



Brookline Bancorp Announces Third Quarter Results

Net Income of \$22.6 million, EPS of \$0.28

Quarterly Dividend Increase of 4.5%

BOSTON, MA -- October 23, 2019 -- Brookline Bancorp, Inc. (NASDAQ: BRKL) (the "Company") today announced net income of \$22.6 million, or \$0.28 per basic and diluted share, for the third quarter of 2019, compared to \$20.5 million, or \$0.26 per basic and diluted share, for the second quarter of 2019, and \$22.5 million, or \$0.28 per basic and diluted share, for the third quarter of 2018.

Paul Perrault, President and Chief Executive Officer of the Company commented on the third quarter earnings, "We continued to produce strong results in the third quarter, including favorable loan and deposit growth. With this growth we have maintained our commitment to achieving solid returns for our stockholders. Our Board has again voted to increase our dividend, from \$0.110 to \$0.115. We look forward to a productive fourth quarter."

FIRST IPSWICH BANK CHARTER CONSOLIDATION

On October 23, 2019, Brookline Bank and First Ipswich Bank, both wholly-owned subsidiaries of the Company, entered into a merger agreement pursuant to which First Ipswich Bank will merge with and into Brookline Bank with Brookline Bank as the surviving institution. We anticipate closing the transaction in the first quarter of 2020. There are no branch closings as part of this charter consolidation.

BALANCE SHEET

Total assets at September 30, 2019 increased \$241.5 million to \$7.9 billion from \$7.6 billion at June 30, 2019, and increased \$557.8 million from \$7.3 billion at September 30, 2018, primarily driven by growth in the loan portfolio. At September 30, 2019, total loans and leases were \$6.6 billion, representing an increase of \$141.5 million from June 30, 2019, and an increase of \$419.1 million from September 30, 2018, primarily driven by growth in the commercial real estate portfolio.

Investment securities at September 30, 2019 decreased \$23.7 million to \$567.1 million, as compared to \$590.8 million at June 30, 2019, and decreased approximately \$87.6 million from \$654.6 million at September 30, 2018. As of September 30, 2019, securities, cash and cash equivalents represented 9.5 percent of total assets as compared to 9.0 percent and 9.7 percent as of June 30, 2019 and September 30, 2018, respectively.

Total deposits at September 30, 2019 increased \$106.8 million from \$5.6 billion at June 30, 2019 to \$5.7 billion and increased \$495.7 million from \$5.2 billion at September 30, 2018 driven primarily by growth in demand deposits.

Total borrowed funds at September 30, 2019 increased \$55.6 million to \$986.4 million from \$930.8 million at June 30, 2019 and decreased \$96.5 million from \$1.1 billion at September 30, 2018.

The ratio of stockholders' equity to total assets was 11.83 percent at September 30, 2019, as compared to 12.03 percent at June 30, 2019, and 12.16 percent at September 30, 2018. The ratio of tangible stockholders' equity to tangible assets was 9.94 percent at September 30, 2019, as compared to 10.08 percent at June 30, 2019, and 10.11 percent at September 30, 2018. Tangible book value per share increased \$0.18 from \$9.45 at June 30, 2019 to \$9.63 at September 30, 2019, compared to \$9.00 at September 30, 2018.

NET INTEREST INCOME

Net interest income increased \$0.1 million to \$63.2 million during the third quarter of 2019 from \$63.1 million at the quarter ended June 30, 2019. The net interest margin decreased 10 basis points to 3.45 percent for the three months ended September 30, 2019.

NON-INTEREST INCOME

Non-interest income for the quarter ended September 30, 2019 increased \$0.4 million to \$7.9 million from \$7.5 million for the quarter ended June 30, 2019. The increase was primarily driven by increases of \$0.3 million in loan fees, \$0.5 million in loan level derivative income and \$0.1 million in other non-interest income, partially offset by a decrease of \$0.5 million in gain on securities.

PROVISION FOR CREDIT LOSSES

The Company recorded a provision for credit losses of \$0.9 million for the quarter ended September 30, 2019, compared to \$3.8 million for the quarter ended June 30, 2019. The improved, lower provision in the third quarter results from a reduction in classified assets, recoveries and lower charge-offs.

Total net charge-offs for the third quarter of 2019 were \$0.4 million compared to \$3.1 million in the second quarter of 2019. The ratio of net loan and lease charge-offs to average loans and leases on an annualized basis decreased to 2 basis points for the third quarter of 2019 from 19 basis points for the second quarter of 2019.

The allowance for loan and lease losses represented 0.89 percent of total loans and leases at September 30, 2019, compared to 0.90 percent at June 30, 2019, and 0.96 percent at September 30, 2018. The allowance for loan and lease losses related to originated loans and leases represented 0.90 percent of originated loans and leases at September 30, 2019, compared to 0.92 percent at June 30, 2019, and 1.00 percent at September 30, 2018.

NON-INTEREST EXPENSE

Non-interest expense for the quarter ended September 30, 2019 increased \$0.6 million to \$40.2 million from \$39.6 million for the quarter ended June 30, 2019. The increase was primarily driven by increases of \$0.9 million in compensation and employee benefits expense, \$0.1 million in occupancy, \$0.1 million in equipment and data processing, and \$1.1 million in merger and restructuring expense related to the First Ipswich Bank Charter consolidation referenced above, partially offset by decreases of \$0.7 million in FDIC insurance and \$0.9 million in other non-interest expense.

PROVISION FOR INCOME TAXES

The effective tax rate was 24.9 percent and 24.4 percent for the three and nine months ended September 30, 2019, respectively, compared to 20.9 percent and 22.9 for the three and nine months ended September 30, 2018, respectively.

RETURNS ON AVERAGE ASSETS AND AVERAGE EQUITY

The annualized return on average assets increased to 1.17 percent during the third quarter of 2019 from 1.08 percent for the second quarter of 2019. The annualized return on average tangible assets increased to 1.19 percent for the third quarter of 2019 from 1.11 percent for the second quarter of 2019.

The annualized return on average stockholders' equity increased to 9.74 percent during the third quarter of 2019 from 8.98 percent for the second quarter of 2019. The annualized return on average tangible stockholders' equity increased to 11.85 percent for the third quarter of 2019 from 10.98 percent for the second quarter of 2019.

ASSET QUALITY

The ratio of nonperforming loans and leases to total loans and leases was 0.33 percent at September 30, 2019, unchanged from 0.33 percent at June 30, 2019. Nonperforming loans and leases increased \$0.3 million to \$21.6 million at September 30, 2019 from \$21.3 million at June 30, 2019. The ratio of nonperforming assets to total assets was 0.30 percent at September 30, 2019, unchanged from 0.30 percent at June 30, 2019. Nonperforming assets increased \$0.5 million to \$23.8 million at September 30, 2019 from \$23.3 million at June 30, 2019.

