

BERKSHIRE HILLS REPORTS IMPROVED FIRST QUARTER RESULTS

BOSTON, April 20, 2022 - Berkshire Hills Bancorp, Inc. (NYSE: <u>BHLB</u>) today reported that first quarter earnings per share (EPS) increased year-over-year by 62% to \$0.42 in 2022 from \$0.26 in 2021. The non-GAAP measure of adjusted EPS increased by 37% to \$0.43 from \$0.32. Earnings benefited from loan growth in 2022 together with a release of the allowance for credit losses, reflecting improved loan performance expectations. Compared to the fourth quarter of 2021, first quarter EPS was unchanged at \$0.42 and adjusted EPS increased by 4% to \$0.43 from \$0.42.

FIRST QUARTER FINANCIAL HIGHLIGHTS (Non-GAAP measures are reconciled on page F-9).

- 62% year-over-year increase in EPS
- 6% increase in total loans quarter-over-quarter
- 2.61% net interest margin, stable over the last five quarters
- \$4 million benefit to the credit loss provision due to a release of the credit loss allowance
- 0.26% non-performing assets/assets fifth sequential quarterly improvement
- 6% reduction in period-end shares outstanding year-over-year reflecting stock buybacks

CEO Nitin Mhatre stated, "Our strong growth in loan balances was driven by a significant increase in new loan originations that benefited from higher productivity of our existing bankers, recruitment of experienced frontline bankers and new partnership channels in the second half of 2021. Our credit metrics remained strong and our earnings benefited from a release of the credit loss allowance, which continues to provide comparatively strong coverage of the loan portfolio."

"We remain well positioned to benefit from the expected rising rate environment. During the first quarter, Berkshire announced the approval of a new program to repurchase approximately \$140 million in common shares and correspondingly total outstanding shares decreased by 2% during the quarter."

Mr. Mhatre concluded, "Berkshire Bank recently announced an <u>expanded partnership</u> with fintech Narmi to create a best-in-class digital banking experience for consumers and small businesses. We continue to promote employees from within the organization and bring on board knowledgeable bankers to deepen long-term relationships with our customers. I'm also pleased that our collective efforts to support our customers and communities continue to gain recognition as we were recently named by Newsweek as one of <u>America's Most Trustworthy Companies</u> and placed among the top 10 banks nationally. Our team has gotten off to a strong start in 2022 as we execute on our BEST plan in

pursuit of our vision to be a high-performing, leading socially responsible community bank in New England and beyond."

RESULTS OF OPERATIONS

Earnings: First quarter GAAP earnings per share totaled \$0.42, unchanged from the prior quarter and increased year-over-year by 62% from \$0.26. The non-GAAP measure of adjusted EPS totaled \$0.43, increasing quarter-over-quarter by 4% from \$0.42 and year-over-year by 37% from \$0.32 per share. First quarter adjustments to earnings consisted primarily of branch restructuring expenses in 2021 and unrealized equity securities losses in 2022. Year-over-year earnings improvement also resulted from a benefit in 2022 to the provision for credit losses on loans and as well as from share repurchases. The first quarter 2022 return on tangible common equity measured 7.3% and the non-GAAP measure of adjusted return on tangible common equity measured 7.5%.

Revenue: Net interest income was essentially unchanged quarter-over quarter. Loan growth was weighted towards the end of the quarter, with full benefit expected beginning in the second quarter. Net interest income decreased by 8% year-over-year due primarily to lower loan balances during the year 2021. The Company's net interest income is modeled to be positively sensitive to the market forecast scenario of rising interest rates.

Non-interest income excluding securities losses increased 5% quarter-over-quarter including seasonal components. It decreased 18% year-over-year primarily due to the sale of insurance and branch operations in the third quarter of 2021, and PPP loan referral fees recorded in the first quarter of 2021.

Provision for Credit Losses on Loans: Berkshire recorded a \$4 million benefit to the first quarter 2022 provision, compared to a \$3 million benefit in the linked quarter and a \$6.5 million charge in the first quarter of 2021. The \$4 million benefit resulted from a \$7 million release of the credit loss allowance net of \$3 million in net loan charge-offs. The Company also utilizes the non-GAAP financial measure of Pre-tax Pre-Provision Net Revenue ("PPNR") to evaluate the results of operations before the impact of the provision and tax expense. PPNR measured \$21 million in the most recent quarter, and \$22 million on a non-GAAP adjusted basis.

Expense: First quarter 2022 non-interest expense was down 1% quarter-over quarter and down 12% year-over-year including the impact of operations sold in 2021. Full time equivalent staff totaled 1,333 positions at period-end, compared to 1,319 positions at the start of the year. The effective tax rate was 20% in the most recent quarter, which was unchanged from the tax rate for the year 2021.

BALANCE SHEET (references are to period-end balances unless otherwise stated)

Summary: Total assets increased quarter-over-quarter by \$0.5 billion, or 5%, to \$12.1 billion reflecting loan growth. Total shareholders' equity decreased quarter-over-quarter by \$89 million, or 7%, due primarily to a \$75 million reduction in accumulated other comprehensive income reflecting lower bond valuations as a result of the increase in interest rates during the quarter. We anticipate that the Company's strong capital and liquidity will position it for future targeted loan growth and capital distributions which are integral elements of its BEST strategic plan.

Loans: Total loans increased quarter-over-quarter by \$441 million, or 6% to \$7.27 billion at March 31, 2022. The largest increases were in commercial real estate, asset based lending, and residential mortgages. The Company has expanded its commercial and business banking teams and is developing new sourcing channels for residential mortgages and consumer loans in its markets to support planned loan growth in 2022. Loans were down 5% year-over-year due to the impact of refinancings and targeted runoff.

Asset Quality: Asset quality metrics remained favorable and improving in the most recent quarter. Non-accruing loans decreased by 16%, measuring 0.41% of period-end total loans. Annualized net loan charge-offs measured 0.15% of average loans, down from 0.29% for the year 2021. Accruing delinquent loans declined to a near five quarter low of 0.28% of total loans. The allowance for credit losses on loans decreased quarter-over-quarter by \$7 million to \$99 million, measuring 1.37% of total loans, which was a decrease from 1.55% at the start of the year.

