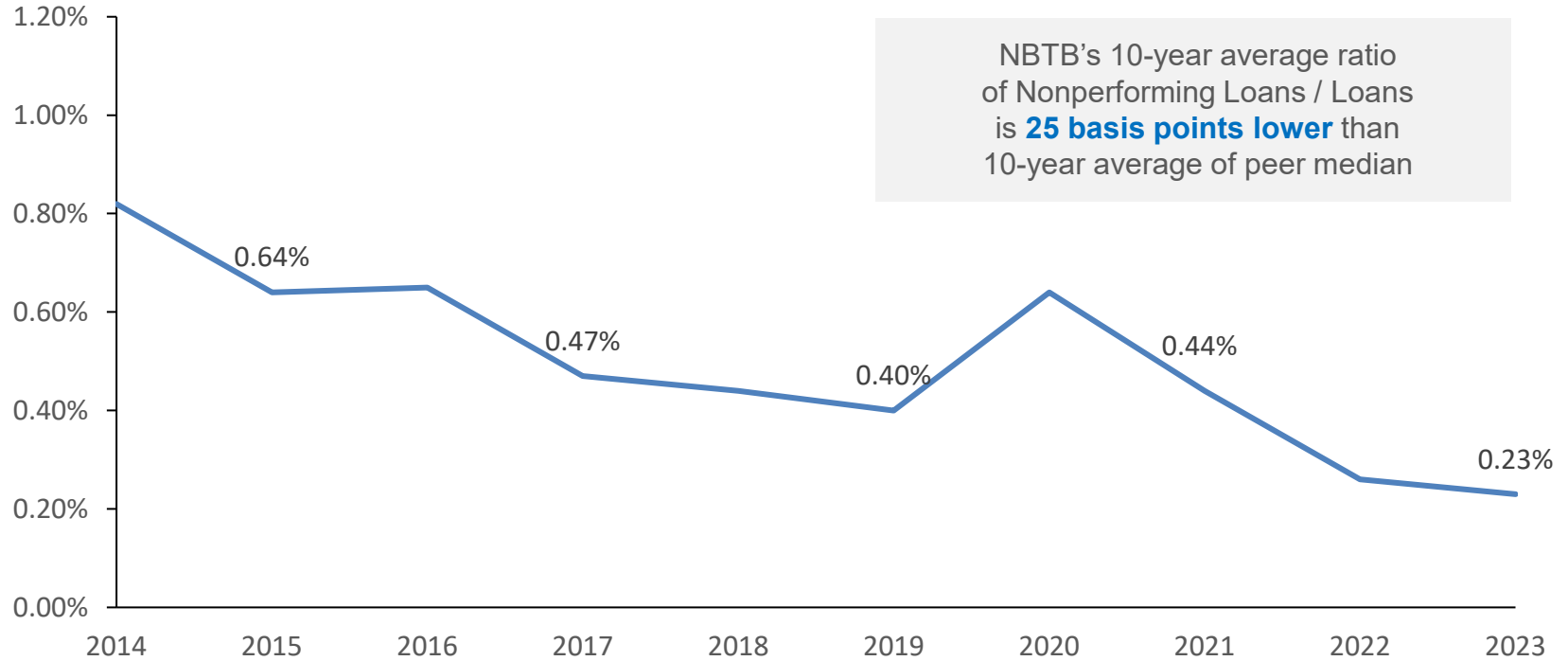
**Consumer Lending Portfolio: \$4.14 billion as of 3/31/23**



Category	Consumer Lending Portfolio Metrics				
	Total Outstandings (\$000s)	# of Accounts	Avg. Balance	wAve Max FICO	Avg. DTI
Residential Real Estate	\$ 1,651,918	11,837	\$ 139,555	764	35
Indirect Auto	\$ 1,031,315	55,525	\$ 18,574	761	30
Residential Solar	\$ 920,084	27,067	\$ 33,993	762	34
Home Equity	\$ 308,219	10,780	\$ 28,592	778	33
Other Consumer	\$ 229,120	43,264	\$ 5,296	749	27

