

## Risk Factors Comparison 2024-03-07 to 2023-03-10 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

RISKS RELATED TO OUR BUSINESS AND INDUSTRY **A** ~~The possibility of the economy's~~ return to recessionary **economic** conditions **or** ~~and the possibility of~~ further turmoil or volatility in the financial markets would likely have an adverse effect on our business, financial position, and results of operations. The economy in the United States and globally has experienced volatility in recent years and may continue to experience such volatility for the foreseeable future. There can be no assurance that economic conditions will not worsen. Unfavorable or uncertain economic conditions can be caused by declines in economic growth, business activity, or investor or business confidence, limitations on the availability or increases in the cost of credit and capital, increases in inflation or interest rates, the timing and impact of changing governmental policies, natural disasters, climate change, epidemics, ~~the COVID-19 pandemic and future~~ pandemics, terrorist attacks, acts of war, or a combination of these or other factors. A worsening of business and economic conditions could have adverse effects on our business, including the following: • investors may have less confidence in the equity markets in general and in financial services industry stocks in particular, which could place downward pressure on our stock price and resulting market valuation; • economic and market developments may further affect consumer and business confidence levels and may cause declines in credit usage and adverse changes in payment patterns, causing increases in delinquencies and default rates; • our ability to assess the creditworthiness of our customers may be impaired if the models and approaches we use to select, manage, and underwrite loans become less predictive of future behaviors; • we could suffer decreases in demand for loans or other financial products and services or decreased deposits or other investments in accounts with us; • competition in the financial services industry could intensify as a result of the increasing consolidation of financial services companies in connection with current market conditions or otherwise; and • the value of loans and other assets or collateral securing loans may decrease. Changes in interest rates **have hurt and** may **continue to** hurt our results of operations and financial condition. Like other financial institutions, we are subject to interest rate risk. Our primary source of income is net interest income, which is the difference between interest earned on loans and investments and interest paid on deposits and borrowings. Changes in the general level of interest rates can affect our net interest income by affecting the difference between the weighted- average yield earned on our interest- earning assets and the weighted- average rate paid on our interest- bearing liabilities, or interest rate spread, and the average life of our interest- earning assets **and interest- bearing liabilities. Net interest and dividend income declined by \$ 21. 7 million, or 14. 6 % in 2023 due to interest rate changes in interest- earning** and interest- bearing liabilities. Interest rates are highly sensitive to many factors, including government monetary policies, inflation, domestic and international economic and political conditions. Conditions such as inflation, deflation, recession, unemployment, money supply, and other factors beyond our control may also affect interest rates. While we pursue an asset / liability strategy designed to mitigate our risk from changes in interest rates, changes in interest rates may still have a material adverse effect on our financial condition and results of operations. Changes in the level of interest rates also may negatively affect our ability to originate and sell loans, the value of our assets and our ability to realize gains from the sale of our assets, all of which ultimately affect our earnings. Inflationary pressures and rising prices may affect our results of operations and financial condition. Inflation rose sharply ~~at the end of 2021 and~~ throughout 2022 **and continued in 2023**. Inflationary pressures ~~may~~ **are currently expected to** remain elevated ~~throughout in 2023-2024~~. Small to medium- sized businesses may be impacted more during periods of high inflation, as they are not able to leverage ~~economies~~ **economies** of scale to mitigate cost pressures compared to larger businesses. Consequently, the ability of our business customers to repay their loans may deteriorate, and in some cases this deterioration may occur quickly, which would adversely impact our results of operations and financial condition. Furthermore, a prolonged period of inflation could cause wages and other costs to increase, which could adversely affect our results of operations and financial condition. Commercial real estate and commercial loans carry greater credit risk than loans secured by owner- occupied one- to four- family real estate. We intend to continue our focus on prudently growing our commercial real estate and commercial loan portfolio. At December 31, ~~2022-2023~~, our commercial real estate loan portfolio was \$ ~~2. 25-34~~ billion, or ~~49. 5-3~~ % of total loans, and our commercial and industrial loan portfolio was \$ ~~424-466. 3-4~~ million, or ~~9. 3-8~~ % of total loans. Given their larger balances and the complexity of the underlying collateral, commercial real estate and commercial loans generally expose a lender to greater credit risk than loans secured by owner- occupied one- to four- family real estate. Also, many of our borrowers or related groups of borrowers have more than one of these types of loans outstanding. Consequently, an adverse development with respect to one loan or one credit relationship can expose us to significantly greater risk of loss compared to an adverse development with respect to a one- to four- family residential real estate loan. **Payments on loans secured by commercial properties are often dependent on the income produced by the underlying properties which, in turn, depends on the successful operation and management of the properties and the businesses that operate within them. Accordingly, repayment of these loans is subject to conditions in the real estate market or the local economy. Additionally, the COVID- 19 pandemic has had a potentially long- term negative impact on certain commercial real estate assets due to the risk that tenants may reduce the office space they lease as some portion of the workforce continues to work remotely on a hybrid or fulltime basis.** If loans that are collateralized by real estate or other business assets become troubled and the value of the collateral has been significantly impaired, then we may not be able to recover the full contractual amount of principal and interest that we anticipated at the time we originated the loan, which could cause us to increase our provision for credit losses on loans which would in turn adversely affect our operating results and financial condition. Further, if we foreclose on the collateral, our holding period for the collateral may be longer than for one- to four- family real estate loans because there are fewer potential purchasers of the

