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DELTA REPORT

10-Q

EASTERN BANKSHARES, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2358
CHANGES	621
DELETIONS	1014
ADDITIONS	723

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-39610

Eastern Bankshares, Inc.

(Exact name of the registrant as specified in its charter)

Massachusetts	**84-4199750**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
265 Franklin 125 High Street, Boston, Massachusetts	**02110**
(Address of principal executive offices)	(Zip Code)

(800) 327-8376
(Registrant's telephone number, including area code)

265 Franklin Street, Boston, Massachusetts	**02110**
(Former address of principal executive offices)	(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock	EBC	Nasdaq Global Select Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
(Do not check if a smaller reporting company)		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐ Yes ☐ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

176,426,993 176,631,477 shares of the Registrant's common stock, par value $0.01 per share, were outstanding as of October 31, 2023 April 30, 2024.

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PART I — FINANCIAL INFORMATION
Item 1. Unaudited Consolidated Financial Statements

EASTERN BANKSHARES, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)	September 30, 2023	December 31, 2022
ASSETS		
Cash and due from banks	$ 72,689	$ 106,040

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Short-term investments	536,119	63,465
Cash and cash equivalents	608,808	169,505
Securities:		
Available for sale (amortized cost $5,257,264 and $7,825,435, respectively)	4,261,518	6,690,778
Held to maturity (fair value $387,654 and $423,226, respectively)	455,900	476,647
Total securities	4,717,418	7,167,425
Loans held for sale		
Commercial and industrial loan held for sale	22,213	—
Residential real estate loans held for sale	1,679	4,543
Total loans held for sale	23,892	4,543
Loans:		
Commercial and industrial	3,087,509	3,150,946
Commercial real estate	5,396,912	5,155,323
Commercial construction	382,615	336,276
Business banking	1,087,799	1,090,492
Residential real estate	2,550,861	2,460,849
Consumer home equity	1,193,859	1,187,547
Other consumer	219,720	194,098
Total loans	13,919,275	13,575,531
Allowance for loan losses	(155,146)	(142,211)
Unamortized premiums, net of unearned discounts and deferred fees	(19,307)	(13,003)
Net loans	13,744,822	13,420,317
Federal Home Loan Bank stock, at cost	37,125	41,363
Premises and equipment	59,033	62,493
Bank-owned life insurance	163,700	160,790
Goodwill and other intangibles, net	566,709	568,009
Deferred income taxes, net	416,081	331,963
Prepaid expenses	156,113	165,368
Other assets	527,873	426,863
Assets of discontinued operations	124,718	128,219
Total assets	$ 21,146,292	$ 22,646,858
LIABILITIES AND EQUITY		
Deposits:		
Demand	$ 5,177,015	$ 6,240,637
Interest checking accounts	3,671,871	4,568,122
Savings accounts	1,393,545	1,831,123
Money market investment	4,709,149	4,710,095
Certificates of deposit	2,472,589	1,624,382
Total deposits	17,424,169	18,974,359
Borrowed funds:		
Short-term Federal Home Loan Bank advances	656,336	691,297
Escrow deposits of borrowers	24,947	22,314
Interest rate swap collateral funds	16,900	14,430
Long-term Federal Home Loan Bank advances	17,189	12,787
Total borrowed funds	715,372	740,828
Other liabilities	525,378	424,951
Liabilities of discontinued operations	34,820	34,930
Total liabilities	18,699,739	20,175,068

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Commitments and contingencies (see Note 13)			
(In thousands, except per share data)	(In thousands, except per share data)	**March 31, 2024**	**December 31, 2023**
ASSETS			
Cash and due from banks			
Cash and due from banks			
Cash and due from banks			
Short-term investments			
Cash and cash equivalents			
Securities:			
Available for sale (amortized cost $5,079,053 and $5,161,904, respectively)			
Available for sale (amortized cost $5,079,053 and $5,161,904, respectively)			
Available for sale (amortized cost $5,079,053 and $5,161,904, respectively)			
Held to maturity (fair value $393,190 and $404,822, respectively)			
Total securities			
Loans held for sale			
Loans			
Allowance for loan losses			
Unamortized premiums, net of unearned discounts and deferred fees			
Net loans			
Federal Home Loan Bank stock, at cost			
Premises and equipment			
Bank-owned life insurance			
Goodwill and other intangibles, net			
Deferred income taxes, net			
Prepaid expenses			
Other assets			
Total assets			
LIABILITIES AND EQUITY			
Deposits:			
Deposits:			
Deposits:			
Demand			
Demand			
Demand			
Interest checking accounts			
Savings accounts			
Money market investment			
Certificates of deposit			
Total deposits			
Borrowed funds:			
Escrow deposits of borrowers			
Escrow deposits of borrowers			

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Escrow deposits of borrowers				
Interest rate swap collateral funds				
Federal Home Loan Bank advances				
Total borrowed funds				
Other liabilities				
Total liabilities				
Commitments and contingencies (see Note 9)				Commitments and contingencies (see Note 9)
Shareholders' equity	Shareholders' equity			
Common shares, $0.01 par value, 1,000,000,000 shares authorized, 176,376,675 and 176,172,073 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively		1,766	1,762	
Common shares, $0.01 par value, 1,000,000,000 shares authorized, 176,631,477 and 176,426,993 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively				
Common shares, $0.01 par value, 1,000,000,000 shares authorized, 176,631,477 and 176,426,993 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively				
Common shares, $0.01 par value, 1,000,000,000 shares authorized, 176,631,477 and 176,426,993 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively				
Additional paid in capital	Additional paid in capital	1,661,136	1,649,141	
Unallocated common shares held by the Employee Stock Ownership Plan	Unallocated common shares held by the Employee Stock Ownership Plan	(133,992)	(137,696)	
Retained earnings	Retained earnings	1,747,225	1,881,775	
Accumulated other comprehensive income, net of tax	Accumulated other comprehensive income, net of tax	(829,582)	(923,192)	
Total shareholders' equity	Total shareholders' equity	2,446,553	2,471,790	
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	$21,146,292	$22,646,858	

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EASTERN BANKSHARES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

		Three Months Ended September 30,		Nine Months Ended September 30,				
	Three Months Ended March 31,							Three Months Ended March 31,
(In thousands, except per share data)	(In thousands, except per share data)	2023	2022	2023	2022	(In thousands, except per share data)	2024	2023
Interest and dividend income:	Interest and dividend income:							
Interest and fees on loans								

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Interest and fees on loans					
Interest and fees on loans	Interest and fees on loans	$169,274	$124,992	$483,676	$333,595
Taxable interest and dividends on securities	Taxable interest and dividends on securities	24,191	29,280	77,451	88,277
Non-taxable interest and dividends on securities	Non-taxable interest and dividends on securities	1,434	1,917	4,302	5,585
Interest on federal funds sold and other short-term investments	Interest on federal funds sold and other short-term investments	7,269	1,638	27,384	2,726
Total interest and dividend income	Total interest and dividend income	202,168	157,827	592,813	430,183
Interest expense:	Interest expense:				
Interest on deposits					
Interest on deposits					
Interest on deposits	Interest on deposits	59,607	4,781	158,686	11,164
Interest on borrowings	Interest on borrowings	5,356	867	17,025	959
Total interest expense	Total interest expense	64,963	5,648	175,711	12,123
Net interest income	Net interest income	137,205	152,179	417,102	418,060
Provision for allowance for loan losses	Provision for allowance for loan losses	7,328	6,480	14,854	7,045
Net interest income after provision for allowance for loan losses	Net interest income after provision for allowance for loan losses	129,877	145,699	402,248	411,015
Noninterest income (loss):	Noninterest income (loss):				
Service charges on deposit accounts	Service charges on deposit accounts	7,403	6,708	21,117	23,558
Service charges on deposit accounts					
Service charges on deposit accounts					
Trust and investment advisory fees	Trust and investment advisory fees	6,235	5,832	18,136	17,967
Debit card processing fees	Debit card processing fees	3,388	3,249	10,071	9,417
Interest rate swap income		1,695	1,562	2,112	6,087
(Losses) income from investments held in rabbi trusts		(1,523)	(2,248)	4,336	(13,997)
Losses on sales of commercial and industrial loans		(2,651)	—	(2,651)	—
(Losses) gains on sales of mortgage loans held for sale, net		(164)	22	(288)	240

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Interest rate swap income (losses)					
Income from investments held in rabbi trusts					
Losses on sales of mortgage loans held for sale, net					
Losses on sales of securities available for sale, net	Losses on sales of securities available for sale, net	—	(198)	(333,170)	(2,474)
Other	Other	4,774	4,597	15,845	13,527
Total noninterest income (loss)	Total noninterest income (loss)	19,157	19,524	(264,492)	54,325
Noninterest expense:	Noninterest expense:				
Salaries and employee benefits					
Salaries and employee benefits					
Salaries and employee benefits	Salaries and employee benefits	60,898	61,292	185,264	171,525
Office occupancy and equipment	Office occupancy and equipment	8,641	8,880	26,797	28,804
Data processing	Data processing	13,443	12,242	38,555	39,711
Professional services	Professional services	7,125	4,218	13,277	11,510
Marketing expenses	Marketing expenses	1,765	2,118	4,899	6,262
Loan expenses	Loan expenses	1,082	2,211	3,292	5,757
FDIC insurance	FDIC insurance	2,808	1,578	8,388	4,710
Amortization of intangible assets		504	299	1,299	899
Amortization of core deposit intangible asset					
Other	Other	5,482	2,927	15,802	6,888
Total noninterest expense	Total noninterest expense	101,748	95,765	297,573	276,066
Income (loss) from continuing operations before income tax expense (benefit)	Income (loss) from continuing operations before income tax expense (benefit)	47,286	69,458	(159,817)	189,274
Income tax (benefit) expense		(16,178)	16,650	(65,619)	43,681
Income tax expense (benefit)					
Net income (loss) from continuing operations	Net income (loss) from continuing operations	$ 63,464	$ 52,808	$ (94,198)	$145,593
Net (loss) income from discontinued operations		(4,351)	1,969	7,872	11,872
Net income from discontinued operations					
Net income (loss)	Net income (loss)	$ 59,113	$ 54,777	$ (86,326)	$157,465
Basic earnings (loss) per share:	Basic earnings (loss) per share:				

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Basic earnings (loss) per share from continuing operations	Basic earnings (loss) per share from continuing operations	$ 0.39	$ 0.32	$ (0.58)	$ 0.87
Basic (loss) earnings per share from discontinued operations		(0.03)	0.01	0.05	0.07
Basic earnings (loss) per share from continuing operations					
Basic earnings (loss) per share from continuing operations					
Basic earnings per share from discontinued operations					
Basic earnings (loss) per share	Basic earnings (loss) per share	$ 0.36	$ 0.33	$ (0.53)	$ 0.94
Diluted earnings (loss) per share:	Diluted earnings (loss) per share:				
Diluted earnings (loss) per share from continuing operations	Diluted earnings (loss) per share from continuing operations	$ 0.39	$ 0.32	$ (0.58)	$ 0.87
Diluted (loss) earnings per share from discontinued operations		(0.03)	0.01	0.05	0.07
Diluted earnings per share		$ 0.36	$ 0.33	$ (0.53)	$ 0.94
Diluted earnings (loss) per share from continuing operations					
Diluted earnings (loss) per share from continuing operations					
Diluted earnings per share from discontinued operations					
Diluted earnings (loss) per share					

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EASTERN BANKSHARES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(In thousands)			
	Three Months Ended March 31,				Three Months Ended March 31,
	2024			2024	2023
	(In thousands)				(In thousands)
Net income (loss)	Net income (loss)	$ 59,113	$ 54,777	$(86,326)	$ 157,465
Other comprehensive (loss) income, net of tax:					
Other comprehensive income, net of tax:					
Net change in fair value of securities available for sale					

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Net change in fair value of securities available for sale					
Net change in fair value of securities available for sale	Net change in fair value of securities available for sale	(117,260)	(261,469)	116,285	(860,269)
Net change in fair value of cash flow hedges	Net change in fair value of cash flow hedges	(10,980)	(56,062)	(21,573)	(61,482)
Net change in other comprehensive income for defined benefit postretirement plans		(360)	(124)	(1,102)	(371)
Net change in accumulated other comprehensive income for defined benefit postretirement plans					
Total other comprehensive (loss) income	Total other comprehensive (loss) income	(128,600)	(317,655)	93,610	(922,122)
Total comprehensive (loss) income	Total comprehensive (loss) income	$(69,487)	$(262,878)	$ 7,284	$(764,657)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EASTERN BANKSHARES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Unallocated Common Stock Held by ESOP	Total
	(In thousands, except share data)						
Balance at June 30, 2022	179,253,801	$ 1,793	$ 1,700,495	$ 1,817,474	$ (661,163)	$ (140,203)	$ 2,718,396
Dividends to common shareholders	—	—	—	(16,494)	—	—	(16,494)
Repurchased common stock	(1,481,248)	(15)	(28,935)	—	—	—	(28,950)
Share-based compensation	—	—	3,561	—	—	—	3,561
Net income	—	—	—	54,777	—	—	54,777
Other comprehensive loss, net of tax	—	—	—	—	(317,655)	—	(317,655)
ESOP shares committed to be released	—	—	1,275	—	—	1,253	2,528
Balance at September 30, 2022	177,772,553	$ 1,778	$ 1,676,396	$ 1,855,757	$ (978,818)	$ (138,950)	$ 2,416,163
Balance at June 30, 2023	176,376,675	$ 1,766	$ 1,656,750	$ 1,704,470	$ (700,982)	$ (135,232)	$ 2,526,772
Dividends to common shareholders	—	—	—	(16,358)	—	—	(16,358)
Share-based compensation	—	—	3,675	—	—	—	3,675
Net income	—	—	—	59,113	—	—	59,113
Other comprehensive loss, net of tax	—	—	—	—	(128,600)	—	(128,600)
ESOP shares committed to be released	—	—	711	—	—	1,240	1,951
Balance at September 30, 2023	176,376,675	$ 1,766	$ 1,661,136	$ 1,747,225	$ (829,582)	$ (133,992)	$ 2,446,553

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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EASTERN BANKSHARES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Nine Months Ended September 30, 2023 and 2022

	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Unallocated Common Stock Held by ESOP	Total
	(In thousands, except share data)						
Balance at December 31, 2021	186,305,332	$ 1,863	$1,835,241	$1,768,653	$ (56,696)	$ (142,709)	$3,406,352
Balance at December 31, 2022	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Unallocated Common Stock Held by ESOP	Total
	(In thousands, except share data)						
Cumulative effect of accounting adjustment (1)	Cumulative effect of accounting adjustment (1)	—	—	—	(20,098)	—	—	(20,098)
Dividends to common shareholders	—	—	—	(50,263)	—	—	(50,263)
Repurchased common stock	(8,564,338)	(86)	(170,685)	—	—	—	(170,771)
Issuance of restricted stock awards	31,559	1	(1)	—	—	—	—
Share-based compensation	—	—	8,092	—	—	—	8,092
Net income	—	—	—	157,465	—	—	157,465
Other comprehensive loss, net of tax	—	—	—	—	(922,122)	—	(922,122)
ESOP shares committed to be released	—	—	3,749	—	—	3,759	7,508
Balance at September 30, 2022	177,772,553	$ 1,778	$1,676,396	$1,855,757	$ (978,818)	$ (138,950)	$2,416,163
Balance at December 31, 2022	176,172,073	$ 1,762	$1,649,141	$1,881,775	$ (923,192)	$ (137,696)	$2,471,790
Cumulative effect of accounting adjustment (2)	—	—	—	822	—	—	822
Dividends to common shareholders	—	—	—	(49,046)	—	—	(49,046)
Issuance of restricted stock awards	47,820	1	(1)	—	—	—	—
Dividends to common shareholders (2)							
Issuance of common stock under share-based compensation arrangements (3)	Issuance of common stock under share-based compensation arrangements (3)	156,782	3	(1,167)	—	—	—	(1,164)
Share-based compensation	Share-based compensation	—	—	11,387	—	—	—	11,387
Net loss	Net loss	—	—	—	(86,326)	—	—	(86,326)

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Other comprehensive income, net of tax	Other comprehensive income, net of tax	—	—	—	—	93,610	—	93,610
ESOP shares committed to be released	ESOP shares committed to be released	—	—	1,776	—	—	3,704	5,480
Balance at September 30, 2023		176,376,675	$ 1,766	$1,661,136	$1,747,225	$ (829,582)	$ (133,992)	$2,446,553
Balance at March 31, 2023								
Balance at December 31, 2023								
Balance at December 31, 2023								
Balance at December 31, 2023								
Dividends to common shareholders (2)								
Issuance of common stock under share-based compensation arrangements (3)								
Share-based compensation								
Net income								
Other comprehensive income, net of tax								
ESOP shares committed to be released								
Balance at March 31, 2024								

(1) Represents gross transition adjustment amount of $28.0 million, net of taxes of $7.9 million, to reflect the cumulative impact on retained earnings pursuant to the Company's adoption of Accounting Standards Update 2016-13. Refer to *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q for additional discussion.

(2) Represents gross transition adjustment amount of $1.1 million, net of taxes of $0.3 million, to reflect the cumulative impact on retained earnings pursuant to the Company's adoption of Accounting Standards Update 2022-02. Refer to *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q for additional discussion.

(2) The Company declared quarterly cash dividends of $0.11 and $0.10 per share of common stock during the three months ended March 31, 2024 and 2023, respectively.

(3) Represents shares issued, net of employee tax withheld during the nine months ended September 30, 2023 upon the vesting of restricted stock units. Refer to *Note 11, "Share-Based Compensation" 8, "Employee Benefits"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q for additional discussion.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EASTERN BANKSHARES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

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		Nine Months Ended September 30,	
	Three Months Ended March 31,		
(In thousands)	(In thousands)	2023	2022
Operating activities	**Operating activities**		
Net (loss) income from continuing operations		$ (94,198)	$145,593
Operating activities			
Operating activities			
Net income (loss) from continuing operations			
Net income (loss) from continuing operations			
Net income (loss) from continuing operations			
Net income from discontinued operations	Net income from discontinued operations	7,872	11,872
Net (loss) income		(86,326)	157,465
Net income (loss)			
Adjustments to reconcile net income to net cash provided by operating activities	Adjustments to reconcile net income to net cash provided by operating activities		
Provision for allowance for loan losses	Provision for allowance for loan losses	14,854	7,045
Provision for allowance for loan losses			
Provision for allowance for loan losses			
Depreciation and amortization	Depreciation and amortization	9,041	8,923
Impairment of right-of-use assets		395	604
Amortization (accretion) of deferred loan fees and premiums, net		4,394	(3,499)
Deferred income tax (benefit) expense		(96,622)	12,096
Amortization of deferred loan fees and premiums, net			
Deferred income tax expense (benefit)			
Amortization of investment security premiums and discounts, net	Amortization of investment security premiums and discounts, net	5,123	15,251
Right-of-use asset amortization	Right-of-use asset amortization	8,191	8,634
Share-based compensation	Share-based compensation	11,387	8,092
Increase in cash surrender value of bank-owned life insurance	Increase in cash surrender value of bank-owned life insurance	(2,910)	(2,747)
Loss on sale of securities available for sale, net	Loss on sale of securities available for sale, net	333,170	2,474
Net gain on bank premises and equipment		—	(1,423)
Accretion of gains from terminated interest rate swaps		(46)	(9,653)

	Three Months Ended March 31,	
(In thousands)	2024	2023

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Employee Stock Ownership Plan expense	Employee Stock Ownership Plan expense	5,480	7,508
Realized loss on sales of commercial loans (1)		2,505	—
Other	Other	138	662
Change in:	Change in:		
Loans held for sale			
Loans held for sale			
Loans held for sale	Loans held for sale	2,881	245
Prepaid pension expense	Prepaid pension expense	3,607	(8,599)
Other assets	Other assets	(2,197)	73,400
Other liabilities	Other liabilities	(8,532)	(60,025)
Net cash provided by operating activities - continuing operations	Net cash provided by operating activities - continuing operations	196,661	204,581
Net cash provided by operating activities - discontinued operations	Net cash provided by operating activities - discontinued operations	12,271	21,923
Net cash provided by operating activities	Net cash provided by operating activities	208,932	226,504
Investing activities	**Investing activities**		
Proceeds from sales of securities available for sale	Proceeds from sales of securities available for sale	1,899,724	400,543
Proceeds from sales of securities available for sale			
Proceeds from sales of securities available for sale			
Proceeds from maturities and principal paydowns of securities available for sale	Proceeds from maturities and principal paydowns of securities available for sale	329,795	880,145
Purchases of securities available for sale		—	(740,770)
Proceeds from maturities and principal paydowns of securities held to maturity	Proceeds from maturities and principal paydowns of securities held to maturity	21,106	11,968
Purchases of securities held to maturity		—	(493,678)
Proceeds from sale of Federal Home Loan Bank stock	Proceeds from sale of Federal Home Loan Bank stock	239,565	16,214
Purchases of Federal Home Loan Bank stock	Purchases of Federal Home Loan Bank stock	(235,327)	(24,024)

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Contributions to low income housing tax credit investments	Contributions to low income housing tax credit investments	(26,916)	(14,967)
Contributions to other equity investments	Contributions to other equity investments	(720)	(450)
Distributions from other equity investments	Distributions from other equity investments	253	762
Net increase in outstanding loans, excluding loan purchases	Net increase in outstanding loans, excluding loan purchases	(524,790)	(546,296)
Proceeds from sales of commercial loans		189,296	—
Purchases of loans	Purchases of loans	(31,980)	(79,880)
Proceeds from life insurance policies		—	20,446
Purchased banking premises and equipment	Purchased banking premises and equipment	(4,290)	(6,381)
Proceeds from sale of premises held for sale		—	17,313
Net cash provided by (used in) investing activities - continuing operations		1,855,716	(559,055)
Net cash (used in) provided by investing activities - continuing operations			
Net cash used in investing activities - discontinued operations	Net cash used in investing activities - discontinued operations	(47)	(13,400)
Net cash provided by (used in) investing activities		1,855,669	(572,455)
Net cash (used in) provided by investing activities			
Financing activities	**Financing activities**		
Net decrease in demand, savings, interest checking, and money market investment deposit accounts	Net decrease in demand, savings, interest checking, and money market investment deposit accounts	(2,398,397)	(725,125)
Net increase (decrease) in time deposits		848,207	(169,805)
Net (decrease) increase in borrowed funds		(25,456)	388,440
Payments for repurchases of common stock		—	(170,771)
Net decrease in demand, savings, interest checking, and money market investment deposit accounts			

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Net decrease in demand, savings, interest checking, and money market investment deposit accounts			
Net increase in time deposits			
Net increase in borrowed funds			
Dividends declared and paid to common shareholders	Dividends declared and paid to common shareholders	(48,691)	(49,759)
Net cash provided by (used in) financing activities - continuing operations			
Net cash used in financing activities - discontinued operations			
Net cash provided by (used in) financing activities			
Net increase in cash, cash equivalents, and restricted cash			
Cash, cash equivalents, and restricted cash at beginning of period			
Cash, cash equivalents, and restricted cash at end of period			

	Nine Months Ended September 30,	
Net cash used in financing activities - continuing operations	(1,624,337)	(727,020)
Net cash used in financing activities - discontinued operations	(961)	(384)
Net cash used in financing activities	(1,625,298)	(727,404)
Net increase (decrease) in cash, cash equivalents, and restricted cash	439,303	(1,073,355)
Cash, cash equivalents, and restricted cash at beginning of period	169,505	1,231,792
Cash, cash equivalents, and restricted cash at end of period	$ 608,808	$ 158,437
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest paid on deposits and borrowings	$ 165,700	$ 12,036
Income taxes	23,637	24,540
Non-cash activities		
Net increase in capital commitments relating to low income housing tax credit projects	$ 102,001	$ 30,378
Net decrease in operating lease right-of-use assets and operating lease liabilities relating to lease remeasurements/modifications	4,890	14,082

(1) Excludes the mark-to-market adjustment related to one commercial and industrial loan transferred to held for sale during the nine months ended September 30, 2023 which is included in the change in loans held for sale.

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Supplemental disclosure of cash flow information				
Cash paid during the period for:				
Interest paid on deposits and borrowings	$	63,246	$	46,708
Income taxes		7,152		5,862
Non-cash activities				
Net increase in capital commitments relating to low income housing tax credit projects	$	8,963	$	51,525
Net increase in operating lease right-of-use assets and operating lease liabilities relating to lease remeasurements/modifications		2,278		1,523

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EASTERN BANKSHARES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Structure and Nature of Operations; Basis of Presentation

Corporate Structure and Nature of Operations

Eastern Bankshares, Inc., a Massachusetts corporation (the "Company"), is a bank holding company. Through its wholly-owned subsidiaries, subsidiary, Eastern Bank (the "Bank") and Eastern Insurance Group LLC ("Eastern Insurance Group"), the Company provides a variety of banking services and trust and investment services, and insurance services, through its full-service bank branches, and insurance offices, located primarily in eastern Massachusetts, and southern and coastal New Hampshire and Rhode Island. Hampshire. Eastern Insurance Group was a wholly-owned subsidiary of the Bank. On September 19, 2023, the Company and the Bank entered into an asset purchase agreement in which Arthur J. Gallagher & Co. ("Gallagher") agreed to purchase substantially all of Eastern Insurance Group's assets for cash consideration and to assume certain liabilities. On October 31, 2023, the Company completed its sale of its insurance agency business to Gallagher. Substantially all of the historical results of our previously reported insurance agency business segment have been reflected as discontinued operations in our Consolidated Financial Statements for the three months ended March 31, 2023. Refer to *Note 19, 15, "Discontinued Operations"* and *Note 20, "Subsequent Events"* for further discussion regarding the sale of the insurance agency business. discontinued operations.

The activities of the Company are subject to the regulatory supervision of the Board of Governors of the Federal Reserve System ("Federal Reserve"). The activities of the Bank are subject to the regulatory supervision of the Massachusetts Commissioner of Banks, the Federal Deposit Insurance Corporation ("FDIC") and the Consumer Financial Protection Bureau. Bureau ("CFPB"). The Company and the activities of the Bank and its subsidiaries are also subject to various Massachusetts, New Hampshire and Rhode Island business and banking regulations and, with regard to Eastern Insurance Group, applicable insurance regulations.

Basis of Presentation

The Company's Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") as set forth by the Financial Accounting Standards Board ("FASB") and its Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") as well as the rules and interpretive releases of the U.S. Securities and Exchange Commission ("SEC") under the authority of federal securities laws.

The Consolidated Financial Statements include the accounts of the Company, its wholly-owned subsidiaries and entities in which it holds a controlling financial interest through being the primary beneficiary or through holding a majority of the voting interest. All intercompany accounts and transactions have been eliminated in consolidation.

Certain previously reported amounts have been reclassified to conform to the current period's presentation which included certain loan servicing-related costs which have been reclassified from professional services to loan expense. presentation. In addition, as a result of the decision to sell substantially all of the assets and transfer substantially all of the liabilities of Eastern Insurance Group, the Company reclassified certain amounts previously reported including:

- certain assets and liabilities previously reported in the insurance agency business were reclassified to assets and liabilities of discontinued operations, respectively, on the Consolidated Balance Sheets;
- certain components of noninterest income and noninterest expense previously reported in the insurance agency business were reclassified to net income from discontinued operations on the Consolidated Statements of Income; and
- certain operating, investing, and financing cash flows previously reported on their applicable lines within the Consolidated Statements of Cash Flows were reclassified to cash flows used in/provided by operating activities of, investment activities of and financing activities of discontinued operations, respectively.

The accompanying Consolidated Balance Sheet as of September 30, 2023 March 31, 2024, the Consolidated Statements of Income and Comprehensive Income and of Changes in Shareholders' Equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 and Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 are unaudited. The Consolidated Balance Sheet as of December 31, 2022 December 31, 2023 was derived from the Audited Consolidated Financial Statements as of that date. The interim Consolidated Financial Statements and the accompanying notes should be read in conjunction with the annual Consolidated Financial Statements and the accompanying notes contained within the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 ("2022 2023 Form 10-K"), as filed with the SEC. In the opinion of management, the Company's Consolidated Financial Statements reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the results of operations for the periods presented. The results for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of results to be expected for the year ending December 31, 2023 December 31, 2024, any other interim periods, or any future year or period.

2. Summary of Significant Accounting Policies

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The following describes the Company's use of estimates as well as relevant accounting pronouncements that were recently issued but not yet adopted as of September 30, 2023 March 31, 2024 and those that were adopted during the nine three months ended September 30, 2023. March 31,

2024. For a full discussion of significant accounting policies, refer to the Notes to the Consolidated Financial Statements included within the Company's 2022 2023 Form 10-K.

Use of Estimates

In preparing the Consolidated Financial Statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheets and income and expenses for the periods reported. Actual results could differ from those estimates based on changing conditions, including economic conditions and future events. Material estimates that are particularly susceptible to change relate to the determination of the allowance for credit losses, valuation and fair value measurements, the liabilities for benefit obligations (particularly pensions), the provision for income taxes and impairment of goodwill and other intangibles.

Recent Accounting Pronouncements

Relevant standards that were recently issued but not yet adopted as of September 30, 2023 March 31, 2024:

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements–Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* ("ASU 2023-06"). The amendments in this update modify the disclosure or presentation requirements for a variety of topics in the codification. Certain amendments represent clarifications to or technical corrections of the current requirements. The following is a summary of the topics included in the update and which pertain to the Company:

1. Statement of cash flows (Topic 230): Requires an accounting policy disclosure in annual periods of where cash flows associated with derivative instruments and their related gains and loses are presented in the statement of cash flows;
2. Accounting changes and error corrections (Topic 250): Requires that when there has been a change in the reporting entity, the entity disclose any material prior-period adjustment and the effect of the adjustment on retained earnings in interim financial statements;
3. Earnings per share (Topic 260): Requires disclosure of the methods used in the diluted earnings-per-share computation for each dilutive security and clarifies that certain disclosures should be made during interim periods, and amends illustrative guidance to illustrate disclosure of the methods used in the diluted earnings per share computation;
4. Commitments (Topic 440): Requires disclosure of assets mortgaged, pledged, or otherwise subject to lien and the obligations collateralized; and
5. Debt (Topic 470): Requires disclosure of amounts and terms of unused lines of credit and unfunded commitments and the weighted-average interest rate on outstanding short-term borrowings.

For public business entities, the amendments in ASU 2023-06 are effective on the date which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the codification and will not become effective for any entity. Early adoption is not permitted and the amendments are required to be applied on a prospective basis. The Company expects the adoption of this standard will not have a material impact on its Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments in this update are intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this update:

1. Require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision-maker ("CODM") and included within each reported measure of segment profit or loss (collectively referred to as the "significant expense principle").
2. Require that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. The other segment items category is the difference between segment revenue less the segment expenses disclosed under the significant expense principle and each reported measure of segment profit or loss.
3. Require that a public entity provide all annual disclosures about a reportable segment's profit or loss and assets currently required by ASC 280, *Segment Reporting* in interim periods.
4. Clarify that if the CODM uses more than one measure of a segment's profit or loss in assessing segment performance and deciding how to allocate resources, a public entity may report one or more of those additional measures of segment profit. However, at least one of the reported segment profit or loss measures (or the single reported measure, if only one is disclosed) should be the measure that is most consistent with the measurement principles used in measuring the corresponding amounts in the public entity's consolidated financial statements. In other words, in

addition to the measure that is most consistent with the measurement principles under U.S. GAAP, a public entity is not precluded from reporting additional measures of a segment's profit or loss that are used by the CODM in assessing segment performance and deciding how to allocate resources.

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5. Require that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources.
6. Require that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this update and all existing segment disclosures in Topic 280.

For public business entities, the amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and adoption is required to be done on a retrospective basis. The Company expects the adoption of this standard will not have a material impact on its Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update are intended to improve income tax disclosure requirements, primarily through enhanced disclosures related to the existing requirements to disclose a rate reconciliation, income taxes paid and certain other required disclosures. Specifically, the amendments in this update:

1. Require that a public entity disclose, on an annual basis: (1) specific categories in the rate reconciliation and (2) additional information for reconciling items that meet a quantitative threshold. The update requires disclosure of such reconciling items according to requirements indicated in the update.
2. Require that all entities disclose certain disaggregated information regarding income taxes paid.
3. Require that all entities disclose certain disaggregated information regarding income tax expense.
4. Eliminate the requirement to: (1) disclose the nature and estimate of the range of reasonably possible changes in the unrecognized tax benefits balance in the next 12 months or (2) make a statement that an estimate of the range cannot be made.
5. Remove the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures.

For public business entities, the amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024. Adoption should be done on a prospective basis and retrospective application is permitted.

Relevant standards that were adopted during the three months ended March 31, 2024:

In March 2023, the FASB issued ASU 2023-02, *Investments–Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* (“ASU 2023-02”). This update permits reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if the following conditions are met:

1. It is probable that the income tax credits allocable to the tax equity investor will be available.
2. The tax equity investor does not have the ability to exercise significant influence over the operating and financial policies of the underlying project.
3. Substantially all of the projected benefits are from income tax credits and other income tax benefits. Projected benefits include income tax credits, other income tax benefits, and other non-income-tax-related benefits. The projected benefits are determined on a discounted basis, using a discount rate that is consistent with the cash flow assumptions used by the tax equity investor in making its decision to invest in the project.
4. The tax equity investor’s projected yield based solely on the cash flows from the income tax credits and other income tax benefits is positive.
5. The tax equity investor is a limited liability investor in the limited liability entity for both legal and tax purposes, and the tax equity investor’s liability is limited to its capital investment.

Under existing accounting standards, the proportional amortization method is allowable only for equity investments in low-income-housing tax credit structures. Under the proportional amortization method, an entity amortizes the initial cost of the investment in proportion to the income tax credits and other income tax benefits received and recognizes the net amortization and income tax credits and other income tax benefits in the income statement as a component of income tax expense (benefit). Updates made by ASU 2023-02 allow a reporting entity to make an accounting policy election to apply the

proportional amortization method on a tax-credit-program-by-tax-credit-program basis. The Company had previously made an accounting policy election to account for its investments in low-income-housing tax credit investments using the proportional amortization method. This election was made upon the Company’s adoption of ASU 2014-01, *Investments–Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects*, which introduced the option to apply proportional amortization to low-income-housing tax credit investments. For public business entities, the amendments in ASU 2023-02 are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted for all entities in an interim period. The Company expects the adoption of adopted this standard will on January 1, 2024 and such adoption did not have a material impact on its Consolidated Financial Statements.
In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements–Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative* (“ASU 2023-06”). The amendments in this update modify the disclosure or presentation requirements for a variety of topics in the codification. Certain amendments represent

clarifications to or technical corrections of the current requirements. The following is a summary of the topics included in the update and which pertain to the Company:

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1. Statement of cash flows (Topic 230): Requires an accounting policy disclosure in annual periods of where cash flows associated with derivative instruments and their related gains and loses are presented in the statement of cash flows;
2. Accounting changes and error corrections (Topic 250): Requires that when there has been a change in the reporting entity, the entity disclose any material prior-period adjustment and the effect of the adjustment on retained earnings in interim financial statements;
3. Earnings per share (Topic 260): Requires disclosure of the methods used in the diluted earnings-per-share computation for each dilutive security and clarifies that certain disclosures should be made during interim periods, and amends illustrative guidance to illustrate disclosure of the methods used in the diluted earnings per share computation;
4. Commitments (Topic 440): Requires disclosure of assets mortgaged, pledged, or otherwise subject to lien and the obligations collateralized; and
5. Debt (Topic 470): Requires disclosure of amounts and terms of unused lines of credit and unfunded commitments and the weighted-average interest rate on outstanding short-term borrowings.

For public business entities, the amendments in ASU 2023-06 are effective on the date which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation and S-X or Regulation S-K, the pending content of the related amendment will be removed from the codification and will not become effective for any entity. Early adoption is not permitted and the amendments are required to be applied on a prospective basis. The Company expects the adoption of this standard will not have a material impact on its Consolidated Financial Statements.

Relevant standards that were adopted during the nine months ended September 30, 2023:

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU 2021-08"). This update modifies how an acquiring entity measures contract assets and contract liabilities of an acquiree in a business combination in accordance with Topic 606. The amendments in this update require the acquiring entity in a business combination to account for revenue contracts as if they had originated the contract and assess how the acquiree accounted for the contract under Topic 606. ASU 2021-08 improves comparability of recognition and measurement of revenue contracts with customers both before and after a business combination. For public business entities, the amendments in this update were effective for fiscal years beginning after December 15, 2022. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023. The amendments in this update should be applied prospectively to business combinations occurring on or after the effective date of the amendments with early adoption permitted. The adoption of this standard on January 1, 2023 did not have a material impact on the Company's Consolidated Financial Statements.

In March 2022, the FASB issued ASU 2022-02, *Financial Instruments–Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* ("ASU 2022-02"). The amendments in this update eliminate the accounting guidance on troubled debt restructurings ("TDRs") for creditors in ASC 310-40 and amends the guidance on vintage disclosures, referenced in ASC 326-20-50, to require disclosure of current-period gross write-offs by year of origination. This update supersedes the existing accounting guidance for TDRs in ASC 310-40 in its entirety and requires entities to evaluate all receivable modifications under existing accounting guidance in ASC 310-20 to determine whether a modification made to a borrower results in a new loan or a continuation of an existing loan. In addition to the elimination of TDR accounting guidance, entities that adopt this update will no longer consider renewals, modifications and extensions that result from reasonably expected TDRs in their calculation of the allowance for credit losses. Further, if an entity employs a discounted cash flow method to calculate the allowance for credit losses, it will be required to use a post-modification-derived effective interest rate as part of its calculation. This update also requires new disclosures for receivables for which there has been a modification in their contractual cash flows resulting from borrowers experiencing financial difficulties. For public business entities, the amendments in this update were effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Entities may elect to apply the updated guidance on TDR recognition and measurement by using a modified retrospective transition method. The amendments on TDR disclosures and vintage disclosures should be adopted prospectively. On January 1, 2023, the Company adopted this standard by using the modified retrospective transition method, except with regard to amendments on TDR and vintage disclosures which were adopted prospectively. Accordingly, the Company recorded a cumulative-effect adjustment to retained earnings as of January 1, 2023. The adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements.

Significant Accounting Policies

The adoption of ASU 2022-02 resulted in changes in the Company's accounting policies and estimates as it relates to loans receivable and the allowance for loan losses. The following describes the changes to the Company's significant accounting policies from December 31, 2022, that resulted from the adoption of ASU 2022-02:

Allowance for Loan Losses - Loans Held for Investment

Modifications of Loans to Borrowers Experiencing Financial Difficulty

The amendments in ASU 2022-02 eliminated the accounting guidance for TDRs by creditors in Subtopic 310-40, *Receivables—Troubled Debt Restructurings by Creditors*, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Thus, as a result of adoption of this standard on January 1, 2023, rather than applying the recognition and measurement guidance for TDRs, the Company now applies the loan refinancing and restructuring guidance codified in paragraphs 310-20-35-9 through 35-11 of the Accounting Standards Codification to determine whether a modification results in a new loan or a continuation of an existing loan.

Modifications to borrowers experiencing financial difficulty include principal forgiveness, interest rate reductions, term extensions, other-than-insignificant payment delays and combinations thereof. Expected losses or recoveries related to loans where modifications have been granted to borrowers experiencing financial difficulty have been included in the Company's determination of the allowance for loan losses. Upon adoption of ASU 2022-02, the Company is no longer required to use a discounted cash flow method to measure the allowance for loan losses resulting from a modification to a borrower experiencing financial difficulty. Accordingly, the Company now applies the same credit methodology it uses for similar loans that were not modified. As previously indicated, the Company adopted ASU 2022-02 using the modified retrospective transition method. Accordingly, upon adoption, commercial loan TDRs existing at that time which were measured using a discounted cash flow methodology and all residential real estate and

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consumer home equity loan TDRs were transitioned to the applicable segment of loans collectively evaluated for impairment based upon their risk characteristics. Commercial loan TDRs determined to be collateral dependent continue to be assessed for impairment on an individual basis.

Prior to the Company's adoption of ASU 2022-02, in cases where a borrower was experiencing financial difficulties and the Company made certain concessionary modifications to contractual terms, the loan was classified as a TDR. Modifications included adjustments to interest rates, extensions of maturity, consumer loans where the borrower's obligations had been effectively discharged through Chapter 7 bankruptcy and the borrower had not reaffirmed the debt to the Company, and other actions intended to minimize economic loss and avoid foreclosure or repossession of collateral. Management identified loans as TDR loans when it had a reasonable expectation that it would execute a TDR modification with a borrower. In addition, management estimated expected credit losses on a collective basis if a group of TDR loans shared similar risk characteristics. If a TDR loan's risk characteristics were not similar to those of any of the Company's other TDR loans, expected credit losses on the TDR loan were measured individually. The impairment analysis discounted the present value of the anticipated cash flows by the loan's contractual rate of interest in effect prior to the loan's modification or the fair value of collateral if the loan was collateral dependent. The amount of credit loss, if any, was recorded as a specific loss allocation to each individual loan or as a loss allocation to the pool of loans, for those loans for which credit loss was measured on a collective basis, in the allowance for credit losses. Any commercial (commercial and industrial, commercial real estate, commercial construction, and business banking loans) or residential loan that had been classified as a TDR and which subsequently defaulted was reviewed to determine if the loan should be deemed collateral-dependent. In such an instance, any shortfall between the value of the collateral and the book value of the loan was determined by measuring the recorded investment in the loan against the fair value of the collateral less costs to sell.

Refer to *Note 4, "Loans and Allowance for Credit Losses"* for additional information regarding the Company's measurement of the allowance for loan losses as of September 30, 2023 and information regarding the Company's TDR loans as of December 31, 2022 and for the three and nine months ended September 30, 2022.

3. Securities

Available for Sale Securities

The amortized cost, gross unrealized gains and losses, allowance for credit losses ("ACL") and fair value of available for sale ("AFS") securities as of the dates indicated were as follows:

		As of September 30, 2023			
		Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance fo Credit Losses
				(In thousands)	
		As of March 31, 2024			
	Amortized Cost				
				(In thousands)	
Debt securities:	**Debt securities:**				
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities				
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$ 3,380,463	$ —	$ (679,833)	$
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	1,343,187	—	(254,067)	
U.S. Agency bonds	U.S. Agency bonds	236,149	—	(28,184)	
U.S. Treasury securities	U.S. Treasury securities	99,494	—	(6,275)	
State and municipal bonds and obligations	State and municipal bonds and obligations	197,971	—	(27,387)	
		$ 5,257,264	$ —	$ (995,746)	$

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		$				
		As of December 31, 2022				
		Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
		(In thousands)				
		As of December 31, 2023				
		Amortized Cost				
		(In thousands)				
Debt securities:	**Debt securities:**					
Government-sponsored residential mortgage-backed securities						
Government-sponsored residential mortgage-backed securities						
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$4,855,763	$ —	$ (743,855)	$ —	$4,111,908
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	1,570,119	—	(221,165)	—	1,348,954
U.S. Agency bonds	U.S. Agency bonds	1,100,891	—	(148,409)	—	952,482
U.S. Treasury securities	U.S. Treasury securities	99,324	—	(6,267)	—	93,057
State and municipal bonds and obligations	State and municipal bonds and obligations	198,039	9	(14,956)	—	183,092
Other debt securities		1,299	—	(14)	—	1,285
		$7,825,435	$ 9	$(1,134,666)	$ —	$6,690,778
	$					

		As of December 31, 2023				
Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
(In thousands)				

The Company did not record a provision for credit losses on any AFS securities for either the three and nine months ended September 30, 2023 March 31, 2024 or 2022. 2023. Accrued interest receivable on AFS securities totaled $9.7 million $10.4 million and $12.9 million $9.2 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and is included within other assets on in the Consolidated Balance Sheets. The Company did not record any write-offs of accrued interest receivable on AFS securities during either the three and nine months ended September 30, 2023 March 31, 2024 or 2022. 2023. No securities held by the Company were delinquent on contractual payments as of September 30, 2023 March 31, 2024 or December 31, 2022,

December 31, 2023, nor were any securities placed on non-accrual status during the nine three and twelve month periods then ended. ended, respectively.

The following table summarizes gross realized gains and losses from sales of AFS securities for the periods indicated:

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Gross realized gains from sales of AFS securities	$—	$ 725	$ —	$ 1,770
Gross realized losses from sales of AFS securities	—	(923)	(333,170)	(4,244)
Net (losses) gains from sales of AFS securities	$—	$(198)	$(333,170)	$(2,474)

	Three Months Ended March 31,		
	2024	2024	2023
	(In thousands)		
Net gains (losses) from sales of AFS securities			

Information pertaining to AFS securities with gross unrealized losses as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, for which the Company did not recognize a provision for credit losses under the current expected credit loss methodology ("CECL"), methodology, aggregated by investment category and length of time that individual securities had been in a continuous loss position, is as follows:

	As of March 31, 2024						
		Less than 12 Months		12 Months or Longer		Total	
	# of Holdings	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(Dollars in thousands)						
Government-sponsored residential mortgage-backed securities	324	$ —	$ —	$ 545,484	$ 2,683,627	$ 545,484	$ 2,683,627
Government-sponsored commercial mortgage-backed securities	187	—	—	209,103	1,106,783	209,103	1,106,783
U.S. Agency bonds	23	—	—	21,523	215,238	21,523	215,238
U.S. Treasury securities	6	61	4,907	4,464	90,178	4,525	95,085
State and municipal bonds and obligations	232	460	30,745	10,395	150,166	10,855	180,911
	772	$ 521	$ 35,652	$ 790,969	$ 4,245,992	$ 791,490	$ 4,281,644

	As of September 30, 2023

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	# of Holdings	Less than 12 Months Gross Unrealized Losses	Less than 12 Months Fair Value	12 Months or Longer Gross Unrealized Losses	12 Months or Longer Fair Value	Total Gross Unrealized Losses	Total Fair Value
		(Dollars in thousands)					
Government-sponsored residential mortgage-backed securities	324	$ —	$ —	$ 679,833	$ 2,700,630	$ 679,833	$ 2,700,630
Government-sponsored commercial mortgage-backed securities	188	—	—	254,067	1,089,120	254,067	1,089,120
U.S. Agency bonds	23	—	—	28,184	207,965	28,184	207,965
U.S. Treasury securities	6	104	4,854	6,171	88,365	6,275	93,219
State and municipal bonds and obligations	242	5,216	48,268	22,171	122,316	27,387	170,584
	783	$ 5,320	$ 53,122	$ 990,426	$ 4,208,396	$ 995,746	$ 4,261,518

	As of December 31, 2022						
		Less than 12 Months		12 Months or Longer		Total	
	# of Holdings	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
		(Dollars in thousands)					
Government-sponsored residential mortgage-backed securities	322	$42,196	$435,690	$ 701,659	$3,676,218	$ 743,855	$4,111,908
Government-sponsored commercial mortgage-backed securities	199	38,944	300,476	182,221	1,048,478	221,165	1,348,954
U.S. Agency bonds	37	645	4,145	147,764	948,337	148,409	952,482
U.S. Treasury securities	5	1,311	48,451	4,956	44,606	6,267	93,057
State and municipal bonds and obligations	237	14,942	179,614	14	225	14,956	179,839
Other debt securities	2	—	—	14	1,285	14	1,285
	802	$98,038	$968,376	$1,036,628	$5,719,149	$1,134,666	$6,687,525
	736						

	As of December 31, 2023						
		Less than 12 Months		12 Months or Longer		Total	
	# of Holdings	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
		(Dollars in thousands)					

The Company does not intend to sell these investments and has determined based upon available evidence that it is more-likely-than-not that the Company will not be required to sell each security before the expected recovery of its amortized

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cost basis. As a result, the Company did not recognize an ACL on these investments as of either September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

The causes of the impairments listed in the tables above by category are as follows as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

- *Government-sponsored mortgage-backed securities, U.S. Agency bonds and U.S. Treasury securities* – The securities with unrealized losses in these portfolios have contractual terms that generally do not permit the issuer to settle the security at a price less than the current par value of the investment. The decline in market value of these securities is attributable to changes in interest rates and not credit quality. Additionally, these securities are implicitly guaranteed by the U.S. government or one of its agencies.
- *State and municipal bonds and obligations* – The securities with unrealized losses in this portfolio have contractual terms that generally do not permit the issuer to settle the security at a price less than the current par value of the investment. The decline in market value of these securities is attributable to changes in interest rates and not credit quality.
- *Other debt securities* – As of December 31, 2022, there were two securities included in this portfolio in an unrealized loss position which consisted of two foreign debt securities. Both securities were performing in accordance with the terms of their respective contractual agreements. The decline in market value of these securities was attributable to changes in interest rates and not credit quality.

Held to Maturity Securities

The amortized cost, gross unrealized gains and losses, allowance for credit losses and fair value of held to maturity ("HTM") securities as of the dates indicated were as follows:

	As of September 30, 2023				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
	(In thousands)				
Debt securities:					
Government-sponsored residential mortgage-backed securities	$260,271	$ —	$(40,723)	$ —	$219,548
Government-sponsored commercial mortgage-backed securities	195,629	—	(27,523)	—	168,106
	$455,900	$ —	$(68,246)	$ —	$387,654

	As of March 31, 2024				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
	(In thousands)				
Debt securities:					
Government-sponsored residential mortgage-backed securities					
Government-sponsored residential mortgage-backed securities					

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		As of December 31, 2022				
		Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
		(In thousands)				
		As of December 31, 2023				
	Amortized Cost					
		(In thousands)				
Debt securities:	**Debt securities:**					
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$276,493	$ —	$(30,150)	$ —	$246,343
Government-sponsored residential mortgage-backed securities						
Government-sponsored residential mortgage-backed securities						
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	200,154	—	(23,271)	—	176,883
		$476,647	$ —	$(53,421)	$ —	$423,226

		As of December 31, 2023				
		Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
		(In thousands)				

The Company did not record a provision for estimated credit losses on any HTM securities for either the three and nine months ended September 30, 2023 March 31, 2024 or 2022. 2023. The accrued interest receivable on HTM securities totaled $1.0 million $0.9 million as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, and is included within other assets on in the Consolidated Balance Sheets. The Company did not record any write-offs of accrued interest receivable on HTM securities during either the three and nine months ended September 30, 2023 March 31, 2024 or 2022. 2023. No HTM securities held by the Company were delinquent on contractual payments as of either September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023, nor were any such securities placed on non-accrual status during the nine three and twelve month periods then ended. ended, respectively.