# Asset Quality

Nonperforming Loans / Loans (%)



## Asset Quality Trends Continue

- 0.19% Q1 2023 Net Charge-offs to Average Loans compared to 0.14% Net Charge-offs to Average Loans in Q1 2022 <sup>(1)</sup>
- Nonperforming loans to total loans decrease in 2023 driven by a decrease in commercial nonaccrual loans and consumer loans accruing over 90 days past due

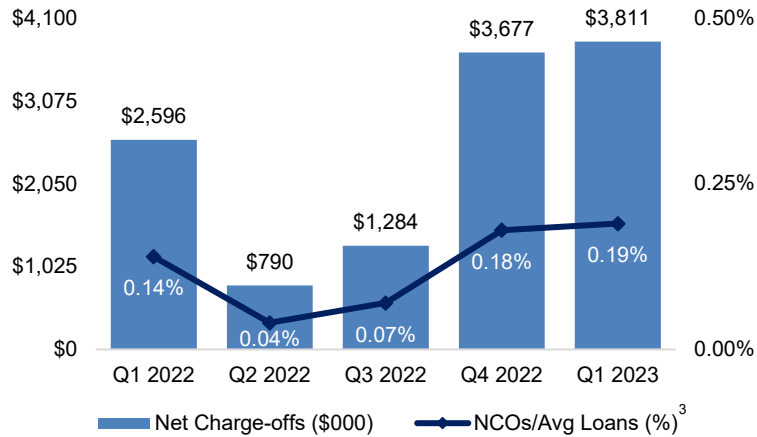
Peer Data Source: S&P Global Market Intelligence as of the most recent quarter. Refer to appendix for Peer Group.

Note: NBTB nonperforming loans exclude performing troubled debt restructurings / trouble loan modifications.

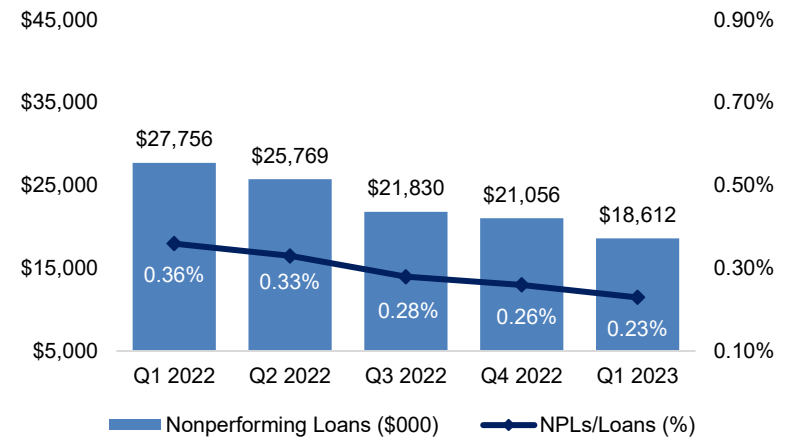
1. Net charge-offs to average loans is annualized.

