

REFINITIV

DELTA REPORT

10-Q

BRKL - BROOKLINE BANCORP INC

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1139

■ CHANGES	530
■ DELETIONS	251
■ ADDITIONS	358

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 **March 31, 2024** **June 30, 2024**

OR

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

For the transition period from **N/A** to **.**
Commission file number **0-23695**

BROOKLINE BANCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware

04-3402944

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

131 Clarendon Street

02116

Boston MA

(Zip Code)

(Address of principal executive offices)

(617) 425-4600

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BRKL	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 (or for such shorter period that the registrant was required to file such reports) 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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer 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.

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

At **April 30, 2024** **July 31, 2024**, the number of shares of common stock, par value \$0.01 per share, outstanding was **88,894,577**. **88,911,623**.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
FORM 10-Q

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Glossary of Acronyms and Terms

2014 Plan	Brookline Bancorp, Inc. 2014 Equity Incentive Plan
2021 Plan	Brookline Bancorp, Inc. 2021 Stock Option and Incentive Plan
ACL	Allowance for Credit Losses
AFX	American Financial Exchange
ALCO	Asset/Liability Committee
BankRI	Bank Rhode Island
Banks	Brookline Bank, Bank Rhode Island, and PCSB Bank
C&I	Commercial and industrial
Clarendon Private	Clarendon Private, LLC
CMOs	Collateralized mortgage obligations
Company	Brookline Bancorp, Inc. and its subsidiaries
CRE	Commercial real estate
Eastern Funding	Eastern Funding, LLC
EPS	Earnings per Share
EVE	Economic Value of Equity
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHLB	Federal Home Loan Bank of Boston and New York
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
FRB	Board of Governors of the Federal Reserve System
GAAP	U.S. generally accepted accounting principles
GNMA	Government National Mortgage Association
GSEs	U.S. Government-sponsored enterprises
IBORs	Interbank Offered Rates
LEQ	Loan equivalency
LIBOR	London Interbank Offered Rate
MBSs	Mortgage-backed securities
OAEM	Other Assets Especially Mentioned
OCI	Other comprehensive income
OREO	Other Real Estate Owned
Plans	the 2014 Plan and the 2021 Plan
SBA	Small Business Administration
SEC	U.S. Securities and Exchange Commission

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PART I — FINANCIAL INFORMATION

Item 1. Unaudited Consolidated Financial Statements

BROOKLINE BANCORP, INC. AND SUBSIDIARIES Unaudited Consolidated Balance Sheets

	At March 31, 2024	At December 31, 2023
	At June 30, 2024	At December 31, 2023
(In Thousands Except Share Data)		
ASSETS		
Cash and due from banks		
Cash and due from banks		



Accrued expenses and other liabilities		
Total liabilities		
Commitments and contingencies (Note 12)		
Commitments and contingencies (Note 12)		
Commitments and contingencies (Note 12)		
Stockholders' Equity:	Stockholders' Equity:	Stockholders' Equity:
Brookline Bancorp, Inc. stockholders' equity:	Brookline Bancorp, Inc. stockholders' equity:	Brookline Bancorp, Inc. stockholders' equity:
Common stock, \$0.01 par value; 200,000,000 shares authorized; 96,998,075 shares issued and 96,998,075 shares issued, respectively		
Additional paid-in capital		
Retained earnings		
Accumulated other comprehensive (loss) income		
Treasury stock, at cost; 7,354,399 shares and 7,354,399 shares, respectively		
Treasury stock, at cost; 7,373,009 shares and 7,354,399 shares, respectively		
Total stockholders' equity		
Total stockholders' equity		
Total stockholders' equity		
Total liabilities and stockholders' equity		

See accompanying notes to unaudited consolidated financial statements.

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BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Income

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2024	2024	2023	2024
Interest and dividend income:						
Loans and leases						
Loans and leases						
Loans and leases						
Debt securities						
Debt securities						
Debt securities						
Restricted equity securities						
Restricted equity securities						
Restricted equity securities						
Short-term investments						
Short-term investments						
Short-term investments						
Total interest and dividend income						
Total interest and dividend income						
Total interest and dividend income						
Interest expense:						

Interest expense:
Interest expense:
Deposits
Deposits
Deposits
Borrowed funds
Borrowed funds
Borrowed funds
Total interest expense
Total interest expense
Total interest expense
Net interest income
Net interest income
Net interest income
Provision for credit losses on loans
Provision for credit losses on loans
Provision for credit losses on loans
Provision (credit) for credit losses on investments
Provision (credit) for credit losses on investments
Provision (credit) for credit losses on investments
Net interest income after provision for credit losses
Net interest income after provision for credit losses
Net interest income after provision for credit losses
Non-interest income:
Non-interest income:
Non-interest income:
Deposit fees
Deposit fees
Deposit fees
Loan fees
Loan fees
Loan fees
Loan level derivative income, net
Loan level derivative income, net
Loan level derivative income, net
Gain on investment securities, net
Gain on investment securities, net
Gain on investment securities, net
Gain on sales of loans and leases held-for-sale
Gain on sales of loans and leases held-for-sale
Gain on sales of loans and leases held-for-sale
Other
Other
Other
Total non-interest income
Total non-interest income
Total non-interest income
Non-interest expense:
Non-interest expense:
Non-interest expense:
Compensation and employee benefits

Compensation and employee benefits
Compensation and employee benefits
Occupancy
Occupancy
Occupancy
Equipment and data processing
Equipment and data processing
Equipment and data processing
Professional services
Professional services
Professional services
FDIC insurance
FDIC insurance
FDIC insurance
Advertising and marketing
Advertising and marketing
Advertising and marketing
Amortization of identified intangible assets
Amortization of identified intangible assets
Amortization of identified intangible assets
Merger and acquisition expense
Merger and acquisition expense
Merger and acquisition expense
Other
Other
Merger and restructuring expense
Other
Total non-interest expense
Total non-interest expense
Total non-interest expense
Income before provision for income taxes
Income before provision for income taxes
Income before provision for income taxes
Provision for income taxes
Provision for income taxes
Provision for income taxes
Net income
Net income
Net income
Net income
Earnings per common share:
Earnings per common share:
Earnings per common share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted average common shares outstanding during the year:
Weighted average common shares outstanding during the year:

Weighted average common shares outstanding during the year:
Weighted average common shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Dividends paid per common share
Dividends paid per common share
Dividends paid per common share

See accompanying notes to unaudited consolidated financial statements.

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BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Comprehensive Income

	Three Months Ended March		Six Months Ended June	
	31,	31,	30,	30,
	2024	2024	2023	2024
	(In Thousands)	(In Thousands)	(In Thousands)	(In Thousands)
Net income				
Investment securities available-for-sale:				
Investment securities available-for-sale:				
Investment securities available-for-sale:				
Unrealized securities holding gains (losses)				
Unrealized securities holding gains (losses)				
Unrealized securities holding gains (losses)				
Income tax (expense) benefit				
Income tax (expense) benefit				
Income tax (expense) benefit				
Net unrealized securities holding gains (losses) before reclassification adjustments, net of taxes				
Net unrealized securities holding gains (losses) before reclassification adjustments, net of taxes				
Net unrealized securities holding gains (losses) before reclassification adjustments, net of taxes				
Cash flow hedges:				
Cash flow hedges:				
Cash flow hedges:				
Change in fair value of cash flow hedges				

Change in fair value of cash flow hedges
Change in fair value of cash flow hedges
Income tax (expense) benefit
Income tax (expense) benefit
Income tax (expense) benefit
Net change in fair value of cash flow hedges, net of taxes
Net change in fair value of cash flow hedges, net of taxes
Net change in fair value of cash flow hedges, net of taxes
Less reclassification adjustment for change in fair value of cash flow hedges:
Less reclassification adjustment for change in fair value of cash flow hedges:
Less reclassification adjustment for change in fair value of cash flow hedges:
Gain (loss) on change in fair value of cash flow hedges
Gain (loss) on change in fair value of cash flow hedges
Gain (loss) on change in fair value of cash flow hedges
Income tax (expense) benefit
Income tax (expense) benefit
Income tax (expense) benefit
Net reclassification adjustment for change in fair value of cash flow hedges
Net reclassification adjustment for change in fair value of cash flow hedges
Net reclassification adjustment for change in fair value of cash flow hedges
Net change in fair value of cash flow hedges
Net change in fair value of cash flow hedges
Net change in fair value of cash flow hedges
Other comprehensive gain (loss), net of taxes
Other comprehensive gain (loss), net of taxes
Other comprehensive gain (loss), net of taxes
Comprehensive income
Comprehensive income
Comprehensive income

See accompanying notes to unaudited consolidated financial statements.

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BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Changes in Stockholders' Equity
Three Months Ended March 31, 2024 June 30, 2024 and 2023

Common Stock											Common Stock												
Common Stock		Additional Paid-in Capital		Retained Earnings		Accumulated Other Comprehensive Income (Loss)		Treasury Stock		Total Stockholders' Equity		Common Stock		Additional Paid-in Capital		Retained Earnings		Accumulated Other Comprehensive Income (Loss)		Treasury Stock		Total Stockholders' Equity	
(In Thousands)							(In Thousands)																
Balance at December 31, 2023												Balance at December 31, 2023											
Balance at March 31, 2024												Balance at March 31, 2024											
Net income												Net income											
Other comprehensive income (loss)												Other comprehensive income (loss)											
Other comprehensive income (loss)												Other comprehensive income (loss)											

Other comprehensive income (loss)		
Common stock dividends of \$0.135 per share		
Restricted stock awards issued, net of awards surrendered		
Restricted stock awards issued, net of awards surrendered		
Restricted stock awards issued, net of awards surrendered		
Compensation under recognition and retention plans		
Balance at March 31, 2024		Common Stock
Balance at June 30, 2024		Common Stock
Balance at March 31, 2024		Common Stock
Balance at June 30, 2024		Common Stock
Balance at March 31, 2024		Common Stock
Balance at June 30, 2024		Common Stock
Balance at December 31, 2022		
Balance at December 31, 2022		
Balance at December 31, 2022		
Balance at March 31, 2023		
Balance at March 31, 2023		
Balance at March 31, 2023		
Net income		
Net income		
Net income		
PCSB acquisition		
PCSB acquisition		
PCSB acquisition		
Other comprehensive income (loss)		
Other comprehensive income (loss)		
Other comprehensive income (loss)		
Common stock dividends of \$0.135 per share		
Common stock dividends of \$0.135 per share		
Common stock dividends of \$0.135 per share		
Restricted stock awards issued, net of awards surrendered		
Restricted stock awards issued, net of awards surrendered		
Restricted stock awards issued, net of awards surrendered		
Compensation under recognition and retention plan		
Compensation under recognition and retention plan		
Compensation under recognition and retention plan		
Balance at March 31, 2023		
Compensation under recognition and retention plan		
Balance at March 31, 2023		
Compensation under recognition and retention plan		
Balance at March 31, 2023		
Balance at June 30, 2023		
Balance at June 30, 2023		
Balance at June 30, 2023		

See accompanying notes to unaudited consolidated financial statements.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Changes in Stockholders' Equity
Six Months Ended June 30, 2024 and 2023

	Accumulated						Treasury Stock	Total Stockholders' Equity		
	Additional		Other		Retained Earnings	Comprehensive Income (Loss)				
	Common Stock	Paid-in Capital								
(In Thousands)										
Balance at December 31, 2023	\$ 970	\$ 902,659	\$ 438,722	\$ (52,798)	\$ (90,909)	\$ 1,198,644				
Net income	—	—	31,037	—	—	31,037				
Other comprehensive income (loss)	—	—	—	(8,895)	—	(8,895)				
Common stock dividends of \$0.270 per share	—	—	(24,002)	—	—	(24,002)				
Restricted stock awards issued, net of awards surrendered	—	223	—	—	—	(223)				
Compensation under recognition and retention plans	—	1,893	(197)	—	—	—	1,696			
Balance at June 30, 2024	\$ 970	\$ 904,775	\$ 445,560	\$ (61,693)	\$ (91,132)	\$ 1,198,480				
(In Thousands)										
	Accumulated						Treasury Stock	Total Stockholders' Equity		
	Additional		Other		Retained Earnings	Comprehensive Income (Loss)				
	Common Stock	Paid-in Capital								
Balance at December 31, 2022	\$ 852	\$ 736,074	\$ 412,019	\$ (61,947)	\$ (94,873)	\$ 992,125				
Net Income	—	—	29,410	—	—	29,410				
Common stock issued for acquisition	118	167,212	—	—	—	167,330				
Other comprehensive income (loss)	—	—	—	(4,209)	—	(4,209)				
Common stock dividends of \$0.270 per share	—	—	(23,939)	—	—	(23,939)				
Restricted stock awards issued, net of awards surrendered	—	(8)	—	—	—	(45)	(53)			
Compensation under recognition and retention plans	—	1,806	(162)	—	—	—	1,644			
Balance at June 30, 2023	\$ 970	\$ 905,084	\$ 417,328	\$ (66,156)	\$ (94,918)	\$ 1,162,308				

See accompanying notes to unaudited consolidated financial statements.

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BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Cash Flows

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
(In Thousands)				

Cash flows from operating activities:

Net income
 Net income
 Net income

Adjustments to reconcile net income to net cash provided from operating activities:

Provision for credit losses
Provision for credit losses
Provision for credit losses
Deferred income tax expense
Deferred income tax (benefit) expense
Deferred income tax expense
Deferred income tax (benefit) expense
Deferred income tax expense
Deferred income tax (benefit) expense
Depreciation of premises and equipment
(Accretion) amortization of investment securities premiums and discounts, net
(Accretion) amortization of premiums and discounts and deferred loan and lease origination costs, net
Amortization of identified intangible assets
Amortization of debt issuance costs
Amortization (accretion) of acquisition fair value adjustments, net
Gain on investment securities, net
Gain on sales of loans and leases held-for-sale
Write-down of other repossessed assets
Write-down of other repossessed assets
Write-down of other repossessed assets
Compensation under recognition and retention plans
Net change in:
Net change in:
Net change in:
Cash surrender value of bank-owned life insurance
Cash surrender value of bank-owned life insurance
Cash surrender value of bank-owned life insurance
Other assets
Other assets
Other assets
Accrued expenses and other liabilities
Net cash provided from operating activities
Cash flows from investing activities:
Cash flows from investing activities:
Cash flows from investing activities:
Proceeds from sales of investment securities available-for-sale
Proceeds from sales of investment securities available-for-sale
Proceeds from sales of investment securities available-for-sale
Proceeds from maturities, calls, and principal repayments of investment securities available-for-sale
Purchases of investment securities available-for-sale
Proceeds from redemption/sales of restricted equity securities
Proceeds from redemption/sales of restricted equity securities
Proceeds from redemption/sales of restricted equity securities
Purchase of restricted equity securities
Proceeds from sales of loans and leases held-for-investment, net
Net increase in loans and leases
Acquisitions, net of cash and cash equivalents acquired
Purchase of premises and equipment, net
Purchase of premises and equipment, net
Purchase of premises and equipment, net
Proceeds from sales of other repossessed assets

Net cash provided from (used for) investing activities
Net cash provided from (used for) investing activities
Net cash provided from (used for) investing activities
Net cash used for investing activities
Net cash used for investing activities
Net cash used for investing activities

(Continued)

(Continued)

(Continued)

See accompanying notes to unaudited consolidated financial statements.

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	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
(In Thousands)				
Cash flows from financing activities:				
Decrease in demand checking, NOW, savings and money market accounts				
Decrease in demand checking, NOW, savings and money market accounts				
Decrease in demand checking, NOW, savings and money market accounts				
Increase (decrease) in demand checking, NOW, savings and money market accounts				
Increase (decrease) in demand checking, NOW, savings and money market accounts				
Increase (decrease) in demand checking, NOW, savings and money market accounts				
Increase in certificates of deposit and brokered deposits				
Proceeds from FHLB advances				
Repayment of FHLB advances				
Increase (decrease) in other borrowed funds, net				
Increase (decrease) in other borrowed funds, net				
Increase (decrease) in other borrowed funds, net				
Decrease in mortgagors' escrow accounts, net				
Payment of dividends on common stock				
Payment of dividends on common stock				
Payment of dividends on common stock				
Net cash provided from financing activities				
Net cash provided from financing activities				
Net cash provided from financing activities				
Net increase in cash and cash equivalents				
Net increase (decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of period				
Cash and cash equivalents at end of period				
Supplemental disclosure of cash flow information:				
Supplemental disclosure of cash flow information:				
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Cash paid during the period for:				
Cash paid during the period for:				
Interest on deposits, borrowed funds and subordinated debt				
Interest on deposits, borrowed funds and subordinated debt				
Interest on deposits, borrowed funds and subordinated debt				
Income taxes				

Non-cash investing activities:
Transfer from loans and leases to loans held-for-sale
Transfer from loans and leases to loans held-for-sale
Transfer from loans and leases to loans held-for-sale
Transfer from loans to other repossessed assets
Transfer from loans to other repossessed assets
Transfer from loans to other repossessed assets
Acquisition of PCSB Financial Corporation:
Fair value of assets acquired, net of cash and cash equivalents acquired
Fair value of assets acquired, net of cash and cash equivalents acquired
Fair value of assets acquired, net of cash and cash equivalents acquired
Fair value of liabilities assumed
Common stock issued

See accompanying notes to unaudited consolidated financial statements.

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BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

(1) Basis of Presentation

Overview

Brookline Bancorp, Inc. (the "Company") **The Company** is a bank holding company (within the meaning of the Bank Holding Company Act of 1956, as amended) and the parent of Brookline Bank, a Massachusetts-chartered trust company; **Bank Rhode Island ("BankRI")**, **BankRI**, a Rhode Island-chartered financial institution; and PCSB Bank, a New York-chartered commercial bank (collectively referred to as the "Banks"). **bank** The Banks are members of the Federal Reserve System. The Company is also the parent of Clarendon **Private, LLC ("Clarendon Private")**, **Private**. The Company's primary business is to provide commercial, business and retail banking services to its corporate, municipal and retail customers through the Banks and its non-bank subsidiaries. Brookline Securities Corp., previously a subsidiary of the Company was dissolved in November 2023.

Brookline Bank, which includes its wholly-owned subsidiaries, Longwood Securities Corp., Eastern Funding **LLC ("Eastern Funding")** and First Ipswich Insurance Agency, operates 29 full-service banking offices in the Greater Boston metropolitan area with three additional lending offices. BankRI, which includes its wholly-owned subsidiaries, Acorn Insurance Agency, BRI Realty Corp., BRI Investment Corp. and its wholly-owned subsidiary, BRI MSC Corp., operates 22 full-service banking offices in the greater Providence, Rhode Island area. PCSB Bank, which includes its wholly-owned subsidiary, UpCounty Realty Corp., operates 14 full-service banking offices in the Lower Hudson Valley of New York. Clarendon Private is a registered investment advisor with the **Securities and Exchange Commission ("SEC")**, **SEC**. Through Clarendon Private, the Company offers a wide range of wealth management services to individuals, families, endowments and foundations to help these clients meet their long-term financial goals.

The Banks' activities include acceptance of commercial, municipal and retail deposits, origination of mortgage loans on commercial and residential real estate located principally in Central New England and the Lower Hudson Valley of New York State, origination of commercial loans and leases to small- and mid-sized businesses, investment in debt and equity securities, and the offering of cash management and investment advisory services. The Company also provides specialty equipment financing through its subsidiary Eastern Funding, which is based in New York City, New York, and Plainview, New York.

The Company and the Banks are supervised, examined and regulated by the **Board of Governors of the Federal Reserve System (the "FRB")**, **FRB**. As a Massachusetts-chartered trust company, Brookline Bank is subject to supervision, examination and regulation by the Massachusetts Division of Banks. As a Rhode Island-chartered financial institution, BankRI is subject to supervision, examination and regulation by the Banking Division of the Rhode Island Department of Business Regulation. As a New York chartered commercial bank, PCSB Bank is subject to supervision, examination and regulation by the New York State Department of Financial Services. Clarendon Private is also subject to regulation by the SEC.

The **Federal Deposit Insurance Corporation ("FDIC")**, **FDIC** offers insurance coverage on all deposits up to \$250,000 per depositor at each of the Banks. As FDIC-insured depository institutions, the Banks are also subject to supervision, examination and regulation by the FDIC.

Basis of Financial Statement Presentation

The unaudited consolidated financial statements of the Company presented herein have been prepared pursuant to the rules of the SEC for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by **U.S. generally accepted accounting principles ("GAAP")**, **GAAP**. In the opinion of management, all adjustments (consisting of normal recurring adjustments) and disclosures considered necessary for the fair presentation of the accompanying consolidated financial statements have been included. Interim results are not necessarily reflective of the results of the entire year. The accompanying unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

The unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances are eliminated in consolidation.

In preparing these consolidated financial statements, management is required to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities. Actual results could differ from those estimates based upon changing conditions, including economic conditions and future events. Material estimates that are particularly susceptible to significant changes in the near-term include the determination of the **allowance for credit losses, ACL**, the determination of fair market values of acquired assets and liabilities.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

including acquired loans, the review of goodwill and intangible assets for impairment and the review of deferred tax assets for valuation allowances.

The judgments used by management in applying these critical accounting policies may be affected by a further and prolonged deterioration in the economic environment, which may result in changes to future financial results. For example, subsequent evaluations of the loan and lease portfolio, in light of the factors then prevailing, may result in significant changes in

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

the allowance for loan and lease losses in future periods, and the inability to collect outstanding principal may result in increased loan and lease losses.

Reclassification

Certain previously reported amounts have been reclassified to conform to the current year's presentation.

(2) Recent Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-04, "Reference Rate Reform (Topic 848)-Facilitation of the Effects of Reference Rate Reform on Financial Reporting" ("ASU 2020-04") to provide optional expedients and exceptions for applying GAAP to certain contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships existing as of December 31, 2022, for which an entity has elected certain optional expedients provided that those elections are retained through the end of the hedging relationship. The amendments in this update are effective for all entities as of March 12, 2020 through December 31, 2022 and do not apply to contract modifications made after December 31, 2022.

In January 2021, the FASB issued ASU 2021-01, "Reference Rate Reform (Topic 848)" an update to address concerns around structural risk of interbank offered rates ("IBORs"), particularly, the risk of cessation of the LIBOR. The amendments in this update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. In December 2022, FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848)" which deferred the sunset date of Topic 848 to December 31, 2024, to allow for a transition period after the sunset of LIBOR. The Company has adopted the amendments in these updates and established a LIBOR transition committee to guide the Company's transition from LIBOR. The Company has completed much of the work to transition off the LIBOR index consistent with industry timelines. The working group has identified its products that utilize LIBOR and has implemented fallback language to facilitate the transition to alternative rates. The Company has also evaluated its infrastructure and identified fallback rates as well as started offering alternative indices and new products tied to these alternative indices. The Company does not anticipate the adoption of these standards to have a material impact to the consolidated financial statements.

In March 2022, the FASB issued ASU 2022-02, "Financial Instruments - Credit Losses (Topic 326), Troubled Debt Restructurings and Vintage Disclosures" which addresses concerns regarding the complex accounting for loans modified as troubled debt restructurings and also the disclosure of gross writeoff information included in required vintage disclosures. The Company adopted ASU 2022-02 as of January 1, 2023. The enhanced disclosure requirements provided for by ASU 2022-02 were adopted on a prospective basis. Reporting periods prior to the adoption of ASU 2022-02 are presented in accordance with the applicable GAAP. The adoption did not have a material impact on the Company's consolidated financial statements.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

(3) Investment Securities

The following tables set forth investment securities available-for-sale at the dates indicated:

At March 31, 2024	At June 30, 2024
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	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In Thousands)			(In Thousands)				
Investment securities available-for-sale:								
GSE debentures								
GSE debentures								
GSE debentures								
GSE CMOs								
GSE MBSs								
Municipal obligations								
Municipal obligations								
Municipal obligations								
Corporate debt obligations								
U.S. Treasury bonds								
Foreign government obligations								
Total investment securities available-for-sale								
Total investment securities available-for-sale								
Total investment securities available-for-sale								

	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	
	(In Thousands)				
Investment securities available-for-sale:					
GSE debentures	\$ 220,604	\$ 517	\$ 19,994	\$ 201,127	
GSE CMOs	66,463	33	4,879	61,617	
GSE MBSs	186,614	62	16,679	169,997	
Municipal obligations	18,785	184	47	18,922	
Corporate debt obligations	20,521	82	887	19,716	
U.S. Treasury bonds	470,764	423	26,450	444,737	
Foreign government obligations	500	—	15	485	
Total investment securities available-for-sale	\$ 984,251	\$ 1,301	\$ 68,951	\$ 916,601	

As of **March 31, 2024** **June 30, 2024**, the fair value of all investment securities available-for-sale was **\$865.8 million** **\$856.4 million**, with net unrealized losses of **\$75.9 million** **\$77.1 million**, compared to a fair value of \$916.6 million and net unrealized losses of \$67.7 million as of December 31, 2023. As of **March 31, 2024** **June 30, 2024**, **\$788.6 million** **\$774.2 million**, or **91.1%** **90.4%** of the portfolio, had gross unrealized losses of **\$76.3 million** **\$77.4 million**, compared to \$717.2 million, or 77.8% of the portfolio, with gross unrealized losses of \$69.0 million as of December 31, 2023.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company held no securities as held to maturity; all securities were held as available-for-sale.

Investment Securities as Collateral

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively, **\$743.2 million** **\$735.0 million** and \$791.2 million of investment securities were pledged as collateral for repurchase agreements; municipal deposits; treasury, tax and loan deposits; swap agreements; FRB borrowings; and FHLB borrowings. The Banks had no outstanding FRB borrowings as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Allowance for Credit Losses-Available-for-Sale Securities

For available-for-sale securities in an unrealized loss position, management first assesses whether (i) the Company intends to sell the security, or (ii) it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. If either criterion is met, any previously recognized allowances are charged-off and the security's amortized cost is written down to fair value through income. If neither criterion is met, the security is evaluated to determine whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency and any adverse conditions specifically related to the security, among other factors.

If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security is compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, an allowance for credit loss is recorded, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through the Allowance for Credit Losses ("ACL") ACL is recognized in other comprehensive income. OCI. Adjustments to the allowance are reported as a component of credit loss expense. Available-for-sale securities are charged-off against the allowance or, in the absence of any allowance, written down through income when deemed uncollectible or when either of the aforementioned criteria regarding intent or requirement to sell is met. The Company has made the accounting policy election to exclude accrued interest receivable on available-for-sale securities from the estimate of credit losses. Accrued interest receivables associated with debt securities available-for-sale totaled \$3.9 million and \$4.1 million, respectively, as of March 31, 2024 June 30, 2024 and December 31, 2023.

A debt security is placed on nonaccrual status at the time any principal or interest payments become more than 90 days delinquent or if full collection of interest or principal becomes uncertain. Accrued interest for a debt security placed on nonaccrual is reversed against interest income. There were no debt securities on nonaccrual status and therefore there was no accrued interest related to debt securities reversed against interest income for the three six months ended March 31, 2024 June 30, 2024 and 2023.

Assessment for Available for Sale Securities for Impairment

Investment securities as of March 31, 2024 June 30, 2024 and December 31, 2023 that have been in a continuous unrealized loss position for less than twelve months or twelve months or longer are as follows:

	At March 31, 2024							
	Less than				Twelve Months			
	Twelve Months		or Longer		Total			
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses		
(In Thousands)								
Investment securities available-for-sale:								
GSE debentures	\$ 56,155	\$ 525	\$ 121,197	\$ 20,676	\$ 177,352	\$ 21,201		
GSE CMOs	11,137	464	48,679	5,302	59,816	5,766		
GSE MBSs	22,198	479	136,520	18,390	158,718	18,869		
Municipal obligations	403	4	3,672	121	4,075	125		
Corporate debt obligations	—	—	15,406	843	15,406	843		
U.S. Treasury bonds	108,974	1,047	263,749	28,419	372,723	29,466		
Foreign government obligations	—	—	489	11	489	11		
Temporarily impaired investment securities available-for-sale	198,867	2,519	589,712	73,762	788,579	76,281		
Total temporarily impaired investment securities	\$ 198,867	\$ 2,519	\$ 589,712	\$ 73,762	\$ 788,579	\$ 76,281		

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

	At June 30, 2024							
	Less than				Twelve Months			
	Twelve Months		or Longer		Total			
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses		
(In Thousands)								
Investment securities available-for-sale:								
GSE debentures	\$ 37,793	\$ 418	\$ 144,726	\$ 20,651	\$ 182,519	\$ 21,069		

GSE CMOs	—	—	58,097	6,489	58,097	6,489
GSE MBSs	861	20	150,986	19,300	151,847	19,320
Municipal obligations	597	6	6,908	271	7,505	277
Corporate debt obligations	—	—	15,440	831	15,440	831
U.S. Treasury bonds	8,770	62	349,508	29,349	358,278	29,411
Foreign government obligations	—	—	491	9	491	9
Temporarily impaired investment securities available-for-sale	48,021	506	726,156	76,900	774,177	77,406
Total temporarily impaired investment securities	\$ 48,021	\$ 506	\$ 726,156	\$ 76,900	\$ 774,177	\$ 77,406

At December 31, 2023

	At December 31, 2023					
	Less than Twelve Months		Twelve Months or Longer		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
(In Thousands)						
Investment securities available-for-sale:						
GSE debentures	\$ 10,964	\$ 12	\$ 121,993	\$ 19,982	\$ 132,957	\$ 19,994
GSE CMOs	42,057	3,547	14,571	1,332	56,628	4,879
GSE MBSs	34,317	561	122,367	16,118	156,684	16,679
Municipal obligations	3,859	47	—	—	3,859	47
Corporate debt obligations	10,911	810	6,427	77	17,338	887
U.S. Treasury bonds	117,132	676	232,074	25,774	349,206	26,450
Foreign government obligations	—	—	485	15	485	15
Temporarily impaired investment securities available-for-sale	219,240	5,653	497,917	63,298	717,157	68,951
Total temporarily impaired investment securities	\$ 219,240	\$ 5,653	\$ 497,917	\$ 63,298	\$ 717,157	\$ 68,951

The Company performs regular analyses of the investment securities available-for-sale portfolio to determine whether a decline in fair value indicates that an investment security is impaired. In making these impairment determinations, management considers, among other factors, projected future cash flows; credit subordination and the creditworthiness; capital adequacy and near-term prospects of the issuers.

Management also considers the Company's capital adequacy, interest-rate risk, liquidity and business plans in assessing whether it is more likely than not that the Company will sell or be required to sell the investment securities before recovery. If the Company determines that a security investment is impaired and that it is more likely than not that the Company will not sell or be required to sell the investment security before recovery of its amortized cost, the credit portion of the impairment loss is recognized in the Company's consolidated statement of income and the noncredit portion is recognized in accumulated other comprehensive income (OCI). The credit portion of the impairment represents the difference between the amortized cost and the present value of the expected future cash flows of the investment security. If the Company determines that a security is impaired and it is more likely than not

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

that it will sell or be required to sell the investment security before recovery of its amortized cost, the entire difference between the amortized cost and the fair value of the security will be recognized in the Company's consolidated statement of income.

Investment Securities Available-For-Sale Impairment Analysis

The following discussion summarizes, by investment security type, the basis for evaluating if the applicable investment securities within the Company's available-for-sale portfolio were impaired as of **March 31, 2024** **June 30, 2024**. The Company has determined it is more likely than not that the Company will not sell or be required to sell the investment securities before recovery of its amortized cost. The Company's ability and intent to hold these investment securities until recovery is supported by the Company's strong capital and liquidity positions as well as its historically low portfolio turnover. As such, management has determined that the investment securities are not impaired as of **March 31, 2024** **June 30, 2024**. If market conditions for investment securities worsen or the creditworthiness of the underlying issuers deteriorates, it is possible that the Company may recognize additional impairment in future periods.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

U.S. Government-Sponsored Enterprises

The Company invests in securities issued by U.S. Government-sponsored enterprises ("GSEs"), GSEs, including GSE debentures, mortgage-backed securities ("MBSs"), MBSs, and collateralized mortgage obligations ("CMOs"), CMOs. GSE securities include obligations issued by the Federal National Mortgage Association ("FNMA"), FNMA, the Federal Home Loan Mortgage Corporation ("FHLMC"), FHLMC, the Government National Mortgage Association ("GNMA"), GNMA, the FHLB and the Federal Farm Credit Bank. As of **March 31, 2024** June 30, 2024, the Company held GNMA MBSs and CMOs, and Small Business Administration ("SBA") SBA commercial loan asset-backed securities in its available-for-sale portfolio with an estimated fair value of \$38.4 million \$37.8 million, all of which were backed explicitly by the full faith and credit of the U.S. Government, compared to \$33.9 million as of December 31, 2023.

All securities are performing and backed by the implicit (FHLB/FNMA/FHLMC) or explicit (GNMA/SBA) guarantee of the U.S. Government. Therefore, despite unrealized losses in some of the securities within the portfolio, management has determined that the investment securities are not impaired. See discussion on the portfolio below.

As of **March 31, 2024** June 30, 2024, the Company owned 40 39 GSE debentures with a total fair value of \$194.3 million \$192.3 million, and a net unrealized loss of \$21.0 million. As of December 31, 2023, the Company held 43 GSE debentures with a total fair value of \$201.1 million, with a net unrealized loss of \$19.5 million. As of **March 31, 2024** June 30, 2024, 36 of the 40 39 securities in this portfolio were in an unrealized loss position. As of December 31, 2023, 27 of the 43 securities in this portfolio were in an unrealized loss position. During the **three six** months ended **March 31, 2024** June 30, 2024 and 2023, the Company did not purchase any GSE debentures.