collateral, which can result in substantial holding costs. The unseasoned nature of our commercial real estate and commercial loan portfolio may result in changes to our estimates of collectability, which may lead to additional provisions or charge-offs, which could hurt our profits. Our commercial real estate loan portfolio increased to \$ **2.34 billion at December 31, 2023 from \$ 2.25 billion at December 31, 2022 from and \$ 1.70 billion at December 31, 2021 and \$ 1.55 billion at December 31, 2020**, and our commercial and industrial loan portfolio was \$ **466.4 million at December 31, 2023, \$ 424.3 million at December 31, 2022, and \$ 421.6 million at December 31, 2021 and \$ 464.4 million at December 31, 2020**. A large portion of our commercial real estate and commercial and industrial loan portfolio is unseasoned and does not provide us with a significant payment or charge-off history pattern from which to judge future collectability. Currently we estimate potential charge-offs using peer data adjusted for qualitative factors specific to us. As a result, it may be difficult to predict the future performance of this part of our loan portfolio. These loans may have delinquency or charge-off levels above our historical experience or current estimates, which could adversely affect our future performance. Further, these types of loans generally have larger balances and involve a greater risk than one- to four- family residential mortgage loans. Accordingly, if we make any errors in judgment in the collectability of our commercial or commercial real estate loans, any resulting charge-offs may be larger on a per loan basis than those incurred historically with our residential mortgage loan or consumer loan portfolios. Our commercial and residential construction loans are subject to various lending risks depending on the nature of the borrower's business, its cash flow, and our collateral. At December 31, ~~2022~~ **2023**, our commercial construction loan portfolio was \$ **199.208.34 million, or 4.4 % of total loans, and our residential construction loan portfolio consisted of \$ 35.18.81 million, or 0.84 % of total loans**. Our construction loans are based upon estimates of costs to construct and the value associated with the completed project. These estimates may be inaccurate due to the uncertainties inherent in estimating construction costs, as well as the market value of the completed project, making it relatively difficult to accurately evaluate the total funds required to complete a project and the related loan- to- value ratio. As a result, construction loans often involve the disbursement of substantial funds with repayment dependent, in part, on the success of the ultimate project and the ability of the borrower to sell or lease the property, rather than the ability of the borrower or guarantor to repay principal and interest. Delays in completing the project may arise from labor problems, material shortages and other unpredictable contingencies. If the estimate of construction costs is inaccurate, we may be required to advance additional funds to complete construction. If our appraisal of the value of the completed project proves to be overstated, we may have inadequate security for the repayment of the loan upon completion of construction of the project. ~~19 Environmental~~ **Environmental** liability associated with commercial lending could result in losses. In the course of business, we may acquire, through foreclosure or other similar proceedings, properties securing loans we have originated that are in default. Particularly in commercial real estate lending, there is a risk that material environmental violations could be discovered at these properties. In this event, we might be required to remedy these violations at the affected properties at our sole cost and expense. The cost of this remedial action could substantially exceed the value of affected properties. We may not have adequate remedies against the prior owner or other responsible parties and could find it difficult or impossible to sell the affected properties as a result of their condition. These events could have an adverse effect on our business, results of operations, and financial condition. Our business may be adversely affected by credit risks associated with residential property. At December 31, ~~2022~~ **2023**, total residential real estate loans were \$ **1.63.71 billion, or 35.36.90 % of total loans**. Residential mortgage lending, whether owner- occupied or non- owner- occupied, is generally sensitive to regional and local economic conditions that significantly impact the ability of borrowers to meet their loan payment obligations. Declines in real estate values could cause some of our residential mortgages to be inadequately collateralized, which would expose us to a greater risk of loss if we seek to recover on defaulted loans by selling the real estate collateral. Residential loans with combined higher loan- to- value ratios are more sensitive to declining property values than those with lower combined loan- to- value ratios and therefore may experience a higher incidence of default and severity of losses. In addition, if the borrowers sell their homes, they may be unable to repay their loans in full from the sale proceeds. For those home equity loans and lines of credit secured by a second mortgage, it is unlikely that we will be successful in recovering all or a portion of our loan proceeds in the event of default unless we are prepared to repay the first mortgage loan and such repayment and the costs associated with a foreclosure are justified by the value of the property. For these reasons, we may experience higher rates of delinquencies, defaults and losses on our home equity loans. The geographic concentration of our loan portfolio and lending activities makes us vulnerable to a downturn in the local economy. While there is not a single employer or industry in our market area on which a significant number of our customers are dependent, a substantial portion of our loan portfolio is composed of loans secured by property located in the greater Boston metropolitan area and, to a lesser extent, the greater Providence metropolitan area. This makes us vulnerable to a downturn in the local economy and real estate markets. Adverse conditions in the local economy such as unemployment, recession, a catastrophic event or other factors beyond our control could impact the ability of our borrowers to repay their loans, which could impact our net interest income, level of non- performing loans, and the allowance for credit losses on loans. Decreases in local real estate values caused by economic conditions or other events could adversely affect the value of the property used as collateral for our loans, which could cause us to realize a loss in the event of a foreclosure. For more information about our market area, see “ — Market Area ” and “ — Competition. ” ~~Interest~~ **Interest** rate increases in the secondary mortgage market may **continue to** reduce our mortgage banking revenues, which would negatively impact our non- interest income. We sell residential mortgage loans in the secondary market, which provides a significant portion of our non- interest income. We generate mortgage banking revenues primarily from gains on the sale of mortgage loans to investors on servicing- released and servicing- retained bases. We also earn interest on loans held for sale while they are awaiting delivery to our investors. **Mortgage banking income declined \$ 16.4 million, or 52.6 %, in 2023 due to a \$ 444.7 million, or 43.4 %, decrease in mortgage loan production in 2023.** As a result of the current higher interest rate environment, our originations of mortgage loans may **continue to** decrease, resulting in fewer loans that are available to be sold to investors. This would result in a decrease in mortgage banking revenues. In addition, to being affected by interest rates, the secondary mortgage

