



Brookline Bancorp, Inc.



Q3 2020 FINANCIAL RESULTS

October 29, 2020

FORWARD LOOKING STATEMENTS

Certain statements in this presentation 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. Statements contained in this presentation that do not describe historical or current facts are forward-looking statements, including statements regard the potential effects of the COVID-19 pandemic on the Company's business, credit quality, financial condition, liquidity and results of operations. Forward-looking statements made with regard to the potential effects of COVID-19 on the Company's business, credit quality, financial condition, liquidity and results of operation may differ, possibly materially, from what is included in this presentation due to factors and future developments that are uncertain and beyond the scope of the Company's control. These included, but are not limited to the length and extent of the economic contraction as a result of the COVID-19 pandemic; continued deterioration in employment levels, general business and economic conditions on a national basis and in the local markets in which the Company operates; changes in consumer behavior due to changing political, business and economic conditions or legislative or regulatory initiatives; the possibility that future credit losses may be higher than currently expected; reputational risk relating to the Company's participation in the Paycheck Protection Program and other pandemic-related legislative and regulatory initiatives and programs; and turbulence in capital and debt markets. Forward-looking statements involve risks and uncertainties which are difficult to predict. Forward-looking statements involve risks and uncertainties. These statements include, among others, statements regarding our strategy, evaluations of future interest rate trends and liquidity, expectations as to growth in assets, deposits and results of operations, success of acquisitions, future operations, market position, financial position, and prospects, plans and objectives of management. You should not place undue reliance on the Company's forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to significant risks, uncertainties and other factors which are, in some cases, beyond the Company's control. Forward-looking statements are based on the current assumptions and beliefs of management and are only expectations of future results.

The Company's actual results could differ materially from those projected in the forward-looking statements as a result of, among other factors, changes in interest rates; competitive pressures from other financial institutions; the effects of continued weakness in general economic conditions and the impact of the COVID-19 pandemic on a national basis or in the local markets in which the Company operates, including changes that adversely affect borrowers' ability to service and repay our loans; changes in the value of securities in the Company's investment portfolio, changes in loan default and charge-off rates, the adequacy of loan loss reserves, decreases in deposit levels necessitating increased borrowing to fund loans and investments; changes in government regulation, as well as the other risks and uncertainties detailed in the Company's Annual Report on Form 10-K, as updated by the Company's Quarterly Reports on Form 10-Q and other filings submitted to the Securities and Exchange Commission.

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

OVERVIEW

- All bank facilities are open with our corporate and operations centers operating under “Work From Home” protocols.
- Our credit quality remained stable during the quarter with strong return to payment activity – as of quarter end there were 910 credits totaling \$280 million with outstanding loan modifications under the CARES Act.
- We continued to maintain our reserve for credit losses in the quarter with a coverage ratio of 176 basis points on outstanding non-PPP loans.
- Deposit and Lending activity is increasing and pipelines are gradually improving with quality credits.
- Our margin stabilized at 3.08% as net interest income increased \$1.6 million from Q2.
- Net income of \$18.7 million resulted in earnings per share of \$0.24.
- Our Board approved a dividend of \$0.115 and the resumption of our stock buyback program which was suspended in March. The program expires on December 31, 2020 with \$9.6 million in previously authorized funding remaining.