As of **March 31, 2024** June 30, 2024, the Company owned 60 GSE CMOs with a total fair value of \$59.8 million \$58.1 million and a net unrealized loss of \$5.8 million \$6.5 million. As of December 31, 2023, the Company held 60 GSE CMOs with a total fair value of \$61.6 million with a net unrealized loss of \$4.8 million. As of **March 31, 2024** June 30, 2024, all 59 of the 60 securities in this portfolio were in an unrealized loss position. As of December 31, 2023, 57 of the 60 securities in this portfolio were in an unrealized loss position. During the **three six** months ended **March 31, 2024** June 30, 2024 and 2023, the Company did not purchase any GSE CMOs.

As of **March 31, 2024** June 30, 2024, the Company owned 146 145 GSE MBSs with a total fair value of \$162.0 million \$155.0 million and a net unrealized loss of \$18.8 million \$19.3 million. As of December 31, 2023, the Company held 146 GSE MBSs with a total fair value of \$170.0 million with a net unrealized loss of \$16.6 million. As of **March 31, 2024** June 30, 2024, 129 122 of the 146 145 securities in this portfolio were in an unrealized loss position. As of December 31, 2023, 125 of the 146 securities in this portfolio were in an unrealized loss position. During the **three six** months ended **March 31, 2024** June 30, 2024 the Company did not purchase any GSE MBSs compared to the same period in 2023 when the Company purchased \$39.4 million of GSE MBSs.

Municipal Obligations

The Company invests in certain state and municipal securities with high credit ratings for portfolio diversification and tax planning purposes. Full collection of the obligations is expected because the financial condition of the issuing municipalities is sound, they have not defaulted on scheduled payments, the obligations are rated investment grade, and the Company has the ability and intent to hold the obligations for a period of time to recover the amortized cost. As of **March 31, 2024** June 30, 2024, the Company owned 44 42 municipal obligation securities with a total fair value of \$19.0 million which approximated cost. \$15.8 million and a net unrealized loss of \$0.3 million. As of December 31, 2023, the Company owned 44 municipal obligation securities with a total fair value of \$18.9 million and a net unrealized gain of \$0.1 million. As of **March 31, 2024** June 30, 2024, 10 18 of the 44 42 securities in this portfolio were in an unrealized loss position. As of December 31, 2023, 6 of the 44 securities in this portfolio were in an unrealized loss position. During the **three six** months ended **March 31, 2024** June 30, 2024, the Company purchased \$1.4 million \$2.5 million of municipal securities compared to the same period in 2023 when the Company purchased \$1.1 million \$5.6 million of municipal securities.

Corporate Obligations

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

The Company may invest in high-quality corporate obligations to provide portfolio diversification and improve the overall yield on the portfolio. Full collection of the obligations is expected because the financial condition of the issuers is sound, they have not defaulted on scheduled payments, the obligations are rated investment grade, and the Company has the ability and intent to hold the obligations for a period of time to recover the amortized cost. As of **March 31, 2024** June 30, 2024, the Company held 10 6 corporate obligation securities with a total fair value of \$17.8 million and a net unrealized loss of \$0.8 million. As of December 31, 2023, the Company held 11 corporate obligation securities with a total fair value of \$19.7 million and a net unrealized loss of \$0.8 million. As of **March 31, 2024** June 30, 2024, 5 of the 10 6 securities in this portfolio were in an unrealized loss position. As of December 31, 2023, 9 of the 11 securities in this portfolio were in an unrealized loss position. During the **three six** months ended **March 31, 2024** June 30, 2024 and 2023, the Company did not purchase any corporate obligations.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

U.S. Treasury Bonds

All securities are performing and backed by the implicit guarantee of the U.S. Government. Therefore, despite unrealized losses in some of the securities within the portfolio, management determined that the investment securities are not impaired. See discussion on the portfolio below.

The Company invests in securities issued by the U.S. government. As of **March 31, 2024** **June 30, 2024**, the Company owned 62 U.S. Treasury bonds with a total fair value of **\$412.3 million** **\$416.9 million** and a net unrealized loss of **\$29.5 million** **\$29.3 million**. As of December 31, 2023, the Company held 66 U.S. Treasury bonds with a total fair value of **\$444.7 million** and a net unrealized loss of **\$26.0 million**. As of **March 31, 2024** **June 30, 2024**, **56** **54** of the 62 securities in this portfolio were in an unrealized loss position. As of December 31, 2023, **53** of the 66 securities in this portfolio were in an unrealized loss position. During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, the Company **did not** purchase any **\$38.6 million** of U.S. Treasury bonds, compared to the same period in 2023 when the Company purchased **\$234.0 million** U.S. Treasury bonds.

Foreign Government Obligations

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company owned 1 foreign government obligation security with a fair value of **\$0.5 million**, which approximated cost. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively, the security was in an unrealized loss position. During the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023, the Company did not purchase any foreign government **obligation** **obligations**.

Portfolio Maturities

The final stated maturities of the debt securities are as follows for the periods indicated:

	At March 31, 2024			At December 31, 2023			At June 30, 2024		
	Amortized Cost		Estimated Fair Value	Weighted Average Rate	Amortized Cost		Estimated Fair Value	Weighted Average Rate	
	(Dollars in Thousands)								
Investment securities available-for-sale:									Investment securities available-for-sale:
Within 1 year	Within 1 year	\$124,153	\$123,534	4.07	4.07	\$141,989	\$141,340	4.27	
After 1 year through 5 years	After 1 year through 5 years	339,194	325,338	3.06	3.06	342,525	332,734	3.15	
After 5 years through 10 years	After 5 years through 10 years	251,347	215,200	1.66	1.66	268,182	233,059	1.69	
Over 10 years	Over 10 years	226,956	201,726	3.31	3.31	231,555	209,468	3.35	
		\$ 941,650	\$ 865,798	2.91	2.91 %	\$ 984,251	\$ 916,601	3.00	

Actual maturities of debt securities will differ from those presented above since certain obligations amortize and may also provide the issuer the right to call or prepay the obligation prior to scheduled maturity without penalty. MBSs and CMOs are included above based on their final stated maturities; the actual maturities, however, may occur earlier due to anticipated prepayments and stated amortization of cash flows.

As of **March 31, 2024** **June 30, 2024**, issuers of debt securities with an estimated fair value of **\$121.2 million** **\$121.3 million** had the right to call or prepay the obligations. Of the **\$121.2 million** **\$121.3 million**, approximately **\$6.5 million** matures in less than 1 year, **\$59.3 million** **\$59.5 million** matures in 1-5 years, **\$47.6 million** **\$47.7 million** matures in 6-10 years, and **\$7.8 million** **\$7.6 million** matures after ten years. As of December 31, 2023, issuers of debt securities with an estimated fair value of approximately **\$122.0 million** had the right to call or prepay the obligations. Of the **\$122.0 million**, approximately **\$6.4 million** matures in less than 1 year, **\$59.7 million** matures in 1-5 years, **\$48.0 million** matures in 6-10 years, and **\$7.9 million** matures after ten years.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Security Sales

The Company did not sell any investment securities available-for-sale during the **three** **six** months ended **March 31, 2024** **June 30, 2024**, compared to the **three** **six** months ended **March 31, 2023** **June 30, 2023** where the proceeds from the sale of investment securities available-for-sale were **\$224.8 million** **\$230.0 million**. Securities sales executed during the **three** **six** months ended 2023 were related to the acquisition of PCSB and the restructuring of the acquired investment portfolio.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In Thousands)	(In Thousands)	(In Thousands)	(In Thousands)
Investment securities available-for-sale:				
Proceeds from sales:				
Proceeds from sales:				
Proceeds from sales:				
Gross gains from sales				
Gross losses from sales				
Gain on sales of securities, net				

(4) Loans and Leases

The following table presents the amortized cost of loans and leases and weighted average coupon rates for the loan and lease portfolios at the dates indicated:

Commercial real estate loans:

Commercial real estate loans:

Commercial real estate loans:

Commercial real estate

Commercial real estate

Commercial real estate

Multi-family mortgage

Multi-family mortgage

Multi-family mortgage

Construction

Construction

Construction

Total commercial real estate loans

Total commercial real estate loans

Total commercial real estate loans

Commercial loans and leases:

Commercial loans and leases:

Commercial loans and leases:

Commercial

Commercial

Commercial

Equipment financing

Equipment financing

Equipment financing

Condominium association

Condominium association

Condominium association

Total commercial loans and leases

Total commercial loans and leases

Total commercial loans and leases

Consumer loans:

Consumer loans:

Consumer loans:
Residential mortgage
Residential mortgage
Residential mortgage
Home equity
Home equity
Home equity
Other consumer
Other consumer
Other consumer
Total consumer loans
Total consumer loans
Total consumer loans
Total loans and leases
Total loans and leases
Total loans and leases

Accrued interest on loans and leases, which were excluded from the amortized cost of loans and leases totaled **\$40.8 million** **\$40.9 million** and **\$39.1 million** at **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively, and were included in other assets in the accompanying consolidated balance sheets.

The net unamortized deferred loan origination costs and premiums and discounts on acquired loans included in total loans and leases were **\$(26.5)** **\$(23.9)** million and **\$(29.0)** million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

The Banks and their subsidiaries lend primarily in all New England states and New York, with the exception of the equipment financing portfolio, **29.2%** **29.0%** of which is in the Greater New York and New Jersey metropolitan area and **70.8%** **71.0%** of which is in other areas in the **United States of America** **U.S.** as of **March 31, 2024** **June 30, 2024**.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Loans and Leases Pledged as Collateral

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, there were **\$3.4 billion** **\$3.6 billion** and **\$3.5 billion** respectively of loans and leases pledged as collateral for repurchase agreements; municipal deposits; treasury, tax and loan deposits; swap agreements; FRB borrowings; and FHLB borrowings. The Banks did not have any outstanding FRB borrowings as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

(5) Allowance for Credit Losses

The following tables present the changes in the allowance for loan and lease losses in loans and leases by portfolio segment for the periods indicated:

	Three Months Ended March 31, 2024			Three Months Ended June 30, 2024		
	Commercial	Real Estate	Commercial	Consumer	Total	Commercial
						Real Estate
						(In Thousands)
Balance at December 31, 2023						(In Thousands)
Balance at March 31, 2024						

Charge-offs

Charge-offs

Charge-offs

Recoveries
Provision (credit) for loan and lease losses excluding unfunded commitments
Balance at March 31, 2024
Balance at March 31, 2024
Balance at March 31, 2024
Balance at June 30, 2024
Balance at June 30, 2024
Balance at June 30, 2024

	Three Months Ended March 31, 2023			Three Months Ended June 30, 2023		
	Commercial		Consumer	2023		Commercial
	Real Estate	Commercial		Total	Real Estate	
	(In Thousands)			(In Thousands)		
Balance at December 31, 2022						
Balance at March 31, 2023						
Charge-offs						
Charge-offs						
Charge-offs						
Recoveries						
Provision (credit) for loan and lease losses excluding unfunded commitments						
Balance at March 31, 2023						
Balance at June 30, 2023						

The allowance for credit losses for unfunded credit commitments, which is included in other liabilities, was \$15.8 million, and \$19.8 million at March 31, 2024 and December 31, 2023, respectively. In addition, there were \$3.7 million in unfunded commitment related charge-offs in the first quarter of 2024.

	Six Months Ended June 30, 2024					
	Commercial		Consumer	Total		
	Real Estate	Commercial		(In Thousands)		
Balance at December 31, 2023	\$ 81,410	\$ 29,557	\$ 6,555	\$ 117,522		
Charge-offs	(4,425)	(9,769)	(19)	(14,213)		
Recoveries	—	719	26	745		
Provision (credit) for loan and lease losses excluding unfunded commitments	5,167	12,879	(350)	17,696		
Balance at June 30, 2024	\$ 82,152	\$ 33,386	\$ 6,212	\$ 121,750		

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

	Six Months Ended June 30, 2023					
	Commercial		Consumer	Total		
	Real Estate	Commercial		(In Thousands)		
Balance at December 31, 2022	\$ 68,154	\$ 26,604	\$ 3,724	\$ 98,482		
Charge-offs	—	(2,525)	(16)	(2,541)		

Recoveries	12	960	21	993
Provision (credit) for loan and lease losses excluding unfunded commitments	16,135	10,595	2,153	28,883
Balance at June 30, 2023	\$ 84,301	\$ 35,634	\$ 5,882	\$ 125,817

The ACL for unfunded credit commitments, which is included in other liabilities, was \$11.4 million, and \$19.8 million at June 30, 2024 and December 31, 2023, respectively.

Provision for Credit Losses

The provision (credit) for credit losses are set forth below for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2023	
	(In Thousands)	(In Thousands)	(In Thousands)	(In Thousands)
Provision (credit) for loan and lease losses:				
Commercial real estate				
Commercial real estate				
Commercial real estate				
Commercial				
Commercial				
Commercial				
Consumer				
Consumer				
Consumer				
Total (credit) provision for loan and lease losses				
Total (credit) provision for loan and lease losses				
Total (credit) provision for loan and lease losses				
Unfunded commitments				
Unfunded commitments				
Unfunded commitments				
Investment securities available-for-sale				
Investment securities available-for-sale				
Investment securities available-for-sale				
Total provision (credit) for credit losses				
Total provision (credit) for credit losses				
Total provision (credit) for credit losses				

Allowance for Loan and Lease Losses Methodology

Management has established a methodology to determine the adequacy of the allowance for credit losses ACL that assesses the risks and losses expected on the loan and lease portfolio and unfunded commitments. Additions to the allowance for credit losses ACL are made by charges to the provision for credit losses. Losses on loans and leases are charged off against the allowance when all or a portion of a loan or lease is considered uncollectible. Subsequent recoveries on loans previously charged off, if any, are credited to the allowance when realized.

To calculate the allowance for loans collectively evaluated, management uses models developed by a third party. Commercial real estate ("CRE"), commercial and industrial ("CRE, C&I"), &I, and retail lifetime loss rate models calculate the expected losses over the life of the loan based on exposure at default loan attributes and reasonable, supportable economic forecasts. The exposure at default considers the current unpaid balance, prepayment assumptions and expected utilization assumptions. The expected loss estimates for two small commercial portfolios are based on historical loss rates.

Key assumptions used in the models include portfolio segmentation, prepayments, and the expected utilization of unfunded commitments, among others. The portfolios are segmented by loan level attributes such as loan type, loan size, date of origination, and delinquency status to create homogenous loan pools. Pool level metrics are calculated and loss rates are subsequently applied to the pools as the loans have like characteristics. Prepayment assumptions are embedded within the models and are based on the same data used for model development and incorporate adjustments for reasonable and supportable forecasts. Model development data and developmental time periods vary by model, but all use at least ten years of historical data and capture at least one recessionary period. Expected utilization is based on current utilization and a loan equivalency ("LEQ") LEQ factor. LEQ

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

varies by current utilization and provides a reasonable estimate of expected draws and borrower behavior. Assumptions and model inputs are reviewed in accordance with model monitoring practices and as information becomes available.

The ACL estimate incorporates reasonable and supportable forecasts of various macro-economic variables over the remaining life of loans and leases. The development of the reasonable and supportable forecast assume each macro-economic variable will revert to long-term expectations, with reversion characteristics unique to specific economic indicators and forecasts. Reversion towards long-term expectations generally begins two to three years from the forecast start date and largely completes within the first five years. Because the reasonable and supportable economic forecasts used in the models are mean reverting, the models are therefore considered to be implicitly mean reverting.

Management elected to use multiple economic forecasts in determining the reserve to account for economic uncertainty. The forecasts include various projections of gross domestic product, interest rates, property price indices, and employment measures. Scenario weighting and model parameters are reviewed for each calculation and updated to reflect facts and circumstances as of the financial statement date. The forecasts utilized at **March 31, 2024** **June 30, 2024** reflect the immediate and longer-term effects of a higher interest rate environment and inflationary conditions compared to recent history.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

As of **March 31, 2024** **June 30, 2024**, management applied qualitative adjustments to the CRE lifetime loss rate, C&I lifetime loss rate, and Retail lifetime loss rate models. These adjustments addressed model limitations, were based on historical loss patterns, and targeted specific risks within the certain portfolios. A general qualitative adjustment was applied to all models to account for general economic uncertainty by placing a greater probability on negative economic forecasts. Additional qualitative **adjustments** **factors** were applied to capture specific risks in several sub-segments of the commercial, multifamily, portfolio determined to have potential incremental risk relative to the model's results (e.g., office and commercial real estate (includes owner occupied, non-owner occupied, and construction) portfolios specialty vehicle) based on the Company's historical loss experience recent collateral valuations and the loss experience performance trends. These adjustments included both positive and negative adjustments and were applied to five different sub-segments with a total impact of the Company's peer group. These qualitative adjustments resulted in additions to reserves for all portfolios, \$21.5 million at June 30, 2024. Management reviews these factors on a quarterly basis as compared to the model output, market conditions and segment performance evolve.

Specific reserves are established for loans individually evaluated for impairment when amortized cost basis is greater than the discounted present value of expected future cash flows or, in the case of collateral-dependent loans, when there is an excess of a loan's amortized cost basis over the fair value of its underlying collateral. When loans and leases do not share risk characteristics with other financial assets they are evaluated individually. Individually evaluated loans are reviewed quarterly with adjustments made to the calculated reserve as necessary.

The general allowance for loan and lease losses was \$110.2 million as of March 31, 2024, compared to remained flat at \$108.4 million as of June 30, 2024 and December 31, 2023. The increase in the general allowance was primarily driven by the latest economic forecast, respectively, as a result of the commercial real estate market stabilization of credit conditions.

The specific allowance for loan and lease losses was \$10.0 million \$13.4 million as of **March 31, 2024** **June 30, 2024**, compared to \$9.1 million as of December 31, 2023. The specific allowance increased \$0.9 million \$4.3 million during the **three** **six** months ended **March 31, 2024** **June 30, 2024**, primarily due to specific reserve increases totaling \$1.3 \$3.0 million for commercial loans offset by decreases totaling \$0.4 and \$1.3 million for commercial real estate loans.

As of **March 31, 2024** **June 30, 2024**, management believes that the methodology for calculating the allowance is sound and that the allowance provides a reasonable basis for determining and reporting on expected losses over the lifetime of the Company's loan portfolios.

Credit Quality Assessment

At the time of loan origination, a rating is assigned based on the capacity to pay and general financial strength of the borrower, the value of assets pledged as collateral, and the evaluation of third party support such as a guarantor. The Company continually monitors the credit quality of the loan portfolio using all available information. The officer responsible for handling each loan is required to initiate changes to risk ratings when changes in facts and circumstances occur that warrant an upgrade or downgrade in a loan rating. Based on this information, loans demonstrating certain payment issues or other weaknesses may be categorized as delinquent, adversely risk-rated, nonperforming and/or put on nonaccrual status. Additionally, in the course of resolving such loans, the Company may choose to restructure the contractual terms of certain loans to match the borrower's ability to repay the loan based on their current financial condition. If a restructured loan meets certain criteria, it may be categorized as a modified loan.

The Company reviews numerous credit quality indicators when assessing the risk in its loan portfolio. For all loans, the Company utilizes an eight-grade loan rating system, which assigns a risk rating to each borrower based on a number of quantitative and qualitative factors associated with a loan transaction. Factors considered include industry and market conditions; position within the industry; earnings trends; operating cash flow; asset/liability values; debt capacity; guarantor

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

strength; management and controls; financial reporting; collateral; and other considerations. In addition, the Company's independent loan review group evaluates the credit quality and related risk ratings in all loan portfolios. The results of these reviews are reported to the Risk Committee of the Board of Directors on a periodic basis and annually to the Board of Directors. For the consumer loans, the Company heavily relies on payment status for calibrating credit risk.

The ratings categories used for assessing credit risk in the commercial real estate, multi-family mortgage, construction, commercial, equipment financing, condominium association and other consumer loan and lease classes are defined as follows:

1 -4 Rating—Pass

Loan rating grades "1" through "4" are classified as "Pass," which indicates borrowers are performing in accordance with the terms of the loan and are less likely to result in loss due to the capacity of the borrower to pay and the adequacy of the value of assets pledged as collateral.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

5 Rating—Other Assets Especially Mentioned ("OAEM") OAEM

Borrowers exhibit potential credit weaknesses or downward trends deserving management's attention. If not checked or corrected, these trends will weaken the Company's asset and position. While potentially weak, currently these borrowers are marginally acceptable; no loss of principal or interest is envisioned.

6 Rating—Substandard

Borrowers exhibit well defined weaknesses that jeopardize the orderly liquidation of debt. Substandard loans may be inadequately protected by the current net worth and paying capacity of the obligors or by the collateral pledged, if any. Normal repayment from the borrower is in jeopardy. Although no immediate loss of principal is envisioned, there is a distinct possibility that a partial loss of interest and/or principal will occur if the deficiencies are not corrected. Collateral coverage may be inadequate to cover the principal obligation.

7 Rating—Doubtful

Borrowers exhibit well-defined weaknesses that jeopardize the orderly liquidation of debt with the added provision that the weaknesses make collection of the debt in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. Serious problems exist to the point where partial loss of principal is likely.

8 Rating—Definite Loss

Borrowers deemed incapable of repayment. Loans to such borrowers are considered uncollectible and of such little value that continuation as active assets of the Company is not warranted.

Assets rated as "OAEM," "substandard" or "doubtful" based on criteria established under banking regulations are collectively referred to as "criticized" assets.

Credit Quality Information

The following table presents the amortized cost basis of loans in each class by credit quality indicator and year of origination as of **March 31, 2024** **June 30, 2024**.

Multi-Family
Mortgage
Pass
Pass
Pass
Substandard
Substandard
Substandard
Total
Total
Total
Construction
Pass
Pass
Pass
OAEM
Substandard

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

	March 31, 2024						June 30, 2024						June 30, 2024						
	2024	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Term Loans	Converted to Term Loans	Total	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Term Loans
	(In Thousands)																		
Total																			
Current-period gross writeoffs																			
Multi-Family Mortgage																			
Pass																			
Pass																			
Pass																			
OAEM																			
Substandard																			
Total																			
Total																			
Total																			
Construction																			
Pass																			
Pass																			
Pass																			
OAEM																			
Substandard																			
Total																			
Total																			

Total
Commercial
Pass
Pass
Pass
OAEM
Substandard
Doubtful
Total
Current-period gross writeoffs
Equipment Financing
Pass
Pass
Pass
OAEM
Substandard
Doubtful
Total
Current-period gross writeoffs
Condominium
Association
Pass
Pass
Pass
Total
Total
Total
Other Consumer
Pass
Pass
Pass
Total
Total
Total
Current-period gross writeoffs
Total
Pass
Pass
Pass
OAEM
Substandard
Doubtful
Total

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

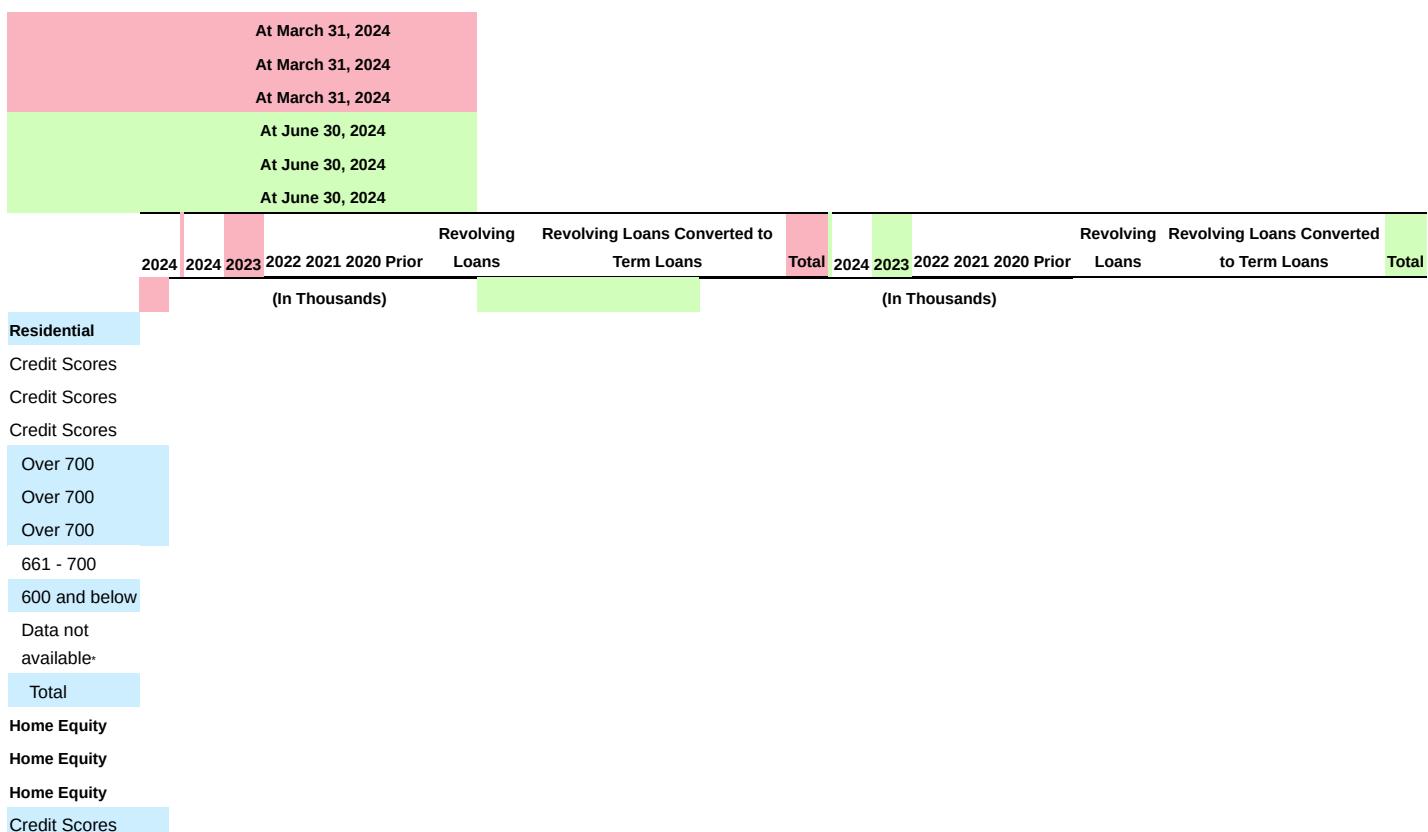
June 30, 2024									
							Revolving Loans Converted to Term		
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Converted to Term Loans	Total
	(In Thousands)								
Total	926	7,731	7,176	8,711	6,136	10,697	2,093	136	43,606
Other Consumer									
Pass	148	243	134	785	2	2,079	46,811	8	50,210
Total	148	243	134	785	2	2,079	46,811	8	50,210
Current-period gross writeoffs	7	4	—	—	—	8	—	—	19
Total									
Pass	335,943	1,158,145	1,602,935	1,352,545	677,228	2,413,351	481,629	63,273	8,085,049
OAEM	—	—	31,571	4,252	5,714	31,288	603	4,887	78,315
Substandard	—	6,873	13,718	20,473	714	54,492	13,997	461	110,728
Doubtful	—	—	—	—	—	17	—	1,742	1,759
Total	\$ 335,943	\$ 1,165,018	\$ 1,648,224	\$ 1,377,270	\$ 683,656	\$ 2,499,148	\$ 496,229	\$ 70,363	\$ 8,275,851

As of **March 31, 2024** **June 30, 2024**, there were no loans categorized as definite loss.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

For residential mortgage and home equity loans, the borrowers' credit scores contribute as a reserve metric in the retail loss rate model.



Credit Scores

Credit Scores

Over 700

Over 700

Over 700

661 - 700

600 and below

Data not available-

Total

* Primarily represents loans made to trusts and purchased mortgages.

The following tables present the recorded investment in loans in each class as of December 31, 2023, by credit quality indicator.

December 31, 2023									
	2023	2022	2021	2020	2019	Prior	Revolving Loans	Converted to Term Loans	Total
(In Thousands)									
Commercial Real Estate									
Pass	\$ 386,962	\$ 690,374	\$ 776,834	\$ 378,322	\$ 422,028	\$ 1,245,148	\$ 75,746	\$ 14,882	\$ 3,990,296
OAEM	—	—	2,529	3,300	1,784	1,674	—	—	9,287
Substandard	—	—	—	—	22,685	23,089	—	—	45,774
Doubtful	—	—	—	—	—	1,931	—	—	1,931
Total	386,962	690,374	779,363	381,622	446,497	1,271,842	75,746	14,882	4,047,288
Current -period gross writeoffs	—	4	942	—	—	258	—	—	1,204

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

December 31, 2023									
	2023	2022	2021	2020	2019	Prior	Revolving Loans	Converted to Term Loans	Total
(In Thousands)									
Multi-Family Mortgage									
Pass	68,963	217,727	256,198	165,770	193,162	468,623	5,947	36,585	1,412,975
Substandard	—	—	—	—	—	2,216	—	—	2,216
Total	68,963	217,727	256,198	165,770	193,162	470,839	5,947	36,585	1,415,191
Construction									
Pass	25,691	212,904	36,192	6,292	1,176	239	5,984	—	288,478
Substandard	—	2,417	11,155	—	—	—	—	—	13,572
Total	25,691	215,321	47,347	6,292	1,176	239	5,984	—	302,050
Commercial									
Pass	220,563	137,332	125,385	37,601	23,046	69,104	337,316	3,570	953,917
OAEM	—	—	79	2,081	1,291	—	1,827	8,225	13,503
Substandard	4	—	9	—	12,362	273	981	3,388	17,017
Doubtful	—	—	—	—	1	1	—	2	4

Total	220,567	137,332	125,473	39,682	36,700	69,378	340,124	15,185	984,441
Current-period gross writeoffs	1,000	3,500	4,842	1,164	673	2,379	—	—	13,558
Equipment Financing									
Pass	443,878	389,083	205,208	125,888	88,465	74,727	12,919	5,740	1,345,908
OAEM	—	2,144	1,232	1,033	159	—	—	—	4,568
Substandard	1,250	8,107	4,105	2,181	2,255	2,259	—	—	20,157
Doubtful	—	—	—	—	—	15	—	—	15
Total	445,128	399,334	210,545	129,102	90,879	77,001	12,919	5,740	1,370,648
Current-period gross writeoffs	498	1,075	1,915	122	553	2,275	—	—	6,438
Condominium Association									
Pass	4,460	7,569	9,186	6,686	4,414	9,086	3,010	168	44,579
Total	4,460	7,569	9,186	6,686	4,414	9,086	3,010	168	44,579
Other Consumer									
Pass	408	200	516	5	21	2,062	47,191	3	50,406
Total	408	200	516	5	21	2,062	47,191	3	50,406
Current-period gross writeoffs	6	—	2	—	11	9	—	—	28
Total									
Pass	1,150,925	1,655,189	1,409,519	720,564	732,312	1,868,989	488,113	60,948	8,086,559
OAEM	—	2,144	3,840	6,414	3,234	1,674	1,827	8,225	27,358
Substandard	1,254	10,524	15,269	2,181	37,302	27,837	981	3,388	98,736

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

	December 31, 2023									
						Revolving Loans				
	2023	2022	2021	2020	2019	Prior	Revolving Loans	Converted to Term Loans	Total	
(In Thousands)										
Doubtful	—	—	—	—	—	1	1,947	—	2	1,950
Total	\$ 1,152,179	\$ 1,667,857	\$ 1,428,628	\$ 729,159	\$ 772,849	\$ 1,900,447	\$ 490,921	\$ 72,563	\$ 8,214,603	

As of December 31, 2023, there were no loans categorized as definite loss.

	At December 31, 2023								
						Revolving Loans			
	2023	2022	2021	2020	2019	Prior	Revolving Loans	Converted to Term Loans	Total
(In Thousands)									
Residential									
Credit Scores									
Over 700	\$ 72,022	\$ 161,491	\$ 210,338	\$ 118,752	\$ 84,792	\$ 261,474	\$ 4,998	\$ 439	\$ 914,306
661 - 700	12,200	20,824	11,059	7,970	4,402	24,152	—	—	80,607
600 and below	1,943	12,108	7,197	7,093	5,449	23,838	—	—	57,628
Data not available	1,353	2,246	3,025	—	448	23,163	28	—	30,263
Total	\$ 87,518	\$ 196,669	\$ 231,619	\$ 133,815	\$ 95,091	\$ 332,627	\$ 5,026	\$ 439	\$ 1,082,804
Current-period gross writeoffs	—	—	—	—	—	25	—	—	25

Home Equity

Credit Scores

Over 700	\$ 5,505	\$ 3,807	\$ 1,667	\$ 769	\$ 1,218	\$ 7,366	\$ 272,169	\$ 4,617	\$ 297,118
661 - 700	1,005	310	—	36	—	671	21,936	830	24,788
600 and below	148	143	41	—	39	402	17,349	2,008	20,130
Data not available	23	—	1	—	—	45	2,062	15	2,146
Total	\$ 6,681	\$ 4,260	\$ 1,709	\$ 805	\$ 1,257	\$ 8,484	\$ 313,516	\$ 7,470	\$ 344,182

* Primarily represents loans made to trusts and purchased mortgages.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES**Notes to Unaudited Consolidated Financial Statements (Continued)****Age Analysis of Past Due Loans and Leases**

The following table presents an age analysis of the amortized cost basis in loans and leases as of **March 31, 2024** **June 30, 2024**.