Deposits and Borrowings: Period-end total deposits increased by 6% quarter-over-quarter and 4% year-over-year. These increases were concentrated in payroll deposits, which fluctuate daily. Shifts in balances between the NOW and money market categories also relate to payroll deposits. Total average deposits increased 1% both compared to the linked quarter and compared to the first quarter of 2021. The Company has been reducing higher cost time deposits, including brokered deposits, which declined by 7% quarter-over-quarter and 28% year-over-year based on average balances. Total average non-maturity deposits increased by 3% quarter-over-quarter and 10% year-over-year. The first quarter total cost of deposits decreased to 0.17%, compared to 0.19% in the linked quarter and 0.36% in the prior year.

Equity: Shareholders' equity decreased by 7% quarter-over-quarter and year-over-year. This reflected the impact of share repurchases and a \$75 million reduction in the most recent quarter reflecting the lower fair value of the bond portfolio as a result of higher interest rates. The ratio of equity/assets decreased quarter-over-quarter to 9.0% from 10.2%. At quarter-end, book value per share was \$22.89 and the non-GAAP measure of tangible book value per share was \$22.30. These values decreased quarter-over-quarter, but were not significantly changed year-over-year.

ESG & CORPORATE RESPONSIBILITY UPDATE

Berkshire Bank is committed to purpose-driven, community-centered banking that enhances value for all stakeholders as it pursues its vision of being a high-performing, leading socially responsible community bank in New England and beyond. Learn more about the steps Berkshire is taking at berkshirebank.com/csr and in its most recent Corporate Responsibility Report.

Key developments in the quarter include:

Corporate Responsibility Report - Earlier this month, the Company released its 2021
Corporate Responsibility Report, Empowering Community Comebacks. The report highlights
Berkshire's performance on environmental, social, and governance matters along with its
progress on its BEST Community Comeback. Detailed on the pages of the report are examples
of how the simple decision of where you bank can have an outsized impact in your community.

- Standing with Ukraine: Berkshire took <u>several actions</u> along with its employees and customers in response to the ongoing humanitarian crisis in Ukraine including making a \$50,000 contribution, through its Foundation, to the Ukrainian Federation of America. In addition, Berkshire is refunding outgoing wire transfer fees to individuals who are sending money to family and non-profit organizations in Ukraine; matching employee contributions to non-profits working to aid in relief efforts; and activating a virtual supply drive to provide critical supplies to organizations working to assist in Ukraine and neighboring countries.
- Awards & Recognition: The Company was named to Newsweek's list of Most Trusted Companies 2022 and ranked #9 for banks. Earlier in the quarter Berkshire was also listed in Bloomberg's Gender Equality Index and named a Best Place to Work for LGBTQ+Equality by the Human Rights Campaign. Finally, Berkshire received a 2022 Communitas Award for Leadership in Corporate Responsibility for its BEST Community Comeback program recognizing its early progress on the multi-year commitment.
- Current ESG Performance: The Company moved into the top 22% of leading ESG indexes in the U.S. for its Environmental, Social and Governance (ESG) ratings. As of March 31, 2022 the Company received ratings of: MSCI ESG- BBB; ISS ESG Quality Score Environment: 3, Social: 1, Governance: 3; and Bloomberg ESG Disclosure- 47.81. The Company is also rated by Sustainalytics.

INVESTOR CONFERENCE CALL AND INVESTOR PRESENTATION

Berkshire will conduct a conference call/webcast at 10:00 a.m. eastern time on Wednesday, April 20, 2022 to discuss results for the quarter and provide guidance about expected future results. The Company will also place an investor presentation at its website at <u>ir.berkshirebank.com</u> with additional financial information and other information about the quarter.

Participants are encouraged to pre-register for the conference call using the following link: https://www.incommglobalevents.com/registration/q4inc/10475/berkshire-hills-bancorp-q1-earnings-release-conference-call/.

Callers who pre-register will be given dial-in instructions and a unique PIN to gain immediate access to the call. Participants may pre-register at any time prior to the call and will immediately receive simple instructions via email. Additionally, participants may reach the registration link and access the webcast by logging in through the investor relations section of Berkshire's website at ir.berkshirebank.com. Those parties who do not have Internet access or are otherwise unable to pre-register for this event, may still participate at the above time by dialing 844-200-6205 and using participant access code: 647451. Participants are requested to dial-in a few minutes before the scheduled start of the call. A telephone replay of the call will be available for one week by dialing 866-813-9403 and using access code: 478827. The webcast will be available on Berkshire's website for an extended period of time.

ABOUT BERKSHIRE HILLS BANCORP

Berkshire Hills Bancorp is the parent of <u>Berkshire Bank</u>, which is transforming what it means to bank its neighbors socially, humanly, and digitally to empower the financial potential of people, families, and businesses in its communities as it pursues its vision of being a leading socially responsible omnichannel community bank in New England and beyond. Berkshire Bank provides business and consumer banking, mortgage, wealth management, and investment services. Headquartered in Boston, Berkshire has approximately \$12.1 billion in assets and operates 105 branch offices in New England and New York, and is a member of the <u>Bloomberg Gender-Equality Index</u>. To learn more, call 800-773-5601 or follow us on <u>Facebook</u>, <u>Twitter</u>, <u>Instagram</u>, and <u>LinkedIn</u>.

FORWARD-LOOKING STATEMENTS

This document contains "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. You can identify these statements from the use of the words "may," "will," "should," "could," "would," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target" and similar expressions. There are many factors that could cause actual results to differ significantly from expectations described in the forward-looking statements. For a discussion of such factors, please see Berkshire's most recent reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission and available on the SEC's website at www.sec.gov. You should not place undue reliance on forward-looking statements, which reflect our expectations only as of the date of this document. Berkshire does not undertake any obligation to update forward-looking statements.