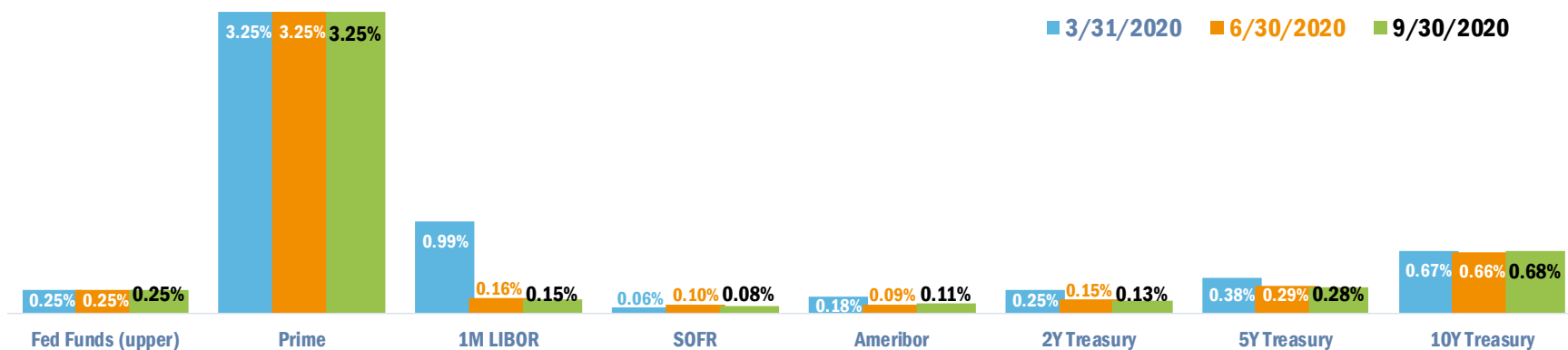
SUMMARY INCOME STATEMENT

\$m, except per share amts	Linked Quarter (LQ)				Year over Year (YoY)		
	3Q20	2Q20	Δ	%Δ	3Q19	Δ	%Δ
Net interest income	\$ 65.9	\$ 64.3	\$ 1.6	2%	\$ 63.2	\$ 2.7	4%
Noninterest income	4.7	5.6	(0.9)	-16%	8.1	(3.4)	-42%
Security gains (losses)	0.1	0.6	(0.5)	-83%	(0.1)	0.2	-200%
Total Revenue	70.7	70.5	0.2	0%	71.2	(0.5)	-1%
Noninterest expense	40.9	39.1	1.8	5%	40.2	0.7	2%
Pretax, Preprov. Net Rev.	29.8	31.4	(1.6)	-5%	31.0	(1.2)	-4%
Provision for credit losses	4.5	5.3	(0.8)	-15%	0.9	3.6	400%
Pretax income	25.3	26.1	(0.8)	-3%	30.1	(4.8)	-16%
Provision for taxes	6.6	6.5	0.1	2%	7.5	(0.9)	-12%
Net Income	\$ 18.7	\$ 19.6	\$ (0.9)	-5%	\$ 22.6	\$ (3.9)	-17%
EPS	\$ 0.24	\$ 0.25	\$ (0.01)	-4%	\$ 0.28	\$ (0.04)	-14%
Avg diluted shares (000s)	79,056	79,015	41	0%	79,884	(828)	-1%
Return on Assets	0.83%	0.88%	-0.05%		1.17%	-0.34%	
Return on Tangible Equity	9.70%	10.28%	-0.58%		9.74%	-0.04%	
Net Interest Margin	3.08%	3.09%	-0.01%		3.45%	-0.37%	
Efficiency Ratio	57.83%	55.46%	2.37%		56.48%	1.35%	

- **Net Income of \$18.7 million or \$0.24 per share.**
- **Stable Total Revenue** as declines in fee income were offset by increases in net interest income.
- **Net interest income increased due to the growth in average interest earning assets and a stable net interest margin.**
- **Operating expenses were higher** on a linked quarter basis driven by compensation expense, due to lower deferred loan origination costs, and higher FDIC assessments.
- **The Provision for credit losses** modestly declined from Q2 as economic forecasts have marginally improved while there remains significant uncertainty and volatility related to the COVID-19 pandemic.

MARGIN – YIELDS AND COSTS

\$ millions	3Q20			Prior Quarter			LQΔ		
	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield	Avg Bal	Interest	Yield
Loans	\$ 7,413	\$ 76.3	4.12%	\$ 7,291	\$ 77.5	4.25%	\$ 122	\$ (1.2)	-0.13%
Investments and cash	1,110	4.5	1.61%	1,090	4.7	1.74%	20	\$ (0.2)	-0.13%
Interest Earnings Assets	\$ 8,523	\$ 80.8	3.79%	\$ 8,381	\$ 82.2	3.92%	\$ 142	\$ (1.4)	-0.13%
Interest bearing deposits	\$ 5,070	\$ 10.6	0.83%	\$ 4,862	\$ 12.8	1.06%	\$ 208	\$ (2.2)	-0.23%
Borrowings	1,148	4.2	1.43%	1,257	5.0	1.59%	(109)	\$ (0.8)	-0.16%
Interest Bearing Liabilities	\$ 6,218	\$ 14.8	0.94%	\$ 6,119	\$ 17.8	1.17%	\$ 99	\$ (3.0)	-0.23%
Net interest spread			2.85%			2.75%			0.10%
Net Interest Income, TEB / Margin		\$ 66.0	3.08%	\$ 64.4	3.09%		\$ 1.6	-0.01%	
LESS: Tax Equivalent Basis (TEB) Adj.		0.1		0.1			-		
Net Interest Income		\$ 65.9		\$ 64.3			\$ 1.6		