# Asset Quality

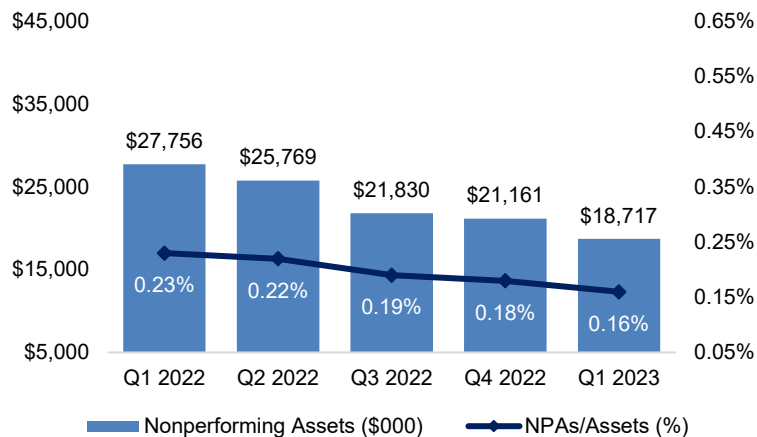
## Net Charge-Offs



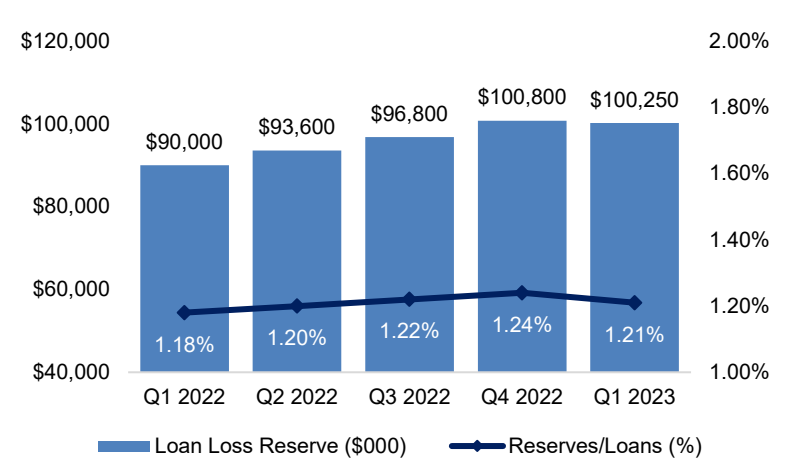
## Nonperforming Loans<sup>1</sup>



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



## Loan Loss Reserves



1. Nonperforming loans exclude performing troubled debt restructurings / trouble loan modifications.
2. Nonperforming assets include nonaccrual loans, loans ninety days past due and still accruing and other real estate owned.
3. Annualized.

# Overview

About NBT Bancorp

Strategic Initiatives

Financial Performance

**Appendix**





# Performance to Peer Group

Performance Ratios %	March 31, 2023		
	NBTB	Peer Median	Peer Average
Core ROAE <sup>(1)(2)</sup>	12.94%	12.46%	11.19%
Core ROATCE <sup>(1)(2)</sup>	17.08%	14.96%	16.70%
Net Interest Margin <sup>(1)</sup>	3.55%	3.40%	3.51%
Fee Income / Revenue <sup>(3)</sup>	27.69%	16.98%	18.35%
Loans / Deposits	85.37%	85.50%	87.54%

Market Ratios	March 31, 2023		
	NBTB	Peer Median	Peer Average
Price / EPS (x)*	10.80	10.04	16.17
Price / TBV (%) <sup>*(1)</sup>	156.64%	144.41%	151.11%
Current Dividend Yield (%)	3.56%	3.88%	3.86%

\* Market data as of 03/31/23 for NBT and peers.

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

Note: Peer data pro forma for recently announced acquisitions.