Available for Sale and Held to Maturity Securities Contractual Maturity

The amortized cost and estimated fair value of AFS and HTM securities by contractual maturities as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without prepayment penalties.

The scheduled contractual maturities of AFS and HTM securities as of the dates indicated were as follows:

	As of September 30, 2023									
	Due in one year or less		Due after one year to five years		Due after five to ten years		Due after ten years		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)									

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	As of March 31, 2024									
	Due in one year or less									
	Amortized Cost									
	(In thousands)									
AFS securities	AFS securities									
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities									
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$ —	$ —	$ 27,697	$ 26,351	$ 28,637	$ 26,316	$3,324,129	$2,647,963	$3,380,463	$2,700,630
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	—	164,329	145,815	475,624	398,011	703,234	545,294	1,343,187	1,089,120
U.S. Agency bonds	U.S. Agency bonds	—	—	226,493	199,833	9,656	8,132	—	—	236,149	207,965
U.S. Treasury securities	U.S. Treasury securities	—	—	99,494	93,219	—	—	—	—	99,494	93,219
State and municipal bonds and obligations	State and municipal bonds and obligations	210	210	29,120	26,998	42,656	38,408	125,985	104,968	197,971	170,584
Total available for sale securities	Total available for sale securities	210	210	547,133	492,216	556,573	470,867	4,153,348	3,298,225	5,257,264	4,261,518
HTM securities	HTM securities										
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	—	—	—	—	—	—	260,271	219,548	260,271	219,548
Government-sponsored residential mortgage-backed securities											
Government-sponsored residential mortgage-backed securities											
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	—	—	—	195,629	168,106	—	—	195,629	168,106
Total held to maturity securities	Total held to maturity securities	—	—	—	—	195,629	168,106	260,271	219,548	455,900	387,654

	Due in one year or less		Due after one year to five years	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value

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Total	Total	$ 210	$ 210	$ 547,133	$ 492,216	$ 752,202	$638,973	$4,413,619	$3,517,773	$5,713,164	$4,649,172

		As of December 31, 2022									
		Due in one year or less		Due after one year to five years		Due after five to ten years		Due after ten years		Total	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
		(In thousands)									

		As of December 31, 2023											
		Due in one year or less										Due in one year or less	Due after one year to five years
		Amortized Cost										Amortized Cost	Amortized Cost	Fair Value
		(In thousands)												
AFS securities	AFS securities												
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities												
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$ —	$ —	$ 21,221	$ 20,284	$ 727,908	$ 648,132	$4,106,634	$3,443,492	$4,855,763	$4,111,908		
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	—	191,762	171,992	649,659	556,641	728,698	620,321	1,570,119	1,348,954		
U.S. Agency bonds	U.S. Agency bonds	—	—	877,371	767,464	223,520	185,018	—	—	1,100,891	952,482		
U.S. Treasury securities	U.S. Treasury securities	—	—	99,324	93,057	—	—	—	—	99,324	93,057		
State and municipal bonds and obligations	State and municipal bonds and obligations	213	209	22,100	21,283	42,554	40,970	133,172	120,630	198,039	183,092		
Other debt securities		1,299	1,285	—	—	—	—	—	—	1,299	1,285		
Total available for sale securities	Total available for sale securities	1,512	1,494	1,211,778	1,074,080	1,643,641	1,430,761	4,968,504	4,184,443	7,825,435	6,690,778		
HTM securities	HTM securities												
Government-sponsored residential mortgage-backed securities													
Government-sponsored residential mortgage-backed securities													

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Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	—	—	—	—	—	—	276,493	246,343	276,493	246,343
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	—	—	—	200,154	176,883	0	—	—	200,154	176,883
Total held to maturity securities	Total held to maturity securities	—	—	—	—	200,154	176,883	276,493	246,343	476,647	423,226
Total	Total	$ 1,512	$ 1,494	$ 1,211,778	$ 1,074,080	$ 1,843,795	$1,607,644	$5,244,997	$4,430,786	$8,302,082	$7,114,004

Securities Pledged as Collateral

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, securities with a carrying value of $429.0 million $604.0 million and $437.9 million $615.7 million, respectively, were pledged to secure public deposits and for other purposes required by law. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, deposits with associated pledged collateral included cash accounts from the Company's wealth management division ("Eastern Wealth Management") and municipal deposit accounts.

In March 2023 the Federal Reserve created the Bank Term Funding Program (the "Program") in order to support American businesses and households. The Program helps make available additional funding to that offered eligible depository institutions in order to help assure banks have the ability to meet the needs of their depositors. The Program offers loans up to one year in length to banks in return for any collateral eligible for purchase by the Federal Reserve Banks in open market operations, such as U.S. Treasuries, U.S. agency securities, and U.S. agency mortgage-backed securities. Treasuries. As of September 30, 2023 December 31, 2023, securities with a carrying value of $2.5 billion $2.4 billion were pledged as collateral through the Program. In addition, On January 24, 2024, the Federal Reserve Board announced the Program would cease making new loans as scheduled on March 11, 2024. Accordingly, no securities were pledged as collateral through the Program as of March 31, 2024. Separately, as of March 31, 2024 and December 31, 2023, the Company pledged securities with a carrying value of $370.3 million $2.6 billion and $168.8 million, respectively, to the Federal Reserve Discount Window (the "Discount Window") as of September 30, 2023. No securities were pledged to the Program or the Discount Window as of December 31, 2022.

4. Loans and Allowance for Credit Losses

Loans

The following table provides a summary of the Company's loan portfolio as of the dates indicated:

	September 30, 2023	December 31, 2022
	(In thousands)	
	March 31, 2024	**March 31, 2024**	**December 31, 2023**
	(In thousands)		(In thousands)
Commercial and industrial	Commercial and industrial	$ 3,087,509	$ 3,150,946
Commercial real estate	Commercial real estate	5,396,912	5,155,323
Commercial construction	Commercial construction	382,615	336,276
Business banking	Business banking	1,087,799	1,090,492
Residential real estate	Residential real estate	2,550,861	2,460,849
Consumer home equity	Consumer home equity	1,193,859	1,187,547

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Other consumer (2)(3)		219,720	194,098
Other consumer			
Gross loans before unamortized premiums, unearned discounts and deferred fees	Gross loans before unamortized premiums, unearned discounts and deferred fees	13,919,275	13,575,531
Allowance for loan losses (1)	Allowance for loan losses (1)	(155,146)	(142,211)
Unamortized premiums, net of unearned discounts and deferred fees		(19,307)	(13,003)
Loans after the allowance for loan losses, unamortized premiums, unearned discounts and deferred fees		$13,744,822	$13,420,317
Unamortized premiums, net of unearned discounts and deferred fees, net of costs			
Loans after the allowance for loan losses, unamortized premiums, unearned discounts and deferred fees and costs			

(1) The balance of accrued interest receivable excluded from amortized cost and the calculation of the allowance for loan losses amounted to $50.8 million $54.2 million and $45.2 million $53.9 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and is included within other assets on the Consolidated Balance Sheets.

(2) Automobile loans are included in the other consumer portfolio and amounted to $8.1 million and $18.1 million at September 30, 2023 and December 31, 2022, respectively.

(3) Home improvement loans are included in the other consumer portfolio and amounted to $161.2 million and $121.1 million at September 30, 2023 and December 31, 2022, respectively.

There are no other loan categories that exceed 10% of total loans not already reflected in the preceding table.

The Company's lending activities are conducted principally in the New England area with the exception of its Shared National Credit Program ("SNC Program") portfolio. portfolio and certain purchased loans. The Company participates in the SNC Program in an effort to improve its industry and geographical diversification. diversification The SNC Program portfolio is included in the Company's commercial and industrial, portfolio. commercial real estate, and commercial construction portfolios. The SNC Program portfolio is defined as loan syndications with exposure over $100 million and with three or more lenders participating.

Most loans originated by the Company are either collateralized by real estate or other assets or guaranteed by federal and local governmental authorities. The ability and willingness of the single-family residential and consumer borrowers to honor their repayment commitments is generally dependent on the level of overall economic activity within the borrowers' geographic areas and real estate values. The ability and willingness of commercial real estate, commercial and industrial, and construction loan borrowers to honor their repayment commitments is generally dependent on the health of the real estate economy in the borrowers' geographic areas and the general economy.

Loans Pledged as Collateral

The carrying value of loans pledged to secure advances from the Federal Home Loan Bank ("FHLB") of Boston ("FHLBB") were $4.2 billion $4.4 billion and $3.9 billion $4.6 billion at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The balance of funds borrowed from the FHLBB were $673.5

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million $17.6 million and $704.1 million $17.7 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The carrying value of loans pledged to secure advances from the Federal Reserve Bank ("FRB") were $1.1 billion at both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. There were no funds borrowed from the FRB outstanding at September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

Serviced Loans

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, mortgage loans partially or wholly-owned by others and serviced by the Company amounted to approximately $78.8 million $76.2 million and $84.0 million $77.2 million, respectively.

Purchased Loans

The Company began purchasing residential real estate mortgage loans during the third quarter of 2022. 2022 and ceased such purchases in the first quarter of 2023. Loans purchased were subject to the same underwriting criteria as those loans originated directly by the Company. During the nine three months ended September 30, 2023 March 31, 2024, the Company did not purchase any residential real estate mortgage loans. The Company purchased $32.0 million of residential real estate mortgage loans. The Company ceased purchases of residential real estate mortgage loans in the first quarter of 2023. Accordingly, no residential real estate mortgage loans were purchased during

the three months ended September 30, 2023. The Company purchased $79.9 million of residential real estate mortgage loans during the three and nine months ended September 30, 2022 March 31, 2023. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the amortized cost balance of loans purchased was $391.7 million $381.2 million and $376.1 million $385.5 million, respectively.

Commercial Loan Sales

During the three and nine months ended September 30, 2023, the Company sold $191.8 million of commercial and industrial loans previously included in the SNC program portfolio and recognized a loss on sale of $2.5 million. As of September 30, 2023, one commercial and industrial loan, which was previously included in the SNC program portfolio and which had a balance of $22.4 million as of September 30, 2023, was transferred to held for sale from the commercial and industrial held for investment portfolio. Upon transfer to held for sale, a mark-to-market adjustment was recorded representing a loss of $0.2 million.

Allowance for Loan Losses

The allowance for loan losses is established to provide for management's estimate of expected lifetime credit losses on loans measured at amortized cost at the balance sheet date through a provision for loan losses charged to net income. Charge-offs, net of recoveries, are charged directly to the allowance for loan losses. Commercial and residential loans are charged-off in the period in which they are deemed uncollectible. Delinquent loans in these product types are subject to ongoing review and analysis to determine if a charge-off in the current period is appropriate. For consumer loans, policies and procedures exist that require charge-off consideration upon a certain triggering event depending on the product type.

The following tables summarize the changes in the allowance for loan losses by loan category for the periods indicated:

	For the Three Months Ended September 30, 2023							
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Business Banking	Residential Real Estate	Consumer Home Equity	Other Consumer	Total
	(In thousands)							
Allowance for loan losses:								
Beginning balance	$ 29,535	$ 59,524	$ 7,663	$ 15,228	$ 27,012	$ 6,044	$ 2,949	$ 147,955
Charge-offs	(11)	—	—	(303)	—	—	(731)	(1,045)
Recoveries	120	2	—	609	30	39	108	908
Provision (release)	(3,126)	11,097	136	(316)	(687)	(601)	825	7,328
Ending balance	$ 26,518	$ 70,623	$ 7,799	$ 15,218	$ 26,355	$ 5,482	$ 3,151	$ 155,146

	For the Three Months Ended September 30, 2022							
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Business Banking	Residential Real Estate	Consumer Home Equity	Other Consumer	Total
	(In thousands)							
Allowance for loan losses:								

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Beginning balance	$ 25,852	$ 47,555	$ 5,474	$ 16,699	$ 21,663	$ 5,662	$ 2,626	$ 125,531
Charge-offs	(11)	—	—	(369)	—	—	(603)	(983)
Recoveries	126	3	—	286	56	6	158	635
Provision (release)	874	3,545	507	(354)	1,288	174	446	6,480
Ending balance	$ 26,841	$ 51,103	$ 5,981	$ 16,262	$ 23,007	$ 5,842	$ 2,627	$ 131,663

	For the Nine Months Ended September 30, 2023							
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Business Banking	Residential Real Estate	Consumer Home Equity	Other Consumer	Total
	(In thousands)							
Allowance for loan losses:								
Beginning balance	$ 26,859	$ 54,730	$ 7,085	$ 16,189	$ 28,129	$ 6,454	$ 2,765	$ 142,211
Cumulative effect of change in accounting principle (1)	47	—	—	(140)	(849)	(201)	—	(1,143)
Charge-offs	(11)	—	—	(900)	—	(7)	(1,883)	(2,801)
Recoveries	285	8	—	1,294	63	40	335	2,025
Provision (release)	(662)	15,885	714	(1,225)	(988)	(804)	1,934	14,854
Ending balance	$ 26,518	$ 70,623	$ 7,799	$ 15,218	$ 26,355	$ 5,482	$ 3,151	$ 155,146

	For the Nine Months Ended September 30, 2022								
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Business Banking	Residential Real Estate	Consumer Home Equity	Other Consumer	Other	Total
	(In thousands)								
Allowance for loan losses:									
Beginning balance	$ 18,018	$ 52,373	$ 2,585	$ 10,983	$ 6,556	$ 3,722	$ 3,308	$ 242	$ 97,787
Cumulative effect of change in accounting principle (2)	11,533	(6,655)	1,485	6,160	13,489	1,857	(541)	(242)	$ 27,086
Charge-offs	(13)	—	—	(1,922)	—	—	(1,754)	—	(3,689)
Recoveries	1,074	53	—	1,678	80	16	533	—	3,434
Provision (release)	(3,771)	5,332	1,911	(637)	2,882	247	1,081	—	7,045
Ending balance	$ 26,841	$ 51,103	$ 5,981	$ 16,262	$ 23,007	$ 5,842	$ 2,627	$ —	$ 131,663

	For the Three Months Ended March 31, 2024							
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Business Banking	Residential Real Estate	Consumer Home Equity	Other Consumer	Total
	(In thousands)							
Allowance for loan losses:								
Beginning balance	$ 26,959	$ 65,475	$ 6,666	$ 14,913	$ 25,954	$ 5,595	$ 3,431	$ 148,993
Charge-offs	—	(7,250)	—	(102)	(10)	(2)	(651)	(8,015)
Recoveries	25	132	—	410	31	—	163	761
Provision (release)	1,879	6,272	(462)	(590)	(40)	91	301	7,451
Ending balance	$ 28,863	$ 64,629	$ 6,204	$ 14,631	$ 25,935	$ 5,684	$ 3,244	$ 149,190

	For the Three Months Ended March 31, 2023

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	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Business Banking	Residential Real Estate	Consumer Home Equity	Other Consumer	Total
				(In thousands)				
Allowance for loan losses:								
Beginning balance	$ 26,859	$ 54,730	$ 7,085	$ 16,189	$ 28,129	$ 6,454	$ 2,765	$ 142,211
Cumulative effect of change in accounting principle (1)	47	—	—	(140)	(849)	(201)	—	(1,143)
Charge-offs	—	—	—	(343)	—	(7)	(561)	(911)
Recoveries	139	4	—	481	15	1	116	756
Provision (release)	(116)	459	493	(1,102)	(165)	(65)	521	25
Ending balance	$ 26,929	$ 55,193	$ 7,578	$ 15,085	$ 27,130	$ 6,182	$ 2,841	$ 140,938

(1) Represents the adjustment needed to reflect the cumulative day one impact pursuant to the Company's adoption of ASU 2022-02 (i.e., cumulative effect adjustment related to the adoption of ASU 2022-02 as of January 1, 2023). The adjustment represents a $1.1 million decrease to the allowance attributable to the change in accounting methodology for estimating the allowance for loan losses resulting from the Company's adoption of the standard.

(2) Represents the adjustment needed to reflect the cumulative day one impact pursuant to the Company's adoption of ASU 2016-13 (i.e., cumulative effect adjustment related to the adoption of ASU 2016-13 as of January 1, 2022). The adjustment represents a $27.1 million increase to the allowance attributable to the change in accounting methodology Company recorded provisions for estimating the allowance for loan losses resulting from of $7.5 million and less than $0.1 million for the Company's adoption three months ended March 31, 2024 and 2023, respectively. Management determined a provision to be necessary for the three months ended March 31, 2024 primarily due to a $7.3 million partial charge-off of a commercial real estate loan collateralized by a property in the standard. The adjustment also includes office risk segment which transitioned to non-accrual status during the adjustment needed to reflect the day one reclassification of the Company's PCI loan balances to PCD three months ended March 31, 2024 and the associated gross-up of $0.1 million, pursuant to the Company's adoption of ASU 2016-13.had not been previously reserved for on a specific reserve basis.

Reserve for Unfunded Commitments

Management evaluates the need for a reserve on unfunded lending commitments in a manner consistent with loans held for investment. As of March 31, 2024 and December 31, 2023, the Company's reserve for unfunded lending commitments was $12.1 million and $14.1 million, respectively, which is recorded within other liabilities in the Company's Consolidated Balance Sheets. The Company's adoption of ASU 2022-02 on January 1, 2023 did not impact the reserve for unfunded lending commitments. Upon adoption of ASU 2016-13 on January 1, 2022, the Company recorded a transition adjustment related to the reserve for unfunded lending commitments of $1.0 million, resulting in a total reserve for unfunded lending commitments of $11.1 million as of January 1, 2022. As of September 30, 2023 and December 31, 2022, the Company's reserve for unfunded lending commitments was $14.9 million and $13.2 million, respectively, which is recorded within other liabilities in the Company's Consolidated Balance Sheets.

Portfolio Segmentation

Management uses a methodology to systematically estimate the amount of expected losses in each segment of loans in the Company's portfolio. Commercial and industrial business banking, investment commercial real estate, and commercial and industrial loans are evaluated based upon loan-level risk characteristics, historical losses and other factors which form the basis for estimating expected losses. Other portfolios, including owner occupied commercial real estate (which includes business banking owner occupied commercial real estate), commercial construction, residential mortgages, home equity and consumer loans, are analyzed as groups taking into account delinquency ratios, and the Company's and peer banks' historical loss experience. For the purposes of estimating the allowance for loan losses, management segregates the loan portfolio into loan categories that share similar risk characteristics such as the purpose of the loan, repayment source, and collateral. These characteristics are considered when determining the appropriate level of the allowance for each category. Some examples of these risk characteristics unique to each loan category include:

Commercial Lending

Commercial and industrial: The primary risk associated with commercial and industrial loans is the ability of borrowers to achieve business results consistent with those projected at origination. Collateral frequently consists of a first lien position on business assets including, but not limited to, accounts receivable, inventory, aircraft and equipment. The primary repayment source is operating cash flow and, secondarily, the liquidation of assets. Under its lending guidelines, the Company generally requires a corporate or personal guarantee from individuals that hold material ownership in the borrowing entity when the loan-to-value of a commercial and industrial loan is in excess of a specified threshold.

Commercial real estate: Collateral values are established by independent third-party appraisals and evaluations. Primary repayment sources include operating income generated by the real estate, permanent debt refinancing, sale of the real estate and, secondarily, liquidation of the collateral. Under its lending guidelines, the Company generally requires a corporate or personal guarantee from individuals that hold material ownership in the borrowing entity when the loan-to-value of a commercial real estate loan is in excess of a specified threshold.

Commercial construction: These loans are generally considered to present a higher degree of risk than other real estate loans and may be affected by a variety of factors, such as adverse changes in interest rates and the borrower's ability to control costs and adhere to time schedules. Construction loans are underwritten utilizing feasibility studies, independent appraisal reviews, sensitivity analysis of absorption and lease rates and financial analysis of the developers and property owners. Construction loans are

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generally based upon estimates of costs and value associated with the completed project. Construction loan repayment is substantially dependent on the ability of the borrower to complete the project and obtain permanent financing.

Business banking: These loans are typically secured by all business assets or commercial real estate. Business banking originations include traditionally underwritten loans as well as partially automated scored loans. Business banking scored loans are determined by utilizing the Company's proprietary decision matrix that has a number of quantitative factors including, but not limited to, a guarantor's credit score, industry risk, and time in business. The Company also engages in Small Business Association ("SBA") lending. The SBA guarantees reduce the Company's loss due to default and are considered a credit enhancement to the loan structure.

Residential Lending

These loans are made to borrowers who demonstrate the ability to repay principal and interest on a monthly basis. Underwriting considerations include, among others, income sources and their reliability, willingness to repay as evidenced by credit repayment history, financial resources (including cash reserves) and the value of the collateral. The Company maintains policy standards for minimum credit score and cash reserves and maximum loan-to-value consistent with a "prime" portfolio. Collateral consists of mortgage liens on 1-4 family residential dwellings. The policy standards applied to loans originated by the Company are the same as those applied to purchased loans. The Company does not originate or purchase sub-prime or other high-risk loans. Residential loans are originated either for sale to investors or retained in the Company's loan portfolio. Decisions about whether to sell or retain residential loans are made based on the interest rate characteristics, pricing for loans in the secondary mortgage market, competitive factors and the Company's liquidity and capital needs.

Consumer Lending

Consumer home equity: Home equity lines of credit are granted for ten years with monthly interest-only repayment requirements. Full principal repayment is required at the end of the ten-year draw period. Home equity loans are term loans that require the monthly payment of principal and interest such that the loan will be fully amortized at maturity. Underwriting considerations are materially consistent with those utilized in residential real estate. Collateral consists of a senior or subordinate lien on owner-occupied residential property.

Other consumer: The Company's policy and underwriting in this category, which is comprised primarily of home improvement, automobile and aircraft loans, include the following factors, among others: income sources and reliability, credit histories, term of repayment, and collateral value, as applicable. These are typically granted on an unsecured basis, with the exception of aircraft and automobile loans.

Credit Quality

Commercial Lending Credit Quality

The credit quality of the Company's commercial loan portfolio is actively monitored and supported by a comprehensive credit approval process and all large dollar transactions are sent for approval to a committee of seasoned business line and credit professionals. The Company maintains an independent credit risk review function that reports directly to the Risk Management Committee of the Board of Directors. Credits that demonstrate significant deterioration in credit quality are transferred to a specialized group of experienced officers for individual attention.

The Company monitors credit quality indicators and utilizes portfolio scorecards to assess the risk of its commercial portfolio. Specifically, the Company utilizes a 15-point credit risk-rating system to manage risk and identify potential problem loans. Under this point system, risk-rating assignments are based upon a number of quantitative and qualitative factors that are under continual review. Factors include cash flow, collateral coverage, liquidity, leverage, position within the industry, internal controls and management, financial reporting, and other considerations. Commercial loan risk ratings are (re)evaluated for each loan at least once-per-year. The risk-rating categories under the credit risk-rating system are defined as follows:

0 Risk Rating - Unrated

Certain segments of the portfolios are not rated. These segments include aircraft loans, business banking scored loan products, and other commercial loans managed by exception. Loans within this unrated loan segment are monitored by delinquency status; and for lines of credit greater than $100,000 in exposure, an annual review is conducted which includes the review of the business score and loan and deposit account performance. The Company supplements performance data with current business credit scores for the business banking portfolio on a quarterly basis. Unrated commercial and business banking loans are generally restricted to commercial exposure of less than $1.5 million. Loans included in this category generally are not required to provide regular financial reporting or regular covenant monitoring.

For purposes of estimating the allowance for loan losses, unrated loans are considered in the same manner as "Pass" rated loans. Unrated loans are included with "Pass" rated loans for disclosure purposes.

1-10 Risk Rating – Pass

Loans with a risk rating of 1-10 are classified as "Pass" and are comprised of loans that range from "substantially risk free" which indicates borrowers of unquestioned credit standing, well-established national companies with a very strong financial condition, and loans fully secured by policy conforming cash levels, through "low pass" which indicates acceptable rated loans that may be experiencing weak cash flow, impending lease rollover or minor liquidity concerns.

11 Risk Rating – Special Mention (Potential Weakness)

Loans to borrowers in this category exhibit potential weaknesses or downward trends deserving management's close attention. While potentially weak, no loss of principal or interest is envisioned. Included in this category are borrowers who are performing as agreed, are weak when compared to industry standards, may be experiencing an interim loss and may be in declining industries. An element of asset quality, financial flexibility or management is below average. The Company does not consider borrowers within this category as new business prospects. Borrowers rated special mention may find it difficult to obtain alternative financing from traditional bank sources.

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12 Risk Rating – Substandard (Well-Defined Weakness)

Loans with a risk-rating of 12 exhibit well-defined weaknesses that, if not corrected, may jeopardize the orderly liquidation of the debt. A loan is classified as substandard if it is inadequately protected by the repayment capacity of the obligor or by the collateral pledged. Specifically, repayment under market rates and terms, or by the requirements under the existing loan documents, is in jeopardy, but no loss of principal or interest is envisioned. There is a possibility that a partial loss of principal and/or interest will occur in the future if the deficiencies are not corrected. Loss potential, while existing in the aggregate portfolio of substandard assets, does not have to exist in individual assets classified as substandard. Non-accrual is possible, but not mandatory, in this class.

13 Risk Rating – Doubtful (Loss Probable)

Loans classified as doubtful have comparable weaknesses as found in the loans classified as substandard, with the added provision that such weaknesses make collection of the debt in full (based on currently existing facts, conditions and values) highly questionable and improbable. Serious problems exist such that a partial loss of principal is likely. The probability of loss exists, but because of reasonably specific pending factors that may work to strengthen the credit, estimated losses are deferred until a more exact status can be determined. Specific reserves will be the amount identified after specific review. Non-accrual is mandatory in this class.

14 Risk Rating – Loss

Loans to borrowers in this category are deemed incapable of repayment. Loans to such borrowers are considered uncollectible and of such little value that continuance as active assets of the Company is not warranted. This classification does not mean that the loans have no recovery or salvage value, but rather, it is not practical or desirable to defer writing off these assets even though partial recovery may occur in the future. Loans in this category have a recorded investment of $0 at the time of the downgrade.

Residential and Consumer Lending Credit Quality

For the Company's residential and consumer portfolios, the quality of the loan is best indicated by the repayment performance of an individual borrower. Updated appraisals, broker opinions of value and other collateral valuation methods are employed in the residential and consumer portfolios, typically for credits that are deteriorating. Delinquency status is determined using payment performance, while accrual status may be determined using a combination of payment performance, expected borrower viability and collateral value. Delinquent consumer loans are handled by a team of seasoned collection specialists.

The following table details the amortized cost balances of the Company's loan portfolios, presented by credit quality indicator and origination year as of September 30, 2023 March 31, 2024, and gross charge-offs for the nine three month period then ended:

		2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term Loans (1)	Total
		(In thousands)								
	2024									
		(In thousands)								
Commercial and industrial	**Commercial and industrial**									
Pass										
Pass										
Pass	Pass	$421,454	$ 489,139	$377,921	$351,075	$160,669	$ 656,163	$ 497,576	$ 3,555	$2,957,552
Special Mention	Special Mention	8,109	30,704	14,345	13,897	186	633	18,711	456	87,041
Substandard	Substandard	—	12	1,808	422	36	2,672	22,799	—	27,749
Doubtful	Doubtful	—	—	—	—	—	8	—	—	8
Loss	Loss	—	—	—	—	—	—	—	—	—
Total commercial and industrial	Total commercial and industrial	429,563	519,855	394,074	365,394	160,891	659,476	539,086	4,011	3,072,350
Current period gross charge-offs	Current period gross charge-offs	—	—	—	—	—	11	—	—	11

2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans (1)	Total
						(In thousands)		

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Commercial real estate	**Commercial real estate**									
Commercial real estate										
Commercial real estate										
Pass										
Pass										
Pass	Pass	372,774	1,467,477	858,225	575,634	524,549	1,342,646	59,152	2,585	5,203,042
Special Mention	Special Mention	—	—	—	744	2,395	28,343	—	—	31,482
Substandard	Substandard	—	—	15,356	3,990	50,704	54,851	8,005	—	132,906
Doubtful	Doubtful	—	—	—	—	—	25,797	—	—	25,797
Loss	Loss	—	—	—	—	—	—	—	—	—
Total commercial real estate	Total commercial real estate	372,774	1,467,477	873,581	580,368	577,648	1,451,637	67,157	2,585	5,393,227
Current period gross charge-offs	Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial construction	**Commercial construction**									
Commercial construction										
Commercial construction										
Pass										
Pass										
Pass	Pass	99,843	140,590	124,288	—	—	—	10,727	—	375,448
Special Mention	Special Mention	5,182	—	—	7	—	—	—	—	5,189
Substandard	Substandard	—	—	—	—	—	—	—	—	—
Doubtful	Doubtful	—	—	—	—	—	—	—	—	—
Loss	Loss	—	—	—	—	—	—	—	—	—
Total commercial construction	Total commercial construction	105,025	140,590	124,288	7	—	—	10,727	—	380,637

Current period gross charge-offs	Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Business banking	**Business banking**									
Business banking										
Business banking										
Pass										
Pass										
Pass	Pass	107,950	164,497	187,765	152,567	117,485	252,479	71,942	3,433	1,058,118
Special Mention	Special Mention	—	572	1,446	3,579	3,778	8,233	1,019	27	18,654
Substandard	Substandard	1,401	611	3,554	2,127	1,069	3,452	647	584	13,445
Doubtful	Doubtful	—	—	—	20	1,079	500	—	—	1,599
Loss	Loss	—	—	—	—	—	—	—	—	—

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Total business banking	Total business banking	109,351	165,680	192,765	158,293	123,411	264,664	73,608	4,044	1,091,816
Current period gross charge-offs	Current period gross charge-offs	—	111	62	56	102	250	23	296	900
Residential real estate	**Residential real estate**									
Residential real estate										
Residential real estate										
Current and accruing										
Current and accruing										
Current and accruing	Current and accruing	203,704	742,941	672,492	362,610	95,373	464,070	—	—	2,541,190
30-89 days past due and accruing	30-89 days past due and accruing	441	4,032	4,343	905	940	8,855	—	—	19,516
Loans 90 days or more past due and still accruing	Loans 90 days or more past due and still accruing	—	—	—	—	—	—	—	—	—
Non-accrual	Non-accrual	105	726	454	1,000	288	5,502	—	—	8,075
Total residential real estate	Total residential real estate	204,250	747,699	677,289	364,515	96,601	478,427	—	—	2,568,781
Current period gross charge-offs	Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Consumer home equity	**Consumer home equity**									
Consumer home equity										
Consumer home equity										
Current and accruing										
Current and accruing										
Current and accruing	Current and accruing	27,721	86,954	9,557	5,189	4,356	84,939	954,862	7,028	1,180,606
30-89 days past due and accruing	30-89 days past due and accruing	—	196	—	—	—	647	7,675	377	8,895
Loans 90 days or more past due and still accruing	Loans 90 days or more past due and still accruing	—	—	—	—	—	—	—	—	—
Non-accrual	Non-accrual	—	67	—	—	—	1,788	5,472	179	7,506
Total consumer home equity	Total consumer home equity	27,721	87,217	9,557	5,189	4,356	87,374	968,009	7,584	1,197,007
Current period gross charge-offs	Current period gross charge-offs	—	—	—	—	—	—	7	—	7
Other consumer	**Other consumer**									
Other consumer										
Other consumer										
Current and accruing										
Current and accruing										

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Current and accruing	Current and accruing	72,222	39,286	26,060	13,635	12,949	18,047	13,030	112	195,341
30-89 days past due and accruing	30-89 days past due and accruing	126	143	61	19	68	183	28	—	628
Loans 90 days or more past due and still accruing	Loans 90 days or more past due and still accruing	—	—	—	—	—	—	—	—	—
Non-accrual	Non-accrual	13	62	10	—	—	47	—	49	181
Total other consumer	Total other consumer	72,361	39,491	26,131	13,654	13,017	18,277	13,058	161	196,150
Current period gross charge-offs	Current period gross charge-offs	746	307	296	90	84	200	160	—	1,883
Total	**Total**	$ 1,321,045	$ 3,168,009	$ 2,297,685	$ 1,487,420	$ 975,924	$ 2,959,855	$ 1,671,645	$ 18,385	$ 13,899,968
Total										
Total										

(1) The amounts presented represent the amortized cost as of September 30, 2023 March 31, 2024 of revolving loans that were converted to term loans during the nine three months ended September 30, 2023 March 31, 2024.

The following table details the amortized cost balances of the Company's loan portfolios, presented by credit quality indicator and origination year as of December 31, 2022 2023:

		2022	2021	2020	2019	2018	Prior	Revolving Loans	Revolving Loans Converted to Term Loans (1)	Total
		(In thousands)								
	2023									
		(In thousands)								
Commercial and industrial	**Commercial and industrial**									
Pass										
Pass										
Pass	Pass	$778,144	$479,317	$415,990	$199,865	$100,716	$639,825	$473,148	$ 50	$3,087,055
Special Mention	Special Mention	2,298	1,307	7,267	4,841	147	—	1,196	670	17,726
Substandard	Substandard	294	4,954	2,644	46	2,598	7,854	485	346	19,221
Doubtful	Doubtful	—	5,249	—	—	—	23	3,254	—	8,526
Loss	Loss	—	—	—	—	—	—	—	—	—
Total commercial and industrial	Total commercial and industrial	780,736	490,827	425,901	204,752	103,461	647,702	478,083	1,066	3,132,528
Commercial real estate	**Commercial real estate**									
Commercial real estate										
Commercial real estate										

		2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term Loans (1)	Total
		(In thousands)								

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Pass										
Pass										
Pass	Pass	1,510,675	825,620	586,567	581,840	461,296	1,006,160	52,590	4,187	5,028,935
Special Mention	Special Mention	—	—	771	4,204	15,366	12,255	—	—	32,596
Substandard	Substandard	—	—	2,621	19,796	24,532	34,883	8,000	—	89,832
Doubtful	Doubtful	—	—	—	—	—	—	—	—	—
Loss	Loss	—	—	—	—	—	—	—	—	—
Total commercial real estate	Total commercial real estate	1,510,675	825,620	589,959	605,840	501,194	1,053,298	60,590	4,187	5,151,363
Commercial construction	**Commercial construction**									
Commercial construction										
Commercial construction										
Pass										
Pass										
Pass	Pass	91,397	178,648	28,956	20,767	—	—	12,130	—	331,898
Special Mention	Special Mention	—	—	2,361	—	—	—	—	—	2,361
Substandard	Substandard	—	—	—	—	—	—	—	—	—
Doubtful	Doubtful	—	—	—	—	—	—	—	—	—
Loss	Loss	—	—	—	—	—	—	—	—	—
Total commercial construction	Total commercial construction	91,397	178,648	31,317	20,767	—	—	12,130	—	334,259
Business banking	**Business banking**									
Business banking										
Business banking										
Pass										
Pass										
Pass	Pass	178,806	202,230	170,088	128,282	59,452	233,484	78,080	4,770	1,055,192
Special Mention	Special Mention	—	991	4,635	4,605	3,740	7,584	145	—	21,700
Substandard	Substandard	—	3,482	1,424	2,663	570	7,505	2,230	221	18,095
Doubtful	Doubtful	—	—	—	181	—	70	—	—	251
Loss	Loss	—	—	—	—	—	—	—	—	—
Total business banking	Total business banking	178,806	206,703	176,147	135,731	63,762	248,643	80,455	4,991	1,095,238
Residential real estate	**Residential real estate**									
Residential real estate										
Residential real estate										
Current and accruing										
Current and accruing										
Current and accruing	Current and accruing	761,442	696,959	382,262	99,494	66,702	434,720	—	—	2,441,579
30-89 days past due and accruing	30-89 days past due and accruing	4,652	5,470	1,245	2,762	2,951	11,646	—	—	28,726
Loans 90 days or more past due and still accruing	Loans 90 days or more past due and still accruing	—	—	—	—	—	—	—	—	—
Non-accrual	Non-accrual	—	—	144	1,491	1,015	7,100	—	—	9,750

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Total residential real estate	Total residential real estate	766,094	702,429	383,651	103,747	70,668	453,466	—	—	2,480,055
Consumer home equity	**Consumer home equity**									
Consumer home equity										
Consumer home equity										
Current and accruing										
Current and accruing										
Current and accruing	Current and accruing	97,395	10,774	5,840	5,015	21,092	73,927	953,829	7,320	1,175,192
30-89 days past due and accruing	30-89 days past due and accruing	559	—	—	—	72	944	7,239	247	9,061
Loans 90 days or more past due and still accruing	Loans 90 days or more past due and still accruing	—	—	—	—	—	—	—	—	—
Non-accrual	Non-accrual	—	—	—	61	274	1,303	5,120	296	7,054
Total consumer home equity	Total consumer home equity	97,954	10,774	5,840	5,076	21,438	76,174	966,188	7,863	1,191,307
Other consumer	**Other consumer**									
Other consumer										
Other consumer										
Current and accruing										
Current and accruing										
Current and accruing	Current and accruing	55,414	32,390	17,641	18,298	18,832	16,603	17,476	—	176,654
30-89 days past due and accruing	30-89 days past due and accruing	143	68	43	61	240	178	58	7	798
Loans 90 days or more past due and still accruing	Loans 90 days or more past due and still accruing	—	—	—	—	—	—	—	—	—
Non-accrual	Non-accrual	31	93	39	2	92	44	15	10	326
Total other consumer	Total other consumer	55,588	32,551	17,723	18,361	19,164	16,825	17,549	17	177,778
Total	**Total**	$ 3,481,250	$ 2,447,552	$ 1,630,538	$ 1,094,274	$ 779,687	$ 2,496,108	$ 1,614,995	$ 18,124	$ 13,562,528
Total										
Total										

(1) The amounts presented represent the amortized cost as of December 31, 2022 December 31, 2023 of revolving loans that were converted to term loans during the year ended December 31, 2022 December 31, 2023.

Asset Quality

The Company manages its loan portfolio with careful monitoring. As a general rule, loans more than 90 days past due with respect to principal and interest are classified as non-accrual loans. Exceptions may be made if management believes that collateral held by the Company is clearly sufficient and in full satisfaction of both principal and interest. The Company may also use discretion regarding other loans over 90 days delinquent if the loan is well secured and in the process of collection. Non-accrual loans and loans that are more than 90 days past due but still accruing interest are considered non-performing loans.

Non-accrual loans may be returned to an accrual status when principal and interest payments are no longer delinquent, and the risk characteristics of the loan have improved to the extent that there no longer exists a concern as to the collectability of principal and interest. Loans are considered past due based upon the number of days delinquent according to their contractual terms.

A loan is expected to remain on non-accrual status until it becomes current with respect to principal and interest, the loan is liquidated, or the loan is determined to be uncollectible and is charged-off against the allowance for loan losses.

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The following tables show the age analysis of past due loans as of the dates indicated:

		As of September 30, 2023					
		30-59 Days Past Due	60-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total Loans
		(In thousands)					
		As of March 31, 2024					
		30-59 Days Past Due	60-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total Loans
		(In thousands)					
Commercial and industrial	Commercial and industrial	$ 1,030	$ —	$ 465	$ 1,495	$ 3,070,855	$ 3,072,350
Commercial real estate	Commercial real estate	—	—	—	—	5,393,227	5,393,227
Commercial construction	Commercial construction	—	—	—	—	380,637	380,637
Business banking	Business banking	4,536	1,846	1,539	7,921	1,083,895	1,091,816
Residential real estate	Residential real estate	17,988	2,846	5,621	26,455	2,542,326	2,568,781
Consumer home equity	Consumer home equity	6,232	2,661	7,430	16,323	1,180,684	1,197,007
Other consumer	Other consumer	470	158	181	809	195,341	196,150
Total	Total	$ 30,256	$ 7,511	$ 15,236	$ 53,003	$ 13,846,965	$ 13,899,968

	As of December 31, 2022					
	30-59 Days Past Due	60-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total Loans
	(In thousands)					
Commercial and industrial	$ 1,300	$ 385	$ 2,074	$ 3,759	$ 3,128,769	$ 3,132,528
Commercial real estate	—	—	—	—	5,151,363	5,151,363
Commercial construction	—	—	—	—	334,259	334,259
Business banking	6,642	845	3,517	11,004	1,084,234	1,095,238
Residential real estate	25,877	3,852	6,456	36,185	2,443,870	2,480,055
Consumer home equity	8,262	1,108	6,525	15,895	1,175,412	1,191,307
Other consumer	634	170	320	1,124	176,654	177,778
Total (1)	$ 42,715	$ 6,360	$ 18,892	$ 67,967	$ 13,494,561	$ 13,562,528

(1) The amounts presented in the table above represent the recorded investment balance of loans as of December 31, 2022.

	As of December 31, 2023					
	30-59 Days Past Due	60-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total Loans
	(In thousands)					
Commercial and industrial	$ 3,316	$ —	$ 465	$ 3,781	$ 3,015,850	$ 3,019,631
Commercial real estate	—	—	—	—	5,453,847	5,453,847
Commercial construction	—	—	—	—	384,637	384,637
Business banking	3,455	1,647	1,202	6,304	1,083,289	1,089,593
Residential real estate	17,116	4,888	6,764	28,768	2,553,697	2,582,465
Consumer home equity	6,517	2,600	8,204	17,321	1,193,847	1,211,168

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Other consumer	532	235	189	956	206,063	207,019
Total	$ 30,936	$ 9,370	$ 16,824	$ 57,130	$ 13,891,230	$ 13,948,360

The following table presents information regarding non-accrual loans as of the dates indicated:

	As of September 30, 2023			As of December 31, 2022		
	Non-Accrual Loans With ACL	Non-Accrual Loans Without ACL (1)	Total Nonaccrual Loans	Non-Accrual Loans With ACL	Non-Accrual Loans Without ACL (1)	Total Nonaccrual Loans
	(In thousands)					

	As of March 31, 2024			As of March 31, 2024			As of December 31, 2023		
	Non-Accrual Loans With ACL			Non-Accrual Loans With ACL	Non-Accrual Loans Without ACL (1)	Total Nonaccrual Loans	Non-Accrual Loans With ACL	Non-Accrual Loans Without ACL (1)	Total Nonaccrual Loans
	(In thousands)								
Commercial and industrial	Commercial and industrial	$ 4	$ 466	$ 470	$ 3,270	$ 10,707	$ 13,977		
Commercial real estate	Commercial real estate	25,797	—	25,797	—	—	—		
Commercial construction	Commercial construction	—	—	—	—	—	—		
Business banking	Business banking	5,422	14	5,436	5,844	1,653	7,497		
Residential real estate	Residential real estate	8,075	—	8,075	9,750	—	9,750		
Consumer home equity	Consumer home equity	7,506	—	7,506	7,054	—	7,054		
Other consumer	Other consumer	181	—	181	326	—	326		
Total non-accrual loans	Total non-accrual loans	$ 46,985	$ 480	$ 47,465	$ 26,244	$ 12,360	$ 38,604		

(1) The loans on non-accrual status and without an ACL as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, were primarily comprised of collateral dependent loans for which the fair value of the underlying loan collateral exceeded the loan carrying value.

The amount of interest income recognized on non-accrual loans during the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was not significant. As of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were no loans greater than 90 days past due and still accruing.

It is the Company's policy to reverse any accrued interest when a loan is put on non-accrual status and, generally, to record any payments received from a borrower related to a loan on non-accrual status as a reduction of the amortized cost basis of the loan. Accrued interest reversed against interest income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was not significant.

For collateral values for residential mortgage and home equity loans, the Company relies primarily upon third-party valuation information from certified appraisers and values are generally based upon recent appraisals of the underlying collateral, brokers' opinions based upon recent sales of comparable properties, or estimated auction or liquidation values less estimated costs to sell. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had collateral-dependent residential mortgage and home equity loans totaling $0.9 million and $0.6 million $0.8 million, respectively.

For collateral-dependent commercial loans, the amount of the allowance for loan losses is individually assessed based upon the fair value of the collateral. Various types of collateral are used, including real estate, inventory, equipment, accounts receivable, securities and cash, among others. For commercial real estate loans, the Company relies primarily upon third-party valuation information from certified appraisers and values are generally based upon recent appraisals of the underlying collateral, brokers' opinions based upon recent sales of comparable properties, estimated equipment auction or liquidation values, income capitalization, or a combination of income capitalization and

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comparable sales. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had collateral-dependent commercial loans totaling $27.8 million $37.8 million and $16.2 million $30.7 million, respectively.

Appraisals for all loan types are obtained at the time of loan origination as part of the loan approval process and are updated at the time of a loan modification and/or refinance and as considered necessary by management for impairment review purposes. In addition, appraisals are updated as required by regulatory pronouncements.

As of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had no residential real estate held in other real estate owned ("OREO"). As of September 30, 2023 March 31, 2024, there was one were four residential real estate loan, which had a balance of $0.1 million, collateralized by residential real estate property for which formal foreclosure proceedings were in-process. As of December 31, 2022, there were no mortgage loans collateralized by residential real estate property for which formal foreclosure proceedings were in-process. As of September 30, 2023, there were three consumer home equity loans, which had a total an aggregate balance of $0.4 million, collateralized by residential real estate property for which formal foreclosure proceedings were in-process. As of December 31, 2022 December 31, 2023, there were no two residential real estate loans, which had an aggregate balance of $0.2 million, collateralized by residential real estate property for which formal foreclosure proceedings were in-process. As of both March 31, 2024 and December 31, 2023, there were three consumer home equity loans, which had an aggregate balance of $0.2 million, collateralized by residential real estate property for which formal foreclosure proceedings were in-process.

Loan Modifications to Borrowers Experiencing Financial Difficulty

The following table shows the amortized cost balance as of September 30, 2023 March 31, 2024 and 2023 of loans modified during the three month periods noted below then ended to borrowers experiencing financial difficulty by the type of concession granted:

	Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
	Amortized Cost Balance	% of Total Portfolio	Amortized Cost Balance	% of Total Portfolio
	(Dollars in thousands)			
Interest Rate Reduction:				
Business banking	$ —	— %	$ 46	0.00 %
Residential real estate	—	— %	305	0.01 %
Consumer home equity	203	0.02 %	1,441	0.12 %
Total interest rate reduction	$ 203	0.00 %	$ 1,792	0.01 %
Other-than-Insignificant Delay in Repayment:				
Business banking	$ 21	0.00 %	$ 21	0.00 %
Residential real estate	2,084	0.08 %	2,517	0.10 %

	Three Months Ended March 31, 2024		Three Months Ended March 2024		Three Months Ended March 2023	
	Amortized Cost Balance		Amortized Cost Balance	% of Total Portfolio	Amortized Cost Balance	% To Port
	(Dollars in thousands)				(Dollars in thousands)	
Interest Rate Reduction:						
Business banking	$ —	— %	$ —	— %	$ 47	0.00 %
Consumer home equity	542	0.04	0.04 %	813	0.07	0.07 %
Total interest rate reduction	$ 542	0.00	0.00 %	$ 860	0.01	0.01 %
Other-than-Insignificant Delay in Repayment:						
Residential real estate	—	—	— %	327	0.01	0.01 %

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Consumer home equity	Consumer home equity		84	0.01	%		684	0.06	%	Consumer home equity		—		—		—	%		23		0.00		0.00 %
Total other-than-insignificant delay in repayment	Total other-than-insignificant delay in repayment	$	2,189	0.02	%	$	3,222	0.02	%	Total other-than-insignificant delay in repayment	$	—		0.00		0.00	%	$	350		0.00		0.00 %
Term Extension:	**Term Extension:**																						
Business banking	Business banking		—	—	%		259	0.02	%														
Business banking																							
Business banking												165				0.01	%		—				— %
Residential real estate										Residential real estate		238				0.01	%		—				— %
Total term extension	Total term extension	$	—	—	%	$	259	0.00	%	Total term extension	$	403		0.00		0.00	%	$	—		—		— %
Combination—Interest Rate Reduction & Other-than-Insignificant Delay in Repayment:	**Combination—Interest Rate Reduction & Other-than-Insignificant Delay in Repayment:**																						
Business banking																							
Business banking																							
Business banking	Business banking	$	—	—	%	$	90	0.01	%	$	—		—		—		%	$	64		0.01		0.01 %
Consumer home equity	Consumer home equity		428	0.04	%		603	0.05	%	Consumer home equity		129		0.01		0.01	%		175		0.01		0.01 %
Total combination—interest rate reduction & other-than-insignificant delay in repayment	Total combination—interest rate reduction & other-than-insignificant delay in repayment	$	428	0.00	%	$	693	0.00	%	Total combination—interest rate reduction & other-than-insignificant delay in repayment	$	129		0.00		0.00	%	$	239		0.00		0.00 %
Combination—Interest Rate Reduction & Term Extension:	**Combination—Interest Rate Reduction & Term Extension:**																						
Business banking	Business banking	$	41	0.00	%	$	551	0.05	%														
Business banking																							
Business banking											$	—				—	%	$	460				0.04 %
Consumer home equity	Consumer home equity		—	—	%		216	0.02	%	Consumer home equity		—		—		—	%		220		0.02		0.02 %

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Total combination—interest rate reduction & term extension	Total combination—interest rate reduction & term extension	$	41	0.00	%	$	767	0.01	%	Total combination—interest rate reduction & term extension	$	—	—	—	%	$	680	0.00	0.00	%
Combination—Term Extension & Other-than-Insignificant Delay in Repayment:	**Combination—Term Extension & Other-than-Insignificant Delay in Repayment:**																			
Business banking	Business banking	$	—	—	%	$	26	0.00	%											
Residential real estate			—	—	%		141	0.01	%											
Business banking																				
Business banking											$	—		—	%	$	29	0.00		%
Total combination—term extension & other-than-insignificant delay in repayment	Total combination—term extension & other-than-insignificant delay in repayment	$	—	—	%	$	167	0.00	%	Total combination—term extension & other-than-insignificant delay in repayment	$	—	—	—	%	$	29	0.00	0.00	%
Combination—Interest Rate Reduction, Term Extension & Other-than-Insignificant Delay in Repayment	**Combination—Interest Rate Reduction, Term Extension & Other-than-Insignificant Delay in Repayment**																			
Business banking	Business banking	$	—	—	%	$	23	0.00	%											
Business banking																				
Business banking											$	—		—	%	$	131		0.01	%
Total combination—interest rate reduction, term extension & other-than-insignificant delay in repayment										Total combination—interest rate reduction, term extension & other-than-insignificant delay in repayment	$	—		—	%	$	131		0.00	%
Total by portfolio segment																				
Business banking																				
Business banking																				
Business banking											$	165		0.01	%	$	731		0.07	%

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Residential real estate	Residential real estate	—	— %	83	0.00 %	Residential real estate	238	0.01	0.01 %	327	0.01	0.01 %
Consumer home equity						Consumer home equity	671		0.06 %	1,231		0.10 %
Total						**Total**	$1,074		0.01 %	$ 2,289		0.02 %

Total combination—interest rate reduction, term extension & other-than-insignificant delay in repayment	$ —	— %	$ 106	0.00 %
Total by portfolio segment				
Business banking	$ 62	0.01 %	$ 1,016	0.09 %
Residential real estate	2,084	0.08 %	3,046	0.12 %
Consumer home equity	715	0.06 %	2,944	0.25 %
Total	$ 2,861	0.02 %	$ 7,006	0.05 %

The following table describes the financial effect of the modifications made during the three months ended September 30, 2023 March 31, 2024 to borrowers experiencing financial difficulty:

Loan Type	Financial Effect (1)
Interest Rate Reduction	
Business banking	Reduced weighted-average contractual interest rate from 12.7% to 8.5%.
Consumer home equity	Reduced weighted-average contractual interest rate from 8.0% to 4.8% 4.4%.
Other-than-Insignificant Delay in Repayment	
Business banking	Deferred a weighted average of 6 payments. For the principal and interest deferral, the loan was re-amortized over an extended payment period resulting in reduced monthly payment amounts for the borrower.
Residential real estate	Deferred a weighted average of 8 principal and interest payments which were added to the end of the loan life.
Consumer home equity	Deferred a weighted average of 3 7 principal and interest payments which were added to the end of the loan life.
Term Extension	
Business banking	Added a weighted-average 4.8 1.6 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Residential real estate	Added a weighted-average 2.0 years to the life of loans, which reduced monthly payment amounts for the borrowers.

