

Risk Factors Comparison 2025-03-03 to 2024-02-28 Form: 10-K

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The risks set forth below, in addition to the other risks described in this Annual Report on Form 10-K, may adversely affect the Company's business, financial condition, strategic objectives, and operating results. In addition to the risks set forth below and the other risks described in this annual report, there may be additional risks and uncertainties that are not currently known to the Company or that the Company currently deems to be immaterial that could materially and adversely affect the Company's business, financial condition, strategic objectives, or operating results. As a result, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. Further, to the extent that any of the information contained in this Annual Report on Form 10-K constitutes forward-looking statements, the risk factors set forth below also are cautionary statements identifying important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company. ~~The COVID-19 global pandemic affected all aspects of the Company's business since 2020. The impact of the pandemic is discussed in the "Operating" risk factors below, but it should be understood as affecting the overall risk environment and risk factors of the Company.~~ Risk Factors Summary **Merger- Related Risks • Berkshire Will Be Subject to Business Uncertainties and Contractual Restrictions While the Mergers Are Pending. • The Announcement of the Proposed Mergers Could Disrupt Berkshire's Relationships with its Customers, Suppliers, Business Partners and Others, As Well As Its Operating Results and Business Generally. • The Merger Agreement Limits Berkshire's Ability to Pursue Alternatives to the Mergers and May Discourage Other Companies from Trying to Acquire Berkshire. • In Connection with the Mergers, Berkshire Will Assume Brookline's Outstanding Debt Obligations, and the Combined Company's Level of Indebtedness Following the Completion of the Mergers Could Adversely Affect the Combined Company's Ability to Raise Additional Capital and Meet Its Obligations Under Existing Indebtedness. • The Combined Company Will Incur Significant Transaction and Merger- Related Costs In Connection with the Mergers. • If the Mergers Are Not Completed, Berkshire Will Have Incurred Substantial Expenses Without Its Stockholders Realizing The Expected Benefits of the Mergers. • Berkshire and Brookline May Not Be Able to Successfully Integrate the Two Companies or to Realize the Anticipated Benefits of the Mergers. • The Merger Agreement May Be Terminated In Accordance With Its Terms, and the Mergers May Not Be Completed. • The Need for Regulatory Approvals May Delay the Date of Completion of the Mergers or May Diminish the Benefits of the Mergers. • Litigation Against Berkshire or Brookline, or the Members of Berkshire's or Brookline's Board of Directors, Could Prevent or Delay the Completion of the Mergers. • The Future Results of the Combined Company Following the Mergers May Suffer if the Combined Company Does Not Effectively Manage Its Expanded Operations. • The Market Price of Berkshire's Common Stock After the Mergers May Be Affected By Factors Different from Those Currently Affecting Berkshire's Common Stock. • Current Holders of Berkshire's Common Stock Will Have a Significantly Reduced Ownership and Voting Interest in the Combined Company After the Mergers and Will Therefore Have Less Voting Influence Over the Combined Company. • The Market Price of Berkshire Common Stock May Decline in the Future as a Result of the Mergers.** Lending Risks • Deterioration in the Housing Sector, Commercial Real Estate, and Related Markets May Adversely Affect Business and Financial Results. • The Company's Emphasis on Commercial Lending May Expose the Company to Increased Lending Risks, Which Could Hurt Profits. • The Company is Subject to a Variety of Risks in Connection With Any Sale of Loans it May Conduct. • The Company is Exposed to Risk of Environmental Liability When It Takes Title to Property. Operating Risks • ~~General~~ **Effects of Conditions in the Financial Markets and Economic Conditions Generally, Either Nationally or in Our Market Areas, Which May Be Affected by Macroeconomic Factors**, Including ~~Macroeconomic Pressures Such as~~ Inflation, ~~Unemployment, Government Policies~~, Supply Chain Issues, and Geopolitical Risks Associated with International Conflict, ~~May Be and General Economic Conditions, Either Nationally or In Our Market Areas, That Are Worse Than Expected.~~ • The Effects of any Public Health Emergencies and Pandemic Disease, Natural Disaster, War, Acts of Terrorism, Accident, or Similar Action or Event (collectively, "an ~~event~~ **Event**") May Adversely Affect, the Company's Business, Financial Condition, Liquidity, and Results of Operations. • The Company is Subject to Security and Operational Risks Relating to the Use of Technology that Could Damage the Company's Reputation and Business. • The Company Faces Cybersecurity Risks, Including Denial of Service Attacks, Ransomware, Hacking and Identity Theft that Could Result in the Disclosure of Sensitive Information or the Creation of Unauthorized Transactions, Which Could Adversely Affect the Company's Business or Reputation and Create Significant Legal and Financial Exposure. • Counterparties and Correspondents Expose the Company to Risks. • The Company's Business is Reliant on Outside Vendors. • Tailoring The Bank's Delivery Model to Respond to Customer Preferences in Banking May Negatively Affect Earnings • Development of New Products and Services May Impose Additional Costs on the Company and May Expose It to Increased Operational Risk. • The Soundness of Other Financial Institutions Could Adversely Affect Us. • Legal and Regulatory Proceedings and Related Matters Could Adversely Affect Us and the Banking Industry in General. • Loss of Key Employees Could Disrupt Relationships With Certain Customers. • Mergers, Acquisitions and Dispositions Involve Numerous Risks and Uncertainties. **Interest Rate Risks • Market Interest Rate Conditions Could Adversely Affect Results of Operations and Financial Condition.** Liquidity Risks • Liquidity is Essential to the Company's Business and a Lack of Liquidity Could Adversely Affect the Company's Financial Condition and Results of Operations. • ~~Bank failures~~ **Failures** and ~~stresses~~ **Stresses** may ~~May lead~~ **Lead** to ~~negative~~ **Negative** depositor ~~Depositor~~ confidence ~~Confidence~~ in depository ~~Depository~~ institutions ~~Institutions~~. Systemic ~~impacts~~ **Impacts** may ~~May have~~ **Have** a

material **Material** adverse **Adverse** effect **Effect** on our financial **Financial** condition **Condition** and results **Results** of operations **Operations** and stock **Stock** price **Price**. • The Company's Wholesale Funding Sources May Prove Insufficient to Support Operations and Future Growth. • The Company's Ability to Service Its Debt, Pay Dividends, and Otherwise Pay Obligations as They Come Due Is Substantially Dependent on Capital Distributions from the Bank, and These Distributions Are Subject to Regulatory Limits and Other Restrictions. The Company's Stock Repurchase Program is also Dependent on These Distributions. • Secondary Mortgage Market Conditions Could Have a Material Impact on the Company's Financial Condition and Results of Operations. • ~~Interest Rate Risks • Market Interest Rate Conditions Could Adversely Affect Results of Operations and Financial Condition.