



# Investor Presentation

November 2021

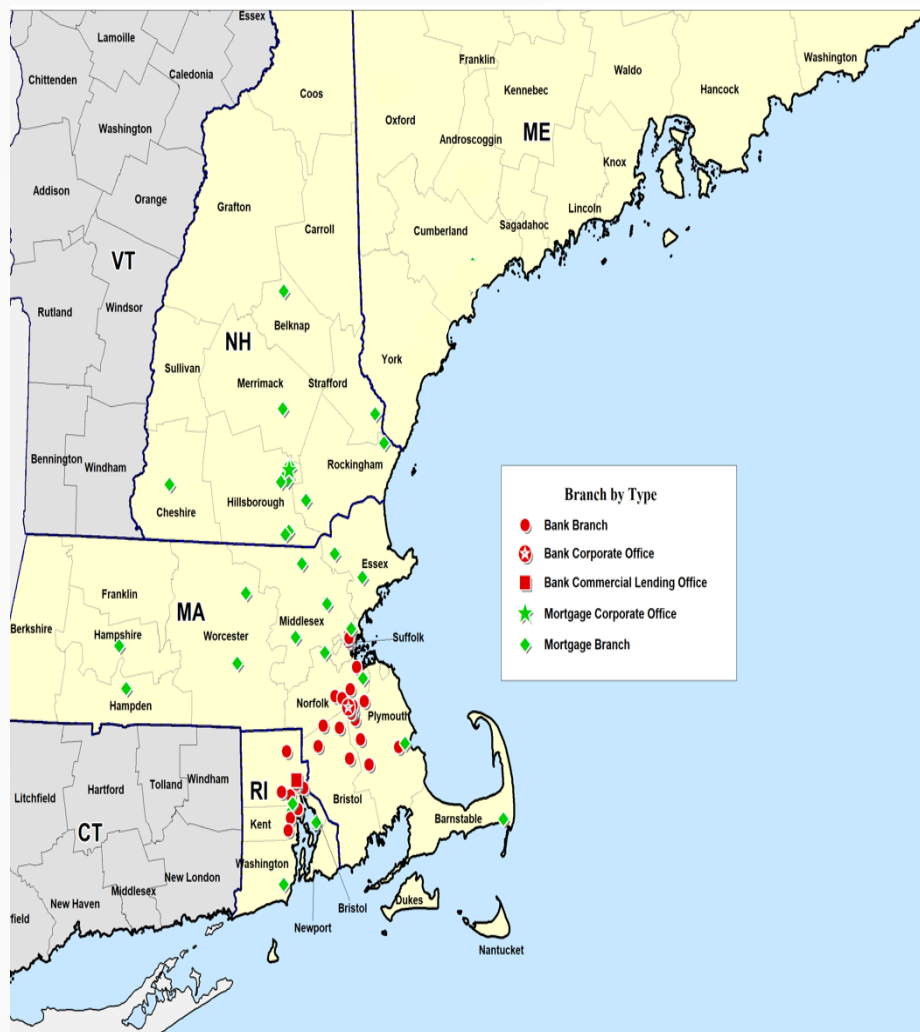
Customer Focused.  
Values Driven.



# Forward-Looking Statements

Certain statements herein constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We may make forward-looking statements in other documents we file with the Securities and Exchange Commission (“SEC”), in our annual reports to shareholders, in press releases and other written materials, and in oral statements made by our officers, directors or employees. Such statements may be identified by words such as “may,” “will,” “should,” “could,” “would,” “plan,” “potential,” “estimate,” “project,” “believe,” “intend,” “anticipate,” “expect,” “target” and similar expressions. These statements are based upon the current assumptions and beliefs of the Company’s management, are expectations of future results, and are subject to significant risks and uncertainties. Actual results may differ materially from those set forth in the forward-looking statements as a result of numerous factors. Factors that could cause such differences to exist include, but are not limited to, the negative impacts and disruptions of the COVID-19 pandemic and measures taken to contain its spread on our employees, customers, business operations, credit quality, financial position, liquidity and results of operations; changes in general business and economic conditions on a national basis and in the local markets in which the Company operates; changes in customer behavior; the possibility that future credit losses, loan defaults and charge-off rates are higher than expected due to changes in economic assumptions or adverse economic developments; turbulence in the capital and debt markets; changes in interest rates; decreases in the value of securities and other assets; decreases in deposit levels necessitating increased borrowing to fund loans and investments; competitive pressures from other financial institutions; operational risks including, but not limited to, cybersecurity incidents, fraud, natural disasters and future pandemics; changes in regulation; reputational risks relating to the Company’s participation in the Paycheck Protection Program and other pandemic-related legislative and regulatory initiatives and programs; changes in accounting standards and practices; the risk that goodwill and intangibles recorded in our financial statements will become impaired; risks related to the implementation of acquisitions, dispositions, and restructurings, including the risk that acquisitions may not produce results at levels or within time frames originally anticipated; the risk that we may not be successful in the implementation of our business strategy; changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission (the “SEC”), which are available at the SEC’s website, [www.sec.gov](http://www.sec.gov). Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, HarborOne Bancorp, Inc.’s actual results could differ materially from those discussed. Forward-looking statements speak only as of the date on which they are made. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

# A Unique New England Banking Franchise



## COMPANY HIGHLIGHTS

Exchange/Ticker:	NASDAQ/HONE
Total Assets:	\$4.6 Billion
Total Loans:	\$3.5 Billion
Total Deposits:	\$3.7 Billion
Market Capitalization:	\$747 Million (as of 9/30/21)

HarborOne Bancorp, Inc. is a bank holding company and the parent of HarborOne Bank, a state-chartered savings bank.

HarborOne Bank is headquartered in Brockton, MA with 31 full-service branches throughout southeast Massachusetts and Rhode Island and one commercial lending office in each of Boston and Providence. HarborOne Bank is a recognized leader in financial and personal enrichment education and innovation through HarborOne U.

HarborOne Mortgage, LLC (“HarborOne Mortgage”) is a wholly owned subsidiary of the Bank with over 30 offices in Massachusetts, Rhode Island, New Hampshire, and Maine.