markets are also subject to investor demand for single- family mortgage loans and potentially increased investor yield requirements for those loans. These conditions may fluctuate or even worsen in the future or during a prolonged period of secondary market illiquidity. We believe our ability to retain mortgage loans at the levels generated by the mortgage division is limited. Furthermore, our results of operations are affected by the amount of non- interest expenses associated with mortgage banking activities, such as salaries and employee benefits, occupancy, equipment and data processing expense and other operating costs. During periods of reduced loan demand, our results of operations may be adversely affected to the extent that we are unable to reduce expenses commensurate with the decline in mortgage loan origination activity. ~~20~~~~We~~~~We~~ use significant assumptions and estimates in our financial models to determine the fair value of certain assets, including mortgage servicing rights, origination commitments, and loans held for sale. If our assumptions or estimates are incorrect, that may have a negative impact on the fair value of such assets and adversely affect our earnings. We use internal and third- party financial models that utilize market data to value certain assets, including mortgage servicing rights when they are initially acquired and on a quarterly basis thereafter. The methodology used to estimate these values is complex and uses asset- specific collateral data and market inputs for interest, discount rates and liquidity dates. Valuations are highly dependent upon the reasonableness of our assumptions and the predictability of the relationships that drive the results of our valuation methodologies. If prepayment speeds increase more than estimated, or if delinquency or default levels are higher than anticipated, we may be required to write down the value of certain assets, which could adversely affect our earnings. Prepayment speeds are significantly impacted by fluctuations in interest rates and are therefore difficult to predict. During periods of declining interest rates, prepayment speeds increase, resulting in a decrease in the fair value of the mortgage servicing rights. In addition, there can be no assurance that, even if our models are correct, these assets could be sold for our carrying value should we choose or be forced to sell them in the open market. If we are required to repurchase mortgage loans that we have previously sold, it could negatively affect our earnings. In connection with selling residential mortgage loans in the secondary market, our agreements with investors contain standard representations and warranties and early payment default clauses that could require us to repurchase mortgage loans sold to these investors or reimburse the investors for losses incurred on loans in the event of borrower default within a defined period after origination or, in the event of breaches of contractual representations or warranties made at the time of sale that are not remedied within a defined period after we receive notice of such breaches, or to refund the profit received from the sale of a loan to an investor if the borrower pays off the loan within a defined period after origination. If we are required to repurchase mortgage loans, to refund profits, or to provide indemnification or other recourse in excess of our recourse reserve, this could significantly increase our costs and thereby affect our future earnings. The recourse reserve at December 31, ~~2022~~~~2023~~ is \$ 3. 6 ~~0~~ million. If our allowance for credit losses is not sufficient to cover actual loan losses, our earnings and capital could decrease. At December 31, ~~2022~~~~2023~~, our allowance for credit losses on loans was \$ ~~48. 0 million, or 1. 01 % of total loans compared to \$~~ 45. 2 million, or 0. 99 % of total loans. ~~At December 31, 2021, our allowance for loan losses was \$ 45. 4 million, or 1. 26 % of total loans, compared to \$ 55. 4 million, or 1. 59 %~~ at December 31, ~~2020~~~~2022~~. We make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for many of our loans. In determining the amount of the allowance for credit losses on loans, we review our loans, loss and delinquency experience, and commercial and commercial real estate peer data and we evaluate other factors including, among other things, current economic conditions. If our assumptions are incorrect, or if delinquencies or non- performing loans increase, our allowance for credit losses on loans may not be sufficient to cover losses inherent in our loan portfolio, which would require additions to our allowance, which could materially decrease our net income. In addition, our regulators, as an integral part of their examination process, periodically review the allowance for credit losses on loans and may require us to increase the allowance for credit losses on loans by recognizing additional provisions for loan losses ~~charged~~~~22~~~~charged~~ to income, or to charge- off loans, which, net of any recoveries, would decrease the allowance for credit losses on loans. Any such additional provisions for credit losses or charge- offs could have a material adverse effect on our financial condition and results of operations. A portion of our loan portfolio consists of loan participations, which may have a higher risk of loss than loans we originate because we are not the lead lender and we have limited control over credit monitoring. We occasionally purchase loan participations. Although we underwrite these loan participations consistent with our general underwriting criteria, loan participations may have a higher risk of loss than loans we originate because we rely on the lead lender to monitor the performance of the loan. Moreover, our decisions regarding the classification of a loan participation and loan loss provisions associated with a loan participation are made in part based upon information provided by the lead lender. A lead lender also may not monitor a participation loan in the same manner as we would for loans that we originate. At December 31, ~~2022~~~~2023~~, we held loan participation interests in commercial real estate, commercial, and commercial construction loans totaling \$ ~~410~~~~436~~. ~~3~~~~9~~ million. ~~21~~~~Hedging~~~~--~~ ~~Hedging~~ against interest rate exposure may adversely affect our earnings. We employ techniques that limit, or “ hedge, ” the adverse effects of rising interest rates on our loans held for sale, originated interest- rate locks, our mortgage servicing asset and our borrowings. Our hedging activity varies based on the level and volatility of interest rates and other changing market conditions. These techniques may include purchasing or selling futures contracts, purchasing put and call options on securities or securities underlying futures contracts, asset liability management, or entering into other mortgage- backed derivatives. There are, however, no perfect hedging strategies, and interest rate hedging may fail to protect us from loss. Moreover, hedging activities could result in losses if the event against which we hedge does not occur. Additionally, interest rate hedging could fail to protect us or adversely affect us because, among other things: • Available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought; • The duration of the hedge may not match the duration of the related ~~liability~~~~hedged item~~; • The party owing money in the hedging transaction may default on its obligation to pay; • The credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction; • The value of derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value; and / or • Downward

adjustments, or “ mark- to- market losses, ” would reduce our stockholders’ equity. We may be unable to attract, hire and retain qualified key employees, which could adversely affect our business prospects, including our competitive position and results of operations. Our success is dependent upon our ability to attract, hire and retain highly skilled individuals. There is significant competition for those individuals with the experience and skills required to conduct many of our business activities. We may not be able to hire or retain the key personnel that we depend upon for our success. The unexpected loss of services of one or more of these or other key personnel could have a material adverse impact on our business because of their skills, knowledge or the markets in which we operate, years of industry experience and the difficulty of promptly finding qualified replacement personnel. We may not be able to successfully implement our strategic plan. Our growth is essential to improving our profitability, and we expect to continue to incur expenses related to the implementation of our strategic plan, including hiring initiatives and the opening of new branches. We may not be able to successfully implement