

NBT Bancorp Inc.

Q1 2024 Earnings Presentation



Forward-Looking Statements

This presentation contains forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of phrases such as “anticipate,” “believe,” “expect,” “forecasts,” “projects,” “will,” “can,” “would,” “should,” “could,” “may,” or other similar terms. There are a number of factors, many of which are beyond the Company’s control, that could cause actual results to differ materially from those contemplated by the forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following possibilities: (1) local, regional, national and international economic conditions, 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 the perceived overall value of these products and services by users; (9) changes in consumer spending, borrowing and saving habits; (10) changes in the financial performance and/or condition of the Company’s borrowers; (11) technological changes; (12) acquisition 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, and the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018; (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 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; and (20) 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.

Q1 2024 Highlights

▶ Well Positioned Balance Sheet

- ▶ Diversified loan portfolio with desirable balance of commercial and consumer loans and deposits
- ▶ Year-to-date loan growth was 1.6% annualized, 3.6% annualized excluding consumer portfolios in a planned run-off status

▶ Capital Strength

- ▶ Total risk-based capital of 14.87%
- ▶ Tangible equity to assets grew to 7.98%⁽¹⁾

▶ Diversified Revenue Sources

- ▶ Diversified revenue streams generated 31% of revenues from noninterest income sources (excluding securities gains and losses)
- ▶ Seasonally high noninterest income, excluding securities gains (losses) grew 13.8% from 4Q 2023

1. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP Measures.
2. Annualized.

Reported	Operating ⁽¹⁾
\$0.71	\$0.68
<i>Earnings per share</i>	
Reported ⁽¹⁾⁽²⁾	Operating ⁽¹⁾⁽²⁾
13.87%	13.20%
<i>Return on average tangible equity</i>	
\$138 Million	
<i>Total revenue</i>	
\$9.69 Billion	
<i>Period end loans</i>	
\$11.20 Billion	
<i>Period end deposits</i>	
\$22.07 ▲ 55 bps vs. Q1 2023	
<i>TBV per share⁽¹⁾</i>	

Q1 2024 Results Overview

Financial Highlights

(\$ in millions except per share data)	Q1 2024	Change		% Change	
		Q4 2023	Q1 2023	Q4 2023	Q1 2023
Period End Balance Sheet					
Total loans	\$ 9,688.1	\$ 37.4	\$ 1,423.5	0.4%	17.2%
Total deposits	11,195.3	226.3	1,514.1	2.1%	15.6%
Income Statement					
FTE net interest income ⁽²⁾	\$ 95.8	\$ (4.0)	\$ 0.4	(4.0%)	0.4%
Net income	33.8	3.4	0.2	11.1%	0.5%
Earnings per share, diluted	0.71	0.07	(0.07)	10.9%	(9.0%)
Performance Ratios					
Net interest margin ⁽²⁾⁽³⁾	3.14%	(0.01%)	(0.41%)	(0.3%)	(11.5%)
ROAA ⁽³⁾	1.02%	0.13%	(0.14%)	14.6%	(12.1%)
ROATCE ⁽²⁾⁽³⁾	13.87%	0.79%	(1.44%)	6.0%	(9.4%)
NCOs/ Avg loans (%) ⁽³⁾	0.19%	(0.03%)	0.00%	(13.6%)	0.0%
Operating Results					
Net income ⁽²⁾	\$ 32.1	\$ (1.8)	\$ (5.9)	(5.2%)	(15.5%)
Earnings per share, diluted⁽²⁾	0.68	(0.04)	(0.20)	(5.6%)	(22.7%)
ROAA ⁽²⁾⁽³⁾	0.97%	(0.02%)	(0.34%)	(2.0%)	(26.0%)
ROATCE ⁽²⁾⁽³⁾	13.20%	(1.29%)	(4.07%)	(8.9%)	(23.6%)
Capital					
Tangible book value per share ⁽²⁾	\$ 22.07	\$ 0.35	\$ 0.55	1.6%	2.6%
Tangible equity ratio ⁽²⁾	7.98%	0.05%	(0.01%)	0.6%	(0.1%)
Leverage ratio	10.09%	0.38%	(0.34%)	3.9%	(3.3%)
Common equity tier 1 capital ratio	11.68%	0.11%	(0.60%)	1.0%	(4.9%)
Tier 1 capital ratio	12.61%	0.11%	(0.73%)	0.9%	(5.5%)
Total risk-based capital ratio	14.87%	0.12%	(0.66%)	0.8%	(4.2%)

1. Comparison to Q4 2023 unless otherwise stated.
2. Non-GAAP measure; refer to appendix for reconciliation of Non-GAAP measures.
3. Annualized.

Highlights⁽¹⁾

Balance Sheet

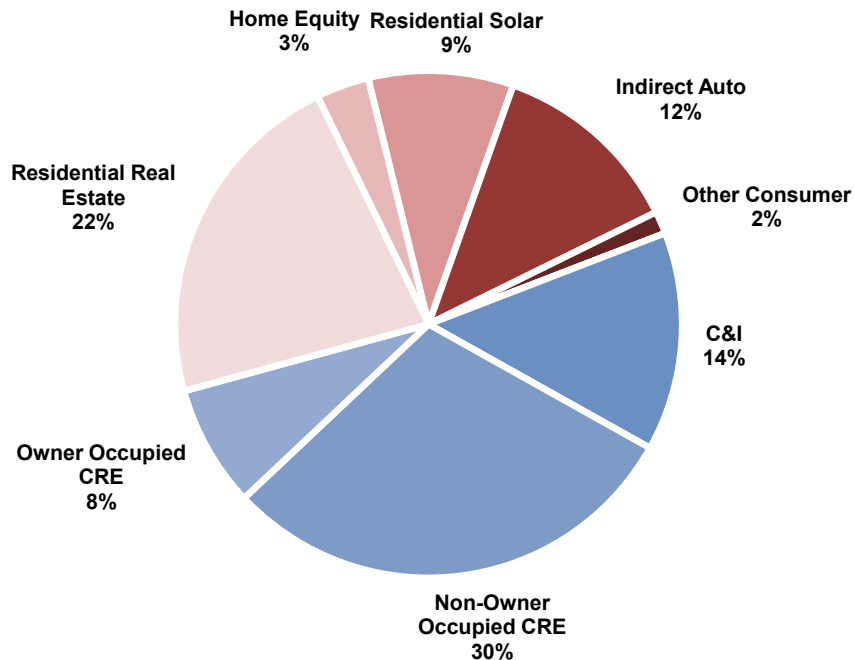
- Year-to-date loan growth was 1.6% annualized, 3.6% annualized excluding consumer portfolios in a planned run-off status
- Period end deposits increased \$226.3 million, consistent with seasonal historical trends
- Tangible equity ratio increased to 7.98%