NON-GAAP FINANCIAL MEASURES

This document contains certain non-GAAP financial measures in addition to results presented in accordance with Generally Accepted Accounting Principles ("GAAP"). These non-GAAP measures provide supplemental perspectives on operating results, performance trends, and financial condition. They are not a substitute for GAAP measures; they should be read and used in conjunction with the Company's GAAP financial information. A reconciliation of non-GAAP financial measures to GAAP measures is included on page F-9 in the accompanying financial tables. In all cases, it should be understood that non-GAAP per share measures do not depict amounts that accrue directly to the benefit of shareholders.

The Company utilizes the non-GAAP measure of adjusted earnings in evaluating operating trends, including components for adjusted revenue and expense. These measures exclude items which the Company does not view as related to its normalized operations. These items primarily include securities gains/losses, other gains/losses, merger costs, restructuring costs, goodwill impairment, and discontinued operations. In 2021, the Company recorded a third quarter net gain of \$52 million on the sale of the Company's insurance subsidiary and the Mid-Atlantic branch operations. Expense adjustments in the first quarter 2021 were primarily related to branch consolidations. Third quarter 2021 adjustments included Federal Home Loan Bank borrowings prepayment costs. They also included other restructuring charges for efficiency initiatives in operations areas including write-downs on real estate moved to held for sale and severance related to staff reductions. The fourth quarter 2021

revenue adjustment was primarily related to trailing revenue on a previously reported sale, and the expense adjustment was due primarily to branch restructuring costs. The revenue adjustment in the first quarter of 2022 was due to an unrealized loss in equity mutual funds.

The Company utilizes Adjusted Pre-Provision Net Revenue ("Adjusted PPNR") which measures adjusted income before credit loss provision and tax expense. PPNR is used by the investment community due to the volatility and variability across banks related to credit loss provision expense under the Current Expected Credit Loss accounting standard. The Company also calculates Adjusted PPNR/assets in order to utilize the PPNR measure in assessing its comparative operating profitability.

Non-GAAP adjustments are presented net of an adjustment for income tax expense. This adjustment is determined as the difference between the GAAP tax rate and the effective tax rate applicable to adjusted income. The efficiency ratio is adjusted for adjusted revenue and expense items and for tax preference items. The Company also calculates measures related to tangible equity, which adjust equity (and assets where applicable) to exclude intangible assets due to the importance of these measures to the investment community.

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TABLE	
INDEX	CONSOLIDATED UNAUDITED FINANCIAL SCHEDULES
F-1	Selected Financial Highlights
F-2	Balance Sheets
F-3	Loan and Deposit Analysis
F-4	Statements of Income
F-5	Statements of Income (Five Quarter Trend)
F-6	Average Balances and Average Yields and Costs
F-7	Asset Quality Analysis
F-8	Asset Quality Analysis (continued)
F-9	Reconciliation of Non-GAAP Financial Measures
	and Supplementary Data (Five Quarter Trend)

SELECTED FINANCIAL HIGHLIGHTS - UNAUDITED - (F-1)

		arch 31, 2021			une 30, 2021		Sept. 30, 2021			Dec. 31, 2021			rch 31, 2022	
NOMINAL AND PER SHARE DATA														_
Net earnings per common share, diluted	\$	0.26		\$	0.43		\$ 1.3	1	\$	0.42		\$	0.42	
Adjusted earnings per common share, diluted (2)		0.32			0.44		0.5	3		0.42			0.43	
Net income, (thousands)		13,031			21,636		63,74	9		20,248			20,196	
Adjusted net income, (thousands) (2)		16,015			22,104		25,69	5		20,172			20,789	
Total common shares outstanding, period-end (thousands)		50,988			50,453		48,65	7		48,667			47,792	
Average diluted shares, (thousands)		50,565			50,608		48,74	4		48,340			48,067	
Total book value per common share, (end of period)		23.05			23.30		24.2	1		24.30			22.89	
Tangible book value per common share, (end of period) (2)		22.39			22.66		23.5	8		23.69			22.30	
Dividends per common share		0.12			0.12		0.1	2		0.12			0.12	
Full-time equivalent staff		1,467			1,417		1,33	3		1,319			1,333	
PERFORMANCE RATIOS (3)														
Return on equity		4.50	%		7.37	%	22.1	8 %)	6.86	%		6.79	%
Adjusted return on equity (2)		5.53			7.53		8.9	4		6.83			6.99	
Return on tangible common equity (2)		4.98			7.92		23.1	4		7.37			7.29	
Adjusted return on tangible common equity (2)		6.04			8.08		9.5	3		7.34			7.49	
Return on assets		0.42			0.70		2.1	4		0.71			0.70	
Adjusted return on assets (2)		0.51			0.71		0.8	6		0.71			0.72	
Net interest margin, fully taxable equivalent (FTE) (4)(5)		2.62			2.62		2.5	6		2.60			2.61	
Efficiency ratio (2)		71.32			67.82		68.7	6		71.98			72.61	
FINANCIAL DATA (in millions, end of period)														
Total assets	\$	12,757		\$	12,273		\$ 11,84		\$	11,555		\$	12,097	
Total earning assets		12,071			11,571		11,14			10,899			11,401	
Total loans		7,659			7,233		6,83			6,826			7,267	
Total deposits		10,244			9,914		10,36			10,069			10,699	
Loans/deposits (%)	Φ.		%	ф	73	%		6 %			%	ф	68	%
Total shareholders' equity	\$	1,175		\$	1,175		\$ 1,17	8	\$	1,182		\$	1,094	
ASSET QUALITY	Φ.	104		Φ.	110		A 11	2	Φ.	106		ф	00	
Allowance for credit losses, (millions)	\$	124		\$	119		\$ 11		\$	106		\$	99	
Net charge-offs, (millions)		(10)			(5)			2)		(4)			(3)	
Net charge-offs (QTD annualized)/average loans Provision expense/(income), (millions)	\$	0.51 7	%	\$	0.26			2 % 4)	\$	0.23		\$	0.15 (4)	
Non-performing assets, (millions)	Ф	58		Ф	49		3		Ф	37	,	Φ	32	
Non-performing loans/total loans		0.73	0/		0.66	0/2		, 4 %		0.52	0/_		0.41	0/_
Allowance for credit losses/non-performing loans		222	/0		250	/0	30)	300	/0		335	/0
Allowance for credit losses/total loans		1.62			1.65		1.6			1.55			1.37	
CAPITAL RATIOS														
Common equity tier 1 capital to risk weighted assets(6)		14.2	%		14.3	%	15.	3 %	, D	15.0	%		14.0	%
Tier 1 capital leverage ratio(6)		9.5			9.5		9.			10.5			10.3	
Tangible common shareholders' equity/tangible assets(2)		9.0			9.3		9.			10.0			8.8	

⁽¹⁾ Reconciliations of non-GAAP financial measures, including all references to adjusted and tangible amounts, appear on page F-9.