our strategic plan, or do so in the timeframe that we expect, and therefore may not be able to increase profitability in the timeframe that we expect or at all, and could experience a decrease in profitability. The successful implementation of our strategic plan will require, among other things that we attract new customers that currently bank at other financial institutions in our market area or adjacent markets. In addition, our ability to successfully grow will depend on several factors, including continued favorable market conditions, the competitive responses from other financial institutions in ~~in 23~~in our market area, our ability to attract and retain experienced lenders, and our ability to maintain high asset quality as we increase our loan portfolio. While we believe we have the management resources and internal systems in place to successfully manage our future growth, growth opportunities may not be available and we may not be successful in implementing our business strategy. Further, it will take time to implement our business strategy, especially for our lenders to originate enough loans and for our branch network to attract enough favorably priced deposits to generate the revenue needed to offset the associated expenses. Our strategic plan, even if successfully implemented, may not ultimately produce positive results. Impairment of goodwill and / or intangible assets could require a charge to earnings, which could adversely affect us. When the purchase price of an acquired business exceeds the fair value of its tangible assets, the excess is allocated to goodwill and other identifiable intangible assets. The amount of the purchase price that is allocated to goodwill is determined by the excess of the purchase price over the net identifiable assets acquired. At December 31, ~~2022~~ **2023**, we had goodwill and other intangible assets of \$ ~~72.60. 0.62~~ **million** million, consisting of ~~\$10.8 million of goodwill primarily in connection with the acquisition of HarborOne Mortgage in 2015, and \$ 59.0 million of goodwill and \$ 2.1. 3.5~~ million in core deposit intangibles in connection with the acquisition of Coastway Bancorp, Inc. (“ Coastway ”) in 2018. Under current accounting standards, if we determine goodwill or intangible assets are impaired, we will be required to write down the value of these assets. We may be required to take impairment charges in the future, which would have a negative effect on our shareholders’ equity and financial results. An increase in FDIC insurance assessments could significantly increase our expenses. The Dodd- Frank Act eliminated the maximum Deposit Insurance Fund ratio of 1.5 % of estimated deposits, and the FDIC has established a long- term ratio of 2.0 %. The FDIC has the authority to increase assessments in order to maintain the Deposit Insurance Fund ratio at particular levels. **The FDIC is also required to recover losses to its Deposit Insurance Fund arising from the use of the systemic risk exception invoked on March 12, 2023 to allow the FDIC to complete its resolution of both Silicon Valley Bank and Signature Bank in a manner that fully protected depositors. On November 16, 2023, the FDIC approved a final rule implementing a special assessment to recover such losses. Under the final rule, each insured depository institution’ s assessment base for the special assessment is generally equal to estimated uninsured deposits as of December 31, 2022, after applying a \$ 5 billion deduction**. In addition, if our regulators issue downgraded ratings of the Bank in connection with their examinations, the FDIC could impose significant additional fees and assessments on us. Increases in assessments by the FDIC could significantly increase our expenses. The loss of deposits or a change in deposit mix could increase our cost of funding. Our deposits are a low- cost and stable source of funding. We compete with banks and other financial institutions for deposits. Funding costs may increase if we lose deposits and are forced to replace them with more expensive sources of funding, such as the FHLB, if clients shift their deposits into higher cost products or if we need to raise interest rates to avoid losing deposits. Higher funding costs could reduce our net interest margin, net interest income, and net income. Our funding sources may prove insufficient to allow us to satisfy our liquidity requirements, meet our obligations, or support future growth. We must maintain sufficient funds to respond to the needs of depositors and borrowers. Liquidity is also required to fund various obligations, including credit commitments to borrowers, mortgage and other loan originations, withdrawals by depositors, repayment of borrowings, and operating expenses and capital improvements. To manage liquidity, we draw upon a number of funding sources in addition to core deposit growth and repayments and maturities of loans and investments. These sources include FHLB advances and proceeds from the sale of investments and loans. Our ability to manage liquidity will be severely constrained if we are unable to maintain our access to funding or if adequate financing is not available to accommodate future growth at acceptable costs. In addition, if we are required to rely more heavily on more expensive funding sources to support future growth, our revenues may not increase proportionately to cover our costs. In that case, our operating margins and profitability would be adversely affected. **Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non- performance by financial institutions or transactional counterparties, could adversely affect our financial condition and results of operations. Actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. For example, on May 1, 2023, First Republic Bank went into receivership and its deposits and substantially all of its 24 assets were acquired by JPMorgan Chase Bank, National Association. Similarly, on March 10, 2023, Silicon Valley Bank went into receivership, and on March 12, 2023, Signature Bank went into receivership. Inflation and rapid increases in interest rates led to a**

**decline in the trading value of previously issued government securities with interest rates below current market interest rates. The Federal Reserve announced a program to provide loans to FDIC-insured depository institutions and certain U. S. branches and agencies of foreign banks secured by certain of such government securities to mitigate the risk of potential losses on the sale of such instruments, currently new advances (with terms up to one year) under the program can only be made through March 11, 2024. There is no guarantee that the Treasury, FDIC and / or the Federal Reserve, as applicable, would take such actions in the future in the event of the closure of other banks or financial institutions, that they would do so in a timely fashion, or that such actions, if taken, would have their intended effect.**

Strong competition within our market area could hurt our profits and slow growth. We face intense competition in making loans and attracting deposits. Price competition for loans and deposits sometimes results in us charging lower interest rates on our loans and paying higher interest rates on our deposits and may reduce our net interest income. Competition also makes it more difficult and costly to attract and retain qualified employees. Many of the institutions with which we compete have substantially greater resources and lending limits than we have and may offer services that we do not provide. We expect competition to increase in the future as a result of legislative, regulatory and technological changes and the continuing trend of consolidation in the financial services industry. If we are not able to effectively compete in our market area, our profitability may be negatively affected. The greater resources and broader offering of deposit and loan products of some of our competitors may also limit our ability to increase our interest-earning assets or deposits. Our business may be adversely affected if we fail to adapt our products and services to evolving industry standards and consumer preferences. The financial services industry is undergoing rapid technological changes with frequent introductions of new technology-driven products and services. The widespread adoption of new technologies, including, ~~cryptocurrencies and~~ payment systems, could require substantial expenditures to modify or adapt our existing products and services. We might not be successful in developing or introducing new or modified products and services, integrating new products or services into our existing offerings, responding or adapting to changes in consumer behavior, preferences, spending, investing and / or saving habits, achieving market acceptance of our products and ~~23 services--~~ **services**, reducing costs in response to pressures to deliver products and services at lower prices or sufficiently developing and maintaining loyal customers. Development of new products and services may impose additional costs on us and may expose us to increased operational risk. 