# COVID-19 Update



## Customers

- All branch lobbies open with appropriate safety protocols
- 2,542 One2One personal appointments completed YTD
- Soft launch of digital small business lending platform in November



## Colleagues

- Extended remote work capability through end of 2021
- Continue to provide employees with one day of pay for vaccination
- Preparing to implement OSHA testing requirement specifics for non-vaccinated employees



## Community

- \$340,000 in contributions to community service organizations with a focus on education and basic human services
- HarborOne U delivered 25 classes of financial education to over 600 individuals including URI's Talent Development Students
- 185 individuals accessed virtual small business programming



# Q3 Highlights

- EPS of \$0.24.
- ROA of 1.07% and ROE of 7.12%.
- Reserve for loan loss represents 1.39% of total loans. Q3 recorded a negative \$1.6 provision for credit losses.
- HarborOne Mortgage recorded earnings of \$4.7 million including a positive fair value adjustment of \$448,000 on mortgage servicing rights.
- As of September 30, 2021, completed the second repurchase of 2.8 million shares with an average cost of \$14.09 and approved a third repurchase program of 2.7 million shares.

**Net Income**  
**\$12.3 Million**

**Diluted Earnings Per Share**  
**\$0.24**

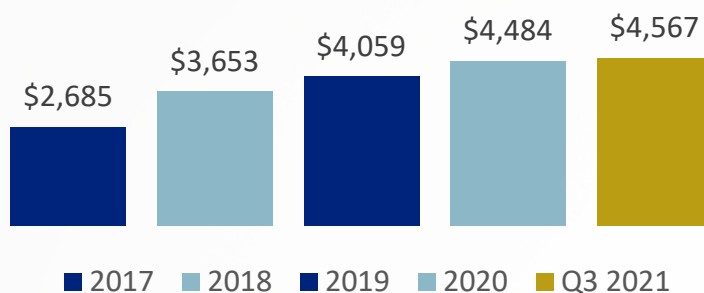
**Commercial Loan Growth**  
**\$52.8 Million**  
excludes net PPP loan activity

**Core Deposit Growth**  
**\$29.2 Million**

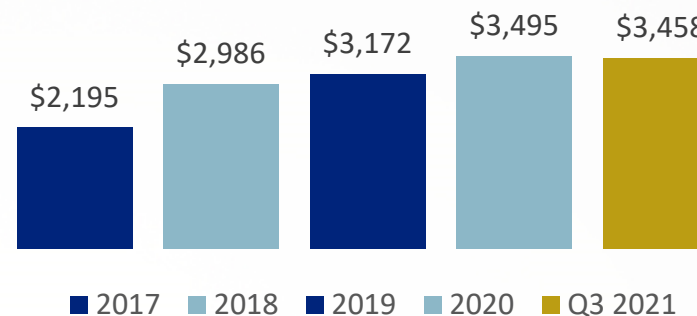
**Tangible Book Value**  
**\$11.40**

# Key Performance Metrics

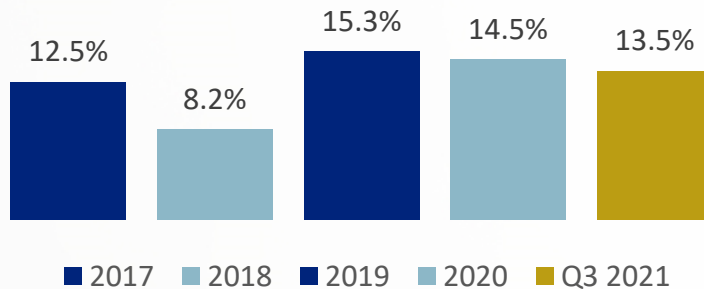
## Total Assets (\$mm)



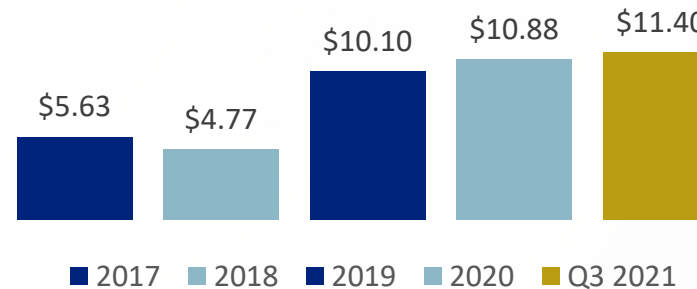
## Total Loans (\$mm)



## Tier 1 Capital

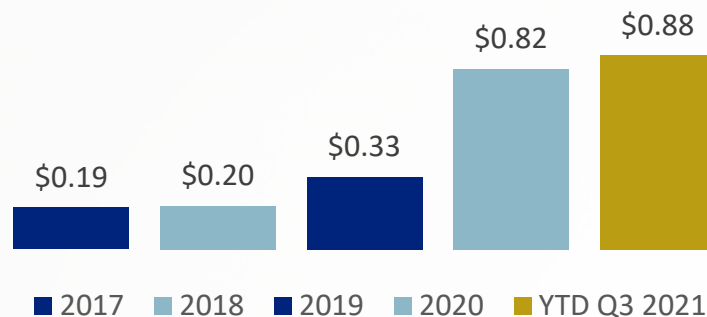


## Tangible Book Value

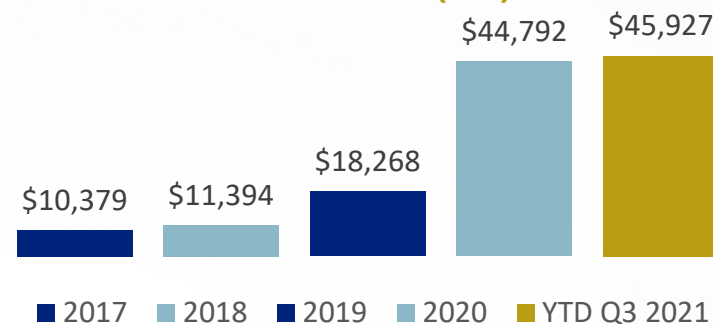


# Key Performance Metrics

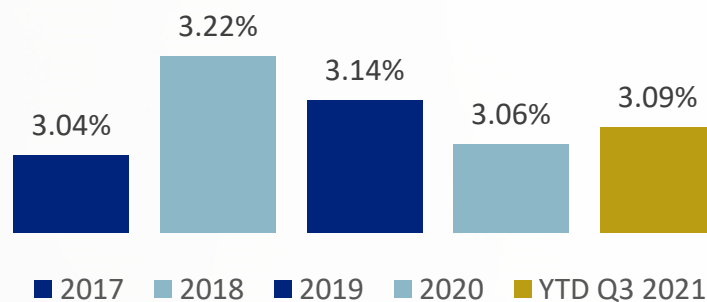
## EPS



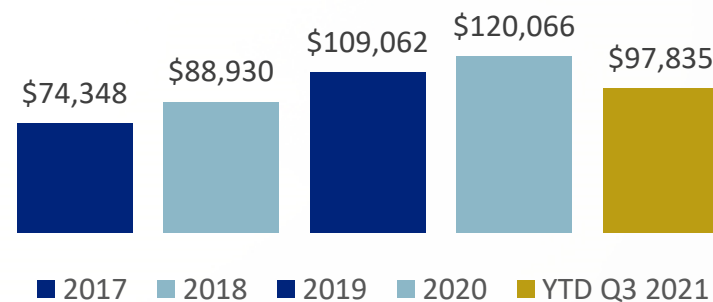
## Net Income (\$m)



