

Berkshire Hills Reports Strong Earnings Growth

Second Quarter 2025 GAAP EPS \$0.66; Operating EPS \$0.69

- 15% increase in operating EPS linked quarter; 25% increase year-over-year
- 3% increase in operating revenue linked quarter, 2% decrease in operating non-interest expense
- 3.27% net interest margin, 3 bps increase linked quarter and 7 bps year-over-year
- 56.7% efficiency ratio; improved from 59.5% linked quarter
- 0.48% delinquent and non-performing loans to total loans

BOSTON, July 24, 2025 - Berkshire Hills Bancorp, Inc. (NYSE: BHLB) today reported results for the second quarter of 2025. These results along with comparison periods are summarized below:

(\$ in millions, except per share data)	TI	ree	Months Er	nded	<u></u>
	June 30, 2025		Mar. 31, 2025		<u>June 30,</u> <u>2024</u>
Net income Per share	\$ 30.4 <i>0.66</i>	\$	25.7 0.56	\$	24.0 <i>0.57</i>
Operating earnings ¹ Per share	31.6 <i>0.69</i>		27.6 <i>0.60</i>		23.2 <i>0.55</i>
Net interest income, non FTE Net interest income, FTE Net interest margin, FTE	\$ 91.9 93.8 3.27%	\$	89.8 91.7 3.24%	\$	88.5 90.5 3.20%
Non-interest income Operating non-interest income ¹	\$ 21.8 21.8	\$	20.7 20.7	\$	20.1 20.1
Non-interest expense Operating non-interest expense ¹	68.1 66.7		70.4 67.9		70.9 71.3
Efficiency ratio ¹	56.7%		59.5%		63.4%
Average balances Loans Deposits	\$ 9,484 9,817	\$	9,389 9,847	\$	9,157 9,296
Period-end balances Loans Deposits	9,499 9,979		9,429 9,880		9,229 9,621

^{1.} See non-GAAP financial measures and reconciliation to GAAP measures beginning on page 12.

Berkshire CEO Nitin Mhatre stated, "Second quarter operating earnings grew 36% year-over-year due to revenue growth and lower expenses. Loans, deposits and the net interest margin increased over the linked quarter, boosting net interest income, and were accompanied by solid non-interest income growth. Quarterly operating revenue has increased sequentially over the last six quarters, growing 8% over this period, including 3% growth linked quarter. Quarterly operating income, operating EPS, and efficiency were the strongest since 2019. Second quarter 2025 operating return on tangible common equity advanced to 10.8%. TIME and Newsweek have once again honored Berkshire with national awards, the former for being one of the top-performing U.S. companies of our size and the latter for being one of the best workplaces in the financial services sector. Following months of preparation among our teams, we look forward to completing our transformative merger of equals with Brookline Bancorp and creating a powerful financial institution serving the Northeast."

"As I reflect on our progress since we began our transformation program in early 2021, I want to express my deepest gratitude to every member of the Berkshire team, our clients and our board of directors. Our bankers' dedication, resilience, and commitment to our clients have been the driving force behind our improved operating and financial performance. Together, we've navigated challenges, embraced change, and delivered results for our clients, shareholders and communities. I'm incredibly proud of what we've accomplished and excited to see what the combined company will achieve next," added Mhatre.

Berkshire CFO Brett Brbovic stated, "Second quarter net interest income increased 2% linked quarter and the net interest margin increased 3 basis points to 3.27%, benefiting from loan growth and lower deposit cost. Operating non-interest income increased \$1.1 million linked quarter. Operating non-interest expense decreased \$1.3 million linked quarter and \$4.7 million year-over-year. The provision for credit losses decreased \$1.5 million linked quarter and the allowance for credit losses on loans was unchanged at 1.24%. Quarterly results were very solid across the board."

	As of and F	or the Three Months	Ended
	June 30, 2025	Mar. 31, 2025	June 30, 2024
Asset Quality			
Net loan charge-offs to average loans	0.14%	0.15%	0.07%
Non-performing loans to total loans	0.27%	0.25%	0.23%
Returns ¹⁰			
Return on average assets	1.03%	0.88%	0.82%
Operating return on average assets	1.07%	0.94%	0.79%
Return on tangible common equity	10.35%	9.02%	9.99%
Operating return on tangible common equity	10.76%	9.66%	9.65%
Capital ¹			
Tangible common equity/tangible assets	10.1%	9.9%	8.2%
Book value per share	\$26.40	\$25.81	\$23.58
Tangible book value per share	\$26.12	\$25.50	\$23.18

^{1.} See non-GAAP measures and reconciliation to GAAP beginning on page 12. All performance ratios are annualized and are based on average balance sheet amounts, where applicable.

Berkshire Hills Bancorp, Inc. (NYSE: BHLB) is the parent company of Berkshire Bank, a relationship-driven, community-focused bank with \$12.0 billion in assets and 83 financial centers in New England and New York. Berkshire is headquartered in Boston and offers commercial, retail, wealth, and

private banking solutions. Berkshire has a pending agreement to merge with Brookline Bancorp, Inc., a multi-bank holding company with \$11.6 billion in assets and branches in Massachusetts, Rhode Island, and New York.