Earnings & Capital

- Net income of \$33.8 million and diluted earnings per share of \$0.71, \$0.68 operating earnings per share⁽²⁾
- Net interest margin⁽²⁾⁽³⁾ down only 1 bp to 3.14%
- Provision expense of \$5.6 million with net charge-offs of \$4.7 million
- Quarterly effective tax rate of 21.7%

Loans

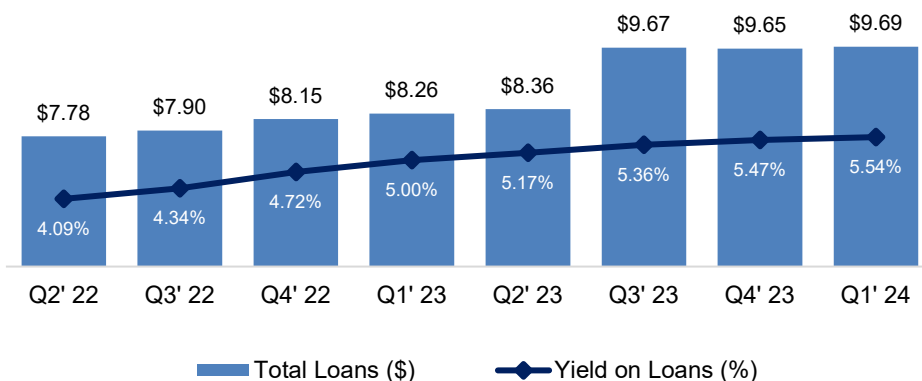
Total Loans: \$9.69 billion⁽¹⁾



Highlights⁽²⁾

- Loans increased \$37.4 million from December 31, 2023
 - Total commercial loans increased \$19.0 million to \$5.00 billion
 - Total consumer loans increased \$18.3 million to \$4.69 billion
 - Loan Mix: Commercial 52% / Consumer 48%
- Quarterly yields on total loans increased 7 bps
- 61% Fixed and 39% Adjustable / Floating

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



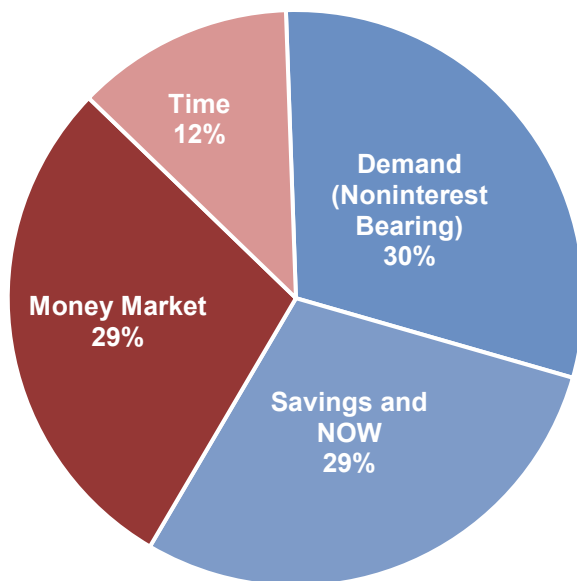
Quarterly Loan Yields

Line of Business	Portfolio	New Origination ⁽³⁾
Commercial	5.96%	7.31%
Consumer	6.00%	7.12%
Residential real estate	3.99%	6.23%

- As of 3/31/2024.
- Comparison to Q4 2023 unless otherwise stated.
- New origination yields for the first quarter of 2024.

Deposits

Total Deposits: \$11.20 billion⁽¹⁾



Diverse & Granular Deposit Mix

Deposit Mix	Balance as of March 31, 2024	Number of Accounts	Average Balance per Account
Consumer	\$ 6.02 billion	480,464	\$ 12,526
Commercial ⁽³⁾	\$ 5.18 billion	80,793	\$ 64,077
Total	\$ 11.20 billion	561,257	\$ 19,947

Highlights⁽²⁾

- Cost of total deposits of 1.61%, up 10 bps
- Total cost of funds was 1.79%, up 7 bps
- Month of March 2024:
 - 1.64% total cost of deposits
 - 1.80% total cost of funds
- Period end deposits increased \$226.3 million, or 2.1%, from December 31, 2023 due to seasonal municipal deposit inflows
- Noninterest bearing deposits were 30% of total deposits
- Total deposits represent 96% of funding
- Full cycle to-date deposit beta of 30%
- Loan to deposit ratio of 86.5%

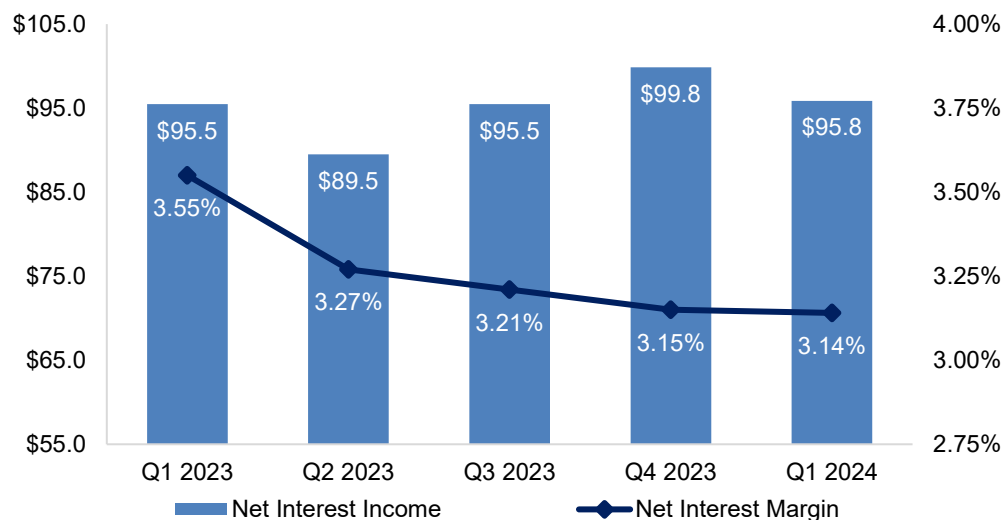
1. As of 3/31/2024.