## Net Interest Margin on FTE Basis

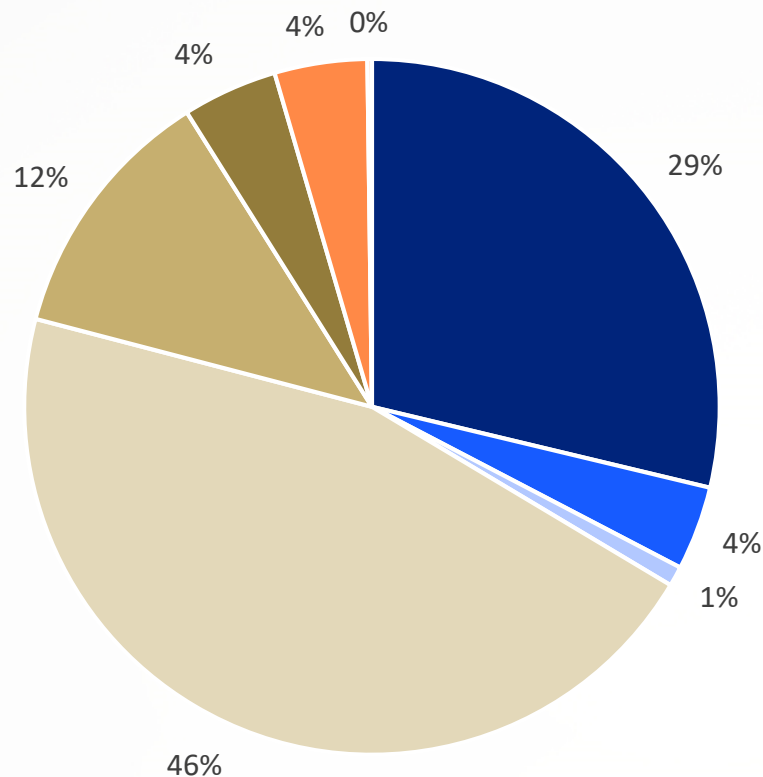


## Net Interest Income (\$m)



# Loan Mix

## September 30, 2021



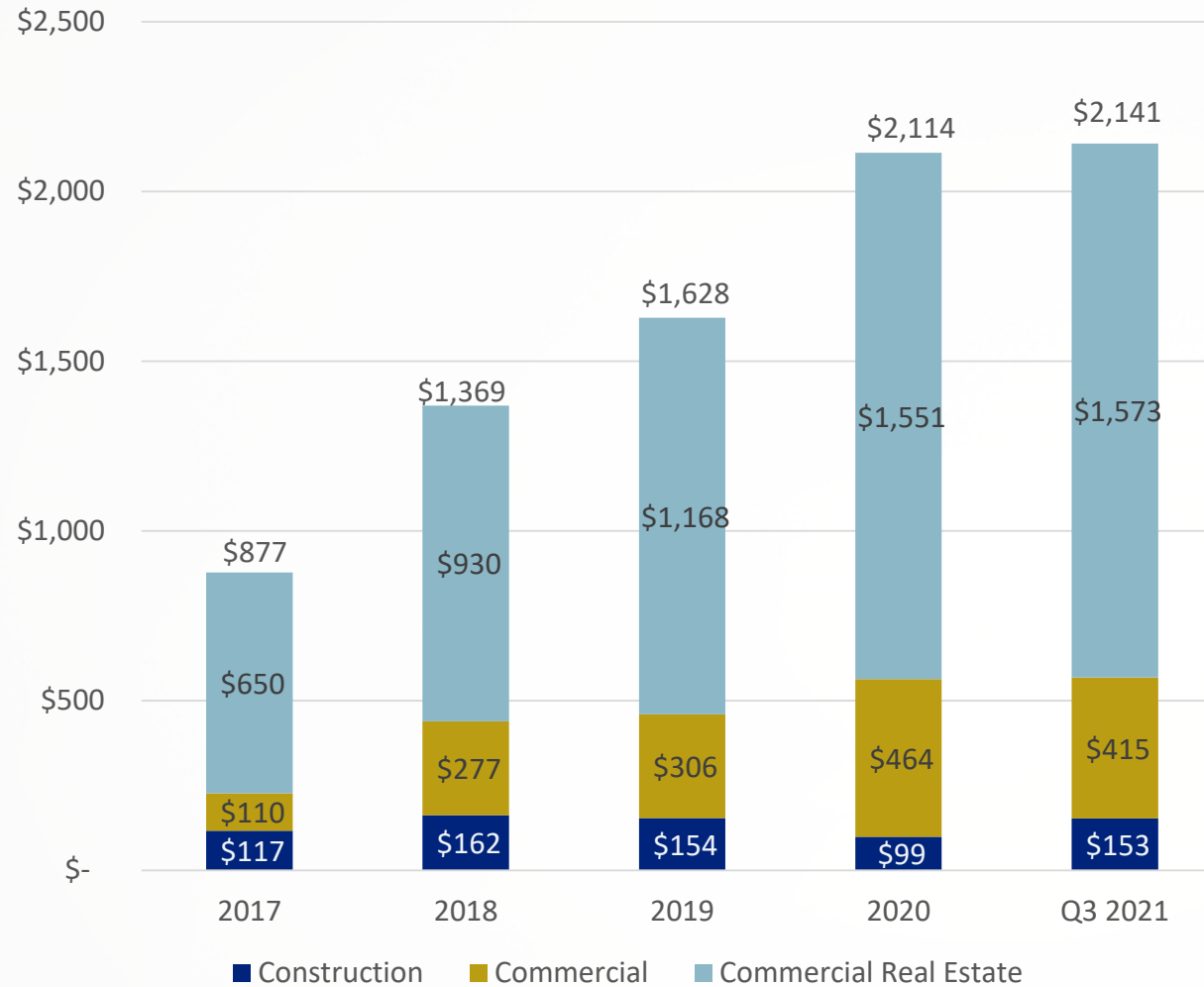
Total Loans \$3.5 billion:	
Commercial	\$2,140,783
Residential Real Estate	\$1,160,689
Consumer	\$156,272