2Q 2025 Financial Highlights (comparisons are to the linked quarter unless otherwise noted).

Income Statement. Second quarter GAAP income was \$30 million, or \$0.66 per share. Operating earnings totaled \$32 million, or \$0.69 per share. GAAP results included \$1.5 million in primarily merger-related non-operating expenses. Operating earnings increased \$4.0 million, or 14%, linked quarter and 36% year-over-year, with ongoing positive operating leverage from operating revenue growth and expense reduction. Reflecting the merger-related share issuance in December 2024, quarterly operating EPS was up 25% year-over-year. The efficiency ratio was 56.7% in the second quarter, improving to the best quarterly result since 2019.

Quarterly net interest income increased linked quarter by \$2.2 million to \$92 million in 2Q25.

- The net interest margin increased 3 basis points to 3.27%.
 - The earning asset yield increased 3 basis points to 5.38%.
 - The loan yield increased 2 basis points to 5.82%.
 - The cost of funds decreased 1 basis point to 2.29%
 - The cost of deposits decreased 3 basis points to 2.15%.
- Provision for credit losses totaled \$4.0 million, decreasing 1.5 million linked quarter.
 - o Net loan charge-offs totaled \$3.3 million, compared to \$3.5 million linked quarter.
 - The annualized loan net charge-off ratio was 0.14% for the quarter and 0.15% year-to-date.
- GAAP and operating non-interest income was \$22 million, increasing \$1.1 million linked quarter primarily due to higher loan related fee income.
- Non-interest expense totaled \$68 million on a GAAP basis and \$67 million on an operating basis. The operating measure decreased \$1.3 million linked quarter and \$4.7 million year-over-vear.
 - Compensation and occupancy expense decreased \$1.8 million from seasonally higher levels in the linked quarter.
- The effective tax rate was 27% in 2Q25 compared to 26% in the linked guarter.

Loans. Compared to the linked quarter, total loans increased \$70 million, or 1%, to \$9.5 billion. Growth was primarily in commercial and industrial loans which increased \$56 million, or 4%.

- The quarter-end allowance for credit losses on loans was unchanged at 1.24% of total loans.
 - o The period-end allowance was 462% of non-performing loans.
- Non-performing loans were 0.27% of total loans at period-end.
- Delinquent and non-performing loans were 0.48% of total loans at period-end.

Deposits. Compared to the linked quarter, total end of period deposits increased \$99 million, or 1%, to \$10.0 billion. Total end of period deposits excluding payroll and brokered deposits increased \$66 million, or 1%, linked quarter, and increased \$541 million, or 7%, year-over year.

Equity. Total shareholders' equity increased \$26 million, or 2%, linked quarter to \$1.2 billion. The ratio of tangible common equity to tangible assets measured 10.1%, increasing from 9.9% linked quarter. Tangible book value per share grew 13% year-over-year to \$26.12 at period-end.

Proposed Transaction with Brookline Bancorp, Inc. On December 16, 2024, Berkshire Hills Bancorp, Inc., Commerce Acquisition Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Berkshire formed solely to facilitate the merger ("Merger Sub") and Brookline Bancorp, Inc., a Delaware corporation ("Brookline"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Brookline, with Brookline as the surviving entity, and immediately thereafter, Brookline will merge with and into Berkshire, with Berkshire as the surviving entity (collectively, the "Merger"). As a result of the Merger, the separate corporate existence of Brookline will cease, and Berkshire will continue as the surviving corporation. Under the terms of the Merger Agreement, which was unanimously approved by the Boards of Directors of both companies, each outstanding share of Brookline common stock will be exchanged for the right to receive 0.42 shares of Berkshire common stock. Holders of Brookline common stock will receive cash in lieu of fractional shares of Berkshire common stock. As a result of the proposed transaction and a \$100 million common stock offering completed by Berkshire to support the proposed transaction, Berkshire stockholders will own approximately 55% and Brookline stockholders will own approximately 45% of the outstanding shares of the combined company. The proposed transaction is expected to close in 2025, subject to satisfaction of customary closing conditions, including receipt of required regulatory approvals. Shareholders of both companies approved merger-related proposals in May 2025.

Conference Call and Investor Presentation. Berkshire will conduct a conference call/webcast at 9:00 a.m. Eastern time on Thursday, July 24, 2025 to discuss results for the quarter and the Company's outlook. Instructions for listening to the call may be found at the Company's website at ir.berkshirebank.com. Additional materials relating to the call may also be accessed at this website. The call will be archived at the website and will be available for an extended period of time.

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," "remain," "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 the sections titled "Forward-Looking Statements" and "Risk Factors" in 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. These factors include, but are not limited to, the occurrence of any event, change or other circumstances that could give rise to the right of Berkshire or Brookline to terminate the merger agreement; the outcome of any legal proceedings that may be instituted against Berkshire or Brookline; delays in completing the proposed transaction with Brookline; the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction), or to satisfy any of the other conditions to the proposed transaction on a timely basis or at all, including the ability of Berkshire and Brookline to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; the impact of certain restrictions during the pendency of the proposed transaction on the parties' ability to pursue certain business opportunities and strategic transactions; diversion of management's attention from ongoing business operations and opportunities; and potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the proposed transaction. 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.