~~ Securities Market Value Risks • Declines in the Value of Certain Investment Securities Could Require Write- Downs, Which Would Reduce Earnings. Regulatory Matters Risks • Legislative and Regulatory Initiatives May Affect Business Activities and Increase Operating Costs. • Provisions of the Company's Certificate of Incorporation, Bylaws, and Delaware Law, as Well as State and Federal Banking Regulations, Could Delay or Prevent a Takeover of Us by a Third Party. • Changes in Tax Laws and Accounting Policies and Practices. Significant Accounting Estimates Risks • Various Factors May Cause Our Allowance for Credit Losses on Loans to Increase. • Fair Value Measurements May Be Affected by Inherent Uncertainties. Trading of the Company's Common Stock • The Trading History of the Company's Common Stock is Characterized By Low Trading Volume. The Value of Shareholder Investments May be Subject to Sudden Decreases Due to the Volatility of the Price of the Common Stock. **Other Risks • Negative Public Opinion Could Damage the Company's Reputation and Impact Business Operations and Revenues. On December 16, 2024, Berkshire, Commerce Acquisition Sub, Inc., a direct, wholly- owned subsidiary of Berkshire (" Merger Sub ") and Brookline entered into a merger agreement (the " Merger Agreement ") pursuant to which Berkshire and Brookline have agreed to combine their respective businesses in a merger of equals. Under the Merger Agreement, Merger Sub will merge with and into Brookline, with Brookline as the surviving corporation (the " Merger "), immediately followed by the merger of Brookline with and into Berkshire, with Berkshire as the surviving corporation (the " Holdco Merger "). Immediately following the Merger and the Holdco Merger (collectively, the " Mergers "), Berkshire Bank, the wholly- owned subsidiary of Berkshire, as well as Brookline's two other banking subsidiaries, PCSB Bank and Bank Rhode Island, will merge with and into Brookline Bank, the wholly- owned subsidiary of Brookline, with Brookline Bank as the surviving corporation (collectively, the " Bank Merger "). Uncertainty about the effect of the Mergers on employees and customers may have an adverse effect on Berkshire. These uncertainties may impair Berkshire's ability to attract, retain and motivate key personnel until the Mergers are completed, and could cause customers and others who deal with Berkshire to seek to change existing business relationships with Berkshire. In addition, the Merger Agreement requires that Berkshire conduct its business in the ordinary course of business consistent with past practice and restricts Berkshire from taking certain actions prior to the effective time or termination of the Merger Agreement without Brookline's consent in writing. These restrictions may prevent Berkshire from pursuing attractive business opportunities that may arise prior to the completion of the Mergers. The Announcement of the Proposed Mergers Could Disrupt Berkshire's Relationships with its Customers, Suppliers, Business Partners and Others, As Well As its Operating Results and Business Generally. Whether or not the Mergers are ultimately consummated, as a result of uncertainty related to the Mergers, risks relating to the impact of the announcement of the Mergers on Berkshire's business include the following: • employees may experience uncertainty about their future roles, which might adversely affect Berkshire's ability to retain and hire key personnel and other employees; • customers, suppliers, business partners and other parties with which Berkshire maintains business relationships may experience uncertainty about their respective futures and seek alternative relationships with third parties, seek to alter their business relationships with Berkshire or fail to extend an existing relationship with Berkshire; and • Berkshire has expended and will continue to expend significant costs, fees and expenses for professional services and transaction costs in connection with the proposed Mergers. If any of the aforementioned risks were to materialize, they could lead to significant costs which may impact Berkshire's results of operations and financial condition. The Merger Agreement contains " no shop " covenants that restrict Berkshire's ability to, directly or indirectly, among other things initiate, solicit, knowingly encourage or knowingly facilitate, inquiries or proposals with respect to, or, subject to certain exceptions generally related to the exercise of fiduciary duties by Berkshire's board of directors, engage in any negotiations concerning, or provide any confidential or non- public information or data relating to, any alternative acquisition proposals. These provisions, which include a \$ 45. 0 million termination fee payable under certain circumstances, may discourage a potential third- party acquirer that might have an interest in acquiring all or a significant part of Berkshire from considering or making that acquisition proposal. In Connection with the Mergers, Berkshire Will Assume Brookline's Outstanding Debt Obligations, and the Combined Company's Level Of Indebtedness Following the Completion of the Mergers Could Adversely Affect the Combined Company's Ability to Raise Additional Capital and Meet its Obligations Under Existing Indebtedness. In connection with the Mergers, Berkshire has agreed to assume, or to cause its subsidiary to assume, Brookline's outstanding indebtedness. Berkshire's existing debt, together with any future incurrence of additional indebtedness, and the assumption of Brookline's outstanding indebtedness, could have important consequences for the combined company's creditors and the combined company's stockholders. For example, it could: • limit the combined company's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; • restrict the combined company from making strategic acquisitions or cause the combined company to make non- strategic divestitures; • restrict the combined company from paying dividends to its stockholders; • increase the combined company's vulnerability to general economic and industry conditions; and • require a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on the combined company's indebtedness, thereby reducing the combined company's ability to use cash flows to fund its**

operations, capital expenditures and future business opportunities. Berkshire and Brookline will incur costs to combine the operations of the two companies. Berkshire and Brookline are collecting information to formulate detailed integration plans to deliver planned synergies. Additional unanticipated costs may be incurred in the integration of the businesses of Berkshire and Brookline. Whether or not the Mergers are consummated, Berkshire will incur substantial expenses, such as legal, accounting, printing and financial advisory fees, in pursuing the Mergers. Although Berkshire expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transactions and merger-related costs over time, this net benefit may not be achieved in the near term, or at all. Berkshire has incurred and will incur further substantial expenses in connection with the Mergers, which are charged to earnings as incurred. These costs include legal, financial advisory, accounting, consulting and other advisory fees, severance / employee benefit-related costs, public company filing fees and other regulatory fees, financial printing and other printing costs and other related costs. If the Mergers are not completed, these expenses will still be charged to earnings even though Berkshire would not have realized the expected benefits of the Mergers. There can be no assurance that the Mergers will be completed. The Mergers involve the combination of two companies that previously have operated independently. A successful combination of the operations of the two entities will depend substantially on both parties' ability to consolidate cultures, personnel, operations, systems and procedures and to eliminate redundancies and reduce costs of the combined operations. Berkshire may not be able to combine the operations of Brookline with Berkshire's operations without