- One-to-Four Family
- Second Mortgages and Home Equity Lines of Credit
- Residential Real Estate Construction
- Commercial Real Estate
- Commercial and Industrial
- Commercial Construction
- Auto
- Personal



# Commercial Lending Momentum

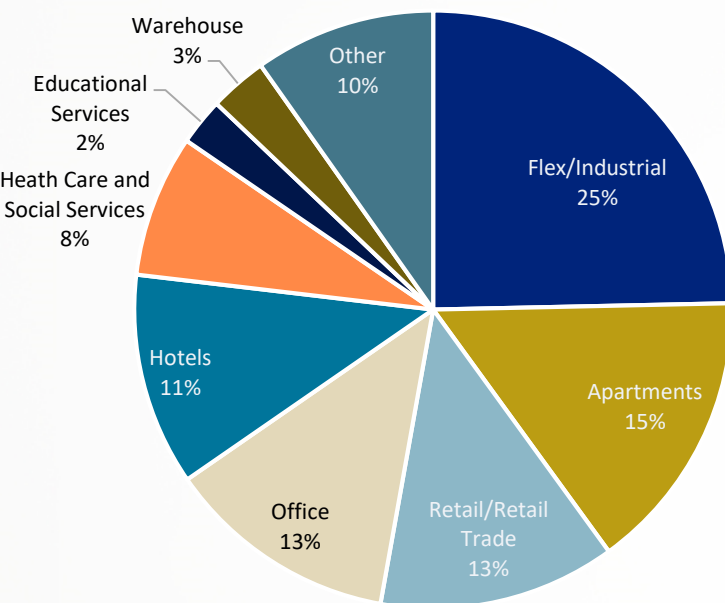
## Total Commercial Loans (\$mm)



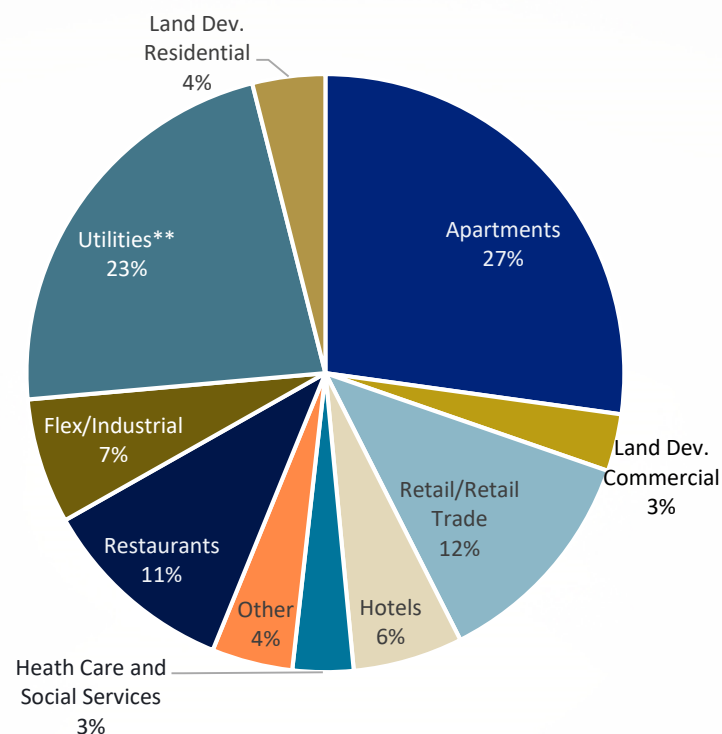
- Commercial loans grew from \$877 million in 2017 to \$2.1 billion on September 30, 2021, transforming the balance sheet while maintaining strong credit quality.
- #1 SBA Lender in Rhode Island in 2021.