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SELECTED FINANCIAL HIGHLIGHTS (1)

	At or for the Quarters Ended												
	June 30,		M	arch 31,			Dec. 31,		ept. 30,	30, June 3			
	2025			2025			2024			2024		2024	
NOMINAL AND PER SHARE DATA													
Net earnings/(loss) per common share, diluted	\$ 0.66		\$	0.56		\$	0.46		\$	0.88		\$ 0.5	57
Operating earnings per common share, diluted (2)(3)	0.69			0.60			0.60			0.58		0.5	55
Net income/(loss), (thousands)	30,366			25,719			19,657			37,509		24,02	25
Operating net income, (thousands) (2)(3)	31,587			27,621			25,982			24,789		23,16	58
Net interest income, (thousands) non FTE	91,921			89,771			86,855			88,059		88,53	32
Net interest income, FTE (5)	93,761			91,655			88,798			90,082		90,54	15
Total common shares outstanding, end of period (thousands)	46,303			46,377			46,424			42,982		42,95	59
Average diluted shares, (thousands)	46,007			46,061			43,064			42,454		42,50)8
Total book value per common share, end of period	26.40			25.81			25.15			24.90		23.5	58
Tangible book value per common share, end of period (2)(3)	26.12			25.50			24.82			24.53		23.1	18
Dividends declared per common share	0.18			0.18			0.18			0.18		0.1	18
Dividend payout ratio (6)	27.54	%		32.52	%		39.40	%		20.63	%	32.7	74 %
PERFORMANCE RATIOS (4)													
Return on equity	9.97	%		8.63	%		7.18	%		14.29	%	9.4	19 %
Operating return on equity (2)(3)	10.37			9.28			9.49			9.44		9.1	
Return on tangible common equity (2)(3)	10.35			9.02			7.59			14.83		9.9	
Operating return on tangible common equity (2)(3)	10.76			9.66			9.93			9.91		9.6	
Return on assets	1.03			0.88			0.68			1.28		0.8	
Operating return on assets (2)(3)	1.07			0.94			0.90			0.85		0.7	
Net interest margin, FTE (5)	3.27			3.24			3.14			3.16		3.2	
Efficiency ratio (3)	56.73			59.45			62.43			63.74		63.4	
FINANCIAL DATA (in millions, end of period)													
Total assets	\$ 12,035		\$	12,013		\$	12,273		\$	11,605		\$ 12,21	19
Total earning assets	11,346			11,334			11,523			10,922		11,51	10
Total loans	9,499			9,429			9,385			9,212		9,22	29
Total funding liabilities	10,565			10,564			10,813			10,285		10,90)7
Total deposits	9,979			9,880			10,375			9,577		9,62	21
Loans/deposits (%)	95	%		95	%		90	%		96	%	, 9	96 %
Total accumulated other comprehensive (loss) net of tax, end of period	\$ (91)		\$	(95)		\$	(106)		\$	(89)		\$ (11	15)
Total shareholders' equity	1,222			1,197			1,167			1,070		1,01	
ASSET QUALITY													
Allowance for credit losses, (millions)	\$ 117		\$	117		\$	115		\$	112		\$ 11	12
Net charge-offs, (millions)	(3))		(4)			(3)			(6)		((2)
Net charge-offs (QTD annualized)/average loans	0.14	%		0.15	%		0.14	%		0.24	%	0.	.07 %
Provision (benefit)/expense, (millions)	\$ 4		\$	6		\$	6		\$	6		\$	6
Non-performing assets, (millions)	28			26			27			27		2	24
Non-performing loans/total loans	0.27	%		0.25	%		0.26	%		0.26	%	0.2	23 %
Allowance for credit losses/non-performing loans	462			501			469			467		52	25
Allowance for credit losses/total loans	1.24			1.24			1.22			1.22		1.2	22
CAPITAL RATIO													
Tangible common shareholders' equity/tangible assets (3)	10.1			9.9			9.4			9.1		8.	.2

⁽¹⁾ All financial tables presented are unaudited.

⁽²⁾ Reconciliation of non-GAAP financial measures, including all references to operating and tangible amounts, appear on pages 13 and 14.

(3) Non-GAAP financial measure. Operating measurements are non-GAAP financial measures that are adjusted to exclude net non-operating charges primarily related to acquisitions and restructuring activities. See pages 13 and 14 for reconciliations of non-GAAP financial measures.

⁽⁴⁾ All performance ratios are annualized and are based on average balance sheet amounts, where applicable.

⁽⁵⁾ Fully taxable equivalent considers the impact of tax advantaged investment securities and loans.

⁽⁶⁾ Dividend payout ratio is based on dividends declared.



