Eastern Bankshares, Inc.

Q2 Earnings Presentation

July 25, 2024

On the call

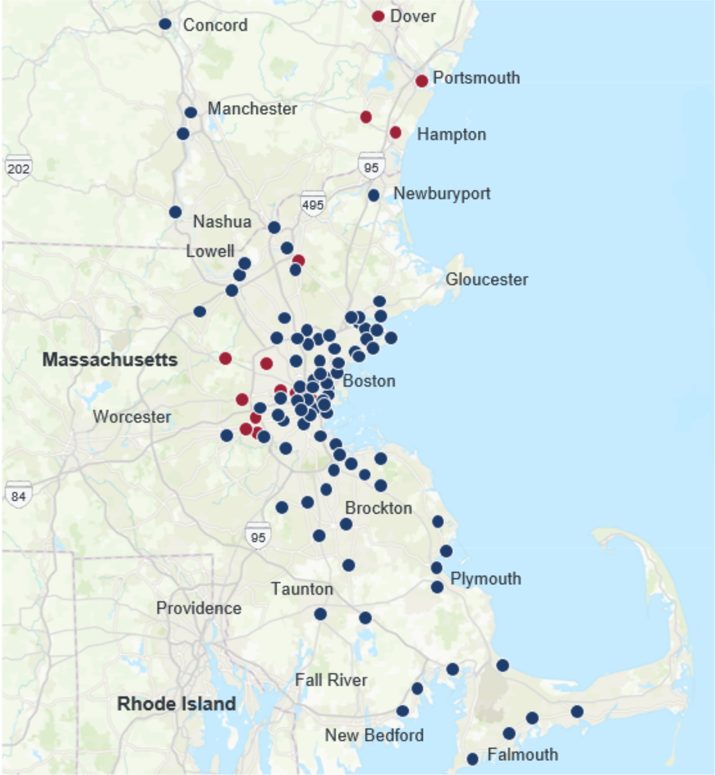
Eastern Bankshares, Inc.

Presenter		Topic
	**Bob Rivers** Executive Chair & Chair of the Board	Opening Remarks
	**Denis Sheahan** Chief Executive Officer	
	**Jim Fitzgerald** Chief Administrative Officer, Chief Financial Officer & Treasurer	Financials

Merger with Cambridge

Eastern Bankshares, Inc.

Pro forma branch footprint



● New locations ● Existing EBC locations after consolidation

- Completed the merger with Cambridge Bancorp on July 12, 2024
- **Pro forma assets greater than $25 billion, pro forma assets under management and administration ("AUM/A") of $8.4 billion**[1]
- Added 11 net new branch locations and 4 net new wealth offices
- Solidifies Eastern's leading position as:
  - the **Largest independent bank headquartered in Boston** (#4 overall by deposit market share in the Boston MSA);
  - the **Largest bank-owned independent investment advisor in Massachusetts** (#10 overall)
- Balance sheet, capital and liquidity position remain healthy on a combined basis
  - **Anticipate providing a full update on merger financials with next quarter's earnings release**
- Committed to the **next phase** in our journey with **a highly experienced leadership team**, including the new executive and board leadership appointments

[1]Data as of June 30, 2024.

Q2 2024 financial highlights

Eastern Bankshares, Inc.

Key Metrics

$26.3 million
Net income

$36.5 million
Operating net income*

$0.16
Diluted EPS

$0.22
Diluted operating EPS*

2.64%
NIM*[1]

1.78%
Total deposit cost[1]

0.19%
NPAs / total assets

(0.02)%
NCOs / avg. loans[1]

$0.11 per share
Dividend declared

$16.80
BV/Share

$13.60
TBV/Share*

Highlights

Share Repurchase Authorization

- Company announces a new share repurchase program of up to 5% of shares

Income Statement

- Net income of $26.3 million, or $0.16 per diluted share. Operating net income* of $36.5 million, or $0.22 per diluted share
- Net interest margin on a FTE basis*[1] declined modestly to 2.64% from 2.68%
- Net interest income was $128.6 million, a decrease of $1.3 million from the prior quarter

Balance Sheet

- Loans increased $57 million, or 1.6%[1] on an annualized basis
- Deposits declined $129 million, or 2.9%[1] on an annualized basis, driven by the early withdrawal of a $100 million omnibus deposit contract for which the bank received a $7.8 million early termination payment
- Available for sale ("AFS") securities sale of $85 million in the quarter at a loss of $7.6 million