encountering difficulties, such as: • the loss of key employees and customers; • the disruption of operations and business; • the inability to maintain and increase competitive presence; • those associated with entering a new geographic market; • deposit attrition, customer loss and revenue loss; • possible inconsistencies in standards, control procedures and policies; • unexpected problems with costs, operations, personnel, technology and credit; and / or • problems with the assimilation of new operations, sites or personnel, which could divert resources from regular banking operations. Additionally, general market and economic conditions or governmental actions affecting the financial industry generally may inhibit the successful integration of Brookline. Berkshire entered into the Merger Agreement with the expectation that the Mergers will result in various benefits including, among other things, enhanced revenues, a strengthened market position for the combined company, cross selling opportunities, improved technology, cost savings and operating efficiencies. Achieving the anticipated benefits of the Mergers are subject to a number of uncertainties, including whether Berkshire and Brookline integrate in an efficient and effective manner, and general competitive factors in the marketplace. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy and could materially adversely impact Berkshire's business, financial condition and operating results. Finally, any cost savings that are realized may be offset by losses in revenues or other charges to earnings. The Merger Agreement is subject to a number of conditions that must be fulfilled to complete the Mergers. Those conditions include, among others, certain regulatory and stockholder approvals, the absence of orders prohibiting the completion of the Mergers, the effectiveness of a registration statement to be filed by Berkshire, which will include a Joint Proxy Statement / Prospectus, the continued accuracy of the representations and warranties by both parties, the performance by both parties of their covenants and agreements, and the receipt by both parties of legal opinions from their respective tax counsels. Any of these conditions to closing of the Mergers may not be fulfilled, and as a result the Mergers may not be completed. Berkshire is required to obtain the approvals of certain regulatory agencies before completing the Mergers. Satisfying any requirements of these regulatory agencies may delay the date of completion of the Mergers. The requisite regulatory approvals may not be received at all (in which case the Mergers could not be completed), may not be received in a timely fashion, or may contain conditions or restrictions on completion of the Mergers that cannot be satisfied. In addition, any conditions or restrictions imposed could have the effect of imposing additional costs on or limiting the revenues of the combined company following the Mergers, which might have an adverse effect on the combined company following the Mergers. Further, it is possible that, among other things, restrictions on the combined operations of the two companies, including divestitures, may be sought by governmental agencies as a condition to obtaining the required regulatory approvals. This may diminish the benefits of the Mergers to the combined company or otherwise have an adverse effect on the combined company following the Mergers. Berkshire's stockholders or Brookline's stockholders may file lawsuits against Brookline, Berkshire, and / or the boards of directors of either company in connection with the Mergers. Such legal proceedings could delay or prevent the Mergers from being completed in a timely manner. The existence of litigation related to the Mergers could affect the likelihood of obtaining the required regulatory and stockholders' approvals. Moreover, any litigation could be time-consuming and expensive and could divert Berkshire's and Brookline's management's attention away from their regular business and their focus on a successful integration of the two companies. Any lawsuit adversely resolved against Brookline, Berkshire or members of their respective boards of directors could have a material adverse effect on each company's business, financial condition and results of operations. Moreover, one of the conditions to the completion of the Mergers is the absence of any restraining order, injunction or decree issued by a court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Mergers, and that no governmental authority or regulatory authority of competent jurisdiction shall have enacted, promulgated or enforced any statute, rule, regulation, judgment, decree, injunction or other order prohibiting consummation of the transactions contemplated by the Merger Agreement or making the Mergers illegal. Consequently, if a settlement or other resolution is not reached in any lawsuit that is filed or any regulatory proceeding and a claimant secures injunctive or other relief or a governmental authority issues an order or other directive restricting, prohibiting or making illegal the consummation of the transactions contemplated by the Merger Agreement (including the Mergers), then such injunctive or other relief may prevent the Mergers from becoming

effective in a timely manner or at all. Following the Mergers, the size of the business of the combined company will increase beyond the current size of either Berkshire's or Brookline's business. The combined company's future success will depend, in part, upon its ability to manage this expanded business, which may pose challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. The combined company may also face increased scrutiny from governmental authorities as a result of the increased size of its business. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, revenue enhancement or other benefits currently anticipated from the Mergers. The results of operations of the combined company and the market price of Berkshire's common stock after the completion of the Mergers may be affected by factors different from those currently affecting the independent results of operations of each of Berkshire and Brookline. In addition, the issuance of shares of Berkshire's common stock in the Mergers could depress the market price for Berkshire's common stock. For example, some Brookline stockholders may decide not to hold the shares of Berkshire's common stock they receive as a result of the Mergers. Other Brookline stockholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of Berkshire's common stock they receive as a result of the Mergers. Any such sales of Berkshire's common stock could depress the market price for Berkshire's common stock. In the Mergers, each Brookline stockholder will become a holder of common stock of the combined company. As a result of the transaction and the \$ 100 million common stock offering to support the transaction, Berkshire estimates that Berkshire shareholders will own approximately 55 % and Brookline shareholders will own approximately 45 % of the outstanding shares of the combined company. As a result, Brookline's current stockholders will have less voting influence on the combined company and may have less influence on its management and policies than they now have. The market price of Berkshire common stock may decline in the future as a result of the Mergers for a number of reasons, including: • the unsuccessful integration of Brookline and Berkshire; and • the failure of the combined company to achieve the perceived benefits of the Mergers, including financial results, as rapidly as or to the extent anticipated by financial or industry analysts. Many of these factors are beyond the control of Berkshire. As a consequence, Berkshire stockholders could lose the value of their investment in Berkshire common stock.