CONSOLIDATED BALANCE SHEETS

		June 30,		March 31,	Γ	December 31,		June 30,
(in thousands)		2025		2025		2024		2024
Assets								
Cash and due from banks	\$	131,970	\$	121,137	\$	182,776	\$	112,085
Short-term investments		670,761		705,199		945,633		988,207
Total cash and cash equivalents		802,731		826,336		1,128,409		1,100,292
Trading securities, at fair value		4,835		5,010		5,258		5,699
Equity securities, at fair value		647		647		655		12,736
Securities available for sale, at fair value		664,713		669,182		655,723		611,711
Securities held to maturity, at amortized cost		476,756		494,242		507,658		520,239
Federal Home Loan Bank stock		25,579		29,688		19,565		35,010
Total securities		1,172,530		1,198,769		1,188,859		1,185,395
Less: Allowance for credit losses on investment securities		(63)		(63)		(64)		(65)
Net securities		1,172,467		1,198,706		1,188,795		1,185,330
Loans held for sale		4,014		1,322		3,076		52,072
Commercial real estate loans		4,898,078		4,882,927		4,848,824		4,706,810
Commercial and industrial loans		1,511,362		1,455,847		1,461,341		1,421,921
Residential mortgages		2,720,363		2,721,885		2,701,227		2,674,611
Consumer loans		369,046		368,226		373,602		425,184
Total loans		9,498,849		9,428,885		9,384,994		9,228,526
Less: Allowance for credit losses on loans		(117,344)		(116,678)		(114,700)		(112,167)
Net loans		9,381,505		9,312,207		9,270,294		9,116,359
Premises and equipment, net		58,439		57,680		56,609		55,893
Other real estate owned		124		_		_		_
Other intangible assets		12,809		13,936		15,064		17,319
Other assets		596,140		596,082		604,231		615,882
Assets held for sale		6,519		6,930		6,930		76,307
Total assets	\$	12,034,748	\$	12,013,199	\$	12,273,408	\$	12,219,454
Liabilities and shareholders' equity								
Non-interest bearing deposits	\$	2,296,268	\$	2,295,040	\$	2,324,879	Φ	2,222,012
NOW and other deposits	Ψ	814,600	Ψ	789,418	Ψ	841,406	Ψ	766,641
Money market deposits		3,153,241		3,197,331		3,610,521		3,278,753
Savings deposits		1,105,009		1,065,530		1,021,716		1,004,320
Time deposits		2,609,913		2,532,558		2,576,682		2,349,733
Total deposits		9,979,031		9,879,877		10,375,204		9,621,459
Federal Home Loan Bank advances		463,861		562,921		316,482		689,606
Subordinated borrowings		121,736		121,674		121,612		121,487
Total borrowings		585,597		684,595		438,094		811,093
Other liabilities		247,809		251,967		292,686		287,312
Liabilities held for sale		2 -11,007		231,707		2,2,000		486,648
Total liabilities		10,812,437		10,816,439		11,105,984		11,206,512
Common shareholders' equity		1,222,311		1,196,760		1,167,424		1,012,942
Total shareholders' equity				1,196,760		1,167,424		
	ф	1,222,311	φ		ተ		¢	1,012,942
Total liabilities and shareholders' equity	\$	12,034,748	\$	12,013,199	\$	12,273,408	\$	12,219,454



		Three Mo	nths E		Six Mon	ded		
		Jun	e 30,			Jun	e 30,	
(in thousands, except per share data)		2025		2024		2025		2024
Interest income	\$	151,469	\$	154,109	\$	299,799	\$	306,115
Interest expense		59,548		65,577		118,107		129,443
Net interest income, non FTE		91,921		88,532		181,692		176,672
Non-interest income								
Deposit related fees		8,193		8,561		16,142		16,866
Loan related fees		5,100		2,364		8,887		5,027
Gain on SBA loans		2,288		3,294		5,564		4,993
Wealth management fees		2,657		2,613		5,612		5,497
Fair value adjustments on securities		46		(42)		(6)		(157)
Other		3,468		3,343		6,225		5,217
Total non-interest income excluding gains and losses		21,752		20,133		42,424		37,443
(Loss) on sale of securities		· -		-		-		(49,909)
Total non-interest income		21,752		20,133		42,424		(12,466)
Total net revenue		113,673		108,665		224,116		164,206
		•						
Provision expense for credit losses		4,000		6,499		9,500		12,499
Non-interest expense								
Compensation and benefits		39,303		40,126		79,938		80,861
Occupancy and equipment		7,203		8,064		14,869		16,762
Technology		9,756		10,236		19,821		20,140
Professional services		961		2,757		2,675		5,433
Regulatory expenses		1,648		1,848		3,275		3,693
Amortization of intangible assets		1,128		1,140		2,256		2,345
Marketing		1,541		532		2,808		1,648
Merger, restructuring and other non-operating expenses		1,491		(384)		3,945		3,233
Other expenses		5,113		6,612		8,923		12,836
Total non-interest expense		68,144		70,931		138,510		146,951
Total non-interest expense excluding non-operating expenses		66,653		71,315		134,565		143,718
Income hefere income tours	ф	41.520	¢	21 225	ф	77. 107	¢	1750
Income before income taxes	\$	41,529	\$	31,235	\$	76,106	\$	4,756
Income tax expense	ф	11,163	Ф	7,210	ф	20,021	ф	919
Net income	\$	30,366	\$	24,025	\$	56,085	\$	3,837
Basic earnings per common share	\$	0.66	\$	0.57	\$	1.23	\$	0.09
Diluted earnings per common share	\$ \$	0.66	\$	0.57	\$	1.22	\$	0.09
., .	*		·		•	· -		
Weighted average shares outstanding:		45.564		10 105		45 501		10.600
Basic		45,764		42,437		45,731		42,602
Diluted		46,007		42,508		46,042		42,763