2. Comparison to Q4 2023 unless otherwise stated.

3. Includes commercial, business banking and municipal customers.

Net Interest Income & Net Interest Margin

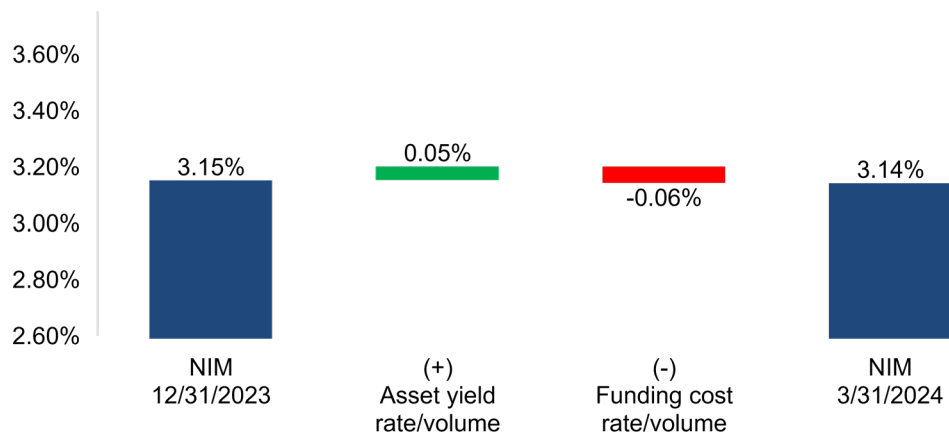
Net Interest Income (\$ in millions) & Net Interest Margin (%)



Highlights⁽¹⁾

- Net interest margin decreased 1 bp to 3.14%
 - Interest earning asset yields increased 5 bps with loan yields up 7 bps
 - Total cost of funds increased 7 bps
 - Net accretion of acquired loans and borrowings was \$2.5 million for Q1 2024 consistent with Q4 2023
- Net interest income decreased \$4.0 million to \$95.8 million

Q1 2024 Net Interest Margin



Year 1 Interest Rate Sensitivity⁽²⁾

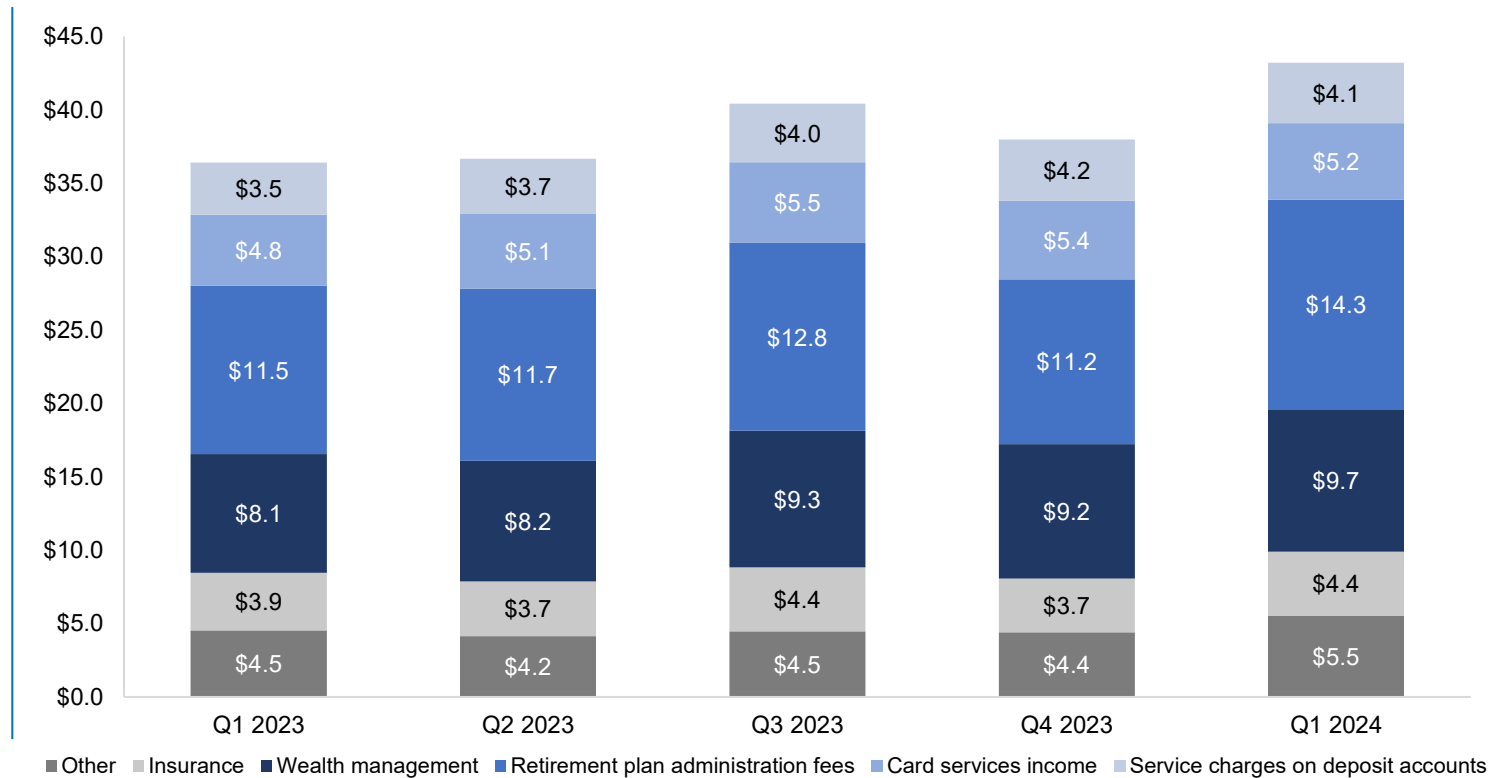
Net Interest Income	
Change in interest rates	% Change from base
Up 200 bps	-0.15%
Up 100 bps	0.22%
Down 100 bps	-0.28%
Down 200 bps	-0.22%

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.