Asset Quality

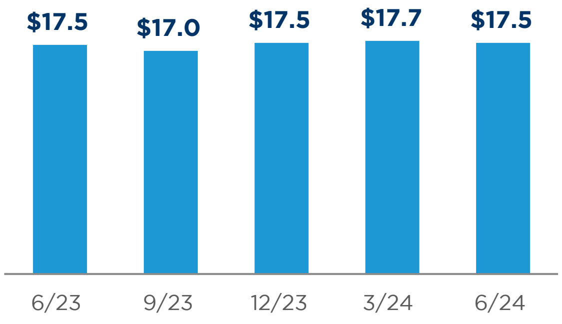
- Reduction in non-performing loans ("NPLs") from $57.2 million to $39.8 million or from 0.41% to 0.28% of total loans
- Continued resolution of problem loans. Two NPLs resolved in Q2; collateral of two NPLs being marketed for sale
- Net recoveries[1] of 0.02% of average total loans, driven by $2 million in recoveries on two resolved NPLs, compared to net charge-offs ("NCOs")[1] of 0.21% in the prior quarter

*Non-GAAP Financial Measure. Please refer to Appendices A-D for the applicable reconciliation. [1]Presented on an annualized basis.

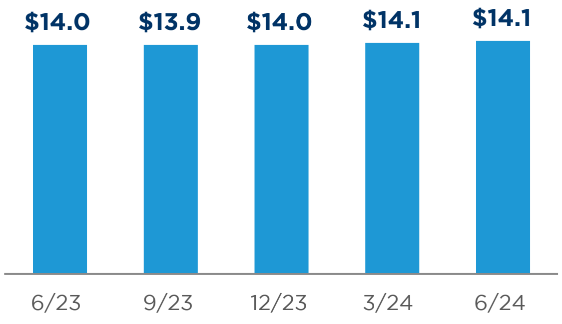
Balance sheet

Eastern Bankshares, Inc.

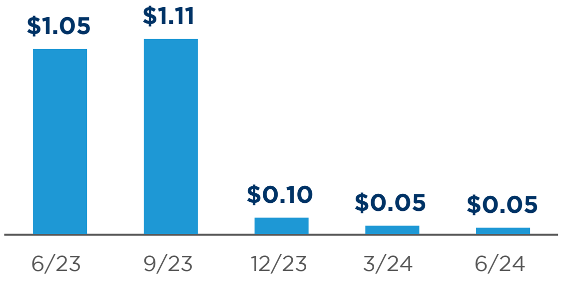
Core deposits[1]



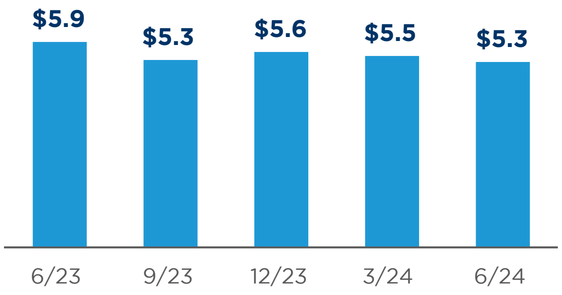
Total loans



Borrowings & brokered deposits



Cash & investments



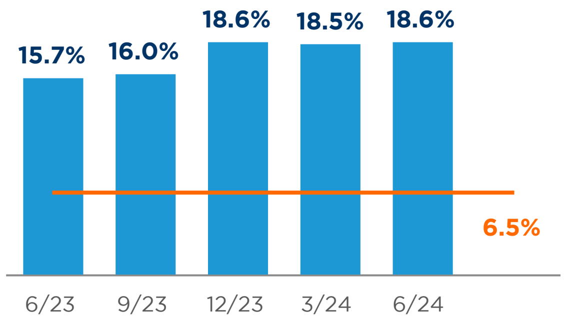
- **Core deposit[1] reduction of $128.9 million,** or 2.9%[2] from the prior quarter, driven by early withdrawal of $100 million omnibus deposit
- **Loan growth of $56.8 million,** or 1.6%[2] from the prior quarter
- The Company had $49 million of borrowings and **no brokered deposits** at June 30, 2024
- **Cash and equivalents remained stable at $750.8 million**
- **Investments decreased $196.9 million**, driven by the sale of approximately $85 million in AFS securities and principal runoff

$ in billions. [1]Core deposits are defined as total deposits less brokered deposits. [2]Presented on an annualized basis.