	Greater			Total		Greater			Total		Non-accrual with No Related Allowance		
	31- 60	61- 90	Than 90	Loans and Leases	Non- accrual	31- 60	61- 90	Than 90	Loans and Leases	Non- accrual	Days	Days	Days
	Days	Days	Total	Current	Allowance	Days	Days	Total	Current	Leases	Days	Days	Days
Commercial real estate loans:													
Commercial real estate loans:													
Commercial real estate loans:													
Commercial real estate													
Commercial real estate													
Commercial real estate													
Multi-family mortgage													
Construction													
Total commercial real estate loans													
Commercial loans and leases:													
Commercial													
Commercial													
Commercial													
Equipment financing													
Condominium association													
Total commercial loans and leases													
Consumer loans:													
Residential mortgage													
Residential mortgage													
Residential mortgage													
Home equity													
Other consumer													
Total consumer loans													
Total loans and leases													

The Company did not recognize any interest income on nonaccrual loans for the three months ended **March 31, 2024** **June 30, 2024**.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES**Notes to Unaudited Consolidated Financial Statements (Continued)**

The following tables present an age analysis of the recorded investment in originated and acquired loans and leases as of December 31, 2023.

At December 31, 2023												
	Past Due					Total Loans and Leases	Loans and Leases Past Due Greater Than 90 Days and Accruing					
	Greater Than 90 Days				Current		Greater Than 90 Days and Accruing					
	31-60 Days	61-90 Days	90 Days	Total			Non-accrual with No Related	Non-accrual	Allowance			
(In Thousands)												
Commercial real estate loans:												
Commercial real estate	\$ 2,578	\$ 214	\$ 16,915	\$ 19,707	\$ 4,027,581	\$ 4,047,288	\$ 227	\$ 19,608	\$ 740			
Multi-family mortgage	346	—	—	346	1,414,845	1,415,191	—	—	—			
Construction	—	—	—	—	302,050	302,050	—	—	—			
Total commercial real estate loans	2,924	214	16,915	20,053	5,744,476	5,764,529	227	19,608	740			
Commercial loans and leases:												
Commercial	829	75	3,808	4,712	979,729	984,441	—	3,886	—			
Equipment financing	3,202	4,367	8,984	16,553	1,354,095	1,370,648	—	14,984	2,474			
Condominium association	—	—	—	—	44,579	44,579	—	—	—			
Total commercial loans and leases	4,031	4,442	12,792	21,265	2,378,403	2,399,668	—	18,870	2,474			
Consumer loans:												
Residential mortgage	934	600	3,063	4,597	1,078,207	1,082,804	—	4,292	2,563			
Home equity	1,290	44	387	1,721	342,461	344,182	1	860	—			
Other consumer	—	—	—	—	50,406	50,406	—	—	—			
Total consumer loans	2,224	644	3,450	6,318	1,471,074	1,477,392	1	5,152	2,563			
Total loans and leases	\$ 9,179	\$ 5,300	\$ 33,157	\$ 47,636	\$ 9,593,953	\$ 9,641,589	\$ 228	\$ 43,630	\$ 5,777			

Impaired Loans and Leases

A loan is considered to be impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due (both interest and principal) according to the contractual terms of the loan agreement. The loans and leases risk-rated "substandard" or worse are considered impaired. Impaired loans and leases which do not share similar risk characteristics with other loans are individually evaluated for credit losses. Specific reserves are established for loans and leases with deterioration in the present value of expected future cash flows or, in the case of collateral-dependent loans and leases, any increase in the loan or lease amortized cost basis over the fair value of the underlying collateral discounted for estimated selling costs. In contrast, the loans and leases which share similar risk characteristics and are not included in the individually evaluated population are collectively evaluated for credit losses.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

The following tables present information regarding individually evaluated and collectively evaluated allowance for loan and lease losses for credit losses on loans and leases at the dates indicated.

At March 31, 2024	At March 31, 2024	At March 31, 2024
At June 30, 2024	At June 30, 2024	At June 30, 2024
At June 30, 2024	At June 30, 2024	At June 30, 2024

Commercial Real Estate	Commercial Real Estate	Commercial	Consumer	Total	Commercial Real Estate	Commercial	Consumer	Total
------------------------	------------------------	------------	----------	-------	------------------------	------------	----------	-------

(In Thousands)

Allowance for Loan and Lease Losses:

Individually evaluated
Individually evaluated
Individually evaluated
Collectively evaluated
Total

Loans and Leases:
Loans and Leases:
Loans and Leases:

Individually evaluated
Individually evaluated
Individually evaluated
Collectively evaluated
Total

Allowance for Loan and Lease Losses:

	At December 31, 2023			
	Commercial Real Estate	Commercial	Consumer	Total
Individually evaluated	\$ 5,104	\$ 3,947	\$ 35	\$ 9,086
Collectively evaluated	76,306	25,610	6,520	108,436
Total loans and leases	\$ 81,410	\$ 29,557	\$ 6,555	\$ 117,522

Loans and Leases:

Individually evaluated	\$ 64,953	\$ 27,083	\$ 4,750	\$ 96,786
Collectively evaluated	5,699,576	2,372,585	1,472,642	9,544,803
Total loans and leases	\$ 5,764,529	\$ 2,399,668	\$ 1,477,392	\$ 9,641,589

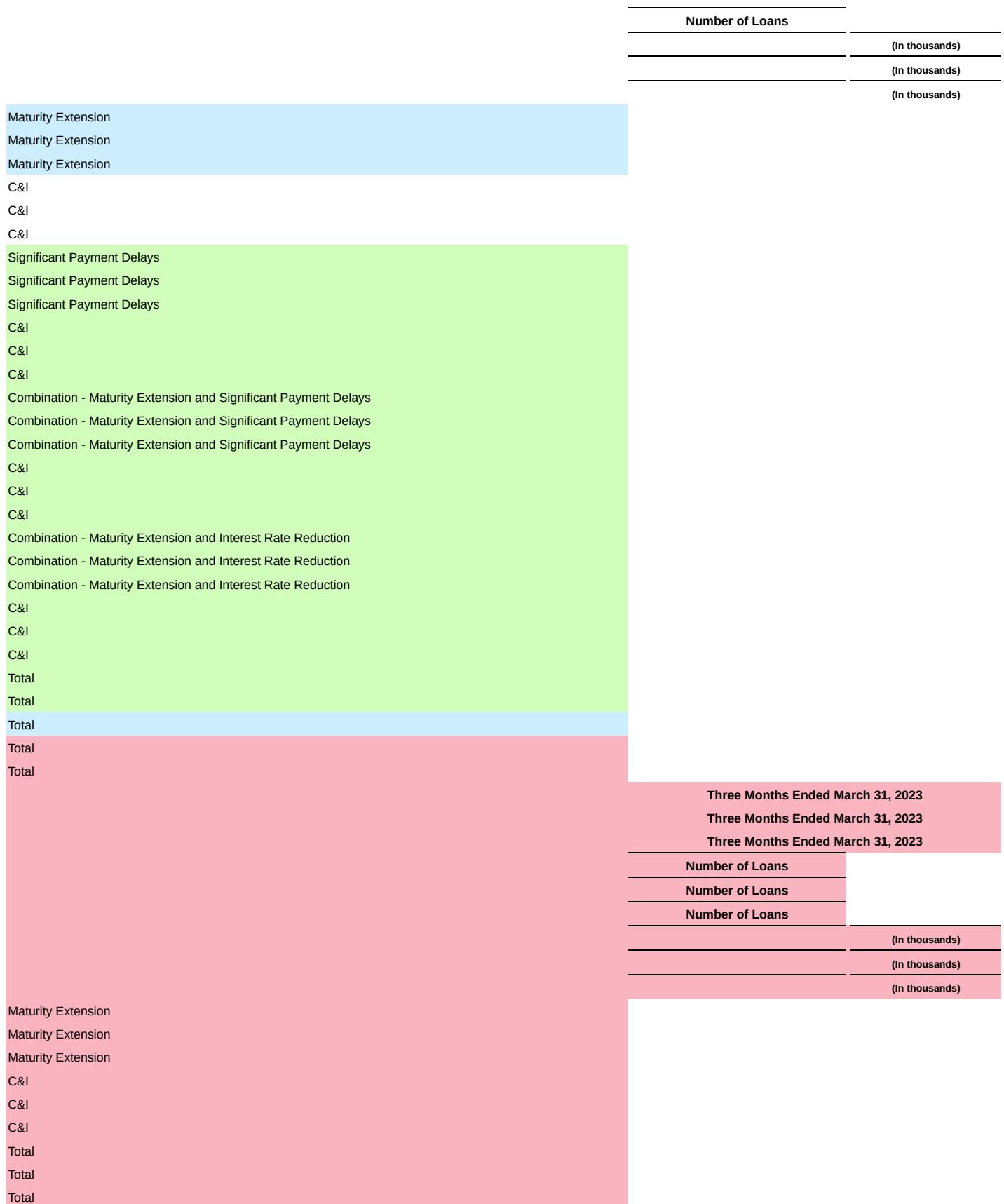
BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Loan Modifications

The following tables present the amortized cost basis of loan modifications made to borrowers experiencing financial difficulty during the periods indicated.

	Three Months Ended March 31, 2024
	Three Months Ended March 31, 2024
	Three Months Ended March 31, 2024
	Three Months Ended June 30, 2024
	Three Months Ended June 30, 2024
	Three Months Ended June 30, 2024
	Number of Loans
	Number of Loans



BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

Three Months Ended June 30, 2023				
	Number of Loans	Amortized Cost	% of Total Class of Loans and Leases	Financial Effect
	(In thousands)			
Maturity Extension				
C&I	7	\$ 12,938	0.88 %	All 7 loans were given 6-month maturity extensions and restructured payment plans to assist the borrowers. The financial effect was deemed "de minimis".
Combination				
C&I	2	\$ 627	0.04 %	Both loans were given 6 month maturity extensions and restructured delayed payment plans to assist borrowers. The financial effect was deemed "de minimis".
Total	<u>9</u>	<u>\$ 13,565</u>	<u>0.92 %</u>	

Six Months Ended June 30, 2024				
	Number of Loans	Amortized Cost	% of Total Class of Loans and Leases	Financial Effect
	(In thousands)			
Maturity Extension				
C&I	2	\$ 131	0.01 %	One loan was given a 30 month maturity extension to assist the borrower and the other loan was given a 2 month deferment of payments along with 13 months added to the term of the loan. The financial effect was deemed "de minimis".
Significant Payment Delays				
C&I	12	\$ 13,833	0.57 %	These loans and letters of credit were given a two quarter (6 month) payment forbearance. The projected impact of the payment delay is approximately \$0.1 million.
Combination - Maturity Extension and Significant Payment Delays				

C&I	2	\$ 1,615	0.07 %	These loans were given 6 month maturity extension and 6 months of interest-only payments.
-----	---	----------	--------	---

Combination - Maturity
Extension and Interest Rate
Reduction

C&I	2	\$ 123	0.01 %	These loans were given 21 and 25 month extensions, respectively, and reductions in their stated interest rates of 7.5%.
Total	18	\$ 15,702	0.66 %	

Six Months Ended June 30, 2023

	Number of Loans	Amortized Cost	% of Total Class of Loans and Leases	Financial Effect
		(In thousands)		
Maturity Extension				
C&I	24	\$ 19,061	1.29 %	All 24 loans were given 6 month maturity extensions and restructured payment plans to assist borrowers. The financial effect was deemed "de minimis".
Combination				
CRE				
C&I	2	\$ 627	0.04 %	Both loans were given 6 month maturity extensions and restructured delayed payment plans to assist borrowers. The financial effect was deemed "de minimis".
Total	26	\$ 19,688	1.33 %	

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

The following tables present the aging analysis of loan modifications made to borrowers experiencing financial difficulty during the periods indicated.

Three Months Ended June 30, 2024						
	30-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Modified	Paid Off	Charged Off
	Current	Due	Due	(In thousands)		
Total Modifications	\$ 14,321	1,353	—	—	—	—
Three Months Ended June 30, 2023						
	30-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Modified	Paid Off	Charged Off
	Current	Due	Due	(In thousands)		
Total Modifications	\$ 13,565	\$ —	\$ —	\$ —	\$ —	\$ —
Six Months Ended June 30, 2024						
	30-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Modified	Paid Off	Charged Off
	Current	Due	Due	(In thousands)		
Total Modifications	\$ 14,349	1,353	—	—	—	—

Three Six Months Ended March 31, 2024 June 30, 2023						
	30-60 Days Past Current	61-90 Days Past Due	90+ Days Past Due	Modified	Paid Off	Charged Off
(In thousands)						
Total Modifications	\$ 30	—	—	—	—	—
Three Months Ended March 31, 2023						
	30-60 Days Past Current	61-90 Days Past Due	90+ Days Past Due	Modified	Paid Off	Charged Off
(In thousands)						
Total Modifications	\$ 6,123	\$ 19,688	—	—	—	—

(6) Goodwill and Other Intangible Assets

The following table sets forth the carrying value of goodwill and other intangible assets at the dates indicated:

	At March 31, 2024 (In Thousands)	At December 31, 2023 (In Thousands)	At June 30, 2024 (In Thousands)	At December 31, 2023
Goodwill				
Additions				
Balance at end of period				
Balance at end of period				
Balance at end of period				
Other intangible assets:				
Other intangible assets, net accumulated amortization:				
Core deposits				
Core deposits				
Core deposits				
Trade name				
Total other intangible assets				
Total other intangible assets				
Total other intangible assets				
Total goodwill and other intangible assets				

At December 31, 2013, the Company concluded that the BankRI name would continue to be utilized in its marketing strategies; therefore, the trade name with carrying value of \$1.1 million has an indefinite life and ceased to amortize.

The weighted-average amortization period for the core deposit intangible is 5.69 years.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

The weighted-average amortization period for the core deposit intangible is 5.44 years.

The estimated aggregate future amortization expense (in thousands) for other intangible assets for each of the next five years and thereafter is as follows:

Remainder of 2024	
Year ending:	
2025	
2025	
2025	
2026	
2027	
2028	

2029

Thereafter

Total

(7) Accumulated Other Comprehensive Income (Loss)

For the **three** six months ended **March 31, 2024** June 30, 2024 and 2023, the Company's accumulated **other comprehensive income OCI** (loss) includes the following three components: (i) unrealized holding gains (losses) on investment securities available-for-sale; (ii) change in the fair value of cash flow hedges; and (iii) adjustment of accumulated obligation for postretirement benefits.

Changes in accumulated **other comprehensive income OCI** (loss) by component, net of tax, were as follows for the periods indicated:

	Three Months Ended March 31, 2024			Three Months Ended June 30, 2024				
	Investment Securities Available-for-Sale	Net Change in Fair Value of Cash Flow Hedges	Postretirement Benefits	Accumulated Other Comprehensive Income (Loss)	Investment Securities Available-for-Sale	Net Change in Fair Value of Cash Flow Hedges	Postretirement Benefits	
	(In Thousands)			(In Thousands)				
Balance at December 31, 2023								
Balance at March 31, 2024								
Other comprehensive income (loss)								
Reclassification adjustment for (income) expense recognized in earnings								
Balance at March 31, 2024								
Balance at June 30, 2024								

	Three Months Ended March 31, 2023					
	Investment Securities Available-for-Sale	Net Change in Fair Value of Cash Flow Hedges	Postretirement Benefits	Accumulated Other Comprehensive Income (Loss)		
	(In Thousands)					
Balance at December 31, 2022	\$ (60,192)	\$ (2,243)	\$ 488	\$ (61,947)		
Other comprehensive income (loss)	7,911	946	—	8,857		
Reclassification adjustment for (income) expense recognized in earnings	—	402	—	402		
Balance at March 31, 2023	\$ (52,281)	\$ (895)	\$ 488	\$ (52,688)		

	Three Months Ended June 30, 2023					
	Investment Securities Available-for-Sale	Net Change in Fair Value of Cash Flow Hedges	Postretirement Benefits	Accumulated Other Comprehensive Income (Loss)		
	(In Thousands)					
Balance at March 31, 2023	\$ (52,281)	\$ (895)	\$ 488	\$ (52,688)		
Other comprehensive income (loss)	(10,273)	(4,265)	—	(14,538)		
Reclassification adjustment for (income) expense recognized in earnings	—	1,070	—	1,070		
Balance at June 30, 2023	\$ (62,554)	\$ (4,090)	\$ 488	\$ (66,156)		

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Six Months Ended June 30, 2024

	Investment Securities Available-for-Sale	Net Change in Fair Value of Cash Flow Hedges	Postretirement Benefits	Accumulated Other Comprehensive Income (Loss)
(In Thousands)				
Balance at December 31, 2023	\$ (52,546)	\$ (1,581)	\$ 1,329	\$ (52,798)
Other comprehensive income (loss)	(7,187)	(3,340)	—	(10,527)
Reclassification adjustment for (income) expense recognized in earnings	—	1,632	—	1,632
Balance at June 30, 2024	\$ (59,733)	\$ (3,289)	\$ 1,329	\$ (61,693)

	Six Months Ended June 30, 2023			
	Investment Securities Available-for-Sale	Net Change in Fair Value of Cash Flow Hedges	Postretirement Benefits	Accumulated Other Comprehensive Income (Loss)
(In Thousands)				
Balance at December 31, 2022	\$ (60,192)	\$ (2,243)	\$ 488	\$ (61,947)
Other comprehensive income (loss)	(2,362)	(2,249)	—	(4,611)
Reclassification adjustment for (income) expense recognized in earnings	—	402	—	402
Balance at June 30, 2023	\$ (62,554)	\$ (4,090)	\$ 488	\$ (66,156)

(8) Derivatives and Hedging Activities

The Company executes loan level derivative products such as interest rate swap agreements with commercial banking customers to aid them in managing their interest rate risk. The interest rate swap contracts allow the commercial banking customers to convert floating rate loan payments to fixed rate loan payments. The Company concurrently enters into offsetting swaps with a third party financial institution, effectively minimizing its net risk exposure resulting from such transactions. The third party financial institution exchanges the customer's fixed rate loan payments for floating rate loan payments. As the interest rate swap agreements associated with this program do not meet hedge accounting requirements, changes in the fair value are recognized directly in earnings. Based on the Company's intended use for the loan level derivatives at inception, the Company designates the derivative as either an economic hedge of an asset or liability, or a hedging instrument subject to the hedge accounting provisions of FASB ASC Topic 815, "Derivatives and Hedging".

The Company believes using interest rate derivatives adds stability to interest income and expense and allows the Company to manage its exposure to interest rate movements. The Company enters into interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps are designated as cash flow hedges and involve the receipt of variable rate amounts from a counterparty in exchange for the Company making fixed payments. The Company enters into interest rate swaps as hedging instruments against the interest rate risk associated with the Company's FHLB borrowings and loan portfolio. For derivative instruments that are designated and qualify as cash flow hedging instruments, the effective portion of the gains or losses is reported as a component of other comprehensive income ("OCI"), OCI, and is reclassified into earnings in the period that the hedged forecasted transaction affects earnings.

The following table reflects the Company's derivative positions as of the date indicated below for interest rate derivatives which qualify as cash flow hedges for accounting purposes.

Notional Amount	At March 31, 2024			At June 30, 2024		
	Notional Amount	Average Maturity	Weighted Average Rate	Fair Value	Notional Amount	Average Maturity
	(in thousands)	(in years)			(in thousands)	(in years)
Interest rate swaps on loans						
(in thousands)						

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

At December 31, 2023			
Notional Amount	Average Maturity	Weighted Average Rate	Fair Value

			Received Fixed Swap		
			Current Rate Paid	Rate	
	(in thousands)	(in years)			(in thousands)
Interest rate swaps on loans	\$ 225,000	2.90	5.35 %	3.39 %	\$ (2,608)

The Company utilizes risk participation agreements with other banks participating in commercial loan arrangements. Participating banks guarantee the performance on borrower-related interest rate swap contracts. Risk participation agreements are derivative financial instruments and are recorded at fair value. These derivatives are not designated as hedges and therefore, changes in fair value are recorded directly through earnings in other non-interest income at each reporting period. Under a risk participation-out agreement, a derivative asset, the Company participates out a portion of the credit risk associated with the interest rate swap position executed with the commercial borrower, for a fee paid to the participating bank.

The Company offers foreign exchange contracts to commercial borrowers to accommodate their business needs. These foreign exchange contracts do not qualify as hedges for accounting purposes. To mitigate the market and liquidity risk associated with these foreign exchange contracts, the Company enters into similar offsetting positions.

Asset derivatives and liability derivatives are included in other assets and accrued expenses and other liabilities on the unaudited consolidated balance sheets.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

The following tables present the Company's customer related derivative positions for the periods indicated below for those derivatives not designated as hedging.

Number of Positions	Notional Amount Maturing					Fair Value	Number of Positions	Notional Amount Maturing					Fair Value			
	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Thereafter			Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Thereafter				
March 31, 2024												June 30, 2024				
(Dollars In Thousands)												(Dollars In Thousands)				
Loan level derivatives																
Receive fixed, pay variable																
Receive fixed, pay variable																
Receive fixed, pay variable																
Pay fixed, receive variable																
Risk participation-out agreements																
Risk participation-in agreements																
Foreign exchange contracts																
Foreign exchange contracts																
Foreign exchange contracts																
Buys foreign currency, sells U.S. currency																
Buys foreign currency, sells U.S. currency																
Buys foreign currency, sells U.S. currency																
Sells foreign currency, buys U.S. currency																

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Notional Amount Maturing

Number of Positions	Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Thereafter	Total	Fair Value
	December 31, 2023 (Dollars In Thousands)						
Loan level derivatives							
Receive fixed, pay variable	153	\$ 69,135	\$ 156,567	\$ 66,330	\$ 244,615	\$ 1,196,551	\$ 1,733,198
Pay fixed, receive variable	153	69,135	156,567	66,330	244,615	1,196,551	1,733,198
Risk participation-out agreements	67	22,979	33,409	6,038	64,875	415,086	542,387
Risk participation-in agreements	9	—	—	23,155	3,577	73,581	100,313
Foreign exchange contracts							
Buys foreign currency, sells U.S. currency	23	\$ 3,262	\$ —	\$ —	\$ —	\$ —	\$ 3,262
Sells foreign currency, buys U.S. currency	28	3,895	—	—	—	—	3,895
							139
							132

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Certain derivative agreements contain provisions that require the Company to post collateral if the derivative exposure exceeds a threshold amount. The Company did not post collateral to dealer counterparties as of March 31, 2024, compared to \$2.4 million \$0.9 million and \$1.2 million in the normal course of business as of June 30, 2024 and December 31, 2023, respectively.

The tables below present the offsetting of derivatives and amounts subject to master netting agreements not offset in the unaudited consolidated balance sheet at the dates indicated.

	At March 31, 2024				At June 30, 2024				
	Gross Amounts Recognized	Gross Amounts Recognized	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position	Gross Amounts Recognized	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	
	(In Thousands)				(In Thousands)				
Asset derivatives									
Derivatives designated as hedging instruments:									
Derivatives designated as hedging instruments:									
Derivatives designated as hedging instruments:									
Interest rate derivatives									
Interest rate derivatives									
Interest rate derivatives									

Derivatives
not
designated
as hedging
instruments:

Loan level
derivatives
Loan level
derivatives
Loan level
derivatives

Risk
participation-
out
agreements

Foreign
exchange
contracts

Total

Liability derivatives

Liability derivatives

Liability derivatives

Derivatives
designated as
hedging
instruments:

Derivatives
designated as
hedging
instruments:

Derivatives
designated as
hedging
instruments:

Interest rate
derivatives

Interest rate
derivatives

Interest rate
derivatives

Derivatives
not
designated
as hedging
instruments:

Loan level
derivatives

Loan level
derivatives

Loan level
derivatives

Risk
participation-
in
agreements

Foreign
exchange
contracts
Total

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

At December 31, 2023

	Gross Amounts						Gross Amounts Not Offset in the Statement of Financial Position						
	Gross Amounts Recognized	Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position			Financial Instruments Pledged	Cash Collateral Pledged	Net Amount					
(In Thousands)													
Asset derivatives													
Derivatives designated as hedging instruments:													
Interest rate derivatives	\$ 234	\$ —	\$ 234	\$ —	\$ —	\$ —	\$ —	\$ 234					
Derivatives not designated as hedging instruments:													
Loan level derivatives	\$ 99,876	\$ —	\$ 99,876	\$ —	\$ —	\$ —	\$ —	\$ 99,876					
Risk participation-out agreements	1,238	—	1,238	—	—	—	—	1,238					
Foreign exchange contracts	139	—	139	—	—	—	—	139					
Total \$	<u>101,487</u>	<u>\$ —</u>	<u>\$ 101,487</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 101,487</u>					
Liability derivatives													
Derivatives designated as hedging instruments:													
Interest rate derivatives	\$ 2,842	\$ —	\$ 2,842	\$ —	\$ —	\$ —	\$ —	\$ 2,842					
Derivatives not designated as hedging instruments:													
Loan level derivatives	\$ 99,876	\$ —	\$ 99,876	\$ 20,353	\$ 61,153	\$ —	\$ —	\$ 18,370					
Risk participation-in agreements	310	—	310	—	—	—	—	310					
Foreign exchange contracts	132	—	132	—	—	—	—	132					
Total \$	<u>103,160</u>	<u>\$ —</u>	<u>\$ 103,160</u>	<u>\$ 20,353</u>	<u>\$ 61,153</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 21,654</u>					

The Company has agreements with certain of its derivative counterparties that contain credit-risk-related contingent provisions. These provisions provide the counterparty with the right to terminate its derivative positions and require the Company to settle its obligations under the agreements if the Company defaults on certain of its indebtedness or if the Company fails to maintain its status as a well-capitalized institution.

	Fair Value	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
(Dollars in Thousands)		(Dollars in Thousands)
Derivatives designated as hedges		
Derivatives designated as hedges		
Derivatives designated as hedges		
(Loss) gain in OCI on derivatives (effective portion), net of tax		
Gain (loss) reclassified from OCI into interest income or interest expense (effective portion)		

The guidance in ASU 2017-12 requires that amounts in accumulated **other comprehensive income** **OCI** that are included in the assessment of effectiveness should be reclassified into earnings in the same period in which the hedged forecasted transactions impact earnings. A portion of the balance reported in accumulated **other comprehensive income** **OCI** related to derivatives will be reclassified to interest expense as interest payments are made or received on the Company's interest rate swaps. The Company monitors the risk of counterparty default on an ongoing basis.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

(9) Stock Based Compensation

As of **March 31, 2024** **June 30, 2024**, the Company had one active equity plan: the **Brookline Bancorp, Inc. 2021 Stock Option and Incentive Plan ("2021 Plan")**. **Plan**. As a result of the 2021 Plan having been approved by the Company's stockholders at the 2021 annual meeting of stockholders, the Company discontinued granting awards under the **Brookline Bancorp, Inc. 2014 Equity Incentive Plan**, (the "2014 Plan" and together with the 2021 Plan, the "Plans"), and no further shares will be granted as awards under the 2014 Plan.

Of the awarded shares under the Plans, generally 50% vest ratably over three years with one-third of such shares vesting at each of the first, second and third anniversary dates of the awards. These are referred to as "time-based shares". The remaining 50% of each award will vest three years after the award date based on the level of the Company's achievement of identified performance targets in comparison to the level of achievement of such identified performance targets by a defined peer group. These are referred to as "performance-based shares". If a participant leaves the Company prior to the third anniversary date of an award, any unvested shares are usually forfeited. Dividends declared with respect to shares awarded will be held by the Company and paid to the participant only when the shares vest.

Under the Plans, shares of the Company's common stock are reserved for issuance as restricted stock awards to officers, employees, and non-employee directors of the Company. Shares issued upon vesting may be either authorized but unissued shares or reacquired shares held by the Company as treasury shares. Any shares not issued because vesting requirements are not met will be retired back to treasury and be made available again for issuance under the Plans.

During the three **and six** months ended **March 31, 2024** **June 30, 2024** and **March 31, 2023** **June 30, 2023**, no shares were issued, respectively, upon satisfaction of required conditions of the Plans.

Total expense for the Plans was **\$1.1 million** **\$0.8 million** and **\$0.9 million** for the three months ended **March 31, 2024** **June 30, 2024** and **2023**, respectively. Total expense for the Plans was **\$1.9 million** and **\$1.8 million** for the six months ended **June 30, 2024** and **2023**, respectively.

(10) Earnings per Share ("EPS") EPS

The following table is a reconciliation of basic EPS and diluted EPS:

		Three Months Ended					
		March 31, 2024		March 31, 2023		June 30, 2024	
Basic	Fully Diluted	Basic	Fully Diluted	Basic	Fully Diluted	Basic	Fully Diluted
(Dollars in Thousands, Except Per Share Amounts)							

Numerator:

Net income

Net income

Net income

Denominator:

Denominator:

Denominator:

Weighted average shares outstanding

Weighted average shares outstanding

Weighted average shares outstanding

Effect of dilutive securities

Adjusted weighted average shares outstanding

EPS

EPS

EPS

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

	Six Months Ended			
	June 30, 2024		June 30, 2023	
	Basic	Fully Diluted	Basic	Fully Diluted
	(Dollars in Thousands, Except Per Share Amounts)			
Numerator:				
Net income	\$ 31,037	\$ 31,037	\$ 29,410	\$ 29,410
Denominator:				
Weighted average shares outstanding	88,899,635	88,899,635	87,620,194	87,620,194
Effect of dilutive securities	—	302,277	—	267,786
Adjusted weighted average shares outstanding	88,899,635	89,201,912	87,620,194	87,887,980
EPS	\$ 0.35	\$ 0.35	\$ 0.34	\$ 0.34

(11) Fair Value of Financial Instruments

A description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring and non-recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. There were no changes in the valuation techniques used during the three and six months ended **March 31, 2024** **June 30, 2024** and **March 31, 2023** **June 30, 2023**.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following tables set forth the carrying value of assets and liabilities measured at fair value on a recurring basis at the dates indicated:

		Carrying Value as of March 31, 2024			Carrying Value as of June 30, 2024			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
		(In Thousands)			(In Thousands)			Total
Assets:	Assets:				Assets:			
Investment securities available-for-sale:	Investment securities available-for-sale:				Investment securities available-for-sale:			
GSE debentures								
GSE CMOs								
GSE MBSs								
Municipal obligations								
Municipal obligations								
Municipal obligations								
Corporate debt obligations								
U.S. Treasury bonds								
Foreign government obligations								
Foreign government obligations								
Foreign government obligations								
Total investment securities available-for-sale								

Assets:	
Assets:	
Assets:	
Interest rate derivatives	
Interest rate derivatives	
Interest rate derivatives	
Derivatives not designated as hedging instruments:	
Loan level derivatives	
Loan level derivatives	
Loan level derivatives	
Risk participation-out agreements	
Foreign exchange contracts	
Liabilities:	Liabilities:
Interest rate derivatives	
Derivatives not designated as hedging instruments:	
Loan level derivatives	
Loan level derivatives	
Loan level derivatives	
Risk participation-in agreements	
Foreign exchange contracts	

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

	Carrying Value as of December 31, 2023					
	Level 1	Level 2	Level 3	Total		
	(In Thousands)					
Assets:						
Investment securities available-for-sale:						
GSE debentures	\$	—	\$ 201,127	\$ —	\$ 201,127	
GSE CMOs	—	61,617	—	61,617		
GSE MBSs	—	169,997	—	169,997		
Municipal obligations	—	3,398	15,524	18,922		
Corporate debt obligations	—	17,337	2,379	19,716		
U.S. Treasury bonds	—	444,737	—	444,737		
Foreign government obligations	—	485	—	485		
Total investment securities available-for-sale	<hr/> \$	<hr/> —	<hr/> \$ 898,698	<hr/> \$ 17,903	<hr/> \$ 916,601	
Interest rate derivatives	—	234	—	234		
Loan level derivatives	—	99,876	—	99,876		
Risk participation-out agreements	—	1,238	—	1,238		
Foreign exchange contracts	—	139	—	139		
Liabilities:						
Interest rate derivatives	\$	—	\$ 2,842	\$ —	\$ 2,842	
Loan level derivatives	—	99,876	—	99,876		
Risk participation-in agreements	—	310	—	310		
Foreign exchange contracts	—	132	—	132		

Investment Securities Available-for-Sale

The fair value of investment securities is based principally on market prices and dealer quotes received from third-party and nationally-recognized pricing services for identical investment securities such as U.S. Treasury and agency securities. These prices are validated by comparing the primary pricing source with an alternative pricing source when available. When quoted market prices for identical securities are unavailable, the Company uses market prices provided by independent pricing services based on recent trading activity and other observable information, including but not limited to market interest-rate curves, referenced credit spreads and estimated prepayment speeds, where applicable. These investments include GSE debentures, GSE mortgage-related securities, SBA commercial loan asset backed securities, corporate debt obligations, municipal obligations and trust preferred securities, all of which are included in Level 2. As of **March 31, 2024** **June 30, 2024**, **\$18.1 million** **\$15.0 million** of investment securities available-for-sale are included in Level 3 within the investment portfolio. The composition of these assets are primarily composed of subordinated debt of local banks and private placement municipal securities. Of these securities, approximately **\$15.7 million** **\$12.6 million** are private placement municipal Bond Anticipation Notes. As of December 31, 2023, certain corporate debt securities and municipal obligations were valued using pricing models included in Level 3.

Additionally, management reviews changes in fair value from period to period and performs testing to ensure that prices received from the third parties are consistent with management's expectation of the market. Changes in the prices obtained from the pricing service are analyzed from month to month, taking into consideration changes in market conditions including changes in mortgage spreads, changes in U.S. Treasury security yields and changes in generic pricing of 15-year and 30-year securities. Additional analysis may include a review of prices provided by other independent parties, a yield analysis, a review of average life changes using Bloomberg analytics and a review of historical pricing for a particular security.