(1) Loans that were modified in more than one manner are included in each modification type corresponding to the type of modifications performed.

The following table describes the financial effect of the modifications made during the nine three months ended September 30, 2023 March 31, 2023 to borrowers experiencing financial difficulty:

Loan Type	Financial Effect (1)
Interest Rate Reduction	
Business banking	Reduced weighted-average contractual interest rate from 9.8% 9.5% to 7.4%.
Residential real estate	Reduced weighted-average contractual interest rate from 5.4% to 3.6% 6.9%.
Consumer home equity	Reduced weighted-average contractual interest rate from 7.4% 7.0% to 4.4%.
Other-than-Insignificant Delay in Repayment	
Business banking	Deferred a weighted average of 2 3 payments. For principal and interest deferrals, the loans were re-amortized over an extended payment period resulting in reduced monthly payment amounts for the borrowers. For interest-only deferrals, interest accrued at the time of the modification was added to the end of the loan life.
Residential real estate	Deferred a weighted average of 8 9 principal and interest payments which were added to the end of the loan life.
Consumer home equity	Deferred a weighted average of 7 6 principal and interest payments which were added to the end of the loan life.
Term Extension	
Business banking	Added a weighted-average 5.1 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Residential real estate	Added a weighted-average 23.7 4.2 years to the life of loans, which reduced monthly payment amounts for the borrowers.
Consumer home equity	Added a weighted-average 17.2 0.6 years to the life of loans, which reduced monthly payment amounts for the borrowers.

(1) Loans that were modified in more than one manner are included in each modification type corresponding to the type of modifications performed.

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As of September 30, 2023 March 31, 2024 no loans to borrowers experiencing financial difficulty modified during the prior twelve months had a payment default during the three months ended March 31, 2024. As of March 31, 2023, no loans to borrowers experiencing financial difficulty modified during the nine three months ended March 31, 2023 had a payment default during the nine three months ended September 30, 2023 March 31, 2023.

Management closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table shows the age analysis of past due loans to borrowers experiencing financial difficulty as of September 30, 2023 that were modified during the nine prior twelve months as of March 31, 2024:

	As of March 31, 2024					
	30-59 Days Past Due	60-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total
	(In thousands)					
Commercial real estate	$ —	$ —	$ —	$ —	$ 10,506	$ 10,506
Business banking	34	—	—	34	700	734
Residential real estate	774	—	36	810	2,778	3,588
Consumer home equity	—	—	400	400	2,527	2,927
Total	$ 808	$ —	$ 436	$ 1,244	$ 16,511	$ 17,755

The following table shows the age analysis of past due loans to borrowers experiencing financial difficulty as of March 31, 2023 that were modified during the three months ended September 30, 2023 March 31, 2023:

	As of September 30, 2023					
	30-59 Days Past Due	60-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total
	(In thousands)					
Business banking	$ 20	$ —	$ —	$ 20	$ 997	$1,017
Residential real estate	113	—	—	113	2,933	3,046
Consumer home equity	—	400	—	400	2,543	2,943
Total	$ 133	$ 400	$ —	$ 533	$6,473	$7,006

	As of March 31, 2023					
	30-59 Days Past Due	60-89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total
	(In thousands)					
Business banking	Business banking	$ 20	$ —	$ —	$ 20	$ 997	$1,017
Residential real estate	Residential real estate	113	—	—	113	2,933	3,046
Consumer home equity	Consumer home equity	—	400	—	400	2,543	2,943
Total	Total	$ 133	$ 400	$ —	$ 533	$6,473	$7,006

As of September 30, 2023 March 31, 2024 and December 31, 2023, there were no additional commitments to lend to borrowers experiencing financial difficulty and which were modified during the three and nine months ended September 30, 2023 March 31, 2024 and the year ended December 31, 2023, respectively, in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant delay in repayment, or a term extension.

Troubled Debt Restructurings ("TDR")

As described previously in *Note 2, "Summary of Significant Accounting Policies,"* the Company adopted ASU 2022-02 on January 1, 2023 which eliminated TDR accounting. Previously, in cases where a borrower experienced financial difficulty and the Company made certain concessionary modifications to contractual terms, the loan was classified as a TDR. The process through which management identified loans as TDR loans, the methodology employed to record any loan losses, and the calculation of any shortfall on collateral dependent loans is described within *Note 2, "Summary of Significant Accounting Policies"* within the Notes to the Consolidated Financial Statements included within the Company's 2022 Form 10-K. The below disclosures regarding TDRs relate to prior periods and were included for comparative purposes.

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The Company's policy was to have any TDR loan which was on non-accrual status prior to being modified remain on non-accrual status for approximately six months subsequent to being modified before management considered its return to accrual status. If the TDR loan was on accrual status prior to being modified, it was reviewed to determine if the modified loan should remain on accrual status.

TDR loan information as of December 31, 2022 and the nine months ended September 30, 2022 was prepared in accordance with GAAP effective for the Company as of December 31, 2022, or prior to the Company's adoption of ASU 2022-02.

The following table shows the TDR loans on accrual and non-accrual status as of December 31, 2022:

	TDRs on Accrual Status		TDRs on Non-Accrual Status		Total TDRs	
	Number of Loans	Balance of Loans	Number of Loans	Balance of Loans	Number of Loans	Balance of Loans
			(Dollars in thousands)			
Commercial and industrial	2	$ 4,449	9	$ 11,317	11	$ 15,766
Business banking	11	4,124	22	2,101	33	6,225
Residential real estate	114	17,618	28	4,016	142	21,634
Consumer home equity	51	2,632	19	1,917	70	4,549
Other consumer	1	11	—	—	1	11
Total	179	$ 28,834	78	$ 19,351	257	$ 48,185

At December 31, 2022, the outstanding recorded investment of loans that were new TDR loans during the year ended December 31, 2022 was $11.0 million. The amount of allowance for loan losses associated with the TDR loans was $1.8 million at December 31, 2022. There were no additional commitments to lend to borrowers who have been party to a TDR as of December 31, 2022.

The following table shows the modifications which occurred during the periods indicated and the change in the recorded investment subsequent to the modifications occurring:

	For the Three Months Ended September 30, 2022			For the Nine Months Ended September 30, 2022		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment (1)	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment (1)
			(Dollars in thousands)			
Commercial and industrial	3	$ 2,997	$ 2,997	4	$ 5,415	$ 5,415
Business banking	9	284	284	20	854	862
Residential real estate	5	1,170	1,170	8	1,899	1,899
Consumer home equity	4	1,236	1,236	6	1,468	1,468
Total	21	$ 5,687	$ 5,687	38	$ 9,636	$ 9,644

(1) The post-modification balances represent the balance of the loan on the date of modification. These amounts may show an increase when modification includes capitalization of interest.

The following table shows the Company's post-modification balance of TDRs listed by type of modification during the periods indicated:

	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2022
	(In thousands)	
Extended maturity	—	997
Adjusted interest rate and extended maturity	123	535
Interest only/principal deferred	—	130
Covenant modification	—	2,418
Principal and interest deferred	2,343	2,343
Extended maturity and interest only/principal deferred	2,997	2,997
Other	224	224
Total	$ 5,687	$ 9,644

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During the nine months ended September 30, 2022, there were no loans that had been modified during the prior 12 months which had subsequently defaulted. The Company considers a loan to have defaulted when it reaches 90 days past due or is transferred to non-accrual. During the nine months ended September 30, 2022, no amounts were charged-off on TDRs modified in the prior 12 months.

Loan Participations

The Company occasionally purchases commercial loan participations or participates in syndications through the SNC Program. These participations meet the same underwriting, credit and portfolio management standards as the Company's other loans and are applied against the same criteria to determine the allowance for loan losses as other loans.

The following table summarizes the Company's loan participations:

		As of and for the Nine Months Ended September 30, 2023			As of and for the Year Ended December 31, 2022		
		Balance	Non-performing Loan Rate (%)	Gross Charge-offs	Balance	Non-performing Loan Rate (%)	Gross Charge-offs
		(Dollars in thousands)					
Commercial and industrial	Commercial and industrial	$1,097,747	— %	$ —	$1,024,131	0.83 %	$ —
Commercial real estate	Commercial real estate	439,872	— %	—	422,042	0.00 %	—
Commercial construction	Commercial construction	135,612	— %	—	96,134	0.00 %	—
Business banking	Business banking	108	— %	—	51	0.00 %	3
Total loan participations	Total loan participations	$1,673,339	— %	$ —	$1,542,358	0.55 %	$ 3

5. Leases

The Company leases certain office space and equipment under various non-cancelable operating leases. These leases have original terms ranging from 1 year 2 years to 25 24 years. Operating lease liabilities and right-of-use ("ROU") assets are recognized at the lease commencement date based upon the present value of the future minimum lease payments over the lease term. Operating lease liabilities are recorded within other liabilities and ROU assets are recorded within other assets in the Company's Consolidated Balance Sheets. The information presented within this Note excludes discontinued operations. operations with regard to information pertaining to the three months ended March 31, 2023. Refer to *Note 19, 15, "Discontinued Operations"* for further discussion regarding discontinued operations.

As of the dates indicated, the Company had the following related to operating leases:

		As of September 30, 2023	As of December 31, 2022
		(In thousands)	
Right-of-use assets	Right-of-use assets	$52,727	$48,817

		As of March 31, 2024	As of March 31, 2024	As of December 31, 2023	As of December 31, 2023
		Balance	Non-performing Loan Rate (%)	Balance	Non-performing Loan Rate (%)
		(Dollars in thousands)		(Dollars in thousands)	

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Lease liabilities	Lease liabilities	55,852	52,105

Finance leases are not material. Finance lease liabilities are recorded within other liabilities and finance ROU assets are recorded within other assets in the Company's Consolidated Balance Sheets.

The following table is a summary of the Company's components of net lease cost for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Operating lease cost	$ 2,974	$ 3,182	$ 8,929	$ 9,670
Finance lease cost	87	77	246	231
Variable lease cost	655	577	1,993	1,914
Total lease cost	$ 3,716	$ 3,836	$ 11,168	$ 11,815

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Operating lease cost	$ 3,100	$ 3,026
Finance lease cost	112	78
Variable lease cost	800	655
Total lease cost	$ 4,012	$ 3,759

During the three and nine months ended September 30, 2023, March 31, 2024 and 2023, the Company made $3.2 million $3.5 million and $9.7 million, respectively, in cash payments for operating and finance lease payments. During the three and nine months ended September 30, 2022, the Company made $3.3 million and $11.8 million, respectively, in cash payments for operating and finance lease payments.

Supplemental balance sheet information related to operating leases are as follows:

	As of September 30, 2023	As of December 31, 2022
Weighted-average remaining lease term (in years)	8.51	7.26
Weighted-average discount rate	3.73 %	2.62 %

The following table sets forth the undiscounted cash flows of base rent related to operating leases outstanding as of September 30, 2023 with payments scheduled over the next five years and thereafter, including a reconciliation to the operating lease liability recognized in other liabilities in the Company's Consolidated Balance Sheets:

	As of September 30, 2023
Year	(In thousands)
Remainder of 2023	$ 3,167
2024	10,183
2025	7,772
2026	6,682
2027	5,543
Thereafter	33,587
Total minimum lease payments	66,934
Less: amount representing interest	11,082
Present value of future minimum lease payments	$ 55,852

	As of March 31, 2024	As of December 31, 2023
Weighted-average remaining lease term (in years)	8.35	8.26
Weighted-average discount rate	3.80 %	3.76 %

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6. Goodwill and Other Intangibles

The table below sets forth the carrying amount of goodwill and other intangible assets, net of accumulated amortization, for the banking business as of the dates indicated below. The information presented within this Note excludes discontinued operations. Refer to *Note 19, "Discontinued Operations"* for further discussion regarding discontinued operations.

	As of September 30, 2023	As of December 31, 2022
	(In thousands)	
Balances not subject to amortization		
Goodwill	$ 557,635	$ 557,635
Balances subject to amortization		
Core deposit intangible (1)	9,074	10,374
Total goodwill and other intangible assets	$ 566,709	$ 568,009

(1) Management performs an assessment of the remaining useful lives of the Company's intangible assets on a quarterly basis to determine if such lives remain appropriate. As a result of the assessment performed during the second quarter of 2023, management reduced the remaining useful life of its core deposit intangible to five years which resulted in an increase in quarterly amortization expense. The effect of the increase on annual amortization expense was not material.

The Company quantitatively assesses goodwill for impairment at the reporting unit level on an annual basis or sooner if an event occurs or circumstances change which might indicate that the fair value of a reporting unit is below its carrying amount. The Company has identified and assigned goodwill to two reporting units - the banking business and insurance agency business. As a result of the decision to sell the insurance agency business, the assets and liabilities of the insurance agency segment were classified as held for sale as of September 30, 2023 and, accordingly, are presented as assets and liabilities of discontinued operations on the Consolidated Balance Sheet. As of September 30, 2023, an impairment assessment was performed as it relates to goodwill and other intangible assets of the insurance agency business reporting unit whereby the agreed upon sales price was compared to the net assets included in the disposal group. As the sales price exceeded the net assets of the disposal group, management concluded the goodwill and intangible assets of the insurance agency business were not impaired as of September 30, 2023.

In accordance with the accounting guidance codified in ASC 350-20, the Company performs a test of goodwill for impairment at least on an annual basis. An assessment is also required to be performed to the extent relevant events and/or circumstances occur which may indicate it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. The failure of several banks in early 2023 led to economic uncertainty and an increase in volatility in the capital markets, particularly in the banking industry. Accordingly, the Company performed a qualitative assessment as of March 31, 2023 which included an assessment of current industry conditions and the impacts of those conditions on the Company's financial position and results of operations. As a result of that assessment, the Company determined it was not more-likely-than-not that the carrying value of goodwill was greater than the fair value as of March 31, 2023. Therefore, a quantitative goodwill impairment test was not considered necessary at that time.

During the second quarter of 2023, as the economic uncertainty impacting the banking industry persisted, the Company exercised the option afforded by ASC 350-20 and bypassed the qualitative assessment, opting to perform the quantitative impairment assessment irrespective of qualitative factors. The assessment included a comparison of the banking business' book value to the implied fair value using a pricing multiple of the Company's tangible book value as well as a comparison of the banking business' book value to its discounted cash flows. The assessment also included a market capitalization analysis. Based upon the assessment, it was determined there was no impairment of the Company's goodwill as of June 30, 2023.

The Company performed its annual assessment for the banking business as of September 30, 2023. Similar to the assessment performed as of June 30, 2023, the assessment included a comparison of the banking business' book value to the implied fair value using a pricing multiple of the Company's tangible book value as well as a comparison of the banking business' book value to its discounted cash flows. The assessment also included a market capitalization analysis. Based upon the assessment, it was determined there was no impairment of the Company's goodwill as of September 30, 2023.

Similarly, other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Management performed a review of the Company's intangible assets as of March 31, 2023, June 30, 2023 and September 30, 2023 in response to the circumstances indicated above. Based upon those reviews, the Company concluded that it was not more-likely-than-not that the carrying amount of the core deposit intangible may not be recoverable. Management had also previously performed an assessment as of December 31, 2022 and determined there was no indication of impairment related to intangible assets.

7. Earnings (Loss) Per Share ("EPS")

Basic EPS represents income/(loss) allocable to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common shares (such as stock options) were exercised or converted into additional common shares that would then share in the earnings of the Company. Diluted EPS is computed by dividing net income/ income (loss) allocable to common shareholders by the weighted-average number of common shares outstanding for the period, plus the effect of potential dilutive common share equivalents computed using the treasury stock method. Shares held by the Employee Stock Ownership Plan ("ESOP") that have not been allocated to employees in accordance with the terms of the ESOP, referred to as "unallocated ESOP shares," are not deemed outstanding for earnings per share calculations.

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	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2023
	(Dollars in thousands, except per share data)	

	For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2024		2024	2023
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
Net income (loss) applicable to common shares:	Net income (loss) applicable to common shares:			
Net income (loss) from continuing operations	Net income (loss) from continuing operations	$ 63,464	$ (94,198)	
Net (loss) income from discontinued operations		(4,351)	7,872	
Net income (loss) from continuing operations				
Net income (loss) from continuing operations				
Net income from discontinued operations				
Total net income (loss)	Total net income (loss)	$ 59,113	$ (86,326)	
Average number of common shares outstanding				
Average number of common shares outstanding				
Average number of common shares outstanding	Average number of common shares outstanding	175,832,085	175,783,313	
Less: Average unallocated ESOP shares	Less: Average unallocated ESOP shares	(13,461,616)	(13,584,155)	
Average number of common shares outstanding used to calculate basic earnings (loss) per common share	Average number of common shares outstanding used to calculate basic earnings (loss) per common share	162,370,469	162,199,158	
Common stock equivalents	Common stock equivalents	99,418	61,345	
Average number of common shares outstanding used to calculate diluted earnings (loss) per common share	Average number of common shares outstanding used to calculate diluted earnings (loss) per common share	162,469,887	162,260,503	
Basic earnings (loss) per common share:	Basic earnings (loss) per common share:			
Basic earnings (loss) per common share:				

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Basic earnings (loss) per common share:					
Earnings (loss) per share from continuing operations	Earnings (loss) per share from continuing operations	$	0.39	$	(0.58)
(Loss) earnings per share from discontinued operations			(0.03)		0.05
Earnings (loss) per share from continuing operations					
Earnings (loss) per share from continuing operations					
Earnings per share from discontinued operations					
Total basic earnings (loss) per share	Total basic earnings (loss) per share	$	0.36	$	(0.53)
Diluted earnings (loss) per common share:	Diluted earnings (loss) per common share:				
Diluted earnings (loss) per common share:					
Diluted earnings (loss) per common share:					
Earnings (loss) per share from continuing operations	Earnings (loss) per share from continuing operations	$	0.39	$	(0.58)
(Loss) earnings per share from discontinued operations			(0.03)		0.05
Earnings (loss) per share from continuing operations					
Earnings (loss) per share from continuing operations					
Earnings per share from discontinued operations					
Total diluted earnings (loss) per share	Total diluted earnings (loss) per share	$	0.36	$	(0.53)

	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2022
	(Dollars in thousands, except per share data)	
Net income applicable to common shares:		
Net income from continuing operations	$ 52,808	$ 145,593
Net income from discontinued operations	1,969	11,872
Total net income	$ 54,777	$ 157,465

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Average number of common shares outstanding	177,677,074	180,764,479
Less: Average unallocated ESOP shares	(13,958,112)	(14,082,257)
Average number of common shares outstanding used to calculate basic earnings per common share	163,718,962	166,682,222
Common stock equivalents	310,687	185,421
Average number of common shares outstanding used to calculate diluted earnings per common share	164,029,649	166,867,643
Basic earnings per common share:		
Earnings per share from continuing operations	$ 0.32	$ 0.87
Earnings per share from discontinued operations	0.01	0.07
Total basic earnings per share	$ 0.33	$ 0.94
Diluted earnings per common share:		
Earnings per share from continuing operations	$ 0.32	$ 0.87
Earnings per share from discontinued operations	0.01	0.07
Total diluted earnings per share	$ 0.33	$ 0.94

8. 7. Low Income Housing Tax Credits and Other Tax Credit Investments

The Community Reinvestment Act ("CRA") encourages banks to meet the credit needs of their communities for housing and other purposes, particularly in neighborhoods with low or moderate income. The Company has primarily invested in separate Low Income Housing Tax Credits ("LIHTC") projects, also referred to as qualified affordable housing projects, which provide the Company with tax credits and operating loss tax benefits over a period of 15 years. The return on these investments is generally generated through tax credits and tax losses. In addition to LIHTC projects, the Company invests in new market tax credit projects that qualify for CRA credits and eligible projects that qualify for renewable energy and historic tax credits.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had $226.8 million $227.7 million and $131.3 million $223.4 million, respectively, in tax credit investments that were included in other assets in the Company's Consolidated Balance Sheets.

When permissible, the Company accounts for its investments in LIHTC projects and other qualifying investments using the proportional amortization method, under which it amortizes the initial cost of the investment in proportion to the amount of the tax credits and other tax benefits received and recognizes that amortization as a component of income tax expense. The net investment in the housing projects is included in other assets in the Company's Company's Consolidated Balance Sheets. The Company will continue to use the proportional amortization method on any new qualifying LIHTC investments.

The following table presents the Company's investments in low income housing projects accounted for using the proportional amortization method for the periods indicated:

	As of September 30, 2023	As of December 31, 2022
	(In thousands)	
Current recorded investment included in other assets	$ 224,445	$ 128,765
Commitments to fund qualified affordable housing projects included in recorded investment noted above	159,230	84,145

	As of March 31, 2024	As of December 31, 2023
	(In thousands)	
Current recorded investment included in other assets	$ 225,565	$ 221,190
Commitments to fund qualified affordable housing projects included in recorded investment noted above	146,354	149,207

The following table presents additional information related to the Company's investments in LIHTC projects for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Tax credits and benefits recognized	Tax credits and benefits recognized	$1,602	$2,333	$8,169	$6,988

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	

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Amortization expense included in income tax (benefit) expense	Amortization expense included in income tax (benefit) expense	745	1,886	6,322	5,616

The Company accounts for certain other investments in renewable energy projects using the equity method of accounting. These investments in renewable energy projects are included in other assets in the Company's Consolidated Balance Sheets and totaled $2.3 million $2.1 million and $2.6 million $2.2 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. There were no outstanding commitments related to these investments as of either September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

9. Shareholders' Equity

Share Repurchases

On November 12, 2021, the Company announced receipt of a notice of non-objection from the Board of Governors of the Federal Reserve System to its previously announced share repurchase program which was approved by the Company's Board of Directors on October 1, 2021. The program authorized the purchase of up to 9,337,900 shares, or 5% of the Company's then-outstanding shares of common stock over a 12-month period. The program was limited to $225.0 million through November 30, 2022. The Company completed the repurchase of the total number of shares authorized through this program during the third quarter of 2022.

On September 7, 2022, the Company announced receipt of a notice of non-objection from the Board of Governors of the Federal Reserve System for a new share repurchase program. The program authorized the purchase of up to 8,900,000 shares, or 5% of the Company's then-outstanding shares of common stock over a 12-month period. The program was limited to $200.0 million through August 31, 2023. This program expired during the three months ended September 30, 2023.

During the nine months ended September 30, 2023, there were no share repurchases. During the three months ended September 30, 2022, the Company repurchased 1,481,248 shares at a weighted average price per share of $19.53. During the nine months ended September 30, 2022, the Company repurchased 8,564,338 shares at a weighted average price per share of $19.92.

Dividends

Information regarding dividends declared and paid is presented in the following table for the periods indicated:

	Dividends Declared per Share	Dividends Declared	Dividends Paid
		(In millions, except per share data)	
Three Months Ended March 31, 2023	$ 0.10	$ 16.3	$ 16.2
Three Months Ended June 30, 2023	0.10	16.4	16.3
Three Months Ended September 30, 2023	0.10	16.4	16.2
Three Months Ended March 31, 2022	$ 0.10	$ 17.1	$ 16.9
Three Months Ended June 30, 2022	0.10	16.7	16.5
Three Months Ended September 30, 2022	0.10	16.5	16.3

10. 8. Employee Benefits

Pension Plans

The Company provides pension benefits for its employees through membership in the Savings Banks Employees' Retirement Association. The plan through which benefits are provided is a noncontributory, qualified defined benefit plan and is referred to as the Defined Benefit Plan. The Company's annual contribution to the Defined Benefit Plan is based upon standards established by the Pension Protection Act. The contribution is based on an actuarial method intended to provide not only for benefits attributable to service to date, but also for those expected to be earned in the future. The Defined Benefit Plan has a plan year end of October 31.

The Company has an unfunded Defined Benefit Supplemental Executive Retirement Plan ("DB SERP") that provides certain Company officers upon their retirement with defined pension benefits in excess of qualified plan limits imposed by U.S. federal tax law. The DB SERP has a plan year end of December 31.

In addition, the Company has an unfunded Benefit Equalization Plan ("BEP") to provide retirement benefits to certain employees whose retirement benefits under the qualified pension plan are limited per the Internal Revenue Code. The BEP has a plan year end of October 31.

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The Company also has an unfunded Outside Directors' Retainer Continuance Plan ("ODRCP") that provides pension benefits to outside directors who retire from service. The ODRCP has a plan year end of December 31. Effective December 31, 2020, the Company closed the ODRCP to new participants and froze benefit accruals for active participants.

Components of Net Periodic Benefit Cost

The components of net pension expense for the plans for the periods indicated are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			

	Three Months Ended March 31,	Three Months Ended March 31,	
	2024	2024	2023
	(In thousands)		
Components of net periodic benefit cost:	Components of net periodic benefit cost:		
Service cost (1)	$6,339 $8,094 $19,016 $24,278		
Service cost			
Service cost			
Service cost			
Interest cost	Interest cost 4,297 2,429 12,893 7,289		
Expected return on plan assets	Expected return on plan assets (7,532) (9,280) (22,596) (27,842)		
Prior service credit	Prior service credit (2,970) (2,971) (8,910) (8,911)		
Recognized net actuarial loss	Recognized net actuarial loss 2,468 2,799 7,404 8,395		
Net periodic benefit cost	Net periodic benefit cost $2,602 $1,071 $ 7,807 $ 3,209		

(1) Includes service costs related to employees of our insurance agency business. Such service costs were included in net (loss) income from discontinued operations as such costs will not continue to be incurred by the Company following the sale of the insurance agency business. All other costs included in the determination of the benefit obligation for the Defined Benefit Plan and the BEP were included in net income (loss) from continuing operations as the Bank will assume the related liability upon dissolution of Eastern Insurance Group following the sale of the insurance agency business. Service costs included in net (loss) income from discontinued operations and included in the above table were $1.5 million and $4.5 million for the three and nine months ended September 30, 2023, respectively, and were $1.9 million and $5.8 million for the three and nine months ended September 30, 2022, respectively.

Except as described above, service costs for the Defined Benefit Plan and the BEP are recognized within salaries and employee benefits in the Consolidated Statements of Income. There were no service costs associated with the DB SERP or ODRCP during the three and nine months ended September 30, 2023 and September 30, 2022 March 31, 2024 or March 31, 2023. The remaining components of net periodic benefit cost are recognized in other noninterest expense in the Consolidated Statements of Income.

In accordance with the Pension Protection Act, the Company was not required to make any contributions to the Defined Benefit Plan for the plan years beginning November 1, 2022 November 1, 2023 and 2021. 2022. Accordingly, during the three and nine months ended September 30, 2023, March 31, 2024 and 2023 there were no contributions made to the Defined Benefit Plan. During the three months ended September 30, 2022 there were no contributions made to the Defined Benefit Plan. The Company made discretionary contributions to the Defined Benefit Plan of $7.2 million during the nine months ended September 30, 2022. Plan.

Rabbi Trust Variable Interest Entities

The Company established rabbi trusts to meet its obligations under certain executive non-qualified retirement benefits and deferred compensation plans and to mitigate the expense volatility of the aforementioned retirement plans. The rabbi trusts are considered variable interest entities ("VIE") as the equity investment at risk is insufficient to permit the trusts to finance their activities without additional subordinated financial support from the Company. The Company is considered the primary beneficiary of the rabbi trusts as it has the power to direct the activities of the rabbi trusts that significantly affect the rabbi trusts' economic performance and it has the obligation to absorb losses of the rabbi trusts that could potentially be significant to the rabbi trusts by virtue of its contingent call options on the rabbi trusts' assets in the event of the Company's bankruptcy. As the primary beneficiary of these VIEs, the Company consolidates the rabbi trust investments. In general, the rabbi trust investments and any earnings received thereon are accumulated, reinvested and used exclusively for trust purposes. These rabbi trust investments consist primarily of cash and cash equivalents, U.S. government agency obligations, equity

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securities, mutual funds and other exchange-traded funds, and are recorded at fair value in other assets in the Company's Consolidated Balance Sheets. Changes in fair value are recorded in noninterest income in the Company's Consolidated Statements of Income.

The following table presents the book value, mark-to-market, and fair value of assets held in rabbi trust accounts by asset type:

	As of September 30, 2023			As of December 31, 2022		
	Book Value	Mark-to-Market	Fair Value	Book Value	Mark-to-Market	Fair Value
Asset Type	(In thousands)					
Cash and cash equivalents	$ 11,420	$ —	$ 11,420	$ 5,575	$ —	$ 5,575
Equities (1)	55,838	6,822	62,660	60,056	3,626	63,682
Fixed income	6,863	(705)	6,158	7,799	(770)	7,029
Total assets	$ 74,121	$ 6,117	$ 80,238	$ 73,430	$ 2,856	$ 76,286

(1) Equities include mutual funds and other exchange-traded funds.

11. Share-Based Compensation

Share-Based Compensation Plan

On November 29, 2021, the shareholders of the Company approved the Eastern Bankshares, Inc. 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 Plan provides for the issuance of up to 26,146,141 shares of common stock pursuant to grants of restricted stock, restricted stock units ("RSUs"), non-qualified stock options and incentive stock options, any or all of which can be granted with performance-based vesting conditions. Under the 2021 Plan, 7,470,326 shares may be issued as restricted stock or RSUs, including those issued as performance shares and performance share units ("PSUs"), and 18,675,815 shares may be issued upon the exercise of stock options. These shares may be awarded from the Company's authorized but unissued shares. However, the 2021 Plan permits the grant of additional awards of restricted stock or RSUs above the aforementioned limit, provided that, for each additional share of restricted stock or RSU awarded in excess of such limit, the pool of shares available to be issued upon the exercise of stock options will be reduced by three shares. Pursuant to the terms of the 2021 Plan, each of the Company's non-employee directors were automatically granted awards of restricted stock on November 30, 2021. Such restricted stock awards vest pro-rata on an annual basis over a five-year period. The maximum term for stock options is ten years.

In May 2023, March 2024, the Company granted to all of the Company's executive officers and certain other employees a total of 47,820 shares of restricted stock to the Company's non-employee directors 416,276 RSUs, which vest after approximately one year pro-rata on an annual basis over a period of three years from the date of grant. In May 2022, the Company granted grant, and a total of 31,559 shares 234,091 PSUs for which vesting is contingent upon the Compensation and Human Capital Management Committee of restricted stock to the Company's non-employee directors which vest Board of Director's certification, after the conclusion of a period approximately one year 2.8 years from the date of grant.

the grant, that the Company has attained a threshold level of certain performance criteria over such period. In March 2023, the Company granted to all of the Company's executive officers and certain other employees a total of 318,577 RSUs, which vest pro-rata on an annual basis over a period of three years from the date of the grant, and a total of 108,984 PSUs for which vesting is contingent upon the Compensation and Human Capital Management Committee of the Board of Director's certification, after the conclusion of a three-year period from the date of the grant, that the Company has attained a threshold level of certain performance criteria over such period. In March 2022, the Company granted to all of the Company's executive officers and certain other employees a total of 978,364 RSUs, which vest pro-rata on an annual basis over a period of three or five years from the date of the grant, and a total of 533,676 PSUs for which vesting is contingent upon the Compensation and Human Capital Management Committee of the Board of Director's certification, after the conclusion of a three-year period from the date of the grant, that the Company has attained a threshold level of certain performance criteria over such period.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were 4,830,074 4,227,107 shares and 5,302,256 4,872,494 shares that remained available for issuance as restricted stock or RSU awards (including those that may be issued as performance shares and PSUs), respectively, and 18,675,815 shares that remained available for issuance upon the exercise of stock options at both dates. As of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, no stock options had been awarded under the 2021 Plan.

The following table summarizes the Company's restricted stock award activity for the periods indicated:

	For the Nine Months Ended September 30,	
	2023	2022

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	For the Three Months Ended March 31,			
	2024			
	Number of Shares	Weighted-Average Grant Price Per Share	Number of Shares	Weighted-Average Grant Price Per Share
Non-vested restricted stock as of the beginning of the respective period	525,460	$ 20.08	683,056	$ 20.13
Granted	47,820	11.50	31,559	19.17
Vested	(28,690)	19.17	—	—
Forfeited	—	—	—	—
Non-vested restricted stock as of the end of the respective period	544,590	$ 19.37	714,615	$ 20.09

During both the three months ended March 31, 2024 and 2023, no RSA awards vested.

The following table summarizes the Company's restricted stock unit activity for the periods indicated:

	For the Nine Months Ended September 30,			
	2023		2022	
	Number of Shares	Weighted-Average Grant Price Per Share	Number of Shares	Weighted-Average Grant Price Per Share
Non-vested restricted stock units as of the beginning of the respective period	972,325	$ 21.08	—	$ —
Granted	318,577	15.63	978,364	21.08
Vested (1)	(231,407)	21.08	—	—
Forfeited	(3,199)	16.72	(6,039)	21.08

	For the Three Months Ended March 31,			
	2024			
	Number of Shares	Weighted-Average Grant Price Per Share	Number of Shares	Weighted-Average Grant Price Per Share
Non-vested restricted stock units as of the beginning of the respective period	972,325	$ 21.08	—	$ —
Granted	318,577	15.63	978,364	21.08
Vested (1)	(231,407)	21.08	—	—
Forfeited	(3,199)	16.72	(6,039)	21.08

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Non-vested restricted stock units as of the end of the respective period	Non-vested restricted stock units as of the end of the respective period	1,056,296	$ 19.45	972,325	$ 21.08

(1) Includes 74,625 98,351 and 74,415 shares withheld upon settlement for employee taxes. taxes for the three months ended March 31, 2024 and 2023, respectively.

During the three months ended March 31, 2024 and 2023, 303,015 and 230,768 RSU awards vested, respectively. Such awards had a grant date fair value of $5.9 million and $4.9 million, respectively.

The following table summarizes the Company's performance stock unit activity for the periods indicated:

	For the Nine Months Ended September 30,			
	2023		2022	
	Number of Shares	Weighted-Average Grant Price Per Share	Number of Shares	Weighted-Average Grant Price Per Share
Non-vested performance stock units as of the beginning of the respective period	Non-vested performance stock units as of the beginning of the respective period	533,676	$ 21.12	—	$ —
Granted	Granted	108,984	10.16	533,676	21.12
Vested	Vested	—	—	—	—
Forfeited	Forfeited	—	—	—	—
Non-vested performance stock units as of the end of the respective period	Non-vested performance stock units as of the end of the respective period	642,660	$ 19.26	533,676	$ 21.12

	For the Three Months Ended March 31,			
	2024			
Performance Stock Units				

	For the Three Months Ended March 31,			
	2024		2023	
Performance Stock Units	Number of Shares	Weighted-Average Grant Price Per Share	Number of Shares	Weighted-Average Grant Price Per Share

During both the nine three months ended September 30, 2023, 28,690 RSA awards vested. Such awards had a grant date fair value of $0.5 million. During the nine months ended September 30, 2022, no awards had vested. During the nine months ended September 30, 2023, 231,407 RSU awards vested. Such awards had a grant date fair value of $4.9 million. As of September 30, 2023, March 31, 2024 and 2023, no PSU awards had vested. As of December 31, 2022, no RSU or PSU awards had vested.

The following table shows share-based compensation expense under the 2021 Plan and the related tax benefit for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022

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	(In millions)			
	Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024	2023
	(In millions)		(In millions)	
Share-based compensation expense	Share-based compensation expense	$3.7	$3.6	$11.4	$8.1
Related tax benefit		1.0	1.0	3.2	2.3
Related tax benefit (1)					

(1) Estimated based upon the Company's statutory rate for the respective period.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there was $32.6 million $31.0 million and $34.6 million $26.8 million, respectively, of total unrecognized compensation expense related to unvested restricted stock awards, restricted stock units and performance stock units granted and issued under the 2021 Plan, as applicable. As of September 30, 2023 March 31, 2024, this cost is expected to be recognized over a weighted average remaining period of approximately 2.5 2.2 years. As of December 31, 2022 December 31, 2023, this cost was expected to be recognized over a weighted average remaining period of approximately 3.3 2.2 years.

12. Income Taxes

The information presented within this Note excludes discontinued operations. Refer to *Note 19, "Discontinued Operations"* for further discussion regarding discontinued operations.

The following table sets forth information regarding the Company's tax provision and applicable tax rates for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Dollars in thousands)			
Combined federal and state income tax (benefit) provision	$ (16,178)	$ 16,650	$ (65,619)	$ 43,681
Effective income tax rate	(34.2)%	24.0 %	41.1 %	23.1 %

The Company recorded a net income tax benefit of $16.2 million and $65.6 million for the three and nine months ended September 30, 2023, respectively, compared to net income tax expense of $16.7 million and $43.7 million for the three and nine months ended September 30, 2022, respectively.

The Company established a $17.4 million valuation allowance in the first quarter of 2023 against the capital loss carryforward deferred tax asset which resulted from the sale of securities for the amount of deferred tax asset management believed was not more-likely-than-not to be realized. The income tax benefit for the three months ended September 30, 2023 was primarily due to the reversal of the remainder of the federal portion of the valuation allowance established in the first quarter of 2023. The amount reversed during the three months ended September 30, 2023 was $14.6 million. As a result of the execution of the agreement to sell the Company's insurance agency business in September 2023 and the determination of the resulting capital gain, management determined it to be more-likely-than-not that the Company will realize federal capital losses related to the securities sale. Consequently, the Company reversed the associated federal valuation allowance previously established as management had determined it was more-likely-than-not that the entirety of the federal deferred tax asset related to the loss on such securities sales would be realized. In addition, the Company recognized an income tax benefit associated with a change in management's estimate of annual pre-tax loss for purposes of determining the Company's income tax provision.

The income tax benefit for the nine months ended September 30, 2023 was primarily due to pretax losses which largely resulted from losses on sales of available for sale securities in the first quarter of 2023. In addition, during the first quarter of 2023, the Company liquidated Market Street Securities Corporation ("MSSC"), a wholly owned subsidiary, and transferred all of MSSC's assets to Eastern Bank. In connection with the liquidation and subsequent transfer of securities previously held by MSSC to Eastern Bank, the Company recognized an additional deferred income tax benefit of $23.7 million during the first quarter of 2023. This deferred income tax benefit resulted from a state tax rate change applied to the deferred tax asset related to the securities transferred to Eastern Bank.

13. 9. Commitments and Contingencies

Financial Instruments with Off-Balance Sheet Risk

In order to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates, the Company is party to financial instruments with off-balance sheet risk in the normal course of business. These financial instruments include commitments to extend credit, standby letters of credit, and forward commitments to sell loans, all of which involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the

Consolidated Balance Sheets. The contract or notional amounts of those instruments reflect the extent of involvement the Company has in each particular class of financial instruments.

Substantially all of the Company's commitments to extend credit, which normally have fixed expiration dates or termination clauses, are contingent upon customers maintaining specific credit standards at the time of loan funding. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. In the event the customer does not perform in accordance with the terms of agreement with the third party, the Company would be required to fund the

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commitment. The maximum potential amount of future payments the Company could be required to make is represented by the contractual amount of the commitment. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. For forward loan sale commitments, the contract or notional amount does not represent exposure to credit loss. The Company does not sell loans with recourse.

The following table summarizes the above financial instruments as of the dates indicated:

	As of September 30, 2023	As of December 31, 2022
	(In thousands)	
	As of March 31, 2024	As of March 31, 2024	As of December 31, 2023
	(In thousands)		(In thousands)
Commitments to extend credit	Commitments to extend credit	$5,920,300	$5,680,438
Standby letters of credit	Standby letters of credit	54,532	65,154
Forward commitments to sell loans	Forward commitments to sell loans	8,495	10,008

Other Contingencies

Legal Proceedings

The Company has been named a defendant in various legal proceedings arising in the normal course of business. In the opinion of management, based on the advice of legal counsel, the ultimate resolution of these proceedings will not have a material effect on the Company's Consolidated Financial Statements.

14.

FDIC Special Assessment

In March 2023, following the closures of Silicon Valley Bank ("SVB") and Signature Bank and the appointment of the FDIC as the receiver for those banks, the FDIC announced that, under the systemic risk exception set forth in the Federal Deposit Insurance Act ("FDIA"), all insured and uninsured deposits of those banks were transferred to the respective bridge banks for SVB and Signature Bank.

The FDIC also announced that, as required by the FDIA, any losses to the Deposit Insurance Fund ("DIF") to support uninsured depositors would be recovered by a special assessment. On November 16, 2023, the FDIC published in the Federal Register its final rule that imposes special assessments to recover the loss to the DIF arising from the protection of uninsured depositors in connection with the systemic risk determination announced in March 2023, following the closures of SVB and Signature Bank, as required by the FDIA. The assessment base for the special assessments is equal to an insured depository institution's ("IDI") estimated uninsured deposits, reported as of December 31, 2022, adjusted to exclude the first $5 billion in estimated uninsured deposits from the IDI, or for IDIs that are part of a holding company with one or more subsidiary IDIs, at the banking organization level. The final rule calls for the FDIC to collect special assessments at an annual rate of approximately 13.4 basis points, over eight quarterly assessment periods. Because the estimated loss pursuant to the systemic risk determination will be periodically adjusted, the FDIC retains the ability to cease collection early, extend the special assessment collection period one or more quarters beyond the initial eight-quarter collection period to collect the difference between actual or estimated losses and the amounts collected, and impose a final shortfall special assessment on a one-time basis after the receiverships for SVB and Signature Bank terminate. The final rule set an effective date of April 1, 2024, with special assessments collected beginning with the first quarterly assessment period of 2024 (i.e., January 1 through March 31, 2024, with an invoice payment date of June 28, 2024).

The Company, based on the FDIC's November 2023 final rule regarding a special assessment, determined that the total pre-tax amount of the Bank's special assessment will be approximately $10.8 million although the timing, amount and allocation of that special assessment remain subject to any actions by the FDIC, as described above, to cease collection early, extend the collection period, and impose a final shortfall special assessment. In accordance with *ASC 450, Contingencies*, the Company recognized the special assessment estimate of $10.8 million in full upon finalization of the rule in the fourth quarter of 2023.

In February 2024, the Company received notification from the FDIC that the estimated loss attributable to the protection of uninsured depositors at SVB and Signature Bank is $20.4 billion, an increase of approximately $4.1 billion from its estimate of $16.3 billion described in the final rule. The FDIC plans to provide institutions subject to the special assessment an updated estimate of each institution's quarterly and total special assessment expense with its first quarter 2024 special assessment invoice, to be released in June 2024. The amount of any incremental loss to the Company, over and above the amount accrued by the Company as of December 31, 2023, associated with the FDIC's final loss estimate is not reasonably estimable at March 31, 2024. Therefore, no additional amounts were accrued for by the Company as of March 31, 2024.

10. Derivative Financial Instruments

The Company uses derivative financial instruments to manage its interest rate risk resulting from the differences in the amount, timing, and duration of known or expected cash receipts and known or expected cash payments. Additionally, the Company enters into interest rate derivatives and foreign exchange contracts to accommodate the business requirements of its customers ("customer-related positions") and risk participation agreements entered into as financial guarantees of performance on customer-related interest rate swap derivatives. The Company also enters into residential mortgage loan commitments to fund mortgage loans at specified rates and times in the future and enters

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into forward sale commitments to sell such residential mortgage loans at specified prices and times in the future, both of which are considered derivative instruments. Derivative instruments are carried at fair value in the Company's Consolidated Financial Statements. The accounting for changes in the fair value of a derivative instrument is dependent upon whether or not the instrument qualifies as a hedge for accounting purposes, and further, by the type of hedging relationship.

By using derivatives, the Company is exposed to credit risk to the extent that counterparties to the derivative contracts do not perform as required. Should a counterparty fail to perform under the terms of a derivative contract, the Company's credit exposure on interest rate swaps is limited to the net positive fair value and accrued interest of all swaps with each counterparty plus any initial margin collateral posted. The Company seeks to minimize counterparty credit risk through credit approvals, limits, monitoring procedures, and obtaining collateral, where appropriate. As such, management believes the risk of incurring credit losses on derivative contracts with those counterparties is remote. The Company's discounting methodology and interest calculation of cash margin uses the Secured Overnight Financing Rate, or SOFR, for U.S. dollar cleared interest rate swaps.

Interest Rate Positions

An interest rate swap is an agreement whereby one party agrees to pay a floating rate of interest on a notional principal amount in exchange for receiving a fixed rate of interest on the same notional amount, for a predetermined period of time, from a second party. The amounts relating to the notional principal amount are not actually exchanged. The Company has entered into interest rate swaps in which it pays floating and receives fixed interest in order to manage its interest rate risk exposure to the variability in interest cash flows on certain floating-rate loans. Such interest rate swaps include those which effectively convert the floating rate one-month SOFR or overnight indexed swap rate, or prime rate interest payments received on the loans to a fixed rate and consequently reduce the Company's exposure to variability in short-term interest rates. For interest rate swaps that are accounted for as cash flow hedges, changes in fair value are included in other comprehensive income and reclassified into net income in the same period or periods during which the hedged forecasted transaction affects net

income. The following tables reflect the Company's derivative positions for interest rate swaps which qualify as cash flow hedges for accounting purposes as of the dates indicated:

As of September 30, 2023

	Notional Amount	Weighted Average Maturity	Weighted Average Rate: Current Rate Paid	Weighted Average Rate: Receive Fixed Swap Rate	Fair Value (1)
	(In thousands)	(In Years)			(In thousands)
As of March 31, 2024					
Interest rate swaps on loans	$2,400,000	3.82	5.32 %	3.02 %	$ (351)
Total	$2,400,000				$ (351)

As of March 31, 2024

	Notional Amount	Weighted Average Maturity	Weighted Average Rate: Current Rate Paid	Weighted Average Rate: Receive Fixed Swap Rate	Fair Value (1)
	(In thousands)	(In Years)			(In thousands)
Interest rate swaps on loans	$2,400,000	3.82	5.32 %	3.02 %	$ (351)
Total	$2,400,000				$ (351)

(1) The fair value included a net accrued interest payable balance of $2.5 million $2.6 million as of September 30, 2023 March 31, 2024. In addition, the fair value includes netting adjustments which represent the amounts recorded to convert derivative assets and liabilities cleared through the Chicago Mercantile Exchange, or CME, from a gross basis to a net basis in accordance with applicable accounting guidance.

As of December 31, 2022

	Notional Amount	Weighted Average Maturity	Weighted Average Rate: Current Rate Paid	Weighted Average Rate: Receive Fixed Swap Rate	Fair Value (1)

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		(In thousands)	(In Years)			(In thousands)
As of December 31, 2023						
				Weighted Average Rate		
		Notional Amount				
		Notional Amount				
		Notional Amount				
	(In thousands)					
Interest rate swaps on loans	Interest rate swaps on loans	$2,400,000	4.57	4.07 %	3.02 %	$ (2,401)
Total	Total	$2,400,000				$ (2,401)

As of December 31, 2023					
	Weighted Average Maturity		Current Rate Paid	Receive Fixed Swap Rate	Fair Value (1)
(In thousands)		(In Years)			(In thousands)

(1) The fair value included a net accrued interest payable balance of $1.5 million $2.6 million as of December 31, 2022 December 31, 2023. In addition, the fair value includes netting adjustments which represent the amounts recorded to convert derivative assets and liabilities cleared through the CME from a gross basis to a net basis in accordance with applicable accounting guidance.

The maximum amount of time over which the Company is currently hedging its exposure to the variability in future cash flows of forecasted transactions related to the receipt of variable interest on existing financial instruments is 4 3.5 years.

The Company expects approximately $54.1 million $44.9 million will be reclassified into interest income, as a reduction of such income, from other comprehensive income related to the Company's active cash flow hedges in the next 12 months as of September 30, 2023 March 31, 2024. The reclassification is due to anticipated net payments on the swaps based upon the forward curve as of September 30, 2023 March 31, 2024.