DIVIDEND DECLARED

The Company's Board of Directors approved a dividend of \$0.115 per share for the quarter ended September 30, 2019, an increase of half a cent from the prior period. The dividend will be paid on November 22, 2019 to stockholders of record on November 8, 2019, representing an increase of 4.5 percent from the prior quarter and a 9.5 percent increase from the prior year.

CONFERENCE CALL

The Company will conduct a conference call/webcast at 1:30 PM Eastern Daylight Time on Thursday, October 24, 2019 to discuss the results for the quarter, business highlights and outlook. The call can be accessed by dialing 877-504-4120 (United States) or 412-902-6650 (internationally). A recorded playback of the call will be available for one week following the call at 877-344-7529 (United States) or 412-317-0088 (internationally). The passcode for the playback is 10134880. The call will be available live and in a recorded version on the Company's website under "Investor Relations" at www.brooklinebancorp.com.

ABOUT BROOKLINE BANCORP, INC.

Brookline Bancorp, Inc., a bank holding company with \$7.9 billion in assets and branch locations in Massachusetts and Rhode Island, is headquartered in Boston, Massachusetts and operates as the holding company for Brookline Bank, Bank Rhode Island, and First Ipswich Bank (the "banks"). The Company provides commercial and retail banking services, cash management and investment services to customers throughout Central New England. More information about Brookline Bancorp, Inc. and its banks can be found at the following websites: www.brooklinebank.com, www.bankri.com, and www.firstipswich.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties. The Company's actual results could differ materially from those projected in the forward-looking statements as a result of, among others, the risks outlined in the Company's Annual Report on Form 10-K, as updated by its Quarterly Reports on Form 10-Q and other filings submitted to the Securities and Exchange Commission ("SEC"). The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

BASIS OF PRESENTATION

The Company's consolidated financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as set forth by the Financial Accounting Standards Board in its Accounting Standards Codification and through the rules and interpretive releases of the SEC under the authority of federal securities laws. Certain amounts previously reported have been reclassified to conform to the current period's presentation.

NON-GAAP FINANCIAL MEASURES

The Company uses certain non-GAAP financial measures, such as operating earnings, operating return on average assets, operating return on average tangible assets, operating return on average stockholders' equity, operating return on average tangible stockholders' equity, the allowance for loan and lease losses related to originated loans and leases as a percentage of originated loans and leases, tangible book value per common share, tangible stockholders' equity to tangible assets, return on average tangible assets (annualized) and return on average tangible stockholders' equity (annualized). These non-GAAP financial measures provide information for investors to effectively analyze financial trends of ongoing business activities, and to enhance comparability with peers across the financial services sector. A detailed reconciliation table of the Company's GAAP to the non-GAAP measures is attached.

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BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Selected Financial Highlights (Unaudited)

| | At and for the Three Months Ended | | | | |
|---|--|--------------------------|---------------------------|------------------------------|-------------------------------|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 |
| | (Dollars In Thousands Except per Share Data) | | | | |
| Earnings Data: | | | | | |
| Net interest income | \$ 63,236 | \$ 63,134 | \$ 62,999 | \$ 63,159 | \$ 62,332 |
| Provision for credit losses | 871 | 3,757 | 1,353 | 123 | 2,717 |
| Non-interest income | 7,929 | 7,478 | 6,630 | 6,461 | 7,069 |
| Non-interest expense | 40,191 | 39,604 | 38,871 | 40,282 | 37,310 |
| Income before provision for income taxes | 30,103 | 27,251 | 29,405 | 29,215 | 29,374 |
| Net income attributable to Brookline Bancorp, Inc. | 22,596 | 20,471 | 22,467 | 21,138 | 22,460 |
| Performance Ratios: | | | | | |
| Net interest margin (1) | 3.45% | 3.55% | 3.64% | 3.58% | 3.57% |
| Interest-rate spread (1) | 3.06% | 3.13% | 3.18% | 3.25% | 3.27% |
| Return on average assets (annualized) | 1.17% | 1.08% | 1.21% | 1.15% | 1.23% |
| Return on average tangible assets (annualized) (non-GAAP) | 1.19% | 1.11% | 1.24% | 1.17% | 1.26% |
| Return on average stockholders' equity (annualized) | 9.74% | 8.98% | 10.14% | 9.40% | 10.10% |
| Return on average tangible stockholders' equity (annualized) (non-GAAP) | 11.85% | 10.98% | 12.48% | 11.54% | 12.44% |
| Efficiency ratio (2) | 56.48% | 56.09% | 55.83% | 57.86% | 53.76% |
| Per Common Share Data: | | | | | |
| Net income — Basic | \$ 0.28 | \$ 0.26 | \$ 0.28 | \$ 0.26 | \$ 0.28 |
| Net income — Diluted | 0.28 | 0.26 | 0.28 | 0.26 | 0.28 |
| Cash dividends declared | 0.115 | 0.110 | 0.110 | 0.105 | 0.105 |
| Book value per share (end of period) | 11.70 | 11.53 | 11.30 | 11.30 | 11.08 |
| Tangible book value per share (end of period) (non-GAAP) | 9.63 | 9.45 | 9.22 | 9.21 | 9.00 |
| Stock price (end of period) | 14.73 | 15.38 | 14.40 | 13.82 | 16.70 |
| Balance Sheet: | | | | | |
| Total assets | \$ 7,878,436 | \$ 7,636,980 | \$ 7,519,130 | \$ 7,392,805 | \$ 7,320,596 |
| Total loans and leases | 6,646,821 | 6,505,329 | 6,388,197 | 6,303,516 | 6,227,707 |
| Total deposits | 5,729,339 | 5,622,493 | 5,620,633 | 5,454,044 | 5,233,611 |
| Brookline Bancorp, Inc. stockholders' equity | 932,311 | 918,468 | 900,572 | 900,140 | 890,368 |
| Asset Quality: | | | | | |
| Nonperforming assets | \$ 23,760 | \$ 23,267 | \$ 26,721 | \$ 28,116 | \$ 29,718 |
| Nonperforming assets as a percentage of total assets | 0.30% | 0.30% | 0.36% | 0.38% | 0.41% |
| Allowance for loan and lease losses | \$ 59,135 | \$ 58,635 | \$ 58,041 | \$ 58,692 | \$ 59,997 |
| Allowance for loan and lease losses as a percentage of total loans and leases | 0.89% | 0.90% | 0.91% | 0.93% | 0.96% |
| Net loan and lease charge-offs | \$ 366 | \$ 3,082 | \$ 2,101 | \$ 1,252 | \$ 564 |
| Net loan and lease charge-offs as a percentage of average loans and leases (annualized) | 0.02% | 0.19% | 0.13% | 0.08% | 0.04% |
| Capital Ratios: | | | | | |
| Stockholders' equity to total assets | 11.83% | 12.03% | 11.98% | 12.18% | 12.16% |
| Tangible stockholders' equity to tangible assets (non-GAAP) | 9.94% | 10.08% | 9.99% | 10.15% | 10.11% |

(1) Calculated on a fully tax-equivalent basis.