# Diversification

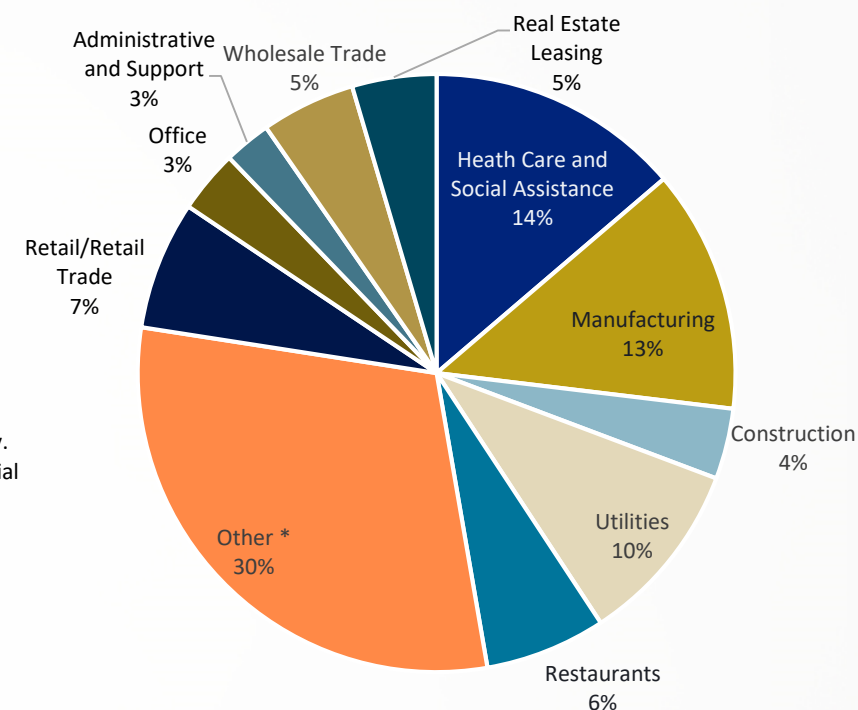
## Commercial Real Estate



## Commercial Construction



## Commercial & Industrial

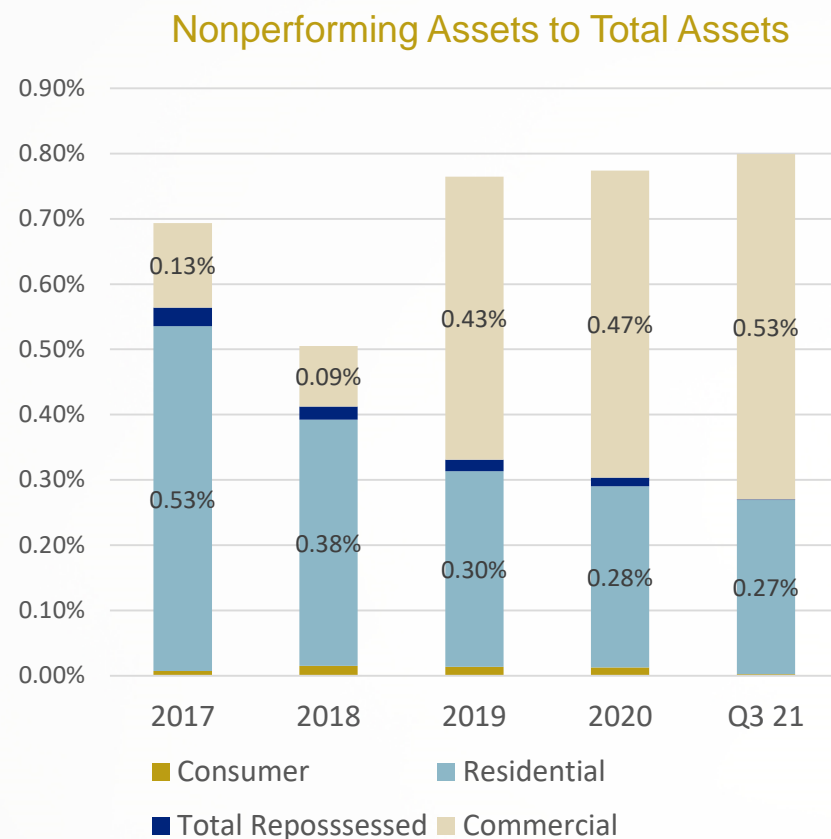


\*The Other category in the Commercial and Industrial loans includes \$52.2 million of SBA Paycheck Protection Program ("PPP") loans






\*\*Utilities in Commercial Construction loans represents various pre-sold renewable energy projects.

# Credit Quality

Strong asset quality driven by core competencies in both underwriting and collections



# At-Risk Sectors

				LTV*	% Commercial Portfolio
	<b>Retail</b>	\$266.8MM	57% anchored by diverse mix of national chains and grocery stores.	61%	12.5%
	<b>Office</b>	\$214.2MM	90% located in suburban locations.	62%	10.0%
	<b>Hotels</b>	\$193.7MM	Majority located in New England, 47% in Massachusetts, 57% nationally franchised, 51% leisure-focused.	63%	9.1%
	<b>Restaurants</b>	\$57.9MM	30% nationally franchised 12% supported by SBA guarantee.	55%	2.7%
	<b>Recreation</b>	\$18.5MM	Exposure reduced through amortization.	52%	0.9%

\*LTV on CRE only and based on as-completed value

# At-Risk Sectors

As of 9/30/21

Dollars in Thousands	Retail	Office	Hotel	Restaurants	Recreation	Total at-Risk Sectors	Total Loans	% at-Risk Sector to Total
Commercial Real Estate	219,299	199,329	182,622	14,498	14,630	630,378	1,573,284	40.1%
Commercial & Industrial	28,858	14,009	2,022	27,073	3,835	75,797	414,814	18.3%
Commercial Construction	18,605	854	9,040	16,284	–	44,783	152,685	29.3%
<b>Total Commercial</b>	<b>266,762</b>	<b>214,192</b>	<b>193,684</b>	<b>57,855</b>	<b>18,465</b>	<b>750,958</b>	<b>2,140,783</b>	<b>35.1%</b>
Outstanding Principle Balance of:								
Active Commercial Deferrals	-	-	7,740	-	-	7,740	2,140,783	0.4%
PPP Loans	-	–	31	313	3	347	52,143	0.7%
Non-Accrual Loans	387	8,843	9,061	30	-	18,321	36.486	50.2%

# Market Growth

## Branch Expansion

- Launch of the Boston Metro Region to include:
  - Boston, Quincy, South Boston
  - 3 new high opportunity markets Brighton, Brookline and Cambridge
  - Overall growth in number of branches from 27 to 31 by early 2022
  - Over 50% of our current Branch footprint exceeds \$100M in deposits

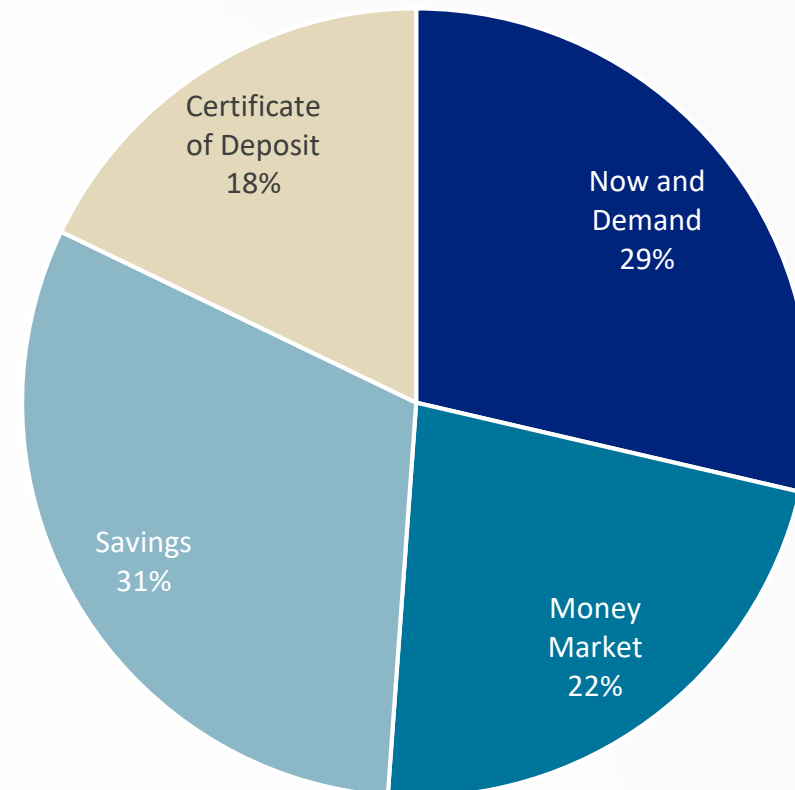
## Primary Household Improvement

- Checking Household deposits up 6.7% YTD
- Checking Household Revenue up 2.7% (3Q 2021 vs. 4Q 2020)
- Small Business customer base has increased by 28% since 2019
- Average balance per business customer has increased by 99% since 2019