Derivatives and Hedging Instruments

The fair value of interest rate derivatives designated as hedging instruments, loan level derivatives, risk participation agreements (RPA in/out), and foreign exchange contracts represent a Level 2 valuation and are based on settlement values adjusted for credit risks associated with the counterparties and the Company and observable market interest rate curves and foreign exchange rates where applicable. Credit risk adjustments consider factors such as the likelihood of default by the

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Company and its counterparties, its net exposures and remaining contractual life. To date, the Company has not realized any losses due to a counterparty's inability to pay any net uncollateralized position. Refer also to Note 8, "Derivatives and Hedging Activities."

There were no transfers between levels for assets and liabilities recorded at fair value on a recurring basis at **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

The following tables summarize information about significant unobservable inputs related to the Company's categories of Level 3 financial assets and liabilities measured on a recurring basis.

Quantitative Information About Level 3 Fair Value Measurements - Recurring Basis										
Financial Instrument	Financial Instrument	Estimated Fair Value	Valuation Technique(s)	Significant Unobservable Inputs	Range of Inputs	Weighted Average	Financial Instrument	Estimated Fair Value	Valuation Technique(s)	Significant Unobservable Inputs
(In Thousands)										
March 31, 2024										
June 30, 2024										
Assets										
Assets										
Assets										
Municipal obligations										
Municipal obligations										
Municipal obligations	\$15,722	Discounted Cash Flow	Discounted Cash Flow	Discount Rate from Bloomberg BVAL	0.0%-3.35%	1.39	Discounted Cash Flow	\$12,573	Discounted Cash Flow	Discount Rate from Bloomberg BVAL
Corporate debt obligations										

The following table summarizes the changes in estimated fair value for all assets and liabilities measured at estimated fair value on a recurring basis using significant unobservable inputs (Level 3).

Changes in Estimated Fair Value of Level 3 Financial Assets and Liabilities - Recurring Basis

	Three Months Ended March 31, 2024	Six Months Ended June 30, 2024	(In Thousands)
--	-----------------------------------	--------------------------------	----------------

	Municipal obligations	Municipal obligations	Corporate debt obligations	Municipal obligations	Corporate debt obligations
Beginning balance					
Purchases					
Included in comprehensive income					
Included in comprehensive income					
Included in comprehensive income					
Transfers in					
Transfers out					
Sales					
Maturities, calls, and paydowns					
Ending balance					

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis

Assets and liabilities measured at fair value on a non-recurring basis are summarized below at the dates indicated:

		Carrying Value as of March 31, 2024			Carrying Value as of June 30, 2024					
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3		
		(In Thousands)			(In Thousands)					
		Assets measured at fair value on a non-recurring basis:	Assets measured at fair value on a non-recurring basis:	Assets measured at fair value on a non-recurring basis:	Assets measured at fair value on a non-recurring basis:	Assets measured at fair value on a non-recurring basis:	Assets measured at fair value on a non-recurring basis:	Assets measured at fair value on a non-recurring basis:		
Assets measured at fair value on a non-recurring basis:	Collateral-dependent impaired loans and leases									
	OREO									
	Repossessed assets									
	Total assets measured at fair value on a non-recurring basis									

		Carrying Value as of December 31, 2023				
		Level 1	Level 2	Level 3	Total	
		(In Thousands)				
Assets measured at fair value on a non-recurring basis:						
Collateral-dependent impaired loans and leases	\$	—	\$	—	\$ 16,720	\$ 16,720
OREO	—	—	—	—	780	780
Repossessed assets	—	—	914	—	—	914
Total assets measured at fair value on a non-recurring basis	\$	—	\$ 914	\$ 17,500	\$ 18,414	\$ 18,414

Collateral-Dependent Impaired Loans and Leases

For nonperforming loans and leases where the credit quality of the borrower has deteriorated significantly, fair values of the underlying collateral were estimated using purchase and sales agreements (Level 2), or comparable sales or recent appraisals (Level 3), adjusted for selling costs and other expenses.

Other Real Estate Owned ("OREO")

The Company records OREO at the lower of cost or fair value. In estimating fair value, the Company utilizes purchase and sales agreements (Level 2) or comparable sales, recent appraisals or cash flows discounted at an interest rate commensurate with the risk associated with these cash flows (Level 3), adjusted for selling costs and other expenses.

Repossessed Assets

Repossessed assets are carried at estimated fair value less costs to sell based on auction pricing (Level 2).

The table below presents quantitative information about significant unobservable inputs (Level 3) for assets measured at fair value on a non-recurring basis at the dates indicated.

	Fair Value
	Fair Value
	Fair Value
	At March 31, 2024
	At March 31, 2024
	At March 31, 2024
	At June 30, 2024
	At June 30, 2024
	At June 30, 2024

Collateral-dependent impaired loans and leases

Collateral-dependent impaired loans and leases

Collateral-dependent impaired loans and leases

Other real estate owned

Other real estate owned

Other real estate owned

(a) Fair value is generally determined through independent appraisals of the underlying collateral. The Company may also use another available source of collateral assessment to determine a reasonable estimate of the fair value of the collateral. Appraisals may be adjusted by management for qualitative factors such as economic factors and estimated liquidation expenses. The range of the unobservable inputs used may vary but is generally 0% - 10% on the discount for costs to sell and 0% - 15% on appraisal adjustments.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Summary of Estimated Fair Values of Financial Instruments

The following table presents the carrying amount, estimated fair value, and placement in the fair value hierarchy of the Company's financial instruments at the dates indicated. This table excludes financial instruments for which the carrying amount approximates fair value. Financial assets for which the fair value approximates carrying value include cash and cash equivalents, restricted equity securities, and accrued interest receivable. Financial liabilities for which the fair value approximates carrying value include non-maturity deposits, short-term borrowings, and accrued interest payable.

		Fair Value Measurements at March 31, 2024						Fair Value Measurements at June 30, 2024					
		Carrying Value	Estimated Fair Value	Level 1 Inputs		Level 2 Inputs		Level 3 Inputs	Carrying Value	Estimated Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
		(In Thousands)						(In Thousands)					
Financial assets:	Financial assets:												
Loans held-for-sale													
Loans and leases, net													
Loans held-for-sale													
Loans and leases, net													
Loans held-for-sale													
Loans and leases, net													
Financial liabilities:													
Financial liabilities:													

Financial liabilities:		Fair Value Measurements at December 31, 2023				
		Carrying Value	Estimated Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
(In Thousands)						
Financial assets:						
Loans and leases, net	\$ 9,524,067	\$ 9,230,864	\$ —	\$ —	\$ 9,230,864	
Financial liabilities:						
Certificates of deposits and brokered deposits	2,456,028	2,443,772	—	2,443,772	—	
Borrowed funds	1,376,670	1,375,506	—	1,375,506	—	

Loans held-for-sale

The fair value of loans held-for-sale is based off of secondary market prices.

Loans and Leases

The fair values of performing loans and leases was estimated by segregating the portfolio into its primary loan and lease categories—commercial real estate mortgage, multi-family mortgage, construction, commercial, equipment financing, condominium association, residential mortgage, home equity and other consumer. These categories were further disaggregated based upon significant financial characteristics such as type of interest rate (fixed / variable) and payment status (current / past-due). Using the exit price valuation method, the Company discounts the contractual cash flows for each loan category using interest rates currently being offered for loans with similar terms to borrowers of similar quality and incorporates estimates of future loan prepayments.

Deposits

The fair values of deposit liabilities with no stated maturity (demand, NOW, savings and money market savings accounts) are equal to the carrying amounts payable on demand. The fair value of certificates of deposit represents contractual cash flows discounted using interest rates currently offered on deposits with similar characteristics and remaining maturities. The fair value estimates for deposits do not include the benefit that results from the low-cost funding provided by the Company's core deposit relationships (deposit-based intangibles).

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Borrowed Funds

The fair value of federal funds purchased is equal to the amount borrowed. The fair value of FHLB advances and repurchase agreements represents contractual repayments discounted using interest rates currently available for borrowings with similar characteristics and remaining maturities. The fair values reported for retail repurchase agreements are based on the discounted value of contractual cash flows. The discount rates used are representative of approximate rates currently offered on borrowings with similar characteristics and maturities. The fair values reported for subordinated deferrable interest debentures are based on the discounted value of contractual cash flows. The discount rates used are representative of approximate rates currently offered on instruments with similar terms and maturities.

(12) Commitments and Contingencies

Off-Balance Sheet Financial Instruments

The Company is party to off-balance sheet financial instruments in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include loan commitments, standby and commercial letters of credit, and loan level derivatives. According to GAAP, these financial instruments are not recorded in the financial statements until they are funded or related fees are incurred or received.

The contract amounts reflect the extent of the involvement the Company has in particular classes of these instruments. Such commitments involve, to varying degrees, elements of credit risk and interest-rate risk in excess of the amount recognized in the consolidated balance sheets. The Company's exposure to credit loss in the event of non-performance by the counterparty is represented by the fair value of the instruments. The Company uses the same policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Financial instruments with off-balance-sheet risk at the dates indicated follow:

	At March 31, 2024	At December 31, 2023	At June 30, 2024	At December 31, 2023
	(In Thousands)		(In Thousands)	
Financial instruments whose contract amounts represent credit risk:				
Commitments to originate loans and leases:				
Commercial real estate				
Commercial				
Residential mortgage				
Unadvanced portion of loans and leases				
Unused lines of credit:	Unused lines of credit:		Unused lines of credit:	
Home equity				
Other consumer				
Other commercial				
Unused letters of credit:		Unused letters of credit:		Unused letters of credit:
Financial standby letters of credit				
Performance standby letters of credit				
Commercial and similar letters of credit				
Interest rate derivatives				
Loan level derivatives (Notional principal amounts):				
Receive fixed, pay variable				
Receive fixed, pay variable				
Receive fixed, pay variable				
Pay fixed, receive variable				
Risk participation-out agreements				
Risk participation-in agreements				
Foreign exchange contracts (Notional amounts):				
Buys foreign currency, sells U.S. currency				
Buys foreign currency, sells U.S. currency				
Buys foreign currency, sells U.S. currency				
Sells foreign currency, buys U.S. currency				

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require the payment of a fee by the customer. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if any, is based on management's credit evaluation of the borrower.

Standby and commercial letters of credit are conditional commitments issued by the Company to guarantee performance of a customer to a third party. These standby and commercial letters of credit are primarily issued to support the financing needs of the Company's commercial customers. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers.

From time to time, the Company enters into loan level derivatives, risk participation agreements or foreign exchange contracts with commercial customers and third-party financial institutions. These derivatives allow the Company to offer long-term fixed-rate commercial loans while mitigating the interest-rate or foreign exchange risk of holding those loans. In a loan level derivative transaction, the Company lends to a commercial customer on a floating-rate basis and then enters into a loan level derivative with that customer.

Concurrently, the Company enters into offsetting swaps with a third-party financial institution, effectively minimizing its net interest-rate risk exposure resulting from such transactions. The fair value of these derivatives are presented in Note 8.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements (Continued)

Lease Commitments

The Company leases certain office space under various noncancelable operating leases as well as other assets. These leases have terms ranging from 1 year to over 20 years. Certain leases contain renewal options and escalation clauses which can increase rental expenses based principally on the consumer price index and fair market rental value provisions. All of the Company's current outstanding leases are classified as operating leases.

The Company considered the following criteria when determining whether a contract contains a lease, the existence of an identifiable asset and the right to obtain substantially all of the economic benefits from use of the asset through the period. The Company uses the FHLB classic advance rates available as of the lease's start dates as the discount rate to determine the net present value of the remaining lease payments.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
(In Thousands)		
The components of lease expense was as follows:		
Operating lease cost		
Operating lease cost		
Operating lease cost		
Supplemental cash flow information related to leases was as follows:		
Supplemental cash flow information related to leases was as follows:		
Supplemental cash flow information related to leases was as follows:		
Cash paid for amounts included in the measurement of lease liabilities:		
Cash paid for amounts included in the measurement of lease liabilities:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases		
Operating cash flows for operating leases		
Operating cash flows for operating leases		
Right-of-use assets obtained in exchange for new lease obligations:		
Right-of-use assets obtained in exchange for new lease obligations:		
Right-of-use assets obtained in exchange for new lease obligations:		
Operating leases assets		
Operating leases assets		
Operating leases assets		
Operating leases liabilities		
	At March 31, 2024	At December 31, 2023
	At June 30, 2024	At December 31, 2023

(In Thousands)

Supplemental balance sheet information related to leases was as follows:

Operating Leases
Operating Leases
Operating Leases
Operating lease right-of-use assets
Operating lease right-of-use assets
Operating lease right-of-use assets
Operating lease liabilities
Operating lease liabilities
Operating lease liabilities
Weighted Average Remaining Lease Term

Weighted Average Remaining Lease Term				
Weighted Average Remaining Lease Term				
Operating leases				
Operating leases				
Operating leases	8.76		8.87	8.49
Weighted Average Discount Rate				
Weighted Average Discount Rate				
Weighted Average Discount Rate				
Operating leases				
Operating leases				
Operating leases	4.0%		4.0%	4.2%
				4.0%

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

A summary of future minimum rental payments under such leases at the dates indicated follows:

	Minimum Rental Payments
	Minimum Rental Payments
	Minimum Rental Payments
	March 31, 2024
	March 31, 2024
	March 31, 2024
	June 30, 2024
	June 30, 2024
	June 30, 2024
Remainder of 2024	
Remainder of 2024	
Remainder of 2024	
Year ending:	
Year ending:	
Year ending:	
2025	
2025	
2025	
2026	
2026	
2026	
2027	
2027	
2027	
2028	
2028	
2028	
2029	
2029	
2029	
Thereafter	
Thereafter	
Thereafter	

Total
Total
Total
Less imputed interest
Less imputed interest
Less imputed interest
Present value of lease liability
Present value of lease liability
Present value of lease liability

Certain leases contain escalation clauses for real estate taxes and other expenditures, which are not included above. The total real estate taxes were \$0.6 million \$1.2 million and \$0.7 \$1.3 million for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. Total other expenditures were \$0.1 million \$0.3 million and \$0.1 million \$0.2 million for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. Total rental expense was \$2.3 million \$4.5 million and \$2.1 \$4.2 million for the six months ended June 30, 2024 and 2023. Total rental expense was \$2.2 million and \$2.0 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively.

Legal Proceedings

In the normal course of business, there are various outstanding legal proceedings. In the opinion of management, after consulting with legal counsel, the consolidated financial position and results of operations of the Company are not expected to be affected materially by the outcome of such proceedings.

(13) Revenue from Contracts with Customers

Overview

Revenue from contracts with customers in the scope of ASC 606 ("Topic 606") is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue from contracts with customers when it satisfies its performance obligations.

The Company's performance obligations are generally satisfied as services are rendered and can either be satisfied at a point in time or over time. Unsatisfied performance obligations at the report date are not material to our consolidated financial statements.

In certain cases, other parties are involved with providing services to our customers. If the Company is a principal in the transaction (providing services itself or through a third party on its behalf), revenues are reported based on the gross consideration received from the customer and any related expenses are reported in gross noninterest expense. If the Company is an agent in the transaction (referring to another party to provide services), the Company reports its net fee or commission retained as revenue.

A substantial portion of the Company's revenue is specifically excluded from the scope of Topic 606. This exclusion is associated with financial instruments, including interest income on loans and investment securities, in addition to loan derivative income and gains on loan and investment sales. For the revenue that is in-scope of Topic 606, the following is a description of principal activities from which the Company generates its revenue from contracts with customers, separated by the timing of revenue recognition.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements (Continued)

Revenue Recognized at a Point in Time

The Company recognizes revenue that is transactional in nature and such revenue is earned at a point in time. Revenue that is recognized at a point in time includes card interchange fees (fee income related to debit card transactions), ATM fees, wire transfer fees, overdraft charge fees, and stop-payment and returned check fees. Additionally, revenue is collected from loan fees, such as letters of credit, line renewal fees and application fees. Such revenue is derived from transactional information and is recognized as revenue immediately as the transactions occur or upon providing the service to complete the customer's transaction.

Revenue Recognized Over Time

The Company recognizes revenue over a period of time, generally monthly, as services are performed and performance obligations are satisfied. Such revenue includes commissions on investments, insurance sales and service charges on deposit accounts. Fee revenue from service charges on deposit accounts represents the service charges assessed to customers who hold deposit accounts at the Banks.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q that are not historical facts may constitute 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, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties. These statements, which are based on certain assumptions and describe Brookline Bancorp, Inc.'s (the "Company's") 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. These statements include, among others, statements regarding the Company's intent, belief or expectations with respect to economic conditions, trends affecting the Company's financial condition or results of operations, and the Company's exposure to market, liquidity, interest-rate and credit risk.

Forward-looking statements are based on the current assumptions underlying the statements and other information with respect to the beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions of management and the financial condition, results of operations, future performance and business are only expectations of future results. Although the Company believes that the expectations reflected in the Company's forward-looking statements are reasonable, the Company's actual results could differ materially from those projected in the forward-looking statements as a result of, among other important factors, changes in interest rates; general economic conditions (including inflation and concerns about liquidity) on a national basis or in the local markets in which the Company operates; turbulence in the capital and debt markets; competitive pressures from other financial institutions; changes in consumer behavior due to changing political, business and economic conditions, or legislative or regulatory initiatives; changes in the value of securities and other assets in the Company's investment portfolio; increases in loan and lease default and charge-off rates; the adequacy of allowances for loan and lease losses; decreases in deposit levels that necessitate increases in borrowing to fund loans and investments; operational risks including, but not limited to, cybersecurity incidents, fraud, natural disasters, and future pandemics; changes in regulation; the possibility that future credit losses may be higher than currently expected due to changes in economic assumptions and adverse economic developments; the risk that goodwill and intangibles recorded in the Company's financial statements will become impaired; and changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and other filings submitted to the **Securities and Exchange Commission ("SEC")**. **SEC**. 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.

Introduction

Brookline Bancorp, Inc., a Delaware corporation, operates as a multi-bank holding company for Brookline Bank and its subsidiaries; **Bank Rhode Island** **BankRI** and its **subsidiaries ("BankRI")**; **subsidiaries**; PCSB Bank and its subsidiaries; and Clarendon **Private, LLC ("Clarendon Private")**. **Private**. Brookline Securities Corp, previously a subsidiary of Brookline Bancorp, Inc., was dissolved in November 2023.

As a commercially-focused financial institution with 65 full-service banking offices throughout Greater Boston, the north shore of Massachusetts, Rhode Island and New York, the Company, through Brookline Bank, BankRI and PCSB Bank, **(collectively referred to as the "Banks")**, offers a wide range of commercial, business and retail banking services, including a full complement of cash management products, foreign exchange services, on-line and mobile banking services, consumer and residential loans and investment advisory services, designed to meet the financial needs of small- to mid-sized businesses and individuals throughout central New England and the Lower Hudson Valley in New York. The Banks and their subsidiaries lend primarily in all New England states and New York, with the exception of the equipment financing portfolio, **29.2%** **29.0%** of which is in the Greater New York and New Jersey metropolitan area and **70.8%** **71.0%** of which is in other areas in the **United States of America** **U.S.** as of **March 31, 2024** **June 30, 2024**. Clarendon Private is a registered investment advisor with the SEC. Through Clarendon Private, the Company offers a wide range of wealth management services to individuals, families, endowments and foundations to help these clients meet their long-term financial goals.

The Company focuses its business efforts on profitably growing its commercial lending businesses, both organically and through acquisitions. The Company's customer focus, multi-bank structure, and risk management are integral to its organic growth strategy and serve to differentiate the Company from its competitors. As full-service financial institutions, the Banks and their subsidiaries focus their efforts on developing and deepening long-term banking relationships with qualified customers through a full complement of products, excellent customer service, and strong risk management.

The Company manages the Banks under a uniform strategic objective, with one set of uniform policies consistently applied by one executive management team. Within this environment, the Company believes that the ability to make customer decisions locally enhances management's motivation, service levels and, as a consequence, the Company's financial results. As

such, while most back-office functions are consolidated at the holding company level, branding and decision-making, including credit decisions and pricing, remain largely local in order to better meet the needs of bank customers and further motivate the Banks' commercial, business and retail bankers. These credit decisions, at the local level, are executed in accordance with corporate policies overseen by the Company's credit department.

The competition for loans and leases and deposits remains strong. Loan and deposit growth are also influenced by the rate-setting actions of the **Board of Governors of the Federal Reserve System (the "FRB")**. **FRB**. Based on management's scenario analysis of deposit sensitivity to the current rate environment and customer's demand for non-depository investment alternatives, management expects there will be further deposit mix migration and increased deposit sensitivity to interest rates, which may negatively impact the net interest income and the net interest margin in the near term.

Management expects **pressure on the net interest margin to continue for a quarter or two after which the net interest margin is expected to stabilize and then increase as loans continue to reprice into the higher rate environment faster than time deposits and other funding sources**. Net interest income models, using a projected flat balance sheet with stable deposit balances and an average sensitivity of deposit rates of approximately 40% to market rates, forecast that a short-term increase in rates will positively affect the Company's net interest income, net interest spread, and net interest margin.

As discussed above, changes in interest rates could also precipitate a change in the mix and volume of the Company's deposits and loans. The future operating results of the Company will depend on its ability to maintain or increase the current net interest income, manage credit risk, increase sources of non-interest income, while managing non-interest expenses.

The Company and the Banks are supervised, examined and regulated by the FRB. As a Massachusetts-chartered trust company, Brookline Bank is subject to supervision, examination and regulation by the Massachusetts Division of Banks. As a Rhode Island-chartered financial institution, BankRI is subject to examination, supervision and regulation

by the Banking Division of the Rhode Island Department of Business Regulation. As a New York-chartered commercial bank, PCSB Bank is subject to regulation, supervision and examination by the New York State Department of Financial Services. The FDIC insures each of the Banks' deposits up to \$250,000 per depositor.

The Company's common stock is traded on the Nasdaq Global Select Markets™ under the symbol "BRKL."

Executive Overview

Balance Sheet

Total assets increased **\$160.5 million** \$253.0 million, or **5.6%** 4.4% on an annualized basis, to **\$11.5 billion** \$11.6 billion as of **March 31, 2024** June 30, 2024 from \$11.4 billion as of December 31, 2023. The increase was primarily driven by an increase in the Company's total on balance sheet liquidity, cash and cash equivalents and an increase in the form of cash, loans and leases, partially offset a decrease in available-for-sale investment securities. Cash, cash equivalents and available for sale investment securities which increased **\$118.1 million** \$149.9 million, or **44.8%** 28.6% on an annualized basis, to \$1.2 billion as of **March 31, 2024** June 30, 2024 from \$1.0 billion as of December 31, 2023. This increased the Company's on balance sheet liquidity from 9.2% of total assets as of December 31, 2023 to **10.1%** 10.3% of total assets as of **March 31, 2024** June 30, 2024.

Cash and cash equivalents increased **\$168.9 million** \$210.1 million, or **507.7%** 315.8% on an annualized basis, to **\$301.9 million** \$343.1 million as of **March 31, 2024** June 30, 2024 from \$133.0 million as of December 31, 2023.

Total investment securities decreased **\$50.8 million** \$60.2 million, or **22.2%** 13.1% on an annualized basis, to **\$865.8 million** \$856.4 million as of **March 31, 2024** June 30, 2024 from \$916.6 million as of December 31, 2023.

Total loans and leases increased **\$13.5 million** \$79.5 million, or **0.6%** 1.7% on an annualized basis, to \$9.7 billion as of **March 31, 2024** June 30, 2024 from \$9.6 billion as of December 31, 2023. The Company's commercial loan portfolios, which are composed of commercial real estate loans and commercial loans and leases, totaled \$8.2 billion, or 84.6% of total loans and leases as of **March 31, 2024** June 30, 2024, an increase of **\$7.9 million** \$61.4 million, or **0.4%** 1.5% on an annualized basis, from \$8.2 billion, or 84.7% of total loans and leases as of December 31, 2023.

Total deposits increased **\$170.5 million** \$188.9 million, or **8.0%** 4.4% on an annualized basis, to \$8.7 billion as of **March 31, 2024** June 30, 2024 from \$8.5 billion as of December 31, 2023. Core deposits, which include demand checking, NOW, money market and savings accounts, totaled \$6.1 billion, or **69.7%** 69.8% of total deposits as of **March 31, 2024** June 30, 2024, a decrease an increase of **\$14.5 million** \$3.1 million, or **1.0%** 0.1% on an annualized basis, from \$6.1 billion, or 71.3% of total deposits as of December 31, 2023. Certificate of deposit balances totaled \$1.7 billion, or **19.2%** 19.7% of total deposits as of **March 31, 2024** June 30, 2024, an increase of **\$95.3 million** \$143.6 million, or **24.2%** 18.2% on an annualized basis, from \$1.6 billion, or 18.4% of total deposits as of December 31, 2023. Brokered deposits totaled **\$970.9 million** \$923.5 million, or **11.1%** 10.6% of total deposits as of **March 31, 2024** June 30, 2024, an increase of **\$89.8 million** \$42.3 million, or **40.7%** 9.6% on an annualized basis, from \$881.2 million, or 10.3% of total deposits as of December 31, 2023.

Total borrowed funds decreased **\$14.8 million** increased \$52.8 million, or **4.3%** 7.7% on an annualized basis, remaining at to \$1.4 billion as of **March 31, 2024** and **June 30, 2024** from \$1.4 billion as of December 31, 2023, respectively.

Asset Quality

Nonperforming assets as of **March 31, 2024** June 30, 2024 totaled **\$42.5 million** \$62.7 million, or **0.37%** 0.54% of total assets, compared to \$45.3 million, or 0.40% of total assets, as of December 31, 2023. Net charge-offs for the three months ended **March 31, 2024** June 30, 2024 were **\$8.8 million** \$8.4 million, or **0.36%** 0.35% of average loans and leases on an annualized basis, compared to **\$0.5 million** \$1.1 million, or **0.02%** 0.05% of average loans and leases on an annualized basis, for the three months ended **March 31, 2023** June 30, 2023.

The ratio of the allowance for loan and lease losses to total loans and leases was **1.24%** 1.25% as of **March 31, 2024** June 30, 2024, compared to 1.22% as of December 31, 2023.

The ratio of the allowance for loan and lease losses to nonaccrual loans and leases was **295.35%** 200.55% as of **March 31, 2024** June 30, 2024, compared to 269.36% as of December 31, 2023.

Capital Strength

The Company is a "well-capitalized" bank holding company as defined in the FRB's Regulation Y. The Company's common equity Tier 1 capital ratio was **10.28%** 10.33% as of **March 31, 2024** June 30, 2024, compared to 10.25% as of December 31, 2023. The Company's Tier 1 leverage ratio was **8.96%** 8.99% as of **March 31, 2024** June 30, 2024, compared to 9.02% as of December 31, 2023. As of **March 31, 2024** June 30, 2024, the Company's Tier 1 risk-based capital ratio was **10.38%** 10.44%, compared to 10.35% as of December 31, 2023. The Company's Total risk-based capital ratio was **12.40%** 12.45% as of **March 31, 2024** June 30, 2024, compared to 12.37% as of December 31, 2023.

The Company's ratio of stockholders' equity to total assets was **10.35%** 10.30% and 10.53% as of **March 31, 2024** June 30, 2024 and December 31, 2023, respectively. The Company's ratio of tangible stockholders' equity to tangible assets was **8.25%** 8.23% and 8.39% as of **March 31, 2024** June 30, 2024 and December 31, 2023, respectively.

Net Income

For the three months ended **March 31, 2024** June 30, 2024, the Company reported net income of **\$14.7 million** \$16.4 million, or **\$0.16** \$0.18 per basic and diluted share, an increase a decrease of **\$7.1 million** \$5.5 million, or **94.0%** 25.1%, from net income of **\$7.6 million** \$21.9 million, or **\$0.09** \$0.25 per basic and diluted share, for the three months ended **March 31, 2023** June 30, 2023. This decrease in net income is primarily the result of a decrease in net interest income of \$6.0 million and an increase in non-interest expense of \$1.4 million, partially offset by an increase in non-interest income of \$0.9 million, and a decrease in the provision for income taxes of \$0.7 million. Refer to "Results of Operations" below for further discussion.

For the six months ended June 30, 2024, the Company reported net income of \$31.0 million, or \$0.35 per basic and diluted share, an increase of \$1.6 million, or 5.5%, from \$29.4 million, or \$0.34 per basic and diluted share for the six months ended June 30, 2023. This increase in net income is primarily the result of a decrease in the provision for credit

losses on loans of \$17.9 million and \$18.0 million, a decrease in non-interest expense of \$3.8 million \$2.4 million, and a decrease in the provision for credit losses on investments of \$0.4 million which were all elevated in 2023 due to the acquisition of PCSB, partially offset by a decrease in non-interest income of \$6.7 million, a decrease in net interest income of \$4.5 million \$10.5 million, a decrease in non-interest income of \$5.7 million, and an increase in the provision for income taxes of \$3.7 million \$3.0 million. Refer to "Results of Operations" below for further discussion.

The annualized return on average assets was 0.51% 0.57% for the three months ended March 31, 2024 June 30, 2024, compared to 0.27% 0.78% for the three months ended March 31, 2023 June 30, 2023. The annualized return on average stockholders' equity was 4.88% 5.49% for the three months ended March 31, 2024 June 30, 2024, compared to 2.61% 7.44% for the three months ended March 31, 2023 June 30, 2023.

The net interest margin was 3.06% 3.00% for the three months ended March 31, 2024 June 30, 2024, down from 3.36% 3.26% for the three months ended March 31, 2023 June 30, 2023. The decrease in the net interest margin is a result of an increase of 114 67 basis points in the Company's cost of interest-bearing liabilities to 3.58% 3.65% for the three months ended March 31, 2024 June 30, 2024 from 2.44% 2.98% for the three months ended March 31, 2023 June 30, 2023, partially offset by an increase in the yield on interest-earning assets of 69 30 basis points to 5.79% for the three months ended March 31, 2024 June 30, 2024 from 5.10% 5.49% for the three months ended March 31, 2023 June 30, 2023.

The net interest margin was 3.03% for the six months ended June 30, 2024, down from 3.31% for the six months ended June 30, 2023. The decrease in the net interest margin is a result of an increase of 89 basis points in the Company's cost of interest bearing liabilities to 3.61% for the six months ended June 30, 2024 from 2.72% for the six months ended June 30, 2023, partially offset by an increase in the yield on interest-earning assets of 49 basis points to 5.79% for the six months ended June 30, 2024 from 5.30% for the six months ended June 30, 2023.

The Company's net interest margin and net interest income is sensitive to the structure and level of interest rates as well as competitive pricing in all loan and deposit categories.

Critical Accounting Policies and Estimates

The SEC defines "critical accounting policies" as those involving significant judgments and difficult or complex assumptions by management, often as a result of the need to make estimates about matters that are inherently uncertain or variable, which have, or could have, a material impact on the carrying value of certain assets or net income. The preparation of financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. As discussed in the Company's 2023 Annual Report on Form 10-K, management has identified the determination of the allowance for credit losses, ACL, the review of goodwill for impairment and business combinations as the Company's most critical accounting policies.

Recent Accounting Developments

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" which improves reportable segment disclosure requirements, particularly regarding a reportable segment's expenses. This update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Management has determined that ASU 2023-07 does apply to the Company and is currently determining the impact as of March 31, 2024 June 30, 2024.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" to enhance the annual income tax disclosure requirements. This update is effective for annual periods beginning after December 15, 2024. Management has determined that ASU 2023-09 does apply to the Company and is currently determining the impact as of March 31, 2024 June 30, 2024.

Non-GAAP Financial Measures and Reconciliation to GAAP

In addition to evaluating the Company's results of operations in accordance with GAAP, management periodically supplements this evaluation with an analysis of certain non-GAAP financial measures, such as operating earnings metrics, the return on average tangible assets, return on average tangible equity, the tangible stockholders' equity to tangible assets ratio, tangible book value per share, and dividend payout ratio. Management believes that these non-GAAP financial measures provide information useful to investors in understanding the Company's underlying operating performance and trends, and facilitates comparisons with the performance assessment of financial performance, including non-interest expense control, while the tangible equity ratio and tangible book value per share are used to analyze the relative strength of the Company's capital position.

The following table reconciles the Company's operating earnings, operating return on average assets and operating return on average stockholders' equity for the periods indicated:

At and for the Three Months Ended March 31,
At and for the Three Months Ended March 31,
At and for the Three Months Ended March 31,

		At and for the Three Months Ended June 30,		At and for the Three Months Ended June 30,		At and for the Six Months Ended June 30,	
		2024		2024		2023	
		2024		2024		2023	
		(Dollars in Thousands)		(Dollars in Thousands)		(Dollars in Thousands)	
Reported Pretax Income		\$ 21,645		\$ 27,815		\$ 41,124	
Less:						\$ 36,483	
Less:							
Less:							
Gains on the sale of investment securities (1)							
Gains on the sale of investment securities (1)							
Gains on the sale of investment securities (1)		—		3		—	
Add:						1,704	
Add:							
Add:							
Day 1 PCSB provision for credit losses							
Day 1 PCSB provision for credit losses							
Day 1 PCSB provision for credit losses		—		—		16,744	
Merger and acquisition expense (2)							
Merger and acquisition expense (2)							
Merger and acquisition expense (2)							
Operating Pretax Income							
Operating Pretax Income							
Merger and restructuring expense (2)		823		1,002		823	
Operating Pretax Income						7,411	
Effective tax rate		Effective tax rate		24.4 %		19.4 %	
Effective tax rate							
Effective tax rate							
Provision for income taxes		Provision for income taxes		5,473		5,587	
Provision for income taxes						10,289	
Provision for income taxes						11,427	
Provision for income taxes							
Provision for income taxes							
Operating earnings after tax							
Operating earnings after tax							
Operating earnings after tax		Operating earnings after tax		\$ 16,995		\$ 23,227	
Operating earnings after tax						\$ 31,658	
Operating earnings after tax						\$ 47,507	
Operating earnings per common share:							
Operating earnings per common share:							
Operating earnings per common share:							
Basic							
Basic							

Basic
Diluted
Diluted
Diluted

(1) Realized gain related to the rebalancing of the PCSB investment portfolio after acquisition.