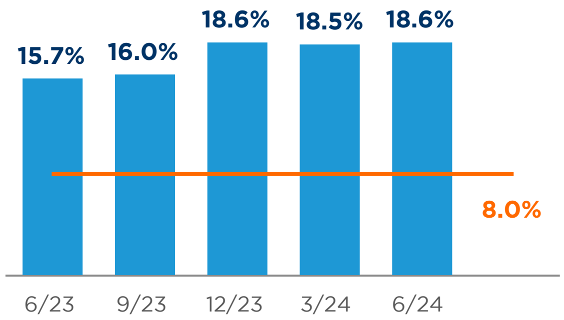
Capital

Eastern Bankshares, Inc.

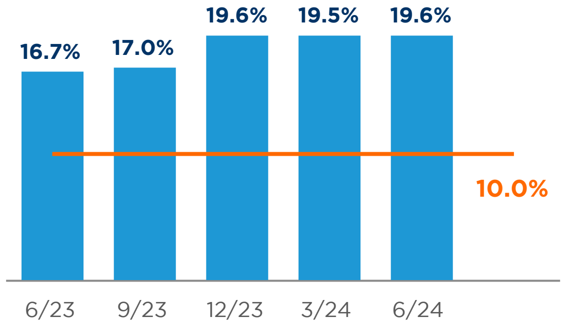
Common equity tier 1 ratio[1]



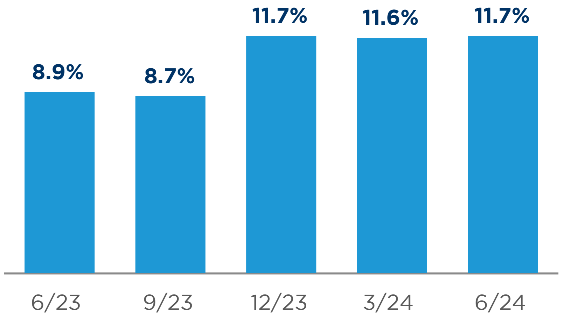
Tier 1 capital ratio[1]



Total capital ratio[1]



Tangible common equity ratio



Capital ratio   Well-capitalized regulatory minimum

- Strong capital position provides significant **support** to the Company's **growth and strategic initiatives,** as well as **capital management strategies**
- In the second quarter, the Board **authorized a new share repurchase program** to repurchase up to 10.8 million shares
- Capital ratios increased modestly from the prior quarter. **CET1 ratio** and **TCE ratio*** of **18.6%** and **11.7%**, respectively

*Non-GAAP Financial Measure. Please refer to Appendices A-D for the applicable reconciliation. [1]Regulatory capital ratios as of June 30, 2024 are preliminary estimates.

Income statement

Eastern Bankshares, Inc.

$ in millions, except per share amounts	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net interest income	**$ 128.6**	$ 129.9	$ 133.3	$ 137.2	$ 141.6
Noninterest income	**25.3**	27.7	26.7	19.2	26.2
Total revenue	**153.9**	157.6	160.0	156.4	167.8
Noninterest expense	**109.9**	101.2	121.0	101.7	99.9
Pre-tax, pre-provision income	**44.1**	56.4	39.0	54.6	67.9
Provision for allowance for loan losses	**6.1**	7.5	5.2	7.3	7.5
Pre-tax income	**38.0**	48.9	33.8	47.3	60.4
Income tax expense (benefit)	**11.7**	10.3	2.3	(16.2)	16.0
Net income from continuing operations	**26.3**	38.6	31.5	63.5	44.4
Net income (loss) from discontinued operations	**—**	—	287.0	(4.4)	4.2
Net income	**$ 26.3**	$ 38.6	$ 318.5	$ 59.1	$ 48.7
Operating net income*	**$ 36.5**	$ 38.1	$ 16.9	$ 52.1	$ 41.1
EPS	**$ 0.16**	$ 0.24	$ 1.95	$ 0.36	$ 0.30
Continuing operations	**$ 0.16**	$ 0.24	$ 0.19	$ 0.39	$ 0.27
Discontinued operations	**$ —**	$ —	$ 1.76	$ (0.03)	$ 0.03
Operating EPS*	**$ 0.22**	$ 0.23	$ 0.10	$ 0.32	$ 0.25
ROA [1]	**0.50 %**	0.74 %	0.59 %	1.18 %	0.81 %
Operating ROA*[1]	**0.70 %**	0.72 %	0.31 %	0.97 %	0.75 %
Efficiency ratio	**71.34 %**	64.22 %	75.62 %	65.07 %	59.56 %
Operating efficiency ratio*	**64.04 %**	61.89 %	73.59 %	60.83 %	58.47 %