## Transformed Retail Model

- Managing Local market opportunities
- Focus on acquiring small business relationships
- Launch comprehensive experience program
- Focus on interactions not transactions to deepen relationships
- Enhancing incentives to pay for performance

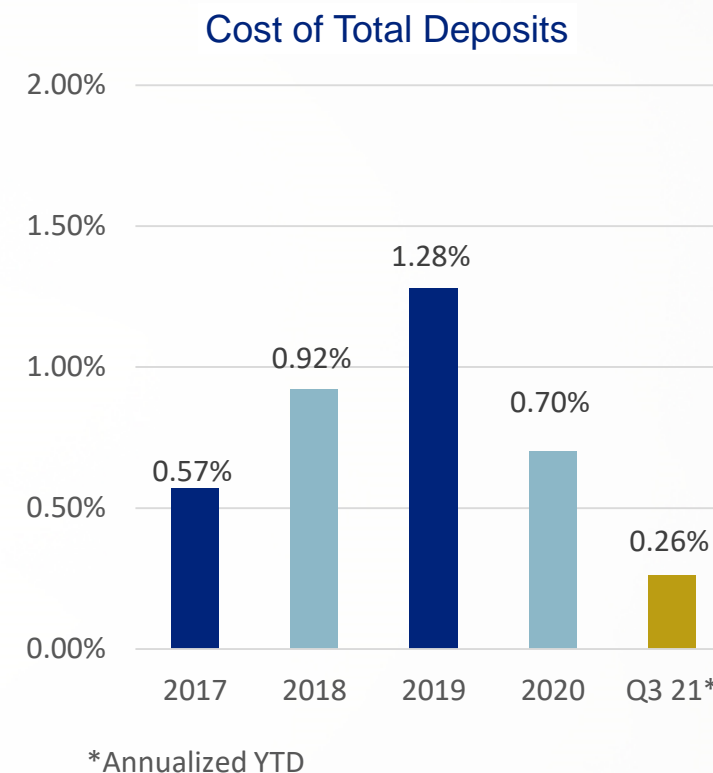
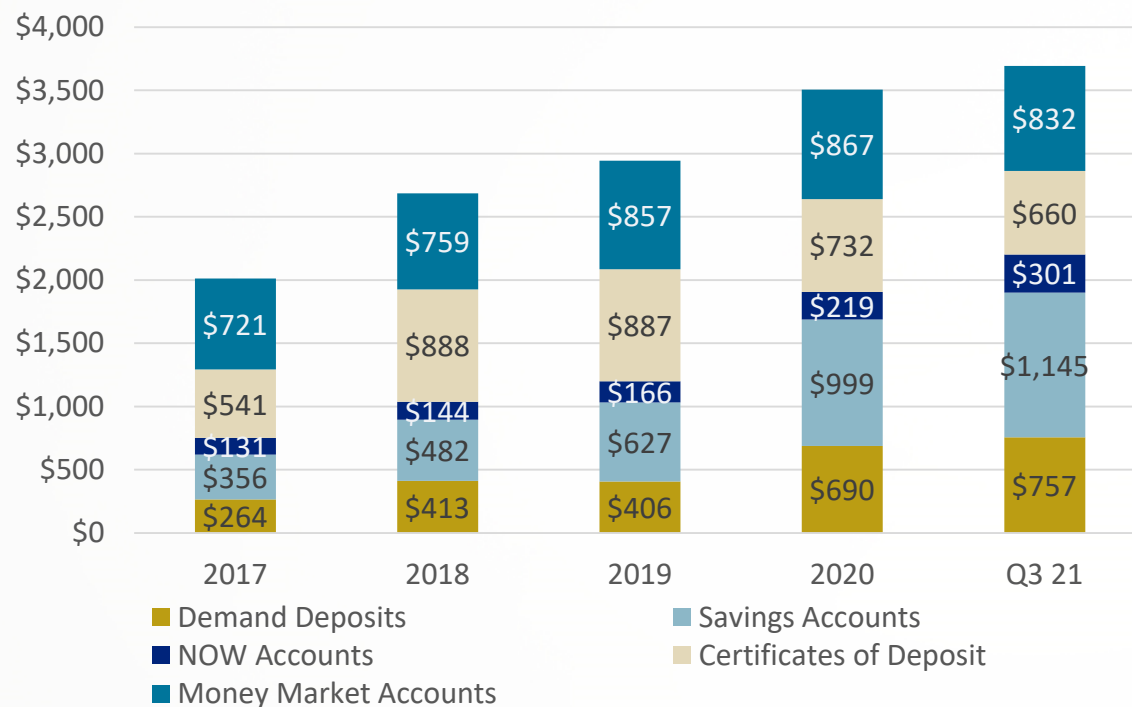
# Deposit Mix





# Deposits

- Growth of \$6.4 million or 0.2% Q3 2021
- Successful business deposit acquisition of \$100MM+ in 2019, \$218MM in 2020, and \$ 163.5MM in YTD 2021
- NOW and demand deposits represent 29% of total deposits at 9/30/21
- Opened South Boston branch



# HarborOne Mortgage

- Q3 2021 earnings of \$4.7 million on \$605 million of disbursements. Year-to-date Net Income of \$18.9 million on \$2.0 billion of disbursements.
- Proactively managing expenses as disbursements decline from historic highs and industry realizing margin compression.
- As of November 22, 2021, FTE's have been reduced by 40 during 2021 with annual expense reduction of \$1.9 million, and we have terminated three branch leases, 1 in New Jersey and 2 in Maine.
- 95 loan originators across 4 states (MA/NH/ME/RI) that also support limited business in CT and VT.
- Exceeded \$604 million in fundings in Q3 2021 versus \$639 million in Q2 2021 and \$789 million in Q3 2020.
- Locked pipeline on September 30, 2021 stands at \$261 million, down \$52 million from June 30, 2021.
- Market share for purchases are 4th in NH, 11th in RI, 12th in ME, 20th in MA.\*
- 54%/44% purchase-to-refi split in Q3 2021. Q4 2020 was 42%/58% split.
- Seasoned and disciplined management team. Company founded in 1983 and purchased by HarborOne Bank in 2015. Flexible organizational structure to match market expansion and contraction. Documented plan to react to changing market conditions when presented.