⁽²⁾ Non-GAAP financial measure. adjusted measurements are non-GAAP financial measures that are adjusted to exclude net non-adjusted charges primarily related to acquisitions and restructuring activities. See page F-9 for reconciliations of non-GAAP financial measures.

⁽³⁾ All performance ratios are annualized and are based on average balance sheet amounts, where applicable.

⁽⁴⁾ Fully taxable equivalent considers the impact of tax advantaged investment securities and loans.

⁽⁵⁾ The effect of purchase accounting accretion for loans, time deposits, and borrowings on the quarterly net interest margin was an increase in all quarters, which is shown sequentially as follows beginning with the earliest quarter and ending with the most recent quarter: 0.05%, 0.08%, 0.06%, 0.05%, 0.03%.

⁽⁶⁾ Presented as projected for March 31, 2022 and actual for the remaining periods.



CONSOLIDATED BALANCE SHEETS - UNAUDITED - (F-2)

		March 31,	Γ	December 31,		March 31,
(in thousands)		2021		2021		2022
Assets						
Cash and due from banks	\$	81,285	\$	109,350	\$	151,814
Short-term investments		1,818,323		1,518,457		1,455,437
Total cash and cash equivalents		1,899,608		1,627,807		1,607,251
Trading security		9,350		8,354		7,798
Marketable equity securities, at fair value		15,801		15,453		14,719
Securities available for sale, at fair value		1,627,330		1,877,585		2,032,575
Securities held to maturity, at amortized cost		610,637		636,503		612,174
Federal Home Loan Bank stock and other restricted securities		28,680		10,800		10,829
Total securities		2,291,798		2,548,695		2,678,095
Less: Allowance for credit losses on investment securities		(111)		(105)		(99)
Net securities		2,291,687		2,548,590		2,677,996
Loans held for sale		18,377		6,110		300
Total loans		7,658,778		6,825,847		7,267,323
Less: Allowance for credit losses on loans		(123,800)		(106,094)		(99,475)
Net loans		7,534,978		6,719,753		7,167,848
Premises and equipment, net		108,538		94,383		92,971
Other real estate owned		149		-		-
Goodwill and other intangible assets		33,500		29,619		28,332
Other assets		566,809		524,074		518,322
Assets held for sale (1)		303,697		4,577		3,988
Total assets	\$	12,757,343	\$	11,554,913	\$	12,097,008
Liabilities and shareholders' equity						
Demand deposits	\$	2,750,393	\$	3,008,461	\$	3,020,568
NOW and other deposits		1,856,988	·	976,401	•	2,546,799
Money market deposits		2,486,261		3,293,526		2,469,042
Savings deposits		1,047,506		1,111,625		1,133,877
Fime deposits		2,103,222		1,678,940		1,528,922
Total deposits		10,244,370		10,068,953		10,699,208
Senior borrowings		351,354		13,331		14,563
Subordinated borrowings		97,338		97,513		97,569
Total borrowings		448,692		110,844		112,132
Other liabilities		229,832		192,681		191,807
Liabilities held for sale (1)		659,310		- -		-
Total liabilities		11,582,204		10,372,478		11,003,147
Preferred shareholders' equity		-		-		-
Common shareholders' equity		1,175,139		1,182,435		1,093,861
Fotal shareholders' equity		1,175,139		1,182,435		1,093,861
Total liabilities and shareholders' equity	\$	12,757,343	\$	11,554,913	\$	12,097,008
rotal natifices and shareholders equity	Φ	14,737,343	ψ	11,334,913	ψ	14,077,000

⁽¹⁾ For March 31, 2021, balance includes loans and deposits held for sale relating to the Mid-Atlantic region branch sale that closed in the third quarter of 2021.



CONSOLIDATED LOAN & DEPOSIT ANALYSIS - UNAUDITED - (F-3) <u>LOAN ANALYSIS</u>

					Growth %
	Decem	ber 31, 2021	Marc	ch 31, 2022	Quarter ended
(in millions)	В	Balance	I	Balance	March 31, 2022
Total commercial real estate	\$	3,598	\$	3,764	5 %
Commercial and industrial loans	·	1,300		1,381	6
Paycheck Protection Program (PPP) Loans		30		16	(47)
Total commercial loans		4,928		5,161	5
Total residential mortgages		1,392		1,567	13
Home equity		253		245	(3)
Auto and other		253		294	16
Total consumer loans		506		539	7
Total loans	\$	6,826	\$	7,267	6 %

DEPOSIT ANALYSIS

					Growth %	_
	Decem	ber 31, 2021	Ma	rch 31, 2022	Quarter ended	-
(in millions)	В	alance		Balance	March 31, 2022	_
Non-interest bearing	\$	3,008	\$	3,020	- %	,
NOW and other		976		2,547	161	
Money market		3,294		2,469	(25)	
Savings		1,112		1,134	2	
Time deposits		1,679		1,529	(9)	_
Total deposits (1)	\$	10,069	\$	10,699	6 %)

⁽¹⁾ Included in total deposits are brokered deposits of \$164.8 million and \$228.1 million at March 31,2022 and December 31, 2021, respectively.



CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED - (F-4)

Interest income \$ 74,823 \$ 88,153 Interest income \$ 74,823 \$ 88,153 Interest expense \$ 5,760 \$ 13,060 Net interest income, not FTE 69,063 75,093 Non-interest income \$ 75,093 Deposit related fees 7,351 7,126 Loan fees and revenue 8,265 10,246 Insurance commissions and fees - 3,130 Wealth management fees 2,625 2,772 Mortgage banking fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense 37,521 38,735 Occupancy and equipment 10,067 11,024 Te		Three Mor	nths E ch 31,	nded
Interest expense 5,760 13,060 Not interest income, not FTE 69,063 75,093 Non-interest income 8 Deposit related fees 7,351 7,126 Loan fees and revenue 8,265 10,246 Insurance commissions and fees - 3,130 Wealth management fees 2,625 2,772 Mortgage banking fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense 4,000 6,500 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 P	(in thousands, except per share data)	2022		2021
Net interest income 69,063 75,093 Non-interest income 7,351 7,126 Deposit related fees 7,351 7,126 Loan fees and revenue 8,265 10,246 Insurance commissions and fees 2,625 2,772 Mortgage banking fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Eccurities (losses), net (745) (31) Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614	Interest income	\$ 74,823	\$	88,153
Non-interest income 7,351 7,126 Loan fees and revenue 8,265 10,246 Insurance commissions and fees - 3,130 Wealth management fees 2,625 2,772 Mortgage banking fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total nor-interest income 20,681 26,193 Total nor-interest income 89,744 101,286 Total nor revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Non-interest expense 2 8,527 8,532 Occupancy and equipment 10,067 11,024 11,024 Technology and communications 8,527 8,593 9,702 10,702 10,702 10,702 10,702 10,702 10,702 <td>Interest expense</td> <td>5,760</td> <td></td> <td>13,060</td>	Interest expense	5,760		13,060
Deposit related fees 7,351 7,126 Loan fees and revenue 8,265 10,246 Insurance commissions and fees - 3,130 Wealth management fees 2,625 2,772 Mortgage banking fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Non-interest expense 37,521 38,735 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702	Net interest income, <i>not FTE</i>	69,063		75,093
Loan fees and revenue 8,265 10,246 Insurance commissions and fees - 3,130 Wealth management fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense 4,000 6,500 Non-interest expense 4,000 6,500 Non-interest expense 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense excluding merger, restructuring and	Non-interest income			
Insurance commissions and fees 3,130 Wealth management fees 2,625 2,772 Mortgage banking fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses 4,000 6,500 Non-interest expense 37,521 38,735 Cocupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes 25,194 16,632 Income tax expense 4,998 3,601 Net income 20,424 0,26 Diluted earnings per common share 9,042 0,26 Diluted earnings per common sha	Deposit related fees	7,351		7,126
Wealth management fees 2,625 2,772 Mortgage banking fees 19 802 Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Non-interest expense 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes 1,2,194 16,632 Income ta	Loan fees and revenue	8,265		10,246
Mortgage banking fees 19 802 Other 3.166 2.148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Non-interest expense 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income	Insurance commissions and fees	-		3,130
Other 3,166 2,148 Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense \$ 0,42 \$ 0,26	Wealth management fees	2,625		2,772
Total non-interest income excluding (losses) 21,426 26,224 Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Non-interest expense 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031	Mortgage banking fees	19		802
Securities (losses), net (745) (31) Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense (4,000) 6,500 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26	Other	3,166		2,148
Total non-interest income 20,681 26,193 Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense	Total non-interest income excluding (losses)	21,426		26,224
Total net revenue 89,744 101,286 Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense 37,521 38,735 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0,42 0,26 Diluted earnings per common share \$ 0,42 0,26 Weighted average shares outstanding: \$ 0,26	Securities (losses), net	(745)		(31)
Total net revenue excluding (losses) 90,489 101,317 Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense 37,521 38,735 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330	Total non-interest income	20,681		26,193
Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense 37,521 38,735 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330	Total net revenue	89,744		101,286
Provision (benefit) for credit losses (4,000) 6,500 Non-interest expense 37,521 38,735 Compensation and benefits 37,521 38,735 Occupancy and equipment 10,067 11,024 Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330	Total net revenue excluding (losses)	90,489		101,317
Technology and communications 8,527 8,593 Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: 8 50,330	Non-interest expense Compensation and benefits	37,521		38,735
Professional services 2,692 6,614 Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330				,
Other expenses 9,725 9,702 Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330	. ,			,
Merger, restructuring and other non-operating expenses 18 3,486 Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330				
Total non-interest expense 68,550 78,154 Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330	•	,		,
Total non-interest expense excluding merger, restructuring and other 68,532 74,668 Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: 8 27,668 \$ 50,330				
Income before income taxes \$ 25,194 \$ 16,632 Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: \$ 47,668 50,330				
Income tax expense 4,998 3,601 Net income \$ 20,196 \$ 13,031 Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: \$ 47,668 50,330	Total non-interest expense excluding merger, restructuring and other	68,532		74,668
Net income\$ 20,196\$ 13,031Basic earnings per common share\$ 0.42\$ 0.26Diluted earnings per common share\$ 0.42\$ 0.26Weighted average shares outstanding:Basic47,66850,330	Income before income taxes	\$,	\$	
Basic earnings per common share \$ 0.42 \$ 0.26 Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330	Income tax expense	4,998		3,601
Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic \$ 47,668 50,330	Net income	\$ 20,196	\$	13,031
Diluted earnings per common share \$ 0.42 \$ 0.26 Weighted average shares outstanding: Basic 47,668 50,330	Basic earnings per common share	\$ 0.42	\$	0.26
Weighted average shares outstanding: Basic 47,668 50,330	~ -	0.42		0.26
Basic 47,668 50,330				
Diluted 48,067 50,565		47,668		50,330
	Diluted	48,067		50,565