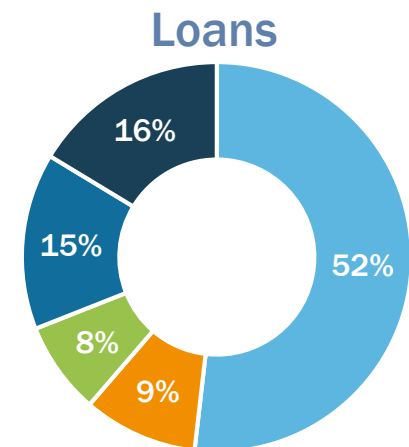
SUMMARY BALANCE SHEET

\$m, except per share amts	Linked Quarter (LQ)				Year over Year (YoY)		
	3Q20	2Q20	Δ	%Δ annual.	3Q19	Δ	%Δ
Gross Loans, investment	\$ 7,396	\$ 7,408	\$ (12)	-1%	\$ 6,647	\$ 749	11%
Allowance for loan losses	(120)	(120)	-	0%	(59)	(61)	103%
Net Loans	7,276	7,288	(12)	-1%	6,588	688	10%
Securities	784	856	(72)	-34%	567	217	38%
Cash & equivalents	317	255	62	97%	179	138	77%
Intangibles	164	164	-	0%	165	(1)	-1%
Other assets	459	507	(48)	-38%	379	80	21%
Total Assets	\$ 9,000	\$ 9,070	\$ (70)	-3%	\$ 7,878	\$ 1,122	14%
Deposits	\$ 6,793	\$ 6,440	\$ 353	22%	\$ 5,729	\$ 1,064	19%
Borrowings	1,005	1,407	(402)	-114%	986	19	2%
Reserve for unfunded loans	14	15	(1)	-27%	2	12	600%
Other Liabilities	252	281	(29)	-41%	229	23	10%
Total Liabilities	8,064	8,143	(79)	-4%	6,946	1,118	16%
Stockholders Equity	936	927	9	4%	932	4	0%
Total Liabilities & Equity	\$ 9,000	\$ 9,070	\$ (70)	-3%	\$ 7,878	\$ 943	12%
TBV per share	\$ 9.77	\$ 9.67	\$ 0.10	4%	\$ 9.63	\$ 0.14	1%
Actual shares outstanding (000)	79,002	78,854	148	1%	79,674	(672)	-1%
Tang. Equity / Tang. Assets	8.73%	8.56%	0.17%		9.94%	-1.21%	
Loans / Deposits	108.88%	115.03%	-6.15%		116.02%	-7.14%	
ALLL / Gross Loans	1.62%	1.61%	0.01%		0.89%	0.73%	
ALLL / Loans excl PPP	1.76%	1.75%	0.01%		0.89%	0.87%	

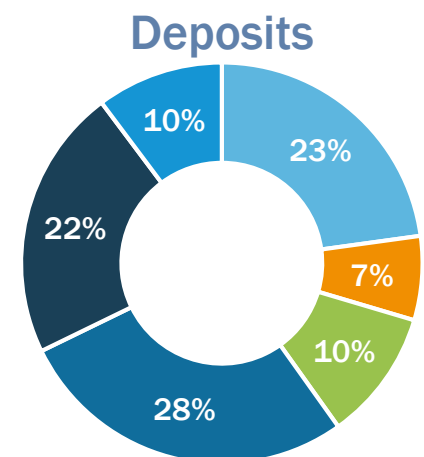
- **Loan growth flat in Q3.**
- **Stable Allowance for Loan Losses.** While economic forecasts are improving and there is better than anticipated reduction in loan modifications, significant uncertainty remains.
- **ALLL coverage increased to 1.76%** (excluding PPP loans).
- **Shift from Cash to Securities** providing significant near term on-balance sheet liquidity.
- **Deposit growth of \$353 million** driven by a shift to low cost brokered deposits from FHLB advances.
- **Equity increased \$9 million in Q3** driven by continued strong pre-tax, pre-provision earnings net of our quarterly stable dividend to shareholders.

LOAN AND DEPOSIT COMPOSITION

	\$ millions	Linked Quarter (LQ)				Year over Year (YoY)		
		3Q20	2Q20	Δ	%Δ an.	3Q19	Δ	%Δ
LOANS	CRE	3,835	3,838	(3)	0%	3,589	246	7%
	Commercial	703	709	(6)	-3%	821	(118)	-14%
	PPP Loans	568	566	2	1%	-	568	-
	Equipment Finance	1,084	1,086	(2)	-1%	1,029	55	5%
	Consumer	1,206	1,209	(3)	-1%	1,207	(1)	0%
	Total Loans	\$ 7,396	\$ 7,408	\$ (12)	-1%	\$ 6,646	\$ 750	11%
	DEPOSITS	Demand deposits	1,550	1,603	(53)	-13%	1,107	443
NOW		460	418	42	40%	340	120	35%
Savings		717	658	59	36%	605	112	19%
Money market		1,878	1,810	68	15%	1,666	212	13%
CDs		1,493	1,601	(108)	-27%	1,673	(180)	-11%
Brokered deposits		695	350	345	394%	338	357	106%
Total Deposits		\$ 6,793	\$ 6,440	\$ 353	22%	\$ 5,729	\$1,064	19%



■ CRE ■ C&I ■ PPP ■ Equipment ■ Consumer



■ DDA ■ NOW ■ Savings ■ MMkt ■ CDs ■ Brkd

- Total loans declined \$12 million in the quarter and were relatively flat across all categories.
- Total deposits increased \$353 million primarily driven by funding shifts from FHLB advances into lower cost brokered deposits.
- Shifts in deposits from demand accounts and certificates of deposits to NOW, savings and money market products.

CUSTOMER AND COMMUNITY SUPPORT – MODIFIED PAYMENTS

As of: 9/30/2020

\$ millions	Portfolio	Current CARES Modifications		
	3Q20	# Loans	Modified	% of Port
CRE	\$ 3,273	72	\$ 124	3.8%
Commercial**	1,199	150	18	1.5%
Equipment Finance**	1,150	678	134	11.7%
Consumer	1,206	10	4	0.3%
Subtotal	\$ 6,828	910	\$ 280	4.1%
SBA - PPP Loans	568	-	-	0.0%
Total Gross Loans	\$ 7,396	910	\$ 280	3.8%

** Includes Owner Occupied Commercial Real Estate.

LOAN MODIFICATIONS – SECTOR INSIGHT

As of: 9/30/2020

\$ millions	Portfolio	Current CARES Modifications		
	3Q20	# Loans	Modified	% of Sector
Food / Lodging (ex. Dunkin)	\$ 28	5	\$ 10	35.7%
Hotel (CRE)	148	6	32	21.6%
Macrolase - Fitness Equip.	178	135	32	18.0%
EF Core - Laundry, etc.	607	307	94	15.5%
Retail (CRE)	542	27	47	8.7%
Dunkin Donuts	150	11	11	7.3%
Specialty Vehicle - Tow, etc.	365	236	18	4.9%
Mixed Use	261	3	12	4.6%
Apartment	881	8	10	1.1%
Selected Sectors	\$ 3,160	738	\$ 266	8.4%
Other	4,236	172	14	0.3%
TOTAL	\$ 7,396	910	\$ 280	3.8%

- Sector deferral activity for business lines of significance or unique to Brookline, as well as those considered most sensitive to the impact of the pandemic.
- All loans remain accruing, with some downgrades on loan modifications if there are signs of deterioration.
- We are watching closely the Exercise, Laundry, and Retail industries.
 - The Exercise industry has been hurt by government mandated orders.
 - The Laundry industry is deemed essential and we believe most of those loans will come back to payment before the end of the year.