CONSOLIDATED STATEMENTS OF OPERATIONS (5 Quarter Trend)

	,	June 30,	March 3	31,	Ι	Dec. 31,	Ş	Sept. 30,		June 30,
(in thousands, except per share data)		2025	2025			2024		2024		2024
Interest income	\$	151,469	\$ 148,	330	\$	150,555	\$	157,268	\$	154,109
Interest expense		59,548	58,	559		63,700		69,209		65,577
Net interest income, non FTE		91,921	89,	771		86,855		88,059		88,532
Non-interest income		•	·					·		•
Deposit related fees		8,193	7,	949		8,237		8,656		8,561
Loan related fees		5,100	3,	787		3,039		3,214		2,364
Gain on SBA loans		2,288	3,	276		4,635		3,020		3,294
Wealth management fees		2,657		955		2,658		2,685		2,613
Fair value adjustments on securities		46		(52)		(352)		516		(42)
Other		3,468		757 [°]		4,943		3,416		3,343
Total non-interest income excluding gains and losses		21,752		672		23,160		21,507		20,133
Gain on sale of business operations and assets, net		´ -	,	_		193		16,048		-
Loss on sale of securities		-		-		(28)		-		-
Total non-interest income		21,752	20,	672		23,325		37,555		20,133
Total net revenue		113,673	110,	443		110,180		125,614		108,665
Provision expense for credit losses		4,000	5,	500		6,000		5,500		6,499
Non-interest expense										
Compensation and benefits		39,303		635		38,929		40,663		40,126
Occupancy and equipment		7,203	,	666		7,334		7,373		8,064
Technology		9,756	,	065		10,241		10,014		10,236
Professional services		961		714		2,765		2,109		2,757
Regulatory expenses		1,648		627		1,851		1,851		1,848
Amortization of intangible assets		1,128		128		1,128		1,128		1,140
Marketing		1,541		267		2,013		861		532
Merger, restructuring and other non-operating expenses		1,491		454		6,557		(297)		(384)
Other expenses		5,113		810		6,757		8,258		6,612
Total non-interest expense		68,144	70,	366		77,575		71,960		70,931
Total non-interest expense excluding non-operating expenses		66,653	67,	912		71,018		72,257		71,315
Income/(loss) before income taxes	\$	41,529	\$ 34,	577	\$	26,605	\$	48,154	\$	31,235
Income tax expense/(benefit)	Ф	11,163		858	Ψ	6,948	Ψ	10,645	Ψ	7,210
Net income/(loss)	\$	30,366		719	\$	19,657	\$	37,509	\$	24,025
1vet income/(ioss)	Ψ	30,300	Ψ 23,	/1/	Ψ	17,037	Ψ	31,307	Ψ	24,023
Diluted earnings/(loss) per common share	\$	0.66	\$ (0.56	\$	0.46	\$	0.88	\$	0.57
Weighted average shares outstanding:										
Basic		45,764	45	684		42,661		42,170		42,437
Diluted		46,007	46,			43,064		42,454		42,508
Diluica		40,007	40,	501		+5,004		72,434		42,300



_								Quar	ters End	led					
			June 3	30, 2025				March	n 31, 202	5			June 3	30, 2024	ı
-		verage			Average	A	verage			Average		verage			Average
(in millions)	B	alance	Intere	est (1)	Yield/Rate	В	alance	Intere	est (1)	Yield/Rate	В	alance	Interest (1)		Yield/Rate
Assets															
Commercial real estate	\$	4,903	\$	76	6.19 %	\$	4,865	\$	75	6.19 %	\$	4,649	\$	77	6.52
Commercial and industrial loans		1,501		27	6.99		1,446		25	7.00		1,384		27	7.62
Residential mortgages		2,711		30	4.39		2,708		30	4.35		2,694		28	4.21
Consumer loans		369		5	6.58		370		6	6.57		430		8	7.47
Total loans		9,484		138	5.82		9,389		136	5.80		9,157		140	6.05
Securities (2)		1,299		8	2.59		1,312		9	2.62		1,332		8	2.44
Short-term investments and loans held for sale		540		5	4.31		534		6	4.19		597		8	5.07
New York branch loans held for sale (3)		-		-	-		-		-	-		57		1	5.86
Total earning assets		11,323		151	5.38		11,235		151	5.35		11,143		157	5.57
Goodwill and other intangible assets		13					14					18			
Other assets		513					505					531			
Total assets	\$	11,849				\$	11,754				\$	11,692			
Money market Savings Fime Fotal deposits Sorrowings (4) New York branch non-interest-bearing deposits held for sale (3)		3,095 1,081 2,560 9,817 590		23 3 24 53 7	2.92 1.24 3.73 2.15 4.65		3,247 1,038 2,542 9,847 463		23 3 25 53 6	2.87 1.13 3.91 2.18 4.90		2,909 1,004 2,376 9,296 610 97		24 3 25 55 9	3.32 1.06 4.22 2.35 5.55
New York branch interest-bearing deposits held for sale (3)		-		-	-		-		-	-		386		3	2.80
Total funding liabilities		10,407		60	2.29		10,310		59	2.30		10,389		67	2.53
Other liabilities		224					253					290			
Total liabilities		10,631					10,563					10,679			
Common shareholders' equity (5)		1,218					1,191					1,013			
Total shareholders' equity		1,218					1,191					1,013			
Total liabilities and shareholders' equity	\$	11,849				\$	11,754				\$	11,692			
Net interest margin, FTE					3.27					3.24					3.20
Supplementary data															
Net Interest Income, non FTE		91,921					89,771					88,532			
FTE income adjustment		1,840					1,884					2,013			
Net Interest Income, FTE		93,761					91,655					90,545			