- Net income was $26.3 million and **operating net income* was $36.5 million**
- **Net interest income was $128.6 million,** $1.3 million below the prior quarter
- **Noninterest income was $25.3 million** and $31.1 million on an operating* basis
- **Noninterest expense was $109.9 million** and $105.3 million on an operating* basis
- **Provision for loan losses was $6.1 million**

*Non-GAAP Financial Measure. Please refer to Appendices A-D for the applicable reconciliation. [1]Presented on an annualized basis.

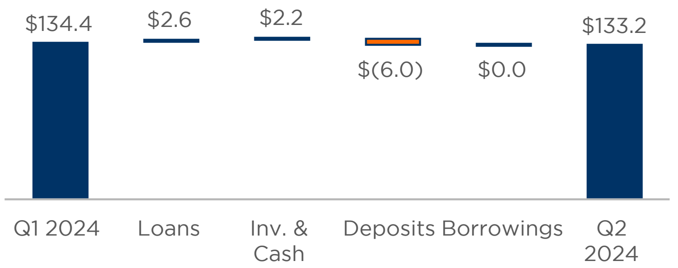
Net interest margin trends

Eastern Bankshares, Inc.

Earning assets

	Q2 2024		Q1 2024		Change	
	Avg. Balance	Yield[1]	Avg. Balance	Yield[1]	Avg. Balance	Yield[1]
Commercial loans	$ 10,104	5.11 %	$ 10,024	5.09 %	$ 80	0.02 %
Residential loans	2,564	3.81 %	2,571	3.75 %	(7)	0.06 %
Consumer loans	1,447	6.66 %	1,420	6.58 %	27	0.08 %
Total loans	14,114	5.03 %	14,015	5.00 %	99	0.03 %
Securities	5,429	1.82 %	5,575	1.82 %	(146)	— %
Cash	787	5.47 %	577	5.46 %	210	0.01 %
Total I.E. assets	20,330	4.19 %	20,166	4.13 %	164	0.06 %

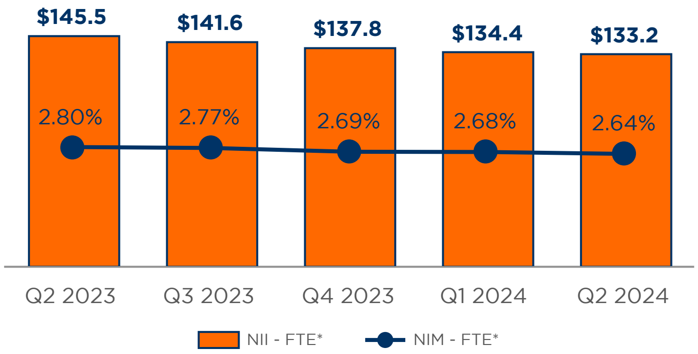
QoQ changes in FTE net interest income*



Funding sources

	Q2 2024		Q1 2024		Change	
	Avg. Balance	Cost	Avg. Balance	Cost	Avg. Balance	Cost
Savings	$ 1,260	0.01 %	$ 1,297	0.01 %	$ (37)	— %
DDAWI	3,740	0.95 %	3,745	0.88 %	(5)	0.07 %
MMDA	4,976	2.75 %	4,742	2.59 %	234	0.16 %
CD	2,933	4.88 %	2,785	4.87 %	148	0.01 %
Total I.B. deposits	12,908	2.45 %	12,569	2.32 %	339	0.13 %
Borrowings	50	2.06 %	51	2.00 %	(1)	0.06 %
Total I.B. liab.	12,958	2.44 %	12,620	2.32 %	338	0.12 %
DDA	4,843		4,989		(146)	
Total deposits	17,751	1.78 %	17,558	1.66 %	193	0.12 %