- Comparison to Q4 2023 unless otherwise stated.
- As of 3/31/2024.

Noninterest Income

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



Highlights⁽²⁾

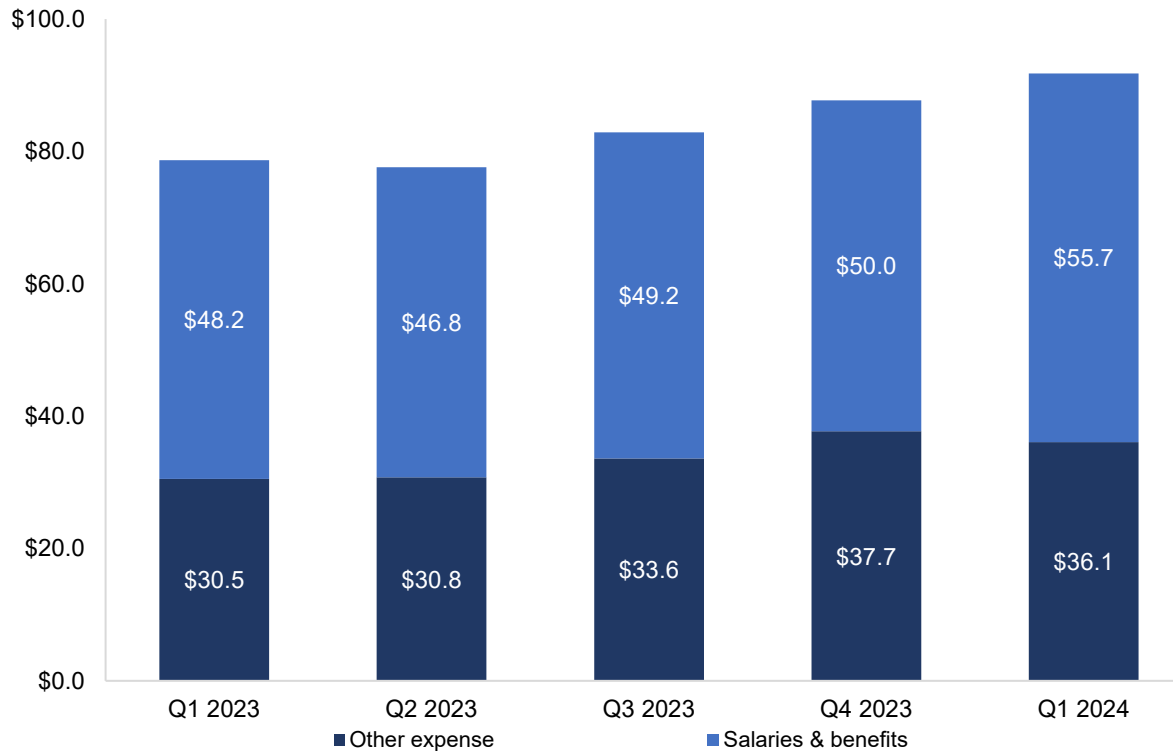
- Noninterest income to total revenue was 31%⁽¹⁾ (above peer levels)
- \$43.2 million⁽¹⁾ in noninterest income, up \$5.2 million from 4Q 2023
- Noninterest income increased \$6.8 million⁽¹⁾ or 19% from 1Q 2023

Peer Source Data: S&P Global Market Intelligence.

- Refer to appendix for Peer Group.
1. Excludes net securities gains (losses).
 2. Comparison to Q4 2023 unless otherwise stated.

Noninterest Expense

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



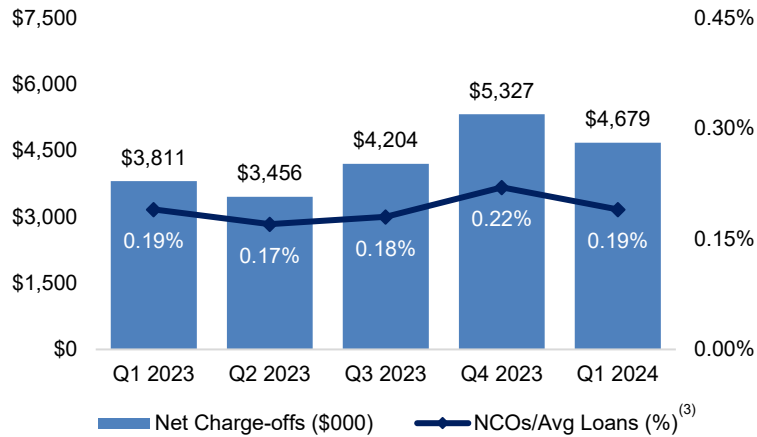
Highlights⁽²⁾

- Salaries & benefits increased by 11.4% driven by higher incentive costs, seasonally higher payroll taxes, and stock-based compensation and merit pay increases
- Other expenses
 - Occupancy costs increased due to seasonal costs, including utilities and higher maintenance activities
 - Professional fees and outside services decreased due to timing of initiatives
 - Other expenses decreased due to timing of travel and advertising costs