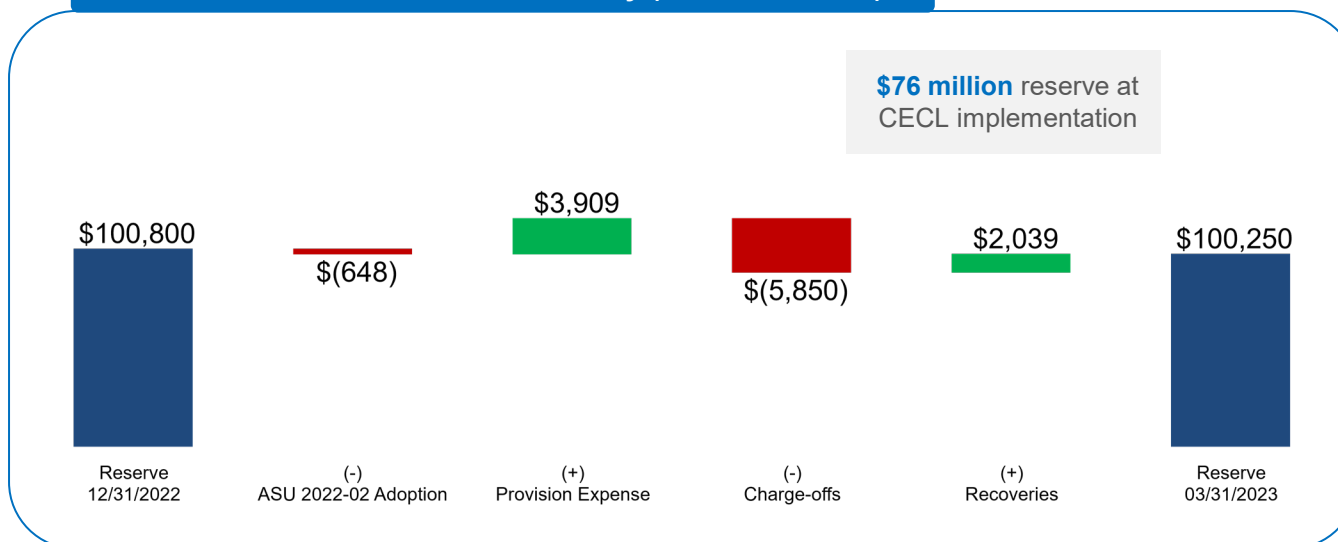
1. Refer to appendix for reconciliation of Non-GAAP measures.
2. Core Income excludes extraordinary items, non-recurring items, amortization of intangibles & goodwill impairment and gains/losses on sale of securities.
3. Excludes gains / losses on sale of securities.

# Loan Loss Reserve (CECL)

## Reserve / Loans by Segment

Loan Type	1/1/2020	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023
Commercial & Industrial	0.98%	0.64%	0.74%	0.80%	0.82%	0.85%
Commercial Real Estate	0.74%	0.79%	0.89%	0.88%	0.91%	0.93%
Residential Real Estate	0.83%	0.88%	0.79%	0.74%	0.72%	0.73%
Auto	0.78%	0.76%	0.79%	0.78%	0.81%	0.77%
Residential Solar	2.54%	2.97%	3.00%	3.08%	3.21%	3.04%
Other Consumer	4.74%	6.24%	6.19%	6.67%	6.27%	6.19%
<b>Total</b>	<b>1.07%</b>	<b>1.18%</b>	<b>1.20%</b>	<b>1.22%</b>	<b>1.24%</b>	<b>1.21%</b>

## 3/31/2023 Loan Loss Reserve Activity (\$ in Thousands)

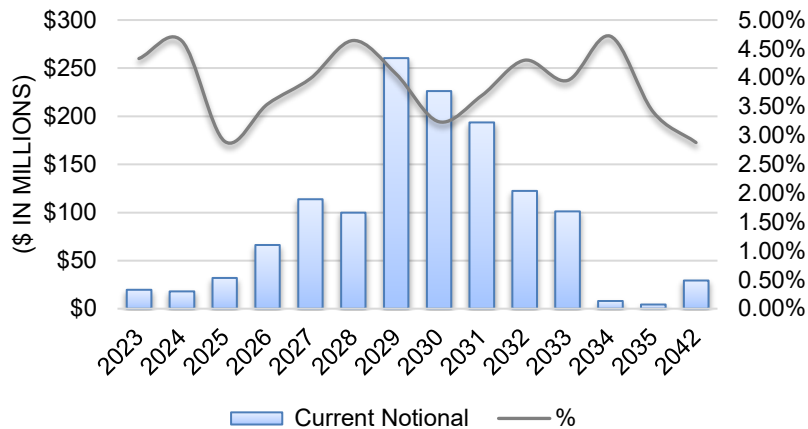


# Interest Rate Risk & Liquidity Sources

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

- Loan portfolio: 65% Fixed / 35% Adjustable/Floating
- Commercial Back-to-Back Swap Program Maturity Schedule:

### Commercial Back-to-Back Swap Program Maturity Ladder



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

	Net Interest Income
Change in interest rates	% Change from base
Up 200 bps	2.08%
Up 100 bps	1.31%
Down 100 bps	-1.49%
Down 200 bps	-2.86%

## Total Deposits (A)

**\$9,681,205**

Estimated Uninsured Deposits

3,685,202

Estimated Collateralized Deposits

1,563,539

**Estimated Uninsured/  
Uncollateralized Deposits (B)**

**\$2,121,663**

**% of Uncollateralized Uninsured Deposits/  
Total Deposits (B/A)**

**22%**

## Liquidity Sources (C):

Cash

\$233,791

Estimated Unencumbered Securities

984,287

FHLB Availability

1,156,665

Discount Window Availability

654,178

Estimated BTFP<sup>2</sup> Availability

125,561

**\$3,154,481**

**Liquidity Coverage (C/B)**

**149%**

1. Data as of 3/31/2023.

2. Federal Reserve's Bank Term Funding Program.

# First Quarter Trends

(\$ in thousands except per share data)	Q1 2023	Q1 2022	Q1 2021	Q1 2020	Q1 2019
<b>Income Statement</b>					
Loan interest income, excluding PPP <sup>1</sup> income	\$ 100,890	\$ 71,367	\$ 68,922	\$ 78,728	\$ 79,321
PPP <sup>1</sup> interest income and fees	9	1,976	6,171	-	-
Securities	12,651	10,333	8,926	9,844	11,139
Other interest income	642	525	291	829	884
Total interest income	114,192	84,201	84,310	89,401	91,344
Total interest expense	19,126	3,853	5,255	12,220	13,653
Net interest income	95,066	80,348	79,055	77,181	77,691
Card services income	4,845	8,695	7,550	6,519	6,216
Net securities (losses) gains	(4,998)	(179)	467	(812)	57
Other noninterest income	31,562	34,143	29,021	29,716	27,548
Total net revenue	126,475	123,007	116,093	112,604	111,512
Acquisition expense	618	-	-	-	-
Other noninterest expense	78,704	72,143	67,888	70,881	68,460
Income before provision and income taxes	47,153	50,864	48,205	41,723	43,052
Provision for credit losses	3,909	596	(2,796)	29,640	5,807
Income before taxes	43,244	50,268	51,001	12,083	37,245
Income taxes	9,586	11,142	11,155	1,715	8,118
Net Income	\$ 33,658	\$ 39,126	\$ 39,846	\$ 10,368	\$ 29,127
<b>Performance Ratios</b>					
<i>Diluted earnings per share</i>	\$ 0.78	\$ 0.90	\$ 0.91	\$ 0.23	\$ 0.66
<i>Net interest margin</i> <sup>2,3</sup>	3.55%	2.95%	3.17%	3.52%	3.64%
<i>ROATCE</i> <sup>2,3</sup>	15.31%	16.87%	18.24%	5.24%	16.45%
<i>NCOs/Avg loans</i> <sup>3</sup>	0.19%	0.14%	0.12%	0.32%	0.41%