(2) Calculated as non-interest expense as a percentage of net interest income plus non-interest income.

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)

| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 |
|---|----------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|
| ASSETS | | | | | |
| | (In Thousands Except Share Data) | | | | |
| Cash and due from banks | \$ 93,841 | \$ 46,532 | \$ 51,276 | \$ 47,542 | \$ 30,762 |
| Short-term investments | 84,689 | 46,264 | 61,063 | 42,042 | 23,114 |
| Total cash and cash equivalents | <u>178,530</u> | <u>92,796</u> | <u>112,339</u> | <u>89,584</u> | <u>53,876</u> |
| Investment securities available-for-sale | 467,339 | 482,497 | 489,020 | 502,793 | 534,788 |
| Investment securities held-to-maturity | 95,163 | 103,572 | 113,694 | 114,776 | 115,684 |
| Equity securities held-for-trading | 4,581 | 4,698 | 4,341 | 4,207 | 4,169 |
| Total investment securities | <u>567,083</u> | <u>590,767</u> | <u>607,055</u> | <u>621,776</u> | <u>654,641</u> |
| Loans and leases held-for-sale | — | 1,575 | 869 | 3,247 | 937 |
| Loans and leases: | | | | | |
| Commercial real estate loans: | | | | | |
| Commercial real estate mortgage | 2,441,091 | 2,421,104 | 2,355,507 | 2,330,725 | 2,287,979 |
| Multi-family mortgage | 919,234 | 877,330 | 855,703 | 847,711 | 828,849 |
| Construction | 229,126 | 195,120 | 199,258 | 173,300 | 164,217 |
| Total commercial real estate loans | <u>3,589,451</u> | <u>3,493,554</u> | <u>3,410,468</u> | <u>3,351,736</u> | <u>3,281,045</u> |
| Commercial loans and leases: | | | | | |
| Commercial | 766,883 | 763,145 | 741,577 | 736,418 | 771,200 |
| Equipment financing | 1,029,280 | 1,015,205 | 995,863 | 982,089 | 954,579 |
| Condominium association | 54,225 | 47,986 | 49,142 | 50,451 | 52,205 |
| Total commercial loans and leases | <u>1,850,388</u> | <u>1,826,336</u> | <u>1,786,582</u> | <u>1,768,958</u> | <u>1,777,984</u> |
| Consumer loans: | | | | | |
| Residential mortgage | 792,733 | 769,983 | 775,578 | 782,968 | 759,167 |
| Home equity | 375,257 | 374,746 | 376,126 | 376,484 | 380,303 |
| Other consumer | 38,992 | 40,710 | 39,443 | 23,370 | 29,208 |
| Total consumer loans | <u>1,206,982</u> | <u>1,185,439</u> | <u>1,191,147</u> | <u>1,182,822</u> | <u>1,168,678</u> |
| Total loans and leases | <u>6,646,821</u> | <u>6,505,329</u> | <u>6,388,197</u> | <u>6,303,516</u> | <u>6,227,707</u> |
| Allowance for loan and lease losses | <u>(59,135)</u> | <u>(58,635)</u> | <u>(58,041)</u> | <u>(58,692)</u> | <u>(59,997)</u> |
| Net loans and leases | <u>6,587,686</u> | <u>6,446,694</u> | <u>6,330,156</u> | <u>6,244,824</u> | <u>6,167,710</u> |
| Restricted equity securities | 57,896 | 55,270 | 54,192 | 61,751 | 63,963 |
| Premises and equipment, net of accumulated depreciation | 75,229 | 75,373 | 75,520 | 76,382 | 77,886 |
| Right-of-use asset operating leases | 26,216 | 25,928 | 26,205 | — | — |
| Deferred tax asset | 25,204 | 25,629 | 27,084 | 21,495 | 22,249 |
| Goodwill | 160,427 | 160,427 | 160,427 | 160,427 | 160,427 |
| Identified intangible assets, net of accumulated amortization | 4,843 | 5,264 | 5,684 | 6,086 | 6,623 |
| Other real estate owned and repossessed assets | 2,132 | 1,966 | 3,912 | 4,019 | 3,934 |
| Other assets | 193,190 | 155,291 | 115,687 | 103,214 | 108,350 |
| Total assets | <u>\$ 7,878,436</u> | <u>\$ 7,636,980</u> | <u>\$ 7,519,130</u> | <u>\$ 7,392,805</u> | <u>\$ 7,320,596</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Deposits: | | | | | |
| Non-interest-bearing deposits: | | | | | |
| Demand checking accounts | \$ 1,106,684 | \$ 1,042,854 | \$ 1,011,031 | \$ 1,033,551 | \$ 1,017,234 |
| Interest-bearing deposits: | | | | | |
| NOW accounts | 340,321 | 340,082 | 369,896 | 336,317 | 322,587 |
| Savings accounts | 604,481 | 585,322 | 625,770 | 619,961 | 612,210 |
| Money market accounts | 1,666,231 | 1,669,782 | 1,706,708 | 1,675,050 | 1,623,220 |
| Certificate of deposit accounts | 2,011,622 | 1,984,453 | 1,907,228 | 1,789,165 | 1,658,360 |
| Total interest-bearing deposits | <u>4,622,655</u> | <u>4,579,639</u> | <u>4,609,602</u> | <u>4,420,493</u> | <u>4,216,377</u> |
| Total deposits | <u>5,729,339</u> | <u>5,622,493</u> | <u>5,620,633</u> | <u>5,454,044</u> | <u>5,233,611</u> |
| Borrowed funds: | | | | | |
| Advances from the FHLBB | 854,481 | 791,559 | 730,018 | 784,375 | 959,446 |
| Subordinated debentures and notes | 83,551 | 83,512 | 83,472 | 83,433 | 83,392 |
| Other borrowed funds | 48,373 | 55,693 | 52,515 | 52,734 | 40,048 |
| Total borrowed funds | <u>986,405</u> | <u>930,764</u> | <u>866,005</u> | <u>920,542</u> | <u>1,082,886</u> |
| Operating lease liabilities | 26,216 | 25,928 | 26,205 | — | — |
| Mortgagors' escrow accounts | 7,072 | 6,823 | 7,517 | 7,426 | 8,227 |
| Accrued expenses and other liabilities | 197,093 | 132,504 | 98,198 | 100,174 | 96,047 |
| Total liabilities | <u>6,946,125</u> | <u>6,718,512</u> | <u>6,618,558</u> | <u>6,482,186</u> | <u>6,420,771</u> |
| Stockholders' equity: | | | | | |
| Brookline Bancorp, Inc. stockholders' equity: | | | | | |
| Common stock, \$0.01 par value; 200,000,000 shares authorized; 85,177,172 shares issued, 85,177,172 shares issued, 85,177,172 shares issued, 85,177,172 shares issued, and 85,177,172 shares issued, respectively | 852 | 852 | 852 | 852 | 852 |
| Additional paid-in capital | 735,928 | 737,584 | 736,872 | 755,629 | 753,941 |
| Retained earnings, partially restricted | 252,435 | 238,625 | 226,929 | 212,838 | 200,151 |
| Accumulated other comprehensive loss | 2,775 | 1,141 | (4,393) | (9,460) | (15,599) |
| Treasury stock, at cost; | | | | | |
| 5,003,127 shares, 5,025,764 shares, 5,020,025 shares, 5,020,025 shares, and 4,291,317 shares, respectively | <u>(59,176)</u> | <u>(59,199)</u> | <u>(59,121)</u> | <u>(59,120)</u> | <u>(48,334)</u> |
| Unallocated common stock held by the Employee Stock Ownership Plan; | | | | | |
| 92,337 shares, 98,208 shares, 104,079 shares, 109,950 shares, and 118,050 shares, respectively | <u>(503)</u> | <u>(535)</u> | <u>(567)</u> | <u>(599)</u> | <u>(643)</u> |
| Total Brookline Bancorp, Inc. stockholders' equity | <u>932,311</u> | <u>918,468</u> | <u>900,572</u> | <u>900,140</u> | <u>890,368</u> |
| Noncontrolling interest in subsidiary | — | — | — | 10,479 | 9,457 |
| Total stockholders' equity | <u>932,311</u> | <u>918,468</u> | <u>900,572</u> | <u>910,619</u> | <u>899,825</u> |
| Total liabilities and stockholders' equity | <u>\$ 7,878,436</u> | <u>\$ 7,636,980</u> | <u>\$ 7,519,130</u> | <u>\$ 7,392,805</u> | <u>\$ 7,320,596</u> |