	M	Iarch 31,	J	une 30,	S	ept. 30,	Ι	Dec. 31,	M	arch 31,
(in thousands, except per share data)		2021		2021		2021		2021		2022
Interest income	\$	88,153	\$	85,364	\$	79,688	\$	75,860	\$	74,823
Interest expense		13,060		9,971		8,320		6,548		5,760
Net interest income, <i>not FTE</i>		75,093		75,393		71,368		69,312		69,063
Non-interest income										
Deposit related fees		7,126		7,508		7,657		7,522		7,351
Loan fees and revenue		10,246		7,431		8,285		9,098		8,265
Insurance commissions and fees		3,130		2,292		1,581		-		-
Wealth management fees		2,772		2,519		2,653		2,586		2,625
Mortgage banking fees		802		534		461		259		19
Other		2,148		2,211		1,279		993		3,166
Total non-interest income excluding (losses)/gains		26,224		22,495		21,916		20,458		21,426
Securities (losses), net		(31)		(484)		(166)		(106)		(745)
Gain on sale of business operations and assets, net		-		-		51,885		1,057		` -
Total non-interest income		26,193		22,011		73,635		21,409		20,681
Total net revenue		101,286		97,404		145,003		90,721		89,744
Total net revenue excluding (losses)/gains		101,317		97,888		93,284		89,770		90,489
Provision (benefit) for credit losses		6,500		-		(4,000)		(3,000)		(4,000
Non-interest expense										
Compensation and benefits		38,735		36,970		37,068		37,816		37,521
Occupancy and equipment		11,024		10,599		10,421		9,738		10,067
Technology and communications		8,593		8,214		8,397		8,599		8,527
Professional services		6,614		3,701		3,180		2,365		2,692
Other expenses		9,702		9,382		8,969		10,025		9,725
Merger, restructuring and other non-operating expenses		3,486		6		1,425		864		18
Total non-interest expense		78,154		68,872		69,460		69,407		68,550
Total non-interest expense excluding merger, restructuring and other		74,668		68,866		68,035		68,543		68,532
Income before income taxes	\$	16,632	\$	28,532	\$	79,543	\$	24,314	\$	25,194
Income tax expense		3,601		6,896		15,794		4,066		4,998
Net income	\$	13,031	\$	21,636	\$	63,749	\$	20,248	\$	20,196
Diluted earnings per common share	\$	0.26	\$	0.43	\$	1.31	\$	0.42	\$	0.42
Weighted average shares outstanding:										
Basic		50,330		50,321		48,395		47,958		47,668
Diluted		50,565		50,608		48,744		48,340		48,067
Diffuted		30,363		30,008		48,744		48,340		48,007

	March	31, 2021	June 3	30, 2021	Sept. 3	30, 2021	Dec.	31, 2021	March	31, 2022
a	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
(in millions)	Balance	Yield/Rate	Balance	Yield/Rate	Balance	Yield/Rate	Balance	Yield/Rate	Balance	Yield/Rate
Assets Commercial real estate	2 620	2.27.0/	2 625	2.46.00	2.577	2.40.0/	2.560	2.40.0/	2.651	2.25.0/
Commercial real estate Commercial and industrial loans	3,630	3.27 %	3,625		3,577	3.40 %	3,569	3.49 %	3,651	3.35 %
	1,865	4.62	1,605		1,370	4.78	1,278	4.37	1,373	
Residential mortgages	1,740	3.71	1,604	3.79	1,499	3.65	1,403	3.82	1,436	
Consumer loans Total loans (1)	7,869	3.79 3.73	582 7,416	3.80 3.84	545 6,991	3.95 3.77	516 6,766	3.96 3.76	514 6,974	
Securities (2)	· · · · · · · · · · · · · · · · · · ·	2.36			,		2,367	2.04		
Short-term investments and loans held for sale	2,195		2,259		2,312		,		2,649	
Mid-Atlantic region loans held for sale	1,351 295	0.13 4.09	1,750 269		1,762 155		1,609	0.17	1,202	0.17
Total earning assets	11,710	3.07	11,694		11,220	2.86	10,742	2.84	10,825	2.82
Goodwill and other intangible assets	34	3.07	33		31	2.00	30	2.04	29	
Other assets	724		690		674		655		639	
Total assets	12,468		12,417		11,925		11,427		11,493	
Total assets	12,408		12,417		11,923		11,427		11,493	
Liabilities and shareholders' equity										
NOW and other	1,325	0.15 %	1,389	0.07 %	1,316	0.05 %	1,331	0.05 %	1,456	0.04 %
Money market	2,802	0.27	2,751	0.18	2,716	0.16	2,731	0.16	2,871	0.16
Savings	1,003	0.08	1,054	0.05	1,112	0.04	1,100	0.04	1,117	0.03
Time	2,266	1.12	2,013	0.94	1,893	0.86	1,750	0.80	1,624	0.71
Total interest-bearing deposits	7,396	0.48	7,207	0.35	7,037	0.31	6,912	0.28	7,068	0.24
Borrowings (3)	511	2.78	392	3.12	263	3.89	121	5.68	122	5.21
Mid-Atlantic region interest-bearing deposits	518	0.60	517	0.51	306	0.51	-	-	-	_
Total interest-bearing liabilities	8,425	0.63	8,116	0.49	7,606	0.43	7,033	0.37	7,190	
Non-interest-bearing demand deposits	2,537		2,787		2,901		3,038		2,968	
Other liabilities (4)	347		340		269		175		146	
Total liabilities	11,309		11,243		10,776		10,246		10,304	
Common shareholders' equity	1,159		1,174		1,149		1,181		1,189	
Total shareholders' equity	1,159		1,174		1,149		1,181		1,189	
Total liabilities and shareholders' equity	12,468		12,417		11,925		11,427		11,493	
Net interest spread		2.44 %		2.47 %		2.43 %		2.47 %		2.50 %
Net interest margin, FTE (5)		2.62		2.62		2.56		2.60		2.61
Cost of funds		0.48		0.36		0.31		0.26		0.23
Cost of deposits		0.36		0.25		0.22		0.19		0.17
Supplementary data										
Net Interest Income, not FTE	75		75		71		69		69	
Fully taxable equivalent income adjustment	1		2		2		2		2	
Net Interest Income, FTE	77		77		73		71		71	
Average PPP loans	546		321		90		37		27	
Average loans excluding PPP loans	7,323		7,095		6,901		6,729		6,947	
Total PPP loans, end of period	444		173		46		30		16	
Total loans excluding PPP loans, end of period	7,215		7,059		6,790		6,796		7,251	
PPP interest income	7		5		2		-		-	
Total average non-maturity deposits	7,666		7,981		8,045		8,200		8,412	
Total average deposits	9,932		9,994		9,938		9,950		10,037	
Purchased loan accretion	1 125		2		2		2		1	
Total average tangible equity (6)	1,125		1,141		1,118		1,151		1,160	

⁽¹⁾ Total loans include non-accruing loans.