(2) **Merger** For the three and six months ended June 30, 2024, merger and restructuring expense was related to a non-recurring restructuring charge due to the exit of the specialty vehicle business at Eastern Funding. For the three and six months ended June 30, 2023, merger and restructuring expense was related to the acquisition of PCSB.

The following tables reconcile the Company's return on average tangible assets and return on average tangible stockholders' equity for the periods indicated:

	Three Months Ended				
	March		December		September
	31, 2024	31, 2023	30, 2023	June 30, 2023	March 31, 2023
Operating earnings	June		December		September
	30, 2024	March 31, 2024	31, 2023	30, 2023	June 30, 2023
(Dollars in Thousands)					
Operating earnings	\$ 14,665	\$ 22,888	\$ 22,701	\$ 23,227	\$ 23,283
Average total assets					
Average total assets					
Average total assets	\$11,453,394	\$11,417,185	\$11,271,941	\$11,180,635	\$11,272,672
Less: Average goodwill and average identified intangible assets, net	262,859	264,536	266,225	268,199	270,147
Average tangible assets	\$11,190,535	\$11,152,649	\$11,005,716	\$10,912,436	\$11,002,525
Return on average assets (annualized)	0.57%	0.51%	0.81%	0.78%	
Add:					
Add:					
Add:					
Merger and restructuring expense					
Merger and restructuring expense					
Merger and restructuring expense	0.02%		—%	0.03%	
Operating return on average assets (annualized)					

Operating return on average assets (annualized)				
Operating return on average assets (annualized)	0.59%	0.51%		0.81%
Return on average tangible assets (annualized)				
Return on average tangible assets (annualized)				
Return on average tangible assets (annualized)	0.59%	0.53%	0.83%	0.79%
Add:				
Add:				
Add:				
Merger and restructuring expense				
Merger and restructuring expense				
Merger and restructuring expense	0.02%		—%	0.03%
Operating return on average tangible assets (annualized)				
Operating return on average tangible assets (annualized)				
Operating return on average tangible assets (annualized)	0.61%	0.53%	0.83%	0.82%
Average total stockholders' equity				
Average total stockholders' equity				
Average total stockholders' equity	\$ 1,193,385	\$ 1,201,904	\$ 1,170,776	\$ 1,167,727
Less: Average goodwill and average identified intangible assets, net	262,859	264,536	266,225	268,199
Average tangible stockholders' equity	\$ 930,526	\$ 937,368	\$ 904,551	\$ 899,528
Return on average stockholders' equity (annualized)				

Return on average stockholders' equity (annualized)					
Return on average stockholders' equity (annualized)	5.49%	4.88%	7.82%	7.78%	7.44%
Add:					
Add:					
Add:					
Merger and restructuring expense					
Merger and restructuring expense					
Merger and restructuring expense					
Merger and restructuring expense	0.21%		—%	0.28%	
Operating return on average stockholders' equity (annualized)					
Operating return on average stockholders' equity (annualized)					
Operating return on average stockholders' equity (annualized)					
Operating return on average stockholders' equity (annualized)	5.70%	4.88%	7.82%	7.78%	7.72%
Return on average tangible stockholders' equity (annualized)					
Return on average tangible stockholders' equity (annualized)					
Return on average tangible stockholders' equity (annualized)					
Return on average tangible stockholders' equity (annualized)	7.04%	6.26%	10.12%	10.09%	9.67%
Add:					
Add:					
Add:					
Merger and restructuring expense					
Merger and restructuring expense					
Merger and restructuring expense					
Merger and restructuring expense	0.27%		—%	0.36%	

Operating return on average tangible stockholders' equity (annualized)				
Operating return on average tangible stockholders' equity (annualized)				
Operating return on average tangible stockholders' equity (annualized)				
Operating return on average tangible stockholders' equity (annualized)				
	<u>7.31%</u>	<u>6.26%</u>	<u>10.12%</u>	<u>10.09%</u>
				<u>10.03%</u>

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	(Dollars in Thousands)				
Average total assets	\$ 11,417,185	\$ 11,271,941	\$ 11,180,635	\$ 11,272,672	\$ 11,131,087
Less: Average goodwill and average identified intangible assets, net	264,536	266,225	268,199	270,147	278,135
Average tangible assets	\$ 11,152,649	\$ 11,005,716	\$ 10,912,436	\$ 11,002,525	\$ 10,852,952
Return on average assets (annualized)	0.51%	0.81%	0.81%	0.78%	0.27%
Less:					
Gains on the sale of investment securities	—%	—%	—%	—%	0.05%
Add:					
Day 1 PCSB provision for credit losses	—%	—%	—%	—%	0.47%
Merger and acquisition expenses	—%	—%	—%	0.03%	0.18%
Operating return on average assets (annualized)	0.51%	0.81%	0.81%	0.81%	0.87%
Return on average tangible assets (annualized)	0.53%	0.83%	0.83%	0.79%	0.28%
Less:					
Gains on the sale of investment securities	—%	—%	—%	—%	0.05%
Add:					
Day 1 PCSB provision for credit losses	— %	— %	— %	— %	0.48%
Merger and acquisition expenses	—%	—%	—%	0.03%	0.18%
Operating return on average tangible assets (annualized)	0.53%	0.83%	0.83%	0.82%	0.89%
Average total stockholders' equity	\$ 1,201,904	\$ 1,170,776	\$ 1,167,727	\$ 1,174,167	\$ 1,159,635
Less: Average goodwill and average identified intangible assets, net	264,536	266,225	268,199	270,147	278,135
Average tangible stockholders' equity	\$ 937,368	\$ 904,551	\$ 899,528	\$ 904,020	\$ 881,500
Return on average stockholders' equity (annualized)	4.88%	7.82%	7.78%	7.44%	2.61%
Less:					
Gains on the sale of investment securities	—%	—%	—%	—%	0.45%
Add:					

Day 1 PCSB provision for credit losses	—%	—%	—%	—%	4.46%
Merger and acquisition expenses	—%	—%	—%	0.28%	1.71%
Operating return on average stockholders' equity (annualized)	4.88%	7.82%	7.78%	7.72%	8.33%
Return on average tangible stockholders' equity (annualized)	6.26%	10.12%	10.09%	9.67%	3.43%
Less:					
Gains on the sale of investment securities	—%	—%	—%	—%	0.60%
Add:					
Day 1 PCSB provision for credit losses	—%	—%	—%	—%	5.87%
Merger and acquisition expenses	—%	—%	—%	0.36%	2.25%

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	(Dollars in Thousands)				
Operating return on average tangible stockholders' equity (annualized)	6.26%	10.12%	10.09%	10.03%	10.95%
Three Months Ended					
	March 31, 2024	December 31, 2024	September 30, 2024	June 30, 2023	March 31, 2023
	June 30, 2024	March 31, 2024	December 31, 2024	September 30, 2023	June 30, 2023
	(Dollars in Thousands)				
Net income, as reported	\$ 14,665	\$ 22,888	\$ 22,701	\$ 21,850	\$ 7,560
Average total assets					
Average total assets					
Average total assets	\$11,417,185	\$11,271,941	\$11,180,635	\$11,272,672	\$11,131,087
Less: Average goodwill and average identified intangible assets, net	264,536	266,225	268,199	270,147	278,135
Average tangible assets	\$11,152,649	\$11,005,716	\$10,912,436	\$11,002,525	\$10,852,952
Return on average tangible assets (annualized)					
Return on average tangible assets (annualized)					
Return on average tangible assets (annualized)	0.53%	0.83%	0.79%	0.28%	0.59%
Average total stockholders' equity					
Average total stockholders' equity					
Average total stockholders' equity	\$ 1,201,904	\$ 1,170,776	\$ 1,167,727	\$ 1,174,167	\$ 1,159,635

Less: Average goodwill and average identified intangible assets, net	Less: Average goodwill and average identified intangible assets, net	264,536	266,225	268,199	270,147	278,135	Less: Average goodwill and average identified intangible assets, net
Average tangible stockholders' equity	Average tangible stockholders' equity	\$ 937,368	\$ 904,551	\$ 899,528	\$ 904,020	\$ 881,500	Average tangible stockholders' equity
Return on average tangible stockholders' equity (annualized)							
Return on average tangible stockholders' equity (annualized)							
Return on average tangible stockholders' equity (annualized)	6.26%	10.12%	10.09%	9.67%		3.43%	

The following table reconciles the Company's tangible equity ratio for the periods indicated:

		Three Months Ended					
		March	December	September	June 30,	March 31,	
		31, 2024	31, 2023	30, 2023	2023	2023	
		June	December	September	June 30,	March 31,	
		30, 2024	March 31, 2024	31, 2023	30, 2023	2023	June 30, 2023
		(Dollars in Thousands)					
Total stockholders' equity	Total stockholders' equity	\$ 1,194,231	\$ 1,198,644	\$ 1,157,871	\$ 1,162,308	\$ 1,165,066	Total stockholders' equity
Less: Goodwill and identified intangible assets, net	Less: Goodwill and identified intangible assets, net	263,721	265,429	267,394	269,348	271,302	Less: Goodwill and identified intangible assets, net
Tangible stockholders' equity	Tangible stockholders' equity	\$ 930,510	\$ 933,215	\$ 890,477	\$ 892,960	\$ 893,764	Tangible stockholders' equity
Total assets		\$11,542,731	\$11,382,256	\$11,180,555	\$11,206,078	\$11,522,485	\$ 11,635,292
Total assets							
Less: Goodwill and identified intangible assets, net	Less: Goodwill and identified intangible assets, net	263,721	265,429	267,394	269,348	271,302	Less: Goodwill and identified intangible assets, net
Tangible assets	Tangible assets	\$11,279,010	\$11,116,827	\$10,913,161	\$10,936,730	\$11,251,183	Tangible assets
Tangible stockholders' equity to tangible assets							
Tangible stockholders' equity to tangible assets							

Tangible stockholders' equity to tangible assets	8.25%	8.39%	8.16%	7.94%	8.23%
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The following table reconciles the Company's tangible book value per share for the periods indicated:

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
(Dollars in Thousands)					
Tangible stockholders' equity					
Common shares issued					
Common shares issued					
Common shares issued					
Less:					
Treasury shares					
Treasury shares					
Treasury shares					
Unvested restricted stock					
Unvested restricted stock					
Unvested restricted stock					
Common shares outstanding					
Tangible book value per share					
Tangible book value per share					
Tangible book value per share					

The following table reconciles the Company's dividend payout ratio for the periods indicated:

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
(Dollars in Thousands)					
Dividends paid	\$12,001	\$11,997	\$11,989	\$11,969	\$ 11,970
Dividends paid	\$12,001	\$11,997	\$11,989	\$11,969	\$ 11,970
Net income, as reported					
Net income, as reported					
Net income, as reported	\$14,665	\$22,888	\$22,701	\$21,850	\$ 7,560
Dividend payout ratio					
Dividend payout ratio					
Dividend payout ratio	81.83%	52.42%	52.81%	54.78%	158.33%

Financial Condition

Loans and Leases

The following table summarizes the Company's portfolio of loan and lease receivables as of the dates indicated:

	At March 31, 2024			At December 31, 2023			At June 30, 2024			At December 31, 2023					
	Balance		Percent of Total	Balance		Percent of Total	Balance		Percent of Total	Balance		Percent of Total	Balance		Percent of Total
	(Dollars in Thousands)														
Commercial real estate loans:															
Commercial real estate															
Commercial real estate															
Commercial real estate	\$3,994,766	41.4	41.4 %	\$4,047,288	42.0	42.0	\$4,031,684	41.5	41.5	\$4,031,684	41.5	41.5 %	\$4,031,684	41.5	41.5 %
Multi-family mortgage	1,421,183	14.7	14.7 %	1,415,191	14.7	14.7	1,401,230	14.4	14.4	1,401,230	14.4	14.4 %	1,401,230	14.4	14.4 %
Construction	339,290	3.5	3.5 %	302,050	3.1	3.1	349,197	3.6	3.6	349,197	3.6	3.6 %	349,197	3.6	3.6 %
Total commercial real estate loans	5,755,239	59.6	59.6 %	5,764,529	59.8	59.8	5,782,111	59.5	59.5	5,782,111	59.5	59.5 %	5,782,111	59.5	59.5 %
Commercial loans and leases:															
Commercial															
Commercial															
Commercial	999,613	10.4	10.4 %	984,441	10.2	10.2	1,020,262	10.5	10.5	1,020,262	10.5	10.5 %	1,020,262	10.5	10.5 %
Equipment financing	1,374,546	14.2	14.2 %	1,370,648	14.2	14.2	1,379,662	14.2	14.2	1,379,662	14.2	14.2 %	1,379,662	14.2	14.2 %
Condominium association	42,745	0.4	0.4 %	44,579	0.5	0.5	43,606	0.4	0.4	43,606	0.4	0.4 %	43,606	0.4	0.4 %
Total commercial loans and leases															
Total commercial loans and leases															
Total commercial loans and leases	2,416,904	25.0	25.0 %	2,399,668	24.9	24.9	2,443,530	25.1	25.1	2,443,530	25.1	25.1 %	2,443,530	25.1	25.1 %
Consumer loans:															
Residential mortgage															
Residential mortgage	1,086,574	11.3	11.3 %	1,082,804	11.2	11.2	1,092,991	11.3	11.3	1,092,991	11.3	11.3 %	1,092,991	11.3	11.3 %
Home equity															
Home equity	347,885	3.6	3.6 %	344,182	3.6	3.6	352,295	3.6	3.6	352,295	3.6	3.6 %	352,295	3.6	3.6 %
Other consumer															
Other consumer	48,484	0.5	0.5 %	50,406	0.5	0.5	50,210	0.5	0.5	50,210	0.5	0.5 %	50,210	0.5	0.5 %
Total consumer loans															
Total consumer loans	1,482,943	15.4	15.4 %	1,477,392	15.3	15.3	1,495,496	15.4	15.4	1,495,496	15.4	15.4 %	1,495,496	15.4	15.4 %
Total loans and leases															
Total loans and leases	9,655,086	100.0	100.0 %	9,641,589	100.0	100.0	9,721,137	100.0	100.0	9,721,137	100.0	100.0 %	9,721,137	100.0	100.0 %

Allowance
for loan
and lease
losses

Net loans and leases

Net loans and leases

Net loans and leases

The following table sets forth the growth in the Company's loan and lease portfolios during the **three** **six** months ended **March 31, 2024** **June 30, 2024**:

	At December		Dollar Change	Percent Change (Annualized)	At December	
	At March 31, 2024	31, 2023			At June 30, 2024	31, 2023
	(Dollars in Thousands)				(Dollars in Thousands)	
Commercial real estate	\$5,755,239	\$5,764,529	\$ (9,290)	(0.6)%	Commercial real estate	\$5,782,111
Commercial Consumer	2,416,904	2,399,668	17,236	2.9%	Commercial Consumer	2,443,530
Consumer	1,482,943	1,477,392	5,551	1.5%	Consumer	1,495,496
Total loans and leases	\$9,655,086	\$9,641,589	\$ 13,497	0.6 %	Total loans and leases	\$9,721,137
						\$9,641,589

The Company's loan portfolio consists primarily of first mortgage loans secured by commercial, multi-family and residential real estate properties located in the Company's primary lending area, loans to business entities, including commercial lines of credit, loans to condominium associations and loans and leases used to finance equipment used by small businesses. The Company also provides financing for construction and development projects, home equity and other consumer loans.

The Company employs seasoned commercial lenders and retail bankers who rely on community and business contacts as well as referrals from customers, attorneys and other professionals to generate loans and deposits. Existing borrowers are also an important source of business since many of them have more than one loan outstanding with the Company. The Company's ability to originate loans depends on the strength of the economy, trends in interest rates, and levels of customer demand and market competition.

The Company's current policy is that a total credit exposure to one obligor relationship may not exceed \$60.0 million unless approved by the Company's Credit Committee. As of **March 31, 2024** **June 30, 2024**, there were 5 borrowers with loans and commitments over \$60.0 million. The total of those loans and commitments was **\$327.5 million** **\$336.9 million**, or **2.80%** **2.86%** of total loans and commitments, as of **March 31, 2024** **June 30, 2024**. As of December 31, 2023, there were four borrowers with loans and commitments over

\$60.0 million. The total of those loans and commitments was \$259.5 million, or 2.2% of total loans and commitments, as of December 31, 2023.

The Company has written underwriting policies to control the inherent risks in loan origination. The policies address approval limits, loan-to-value ratios, appraisal requirements, debt service coverage ratios, loan concentration limits and other matters relevant to loan underwriting.

Commercial Real Estate Loans

The commercial real estate portfolio is composed of commercial real estate loans, multi-family mortgage loans, and construction loans and is the largest component of the Company's overall loan portfolio, representing **59.6%** **59.5%** of total loans and leases outstanding as of **March 31, 2024** **June 30, 2024**.

Typically, commercial real estate loans are larger in size and involve a greater degree of risk than owner-occupied residential mortgage loans. Loan repayment is usually dependent on the successful operation and management of the properties and the value of the properties securing the loans. Economic conditions can greatly affect cash flows and property values.

A number of factors are considered in originating commercial real estate and multi-family mortgage loans. The qualifications and financial condition of the borrower (including credit history), as well as the potential income generation and the value and condition of the underlying property, are evaluated. When evaluating the qualifications of the borrower, the Company considers the financial resources of the borrower, the borrower's experience in owning or managing similar property and the borrower's payment history with the Company and other financial institutions. Factors considered in evaluating the underlying property include the net operating income of the mortgaged premises before debt service and depreciation, the debt service coverage ratio (the ratio of cash flow before debt service to debt service), the use of conservative capitalization rates, and the ratio of the loan amount to the appraised value. Generally, personal guarantees are obtained from commercial real estate loan borrowers.

Commercial real estate and multi-family mortgage loans are typically originated for terms of five to fifteen years with amortization periods of 20 to 30 years. Many of the loans are priced at inception on a fixed-rate basis generally for periods ranging from two to five years with repricing periods for longer-term loans. When possible, prepayment penalties are included in loan covenants on these loans. For commercial customers who are interested in loans with terms longer than five years, the Company offers loan level derivatives to accommodate customer need.

The Company's urban and suburban market area is characterized by a large number of apartment buildings, condominiums and office buildings. As a result, commercial real estate and multi-family mortgage lending has been a significant part of the Company's activities for many years. These types of loans typically generate higher yields, but also involve greater credit risk. Many of the Company's borrowers have more than one multi-family or commercial real estate loan outstanding with the Company.

The Company's commercial real estate portfolio is composed primarily of loans secured by apartment buildings (\$1.4 billion), office buildings (\$834.5 **790.3** million), retail stores (\$947.7 **959.0** million), industrial properties (\$788.8 **846.2** million), mixed-use properties (\$510.2 **513.0** million), lodging services (\$207.5 **204.9** million), and food services (\$79.5 **79.1** million) as of **March 31, 2024** **June 30, 2024**. At that date, approximately **78.1%** **77.8%** of the commercial real estate loans outstanding were secured by properties located in New England; primarily in the Greater Boston and Greater Providence markets, with additional exposure of approximately 16.6% of the commercial real estate loans outstanding were also secured by properties in the State of New York, nearly all of which is in the Lower Hudson Valley region.

The following table presents the percentage of the Company's commercial real estate loan portfolio by borrower type that is owner and non-owner occupied as of **March 31, 2024** **June 30, 2024**.

	At March 31, 2024			At June 30, 2024		
	Owner Occupied	Non-Owner Occupied	Total	Owner Occupied	Non-Owner Occupied	Total
Borrower type:						
Borrower type:						
Borrower type:						
Multi-family buildings						
Multi-family buildings						
Multi-family buildings	— %	23.79 %	23.79 %	— %	23.5 %	23.5 %
Office buildings	Office buildings	1.25 %	13.26 %	14.51 %	Office buildings	12.5 %
Retail stores	Retail stores	1.99 %	14.47 %	16.46 %	Retail stores	14.5 %
Industrial properties	Industrial properties	2.58 %	11.13 %	13.71 %	Industrial properties	11.9 %
Mixed-use properties	Mixed-use properties	0.70 %	8.16 %	8.86 %	Mixed-use properties	8.2 %
Lodging services	Lodging services	— %	3.46 %	3.46 %	Lodging services	3.4 %
Food Services	Food Services	— %	0.60 %	0.60 %	Food Services	0.6 %
Other	Other	10.27 %	8.34 %	18.61 %	Other	7.9 %
Total	Total	16.79 %	83.21 %	100.00 %	Total	17.5 %

The following table presents the percentage of the Company's commercial real estate loan portfolio by geographic concentration that is owner and non-owner occupied as of **March 31, 2024** **June 30, 2024**.

	At March 31, 2024			At June 30, 2024		
	Owner Occupied	Non-Owner Occupied	Total	Owner Occupied	Non-Owner Occupied	Total
Geographic concentration:						
Geographic concentration:						
Geographic concentration:						
New England						
New England						
New England	11.24 %	66.83 %	78.07 %	11.4 %	66.4 %	77.8 %
New York	New York	3.10 %	13.46 %	16.56 %	New York	3.1 %
Other	Other	2.92 %	2.45 %	5.37 %	Other	3.0 %
Total	Total	17.26 %	82.74 %	100.00 %	Total	17.5 %

Construction and development financing is generally considered to involve a higher degree of risk than long-term financing on improved, occupied real estate and thus has lower concentration limits than do other commercial credit classes. Risk of loss on a construction loan is largely dependent upon the accuracy of the initial estimate of construction costs, the estimated time to sell or rent the completed property at an adequate price or rate of occupancy, and market conditions. If the estimates and projections prove to be inaccurate, the Company may be confronted with a project which, upon completion, has a value that is insufficient to assure full loan repayment.

Criteria applied in underwriting construction loans for which the primary source of repayment is the sale of the property are different from the criteria applied in underwriting construction loans for which the primary source of repayment is the stabilized cash flow from the completed project. For those loans where the primary source of repayment is from resale of the property, in addition to the normal credit analysis performed for other loans, the Company also analyzes project costs, the attractiveness of the property in relation to the market in which it is located and demand within the market area. For those construction loans where the source of repayment is the stabilized cash flow from the completed project, the Company analyzes not only project costs but also how long it might take to achieve satisfactory occupancy and the reasonableness of projected rental rates in relation to market rental rates.

Commercial Loans

The Company's commercial loan and lease portfolio is composed of commercial loans, equipment financing loans and leases and condominium association loans, which represented **25.0%** **25.1%** of total loans outstanding as of **March 31, 2024** **June 30, 2024**.

The Company's commercial loan and lease portfolio is composed primarily of loans and leases to laundry operations small to medium sized businesses (\$668.6 878.8 million), transportation services (\$367.2 359.3 million), food services (\$242.6 253.6 million), recreation services (\$141.8 140.4 million), manufacturing (\$153.2 135.1 million), retail (\$155.2 157.1 million), and rental and leasing services (\$78.6 90.5 million) as of **March 31, 2024** **June 30, 2024**.

The Company provides commercial banking services to companies in its market area. **Approximately 39.5% 39.6%** of the commercial loans outstanding as of **March 31, 2024** **June 30, 2024** were made to borrowers located in New England. The remaining **60.5% 60.4%** of the commercial loans outstanding were made to borrowers in other areas in the United States of America, U.S., primarily by the Company's equipment financing divisions. Product offerings include lines of credit, term loans, letters of credit, deposit services and cash management. These types of credit facilities have as their primary source of repayment cash flows from the operations of a business, businesses. Interest rates offered are available on a floating basis tied to the prime rate or a similar index or on a fixed-rate basis referenced on the FHLB indices.

Credit extensions are made to established businesses on the basis of loan purpose and assessment of capacity to repay as determined by an analysis of their financial statements, the nature of collateral to secure the credit extension and, in most instances, the personal guarantee of the owner of the business as well as industry and general economic conditions.

The Company's equipment financing divisions focus on market niches in which its lenders have deep experience and industry contacts, and on making loans to customers with business experience. An important part of the Company's equipment financing loan origination volume comes from equipment manufacturers and existing customers as they expand their operations. The equipment financing portfolio is composed primarily of loans to finance laundry, tow trucks, fitness, dry cleaning and convenience store equipment. Approximately **11.0% 10.9%** of the commercial loans outstanding in the equipment financing divisions were made to borrowers located in the state of New York. Typically, the loans are priced at a fixed rate of interest and require monthly payments over their 3- to 7-year life. The yields earned on equipment financing loans are higher than those earned on the commercial loans made by the Banks because they involve a higher degree of credit risk. Equipment financing customers are typically small-business owners who operate with limited financial resources and who face greater risks when the economy weakens or unforeseen adverse events arise. Because of these characteristics, personal guarantees of borrowers are usually obtained along with liens on available assets. The size of loan is determined by an analysis of cash flow and other characteristics pertaining to the business and the equipment to be financed, based on detailed revenue and profitability data of similar operations.

Loans to condominium associations are for the purpose of funding capital improvements, are made for five- to ten-year terms and are secured by a general assignment of condominium association revenues. Among the factors considered in the underwriting of such loans are the level of owner occupancy, the financial condition and history of the condominium association, the attractiveness of the property in relation to the market in which it is located and the reasonableness of estimates of the cost of capital improvements to be made. Depending on loan size, funds are advanced as capital improvements are made and, in more complex situations, after completion of engineering inspections.

Consumer Loans

The consumer loan portfolio, which is composed of residential mortgage loans, home equity loans and lines of credit, and other consumer loans, represented 15.4% of total loans outstanding as of **March 31, 2024** **June 30, 2024**. The Company focuses its mortgage and home equity lending on existing and new customers within its branch networks in its urban and suburban marketplaces in the Greater Boston and Providence metropolitan areas along with the Lower Hudson Valley area of New York.

The Company originates adjustable- and fixed-rate residential mortgage loans secured by one- to four-family residences. Each residential mortgage loan granted is subject to a satisfactorily completed application, employment verification, credit history and a demonstrated ability to repay the debt. Generally, loans are not made when the loan-to-value ratio exceeds 80% unless private mortgage insurance is obtained and/or there is a financially strong guarantor. Appraisals are performed by outside independent fee appraisers.

Underwriting guidelines for home equity loans and lines of credit are similar to those for residential mortgage loans. Home equity loans and lines of credit are limited to no more than 80% of the appraised value of the property securing the loan including the amount of any existing first mortgage liens.

Other consumer loans have historically been a modest part of the Company's loan originations. As of **March 31, 2024** **June 30, 2024**, other consumer loans equaled **\$48.5 million** **\$50.2 million**, or 0.5% of total loans outstanding.

Asset Quality

Criticized and Classified Assets

The Company's management rates certain loans and leases as "other assets especially mentioned" ("OAEM"), OAEM, "substandard" or "doubtful" based on criteria established under banking regulations. These loans and leases are collectively referred to as "criticized" assets. Loans and leases rated OAEM have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects of the loan or lease at some future date. Loans and leases rated as substandard are inadequately protected by the payment capacity of the obligor or of the collateral pledged, if any. Substandard loans and leases have a well-defined weakness or weaknesses that jeopardize the liquidation of debt and are characterized by the distinct possibility that the Company will sustain some loss if existing deficiencies are not corrected. Loans and leases rated as doubtful have well-defined weaknesses that jeopardize the orderly liquidation of debt and partial loss of principal is likely. As of **March 31, 2024** **June 30, 2024**, the Company had **\$150.5 million** **\$190.8 million** of total assets that were designated as criticized. This

compares to \$128.0 million of assets designated as criticized as of **December 31, 2023**.

2023, December 31, 2023. The increase of **\$22.5 million** **\$62.8 million** in criticized assets was primarily driven by increases in commercial real estate, equipment financing, construction, and construction multi-family relationships, and offset by a decrease in commercial relationships, for the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

Nonperforming Assets

"Nonperforming assets" consist of nonaccrual loans and leases, **other real estate owned ("OREO")** OREO and other repossessed assets. Under certain circumstances, the Company may restructure the terms of a loan or lease as a concession to a borrower, except for acquired loans and leases which are individually evaluated against expected performance on the date of acquisition. These restructured loans and leases are generally considered "nonperforming loans and leases" until a history of collection of at least six months on the restructured terms of the loan or lease has been established. OREO consists of real estate acquired through foreclosure proceedings and real estate acquired through acceptance of a deed in lieu of foreclosure. Other repossessed assets consist of assets that have been acquired through foreclosure that are not real estate and are included in other assets on the Company's unaudited consolidated balance sheets.

Accrual of interest on loans generally is discontinued when contractual payment of principal or interest becomes past due 90 days or, if in management's judgment, reasonable doubt exists as to the full timely collection of interest. When a loan is placed on nonaccrual status, interest accruals cease and all previously accrued and uncollected interest is reversed and charged against current interest income. Interest payments on nonaccrual loans are generally applied to principal. If collection of the principal is reasonably assured, interest payments are recognized as income on the cash basis. Loans are generally returned to accrual status when principal and interest payments are current, full collectability of principal and interest is reasonably assured and a consistent record of at least six months of performance has been achieved.

In cases where a borrower experiences financial difficulties and the Company makes or reasonably expects to make certain concessionary modifications to contractual terms, the loan is classified as a modified loan. In determining whether a debtor is experiencing financial difficulties, the Company considers, among other factors, if the debtor is in payment default or is likely to be in payment default in the foreseeable future without the modification, the debtor declared or is in the process of declaring bankruptcy, there is substantial doubt that the debtor will continue as a going concern, the debtor's entity-specific projected cash flows will not be sufficient to service its debt, or the debtor cannot obtain funds from sources other than the existing creditors at market terms for debt with similar risk characteristics.

As of **March 31, 2024** **June 30, 2024**, the Company had nonperforming assets of **\$42.5 million** **\$62.7 million**, representing **0.37%** **0.54%** of total assets, compared to nonperforming assets of **\$45.3 million**, or **0.40%** of total assets as of December 31, 2023. The **decrease** **increase** of **\$2.8** **\$17.4 million** in nonperforming assets was primarily driven by a **\$1.3 million decrease** **increases** of **\$12.8 million** and **\$12.1 million** in commercial and equipment financing loans, and a **\$1.2 million** respectively, offset by an **\$8.0 million** decrease in commercial real estate loans during the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

The Company evaluates the underlying collateral of each nonaccrual loan and lease and continues to pursue the collection of interest and principal. Management believes that the current level of nonperforming assets remains manageable relative to the size of the Company's loan and lease portfolio. If economic conditions were to worsen or if the marketplace were to experience prolonged economic stress, it is likely that the level of nonperforming assets would increase, as would the level of charged-off loans.

Past Due and Accruing

As of **March 31, 2024** and **December 31, 2023** **June 30, 2024**, the Company had **minimal** **\$5.0 million** loans and leases greater than 90 days past due and **accruing**, **accruing**, compared to **minimal** loans as of December 31, 2023. The **increase** in 90 days past due and **accruing** loans was primarily due to one **\$2.4 million** construction relationship, three commercial real estate relationships totaling **\$1.7 million**, and two commercial relationships totaling **\$0.7 million** becoming 90 days past due.

The following table sets forth information regarding nonperforming assets for the periods indicated:

	At March 31, 2024	At December 31, 2023
	At June 30, 2024	At December 31, 2023
(Dollars in Thousands)		
Nonperforming loans and leases:		
Nonaccrual loans and leases:		
Nonaccrual loans and leases:		
Nonaccrual loans and leases:		
Commercial real estate		
Commercial real estate		
Commercial real estate		
Multi-family mortgage		
Construction		
Total commercial real estate loans		
Commercial		
Commercial		
Commercial		
Equipment financing		
Condominium association		
Total commercial loans and leases		

Residential mortgage						
Residential mortgage						
Residential mortgage						
Home equity						
Other consumer						
Total consumer loans						
Total nonaccrual loans and leases						
Total nonaccrual loans and leases						
Total nonaccrual loans and leases						
Other real estate owned						
Other real estate owned						
Other real estate owned						
Other repossessed assets						
Total nonperforming assets						
Loans and leases past due greater than 90 days and accruing						
Loans and leases past due greater than 90 days and accruing						
Loans and leases past due greater than 90 days and accruing						
Total delinquent loans and leases 61-90 days past due						
Restructured loans and leases not included in nonperforming assets						
Total nonperforming loans and leases as a percentage of total loans and leases	0.42 %	0.45 %		0.62 %	0.45 %	
Total nonperforming loans and leases as a percentage of total loans and leases						
Total nonperforming loans and leases as a percentage of total loans and leases	0.37 %	0.40 %		0.54 %	0.40 %	
Total nonperforming assets as a percentage of total assets						
Total nonperforming assets as a percentage of total assets	0.10 %	0.05 %		0.19 %	0.05 %	
Total delinquent loans and leases 61-90 days past due as a percentage of total loans and leases						
Total delinquent loans and leases 61-90 days past due as a percentage of total loans and leases	0.10 %	0.05 %		0.19 %	0.05 %	

Allowance for Credit Losses

The **allowance for credit losses** **ACL** consists of general and specific allowances and reflects management's estimate of expected loan and lease losses over the life of the loan or lease. Management uses a consistent and systematic process and methodology to evaluate the adequacy of the **allowance for credit losses** **ACL** on a quarterly basis. Management continuously evaluates and challenges inputs and assumptions in the **allowance for credit losses** **ACL**.