FTE net interest income and margin trend*

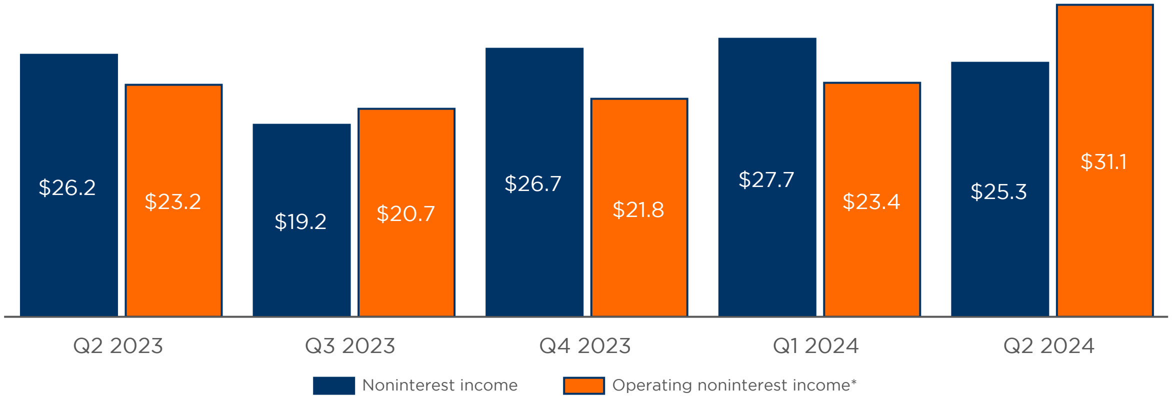


$ in millions. *Non-GAAP Financial Measure. Please refer to Appendices A-D for the applicable reconciliation. [1]Presented on a fully tax equivalent ("FTE") basis.

Noninterest income[1]

Eastern Bankshares, Inc.

Noninterest income



	Q2 2024	Q1 2024	Q2 2023	QoQ	YoY
Service charges on deposit accounts	**7.9**	7.5	7.2	5 %	10 %
Trust and investment advisory fees	**6.7**	6.5	6.1	3 %	10 %
Debit card processing fees	**3.5**	3.2	3.5	9 %	— %
Interest rate swap income	**0.4**	0.7	0.8	(43)%	(50)%
Income from investments held in rabbi trusts	**1.8**	4.3	3.0	(58)%	(40)%
Losses on sale of available for sale securities	**(7.6)**	—	—	NM	NM
Other[1]	**12.6**	5.4	5.5	133 %	129 %
Total noninterest income	**$ 25.3**	$ 27.7	$ 26.2	(9)%	(3)%
Total operating noninterest income*	**$ 31.1**	$ 23.4	$ 23.2	33 %	34 %

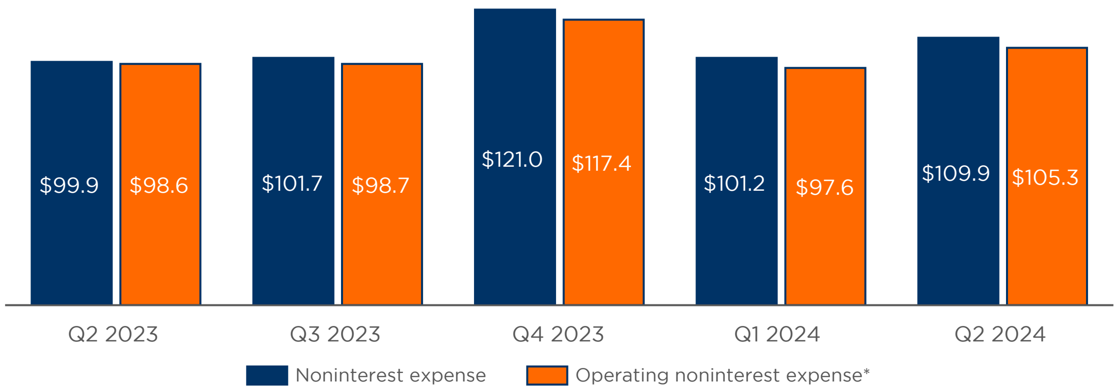
- **Total noninterest income was $25.3 million**
- **Total operating noninterest income* was $31.1 million**, an increase of $7.8 million from the prior quarter:
  - Received a one-time early termination payment of $7.8 million, associated with the early withdrawal of a $100 million omnibus deposit contract, inherited from the acquisition of Century Bank in 2021
- Sold $85 million of AFS securities at a non-operating loss of $7.6 million

$ in millions. *Non-GAAP Financial Measure. Please refer to Appendices A-D for the applicable reconciliation. [1]Excludes discontinued operations.