⁽¹⁾ Interest income and expense presented on a fully taxable equivalent basis.

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

⁽³⁾ New York branch loans and deposits moved to held for sale on March 4, 2024.

⁽⁴⁾ Average balances for borrowings includes the financing lease obligation which is presented under other liabilities on the consolidated balance sheet.

⁽⁵⁾ Unrealized gains and losses, net of tax, are included in average equity.



June 30,

2025

(in thousands)

ASSET QUALITY ANALYSIS

March 31,

2025

At or for the Quarters Ended

December 31,

2024

September 30,

2024

June 30,

2024

					2020										
NON-PERFORMING ASSETS															
Commercial real estate	\$	9,869		\$	9,742		\$	10,393		\$	10,270		\$	5,976	
Commercial and industrial loans		11,512			8,998			9,156			8,227			8,489	
Residential mortgages		3,289			3,684			3,830			4,348			5,491	
Consumer loans		734			856			1,068			1,124			1,392	
Total non-performing loans		25,404			23,280			24,447			23,969			21,348	
Repossessed assets		2,384			2,288			2,280			2,563			2,549	
Total non-performing assets	\$	27,788		\$	25,568		\$	26,727		\$	26,532		\$	23,897	
Total non-performing loans/total loans		0.27%			0.25%			0.26%			0.26%			0.23%	
Total non-performing assets/total assets		0.23%			0.21%			0.22%			0.23%			0.20%	
PROVISION AND ALLOWANCE FOR CREDIT LOS	SSES	ON LOANS													
Balance at beginning of period	\$	116,678		\$	114,700		\$	112,047		\$	112,167		\$	107,331	
Charged-off loans		(4,348)			(6,256)			(4,553)			(7,091)			(3,246)	
Recoveries on charged-off loans		1,014			2,734			1,206			1,471			1,583	
Net loans charged-off		(3,334)			(3,522)			(3,347)			(5,620)			(1,663)	
Provision expense for loan credit losses		4,000			5,500			6,000			5,500			6,499	
Balance at end of period	\$	117,344		\$	116,678		\$	114,700		\$	112,047		\$	112,167	
Allowance for credit losses/total loans		1.24%			1.24%			1.22%			1.22%			1.22%	
Allowance for credit losses/non-performing loans		462%			501%			469%			467%			525%	
NET LOAN CHARGE-OFFS															
Commercial real estate	\$	(338)		\$	(991)		\$	(121)		\$	(999)		\$	22	
Commercial and industrial loans		(3,232)			(1,518)			(2,309)			(1,009)			(711)	
Residential mortgages		48			161			552			273			316	
Home equity		(13)			102			1			3			8	
Other consumer loans		205			(1,276)			(1,470)			(3,888)			(1,298)	
Total, net	\$	(3,330)		\$	(3,522)		\$	(3,347)		\$	(5,620)		\$	(1,663)	
Net charge-offs (QTD annualized)/average loans		0.14%			0.15%			0.14%			0.24%			0.07%	
Net charge-offs (YTD annualized)/average loans		0.15%			0.15%			0.16%			0.16%			0.13%	
			Percent			Percent of			Percent of			Percent of			Percent of
DELINOHENE AND NON BEDEODATES A CANG		Balance	of Total Loans		Dalamaa	Total		Dalamaa	Total		Dalamaa	Total		2010000	Total
DELINQUENT AND NON-PERFORMING LOANS				e	Balance	Loans	d.	Balance	Loans	ф	Balance	Loans		Balance	Loans
30-89 Days delinquent	\$	15,263	0.16%	Þ	9,783	0.10%	3	17,591	0.19%	Þ	18,526	0.20%	Ф	18,494	0.20%
90+ Days delinquent and still accruing		4,675	0.05%		6,858	0.07%		6,417	0.07%		6,280	0.07%		11,672	0.13%
Total accruing delinquent loans		19,938	0.21%		16,641	0.17%		24,008	0.26%		24,806	0.27%		30,166	0.33%
Non-performing loans	ф	25,404	0.27%	ф	23,280	0.25%	ф	24,447	0.26%	ф	23,969	0.26%	ф	21,348	0.23%
Total delinquent and non-performing loans	\$	45,342	0.48%	\$	39,921	0.42%	\$	48,455	0.52%	\$	48,775	0.53%	\$	51,514	0.56%

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 are intended to provide the reader with additional supplemental perspectives on operating results, performance trends, and financial condition. Non-GAAP financial measures 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 provided below. In all cases, it should be understood that non-GAAP measures do not depict amounts that accrue directly to the benefit of shareholders. An item which management excludes when computing non-GAAP operating earnings can be of substantial importance to the Company's results for any particular quarter or year. The Company's non-GAAP operating earnings information set forth is not necessarily comparable to non-GAAP information which may be presented by other companies. Each non-GAAP measure used by the Company in this report as supplemental financial data should be considered in conjunction with the Company's GAAP financial information.