While management evaluates currently available information in establishing the **allowance for credit losses** **ACL**, future adjustments to the allowance for loan and lease losses may be necessary if conditions differ substantially from the assumptions used in making the evaluations. Management performs a comprehensive review of the **allowance for credit losses** **ACL** on a quarterly basis. In addition, various regulatory agencies, as an integral part of their examination process, periodically review a financial institution's **allowance for credit losses** **ACL** and carrying amounts of **other real estate owned**, **OREO**. Such agencies may require the financial institution to recognize additions or reductions to the allowance based on their judgments about information available to them at the time of their examination.

The Company's allowance methodology provides a quantification of estimated losses in the portfolio. Under the current methodology, management estimates losses over the life of the loan using reasonable and supportable forecasts. Forecasts, loan data, and model documentation are extensively analyzed and reviewed throughout the quarter to ensure estimated losses are appropriate at quarter end. Qualitative adjustments are applied when model output does not align with management expectations. These adjustments are thoroughly reviewed and documented to provide clarity and a reasonable basis for any deviations from the model. For **March 31, 2024** **June 30, 2024**, qualitative adjustments were applied to the commercial real estate, commercial, and consumer portfolios resulting in a net addition in total reserves compared to modeled calculations.

The following tables present the changes in the allowance for loan and lease losses by portfolio category for the three and six months ended **March 31, 2024** **June 30, 2024** and 2023.

At and for the Three Months Ended March 31, 2024			
At and for the Three Months Ended March 31, 2024			
At and for the Three Months Ended March 31, 2024			
At and for the Three Months Ended June 30, 2024			
At and for the Three Months Ended June 30, 2024			

At and for the Three Months Ended June 30, 2024									
Commercial Real Estate	Commercial Real Estate	Commercial	Consumer	Total	Commercial Real Estate	Commercial	Commercial	Consumer	Total
(In Thousands)									
Balance at December 31, 2023									
Balance at March 31, 2024									
Charge-offs									
Charge-offs									
Charge-offs									
Recoveries									
Provision (credit) for loan and lease losses									
Balance at March 31, 2024									
Balance at June 30, 2024									
Total loans and leases									
Total loans and leases									
Total loans and leases									
Total allowance for loan and lease losses as a percentage of total loans and leases	1.45 %	1.26 %	0.42 %	1.24 %	1.42 %	1.37 %	0.42 %	1.25 %	
Total allowance for loan and lease losses as a percentage of total loans and leases									
At and for the Three Months Ended March 31, 2023									
At and for the Three Months Ended March 31, 2023									
At and for the Three Months Ended March 31, 2023									
At and for the Three Months Ended June 30, 2023									
At and for the Three Months Ended June 30, 2023									
At and for the Three Months Ended June 30, 2023									
Commercial Real Estate	Commercial Real Estate	Commercial	Consumer	Total	Commercial Real Estate	Commercial	Commercial	Consumer	Total
Balance at December 31, 2022									
Balance at March 31, 2023									
Charge-offs									
Charge-offs									
Charge-offs									
Recoveries									
Provision (credit) for loan and lease losses									
Balance at March 31, 2023									
Balance at June 30, 2023									



At and for the Six Months Ended June 30, 2024							
	Commercial Real Estate		Commercial		Consumer		Total
(In Thousands)							
Balance at December 31, 2023	\$	81,410	\$	29,557	\$	6,555	\$ 117,522
Charge-offs		(4,425)		(9,769)		(19)	(14,213)
Recoveries		—		719		26	745
Provision (credit) for loan and lease losses		5,167		12,879		(350)	17,696
Balance at June 30, 2024	\$	<u>82,152</u>	\$	<u>33,386</u>	\$	<u>6,212</u>	\$ <u>121,750</u>
Total loans and leases	\$	5,782,111	\$	2,443,530	\$	1,495,496	\$ 9,721,137
Total allowance for loan and lease losses as a percentage of total loans and leases		1.42 %		1.37 %		0.42 %	1.25 %

At and for the Six Months Ended June 30, 2023							
	Commercial Real Estate		Commercial		Consumer		Total
(In Thousands)							
Balance at December 31, 2022	\$	68,154	\$	26,604	\$	3,724	\$ 98,482
Charge-offs		—		(2,525)		(16)	(2,541)
Recoveries		12		960		21	993
Provision (credit) for loan and lease losses		16,135		10,595		2,153	28,883
Balance at June 30, 2023	\$	<u>84,301</u>	\$	<u>35,634</u>	\$	<u>5,882</u>	\$ <u>125,817</u>
Total loans and leases	\$	5,670,771	\$	2,193,027	\$	1,477,001	\$ 9,340,799
Total allowance for loan and lease losses as a percentage of total loans and leases		1.49 %		1.62 %		0.40 %	1.35 %

At **March 31, 2024** June 30, 2024, the allowance for loan and lease losses increased to **\$120.1 million** **\$121.8 million**, or **1.24%** **1.25%** of total loans and leases outstanding. This compared to an allowance for loan and lease losses of \$117.5 million, or 1.22% of total loans and leases outstanding, as of December 31, 2023.

Net charge-offs in the loans and leases for the three months ended **March 31, 2024** June 30, 2024 and 2023 were **\$8.8 million** **\$8.4 million** and **\$0.5 million** **\$1.1 million**, respectively. Net charge-offs for the three months ended **March 31, 2024** June 30, 2024 and 2023 were **\$3.7 million** charge-off on a letter of credit. As a percentage of average loans and leases, annualized net charge-offs for the three months ended **March 31, 2024** June 30, 2024 and 2023 were **0.36%** **0.35%** and **0.02%** **0.05%**, respectively. The year over year increase in the net charge-offs was primarily due to increases in net charge-offs of **\$3.0 million** **\$3.8 million** in commercial real estate loans and **\$3.3 million** in equipment financing loans and **\$1.0 million** in commercial loans.

The following table sets forth the Company's percent of allowance for loan and lease losses to the total allowance for loan and lease losses, and the percent of loans to total loans for each of the categories listed at the dates indicated.

		At March 31, 2024			At December 31, 2023								
		At June 30, 2024			At December 31, 2023								
		Amount	Percent of Allowance in Each Category to Total Allowance	Percent of Loans in Each Category to Total Loans	Amount	Percent of Allowance in Each Category to Total Allowance	Percent of Loans in Each Category to Total Loans						
(Dollars in Thousands)													
Commercial real estate	Commercial real estate	\$ 52,531	43.8	43.8 %	41.4 %	\$ 53,633	45.7	45.7 %	42.0 %	Commercial real estate \$52,411			
Multi-family mortgage	Multi-family mortgage	17,410	14.5	14.5 %	14.7 %	16,626	14.1	14.1 %	14.7 %	Multi-family mortgage 17,277			
Construction	Construction	13,534	11.3	11.3 %	3.5 %	11,151	9.5	9.5 %	3.1 %	Construction 12,464			
Total commercial real estate loans	Total commercial real estate loans	83,475	69.6	69.6 %	59.6 %	81,410	69.3	69.3 %	59.8 %	Total commercial real estate loans 82,152			
Commercial Equipment financing	Commercial Equipment financing	13,769	11.5	11.5 %	10.4 %	15,527	13.2	13.2 %	10.2 %	Commercial Equipment financing 10,306			
Condominium association	Condominium association	16,507	13.7	13.7 %	14.2 %	13,869	11.8	11.8 %	14.2 %	Condominium association 22,949			
Total commercial loans	Total commercial loans	141	0.1	0.1 %	0.4 %	161	0.1	0.1 %	0.5 %	Total commercial loans 131			
Residential mortgage	Residential mortgage	3,275	2.7	2.7 %	11.3 %	3,669	3.2	3.2 %	11.2 %	Residential mortgage 3,213			
Home equity	Home equity	2,323	1.9	1.9 %	3.6 %	2,255	1.9	1.9 %	3.6 %	Home equity 2,409			
Other consumer	Other consumer	634	0.5	0.5 %	0.5 %	631	0.5	0.5 %	0.5 %	Other consumer 590			
Total consumer loans	Total consumer loans	6,232	5.1	5.1 %	15.4 %	6,555	5.6	5.6 %	15.3 %	Total consumer loans 6,212			
Total													
Total													
Total		\$120,124	100.0	100.0 %	100.0 %	\$117,522	100.0	100.0 %	100.0 %	\$121,750			

Management believes that the allowance for loan and lease losses as of **March 31, 2024** **June 30, 2024** is appropriate.

Investment Securities

The investment portfolio exists primarily for liquidity purposes, and secondarily as a source of interest and dividend income, interest-rate risk management and tax planning as a counterbalance to loan and deposit flows. Investment securities are utilized as part of the Company's asset/liability management and may be sold in response to, or in anticipation of, factors such as changes in market conditions and interest rates, security prepayment rates, deposit outflows, liquidity concentrations and regulatory capital requirements.

The investment policy of the Company, which is reviewed and approved by the Board of Directors on an annual basis, specifies the types of investments that are acceptable, required investment ratings by at least one nationally recognized rating agency, concentration limits and duration guidelines. Compliance with the investment policy is monitored on a regular basis. In general, the Company seeks to maintain a high degree of liquidity and targets cash, cash equivalents and investment securities available-for-sale balances between **8% 5%** and **12% 15%** of total assets.

Cash, cash equivalents, and investment securities increased **\$118.1 million** **\$149.9 million**, or **45.0% 28.6%** on an annualized basis, to \$1.2 billion as of **March 31, 2024** **June 30, 2024**, from \$1.05 billion December 31, 2023. The increase was driven by an increase in short-term investments. Cash, cash equivalents, and investment securities were **10.1% 10.3%** of total assets as of **March 31, 2024** **June 30, 2024**, compared to 9.22% of total assets at December 31, 2023.

The following table sets forth certain information regarding the amortized cost and market value of the Company's investment securities at the dates indicated:

	At March 31, 2024		At December 31, 2023		At June 30, 2024		At December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In Thousands)				(In Thousands)			
Investment securities available-for-sale:								
GSE debentures								
GSE CMOs								
GSE MBSs								
Municipal obligations								
Municipal obligations								
Municipal obligations								
Corporate debt obligations								
U.S. Treasury bonds								
Foreign government obligations								
Foreign government obligations								
Foreign government obligations	500	489	489	500	500		485	485
Total investment securities available-for-sale							500	500
							485	485

The fair value of investment securities is based principally on market prices and dealer quotes received from third-party, nationally-recognized pricing services for identical investment securities such as U.S. Treasury and agency securities. The Company's marketable equity securities are priced this way and are included in Level 1 of the fair value hierarchy in accordance with the "Fair Value Measurements and Disclosures" Topic of the FASB, or ASC 820. These prices are validated by comparing the primary pricing source with an alternative pricing source when available. When quoted market prices for identical securities are unavailable, the Company uses market prices provided by independent pricing services based on recent trading activity and other observable information, including but not limited to market interest-rate curves, referenced credit spreads and estimated prepayment speeds where applicable. These investments include certain U.S. and government agency debt securities, municipal and corporate debt securities, GSE residential MBSs and CMOs, all of which are included in Level 2. Certain fair values are estimated using pricing models and are included in Level 3.

Additionally, management reviews changes in fair value from period to period and performs testing to ensure that prices received from the third parties are consistent with their expectation of the market. Changes in the prices obtained from the pricing service are analyzed from month to month, taking into consideration changes in market conditions including changes in mortgage spreads, changes in U.S. Treasury security yields and changes in generic pricing of 15-year and 30-year securities. Additional analysis may include a review of prices provided by other independent parties, a yield analysis, a review of average life changes using Bloomberg analytics and a review of historical pricing for the particular security.

Maturities, calls and principal repayments for investment securities available-for-sale totaled \$45.7 million \$94.9 million for the three six months ended March 31, 2024 June 30, 2024 compared to \$33.1 million \$178.2 million for the same period in 2023. For the three six months ended March 31, 2024 June 30, 2024, the Company did not sell any investment securities available-for-sale, compared to \$224.8 million \$230.0 million for the same period in 2023. For the three six months ended March 31, 2024 June 30, 2024, the Company purchased \$1.4 million \$41.1 million of investment securities available-for-sale, compared to \$274.4 million \$279.0 million for the same period in 2023.

As of March 31, 2024 June 30, 2024, the fair value of all investment securities available-for-sale was \$865.8 million \$856.4 million with \$75.9 million \$77.1 million of net unrealized losses, compared to a fair value of \$916.6 million and net unrealized losses of \$67.7 million as of December 31, 2023. As of March 31, 2024 June 30, 2024, \$788.6 million \$774.2 million, or 91.1% 90.4%, of the portfolio, had gross unrealized losses of \$76.3 million \$77.4 million. This compares to \$717.2 million, or 77.8%, of the portfolio with gross unrealized losses of \$69.0 million as of December 31, 2023. The Company's unrealized loss position increased in 2024 primarily driven by increase in current market rates.

Restricted Equity Securities

FHLB of Boston and FHLB of New York Stock—The Company invests in the stock of the FHLB of Boston and FHLB of New York as one of the requirements to borrow funds from the FHLB. As of March 31, 2024 June 30, 2024 and December 31, 2023, there was no excess balance of capital stock.

As of **March 31, 2024** **June 30, 2024**, the Company owned stock in the FHLBs with a carrying value of **\$52.7 million** **\$56.9 million**, a decrease an increase of **\$2.8 million** **\$1.4 million** from **\$55.5 million** as of December 31, 2023. As of **March 31, 2024** **June 30, 2024**, the FHLB of Boston had total assets of **\$66.0 billion** **\$68.8 billion** and total capital of **\$3.6 billion** **\$3.7 billion**, of which **\$1.8 billion** **\$1.9 billion** was retained earnings. As of **March 31, 2024** **June 30, 2024**, the FHLB of New York had total assets of **\$159.6 billion** **\$168.1 billion** and total capital of **\$8.3 billion** **\$8.7 billion**, of which **\$2.4 billion** **\$2.5 billion** was retained earnings. The FHLB of Boston stated that it remained in compliance with all regulatory capital ratios as of **March 31, 2024** **June 30, 2024** and was classified as

"adequately capitalized" by its regulator, based on the FHLB of Boston's financial information as of **December 31, 2023** **March 31, 2024**. The FHLB of New York stated that it met all of its regulatory capital ratios at **March 31, 2024** **June 30, 2024**.

Federal Reserve Bank Stock—The Company invests in the stock of the Federal Reserve Bank of Boston and the Federal Reserve Bank of New York, as a condition to the Banks' membership in the Federal Reserve System. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company owned stock in the Federal Reserve Banks with a carrying value of \$21.9 million.

Other Stock—The Company invests in a small number of other restricted equity securities which includes American Financial Exchange ("AFX") **AFX** and Statewide Zone. As of **March 31, 2024** **June 30, 2024**, the Company owned stock in other restricted equity securities with a carrying value of \$0.2 million, unchanged from December 31, 2023.

Deposits

The following table presents the Company's deposit mix at the dates indicated.

	At March 31, 2024			At December 31, 2023			At June 30, 2024			At December 31, 2023		
			Weighted			Weighted			Weighted			Weighted
	Amount	Percent of Total	Average Rate	Amount	Percent of Total	Average Rate	Amount	Percent of Total	Average Rate	Amount	Percent of Total	Average Rate
(Dollars in Thousands)												
Non-interest-bearing deposits:												
Demand checking accounts	\$1,629,371	18.7	18.7 %	—	— %	\$1,678,406	19.6	19.6 %	—	\$1,638,378	18.7	18.7 %
Demand checking accounts												
Demand checking accounts	\$1,629,371	18.7	18.7 %	—	— %	\$1,678,406	19.6	19.6 %	—	\$1,638,378	18.7	18.7 %
Interest-bearing deposits:												
Interest-bearing deposits:												
NOW accounts	654,748	7.5	7.5 %	0.67 %	661,863	7.8	7.8 %	0.60 %	NOW accounts	647,370	7.4	7.4 %
Savings accounts	1,727,893	19.8	19.8 %	2.75 %	1,669,018	19.5	19.5 %	2.63 %	Savings accounts	1,735,857	19.9	19.9 %
Money market accounts	2,065,569	23.7	23.7 %	3.10 %	2,082,810	24.4	24.4 %	3.07 %	Money market accounts	2,073,557	23.7	23.7 %
Certificate of deposit accounts	1,670,147	19.2	19.2 %	4.22 %	1,574,855	18.4	18.4 %	3.88 %	Certificate of deposit accounts	1,718,414	19.7	19.7 %
Brokered deposit accounts	970,925	11.1	11.1 %	4.49 %	881,173	10.3	10.3 %	4.36 %	Brokered deposit accounts	923,460	10.6	10.6 %
Total interest-bearing deposits	7,089,282	81.3	81.3 %	3.24 %	6,869,719	80.4	80.4 %	3.08 %	Total interest-bearing deposits	7,098,658	81.3	81.3 %
Total deposits	\$8,718,653	100.0	100.0 %	2.64 %	\$8,548,125	100.0	100.0 %	2.48 %	Total deposits	\$8,737,036	100.0	100.0 %

Total deposits increased **\$170.5 million** **\$188.9 million** to \$8.7 billion as of **March 31, 2024** **June 30, 2024**, compared to \$8.5 billion as of December 31, 2023. Deposits as a percentage of total assets **increased to 75.5%** was **75.1%** as of **March 31, 2024**, compared to **75.1%** as of **June 30, 2024** and December 31, 2023.

During the **three** six months ended **March 31, 2024** **June 30, 2024**, core deposits **decreased \$14.5 million** **increased \$3.1 million**. The ratio of core deposits to total deposits decreased **to 69.8%** as of **June 30, 2024** from 71.3% as of December 31, 2023 **to 69.7%** as of **March 31, 2024**, primarily due to a decrease in percentage of demand checking accounts, NOW accounts, and money market accounts to total deposits.

Certificate of deposit accounts increased **\$95 million** **\$144 million** to \$1.7 billion as of **March 31, 2024** **June 30, 2024**, compared to \$1.6 billion as of December 31, 2023. Certificate of deposit accounts increased as a percentage of total deposits to **19.2%** **19.7%** as of **March 31, 2024** **June 30, 2024** from 18.4% as of December 31, 2023.

Brokered deposits increased **\$89.8 million** **\$42.3 million** to **\$970.9 million** **\$923.5 million** as of **March 31, 2024** **June 30, 2024**, compared to \$881.2 million as of December 31, 2023. Brokered deposits increased as a percentage of total deposits to **11.1%** **10.6%** as of **March 31, 2024** **June 30, 2024** from 10.3% as of December 31, 2023. Brokered deposits allow the Company to seek additional funding by attracting deposits from outside the Company's core market. The Company's investment policy limits the total amount of brokered deposits the Company may hold to 15% of total assets.

The following table sets forth the distribution of the average balances of the Company's deposit accounts for the periods indicated and the weighted average interest rates on each category of deposits presented. Averages for the periods presented are based on daily balances.

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,
	2024
	2024
	2024
	Average
	Balance
	Average
	Balance
	Average
	Balance
Core deposits:	(Dollars in Thousands)
Core deposits:	(Dollars in Thousands)
Core deposits:	(Dollars in Thousands)
Non-interest-bearing demand checking accounts	
Non-interest-bearing demand checking accounts	
Non-interest-bearing demand checking accounts	
NOW accounts	
NOW accounts	
NOW accounts	
Savings accounts	
Savings accounts	
Savings accounts	
Money market accounts	

Money market accounts
Money market accounts
Total core deposits
Total core deposits
Total core deposits
Certificate of deposit accounts
Certificate of deposit accounts
Certificate of deposit accounts
Brokered deposit accounts
Brokered deposit accounts
Brokered deposit accounts
Total deposits
Total deposits
Total deposits

	Six Months Ended June 30,							
	2024			2023				
	Percent		Weighted	Percent		Weighted		
	Average	Balance		Average	Balance			
(Dollars in Thousands)								
Core deposits:								
Non-interest-bearing demand checking accounts	\$	1,635,690	18.9 %	— %	\$ 1,889,554	22.7 %		
NOW accounts		665,632	7.7 %	0.72 %	772,459	9.3 %		
Savings accounts		1,712,804	19.8 %	2.73 %	1,267,762	15.3 %		
Money market accounts		2,051,542	23.7 %	3.09 %	2,252,755	27.2 %		
Total core deposits		6,065,668	70.1 %	1.88 %	6,182,530	74.4 %		
Certificate of deposit accounts		1,661,814	19.2 %	4.28 %	1,368,959	16.5 %		
Brokered deposit accounts		927,465	10.7 %	5.23 %	756,332	9.1 %		
Total deposits	\$	8,654,947	100.0 %	2.69 %	\$ 8,307,821	100.0 %		
						1.75 %		

As of **March 31, 2024** June 30, 2024 and December 31, 2023, the Company had outstanding certificates of deposit of \$250,000 or more, maturing as follows:

	At December 31,					
	At March 31, 2024			2023		
	At June 30, 2024			2023		
	Amount	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount
(Dollars in Thousands)						
Maturity period:						
Six months or less						
Six months or less						
Six months or less	326,645	4.39	4.39 %	291,049	4.02	4.02 %
				279,043		
					4.64	4.64 %
					291,049	4.02

Over six months through 12 months	Over six months through 12 months	148,419	4.69	4.69 %	163,277	4.59	4.59 %	Over six months through 12 months	208,421	4.71	4.71 %	163,277	4.59
Over 12 months	Over 12 months	55,979	4.47	4.47 %	29,637	3.91	3.91 %	Over 12 months	51,902	4.15	4.15 %	29,637	3.91
Total certificate of deposit of \$250,000 or more	Total certificate of deposit of \$250,000 or more	\$531,043	4.48	4.48 %	\$483,963	4.21	4.21 %	Total certificate of deposit of \$250,000 or more	\$539,366	4.62	4.62 %	\$483,963	4.21

The following table presents the Company's insured and uninsured deposit mix at the date indicated.

										At March 31, 2024		At June 30, 2024				
		Commercial		Commercial		Consumer		Municipal		Brokered		Total		%		
Insured or Collateralized	Insured or Collateralized	\$2,065	\$	\$3,157	\$	\$237	\$	\$971	\$	\$6,430	74	74 %	Collateralized	\$ 2,117	\$	
Uninsured	Uninsured	1,297		938		938		54		54	—	2,289	26	26 %	Uninsured	1,302
Total	Total	\$3,362	\$	\$4,095	\$	\$291	\$	\$971	\$	\$8,719	100	100 %	Total	\$ 3,419	\$	

Composition

The collateral balances in the table above represent municipal deposit accounts which are covered by specific collateral and FHLB letters of credit. The remaining deposits are insured with the FDIC or via reciprocal products.

Borrowed Funds

The following table sets forth certain information regarding advances from the FHLB, subordinated debentures and notes and other borrowed funds for the periods indicated:

	Three Months Ended			Six Months Ended		
	March 31,		June 30,		2024	2023
	Three Months Ended		Three Months Ended			
	March 31,		March 31,			
	Three Months Ended		Three Months Ended			
	March 31,		June 30,			
		2024		2024		2023
		2024		2024		2023
		(Dollars in Thousands)		(Dollars in Thousands)		(Dollars in Thousands)
		(Dollars in Thousands)		(Dollars in Thousands)		(Dollars in Thousands)
Borrowed funds:						
Average balance outstanding						
Average balance outstanding						
Average balance outstanding						
Maximum amount outstanding at any month-end during the period						
Maximum amount outstanding at any month-end during the period						
Maximum amount outstanding at any month-end during the period						
Balance outstanding at end of period						
Balance outstanding at end of period						

Balance outstanding at end of period						
Weighted average interest rate for the period	Weighted average interest rate for the period	5.00 %	4.70 %	5.00 %	4.62 %	
Weighted average interest rate for the period						
Weighted average interest rate for the period						
Weighted average interest rate at end of period	Weighted average interest rate at end of period	5.12 %	4.74 %	5.12 %	4.74 %	
Weighted average interest rate at end of period						
Weighted average interest rate at end of period						

Advances from the FHLB

On a long-term basis, the Company intends to continue to increase its core deposits. The Company also uses FHLB borrowings and other wholesale borrowings as part of the Company's overall strategy to fund loan growth and manage interest rate risk and liquidity. The advances are secured by a blanket security agreement which requires the Banks to maintain certain qualifying assets as collateral, principally mortgage loans and securities in an aggregate amount at least equal to outstanding advances. The maximum amount that the FHLB will advance to member institutions, including the Company, fluctuates from time to time in accordance with the policies of the FHLB.

FHLB borrowings decreased \$73.1 million increased \$41.9 million to \$1.2 billion \$1.3 billion as of March 31, 2024 June 30, 2024 with a total capacity of \$2.5 billion \$2.7 billion. As of December 31, 2023, FHLB borrowings stood at \$1.2 billion with a total capacity of \$2.6 billion.

Subordinated Debentures and Notes

As part of the acquisition of BankRI, the Company acquired two \$5.0 million subordinated debentures due on June 26, 2033 and March 17, 2034, respectively. The Company is obligated to pay 3-month CME term SOFR plus spread adjustment of 0.26161% 0.26% plus 3.10% and 3-month CME term SOFR plus spread adjustment of 0.26161% 0.26% plus 2.79%, respectively, on a quarterly basis until the debentures mature.

The Company sold \$75.0 million of 6.0% fixed-to-floating rate subordinated notes due September 15, 2029. The Company is obligated to pay 6.0% interest semiannually between September 2014 and September 2024. Subsequently, the Company is obligated to pay 3-month CME term SOFR plus spread adjustment of **0.26161%** **0.26%** plus **3.315%** **3.32%** quarterly until the notes mature in September 2029.

The following table summarizes the Company's subordinated debentures and notes at the dates indicated.

The above carrying amounts of the subordinated debentures included \$0.2 million of accretion adjustments and \$0.5 million of capitalized debt issuance costs as of **March 31, 2024**. This compares to \$0.2 million of accretion adjustments and \$0.6 million of capitalized debt issuance costs as of **December 31, 2023**.

Other Borrowed Funds

In addition to advances from the FHLB and subordinated debentures and notes, the Company utilizes other funding sources as part of the overall liquidity strategy. Those funding sources include repurchase agreements, and committed and uncommitted lines of credit with several financial institutions.

The Company has access to a \$30.0 million committed line of credit as of **March 31, 2024** June 30, 2024. As of **March 31, 2024** June 30, 2024 and December 31, 2023, the Company did not have any borrowings on this committed line of credit.

As of **March 31, 2024** June 30, 2024, the Banks also have access to funding through certain uncommitted lines via AFX as well as other large financial institution specific lines. As of **March 31, 2024** June 30, 2024 and **December 31, 2023, respectively**, the Company had **\$40.0 million** of **no** borrowings on outstanding uncommitted lines of credit compared to **no** borrowings outstanding as of **December 31, 2023** credit.

As of **March 31, 2024**, the Company had **\$82.2 million** in interest-bearing cash **borrowed on hold** from dealer counterparties. This compares to **\$80.1 million** in interest-bearing cash **borrowed on hold** from dealer counterparties as of **June 30, 2024**. This cash collateralizes the fair value of the dealer side of derivative transactions outstanding as of December 31, 2023.

Derivative Financial Instruments

The Company has entered into loan level derivatives, risk participation agreements, and foreign exchange contracts with certain of its commercial customers and concurrently enters into offsetting swaps with third-party financial institutions. The Company may also, from time to time, enter into risk participation agreements. The Company uses interest rate futures that are designated and qualify as cash flow hedging instruments.

The following table summarizes certain information concerning the Company's loan level derivatives, interest rate derivatives, risk participation agreements, and foreign exchange contracts at **March 31, 2024** **June 30, 2024** and December 31, 2023:

	At March 31, 2024	At December 31, 2023			
	At June 30, 2024	At December 31, 2023			
(Dollars in Thousands)					
Interest rate derivatives (Notional amounts):					
Loan level derivatives (Notional principal amounts):					
Receive fixed, pay variable					
Receive fixed, pay variable					
Receive fixed, pay variable					
Pay fixed, receive variable					
Risk participation-out agreements					
Risk participation-in agreements					
Foreign exchange contracts (Notional amounts):					
Buys foreign currency, sells U.S. currency					
Buys foreign currency, sells U.S. currency					
Buys foreign currency, sells U.S. currency					
Sells foreign currency, buys U.S. currency					
Fixed weighted average interest rate from the Company to counterparty	Fixed weighted average interest rate from the Company to counterparty	3.03 % 2.96 %	Fixed weighted average interest rate from the Company to counterparty	3.05 % 2.96 %	
Floating weighted average interest rate from counterparty to the Company	Floating weighted average interest rate from counterparty to the Company	5.68 % 5.70 %	Floating weighted average interest rate from counterparty to the Company	5.68 % 5.70 %	
Weighted average remaining term to maturity (in months)					
Fair value:					
Recognized as an asset:					
Recognized as an asset:					
Recognized as an asset:					
Interest rate derivatives					
Interest rate derivatives					
Interest rate derivatives					
Loan level derivatives					
Loan level derivatives					
Loan level derivatives					
Risk participation-out agreements					
Foreign exchange contracts					
Recognized as a liability:					
Interest rate derivatives					
Interest rate derivatives					
Interest rate derivatives					
Loan level derivatives					
Risk participation-in agreements					
Foreign exchange contracts					

Stockholders' Equity and Dividends

The Company's total stockholders' equity **decreased \$4.4 million** remaining at **\$1.2 billion** was **\$1,198.5 million** as of **March 31, 2024** and **June 30, 2024** representing a **\$0.1 million** decrease compared to **\$1,198.6 million** at **December 31, 2023**, respectively. The decrease for the **three** six months ended **March 31, 2024** **June 30, 2024**, primarily reflects

dividends paid by the Company of ~~\$12 million~~ \$24 million and unrealized loss on securities available-for-sale of ~~\$6.3 million~~ \$7.2 million, partially offset by net income of ~~\$14.7 million~~ \$31.0 million.

Stockholders' equity represented ~~10.35%~~ 10.30% of total assets as of **March 31, 2024** June 30, 2024 and 10.53% of total assets as of December 31, 2023. Tangible stockholders' equity (total stockholders' equity less goodwill and identified intangible assets, net) represented ~~8.25%~~ 8.23% of tangible assets (total assets less goodwill and identified intangible assets, net) as of **March 31, 2024** June 30, 2024 and 8.39% as of December 31, 2023.

The dividend payout ratio was ~~81.83%~~ 73.30% for the three months ended **March 31, 2024** June 30, 2024, compared to ~~158.33%~~ 54.78% for the same period in 2023.

Results of Operations

The primary drivers of the Company's net income are net interest income, which is strongly affected by the net yield on and growth of interest-earning assets and liabilities, the quality of the Company's assets, its levels of non-interest income and non-interest expense, and its tax provision.

The Company's net interest income represents the difference between interest income earned on its investments, loans and leases, and its cost of funds. Interest income is dependent on the amount of interest-earning assets outstanding during the period and the yield earned thereon. Cost of funds is a function of the average amount of deposits and borrowed money outstanding during the year and the interest rates paid thereon. The net interest margin is calculated by dividing net interest income by average interest-earning assets. Net interest spread is the difference between the average rate earned on interest-earning assets and the average rate paid on interest-bearing liabilities. The increases or decreases, as applicable, in the components of interest income and interest expense, expressed in terms of fluctuation in average volume and rate, are summarized under "Rate/Volume Analysis" below. Information as to the components of interest income, interest expense and average rates is provided under "Average Balances, Net Interest Income, Interest-Rate Spread and Net Interest Margin" below.

Because the Company's assets and liabilities are not identical in duration and in repricing dates, the differential between the two is vulnerable to changes in market interest rates as well as the overall shape of the yield curve. These vulnerabilities are inherent to the business of banking and are commonly referred to as "interest-rate risk." How interest-rate risk is measured and, once measured, how much interest-rate risk is taken on, are based on numerous assumptions and other subjective judgments. See the discussion in "Item 3. Quantitative and Qualitative Disclosures about Market Risk" below.

The quality of the Company's assets also influences its earnings. Loans and leases that are not paid on a timely basis and exhibit other weaknesses can result in the loss of principal and/or interest income. Additionally, the Company must make timely provisions to the allowance for loan and lease losses based on estimates of probable losses inherent in the loan and lease portfolio. These additions, which are charged against earnings, are necessarily greater when greater probable losses are expected. Further, the Company incurs expenses as a result of resolving troubled assets. These variables reflect the "credit risk" that the Company takes on in the ordinary course of business and are further discussed under "Financial Condition—Asset Quality" above.

Net Interest Income

Net interest income decreased ~~\$4.5 million~~ \$6.0 million to ~~\$81.6 million~~ \$80.0 million for the three months ended **March 31, 2024** June 30, 2024 from \$86.0 million for the three months ended **March 31, 2023** June 30, 2023. This decrease reflects a ~~\$27.4 million~~ \$16.0 million increase in interest expense on deposits and borrowings, which is reflective of the rising interest rate environment, along with a ~~\$1.0 million~~ \$1.7 million decrease in short term investments and restricted equity securities, and a ~~\$1.6 million~~ decrease in interest income on debt securities primarily driven by a lower volume during the period, offset by a ~~\$23.3 million~~ \$13.3 million increase in interest income on loans and leases and a ~~\$0.6 million increase in short term investments and restricted equity securities.~~ leases. Refer to "Results of Operations - Comparison of the Three-Month Period Ended **March 31, 2024** June 30, 2024 and **March 31, 2023** June 30, 2023 — Interest Income" and "Results of Operations - Comparison of the Three-Month Period Ended **March 31, 2024** June 30, 2024 and **March 31, 2023** June 30, 2023 — Interest Expense -Deposit and Borrowed Funds" below for more details.