Real estate lending is a major business activity for the Company. Real estate market conditions affect the value and marketability of real estate collateral, and they also affect the cash flows, liquidity, and net worth of many borrowers whose operations and finances depend on real estate market conditions. We have a geographic concentration of loans in our market areas. Adverse conditions in the Company's market areas could reduce growth rates, affect the ability of our customers to repay their loans and increase loan losses, and generally affect the Company's financial condition and results of operations. Potential increases in interest rates can lead to increased capitalization rates over time which could adversely affect commercial property appraisals and collateral value. Residential property values may be similarly adversely impacted. Pandemic impacts on the supply of and demand for commercial and residential properties have caused unusual valuation changes in many markets, which may not be sustained if market conditions normalize. As of December 31, 2023-2024, commercial real estate loans comprised approximately 49-51% of our loan portfolio. Commercial real estate mortgage loans generally involve a greater degree of credit risk than residential real estate mortgage loans because they typically have larger balances and are more affected by adverse conditions in the economy. Because payments on loans secured by commercial real estate often depend upon the successful operation and management of the properties and the businesses which operate from within them, repayment of such loans may be affected by factors outside the borrower's control, such as adverse conditions in the real estate market or the economy or, changes in government regulations and fiscal policy, or changes in the level of interest rates. In recent years, commercial real estate markets have been particularly impacted by the economic disruption resulting from the COVID-19 pandemic. The COVID-19 pandemic has also been a catalyst for the evolution of various remote work options which could impact the long-term performance of some types of office properties within our commercial real estate portfolio. Accordingly, the federal banking regulatory agencies have issued advisories on managing commercial real estate concentrations in a challenging economic environment. Failures in our risk management policies, procedures and controls could adversely affect our ability to manage this portfolio going forward and could result in an increased rate of delinquencies in, and increased losses from, this portfolio, which, accordingly, could have a material adverse effect on our business, financial condition and results of operations. The Company emphasizes commercial lending, which generally exposes the Company to a greater risk of nonpayment and loss because repayment of such loans often depends on the successful operations and income stream of the borrowers. Commercial loans are historically more susceptible to delinquency, default, fraud, and loss during economic downturns. Commercial lending involves larger loan sizes and larger relationship exposures, with greater potential impact on profits in the event of adverse loan performance. The majority of the Company's commercial loans are secured by real estate and subject to the previously discussed real estate risk factors, as well as risks specific to individual properties and property types. The Company routinely sells newly originated residential mortgage loans and SBA guaranteed business loans, and may also sell other loans or loans portfolios. It may make certain representations and warranties to the purchaser concerning the loans sold and the procedures under which those loans have been originated and serviced. If any of these representations and warranties are invalid, the Company may be required to refund premiums, indemnify the purchaser for any related costs or losses, or it may be required to repurchase part or all of the affected loans. The Company may also be required to repurchase loans as a result of borrower fraud or in the event of early payment default by the borrower on a loan it has sold. The Company's ability to maintain seller / servicer relationships with government agencies and government backed entities may be jeopardized in the event of the emergence of one or more of the above risks. Demand for the Company's loans in the secondary markets could also be affected by these risks, which could lead to a reduction in related business activities. In the course of its business, the Company may foreclose on and take title to real estate. As a result, the Company could be subject to environmental liabilities with respect to these properties for property damage, personal injury,

investigation and clean-up costs. The costs associated with investigation or remediation activities could be substantial. The Company may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. ~~Effects of conditions in the financial markets and economic conditions generally, including macroeconomic pressures such as inflation, supply chain issues, and geopolitical risks associated with international conflict, and general economic conditions, either nationally or in our market areas, that are worse than expected.~~ Generally, our financial performance, and in particular the ability of borrowers to pay interest on and repay principal of outstanding loans and the value of the collateral securing those loans, as well as demand for loans and other products and services we offer, is very dependent on the business environment in the markets we operate in **locally** and the United States as a whole. Adverse economic conditions may result from a variety of factors, including domestic and global economic and political developments, **including such as** plateauing or decreasing economic growth and business activity, **high unemployment rates**, recessions, **fluctuations in** interest rates, inflation, pressures on the commercial real estate market, uncertainty regarding the U. S. government's debt limit, **U. S. Government fiscal and monetary policy**, a potential U. S. government shutdown, recent stress in the banking sector, international conflict, civil unrest, **and natural disasters**. A favorable business environment is generally characterized by, among other factors, economic growth, efficient capital markets, low inflation, low unemployment, high business and investor confidence, and strong business earnings. ~~Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity or investor or business confidence; high unemployment, natural disasters; increases in inflation or interest rates; limitations on the availability or increases in the cost of credit and capital; or a combination of these or other factors.~~ The occurrence of any of these conditions could have a material adverse effect on our financial condition and results of operations. The Effects of any Public Health Emergencies and Pandemic Disease, Natural Disaster, War, Acts of Terrorism, Accident, or Similar Action or Event (Collectively, "an Event") May Adversely Affect, the Company's Business, Financial Condition, Liquidity, and Results of Operations. Some of the risks the Company faces from an Event include, but are not limited to: the health and availability of our colleagues, the supply of labor, inflationary impacts on operating costs, the financial condition of our clients and the demand for our products and services, changes in interest rates, recognition of credit losses and increases in the allowance for credit losses, impacts if customers draw on their lines of credit or draw down deposits or seek additional loans to help finance their businesses, and a significant deterioration of business conditions in our markets. Sustained adverse effects may also increase our cost of capital, prevent us from satisfying our minimum regulatory capital ratios and other supervisory requirements, or result in downgrades in our credit rating. The extent to which an Event impacts our business, financial condition, liquidity and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of an Event, the continued effectiveness of our business continuity plan, the direct and indirect impact of an Event on our customers, colleagues, counterparties and service providers, and actions taken by governmental authorities and other third parties in response to an Event. The length of a pandemic and the effectiveness of the measures being put in place to address it are unknown and we face possible continued impacts on liquidity, operating revenues, and credit performance. To the extent a pandemic adversely affects our business, financial condition, liquidity, or results of operations, it may also have the effect of heightening many of the other risks described in this Annual Report on Form 10-K. Security breaches of sensitive information in our technology platforms could expose the Company to possible liability and damage its reputation. Any compromise of data security could also deter customers from using the Company's services. The Company relies on industry standard internet security and authentication systems to effect secure transmission of data. These precautions may not protect the Company's security systems