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Consolidated Statements of Income (Unaudited)

Three Months Ended

| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 |
|---|----------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|
| | (In Thousands Except Share Data) | | | | |
| Interest and dividend income: | | | | | |
| Loans and leases | \$ 83,566 | \$ 82,798 | \$ 80,672 | \$ 78,791 | \$ 75,877 |
| Debt securities | 2,977 | 3,158 | 3,236 | 3,489 | 3,585 |
| Marketable and restricted equity securities | 876 | 877 | 911 | 1,008 | 1,029 |
| Short-term investments | 487 | 351 | 267 | 256 | 145 |
| Total interest and dividend income | <u>87,906</u> | <u>87,184</u> | <u>85,086</u> | <u>83,544</u> | <u>80,636</u> |
| Interest expense: | | | | | |
| Deposits | 18,300 | 17,712 | 15,948 | 13,744 | 11,916 |
| Borrowed funds | 6,370 | 6,338 | 6,139 | 6,641 | 6,388 |
| Total interest expense | <u>24,670</u> | <u>24,050</u> | <u>22,087</u> | <u>20,385</u> | <u>18,304</u> |
| Net interest income | <u>63,236</u> | <u>63,134</u> | <u>62,999</u> | <u>63,159</u> | <u>62,332</u> |
| Provision for credit losses | 871 | 3,757 | 1,353 | 123 | 2,717 |
| Net interest income after provision for credit losses | <u>62,365</u> | <u>59,377</u> | <u>61,646</u> | <u>63,036</u> | <u>59,615</u> |
| Non-interest income: | | | | | |
| Deposit fees | 2,710 | 2,680 | 2,523 | 2,669 | 2,648 |
| Loan fees | 719 | 398 | 413 | 390 | 417 |
| Loan level derivative income, net | 2,251 | 1,772 | 1,745 | 1,811 | 2,192 |
| Gain (loss) on investment securities, net | (116) | 357 | 134 | (692) | (243) |
| Gain on sales of loans and leases held-for-sale | 550 | 561 | 289 | 327 | 535 |
| Other | 1,815 | 1,710 | 1,526 | 1,956 | 1,520 |
| Total non-interest income | <u>7,929</u> | <u>7,478</u> | <u>6,630</u> | <u>6,461</u> | <u>7,069</u> |
| Non-interest expense: | | | | | |
| Compensation and employee benefits | 24,871 | 23,953 | 23,743 | 24,413 | 22,338 |
| Occupancy | 3,895 | 3,752 | 3,947 | 3,240 | 3,913 |
| Equipment and data processing | 4,749 | 4,641 | 4,661 | 4,626 | 4,601 |
| Professional services | 1,083 | 1,087 | 1,076 | 1,130 | 1,075 |
| FDIC insurance | 54 | 745 | 593 | 727 | 846 |
| Advertising and marketing | 1,035 | 1,112 | 1,069 | 773 | 1,068 |
| Amortization of identified intangible assets | 421 | 420 | 402 | 537 | 537 |
| Merger and restructuring expense | 1,125 | — | — | 526 | 22 |
| Other | 2,958 | 3,894 | 3,380 | 4,310 | 2,910 |
| Total non-interest expense | <u>40,191</u> | <u>39,604</u> | <u>38,871</u> | <u>40,282</u> | <u>37,310</u> |
| Income before provision for income taxes | <u>30,103</u> | <u>27,251</u> | <u>29,405</u> | <u>29,215</u> | <u>29,374</u> |
| Provision for income taxes | 7,507 | 6,780 | 6,895 | 7,055 | 6,140 |
| Net income before noncontrolling interest in subsidiary | <u>22,596</u> | <u>20,471</u> | <u>22,510</u> | <u>22,160</u> | <u>23,234</u> |
| Less net income attributable to noncontrolling interest in subsidiary | — | — | 43 | 1,022 | 774 |
| Net income attributable to Brookline Bancorp, Inc. | <u>\$ 22,596</u> | <u>\$ 20,471</u> | <u>\$ 22,467</u> | <u>\$ 21,138</u> | <u>\$ 22,460</u> |
| Earnings per common share: | | | | | |
| Basic | \$ 0.28 | \$ 0.26 | \$ 0.28 | \$ 0.26 | \$ 0.28 |
| Diluted | \$ 0.28 | \$ 0.26 | \$ 0.28 | \$ 0.26 | \$ 0.28 |
| Weighted average common shares outstanding during the period: | | | | | |
| Basic | 79,700,403 | 79,669,922 | 79,658,583 | 80,258,456 | 80,315,050 |
| Diluted | 79,883,510 | 79,886,292 | 79,843,578 | 80,407,525 | 80,515,467 |
| Dividends paid per common share | \$ 0.110 | \$ 0.110 | \$ 0.105 | \$ 0.105 | \$ 0.100 |