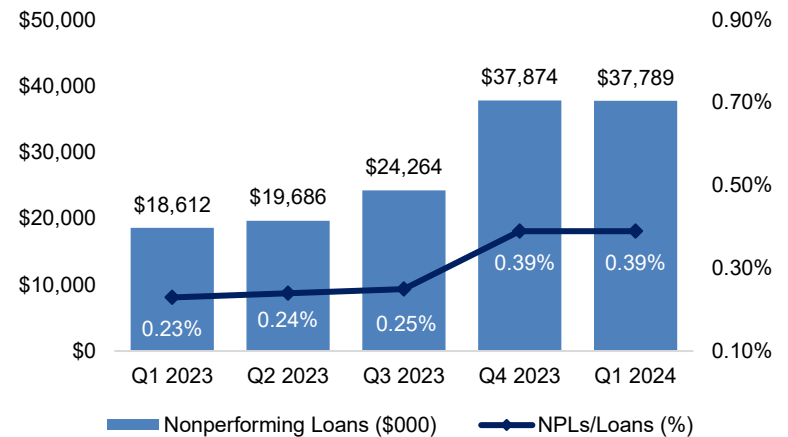
1. Other expense excludes acquisition expenses in all quarters and \$4.8 million of impairment of a minority interest equity investment in the fourth quarter 2023.
2. Comparisons to Q4 2023 unless otherwise stated.

Asset Quality

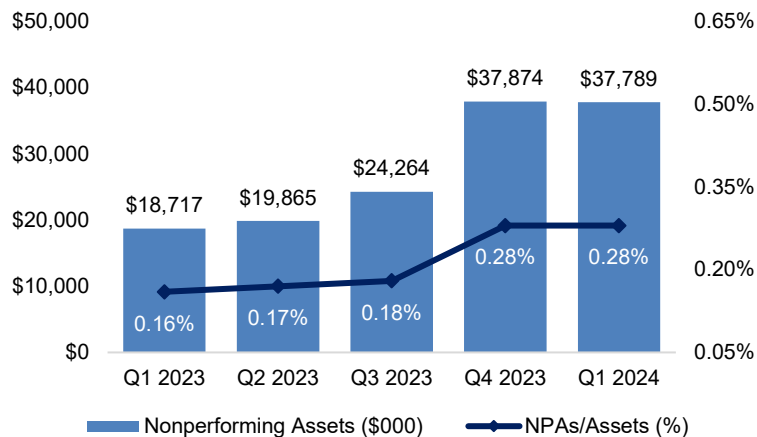
Net Charge-Offs



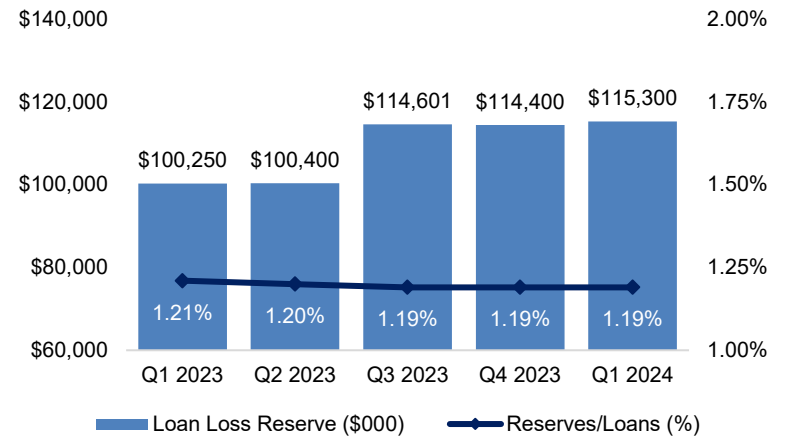
Nonperforming Loans⁽¹⁾



Nonperforming Assets⁽²⁾



Loan Loss Reserves



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

APPENDIX

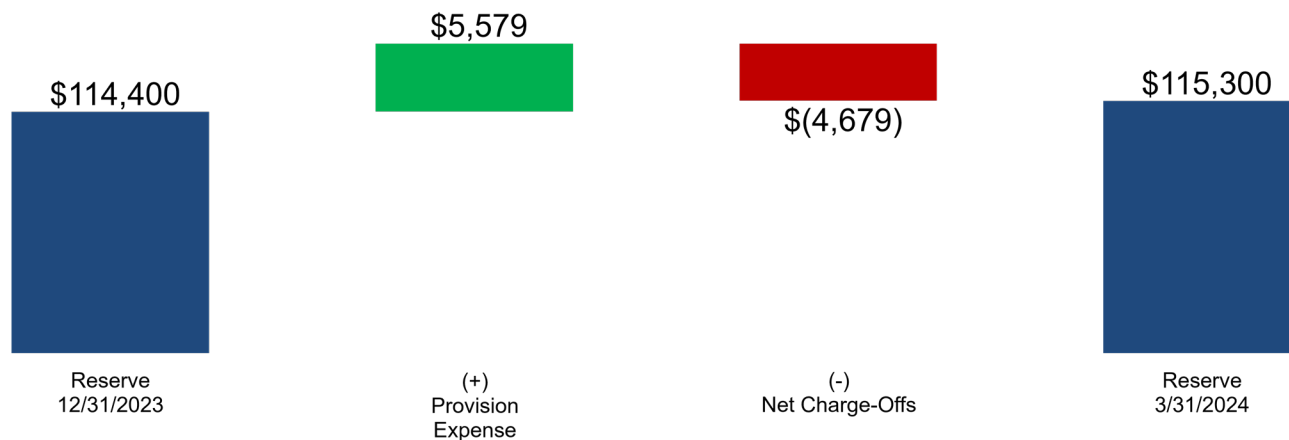


Loan Loss Reserve (CECL)