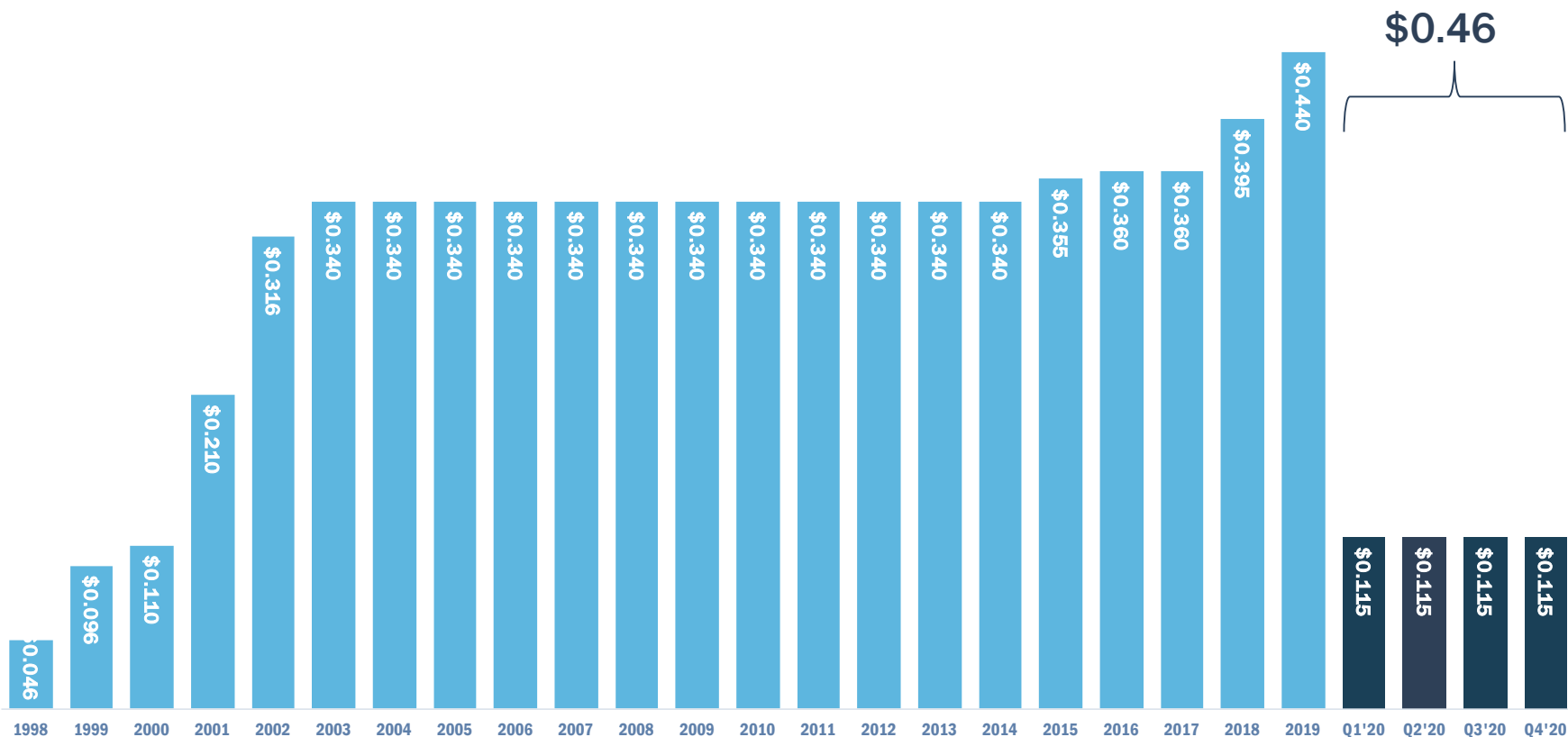
CAPITAL STRENGTH

	preliminary estimates*	Regulatory BASEL III Requirements		Brookline Board Policy Limits		Regulatory "Well Capitalized" Buffer	
		Minimum	"Well Capitalized"	Policy Minimums	Operating Targets	"Well Cap" Buffer	Excess Capital
\$ millions	Sep-20						
Tier 1 Common / RWA	10.7%	≥ 4.5%	≥ 6.5%	≥ 7.5%	≥ 8.0%	4.2%	\$ 294.5
Tier 1 / RWA	10.8%	≥ 6.0%	≥ 8.0%	≥ 9.0%	≥ 9.5%	2.8%	\$ 197.8
Total Risk Based Capital	13.1%	≥ 8.0%	≥ 10.0%	≥ 11.0%	≥ 11.5%	3.1%	\$ 218.7
Leverage Ratio	8.4%	≥ 5.0%	≥ 5.0%	≥ 5.5%	≥ 6.0%	3.4%	\$ 304.5

* Regulatory capital ratios are preliminary estimates and may differ from numbers calculated in final Regulatory filings.