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

Nine Months Ended September 30,

2019 **2018**

(In Thousands Except Share Data)

| | | | |
|---|------------|------------|--|
| Interest and dividend income: | | | |
| Loans and leases | \$ 247,036 | \$ 216,478 | |
| Debt securities | 9,371 | 10,471 | |
| Marketable and restricted equity securities | 2,664 | 2,956 | |
| Short-term investments | 1,105 | 444 | |
| Total interest and dividend income | 260,176 | 230,349 | |
| Interest expense: | | | |
| Deposits | 51,960 | 28,234 | |
| Borrowed funds | 18,847 | 17,575 | |
| Total interest expense | 70,807 | 45,809 | |
| Net interest income | 189,369 | 184,540 | |
| Provision for credit losses | 5,981 | 4,828 | |
| Net interest income after provision for credit losses | 183,388 | 179,712 | |
| Non-interest income: | | | |
| Deposit Fees | 7,913 | 7,731 | |
| Loan Fees | 1,530 | 1,037 | |
| Loan level derivative income, net | 5,768 | 3,629 | |
| Gain on investment securities, net | 375 | 1,162 | |
| Gain on sales of loans and leases held-for-sale | 1,400 | 1,556 | |
| Other | 5,051 | 3,648 | |
| Total non-interest income | 22,037 | 18,763 | |
| Non-interest expense: | | | |
| Compensation and employee benefits | 72,567 | 67,217 | |
| Occupancy | 11,594 | 11,751 | |
| Equipment and data processing | 14,051 | 13,587 | |
| Professional services | 3,246 | 3,274 | |
| FDIC insurance | 1,392 | 1,995 | |
| Advertising and marketing | 3,216 | 3,243 | |
| Amortization of identified intangible assets | 1,243 | 1,543 | |
| Merger and restructuring expense | 1,125 | 3,261 | |
| Other | 10,232 | 9,079 | |
| Total non-interest expense | 118,666 | 114,950 | |
| Income before provision for income taxes | 86,759 | 83,525 | |
| Provision for income taxes | 21,182 | 19,134 | |
| Net income before noncontrolling interest in subsidiary | 65,577 | 64,391 | |
| Less net income attributable to noncontrolling interest in subsidiary | 43 | 2,467 | |
| Net income attributable to Brookline Bancorp, Inc. | \$ 65,534 | \$ 61,924 | |
| Earnings per common share: | | | |
| Basic | \$ 0.82 | \$ 0.78 | |
| Diluted | \$ 0.82 | \$ 0.78 | |
| Weighted average common shares outstanding during the period: | | | |
| Basic | 79,676,456 | 79,471,238 | |
| Diluted | 79,867,683 | 79,740,992 | |
| Dividends paid per common share | \$ 0.325 | \$ 0.290 | |

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Asset Quality Analysis (Unaudited)

At and for the Three Months Ended

| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 |
|--|-------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|
|--|-------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|

(Dollars in Thousands)

NONPERFORMING ASSETS:

Loans and leases accounted for on a nonaccrual basis:

| | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Commercial real estate mortgage | \$ 2,910 | \$ 2,273 | \$ 2,889 | \$ 3,928 | \$ 3,369 |
| Multi-family mortgage | 87 | 94 | 101 | 330 | 357 |
| Construction | — | — | 396 | 396 | 640 |
| Total commercial real estate loans | <u>2,997</u> | <u>2,367</u> | <u>3,386</u> | <u>4,654</u> | <u>4,366</u> |

| | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Commercial | 3,139 | 6,349 | 5,728 | 6,621 | 7,862 |
| Equipment financing | 12,817 | 9,931 | 10,253 | 9,500 | 9,659 |
| Condominium association | 163 | 170 | 224 | 265 | 295 |
| Total commercial loans and leases | <u>16,119</u> | <u>16,450</u> | <u>16,205</u> | <u>16,386</u> | <u>17,816</u> |

| | | | | | |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Residential mortgage | 1,605 | 1,642 | 2,188 | 2,132 | 2,538 |
| Home equity | 904 | 835 | 1,022 | 908 | 1,053 |
| Other consumer | 3 | 7 | 8 | 17 | 11 |
| Total consumer loans | <u>2,512</u> | <u>2,484</u> | <u>3,218</u> | <u>3,057</u> | <u>3,602</u> |

| | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total nonaccrual loans and leases | <u>21,628</u> | <u>21,301</u> | <u>22,809</u> | <u>24,097</u> | <u>25,784</u> |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|

| | | | | | |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Other real estate owned | 201 | 957 | 3,054 | 3,054 | 3,136 |
| Other repossessed assets | 1,931 | 1,009 | 858 | 965 | 798 |
| Total nonperforming assets | <u>\$ 23,760</u> | <u>\$ 23,267</u> | <u>\$ 26,721</u> | <u>\$ 28,116</u> | <u>\$ 29,718</u> |

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Loans and leases past due greater than 90 days and still accruing | <u>\$ 11,885</u> | <u>\$ 11,612</u> | <u>\$ 16,800</u> | <u>\$ 13,482</u> | <u>\$ 14,954</u> |
|---|------------------|------------------|------------------|------------------|------------------|

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Troubled debt restructurings on accrual | 22,233 | 27,761 | 28,543 | 12,257 | 12,657 |
| Troubled debt restructurings on nonaccrual | 5,763 | 8,431 | 7,597 | 8,684 | 8,779 |
| Total troubled debt restructurings | <u>\$ 27,996</u> | <u>\$ 36,192</u> | <u>\$ 36,140</u> | <u>\$ 20,941</u> | <u>\$ 21,436</u> |

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Nonperforming loans and leases as a percentage of total loans and leases | 0.33% | 0.33% | 0.36% | 0.38% | 0.41% |
| Nonperforming assets as a percentage of total assets | 0.30% | 0.30% | 0.36% | 0.38% | 0.41% |

PROVISION AND ALLOWANCE FOR LOAN AND LEASE LOSSES:

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Allowance for loan and lease losses at beginning of period | \$ 58,635 | \$ 58,041 | \$ 58,692 | \$ 59,997 | \$ 57,981 |
| Charge-offs | (1,190) | (3,412) | (2,542) | (1,604) | (1,227) |
| Recoveries | 824 | 330 | 441 | 352 | 663 |
| Net charge-offs | <u>(366)</u> | <u>(3,082)</u> | <u>(2,101)</u> | <u>(1,252)</u> | <u>(564)</u> |
| Provision for loan and lease losses | 866 | 3,676 | 1,450 | (53) | 2,580 |
| Allowance for loan and lease losses at end of period | <u>\$ 59,135</u> | <u>\$ 58,635</u> | <u>\$ 58,041</u> | <u>\$ 58,692</u> | <u>\$ 59,997</u> |

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Allowance for loan and lease losses as a percentage of total loans and leases | 0.89% | 0.90% | 0.91% | 0.93% | 0.96% |
| Allowance for loan and lease losses related to originated loans and leases as a percentage of originated loans and leases (non-GAAP) | 0.90% | 0.92% | 0.93% | 0.96% | 1.00% |

NET CHARGE-OFFS:

| | | | | | |
|------------------------------|---------------|-----------------|-----------------|-----------------|---------------|
| Commercial real estate loans | \$ — | \$ — | \$ — | \$ — | \$ — |
| Commercial loans and leases | 403 | 3,107 | 2,124 | 883 | 579 |
| Consumer loans | (37) | (25) | (23) | 369 | (15) |
| Total net charge-offs | <u>\$ 366</u> | <u>\$ 3,082</u> | <u>\$ 2,101</u> | <u>\$ 1,252</u> | <u>\$ 564</u> |