The Company discontinues cash flow hedge accounting if it is probable the forecasted hedged transactions will not occur in the initially identified time period. At such time, the associated gains and losses deferred in accumulated other comprehensive income ("AOCI") are reclassified immediately into earnings and any subsequent changes in the fair value of such derivatives are recognized directly in earnings.

The following table presents the pre-tax impact of terminated cash flow hedges on AOCI for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Unrealized gains on terminated hedges included in AOCI – beginning of respective period	$ —	$ 1,850	$ 46	$ 10,239
Unrealized gains on terminated hedges arising during the period	—	—	—	—
Reclassification adjustments for amortization of unrealized gains into net income	—	(1,263)	(46)	(9,652)
Unrealized gains on terminated hedges included in AOCI – end of respective period	$ —	$ 587	$ —	$ 587

Customer-Related Positions

Interest rate swaps offered to commercial customers do not qualify as hedges for accounting purposes. These swaps allow the Company to retain variable rate commercial loans while allowing the commercial customer to synthetically fix the loan rate by entering into a variable-to-fixed rate interest rate swap. The Company believes that its exposure to commercial customer derivatives is limited to non-performance by either the customer or the dealer because these contracts are simultaneously matched at inception with an offsetting transaction.

Risk participation agreements are entered into as financial guarantees of performance on interest rate swap derivatives. The purchased (asset) or sold (liability) guarantee allow the Company to participate-out (fee paid) or participate-in (fee received) the risk associated with certain derivative positions executed with the borrower by the lead bank in a customer-related interest rate swap derivative.

Foreign exchange contracts consist of those offered to commercial customers and those entered into to hedge the Company's foreign currency risk associated with a foreign-currency loan. Neither qualifies as a hedge for accounting purposes. These commercial customer derivatives are offset with matching derivatives with correspondent-bank

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counterparties in order to minimize foreign exchange rate risk to the Company. Exposure with respect to these derivatives is largely limited to non-performance by either the customer or the other counterparty. Neither the Company nor the correspondent-bank counterparty

are required to post collateral but each has established foreign-currency transaction limits to manage the exposure risk. The Company requires its customers to post collateral to minimize risk exposure.

The following tables present the Company's customer-related derivative positions as of the dates indicated below for those derivatives not designated as hedging:

		September 30, 2023	
		Number of Positions	Total Notional
		(Dollars in thousands)	
	March 31, 2024		
	Number of Positions		
	(Dollars in thousands)		
Interest rate swaps	Interest rate swaps	376	$2,478,858
Risk participation agreements	Risk participation agreements	73	267,812
Foreign exchange contracts:	Foreign exchange contracts:		
Matched commercial customer book	Matched commercial customer book	92	45,145
Matched commercial customer book	Matched commercial customer book		
Foreign currency loan	Foreign currency loan	6	11,553

		December 31, 2022	
		Number of Positions	Total Notional
		(Dollars in thousands)	
	December 31, 2023		
	Number of Positions		
	(Dollars in thousands)		
Interest rate swaps	Interest rate swaps	382	$2,404,003
Risk participation agreements	Risk participation agreements	63	241,029
Foreign exchange contracts:	Foreign exchange contracts:		
Matched commercial customer book	Matched commercial customer book	32	7,877
Matched commercial customer book			

	March 31, 2024	
Number of Positions	Total Notional	
	(Dollars in thousands)	

	December 31, 2023	
Number of Positions	Total Notional	
	(Dollars in thousands)	

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Matched commercial customer book			
Foreign currency loan	Foreign currency loan	5	13,948

The level of interest rate swaps, risk participation agreements and foreign currency exchange contracts at the end of each period noted above was commensurate with the activity throughout those periods.

The table below presents the fair value of the Company's derivative financial instruments, as well as their classification on the Consolidated Balance Sheets for the periods indicated:

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Fair Value at September 30, 2023	Fair Value at December 31, 2022	Balance Sheet Location	Fair Value at September 30, 2023	Fair Value at December 31, 2022
	(In thousands)					
Derivatives designated as hedging instruments	**Derivatives designated as hedging instruments**					
Interest rate swaps						
Interest rate swaps						
Interest rate swaps	Interest rate swaps	Other assets	$ 15	$ 16	Other liabilities	$ 367	$ 2,417
Derivatives not designated as hedging instruments	**Derivatives not designated as hedging instruments**					
Customer-related positions:	Customer-related positions:					
Customer-related positions:						
Customer-related positions:						
Interest rate swaps						
Interest rate swaps						
Interest rate swaps	Interest rate swaps	Other assets	$25,236	$23,567	Other liabilities	$92,409	$78,577
Risk participation agreements	Risk participation agreements	Other assets	47	78	Other liabilities	45	130

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	Fair Value at March 31, 2024	Fair Value at December 31, 2023	Balance Sheet Location	Fair Value at March 31, 2024	Fair Value at December 31, 2023
	(In thousands)					
Derivatives designated as hedging instruments	**Derivatives designated as hedging instruments**					
Interest rate swaps						
Interest rate swaps						
Interest rate swaps	Interest rate swaps	Other assets	$ 15	$ 16	Other liabilities	$ 367	$ 2,417
Derivatives not designated as hedging instruments	**Derivatives not designated as hedging instruments**					
Customer-related positions:	Customer-related positions:					
Customer-related positions:						
Customer-related positions:						
Interest rate swaps						
Interest rate swaps						
Interest rate swaps	Interest rate swaps	Other assets	$25,236	$23,567	Other liabilities	$92,409	$78,577
Risk participation agreements	Risk participation agreements	Other assets	47	78	Other liabilities	45	130

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Foreign currency exchange contracts - matched customer book	Foreign currency exchange contracts - matched customer book	Other assets	785	198	Other liabilities	763	205
Foreign currency exchange contracts - foreign currency loan	Foreign currency exchange contracts - foreign currency loan	Other assets	261	2	Other liabilities	1	93
			$26,329	$23,845		$93,218	$79,005
		$					
Total	Total		$26,344	$23,861		$93,585	$81,422

The table below presents the net effect of the Company's derivative financial instruments on the Consolidated Income Statements as well as the effect of the Company's derivative financial instruments included in other comprehensive income ("OCI") as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Derivatives designated as hedges:				
Loss in OCI on derivatives	$ (29,022)	$ (72,667)	$ (66,168)	$ (71,182)
(Loss) gain reclassified from OCI into interest income (effective portion)	$ (13,723)	$ 3,755	$ (34,557)	$ 12,797
Gain recognized in income on derivatives (ineffective portion and amount excluded from effectiveness test)				
Interest income	—	—	—	—
Other income	—	—	—	—
Total	$ —	$ —	$ —	$ —
Derivatives not designated as hedges:				
Customer-related positions:				
Gain recognized in interest rate swap income	$ 910	$ 1,035	$ 770	$ 4,760
Gain recognized in interest rate swap income for risk participation agreements	25	38	54	186
Gain (loss) recognized in other income for foreign currency exchange contracts:				
Matched commercial customer book	9	(1)	29	(1)
Foreign currency loan	503	(136)	351	9
Total gain for derivatives not designated as hedges	$ 1,447	$ 936	$ 1,204	$ 4,954

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Derivatives designated as hedges:		
(Loss) gain in OCI on derivatives	$ (39,555)	$ 19,747
Loss reclassified from OCI into interest income (effective portion)	$ (14,041)	$ (8,905)
Gain recognized in income on derivatives (ineffective portion and amount excluded from effectiveness test)		
Interest income	—	—
Other income	—	—

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Total	$ —	$ —
Derivatives not designated as hedges:		
Customer-related positions:		
Gain (loss) recognized in interest rate swap income	$ 135	$ (530)
(Loss) gain recognized in interest rate swap income for risk participation agreements	(42)	21
Gain recognized in other income for foreign currency exchange contracts:		
Matched commercial customer book	50	14
Foreign currency loan	222	136
Total gain (loss) for derivatives not designated as hedges	$ 365	$ (359)

The Company has agreements with its customer-related interest rate swap derivative counterparties that contain a provision whereby if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations.

The Company also has agreements with certain of its customer-related interest rate swap derivative correspondent-bank counterparties that contain a provision whereby if the Company fails to maintain its status as a well-capitalized institution, then the counterparty could terminate the derivative positions and the Company would be required to settle its obligations under the agreements.

The Company's exposure related to its customer-related interest rate swap derivatives consists of exposure on cleared derivative transactions and exposure on non-cleared derivative transactions.

Cleared derivative transactions are with the Chicago Mercantile Exchange, or CME, and exposure is settled to market daily, with additional credit exposure related to initial-margin collateral pledged to CME at trade execution. At September 30, 2023, both March 31, 2024 and December 31, 2023 the Company had exposure to CME for settled variation margin in excess of the customer-related and non-customer-related interest rate swap termination values value of $0.1 million. At December 31, 2022, the Company had no exposure to CME for settled variation margin in excess of the customer-related and non-customer-related interest rate swap termination values. $0.4 million. In addition, at September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, the Company had posted initial-margin collateral in the form of U.S. Treasury notes amounting to $84.2 million and $84.1 million, respectively, $85.9 million to CME for these derivatives. The U.S. Treasury notes were considered restricted assets and were included in available for sale securities within the Company's Consolidated Balance Sheets.

At both September 30, 2023 and December 31, 2022 March 31, 2024 there were no customer-related interest rate swap derivatives with credit-risk contingent features in a net liability position. At December 31, 2023, there were no $1.9 million of customer-related interest rate swap derivatives with credit-risk contingent features in a net liability position. The Company has minimum collateral posting thresholds with its customer-related interest rate swap derivative correspondent-bank counterparties to the extent that the Company has a liability position with the correspondent-bank counterparties. At both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had posted collateral in the form of cash amounting to $1.0 million $1.4 million and $3.0 million, respectively, which was considered to be a restricted asset and was included in other short-term investments within the Company's Consolidated Balance Sheets. If the Company had breached any of these provisions at September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023, it would have been required to settle its obligations under the agreements at the termination value. In addition, the Company had cross-default provisions with its commercial customer loan agreements which provide cross-collateralization with the customer loan collateral.

Mortgage Banking Derivatives

The Company enters into residential mortgage loan commitments in connection with its consumer mortgage banking activities to fund mortgage loans at specified rates and times in the future. In addition, the Company enters into forward sale commitments to sell such residential mortgage loans at specified prices and times in the future. These commitments are short-term in nature and generally expire in 30 to 60 days. The residential mortgage loan commitments that relate to the origination of mortgage loans that will be held for sale and the related forward sale commitments are considered derivative instruments under ASC Topic 815, *"Derivatives and Hedging"* and are reported at fair value. Changes in fair value are reported in earnings and included in other non-interest income on the Consolidated Statements of Income. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had an outstanding notional balance of residential mortgage loan origination commitments of $12.2 million $9.1 million and $8.3 million $10.5 million, respectively, and forward sale commitments of $8.5 million $8.0 million and $10.0 million $9.2 million, respectively. During both the three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, the Company recorded net losses related to the change in fair value of commitments to originate and sell mortgage loans of less than $0.1 million. During the nine months ended September 30, 2023 and September 30, 2022, the Company recorded net losses related to the change in fair value of commitments to originate and sell mortgage loans of $0.1 million and $0.2 million, respectively. The aggregate fair value of for both the Company's mortgage banking derivative asset and liability as of both September 30, 2023 March 31, 2024 was less than $0.1 million. The aggregate fair value of the Company's mortgage banking derivative asset and December 31, 2022 liability as of December 31, 2023 was $0.1 million. and less than $0.1 million, respectively. Mortgage banking derivative assets and liabilities are included in other assets and other liabilities, respectively, in the Consolidated Balance Sheets. Residential mortgages sold are generally sold with servicing rights released. Mortgage banking derivatives do not qualify as hedges for accounting purposes.

15. 11. Balance Sheet Offsetting

Certain financial instruments, including derivatives, may be eligible for offset in the Consolidated Balance Sheets and/or subject to master netting arrangements or similar agreements. The Company's derivative transactions with upstream financial institution counterparties are generally executed under International Swaps and Derivative Association master agreements which include "right of set-off" provisions. In such cases there is generally a legally enforceable right to offset recognized amounts. However, the

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Company does not offset fair value amounts recognized for derivative instruments. The Company nets the amount recognized for the right to reclaim cash collateral against the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement. Collateral legally

required to be maintained at dealer banks by the Company is monitored and adjusted as necessary. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, it was determined that no additional collateral would have to be posted to immediately settle these instruments.

The following tables present the Company's asset and liability positions that were eligible for offset and the potential effect of netting arrangements on its Consolidated Balance Sheet, as of the dates indicated:

		As of September 30, 2023						
		Gross Amounts Recognized	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet			Net Amount
					Financial Instruments	Collateral Pledged/ (Received)		
		(In thousands)						
Derivative Assets	**Derivative Assets**							
Interest rate swaps	Interest rate swaps	$ 15	$ —	$ 15	$ —	$ —	$ 15	
Interest rate swaps	Interest rate swaps							
Customer-related positions:	Customer-related positions:							
Interest rate swaps	Interest rate swaps							
Interest rate swaps	Interest rate swaps	25,236	—	25,236	321	(16,900)	8,015	
Risk participation agreements	Risk participation agreements	47	—	47	—	—	47	
Foreign currency exchange contracts – matched customer book	Foreign currency exchange contracts – matched customer book	785	—	785	—	—	785	

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Foreign currency exchange contracts – foreign currency loan	Foreign currency exchange contracts – foreign currency loan	261	—	261	—	—	261
		$ 26,344	$ —	$ 26,344	$321	$(16,900)	$ 9,123
	$						
Derivative Liabilities	**Derivative Liabilities**						
Interest rate swaps							
Interest rate swaps							
Interest rate swaps	Interest rate swaps	$ 367	$ —	$ 367	$ —	$ 367	$ —
Customer-related positions:	Customer-related positions:						
Interest rate swaps	Interest rate swaps	92,409	—	92,409	321	—	92,088
Interest rate swaps							
Interest rate swaps							
Risk participation agreements	Risk participation agreements	45	—	45	—	—	45
Foreign currency exchange contracts – matched customer book	Foreign currency exchange contracts – matched customer book	763	—	763	—	—	763
Foreign currency exchange contracts – foreign currency loan		1	—	1	—	—	1
		$ 93,585	$ —	$ 93,585	$321	$ 367	$92,897
	$						

		As of December 31, 2022					
		Gross Amounts Recognized	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet		Net Amount
		As of December 31, 2023					
	Gross Amounts Recognized						Gross Amount Recogniz

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Description	Description	Gross Amounts Recognized	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet	Financial Instruments	Collateral Pledged/ (Received)	Net Amount
		(In thousands)	(In thousands)	(In thousands)	(In thousands)	(In thousands)	
Derivative Assets	**Derivative Assets**						
Interest rate swaps	Interest rate swaps	$ 16	$ —	$ 16	$ —	$ —	$ 16
Interest rate swaps							
Interest rate swaps							
Customer-related positions:	Customer-related positions:						
Interest rate swaps							
Interest rate swaps							
Interest rate swaps							
Risk participation agreements							
Foreign currency exchange contracts – matched customer book							
	$						
Derivative Liabilities							
Interest rate swaps							
Interest rate swaps							
Interest rate swaps							
Customer-related positions:							
Interest rate swaps							
Interest rate swaps							
Interest rate swaps	Interest rate swaps	23,567	—	23,567	381	(14,430)	8,756
Risk participation agreements	Risk participation agreements	78	—	78	—	—	78
Foreign currency exchange contracts – matched customer book	Foreign currency exchange contracts – matched customer book	198	—	198	—	—	198

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Foreign currency exchange contracts – foreign currency loan	Foreign currency exchange contracts – foreign currency loan	2	—	2	—	—	2
		$ 23,861	$ —	$ 23,861	$381	$(14,430)	$ 9,050
Derivative Liabilities							
Interest rate swaps		$ 2,417	$ —	$ 2,417	$ —	$ 2,417	$ —
Customer-related positions:							
Interest rate swaps		78,577	—	78,577	381	—	78,196
Risk participation agreements		130	—	130	—	—	130
Foreign currency exchange contracts – matched customer book		205	—	205	—	—	205
Foreign currency exchange contracts – foreign currency loan		93	—	93	—	—	93
		$ 81,422	$ —	$ 81,422	$381	$ 2,417	$78,624
	$						

16. 12. Fair Value of Assets and Liabilities

ASC 820 "*Fair Value Measurements and Disclosures*" ("ASC 820") defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date. Market participants are buyers and sellers in the principal market that are independent, knowledgeable, able and willing to transact. ASC 820 also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require unobservable inputs that reflect the Company's own assumptions that are significant to the fair value measurement.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in

determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company uses fair value measurements to record adjustments to certain assets and liabilities and to determine fair value disclosures. Fair value is best determined based upon quoted market prices. However, in many instances, there are no

quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that the Company believes market participants would use in pricing the asset or

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liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or from Level 2 to Level 3.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no active market exists for a portion of the Company's financial instruments, fair value estimates are based on judgements regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgement, and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The following methods and assumptions were used by the Company in estimating fair value disclosures:

Cash and Cash Equivalents

For these financial instruments, which have original maturities of 90 days or less, their carrying amounts reported in the Consolidated Balance Sheets approximate fair value.

Securities

Securities consisted of U.S. Treasury securities, U.S. Agency bonds, U.S. government-sponsored residential and commercial mortgage-backed securities, and state and municipal bonds, and other debt securities. bonds. AFS securities are recorded at fair value.

The Company's U.S. Treasury securities are traded on active markets and therefore these securities were classified as Level 1.

The fair value of U.S. Agency bonds were evaluated using relevant trade data, benchmark quotes and spreads obtained from publicly available trade data, and generated on a price, yield or spread basis as determined by the observed market data. Therefore, these securities were categorized as Level 2 given the use of observable inputs.

The fair value of U.S. government-sponsored residential and commercial mortgage-backed securities were estimated using either a matrix or benchmarks. The inputs used include benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. Therefore, these securities were categorized as Level 2 given the use of observable inputs.

The fair value of state and municipal bonds were estimated using a valuation matrix with inputs including observable bond interest rate tables, recent transactions, and yield relationships. Therefore, these securities were categorized as Level 2 given the use of observable inputs.

The fair value of other debt securities, which were held at December 31, 2022 and had matured as of September 30, 2023, were estimated using a valuation matrix with inputs including observable bond interest rate tables, recent transactions, and yield relationships. Therefore, these securities were categorized as Level 2 given the use of observable inputs.

Fair value was based on the value of one unit without regard to any premium or discount that may result from concentrations of ownership of a financial instrument, possible tax ramifications, or estimated transaction costs.

Loans Held for Sale

The fair value of loans held for sale, whose carrying amounts approximate fair value, was estimated using the anticipated market price based upon pricing indications provided by investor banks. These assets were classified as Level 2 given the use of observable inputs.

Loans

The fair value of commercial construction, commercial and industrial lines of credit, and certain other consumer loans was estimated by discounting the contractual cash flows using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

For commercial, commercial real estate, residential real estate, automobile, and consumer home equity loans, fair value was estimated by discounting contractual cash flows adjusted for prepayment estimates using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

Loans are classified as Level 3 since the valuation methodology utilizes significant unobservable inputs. Loans that are deemed to be collateral-dependent, as described in *Note 2, "Summary of Significant Accounting Policies"* within the Notes to the Consolidated Financial Statements included within the Company's 2022 2023 Form 10-K, were recorded at the fair value of the underlying collateral.

FHLB Stock

The fair value of FHLB stock approximates the carrying amount based on the redemption provisions of the FHLB. These assets were classified as Level 2.

Rabbi Trust Investments

Rabbi trust investments consisted primarily of cash and cash equivalents, U.S. government agency obligations, equity securities, mutual funds and other exchange-traded funds, and were recorded at fair value and included in other assets. The purpose of these rabbi trust investments is to fund certain executive non-qualified retirement benefits and deferred compensation.

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The fair value of other U.S. government agency obligations was estimated using either a matrix or benchmarks. The inputs used include benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. These securities were categorized as Level 2 given the use of observable inputs. The equity securities, mutual funds and other exchange-traded funds were valued based on quoted prices from the market. The equities, mutual funds and exchange-traded funds traded in an active market were categorized as Level 1 as they were valued based upon quoted prices from the market. Mutual funds at net asset value amounted to $44.2 million $47.2 million at September 30, 2023 March 31, 2024 and $38.9 million $48.9 million at December 31, 2022 December 31, 2023. There were no redemption restrictions on these mutual funds at the end of any period presented.

Bank-Owned Life Insurance

The fair value of bank-owned life insurance was based upon quotations received from bank-owned life insurance dealers. These assets were classified as Level 2 given the use of observable inputs.

Deposits

The fair value of deposits with no stated maturity, such as noninterest-bearing demand deposits, savings, interest checking accounts, and money market accounts, was equal to their carrying amount. The fair value of time deposits was based on the discounted value of contractual cash flows using current market interest rates. Deposits were classified as Level 2 given the use of observable market inputs.

The fair value estimates of deposits do not include the benefit that results from the low-cost funding provided by the deposit liabilities compared to the cost of borrowing funds in the wholesale market (core deposit intangibles).

FHLB Advances

The fair value of FHLB advances was based on the discounted value of contractual cash flows. The discount rates used are representative of approximate rates currently offered on instruments with similar remaining maturities. FHLB advances were classified as Level 2.

Escrow Deposits of Borrowers

The fair value of escrow deposits of borrowers, which have no stated maturity, approximates the carrying amount. Escrow deposits of borrowers were classified as Level 2.

Interest Rate Swap Collateral Funds

The fair value of interest rate swap collateral funds approximates the carrying amount. Interest rate swap collateral funds were classified as Level 2.

Interest Rate Swaps

The fair value of interest rate swaps was determined using discounted cash flow analysis on the expected cash flows of the interest rate swaps. This analysis reflects the contractual terms of the interest rate swaps, including the period of maturity, and uses observable market-based inputs, including interest rate curves and implied volatility. In addition, for customer-related interest rate swaps, the analysis reflects a credit valuation adjustment to reflect the Company's own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements. The majority of inputs used to value the Company's interest rate swaps fall within Level 2 of the fair value hierarchy, but the credit valuation adjustments associated with the interest rate swaps utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. However, at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the impact of the Level 3 inputs on the overall valuation of the interest rate swaps was deemed insignificant to the overall valuation. As a result, the interest rate swaps were categorized as Level 2 within the fair value hierarchy.

Risk Participations

The fair value of risk participations was determined based upon the total expected exposure of the derivative which considers the present value of cash flows discounted using market-based inputs and were therefore categorized as Level 2 within the fair value hierarchy. The fair value also included a credit valuation adjustment which evaluates the credit risk of the counterparties by considering factors such as the likelihood of default by the counterparties, its net exposures, the remaining contractual life, as well as the amount of collateral securing the position. The change in value of derivative assets and liabilities attributable to credit risk was not significant during the reported periods.

Foreign Currency Forward Contracts

The fair values of foreign currency forward contracts were based upon the remaining expiration period of the contracts and bid quotations received from foreign exchange contract dealers and were categorized as Level 2 within the fair value hierarchy.

Mortgage Derivatives

The fair value of mortgage derivatives is determined based upon current market prices for similar assets in the secondary market and, therefore are classified as Level 2 within the fair value hierarchy.

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Fair Value of Assets and Liabilities Measured on a Recurring Basis

The following tables present the balances of assets and liabilities measured at fair value on a recurring basis as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		Fair Value Measurements at Reporting Date Using		
Description	Balance as of September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Assets				
Securities available for sale				
Government-sponsored residential mortgage-backed securities	$2,700,630	$ —	$2,700,630	$ —
Government-sponsored commercial mortgage-backed securities	1,089,120	—	1,089,120	—
U.S. Agency bonds	207,965	—	207,965	—
U.S. Treasury securities	93,219	93,219	—	—
State and municipal bonds and obligations	170,584	—	170,584	—
Rabbi trust investments	80,238	74,080	6,158	—
Loans held for	23,892	—	23,892	—

		Fair Value Measurements at Reporting Date Using		
Description	Balance as of March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
	(In thousands)			
Assets				
Securities available for sale				
Securities available for sale				
Government-sponsored residential mortgage-backed securities				
Government-sponsored residential mortgage-backed securities				
Government-sponsored residential mortgage-backed securities				
Government-sponsored commercial mortgage-backed securities				
U.S. Agency bonds				
U.S. Treasury securities				
State and municipal bonds and obligations				
Rabbi trust investments				
Loans held for				
Loans held	2,204	—	2,204	

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sale	sale					for sale					
Interest rate swap contracts	Interest rate swap contracts										
Cash flow hedges - interest rate positions	Cash flow hedges - interest rate positions	15	—	15	—						
Cash flow hedges - interest rate positions											
Cash flow hedges - interest rate positions											
Customer-related positions	Customer-related positions	25,236	—	25,236	—						
Risk participation agreements	Risk participation agreements	47	—	47	—						
Foreign currency forward contracts	Foreign currency forward contracts										
Matched customer book											
Matched customer book											
Matched customer book	Matched customer book	785	—	785	—						
Foreign currency loan	Foreign currency loan	261	—	261	—						
Mortgage derivatives	Mortgage derivatives	68	—	68	—						
Total	Total	$4,392,060	$ 167,299	$4,224,761	$ —						
Liabilities	**Liabilities**										
Interest rate swap contracts	Interest rate swap contracts										
Interest rate swap contracts											
Interest rate swap contracts											
Cash flow hedges - interest rate positions											
Cash flow hedges - interest rate positions											
Cash flow hedges - interest rate positions	Cash flow hedges - interest rate positions	$ 367	$ —	$ 367	$ —						
Customer-related positions	Customer-related positions	92,409	—	92,409	—						
Risk participation agreements	Risk participation agreements	45	—	45	—	Risk participation agreements	3	—	—		3
Foreign currency forward contracts	Foreign currency forward contracts										
Matched customer book	Matched customer book	763	—	763	—						
Foreign currency loan		1	—	1	—						
Matched customer book											
Matched customer book							1,202	—		1,202	

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Mortgage derivatives	Mortgage derivatives	118	—	118	—
Total	Total	$ 93,703	$ —	$ 93,703	$ —

			Fair Value Measurements at Reporting Date Using							Fair Value Measurements at Reporting Date Using
			Fair Value Measurements at Reporting Date Using							
Description	Description	Balance as of December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Description	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In thousands)							
		(In thousands)								(In thousands)
Assets	**Assets**									
Securities available for sale	Securities available for sale									
Securities available for sale										
Securities available for sale										
Government-sponsored residential mortgage-backed securities										
Government-sponsored residential mortgage-backed securities										
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$4,111,908	$ —	$ 4,111,908	$ —					
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	1,348,954	—	1,348,954	—					
U.S. Agency bonds	U.S. Agency bonds	952,482	—	952,482	—					
U.S. Treasury securities	U.S. Treasury securities	93,057	93,057	—	—					
State and municipal bonds and obligations	State and municipal bonds and obligations	183,092	—	183,092	—					
Other debt securities		1,285	—	1,285	—					
Rabbi trust investments	Rabbi trust investments	76,286	69,257	7,029	—					

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Loans held for sale	Loans held for sale	4,543	—	4,543	—	Loans held for sale	1,124	—	1,124	—
Interest rate swap contracts	Interest rate swap contracts								
Cash flow hedges - interest rate positions									
Cash flow hedges - interest rate positions									
Cash flow hedges - interest rate positions	Cash flow hedges - interest rate positions	16	—	16	—				
Customer-related positions	Customer-related positions	23,567	—	23,567	—				
Risk participation agreements	Risk participation agreements	78	—	78	—				
Foreign currency forward contracts	Foreign currency forward contracts								
Matched customer book	Matched customer book	198	—	198	—				
Foreign currency loan		2	—	2	—				
Matched customer book									
Matched customer book									
Mortgage derivatives	Mortgage derivatives	62	—	62	—				
Total	Total	$6,795,530	$ 162,314	$ 6,633,216	$ —				
Liabilities	**Liabilities**								
Interest rate swap contracts	Interest rate swap contracts								
Interest rate swap contracts									
Interest rate swap contracts									
Cash flow hedges - interest rate positions									
Cash flow hedges - interest rate positions									
Cash flow hedges - interest rate positions	Cash flow hedges - interest rate positions	$ 2,417	$ —	$ 2,417	$ —				
Customer-related positions	Customer-related positions	78,577	—	78,577	—				
Risk participation agreements	Risk participation agreements	130	—	130	—				
Foreign currency forward contracts	Foreign currency forward contracts								
Matched customer book	Matched customer book	205	—	205	—				
Matched customer book									
Matched customer book									
Foreign currency loan	Foreign currency loan	93	—	93	—				

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Mortgage derivatives	Mortgage derivatives	58	—	58	—
Total	Total	$ 81,480	$ —	$ 81,480	$ —

There were no transfers to or from Level 1, 2 and 3 during the nine three months ended September 30, 2023 March 31, 2024 and twelve months ended December 31, 2022 December 31, 2023.

The Company held no assets or liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

Fair Value of Assets and Liabilities Measured on a Nonrecurring Basis

The Company may also be required, from time to time, to measure certain other assets and liabilities on a nonrecurring basis in accordance with generally accepted accounting principles. GAAP. The following tables summarize the fair value of assets and liabilities measured at fair value on a nonrecurring basis, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

			Fair Value Measurements at Reporting Date Using							
			Fair Value Measurements at Reporting Date Using							Fair Value Measurements at Reporting Date Using
Description	Description	Balance as of September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Description	Balance as of March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In thousands)								
		(In thousands)								(In thousands)
Assets	**Assets**									
Individually assessed collateral-dependent loans whose fair value is based upon appraisals	Individually assessed collateral-dependent loans whose fair value is based upon appraisals	$18,105	$ —	$ —	$ 18,105					
Individually assessed collateral-dependent loans whose fair value is based upon appraisals										
Individually assessed collateral-dependent loans whose fair value is based upon appraisals										

			Fair Value Measurements at Reporting Date Using							
			Fair Value Measurements at Reporting Date Using							Fair Value Measurements at Reporting Date Using
Description	Description	Balance as of December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Description	Balance as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In thousands)								
		(In thousands)								(In thousands)

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Assets	Assets			
Collateral-dependent impaired loans whose fair value is based upon appraisals	$16,432	$ —	$ —	$ 16,432
Individually assessed collateral-dependent loans whose fair value is based upon appraisals				
Individually assessed collateral-dependent loans whose fair value is based upon appraisals				
Individually assessed collateral-dependent loans whose fair value is based upon appraisals				

For the valuation of the collateral-dependent loans, the Company relies primarily on third-party valuation information from certified appraisers and values are generally based upon recent appraisals of the underlying collateral, brokers' opinions based upon recent sales of comparable properties, estimated equipment auction or liquidation values, income capitalization, or a combination of income capitalization and comparable sales. Depending on the type of underlying collateral, valuations may be adjusted by management for qualitative factors such as economic factors and estimated liquidation expenses. The range of these possible adjustments may vary.

During the three months ended March 31, 2024, the Company transferred one property, located in Lynn, Massachusetts and which is comprised of an operations center and land, to held for sale. As of March 31, 2024, the property was recorded at the lower of cost or market and amounted to $10.7 million. At the time of transfer to held for sale, the carrying value of the property approximated its fair value. Therefore, no write-down was recorded upon transfer.

Disclosures about Fair Value of Financial Instruments

The estimated fair values and related carrying amounts for assets and liabilities for which fair value is only disclosed are shown below as of the dates indicated:

			Fair Value Measurements at Reporting Date Using		
Description	Carrying Value as of September 30, 2023	Fair Value as of September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In thousands)		
Assets					
Held to maturity securities:					
Government-sponsored residential mortgage-backed securities	$ 260,271	$ 219,548	$ —	$ 219,548	$ —
Government-sponsored commercial mortgage-backed securities	195,629	168,106	—	168,106	—
Loans, net of allowance for loan losses	13,744,822	13,099,665	—	—	13,099,665
FHLB stock	37,125	37,125	—	37,125	—
Bank-owned life insurance	163,700	163,700	—	163,700	—
Liabilities					
Deposits	$ 17,424,169	$ 17,412,731	$ —	$ 17,412,731	$ —
FHLB advances	673,525	670,747	—	670,747	—

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Escrow deposits of borrowers	24,947	24,947	—	24,947	—
Interest rate swap collateral funds	16,900	16,900	—	16,900	—

				Fair Value Measurements at Reporting Date Using		
Description	Description	Carrying Value as of December 31, 2022	Fair Value as of December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In thousands)				
Assets	**Assets**					
Held to maturity securities:	Held to maturity securities:					
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$ 276,493	$ 246,343	$ —	$ 246,343	$ —
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	200,154	176,883	—	176,883	—
Loans, net of allowance for loan losses	Loans, net of allowance for loan losses	13,420,317	13,149,096	—	—	13,149,096
FHLB stock	FHLB stock	41,363	41,363	—	41,363	—
Bank-owned life insurance	Bank-owned life insurance	160,790	160,790	—	160,790	—
Liabilities	**Liabilities**					
Deposits	Deposits	$18,974,359	$18,960,407	$ —	$18,960,407	$ —
FHLB advances	FHLB advances	704,084	702,954	—	702,954	—

						Fair Value Measurement at Reporting Date Using	
Description	Carrying Value as of March 31, 2024	Fair Value as of March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
	(In thousands)						
Held to maturity securities:							
Held to maturity securities:							
Government-sponsored residential mortgage-backed securities							
Government-sponsored residential mortgage-backed securities							
Deposits							
Deposits							

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Escrow deposits of borrowers	Escrow deposits of borrowers	22,314	22,314	—	22,314	—
Interest rate swap collateral funds	Interest rate swap collateral funds	14,430	14,430	—	14,430	—

			Fair Value Measurements at Reporting Date Using		
Description	Carrying Value as of December 31, 2023	Fair Value as of December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In thousands)		
Assets					
Held to maturity securities:					
Government-sponsored residential mortgage-backed securities	$ 254,752	$ 230,319	$ —	$ 230,319	$ —
Government-sponsored commercial mortgage-backed securities	194,969	174,503	—	174,503	—
Loans, net of allowance for loan losses	13,799,367	13,145,455	—	—	13,145,455
FHLB stock	5,904	5,904	—	5,904	—
Bank-owned life insurance	164,702	164,702	—	164,702	—
Liabilities					
Deposits	$ 17,596,217	$ 17,593,214	$ —	$ 17,593,214	$ —
FHLB advances	17,738	15,366	—	15,366	—
Escrow deposits of borrowers	21,978	21,978	—	21,978	—
Interest rate swap collateral funds	8,500	8,500	—	8,500	—

This summary excludes certain financial assets and liabilities for which the carrying value approximates fair value. For financial assets, these may include cash and due from banks, federal funds sold and short-term investments. For financial liabilities, these may include federal funds purchased. These instruments would all be considered to be classified as Level 1 within the fair value hierarchy. Also excluded from the summary are financial instruments measured at fair value on a recurring and nonrecurring basis, as previously described.

17. 13. Revenue from Contracts with Customers

Revenue from contracts with customers within the scope of ASC 606, *Revenue from Contracts with Customers* (Topic 606) ("ASC 606") is recognized when control of goods or services is transferred to the customer, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Company considers the terms of the contract and all relevant facts and circumstances when applying this guidance. The Company measures revenue and timing of recognition by applying the following five steps:

1. Identify the contract(s) with the customers
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The information presented within this Note excludes discontinued operations. operations with regard to information pertaining to the three months ended March 31, 2023. Refer to *Note 19, 15, "Discontinued Operations"* for further discussion regarding discontinued operations.

Performance obligations

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The Company's performance obligations are generally satisfied either at a point in time or over time, as services are rendered. Unsatisfied performance obligations at the report date are not material to the Company's Consolidated Financial Statements.

A portion of the Company's Company's noninterest income/(loss) is derived from contracts with customers within the scope of ASC 606. The Company has disaggregated such revenues by type of service, as presented in the table below. These categories reflect how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			

	Three Months Ended March 31,	
	2024	
	(In thousands)	
Service charges on deposit accounts	Service charges on deposit accounts	$ 7,403	$ 6,708	$ 21,117	$23,558
Trust and investment advisory fees	Trust and investment advisory fees	6,235	5,832	18,136	17,967
Debit card processing fees	Debit card processing fees	3,388	3,249	10,071	9,417
Other noninterest income	Other noninterest income	2,548	2,728	7,723	8,067
Total noninterest income in-scope of ASC 606	Total noninterest income in-scope of ASC 606	19,574	18,517	57,047	59,009
Total noninterest (loss) income out-of-scope of ASC 606		(417)	1,007	(321,539)	(4,684)
Total noninterest income (loss) out-of-scope of ASC 606					
Total noninterest income (loss)	Total noninterest income (loss)	$19,157	$19,524	$(264,492)	$54,325

Three Months Ended March 31,	
2024	2023
(In thousands)	

Additional information related to each of the revenue streams is further noted below.

Deposit Service Charges

The Company offers various deposit account products to its customers governed by specific deposit agreements applicable to either personal customers or business customers. These agreements identify the general conditions and obligations of both parties and include standard information regarding deposit account-related fees.

Deposit account services include providing access to deposit accounts as well as access to the various deposit transactional services of the Company. These transactional services are primarily those that are identified in the standard fee schedule, and include, but are not limited to, services such as overdraft protection, wire transfer, and check collection. The Company may charge monthly fixed service fees associated with the customer having access to the deposit account as well as separate fixed fees associated with and at the time specific transactions are entered into by the customer. As such, the Company considers that its performance obligations are fulfilled when customers are provided deposit account access or when the requested deposit transaction is completed.

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Cash management services are a subset of the deposit service charges revenue stream. These services include automated clearing house, or ACH, transaction processing, positive pay, lockbox, and remote deposit services. These services are also governed by separate agreements entered into by the customer. The fee arrangement for these services is structured as a fixed fee per transaction which may be offset by earnings credits. An earnings credit is a discount that a customer receives based upon the investable balance in the applicable covered deposit account(s) for a given month. Earnings credits are only good for the given month. That is, if cash management fees for a given month are less than the month's earnings credit, the remainder of the credit does not carry over to the following month. Cash management fees are recognized as revenue in the month that the services are provided. Cash management fees earned but not yet received amounted to $1.7 million and $2.1 million $1.6 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and were included in other assets. assets in the Company's Consolidated Balance Sheets.

Trust and Investment Advisory Fees

The Company offers investment management and trust services to individuals, institutions, small businesses and charitable institutions. Each investment management product is governed by its own contract along with a separate identifiable fee schedule unique to that product. The Company also offers additional services, such as estate settlement, financial planning, tax services, and other special services quoted at the customer's request.

The asset management and/or custody fees are primarily based upon a percentage of the monthly valuation of the principal assets in the customer's account. Customers are also charged a base fee which is prorated over a twelve-month period. Fees for additional or special services are generally fixed in nature and are charged as services are rendered. All revenue is recognized in correlation to the monthly management fee determinations or as transactional services are provided.

Debit Card Processing Fees

The Company provides debit cards to its customers which are authorized and settled through various card payment networks, and in exchange, the Company earns revenue as determined by each payment network's interchange program. Regardless of the network that is utilized to authorize and settle the payment, the merchant that provides the product or service to the debit card holder is ultimately responsible for the interchange payment to the Company. Debit card processing fees are

recognized as card transactions are settled within each network. Debit card processing fees earned but not yet received amounted to $0.3 million and $0.4 million as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and were included in other assets. assets in the Company's Consolidated Balance Sheets.

Other Noninterest Income

The Company earns various types of other noninterest income that have been aggregated into one general revenue stream in the table noted above. Noninterest income in-scope of ASC 606 includes, but is not limited to, the following types of revenue with customers: safe deposit rent, ATM surcharge fees and customer checkbook fees. Individually, these sources of noninterest income are not material.

18.

14. Other Comprehensive Income

The following tables present a reconciliation of the changes in the components of other comprehensive (loss) income for the dates indicated including the amount of income tax (expense) benefit allocated to each component of other comprehensive (loss) income:

	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
	Pre Tax Amount	Tax Benefit (Expense)	After Tax Amount	Pre Tax Amount	Tax Benefit (Expense)	After Tax Amount
	(In thousands)					
Unrealized losses on securities available for sale:						
Change in fair value of securities available for sale	$ (157,750)	$ 40,490	$ (117,260)	$ (194,259)	$ 52,004	$ (142,255)
Less: reclassification adjustment for losses included in net income	—	—	—	(333,170)	74,630	(258,540)
Net change in fair value of securities available for sale	(157,750)	40,490	(117,260)	138,911	(22,626)	116,285
Unrealized losses on cash flow hedges:						
Change in fair value of cash flow hedges	(29,022)	8,193	(20,829)	(66,168)	19,795	(46,373)
Less: net cash flow hedge losses reclassified into interest income(1)	(13,723)	3,874	(9,849)	(34,557)	9,757	(24,800)
Net change in fair value of cash flow hedges	(15,299)	4,319	(10,980)	(31,611)	10,038	(21,573)
Defined benefit pension plans:						
Change in actuarial net loss	—	—	—	—	—	—
Less: amortization of actuarial net loss	(2,468)	697	(1,771)	(7,404)	2,091	(5,313)
Less: accretion of prior service credit	2,970	(839)	2,131	8,910	(2,495)	6,415
Net change in other comprehensive income for defined benefit postretirement plans	(502)	142	(360)	(1,506)	404	(1,102)

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Total other comprehensive (loss) income	$ (173,551)	$ 44,951	$ (128,600)	$ 105,794	$ (12,184)	$ 93,610

(1) Includes amortization of realized gains of less than $0.1 million on terminated cash flow hedges for the nine months ended September 30, 2023. The total original gain of $41.2 million, net of tax, became fully accreted into income during the nine months ended September 30, 2023.

	For the Three Months Ended March 31,					
	2024			2023		
	Pre Tax Amount	Tax Benefit (Expense)	After Tax Amount	Pre Tax Amount	Tax (Expense) Benefit	After Tax Amount
	(In thousands)					
Unrealized (losses) gains on securities available for sale:						
Change in fair value of securities available for sale	$ (37,085)	$ 9,526	$ (27,559)	$ 42,301	$ (8,810)	$ 33,491
Less: reclassification adjustment for losses included in net income	—	—	—	(333,170)	74,630	(258,540)
Net change in fair value of securities available for sale	(37,085)	9,526	(27,559)	375,471	(83,440)	292,031
Unrealized (losses) gains on cash flow hedges:						
Change in fair value of cash flow hedges	(39,555)	10,956	(28,599)	19,746	(4,458)	15,288
Less: net cash flow hedge losses reclassified into interest income	(14,041)	3,889	(10,152)	(8,905)	2,515	(6,390)
Net change in fair value of cash flow hedges	(25,514)	7,067	(18,447)	28,651	(6,973)	21,678
Defined benefit pension plans:						
Change in actuarial net loss	—	—	—	—	—	—
Less: amortization of actuarial net loss	(1,775)	492	(1,283)	(2,468)	697	(1,771)
Less: accretion of prior service credit	2,488	(689)	1,799	2,970	(818)	2,152
Net change in other comprehensive income for defined benefit postretirement plans	(713)	197	(516)	(502)	121	(381)
Total other comprehensive (loss) income	$ (63,312)	$ 16,790	$ (46,522)	$ 403,620	$ (90,292)	$ 313,328

	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
	Pre Tax Amount	Tax Benefit (Expense)	After Tax Amount	Pre Tax Amount	Tax Benefit (Expense)	After Tax Amount
	(In thousands)					
Unrealized losses on securities available for sale:						
Change in fair value of securities available for sale	$ (337,762)	$ 76,107	$ (261,655)	$ (1,111,187)	$ 249,158	$ (862,029)
Less: reclassification adjustment for losses included in net income	(198)	12	(186)	(2,474)	714	(1,760)
Net change in fair value of securities available for sale	(337,564)	76,095	(261,469)	(1,108,713)	248,444	(860,269)
Unrealized losses on cash flow hedges:						
Change in fair value of cash flow hedges	(72,667)	19,304	(53,363)	(71,182)	18,899	(52,283)
Less: net cash flow hedge gains reclassified into interest income(1)	3,755	(1,056)	2,699	12,797	(3,598)	9,199
Net change in fair value of cash flow hedges	(76,422)	20,360	(56,062)	(83,979)	22,497	(61,482)
Defined benefit pension plans:						
Change in actuarial net loss	—	—	—	—	—	—
Less: amortization of actuarial net loss	(2,799)	787	(2,012)	(8,395)	2,360	(6,035)
Less: accretion of prior service credit	2,971	(835)	2,136	8,911	(2,505)	6,406
Net change in other comprehensive income for defined benefit postretirement plans	(172)	48	(124)	(516)	145	(371)
Total other comprehensive loss	$ (414,158)	$ 96,503	$ (317,655)	$ (1,193,208)	$ 271,086	$ (922,122)

(1) Includes amortization of realized gains on terminated cash flow hedges for the three and nine months ended September 30, 2022. The total realized gain of $41.2 million, net of tax, was fully recognized in earnings in the first quarter of 2023. The balance of this gain had amortized to $0.4 million, net of tax, at September 30, 2022.

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The following table illustrates the changes in the balances of each component of accumulated other comprehensive loss, net of tax:

	Unrealized Gains and (Losses) on Available for Sale Securities	Unrealized Gains and (Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Total
	(In thousands)			

	Unrealized Gains and (Losses) on Available for Sale Securities	Unrealized Gains and (Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Total
	(In thousands)			
Beginning Balance: January 1, 2024				
Other comprehensive loss before reclassifications				
Less: Amounts reclassified from accumulated other comprehensive loss				
Net current-period other comprehensive loss				
Ending Balance: March 31, 2024				
Beginning Balance: January 1, 2023	$ (880,156)	$(50,159)	$ 7,123	$(923,192)
Other comprehensive loss before reclassifications	(142,255)	(46,373)	—	(188,628)
Less: Amounts reclassified from accumulated other comprehensive loss	(258,540)	(24,800)	1,102	(282,238)
Net current-period other comprehensive income (loss)	116,285	(21,573)	(1,102)	93,610
Ending Balance: September 30, 2023	$ (763,871)	$(71,732)	$ 6,021	$(829,582)
Beginning Balance: January 1, 2022	$ (58,586)	$ 7,361	$ (5,471)	$ (56,696)
Other comprehensive loss before reclassifications	(862,029)	(52,283)	—	(914,312)
Less: Amounts reclassified from accumulated other comprehensive loss	(1,760)	9,199	371	7,810
Net current-period other comprehensive loss	(860,269)	(61,482)	(371)	(922,122)
Ending Balance: September 30, 2022	$ (918,855)	$(54,121)	$ (5,842)	$(978,818)
Ending Balance: March 31, 2023				

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19. 15. Discontinued Operations

On September 19, 2023, the Company announced that it had entered into an asset purchase agreement ("the agreement") with Arthur J. Gallagher & Co. ("Gallagher") to sell substantially all of the assets of its insurance agency business for a gross purchase price of $515.0 million. The agreement also provides provided for the assumption of certain liabilities of the insurance agency business by Gallagher. Management made the decision to sell certain assets and transfer certain liabilities of its insurance agency business to recognize the valuation premium of the business, while allowing the Company to focus on growth and strategic initiatives of its core banking business. The sale closed on October 31, 2023. Refer to *Note 20, "Subsequent Events"* for additional discussion.

In September 2023, following the approval of the sale by the Company's board of directors, the Company reclassified substantially all of the assets and certain liabilities of its insurance agency business as held for sale in connection with a planned disposition of the business. A business is classified as held for sale when management, having the authority to approve the action, commits to a plan to sell the business, the sale is probable to occur during the next 12 months at a price that is reasonable in relation to its current fair value, and certain other criteria are met. In accordance with *ASC 205, Presentation of Financial Statements*, the Company classifies operations as discontinued when they meet all the criteria to be classified as held for sale and when the sale represents a strategic shift that will have a major impact on the Company's financial condition and results of operations. Accordingly, the Consolidated Balance Sheets, Consolidated Statements of Income, and Consolidated Statements of Cash flows present discontinued operations for the current period and were adjusted on a retrospective basis for prior periods.

On October 31, 2023, the Company completed the sale of its insurance agency business for net cash consideration at closing of $498.1 million, subject to customary post-closing working capital adjustments. The net cash proceeds at closing included the gross purchase price pursuant to the agreement of $515.0 million and an estimated working capital adjustment of $4.2 million, which were reduced by transaction expenses of $17.0 million and the settlement of certain obligations of the Company primarily related to employee post-retirement liabilities that originated prior to closing of $4.1 million. In addition, the assets and liabilities were remeasured at Company transferred $7.4 million in fiduciary cash to Gallagher upon closing which is included in the lower of their respective carrying amount or fair value less costs to sell in accordance with *ASC 360, Property, Plant, and Equipment*.

The following is a summary determination of the assets and liabilities gain on sale as of December 31, 2023 but was not included in the amount of net cash consideration of $498.1 million. In connection with the sale, the Company recognized a gain on sale of $408.6 million, which was subject to certain post-closing adjustments during the 120 day post-closing settlement period which ended on February 28, 2024. The amount of the discontinued insurance agency business as post-closing settlement was not material. The Company recognized indirect noninterest expenses associated with the sale of September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
	(In thousands)	
Assets		
Premises and equipment	$ 50	$ 163
Goodwill and intangibles, net	91,115	93,117
Deferred income taxes, net	(187)	(315)
Prepaid expenses	476	532
Other assets	33,264	34,722
Total assets	$ 124,718	$ 128,219
Liabilities		
Other liabilities	$ 34,820	$ 34,930
Total liabilities	$ 34,820	$ 34,930

Certain assets and liabilities previously reported as assets and liabilities of the insurance agency business will not be disposed of and will be transferred into the Bank upon dissolution of Eastern Insurance Group following the asset sale. The following is a summary of such assets and liabilities as of September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
	(In thousands)	
Assets		
Cash	$ 77,852	$ 66,507
Premises and equipment (1)	1,776	1,792
Bank-owned life insurance	2,109	2,066
Deferred income taxes	3,457	3,662
Other assets (2)	11,187	12,944
Total assets	$ 96,381	$ 86,971
Liabilities		
Other liabilities (3)	$ 12,166	$ 14,013
Total liabilities	$ 12,166	$ 14,013

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(1) Includes buildings and related improvements.approximately $22.3 million.