- As of September 30, 2020, the Company had capital well above regulatory “well capitalized” requirements.
- The Company repurchased 848,319 shares of stock for \$10.4 million during Q1 2020 under an approved \$20 million stock buyback program which expires on December 31, 2020. On March 24, 2020, the Company suspended further purchases.
- On October 28, 2020, the Board of Directors approved resuming the stock buyback program, which expires on December 31, 2020, with \$9.6 million in previously authorized funding remaining.

REGULAR DIVIDENDS PER SHARE



Board of Directors announced a dividend of \$0.115 per share payable November 27, 2020 to stockholders of record on November 13, 2020.

QUESTIONS

Paul A. Perrault, President and Chief Executive Officer
Carl M. Carlson, Chief Financial Officer
M. Robert Rose, Chief Credit Officer

BrooklineBancorp, Inc.

Thank You.



APPENDIX

NON PERFORMING ASSETS

	Linked Quarter (LQ)				Year over Year (YoY)		
	3Q20	2Q20	Δ	%Δ ann.	3Q19	Δ	%Δ
NON PERFORMING ASSETS (NPAs), in millions							
CRE	\$ 10.8	\$ 10.1	\$ 0.7	28%	\$ 3.0	\$ 7.8	260%
C&I	21.2	25.7	(4.5)	-70%	16.1	5.1	32%
Consumer	5.9	5.5	0.4	29%	2.5	3.4	136%
Total Non Performing Loans (NPLs)	37.9	41.3	(3.4)	-33%	21.6	16.3	75%
Other real estate owned	-	-	-	-	0.2	(0.2)	nm
Other repossessed assets	1.4	1.5	(0.1)	-27%	1.9	(0.5)	-26%
Total NPAs	\$ 39.3	\$ 42.8	\$ (3.5)	-33%	\$ 23.7	\$ 15.6	66%
NPLs / Total Loans	0.51%	0.56%	-0.05%		0.33%	0.18%	
NPAs / Total Assets	0.44%	0.47%	-0.03%		0.30%	0.14%	
NET CHARGE OFFS (NCOs), in millions							
CRE loans	\$ 0.1	\$ (0.1)	\$ 0.2	nm	\$ -	\$ 0.1	-
C&I loans	4.9	1.5	3.4	nm	0.4	4.5	nm
Consumer loans	-	-	-	-	-	-	-
Total Net Charge Offs	\$ 5.0	\$ 1.4	\$ 3.6	nm	\$ 0.4	\$ 4.6	nm
NCOs / Loans (annualized)	0.27%	0.08%	0.19%		0.02%	0.25%	

MAJOR LOAN SEGMENTS WITH INDUSTRY BREAKDOWN

3Q20

Loans outstanding (\$millions) – Excludes PPP Loans



Investment CRE 48%

	Perm	Constr	Total	%
Apartment	\$ 881	\$ 63	\$ 944	29%
Office	619	7	626	19%
Retail	542	17	559	17%
Industrial	344	-	344	11%
Mixed Use	262	40	302	9%
1-4 Family	11	26	37	1%
Hotel	128	19	147	4%
Land	-	26	26	1%
Other	245	43	288	9%
Total	\$ 3,032	\$ 241	\$ 3,273	100%

Commercial 18%

	Total	%
Food & Lodging	\$ 179	15%
Manufacturing	120	10%
Finance and Ins	128	11%
Wholesale Trade	102	9%
Professional	101	8%
RE Agents/Brokers	116	10%
Health Care/Social	83	7%
Construction	57	5%
Retail	77	6%
Arts/Entertainmt/Rec	55	5%
Condo	52	4%
Transp/Warehousing	29	2%
Other Services	100	8%
Total	\$ 1,199	100%

Equipment Finance 16%

	Total	%
Laundry	\$ 439	38%
Grocery	47	4%
Dry Cleaning	16	1%
Restaurant	14	1%
Car Wash	13	1%
EF CRE	67	6%
Other EF	12	1%
Tow Truck	192	17%
Heavy Tow	67	6%
FedEx	37	3%
Trailer	19	2%
Other Vehicle	49	4%
Fitness-Macrolease	178	15%
Total	\$ 1,150	100%