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Net loan and lease charge-offs as a percentage of average loans and leases (annualized) | 0.02% | 0.19% | 0.13% | 0.08% | 0.04% |
|---|-------|-------|-------|-------|-------|

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Average Yields / Costs (Unaudited)

Three Months Ended

| | September 30, 2019 | | | June 30, 2019 | | | September 30, 2018 | | |
|--|------------------------|------------------|---------------------|---------------------|------------------|---------------------|---------------------|------------------|---------------------|
| | Average Balance | Interest (1) | Average Yield/ Cost | Average Balance | Interest (1) | Average Yield/ Cost | Average Balance | Interest (1) | Average Yield/ Cost |
| | (Dollars in Thousands) | | | | | | | | |
| Assets: | | | | | | | | | |
| Interest-earning assets: | | | | | | | | | |
| Investments: | | | | | | | | | |
| Debt securities (2) | \$ 573,389 | \$ 3,027 | 2.11% | \$ 593,404 | \$ 3,210 | 2.16% | \$ 663,125 | \$ 3,638 | 2.20% |
| Marketable and restricted equity securities (2) | 59,638 | 885 | 5.94% | 59,224 | 888 | 5.99% | 67,607 | 1,029 | 6.09% |
| Short-term investments | 70,707 | 487 | 2.76% | 44,634 | 351 | 3.14% | 31,061 | 145 | 1.87% |
| Total investments | <u>703,734</u> | <u>4,399</u> | <u>2.50%</u> | <u>697,262</u> | <u>4,449</u> | <u>2.55%</u> | <u>761,793</u> | <u>4,812</u> | <u>2.53%</u> |
| Loans and Leases: | | | | | | | | | |
| Commercial real estate loans (3) | 3,539,485 | 41,724 | 4.61% | 3,447,136 | 41,363 | 4.75% | 3,260,634 | 37,332 | 4.48% |
| Commercial loans (3) | 838,092 | 10,291 | 4.81% | 811,890 | 9,879 | 4.82% | 819,383 | 9,862 | 4.72% |
| Equipment financing (3) | 1,019,179 | 18,519 | 7.27% | 1,005,376 | 18,291 | 7.28% | 933,007 | 16,220 | 6.95% |
| Residential mortgage loans (3) | 776,482 | 8,215 | 4.23% | 774,533 | 8,186 | 4.23% | 756,421 | 7,648 | 4.04% |
| Other consumer loans (3) | 415,082 | 4,917 | 4.69% | 417,600 | 5,187 | 4.97% | 412,248 | 4,928 | 4.73% |
| Total loans and leases | <u>6,588,320</u> | <u>83,666</u> | <u>5.08%</u> | <u>6,456,535</u> | <u>82,906</u> | <u>5.14%</u> | <u>6,181,693</u> | <u>75,990</u> | <u>4.92%</u> |
| Total interest-earning assets | <u>7,292,054</u> | <u>88,065</u> | <u>4.83%</u> | <u>7,153,797</u> | <u>87,355</u> | <u>4.88%</u> | <u>6,943,486</u> | <u>80,802</u> | <u>4.65%</u> |
| Allowance for loan and lease losses | (59,386) | | | (58,137) | | | (58,576) | | |
| Non-interest-earning assets | 513,824 | | | 475,736 | | | 417,503 | | |
| Total assets | <u>\$ 7,746,492</u> | | | <u>\$ 7,571,396</u> | | | <u>\$ 7,302,413</u> | | |
| Liabilities and Stockholders' Equity: | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | |
| Deposits: | | | | | | | | | |
| NOW accounts | \$ 335,091 | 129 | 0.15% | \$ 343,745 | 50 | 0.06% | \$ 344,760 | 72 | 0.08% |
| Savings accounts | 600,609 | 820 | 0.54% | 602,333 | 737 | 0.49% | 599,514 | 472 | 0.31% |
| Money market accounts | 1,683,548 | 5,413 | 1.28% | 1,683,735 | 5,571 | 1.33% | 1,668,402 | 4,367 | 1.04% |
| Certificates of deposit | 2,000,941 | 11,938 | 2.37% | 1,950,704 | 11,354 | 2.33% | 1,612,551 | 7,005 | 1.72% |
| Total interest-bearing deposits | <u>4,620,189</u> | <u>18,300</u> | <u>1.57%</u> | <u>4,580,517</u> | <u>17,712</u> | <u>1.55%</u> | <u>4,225,227</u> | <u>11,916</u> | <u>1.12%</u> |
| Borrowings | | | | | | | | | |
| Advances from the FHLBB | 759,738 | 4,859 | 2.50% | 761,651 | 4,825 | 2.51% | 907,306 | 4,979 | 2.15% |
| Subordinated debentures and notes | 83,530 | 1,300 | 6.22% | 83,490 | 1,305 | 6.25% | 83,370 | 1,301 | 6.24% |
| Other borrowed funds | 79,620 | 211 | 1.05% | 84,600 | 208 | 0.99% | 56,918 | 108 | 0.75% |
| Total borrowings | <u>922,888</u> | <u>6,370</u> | <u>2.70%</u> | <u>929,741</u> | <u>6,338</u> | <u>2.70%</u> | <u>1,047,594</u> | <u>6,388</u> | <u>2.39%</u> |
| Total interest-bearing liabilities | <u>5,543,077</u> | <u>24,670</u> | <u>1.77%</u> | <u>5,510,258</u> | <u>24,050</u> | <u>1.75%</u> | <u>5,272,821</u> | <u>18,304</u> | <u>1.38%</u> |
| Non-interest-bearing liabilities: | | | | | | | | | |
| Demand checking accounts | 1,096,788 | | | 1,015,524 | | | 1,023,610 | | |
| Other non-interest-bearing liabilities | 178,564 | | | 133,790 | | | 107,449 | | |
| Total liabilities | <u>6,818,429</u> | | | <u>6,659,572</u> | | | <u>6,403,880</u> | | |
| Brookline Bancorp, Inc. stockholders' equity | 928,063 | | | 911,824 | | | 889,259 | | |
| Noncontrolling interest in subsidiary | — | | | — | | | 9,274 | | |
| Total liabilities and equity | <u>\$ 7,746,492</u> | | | <u>\$ 7,571,396</u> | | | <u>\$ 7,302,413</u> | | |
| Net interest income (tax-equivalent basis) /Interest-rate spread (4) | | 63,395 | <u>3.06%</u> | | 63,305 | <u>3.13%</u> | | 62,498 | <u>3.27%</u> |
| Less adjustment of tax-exempt income | | 159 | | | 171 | | | 166 | |
| Net interest income | | <u>\$ 63,236</u> | | | <u>\$ 63,134</u> | | | <u>\$ 62,332</u> | |
| Net interest margin (5) | | | <u>3.45%</u> | | | <u>3.55%</u> | | | <u>3.57%</u> |

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

(2) Average balances include unrealized gains (losses) on investment securities. Dividend payments may not be consistent and average yield on equity securities may vary from month to month.