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, our 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. Our failure to manage these risks and uncertainties also exposes ~~it-us~~ 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 our clients. Products and services relying on internet and mobile technologies may expose us to fraud and cybersecurity risks. **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.** Failure to successfully manage these risks in the development and implementation of new products or services could have a material adverse effect on our business and reputation, as well as on ~~its-our~~ consolidated results of operations and financial condition. We are a community bank, and our ability to maintain our reputation is critical to the success of our business and the failure to do so may materially adversely affect our performance. We are a community bank, and our reputation is one of the most valuable components of our business. A key component of our business strategy is to rely on our reputation for customer service and knowledge of local markets to expand our presence by capturing new business opportunities from existing and prospective customers in our market area. As a community bank, we strive to conduct our business in a manner that enhances our reputation. This is done, in part, by recruiting, hiring and retaining employees who share our core values of being an integral part of the communities we serve, delivering superior service to our customers and caring ~~about-25~~ **about** our customers and associates. If our reputation is negatively affected by the actions of our employees, by our inability to conduct our operations in a manner that is appealing to current or prospective customers, or by events beyond our control, our business and operating results may be adversely affected. The proliferation of social media websites utilized by us and other third parties, as well as the personal use of social media by our employees and others, including personal blogs and social network profiles, also may increase the risk that negative, inappropriate or unauthorized information may be posted or released publicly that could harm our reputation or have other negative consequences, including as a result of our employees interacting with our customers in an unauthorized manner in various social media outlets. Any damage to our reputation could affect our ability to retain and develop the business relationships necessary to conduct business, which in turn could negatively impact our financial condition, results of operations, and the market price of our common stock. Changes in the valuation of our securities could adversely affect us. Most of the securities in our portfolio are classified as available-for-sale. Accordingly, a decline in the fair value of our securities could cause a material decline in our reported equity and / or net income. At least quarterly, and more frequently when warranted by economic or market conditions, Management evaluates all securities classified as available-for-sale with a fair value below the amortized cost of the investment. Securities that we do not have the ability or intent to hold until recovery to its amortized cost ~~is-are~~ written down to fair value through a provision for credit losses. Debt securities that we have the intent and ability to hold are evaluated to determine whether the decline in fair value has resulted from credit losses or other factors. If credit loss exists based on the results of the evaluation, an allowance for credit losses is recorded. Any impairment that has not been recorded through an allowance for credit losses is considered market-related and is recognized in other comprehensive income. **Potential downgrades** Uncertainty about the future of **U LIBOR** may

adversely affect our business. **S. government** The Company has certain loans, investment securities and debt obligations whose interest rate is indexed to LIBOR. LIBOR has been used extensively in the United States as a benchmark for various commercial and financial contracts, including funding sources, adjustable-rate mortgages, corporate debt, interest rate swaps and other derivatives. LIBOR is set based on interest rate information reported by certain banks, which will stop reporting such information after June 30, 2023. Other benchmarks may perform differently than LIBOR or may have other consequences that cannot currently be anticipated. It is also uncertain what will happen with instruments that rely on **one LIBOR for or more** future interest rate adjustments and which of those **the credit ratings agencies** instruments may remain outstanding or be renegotiated if LIBOR ceases to exist. The transition from LIBOR to another benchmark rate or rates, such as the Secured Overnight Financing Rate 24 (“SOFR”) could have **a material** adverse impacts **effect** on our **operations, earnings and financial condition. A possible future downgrade of the sovereign credit ratings of the U. S. government and a decline in the perceived creditworthiness of U. S. government- related obligations could impact our ability to obtain** funding costs or net interest margins **that is collateralized by affected instruments**, as well as **affect any floating-rate obligations, loans, deposits, derivatives, and other** **the financial instruments pricing of that** **funding when it is available. A downgrade may also** currently use LIBOR as a benchmark rate and, ultimately, adversely affect **the market value of such instruments. We cannot predict if, when our** **or how any changes to the credit ratings or perceived creditworthiness of these organizations will affect economic conditions. Such ratings actions could result in a significant adverse impact on us. Among other things, a downgrade in the U. S. government’s credit rating could adversely impact the value of our securities portfolio and may trigger requirements that we post additional collateral for trades relative to these securities. A downgrade of the sovereign credit ratings of the U. S. government or the credit ratings of related institutions, agencies or instruments could significantly exacerbate the other risks to which we are subject and any related adverse effects on the business,** financial condition and results of operations. We may need to raise additional capital in the future, but that capital may not be available when it is needed, or the cost of that capital may be very high. We are required by our regulators to maintain adequate levels of capital to support our operations, which may result in our need to raise additional capital to support continued growth. Our ability to raise additional capital, if needed, will depend on conditions in the capital markets at that time, which are outside our control, and on our financial condition and performance. Accordingly, we may not be able to raise additional capital if needed on terms that are acceptable to us, or at all. If we cannot raise additional capital when