Net interest income decreased \$10.5 million to \$161.6 million for the six months ended June 30, 2024 from \$172.1 million for the six months ended June 30, 2023. This overall decrease reflects a \$43.4 million increase in interest expense on deposit and borrowings and a \$3.7 million decrease in interest income on investment securities primarily driven by a lower volume of debt securities during the period, offset by an \$36.6 million increase in interest income on loans and leases, which is reflective of the various portfolios repricing and replacing balances into the current interest rate environment. Refer to "Results of Operations - Comparison of the Six-Month Period Ended June 30, 2024 and June 30, 2023 — Interest Income" and "Results of Operations - Comparison of the Six-Month Period Ended June 30, 2024 and June 30, 2023 — Interest Expense Deposit and Borrowed Funds" below for more details.

Net interest margin decreased ~~30.26~~ basis points to ~~3.06%~~ 3.00% for the three months ended **March 31, 2024** June 30, 2024 from ~~3.36%~~ 3.26% for the three months ended **March 31, 2023** June 30, 2023. The Company's weighted average interest rate on loans (prior increased to purchase accounting adjustments) 6.02% for the three months ended June 30, 2024 from 5.70% for the three months ended June 30, 2023.

Net interest margin decreased by 28 basis points to 3.03% for the six months ended June 30, 2024 from 3.31% for the six months ended June 30, 2023. The Company's weighted average interest rate on loans increased to 6.03% for the ~~three~~ six months ended **March 31, 2024** June 30, 2024 from ~~5.33%~~ 5.52% for the ~~three~~ six months ended **March 31, 2023** June 30, 2023.

The yield on interest-earning assets increased to 5.79% for the three months ended **March 31, 2024** June 30, 2024 from ~~5.10%~~ 5.49% for the three months ended **March 31, 2023** June 30, 2023. The increase is the result of higher yields on loans and leases and investments. leases. During the three months ended **March 31, 2024** June 30, 2024, the Company recorded \$0.6 million in prepayment penalties and late charges, which contributed 2 basis points to yields on interest-earning assets, compared to \$0.7 million, or 3 basis points, for the three months ended **March 31, 2023** June 30, 2023.

The yield on interest-earning assets increased to 5.79% for the six months ended June 30, 2024 from 5.30% for the six months ended June 30, 2023. The increase is primarily due to higher yields on loans and leases. During the six months ended June 30, 2024, the Company recorded \$0.7 million in prepayment penalties and late charges, which contributed 2 basis points to yields on interest-earning assets, compared to \$1.4 million in prepayment penalties and late charges, which contributed 3 basis points to yields on interest-earning assets in the six months ended June 30, 2023.

The cost of interest-bearing liabilities increased 114 basis points to 3.58% for the three months ended March 31, 2024 June 30, 2024 from 2.44% for the three months ended March 31, 2023 June 30, 2023. The cost of interest-bearing liabilities increased 89 basis points to 3.61% for the six months ended June 30, 2024 from 2.72% for the six months ended June 30, 2023. Refer to "Financial Condition - Borrowed Funds" above for more details.

Management seeks to position the balance sheet to be neutral to changes in interest rates. From 2017 through 2019, short term interest rates rose while at the same time net interest income, net interest spread, and net interest margin also increased. During 2020, interest rates declined sharply in response to the economic impact of the COVID-19 pandemic, and began to increase in the first quarter of 2022. In recent months, the Treasury yield curve has inverted and flattened at the long end. Short term rates have risen sharply due to multiple rate hikes implemented by the FRB. The shape of the curve indicates rates will begin to decline within a year and flatten around the 7-year mark. The short term increase in rates positively affected the Company's net interest income, net interest spread, and net interest margin initially. As is expected in the near term, the net interest margin is compressing as investable funds migrate among depository and non-depository categories. Management expects this to persist for a quarter or two, after which time the net interest margin is expected to stabilize and then increase as loans continue to reprice into the higher rate environment. To the extent the FRB cuts rates in the near term, the net interest income and the net interest margin will be highly dependent on the ability and timing to reduce deposit pricing.

Average Balances, Net Interest Income, Interest-Rate Spread and Net Interest Margin

The following table sets forth information about the Company's average balances, interest income and interest rates earned on average interest-earning assets, interest expense and interest rates paid on average interest-bearing liabilities, interest-rate spread and net interest margin for the three and six months ended March 31, 2024 June 30, 2024 and March 31, 2023 June 30, 2023. Average balances are derived from daily average balances and yields include fees, costs and purchase-accounting-related premiums and discounts which are considered adjustments to coupon yields in accordance with GAAP.

Three Months Ended										
March 31, 2024					March 31, 2023					
June 30, 2024					June 30, 2023					
Average Balance	Average Balance	Average Interest (1)	Average Yield/ Cost	Average	Average Balance	Average Balance	Average Interest (1)	Average	Average	Interest
(Dollars in Thousands)										
Assets:										
Interest-earning assets:										
Interest-earning assets:										
Interest-earning assets:										
Debt securities										
Debt securities										
Debt securities	\$ 893,228	\$ 6,927	3.10	3.10 %		\$ 1,029,068	\$ 7,974	3.10		
Restricted equity securities	76,335	1,493	1,493	7.82	7.82 %		76,911	1,255	1,255	6.53
Short-term investments	130,768	1,824	1,824	5.58	5.58 %		147,654	1,495	1,495	4.05
Total investments	1,100,331	10,244	10,244	3.72	3.72 %		1,253,633	10,724	10,724	3.42
Commercial real estate loans (2)	5,761,735	81,049	81,049	5.56	5.56 %		5,579,977	67,667	67,667	4.85
Commercial loans (2)	1,026,467	17,507	17,507	6.75	6.75 %		892,522	14,017	14,017	6.28
Equipment financing (2)	1,374,426	26,895	26,895	7.83	7.83 %		1,226,717	21,213	21,213	6.92
Consumer loans (2)										
Consumer loans (2)										
Consumer loans (2)	1,482,819	19,978	19,978	5.40	5.40 %		1,452,072	19,070	19,070	5.28

Total loans and leases	Total loans and leases	9,645,447	145,429	145,429	6.03	6.03	%	9,151,288	121,967	121,967	5.33
Total interest-earning assets	Total interest-earning assets	10,745,778	155,673	155,673	5.79	5.79	%	10,404,921	132,691	132,691	5.10
Allowance for loan and lease losses											
Non-interest-earning assets											
Non-interest-earning assets											
Total assets	Total assets										
Total assets	Total assets										
Liabilities and Stockholders' Equity:											
Equity:											
Liabilities and Stockholders' Equity:											
Equity:											
Interest-bearing liabilities:											
Interest-bearing liabilities:											
Interest-bearing liabilities:											
Interest-bearing deposits:											
Interest-bearing deposits:											
Interest-bearing deposits:											
NOW accounts											
NOW accounts											
NOW accounts	\$	671,914	1,261	1,261	0.75	0.75	%	\$	810,333	901	901
Savings accounts	Savings accounts	1,694,220	11,352	11,352	2.69	2.69	%		1,160,003	2,514	2,514
Money market accounts	Money market accounts	2,076,303	15,954	15,954	3.09	3.09	%		2,366,235	12,140	12,140
Certificate of deposit accounts	Certificate of deposit accounts	1,624,118	16,672	16,672	4.13	4.13	%		1,346,761	7,456	7,456
Brokered deposit accounts	Brokered deposit accounts	896,784	11,645	11,645	5.22	5.22	%		534,527	6,357	6,357
Total interest-bearing deposits	Total interest-bearing deposits										
(3)	(3)	6,963,339	56,884	56,884	3.29	3.29	%		6,217,859	29,368	29,368
Advances from the FHLB	Advances from the FHLB	1,164,534	14,633	14,633	4.97	4.97	%		1,264,523	14,531	14,531
Subordinated debentures and notes	Subordinated debentures and notes	84,206	1,377	1,377	6.54	6.54	%		84,062	1,354	1,354
Other borrowed funds	Other borrowed funds	93,060	977	977	4.22	4.22	%		158,499	1,249	1,249



(1) Tax-exempt income on debt securities, equity securities and industrial revenue bonds are included in commercial real estate loans on a tax-equivalent basis.

(2) Loans on nonaccrual status are included in the average balances.

(3) Including non-interest-bearing checking accounts, the average interest rate on total deposits was **2.66%** **2.75%** and **1.46%** **2.04%** in the three months ended **March 31, 2024** **June 30, 2024** and **March 31, 2023** **June 30, 2023**, respectively.

(4) Interest-rate spread represents the difference between the yield on interest-earning assets and the cost of interest-bearing liabilities.

(5) Net interest margin represents net interest income (tax equivalent basis) divided by average interest-earning assets.

	Six Months Ended						
	June 30, 2024			June 30, 2023			
	Average		Average	Average		Average	
	Balance	Interest (1)	Cost	Balance	Interest (1)	Cost	
(Dollars in Thousands)							
Assets:							
Interest-earning assets:							
Debt securities	\$ 869,848	\$ 13,437	3.09 %	\$ 1,014,675	\$ 16,065	3.17 %	
Marketable and restricted equity securities	74,015	2,868	7.75 %	77,139	2,928	7.59 %	
Short-term investments	137,284	3,738	5.45 %	188,790	4,846	5.13 %	
Total investments	1,081,147	20,043	3.71 %	1,280,604	23,839	3.72 %	
Commercial real estate loans (2)	5,758,318	162,614	5.59 %	5,610,401	147,249	5.22 %	
Commercial loans (2)	1,047,810	35,179	6.64 %	903,185	27,519	6.06 %	
Equipment financing (2)	1,374,322	53,150	7.73 %	1,240,031	43,570	7.03 %	
Consumer loans (2)	1,485,702	40,269	5.43 %	1,467,521	35,973	4.91 %	
Total loans and leases	9,666,152	291,212	6.03 %	9,221,138	254,311	5.52 %	
Total interest-earning assets	10,747,299	311,255	5.79 %	10,501,742	278,150	5.30 %	
Allowance for loan and lease losses	(118,402)			(118,174)			
Non-interest-earning assets	802,745			818,703			
Total assets	\$ 11,431,642			\$ 11,202,271			
Liabilities and Stockholders' Equity:							
Interest-bearing liabilities:							
Interest-bearing deposits:							
NOW accounts	\$ 665,632	2,372	0.72 %	\$ 772,459	1,970	0.51 %	
Savings accounts	1,712,804	23,226	2.73 %	1,267,762	8,431	1.34 %	
Money market accounts	2,051,542	31,474	3.09 %	2,252,755	26,129	2.34 %	
Certificate of deposit accounts	1,661,814	35,389	4.28 %	1,368,959	17,477	2.57 %	
Brokered deposit accounts	927,465	24,144	5.23 %	756,332	18,508	4.93 %	
Total interest-bearing deposits (3)	7,019,257	116,605	3.34 %	6,418,267	72,515	2.28 %	
Advances from the FHLBB	1,107,071	27,527	4.92 %	1,227,772	28,818	4.67 %	
Subordinated debentures and notes	84,223	2,752	6.54 %	84,080	2,717	6.46 %	
Other borrowed funds	98,406	2,341	4.78 %	122,500	1,772	2.92 %	
Total borrowed funds	1,289,700	32,620	5.00 %	1,434,352	33,307	4.62 %	
Total interest-bearing liabilities	8,308,957	149,225	3.61 %	7,852,619	105,822	2.72 %	
Non-interest-bearing liabilities:							
Non-interest-bearing demand checking accounts (3)	1,635,690			1,889,554			
Other non-interest-bearing liabilities	289,351			293,157			
Total liabilities	10,233,998			10,035,330			
Total stockholders' equity	1,197,644			1,166,941			
Total liabilities and stockholders' equity	\$ 11,431,642			\$ 11,202,271			
Net interest income (tax-equivalent basis) / Interest-rate spread (4)	162,030	2.18 %		172,328	2.58 %		
Less adjustment of tax-exempt income	441			242			
Net interest income	\$ 161,589			\$ 172,086			
Net interest margin (5)		3.03 %				3.31 %	

(1) Tax-exempt income on debt securities, equity securities and industrial revenue bonds are included in commercial real estate loans on a tax-equivalent basis.

(2) Loans on nonaccrual status are included in the average balances.

(3) Including non-interest-bearing checking accounts, the average interest rate on total deposits was 2.71% and 1.76% in the six months ended June 30, 2024 and June 30, 2023, respectively.

(4) Interest-rate spread represents the difference between the yield on interest-earning assets and the cost of interest-bearing liabilities.

(5) Net interest margin represents net interest income (tax equivalent basis) divided by average interest-earning assets.

Rate/Volume Analysis

The following table presents, on a tax-equivalent basis, the extent to which changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities have affected the Company's interest income and interest expense during the periods indicated. Information is provided in each category with respect to: (i) changes attributable to changes in volume (changes in volume multiplied by prior rate), (ii) changes attributable to changes in rate (changes in rate multiplied by prior volume), and (iii) the net change. The changes attributable to the combined impact of volume and rate have been allocated proportionately to the changes due to volume and the changes due to rate.

Three Months Ended March 31, 2024 as Compared to the Three Months Ended March 31, 2023		Three Months Ended March 31, 2024 as Compared to the Three Months Ended March 31, 2023		Three Months Ended March 31, 2024 as Compared to the Three Months Ended March 31, 2023	
Increase (Decrease) Due To		Increase (Decrease) Due To		Increase (Decrease) Due To	
Volume	Rate	Volume	Rate	Volume	Rate
(In Thousands)		(In Thousands)		(In Thousands)	
(In Thousands)					
Interest and dividend income:					
Investments:					
Investments:					
Investments:					
Debt securities					
Debt securities					
Debt securities					
Marketable and restricted equity securities					
Marketable and restricted equity securities					
Marketable and restricted equity securities					
Short-term investments					
Short-term investments					
Short-term investments					
Total investments					
Total investments					
Total investments					
Loans and leases:					
Loans and leases:					
Loans and leases:					
Commercial real estate loans					
Commercial real estate loans					

Commercial real estate loans
Commercial loans and leases
Commercial loans and leases
Commercial loans and leases
Equipment financing
Equipment financing
Equipment financing
Consumer loans
Consumer loans
Consumer loans
Total loans
Total loans
Total loans
Total change in interest and dividend income
Total change in interest and dividend income
Total change in interest and dividend income
Total change in interest and dividend income
Interest expense:
Interest expense:
Interest expense:
Deposits:
Deposits:
Deposits:
NOW accounts
NOW accounts
NOW accounts
Savings accounts
Savings accounts
Savings accounts
Money market accounts
Money market accounts
Money market accounts
Certificate of deposit accounts
Certificate of deposit accounts
Certificate of deposit accounts
Brokered deposit accounts
Brokered deposit accounts
Brokered deposit accounts
Total deposits
Total deposits
Total deposits
Borrowed funds:
Borrowed funds:
Borrowed funds:
Advances from the FHLB
Advances from the FHLB
Advances from the FHLB
Subordinated debentures and notes

Subordinated debentures and notes
Subordinated debentures and notes
Other borrowed funds
Other borrowed funds
Other borrowed funds
Total change in interest expense
Total change in interest expense
Total change in interest expense
Change in tax-exempt income
Change in tax-exempt income
Change in tax-exempt income
Change in net interest income
Change in net interest income
Change in net interest income

Interest Income

Loans and Leases

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended June 30,	Three Months Ended June 30,	Three Months Ended June 30,
Interest income—loans and leases:				2024		
Interest income—loans and leases:				2024		
Interest income—loans and leases:				2024		
Commercial real estate loans				(Dollars in Thousands)		
Commercial real estate loans				(Dollars in Thousands)		
Commercial real estate loans				(Dollars in Thousands)		
Commercial loans						
Commercial loans						
Commercial loans						
Equipment financing						
Equipment financing						
Equipment financing						
Residential mortgage loans						
Residential mortgage loans						
Residential mortgage loans						

Other consumer loans

Other consumer loans

Other consumer loans

Total interest income—loans and leases (1)

Total interest income—loans and leases (1)

Total interest income—loans and leases (1)

(1) Change in tax-exempt income of \$128 \$153 thousand and \$281 thousand is excluded from the table above, three and six months ended tables above, respectively.

Total interest from loans and leases was \$145.3 million \$145.6 million for the three months ended March 31, 2024 June 30, 2024, and represented a yield on total loans of 6.03% 6.02%. This compares to \$121.9 million \$132.3 million of interest on loans and a yield of 5.33% 5.70% for the three months ended March 31, 2023 June 30, 2023. The \$23.4 million \$13.3 million increase in interest income from loans and leases was primarily due to an increase of \$15.7 million \$7.1 million in changes to interest rates, and an increase of \$7.7 million \$6.2 million due to higher average loan balances.

Interest income from loans and leases was \$290.9 million for the six months ended June 30, 2024, and represented a yield on total loans of 6.03%. This compares to \$254.2 million of interest on loans and a yield of 5.52% for the six months ended June 30, 2023. The \$36.6 million increase in interest income from loans and leases was primarily attributable to an increase of \$14.2 million due to an increase in origination volume and an increase of \$22.7 million due to the changes in interest rates.

Investments

		Three Months Ended							
		March 31,							
		Three Months Ended							
		March 31,							
		March 31,							
		2024							
		2024							
		Three Months Ended							
		June 30,							
		Three Months Ended							
		June 30,							
		Three Months Ended							
		June 30,							
		2024							
				Dollar		Percent		Six Months Ended June 30,	
		Change		Change					
		(Dollars in Thousands)							
		(Dollars in Thousands)							
		(Dollars in Thousands)							
Interest income									
—investments:									
Debt securities									
Debt securities		\$ 6,480		\$ 8,034		\$ (1,554)		(19.3) %	
Restricted equity securities		Restricted equity securities		1,376		1,673		(297)	
Restricted equity securities								(297) (17.8) (17.8) %	
Short-term investments									
Short-term investments									

Short-term investments	Short-term investments	1,914	3,351	3,351	(1,437)	(1,437)	(42.9)	(42.9)%	3,738	4,846
Total interest income—investments	Total interest income—investments	\$9,770	\$	\$13,058	\$	\$3,288	(25.2)	(25.2)	\$19,964	\$
(1)	(1)									
Total interest income—investments	Total interest income—investments									
(1)	(1)									

(1) Change in tax-exempt income of \$(54) \$(28) thousand and \$(82) thousand is excluded from the table above, three and six months ended tables above, respectively.

Total interest income from investments was \$10.2 million \$9.8 million for the three months ended March 31, 2024 June 30, 2024, compared to \$10.6 million \$13.1 million for the three months ended March 31, 2023 June 30, 2023. For the three months ended March 31, 2024 June 30, 2024 and 2023, the yield on total investments was 3.72% 3.7% and 3.42% 4.0%, respectively. The year over year decrease in interest income on investments of \$0.4 million \$3.3 million, or 4.0% 25.2%, was primarily driven by a \$1.0 million \$2.5 million decrease due to volume and a \$0.8 million decrease due to rates.

Total investment income was \$20.0 million and \$23.7 million for the six months ended June 30, 2024 and June 30, 2023, respectively. For the six months ended June 30, 2024 and 2023, the yield on total investments was 3.7%. The year over year decrease in debt securities balances partially offset interest income on investments of \$3.7 million, or 15.7%, was primarily driven by a \$0.6 million increase in short term investment rates driven by higher yields. \$3.6 million decrease due to volume and a \$0.1 million decrease due to rates.

Interest Expense—Deposits and Borrowed Funds

	Three Months Ended					
	March 31,				Dollar	Percent
	2024	2023			Change	Change
(Dollars in Thousands)						
Interest expense:						
Deposits:						
NOW accounts	\$ 1,261	\$ 901	\$ 360			40.0 %
Savings accounts	11,352	2,514	8,838			351.6 %
Money market accounts	15,954	12,140	3,814			31.4 %
Certificate of deposit accounts	16,672	7,456	9,216			123.6 %
Brokered deposit accounts	11,645	6,357	5,288			83.2 %
Total interest expense - deposits	56,884	29,368	27,516			93.7 %
Borrowed funds:						
Advances from the FHLB	14,633	14,531	102			0.7 %
Subordinated debentures and notes	1,377	1,354	23			1.7 %
Other borrowed funds	977	1,249	(272)			(21.8)%
Total interest expense - borrowed funds	16,987	17,134	(147)			(0.9)%
Total interest expense	\$ 73,871	\$ 46,502	\$ 27,369			58.9 %

	Three Months Ended						
	June 30,		Dollar	Percent	Six Months Ended		
	2024	2023	Change	Change	June 30,	Dollar	Percent
(Dollars in Thousands)							

Interest expense:										
Deposits:										
NOW accounts	\$ 1,111	\$ 1,069	\$ 42	3.9 %	\$ 2,372	\$ 1,970	\$ 402			20.4 %
Savings accounts	11,874	5,917	5,957	100.7 %	23,226	8,431	14,795			175.5 %
Money market accounts	15,520	13,989	1,531	10.9 %	31,474	26,129	5,345			20.5 %
Certificate of deposit accounts	18,717	10,021	8,696	86.8 %	35,389	17,477	17,912			102.5 %
Brokered deposit accounts	12,499	12,151	348	2.9 %	24,144	18,508	5,636			30.5 %
Total interest expense - deposits	59,721	43,147	16,574	38.4 %	116,605	72,515	44,090			60.8 %
Borrowed funds:										
Advances from the FHLB	12,894	14,287	(1,393)	(9.8)%	27,527	28,818	(1,291)			(4.5)%
Subordinated debentures and notes	1,375	1,363	12	0.9 %	2,752	2,717	35			1.3 %
Other borrowed funds	1,364	523	841	160.8 %	2,341	1,772	569			32.1 %
Total interest expense - borrowed funds	15,633	16,173	(540)	(3.3)%	32,620	33,307	(687)			(2.1)%
Total interest expense	\$ 75,354	\$ 59,320	\$ 16,034	27.0 %	\$ 149,225	\$ 105,822	\$ 43,403			41.0 %

Deposits

For the three months ended **March 31, 2024** June 30, 2024, interest expense on deposits increased **\$27.5 million** \$16.6 million, or 38.4%, compared to the same period in 2023. The increase in interest expense on deposits was driven by an increase of **\$21.2 million** \$13.3 million due to higher interest rates and an increase of **\$6.4 million** \$3.2 million primarily driven by the growth in volume of average brokered deposits and certificate of deposit balances. For the three months ended **March 31, 2024** June 30, 2024, the purchase accounting amortization on acquired deposits was **\$328 thousand** \$0.2 million and one basis point, compared to **\$324 thousand** \$0.3 million and one basis point for the same period in 2023.

Interest expense on deposits increased \$44.1 million, or 60.8%, to \$116.6 million for the six months ended June 30, 2024 from \$72.5 million for the six months ended June 30, 2023. The increase in interest expense on deposits was driven by a \$34.4 million increase due to higher interest rates and a \$9.7 million increase primarily driven by the growth in volume of average certificate of deposit and brokered deposit balances. Purchase accounting amortization on acquired deposits for the six months ended June 30, 2024 was \$0.6 million and one basis point, compared to \$0.6 million and one basis point for the same period in 2023.

Borrowed Funds

For the three months ended **March 31, 2024** June 30, 2024, interest expense on borrowed funds decreased **\$147 thousand** \$0.5 million, or 3.3% year over year. The decrease in interest expense on borrowed funds was driven by a decrease of **\$1.7 million** \$1.6 million due to volume offset by an increase of **\$1.6 million** \$1.1 million due to borrowing rates as they increased to **5.01% 5.00%** for the three months ended **March 31, 2024** June 30, 2024 from **4.55% 4.70%** for the three months ended **March 31, 2023** June 30, 2023.

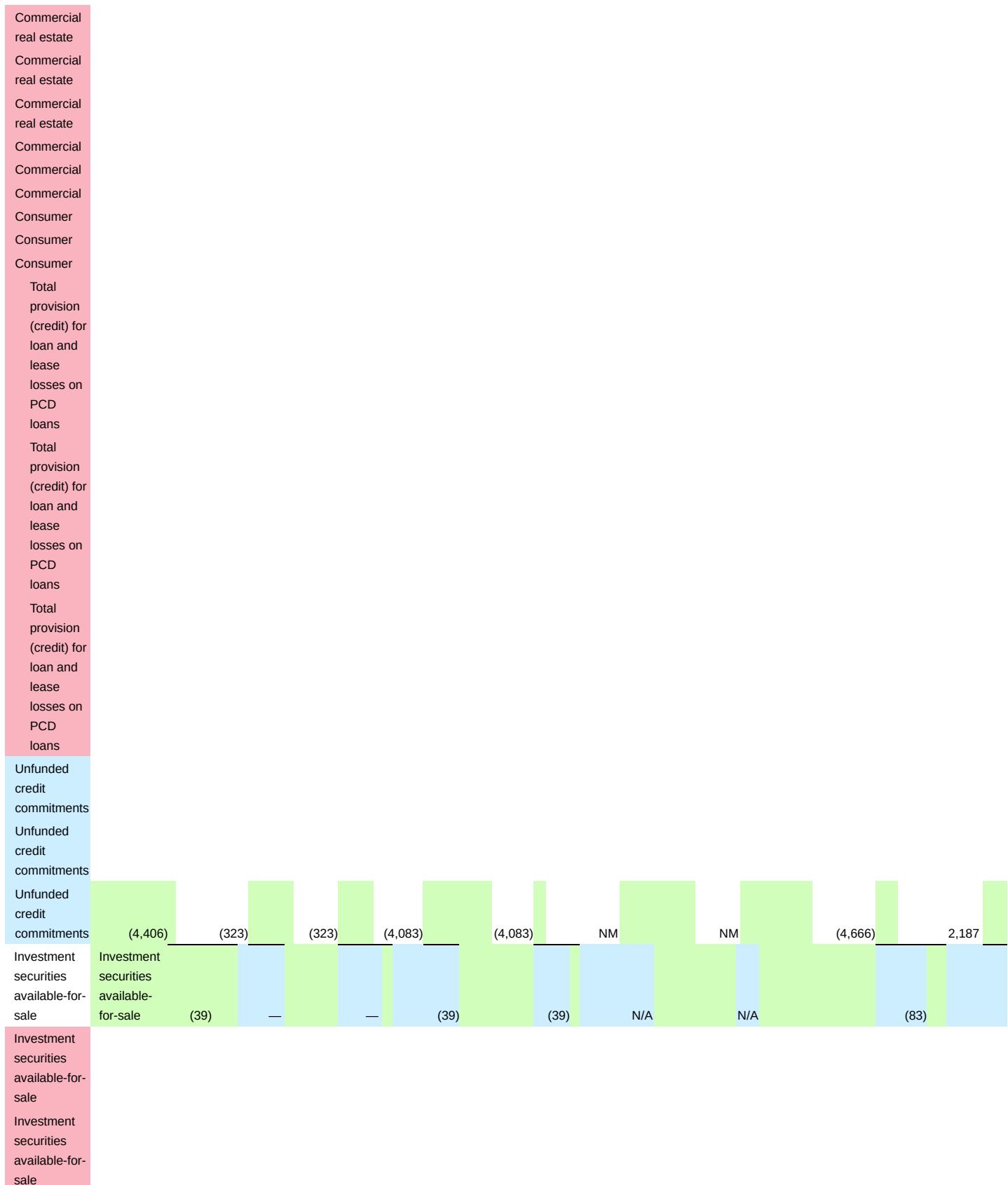
During the six months ended June 30, 2024, interest paid on borrowed funds decreased \$0.7 million, or 2.1% year over year. The cost of borrowed funds increased to 5.00% for the six months ended June 30, 2024 from 4.62% for the six months ended June 30, 2023. The decrease in interest expense was driven by a decrease of \$3.2 million due to volume offset by an increase of \$2.5 million due to borrowing rates. For the **three** six months ended **March 31, 2024** June 30, 2024, the purchase accounting amortization was **\$0.1 million** on acquired borrowed funds was **\$126 thousand** and no basis points, compared to **\$130 thousand** and one basis point amortization of \$0.2 million for the **three** six months ended **March 31, 2023** June 30, 2023.

Provision for Credit Losses

The provisions for credit losses are set forth below:

Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended June 30,	Dollar	Percent	Six Months Ended June 30,
2024	2024	2024	2024	Change	Change	2024
			(Dollars in Thousands)			
			(Dollars in Thousands)			
			(Dollars in Thousands)			

Provision (credit) for loan and lease losses:													
Commercial real estate													
Commercial real estate													
Commercial real estate	\$ 2,496	\$	\$ 1,603	\$	\$ 893	55.7	55.7	%	\$ 5,167	\$	\$		
Commercial	Commercial	7,540	3,981	3,981	3,559	3,559	89.4	89.4	%	12,879		10,5	
Commercial													
Commercial													
Consumer													
Consumer	Consumer	(23)	465	465	(488)	(488)	(104.9)	(104.9)	%	(350)		2,1	
Total provision (credit) for loan and lease losses													
Total provision (credit) for loan and lease losses													
Total provision (credit) for loan and lease losses	10,013	6,049	6,049	3,964	3,964	65.5	65.5	%	17,696		28,883		
Total provision (credit) for loan and lease losses													
Provision (credit) for loan and lease losses on PCD loans:													
Provision (credit) for loan and lease losses on PCD loans:													
Provision (credit) for loan and lease losses on PCD loans:													



For the three months ended **March 31, 2024** **June 30, 2024**, the provision for credit losses remained stable at \$5.6 million compared to a provision for credit losses of \$5.7 million for the three months ended **June 30, 2023**.

For the six months ended June 30, 2024, the provision for credit losses decreased \$20.5 million compared to the three months ended March 31, 2023, \$18.1 million resulting in a provision (credit) for credit and investment losses of \$7.4 million \$12.9 million. The decrease in the provision for credit and investment losses for the six months ended June 30, 2024 is primarily driven by the lack of a day one provision impact resulting from the Company's acquisition of PCSB Bank in 2023.

See management's discussion of "*Financial Condition — Allowance for Loan and Lease Losses*" and Note 5, "*Allowance for Loan and Lease Losses*," to the unaudited consolidated financial statements for a description of how management determined the allowance for loan and lease losses for each portfolio and class of loans.

Non-Interest Income

The following table sets forth the components of non-interest income:

Loan fees													
Loan fees													
Loan level derivative income, net													
Loan level derivative income, net													
Loan level derivative income, net	106	363	363	(257)	(257)	(70.8)	(70.8)%	543	2,736	2,736			
Gain (loss) on investment securities, net	—	3	3	(3)	(3)	(100.0)	(100.0)%	—	1,704	1,704			
Gain (loss) on investment securities, net													
Gain (loss) on investment securities, net													
Gain on sales of loans and leases held-for-sale													
Gain on sales of loans and leases held-for-sale													
Gain on sales of loans and leases held-for-sale	130	308	308	(178)	(178)	(57.8)	(57.8)%	130	1,946	1,946			
Other													
Other													
Other	2,457	1,431	1,431	1,026	1,026	71.7	71.7 %	4,618	5,608	5,608			
Total non-interest income	Total non-interest income	\$6,396	\$5,462	\$934	17.1	17.1 %	\$12,680	\$	\$18,399	\$			
Total non-interest income													

Total
non-
interest
income

Loan level derivative income decreased \$1.9 million \$0.3 million, or 81.6% 70.8%, to \$0.4 million \$0.1 million for the three months ended March 31, 2024 June 30, 2024 from \$2.4 million \$0.4 million for the same period in 2023, primarily driven by lower volume in of loan level derivative transactions completed for the three months ended March 31, 2024 June 30, 2024, and decreased \$2.2 million, or 80.2%, to \$0.5 million for the six months ended June 30, 2024 from \$2.7 million for the same period in 2023, primarily driven by lower volume of loan level derivative transactions completed for the six months ended June 30, 2024.

Gain There was no gain (loss) on investment securities was \$0.0 million for the three six months ended March 31, 2024 June 30, 2024, compared to \$1.7 million for the same period in 2023. The decrease was driven by 2023 as there were no sales of investment securities for the three six months ended March 31, 2024 June 30, 2024.

Gain on sales of loans and leases held-for-sale decreased \$1.6 million \$0.2 million, or 100.0% 57.8%, to \$0.0 million \$0.1 million for the three months ended March 31, 2024 June 30, 2024 from \$1.6 million \$0.3 million for the same period in 2023, as there were no sales of loans primarily driven by lower gain on sale to participants, and leases held-for-sale decreased \$1.8 million, or 93.3% to \$0.1 million for the six months ended June 30, 2024 from \$1.9 million for the same period in 2023, also primarily driven by lower gain on sale to participants.

Other income increased \$1.0 million, or 71.7%, to \$2.5 million for the three months ended March 31, 2024.

Other income decreased \$2.0 million, or 48.3%, to \$2.2 million for the three months ended March 31, 2024 June 30, 2024 from \$4.2 million \$1.4 million for the same period in 2023, primarily driven by the mark to market on interest rate swaps on loans, of a negative \$0.4 million compared higher bank owned life insurance income, and higher wealth management fees. Other income decreased \$1.0 million, or 17.7%, to income of \$1.6 million \$4.6 million for the six months ended June 30, 2024 from \$5.6 million for the same period in 2023, and lower bank owned life insurance income due primarily driven by the mark to a death benefit received in 2023, market on interest rate swaps on loans, partially offset by higher wealth management fees.