⁽²⁾ Average balances for securities available-for-sale are based on amortized cost.

⁽²⁾ Average balances for borrowings includes the financing lease obligation which is presented under other liabilities on the consolidated balance sheet.

⁽⁴⁾ Includes the Mid-Atlantic region non-interesting bearing deposits. As of March 31, 2022 and December 31, 2021 there were no Mid-Atlantic region average non-interest bearing deposits.

⁽⁵⁾ The effect of PPP loans on the quarterly net interest margin is shown sequentially as follows beginning with the earliest quarter and ending with the most recent quarter: (0.11%, 0.11%, 0.05%, 0.00%, 0.00%) This calculation excludes gross interest income on PPP loans and average PPP loan balances.

⁽⁶⁾ See page F-9 for details on the calculation of total average tangible equity.



	N	Iarch 31,		June 30,	5	Sept. 30,]	Dec. 31,	N	Iarch 31,
(in thousands)		2021		2021		2021		2021		2022
NON-PERFORMING ASSETS										
Non-accruing loans:										
Commercial real estate	\$	28,325	\$	22,799	\$	14,845	\$	13,954	\$	8,984
Commercial and industrial loans		9,371		9,427		7,140		6,747		5,618
Residential mortgages		10,674		9,238		9,763		9,825		11,079
Consumer loans		7,447		6,141		5,399		4,800		4,000
Total non-accruing loans		55,817		47,605		37,147		35,326		29,681
Other real estate owned		149		85		-		-		-
Repossessed assets		1,701		1,666		1,664		1,736		2,004
Total non-performing assets	\$	57,667	\$	49,356	\$	38,811	\$	37,062	\$	31,685
Total non-accruing loans/total loans		0.73%		0.66%		0.54%		0.52%		0.41%
Total non-accruing loans/total loans excluding PPP loans		0.77%		0.67%		0.55%		0.52%		0.429
Total non-performing assets/total assets		0.45%		0.40%		0.33%		0.32%		0.26%
PROVISION AND ALLOWANCE FOR CREDIT LOSS	ES (ON LOANS								
Balance at beginning of period	\$	127,302	\$	123,800	\$	119,044	\$	112,916	\$	106,094
Charged-off loans		(11,460)	·	(7,248)		(4,334)	·	(7,976)		(6,048
Recoveries on charged-off loans		1,465		2,492		2,206		4,154		3,429
Net loans charged-off		(9,995)		(4,756)		(2,128)		(3,822)		(2,619
Provision (benefit) for loan credit losses		6,493		_		(4,000)		(3,000)		(4,000
Balance at end of period	\$	123,800	\$	119,044	\$	112,916	\$	106,094	\$	99,475
Allowance for credit losses/total loans		1.62%		1.65%		1.65%		1.55%		1.37%
Allowance for credit losses/total loans excluding PPP loans		1.72%		1.69%		1.66%		1.56%		1.37%
Allowance for credit losses/non-accruing loans		222%		250%		304%		300%		335%
NET LOAN CHARGE-OFFS										
Commercial real estate	\$	(6,959)	\$	(2,325)	\$	(1,391)	\$	(2,208)	\$	(3,280
Commercial and industrial loans		(2,662)	•	(2,331)		110		(1,649)	,	653
Residential mortgages		80		176		(677)		(2)		(50
Home equity		(42)		(136)		106		106		135
Auto and other consumer		(412)		(140)		(276)		(69)		(77
Total, net	\$	(9,995)	\$	(4,756)	\$	(2,128)	\$	(3,822)	\$	(2,619
Net charge-offs (QTD annualized)/average loans		0.51%		0.26%		0.12%		0.23%		0.15%
Net charge-offs (YTD annualized)/average loans		0.51%		0.39%		0.30%		0.29%		0.15%



		March 3	31, 2021		June 3	0, 2021		Septembe	er 30, 2021		Decembe	r 31, 2021		March 3	31, 2022
(in thousands)	I	Balance	Percent of Total Loans	I	Balance	Percent of Total Loans]	Balance	Percent of Total Loans	I	Balance	Percent of Total Loans	I	Balance	Percent of Total Loans
30-89 Days delinquent	\$	28,565	0.37%	\$	15,483	0.22%	\$	18,365	0.27%	\$	39,863	0.58%	\$	13,517	0.19%
90+ Days delinquent and still accruing		6,124	0.08%		3,129	0.04%		3,803	0.06%		3,270	0.05%		6,613	0.09%
Total accruing delinquent loans		34,689	0.45%		18,612	0.26%		22,168	0.33%		43,133	0.63%		20,130	0.28%
Non-accruing loans		55,817	0.73%		47,605	0.66%		37,147	0.54%		35,326	0.52%		29,681	0.41%
Total delinquent and non-accruing loans	\$	90,506	1.18%	\$	66,217	0.92%	\$	59,315	0.87%	\$	78,459	1.15%	\$	49,811	0.69%



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND SUPPLEMENTARY DATA- UNAUDITED - (F-9)