(2) Primarily includes assets held in rabbi trusts and the ROU asset associated with one lease which will be assumed by the Bank upon dissolution of Eastern Insurance Group following the sale.

(3) Primarily includes employee post-retirement liabilities and the lease liability associated with one lease which will be assumed by the Bank upon dissolution of Eastern Insurance Group following the sale.

The following presents operating results of the discontinued insurance agency business for the three and nine months ended September 30, 2023 and 2022: March 31, 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Noninterest income:				
Insurance commissions	$ 25,897	$ 23,926	$ 85,177	$ 77,511
Other noninterest income	13	41	51	137
Total noninterest income	25,910	23,967	85,228	77,648
Noninterest expense:				
Salaries and employee benefits	24,655	16,768	57,991	49,057
Office occupancy and equipment	2,755	823	4,279	2,401
Data processing	1,013	1,052	3,216	3,248
Professional services	1,291	549	2,615	738
Marketing expenses	53	101	152	182
Amortization of intangible assets	665	734	2,002	1,868
Other	1,514	1,186	3,976	3,613
Total noninterest expense	31,946	21,213	74,231	61,107
(Loss) income from discontinued operations before income tax expense	(6,036)	2,754	10,997	16,541
Income tax (benefit) expense	(1,685)	785	3,125	4,669
(Loss) income from discontinued operations, net of taxes	$ (4,351)	$ 1,969	$ 7,872	$ 11,872

	For the Three Months Ended March 31, 2023
	(In thousands)
Noninterest income:	
Insurance commissions	$ 31,671
Other noninterest income	20
Total noninterest income	31,691
Noninterest expense:	
Salaries and employee benefits	16,295
Office occupancy and equipment	789
Data processing	1,143
Professional services	293
Marketing expenses	74
Amortization of intangible assets	669
Other	1,308
Total noninterest expense	20,571
Income from discontinued operations before income tax expense	11,120
Income tax expense	3,135
Income from discontinued operations, net of taxes (1)	$ 7,985

(1) Represents net income from discontinued operations that is presented in the Consolidated Statements of Income.

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Certain income and expense amounts were excluded from discontinued operations as they relate to assets and liabilities which will were not be assumed by Gallagher. The following is a summary of such items and the corresponding income tax effect for the three and nine months ended September 30, 2023 and 2022: March 31, 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)			
Noninterest income:				
(Losses) income from investments held in rabbi trusts	$ (91)	$ (266)	$ 489	$ (1,634)
Other noninterest income (1)	15	14	44	40
Total noninterest (loss) income	(76)	(252)	533	(1,594)
Noninterest expense:				
Salaries and employee benefits (2)	(96)	(268)	484	(1,616)
Office occupancy and equipment (3)	102	125	343	375
Other (4)	474	129	1,468	320
Total noninterest expense	480	(14)	2,295	(921)
Loss before income tax expense	(556)	(238)	(1,762)	(673)
Income tax benefit	(156)	(67)	(495)	(189)
Net loss	(400)	(171)	(1,267)	(484)

	Three Months Ended March 31, 2023
	(In thousands)
Noninterest income:	
Income from investments held in rabbi trusts	$ 339
Other noninterest income (1)	14
Total noninterest income	353
Noninterest expense:	
Salaries and employee benefits (2)	335
Office occupancy and equipment (3)	124
Other (4)	555
Total noninterest expense	1,014
Loss before income tax expense	(661)
Income tax benefit	(186)
Net loss	(475)

(1) Includes income on Company-owned life insurance policies which will were not be disposed of and will be transferred into to the Bank upon dissolution of Eastern Insurance Group following the sale. Group.

(2) Includes expenses which were a net credit, associated with certain employee post-retirement benefit plan expenses.

(3) Includes depreciation expense associated with buildings and related improvements and ROU asset amortization related to one lease which will were not be disposed of and will be were transferred into to the Bank upon dissolution as of Eastern Insurance Group following the sale. January 1, 2024.

(4) Includes intercompany expenses and other expenses credits associated with the Defined Benefit Plan and the BEP. Components of net periodic benefit cost associated with the Defined Benefit Plan and the BEP included in other noninterest expense above were a net credit for the period presented.

Continuing Involvement

Pursuant to the agreement, the Company will perform agreed to provide certain transitional services to Gallagher for up to 6 six months following the closing of the sale. Such services include included certain information and technology support and human resources support. The Company will be was compensated for such services on a monthly basis and estimates the total compensation to be $1.0 million over the six month period plus reimbursement of any amounts paid by the Company in connection with its performance of the transitional services.

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Leases

During the three and nine months ended September 30, 2023, upon reclassification of the above assets and liabilities to assets and liabilities of discontinued operations, the Company re-assessed the ROU assets of certain leases which will be assumed by Gallagher at closing and made the decision to abandon certain leases which will services was not be assumed by Gallagher and for which Eastern Insurance Group is the lessee. The ROU asset and lease liability of leases included in assets and liabilities of discontinued operations and which will either be assumed by Gallagher or terminated by the Company was $1.0 million and $3.5 million, respectively, at September 30, 2023 and $8.7 million and $9.2 million, respectively, at December 31, 2022. The Company will retain one lease for which Eastern Insurance Group is the current lessee. The lease will be partially sublet to Gallagher and transferred to the Bank upon dissolution of Eastern Insurance Group following the sale. The ROU asset and lease liability for such lease was $0.4 million and $0.6 million, respectively, at September 30, 2023 and $1.9 million and $2.2 million, respectively, at December 31, 2022.

The Company remeasured the present value of the future lease payments related to each lease for which Eastern Insurance Group is the lessee which resulted in a net reduction of the lease liabilities and a corresponding net reduction of the lease ROU assets of $6.4 million. The Company recorded an impairment charge of $2.0 million related to leases which will be terminated early following the closing of the asset sale. The impairment charge was included in net (loss) income from discontinued operations for the three and nine months ended September 30, 2023.

Revenue Recognition - Insurance Commissions

The Company currently acts as an agent in offering property, casualty, and life and health insurance to both commercial and consumer customers though Eastern Insurance Group. The Company may also earn additional commissions from the insurers based upon meeting certain criteria, such as premium levels, growth rates, new business volume and loss experience. The Company recognizes commission revenues when earned based upon the effective date of the policy or when services are rendered. Certain revenues are deferred to reflect delivery of services over the contract period. Upon the transfer of Eastern Insurance Group's assets to Arthur J. Gallagher & Co., which occurred on October 31, 2023, the Company ceased to offer insurance products and services and thus no longer receives insurance-related commissions and revenues. The Company earns a fixed commission rate on the sales of these products and services.

Commissions are earned on the contract effective date and generally are based upon a percentage of premiums for insurance coverage. Commission rates depend upon a large number of factors, including the type of risk being placed, the particular underwriting enterprise's demand, the expected loss experience of the particular risk coverage, and historical benchmarks surrounding the level of effort necessary for the Company to place and service the insurance contract. The vast majority of the Company's services and revenues are associated with the placement of an insurance contract. Insurance commissions earned but not yet received amounted to $16.1 million and $15.1 million as of September 30, 2023 and December 31, 2022, respectively, and were included in assets of discontinued operations on the Consolidated Balance Sheets.

The Company also earns profit-sharing revenues, also referred to as contingency revenue, from the insurers with whom the Company places business. These profit-sharing revenues are performance bonuses from the insurers based upon certain performance metrics such as floors on written premiums, loss rates, and growth rates. These amounts are in excess of the commission revenues discussed above, and not all business placed with underwriting enterprises is eligible for contingent revenues. Contingent revenues are variable and generally based upon the Company's expectation of the ultimate profit-sharing revenue amounts to be earned and can vary from period to period. The Company's contracts are generally calendar year contracts whereby revenues from underwriting enterprises are received in the calendar year following placement, generally the first and second quarters, after verification of the performance indicators outlined in the contracts. Accordingly, during each reporting period, management must make its best estimate of the amounts that have been earned using historical averages and other factors to project revenues. The Company bases its estimates each period on a contract-by-contract basis. As estimates may change significantly from period to period, the Company does not recognize this revenue until it has concluded that, based on all the facts and information available, it is probable that a significant revenue reversal will not occur in future periods.

20. Subsequent Events

On October 31, 2023, the Company completed the sale of its insurance agency business for net cash consideration of $498.1 million, subject to customary post-closing working capital adjustments. The net cash proceeds include the gross purchase price pursuant to the agreement of $515.0 million and an estimated working capital adjustment of $4.2 million, which were reduced by transaction expenses of $17.0 million and the settlement of certain obligations of the Company primarily related to employee post-retirement liabilities that originated prior to closing of $4.1 million. In addition, the Company transferred $7.4 million in fiduciary cash to Gallagher upon closing which is not included in the amount of net cash consideration of $498.1 million. In connection with the sale, the Company recognized a gain on sale of approximately $389.3 million, which is subject to certain post-closing adjustments related to working capital and transaction expenses. Refer to *Note 19, "Discontinued Operations"* for additional information regarding the Company's sale of its insurance agency business. In addition, the Company recognized indirect noninterest expenses associated with the sale of approximately $24.2 million.

In connection with the sale of its insurance agency business, the Company amended its Defined Benefit Plan and BEP (the "Plans"), as well as the ESOP, to allow for accelerated vesting for all employees of the insurance agency business and several employees of the Bank transitioning to Gallagher who are participating in the Plan. In addition, the amendments included an amendment to the vesting criteria for the BEP whereby all participants have been credited with service vesting in the same manner and vest according to the same three year cliff vesting schedule as provided under the Defined Benefit Plan. In addition, in accordance with ASC 715-20, *"Compensation-Retirement Benefits - Defined Benefit Plans,"* the Company recognized a curtailment gain upon completion of the sale of the insurance agency business associated with the prior service credits attributable to the employees of the insurance agency business, all of which transferred to Gallagher. As of the date of this Quarterly Report on Form 10-Q, management estimates the amount of such non-cash settlement credit to be a gain within the range of $13.0 million and $18.0 million, representing the combined effect of the amendments to the Defined Benefit Plan and BEP.material.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section is intended to assist in the understanding of the financial performance of the Company and its subsidiaries through a discussion of our financial condition at September 30, 2023 March 31, 2024, and our results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. This section should be read in conjunction with the unaudited interim condensed consolidated financial statements and notes thereto of the Company appearing in Part I, Item 1 of this Quarterly Report on Form 10-Q and the Company's 2022 Form 10-K.

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Forward-Looking Statements

When we use the terms “we,” “us,” “our,” and the “Company,” we mean Eastern Bankshares, Inc., a Massachusetts corporation, and its consolidated subsidiaries, taken as a whole, unless the context otherwise indicates.

Certain statements contained in this Quarterly Report on Form 10-Q that are not historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements, which are based on certain current assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of the words “may,” “will,” “should,” “could,” “would,” “plan,” “potential,” “estimate,” “project,” “believe,” “intend,” “anticipate,” “expect,” “target” and similar expressions.

Forward-looking statements are based on the current assumptions and beliefs of management and are only expectations of future results. The Company’s actual results could differ materially from those projected in the forward-looking statements as a result of, among others, the following factors:

- changes in regional, national or international macroeconomic conditions, including changes in inflation, recessionary pressures or interest rates in the United States, States;
- risks related to the implementation of acquisitions, dispositions, and restructurings, including potential impacts resulting from the pending merger with Cambridge Bancorp and Cambridge Trust Company, such as the risk that acquisitions may not be timely completed or at all and may not produce results at levels or within time frames originally anticipated, including due to delays in raising obtaining regulatory approvals or a failure to raise the national debt ceiling; conditions associated with such approvals;
- risks related to the potential integration of Cambridge Bancorp and Cambridge Trust Company, including that revenue and expense synergies or other expected benefits may not materialize or in the time frame originally anticipated or may be more costly to achieve than anticipated and that the combined businesses may not perform as expected;
- the possibility that future credit losses, loan defaults and charge-off rates are higher than expected due to changes in economic assumptions or adverse economic developments;
- general business and economic conditions on a national basis and in the local markets in which we operate, including those impacting credit quality;
- changes in customer behavior and perceptions;
- turbulence in the capital and debt markets and within the banking industry;
- decreases in the value of securities and other assets;
- decreases in deposit levels necessitating increased borrowing to fund loans, investments and other needs;
- competitive pressures from other financial institutions;
- operational risks including, but not limited to, cybersecurity incidents, fraud, natural disasters and future pandemics, including COVID-19;
- changes in regulation;
- changes in regulation, legislation, accounting standards and practices; practices, and monetary policy;
- the risk that goodwill and intangibles recorded in our financial statements will become impaired;
- the risk that deferred tax assets will not be realized in full;
- risks related to the implementation of acquisitions, dispositions, and restructurings, including the risk that acquisitions may not be timely completed or at all and may not produce results at levels or within time frames originally anticipated, including due to delays in obtaining regulatory approvals or to the conditions associated with such approvals;
- risks arising from unexpected expenses or challenges related to the Cambridge acquisition and integration;
- the risk that we may not be successful in the implementation of our business strategy;
- changes in assumptions used in making such forward-looking statements; and
- other risks and uncertainties detailed in this Quarterly Report on Form 10-Q and in Part I, Item 1A of our 2022 2023 Form 10-K and as may be further updated in our filings with the SEC from time to time.

Forward-looking statements speak only as of the date on which they are made. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our condensed Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of

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assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting periods. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results could differ from these estimates. Our significant accounting policies are discussed in detail in our 2022 2023 Form 10-K, as updated by the notes to our Unaudited Interim Condensed Consolidated Financial Statements accompanying this Quarterly Report on Form 10-Q. Effective January 1, 2023, we adopted ASU 2022-02, the accounting policy for which is described in *Note 2, "Summary of Significant Accounting Policies,"* and *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

In September 2023, following the approval of the sale of our insurance agency business by our board of directors, we reclassified our insurance agency business as held for sale in connection with a planned disposition of the business. A business is classified as held for sale when management, having the authority to approve the action, commits to a plan to sell the business, the sale is probable to occur during the next 12 months at a price that is reasonable in relation to its current fair value and certain other criteria are met. In accordance with *ASC 205, Presentation of Financial Statements*, we classify operations as discontinued when they meet all the criteria to be classified as held for sale and when the sale represents a strategic shift that will have a major impact on our financial condition and results of operations. Accordingly, the Consolidated

Balance Sheets, Consolidated Statements of Income and Consolidated Statements of Cash flows present discontinued operations as of March 31, 2023 and for the current period and were adjusted on a retrospective basis for prior periods and assets of discontinued operations were measured at their lower of cost or fair value. then ended. For further discussion, refer to *Note 19, 15, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

There have been no other material changes in critical accounting policies during the three and nine months ended September 30, 2023 March 31, 2024.

Overview

We are a bank holding company, and our principal subsidiary, Eastern Bank, is a Massachusetts-chartered bank that has served the banking needs of our customers since 1818. Our business philosophy is to operate as a diversified financial services enterprise providing a broad array of banking and other financial services primarily to retail, commercial and small business customers. We had total assets of $21.2 billion and $21.1 billion at March 31, 2024 and $22.6 billion at September 30, 2023 and December 31, 2022 December 31, 2023, respectively. We are subject to comprehensive regulation and examination by the Massachusetts Commissioner of Banks, the FDIC, the Federal Reserve Board and the Consumer Financial Protection Bureau. Our business consists of a full range of banking, lending (commercial, residential and consumer), savings and small business offerings, including our wealth management and trust operations that we conduct through our Eastern Wealth Management division.

In recent years, we managed our business under two business segments: our banking business and our insurance agency business. On September 19, 2023 October 31, 2023, we entered into an agreement sold substantially all of the assets and transferred certain liabilities of our insurance agency business. In the third quarter of 2023, following management's decision to sell our insurance agency business, and, consequently, we reclassified substantially all of the related assets and certain liabilities to "assets assets and liabilities of discontinued operations," respectively, on our Consolidated Balance Sheets and Sheets. Accordingly, the results of discontinued operations were reclassified to "net (loss) income from discontinued operations" on our Consolidated Statements of Income. For additional discussion of discontinued operations, refer to *Note 19, 15, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q. The following discussion excludes amounts reported as discontinued operations.

Net income and from continuing operations for the three months ended March 31, 2024 computed in accordance with GAAP was $38.6 million as compared to a net loss from continuing operations of $202.1 million for the three months ended March 31, 2023. The increase to net income from continuing operations for the three months ended March 31, 2024 compared to a net loss from continuing operations for the three and nine months ended September 30, 2023 computed in accordance with GAAP were $63.5 million and $94.2 million, respectively, as compared to net income of $52.8 million and $145.6 million for the three and nine months ended September 30, 2022, respectively, representing an increase of 20.2% and a decrease of 164.7%, respectively. The increase in net income for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 was primarily due to a net income tax benefit recognized for the three months ended September 30, 2023 compared to income tax expense recognized for the three months ended September 30, 2022, which more than offset the combined effect of a decline in net interest income and an increase in noninterest expenses during the three months ended September 30, 2023 compared to the three months ended September 30, 2022. Refer to the later sections titled *"Results of Operations"* within this Item 2 for additional discussion. The net loss for the nine months ended September 30, 2023 and resulting decline from net income during the nine months ended September 30, 2022 March 31, 2023 was primarily due to the sale of available for sale securities at a loss in connection with our balance sheet repositioning completed in March 2023. 2023 which did not recur during the three months ended March 31, 2024. Refer to the later sections titled *"Outlook and Trends"* and *"Liquidity, Capital Resources, Contractual Obligations, Commitments and Contingencies" Results of Operations"* within this Item 2 for additional discussion.

Net income from continuing operations and net loss continuing operations for the three and nine months ended September 30, 2023, respectively, and net income from continuing operations for the three and nine months ended September 30, 2022 March 31, 2024 and net loss from continuing operations for the three months ended March 31, 2023 included items that our management considers non-core, which management excludes for purposes of assessing our operating net income, a non-GAAP financial measure. Operating net income for the three and nine months ended September 30, 2023 March 31, 2024 was $52.1 million and $146.3 million, respectively, $38.1 million compared to operating net income for the three and nine months

ended September 30, 2022 March 31, 2023 of $53.6 million and $151.3 million, respectively, $53.1 million representing decreases a decrease of 2.8% and 3.3%, respectively. These decreases were 28.3%. This decrease was primarily due to decreased noninterest net interest income on and an operating basis along with increased noninterest expense on an

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operating basis increase in the provision for both allowance for loan losses for the three and nine months ended March 31, 2024 compared to the three and nine months ended September 30, 2022 March 31, 2023. See *"Non-GAAP Financial Measures"* and *"Results of Operations"* within this Item 2 for a reconciliation of operating net income to net income from continuing operations on a GAAP basis and further discussion of noninterest net interest income and noninterest expense. the provision for allowance for loan losses.

Banking Business

Our banking business offers a range of commercial, retail, wealth management and banking service, services, and consists primarily of attracting deposits from the general public, including municipalities, and investing those deposits, together with borrowings and funds generated from operations, to originate loans in a variety of sectors and to invest in securities. Our

financial condition and results of operations depend primarily on (i) attracting and retaining relatively low cost, stable deposits, (ii) using those deposits to originate and acquire loans and earn net interest income and (iii) operating expenses incurred.

Lending Activities

We use funds obtained from deposits, as well as funds obtained from the FHLBB advances, primarily to originate loans and to invest in securities. Our lending focuses on the following categories of loans:

Commercial Lending

- Commercial and industrial: Loans in this category consist of revolving and term loans extended to businesses and corporate enterprises for the purpose of financing working capital, facilitating equipment purchases and facilitating acquisitions. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had total commercial and industrial loans of $3.1 billion and $3.2 $3.0 billion, respectively, representing 22.2% 21.9% and 23.2% 21.8%, respectively, of our total loans. The primary risk associated with commercial and industrial loans is the ability of borrowers to achieve business results consistent with those projected at origination. Our primary focus for commercial and industrial loans is middle-market companies located in the markets we serve. In addition, we participate in the syndicated loan market and the SNC Program. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, commercial and industrial loans in our SNC Program portfolio totaled $666.9 $623.1 million and $685.8 million $606.2 million, respectively, or 21.6% 20.2% and 21.9% 20.1%, respectively, of our commercial and industrial portfolio, and 46.7% 51.0% and 37.3% 45.1%, respectively, of our commercial and industrial SNC Program portfolio were loans to borrowers headquartered in our primary lending market. During the three and nine months ended September 30, 2023 we sold $191.8 million of SNC loans in our commercial and industrial portfolio. We did not sell any SNC loans during the three and nine months ended September 30, 2022. Our commercial and industrial portfolio also includes our Asset Based Lending Portfolio ("ABL Portfolio") and industrial revenue bonds ("IRBs"), the balances of which are detailed below:
  - As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, our ABL Portfolio totaled $225.9 million $187.2 million and $208.8 million $203.1 million, respectively, or 7.3% 6.1% and 6.6% 6.7%, respectively, of our commercial and industrial portfolio.
  - As of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, our commercial and industrial IRB portfolio, which is comprised of municipal bonds issued to finance major capital projects, totaled $0.9 billion, or 30.2% and $1.0 billion, respectively, or 29.1% and 31.7% 30.8%, respectively, of our commercial and industrial portfolio. portfolio at each period end.
- Commercial real estate: Loans in this category include mortgage loans and lines of credit on commercial real estate, both investment and owner occupied. Property types financed include office, industrial, multi-family, affordable housing, retail, hotel, and other type properties. As of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, we had total commercial real estate loans of $5.4 billion $5.5 billion, representing 39.3% and $5.2 billion, representing 38.8% and 38.0% 39.1%, respectively, of our total loans as of each period end. As of both September 30, 2023 March 31, 2024, and December 31, 2022 December 31, 2023, owner occupied commercial real estate loans totaled $0.9 billion $1.0 billion, representing 16.8% 17.6% and 17.8% 18.2%, respectively, of our commercial real estate loans. Collateral values are established by independent third-party appraisals and evaluations. The primary repayment sources include operating income generated by the real estate, permanent debt refinancing and/or the sale of the real estate. Our commercial real estate loan portfolio also includes loans included in our SNC Program portfolio described above. As of March 31, 2024 and December 31, 2023, commercial real estate loans in our SNC Program portfolio totaled $86.2 million and $86.3 million, respectively, or 1.6% of our commercial real estate loan portfolio, as of both March 31, 2024 and December 31, 2023, and 100.0% of our commercial real estate SNC Program portfolio were loans to borrowers headquartered in our primary lending market, as of both March 31, 2024 and December 31, 2023. Our commercial real estate loan portfolio also included IRB loans of $590.7 million $587.5 million and $608.0 million $591.0 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, representing 10.9% 10.6% and 11.8% 10.8%, respectively, of our commercial real estate portfolio.

- Commercial construction: Loans in this category include construction project financing and are comprised of commercial real estate, business banking and residential loans for the purpose of constructing and developing real estate. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had total commercial construction loans of $382.6 million $388.0 million and $336.3 $387.0 million, respectively, representing 2.8% and 2.5% 2.8%, respectively, of our total loans. Our commercial construction loan portfolio also includes loans included in our SNC Program portfolio described above. As of March 31, 2024 and December 31, 2023, commercial construction loans in our SNC Program portfolio totaled $14.7 million and $10.2 million, respectively, or 3.8% and 2.6%, respectively, of our commercial construction loan portfolio, and 100.0% of our commercial construction SNC Program portfolio were loans to borrowers

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headquartered in our primary lending market as of both March 31, 2024 and December 31, 2023. Our commercial construction loan portfolio also included IRB loans as of $47.5 million $81.2 million and $36.9 $63.8 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, representing 12.4% 20.9% and 11.0% 16.5% respectively, of our commercial construction portfolio.

- Business banking: Loans in this category are comprised of loans to small businesses with exposures of under $1.0 million and small investment real estate projects with exposures of under $3.0 million. These loans are separate and distinct from our commercial and industrial and commercial real estate portfolios described above due to the size of the loans. As of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had total business banking loans of $1.1 billion, representing 7.8% and 8.0% of our total loans for each period end, respectively. as of both March 31, 2024 and December 31, 2023. In this category, commercial and industrial loans and commercial real estate loans totaled $187.0 million $196.8 million and $900.8 million $903.8 million, respectively, as of September 30, 2023 March 31, 2024, and $208.4 million $186.9 million and $882.1 million $898.9 million, respectively, as of December 31, 2022 December 31, 2023.

Business banking originations include traditionally underwritten loans as well as partially automated scored loans. Our proprietary decision matrix, which includes a number of quantitative factors including, but not limited to, a guarantor's credit score, industry risk, and time in business, is used to determine whether to make business banking loans. We also engage in SBA lending. SBA guarantees reduce our risk of loss when default occurs and are considered a credit enhancement to the loan structure.

Residential Lending

- Residential real estate: Loans in this category consist of mortgage loans on residential real estate. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had total residential real estate loans of $2.6 billion $2.5 billion and $2.5 billion $2.6 billion, respectively, representing 18.4% 18.1% and 18.1% 18.4%, respectively, of our total loans. Underwriting considerations include, among others, income sources and their reliability, willingness to repay as evidenced by credit repayment history, financial resources including cash reserves and the value of the collateral. We maintain policy standards for minimum credit scores and cash reserves and maximum loan-to-value consistent with a "prime" portfolio. Collateral consists of mortgage liens on residential dwellings. We do not originate or purchase sub-prime or other high-risk loans. Residential real estate loans are originated either for sale to investors or to retain in our loan portfolio. Decisions about whether to sell or retain residential real estate loans are made based on the interest rate characteristics, pricing for loans in the secondary mortgage market, competitive factors and our capital needs. During the three and nine months ended September 30, 2023 March 31, 2024, residential real estate mortgage loan originations were $115.3 million and $253.0 million $38.3 million, respectively, of which $14.7 million and $36.6 million, respectively, $19.9 million were sold on the secondary markets. Comparatively, during the three and nine months ended September 30, 2022 March 31, 2023, residential real estate mortgage loan originations were $119.8 million and $397.5 million $57.2 million, respectively, of which $8.1 million and $53.2 million, respectively, $9.1 million were sold on the secondary markets. We began purchasing residential real estate mortgage loans during the third quarter of 2022. Loans purchased were subject to the same underwriting criteria as those loans originated directly by us. During the nine months ended September 30, 2023, we purchased $32.0 million of residential real estate mortgage loans. We did not purchase any residential real estate mortgage loans during the three months ended September 30, 2023. During the three and nine months ended September 30, 2022, we purchased $79.9 million of residential real estate loans.

Consumer Lending

- Consumer home equity: Loans in this category consist of home equity lines of credit and home equity loans. As of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had total consumer home equity loans of $1.2 billion, representing 8.6% and 8.8%, respectively, 8.7% of our total loans as of each period end. both March 31, 2024 and December 31, 2023. Home equity lines of credit are granted for ten years with monthly interest-only repayment requirements. Full principal repayment is required at the end of the ten-year draw period. Home equity lines of credit can be converted to term loans that are fully amortized. Underwriting considerations are materially consistent with those utilized in the residential real estate category. Collateral consists of a senior or subordinate lien on owner-occupied residential property.
- Other consumer: Loans in this category consist of unsecured personal lines of credit, overdraft protection, automobile and aircraft loans, home improvement loans and other personal loans. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had total other consumer loans of $219.7 million $234.4 million and $194.1 $235.5 million, respectively, representing 1.6% and 1.4%, respectively, 1.7% of our total loans. loans as of both March 31, 2024 and December 31, 2023. Our policy and

underwriting in this category include the following factors, among others: income sources and reliability, credit histories, term of repayment and collateral value, as applicable.

Other Products and Services

In addition to our lending activities, which are the core part of our banking business, we offer other banking products and services primarily related to (i) other commercial banking products, (ii) other consumer deposit products and (iii) wealth management services.

Other Commercial Banking Products

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- We offer a variety of deposit, treasury management, electronic banking, interest rate protection and foreign exchange products to our customers. In addition, we offer cash management services to our corporate and municipal clients. Deposit products include checking products, both interest-bearing and noninterest-bearing, as well as money market deposits, savings deposits and certificates of deposits. Our treasury management

products include a variety of cash management and payment products. Our interest rate protection and foreign exchange products include interest rate swaps and currency related transactions.

Other Consumer Deposit Products

- We offer a wide variety of deposit products and services to our consumer customers. We service these customers through our 97 branches located in eastern Massachusetts and New Hampshire, through our call center in our facility in Lynn, MA and through our online and mobile banking applications.

Wealth Management Services

- Through our Eastern Wealth Management division, we provide a wide range of trust services, including (i) managing customer investments, (ii) serving as custodian for customer assets, and (iii) providing other fiduciary services, including serving as the trustee and personal representative of estates. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we held $3.2 billion $3.5 billion and $2.9 $3.3 billion, respectively, of assets in a fiduciary, custodial or agency capacity for customers, which are not our assets and therefore not included on the Consolidated Balance Sheets included in this Quarterly Report on Form 10-Q. For the three and nine months ended September 30, 2023 March 31, 2024, we had noninterest income of $6.2 million and $18.1 million, respectively, $6.5 million from providing these services compared to $5.8 million and $18.0 million for the three and nine months ended September 30, 2022, respectively. March 31, 2023.

Outlook and Trends

Acquisitions

Proposed Acquisition

On September 19, 2023, we entered into a definitive merger agreement with Cambridge Bancorp (“Cambridge”) and Cambridge Trust Company (“Cambridge Trust”) pursuant to which we have agreed to acquire Cambridge through a merger, with the Company as the surviving entity (the “Merger Agreement”). Under the Merger Agreement, each share of Cambridge common stock will be exchanged for 4.956 shares of our common stock. The transaction is intended to qualify as a tax-free reorganization for federal income tax purposes and will provide Cambridge shareholders with a tax-free exchange of their shares of Cambridge common stock in exchange for our common stock as the consideration they will receive in the merger. We anticipate issuing approximately 39.4 million shares of our common stock in the merger. Based upon the closing price of our common stock on September 18, 2023 of $13.41 per share, the transaction is valued at approximately $528.1 million. The closing of the Cambridge acquisition which is expected to occur in the first quarter of 2024, remains subject to required Company shareholder approval, Cambridge shareholder approval, regulatory approvals and satisfaction of other customary closing conditions set forth in the Merger Agreement. On February 28, 2024, our shareholders authorized the issuance of shares of our common stock to Cambridge shareholders in connection with the merger. There can be no assurances as to whether, or when, we and Cambridge will obtain the remaining required approvals or complete the merger. However, we anticipate the merger will close early in the third quarter of 2024.

Cambridge, a Massachusetts corporation, is a federally registered bank holding company headquartered in Cambridge, Massachusetts. Cambridge Trust, a Massachusetts-chartered trust company formed in 1890, is a wholly-owned subsidiary of Cambridge that operates through a network of 22 full-service banking offices in eastern Massachusetts and New Hampshire with $5.5 billion $5.4 billion in total assets and $4.6 billion $4.2 billion in deposits as of September 30, 2023 March 31, 2024. Cambridge’s core services also include wealth management. Through its wealth management group, which has five offices in Massachusetts and New Hampshire, it offers

comprehensive investment management, as well as trust administration, estate settlement, and financial planning services. Cambridge had assets under management and administration of approximately $4.3 billion $4.8 billion as of September 30, 2023 March 31, 2024.

Outlook and Trends

Sale of Insurance Operations

On September 19, 2023 During the three months ended March 31, 2024, we announced that we had entered into an agreement with a third-party insurance company incurred and recorded merger and acquisition costs related to sell substantially all our proposed acquisition of the assets and transfer certain liabilities Cambridge of our insurance agency business for a gross purchase price of $515.0 million, subject to customary post-closing working capital adjustments. Management made the decision to sell the insurance agency business to recognize the valuation premium of the business, while allowing us to focus on growth and strategic initiatives of our core banking business. The sale closed on October 31, 2023 $1.8 million. The proceeds from following table presents Cambridge-related merger and acquisition costs by financial statement line item on the sale will primarily be used Consolidated Statements of Income for the three months ended March 31, 2024:

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	For the Three Months Ended March 31, 2024
	(In thousands)
Salaries and employee benefits	$ 3
Office occupancy and equipment	6
Data processing	865
Professional services	787
Other	155
Total	$ 1,816

No merger and acquisition costs were incurred related to pay down our short-term FHLB borrowings. Refer to *Note 19, "Discontinued Operations"* and *Note 20, "Subsequent Events"* within proposed acquisition of Cambridge during the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item I in this Quarterly Report on Form 10-Q for additional discussion.three months ended March 31, 2023.

Interest Rates

Beginning in March 2022, the Federal Open Market Committee ("FOMC") voted to increase the federal funds rate multiple times from a range of 0.00% to 0.25% to a range of 5.25% to 5.50% on July 26, 2023, when the FOMC stated that it

will continue to assess additional information and its implications for monetary policy. At its most recent meeting on November 1, 2023 May 1, 2024, the FOMC decided to maintain the target range for the federal funds rate at the range set following at its July 26, 2023 meeting. The FOMC indicated, in consideration of adjustments to the target range for the federal funds rate, it will carefully assess incoming data, the evolving outlook, and the balance of risks. Further, it indicated that in determining the extent to which additional policy firming may it does not expect it will be appropriate to return reduce the target range until it has gained greater confidence that inflation to 2 percent over time, the Committee will take into account the cumulative tightening is moving sustainably toward its long-term target of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. 2%.

Inevitably, not all of our interest rate-sensitive assets and liabilities will re-price simultaneously and in equal volume in response to changes in the federal funds rate, and therefore the potential for interest rate exposure exists. Management believes that several factors will affect the actual impact of interest rate changes on our balance sheet and operating results, including, but not limited to, actual changes in interest rates or expectations of future changes, the degree of volatility in the securities markets, inflation rates or expectations of inflation, and the slope of the interest rate yield curve. We attempt to manage interest rate risk by identifying, quantifying, and, where appropriate, hedging our exposure. Approximately 33% 35% of the outstanding principal balance of our loans, gross of outstanding interest rate swaps as described further below, as of September 30, 2023 March 31, 2024 was indexed to a market rate that is expected to reprice along with similar magnitude and direction as the federal funds rate. A portion of these loans have been hedged using interest rate swaps to convert the floating rate interest receipts to a fixed rate. The notional amount of floating rate loans swapped totaled $2.4 billion on September 30, 2023 March 31, 2024, representing approximately 17.2% 17.0% of the outstanding principal balance of our loans at that date. For more detail regarding such hedging financial instruments, refer to *Note 14, 10, "Derivative Financial Instruments"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q. Refer to the section titled *"Management of Market Risk"* within this Item 2 for additional discussion including the estimated change to our net interest income under interest rate risk measurement methodologies that use a variety of hypothetical scenarios assuming immediate and parallel changes in interest rates that may not reflect the manner in which actual yields and costs respond to changes in market interest rates.

Increases in the federal funds rate, which began in March 2022, and greater industry-wide competition for deposits have had a significant impact on our cost of interest-bearing liabilities and funding betas. Beginning in the third quarter of 2022 and to assist in meeting our loan-growth needs, we placed additional reliance on wholesale funding in the form of borrowings and then, in the fourth quarter of 2022, we started to purchase brokered certificates of deposit. These funding sources generally have a higher cost than deposits originating within the markets we serve and are not our preferred sources of funding. During the first quarter of 2023, we completed a balance sheet repositioning by selling a portion of our AFS securities portfolio for total proceeds of $1.9 billion. The proceeds from the sale of such securities have been used to increase cash levels and reduce wholesale funds and, in turn, improve our funding betas.

The following chart depicts our funding betas and cost of interest bearing liabilities for the previous twelve months as of September 30, 2023:

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(1) Cycle beta calculated as the change in monthly average total interest-bearing liabilities cost in each respective month from the beginning of the cycle, defined as February 2022, divided by the respective change in the average monthly upper bound of the Federal Funds target range during the same period.

(2) The total cost of interest bearing liabilities is charted on the left-hand y-axis and cycle beta data is charted on the right-hand y-axis.

The above chart demonstrates a flattening of our liabilities costs immediately following the sale of AFS securities in March 2023 as the cash generated from the sale was used to reduce wholesale funding.

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Bank Closures and Related FDIC Matters

On March 12 and 13, 2023, following the closures of Silicon Valley Bank ("SVB") and Signature Bank and the appointment of the FDIC as the receiver for those banks, the FDIC announced that, under the systemic risk exception set forth in the Federal Deposit Insurance Act ("FDIA"), all insured and uninsured deposits of those banks were transferred to the respective bridge banks for SVB and Signature Bank.

The FDIC also announced that, as required by the FDIA, any losses to the Deposit Insurance Fund ("DIF") to support uninsured depositors would be recovered by a special assessment. On May 22, 2023, the FDIC published in the Federal Register a proposed rule that would impose special assessments to recover the loss to the DIF arising from the protection of uninsured depositors in connection with the systemic risk determination announced on March 12, 2023, following the closures of SVB and Signature Bank, as required by the FDIA. The assessment base for the special assessments would be equal to an insured depository institution's ("IDI") estimated uninsured deposits, reported as of December 31, 2022, adjusted to exclude the first $5 billion in estimated uninsured deposits from the IDI, or for IDIs that are part of a holding company with one or more subsidiary IDIs, at the banking organization level. The FDIC has proposed to collect special assessments at an annual rate of approximately 12.5 basis points, over eight quarterly assessment periods, which it estimates will result in total revenue of $15.8 billion. Because the estimated loss pursuant to the systemic risk determination will be periodically adjusted, the FDIC would retain the ability to cease collection early, extend the special assessment collection period one or more quarters beyond the initial eight-quarter collection period to collect the difference between actual or estimated losses and the amounts collected, and impose a final shortfall special assessment on a one-time basis after the receiverships for SVB and Signature Bank terminate. The FDIC is proposing an effective date of January 1, 2024, with special assessments collected beginning with the first quarterly assessment period of 2024 (i.e., January 1 through March 31, 2024, with an invoice payment date of June 28, 2024).

We estimate, based on the FDIC's May 2023 proposed rule, that the total pre-tax amount of the Bank's special assessment will be approximately $10.0 million, although the timing, amount and allocation of that special assessment remains

subject to the provisions of the FDIC's final rule, when effective, as well as any actions by the FDIC, as described above, to cease collection early, extend the collection period, and impose a final shortfall special assessment. The special assessment is expected to be recognized, in full, in the reporting period in which the final rule is published.

Non-GAAP Financial Measures

We present certain non-GAAP financial measures, which management uses to evaluate our performance, and which exclude the effects of certain transactions, non-cash items and GAAP adjustments that are non-recurring or infrequent and/or that we believe are unrelated to our core business and are therefore not necessarily indicative of our current performance or financial position. Management believes excluding these items facilitates greater visibility for investors into our core businesses as well as underlying trends that may, to some extent, be obscured by inclusion of such items in the corresponding GAAP financial measures. Except as otherwise indicated, the information presented for the three months ended March 31, 2023 within this section excludes discontinued operations. Refer to *Note 19, 15, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q for further discussion regarding discontinued operations.

There are items in our financial statements that impact our results but which we believe are unrelated to our core business. Accordingly, we present operating net income, noninterest income on an operating basis, noninterest expense on an operating basis, total operating revenue, operating earnings per share, operating net income to average tangible shareholders' equity, tangible book value per share, and the operating efficiency ratio, each of which excludes the impact of such items because we believe such exclusion can provide greater visibility into our core business and underlying trends. Such items that we do not consider to be core to our business include (i) income and expenses from investments held in rabbi trusts, (ii) gains and losses on sales of securities available for sale, net, (iii) gains and losses on the sale of other assets, (iv) rabbi trust employee benefits, (v) impairment charges on tax credit investments and associated tax credit benefits, (vi) OREO gains and losses, (vii) merger and acquisition expenses, and (viii) the non-cash pension settlement charge recognized related to our Defined Benefit Plan, (ix) certain discrete tax items, and (x) net income from discontinued operations. items. There were no gains or losses on sales of other assets, expenses indirectly associated with OREO gains or losses, or impairment charges on tax credit investments and associated tax credit benefits or non-cash pension settlement charges during the periods presented in this Quarterly Report on Form 10-Q.

We also present tangible shareholders' equity, tangible assets, the ratio of tangible shareholders' equity to tangible assets, average tangible shareholders' equity, the ratios of net income (loss) from continuing operations and operating net income to average tangible shareholders' equity and tangible book value per share, each of which excludes the impact of goodwill and other intangible assets, as we believe these financial measures provide investors with the ability to further assess our performance, identify trends in our core business and provide a comparison of our capital adequacy to other companies. We have included the tangible ratios because management believes that investors may find it useful to have access to the same analytical tools used by management to assess performance and identify trends.

Our non-GAAP financial measures should not be considered as an alternative or substitute to GAAP net income (loss) from continuing operations, , or as an indication of our cash flows from operating activities, a measure of our liquidity or an indication of funds available for our cash needs. An item which we consider to be non-core and exclude when computing these non-GAAP financial measures can be of substantial importance to our results for any particular period. In addition, our methodology for calculating non-GAAP financial measures may differ from the methodologies employed by other companies to calculate the same or similar performance measures and, accordingly, our reported non-GAAP financial measures may not be comparable to the same or similar performance measures reported by other companies.

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The following table summarizes the impact of non-core items recorded for the time periods indicated below and reconciles them to the most directly comparable GAAP financial measure:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Dollars in thousands, except per share data)			

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands, except per share data)	
Net income (loss) from continuing operations (GAAP)	**$ 63,464**	**$ 52,808**
Non-GAAP adjustments:		
Add:		
Noninterest income components:		
Losses (income) from investments held in rabbi trusts	1,523	2,248
Losses on sales of securities available for sale, net	—	198
(Gains) losses on sales of other assets	(2)	(467)
Noninterest expense components:		
Rabbi trust employee benefit (income) expense	(586)	(867)
Merger and acquisition expenses (1)	3,630	—

	Nine Months Ended September 30,	
	2023	2022
	(Dollars in thousands, except per share data)	
Net income (loss) from continuing operations (GAAP)	**$ (94,198)**	**$ 145,593**
Non-GAAP adjustments:		
Add:		
Noninterest income components:		
Losses (income) from investments held in rabbi trusts	(4,336)	13,997
Noninterest income components:		
Income from investments held in rabbi trusts		
Losses on sales of securities available for sale, net	333,170	2,474
(Gains) losses on sales of other assets	3	(1,440)
Noninterest expense components:		
Rabbi trust employee benefit (income) expense	2,002	(6,264)
Merger and acquisition expenses (1)	3,630	—

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Rabbi trust employee benefit expense								
Rabbi trust employee benefit expense								
Rabbi trust employee benefit expense								
Merger and acquisition expenses								
Total impact of non-GAAP adjustments	Total impact of non-GAAP adjustments	4,565	1,112	334,469	8,767			
Less net tax benefit associated with non-GAAP adjustment (2)		15,944	318	93,960	3,058			
Less net tax (expense) benefit associated with non-GAAP adjustment (1)								
Non-GAAP adjustments, net of tax	Non-GAAP adjustments, net of tax	$ (11,379)	$ 794	$ 240,509	$ 5,709			
Operating net income (non-GAAP)	**Operating net income (non-GAAP)**	$ 52,085	$ 53,602	$ 146,311	$ 151,302			
Weighted average common shares outstanding during the period:	Weighted average common shares outstanding during the period:							
Weighted average common shares outstanding during the period:								
Weighted average common shares outstanding during the period:								
Basic								
Basic								
Basic	Basic	162,370,469	163,718,962	162,199,158	166,682,222	162,863,540	161,991,373	
Diluted	Diluted	162,469,887	164,029,649	162,260,503	166,867,643	Diluted 163,188,410		162,059,431
Earnings (losses) per share from continuing operations, basic	Earnings (losses) per share from continuing operations, basic	$ 0.39	$ 0.32	$ (0.58)	$ 0.87			
Earnings (losses) per share from continuing operations, basic								
Earnings (losses) per share from continuing operations, basic								

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Earnings (losses) per share from continuing operations, diluted	Earnings (losses) per share from continuing operations, diluted	$ 0.39	$ 0.32	$ (0.58)	$ 0.87
Operating earnings per share, basic (non-GAAP)	Operating earnings per share, basic (non-GAAP)	$ 0.32	$ 0.33	$ 0.90	$ 0.91
Operating earnings per share, basic (non-GAAP)					
Operating earnings per share, basic (non-GAAP)					
Operating earnings per share, diluted (non-GAAP)	Operating earnings per share, diluted (non-GAAP)	$ 0.32	$ 0.33	$ 0.90	$ 0.91

(1) Comprised of merger and acquisition expenses incurred related to our acquisition of Cambridge. Merger and acquisition expenses previously reported for the three and nine months ended September 30, 2022 related to acquisitions by Eastern Insurance Group were excluded from the above table as they were reclassified to discontinued operations. Refer to *Note 19, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item I in this Quarterly Report on Form 10-Q for additional discussion.

(2) The net tax (expense) benefit associated with these itemsis generally determined by assessing whether each item is included or excluded from net taxable income and applying our combined statutory tax rate only to those items included in net taxable income. The net tax benefit amount for the ninethree months ended September 30, 2023March 31, 2023 primarily resulted from the sale of securities classified as available for sale in the first quarter of 2023 and a $23.7 million tax benefit resulting from the transfer of certain securities from Market Street Securities Corp. Corp ("MSSC"), a wholly owned subsidiary which was liquidated during the first quarter of 2023, to Eastern Bank, and the net effect of establishing a valuation allowance and the subsequent reversal of the federal portion of such valuation allowance. Upon Bank. In addition, upon the sale of securities in the first quarter of 2023, we established a valuation allowance of $17.4 million, which is included in the net tax benefit amount, as it was determined at that time that it was not more-likely-than-not that the entirety of the deferred tax asset related to the loss on such securities would be realized. Following the execution of the agreement to sell our insurance agency business in September 2023 and our estimate of the resulting capital gain, which is described in the earlier "Outlook and Trends" section in this Item 2 and is estimated to be sufficient to realize federal capital losses related to the securities sale, we reversed the associated federal valuation allowance previously established as we had determined it was more-likely-than-not that the entirety of the federal deferred tax asset related to the loss on such securities would be realized. The tax expense resulting from the sale of the insurance agency business is expected to be recognized in the fourth quarter following the closing of the sale. The net tax benefit for the three months ended September 30, 2023 was primarily due to the reversal of the remainder of the federal portion of the valuation allowance described above and a net tax benefit associated with a change in management's estimate of annual pre-tax loss for purposes of determining our quarterly income tax provision.

The following table summarizes the impact of non-core items with respect to our total revenue (loss), noninterest income (loss), noninterest expense, and the efficiency ratio, which reconciles to the most directly comparable respective GAAP financial measure, for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Dollars in thousands)			

	Three Months Ended March 31,					Three Months Ended March 31,	
	2024				2024	2023	
	(Dollars in thousands)					(Dollars in thousands)	
Net interest income (GAAP)	**Net interest income (GAAP)**	$137,205	$152,179	$417,102	$418,060		
Add:	Add:						
Tax-equivalent adjustment (non-GAAP)							
Tax-equivalent adjustment (non-GAAP)							

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Tax-equivalent adjustment (non-GAAP)	Tax-equivalent adjustment (non-GAAP)	4,376	3,672	12,698	8,956
Fully-taxable equivalent net interest income (non-GAAP)	Fully-taxable equivalent net interest income (non-GAAP)	141,581	155,851	429,800	427,016
Noninterest income (loss) (GAAP)	Noninterest income (loss) (GAAP)	19,157	19,524	(264,492)	54,325
Less:	Less:				
(Losses) income from investments held in rabbi trusts		(1,523)	(2,248)	4,336	(13,997)
Income from investments held in rabbi trusts					
Income from investments held in rabbi trusts					
Income from investments held in rabbi trusts					
Losses on sales of securities available for sale, net	Losses on sales of securities available for sale, net	—	(198)	(333,170)	(2,474)
Gains (losses) on sales of other assets		2	467	(3)	1,440
Losses on sales of other assets					
Noninterest income on an operating basis (non-GAAP)	Noninterest income on an operating basis (non-GAAP)	20,678	21,503	64,345	69,356
Noninterest expense (GAAP)	**Noninterest expense (GAAP)**	$101,748	$ 95,765	$297,573	$276,066
Less:	Less:				
Rabbi trust employee benefit (income) expense		(586)	(867)	2,002	(6,264)
Rabbi trust employee benefit expense					
Rabbi trust employee benefit expense					
Rabbi trust employee benefit expense					
Merger and acquisition expenses	Merger and acquisition expenses	3,630	—	3,630	—
Noninterest expense on an operating basis (non-GAAP)	Noninterest expense on an operating basis (non-GAAP)	$ 98,704	$ 96,632	$291,941	$282,330
Total revenue from continuing operations (GAAP)		$156,362	$171,703	$152,610	$472,385
Total revenue (loss) from continuing operations (GAAP)					

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Total operating revenue (non-GAAP)	Total operating revenue (non-GAAP)	$162,259	$177,354	$494,145	$496,372				
Ratios:	**Ratios:**								
Efficiency ratio (GAAP)	Efficiency ratio (GAAP)	65.07 %	55.77 %	194.99 %	58.44 %				
Efficiency ratio (GAAP)									
Efficiency ratio (GAAP)							64.22 %	(55.90)	%
Operating efficiency ratio (non-GAAP)	Operating efficiency ratio (non-GAAP)	60.83 %	54.49 %	59.08 %	56.88 %	Operating efficiency ratio (non-GAAP)	61.89 %	57.97	%

The following table summarizes the calculation of our tangible shareholders' equity, tangible assets, the ratio of tangible shareholders' equity to tangible assets, and tangible book value per share, which reconciles to the most directly comparable respective GAAP measure, and includes discontinued operations, as of the dates indicated:

	As of September 30, 2023	As of December 31, 2022
	(Dollars in thousands, except per share data)	
Tangible shareholders' equity:		
Total shareholders' equity (GAAP)	$ 2,446,553	$ 2,471,790
Less: Goodwill and other intangibles (1)	657,824	661,126
Tangible shareholders' equity (non-GAAP)	1,788,729	1,810,664
Tangible assets:		
Total assets (GAAP)	21,146,292	22,646,858
Less: Goodwill and other intangibles (1)	657,824	661,126
Tangible assets (non-GAAP)	$ 20,488,468	$ 21,985,732
Shareholders' equity to assets ratio (GAAP)	11.6 %	10.9 %
Tangible shareholders' equity to tangible assets ratio (non-GAAP)	8.7 %	8.2 %
Book value per share:		
Common shares issued and outstanding	176,376,675	176,172,073
Book value per share (GAAP)	$ 13.87	$ 14.03
Tangible book value per share (non-GAAP)	$ 10.14	$ 10.28

(1) Includes goodwill and other intangibles included in assets of discontinued operations within the Company's Consolidated Balance Sheets.