\*Source: The Warren Group

# COVID-19 Customer Relief Programs



## Paycheck Protection Program

- 1,934 loans for \$245MM accepted
- 1,031 loans for \$152MM forgiven
- \$7.2MM fees recognized to date
- \$2.1MM fees to be recognized
- Average loan balance \$130,000

**Over 23,000**

**Jobs Positively Impacted**



## Loan Modifications To Borrowers

- Actively engaged customers in discussions on preparedness and action plans for COVID-19
- Creating customized strategies based on industry, sponsors and guarantors

**\$8MM or 0.4% of  
loans are in active  
deferral status**



## Additional Customer Relief Programs

- Increased daily ATM limits to \$1K and mobile deposit limits to \$5k and \$25k monthly
- Fee assistance (waived excess transfer fee for savings accounts, rush debit card fee and telephone transfer fee, as well as CD withdrawal penalties)
- Limited overdraft charges

**\$45MM SBA 7(a)  
378 loans**

# Customer Support – Modified Payments

## Active Deferral

	#	\$	Total Loans	% of Port.
CRE	2	\$7,740	\$1,573,284	0.5%
Commercial & Industrial	–	–	\$414,814	0.0%
Commercial Construction	–	–	\$1052,685	0.0%
Total Commercial	2	\$7,740	\$2,140,783	0.4%
Residential RE	1	\$177	\$1,160,689	0.0%
Consumer	–	–	\$156,272	0.0%
Total Loans	3	\$7,917	\$3,457,744	0.2%

## Delinquent Deferral

	#	\$	Total Loans	% of Port.
CRE	1	\$515	\$1,573,284	0.0%
Commercial & Industrial	2	\$261	\$414,814	0.2%
Commercial Construction	–	–	\$152,685	0.0%
Total Commercial	3	\$776	\$2,140,783	0.1%
Residential RE	7	\$636	\$1,160,689	0.1%
Consumer	6	\$112	\$156,272	0.1%
Total Loans	16	\$1,524	\$3,457,744	0.1%

# Customer Support – Modified Payments Cont'd

## Active Commercial Deferrals by at risk category

	Portfolio Total	Active Deferrals	% of Port.
Retail	\$266,762	–	0.0%
Office Space	\$214,192	–	0.0%
Hotels	\$193,684	\$7,740	4.0%
Restaurants	\$57,855	–	6.2%
Recreation	\$18,465	–	0.0%
Total at Risk	\$750,958	\$7,740	1.0%
Other Commercial	\$1,389,825	–	0.0%
Total Commercial	\$2,140,783	\$7,740	0.4%

- Active commercial deferrals of \$7.7 million, compared to \$32.5 million in Q1 2021
- One active residential deferral of \$177 thousand compared to 156 totaling \$51 million in Q4 2020
- 100% of active deferrals will mature in 2021

# Committed to the Fundamentals

- Focused on organic growth
- Ongoing balance sheet transformation to achieve margin stability
- Lower cost deposit drivers with focus on commercial and small business funding sources
- Digital transformation: enhanced tools, processes, and products to meet customer expectations
- We win with our people; investments in training, talent acquisition, and retention
- Seasoned and aligned management team and Board that drive results
- Maintain our commitment to being an outstanding community leader – Community is in our DNA, from our Foundation contributions to our Caring Crew volunteer programs
- Will only consider M&A with a financially attractive opportunity that ensures minimal TBV dilution



# Key Priorities Next 12 Months

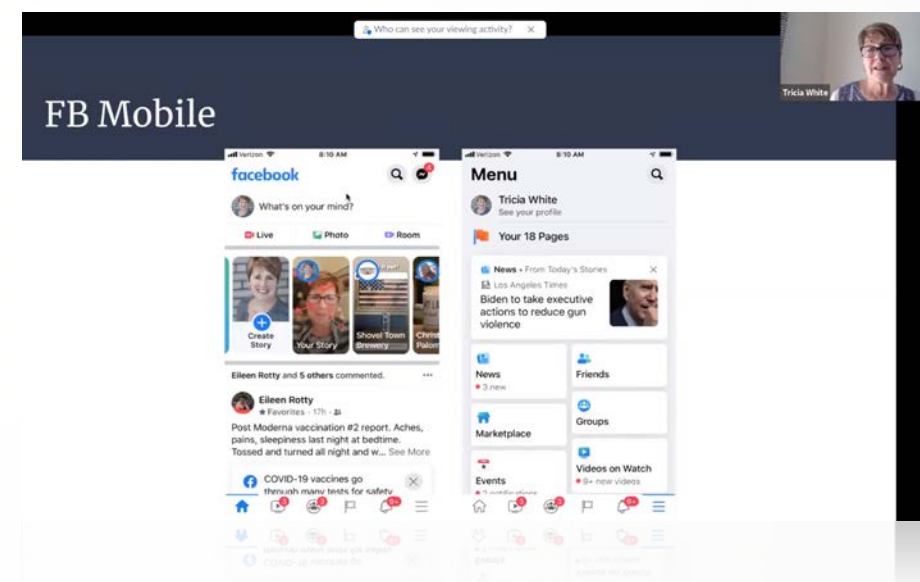
- Focus and growth for our new Boston Metro region (4 new branches, new Commercial and SMB lenders)
- Grow digital banking penetration among primary households
- Complete our data environment and CRM architecture enhancements
- Invest in small business products, services, and people to drive growth
- Capitalize on recent M&A activity in the market with customer and talent acquisition
- Continue to manage aggressive rate environment for top quality deals
- Continue profitable loan growth (CRE, C&I, small business)
- Invest in brand-building in New England for Bank and HOME (Mac Jones)
- Extend our successful Rhode Island SBA model into Massachusetts (#1 SBA Lender in RI in 2021)
- Enhance and expand our Diversity, Equity, and Inclusion programs
- Respond to changing wage expectations / requirements to attract and retain top talent
- Continue to address staff needs for hybrid working models

# HarborOne U

## Enriching Lives Through Education

An award-winning, nationally recognized leader in providing personal enrichment and professional development programs