Reserve / Loans by Segment

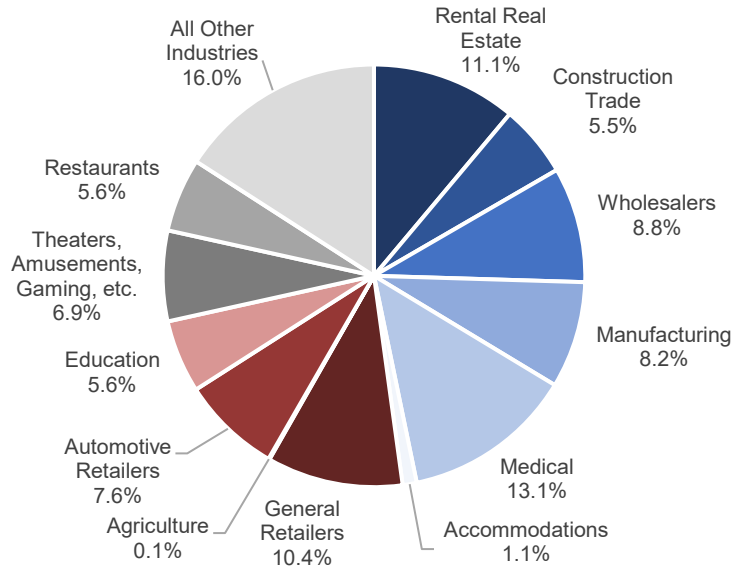
Loan Type	1/1/2020	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Commercial & Industrial	0.98%	0.85%	0.86%	0.87%	0.84%	0.79%
Commercial Real Estate	0.74%	0.93%	0.93%	1.00%	0.99%	0.97%
Residential Real Estate	0.83%	0.73%	0.73%	0.79%	0.84%	0.89%
Auto	0.78%	0.77%	0.80%	0.82%	0.83%	0.81%
Residential Solar	2.54%	3.04%	3.09%	3.19%	3.28%	3.58%
Other Consumer	4.74%	6.19%	5.98%	5.23%	4.70%	4.24%
Total	1.07%	1.21%	1.20%	1.19%	1.19%	1.19%

12/31/2023 Loan Loss Reserve Activity (\$ in Thousands)

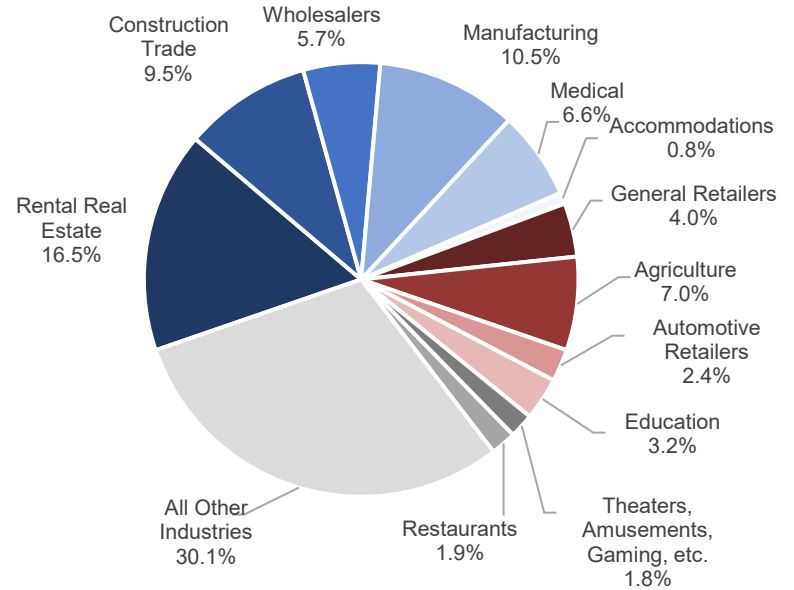


Commercial Loan Portfolio Detail

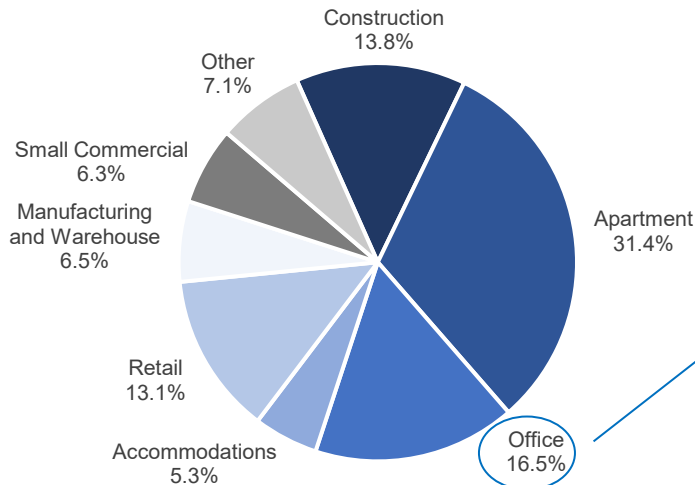
Owner Occupied CRE (\$0.75 billion)⁽¹⁾



Commercial & Industrial (\$1.35 billion)⁽¹⁾



Non-Owner Occupied CRE (\$2.89 billion)⁽¹⁾



Office

- 4.9% of total outstanding loans
- Regionally diversified across our tertiary markets
- Primarily comprised of suburban medical and professional tenants
- \$2.5 million average loan size
- Only 12% of portfolio matures in next two years