	As of March 31, 2024	As of December 31, 2023
	(Dollars in thousands, except per share data)	
Tangible shareholders' equity:		
Total shareholders' equity (GAAP)	$ 2,952,831	$ 2,974,855
Less: Goodwill and other intangibles	565,701	566,205
Tangible shareholders' equity (non-GAAP)	2,387,130	2,408,650
Tangible assets:		
Total assets (GAAP)	21,174,804	21,133,278
Less: Goodwill and other intangibles	565,701	566,205
Tangible assets (non-GAAP)	$ 20,609,103	$ 20,567,073
Shareholders' equity to assets ratio (GAAP)	13.9 %	14.1 %
Tangible shareholders' equity to tangible assets ratio (non-GAAP)	11.6 %	11.7 %
Book value per share:		
Common shares issued and outstanding	176,631,477	176,426,993

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Book value per share (GAAP)	$ 16.72	$ 16.86
Tangible book value per share (non-GAAP)	$ 13.51	$ 13.65

The following table summarizes the calculation of our average tangible shareholders' equity and ratio of net income (loss) from continuing operations and operating net income to average tangible shareholders' equity ("operating return

on average tangible shareholders' equity"), which reconciles to the most directly comparable GAAP measure, for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Dollars in thousands)			
Net income (loss) from continuing operations (GAAP)	$ 63,464	$ 52,808	$ (94,198)	$ 145,593
Operating net income (non-GAAP) (1)	52,085	53,602	146,311	151,302
Average tangible shareholders' equity:				
Average total shareholders' equity (GAAP)				
Average total shareholders' equity (GAAP)				
Average total shareholders' equity (GAAP)	$2,539,806	$2,776,691	$2,533,390	$2,970,159
Less: Average goodwill and other intangibles (2)	658,591	656,684	659,729	653,567
Average tangible shareholders' equity (non-GAAP)	1,881,215	2,120,007	1,873,661	2,316,592
Ratios:				
Return (loss) on average total shareholders' equity (GAAP) (3)	9.91 %	7.55 %	(4.97)%	6.55 %

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Net income (loss) from continuing operations (GAAP)		
Operating net income (non-GAAP) (1)		
Average tangible shareholders' equity:		
Average total shareholders' equity (GAAP)		
Average total shareholders' equity (GAAP)		
Average total shareholders' equity (GAAP)		
Less: Average goodwill and other intangibles (2)		
Average tangible shareholders' equity (non-GAAP)		
Ratios:		
Return (loss) on average total shareholders' equity (GAAP) (3)		

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Return (loss) on average total shareholders' equity (GAAP) (3)									
Return (loss) on average total shareholders' equity (GAAP) (3)							5.23 %	(33.31)	%
Return (loss) on average tangible shareholders' equity (non-GAAP) (3)	Return (loss) on average tangible shareholders' equity (non-GAAP) (3)	13.38 %	9.88 %	(6.72)%	8.40 %	Return (loss) on average tangible shareholders' equity (non-GAAP) (3)	6.46 %	(45.55)	%
Operating return on average tangible shareholders' equity (non-GAAP) (3)	Operating return on average tangible shareholders' equity (non-GAAP) (3)	10.98 %	10.03 %	10.44 %	8.73 %	Operating return on average tangible shareholders' equity (non-GAAP) (3)	6.36 %	11.98	%

(1) Refer to the table above within this "Non-GAAP Financial Measures" section for a reconciliation of operating net income to net income (loss) from continuing operations.

(2) Includes goodwill and other intangibles included in assets of discontinued operations within the Company's Consolidated Balance Sheets. Sheets for the three months ended March 31, 2023.

(3) Presented on an annualized basis.

Financial Position

The information presented within this section excludes discontinued operations. Refer to *Note 19, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item I in this Quarterly Report on Form 10-Q for further discussion regarding discontinued operations.

Summary of Financial Position

	As of September 30, 2023	As of December 31, 2022	Change	
			Amount ($)	Percentage (%)
	(Dollars in thousands)			

	As of March 31, 2024	Amount ($)						As of March 31, 2024		As of December 31, 2023			Change		
													Amount ($)		Per
		(Dollars in thousands)											(Dollars in thousan		
Cash and cash equivalents	Cash and cash equivalents	$ 608,808	$ 169,505	$ 439,303	259.2 %	Cash and cash equivalents	$ 739,018	$	$ 693,076	$	$45,942	6.6	6.6	%	
Securities available for sale	Securities available for sale	4,261,518	6,690,778	(2,429,260)	(36.3) %	Securities available for sale	4,287,585	4,407,521	4,407,521	(119,936)	(119,936)	(2.7)	(2.7)		
Securities held to maturity	Securities held to maturity	455,900	476,647	(20,747)	(4.4) %	Securities held to maturity	443,833	449,721	449,721	(5,888)	(5,888)	(1.3)	(1.3)		
Loans, net of allowance for loan losses	Loans, net of allowance for loan losses	13,744,822	13,420,317	324,505	2.4 %	Loans, net of allowance for loan losses	13,906,610	13,799,367	13,799,367	107,243	107,243	0.8	0.8		
Federal Home Loan Bank Stock	Federal Home Loan Bank Stock	37,125	41,363	(4,238)	(10.2) %	Federal Home Loan Bank Stock	5,879	5,904	5,904	(25)	(25)	(0.4)	(0.4)		

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Goodwill and other intangible assets	Goodwill and other intangible assets	566,709	568,009	(1,300)	(0.2) %	Goodwill and other intangible assets	565,701	566,205	566,205	(504)		(504)	(0.1)	(0.1)	
Deposits	Deposits	17,424,169	18,974,359	(1,550,190)	(8.2) %	Deposits	17,666,733	17,596,217	17,596,217	70,516		70,516	0.4	0.4	
Borrowed funds	Borrowed funds	715,372	740,828	(25,456)	(3.4) %	Borrowed funds	52,754	48,216	48,216	4,538		4,538	9.4	9.4	

Cash and cash equivalents

Total cash and cash equivalents increased by $439.3 million $45.9 million, or 259.2% 6.6%, to $608.8 $739.0 million at September 30, 2023 March 31, 2024 from $169.5 million $693.1 million at December 31, 2022 December 31, 2023. This increase was primarily due to proceeds from sales of AFS securities of $1.9 billion during the first quarter of 2023, proceeds from maturities and principal paydowns of AFS and HTM securities of $350.9 million $87.6 million and proceeds from the sale an increase in deposits of commercial and industrial loans during the three months ended September 30, 2023 of

$189.3 million. $70.5 million. Partially offsetting this increase was a decrease in deposits of $1.6 billion and an increase in gross loans of $343.7 million for $115.3 million during the nine three months ended September 30, 2023 March 31, 2024. For further discussion of the change in securities, loans, deposits, and deposits, loans, refer to the later *"Securities," "Loans, "Deposits," and "Deposits, "Loans,"* sections in this Item 2.

Securities

Our current investment policy authorizes us to invest in various types of investment securities and liquid assets, including U.S. Treasury obligations, securities of government-sponsored enterprises, mortgage-backed securities, collateralized mortgage obligations, corporate notes, asset-backed securities and municipal securities. The Risk Management Committee of our Board of Directors is responsible for approving and overseeing our investment policy, which it reviews at least annually. This policy dictates that investment decisions be made based on the safety of the investment, liquidity requirements, potential returns and market risk considerations. We do not engage in any investment hedging activities or trading activities, nor do we purchase any high-risk investment products. We typically invest in the following types of securities:

U.S. government securities: At September 30, 2023 and December 31, 2022, our Our U.S. government securities consisted of U.S. Agency bonds and U.S. Treasury securities. We maintain these investments, to the extent appropriate, for liquidity purposes, at zero risk weighting for capital purposes, and as collateral for interest rate derivative positions. U.S. Agency bonds include securities issued by Fannie Mae, Freddie Mac, the FHLB, and the Federal Farm Credit Bureau.

Mortgage-backed securities: We invest in residential and commercial mortgage-backed securities insured or guaranteed by Freddie Mac, Ginnie Mae or Fannie Mae, including collateralized mortgage obligations. We have not purchased any privately-issued mortgage-backed securities. We invest in mortgage-backed securities to achieve a positive interest rate spread with minimal administrative expense, and to lower our credit risk as a result of the guarantees provided by Freddie Mac, Ginnie Mae or Fannie Mae.

Investments in residential mortgage-backed securities involve a risk that actual payments will be greater or less than the prepayment rate estimated at the time of purchase, which may require adjustments to the amortization of any premium or accretion of any discount relating to such interests, thereby affecting the net yield on our securities. We periodically review current prepayment speeds to determine whether prepayment estimates require modification that could cause amortization or accretion adjustments. There is also reinvestment risk associated with the cash flows from such securities. In addition, the market value of such securities may be adversely affected by changes in interest rates.

State and municipal securities: We invest in fixed rate investment grade bonds issued primarily by municipalities in our local communities within Massachusetts and by the Commonwealth of Massachusetts. The market value of these securities may be affected by call options, long dated maturities, general market liquidity and credit factors.

The following table shows the fair value of our securities by investment category as of the dates indicated:

Securities Portfolio Composition

		As of September 30, 2023	**As of December 31, 2022**		
		(In thousands)			
	As of March 31, 2024			**As of March 31, 2024**	**As of December 31, 2023**
	(In thousands)				(In thousands)
Available for sale securities, at fair value:	Available for sale securities, at fair value:				

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Government-sponsored residential mortgage-backed securities			
Government-sponsored residential mortgage-backed securities			
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	$2,700,630	$4,111,908
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	1,089,120	1,348,954
U.S. Agency bonds	U.S. Agency bonds	207,965	952,482
U.S. Treasury securities	U.S. Treasury securities	93,219	93,057
State and municipal bonds and obligations	State and municipal bonds and obligations	170,584	183,092
Other debt securities		—	1,285
Total available for sale securities, at fair value	Total available for sale securities, at fair value	4,261,518	6,690,778
Held to maturity securities, at amortized cost:	Held to maturity securities, at amortized cost:		
Government-sponsored residential mortgage-backed securities			
Government-sponsored residential mortgage-backed securities			
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	260,271	276,493
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	195,629	200,154

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Total held to maturity securities, at amortized cost	Total held to maturity securities, at amortized cost	455,900	476,647
Total	Total	$4,717,418	$7,167,425

Our securities portfolio has decreased $2.5 billion approximately $125.8 million, or 34.2% 2.6%, to $4.7 billion at September 30, 2023 March 31, 2024 from $7.2 billion $4.9 billion at December 31, 2022 December 31, 2023. This decrease was primarily due to the completion of a balance sheet repositioning in March

2023 through the sale maturities and principal paydowns of AFS and HTM securities for total proceeds of $1.9 billion $87.6 million. Refer to the sections titled *"Outlook and Trends"* and *"Liquidity, Capital Resources, Contractual Obligations, Commitments and Contingencies"* within this Item 2 for additional discussion of such sales.

We did not have trading investments at September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

A portion of our securities portfolio continues to be tax-exempt. Investments in federally tax-exempt securities totaled $170.4 million $186.6 million at September 30, 2023 March 31, 2024 compared to $182.9 million $191.1 million at December 31, 2022 December 31, 2023.

Our AFS securities are carried at fair value and are categorized within the fair value hierarchy based on the observability of model inputs. Securities which require inputs that are both significant to the fair value measurement and unobservable are classified as Level 3 within the fair value hierarchy. As of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had no securities categorized as Level 3 within the fair value hierarchy.

The following tables show contractual maturities of our AFS and HTM securities and weighted average yields at and for the periods ended March 31, 2024 and December 31, 2023. Maturities of our securities portfolio are based on the final contractual payment dates, and do not reflect the effect of scheduled principal repayments, prepayments, or early redemptions that may occur.

The following tables show contractual maturities of our AFS and HTM securities and weighted average yields at and for the periods ended September 30, 2023 and December 31, 2022. Weighted average yields in the tables below have been calculated based on the amortized cost of the security:

Securities Portfolio, Weighted Average Yield

		Securities Maturing as of September 30, 2023 (1)																					
		Within One Year		After One Year But Within Five Years		After Five Years But Within Ten Years		After Ten Years		Total													
	Securities Maturing as of March 31, 2024 (1)													Securities Maturing as March 31, 2024 (1)									
	Within One Year													Within One Year		After One Year But Within Five Years		After Five Years But Within Ten Years		After Ten Years			
Available for sale securities:	**Available for sale securities:**																						
Government-sponsored residential mortgage-backed securities																							
Government-sponsored residential mortgage-backed securities																							
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	—	%	2.29	%	2.01	%	1.59	%	1.59	%	—	%	2.39	%	1.68	%	1.59	%	1.60	%		

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Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	1.65	1.60	1.95	1.79						
U.S. Agency bonds	U.S. Agency bonds	—	1.33	1.70	—	1.35						
U.S. Treasury securities	U.S. Treasury securities	—	1.96	—	—	1.96						
State and municipal bonds and obligations	State and municipal bonds and obligations	1.23	2.38	3.30	4.08	3.66						
Total available for sale securities	Total available for sale securities	1.23 %	1.65 %	1.75 %	1.72 %	1.72 %	Total available for sale securities	2.23 %	1.66 %	1.84 %	1.73 %	1.72 %
Held to maturity securities:	**Held to maturity securities:**											
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	— %	— %	— %	2.87 %	2.87 %						
Government-sponsored residential mortgage-backed securities								— %	— %	— %	2.85 %	2.85 %
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	—	2.22	—	2.22						
Total held to maturity securities	Total held to maturity securities	— %	— %	2.22 %	2.87 %	2.59 %	Total held to maturity securities	— %	2.16 %	2.37 %	2.85 %	2.58 %
Total	Total	1.23 %	1.65 %	1.87 %	1.79 %	1.79 %	Total	2.23 %	1.74 %	1.93 %	1.79 %	1.79 %

	Securities Maturing as of December 31, 2022 (1)											
	Within One Year	After One Year But Within Five Years	After Five Years But Within Ten Years	After Ten Years	Total							
Securities Maturing as of December 31, 2023 (1)												Securities Maturing as of December 31, 2023 (1)

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							Within One Year	After One Year But Within Five Years	After Five Years But Within Ten Years	After Ten Years	Total
Available for sale securities:	**Available for sale securities:**										
Government-sponsored residential mortgage-backed securities											
Government-sponsored residential mortgage-backed securities											
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	— %	2.27 %	1.00 %	1.53 %	1.45 %	— %	2.35 %	1.90 %	1.59 %	1.60 %
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	1.29	1.51	1.94	1.68					
U.S. Agency bonds	U.S. Agency bonds	—	0.79	0.97	—	0.82					
U.S. Treasury securities	U.S. Treasury securities	—	1.97	—	—	1.97					
State and municipal bonds and obligations	State and municipal bonds and obligations	1.22	2.26	3.17	4.05	3.66					
Other debt securities		0.84	—	—	—	0.84					
Total available for sale securities	Total available for sale securities	0.89 %	1.02 %	1.25 %	1.66 %	1.47 %	Total available for sale securities 1.33 %	1.76 %	1.62 %	1.73 %	1.72 %
Held to maturity securities:	**Held to maturity securities:**										
Government-sponsored residential mortgage-backed securities											
Government-sponsored residential mortgage-backed securities											
Government-sponsored residential mortgage-backed securities	Government-sponsored residential mortgage-backed securities	— %	— %	— %	2.86 %	2.86 %	— %	— %	— %	2.87 %	2.87 %
Government-sponsored commercial mortgage-backed securities	Government-sponsored commercial mortgage-backed securities	—	—	2.23	—	2.23					

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Total held to maturity securities	Total held to maturity securities	— %	— %	2.23 %	2.86 %	2.59 %	Total held to maturity securities	— %	2.18 %	2.25 %	2.87 %	2.59 %
Total	Total	0.89 %	1.02 %	1.36 %	1.72 %	1.54 %	Total	1.33 %	1.81 %	1.75 %	1.79 %	1.79 %

(1) Investment security weighted-average yields were calculated on a level-yield basis by weighting the tax equivalent yield for each security type by the book value of each maturity category.

The yield on tax-exempt obligations of states and political subdivisions has been adjusted to a fully-taxable equivalent ("FTE") basis by adjusting tax-exempt income upward by an amount equivalent to the prevailing federal income taxes that would have been paid if the income had been fully taxable.

Loans

We consider our loan portfolio to be relatively diversified by borrower and industry. Our gross loans increased $343.7 million, or 2.5%, to $13.9 billion at September 30, 2023 from $13.6 billion at December 31, 2022. The increase was primarily due to increases in our commercial real estate and residential real estate portfolio balances and was partially offset by a decrease in our commercial and industrial portfolio.

- Our commercial real estate portfolio increased by $241.6 million from December 31, 2022 to September 30, 2023 which was primarily attributable to an increase of $251.9 million in commercial real estate investment loan balances. Such loans represent loans secured by commercial real estate that are non-owner-occupied. The increase in such loan balances was primarily due to management's active focus on originating loans collateralized by industrial/warehouse and multi-family property types, which are included in the commercial real estate investment loan category, due to management's belief that the credit performance of such loans has a stable outlook. The increase in commercial real estate investment loan balances was partially offset by a decrease in commercial real estate owner-occupied loans of $14.2 million which was due to net paydowns of such loans during the nine months ended September 30, 2023.
- Our residential real estate portfolio increased by $90.0 million during the nine months ended September 30, 2023. The increase in residential real estate loan balances was primarily due to fewer sales of originated loans resulting in more loans being held for investment, and purchases of loans which totaled $32.0 million during the nine months ended September 30, 2023.
- Our commercial and industrial portfolio decreased by $63.4 million from December 31, 2022 to September 30, 2023 which was primarily due to sales of commercial and industrial participation loans of $191.8 million during the nine months ended September 30, 2023. This decrease was partially offset by new loan originations within the commercial and industrial portfolio which were primarily funded with the proceeds from the sales of loans.

The following table shows the composition of our loan portfolio, by category, as of the dates indicated:

Loan Portfolio Composition

		As of September 30, 2023	As of December 31, 2022			
		(In thousands)				
	March 31, 2024			March 31, 2024	December 31, 2023	
	(In thousands)				(In thousands)	
Commercial and industrial	Commercial and industrial	$ 3,087,509	$ 3,150,946			
Commercial real estate	Commercial real estate	5,396,912	5,155,323			
Commercial construction	Commercial construction	382,615	336,276			
Business banking	Business banking	1,087,799	1,090,492			
Residential real estate	Residential real estate	2,550,861	2,460,849			
Consumer home equity	Consumer home equity	1,193,859	1,187,547			

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Other consumer	Other consumer	219,720	194,098
Total loans	Total loans	13,919,275	13,575,531
Allowance for loan losses	Allowance for loan losses	(155,146)	(142,211)
Unamortized premiums, net of unearned discounts and deferred fees		(19,307)	(13,003)
Unamortized premiums, net of unearned discounts and deferred fees, net of costs			
Total loans receivable, net	Total loans receivable, net	$13,744,822	$13,420,317

We consider our loan portfolio to be relatively diversified by borrower and industry. Our gross loans increased $115.3 million, or 0.8%, to $14.1 billion at March 31, 2024 from $14.0 billion at December 31, 2023. The increase was primarily due to increases in our commercial real estate and commercial and industrial portfolio balances.

- Our commercial real estate portfolio increased by $62.2 million from December 31, 2023 to March 31, 2024 which was primarily attributable to an increase of $89.1 million in commercial real estate investment loan balances. Such loans represent loans secured by commercial real estate that are non-owner-occupied. The increase in such loan balances was primarily due to management's active focus on originating loans collateralized by industrial/warehouse and multi-family property types, which are included in the commercial real estate investment loan category, due to management's belief that the credit performance of such loans has a stable outlook. The increase in commercial real estate investment loan balances was partially offset by a decrease in commercial real estate owner-occupied loans of $18.8 million which was due to net paydowns of such loans during the three months ended March 31, 2024.
- Our commercial and industrial portfolio increased by $50.5 million from December 31, 2023 to March 31, 2024 which was primarily due to new loan originations within the commercial and industrial portfolio during the three months ended March 31, 2024.

We believe that our commercial loan portfolio composition is relatively diversified in terms of industry sectors, property types and various lending specialties, and it is concentrated in the New England geographical area, with 83.6% 83.3% of our commercial loans in Massachusetts and New Hampshire as of September 30, 2023 March 31, 2024.

Asset quality. We continually monitor the asset quality of our loan portfolio utilizing portfolio scorecards and various credit quality indicators. Based on this process, loans meeting certain criteria are categorized as delinquent or non-performing and further assessed to determine if non-accrual status is appropriate.

For the commercial portfolio, which includes our commercial and industrial, commercial real estate, commercial construction and business banking loans, we monitor credit quality using a risk rating scale, which assigns a risk-grade to each borrower based on a number of quantitative and qualitative factors associated with a commercial loan transaction. Management utilizes a loan risk rating methodology based on a 15-point scale with the assistance of risk rating scorecard tools. Pass grades are 0-10 and non-pass categories, which align with regulatory guidelines, are: special mention (11), substandard (12), doubtful (13) and loss (14).

Risk rating assignment is determined using one of 15 separate scorecards developed for distinctive portfolio segments based on common attributes. Key factors include: industry and market conditions, position within the industry,

earnings trends, operating cash flow, asset/liability values, debt capacity, guarantor strength, management and controls, financial reporting, collateral and other considerations.

Special mention, substandard and doubtful loans totaled 3.5% 5.4% and 2.2% 4.1% of total commercial loans outstanding at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. This increase was driven by several risk rating downgrades of loans in the commercial real estate and commercial and industrial and commercial real estate portfolios. portfolio.

Our philosophy toward managing our loan portfolios is predicated upon careful monitoring, which stresses early detection and response to delinquent and default situations. We seek to make arrangements to resolve any delinquent or default situation over the shortest possible time frame.

The delinquency rate of our total loan portfolio improved decreased to 0.38% 0.32% at September 30, 2023 March 31, 2024, compared to 0.50% 0.41% at December 31, 2022 December 31, 2023.

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The following table provides details regarding our delinquency rates as of the dates indicated:

Loan Delinquency Rates

		Delinquency Rate as of							
		September 30, 2023	December 31, 2022						
	Delinquency Rate as of							Delinquency Rate as of	
	March 31, 2024							March 31, 2024	December 31, 2023
Portfolio	**Portfolio**								
Commercial and industrial									
Commercial and industrial									
Commercial and industrial	Commercial and industrial	0.05 %	0.12 %		0.02 %			0.13 %	
Commercial real estate	Commercial real estate	— %	— %	Commercial real estate	— %			— %	
Commercial construction	Commercial construction	— %	— %	Commercial construction	— %			— %	
Business banking	Business banking	0.73 %	1.00 %	Business banking	0.65 %			0.58 %	
Residential real estate	Residential real estate	1.03 %	1.46 %	Residential real estate	0.84 %			1.11 %	
Consumer home equity	Consumer home equity	1.36 %	1.33 %	Consumer home equity	1.19 %			1.43 %	
Other consumer	Other consumer	0.41 %	0.63 %	Other consumer	0.40 %			0.46 %	
Total	Total	0.38 %	0.50 %	Total	0.32 %			0.41 %	

As a general rule, loans more than 90 days past due with respect to principal or interest are classified as non-accrual loans. However, based on our assessment of collateral and/or payment prospects, certain loans that are more than 90 days past due may be kept on an accruing status. Income accruals are suspended on all non-accrual loans and all previously accrued and uncollected interest is reversed against current income. A loan is expected to remain on non-accrual status until it becomes current with respect to principal and interest, the loan is liquidated, or the loan is determined to be uncollectible and is charged-off against the allowance for loan losses.

Non-performing assets ("NPAs") are comprised of non-performing loans ("NPLs"), OREO and non-performing securities. NPLs consist of non-accrual loans and loans that are more than 90 days past due but still accruing interest. OREO consists of real estate properties, which primarily serve as collateral to secure our loans, that we control due to foreclosure. These properties are recorded at the fair value less estimated costs to sell on the date we obtain control. Any write-downs to the cost of the related asset upon transfer to OREO to reflect the asset at fair value less estimated costs to sell is recorded through the allowance for loan losses.

NPLs increased $8.9 million $4.6 million, or 23.0% 8.8%, to $47.5 million $57.2 million at September 30, 2023 March 31, 2024 from $38.6 million $52.6 million at December 31, 2022 December 31, 2023. NPLs as a percentage of total loans increased to 0.34% 0.41% at September 30, 2023 March 31, 2024 from 0.28% 0.38% at December 31, 2022 December 31, 2023. Refer to

the later *"Allowance for Loan Losses"* section in this Item 2 for a discussion of the change in non-accrual loans which comprise our NPLs as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

The total amount of interest recorded on NPLs during both the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 was not significant. The gross interest income that would have been recorded under the original terms of those loans if they had been performing amounted to $3.8 million $1.5 million and $2.7 million $1.1 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

In the course of resolving NPLs, we may choose to restructure the contractual terms of certain loans. We attempt to work-out alternative payment schedules with the borrowers in order to avoid foreclosure actions. As noted within *Note 2, "Summary of Significant Accounting Policies"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item I in this Quarterly Report on Form 10-Q, we adopted ASU 2022-02 on January 1, 2023 which eliminated TDR accounting. Prior to the adoption of this standard, we reviewed each loan that was modified to identify whether a TDR had occurred. TDRs involved situations in which, for economic or legal reasons related to the borrower's financial difficulties, we granted a concession to the borrower that we would not otherwise have considered. Subsequent to our adoption of this standard, we apply the

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loan refinancing and restructuring guidance codified in paragraphs 310-20-35-9 through 35-11 of the Accounting Standards Codification to determine whether a modification results in a new loan or a continuation of an existing loan.

ASU 2022-02 requires disclosure of loan modifications to borrowers experiencing financial difficulty. The aggregate amortized cost balance as of September 30, 2023 March 31, 2024 and 2023 of loans modified during the three and nine months ended September 30, 2023, determined in accordance with ASU 2022-02, March 31, 2024 and 2023, respectively, which were determined to be modifications to borrowers experiencing financial difficulty was $2.9 million $1.1 million and $7.0 million $2.3 million, respectively. As of September 30, 2023 March 31, 2024, there were no loans that had been modified to borrowers experiencing financial difficulty during the nine months during the twelve-month period then ended September 30, 2023 and which had subsequently defaulted during the period.

Under previous accounting guidance, in cases where a borrower experienced financial difficulties and we made certain concessionary modifications to contractual terms, the loan was classified as a TDR. Loans modified during the three and nine months ended September 30, 2022 which were determined to be TDRs, determined in accordance with previous accounting guidance in effect through December 31, 2022, totaled $5.7 million and $9.6 million, respectively. March 31, 2024. As of

September 30, 2022, March 31, 2023, there were no loans that had been modified to borrowers experiencing financial difficulty during the preceding 12 months, during the three-month period then ended which were party to a TDR and which had subsequently defaulted during the nine during the three months ended September 30, 2022 March 31, 2023.

Our policy is that any restructured loan, which is on non-accrual status prior to being modified, remain on non-accrual status for approximately six months subsequent to being modified before we consider its return to accrual status. If the restructured loan is on accrual status prior to being modified, we review it to determine if the modified loan should remain on accrual status.

Purchased credit deteriorated ("PCD") loans are loans that we acquired that have shown evidence of deterioration of credit quality since origination and, therefore, it was deemed unlikely that all contractually required payments would be collected upon the acquisition date. We consider factors such as payment history, collateral values and accrual status when determining whether there was evidence of deterioration at the acquisition date. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the carrying amount of PCD loans was $50.4 million $48.4 million and $56.6 million $49.1 million, respectively.

Potential Problem Loans. In the normal course of business, we become aware of possible credit problems in which borrowers exhibit potential for the inability to comply with the contractual terms of their loans, but which currently do not yet meet the criteria for classification as NPLs. These loans are neither delinquent nor on non-accrual status. Our potential problem loans, or loans with potential weaknesses that were not included in the non-accrual loans or in the loans 90 or more past due categories, increased by $123.1 million $132.6 million, or 65.8% 35.5%, to $310.1 million $506.3 million at September 30, 2023 March 31, 2024 from $187.0 million $373.7 million at December 31, 2022 December 31, 2023. These loans as a percentage of total loans increased to 2.2% 3.6% at September 30, 2023 March 31, 2024 from 1.4% 2.7% at December 31, 2022 December 31, 2023. The increase in potential problem loans from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 was primarily due to the downgrade of certain commercial and industrial real estate and commercial real estate and industrial loans during the nine three months ended September 30, 2023 March 31, 2024, including certain commercial real estate loans collateralized by properties in the office risk segment. Refer to the below "Commercial *"Commercial Real Estate Office Exposure"* section of this Item 2 for additional information.

Commercial Real Estate Office Exposure. Our total office-related commercial real estate ("CRE") loans (which is comprised of loans within our commercial real estate and construction portfolios that are secured by office space, medical office space, and mixed-use properties where rental income is primarily from office space) totaled $832.3 million $802.0 million and $819.3 million $818.9 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. As of March 31, 2024, our office-related CRE loans are primarily concentrated in Massachusetts, where approximately 83.7% of the total recorded investment balance of office-related CRE loans are located, and approximately 19.1% of the total recorded investment balance of office-related CRE loans are located in the City of Boston.

Given prevailing market conditions such as rising interest rates, reduced occupancy as a result of the increase in hybrid work arrangements post-COVID, and lower commercial real estate valuations, we are carefully monitoring these loans for signs of deterioration in credit quality. Such monitoring includes incremental risk management strategies undertaken by management including monthly internal CRE office exposure portfolio reporting, more frequent portfolio reviews, ongoing monitoring of market conditions, and additional portfolio analysis such as maturity risk analysis and rent rollover risk analysis. As of September 30, 2023 March 31, 2024, three two of these loans, which had a total recorded investment balance of $25.8 million $21.6 million, were on non-accrual status, and had one of which transitioned to non-accrual status during the three months ended September 30, 2023 March 31, 2024. We recorded a partial charge-off of $7.3 million of the commercial real estate loan which transitioned to non-accrual during the three months ended March 31, 2024. As of December 31, 2022 December 31, 2023, none two of these loans were on non-accrual status. status and had a total recorded investment balance of $14.0 million.

The following table sets forth the unpaid principal balance of office-related CRE loans by loan segment and credit quality indicator as of the dates indicated:

	September 30, 2023	December 31, 2022
	(In thousands)	
Commercial real estate		
Pass	$ 701,632	$ 739,117
Special mention	—	14,713
Substandard	93,352	52,622

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Doubtful	25,797	—
Total commercial real estate	$ 820,781	$ 806,452
Commercial construction		
Pass	$ 11,330	$ 12,861
Special mention	222	—
Substandard	—	—
Doubtful	—	—
Total commercial construction	$ 11,552	$ 12,861
Total	$ 832,333	$ 819,313

	March 31, 2024	December 31, 2023
	(In thousands)	
Commercial real estate		
Pass	$ 653,180	$ 683,545
Special mention	30,022	—
Substandard	77,555	104,962
Doubtful	21,646	13,969
Total commercial real estate	$ 782,403	$ 802,476
Commercial construction		
Pass	$ 19,169	$ 15,986
Special mention	454	454
Substandard	—	—
Doubtful	—	—
Total commercial construction	$ 19,623	$ 16,440
Total	$ 802,026	$ 818,916

The following table sets forth the unpaid principal balance of office-related CRE loans by loan segment and collateral use type as of the dates indicated:

		September 30, 2023	December 31, 2022
		(In thousands)	
	March 31, 2024		
	(In thousands)		
Commercial real estate	Commercial real estate		
Office			
Office			
Office	Office	$ 435,481	$ 429,574
Medical office	Medical office	113,797	112,674
Mixed-use	Mixed-use	271,503	264,204
Total commercial real estate	Total commercial real estate	$ 820,781	$ 806,452
Commercial construction	Commercial construction		
Office	Office	$ 222	$ 10,323
Office			
Office			

March 31, 2024	December 31, 2023
	(In thousands)

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Medical office	Medical office	11,330	—
Mixed-use	Mixed-use	—	2,538
Total commercial construction	Total commercial construction	$ 11,552	$ 12,861
Total	Total	$ 832,333	$ 819,313

Allowance for credit losses. For the purpose of estimating our allowance for loan losses, we segregate the loan portfolio into loan categories, for loans that share similar risk characteristics, that possess unique risk characteristics such as loan purpose, repayment source, and collateral that are considered when determining the appropriate level of the allowance for loan losses for each category. Loans that do not share similar risk characteristics with other loans are evaluated individually.

While we use available information to recognize losses on loans, future additions or subtractions to/from the allowance for loan losses may be necessary based on changes in NPLs, changes in economic conditions, or other reasons. Additionally, various regulatory agencies, as an integral part of our examination process, periodically assess the adequacy of the allowance for loan losses to assess whether the allowance for loan losses was determined in accordance with GAAP and applicable guidance.

We perform an evaluation of our allowance for loan losses on a regular basis (at least quarterly), and establish the allowance for loan losses based upon an evaluation of our loan categories, as each possesses unique risk characteristics that are considered when determining the appropriate level of allowance for loan losses, including:

- known increases in concentrations within each category;
- certain higher risk classes of loans, or pledged collateral;
- historical loan loss experience within each category;
- results of any independent review and evaluation of the category's credit quality;
- trends in volume, maturity and composition of each category;
- volume and trends in delinquencies and non-accruals;
- national and local economic conditions and downturns in specific local industries;
- corporate goals and objectives;
- lending policies and procedures, including underwriting standards and collection, charge-off and recovery practices; and
- current and forecasted banking industry conditions, as well as the regulatory and competitive environment.

Loans are evaluated on a regular basis by management. Expected lifetime losses are estimated on a collective basis for loans sharing similar risk characteristics and are determined using a quantitative model combined with an assessment of certain qualitative factors designed to address forecast risk and model risk inherent in the quantitative model output. For commercial and industrial, commercial real estate, commercial construction and business banking portfolios, the quantitative model uses a loan rating system which is comprised of management's determination of probability of default, or PD, loss given default, or LGD, and exposure at default, or EAD, which are derived from historical loss experience and other factors. For residential real estate, consumer home equity and other consumer portfolios, our quantitative model uses historical loss experience.

The allowance for loan losses is allocated to loan categories using both a formula-based approach and an analysis of certain individual loans for impairment. We use a methodology to systematically estimate the amount of expected credit loss in the loan portfolio. Under our current methodology, the allowance for loan losses contains reserves related to loans for which the related allowance for loan losses is determined on an individual loan basis and on a collective basis, and other qualitative components.

The allowance for loan losses increased by $0.2 million, or 0.1%, to $149.2 million, or 1.06% of total loans, at March 31, 2024 from $149.0 million, or 1.07% of total loans at December 31, 2023. The increase in the allowance for loan losses was primarily the result of additional reserves required due to an increase in loan balances during the three months ended March 31, 2024. In addition, we recorded a $7.3 million charge-off related to one commercial real estate loan collateralized by a property in the office risk segment. The loan transitioned to non-accrual during the three months ended March 31, 2024 and had not been specifically reserved for as of December 31, 2023. Consequently, we recorded a corresponding and partially-offsetting provision for allowance for loan losses within our CRE portfolio of $6.3 million during the three months ended March 31, 2024.

In the ordinary course of business, we enter into commitments to extend credit and standby letters of credit. Such financial instruments are recorded in the financial statements when they become payable. The credit risk associated with these commitments is evaluated in a manner similar to the reserving method for loans receivable previously described. The reserve for unfunded lending commitments is included in other liabilities in the Consolidated Balance Sheets.

The allowance Our reserve for loan losses increased unfunded lending commitments decreased by $12.9 million $2.0 million, or 9.1% 14%, to $155.1 million, or 1.12% of total loans, $12.1 million at September 30, 2023 March 31, 2024 from $142.2 million, or 1.05% of total loans $14.1 million at December 31, 2022 December 31, 2023. The increase in the allowance for loan losses decrease was primarily the result of additional reserves required due to increased loan balances, an increase in a combination of decreased total exposure on unfunded lending commitments and lower reserve rates within the commercial construction portfolio, which was attributable to an improved economic forecast. The decrease in our reserve for commercial real estate loans collateralized by properties unfunded lending commitments contributed to a decrease in the office risk segment, and increased specific reserve balances, particularly as they relate to several commercial real estate loans collateralized by properties in the office risk segment which transitioned to non-accrual status our other non-interest expense during the three months ended September 30, 2023. Partially offsetting these increases in the allowance for loan losses, was our

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adoption of ASU 2022-02, as previously described above, which resulted in a change in reserving method for loans previously classified as TDRs. Upon adoption of ASU 2022-02, TDR loans for which the allowance for loan losses was determined by a discounted cash flow analysis transitioned to their respective pools of loans sharing similar risk characteristics and for which the allowance for loan losses is determined on a collective basis. As a result, the allowance for loan losses for such loans was reduced by $1.1 million March 31, 2024.

For additional discussion of our allowance for credit losses measurement methodology, see *Note 2, "Summary of Significant Accounting Policies"* and *Note 4, "Loans and Allowance for Loan Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q. For additional discussion of the change in allowance for loan losses, refer to the later "*Provision for Loan Losses*," included in the *"Results of Operations"* section within this Item 2.

The following table summarizes credit ratios for the periods presented:

Credit Ratios

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Dollars in thousands)			
Net loan charge-offs (recoveries):				
Commercial and industrial				
Commercial and industrial	$ (109)	$ (115)	$ (274)	$ (1,061)
Commercial real estate	(2)	(3)	(8)	(53)
Commercial construction	—	—	—	—
Business banking	(306)	83	(394)	244
Residential real estate	(30)	(56)	(63)	(80)
Consumer home equity	(39)	(6)	(33)	(16)
Other consumer	623	445	1,548	1,221
Total net loan charge-offs	137	348	776	255
Average loans:				
Commercial and industrial	3,231,077	2,882,511	3,231,185	2,903,239
Commercial real estate	5,408,394	4,939,754	5,333,126	4,796,453

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Net loan charge-offs (recoveries):		
Commercial and industrial		
Commercial and industrial	$ 3,077,660	$ 3,187,533
Commercial real estate	5,582,309	5,270,526

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Commercial construction	Commercial construction	365,704	329,199	350,986	282,647	Commercial construction	361,425	334,979
Business banking	Business banking	983,538	986,565	977,040	1,036,857	Business banking	1,002,905	972,198
Residential real estate	Residential real estate	2,551,132	2,041,869	2,524,526	1,979,615	Residential real estate	2,569,324	2,509,313
Consumer home equity	Consumer home equity	1,175,685	1,146,547	1,173,504	1,116,270	Consumer home equity	1,214,191	1,169,727
Other consumer	Other consumer	210,664	194,981	198,257	198,866	Other consumer	205,900	188,889
Average total loans (1)	Average total loans (1)	$13,926,194	$12,521,426	$13,788,624	$12,313,947	Average total loans (1)	$ 14,013,714	$ 13,633,165
Net charge-offs (recoveries) to average loans outstanding during the period:	Net charge-offs (recoveries) to average loans outstanding during the period:							
Commercial and industrial								
Commercial and industrial								
Commercial and industrial	Commercial and industrial	0.00 %	0.00 %	(0.01) %	(0.04) %	0.00	%	0.00 %
Commercial real estate	Commercial real estate	0.00	0.00	0.00	0.00			
Commercial construction	Commercial construction	—	—	—	—			
Business banking	Business banking	(0.03)	0.01	(0.04)	0.02			
Residential real estate	Residential real estate	0.00	0.00	0.00	0.00			
Consumer home equity	Consumer home equity	0.00	0.00	0.00	0.00			
Other consumer	Other consumer	0.30	0.23	0.78	0.61			
Total net charge-offs to average loans outstanding during the period:	Total net charge-offs to average loans outstanding during the period:	0.01 %	0.01 %	0.01 %	0.01 %	Total net charge-offs to average loans outstanding during the period:	0.05 %	0.00 %
Total loans	Total loans	$13,899,968	$12,884,605	$13,899,968	$12,884,605	Total loans	$ 14,055,800	$ 13,661,653
Total non-accrual loans	Total non-accrual loans	$ 47,465	$ 33,954	$ 47,465	$ 33,954			
Allowance for loan losses	Allowance for loan losses	$ 155,146	$ 131,663	$ 155,146	$ 131,663			
Allowance for loan losses as a percent of total loans	Allowance for loan losses as a percent of total loans	1.12 %	1.02 %	1.12 %	1.02 %	Allowance for loan losses as a percent of total loans	1.06 %	1.03 %
Non-accrual loans as a percent of total loans	Non-accrual loans as a percent of total loans	0.34 %	0.26 %	0.34 %	0.26 %	Non-accrual loans as a percent of total loans	0.41 %	0.25 %

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Allowance for loan losses as a percent of non-accrual loans	Allowance for loan losses as a percent of non-accrual loans	326.86 %	387.77 %	326.86 %	387.77 %	Allowance for loan losses as a percent of non-accrual loans	260.94 %	407.65 %

(1) Average loan balances exclude loans held for sale sale.

Non-accrual loans increased $13.5 million $22.6 million, or 39.8% 65.4%, to $47.5 million $57.2 million at September 30, 2023 March 31, 2024 from $34.0 million $34.6 million at September 30, 2022 March 31, 2023, primarily due to an increase in commercial real estate non-accrual loans of $25.8 million $37.3 million and was partially offset by a decrease in commercial and industrial non-accrual loans of $11.8 million $10.3 million. Non-accrual commercial real estate loans increased due to several loans, which are collateralized by properties in the office risk segment, transitioning to non-accrual status subsequent to March 31, 2023, one of which transitioned to non-accrual status during the three months ended September 30, 2023. Two such loans were delinquent less than 30 days as of September 30, 2023. Non-accrual commercial March 31, 2024 and industrial loans decreased primarily due to payoffs and curing of delinquency of such loans, which included is collateralized by real estate in the payoff during the nine months ended September 30, 2023 of one commercial and industrial loan which was on non-accrual and had a balance of $7.2 million as of September 30, 2022. office risk segment. For additional information regarding the credit quality of our loans, see *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

The following table sets forth the allocation of the allowance for loan losses by loan categories listed in loan portfolio composition as of the dates indicated:

Summary of Allocation of Allowance for Loan Losses

	As of September 30, 2023			As of December 31, 2022		
	Allowance for Loan Losses	Percent of Allowance in Category to Total Allocated Allowance	Percent of Loans in Category to Total Loans	Allowance for Loan Losses	Percent of Allowance in Category to Total Allocated Allowance	Percent of Loans in Category to Total Loans (1)
	(Dollars in thousands)					
Commercial and industrial	$ 26,518	17.09 %	22.10 %	$ 26,859	18.89 %	23.21 %
Commercial real estate	70,623	45.52 %	38.80 %	54,730	38.49 %	37.97 %
Commercial construction	7,799	5.03 %	2.74 %	7,085	4.98 %	2.48 %
Business banking	15,218	9.81 %	7.85 %	16,189	11.38 %	8.03 %
Residential real estate	26,355	16.99 %	18.48 %	28,129	19.78 %	18.13 %
Consumer home equity	5,482	3.53 %	8.61 %	6,454	4.54 %	8.75 %
Other consumer	3,151	2.03 %	1.41 %	2,765	1.94 %	1.43 %
Total	$ 155,146	100.00 %	100.00 %	$ 142,211	100.00 %	100.00 %

(1) Percentages were revised from the percentages presented in our 2022 10-K. The revised figures were computed based upon loan amortized cost balances whereas the percentages presented in the 2022 10-K were computed based upon recorded investment balances.

	As of March 31, 2024			As of December 31, 2023		
	Allowance for Loan Losses	Percent of Allowance in Category to Total Allocated Allowance	Percent of Loans in Category to Total Loans	Allowance for Loan Losses	Percent of Allowance in Category to Total Allocated Allowance	Percent of Loans in Category to Total Loans (1)
	(Dollars in thousands)					
Commercial and industrial	$ 28,863	19.35 %	21.89 %	$ 26,959	18.09 %	21.71 %
Commercial real estate	64,629	43.32 %	39.18 %	65,475	43.95 %	39.05 %
Commercial construction	6,204	4.16 %	2.75 %	6,666	4.47 %	2.77 %
Business banking	14,631	9.81 %	7.81 %	14,913	10.01 %	7.77 %
Residential real estate	25,935	17.38 %	18.06 %	25,954	17.42 %	18.36 %
Consumer home equity	5,684	3.81 %	8.64 %	5,595	3.76 %	8.65 %
Other consumer	3,244	2.17 %	1.66 %	3,431	2.30 %	1.69 %
Total	$ 149,190	100.00 %	100.00 %	$ 148,993	100.00 %	100.00 %

To determine if a loan should be charged-off, all possible sources of repayment are analyzed. Possible sources of repayment include the potential for future cash flows, liquidation of the collateral and the strength of co-makers or guarantors. When available information confirms that specific loans or portions thereof are uncollectible, these amounts are promptly charged-off against the allowance for loan losses and any recoveries of such previously charged-off amounts are credited to the allowance for loan losses.

Regardless of whether a loan is unsecured or collateralized, we charge off the amount of any confirmed loan loss in the period when the loans, or portions of loans, are deemed uncollectible. For troubled, collateral-dependent loans, loss confirming events may include an appraisal or other valuation that reflects a shortfall between the value of the

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collateral and the carrying value of the loan or receivable, or a deficiency balance following the sale of the collateral.

For additional information regarding our allowance for loan losses, see *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

Separately, during the nine months ended September 30, 2023, we increased by $1.7 million our reserve on unfunded lending commitments, which was primarily due to an increase in the total exposure on unfunded lending commitments. This increase contributed to an increase in our non-interest expense during the nine months ended September 30, 2023.

Federal Home Loan Bank stock

The FHLBB is a cooperative that provides services to its member banking institutions. The primary reason for our membership in the FHLBB is to gain access to a reliable source of wholesale funding and as a tool to manage interest rate risk. The purchase of stock in the FHLB is a requirement for a member to gain access to funding. We purchase and/or are subject to redemption of FHLBB stock proportional to the volume of funding received and view the holdings as a necessary long-term investment for the purpose of balance sheet liquidity and not for investment return.

We held an investment in the FHLBB of $37.1 million $5.9 million at both March 31, 2024 and $41.4 million at September 30, 2023 and December 31, 2022, respectively. December 31, 2023. The amount of stock we are required to purchase is proportional to our FHLB borrowings and level of total assets. Accordingly, the decrease in FHLB stock is due to decreased borrowings.

Goodwill and other intangible assets

The table below sets forth the carrying amount of goodwill and other intangible assets, net of accumulated amortization, as of the dates indicated below:

	March 31, 2024	December 31, 2023
	(In thousands)	
Balances not subject to amortization		
Goodwill	$ 557,635	$ 557,635
Balances subject to amortization		
Core deposit intangible	8,066	8,570
Total goodwill and other intangible assets	$ 565,701	$ 566,205

The balance of our goodwill and core deposit intangible asset was $566.7 $565.7 million and $568.0 million $566.2 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, which excludes goodwill and other intangible assets included in discontinued operations. respectively. We did not record any impairment to our goodwill or core deposit intangible asset during the nine three months ended September 30, 2023 March 31, 2024. For discussion of the impairment testing performed as of September 30, 2023, see *Note 6, "Goodwill and Other Intangibles"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

Deposits

Deposits originating within the markets we serve continue to be our primary source of funding our earning assets. Historically, we have been able to compete effectively for deposits in our primary market areas. The distribution and market share of deposits by type of deposit and by type of depositor are important considerations in our assessment of the stability of our funding sources and our access to additional funds. Furthermore, we shift the mix and maturity of the deposits depending on economic conditions and loan and investment policies in an attempt, within set policies, to minimize cost and maximize net interest margin.

The following table presents our deposits as of the dates presented:

Components of Deposits

	As of September 30, 2023	As of December 31, 2022	Change	
			Amount ($)	Percentage (%)
	(Dollars in thousands)			

	As of March 31, 2024	Amount ($)	As of March 31, 2024	As of December 31, 2023	Cha Amount ($)

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		(Dollars in thousands)												(Doll
Demand	Demand	$ 5,177,015	$ 6,240,637	$(1,063,622)	(17.0) %	Demand	$ 4,952,487	$	$ 5,162,218	$	$(209,731)	(4.1)		
Interest checking	Interest checking	3,671,871	4,568,122	(896,251)	(19.6) %	Interest checking	3,739,631	3,737,361	3,737,361	2,270	2,270	0.1		
Savings	Savings	1,393,545	1,831,123	(437,578)	(23.9) %	Savings	1,291,260	1,323,126	1,323,126	(31,866)	(31,866)	(2.4)		
Money market investments	Money market investments	4,709,149	4,710,095	(946)	— %	Money market investments	4,770,058	4,664,475	4,664,475	105,583	105,583	2.3		
Certificate of deposits (1)		2,472,589	1,624,382	848,207	52.2 %									
Certificate of deposits						Certificate of deposits	2,913,297		2,709,037		204,260			7.5
Total deposits	Total deposits	$17,424,169	$18,974,359	$(1,550,190)	(8.2) %	Total deposits	$17,666,733	$	$17,596,217	$	$ 70,516	0.4		

(1) Brokered Deposits remained relatively consistent, increasingly by $70.5 million, or 0.4%, to $17.7 billion at March 31, 2024 from $17.6 billion at December 31, 2023. This increase was primarily driven by increased money market investment deposits and certificates of deposit are included in total certificates of deposit and amounted to $394.1 million and $928.6 million at September 30, 2023 and December 31, 2022, respectively.