1. Paycheck Protection Program ("PPP")

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

3. Annualized.

# Peer Group

Name	HQ City	State	Ticker
Berkshire Hills Bancorp, Inc.	Boston	MA	BHLB
Brookline Bancorp, Inc.	Boston	MA	BRKL
Community Bank System, Inc.	Dewitt	NY	CBU
Customers Bancorp, Inc.	West Reading	PA	CUBI
First Busey Corporation	Champaign	IL	BUSE
First Commonwealth Financial Corporation	Indiana	PA	FCF
First Financial Bancorp	Cincinnati	OH	FFBC
First Merchants Corporation	Muncie	IN	FRME
Heartland Financial USA, Inc.	Dubuque	IA	HTLF
Independent Bank Corp.	Rockland	MA	INDB
Merchants Bancorp	Carmel	IN	MBIN
Northwest Bancshares, Inc.	Columbus	OH	NWBI
OceanFirst Financial Corp.	Red Bank	NJ	OCFC
Park National Corporation	Newark	OH	PRK
Premier Financial Corp.	Defiance	OH	PFC
Provident Financial Services, Inc.	Jersey City	NJ	PFS
S&T Bancorp, Inc.	Indiana	PA	STBA
Tompkins Financial Corporation	Ithaca	NY	TMP
WesBanco, Inc.	Wheeling	WV	WSBC

# Commitment to ESG Principles

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



## BOARD COMMITMENTS

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

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

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

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

# Corporate Social Responsibility

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



**SUSTAINABLE FINANCING**  
**\$1.3 billion**  
 in consumer solar loan originations

Paper reduction and recycling efforts saved  
**4,485 trees**  
 in 2022

**FUEL CONSUMPTION**  
 decreased **62%**  
 compared to 2019

**AFFORDABLE HOUSING**  
 Over **\$800 million** provided to construct over 130 projects creating **6k+** HOUSING UNITS

**Launched NBT CEI-Boulos Impact Fund**  
 \$10 million real estate investment fund for community-supported commercial real estate projects in NBT's CRA assessment areas in NY

**SMALL BUSINESS LENDING**  
**44% year-over-year increase** in the number of loans and **25% year-over-year increase** in dollars

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

Forbes 2023  
**WORLD'S BEST BANKS**  
 POWERED BY STANAL

Recognized as a **Forbes World's Best Bank** 4 times in 5 years

## FOCUSED ON WHAT MATTERS

ENVIRONMENTAL | SOCIAL | GOVERNANCE

**60%** of managers are women

**23%** of Board is female or ethnically diverse  
 (1 African American, 2 Women)

**Donated nearly \$2 million** to community organizations in 2022

**FREE TAX PREP**  
 Assisted over 775 families and returned nearly \$5 million to communities served by Colgate University's VITA program in 2020, 2021 and 2022

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

Proxy Advisor **Governance** Score of "2" from ISS Corporate

**FINANCIAL WELLNESS**  
**\$768,048** contributed to student loan repayment for **300+** employees

**7,000+** employee **VOLUNTEER** hours in 2022

**EMPLOYEE & BOARD TRAINING**  
**100%** completed **Information Security** training  
**98%** completed **Ethics** training

Voted "**Best Place to Work**" in Central NY, Vermont, Connecticut and NY's Capital Region

Opened more than **3,500 NBT iSelect Accounts** in 2022 making banking more accessible in the communities we serve



# External Recognition



*Highest Ranked Bank in NY*

**BEST PLACES TO WORK  
IN CONNECTICUT**



ALBANY BUSINESS REVIEW



2022 BEST PLACES TO WORK





# Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q1 2023	2022	2021	2020	2019	2018	2017	2016
Net Interest Income	\$ 95,066	\$ 362,190	\$ 321,088	\$ 315,678	\$ 311,555	\$ 305,629	\$ 283,493	\$ 264,441
FTE Adjustment	395	1,304	1,191	1,301	1,667	2,007	3,799	3,549
Net Interest Income, Tax Equivalent	\$ 95,461	\$ 363,494	\$ 322,279	\$ 316,979	\$ 313,222	\$ 307,636	\$ 287,292	\$ 267,990
Average Total Interest Earning Assets	\$ 10,909,932	\$ 10,898,871	\$ 10,631,890	\$ 9,571,777	\$ 8,739,258	\$ 8,594,469	\$ 8,274,334	\$ 7,816,448
Net Interest Margin, Tax Equivalent <sup>(1)</sup>	3.55%	3.34%	3.03%	3.31%	3.58%	3.58%	3.47%	3.43%