- Fully transitioned to 100% virtual learning via Zoom, Facebook Live, and recorded training programs
- Launch partner for new virtual “Credit For Life” interactive fairs for high school juniors and seniors
- Sought-after resource for conducting in-language financial education programs for community organizations with Spanish, Portuguese, and Cape Verdean audiences
- Recruited by regulatory bodies (FDIC, Fed) for SME speaking engagements in financial education forums



# Promoting Equity, Diversity & Inclusion

## Equity & Diversity

- Mortgage product in partnership with MA Housing to provide down payment assistance
- Originated 8 Success Small Business loans providing access to capital to Micro Businesses
- Expanded Success for Small Business affiliate partnerships to include Center for Women & Enterprise, EforAll, Black Owned Brockton, Urban Ventures; all organizations that promote equity and economic mobility to under-represented populations

## In-Development Program Workstreams

- Mentoring & Internships
- Recruiting
- Suppliers / Vendor partners

## Investment

- \$20MM for mortgage program
- Sponsored Center for Women and Enterprise's Annual Women of Color Business Summit
- Hosted annual Small Business Pitch contest and awarded \$35,000 in seed money; 85% of winning businesses were women, veteran and/or minority-owned

# Why HarborOne?

## Value

- \$4.6B bank in attractive New England market
- Increased quarterly dividend in Q1 2021 by 67% and recognize value in stock buy-back

## Leadership

- Proven ability to successfully deploy capital
- Six-year track record of strategic growth since charter change to a bank
- Board and Senior Management alignment on Transformation strategy

## Well-Capitalized

- Necessary capital to fund disciplined growth and provide insulation from economic downturn

## Respected & Trusted

- Camille Madden, President, HarborOne Mortgage: 2021 Powerful Women of Mortgage Banking, Mortgage Banker Magazine
- Andreana Santangelo, Board Member: Boston Business Journal CFO of the Year (Large company category)
- Damian Wilmot, Board Member: 2021 Most Influential Black Corporate Directors, Savoy Magazine
- Named Boston Globe's Top Places to Work 10 of last 12 years
- 2021 Boston Business Journal Most Charitable Companies list 6th consecutive year

# A Commitment To Doing What's Right

## Mission Statement

*We provide a personalized experience while caring about every customer.*

*We focus on understanding their financial goals for today and dreams for tomorrow.*

*We are unwavering in our commitment to the communities that we serve.*



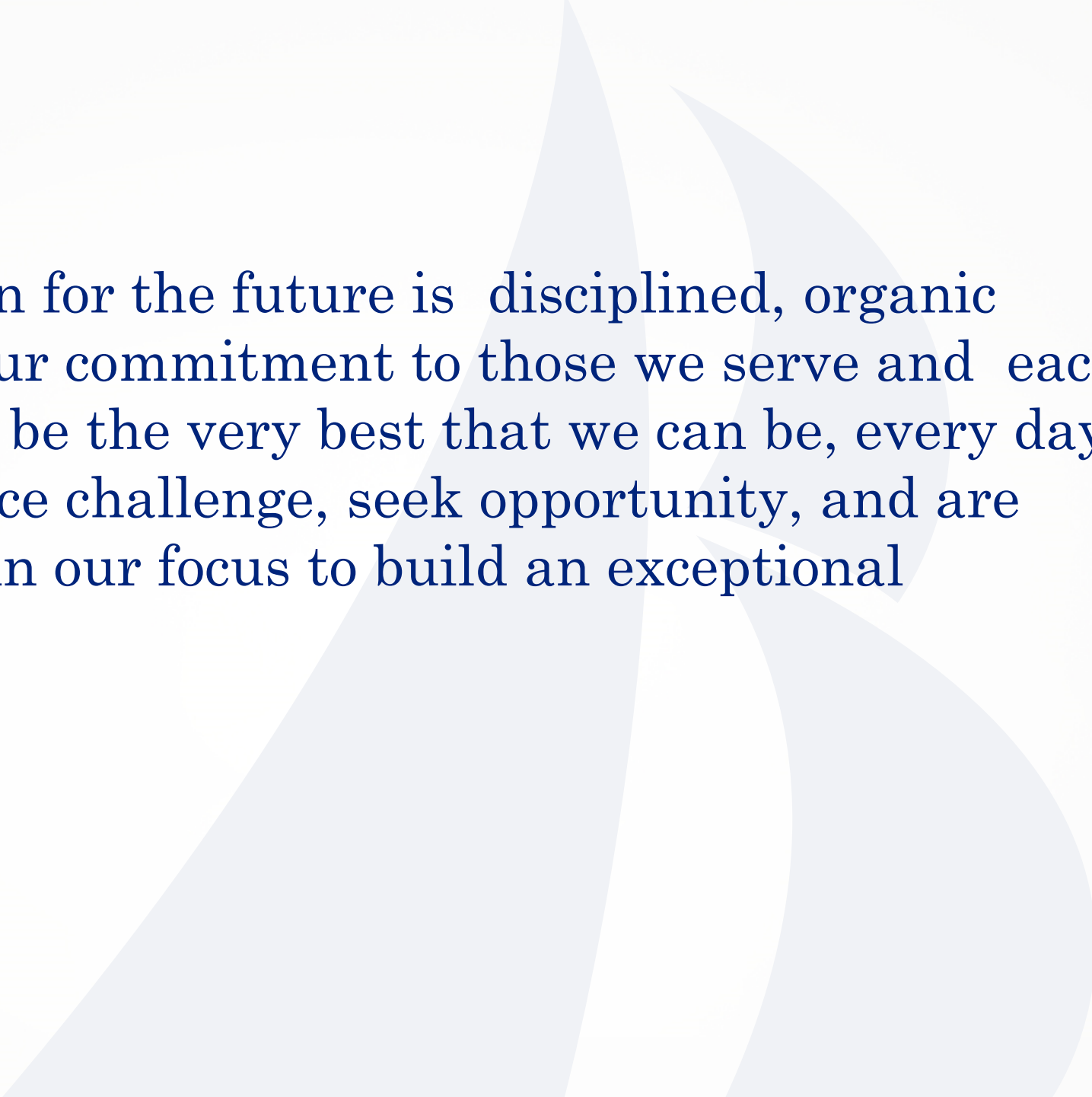
## Vision Statement

To be our customers' most trusted financial partner.



## Our Values

Integrity. Teamwork. Trust.  
Respect. Accountability.



“Our vision for the future is disciplined, organic growth. Our commitment to those we serve and each other is to be the very best that we can be, every day. We embrace challenge, seek opportunity, and are steadfast in our focus to build an exceptional company.”

— Jim Blake, CEO