from compromises or breaches and could result in damage to its reputation and business. The Company utilizes third party core banking software, in addition to other outsourced data processing. If third party providers encounter difficulties or if the Company has difficulty in communicating and / or transmitting with such third parties, it could significantly affect its ability to adequately process and account for customer transactions, which could significantly affect its business operations. The Company interfaces with electronic payments systems which are subject to security and operational risks. The Company utilizes file encryption in designated internal systems and networks and is subject to certain state and federal regulations regarding how the Company manages data security. The Company's enterprise governance risk and compliance function includes a framework of controls, policies and technologies to monitor and protect information from cyberattacks, mishandling, and loss, together with safeguards related to the confidentiality, integrity, and availability of information. Natural disasters and disaster recovery risks could affect its operating systems, which could affect its reputation. The Company's business continuity program addresses crisis management, business impact, and data and systems recovery. Potential problems with the management of technology security and operational risks may affect regulatory compliance, which could affect operating costs and expansion plans. Implementation of certain new technologies, such as those related to artificial intelligence, automation and algorithms, may have unintended consequences due to their limitations, potential manipulation, or our failure to use them effectively. Increased levels of remote access resulting from more work from home employees may create additional opportunities for cybercriminals to exploit vulnerabilities, and employees may be more susceptible to phishing and social engineering attempts due to work responsibilities at home. In addition, technological resources may be strained due to the number of remote users. The Company's computer systems and network infrastructure are subject to security risks and could be susceptible to cyber-attacks, such as denial of service attacks, hacking, terrorist activities or identity theft. Financial services institutions and companies engaged in data processing have reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to sensitive information, destroy data, steal financial assets, disable or degrade service, or sabotage systems, often through the introduction of computer viruses or malware, cyber-attacks and other means. Denial of service attacks have been launched against a number of large financial services institutions. As a growing regional bank, the Company may be subject to similar attacks in the future. Hacking and identity theft risks could cause serious reputational harm and possible financial loss to the Company. Cyber threats are rapidly evolving and the Company

may not be able to anticipate or prevent all such attacks. Advancements in the use of artificial intelligence could lead to adversarial attacks by exploiting vulnerabilities to manipulate model outputs or bypass security controls. The Company may incur increasing costs in an effort to minimize these risks and could be held liable for any security breach or loss. Despite efforts to ensure the integrity of its systems, the Company will not be able to anticipate all security breaches of these types, and the Company may not be able to implement effective preventive measures against such security breaches. The techniques used by cyber criminals change frequently and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations or hostile foreign governments. Those parties may also attempt to fraudulently induce employees, customers or other users of the Company's systems to disclose sensitive information in order to gain access to its data or that of its clients or to conduct unauthorized financial transactions. These risks may increase in the future as the Company continues to increase its mobile- payment and other internet- based product offerings and expands its internal usage of web- based products and applications. A successful penetration or circumvention of system security could cause serious negative consequences to the Company, including significant disruption of operations, misappropriation of sensitive information of the Company or that of its customers, or damage to computers or systems of the Company or those of its customers and counterparties. A security breach could result in violations of applicable privacy and other laws, financial loss to the Company or to its customers, loss of confidence in the Company's security measures, significant litigation exposure, and harm to the Company's reputation, all of which could have a material adverse effect on the Company. The Company's use of derivative financial instruments exposes us to financial and contractual risks with counterparties. The Company maintains correspondent bank relationships, purchase loans, manages certain loan participations, engage in securities and funding transactions, and undergo other activities with financial counterparties that are customary to its industry. The Company also utilizes services from major vendors of technology, telecommunications, and other essential operating services. There is financial, reputational, and operational risk in these relationships, which the Company seeks to manage through internal controls and procedures, but there are no assurances that the Company will not experience loss or interruption of its business as a result of unforeseen events with these providers. The Company's mortgage banking operations have exposed us to counterparty transactions including the use of third parties to participate in the management of interest rate risk and mortgage sales and hedging, as well as mortgage servicing. Financial, reputational, and operational risks are inherent in these counterparty and correspondent relationships. The Company could experience losses if there are failures in the controls or accounting, including those related to derivatives activities or if there are performance failures by any counterparties. The risk of loss is increased when interest rates change suddenly and if the intended hedging objectives are not achieved as a result of market or counterparty behaviors. The Company's business is highly dependent on the use of certain outside vendors for its day- to- day operations. The Company's operations and reputation are exposed to risk that a vendor may not perform in accordance with established performance standards required in its agreements for any number of reasons including a change in their senior management, their financial condition, their product line or mix and how they support existing customers, or a simple change in their strategic focus. While the Company has comprehensive programs, policies and procedures in place to mitigate risk at all phases of vendor management from selection, to performance monitoring and renewals, the failure of a vendor to perform in accordance with contractual agreements could be disruptive to its business, which could have a material adverse effect on its financial condition, strategic objectives, and results of operations. Tailoring The Bank's Retail Delivery Model to Respond to Consumer Preferences in Banking May Negatively Affect Earnings. The Company's branch network continues to be a very significant source of new business generation, however, consumers continue to migrate much of their routine banking to self- service channels. In recognition of this shift in consumer patterns, we regularly review the branch network, which has resulted in branch consolidation accompanied by the enhancement of the Bank's capabilities to serve its customers through alternate delivery channels. The benefits of this strategy will depend on our ability to realize expected benefits without experiencing significant customer attrition, unexpected costs, or unanticipated disruptions to operations. The Company's financial performance depends, in part, on its ability to develop and market new and innovative services and to adopt or develop new technologies that differentiate its products or provide cost efficiencies, while avoiding increased related expenses. This dependency is exacerbated in the current " FinTech " environment, where financial institutions are investing significantly in evaluating new technologies, such as "artificial intelligence, Blockchain-blockchain applications," and developing potentially industry- changing new products, services and industry standards. The introduction of new products and services can entail significant time and resources, including regulatory approvals. Substantial risks and uncertainties are associated with the introduction of new products and services, including technical and control requirements that may need to be developed and implemented, rapid technological change in the industry, the Company's ability to access technical and other information from its clients, the significant and ongoing investments required to bring new products and services to market in a timely manner at competitive prices and the preparation of marketing, sales and other materials that fully and accurately describe the product or service and its underlying risks. The Company's failure to manage these risks and uncertainties also exposes it to enhanced risk of operational lapses which may result in the recognition of financial statement liabilities. Regulatory and internal control requirements, capital requirements, competitive alternatives, vendor relationships and shifting market preferences may also determine if such initiatives can be brought to market in a manner that is timely and attractive to the Company's clients. Products and services relying on internet and mobile technologies may expose the Company to fraud and cybersecurity risks. Failure to successfully manage these risks in the development and implementation of new products or services could have a material adverse effect on the Company's business and reputation, as well as on its consolidated results of operations and financial condition. ~~The soundness of other financial institutions could adversely affect us.