The Company utilizes the non-GAAP measure of operating earnings in evaluating operating trends, including components for operating revenue and expense. These measures exclude amounts which the Company views as unrelated to its normalized operations. These items primarily include restructuring costs. Restructuring costs generally consist of costs and losses associated with the disposition of assets and liabilities and lease terminations, including costs related to branch consolidations.

The Company also calculates operating earnings per share based on its measure of operating earnings and diluted common shares. The Company views these amounts as important to understanding its operating trends, particularly due to the impact of accounting standards related to merger and acquisition activity. Analysts also rely on these measures in estimating and evaluating the Company's performance. Adjustments in 2025 were primarily related to the pending merger. Adjustments in 2024 were primarily related to the pending merger, branch sales and consolidations, and loss on sale of securities.

Management believes that the computation of non-GAAP operating earnings and operating earnings per share may facilitate the comparison of the Company to other companies in the financial services industry. The Company also adjusts certain equity related measures to exclude intangible assets due to the importance of these measures to the investment community.



					At o	r for t	ne Quarters	Ende	d		
		June 30,					Dec. 31,		Sept. 30,	I	une 30,
(in thousands)		٠	2025	1,	March 31, 2025		2024		2024		2024
Total non-interest income		\$	21,752	\$	20,672	\$	23,325	\$	37,555	\$	20,133
Adj: Net (gains) on sale of business operations and assets		-	,	_	,	_	(193)	_	(16,048)	-	,
Adj: Loss on sale of securities			-		-		28		-		_
Total operating non-interest income (1)		\$	21,752	\$	20,672	\$	23,160	\$	21,507	\$	20,133
Total revenue	(A)	\$	113,673	\$	110,443	\$	110,180	\$	125,614	\$	108,665
Adj: Net (gains) on sale of business operations and assets			-		-		(193)		(16,048)		-
Adj: Loss on sale of securities			•		-		28		-		-
Total operating revenue (1)	(B)	\$	113,673	\$	110,443	\$	110,015	\$	109,566	\$	108,665
m. I			co 444		50.0				5 4.040		mo 004
Total non-interest expense	(C)	\$	68,144	\$,	\$		\$	71,960	\$	
Adj: Merger, restructuring and other non-operating expenses		ф	(1,491)	Ф	(2,454)	Ф	(6,557)		297	Φ.	384
Operating non-interest expense (1)	(D)	\$	66,653	\$	67,912	\$	71,018	\$	72,257	\$	71,315
Pre-tax, pre-provision net revenue (PPNR)	(A-C)	\$	45,529	\$	40,077	\$	32,605	\$	53,654	\$	37,734
Operating pre-tax, pre-provision net revenue (PPNR) (1)	(B-D)	Ψ	47,020	Ψ	42,531	Ψ	38,997	Ψ	37,309	Ψ	37,350
operating pre-tax, pre-provision net revenue (11146) (1)	(B D)		47,020		42,551		30,777		31,307		37,330
Net income		\$	30,366	\$	25,719	\$	19,657	\$	37,509	\$	24,025
Adj: Net (gains) on sale of business operations and assets			· -		-		(193)		(16,048)		· -
Adj: Loss on sale of securities			-		-		28		-		-
Adj: Merger, restructuring expense and other non-operating expenses			1,491		2,454		6,557		(297)		(384)
Adj: Income taxes (expense)/benefit			(270)		(552)		(67)		3,625		(473)
Total operating income (1)	(E)	\$	31,587	\$	27,621	\$	25,982	\$	24,789	\$	23,168
(in millions, except per share data)		ф	11.040	ф	11.754	Φ.	11.506	•	11.605	Ф	11.602
Total average assets	(F)	\$	11,849	\$,	\$		\$		\$	11,692
Total average shareholders' equity Total average tangible shareholders' equity (1)	(G)		1,218 1,205		1,191 1,177		1,095 1,080		1,050 1,034		1,013 995
Total accumulated other comprehensive (loss) net of tax, end of period	(I)		(91)		(95)		(106)		(89)		(115)
Total tangible shareholders' equity, end of period (1)	(K)		1,210		1,183		1,152		1,054		996
Total tangible assets, end of period (1)	(L)		12,022		11,999		12,258		11,588		12,202
Total tanglore assets, end of period (1)	(L)		12,022		11,,,,,		12,230		11,500		12,202
Total common shares outstanding, end of period (thousands)	(M)		46,303		46,377		46,424		42,982		42,959
Average diluted shares outstanding (thousands)	(N)		46,007		46,061		43,064		42,454		42,508
Earnings/(loss) per common share, diluted (1)		\$	0.66	\$	0.56	\$	0.46	\$	0.88	\$	0.57
Operating earnings per common share, diluted (1)	(E/N)	φ	0.69	φ	0.60	Ф	0.40	φ	0.58	φ	0.55
Tangible book value per common share, end of period (1)	(K/M)		26.12		25.50		24.82		24.53		23.18
Total tangible shareholders' equity/total tangible assets (1)	(K/L)		10.06		9.86		9.40		9.10		8.16
	(IVL)		10.00		7.00		2.40		7.10		0.10
Performance ratios (2)			9.97 %	,	8.63	%	7.18	0/	14.29 %		9.49
Return on equity Operating return on equity (1)	(E/G)		10.37	0	9.28	70	9.49	70	9.44)	9.49
Return on tangible common equity (1)(3)	(E/G)		10.37		9.28		7.59		14.83		9.13
Operating return on tangible common equity (1)(3)	(E+Q)/(I)		10.33		9.66		9.93		9.91		9.65
Return on assets	(L Q)/(I)		1.03		0.88		0.68		1.28		0.82
Operating return on assets (1)	(E/F)		1.07		0.94		0.90		0.85		0.79
Efficiency ratio (1)	(D-Q)/(B+R)		56.73		59.45		62.43		63.74		63.40
Supplementary data (in thousands)											
Effective tax rate			26.9 %		25.6		26.1		22.1 %		23.1
Intangible amortization	(Q)	\$	1,128	\$	1,128	\$	1,128	\$	1,128	\$	1,140
Fully taxable equivalent income adjustment	(R)		1,840		1,884		1,943		2,023		2,013