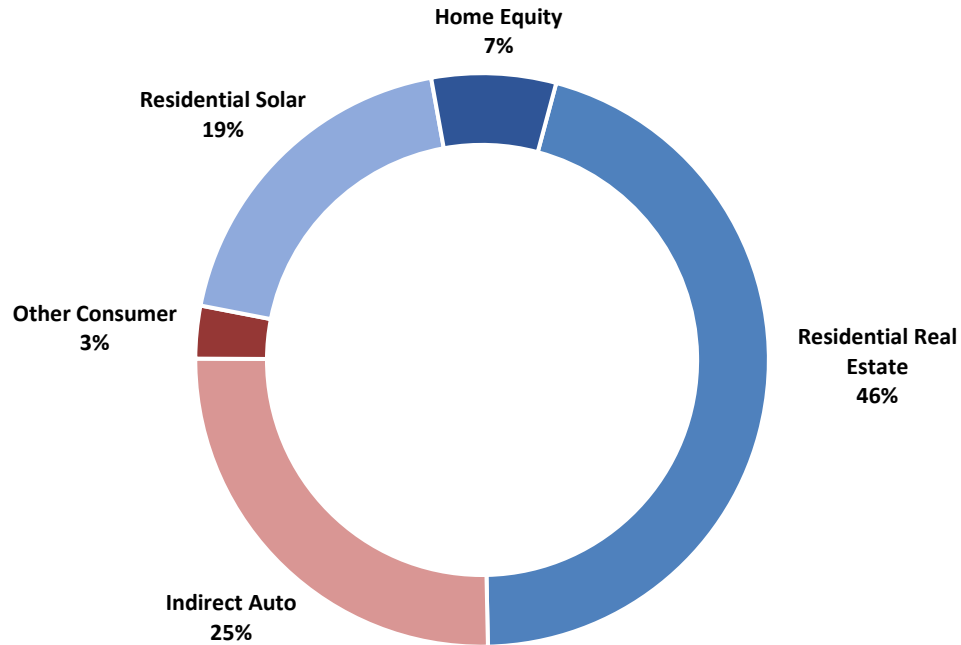
Commercial Lending Portfolio

\$5.00 billion
as of 3/31/24

1. Data as of 3/31/2024.

Consumer & Residential Portfolio Detail

Consumer Lending Portfolio:
\$4.69 billion as of 3/31/24



As of 3/31/2024	Consumer Lending Portfolio Metrics				
	Total Outstandings (\$000s)	# of Accounts	Average Balance	Weighted Average Max FICO	Average DTI
Residential Real Estate	\$ 2,133,289	13,535	\$ 157,613	764	35
Indirect Auto	\$ 1,190,734	58,288	\$ 20,428	762	30
Residential Solar	\$ 896,147	27,768	\$ 32,273	763	34
Home Equity	\$ 328,673	10,989	\$ 29,909	779	33
Other Consumer	\$ 139,049	36,649	\$ 3,794	751	27

Investment Securities Portfolio

AFS Securities (In thousands)	March 31, 2024			December 31, 2023		
	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value
U.S. treasury & federal agency	\$ 381,817	\$ (43,830)	\$ 337,987	\$ 381,686	\$ (41,922)	\$ 339,764
State & municipal	96,054	(10,021)	86,033	96,251	(9,945)	86,306
U.S. government sponsored:						
Mortgage-backed	458,515	(52,968)	405,547	473,813	(51,545)	422,268
Collateralized mortgage obligations	623,146	(76,120)	547,026	614,886	(73,342)	541,544
Corporate	48,451	(6,573)	41,878	48,442	(7,466)	40,976
Total securities	\$ 1,607,983	\$ (189,512)	\$ 1,418,471	\$ 1,615,078	\$ (184,220)	\$ 1,430,858

HTM Securities (In thousands)	March 31, 2024			December 31, 2023		
	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value	Amortized Cost	Net Unrealized (Losses)/Gains	Estimated Fair Value
U.S. treasury & federal agency	\$ 100,000	\$ (18,440)	\$ 81,560	\$ 100,000	\$ (17,784)	\$ 82,216
State & municipal	303,827	(19,511)	284,316	308,126	(17,911)	290,215
U.S. government sponsored:						
Mortgage-backed	241,086	(34,921)	206,165	245,806	(32,176)	213,630
Collateralized mortgage obligations	245,950	(24,672)	221,278	251,335	(22,872)	228,463
Corporate	-	-	-	-	-	-
Total securities	\$ 890,863	\$ (97,544)	\$ 793,319	\$ 905,267	\$ (90,743)	\$ 814,524