Consumer 18%

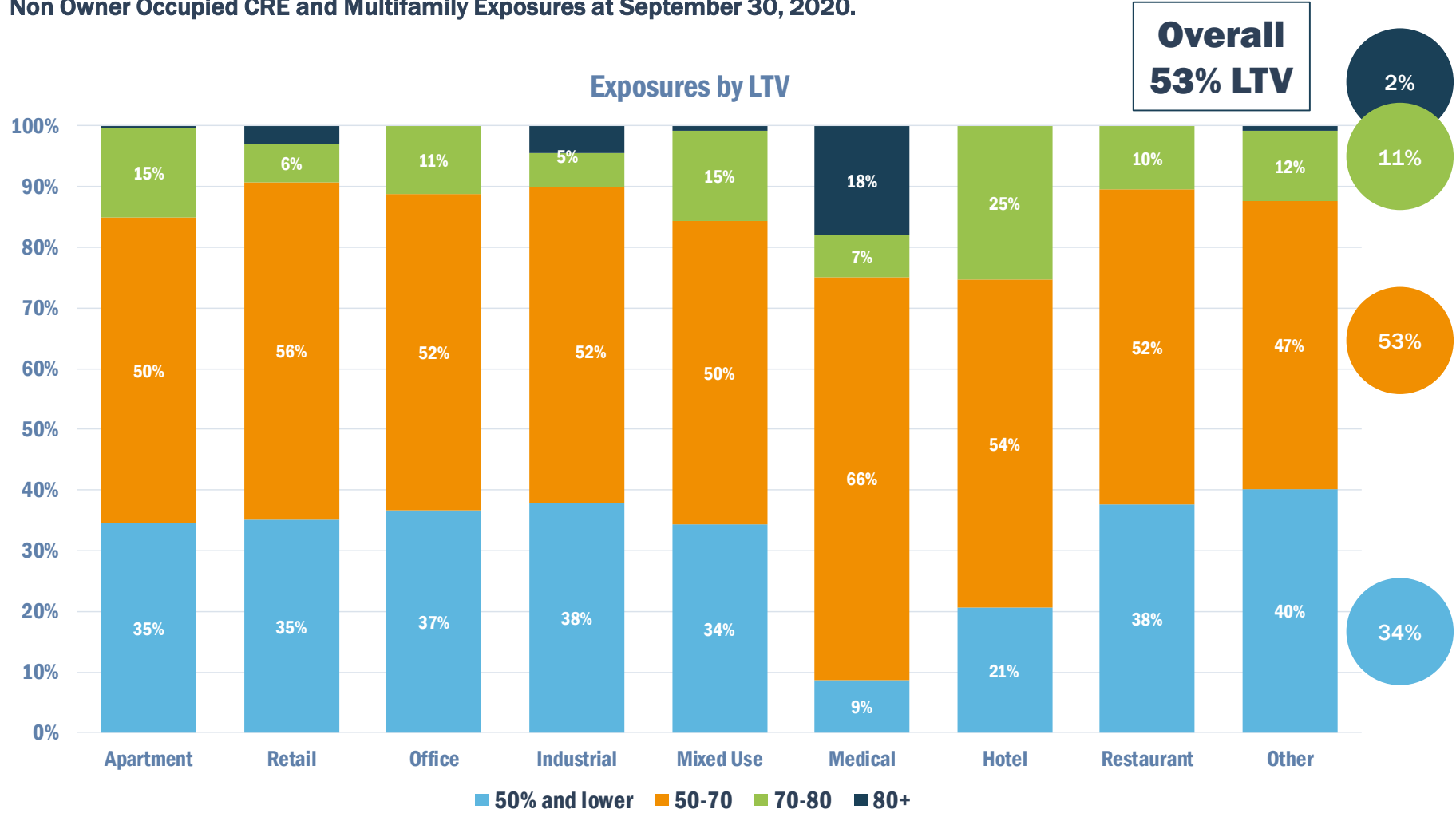
	Total	%
Residential	\$ 803	67%
Home Equity	360	30%
Other Consumer	30	2%
Purchase Mtge	13	1%
Total	\$ 1,206	100%

Loans, excluding PPP	\$ 6,828
SBA - PPP Loans	568
Total Loans Outstanding	\$ 7,396

Owner Occupied CRE included in Commercial and Equipment Finance

CRE – LOAN TO VALUE (LTV)