Non-Interest Expense

The following table sets forth the components of non-interest expense:

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended June 30,		Dollar Change	Percent Change	Six Months Ended June 30,															
	2024																									
	2024																									
(Dollars in Thousands)																										
(Dollars in Thousands)																										
(Dollars in Thousands)																										
Compensation and employee benefits	Compensation and employee benefits	\$ 34,762	\$ 33,438	\$ 1,324	4.0	4.0	\$ 71,391	\$ 11,320	\$ 7,709	10.0%	\$ 13,763	\$ 12,993														
Occupancy	Occupancy	5,551	4,870	681	681	14.0	14.0	11,320	10,093	2,227	20.0%	13,763	12,993													
Occupancy	Occupancy																									
Equipment and data processing	Equipment and data processing	6,732	6,531	201	201	3.1	3.1	13,763	12,993	763	5.5%	13,763	12,993													
Equipment and data processing	Professional services	1,745	1,986	(241)	(241)	(12.1)	(12.1)	3,645	3,416	229	6.3%	3,645	3,416													
Professional services	Professional services																									
FDIC insurance																										

FDIC insurance												
FDIC insurance	FDIC insurance	2,025	2,609		2,609	(584)		(584)	(22.4)		(22.4)%	
Advertising and marketing	Advertising and marketing	1,504	1,382		1,382	122		122	8.8		8.8 %	
Advertising and marketing												
Advertising and marketing	Amortization of identified intangible assets	1,669	1,954		1,954	(285)		(285)	(14.6)		(14.6)%	
Amortization of identified intangible assets												
Amortization of identified intangible assets												
Amortization of identified intangible assets												
Merger and acquisition expense												
Merger and acquisition expense												
Merger and acquisition expense												
Other												
Other												
Merger and restructuring expense		823		1,002		(179)		(17.9)	%	823		7,411
Other	Other	4,373	4,053		4,053	320		320	7.9		7.9 %	
	Total non-interest expense	\$59,184	\$		\$57,825	\$		\$1,359	2.4		2.4 %	
Total non-interest expense												
Total non-interest expense												

During the three months ended **March 31, 2024** **June 30, 2024**, the Company had no \$0.8 million in merger and acquisition restructuring expense compared to \$6.4 million \$1.0 million for the three same period in 2023, and \$0.8 million for the six months ended **March 31, 2023**, **June 30, 2024** compared to \$7.4 million for the same period in 2023. Excluding merger and acquisition restructuring expense, non-interest expense increased \$2.6 million to \$61.0 million for the three months ended March 31, 2024, compared \$1.5 million to \$58.4 million for the three months ended **March 31, 2023**, **June 30, 2024**, compared to \$56.8 million for the same period in 2023, and increased \$4.2 million to \$119.4 million for the six months ended June 30, 2024, compared to \$115.2 million for the same period in 2023.

Occupancy Compensation and employee benefits expense increased \$0.5 million \$1.3 million, or 10.5% 4.0%, to \$5.8 million \$34.8 million for the three months ended **March 31, 2024** **June 30, 2024**, compared to \$33.4 million for the same period in 2023, and increased \$1.4 million, or 2.0%, to \$71.4 million for the six months ended June 30, 2024 from \$5.2 million \$70.0 million for the same period in 2023, primarily driven by higher employee headcount, salaries, health care benefits, and retirement benefits, partially offset by lower incentives and bonuses.

Occupancy expense increased \$0.7 million, or 14.0%, to \$5.6 million for the three months ended June 30, 2024 from \$4.9 million for the same period in 2023, and increased \$1.2 million, or 12.2%, to \$11.3 million for the six months ended June 30, 2024 from \$10.1 million for the same period in 2023, primarily driven by higher building maintenance, rent, and leasehold improvement depreciation, and rent. Increases are driven in part by the opening of two offices in the same period in 2023 depreciation.

Equipment and data processing expense increased \$0.6 million, or 8.8%, to \$7.0 million for the three months ended March 31, 2024 from \$6.5 million for the same period in 2023, primarily driven by higher software, item processing, and ATM processing expenses.

FDIC insurance increased \$0.6 million, or 51.4%, to \$1.9 million for the three months ended March 31, 2024 from \$1.2 million for the same period in 2023, primarily driven by higher FDIC insurance due to an increase in the insurance rate.

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Provision for Income Taxes

Three Months Ended March 31,

		Three Months Ended March 31,		Dollar Change		Percent Change		Six Months Ended June 30,							
		2024	2024												
(Dollars in Thousands)															
(Dollars in Thousands)															
(Dollars in Thousands)															
Income before provision for income taxes		\$ 21,645	\$	\$ 27,815	\$	\$(6,170)	(22.2)	\$ 41,124	\$						
Provision (benefit) for income taxes		5,273	5,965	5,965	(692)	(692)	(11.6)	10,087	7,073						
Provision (benefit) for income taxes															
Net income															
Net income		Net income	\$ 16,372	\$ 21,850	\$	\$(5,478)	(25.1)	\$ 31,037	\$						
Effective tax rate		tax rate	24.4 %	21.4 %		N/A	14.0 %	24.5 %	19.4						
Effective tax rate															

The Company recorded an income tax expense of \$4.8 million \$5.3 million for the three months ended March 31, 2024 June 30, 2024, compared to an income tax expense of \$1.1 million \$6.0 million for the three months ended March 31, 2023 June 30, 2023, representing effective tax rates of 24.7% 24.4% and 12.8% 21.4%, respectively. The increase in effective tax rate for the three months ended March 31, 2024 June 30, 2024 compared to the three months ended March 31, 2023 June 30, 2023 was primarily driven by nonrecurring items in the 2023 effective rate. The 2023 effective tax rate included energy tax credit deals in 2023 that have not reoccurred in 2024, offset by merger expenses relating to the acquisition of PCSB Bank.

The Company recorded an income tax expense of \$10.1 million for the six months ended June 30, 2024, compared to an income tax expense of \$7.1 million for the six months ended June 30, 2023, representing effective tax rates of 24.5% and 19.4%, respectively. The overall increase in the effective tax rate for the six months ended June 30, 2024 is primarily driven by nonrecurring items in the 2023 effective rate. The 2023 effective tax rate included energy tax credit deals in 2023 that have not reoccurred in 2024 offset by merger expenses relating to the acquisition of PCSB Bank in 2023.

Liquidity and Capital Resources

Liquidity

Liquidity is defined as the ability to meet current and future financial obligations of a short-term nature. The Company further defines liquidity as the ability to respond to the needs of depositors and borrowers, as well as to earnings enhancement opportunities, in a changing marketplace. Liquidity management is monitored by an Asset/Liability Committee ("ALCO"), the Company's ALCO, consisting of members of management, which is responsible for establishing and monitoring liquidity targets as well as strategies and tactics to meet these targets. The primary source of funds for the payment of dividends and expenses by the Company is dividends paid to it by the Banks. The primary sources of liquidity for the Banks consist of deposit inflows, loan repayments, borrowed funds, and maturing investment securities.

In the first second quarter, the Company operated with increased liquidity. During the year, the Company shifted its balance sheet asset mix to include additional cash and available for sale securities. Management will continue to monitor the economic markets and evaluate changes to the Company's liquidity position.

The Company held higher levels of on balance sheet liquidity in the form of cash and available for sale securities in the first second quarter. Cash and equivalents at the end of the quarter were \$301.9 million \$343.1 million, or 2.6% 2.9% of the balance sheet, compared to \$133.0 million, or 1.2% of the balance sheet, as of December 31, 2023. In general, in a normal operating environment, the Company seeks to maintain liquidity levels of cash, cash equivalents and investment securities available-for-sale of between 8% 5% and 12% 15% of total assets. As of March 31, 2024 June 30, 2024, cash, cash equivalents and investment securities available-for-sale totaled \$1.2 billion, or 10.1% 10.3% of total assets. This compares to \$1.0 billion, or 9.2% of total assets, as of December 31, 2023.

Deposits, which are considered the most stable source of liquidity, totaled \$8.7 billion as of **March 31, 2024** **June 30, 2024** and represented **86.5%** **85.9%** of total funding (the sum of total deposits and total borrowings), compared to deposits of \$8.5 billion, or 86.1% of total funding, as of December 31, 2023. Core deposits, which consist of demand checking, NOW, savings and money market accounts, totaled \$6.1 billion as of **March 31, 2024** **June 30, 2024** and represented **69.7%** **69.8%** of total deposits, compared to core deposits of \$6.1 billion, or 71.3% of total deposits, as of December 31, 2023. Additionally, the Company had **\$970.9 million** **\$923.5 million** of brokered deposits as of **March 31, 2024** **June 30, 2024**, which represented **11.1%** **10.6%** of total deposits, compared to \$881.2 million or 10.3% of total deposits, as of December 31, 2023. The Company offers attractive interest rates based on market conditions to increase deposits balances, while managing the cost of funds.

Borrowings are used to diversify the Company's funding mix and to support asset growth. When profitable lending and investment opportunities exist, access to borrowings provides a means to grow the balance sheet. Borrowings totaled **\$1.4 billion** **\$1.4**

billion as of **March 31, 2024** **June 30, 2024**, representing **13.5%** **14.1%** of total funding, compared to \$1.4 billion, or 13.9% of total funding, as of December 31, 2023. The growth in the balance sheet is driven by the current operating environment, management will continue to monitor economic conditions and make adjustments to the balance sheet mix as appropriate.

As members of the FHLB, the Banks have access to both short- and long-term borrowings. As of **March 31, 2024** **June 30, 2024**, the Company's total borrowing limit from the FHLB for advances and repurchase agreements was **\$2.5 billion** **\$2.7 billion**, compared to \$2.6 billion as of December 31, 2023.

As of **March 31, 2024** **June 30, 2024**, the Banks also have access to funding through certain uncommitted lines via AFX as well as other large financial institution specific lines. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively, the Company had **\$40.0 million** of **no** borrowings on outstanding uncommitted lines of credit compared to **no** borrowings outstanding as of December 31, 2023, credit.

The Company had a \$30.0 million committed line of credit for contingent liquidity as of **March 31, 2024** **June 30, 2024**. As of **March 31, 2024** **June 30, 2024**, the Company did not have any outstanding borrowings on this line.

The Company has access to the Federal Reserve Bank's "discount window" to supplement its liquidity. The Company had **\$312.0 million** **\$351.7 million** of borrowing capacity at the Federal Reserve Bank as of **March 31, 2024** **June 30, 2024**. As of **March 31, 2024** **June 30, 2024**, the Company did not have any outstanding borrowings with the Federal Reserve Bank.

Additionally, the Banks have access to liquidity through repurchase agreements and additional untapped brokered deposits.

While management believes the Company has adequate liquidity to meet its commitments and to fund the Banks' lending and investment activities, the availabilities of these funding sources are subject to broad economic conditions and could be restricted in the future. Such restrictions would impact the Company's immediate liquidity and/or additional liquidity needs.

Off-Balance-Sheet Financial Instruments

The Company is party to off-balance-sheet financial instruments in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include loan commitments, standby and commercial letters of credit and interest-rate swaps. According to GAAP, these financial instruments are not recorded in the financial statements until they are funded or related fees are incurred or received. See Note 12, "Commitments and Contingencies", to the consolidated financial statements for a description of off-balance-sheet financial instruments.

Financial instruments with off-balance-sheet risk at the dates indicated follow:

	Financial instruments whose contract amounts represent credit risk:	Financial instruments whose contract amounts represent credit risk:	At March	At December	(In Thousands)	(In Thousands)	At June	At December
			31, 2024	31, 2023			30, 2024	31, 2023
Financial instruments whose contract amounts represent credit risk:								
Commitments to originate loans and leases:	Commitments to originate loans and leases:	Commitments to originate loans and leases:						
Commercial real estate								
Commercial								
Residential mortgage								
Unadvanced portion of loans and leases								

Unused lines of credit:	Unused lines of credit:	Unused lines of credit:
Home equity		
Other consumer		
Other commercial		
Unused letters of credit:	Unused letters of credit:	Unused letters of credit:
Financial standby letters of credit		
Performance standby letters of credit		
Commercial and similar letters of credit		
Interest rate derivatives		
Loan level derivatives:		
Receive fixed, pay variable		
Receive fixed, pay variable		
Receive fixed, pay variable		
Pay fixed, receive variable		
Risk participation-out agreements		
Risk participation-in agreements		
Foreign exchange contracts:		
Buys foreign currency, sells U.S. currency		
Buys foreign currency, sells U.S. currency		
Buys foreign currency, sells U.S. currency		
Sells foreign currency, buys U.S. currency		

Capital Resources

As of **March 31, 2024** **June 30, 2024**, the Company and the Banks are each under the primary regulation of, and must comply with, the capital requirements of the FRB. Under these rules, the Company and the Banks are each required to maintain a minimum common equity Tier 1 capital ratio of 4.5%, a minimum Tier 1 capital leverage ratio of 6.0%, a minimum total risk based capital ratio of 8% and a minimum Tier 1 leverage ratio of 4%. Additionally, the Company and the Banks are required to establish a capital conservation buffer of common equity Tier 1 capital in an amount above the minimum risk-based capital requirements for "adequately capitalized" institutions equal to 2.5% of total risk weighted assets, or face restrictions on the ability to pay dividends, pay discretionary bonuses, and to engage in share repurchases. As of **March 31, 2024** **June 30, 2024**, the Company and the Banks exceeded all regulatory capital requirements, and the Banks were each considered "well-capitalized" under prompt corrective action regulations.

The following table presents actual and required capital amounts and capital ratios as of **March 31, 2024** **June 30, 2024** for the Company and the Banks.

	Actual	Actual	Minimum Required for Capital Adequacy Purposes	Minimum Required for Fully Phased in Capital Adequacy Purposes plus Capital Conservation Buffer	Minimum Required to be Considered "Well-Capitalized" Under Prompt Corrective Action Provisions	Actual
	Amount	Amount	Amount	Amount	Amount	Ratio
(Dollars in Thousands)						
At March 31, 2024:						
Brookline Bancorp, Inc.						
Brookline Bancorp, Inc.						
Brookline Bancorp, Inc.						
At June 30, 2024:						

Brookline Bancorp, Inc.

Brookline Bancorp, Inc.</p

Common equity Tier 1 capital ratio (1)	\$ 998,916	10.28	10.28 %	\$ 437,269	4.50	4.50 %	\$ 680,196	7.00	7.00	%	N/A	\$ 1,005,251	10.33
Tier 1 leverage capital ratio (2)	1,008,687	8.96	8.96 %	450,307	4.00	4.00 %	450,307	4.00	4.00	%	N/A	Tier 1 leverage capital ratio (2)	1,015,032
Tier 1 risk-based capital ratio (3)	1,008,687	10.38	10.38 %	583,056	6.00	6.00 %	825,996	8.50	8.50	%	N/A	Tier 1 risk-based capital ratio (3)	1,015,032
Total risk-based capital ratio (4)	1,204,734	12.40	12.40 %	777,248	8.00	8.00 %	1,020,138	10.50	10.50	%	N/A	Total risk-based capital ratio (4)	1,211,242
Brookline Bank	Brookline Bank											Brookline Bank	
Common equity Tier 1 capital ratio (1)	\$ 579,252	10.39	10.39 %	\$ 250,879	4.50	4.50 %	\$ 390,256	7.00	7.00	%	\$ 362,381	6.50	6.50 %
Tier 1 leverage capital ratio (2)	579,252	9.33	9.33 %	248,340	4.00	4.00 %	248,340	4.00	4.00	%	310,424	5.00	5.00 %
Tier 1 risk-based capital ratio (3)	579,252	10.39	10.39 %	334,505	6.00	6.00 %	473,883	8.50	8.50	%	446,007	8.00	8.00 %
Total risk-based capital ratio (4)	649,064	11.64	11.64 %	446,092	8.00	8.00 %	585,496	10.50	10.50	%	557,615	10.00	10.00 %
BankRI	BankRI											BankRI	
Common equity Tier 1 capital ratio (1)	\$ 283,997	10.32	10.32 %	\$ 123,836	4.50	4.50 %	\$ 192,634	7.00	7.00	%	\$ 178,874	6.50	6.50 %
Tier 1 leverage capital ratio (2)	283,997	8.77	8.77 %	129,531	4.00	4.00 %	129,531	4.00	4.00	%	161,914	5.00	5.00 %
Tier 1 risk-based capital ratio (3)	283,997	10.32	10.32 %	165,115	6.00	6.00 %	233,912	8.50	8.50	%	220,153	8.00	8.00 %

Total risk-based capital ratio (4)	Total risk-based capital ratio (4)	318,450	11.57	11.57 %	220,190	8.00	8.00 %	289,000	10.50	10.50 %	275,238	10.00	10.00 %	Total risk-based capital ratio (4)
PCSB Bank														
Common equity Tier 1 capital ratio (1)														
Common equity Tier 1 capital ratio (1)														
Common equity Tier 1 capital ratio (1)														
1 capital ratio (1)														
Tier 1 leverage capital ratio (2)														
Tier 1 leverage capital ratio (2)														
Tier 1 risk-based capital ratio (3)														
Tier 1 risk-based capital ratio (3)														
Total risk-based capital ratio (4)														
Total risk-based capital ratio (4)														

(1) Common equity Tier 1 capital ratio is calculated by dividing common equity Tier 1 capital by risk-weighted assets.

(2) Tier 1 leverage capital ratio is calculated by dividing Tier 1 capital by average assets.

(3) Tier 1 risk-based capital ratio is calculated by dividing Tier 1 capital by risk-weighted assets.

(4) Total risk-based capital ratio is calculated by dividing total capital by risk-weighted assets.

The following table presents actual and required capital amounts and capital ratios as of December 31, 2023 for the Company and the Banks.

		Actual		Minimum Required for Capital Adequacy Purposes		Minimum Required for Fully Phased in Capital Adequacy Purposes plus Capital Conservation Buffer		Minimum Required To Be Considered "Well-Capitalized" Under Prompt Corrective Action Provisions										
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio									
		(Dollars in Thousands)																
At December 31, 2023:																		
Brookline Bancorp, Inc.																		
Common equity Tier 1 capital ratio (1)	\$ 994,023	10.25 %	\$ 436,400	4.50 %	\$ 678,845	7.00 %	N/A	N/A										
Tier 1 leverage capital ratio (2)	1,003,784	9.02 %	445,137	4.00 %	445,137	4.00 %	N/A	N/A										
Tier 1 risk-based capital ratio (3)	1,003,784	10.35 %	581,904	6.00 %	824,364	8.50 %	N/A	N/A										
Total risk-based capital ratio (4)	1,199,686	12.37 %	775,868	8.00 %	1,018,327	10.50 %	N/A	N/A										
Brookline Bank																		
Common equity Tier 1 capital ratio (1)	\$ 580,148	10.39 %	\$ 251,267	4.50 %	\$ 390,860	7.00 %	\$ 362,941	6.50 %										
Tier 1 leverage capital ratio (2)	580,148	9.46 %	245,306	4.00 %	245,306	4.00 %	306,632	5.00 %										
Tier 1 risk-based capital ratio (3)	580,148	10.39 %	335,023	6.00 %	474,616	8.50 %	446,697	8.00 %										
Total risk-based capital ratio (4)	650,135	11.64 %	446,828	8.00 %	586,462	10.50 %	558,535	10.00 %										

BankRI

Common equity Tier 1 capital ratio ⁽¹⁾	\$ 283,673	10.20 %	\$ 125,150	4.50 %	\$ 194,678	7.00 %	\$ 180,772	6.50 %
Tier 1 leverage capital ratio ⁽²⁾	283,673	8.89 %	127,637	4.00 %	127,637	4.00 %	159,546	5.00 %
Tier 1 risk-based capital ratio ⁽³⁾	283,673	10.20 %	166,866	6.00 %	236,394	8.50 %	222,489	8.00 %
Total risk-based capital ratio ⁽⁴⁾	318,462	11.46 %	222,312	8.00 %	291,785	10.50 %	277,890	10.00 %
PCSB Bank								
Common equity Tier 1 capital ratio ⁽¹⁾	\$ 185,337	13.50 %	\$ 61,779	4.50 %	\$ 96,101	7.00 %	\$ 89,236	6.50 %
Tier 1 leverage capital ratio ⁽²⁾	185,337	9.78 %	75,802	4.00 %	75,802	4.00 %	94,753	5.00 %
Tier 1 risk-based capital ratio ⁽³⁾	185,337	13.50 %	82,372	6.00 %	116,694	8.50 %	109,829	8.00 %
Total risk-based capital ratio ⁽⁴⁾	201,314	14.66 %	109,858	8.00 %	144,188	10.50 %	137,322	10.00 %

(1) Common equity Tier 1 capital ratio is calculated by dividing common equity Tier 1 capital by risk-weighted assets.

(2) Tier 1 leverage capital ratio is calculated by dividing Tier 1 capital by average assets.

(3) Tier 1 risk-based capital ratio is calculated by dividing Tier 1 capital by risk-weighted assets.

(4) Total risk-based capital ratio is calculated by dividing total capital by risk-weighted assets.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Market risk is the risk that the market value or estimated fair value of the Company's assets, liabilities, and derivative financial instruments will decline as a result of changes in interest rates or financial market volatility, or that the Company's net income will be significantly reduced by interest-rate changes.

Interest-Rate Risk

The principal market risk facing the Company is interest-rate risk, which can occur in a variety of forms, including repricing risk, yield-curve risk, basis risk, and prepayment risk. Repricing risk occurs when the change in the average yield of either interest-earning assets or interest-bearing liabilities is more sensitive than the other to changes in market interest rates. Such a change in sensitivity could reflect a number of possible mismatches in the repricing opportunities of the Company's assets and liabilities. Yield-curve risk reflects the possibility that changes in the shape of the yield curve could have different effects on the Company's assets and liabilities. Basis risk occurs when different parts of the balance sheet are subject to varying base rates reflecting the possibility that the spread from those base rates will deviate. Prepayment risk is associated with financial instruments with an option to prepay before the stated maturity, often a disadvantage to person selling the option; this risk is most often associated with the prepayment of loans, callable investments, and callable borrowings.

Asset/Liability Management

Market risk and interest-rate risk management is governed by the Company's ALCO. The ALCO establishes exposure limits that define the Company's tolerance for interest-rate risk. The ALCO and the Company's Treasury Group measure and manage the composition of the balance sheet over a range of possible changes in interest rates while remaining responsive to market demand for loan and deposit products. The ALCO monitors current exposures versus limits and reports those results to the Board of Directors. The policy limits and guidelines serve as benchmarks for measuring interest-rate risk and for providing a framework for evaluation and interest-rate risk-management decision-making. The Company measures its interest-rate risk by using an asset/liability simulation model. The model considers several factors to determine the Company's potential exposure to interest-rate risk, including measurement of repricing gaps, duration, convexity, value-at-risk, market value of portfolio equity under assumed changes in the level of interest rates, the shape of yield curves, and general market volatility.

Management controls the Company's interest-rate exposure using several strategies, which include adjusting the maturities of securities in the Company's investment portfolio, limiting or expanding the terms of loans originated, limiting fixed-rate customer deposits with terms of more than five years, and adjusting maturities of wholesale funding. The Company limits this risk by restricting the types of MBSs it invests into those with limited average life changes under certain interest-rate-shock scenarios, or securities with embedded prepayment penalties. The Company also places limits on holdings of fixed-rate mortgage loans with maturities greater than five years. The Company enters into interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps are designated as cash flow hedges and involve the receipt of variable rate amounts from a counterparty in exchange for the Company making fixed payments.

Measuring Interest-Rate Risk

As noted above, interest-rate risk can be measured by analyzing the extent to which the repricing of assets and liabilities are mismatched to create an interest-rate sensitivity gap. An asset or liability is said to be interest-rate sensitive within a specific period if it will mature or reprice within that period. The interest-rate sensitivity gap is defined as the difference between the amount of interest-earning assets maturing or repricing within a specific time period and the amount of interest-bearing liabilities maturing or repricing within that same time period. A gap is considered positive when the amount of interest-rate-sensitive assets exceeds the amount of interest-rate-sensitive liabilities. A gap is considered negative when the amount of interest-rate-sensitive liabilities exceeds the amount of interest-rate-sensitive assets. During a period of falling interest rates, a positive gap would tend to adversely affect net interest income. Conversely, during a period of rising interest rates, a positive gap position would tend to result in an increase in net interest income.

The Company's interest-rate risk position is measured using both income simulation and interest-rate sensitivity "gap" analysis. Income simulation is the primary tool for measuring the interest-rate risk inherent in the Company's balance sheet at a given point in time by showing the effect on net interest income, over a twelve-month period, of a variety of interest-rate shocks. These simulations take into account repricing, maturity, and prepayment characteristics of individual products. The ALCO reviews simulation results to determine whether exposure resulting from changes in market interest rates remains within established tolerance levels over a twelve-month horizon, and develops appropriate strategies to manage this exposure. The Company's interest-rate risk analysis remains modestly asset-sensitive as of March 31, 2024 June 30, 2024.

The assumptions used in the Company's interest-rate sensitivity simulation discussed above are inherently uncertain and, as a result, the simulations cannot precisely measure net interest income or precisely predict the impact of changes in interest rates.

As of **March 31, 2024** **June 30, 2024**, net interest income simulation indicated that the Company's exposure to changing interest rates was within tolerance. The ALCO reviews the methodology utilized for calculating interest-rate risk exposure and may periodically adopt modifications to this methodology. The following table presents the estimated impact of interest-rate changes on the Company's estimated net interest income over the twelve-month periods indicated while maintaining a flat balance sheet:

Estimated Exposure to Net Interest Income over Twelve-Month Horizon											
Beginning											
		March 31, 2024		December 31, 2023							
		December 31,									
		June 30, 2024		2023							
Change in Interest Rate Levels	Change in Interest Rate Levels	Dollar Change	Percent Change	Dollar Change	Percent Change	Change in Interest Rate Levels	Dollar Change	Percent Change	Dollar Change	Percent Change	
(Dollars in Thousands)											
Up 300 basis points shock	Up 300 basis points shock	\$17,865	5.3	\$13,318	3.9	Up 300 basis points shock	\$14,772	4.3	\$13,318	3.9	3.9 %
Up 200 basis points ramp	Up 200 basis points ramp	9,742	2.9	7,068	2.1	Up 200 basis points ramp	9,640	2.8	7,068	2.1	2.1 %
Up 100 basis points ramp	Up 100 basis points ramp	5,394	1.6	3,389	1.0	Up 100 basis points ramp	5,334	1.5	3,389	1.0	1.0 %
Down 100 basis points ramp	Down 100 basis points ramp	(4,216)	(1.3)	(5,042)	(1.5)	Down 100 basis points ramp	(3,903)	(1.1)	(5,042)	(1.5)	(1.5) %

The estimated impact of a 300 basis point increase in market interest rates on the Company's estimated net interest income over a twelve-month horizon was **5.3%** **4.3%** as of **March 31, 2024** **June 30, 2024**, compared to a positive 3.9% as of December 31, 2023.

The Company also uses interest-rate sensitivity "gap" analysis to provide a more general overview of its interest-rate risk profile. The interest-rate sensitivity gap is defined as the difference between interest-earning assets and interest-bearing liabilities maturing or repricing within a given time period. At **March 31, 2024** **June 30, 2024**, the Company's one-year cumulative gap was a negative **\$596.2 million** **\$793.1 million**, or **5.53%** **7.30%** of total interest-earning assets, compared with a negative \$521.4 million, or 4.89% of total interest-earning assets, at December 31, 2023.

The assumptions used in the Company's interest-rate sensitivity simulation discussed above are inherently uncertain and, as a result, the simulations cannot precisely measure net interest income or precisely predict the impact of changes in interest rates. For additional discussion on interest-rate risk see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk" of the Company's 2023 Annual Report on Form 10-K.

Economic Value of Equity ("EVE") The EVE at Risk Simulation is conducted in tandem with net interest income simulations to ascertain a longer term view of the Company's interest-rate risk position by capturing longer-term repricing risk and options risk embedded in the balance sheet. It measures the sensitivity of the economic value of equity to changes in interest rates. The EVE at Risk Simulation values only the current balance sheet and does not incorporate growth assumptions. As with the net interest income simulation, this simulation captures product characteristics such as loan resets, repricing terms, maturity dates, and rate caps and floors. Key assumptions include loan prepayment speeds, deposit pricing elasticity, and non-maturity deposit attrition rates. These assumptions can have significant impacts on valuation results as the assumptions remain in effect for the entire life of each asset and liability. The Company conducts non-maturity deposit behavior studies on a periodic basis to support deposit assumptions used in the valuation process. All key assumptions are subject to a periodic review.

EVE at Risk is calculated by estimating the net present value of all future cash flows from existing assets and liabilities using current interest rates as well as parallel shocks to the current interest-rate environment. The following table sets forth the estimated percentage change in the Company's EVE at Risk, assuming various shifts in interest rates.

		Estimated Percent Change in Economic Value of Equity					
Parallel Shock in Interest Rate Levels	Parallel Shock in Interest Rate Levels	At March 31, 2024	At December 31, 2023	Parallel Shock in Interest Rate Levels	At June 30, 2024	At December 31, 2023	
Up 300 basis points	Up 300 basis points	(5.5) %	(6.3) %	Up 300 basis points	(5.4) %	(6.3) %	
Up 200 basis points	Up 200 basis points	(4.2) %	(4.4) %	Up 200 basis points	(4.0) %	(4.4) %	
Up 100 basis points	Up 100 basis points	(1.2) %	(2.2) %	Up 100 basis points	(1.1) %	(2.2) %	
Down 100 basis points	Down 100 basis points	(0.6) %	2.1	Down 100 basis points	(0.8) %	2.1	%

The Company's EVE-at-risk asset sensitivity increased decreased from December 31, 2023 to **March 31, 2024** as more cash was held on the balance sheet and the **June 30, 2024** driven by deposit mix shifted and loan growth.

Item 4. Controls and Procedures

Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), the Company has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer considered that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including its Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control system was designed to provide reasonable assurance to its management and the Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. The Company's management assessed the effectiveness of its internal control over financial reporting as of the end of the period covered by this report. There has been no change in the Company's internal controls over financial reporting during the quarter ended **March 31, 2024** **June 30, 2024** that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting as of December 31, 2023 and the related Report of Independent Registered Public Accounting Firm thereon appear on pages F-1 and F-2 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

There are no material pending legal proceedings other than those that arise in the normal course of business. In the opinion of management, after consulting with legal counsel, the consolidated financial position and results of operations of the Company are not expected to be affected materially by the outcome of such proceedings.

Item 1A. Risk Factors

There have been no material changes in the risk factors described in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 27, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

- a) Not applicable.
- b) Not applicable.
- c) Not applicable.

Item 3. Defaults Upon Senior Securities

- a) None.
- b) None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

c) During the three months ended **March 31, 2024** **June 30, 2024**, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibits

Exhibit 31.1*	Certification of Chief Executive Officer
Exhibit 31.2*	Certification of Chief Financial Officer
Exhibit 32.1**	Section 1350 Certification of Chief Executive Officer
Exhibit 32.2**	Section 1350 Certification of Chief Financial Officer
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and included in Exhibit 101)

* Filed herewith

** Furnished herewith

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.

BROOKLINE BANCORP, INC.

Date: May 7, 2024 August 6, 2024	By: <u>/s/ Paul A. Perrault</u>
	Paul A. Perrault
	Chief Executive Officer
	(Principal Executive Officer)
Date: May 7, 2024 August 6, 2024	By: <u>/s/ Carl M. Carlson</u>
	Carl M. Carlson
	Co-President and Chief Financial Officer
	(Principal Financial Officer)

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Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Paul A. Perrault, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Brookline Bancorp, 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 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 fiscal 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 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 (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect 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.

Date: **May 7, 2024** August 6, 2024

/s/ PAUL A. PERRAULT
 Paul A. Perrault
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**Certification of Chief Financial Officer
 Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Carl M. Carlson, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Brookline Bancorp, 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 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 fiscal 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 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 (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect 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.

Date: May 7, 2024 August 6, 2024

/s/ CARL M. CARLSON

Carl M. Carlson

*Co-President and Chief Financial Officer
(Principal Financial Officer)*

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Exhibit 32.1

**STATEMENT FURNISHED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT
OF 2002, 18 U.S.C. SECTION 1350**

The undersigned, Paul A. Perrault, is the Chief Executive Officer of Brookline Bancorp, Inc. (the "Company").

This statement is being furnished in connection with the filing by the Company of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024 (the "Report").

By execution of this statement, I certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods covered by the Report.

This statement is authorized to be attached as an exhibit to the Report so that this statement will accompany the Report at such time as the Report is filed with the Securities and Exchange Commission pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934, as amended.

Date: May 7, 2024 August 6, 2024

/s/ PAUL A. PERRAULT

Paul A. Perrault

Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

**STATEMENT FURNISHED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT
OF 2002, 18 U.S.C. SECTION 1350**

The undersigned, Carl M. Carlson, is the Chief Accounting Officer of Brookline Bancorp, Inc. (the "Company").

This statement is being furnished in connection with the filing by the Company of the Company's Quarterly Report on Form 10-Q for the quarter ended **March 31, 2024** **June 30, 2024** (the "Report").

By execution of this statement, I certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods covered by the Report.

This statement is authorized to be attached as an exhibit to the Report so that this statement will accompany the Report at such time as the Report is filed with the Securities and Exchange Commission pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934, as amended.

Date: **May 7, 2024** **August 6, 2024**

/s/ CARL M. CARLSON

Carl M. Carlson

Co-President and Chief Financial Officer

(Principal Financial Officer)

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