Deposits decreased partially offset by $1.6 billion, or 8.2%, to $17.4 billion at September 30, 2023 from $19.0 billion at December 31, 2022. This decrease was primarily the result of an overall decline in deposits following the failure of several banks in early 2023, as discussed in the earlier *"Outlook and Trends"* section in this Item 2, as well as industry-wide competition for deposits and a decrease in brokered certificates of deposit of $534.5 million. Brokered certificates of deposit decreased as such accounts matured and were not renewed in full as we emphasized other means for increasing our overall liquidity as of September 30, 2023. The decrease in brokered certificates of deposit was more than offset by demand deposits reflecting a continued shift in deposit mix of certain core deposits from demand and interest checking deposits, which decreased by $1.1 billion and $0.9 billion, respectively, non-interest-bearing deposit accounts to certificates of interest-bearing deposit resulting in a net increase in certificates of deposit, accounts. This shift in deposit mix during the nine three months ended September 30, 2023 March 31, 2024 was due primarily to increases in rates paid on money market investment deposits and certificates of deposit, which attracted depositors to such products.

The Bank's estimate of total uninsured deposits was $7.4 billion $7.7 billion and $9.0 billion $8.0 billion at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. In accordance with the FDIC's Call Report instructions, these estimates include accounts of wholly-owned subsidiaries, the holding company, and internal operating deposit accounts (together referred to as "internal deposit accounts"). In addition, these estimates include municipal deposit accounts for which securities were pledged by us to secure such deposits ("collateralized deposits"). For liquidity monitoring purposes, we exclude internal deposit accounts and collateralized deposits from our estimate of uninsured deposits. Our estimate of uninsured deposits, excluding internal deposit accounts and collateralized deposits, was $5.7 billion $5.4 billion and $7.3 billion $5.5 billion at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The following table presents the classification of deposits on an average basis for the periods below:

Classification of Deposits on an Average Basis

	For the Nine Months Ended September 30, 2023		For the Year Ended December 31, 2022	
	Average Amount	Average Rate	Average Amount	Average Rate
	(Dollars in thousands)			
Demand	$ 5,469,593	— %	$ 6,647,518	— %
Interest checking	4,177,492	0.55 %	4,890,709	0.24 %
Savings	1,570,803	0.01 %	2,015,651	0.01 %

	For the Three Months Ended March 31, 2024		For the Three Months Ended March 31, 2024		For the Year Ended December 31, 2023	
	Average Amount		Average Amount	Average Rate	Average Amount	Average Rate
	(Dollars in thousands)				(Dollars in thousands)	
Demand	$ 4,989,245	—	— %		$ 5,404,208	— — %
Interest checking	3,744,912	0.88	0.88 %		4,070,585	0.60 0.60 %
Savings	1,297,360	0.01	0.01 %		1,515,713	0.01 0.01 %

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Money market investments	Money market investments	4,979,820	2.00 %	5,057,445	0.27 %	Money market investments	4,741,990	2.59	2.59	%	4,918,343	2.11	2.11	%
Certificate of deposits	Certificate of deposits	2,184,631	4.08 %	463,261	0.70 %	Certificate of deposits	2,785,130	4.87	4.87	%	2,303,520	4.24	4.24	%
Total deposits	Total deposits	$18,382,339	1.15 %	$19,074,584	0.15 %	Total deposits	$17,558,637	1.66	1.66	%	$ 18,212,369	1.24	1.24	%

Other time deposits in excess of the FDIC insurance limit of $250,000, including certificates of deposits as of the dates indicated, had maturities as follows:

	As of September 30, 2023	As of December 31, 2022
	As of March 31, 2024	
Maturing in	Maturing in	Maturing in
	(In thousands)	
Three months or less	Three months or less	$ 223,404 $ 39,322
Over three months through six months	Over three months through six months	288,898 45,053
Over six months through 12 months	Over six months through 12 months	186,704 149,107
Over 12 months	Over 12 months	1,998 5,569
Total	Total	$ 701,004 $ 239,051

	As of March 31, 2024	As of December 31, 2023
	(In thousands)	

Borrowings

Our borrowings consist of both short-term and long-term borrowings and provide us with sources of funding. Maintaining available borrowing capacity provides us with a contingent source of liquidity.

Our total borrowings decreased increased by $25.5 million $4.5 million to $715.4 million $52.8 million at September 30, 2023 March 31, 2024 compared to $740.8 million $48.2 million at December 31, 2022 December 31, 2023. The decrease increase was primarily due to a decrease in FHLB short-term advances. increased balances of escrow deposits from borrowers and interest rate swap collateral funds. Refer to the later *"Liquidity, Capital Resources, Contractual Obligations, Commitments and Contingencies"* section in this Item 2 for additional discussion of our liquidity position.

The following table sets forth information concerning balances on our borrowings as of the dates and for the periods indicated:

Borrowings by Category

	As of September 30, 2023	As of December 31, 2022	Change Amount ($)	Change Percentage (%)
	(In thousands)			
FHLB short-term advances	$656,336	$691,297	$(34,961)	(5.1) %

	As of March 31, 2024		Change			As of March 31, 2024	As of December 31, 2023	Change Amount ($)	Change Percentage (%)
	(In thousands)							(In thousands)	
Escrow deposits of borrowers	24,947	22,314	2,633	11.8 %	Escrow deposits of borrowers	$24,368	$21,978	$2,390	10.9 %
Interest rate swap collateral funds	16,900	14,430	2,470	17.1 %	Interest rate swap collateral funds	10,810	8,500	2,310	27.2 %

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FHLB long-term advances		17,189	12,787	4,402	34.4 %														
FHLB advances							FHLB advances	17,576		17,738		(162)		(0.9) %					
Total	Total	$715,372	$740,828	$(25,456)	(3.4) %		Total	$52,754	$	$48,216	$	$4,538	9.4	9.4 %					

Results of Operations

The information presented within this section excludes discontinued operations. operations with respect to information related to the three months ended March 31, 2023. Refer to *Note 19, 15, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item I in this Quarterly Report on Form 10-Q for further discussion regarding discontinued operations.

Summary of Results of Operations

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
			Amount				Amount	
	2023	2022	($)	Percentage	2023	2022	($)	Percentage
	(Dollars in thousands)							
Interest and dividend income	$202,168	$157,827	$44,341	28.1 %	$592,813	$430,183	$162,630	37.8 %
Interest expense	64,963	5,648	59,315	1,050.2 %	175,711	12,123	163,588	1,349.4 %
Net interest income	137,205	152,179	(14,974)	(9.8)%	417,102	418,060	(958)	(0.2)%
Provision for allowance for loan losses	7,328	6,480	848	13.1 %	14,854	7,045	7,809	110.8 %
Noninterest income (loss)	19,157	19,524	(367)	(1.9)%	(264,492)	54,325	(318,817)	(586.9)%
Noninterest expense	101,748	95,765	5,983	6.2 %	297,573	276,066	21,507	7.8 %
Income tax (benefit) expense	(16,178)	16,650	(32,828)	(197.2)%	(65,619)	43,681	(109,300)	(250.2)%
Net income (loss)	63,464	52,808	10,656	20.2 %	(94,198)	145,593	(239,791)	(164.7)%

	Three Months Ended March 31,																	
												2024			2023			
	2024																	
	(Dollars in thousands)																	
Interest and dividend income	Interest and dividend income										Interest and dividend income	$202,611	$	$ 188,880	$	$13,731	7.
Interest expense	Interest expense										Interest expense	72,711	50,571	50,571	22,140		22,140
Net interest income	Net interest income										Net interest income	129,900	138,309	138,309	(8,409)		(8,409)
Provision for allowance for loan losses	Provision for allowance for loan losses										Provision for allowance for loan losses	7,451	25	25	7,426		7,426
Noninterest income (loss)	Noninterest income (loss)										Noninterest income (loss)	27,692	(309,853)	(309,853)	337,545		337,545
Noninterest expense	Noninterest expense										Noninterest expense	101,202	95,891	95,891	5,311		5,311
Income tax (benefit) expense																		
Income tax expense (benefit)											Income tax expense (benefit)	10,292		(65,379)		75,671	
Net income (loss)	Net income (loss)										Net income (loss)	38,647	(202,081)	(202,081)	240,728		240,728

Comparison of the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023

Interest and Dividend Income

Interest and dividend income increased by $44.3 million $13.7 million, or 28.1% 7.3%, to $202.2 million $202.6 million during the three months ended September 30, 2023 March 31, 2024 from $157.8 million $188.9 million during the three months ended September 30, 2022 March 31, 2023. The increase was primarily a the result of an increase in the yield on average interest-earning assets which increased by 107 53 basis points compared with to the three months ended September 30, 2022 March 31, 2023. Our yields on

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loans and securities are generally presented on an FTE basis where the embedded tax benefit on loans and securities are calculated and added to the yield. Management believes that this presentation allows for better comparability between institutions with different tax structures. Partially offsetting the impact of increased yields was a decrease in the average balance of our interest-earning assets which decreased by $1.3 billion $1.6 billion, or 5.9% 7.4%, to $20.2 billion during the three months ended September 30, 2023 March 31, 2024 compared to $21.5 billion $21.8 billion during the three months ended September 30, 2022 March 31, 2023, which was primarily attributable to a decrease in the average balance of securities.

- Interest income on loans increased $44.3 $16.4 million, or 35.4% 10.7%, to $169.3 million $170.0 million during the three months ended September 30, 2023 March 31, 2024 from $125.0 million $153.5 million during the three months ended September 30, 2022 March 31, 2023. The increase in interest income on our loans was due to an increase in our yields and an increase in the our average loan balance. The overall yield on our loans increased 88 31 basis points during the three months ended September 30, 2023 March 31, 2024 in comparison to the three months ended September 30, 2022 March 31, 2023. The increase in yield was primarily due to increases in market rates of interest which resulted in increased yields on variable rate loans which repriced, and new loans originated at higher rates of interest. The average balance of our loans increased $1.4 billion $0.4 billion, or 11.2% 2.8%, to $13.9 billion $14.0 billion during the three months ended September 30, 2023 March 31, 2024 from $12.5 billion $13.6 billion during the three months ended September 30, 2022 March 31, 2023.
- Interest income on securities and other short-term investments increased decreased slightly by $0.1 million $2.7 million, or 0.2% 7.7%, to $32.9 million $32.6 million during the three months ended September 30, 2023 March 31, 2024 from $32.8 million $35.3 million during the three months ended September 30, 2022 March 31, 2023. The relative consistency decrease was primarily driven by a decrease in interest income our average securities and other short-term investments balance, which decreased $2.0 billion, or 24.4%, to $6.2 billion for the three months ended March 31, 2024 from $8.1 billion for the three months ended March 31, 2023, which was primarily due to our sales of AFS securities in March 2023. Also contributing to the decrease in the average balance of securities and other short-term investments was maturities and principal paydowns on AFS and HTM securities. Partially offsetting the decrease in our average securities and other short-term investments balance was an increase in our yield on our securities and other short-term investments was due to the offsetting effect of an increase in our yield and a decrease in the overall average balance. The yield on our securities and short-term investments which increased 62 38 basis points during the three months ended September 30, 2023 March 31, 2024 in comparison to the three months ended September 30, 2022 March 31, 2023 primarily due to an increase in the rate paid on our cash held at the Federal Reserve Bank of Boston from an average of 2.25% 4.59% during the three months ended September 30, 2022 March 31, 2023 to an average of 5.33% 5.40% during the three months ended September 30, 2023 March 31, 2024. In addition, our cash deposited at the Federal Reserve Bank of Boston increased during the three months ended September 30, 2023 compared to the three months ended September 30, 2022 due primarily to the deposit of proceeds from the sale of AFS securities (discussed earlier) in March 2023. Substantially offsetting this increase was a decrease in our average securities balance, which decreased $2.7 billion, or 29.8%, to $6.3 billion for the three months ended September 30, 2023 from $9.0 billion for the three months ended September 30, 2022 which was primarily due to the sales of AFS securities in March 2023. For additional discussion of the sales, refer to the section titled *"Liquidity, Capital Resources, Contractual Obligations, Commitments and Contingencies"* within this Item 2.

Interest and dividend income increased by $162.6 million, or 37.8%, to $592.8 million during the nine months ended September 30, 2023 from $430.2 million during the nine months ended September 30, 2022. The increase was primarily a result of an increase in the yield on average interest-earning assets which increased by 114 basis points compared with the nine months ended September 30, 2022. Partially offsetting the impact of increased yields was a decrease in the average balance

of our interest-earning assets which decreased by $0.7 billion, or 3.0%, to $21.0 billion during the nine months ended September 30, 2023 compared to $21.6 billion during the nine months ended September 30, 2022, which was primarily attributable to a decrease in the average balance of securities.

- Interest income on loans increased $150.1 million, or 45.0%, to $483.7 million during the nine months ended September 30, 2023 from $333.6 million during the nine months ended September 30, 2022. The increase in interest income on our loans was due to an increase in our yields and an increase in the average balance. The overall yield on our loans increased 110 basis points during the nine months ended September 30, 2023 in comparison to the nine months ended September 30, 2022. The increase in yield was primarily due to increases in market rates of interest which resulted in increased yields on variable rate loans which repriced and new loans originated at higher rates of interest. The average balance of our loans increased $1.5 billion, or 12.0%, to $13.8 billion during the nine months ended September 30, 2023 from $12.3 billion during the nine months ended September 30, 2022.
- Interest income on securities and other short-term investments increased $12.5 million, or 13.0%, to $109.1 million during the nine months ended September 30, 2023 from $96.6 million during the nine months ended September 30, 2022. The increase in interest income on our securities and other short-term investments was due to an increase in our yield on such investments. The yield on our securities and short-term investments increased 65 basis points during the nine months ended September 30, 2023 in comparison to the nine months ended September 30, 2022, primarily due to an increase in the rate paid on our cash held at the Federal Reserve Bank of Boston from an average of 1.10% during the nine months ended September 30, 2022 to an average of 4.99% during the nine months ended September 30, 2023. In addition, our cash deposited at the Federal Reserve Bank of Boston increased during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 due primarily to the deposit of proceeds from the sale of AFS securities (discussed earlier) in March 2023. Partially offsetting this increase was a decrease in our average securities balance, which decreased $2.1 billion, or 22.9%, to $7.2 billion for the nine months ended September 30, 2023 from $9.3 billion for the nine months ended September 30, 2022 primarily due to the sales of AFS securities in March 2023. For additional discussion of the sales, refer to the section titled *"Liquidity, Capital Resources, Contractual Obligations, Commitments and Contingencies"* within this Item 2.

Interest Expense

During the three and nine months ended September 30, 2023 March 31, 2024, interest expense increased $59.3 million and $163.6 million $22.1 million, respectively, to $65.0 million and $175.7 million $72.7 million, respectively, from $5.6 million and $12.1 million $50.6 million during the three and nine months ended September 30, 2022, respectively. March 31, 2023. The increases were primarily attributable increase was due to an increase in both deposit and interest expense partially offset by a decrease in borrowings interest expense.

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During the three months ended September 30, 2023 March 31, 2024, interest expense on our interest-bearing deposits increased by $54.8 million $29.5 million to $59.6 million $72.5 million from $4.8 million $42.9 million during the three months ended September 30, 2022 March 31, 2023. This increase was due to an increase in the rates paid on deposits and an increase in average interest-bearing deposits. Rates paid on deposits increased by 174 99 basis points to 1.89% 2.32% during the three months ended March 31, 2024 from 1.33% during the three months ended September 30, 2023 from 0.15% during the three months ended September 30, 2022 March 31, 2023. This is was primarily due to our increasing overall deposit rates paid in response to an increase in market rates of interest and heightened industry-wide competition for deposits, and an deposits. Partially offsetting the impact of the increase in brokered certificates rates paid on deposits was a decrease in the average balance of deposit which generally bear a higher rate of interest interest-bearing deposits for the three months ended March 31, 2024 compared to other interest-bearing deposits. the three months ended March 31, 2023. During the three months ended September 30, 2023 March 31, 2024, the average interest-bearing deposits balance increased decreased by $0.1 billion $0.5 billion to $12.5 billion $12.6 billion from $12.4 billion $13.1 billion during the three months ended September 30, 2022 March 31, 2023 primarily as a result of our increasing a decrease in the average balance of rates paid on such deposits as well as purchases brokered deposits. The average balance of brokered certificates of deposit. We did not purchase any brokered certificates of deposit decreased to $8.2 million during the three months ended September 30, 2022 March 31, 2024 from $784.4 million during the three months ended March 31, 2023.

Interest expense related to our borrowings increased decreased by $4.5 million $7.4 million to $5.4 million $0.3 million during three months ended September 30, 2023 March 31, 2024 from $0.9 million $7.6 million during the three months ended September 30, 2022 March 31, 2023. The increase decrease in borrowings interest expense during the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 is attributable March 31, 2023 was due to an increase a decrease in our utilization of our FHLB borrowing capacity and an increase in rates paid on such borrowings. We increased capacity. Our utilization of our FHLB borrowing capacity in order to support ongoing operations.

During FHLBB borrowings was greater during the nine three months ended September 30, 2023, interest expense on our interest-bearing deposits increased by $147.5 million March 31, 2023 compared to $158.7 million from $11.2 million during the nine three months ended September 30, 2022. This increase was due to an increase in the rates paid on deposits and an increase in the balance of average interest-bearing deposits. Rates paid on deposits increased by 152 basis points to 1.64% during the nine months ended September 30, 2023 from 0.12% during the nine months ended September 30, 2022. This is primarily due to our increasing overall deposit rates paid March 31, 2024 as we bolstered on-balance sheet liquidity in response to an increase the bank failures in market rates the first quarter of interest and heightened industry-wide competition for deposits and an increase 2023. In addition, during the four quarter of 2023, we paid down our FHLB advances primarily with the proceeds from the sale of our insurance agency business, which occurred in brokered certificates the fourth quarter of 2023. Both of these factors resulted in a higher rate reduced average balance of interest compared to other interest-bearing deposits. During borrowings during the nine three months ended September 30, 2023, the average interest-bearing deposits balance increased by $0.4 billion to $12.9 billion from $12.5 billion during the nine months ended September 30, 2022. Average interest-bearing deposits increased during the nine months ended September 30, 2023 March 31, 2024 compared to the nine three months ended September 30, 2022 as a result of our increasing of rates paid on such deposits as well as purchases of brokered certificates of deposit. We did not purchase any brokered certificates of deposit during the nine months ended September 30, 2022 March 31, 2023.

Interest expense related to our borrowings increased by $16.0 million to $17.0 million during the nine months ended September 30, 2023 from $1.0 million during the nine months ended September 30, 2022. The increase in borrowings interest expense during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 is attributable to an increase in our utilization of our FHLB borrowing capacity and an increase in rates paid on such borrowings. We increased utilization of our FHLB borrowing capacity in order to support ongoing operations.

Net Interest Income

Net interest income decreased by $15.0 million $8.4 million, or 9.8% 6.1%, to $137.2 million $129.9 million during the three months ended September 30, 2023 March 31, 2024 from $152.2 million $138.3 million for the three months ended September 30, 2022 March 31, 2023. Net interest income decreased due to the a decrease in the average balance of net interest-earning assets of $1.6 billion $0.5 billion, or 18.2% 6.1%, to $7.3 billion $7.5 billion during the three months ended September 30, 2023 March 31, 2024 from $8.9 billion $8.0 billion during the three months ended September 30, 2022 March 31, 2023. Partially offsetting this decrease was an increase in yields on interest-earning assets.

Net interest income decreased by $1.0 million, or 0.2%, to $417.1 million during the nine months ended September 30, 2023 from $418.1 million for the nine months ended September 30, 2022. Net interest income decreased due to the decrease in the balance of average net interest-earning assets of $1.4 billion, or 16.0%, to $7.6 billion during the nine months ended September 30, 2023 from $9.0 billion during the nine months ended September 30, 2022. Partially offsetting this decrease was an increase in yields on interest-earning assets.

The following chart shows our net interest margin over the past five quarters:

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Net interest margin is determined by dividing FTE net interest income by average-earning average total interest-earning assets. For purposes of the following discussion, income from tax-exempt loans and investment securities has been adjusted to an FTE basis, using marginal tax rates of 21.7% for both the three and nine months ended September 30, 2023 March 31, 2024 and 21.5% for both the three and nine months ended September 30, 2022. 2023, respectively. Net interest margin decreased 10 basis points to 2.77% remained relatively consistent during the three months ended September 30, 2023 March 31, 2024, from 2.87% during compared to the three months ended September 30, 2022 March 31, 2023. The decrease in Refer to the net interest margin above “Interest and Dividend Income” and “Interest Expense” sections for the three months ended September 30, 2023 from the three months ended September 30, 2022 was due to a decrease in the

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average balance of our net-interest earning assets and increases in both the average balance and cost of interest bearing liabilities.

Net interest margin increased 10 basis points to 2.74% during the nine months ended September 30, 2023 from 2.64% during the nine months ended September 30, 2022. The increase in net interest margin for the nine months ended September 30, 2023 from the nine months ended September 30, 2022 was primarily due to an increase in market rates of interest which resulted in an increase in our yield on interest-earning assets that exceeded the increase in costs of interest-bearing liabilities. further discussion.

The following tables set forth average balance sheet items, annualized average yields and costs, and certain other information for the periods indicated. All average balances in the table reflect daily average balances. Non-accrual loans were included in the computation of average balances but have been reflected in the table as loans carrying a zero yield. The yields set forth below include the effect of deferred fees and costs, discounts and premiums that are amortized or accreted to interest income or expense. Average asset and liability balances included in discontinued operations are included in non-interest-earnings assets and liabilities, respectively.

Average Balances, Interest Earned/Paid, & Average Yields

	As of and for the three months ended September 30,															
	2023				2022											
	Average Outstanding Balance	Interest	Average Yield/Cost (5)		Average Outstanding Balance	Interest	Average Yield /Cost (5)									
	(Dollars in thousands)															
	As of and for the three months ended March 31,															
	2024															
	Average Outstanding Balance										Average Outstanding Balance				Interest	
	(Dollars in thousands)															
Interest-earning assets:	**Interest-earning assets:**															
Loans (1)	Loans (1)															
Loans (1)																
Loans (1)																
Residential																
Residential																
Residential	Residential	$ 2,553,150	$ 22,988	3.57 %	$ 2,043,219	$ 15,811	3.07 %	$	2,570,803	$		$	23,994	3.75		3.75
Commercial	Commercial	9,988,712	128,051	5.09 %	9,138,029	96,270	4.18 %	Commercial	10,024,299	126,842				126,842	5.09	
Consumer	Consumer	1,386,350	22,227	6.36 %	1,341,528	16,072	4.75 %	Consumer	1,420,091	23,237				23,237	6.58	
Total loans	Total loans	13,928,212	173,266	4.94 %	12,522,776	128,153	4.06 %	Total loans	14,015,193	174,073				174,073	5.00	
Non-taxable investment securities	Non-taxable investment securities	197,721	1,818	3.65 %	269,900	2,428	3.57 %	Non-taxable investment securities	197,467	1,828				1,828	3.72	
Taxable investment securities	Taxable investment securities	5,579,452	24,191	1.72 %	8,446,205	29,280	1.38 %	Taxable investment securities	5,377,101	23,373				23,373	1.75	
Other short-term investments	Other short-term investments	537,602	7,269	5.36 %	282,629	1,638	2.30 %	Other short-term investments	576,537	7,820				7,820	5.46	
Total interest-earning assets	Total interest-earning assets	$20,242,987	$206,544	4.05 %	$21,521,510	$161,499	2.98 %	Total interest-earning assets	$20,166,298	$				$207,094	4.13	
Non-interest-earning assets	Non-interest-earning assets	1,033,879			911,025											

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Total assets	Total assets	$21,276,866				$22,432,535												
Total assets																		
Total assets																		
Interest-bearing liabilities:																		
Interest-bearing liabilities:																		
Interest-bearing liabilities:	Interest-bearing liabilities:																	
Deposits:	Deposits:																	
Deposits:																		
Deposits:																		
Savings account																		
Savings account																		
Savings account	Savings account	$ 1,441,636	$ 43	0.01	%	$ 2,021,125	$ 51	0.01	%	$ 1,297,360	$		$ 41	0.01		0.01		
Interest checking account	Interest checking account	3,903,062	6,302	0.64	%	5,211,914	2,686	0.20	%	Interest checking account	3,744,912	8,187		8,187	0.88			
Money market investment	Money market investment	4,836,895	27,695	2.27	%	4,824,452	1,893	0.16	%	Money market investment	4,741,990	30,495		30,495	2.59			
Time account	Time account	2,341,684	25,567	4.33	%	380,560	151	0.16	%	Time account	2,785,130	33,735		33,735	4.87			
Total interest-bearing deposits	Total interest-bearing deposits	12,523,277	59,607	1.89	%	12,438,051	4,781	0.15	%	Total interest-bearing deposits	12,569,392	72,458		72,458	2.32			
Borrowings	Borrowings	414,252	5,356	5.13	%	153,882	843	2.17	%	Borrowings	50,781	253		253	2.00			
Total interest-bearing liabilities	Total interest-bearing liabilities	$12,937,529	$ 64,963	1.99	%	$12,595,737	$ 5,648	0.18	%	Total interest-bearing liabilities	$12,620,173	$		$ 72,711	2.32			
Demand accounts	Demand accounts	5,257,704				6,614,467												
Other noninterest-bearing liabilities	Other noninterest-bearing liabilities	541,827				445,640												
Other noninterest-bearing liabilities																		
Other noninterest-bearing liabilities																		
Total liabilities																		
Total liabilities																		
Total liabilities	Total liabilities	18,737,060				19,655,844												
Shareholders' equity	Shareholders' equity	2,539,806				2,776,691												
Shareholders' equity																		
Shareholders' equity																		
Total liabilities and shareholders' equity																		
Total liabilities and shareholders' equity																		
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	$21,276,866				$22,432,535												
Net interest income – FTE	Net interest income – FTE		$141,581				$155,851											
Net interest income – FTE																		
Net interest rate spread (2)																		
Net interest rate spread (2)																		

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Net interest rate spread (2)	Net interest rate spread (2)		2.06 %		2.80 %
Net interest-earning assets (3)	Net interest-earning assets (3)	$ 7,305,458		$ 8,925,773	
Net interest margin – FTE (4)	Net interest margin – FTE (4)		2.77 %		2.87 %
Net interest margin – FTE (4)					
Net interest margin – FTE (4)					
Average interest-earning assets to interest-bearing liabilities	Average interest-earning assets to interest-bearing liabilities	156.47 %		170.86 %	
Return on average assets (5)(6)		1.10 %		0.93 %	
Return on average equity (5)(7)		9.23 %		7.55 %	
Return (loss) on average assets (5)(6)					
Return (loss) on average assets (5)(6)					
Return (loss) on average assets (5)(6)					
Return (loss) on average equity (5)(7)					
Return (loss) on average equity (5)(7)					
Return (loss) on average equity (5)(7)					
Noninterest expense to average assets (8)	Noninterest expense to average assets (8)	2.49 %		2.07 %	
Noninterest expense to average assets (8)					
Noninterest expense to average assets (8)					

(1) Non-accrual loans are included in loans.

(2) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.

(3) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(4) Net interest margin - FTE represents fully-taxable equivalent net interest income divided by average total interest-earning assets. Refer to the earlier "*Non-GAAP Financial Measures"* section within this Item 2 for additional information.

(5) Presented on an annualized basis.

(6) Represents net income (loss), including net (loss) income from discontinued operations, divided by average total assets.

(7) Represents net income (loss), including net (loss) income from discontinued operations, divided by average equity.

(8) Includes noninterest expenses included in results of discontinued operations. Refer to *Note 19, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q for such amounts.

	As of and for the nine months ended September 30,					
	2023			2022		
	Average Outstanding Balance	Interest	Average Yield /Cost (5)	Average Outstanding Balance	Interest	Average Yield/Cost (5)
	(Dollars in thousands)					
Interest-earning assets:						
Loans (1)						
Residential	$ 2,526,980	$ 66,593	3.52 %	$ 1,980,630	$ 44,966	3.04 %
Commercial	9,892,337	365,298	4.94 %	9,019,196	258,082	3.83 %
Consumer	1,371,761	63,333	6.17 %	1,315,136	38,016	3.86 %
Total loans	13,791,078	495,224	4.80 %	12,314,962	341,064	3.70 %
Non-taxable investment securities	197,744	5,452	3.69 %	264,717	7,072	3.57 %
Taxable investment securities	6,244,397	77,451	1.66 %	8,484,540	88,277	1.39 %
Other short-term investments	721,025	27,384	5.08 %	541,285	2,726	0.67 %
Total interest-earning assets	$ 20,954,244	$ 605,511	3.86 %	$ 21,605,504	$ 439,139	2.72 %

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Non-interest-earning assets	952,378			1,099,406		
Total assets	$ 21,906,622			$ 22,704,910		
Interest-bearing liabilities:						
Deposits:						
Savings account	$ 1,570,803	$ 172	0.01 %	$ 2,046,254	$ 153	0.01 %
Interest checking account	4,177,492	17,155	0.55 %	4,897,321	6,778	0.19 %
Money market investment	4,979,820	74,612	2.00 %	5,151,384	3,559	0.09 %
Time account	2,184,631	66,747	4.08 %	429,401	674	0.21 %
Total interest-bearing deposits	12,912,746	158,686	1.64 %	12,524,360	11,164	0.12 %
Borrowings	478,347	17,025	4.76 %	73,745	935	1.70 %
Total interest-bearing liabilities	$ 13,391,093	$ 175,711	1.75 %	$ 12,599,387	$ 12,123	0.13 %
Demand accounts	5,469,593			6,698,640		
Other noninterest-bearing liabilities	512,546			436,724		
Total liabilities	19,373,232			19,734,751		
Shareholders' equity	2,533,390			2,970,159		
Total liabilities and shareholders' equity	$ 21,906,622			$ 22,704,910		
Net interest income – FTE		$ 429,800			$ 427,016	
Net interest rate spread (2)			2.11 %			2.59 %
Net interest-earning assets (3)	$ 7,563,151			$ 9,006,117		
Net interest margin – FTE (4)			2.74 %			2.64 %
Average interest-earning assets to interest-bearing liabilities	156.48 %			171.48 %		
(Loss) return on average assets (5)(6)	(0.53)%			0.86 %		
(Loss) return on average equity (5)(7)	(4.56)%			6.55 %		
Noninterest expense to average assets (8)	2.27 %			1.98 %		

(1) Non-accrual loans are included in loans.

(2) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.

(3) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(4) Net interest margin - FTE represents fully-taxable equivalent net interest income divided by average total interest-earning assets. Refer to the earlier "*Non-GAAP Financial Measures*" section within this Item 2 for additional information.

(5) Presented on an annualized basis.

(6) Represents net (loss) income, including net income from discontinued operations, divided by average total assets.

(7) Represents net (loss) income, including net income from discontinued operations, divided by average equity.

(8) Includes noninterest expenses included in results of discontinued operations. Refer to *Note 19, 15, "Discontinued Operations"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q for such amounts.

The following chart shows the composition of our quarterly average interest-earning assets for the past five quarters:

Provision for Loan Losses

The provision for loan losses represents the charge to expense that is required to maintain an appropriate level of allowance for loan losses.

We recorded a provision provisions for allowance for loan losses of $7.3 million $7.5 million and less than $0.1 million for the three months ended September 30, 2023, compared to a provision of $6.5 million for the three months ended September 30, 2022 March 31, 2024 and a provision for allowance for loan losses of $14.9 million for the nine months ended September 30, 2023 compared to a provision of $7.0 million for the nine months ended September 30, 2022. 2023, respectively. Management determined a provision to be necessary for the three and nine months ended September 30, 2023 March 31, 2024 primarily due to increased loan balances and an increase in non-performing a $7.3 million partial charge-off of a commercial real estate loans, investment loan which are transitioned to non-accrual status during the three months ended March 31, 2024 and had not been previously reserved for on a specific reserve basis. The increase

Our periodic evaluation of the appropriate allowance for loan losses considers the risk characteristics of the loan portfolio, current economic conditions, and trends in our non-performing commercial real estate loans was primarily attributable to several commercial real estate loans, which are collateralized by properties in the investor office risk segment, transitioning to non-accrual during the three months ended September 30, 2023. loan delinquencies and charge-offs.

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Management's estimate of our allowance for loan losses as of September 30, 2023 March 31, 2024 and the provision for allowance for loan losses for the three and nine months ended September 30, 2023 March 31, 2024, was supported, in part, by Oxford Economics' September 2023 March 2024 Baseline forecast ("the forecast") which was used to develop management's estimate of the effect of expected future economic conditions on the allowance for loan losses. The forecast assumed the U.S. economy will mildly contract in the fourth quarter of 2023 compared to the assumption used as of December 31, 2022, which had assumed the U.S. economy would enter a recession slightly grow in the second quarter of 2023. 2024. This forecast reflects the impact of cumulative rate increases by the FOMC, with the most recent occurring in July consumer spending rebounding after a slow end to 2023 tighter lending conditions, and continued inflation pressure leading to reduced consumer spending. start of 2024. Primary macroeconomic assumptions included in management's evaluation of the adequacy of the allowance for loan losses included an increased a slight increase in unemployment rate and a steady gross domestic product ("GDP"). that is projected to rise modestly in the second quarter of 2024. Further, the forecast assumed that the FOMC will not raise decrease federal rates further during May 2024, although the current economic cycle. probability of such a rate decrease occurring was reduced from prior forecasts. Although the core consumer price index declined slightly in August 2023 March 2024 from the prior month, inflation is expected to remain above the FOMC's 2% target through 2024. 2024 and therefore, no material reduction in federal rates was forecast. Refer to the section titled *"Outlook and Trends"* within this Item 2 for additional discussion. For additional discussion of our allowance for credit losses measurement methodology,

see *Note 2, "Summary of Significant Accounting Policies"* and *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

To illustrate the sensitivity of the modeled result to the impact of a hypothetical change in the economic forecast, management calculated the allowance for loan losses assuming the downside economic forecast scenario and, separately, the upside economic forecast scenario. The downside scenario assumed the U.S. economy will enter a more severe recession at the end experience growth of 2023 and experience a fourth quarter decline GDP in GDP 2024 of 2.6% on an annualized basis. 1.1%. Use of the downside scenario would have resulted in an incremental increase in the allowance for loan losses of approximately $11.5 million $12.4 million as of September 30, 2023 March 31, 2024. The upside scenario assumed GDP growth of 2.1% and 0.8% 3.3% in the fourth quarter of 2023 and the first quarter of 2024, respectively, along with sustained recovery. Use of the upside scenario would have resulted in an incremental decrease in the allowance for loan losses of approximately $7.2 million $4.9 million as of September 30, 2023 March 31, 2024.

Our periodic evaluation of the appropriate allowance for loan losses considers the risk characteristics of the loan portfolio, current economic conditions, and trends in loan delinquencies and charge-offs.

Noninterest Income

The following table sets forth information regarding noninterest income for the periods shown:

Noninterest Income

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(Dollars in thousands)							
Service charges on deposit accounts	$ 7,403	$ 6,708	$ 695	10.4 %	$ 21,117	$23,558	$ (2,441)	(10.4)%
Trust and investment advisory fees	6,235	5,832	403	6.9 %	18,136	17,967	169	0.9 %
Debit card processing fees	3,388	3,249	139	4.3 %	10,071	9,417	654	6.9 %
Interest rate swap income	1,695	1,562	133	8.5 %	2,112	6,087	(3,975)	65.3 %

	Three Months Ended March 31,							
	2024							
	(Dollars in thousands)							
Service charges on deposit accounts	$ 7,508	$	$ 6,472	$	$ 1,036			
Trust and investment advisory fees	6,544	5,770	5,770	774		774		
Debit card processing fees	3,247	3,170	3,170	77		77		

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(Losses) income from investments held in rabbi trusts		(1,523)	(2,248)	725	(32.3)%	4,336	(13,997)	18,333	(131.0)%							
Losses on sales of commercial and industrial loans		(2,651)	—	(2,651)	100.0 %	(2,651)	—	(2,651)	100.0 %							
(Losses) gains on sales of mortgage loans held for sale, net		(164)	22	(186)	(845.5)%	(288)	240	(528)	(220.0)%							
Interest rate swap income (loss)										Interest rate swap income (loss)	667		(408)		1,075	
Income from investments held in rabbi trusts										Income from investments held in rabbi trusts	4,318		2,857		1,461	
Losses on sales of mortgage loans held for sale, net										Losses on sales of mortgage loans held for sale, net	(58)		(74)		16	
Losses on sales of securities available for sale, net	Losses on sales of securities available for sale, net	—	(198)	198	(100.0)%	(333,170)	(2,474)	(330,696)	13,366.9 %	Losses on sales of securities available for sale, net	—	(333,170)	(333,170)	333,170		333,170
Other	Other	4,774	4,597	177	3.9 %	15,845	13,527	2,318	17.1 %	Other	5,466	5,530	5,530	(64)		(64)
Total noninterest income (loss)	Total noninterest income (loss)	$19,157	$19,524	$ (367)	(1.9)%	$(264,492)	$54,325	$(318,817)	(586.9)%	Total noninterest income (loss)	$27,692	$	$(309,853)	$	$337,545	(

Noninterest income decreased $0.4 million increased $337.5 million, or 1.9% 108.9%, to $19.2 million $27.7 million for the three months ended September 30, 2023 March 31, 2024 from $19.5 million a net loss of $309.9 million for the three months ended September 30, 2022 March 31, 2023. This decrease increase was primarily due to a $333.2 million decrease in losses on sales of commercial and industrial loans of $2.7 million. Partially offsetting the loss was securities available for sale, a $0.7 million $1.5 million increase in income from investments held in rabbi trusts, a $1.1 million increase in interest rate swap income, and a $0.7 million $1.0 million increase in service charges on deposit accounts.

- We realized a loss recorded losses of $333.2 million on sales of securities available for sale, of commercial and industrial loans of $2.7 million during net, for the three months ended September 30, 2023 March 31, 2023. Management made the decision to sell certain loans included in the SNC Program in order to fund new loan originations and to provide additional liquidity to support ongoing operations. No commercial loans were sold during the three months ended September 30, 2022. For additional discussion, refer to *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.
- Losses from investments held in rabbi trusts were $1.5 million for the three months ended September 30, 2023 compared to losses of $2.2 million for the three months ended September 30, 2022. For both periods, the losses were primarily due to an unfavorable mark-to-market adjustment on equity securities held in these accounts. The unfavorable mark-to-market adjustment for the three months ended September 30, 2022 was greater than the unfavorable mark-to-market adjustment for the three months ended September 30, 2023.
- Service charges on deposit accounts increased primarily as a result of an increase in customer overdraft charges primarily due to a larger volume of overdrafts for the three months ended September 30, 2023 compared to during the three months ended September 30, 2022.

Noninterest income decreased $318.8 million, to a net loss of $264.5 million for the nine months ended September 30, 2023 from income of $54.3 million for the nine months ended September 30, 2022. This decrease was primarily due to a $330.7 million increase in losses on sales in the first quarter of 2023 of securities available for sale securities in connection with a $4.0 million decrease balance sheet repositioning in interest rate swap income, losses on sales of commercial and industrial loans of $2.7 million, and a $2.4 million decrease in service charges on deposit accounts. These items March 2023. There were partially offset by an $18.3 million increase in income from investments held in rabbi trusts.

- Losses on no sales of securities available for sale net, increased by $330.7 million to $333.2 million for during the nine three months ended September 30, 2023 from $2.5 million for the nine months ended September 30, 2022 due to balance sheet repositioning which was completed in March 2023 and included the sale of certain

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available for sale securities. Refer to the section titled *"Liquidity, Capital Resources, Contractual Obligations, Commitments and Contingencies"* within this Item 2 for additional discussion of such sales.

- Interest rate swap income decreased primarily as a result of a less favorable mark-to-market adjustment during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 March 31, 2024.
- We realized a loss on sale of commercial and industrial loans of $2.7 million during the nine months ended September 30, 2023. Management made the decision to sell certain loans included in the SNC Program in order to fund new loan originations and to provide additional liquidity to support ongoing operations. No commercial loans were sold during the nine months ended September 30, 2022. For additional discussion, refer to *Note 4, "Loans and Allowance for Credit Losses"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.
- Service charges on deposit accounts for the nine months ended September 30, 2023 decreased primarily as a result of decreased corporate account analysis charges which was due primarily to lower commercial deposit account customer activity attributable to heightened industry-wide competition for deposits. Also contributing to the decrease was a decrease in customer overdraft charges for the period, which decreased primarily as a result of our decision to reduce the amount of the overdraft fees charged to our customers beginning in the third quarter of 2022.
- Income from investments held in rabbi trusts increased primarily as a result of a favorable mark-to-market adjustment on equity securities held in these those accounts for the nine three months ended September 30, 2023 March 31, 2024 resulting from an increase in the market value of equity securities held in the rabbi trusts trusts.
- Interest rate swap income increased primarily as a favorable mark-to-market adjustment during the three months ended March 31, 2024 compared to an unfavorable mark-to-market adjustment during the three months ended March 31, 2023.
- Service charges on deposit accounts increased primarily as a result of increased corporate account analysis charges which was primarily due to higher customer deposit activity. Also contributing to the increase was an increase in overdraft charges, which increased primarily due to a larger volume of overdrafts for the nine three months ended September 30, 2022 March 31, 2024 compared to during the three months ended March 31, 2023.

Noninterest Expense

The following table sets forth information regarding noninterest expense for the periods shown:

Noninterest Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2023	2022	Amount	%	2023	2022	Amount	%
	(Dollars in thousands)							
Salaries and employee benefits	$ 60,898	$ 61,292	$ (394)	(0.6)%	$ 185,264	$ 171,525	$ 13,739	8.0 %
Office occupancy and equipment	8,641	8,880	(239)	(2.7)%	26,797	28,804	(2,007)	(7.0)%
Data processing	13,443	12,242	1,201	9.8 %	38,555	39,711	(1,156)	(2.9)%
Professional services	7,125	4,218	2,907	68.9 %	13,277	11,510	1,767	15.4 %
Marketing	1,765	2,118	(353)	(16.7)%	4,899	6,262	(1,363)	(21.8)%
Loan expenses	1,082	2,211	(1,129)	(51.1)%	3,292	5,757	(2,465)	(42.8)%
FDIC insurance	2,808	1,578	1,230	77.9 %	8,388	4,710	3,678	78.1 %

	Three Months Ended March 31,			
			Change	
	2024			
	(Dollars in thousands)			
Salaries and employee benefits	$ 64,471	$	$62,183	$
Office occupancy and equipment	9,184	9,089	9,089	95
Data processing	16,509	12,298	12,298	4,211
Professional services	3,512	3,127	3,127	385
Marketing	1,515	1,023	1,023	492
Loan expenses	1,170	1,095	1,095	75
FDIC insurance	2,285	2,546	2,546	(261)

	2024	2023	
Salaries and employee benefits	$2,288		3.
Office occupancy and equipment		95	
Data processing		4,211	
Professional services		385	
Marketing		492	
Loan expenses		75	
FDIC insurance		(261)	

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Amortization of intangible assets	Amortization of intangible assets	504	299	205	68.6 %	1,299	899	400	44.5 %	Amortization of intangible assets	504	291	291	213		213	
Other	Other	5,482	2,927	2,555	87.3 %	15,802	6,888	8,914	129.4 %	Other	2,052	4,239	4,239	(2,187)		(2,187)	
Total noninterest expense	Total noninterest expense	$101,748	$95,765	$5,983	6.2 %	$297,573	$276,066	$21,507	7.8 %	Total noninterest expense	$101,202	$	$95,891	$	$5,311		5.

Noninterest expense increased by $6.0 million $5.3 million, or 6.2% 5.5%, to $101.7 million $101.2 million during the three months ended September 30, 2023 March 31, 2024 from $95.8 million $95.9 million during the three months ended September 30, 2022 March 31, 2023. This increase was primarily due to a $2.9 million increase in professional services, a $2.6 million increase in other noninterest expenses, a $1.2 million increase in

FDIC insurance, and a $1.2 million $4.2 million increase in data processing expense. expense and a $2.3 million increase in salary and employee benefits expenses. These increases were partially offset by a $1.1 million $2.2 million decrease in loan other noninterest expenses.

- Professional services increased primarily due to merger and acquisitions expenses incurred during the three months ended September 30, 2023, which totaled $3.6 million and were related to our proposed acquisition of Cambridge. No merger and acquisition expenses were incurred by the Bank during the three months ended September 30, 2022.
- Other noninterest expenses increased primarily due to a $3.1 million increase in other pension expense. This is primarily due to a decrease in expected return on plan assets in our Defined Benefit Plan. For further discussion on the Company's Defined Benefit Plan refer to see *Note 10, "Employee Benefits"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.
- FDIC insurance expenses increased primarily due to an increase in the assessment rate charged by the FDIC during the three months ended September 30, 2023 compared to during the three months ended September 30, 2022.
- Data processing expenses are primarily comprised of costs associated with the processing of customer transactions including loans and deposits and are partially impacted by fluctuations in related transaction volume. Such expenses, such as core data processing expenses increased during the three months ended September 30, 2023 March 31, 2024 compared to during the three months ended September 30, 2022 March 31, 2023, primarily due to an increase in software expenses, which were primarily driven by increases in customer loan activity.
- Loan relationship management and cybersecurity software expenses. The increase in these expenses decreased primarily due was driven by efforts to a decrease improve our customer relationship management with current and potential customers, as well as improve our cybersecurity technology to better protect against cybersecurity threats. Also contributing to the increase in the volume of property titling data processing expenses associated with consumer home equity line of credit ("HELOC") applications received during the three months ended September 30, 2023 compared to during the three months ended September 30, 2022. We had marketed our HELOC products during the three months ended September 30, 2022 was an increase in engineering and consulting expense, which had led to increased volume during that period. The marketing effort ceased in the fourth quarter of 2022 which led to a subsequent decline in the volume of HELOC applications received.

Noninterest expense increased by $21.5 million, or 7.8%, to $297.6 million during the nine months ended September 30, 2023 from $276.1 million during the nine months ended September 30, 2022. This increase was primarily due driven by onboarding costs related to a $13.7 million increase in salaries and employee benefits, a $8.9 million increase in other noninterest expenses, and a $3.7 million increase in FDIC insurance expenses. Partially offsetting these increases were a $2.5 million decrease in loan expenses and a $2.0 million decrease in office occupancy and equipment expenses. our pending Cambridge acquisition.

- Salaries and employee benefits expenses increased primarily due to an $8.3 million $1.1 million increase in benefit expense related to our defined contribution supplemental executive retirement plan ("DC SERP"). Participant benefits are adjusted based upon deemed investment performance. Accordingly, such investments experienced an increase in value during the nine months ended September 30, 2023 resulting in a corresponding increase in the related benefit expense. Also contributing to the increase was an increase of $5.4 million in salaries and wages expense, which was primarily due to costs of living salary and wage increases and the addition of new employees. Also contributing to the increase in salaries and employee benefits was an increase in the legacy long-term cash-based incentive plan compensation expense, as well as an increase in the restricted stock award expense. Expense related to the long-term cash-based incentive plan increased to a net expense during the nine months ended September 30, 2023 compared to which was a net credit (reduction of expense) during the nine three months ended September 30, 2022 March 31, 2023, resulting from an increase as a result of a decline in certain metrics to which the awards are were tied during such periods. period. The final performance cycle under the legacy long-term cash-based incentive compensation plan ended on December 31, 2023. As such, we have ceased accruing expense relative to this plan. In addition, restricted stock award expense and benefit expense related to our defined contribution supplemental executive retirement plan ("DC SERP") each increased $0.5 million during the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Restricted stock award expense increased $3.3 million due to the incremental expense recognized in relation to restricted stock units and restricted stock awards granted granted. For our DC SERP, participant benefits are adjusted based upon deemed investment performance. Accordingly, such investments experienced an increase in December 2022 and value during the first and second quarters of 2023. three months ended March 31, 2024, resulting in a corresponding increase in the related benefit expense. Partially offsetting this these increases was an increase was a decrease of $3.3 million in the pension service cost, loan origination fee expense reductions, which was were primarily driven by a change due to increases in the mix of employees which reduced the present value of benefits based upon salary growth levels in comparison to the nine months ended September 30, 2022. commercial loan volume.

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- Other noninterest expenses increased decreased primarily due to a $9.4 million increase in other pension expense. This is primarily due to a $2.7 million decrease in expected return on plan assets in our Defined Benefit Plan. For further discussion on the Company's Defined Benefit Plan refer to *Note 10, "Employee Benefits"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q. Also contributing to this increase was a $1.5 million increase in the provision for credit losses on off balance off-balance sheet exposures, which was primarily due to increases caused by decreases in exposure on unfunded reserve rates and balances in commercial construction and commercial and industrial loan commitments and unfunded construction loan commitments. For further discussion of the change in the provision for credit losses on off-balance sheet exposures, refer to the earlier discussion under "*Allowance for Credit Losses,*" included in the *"Financial Position"* section within this Item 2. Partially offsetting these items this decrease was a $2.1 million decrease $0.7 million increase in post-retirement bank-owned post retirement bank owned life insurance expense which was primarily

  caused by an increase a decrease in the discount rate used to determine the liability related to our split-dollar life insurance policies. This increase decrease in the discount rate resulted in a decrease an increase in the expense associated with such liabilities.

- FDIC insurance expenses increased $3.7 million primarily due to an increase in the assessment rates charged by the FDIC during the nine months ended September 30, 2023 compared to during the nine months ended September 30, 2022.

- Loan expenses decreased primarily due to a decrease in volume of HELOC applications received during the nine months ended September 30, 2023 compared to during the nine months ended September 30, 2022. The Bank stopped offering HELOC promotions at the end of 2022.
- Office occupancy and equipment expenses decreased primarily due to a decrease in operating lease expense, which was primarily due to a decrease in the number of occupancy leases during the nine months ended September 30, 2023 compared to during the nine months ended September 30, 2022.