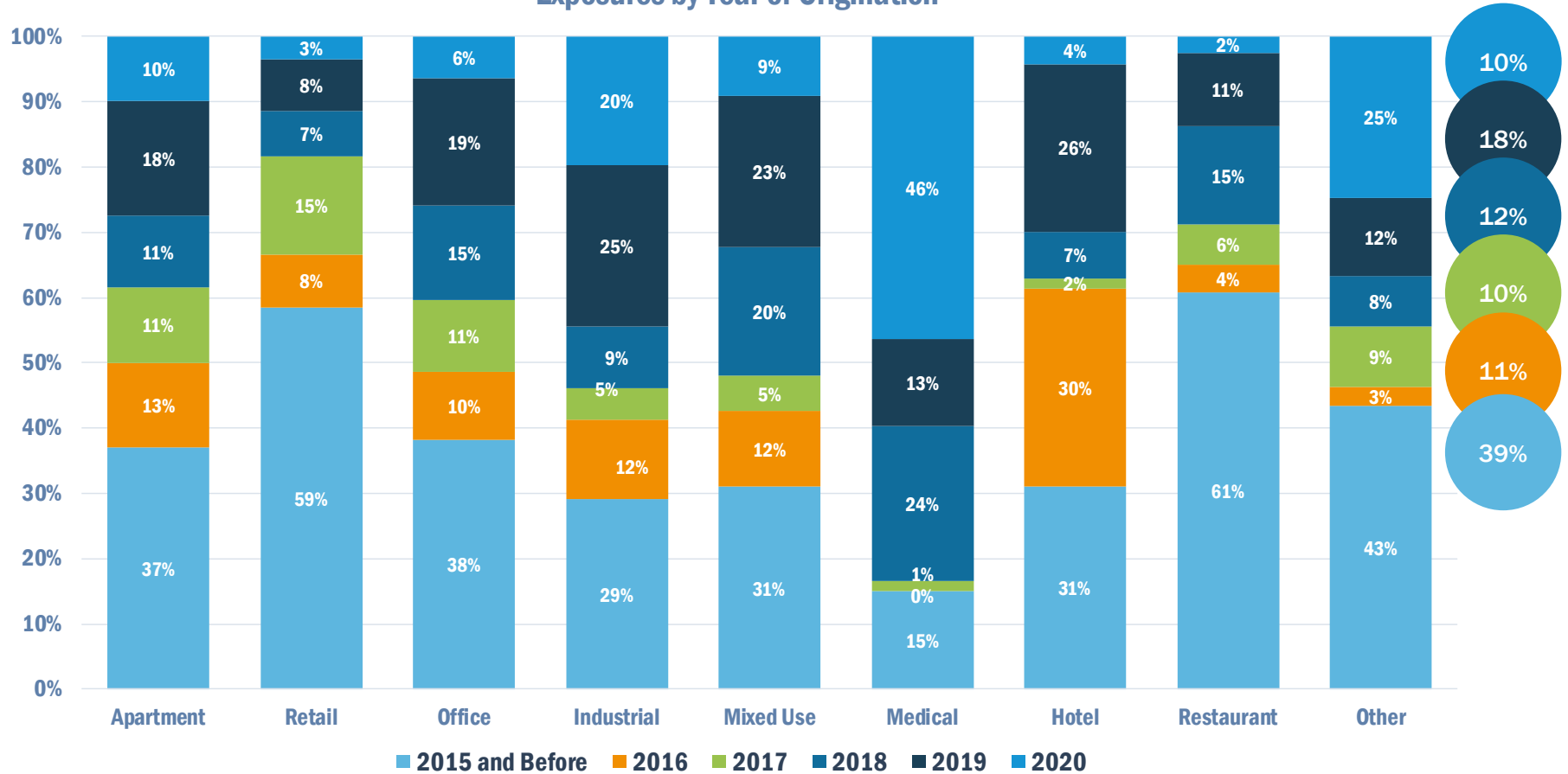
Non Owner Occupied CRE and Multifamily Exposures at September 30, 2020.



CRE - VINTAGE

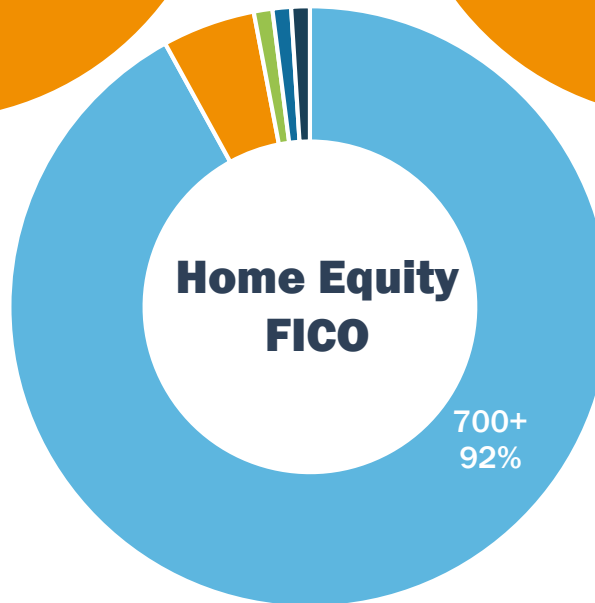
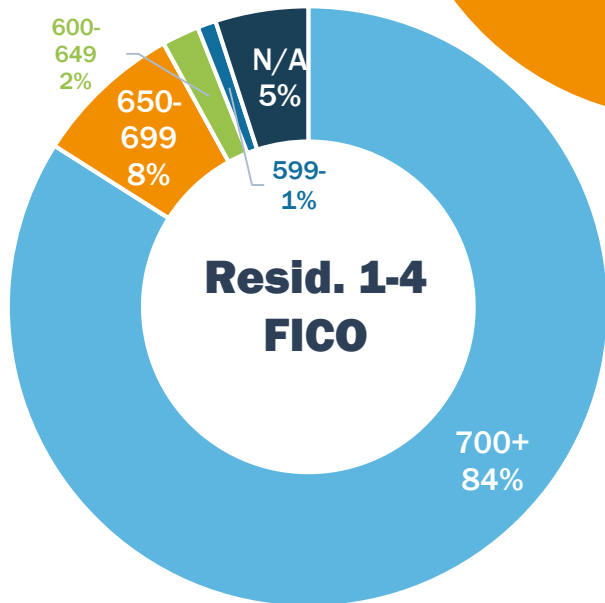
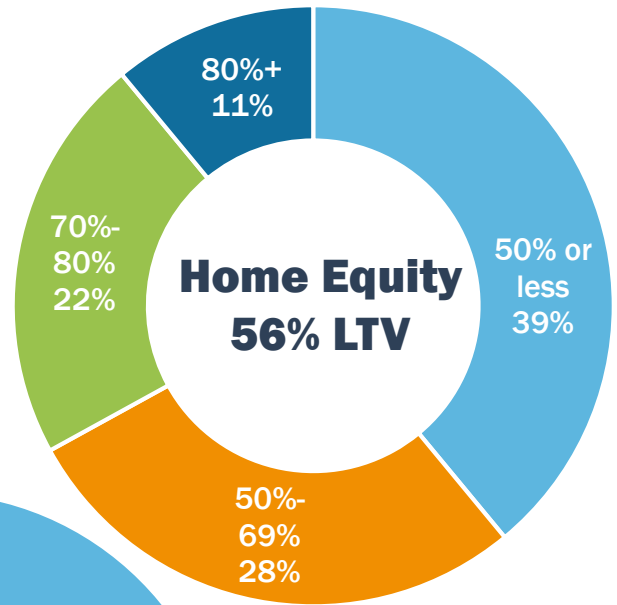
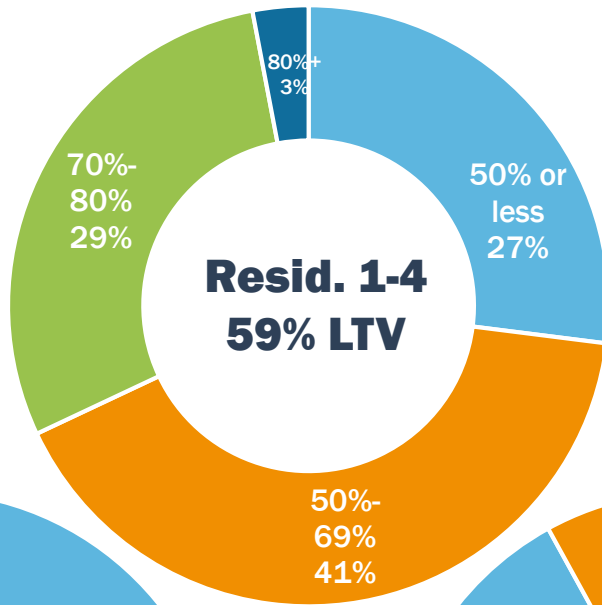
Non Owner Occupied CRE and Multifamily Exposures at September 30, 2020.