Noninterest expense[1]

Eastern Bankshares, Inc.

Noninterest expense



	Q2 2024	Q1 2024	Q2 2023	QoQ	YoY
Salaries and employee benefits	**65.2**	64.5	62.2	1 %	5 %
Data processing	**18.0**	16.5	12.8	9 %	40 %
Office occupancy and equipment	**10.1**	9.2	9.1	10 %	11 %
Professional services	**4.3**	3.5	3.0	21 %	40 %
FDIC Insurance	**4.5**	2.3	3.0	97 %	49 %
All other[1]	**7.8**	5.2	9.8	50 %	(20)%
Total noninterest expense	**$ 109.9**	$ 101.2	$ 99.9	9 %	10 %
Total operating noninterest expense*	**$ 105.3**	$ 97.6	$ 98.6	7.9 %	7 %

- **Noninterest expense was $109.9 million**
- **Operating noninterest expense was $105.3 million,** an increase of $7.6 million from the prior quarter but in line with prior quarter's guidance:
  - $2.2 million increase in FDIC insurance, due primarily to an increase of $1.9 million to the FDIC special assessment first incurred in Q4 2023
  - $1.2 million increase in the operating portion of salaries and benefits, including an increase of $0.5 million in severance associated with modest staff reductions and $0.2 million in early retirement
  - $0.9 million increase in occupancy and equipment, due primarily to the move to the Company's new corporate headquarters
  - $1.0 million increase in the operating portion of professional services and marketing expenses

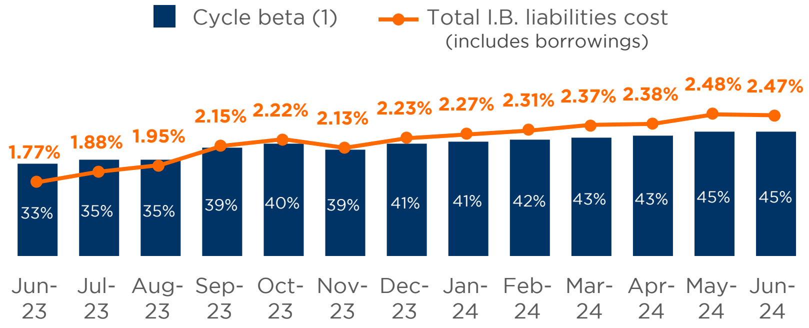
$ in millions. *Non-GAAP Financial Measure. Please refer to Appendices A-D for the applicable reconciliation. [1]Excludes discontinued operations.

Deposits

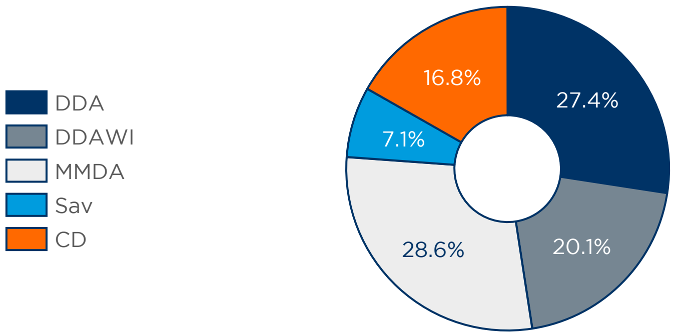
Eastern Bankshares, Inc.