~~ Financial services institutions are interrelated as a result of clearing, trading, counterparty, or other relationships. We have exposure to many different counterparties and industries, and we routinely execute transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, and other institutional clients. Many of these transactions expose us to credit risk in the event of a

default by our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of the credit or derivative exposure due us. Any such losses could have a material adverse effect on our financial condition and results of operations. Additionally, in early 2023, the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank resulted in decreased confidence in banks among depositors, other counterparties and investors. Such events and developments could materially and adversely affect our business or financial condition, including through declines in deposits, increased costs of funds, potential liquidity pressures, increased regulation **and enforcement activity**, and declines and volatility in the price of our common stock. ~~Legal and regulatory proceedings and related matters could adversely affect us and the banking industry in general.~~ The Company has been, and in the future could be, subject to various regulatory and legal proceedings, including class action litigation. It is inherently difficult to gauge the result of these matters, and there can be no guarantee that we will prevail in any litigation or proceeding. Legal and regulatory matters of any degree of significance could result in significant costs and diversion of our efforts could have a material adverse effect on our financial condition and operating results. As disclosed in Part I, Item 3, "Legal Proceedings," we currently have ongoing proceedings. If we settle these claims or the litigation is not resolved in our favor, we could suffer reputational damage, incur legal costs, and settlements or judgments that may exceed amounts covered by our existing insurance policies. We cannot provide assurances that our insurer will cover all legal costs, settlements or judgments we incur. If we are not successful in defending ourselves from these claims, or if our insurer does not cover the full amount of legal costs we incur, the outcome could materially adversely affect our business, results of operations and financial condition. Furthermore, adverse determinations in such matters could result in actions by our regulators that could materially adversely affect our business, financial condition or results of operations. There can be no assurance that other proceedings, which may have a material adverse effect on our business, results of operations or financial condition will not arise in the near or long-term future. ~~Loss of key employees could disrupt relationships with certain customers.~~ Our customer relationships are crucial to the success of our business, and the loss of key employees with significant customer relationships could lead to the loss of business if the customers were to follow that employee to a competitor. While we believe our relationships with key personnel are strong, we cannot guarantee that all of our key personnel will remain with us, which could result in the loss of some customers, which may have a negative impact on our business, financial condition, and results of operations. **In addition to the proposed Mergers, the acquisitions and dispositions involve numerous risks and uncertainties.** The Company has in the past and may in the future pursue mergers, acquisitions and disposition opportunities involving financial institutions and financial services companies. Mergers, acquisitions and dispositions involve a number of risks and challenges. Acquisition related risks include the expenses involved; potential diversion of management's attention from other strategic matters; integration of branches and operations acquired; outflow of customers from the acquired branches; retention of personnel from acquired companies or branches; competing effectively in geographic areas not previously served; managing growth resulting from the transaction; and dilution in the acquirer's book and tangible book value per share. The Company continually looks to optimize its branch network and real estate. The disposition of branches or business operations could result in the loss of some customers or unanticipated costs related to deconversion and transfer. Such dispositions may have an unanticipated adverse impact on operations, earnings or liquidity. Net interest income is the Company's largest source of income. Changes in interest rates can affect the amount of interest we receive on loans and investments and the amount of interest we pay on deposits and borrowings, which may affect our net interest margins and other elements of net income. The Company's interest rate sensitivity is discussed in more detail in Item 7A of this report and is the primary market risk to its condition and operations. Changes in interest rates can also affect the demand for the Company's products and services, supply conditions in the U. S. financial and capital markets, loan prepayments, the Company's ability to originate loans, the value of its assets, its ability to realize gains from the sale of assets, and loan delinquencies and defaults, all of which ultimately affect earnings. Changes in interest rates may also affect the market value of the Company's investment securities portfolio, which may affect the level and adequacy of its regulatory capital. During 2022 and 2023, in response to accelerated inflation, the Federal Reserve implemented monetary tightening policies, resulting in significantly increased interest rates. **In 2024, however, the Federal Reserve implemented several decreased in the Federal Funds rate, resulting in an aggregate decrease of 100 basis points in the latter part of the year. Changes in interest rates are beyond the Company's control and may not be anticipated.** If the interest rates paid on deposits and other borrowings increase at a faster rate than the interest rates received on loans and other investments, our net interest income, and therefore earnings, could be adversely affected. In a rising rate environment, demand for loans may decrease and loans with adjustable interest rates are more likely to experience a higher rate of default. Conversely, if the interest rates received on loans and other investments decline faster than rates paid on deposits and other borrowings, our net interest income, and therefore earnings, could be similarly adversely affected. Changes in interest rates also affect the fair value of the securities portfolio. Generally, the value of securities moves inversely with changes in interest rates. ~~In addition, in a rate environment where the Federal Reserve held the federal reference rate near 0.00%, accelerated loan repayments may result in a delay between when we receive the prepayment and when we are able to redeploy the funds into new interest-earning assets, and in a decrease in the amount of interest income we are able to earn on those assets.~~ Any substantial, unexpected or prolonged change in market interest rates could have a material adverse effect on our financial condition and results of operations. Also, our interest rate risk modeling techniques and assumptions likely may not fully predict or capture the impact of actual interest rate changes on our balance sheet. ~~Liquidity is essential to the Company's business and a lack of liquidity could adversely affect the Company's financial condition and results of operations.~~ Liquidity is essential to the Company's business. The Company relies on its ability to generate deposits and effectively manage the repayment of its liabilities to ensure that there is adequate liquidity to fund operations. An inability to raise funds through deposits, borrowings, the sale and maturities of loans and securities and other sources could have a substantial negative effect on liquidity. The Company's most important source of funds is its deposits. Deposit balances can decrease when customers perceive alternative investments as providing a better risk adjusted