Exposures by Year of Origination



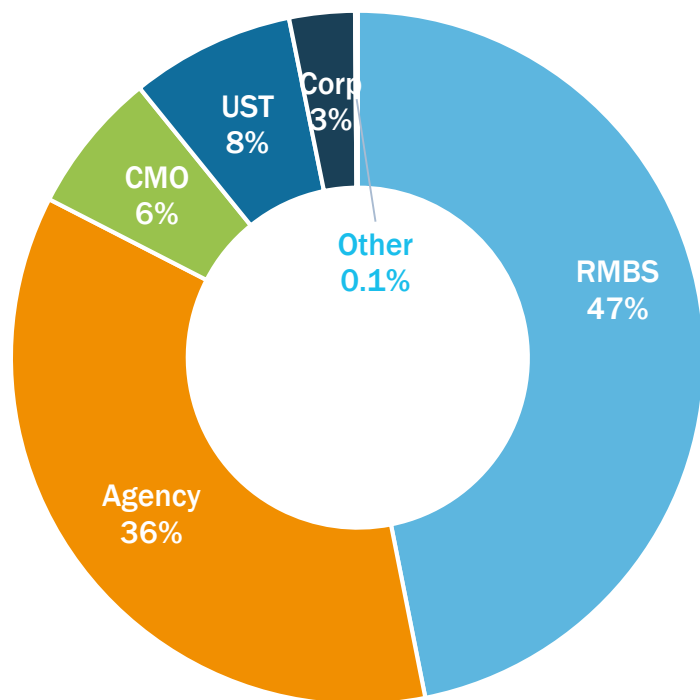
Consumer Loans – LTV / FICO

3Q20



SECURITIES PORTFOLIO

3Q20



\$ in millions	Current Par	Book Value	Fair Value	Unreal. G/L	Book Yield	Duration
Agency Debentures	\$ 262	\$ 274	\$ 280	\$ 6	1.73%	4.0
Agency CMO	51	51	52	1	1.72%	1.7
Agency RMBS	352	356	368	12	1.91%	0.5
Corp Bonds	22	22	24	1	2.53%	2.4
UST	54	56	59	4	1.79%	5.7
Other	1	1	1	-	1.59%	0.6
Total	\$ 742	\$ 760	\$ 784	\$ 24	1.84%	2.3

- Highly liquid, risk averse securities portfolio.
- The Investment portfolio shrank \$72 million during the quarter.

KEY ECONOMIC VARIABLES - CECL

SELECT ECONOMIC VARIABLES FROM THE MOODY'S BASELINE FORECAST						
	Q2 CECL - Baseline		Q3 CECL - Baseline		Difference	
	2020	2021	2020	2021	2020	2021
GDP	17,997	18,279	18,629	18,907	632.2	628.4
Unemployment Rate	9.1	9.3	9.1	8.4	-	(0.9)
Fed Fund Rate	0.4	0.1	0.4	0.1	-	-
10 Treasury	0.83	1.04	0.85	1.05	0.02	0.01
CRE Price Index	233.7	247.6	239.1	249.5	5.4	1.9

- The Company uses Moody's monthly forecasts as inputs into its models for estimated credit losses under CECL.
- The Company weights the Baseline forecast at 40%; the S1-Stronger Near Term Growth 30% and S3-Moderate Recession at 30%.
- The September Baseline forecast reflects better GDP performance, higher Commercial Real Estate Prices and lower Unemployment than the June Baseline forecast.