- **Core deposits decreased $129 million, or 2.9%**[2] from the prior quarter. The decrease was driven primarily by the omnibus deposit early withdrawal
- The Company had no brokered deposits as of June 30, 2024 and March 31, 2024
- **48% of total deposits are in checking** products, down from 49% in the prior quarter
- **Total deposit cost**[2] **was 1.78%** in the second quarter, compared to 1.66% in the prior quarter

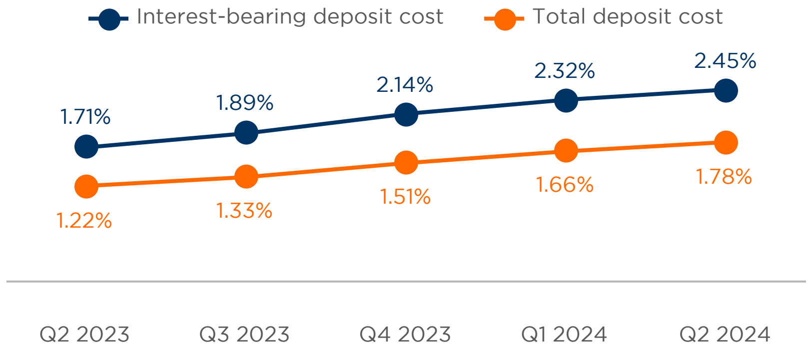
Funding betas & cost



High quality deposit portfolio as of June 30, 2024



Cost of deposits[2]

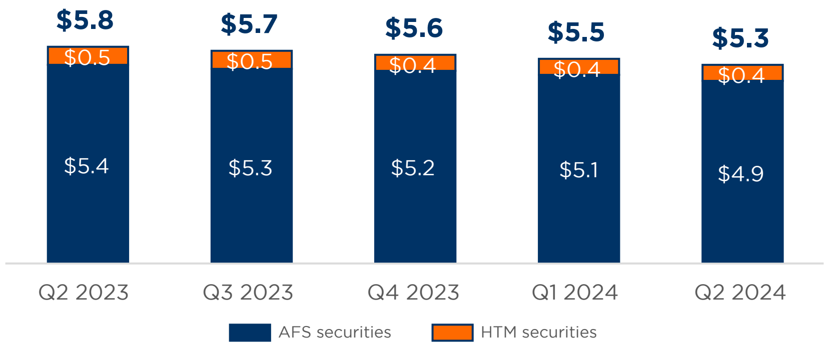


[1]Cycle beta calculated as the change in monthly average total interest-bearing liabilities cost in each respective month, divided by the respective change in the average monthly upper bound of the Federal Funds target range during the same period. [2]Presented on an annualized basis.

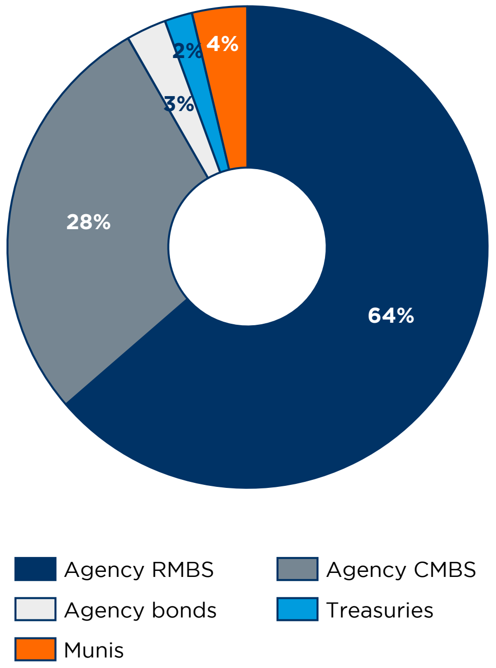
Securities portfolio

Eastern Bankshares, Inc.

Portfolio trends[1]



Investment composition as of June 30, 2024[1]