return, which are strongly influenced by such external factors as the direction of interest rates, local and national economic conditions and the availability and attractiveness of alternative investments. Further, the demand for deposits may be reduced due to a variety of factors such as negative trends in the banking sector, the level of and / or composition of our uninsured deposits, demographic patterns, changes in customer preferences, reductions in consumers' disposable income, the monetary policy of the Federal Reserve or regulatory actions that decrease customer access to particular products. If customers move money out of bank deposits and into other investments such as money market funds, the Company would lose a relatively low-cost source of funds, which would increase its funding costs and reduce net interest income. Any changes made to the rates offered on deposits to remain competitive with other financial institutions may also adversely affect profitability and liquidity. Other primary sources of funds consist of cash flows from operations, maturities and sales of investment securities and / or loans, brokered deposits, borrowings from the FHLB and / or and the Federal Reserve Bank of Boston discount window, and unsecured borrowings. The Company also may borrow funds from third- party lenders, such as other financial institutions. The Company's access to funding sources in amounts adequate to finance or capitalize its activities, or on terms that are acceptable, could be impaired by factors that affect the Company directly or the financial services industry or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry, a decrease in the level of the Company's business activity as a result of a downturn in markets or by one or more adverse regulatory actions against the Company or the financial sector in general. Any decline in available funding could adversely impact the Company's ability to originate loans, invest in securities, meet expenses, or to fulfill obligations such as meeting deposit withdrawal demands, any of which could have a material adverse impact on its liquidity, business, financial condition and results of operations. Bank failures Failures and stresses Stresses may May lead Lead to negative Negative depositor Depositor confidence Confidence in depository Depository institutions Institutions. Systemic impacts Impacts may May have a material Material adverse Adverse effect Effect on our financial Financial condition Condition and results Results of operations Operations and stock Stock price Price. In 2023, several large regional banks failed due to deposit runs and liquidity issues. These banks also had elevated levels of uninsured deposits, which may be less likely to remain at the bank over time and less stable as a source of funding than insured deposits. These failures led to volatility and declines in the market for bank stocks and questions about depositor confidence in depository institutions. In 2024, elevated commercial real estate losses at a large bank led to industry stock price declines. Recent events have led to a greater focus by institutions, investors and regulators on the on- balance sheet liquidity of and funding sources for financial institutions, the composition of its deposits, including the amount of uninsured deposits, the amount of accumulated other comprehensive loss, capital levels and interest rate risk management. Impacts on our liquidity, deposits, capital levels and interest rate risk may have a material adverse effect on our financial condition and results of operations. The premiums of the FDIC's deposit insurance program are subject to increases based on claims on the fund related to bank failures. Banking regulators have signaled further review of regulatory requirements and the potential for changes to laws or regulations governing banks and bank holding companies. Changes resulting from these events could include increased regulatory oversight, higher capital requirements or changes in the way regulatory capital is calculated, and the impositions of additional restrictions through regulatory changes or supervisory or enforcement activities, each of which could have a material impact on our business. The Company's Wholesale Funding Sources May Prove Insufficient to Replace Deposits at Maturity and Support Operations and Future Growth. The Company must maintain sufficient funds to respond to the needs of depositors and borrowers. As a part of its liquidity management, the Company uses a number of funding sources in addition to deposit growth and cash flows from loans and investments. These sources include Federal Home Loan Bank advances, issuance of Brokered brokered CDs certificates of deposit, proceeds from the sale of loans, and liquidity resources at the holding company. The Company's financial flexibility will be severely constrained if the Company is unable to maintain access to wholesale funding or if adequate financing is not available to accommodate future growth at acceptable costs. Turbulence in the capital and credit markets may adversely affect liquidity and financial condition and the willingness of certain counterparties and customers to do business with the Company. The Company's Ability to Service Our Debt, Pay Dividends, and Otherwise Pay Obligations as They Come Due Is Substantially Dependent on Capital Distributions from the Bank, and These Distributions Are Subject to Regulatory Limits and Other Restrictions. The Company's Stock Repurchase Program is also Dependent on These Distributions. A substantial source of holding company income is the receipt of dividends from the Bank, from which the Company services debt, pays obligations, and pays shareholder dividends. The availability of dividends from the Bank is limited by various statutes and regulations. It is possible, depending upon the financial condition of the Bank and other factors, that the applicable regulatory authorities could assert that payment of dividends from the Bank to the Company or other types of payments are considered an unsafe or unsound practice. If the Bank is unable to pay dividends, the Company may not be able to service debt, pay debt obligations, or pay dividends on its common stock. The Company may also be unable to repurchase common stock under a then outstanding stock repurchase program. In addition to being affected by interest rates, the secondary mortgage markets are also subject to investor demand for residential mortgage loans and increased investor yield requirements for these loans. These conditions may fluctuate or worsen in the future. As a result, a prolonged period of secondary market illiquidity may reduce the Company's loan production volumes and operating results. Secondary markets are significantly affected by Fannie Mae, Freddie Mac and Ginnie Mae (collectively, the "Agencies") for loan purchases that meet their conforming loan requirements. These agencies could limit purchases of conforming loans due to capital constraints, a change in the criteria for conforming loans or other factors. Proposals to reform mortgage finance could affect the role of the Agencies and the market for conforming loans which comprise the majority of the Company's mortgage lending and related originations income. Changes in interest rates can also affect the demand for the Company's products and services, supply conditions in the U. S. financial and capital markets, loan prepayments, the Company's ability to originate real estate loans, the value of its assets, its ability to realize gains from the sale of assets, and loan delinquencies and defaults, all of which ultimately affect earnings. Changes in interest rates may also affect

the market value of the Company's investment securities portfolio, which may affect the level and adequacy of its regulatory capital. During 2022 and 2023, in response to accelerated inflation, the Federal Reserve implemented monetary tightening policies, resulting in significantly increased interest rates. The Federal Reserve has signaled that further tightening is anticipated. If the interest rates paid on deposits and other borrowings increase at a faster rate than the interest rates received on loans and other investments, our net interest income, and therefore earnings, could be adversely affected. In a rising rate environment, demand for loans may decrease and loans with adjustable interest rates are more likely to experience a higher rate of default. Additionally, changes in interest rates also affect the fair value of the securities portfolio. Generally, the value of securities moves inversely with changes in interest rates. Earnings could also be adversely affected if the interest rates received on loans and other investments fall more quickly than the interest rates paid on deposits and other borrowings. In addition, in a falling rate environment or the recent pandemic-related environment where the Federal Reserve held the federal reference rate near 0.00%, loans may be prepaid sooner than we expect, which could result in a delay between when we receive the prepayment and when we are able to redeploy the funds into new interest-earning assets and in a decrease in the amount of interest income we are able to earn on those assets.