needed, our operations could be materially impaired and our financial condition and liquidity could be materially and adversely affected. In addition, if we are unable to raise additional capital when required by the Commissioner or the Federal Reserve, we may be subject to adverse regulatory action. If we raise capital through the issuance of additional of common stock or other securities, it will dilute the ownership interests of existing shareholder and may dilute the per share value of our common stock. New investors may also have rights, preferences and privileges senior to our current shareholders. We face continuing and growing security risks to our information base, including the information we maintain relating to our customers. We are subject to certain operational risks, including, but not limited to, data processing system failures and errors, inadequate or failed internal processes, customer or employee fraud and catastrophic failures resulting from terrorist acts or natural disasters. In the ordinary course of business, we rely on electronic communications and information systems to conduct our business and to store sensitive data, including financial information regarding customers. Our electronic communications and information systems infrastructure could be susceptible to cyberattacks, hacking, identity theft or terrorist activity. We have implemented and regularly review and update **extensive 26extensive** systems of internal controls and procedures as well as corporate governance policies and procedures intended to protect our business operations, including the security and privacy of all confidential customer information. In addition, we rely on the services of a variety of vendors to meet our data processing and communication needs. No matter how well designed or implemented our controls are, we cannot provide an absolute guarantee to protect our business operations from every type of problem in every situation. A failure or circumvention of these controls could have a material adverse effect on our business operations and financial condition. We regularly assess and test our security systems and disaster preparedness, including back- up systems, but the risks are substantially escalating. As a result, cybersecurity and the continued enhancement of our controls and processes to protect our systems, data and networks from attacks, unauthorized access or significant damage remain a priority. The cost of insuring against cybersecurity risk may increase, and we may be required to expend additional resources to enhance our protective measures or to investigate and remediate any information security vulnerabilities or exposures. Any breach of our system security could result in disruption of our operations, unauthorized access to confidential customer information, significant regulatory costs, litigation exposure and other possible damages, loss or liability and such a breach could negatively impact customer confidence, damaging our reputation and undermining our ability to attract and keep customers. We may not be able to successfully implement future information technology system enhancements, which could adversely affect our business operations and profitability. We invest significant resources in information technology system enhancements in order to provide functionality and security at an appropriate level. We may not be able to successfully implement and integrate future system enhancements, which could adversely impact the ability to provide timely and accurate financial information in compliance with legal and regulatory requirements, which could result in sanctions from regulatory authorities. Such sanctions could include fines and suspension of trading in our stock, among others. In addition, future system enhancements could have higher than expected costs and / or result in operating inefficiencies, which could increase the costs associated with the implementation as well as ongoing operations. Failure to properly utilize system enhancements that are implemented in the future could result in impairment charges that adversely impact our financial condition and results of operations and could result in significant costs to remediate or replace the defective components. In addition, we may incur significant training, licensing, maintenance, consulting and amortization expenses during and after systems implementations, and any such costs may continue for an extended period of time. **25We We** rely on other companies to provide key components of our business infrastructure. Third- party vendors provide key components of our business

infrastructure such as internet connections, network access and core application processing. While we have selected these third-party vendors carefully, we do not control them or their actions. Any problems caused by these third parties, including as a result of their not providing us their services for any reason or their performing their services poorly, could adversely affect our ability to deliver products and services to our customers or otherwise conduct our business efficiently and effectively. Replacing these third-party vendors could also entail significant delay and expense. If our risk management framework does not effectively identify or mitigate our risks, we could suffer losses. Our risk management framework seeks to mitigate risk and appropriately balance risk and return. We have established processes and procedures intended to identify, measure, monitor and report the types of risk to which we are subject, including credit risk, operations risk, compliance risk, reputation risk, strategic risk, market risk, and liquidity risk. We seek to monitor and control our risk exposure through a framework of policies, procedures and reporting requirements. Management of our risks in some cases depends upon the use of analytical and / or forecasting models. If the models used to mitigate these risks are inadequate, we may incur losses. In addition, there may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated. If our risk management framework does not effectively identify or mitigate our risks, we could suffer unexpected losses and could be materially adversely affected. Natural disasters, acts of terrorism, pandemics and other external events could harm our business. Natural disasters can disrupt our operations, result in damage to our properties, reduce or destroy the value of the collateral for our loans and negatively affect the economies in which we operate, which could have a material adverse effect on our results of operations and financial condition. A significant natural disaster, such as a tornado, hurricane, earthquake, fire or flood, could have a material adverse impact on our ability to conduct business, and our insurance coverage may be insufficient to compensate for losses that may occur. Public health crises, such as new pandemics and epidemics, political crises, such as acts of terrorism, war, civil unrest, and political instability, or other events outside of our control including acts of violence or human error could cause disruptions to our ~~business~~ **business** or the economy as a whole. While we have established and regularly test disaster recovery procedures, the occurrence of any such event could have a material adverse effect on our business, operations and financial condition. Climate change and related legislative and regulatory initiatives may result in operational changes and expenditures that could significantly impact our business. The current and anticipated effects of climate change are creating an increasing level of concern for the state of the global environment. As a result, political and social attention to the issue of climate change has increased. In recent years, governments across the world have entered into international agreements to attempt to reduce global temperatures, in part by limiting greenhouse gas emissions. The U. S. Congress, state legislatures and federal and state regulatory agencies have continued to propose and advance numerous legislative and regulatory