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

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

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

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Average Yields / Costs (Unaudited)

| | Nine Months Ended | | | | | |
|--|------------------------|-------------------|---------------------|--------------------|-------------------|---------------------|
| | September 30, 2019 | | | September 30, 2018 | | |
| | Average Balance | Interest (1) | Average Yield/ Cost | Average Balance | Interest (1) | Average Yield/ Cost |
| | (Dollars in Thousands) | | | | | |
| Assets: | | | | | | |
| Interest-earning assets: | | | | | | |
| Investments: | | | | | | |
| Debt securities (2) | \$ 591,535 | \$ 9,526 | 2.15% | \$ 658,993 | \$ 10,632 | 2.15% |
| Marketable and restricted equity securities (2) | 59,747 | 2,693 | 6.01% | 67,056 | 2,956 | 5.88% |
| Short-term investments | 49,833 | 1,105 | 2.96% | 34,295 | 444 | 1.73% |
| Total investments | <u>701,115</u> | <u>13,324</u> | 2.53% | <u>760,344</u> | <u>14,032</u> | 2.46% |
| Loans and Leases: | | | | | | |
| Commercial real estate loans (3) | 3,454,996 | 123,106 | 4.70% | 3,209,798 | 107,133 | 4.40% |
| Commercial loans (3) | 814,392 | 29,773 | 4.82% | 809,849 | 27,609 | 4.50% |
| Equipment financing (3) | 1,004,363 | 54,795 | 7.27% | 905,345 | 46,823 | 6.90% |
| Residential mortgage loans (3) | 776,440 | 24,524 | 4.21% | 740,507 | 21,933 | 3.95% |
| Other consumer loans (3) | 413,645 | 15,155 | 4.89% | 400,304 | 13,333 | 4.45% |
| Total loans and leases | <u>6,463,836</u> | <u>247,353</u> | 5.10% | <u>6,065,803</u> | <u>216,831</u> | 4.77% |
| Total interest-earning assets | <u>7,164,951</u> | <u>260,677</u> | 4.85% | <u>6,826,147</u> | <u>230,863</u> | 4.51% |
| Allowance for loan and lease losses | (58,759) | | | (58,935) | | |
| Non-interest-earning assets | 479,046 | | | 401,999 | | |
| Total assets | <u>\$7,585,238</u> | | | <u>\$7,169,211</u> | | |
| Liabilities and Stockholders' Equity: | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Deposits: | | | | | | |
| NOW accounts | \$ 337,671 | 321 | 0.13% | \$ 342,418 | 195 | 0.08% |
| Savings accounts | 609,284 | 2,154 | 0.47% | 619,317 | 1,278 | 0.28% |
| Money market accounts | 1,681,594 | 16,259 | 1.29% | 1,735,710 | 10,455 | 0.81% |
| Certificates of deposit | 1,932,625 | 33,226 | 2.30% | 1,428,799 | 16,306 | 1.53% |
| Total interest-bearing deposits | <u>4,561,174</u> | <u>51,960</u> | 1.52% | <u>4,126,244</u> | <u>28,234</u> | 0.91% |
| Borrowings | | | | | | |
| Advances from the FHLBB | 758,992 | 14,294 | 2.48% | 960,399 | 13,423 | 1.84% |
| Subordinated debentures and notes | 83,491 | 3,913 | 6.25% | 83,330 | 3,879 | 6.21% |
| Other borrowed funds | 84,477 | 640 | 1.01% | 46,643 | 273 | 0.78% |
| Total borrowings | <u>926,960</u> | <u>18,847</u> | 2.68% | <u>1,090,372</u> | <u>17,575</u> | 2.13% |
| Total interest-bearing liabilities | <u>5,488,134</u> | <u>70,807</u> | 1.72% | <u>5,216,616</u> | <u>45,809</u> | 1.17% |
| Non-interest-bearing liabilities: | | | | | | |
| Demand checking accounts | 1,046,683 | | | 986,763 | | |
| Other non-interest-bearing liabilities | 141,305 | | | 92,280 | | |
| Total liabilities | <u>6,676,122</u> | | | <u>6,295,659</u> | | |
| Brookline Bancorp, Inc. stockholders' equity | 908,994 | | | 864,675 | | |
| Noncontrolling interest in subsidiary | 122 | | | 8,877 | | |
| Total liabilities and equity | <u>\$7,585,238</u> | | | <u>\$7,169,211</u> | | |
| Net interest income (tax-equivalent basis) /Interest-rate spread (4) | | 189,870 | 3.13% | | 185,054 | 3.34% |
| Less adjustment of tax-exempt income | | 501 | | | 514 | |
| Net interest income | | <u>\$ 189,369</u> | | | <u>\$ 184,540</u> | |
| Net interest margin (5) | | | 3.54% | | | 3.62% |

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

(2) Average balances include unrealized gains (losses) on investment securities. Dividend payments may not be consistent and average yield on equity securities may vary from month to month.

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

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

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

BROOKLINE BANCORP, INC. AND SUBSIDIARIES

Non-GAAP Financial Information (Unaudited)

| | At and for the Three Months Ended September 30, | | At and for the Nine Months Ended September 30, | |
|--|--|------------------|---|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| (Dollars in Thousands Except Share Data) | | | | |
| Reconciliation Table - Non-GAAP Financial Information | | | | |
| Net income attributable to Brookline Bancorp, Inc. | \$ 22,596 | \$ 22,460 | \$ 65,534 | \$ 61,924 |
| Less: | | | | |
| Security gains (after-tax) | (87) | — | 284 | 883 |
| Add: | | | | |
| Merger and restructuring-related expenses (after-tax) | 845 | 17 | 851 | 2,478 |
| Operating earnings | <u>\$ 23,528</u> | <u>\$ 22,477</u> | <u>\$ 66,101</u> | <u>\$ 63,519</u> |
| Operating earnings per common share: | | | | |
| Basic | \$ 0.30 | \$ 0.28 | \$ 0.83 | \$ 0.80 |
| Diluted | 0.29 | 0.28 | 0.83 | 0.80 |
| Weighted average common shares outstanding during the period: | | | | |
| Basic | 79,700,403 | 80,315,050 | 79,676,456 | 79,471,238 |
| Diluted | 79,883,510 | 80,515,467 | 79,867,683 | 79,740,992 |
| Return on average assets * | 1.17 % | 1.23 % | 1.15 % | 1.15 % |
| Less: | | | | |
| Security gains (after-tax) * | — % | — % | — % | 0.02 % |
| Add: | | | | |
| Merger and restructuring-related expenses (after-tax) * | 0.04 % | — % | 0.01 % | 0.05 % |
| Operating return on average assets * | <u>1.21 %</u> | <u>1.23 %</u> | <u>1.16 %</u> | <u>1.18 %</u> |
| Return on average tangible assets * | 1.19 % | 1.26 % | 1.18 % | 1.18 % |
| Less: | | | | |
| Security gains (after-tax) * | — % | — % | 0.01 % | 0.02 % |
| Add: | | | | |
| Merger and restructuring-related expenses (after-tax) * | 0.05 % | — % | 0.02 % | 0.05 % |
| Operating return on average tangible assets * | <u>1.24 %</u> | <u>1.26 %</u> | <u>1.19 %</u> | <u>1.21 %</u> |
| Return on average stockholders' equity * | 9.74 % | 10.10 % | 9.61 % | 9.55 % |
| Less: | | | | |
| Security gains (after-tax) * | (0.04)% | — % | 0.04 % | 0.14 % |
| Add: | | | | |
| Merger and restructuring-related expenses (after-tax) * | 0.36 % | 0.01 % | 0.13 % | 0.38 % |
| Operating return on average stockholders' equity * | <u>10.14 %</u> | <u>10.11 %</u> | <u>9.70 %</u> | <u>9.79 %</u> |
| Return on average tangible stockholders' equity * | 11.85 % | 12.44 % | 11.76 % | 11.76 % |
| Less: | | | | |
| Security gains (after-tax) * | (0.05)% | — % | 0.05 % | 0.17 % |
| Add: | | | | |
| Merger and restructuring-related expenses (after-tax) * | 0.44 % | 0.01 % | 0.15 % | 0.47 % |
| Operating return on average tangible stockholders' equity * | <u>12.34 %</u> | <u>12.45 %</u> | <u>11.86 %</u> | <u>12.06 %</u> |