~~Securities Market Values Declines~~ in the value of investment securities due to market conditions and / or issuer impairment could result in losses that can reduce capital and earnings. Such declines can result from changes in interest rates and inflation. The Company's investment in equity securities and non-investment grade or unrated debt securities present heightened credit and price risks. Under applicable accounting standards, equity gains and losses are recorded to current period operating results. The Company has an investment in the stock of the Federal Home Loan Bank of Boston ("FHLBB") which could result in write-down in the event of impairment. New federal or state laws and regulations could affect lending, funding practices, capital, and liquidity standards. New laws, regulations, and other regulatory changes may also increase compliance costs and affect business and operations. Moreover, the FDIC sets the cost of FDIC insurance premiums, which can affect profitability. Regulatory capital requirements and their impact on the Company may change. The Company may need to raise additional capital in the future to support operations and continued growth. The Company's ability to raise capital, if needed, will depend on its condition and performance, and on market conditions. New laws, regulations, and other regulatory changes, along with negative developments in the financial industry and the domestic and international credit markets, may significantly affect the markets in which the Company does business, the markets for and value of its loans and investments, and ongoing operations, costs and profitability. For more information, see "Regulation and Supervision" in Item 1 of this report. With total assets over \$ 10 billion, the Company and the Bank are subject to closer supervision by their primary regulators and, as to compliance with consumer protection laws and regulations, the Consumer Financial Protection Bureau. The Company and the Bank are subject to capital stress testing expectations which require significant resources and infrastructure. If the Company's compliance with the enhanced supervision and requirements is insufficient, there can be significant negative consequences for its operations, profitability, and ability to further pursue its strategic growth plan. Provisions in the Company's certificate of incorporation and bylaws, the corporate law of the State of Delaware, and state and federal regulations could delay, defer or prevent a third party from acquiring us, despite the possible benefit stockholders, or otherwise adversely affect the price of its common stock. These provisions include: limitations on voting rights of beneficial owners of more than 10 percent of common stock; supermajority voting requirements for certain business combinations; the election of directors to terms of one year; and advance notice requirements for nominations for election to the Company's Board of Directors and for proposing matters that stockholders may act on at stockholder meetings. In addition, the Company is subject to Delaware laws, including one that prohibits engaging in a business combination with any interested stockholder for a period of three years from the date the person became an interested stockholder unless certain conditions are met. These provisions may discourage potential takeover attempts, discourage bids for the Company's common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, its common stock. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors other than the candidates nominated by the Board.

~~Changes in tax laws and accounting policies and practices.~~ We are subject to income taxes and complex tax regimes in the United States. We cannot predict future changes in the tax regulations that we are subject to, and any changes could have a material impact on our tax liability or result in increased costs of our tax compliance obligations. Additionally, from time to time, the regulatory agencies and other authoritative bodies, such as the Financial Accounting Standards Board ("FASB"), change the financial accounting and reporting standards that govern the preparation of the Company's financial statements. These changes can be hard to predict and can materially impact how management records and reports the Company's financial condition and results of operations. Various Factors May Cause our Allowance for Credit Losses on Loans to Increase. The Company has an allowance for current expected credit losses on loans maintained through a provision for credit losses charged to expense. This represents our estimate of current expected credit losses based on an evaluation of risks within the portfolio of loans. The level of the allowance represents management's estimate of current expected credit losses over the contractual life of the existing loan portfolio. The determination of the appropriate level of the allowance inherently involves a degree of subjectivity and requires that we make significant estimates of current credit risks and current trends and reasonable and supportable forecasts of future economic conditions, all of which may undergo frequent and material changes. Changes in economic and other conditions affecting borrowers, including inflation and interest rates, along with new information regarding existing loans other factors, may indicate the need for a future increase in the allowance. The Company uses fair value measurements to determine fair value disclosures and to record fair value adjustments to certain assets and liabilities, such as interest rate swaps, securities available for sale, and derivatives. Additionally, from time to time, the Company may be required to record certain assets at fair value on a non-recurring basis, such as individually evaluated loans held for investment and capitalized servicing rights. Whenever there is no readily available market data, management uses its best estimate and assumptions in determining fair value, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if other assumptions had been used, our recorded earnings or disclosures could have been materially different from those reflected in these financial

statements. The level of interest and trading in the Company' s stock depends on many factors beyond the Company' s control. The market price of the Company' s common stock may be highly volatile and subject to wide fluctuations in response to numerous factors, including, but not limited to, the factors discussed in other risk factors and the following: actual or anticipated fluctuations in operating results; changes in interest rates and inflation; changes in the legal or regulatory environment; press releases, announcements or publicity relating to the Company or its competitors or relating to trends in its industry; changes in expectations as to future financial performance, including financial estimates or recommendations by securities analysts and investors; future sales of its common stock; changes in economic conditions in the marketplace, general conditions in the U. S. economy, financial markets or the banking industry; and other developments. These factors may adversely affect the trading price of the Company' s common stock, regardless of actual operating performance, and could prevent stockholders from selling their common stock at a desirable price. In the past, stockholders have brought securities class action litigation against a company following periods of volatility in the market price of their securities. The Company could be the target of similar litigation in the future, which could result in substantial costs and divert management' s attention and resources. **Negative Public Opinion Could Damage the Company' s Reputation and Impact Business Operations and Revenues. As a financial institution, the Company' s earnings and capital are subject to risk associated with negative public opinion. Negative public opinion could result from the Company' s actual or alleged conduct in any number of activities, including but not limited to lending practices, failure to meet customer expectations, regulatory or legal issues, corporate governance, merger and acquisitions activity, social media and other marketing activities, or actions taken by government regulators and community organizations in response to any of the foregoing. Negative public opinion could adversely affect the Company' s ability to attract or retain clients, expose the Company to litigation and regulatory action, and have a material adverse effect on the Company' s stock price, result in heightened volatility or hinder efforts to raise capital or pursue strategic transactions.**