(Dollars in Thousands)	LTM 2023 <sup>(2)</sup>	2022	2021	2020	2019	2018	2017	2016
Noninterest Expense	\$ 311,644	\$ 304,465	\$ 287,281	\$ 277,733	\$ 274,734	\$ 264,561	\$ 245,648	\$ 235,922
Acquisition Expenses	(1,585)	(967)	-	-	-	-	-	-
Adjusted Noninterest Expense	\$ 310,059	\$ 303,498	\$ 287,281	\$ 277,733	\$ 274,734	\$ 264,561	\$ 245,648	\$ 235,922

(Dollars in Thousands)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Noninterest Expense	\$ 79,322	\$ 79,509	\$ 76,694	\$ 76,119	\$ 72,143
Acquisition Expenses	(618)	(967)	-	-	-
Adjusted Noninterest Expense	\$ 78,704	\$ 78,542	\$ 76,694	\$ 76,119	\$ 72,143

1. Annualized.
2. Trailing four quarters.

# Reconciliation of Non-GAAP Measures

(Dollars in Thousands, Except Per Share Data)	Q1 2023	Q4 2022	Q1 2022
Net Income	\$ 33,658	\$ 36,121	\$ 39,126
Amortization of Intangible Assets (Net of Tax)	402	404	477
Net Income, Excluding Intangibles Amortization	\$ 34,060	\$ 36,525	\$ 39,603
Average Tangible Common Equity	\$ 901,962	\$ 876,060	951,970
<b>Return on Average Tangible Common Equity<sup>(1)</sup></b>	<b>15.31%</b>	<b>16.54%</b>	<b>16.87%</b>
Total Stockholder's Equity	\$ 1,211,659	\$ 1,173,554	\$ 1,202,250
Goodwill and Other Intangibles	(288,159)	(288,545)	(288,832)
Tangible Common Equity	\$ 923,500	\$ 885,009	\$ 913,418
Total Assets	\$ 11,839,730	\$ 11,739,296	\$ 12,147,833
Goodwill and Other Intangibles	(288,159)	(288,545)	(288,832)
Tangible Assets	\$ 11,551,571	\$ 11,450,751	\$ 11,859,001
<b>Tangible Common Equity to Tangible Assets</b>	<b>7.99%</b>	<b>7.73%</b>	<b>7.70%</b>
Common Shares Outstanding	42,904,332	42,857,823	42,992,323
<b>Book Value Per Share</b>	<b>\$ 28.24</b>	<b>\$ 27.38</b>	<b>\$ 27.96</b>
<b>Tangible Book Value Per Share</b>	<b>\$ 21.52</b>	<b>\$ 20.65</b>	<b>\$ 21.25</b>

1. Annualized.

# Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q1 2023
Net Income	\$ 33,658
Securities Loss (Net of Tax) <sup>(1)</sup>	3,948
Amortization of Intangibles (Net of Tax) <sup>(1)</sup>	424
Acquisition Expenses (Net of Tax) <sup>(1)</sup>	488
<b>Core Net Income<sup>(2)</sup></b>	<b>\$ 38,518</b>
Average Stockholders' Equity	\$ 1,190,316
Average Tangible Equity <sup>(3)</sup>	\$ 901,964
<b>Core Return on Average Equity<sup>(2)</sup></b>	<b>12.94%</b>
<b>Core Return on Average Tangible Common Equity<sup>(2)</sup></b>	<b>17.08%</b>

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

# Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q1 2023	Q1 2022	Q1 2021	Q1 2020	Q1 2019
Net Interest Income	\$ 95,066	\$ 80,348	\$ 79,055	\$ 77,181	\$ 77,691
FTE Adjustment	395	285	302	329	500
Net Interest Income, Tax Equivalent	\$ 95,461	\$ 80,633	\$ 79,357	\$ 77,510	\$ 78,191