⁽¹⁾ Non-GAAP financial measure.
(2) 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.
(3) Amortization of intangible assets is adjusted assuming a 27% marginal tax rate.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND SUPPLEMENTARY DATA- UNAUDITED

			At or for the S	ix Month	s Ended
			June 30,	J	une 30,
(in thousands)			2025		2024
Total non-interest income		\$	42,424	\$	(12,466)
Adj: Loss on sale of securities Total engenting non-interest income (1)		Φ.	42.424	Φ.	49,909
Total operating non-interest income (1)		\$	42,424	\$	37,443
Total revenue	(A)	\$	224,116	\$	164,206
Adj: Net (gains) on sale of business operations and assets	(71)	Ψ	224,110	Ψ	-
Adj: Loss on sale of securities			_		49,909
Total operating revenue (1)	(B)	\$	224,116	\$	214,115
Total non-interest expense	(C)	\$	138,510	\$	146,951
Less: Merger, restructuring and other non-operating expenses			(3,945)		(3,233)
Operating non-interest expense (1)	(D)	\$	134,565	\$	143,718
Due toy and provision not revenue (DDND)	(A C)	ø	85,606	\$	17,255
Pre-tax, pre-provision net revenue (PPNR) Operating pre-tax, pre-provision net revenue (PPNR) (1)	(A-C) (B-D)	\$	89,551	Ф	70,397
Operating pre-tax, pre-provision net revenue (FFIVK) (1)	(D-D)		09,331		10,391
Net income		\$	56,085	\$	3,837
Adj: Loss on sale of securities			· -		49,909
Adj: Merger, restructuring expense and other non-operating expenses			3,945		3,233
Adj: Income taxes (expense)			(822)		(12,877)
Total operating income (1)	(E)	\$	59,208	\$	44,102
(in millions, except per share data)	(E)	ø	11 902	¢	11 722
Total average assets Total average shareholders' equity	(F)	\$	11,802 1,205	\$	11,723 1,015
Total average snareholders' equity (1)	(G) (I)		1,205 1,191		997
Total accumulated other comprehensive (loss) net of tax, end of period	(1)		(91)		(115)
Total tangible shareholders' equity, end of period (1)	(K)		1,210		996
Total tangible assets, end of period (1)	(L)		12,022		12,202
	• • • • • • • • • • • • • • • • • • • •				
Total common shares outstanding, end of period (thousands)	(M)		46,303		42,959
Average diluted shares outstanding (thousands)	(N)		46,042		42,763
Earnings per common share, diluted (1)		\$	1.22	\$	0.09
Operating earnings per common share, diluted (1)	(E/N)		1.29		1.03
Tangible book value per common share, end of period (1)	(K/M)		26.12		23.18
Total tangible shareholders' equity/total tangible assets (1)	(K/L)		10.06		8.16
Performance ratios (2)					
Return on equity			9.31 %	ó	0.76 %
Operating return on equity (1)	(E/G)		9.83		8.69
Return on tangible common equity (1)(3)			9.69		1.11
Operating return on tangible common equity (1)(3)	(E+Q)/(I)		10.22		9.19
Return on assets	(E/E)		0.95		0.07
Operating return on assets (1)	(E/F)		1.00 58.07		0.75
Efficiency ratio (1) Net interest margin, FTE	(D-Q)/(B+R)		3.26		64.81 3.18
The merce margin, I IL			3,20		3.10
Supplementary data (in thousands)					
Intangible amortization	(Q)	\$	2,256	\$	2,345
Fully taxable equivalent income adjustment	(R)		3,724		4,019

⁽¹⁾ Non-GAAP financial measure.

⁽²⁾ 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.

⁽³⁾ Amortization of intangible assets is adjusted assuming a 27% marginal tax rate.