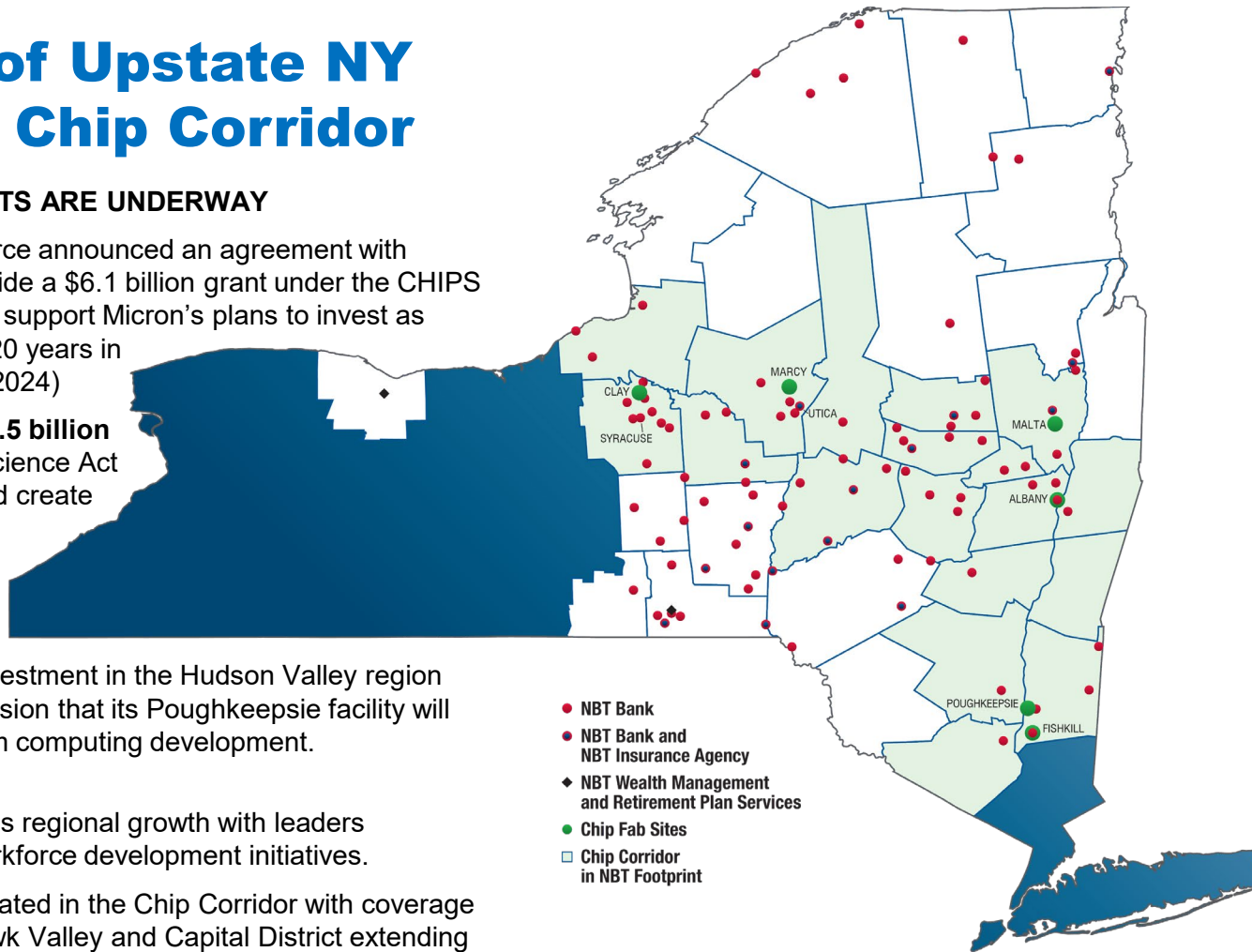
Investment Securities Highlights

- 3% increase in unrealized loss on available for sale securities (“AFS”)
- 7% increase in unrealized loss on held to maturity securities (“HTM”)
- \$200 – \$215 million of annual expected cash flows

NBT Coverage of Upstate NY Semiconductor Chip Corridor

TRANSFORMATIONAL INVESTMENTS ARE UNDERWAY

- The U.S. Department of Commerce announced an agreement with **Micron Technology Inc.** to provide a \$6.1 billion grant under the CHIPS and Science Act that will, in part, support Micron's plans to invest as much as **\$100 billion** over next 20 years in a campus near Syracuse. (April 2024)
- **GlobalFoundries** will receive **\$1.5 billion** as part of the U.S. CHIPS and Science Act that will enable GF to expand and create new manufacturing capacity and capabilities to securely produce more essential chips. (February 2024)
- **IBM** announced a **\$20 billion** investment in the Hudson Valley region over the next 10 years with the vision that its Poughkeepsie facility will become a global hub for quantum computing development. (October 2022)
- NBT is well positioned to support this regional growth with leaders 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 extending south through the Hudson Valley.



NYCREATES



External Recognition

In the **J.D. Power** 2024 U.S. Retail Banking Satisfaction Study, **NBT Bank ranked #2** in the NY Tri-State Region, which includes New York, Connecticut and New Jersey.



Reconciliation of Non-GAAP Measures

(Dollars in Thousands, Except Per Share Data)	Q1 2024	Q4 2023	Q1 2023
Net Income	\$ 33,823	\$ 30,446	\$ 33,658
Amortization of Intangible Assets (Net of Tax)	1,626	1,599	402
Net Income, Excluding Intangibles Amortization	\$ 35,449	\$ 32,045	\$ 34,060
Average Tangible Common Equity	\$ 1,027,846	\$ 971,665	\$ 901,962
Return on Average Tangible Common Equity⁽¹⁾	13.87%	13.08%	15.31%
Total Stockholder's Equity	\$ 1,441,415	\$ 1,425,691	\$ 1,211,659
Goodwill and Other Intangibles	(400,819)	(402,294)	(288,159)
Tangible Common Equity	\$ 1,040,596	\$ 1,023,397	\$ 923,500
Total Assets	\$ 13,439,199	\$ 13,309,040	\$ 11,839,730
Goodwill and Other Intangibles	(400,819)	(402,294)	(288,159)
Tangible Assets	\$ 13,038,380	\$ 12,906,746	\$ 11,551,571
Tangible Common Equity to Tangible Assets	7.98%	7.93%	7.99%
Common Shares Outstanding	47,155,015	47,109,899	42,904,332
Book Value Per Share	\$ 30.57	\$ 30.26	\$ 28.24
Tangible Book Value Per Share	\$ 22.07	\$ 21.72	\$ 21.52

1. Annualized.

Reconciliation of Non-GAAP Measures

(Dollars in Thousands)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net Interest Income	\$ 95,174	\$ 99,173	\$ 94,895	\$ 89,085	\$ 95,066
FTE Adjustment	658	669	568	402	395
Net Interest Income, Tax Equivalent	\$ 95,832	\$ 99,842	\$ 95,463	\$ 89,487	\$ 95,461

Average Total Interest Earning Assets	\$ 12,273,657	\$ 12,564,076	\$ 11,803,043	\$ 10,983,347	\$ 10,909,932
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Net Interest Margin, Tax Equivalent ⁽¹⁾	3.14%	3.15%	3.21%	3.27%	3.55%
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(Dollars in Thousands, Except Per Share Data)	Q1 2024	Q4 2023	Q1 2023
Net Income	\$ 33,823	\$ 30,446	\$ 33,658
Acquisition Expenses	-	254	618
Acquisition-Related Provision for Credit Losses	-	-	-
Acquisition-Related Reserve for Unfunded Loan Commitments	-	-	-
Impairment of a Minority Interest Equity Investment	-	4,750	-
Securities (Gains) Losses	(2,183)	(507)	4,998
Adjustments to Net Income	\$ (2,183)	\$ 4,497	\$ 5,616
Adjustments to Net Income, (Net of Tax)	\$ (1,703)	\$ 3,435	\$ 4,341
Operating Net Income	\$ 32,120	\$ 33,881	\$ 37,999

Operating Diluted Earnings Per Share	\$ 0.68	\$ 0.72	\$ 0.88
Operating Return on Average Assets⁽¹⁾	0.97%	0.99%	1.31%
Operating Return on Average Tangible Common Equity⁽¹⁾	13.20%	14.49%	17.27%

1. Annualized.

Peer Group

Name	HQ City	State	Ticker
Berkshire Hills Bancorp, Inc.	Boston	MA	BHLB
Brookline Bancorp, Inc.	Boston	MA	BRKL
Community Bank System, Inc.	Dewitt	NY	CBU
Dime Community Bancshares, Inc.	Hauppauge	NY	DCOM
Eastern Bankshares, Inc.	Boston	MA	EBC
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
Fulton Financial Corporation	Lancaster	PA	FULT
Independent Bank Corp.	Rockland	MA	INDB
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