Average Total Interest Earning Assets	\$ 10,909,932	\$ 11,089,110	\$ 10,141,088	\$ 8,862,518	\$ 8,712,163
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<b>Net Interest Margin, Tax Equivalent<sup>1</sup></b>	<b>3.55%</b>	<b>2.95%</b>	<b>3.17%</b>	<b>3.52%</b>	<b>3.64%</b>
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(Dollars in Thousands)	Q1 2023	Q1 2022	Q1 2021	Q1 2020	Q1 2019
Net Income	\$ 33,658	\$ 39,126	\$ 39,846	\$ 10,368	\$ 29,127
Amortization of Intangible Assets (Net of Tax)	402	477	609	626	726
Net Income, Excluding Intangibles Amortization	\$ 34,060	\$ 39,603	\$ 40,455	\$ 10,994	\$ 29,853

Average Tangible Common Equity	\$ 901,962	\$ 951,970	\$ 899,359	\$ 843,195	\$ 735,840
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<b>Return on Average Tangible Common Equity<sup>1</sup></b>	<b>15.31%</b>	<b>16.87%</b>	<b>18.24%</b>	<b>5.24%</b>	<b>16.45%</b>
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(Dollars in Thousands)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net Interest Income	\$ 95,066	\$ 99,779	\$ 94,478	\$ 87,585	\$ 80,348
FTE Adjustment	395	392	337	290	285
Net Interest Income, Tax Equivalent	\$ 95,461	\$ 100,171	\$ 94,815	\$ 87,875	\$ 80,633

Average Total Interest Earning Assets	\$ 10,909,932	\$ 10,801,115	\$ 10,727,291	\$ 10,983,020	\$ 11,089,110
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<b>Net Interest Margin, Tax Equivalent<sup>1</sup></b>	<b>3.55%</b>	<b>3.68%</b>	<b>3.51%</b>	<b>3.21%</b>	<b>2.95%</b>
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1. Annualized.

# 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, including actual or potential stress in the banking industry, and the impact they may have on the Company and its customers and the Company’s assessment of that impact; (2) changes in the level of nonperforming assets and charge-offs; (3) changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; (4) the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board (“FRB”); (5) inflation, interest rate, securities market and monetary fluctuations; (6) political instability; (7) acts of war, including international military conflicts, or terrorism; (8) the timely development and acceptance of new products and services and perceived overall value of these products and services by users; (9) changes in consumer spending, borrowings and savings habits; (10) changes in the financial performance and/or condition of the Company’s borrowers; (11) technological changes; (12) acquisitions and integration of acquired businesses; (13) the ability to increase market share and control expenses; (14) changes in the competitive environment among financial holding companies; (15) the effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which the Company and its subsidiaries must comply, including those under the Dodd-Frank Act, Economic Growth, Regulatory Relief, Consumer Protection Act of 2018, Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), and other legislative and regulatory responses to the coronavirus (“COVID-19”) pandemic; (16) the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board (“FASB”) and other accounting standard setters; (17) changes in the Company’s organization, compensation and benefit plans; (18) the costs and effects of legal and regulatory developments including the resolution of legal proceedings or regulatory or other governmental inquiries, and the results of regulatory examinations or reviews; (19) greater than expected costs or difficulties related to the integration of new products and lines of business; (20) the adverse impact on the U.S. economy, including the markets in which we operate, of the COVID-19 global pandemic; and (21) the Company’s success at managing the risks involved in the foregoing items.

The Company cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date made, and advises readers that various factors including, but not limited to, those described above and other factors discussed in the Company’s annual and quarterly reports previously filed with the SEC, could affect the Company’s financial performance and could cause the Company’s actual results or circumstances for future periods to differ materially from those anticipated or projected. Unless required by law, the Company does not undertake, and specifically disclaims any obligations to, publicly release any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.