Income Taxes

We recognize the tax effect of all income and expense transactions in each year's Consolidated Statements of Income, regardless of the year in which the transactions are reported for income tax purposes. The following table sets forth information regarding our tax provision and applicable tax rates for the periods indicated and excludes income tax expense related to discontinued operations:

Tax Provision and Applicable Tax Rates

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Dollars in thousands)			
Combined federal and state income tax (benefit) provision	$(16,178)	$16,650	$(65,619)	$43,681

	Three Months Ended March 31,						Three Months Ended March 31,	
	2024					2024	2023	
	(Dollars in thousands)						(Dollars in thousands)	
Combined federal and state income tax provision (benefit)								
Effective income tax rate	Effective income tax rate	(34.2)%	24.0 %	41.1 %	23.1 %	Effective income tax rate 21.0 %	24.4	%
Blended statutory tax rate	Blended statutory tax rate	28.2 %	28.1 %	28.2 %	28.1 %	Blended statutory tax rate 27.7 %	28.2	%

Income tax expense decreased increased by $32.8 million $75.7 million to a benefit of $16.2 million $10.3 million for the three months ended September 30, 2023 March 31, 2024 from an expense $16.7 million a benefit of $65.4 million for the three months ended September 30, 2022 March 31, 2023. The decrease was primarily the result of our reversal of a federal valuation allowance established in the first quarter of 2023 related to our sale of securities at a loss and a revision in management's estimate of annual pre-tax

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loss for purposes of determining our quarterly income tax provision. For additional information related to income taxes see *Note 12, "Income Taxes"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

Income tax expense decreased by $109.3 million to a benefit of $65.6 million in the nine months ended September 30, 2023 from a provision of $43.7 million in the nine months ended September 30, 2022. The decrease increase in income tax expense which resulted in a tax benefit for the nine months ended September 30, 2023, was primarily due to lower higher income before income tax expense, which was increased from a net loss and net benefit during for the nine three months ended September 30, 2023 March 31, 2023 to net income for the three months ended March 31, 2024. The tax benefit for the three months ended March 31, 2023 was primarily due to a net loss during three months ended March 31, 2023, respectively, as a consequence of which primarily resulted from losses realized on sales of available for sale securities in during the three months ended March 31, 2023.

In addition, during the first quarter of 2023, the Company liquidated MSSC, a wholly owned subsidiary, and transferred all of MSSC's assets to Eastern Bank. In connection with the liquidation and subsequent transfer of securities previously held by MSSC to Eastern Bank, the Company recognized an additional deferred income tax benefit of $23.7 million during the first quarter of 2023. For additional information This deferred income tax benefit resulted from a state tax rate change applied to the deferred tax asset related to the Company's income taxes see *Note 12, "Income Taxes"* within the Notes securities transferred to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.Eastern Bank.

Management of Market Risk

General. Market risk is the sensitivity of the net present value of assets and liabilities and/or income to changes in interest rates, foreign exchange rates, commodity prices and other market-driven rates or prices. Interest rate sensitivity is the most significant market risk to which we are exposed. Interest rate risk is the sensitivity of the net present value of assets and liabilities and/or and income to changes in interest rates. Changes in interest rates, as well as fluctuations in the level and duration of assets and liabilities, affect net interest income, our primary source of income. Interest rate risk arises directly from our core banking activities. In addition to directly impacting net interest income, changes in the level of interest rates can also affect the amount of loans originated, the timing of cash flows on loans and securities, and the fair value of assets and liabilities, as well as other effects. aspects of our business.

Governance. The primary goal of interest rate risk management is to attempt to control this risk within policy limits approved by the Risk Management Committee of our Board of Directors. Directors ("RMC"), and within the Risk Appetite Statement formally adopted by the Board of Directors and described further below.

These limits reflect our tolerance for interest rate risk over both short-term and long-term horizons. horizons, are designed to encompass market rate shocks that would take place with both gradual and immediate effect and cover a range of scenarios from mild to extreme market shocks. More specifically, and as further described below, our policy limits govern:

- The maximum amount of acceptable earnings loss due to market risk in year one of a two-year earnings simulation, determined by net interest income analysis;
- The maximum amount of acceptable earnings loss due to market risk in year two of a two-year earnings simulation, determined by net interest income analysis;
- The maximum amount of acceptable decline in the present value of equity due to market risk, determined by economic value of equity analysis;
- The maximum acceptable size of the investment portfolio relative to total assets;
- Concentration limits on investment asset types to ensure appropriate portfolio diversification;
- Maximum maturity and weighted average life per security at time of purchase in both a base case and a shocked rate scenario to measure extension risk;
- The maximum acceptable duration of the investment and hedging derivatives portfolio; and
- Guidelines on accounting classification of securities including held for trading, available for sale and held to maturity.

Policy limits are tested quarterly, and the results are reported to the Asset and Liability Management Committee ("ALCO") and to the RMC. The RMC advises the Board of Directors with respect to the adequacy of capital allocated based on the level of risk as well as risk issues that could impact liquidity and/or capital adequacy. From time to time, we expect we will exceed policy limits, in which case we may seek corrective action after considering, among other things, market conditions, customer reaction, and the estimated impact on profitability. A remediation plan will be presented to the ALCO, the Enterprise Risk Management Committee ("ERMC") and the RMC that carefully outlines the proposed corrective action.

We attempt to manage interest rate risk by identifying, quantifying, and where appropriate, hedging our exposure. exposure to market risk. If assets and liabilities do not re-price simultaneously and in equal volume, the potential for interest rate exposure exists. Our objective is to maintain stability in the growth of net interest income through the maintenance of an appropriate mix of interest-earning assets and interest-bearing liabilities and, when necessary and within limits that management determines to be prudent, through the use of off-balance sheet hedging instruments including, but not limited to, interest rate swaps, floors and caps.

Our asset-liability management strategy is devised and monitored by our Asset/Liability Management Committee ("ALCO"), ALCO, a subcommittee of the Enterprise Risk Management Committee ("ERMC"), ERMC, in accordance with policies approved by our Board of Directors. the RMC. ALCO operates under a charter developed and approved by the ERMC. ALCO meets regularly at least monthly, or more frequently as needed, to review, among other things, our sensitivity to interest rate changes, loan pricing and activity, investment activity and strategy, hedging strategies, and deposit pricing and funding strategies with respect to overall balance sheet composition. composition, as well as earnings

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simulations over multiple years. ALCO may meet more frequently if there are changes in the economic environment, such as rapid increases or decreases in interest rates due to or as a result of exogenous or unknown factors so that ALCO can make any necessary strategic adjustments to ensure risk is well-managed. ALCO's membership is comprised of executive management of the Company, and representatives from various lines of business are in regular attendance, including representation from Enterprise Risk Management ("ERM"). ALCO reports regularly to the Risk Management Committee of the Board of Directors RMC on these risks and objectives with independent oversight and reporting from our Financial and Model Risk Management group. group within ERM.

As a company offering banking and other financial services, certain elements of risk are inherent in our transactions and operations and are present in the business decisions we make. We, therefore, encounter risk as part of the normal course of our business, and we design risk management processes to help manage these risks. In its oversight of our risk management framework, the Board of Directors has adopted a formal Risk Appetite Statement ("RAS") which defines the aggregate level of risk and the types of risk the Company is willing to assume to achieve its corporate strategy and objectives. The Board of Directors ensures that approved policy limits, as described further above, conform to stated risk appetite. The Board of Directors monitors, on at least a quarterly basis, a set of key risk metrics, including those, but not limited to those, pertaining to market risk. Monitoring these metrics ensures that management is operating within the Board of Directors' stated risk appetite, can help to identify trends in risk profile or emerging risks over time, and where applicable, determine where adjustments may be required to business strategy or tactics. Within our risk management framework, the functional responsibilities of risk management are divided into a tiered model, involving three lines of defense:

1. The Finance Department to which primary market risk ownership belongs including monitoring and tracking of risk, model development and maintenance, and execution of strategy and tactics to mitigate market risk;
2. The ERM Department which conducts independent risk and controls assessments to ensure appropriate risk identification, management, and reporting. The Model Risk Management group ("MRM") within ERM is responsible for independent oversight of models used to measure market risk, including model and assumption implementation, development, and conceptual soundness; and
3. The Internal Audit Department which independently assesses the operating effectiveness of the first- and second-line processes and controls.

Comments on Recent Developments. As noted in the earlier section titled *"Outlook and Trends"* within this Item 7, beginning in March 2022, the Federal Open Market Committee ("FOMC") voted to increase the federal funds rate multiple times from a range of 0.00% to 0.25% to a range of 5.25% to 5.50% on July 26, 2023, when the FOMC stated that it will continue to assess additional information and its implications for monetary policy. Our market risk management framework is designed for the potential for such rapid changes in interest rates, by establishing policy limits on such rapid shocks and periodically back-testing modeled to actual results. Back-testing of top-line results as well as key assumptions is performed against established thresholds as part of our ongoing monitoring governance of our models, and results are reported to the ALCO and the later section titled *"Liquidity, Capital Resources, Contractual Obligations, Commitments MRM. Should back-testing results exceed established performance thresholds, the model and Contingencies"* in this Item 2, we completed a balance sheet repositioning during the first quarter of 2023 by selling a portion of our AFS investment securities portfolio underlying assumptions will be reviewed for total proceeds of $1.9 billion. Such securities were lower-yielding U.S. Agency bonds and government-sponsored residential and commercial mortgage-backed securities which were purchased when interest rates were historically low. Prior to the sale, we placed reliance on wholesale funding, including brokered deposits, to meet our loan-growth needs which have a higher cost than deposits originating within the markets we serve and are not our preferred sources of funding. Subsequent to the sale, our reliance on such funding sources is lessened as we believe we have a stronger liquidity position. recalibration.

Net Interest Income. We analyze our sensitivity to changes in interest rates through a net interest income ("NII") model. We model our NII over a 12-month and 24-month period assuming no changes in interest rates and a static balance sheet, where cash flows from financial assets and liabilities are replaced with new business of similar terms at current rates. The impact of our interest rate derivatives designated as hedging instruments are included in the model results. We then model NII for the same period under the assumption that market rates increase and decrease instantaneously by certain basis point increments, which vary by period depending upon market conditions, with changes in interest rates representing immediate, permanent, and permanent, parallel shifts in the yield curve. A basis point equals one-hundredth of one percent, and 100 basis points equals one percent. An increase in interest rates from 3% to 4% would mean, for example, a 100 basis point increase in the "Changes in Interest Rates" column in the table below.

Many assumptions are made in the modeling process for both NII and economic value of equity ("EVE", discussed further below), including but not limited to the repricing and maturity characteristics of existing and new business, loan and security prepayments, administered deposit rate betas, duration of deposits without stated maturity dates, and other option risks. Management believes these assumptions to be reasonable for the various interest rate environments modeled, however, modeled. However, differences in actual results from these assumptions could change our exposure to interest rate risk. The models assume that the composition of our interest-sensitive assets and liabilities existing at the beginning of a period remains constant over the period being measured and assume that a particular change in interest rates is reflected uniformly across the yield curve regardless of the duration or repricing of specific assets and liabilities. Additionally, the model requires that interest rates remain positive for all points along the yield curve for each rate scenario which may preclude the modeling of certain falling rate scenarios during periods of lower market interest rates. We do not model negative interest rate scenarios.

Because of the limitations inherent in any modeling approach used to measure market risk, including NII and EVE sensitivity analysis, and because, in the event of changes in interest rates, management would take active steps to manage interest rate risk exposure among its financial assets and liabilities, modeling results, including those discussed in "Interest Rate Sensitivity" and "EVE Interest Rate Sensitivity" below, should not be relied upon as a forecast of actual NII or EVE, nor should they be interpreted as management's expectations of actual results in the event of such interest rate fluctuations. The tables provide an indication of our interest rate risk exposure at a particular point in time, and actual results may differ.

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The tables below set forth, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the modeled changes in our net interest income on an FTE basis that would result from the designated immediate changes in market interest rates:

Interest Rate Sensitivity

		As of September 30, 2023									
		As of March 31, 2024								As of March 31, 2024	
Change in Interest Rates (basis points) (1)	Change in Interest Rates (basis points) (1)	Net Interest Income Year 1 Forecast	Year 1 Change from Level		Change in Interest Rates (basis points) (1)	Net Interest Income Year 1 Forecast		Year 1 Change from Level		Policy Limit	
		(Dollars in thousands)									
		(Dollars in thousands)								(Dollars in thousands)	
400	400	$ 485,972	(14.1)	%	400	$ 534,991	(6.7)	(6.7)	%	(20.0)	%
200	200	526,269	(7.0)	%	200	555,183	(3.1)	(3.1)	%	(12.0)	%
100	100	546,184	(3.5)	%	100	564,337	(1.5)	(1.5)	%	(10.0)	%
Flat	Flat	565,939	—	%	Flat	573,134	—	—	%	—	%
(100)	(100)	584,027	3.2	%	(100)	579,461	1.1	1.1	%	(10.0)	%
(200)	(200)	592,055	4.6	%	(200)	582,062	1.6	1.6	%	(12.0)	%
(400)	(400)	594,348	5.0	%	(400)	569,387	(0.7)	(0.7)	%	(20.0)	%
		As of December 31, 2022									
			As of December 31, 2023								
			As of December 31, 2023								
			As of December 31, 2023								
Change in Interest Rates (basis points) (1)	Change in Interest Rates (basis points) (1)	Net Interest Income Year 1 Forecast	Year 1 Change from Level		Change in Interest Rates (basis points) (1)	Net Interest Income Year 1 Forecast		Year 1 Change from Level		Policy Limit	
		(Dollars in thousands)									
		(Dollars in thousands)								(Dollars in thousands)	
400	400	$ 528,247	(8.4)	%	400	$ 541,166	(6.1)	(6.1)	%	(20.0)	%
300		539,739	(6.4)	%							
200	200	552,231	(4.2)	%	200	559,901	(2.9)	(2.9)	%	(16.0)	%
100					100	568,281		(1.4)	%	(12.0)	%
Flat	Flat	576,477	—	%	Flat	576,482	—	—	%	—	%
(100)	(100)	585,728	1.6	%	(100)	582,014	1.0	1.0	%	(10.0)	%
(200)	(200)	586,771	1.8	%	(200)	584,105	1.3	1.3	%	(12.0)	%
(400)					(400)	574,352		(0.4)	%	(20.0)	%

(1) Assumes an immediate uniform change in market interest rates at all maturities.

As of September 30, 2023 March 31, 2024, our model, as indicated above, shows a decline in our net interest income in rising rate scenarios. In the rising rate scenarios, funding costs are modeled to rise faster than income on earning assets, due, in part, to the mix of funding which has shifted towards higher rate paying deposits, and wholesale funding which are more sensitive to changes in recent quarters. interest rates. As shown in the table above, the model generated similar results as of December 31, 2022 December 31, 2023. That is, the model showed a decline in our net interest income in the rising rate scenarios as funding costs were modeled to rise faster than income on earning assets, due, in part, to the shift in our mix of funding. The simulation results are within policy limits and management therefore does not expect a material change to our current strategy over the near term. The rate scenarios that we model at each period end are dependent upon market conditions, which is why the rate scenarios that we model may differ from period-to-period. As such, we did not previously model an instantaneous 400 basis point decrease in interest rates at December 31, 2022 given the lower level of interest rates compared to September 30, 2023.

Management may use techniques such as investment strategy, loan and deposit pricing, non-core funding strategies, and interest rate derivative financial instruments, within internal policy guidelines, to manage interest rate risk as part of our asset/liability strategy. Management Hedging strategies such as, for example, receive-fixed and pay-fixed swaps, interest rate caps, floors, or collars, may be used to protect against benchmark interest rates either rising or falling. The type of derivatives we primarily use to hedge market risk are interest rate swap agreements designated as cash flow hedging instruments. When the Federal Reserve began raising interest rates in March of 2022 from very low levels,

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management began evaluating a derivative strategy designed to limit our exposure to downward rate scenarios. In 2022, management executed a total of $2.4 billion in notional value of receive-fixed interest rate swap agreements on floating-rate loans. These swaps are designated as cash flow hedges and management believes these derivatives provide significant protection against falling interest rates, as they have the effect of converting floating rate loan exposure to fixed rates. These receive-fixed swaps constitute the entirety of our current hedge portfolio. Management may, from time to time, due to actual or projected changes in market rates or our risk exposure, evaluate other hedging strategies, although we believe our current Net Interest Income and Economic Value of Equity simulation analyses support maintaining the current derivatives strategy. For additional information related to our interest rate derivative financial instruments, see *Note 14, 10, "Derivative Financial Instruments"* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

Economic Value of Equity Analysis. We also analyze the sensitivity of our financial condition to changes in interest rates through our EVE model. This analysis calculates the difference between the present value of expected cash flows from assets and liabilities assuming various changes in current interest rates.

The tables below represent an analysis of our interest rate risk as measured by the estimated changes in our EVE, resulting from an instantaneous and sustained parallel shift in the yield curve (+100, +200, +400 basis points and -100, -200, and -400 basis points) at September 30, 2023 both March 31, 2024 and (+200, +300, +400 basis points and -100, -200 basis points) at December 31, 2022 December 31, 2023. The model requires that interest rates remain positive for all points along the yield curve for each rate scenario which may preclude the modeling of certain falling rate scenarios during periods of lower market interest rates.

Our earnings are not directly or materially impacted by movements in foreign currency rates or commodity prices. Movements in equity prices may have a modest impact on earnings by affecting the volume of activity or the amount of fees from investment-related business lines and by affecting the amount of unrealized gains and losses from securities held in rabbi trusts, the latter of which are partially offset by a corresponding but opposite impact to the amount of employee benefit expense associated with the change in value of plan assets.

EVE Interest Rate Sensitivity

Change in Interest Rates (basis points) (1)	Change in Interest Rates (basis points) (1)	As of September 30, 2023			
		Estimated EVE (2)	Estimated Increase (Decrease) in EVE from Level		EVE as a Percentage of Total Assets (3)
			Amount	Percent	
		(Dollars in thousands)			
Estimated EVE (2)					
		(Dollars in thousands)			
		(Dollars in thousands)			
		(Dollars in thousands)			
400	400	$3,214,556	$ (718,082)	(18.3) %	17.68 %
200	200	3,546,866	(385,772)	(9.8) %	18.52 %
100	100	3,731,893	(200,745)	(5.1) %	18.95 %
Flat	Flat	3,932,638	—	—	19.39 %
(100)	(100)	4,175,346	242,708	6.2 %	19.94 %
(200)	(200)	4,333,505	400,867	10.2 %	20.08 %
(400)	(400)	4,539,079	606,441	15.4 %	19.84 %

Estimated EVE (2)	Estimated Increase (Decrease) in EVE from Level			Estimated EVE (2)	Estimated Increase (Decrease) in EVE from Level		
400	$ 3,485,077	$	$ (638,348)	(15.5)	(15.5) %	(30) %	
200	3,758,811	(364,614)	(364,614)	(8.8)	(8.8) %	(20) %	
100	3,916,465	(206,960)	(206,960)	(5.0)	(5.0) %	N/A	
Flat	4,123,425	—	—	—	—	—	— 20.
(100)	4,328,639	205,214	205,214	5.0	5.0 %	N/A	
(200)	4,473,767	350,342	350,342	8.5	8.5 %	(20) %	
(400)	4,635,792	512,367	512,367	12.4	12.4 %	(30) %	

Change in Interest Rates (basis points) (1)	Change in Interest Rates (basis points) (1)	As of December 31, 2022			
		Estimated EVE (2)	Estimated Increase (Decrease) in EVE from Level		EVE as a Percentage of Total Assets (3)
			Amount	Percent	
		(Dollars in thousands)			

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Estimated EVE (2)								Estimated Increase (Decrease) in EVE from Level				Estimated EVE (2)	Estimated Increase (Decrease) in EVE from Level		
		(Dollars in thousands)													
		(Dollars in thousands)													
		(Dollars in thousands)													
400	400	$3,691,963	$ (691,696)	(15.8) %	18.48 %	400	$ 3,406,402	$	$ (712,648)	(17.3)	(17.3) %	(30) %			
300		3,834,512	(549,147)	(12.5) %	18.72 %										
200	200	4,007,265	(376,394)	(8.6) %	19.04 %	200	3,709,501	(409,549)	(409,549)	(9.9)	(9.9) %	(20) %			
100						100	3,890,531		(228,519)	(5.5)	%	N/A			1
Flat	Flat	4,383,659	—	—	19.66 %	Flat	4,119,050	—	—	—	—	—	—	— %	
(100)	(100)	4,527,743	144,084	3.3 %	19.74 %	(100)	4,339,006	219,956	219,956	5.3	5.3 %	N/A			
(200)	(200)	4,620,994	237,335	5.4 %	19.61 %	(200)	4,498,088	379,038	379,038	9.2	9.2 %	(20) %			
(400)						(400)	4,660,358		541,308		13.1 %	(30) %			2

(1) Assumes an immediate uniform change in market interest rates at all maturities.

(2) EVE is the discounted present value of expected cash flows from assets, liabilities and off-balance sheet contracts.

(3) Total assets is the net present value of expected cash flows.

Liquidity, Capital Resources, Contractual Obligations, Commitments and Contingencies

Liquidity. Liquidity describes our ability to meet the financial obligations that arise in the normal course of business. Liquidity is primarily needed to meet deposit withdrawals and anticipated loan fundings, as well as current and planned expenditures. We seek to maintain sources of liquidity that are reliable and diversified and that may be used during the normal course of business as well as on a contingency basis.

Our primary sources of funds are deposits, principal and interest payments on loans and securities, and proceeds from calls, maturities and sales of securities, subject to market conditions. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan and securities prepayments are greatly influenced by general interest rates, economic conditions, and competition. Our most liquid assets are unencumbered cash and due from banks cash equivalents and securities classified as available for sale, which could be liquidated, subject to market conditions. In the future,

our liquidity position will continue to be affected by the level of customer deposits and payments, loan originations and repayments, as well as any acquisitions, dividends, and share repurchases in which we may engage. For the next twelve months, we believe that our existing resources, including our capacity to use brokered deposits and wholesale borrowings, will be sufficient to meet the liquidity and capital requirements of our operations. We may elect to raise additional capital through the sale of additional equity or debt financing to fund business activities such as strategic acquisitions, share repurchases, or other purposes beyond the next twelve months.

At September 30, 2023, we had $608.8 million of cash and cash equivalents, an increase of $439.3 million from $169.5 million at December 31, 2022. The increase in cash levels was due primarily to a decrease of $2.4 billion in AFS securities from $6.7 billion at December 31, 2022 to $4.3 billion at September 30, 2023. In March 2023, we completed a balance sheet repositioning by selling lower yielding AFS securities. The sale allowed us to redeploy the proceeds in the current higher interest rate environment through increased cash levels and loan fundings, and the reduction of wholesale borrowings.

The increased cash levels following our balance sheet repositioning provided strong balance sheet liquidity to support the needs of our depositors as part of our liquidity contingency planning during the uncertain environment created by the bank failures in the months of March and May 2023. Advances from the FHLBB were also used to support ongoing operations and totaled $673.5 million and $704.1 million at September 30, 2023 and December 31, 2022, respectively.

We participate in the IntraFi Network, which allows us to provide access to FDIC deposit insurance protection on customer deposits for consumers, businesses and public entities that exceed same-bank FDIC insurance thresholds. We can elect to sell or repurchase this funding as reciprocal deposits from other IntraFi Network banks depending on our funding needs. At both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 we had no IntraFi Network one-way sell deposits. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had repurchased $1.2 billion $1.5 billion and $665.0 million $1.3 billion, respectively, of previously sold reciprocal deposits.

Although customer deposits remain our preferred source of funds, maintaining additional sources of liquidity is part of our prudent liquidity risk management practices. We have the ability to borrow from the FHLBB. At September 30, 2023 March 31, 2024, we had $673.5 million $17.6 million in outstanding advances and the ability to borrow up to an additional $2.0 billion $2.7 billion. We also have the ability to borrow from the Federal Reserve Bank of Boston. At September 30, 2023, we had a $2.5 billion collateralized line of credit from the Federal Reserve Bank of Boston through the Bank Term Funding Program. The Bank Term Funding Program was created by the Federal Reserve in March 2023. At September 30, 2023 March 31, 2024, we had the ability to borrow up to $879.4 million $2.8 billion from the Federal Reserve Bank of Boston Discount Window. In addition, we were able to acquire brokered deposits at our discretion to raise additional funds. At September 30, 2023, we had $394.1 million in brokered certificates of deposit. At September 30,

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2023 March 31, 2024, cash and cash equivalents were $608.8 million $739.0 million and secured borrowing capacity at the Federal Reserve Bank and Federal Home Loan Bank totaled $5.3 billion $5.5 billion, providing total liquidity sources of $5.9 billion $6.2 billion. These liquidity sources provided 105% 116% coverage of all customer uninsured and uncollateralized deposits, which totaled $5.7 billion $5.4 billion, or 32% 31% of total deposits, as of September 30, 2023 March 31, 2024. For further discussion of uninsured deposits, refer to the *"Deposits"* discussion within the *"Financial Position"* within this Item 2.

Anticipating the completion of the sale of Eastern Insurance Group's business during the quarter ending December 31, 2023, our funding mix during the three months ended September 30, 2023 relied more heavily on short-term FHLB borrowings. As disclosed elsewhere in this Quarterly Report on Form 10-Q, we completed the sale of Eastern Insurance Group's business on October 31, 2023 for a gross purchase price of $515.0 million, subject to customary post-closing working capital adjustments. We plan to use the proceeds from the sale to pay down our short-term FHLB borrowings. For further discussion refer to *"Outlook and Trends"* within this Item 2.

Sources of Liquidity

	As of September 30, 2023		As of December 31, 2022	
	Outstanding	Additional Capacity	Outstanding	Additional Capacity
	(In thousands)			
	As of March 31, 2024		As of March 31, 2024	As of December 31, 2023
	Outstanding		Outstanding	Additional Capacity	Outstanding	Additional Capacity
	(In thousands)					
IntraFi deposits	IntraFi deposits	$1,196,524	$ —	$ 664,971	$ —	
Brokered deposits (1)	Brokered deposits (1)	394,120	—	928,648	—	
Federal Home Loan Bank (2)	Federal Home Loan Bank (2)	673,525	1,966,522	704,084	1,976,166	
Federal Reserve Bank of Boston-Bank Term Funding Program (3)	Federal Reserve Bank of Boston-Bank Term Funding Program (3)	—	2,493,305	—	—	
Federal Reserve Bank of Boston-Discount Window (4)	Federal Reserve Bank of Boston-Discount Window (4)	—	879,448	—	538,894	
Total	Total	$2,264,169	$5,339,275	$2,297,703	$2,515,060	

(1) The additional borrowing capacity has not been assessed for this category.

(2) As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, loans have been pledged to the FHLBB with a carrying value of $4.2 billion $4.4 billion and $3.9 billion $4.6 billion, respectively, resulting in this additional unused borrowing capacity.

(3) Securities with a carrying value of $2.5 billion $2.4 billion at September 30, 2023 have been December 31, 2023 were pledged to the Federal Reserve Bank of Boston under the Bank Term Funding Program, resulting in this additional unused borrowing capacity. The Bank Term Funding Program ceased extending new loans March 11, 2024. Accordingly, we had no additional capacity nor any securities pledged to the Federal Reserve Bank of Boston under Bank Term Funding Program as of March 31, 2024.

(4) Loans with a carrying value of $1.1 billion at both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, and securities with a carrying value of $370.3 million $2.6 billion and $168.8 million at September 30, 2023 March 31, 2024 and December 31, 2023, respectively, were pledged to the Discount Window, resulting in this additional borrowing capacity. No The increase in the amount of securities were pledged to the Discount Window at December 31, 2022. March 31, 2024 from December 31, 2023 is due to additional securities pledged which were previously pledged as collateral to the Bank Term Funding Program.

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We believe that advanced preparation, early detection, and prompt responses can avoid, minimize, or shorten potential liquidity crises. constraints. Our Board of Directors and our management's Asset and Liability Management Committee have put a liquidity contingency plan in place to establish methods for assessing oversee the assessment and monitoring of risk levels, as well as potential responses during unanticipated stress events. As part of our risk management framework, we perform periodic liquidity stress testing to assess our need for liquid assets as well as backup sources of liquidity.

Capital Resources. We are subject to various regulatory capital requirements administered by the Massachusetts Commissioner of Banks, the FDIC and the Federal Reserve (with respect to our consolidated capital requirements). At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we exceeded all applicable regulatory capital requirements, and were considered "well capitalized" under regulatory guidelines. To be categorized as well-capitalized, the Company must maintain (1) a minimum of total risk-based capital ratio of 10.0%; (2) a minimum of common equity Tier 1 capital ratio of 6.5%; (3) a minimum of Tier 1 capital ratio of 8.0%; and (4) a minimum of Tier 1 leverage ratio of 5.0%. Management believes that the Company met all

capital adequacy requirements to which it is subject as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. There have been no conditions or events that management believes would cause a change in the Company's categorization.

In March 2015, the FDIC issued a Financial Institution Letter (FIL-12-2015) indicating that non-advanced approaches institutions may make a one-time, permanent election to opt out of the requirement to include most components of accumulated other comprehensive income ("AOCI") in regulatory capital. At that time, we opted to make such an election. Accordingly, unrealized gains and losses on our AFS securities portfolio are not included in regulatory capital. Consequently, the balance sheet repositioning we completed in March 2023 with the sale of AFS securities reduced our regulatory capital and related capital ratios, as the unrealized loss on such securities (which was included in AOCI and excluded from regulatory capital) was effectively reclassified to retained earnings (which is included in regulatory capital).

The Company's actual capital ratios are presented in the following table:

	As of September 30, 2023	As of December 31, 2022
Capital Ratios:		
Average equity to average assets (1)	11.94 %	12.52 %
Total regulatory capital (to risk-weighted assets)	17.03 %	17.89 %
Common equity Tier 1 capital (to risk-weighted assets)	16.00 %	16.94 %
Tier 1 capital (to risk-weighted assets)	16.00 %	16.94 %
Tier 1 capital (to average assets) leverage	12.27 %	12.03 %

(1) The ratio presented as of September 30, 2023 represents quarter-to-date average equity as a percentage of quarter-to-date average total assets.

	As of March 31, 2024	As of December 31, 2023
Capital Ratios:		
Average equity to average assets	14.07 %	11.83 %
Total regulatory capital (to risk-weighted assets)	19.49 %	19.55 %
Common equity Tier 1 capital (to risk-weighted assets)	18.51 %	18.55 %
Tier 1 capital (to risk-weighted assets)	18.51 %	18.55 %
Tier 1 capital (to average assets) leverage	14.30 %	14.00 %

Contractual Obligations, Commitments and Contingencies. In the ordinary course of our operations, we enter into certain contractual obligations. Such obligations include data processing services, operating leases for premises and equipment, agreements with respect to borrowed funds and deposit liabilities. At September 30, 2023 March 31, 2024, there were no material changes in our contractual obligations, other commitments and contingencies from those disclosed in our 2022 2023 Form 10-K.

We are a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of our customers. The financial instruments include commitments to originate loans, unused lines of credit, unadvanced portions of construction loans and standby letters of credit, all of which involve elements of credit and interest rate risk in excess of the amount recognized in the Consolidated Balance Sheets. Our exposure to credit loss is represented by the contractual amount of the instruments. We use the same credit policies in making commitments as we do for on-balance sheet instruments.

At September 30, 2023 March 31, 2024, we had $5.9 billion $6.1 billion of commitments to originate loans, comprised of $3.6 $3.7 billion of commitments under commercial loans and lines of credit (including $888.6 $823.2 million of unadvanced portions of construction loans), $2.1 billion of commitments under home equity loans and lines of credit, $201.9 $202.0 million in standard overdraft coverage commitments, $17.1 $18.9 million of unfunded commitments related to residential real estate loans and $62.9 $59.1 million in other consumer loans and lines of credit. In addition, at September 30, 2023 March 31, 2024, we had $54.5 $50.0 million in standby letters of credit outstanding. We also had $8.5 $8.0 million in forward commitments to sell loans.

Commitments to originate loans are agreements to lend to a customer provided there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES

The information required by this Item is included in Part I, Item 2 of this Quarterly Report on Form 10-Q under the heading “Management of Market Risk.”

ITEM 4. CONTROLS AND PROCEDURES

Effectiveness of Disclosure Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer along with the Company’s Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(c) promulgated under the Exchange Act of 1934. Based upon that evaluation, the Company’s Chief Executive Officer along with the Company’s Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024, the end of the period covered by this Quarterly Report on Form 10-Q.

Changes to Internal Controls over Financial Reporting

There were no changes in the Company’s internal controls over financial reporting that occurred during the quarter ended September 30, 2023 March 31, 2024 that have materially affected or are reasonably likely to materially affect the Company’s internal controls over financial reporting. The Company has not experienced any material impact to the Company’s internal controls over financial reporting due to the fact that most of the Company’s employees responsible for financial reporting are working remotely and/or hybrid. The Company is continually monitoring and assessing the impact of working remotely and/or hybrid on the Company’s internal controls to minimize the impact to their design and operating effectiveness.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We operate in a legal and regulatory environment that exposes us to potentially significant risks. For more information regarding the Company’s exposure generally to legal and regulatory risks, see “Business—Legal and Regulatory Proceedings” in Part I, Item 1 of the 2022 2023 Form 10-K.

As of the date of this Quarterly Report on Form 10-Q, we are not involved in any pending legal proceeding as a plaintiff or a defendant the outcome of which we believe would be material to our financial condition or results of operations. For additional information related to the Company’s ongoing legal proceedings see *Note 13, 9, “Commitments and Contingencies”* within the Notes to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

For information regarding the Company’s risk factors, see Part I, Item 1A *“Risk Factors”* in our 2022 2023 Form 10-K and the risk factors set forth below. Except for the revised risk factors below, as 10-K. As of the date of this Quarterly Report on Form 10-Q, the risk factors of the Company have not changed materially from those disclosed in our 2022 2023 Form 10-K.

The market price of the Company’s common stock after the merger may be affected by factors different from those currently affecting shares of Company common stock.

Subject to the receipt of regulatory and shareholder approvals, and the satisfaction of other closing conditions, upon the completion of the merger with Cambridge, the Company will be incorporating Cambridge’s business into its own to create a combined enterprise. While we believe there are significant similarities and expected synergies in core business activities and geographical locations of our businesses and services, the Company’s business differs from that of Cambridge. Accordingly, the results of operations of the Company and the market price of the Company’s common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of the Company and Cambridge.

The Company may fail to realize all of the anticipated benefits of the merger, particularly if the integration of the Company’s and Cambridge’s businesses is more difficult than expected.

The success of the merger will depend, in part, on our ability to successfully combine the businesses of Company and Cambridge. the Company may fail to realize some or all of the anticipated benefits of the transaction if the integration process takes longer or is more costly than expected. Furthermore, any number of unanticipated adverse occurrences for either the business of Cambridge or the Company may cause us to fail to realize some or all of the expected benefits. The integration process could result in the loss of key employees, the disruption of each company’s ongoing businesses or inconsistencies in

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standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Each of these issues might adversely affect the Company, Cambridge or both during the transition period, resulting in adverse effects on the Company following the merger. As a result, revenues may be lower than expected or costs may be higher than expected and the overall benefits of the merger may not be as great as anticipated.

The Company may be unable to retain Company and/or Cambridge personnel successfully while the merger is pending or after the merger is completed.

The success of the merger will depend in part on the Company's ability to retain the talents and dedication of key employees currently employed by the Company and Cambridge. It is possible that these employees may decide not to remain with the Company or Cambridge, as applicable, while the merger is pending or with the Company after the merger is completed. If the Company and Cambridge are unable to retain key employees, including management, who are critical to the successful integration and future operations of the companies, the Company and Cambridge could face disruptions in their operations, loss of existing customers, loss of key information, expertise or know-how and unanticipated additional recruitment costs. In addition, following the merger, if key employees terminate their employment, the Company's business activities may be adversely affected, and management's attention may be diverted from successfully integrating the Company and Cambridge to hiring suitable replacements, all of which may cause the Company's business to suffer. In addition, the Company and Cambridge may not be able to locate or retain suitable replacements for any key employees who leave either company.

The Company and Cambridge have incurred and expect to continue to incur significant costs related to the merger and integration.

The Company and Cambridge have incurred and expect to incur significant, non-recurring costs in connection with negotiating the merger agreement and closing the merger. In addition, the Company will incur integration costs following the completion of the merger as the Company integrates the Cambridge business, including facilities and systems consolidation costs and employment-related costs. The Company and Cambridge will also incur significant legal, financial advisory, accounting, banking and consulting fees, fees relating to regulatory filings and notices, SEC filing fees, printing and mailing fees and other costs associated with the merger. Some of these costs incurred by the Company are payable regardless of whether the merger is completed.

The Company and Cambridge may also incur additional costs to maintain employee morale and to retain key employees. There can be no assurances that the expected benefits and efficiencies related to the integration of the businesses will be realized to offset these transaction and integration costs over time.

Regulatory approvals related to the merger may not be received, may take longer to receive than expected or may impose burdensome conditions that are not presently anticipated, which could impose additional costs and could delay or prevent completion of the merger.

Before the merger may be completed, certain approvals or consents must be obtained from the various bank regulatory and other authorities of the United States, the Commonwealth of Massachusetts and the State of New Hampshire. These governmental entities, including the Federal Reserve Board, the FDIC, the Massachusetts Division of Banks and the New Hampshire Banking Department, may impose conditions on the completion of the merger or require changes to the terms of the merger. While the Company does not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of the Company following the merger, any of which might have a material adverse effect on the Company following the merger. The Company is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any conditions or restrictions that would constitute a "Burdensome Condition" as defined in the merger agreement.

There can be no assurance as to whether the regulatory approvals will be received or the timing of the approvals.

If the merger is not consummated by September 19, 2024, either the Company or Cambridge may choose not to proceed with the merger.

Either the Company or Cambridge may terminate the merger agreement if the merger has not been completed by September 19, 2024, unless the failure of the merger to be completed has resulted from the failure of the party seeking to terminate the merger agreement to perform its obligations.

Shareholder litigation could prevent or delay the completion of the merger or otherwise negatively impact the business and operations of the Company and Cambridge.

Shareholders of the Company and/or Cambridge may file lawsuits against the Company, Cambridge and/or the directors and officers of either company in connection with the merger. One of the conditions to the closing is that no order, injunction or decree issued by any court or governmental entity of competent jurisdiction or other legal restraint preventing the consummation of the merger or any of the other transactions contemplated by the merger agreement be in effect. If any plaintiff were successful in obtaining an injunction prohibiting the Company or Cambridge defendants from completing the merger or any of the other transactions contemplated by the merger agreement, then such injunction may delay or prevent the effectiveness of the merger and could result in significant costs to the Company and/or Cambridge, including any cost associated with the indemnification of directors and officers of each company. The Company and Cambridge may incur costs in connection with the defense or settlement of any shareholder lawsuits filed in connection with the merger. Such litigation could have an adverse effect on the financial condition and results of operations of the Company and Cambridge and could prevent or delay the completion of the merger.

ITEM 2.UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3.DEFAULTS UPON SENIOR SECURITIES

None.

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ITEM 4.MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5.OTHER INFORMATION

None.

ITEM 6.EXHIBITS

The exhibits listed in the Exhibit Index (following the signatures section of this report) are included in, or incorporated by reference into, this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

The following exhibits are included in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (and are numbered in accordance with Item 601 of Regulation S-K):

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Exhibit No.	Description
2.1(1)	Asset Purchase Agreement by and among Eastern Insurance Group, LLC, Eastern Bank, Eastern Bankshares, Inc. and Arthur J. Gallagher Risk Management Services, LLC, dated as of September 19, 2023*(incorporated by reference to Exhibit 2.1 to the Form 8-K filed with the Securities and Exchange Commission on September 19, 2023)*
2.2(1)	Agreement and Plan of Merger by and among Eastern Bankshares, Inc., Eastern Bank, Citadel MS 2023, Inc., Cambridge Bancorp and Cambridge Trust Company, dated as of September 19, 2023 *(incorporated by reference to Exhibit 2.2 to the Form 8-K filed with the Securities and Exchange Commission on September 19, 2023)*
10.1†	Executive Severance Benefits Agreement dated as of September 19, 2023 between Denis K. Sheahan and Eastern Bank *(incorporated by reference to Exhibit 99.2 to the Form 8-K filed with the Securities and Exchange Commission on September 19, 2023)*
10.2†	Change in Control Agreement dated as of September 19, 2023, among Eastern Bankshares, Inc., Eastern Bank and Denis K. Sheahan*(incorporated by reference to Exhibit 99.3 to the Form 8-K filed with the Securities and Exchange Commission on September 19, 2023)*
10.3†	Amendment No. 1 to Benefit Equalization Plan dated December 12, 2020
10.4†	Amendment No.2 to Benefit Equalization Plan dated January 1, 2022
10.5†	Amendment No. 3 to Benefit Equalization Plan dated June 5, 2023
10.6†	Amendment to Eastern Bank Employee Stock Ownership Plan, dated June 5, 2023
31.1*	Certification of Chief Executive Officer Required by Rule 13a-14(a) and Rule 15d-14(a) of the Exchange Act
31.2*	Certification of Chief Financial Officer Required by Rule 13a-14(a) and Rule 15d-14(a) of the Exchange Act
32.1+	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2+	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Unaudited Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, (ii) the Unaudited Consolidated Statements of Income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (iii) the Unaudited Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, (iv) the Unaudited Consolidated Statements of Changes in Equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, (v) the Unaudited Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, and (vi) the Notes to the Unaudited Consolidated Financial Statements.
104	Cover page interactive data file (formatted as inline XBRL with applicable taxonomy extension information) contained in Exhibit 101 to this report+

† Management contract or compensatory plan, contract or arrangement

* Filed herewith

\+ Furnished herewith

(1) Certain schedules and other similar attachments to this exhibit were omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant will provide a copy of such omitted documents to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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EASTERN BANKSHARES, INC.

Date: November 3, 2023 May 3, 2024

/s/ Robert F. Rivers

By: Robert F. Rivers
Chief Executive Officer and Chair of the Board
(Principal Executive Officer)

Date: November 3, 2023 May 3, 2024

/s/ James B. Fitzgerald

By: James B. Fitzgerald
Chief Financial Officer and Chief Administrative Officer
(Principal Financial Officer)

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AMENDMENT EASTERN BANK BENEFIT EQUALIZATION PLAN Preamble Eastern Bank (the "Bank") sponsors the Eastern Bank Benefit Equalization Plan (the "Plan"). The Plan may be amended, and is subject to applicable provisions of Internal Revenue Code Section 409A ("Section 409A"). The Bank is now the subsidiary of Eastern Bankshares, Inc. ("EBC"), a publicly traded company, and it can be reasonably expected that various types of equity compensation will be offered to designated employees in calendar 2021 and later years. The Compensation Committee of the Bank and EBC has determined, at its meeting of October 22, 2020, that equity compensation of any type should not be considered as "compensation" under this Plan. The Compensation Committee has further determined that the membership of the Plan Committee for this and other non-qualified plans be composed of officers designated by positions on a uniform basis and that the plans, including this Plan, be so amended. Amendment The definition of "Compensation" in Section 1 is amended, effective as of January 1, 2021, by the addition of the following sentence: Compensation excludes any type of equity or equity-type compensation including, without limitation, compensation derived from vested or restricted grants, any form of option, and any form of right linked to stock value or its appreciation. The definition of "Plan Committee" in Section 1 is amended, as of the date hereof, to read as follows: "Plan Committee" means a Committee of the following senior officers of the Bank, as they serve from time to time: the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Human Resources Officer, and the CEO of Eastern Insurance Group LLC., or their designees. The Chief Human Resources Officer, or her designee, will serve as the Committee's Agent. Plan Committee members may not vote on any matters unique to their benefits under the Plan and not generally applicable to others (such as resolution of a member's benefit claim), and shall recuse themselves from discussion in such instances unless requested to be present by the majority of disinterested members. In witness whereof, this amendment is executed on this 12th day of December, 2020. Eastern Bank

By: _____ Kathleen C. Henry, Chief Human Resources Officer

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AMENDMENT EASTERN BANK BENEFIT EQUALIZATION PLAN Preamble Eastern Bank (the "Bank") sponsors the Eastern Bank Benefit Equalization Plan (the "Plan"). The Plan may be amended, and is subject to applicable provisions of Internal Revenue Code Section 409A ("Section 409A"). The Bank desires to include three currently employed executives (Messrs. Rivers, Q. Miller and Fitzgerald) who were previously Excluded Executives in the Plan (together, "the Three Executives") as they were covered under a Senior Level Supplemental Executive Retirement Plan ("SERP") which has since been frozen. Therefore, the Plan shall be amended effective January 1, 2022 such that the Three Executives whose Senior Level SERPs have been frozen are no longer Excluded Executives. Amendment The definition of "Excluded Executive" in Section 1 is amended by the addition of the following: The Executives in the Eastern Bank Supplemental Executive Retirement Plan, a Senior Level SERP which was frozen as of December 31, 2021, shall no longer be considered as Excluded Executives, effective for accruals in this Plan starting January 1, 2022. This only applies to those Three Executives who were in the SERP and who are actively employed after 2021. The definition of "Compensation" in Section 1 is amended by the addition of the following: In the case of the Three Executives added to the Plan by this amendment, Compensation shall also not include any incentive compensation paid in 2022 which was credited under the Eastern Bank Supplemental Executive Retirement Plan. In witness whereof, this amendment, effective as of January 1, 2022, is executed on this 6th day of April, 2022. Eastern Bank By:_____ Kathleen C. Henry, Chief Human Resources Officer

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AMENDMENT EASTERN BANK BENEFIT EQUALIZATION PLAN Preamble Eastern Bank (the "Bank") sponsors the Eastern Bank Benefit Equalization Plan (the "Plan"). The Plan may be amended, and is subject to applicable provisions of Internal Revenue Code Section 409A. This amendment serves two purposes: (1) As of the earlier of the date of the Sale (defined below) or the filing date of the Eastern Bankshares, Inc. 10Q for the third quarter of 2023, the Plan's vesting schedule is amended to align with the vesting schedule in the SBERA Pension Plan As Adopted By Eastern Bank (the "Qualified Pension Plan"). (2) When the Bank sells all or substantially all of the assets of or its membership interests in Eastern Insurance Group, LLC ("EIG") to an unrelated third party (all together, a "Sale"), vesting will be accelerated to 100% for all active employees of EIG at the time of the Sale, regardless of whether they continue employment with EIG or the buyer after the Sale. Amendment The following language is added to Section 3.5: Notwithstanding the foregoing, effective as of the earlier of the date of the Sale (defined below) or the filing date of the Eastern Bankshares, Inc. 10Q for the third quarter of 2023 (either, the "Effective Date"), a Participant shall be credited with vesting service in the same manner and vest according to the same 3-year cliff vesting schedule as provided under the SBERA Pension Plan As Adopted By Eastern Bank (the "Qualified Pension Plan"), including full vesting upon pre-retirement death or disability (as defined in the Qualified Pension Plan). This change to the vesting schedule does not apply to Participants terminated prior to the Effective Date. Furthermore, any Participants employed by Eastern Insurance Group, LLC ("EIG") at the date of the sale of all or substantially all of the assets of or Eastern Bank's membership interests in EIG to an unrelated third party (all together, a "Sale") should such Sale occur, will be fully vested in the Qualified Pension Plan. In witness whereof, this amendment is executed on this 5th day of June 2023. Eastern Bank By: _____ Kathleen C. Henry, General Counsel and Chief Human Resources Officer

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AMENDMENT EASTERN BANK EMPLOYEE STOCK OWNERSHIP PLAN Preamble Eastern Bank (the "Bank") sponsors the Eastern Bank Employee Stock Ownership Plan (the "Plan"). The Bank has reserved the right to amend the Plan, subject to applicable provisions of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974. The Plan benefits employees of the Bank and its subsidiary, Eastern Insurance Group, LLC ("EIG"). The Bank may enter into a transaction for the sale of EIG to an unrelated third party, which may be a sale of assets or a sale of the LLC membership interests in EIG. Regardless of how any such sale is structured, it wishes to fully vest EIG Participants at the time of the sale, provided they are employed at that date and regardless of whether they continue employment with the EIG entity or the buyer after the ownership change. Amendment The following language is added to Section 9.1 "Vesting in Accounts": Any Participants employed by Eastern Insurance Group, LLC ("EIG") at the date of a sale of all or substantially all of its assets or a sale of Eastern Bank's membership interests in EIG to an unrelated third party (all together, a "Sale") will be fully vested in their Accounts even if credited with less than three Vesting Years as of the date of such Sale. In witness whereof, this amendment is executed on this 5th day of June, 2023. Eastern Bank By: Kathleen C. Henry, Chief Human Resources Officer

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **Robert F. Rivers**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eastern Bankshares, Inc.;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this Report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
   (d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors:
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely impact the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November May 3, 2023 2024

/s/ Robert F. Rivers

Robert F. Rivers
Chair and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,

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AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **James B. Fitzgerald**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eastern Bankshares, Inc.;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this Report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
   (d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors:
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely impact the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November May 3, 2023 2024

/s/ James B. Fitzgerald

James B. Fitzgerald
Chief Financial Officer and Chief Administrative Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Eastern Bankshares, Inc. (the "Company") for the period ending September 30, 2023 March 31, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the undersigned's best knowledge and belief:

(a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"); and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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Date: November 3, 2023 May 3, 2024

Eastern Bankshares, Inc.

("Company")

/s/ Robert F. Rivers

Robert F. Rivers
Chair and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company.

Exhibit 32.2

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Eastern Bankshares, Inc. (the "Company") for the period ending September 30, 2023 March 31, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the undersigned's best knowledge and belief:

(a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"); and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2023 May 3, 2024

Eastern Bankshares, Inc.

("Company")

/s/ James B. Fitzgerald

James B. Fitzgerald
Chief Financial Officer and Chief Administrative Officer
(Principal Financial Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company.

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