initiatives seeking to mitigate the effects of climate change. These agreements and measures may result in the imposition of taxes and fees, the required purchase of emission credits, and the implementation of significant operational changes, each of which may require us to expend significant capital and incur compliance, operating, maintenance, and remediation costs. Consumers and businesses may also change their behavior on their own as a result of these concerns. The impact on our customers will likely vary depending on their specific attributes, including reliance on, or role in, carbon intensive activities. Our efforts to take these risks into account in making lending and other decisions, including by increasing our business with climate- friendly companies, may not be effective in protecting us from the negative impact of new laws and regulations or changes in consumer or business behavior. Changes in accounting standards could affect reported earnings. The bodies responsible for establishing accounting standards, including the Financial Accounting Standards Board (“ FASB ”), the SEC, and other regulatory bodies, periodically change the financial accounting and reporting guidance that governs the preparation of our financial statements. These changes can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply new or revised guidance retroactively. **Additionally, significant changes to accounting standards may require costly technology changes, additional training and personnel, and other expense that will negatively impact our results of operations.** Changes in tax laws and regulations and differences in interpretation of tax laws and regulations may adversely impact our financial statements. From time to time, local, state or federal tax authorities change tax laws and regulations, which may result in a decrease or increase to our deferred tax asset. Local, state or federal tax authorities may interpret laws and regulations differently than we do and challenge tax positions that we have taken on tax returns. This may result in differences in the treatment of revenues, deductions, credits ~~and~~ **and** / or differences in the timing of these items. The differences in treatment may result in payment of additional taxes, interest, penalties, or litigation costs that could have a material adverse effect on our results.  ~~Holders of our subordinated notes have rights that are senior to those of our common shareholders. We have supported a portion of our growth through the issuance of subordinated notes. At December 31, 2022, we had aggregate principal amount of \$ 35.0 million in subordinated notes. Payments of the principal and interest on the subordinated notes are senior to our shares of common stock. As a result, we must make payments on our subordinated notes before any dividends can be paid to our common shareholders. In addition, in the event of our bankruptcy, dissolution or liquidation, the holders of the subordinated notes must be satisfied before any distributions can be made on our common stock.~~ Acquisitions may disrupt our business and dilute shareholder value. We regularly evaluate merger and acquisition opportunities with other financial institutions and financial services companies. As a result, negotiations may take place and future mergers or acquisitions involving cash or equity securities may occur at any time. We would seek acquisition partners that offer us either significant market presence or the potential to expand our market footprint and improve profitability through economies of scale or expanded services. Acquiring other banks, businesses, or branches may have an adverse effect on our financial results and may involve various other risks commonly associated with acquisitions, including, among other things: • difficulty in estimating the value of the target company ; • payment of a premium over book and market values that may dilute our tangible book value and earnings per share in the short and long term ; • potential exposure to unknown or contingent tax or other liabilities of the target company ; • exposure to potential asset quality problems of the target company ; • potential volatility in reported income associated with goodwill impairment losses ; **28** • difficulty and expense of integrating the operations and

personnel of the target company ; ● the risk that acquired business will not perform in accordance with Management’ s expectations based on its inability to realize the expected revenue increases, cost savings, increases in geographic or product presence, and / or other projected benefits ; ● potential disruptions to our business ; ● potential diversion of our Management’ s time and attention ; and ● the possible loss of key employees and customers of the target company. Attractive acquisition opportunities may not be available to us in the future which could limit the growth of our business. We may not be able to sustain a positive rate of growth or expand our business. We expect that other banking and financial service companies, many of which have significantly greater resources than us, will compete with us in acquiring other financial institutions if we pursue such acquisitions. This competition could increase prices for potential acquisitions that we believe are attractive. Also, acquisitions are subject to various regulatory approvals. If we fail to receive the appropriate regulatory approvals for a transaction, we will not be able to consummate such transaction which we believe to be in our best interests. Among other things, our regulators consider our capital, liquidity, profitability, regulatory compliance and levels of goodwill and intangibles when considering acquisition and expansion proposals. Other factors, such as economic conditions and legislative considerations, may also impede or prohibit our ability to expand our market presence. If we are not able to successfully grow our business, our financial condition and results of operations could be adversely affected. 27 Various -- Various factors may make takeover attempts more difficult to achieve. Certain provisions of our articles of organization and state and federal banking laws, including regulatory approval requirements, could make it more difficult for a third party to acquire control of us without our Board of Directors’ approval. Under federal law, subject to certain exemptions, a person, entity or group must notify the Federal Reserve before acquiring control of a bank holding company. Acquisition of 10 % or more of any class of voting stock of a bank holding company creates a rebuttable presumption that the acquirer “ controls ” the bank holding company. Also, a bank holding company must obtain the prior approval of the Federal Reserve before, among other things, acquiring direct or indirect ownership or control of more than 5 % of any class of voting shares of any bank, including HarborOne Bank. There also are provisions in our articles of organization that may be used to delay or block a takeover attempt, including a provision that prohibits any person from voting more than 10 % of the shares of common stock outstanding. Furthermore, shares of restricted stock and stock options that we have granted or may grant to employees and directors, stock ownership by our Management and directors, employment agreements that we have entered into with our executive officers, and other factors may make it more difficult for companies or persons to acquire control of us without the consent of our Board of Directors. Taken as a whole, these statutory provisions and provisions in our articles of organization could result in our being less attractive to a potential acquirer and thus could adversely affect the market price of our common stock. Securities issued by us, including our common stock, are not FDIC -insured. Securities issued by us, including our common stock, are not savings or deposit accounts or other obligations of any bank and are not insured by the FDIC, any other governmental agency or instrumentality, or any private insurer, and are subject