* Ratios at and for the three and nine months ended are annualized.

(Continued)

BROOKLINE BANCORP, INC. AND SUBSIDIARIES
Non-GAAP Financial Information (Unaudited)

At and for the Three Months Ended

| | <u>September 30, 2019</u> | <u>June 30, 2019</u> | <u>March 31, 2019</u> | <u>December 31, 2018</u> | <u>September 30, 2018</u> |
|--|-------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|
| | (Dollars in Thousands) | | | | |
| Net income, as reported | \$ 22,596 | \$ 20,471 | \$ 22,467 | \$ 21,138 | \$ 22,460 |
| Average total assets | \$ 7,746,492 | \$ 7,571,396 | \$ 7,434,038 | \$ 7,382,931 | \$ 7,302,413 |
| Less: Average goodwill and average identified intangible assets, net | 165,493 | 165,914 | 166,327 | 166,777 | 167,313 |
| Average tangible assets | <u>\$ 7,580,999</u> | <u>\$ 7,405,482</u> | <u>\$ 7,267,711</u> | <u>\$ 7,216,154</u> | <u>\$ 7,135,100</u> |
| Return on average tangible assets (annualized) | 1.19% | 1.11 % | 1.24% | 1.17% | 1.26% |
| Average total stockholders' equity | \$ 928,063 | \$ 911,824 | \$ 886,639 | \$ 899,244 | \$ 889,259 |
| Less: Average goodwill and average identified intangible assets, net | 165,493 | 165,914 | 166,327 | 166,777 | 167,313 |
| Average tangible stockholders' equity | <u>\$ 762,570</u> | <u>\$ 745,910</u> | <u>\$ 720,312</u> | <u>\$ 732,467</u> | <u>\$ 721,946</u> |
| Return on average tangible stockholders' equity (annualized) | 11.85% | 10.98 % | 12.48% | 11.54% | 12.44% |
| Brookline Bancorp, Inc. stockholders' equity | \$ 932,311 | \$ 918,468 | \$ 900,572 | \$ 900,140 | \$ 890,368 |
| Less: | | | | | |
| Goodwill | 160,427 | 160,427 | 160,427 | 160,427 | 160,427 |
| Identified intangible assets, net | 4,843 | 5,264 | 5,684 | 6,086 | 6,623 |
| Tangible stockholders' equity | <u>\$ 767,041</u> | <u>\$ 752,777</u> | <u>\$ 734,461</u> | <u>\$ 733,627</u> | <u>\$ 723,318</u> |
| Total assets | \$ 7,878,436 | \$ 7,636,980 | \$ 7,519,130 | \$ 7,392,805 | \$ 7,320,596 |
| Less: | | | | | |
| Goodwill | 160,427 | 160,427 | 160,427 | 160,427 | 160,427 |
| Identified intangible assets, net | 4,843 | 5,264 | 5,684 | 6,086 | 6,623 |
| Tangible assets | <u>\$ 7,713,166</u> | <u>\$ 7,471,289</u> | <u>\$ 7,353,019</u> | <u>\$ 7,226,292</u> | <u>\$ 7,153,546</u> |
| Tangible stockholders' equity to tangible assets | 9.94% | 10.08 % | 9.99% | 10.15% | 10.11% |
| Tangible stockholders' equity | <u>\$ 767,041</u> | <u>\$ 752,777</u> | <u>\$ 734,461</u> | <u>\$ 733,627</u> | <u>\$ 723,318</u> |
| Number of common shares issued | 85,177,172 | 85,177,172 | 85,177,172 | 85,177,172 | 85,177,172 |
| Less: | | | | | |
| Treasury shares | 5,003,127 | 5,025,764 | 5,020,025 | 5,020,025 | 4,291,317 |
| Unallocated ESOP shares | 92,337 | 98,208 | 104,079 | 109,950 | 118,050 |
| Unvested restricted shares | 407,784 | 377,122 | 390,636 | 393,636 | 398,094 |
| Number of common shares outstanding | <u>79,673,924</u> | <u>79,676,078</u> | <u>79,662,432</u> | <u>79,653,561</u> | <u>80,369,711</u> |
| Tangible book value per common share | \$ 9.63 | \$ 9.45 | \$ 9.22 | \$ 9.21 | \$ 9.00 |
| Allowance for loan and lease losses | \$ 59,135 | \$ 58,635 | \$ 58,041 | \$ 58,692 | \$ 59,997 |
| Less: | | | | | |
| Allowance for acquired loans and leases losses | 1,955 | 1,857 | 1,795 | 1,814 | 1,817 |
| Allowance for originated loan and lease losses | <u>\$ 57,180</u> | <u>\$ 56,778</u> | <u>\$ 56,246</u> | <u>\$ 56,878</u> | <u>\$ 58,180</u> |
| Total loans and leases | \$ 6,646,821 | \$ 6,505,329 | \$ 6,388,197 | \$ 6,303,516 | \$ 6,227,707 |
| Less: | | | | | |
| Total acquired loans and leases | 310,745 | 337,420 | 370,177 | 394,407 | 426,865 |
| Total originated loans and leases | <u>\$ 6,336,076</u> | <u>\$ 6,167,909</u> | <u>\$ 6,018,020</u> | <u>\$ 5,909,109</u> | <u>\$ 5,800,842</u> |
| Allowance for loan and lease losses related to originated loans and leases as a percentage of originated loans and leases | 0.90% | 0.92 % | 0.93% | 0.96% | 1.00% |