(in thousands)	ľ	March 31, 2021		June 30, 2021	5	Sept. 30, 2021	I	Dec. 31, 2021	N	Iarch 31, 2022
Total revenue	(A) \$		\$	97,404	\$	145,003	\$	90,721	\$	89,744
Adj: Net securities losses (1)		31		484		166		106		745
Adj: Net (gains) on sale of business operations and assets		-		_		(51,885)		(1,057)		-
Total adjusted revenue (2)	(B) \$	101,317	\$	97,888	\$	93,284	\$	89,770	\$	90,489
Total non-interest expense	(C) \$	78,154	\$	68,872	\$	69,460	\$	69,407	\$	68,550
Less: Merger, restructuring and other expense		(3,486)	(6)		(1,425)		(864)		(18)
Adjusted non-interest expense (2)	(D) \$	74,668	\$	68,866	\$	68,035	\$	68,543	\$	68,532
Pre-tax, pre-provision net revenue (PPNR)	(A-C) \$		\$		\$	75,543	\$	21,314	\$	21,194
Adjusted pre-tax, pre-provision net revenue (PPNR)	(B-D)	26,649		29,022		25,249		21,227		21,957
Net income	\$	13,031	\$	21,636	\$	63,749	\$	20,248	\$	20,196
Adj: Net securities losses (1)	Ψ	31	Ψ	484	Ψ.	166	Ψ	106	Ψ	745
Adj: Net (gains) on sale of business operations and assets		_		_		(51,885)		(1,057)		-
Adj: Restructuring expense and other expense		3,486		6		1,425		864		18
Adj: Income taxes (expense)/benefit		(533		(22)		12,240		11		(170)
Total adjusted income (2)	(E) \$		\$	22,104	\$	25,695	\$	20,172	\$	20,789
	• • • • • • • • • • • • • • • • • • • •							· ·		
(in millions, except per share data)										
Total average assets	(F) \$	12,468	\$	12,417	\$	11,925	\$	11,427	\$	11,493
Total average shareholders' equity	(G)	1,159		1,174		1,149		1,181		1,189
Total average tangible shareholders' equity (2)(3)	(H)	1,125		1,141		1,118		1,151		1,160
Total average tangible common shareholders' equity (2)(3)	(I)	1,125		1,141		1,118		1,151		1,160
Total tangible shareholders' equity, period-end (2)(3)	(J)	1,142		1,143		1,147		1,153		1,066
Total tangible common shareholders' equity, period-end (2)(3)	(K)	1,142		1,143		1,147		1,153		1,066
Total tangible assets, period-end (2)(3)	(L)	12,724		12,241		11,815		11,525		12,069
Total common shares outstanding, period-end (thousands)	(M)	50,988		50,453		48,657		48,667		47,792
Average diluted shares outstanding (thousands)	(N)	50,565		50,608		48,744		48,340		48,067
Average unitied shares outstanding (mousulus)	(11)	30,303		30,008		40,744		40,340		40,007
GAAP earnings per common share, diluted (2)	\$		\$	0.43	\$	1.31	\$	0.42	\$	0.42
Adjusted earnings per common share, diluted (2)	(E/N)	0.32		0.44		0.53		0.42		0.43
Tangible book value per common share, period-end (2)	(K/M)	22.39		22.66		23.58		23.69		22.30
Total tangible shareholders' equity/total tangible assets (2)	(J/L)	8.98		9.34		9.71		10.00		8.83
Performance ratios (4)										
GAAP return on equity		4.50	%	7.37	%	22.18	%	6.86 9	6	6.79 %
Adjusted return on equity (2)	(E/G)	5.53		7.53		8.94		6.83		6.99
Return on tangible common equity (2)(5)		4.98		7.92		23.14		7.37		7.29
Adjusted return on tangible common equity (2)(5)	(E+Q)/(I)	6.04		8.08		9.53		7.34		7.49
GAAP return on assets		0.42		0.70		2.14		0.71		0.70
Adjusted return on assets (2)		0.51		0.71		0.86		0.71		0.72
PPNR from continuing operations/assets (2)		0.74		0.92		2.53		0.75		0.74
Adjusted PPNR/assets (2)		0.85		0.93		0.85		0.74		0.76
Efficiency ratio (2)(6)	(D-Q)/(B+O+R)	71.32		67.82		68.76		71.98		72.61
Net interest margin, FTE		2.62		2.62		2.56		2.60		2.61
Supplementary data (in thousands)										
Tax benefit on tax-credit investments (7)	(O) \$	41	\$	79	\$	2,195	\$	2,057	\$	596
Non-interest income charge on tax-credit investments (8)	(P)	(33)	(175)		(1,789)		(1,448)		(357)
Net income on tax-credit investments	(O+P)	9		(96)		406		609		239
* - * * * * * * * * * * * * * * * * * *			_	1.005	4	1.200	*	1.000	4	1.005
Intangible amortization	(Q) \$			1,297	\$	1,296	\$	1,288	\$	1,286
Fully taxable equivalent income adjustment	(R)	1,494		1,660		1,586		1,604		1,524

⁽¹⁾ Net securities losses include the change in fair value of the Company's equity securities in compliance with the Company's adoption of ASU 2016-01.

⁽²⁾ Non-GAAP financial measure.

⁽³⁾ Total tangible shareholders' equity is computed by taking total shareholders' equity less the intangible assets at period-end. Total tangible assets is computed by taking intangible assets at period-end.

⁽⁴⁾ Ratios are annualized and based on average balance sheet amounts, where applicable. Quarterly data may not sum to year-to-date data due to rounding.

⁽⁵⁾ Adjusted return on tangible equity is computed by dividing the total adjusted income adjusted for the tax-effected amortization of intangible assets, assuming a 27% marginal rate, by tangible equity.

⁽⁶⁾ Efficiency ratio is computed by dividing total adjusted tangible non-interest expense by the sum of total net interest income on a fully taxable equivalent basis and total adjusted non-interest income adjusted to include tax credit benefit of tax shelter investments. The Company uses this non-GAAP measure to provide important information regarding its operational efficiency.

⁽⁷⁾ The tax benefit is the direct reduction to the income tax provision due to tax credits and deductions generated from investments in historic rehabilitation and low-income housing.

⁽⁸⁾ The non-interest income charge is the reduction to the tax-advantaged investments, which are incurred as the tax credits are generated.