to investment risk, including the possible loss of principal. RISKS RELATED TO OUR REGULATORY ENVIRONMENT Our banking business is highly regulated, which could limit or restrict our activities and impose financial requirements or limitations on the conduct of our business. We are subject to regulation and supervision by the Federal Reserve, and the Bank is subject to regulation and supervision by the Commissioner and the FDIC. Federal and state laws and regulations govern numerous matters affecting us, including changes in the ownership or control of banks and bank holding companies, maintenance of adequate capital and the financial condition of a financial institution 29 institution , permissible types, amounts and terms of extensions of credit and investments, permissible non- banking activities, the level of reserves against deposits and restrictions on stock repurchases and dividend payments. The FDIC and the Commissioner have the power to issue cease and desist orders to prevent or remedy unsafe or unsound practices or violations of law by banks subject to their regulation, and the Federal Reserve possesses similar powers with respect to bank holding companies. These and other restrictions limit the manner in which we and HarborOne Bank may conduct business and obtain financing. Federal regulations establish minimum capital requirements for insured depository institutions, including minimum risk- based capital and leverage ratios, and define “ capital ” for calculating these ratios. The minimum capital requirements are: (i) a common equity Tier 1 capital ratio of 4. 5 %; (ii) a Tier 1 to risk- based assets capital ratio of 6 %; (iii) a total capital ratio of 8 %; and (iv) a Tier 1 leverage ratio of 4 %. The regulations also establish a “ capital conservation buffer ” of 2. 5 %. An institution will be subject to limitations on paying dividends, engaging in share repurchases and paying discretionary bonuses if its capital level falls below the capital conservation buffer amount. The application of these capital requirements could, among other things, require us to maintain higher capital resulting in lower returns on equity, and we may be required to obtain additional capital to comply or result in regulatory actions if we are unable to comply with such requirements. See Item 1, “ Business- Supervision and Regulation- Capital Adequacy and Safety and Soundness- Regulatory Capital Requirements. ” Because our business is highly regulated, the laws, rules, regulations, and supervisory guidance and policies applicable to us are subject to regular modification and change. Changes to statutes, regulations, or regulatory policies, including changes in interpretation or implementation of statutes, regulations, or policies, could affect us in substantial and unpredictable ways. Such changes could subject us to additional costs, limit the types of financial services and products we may offer, and / or increase the ability of non- banks to offer competing financial services and products, among other things. Failure to comply with laws, regulations, or policies could result in sanctions by regulatory agencies, civil money penalties, and / or reputation damage, which could have a material adverse effect on our business, financial condition, and results of operations. See “ — Supervision and Regulation ” for a discussion of the regulations to which we are subject. 28 We We are subject to numerous laws designed to protect consumers, including the Community Reinvestment Act and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions. The Community Reinvestment Act, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose community investment and nondiscriminatory lending requirements on financial institutions. The Consumer Financial Protection Bureau, the Department of Justice and other federal agencies are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution’ s performance under the Community Reinvestment

Act, the Equal Credit Opportunity Act, the Fair Housing Act or other fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions, restrictions on expansion and restrictions on entering new business lines. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition and results of operations. We face significant legal risks, both from regulatory investigations and proceedings and from private actions brought against us. As a participant in the financial services industry, many aspects of our business involve substantial risk of legal liability. From time to time, customers and others make claims and take legal action pertaining to the performance of our responsibilities, such as the recent legal proceeding against the Bank for our overdraft fee practices. Whether customer claims and legal action related to the performance of our responsibilities are founded or unfounded, if such claims and legal actions are not resolved in a manner favorable to us, they may result in significant expenses, diversion of Management's time and attention and financial liability. Any financial liability or reputational damage could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations. There is no assurance that litigation with private parties will not increase in the future. Actions against us may result in judgments, settlements, fines, penalties or other results adverse to us, which could materially adversely affect our business, financial condition or results of operations, or cause serious reputational harm to us. We may become subject to enforcement actions even though noncompliance was inadvertent or unintentional. The financial services industry is subject to intense scrutiny from bank supervisors in the examination process and aggressive enforcement of federal and state regulations, particularly with respect to mortgage-related practices and other consumer compliance matters, and compliance with anti-money laundering, BSA and OFAC regulations, and economic sanctions against certain foreign countries and nationals. Enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. ~~30 We maintain systems and procedures designed to ensure that we comply with applicable laws and regulations; however, some legal/regulatory frameworks provide for the imposition of fines or penalties for noncompliance even though the noncompliance was inadvertent or unintentional and even though there was in place at the time systems and procedures designed to ensure compliance. Failure to comply with these and other regulations, and supervisory expectations related thereto, may result in fines, penalties, lawsuits, regulatory sanctions, reputation damage, or restrictions on our business. The Federal Reserve may require us to commit capital resources to support the Bank. Federal law requires that a holding company act as a source of financial and managerial strength to its subsidiary bank and to commit resources to support such subsidiary bank. Under the "source of strength" doctrine, the Federal Reserve may require a holding company to make capital injections into a troubled subsidiary bank and may charge the holding company with engaging in unsafe and unsound practices for failure to commit resources to a subsidiary bank. A capital injection may be required at times when the holding company may not have the resources to provide it and therefore may require the holding company to borrow the funds or raise capital. Any loans by a holding company to its subsidiary bank are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In the event of a holding company's bankruptcy, the bankruptcy trustee will assume any commitment by the holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank. Moreover, bankruptcy law provides that claims based on any such commitment will be entitled to a priority of payment over the claims of the institution's general unsecured creditors, including the holders of its note obligations. Thus, any borrowing that must be done by us to make a required capital injection becomes more difficult and expensive and could have an adverse effect on our business, financial condition and results of operations. 29~~