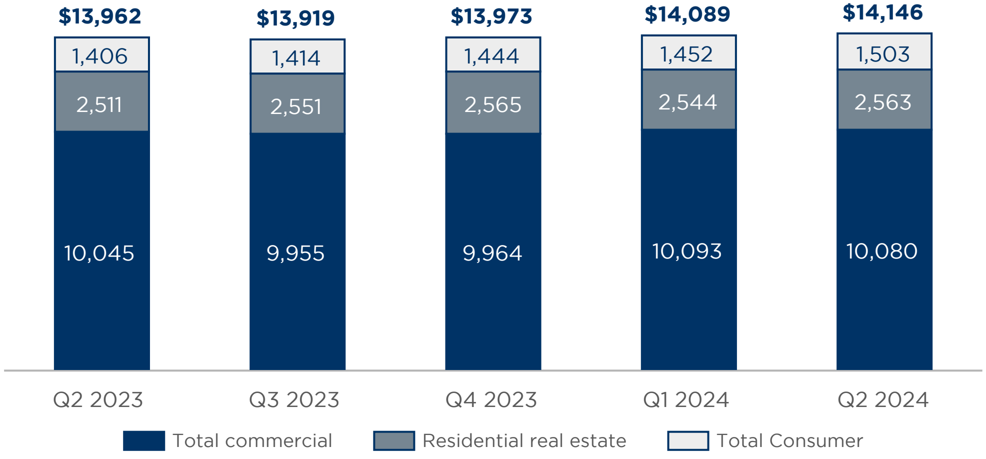
- **High quality portfolio** with 96% in US Agency securities and Treasury bonds
- Portfolio **yield of 1.82%** in Q2 2024
- The AFS **unrealized loss was $612 million** after tax
- Expect to allow the portfolio to run off to 15-20% of total assets over time with **annual cash flows that are expected to be $350-$450 million**

$ in billions. [1]Includes both AFS and HTM portfolios represented at amortized cost.

Loan composition

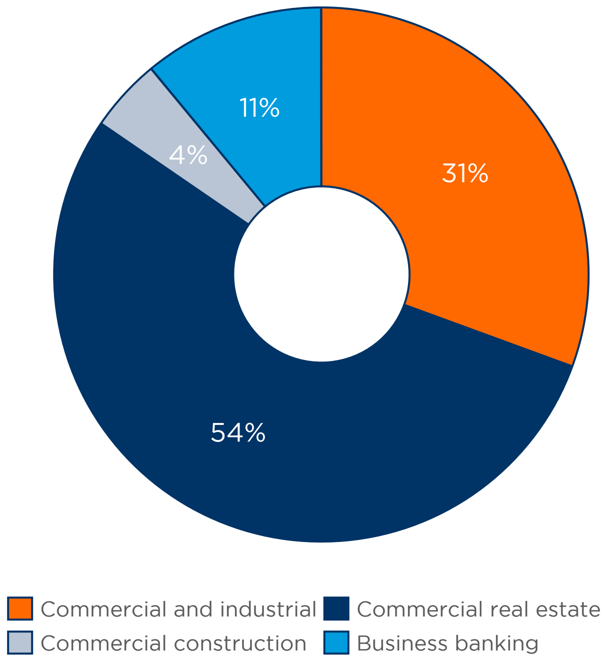
Eastern Bankshares, Inc.

Historical loan composition



- Quarter over quarter **loans increased $57 million**, or 1.6%[1]
  - **Commercial** loans declined $13 million, or 0.5%[1]
  - **Residential** loan growth of $18 million, or 2.9%[1]
  - **Consumer** loan growth of $51 million, or 14.2%[1]
- As of June 30, 2024, expect loan repricing and principal cash flows of $2.7 billion, or 19% of loans, within one month

Commercial composition as of June 30, 2024

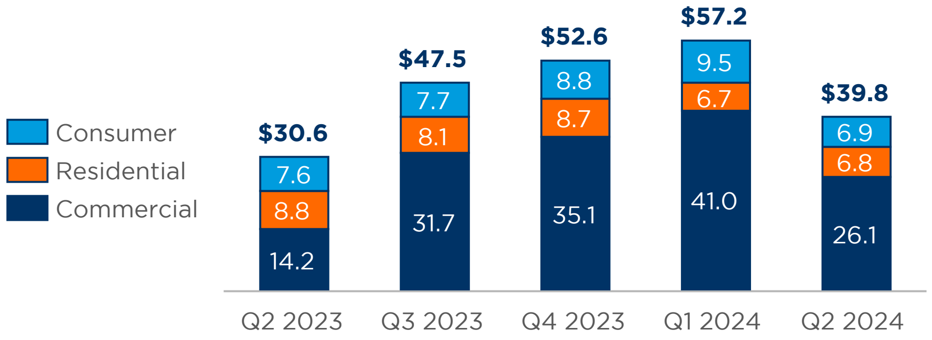


$ in millions. [1]Presented on an annualized basis.

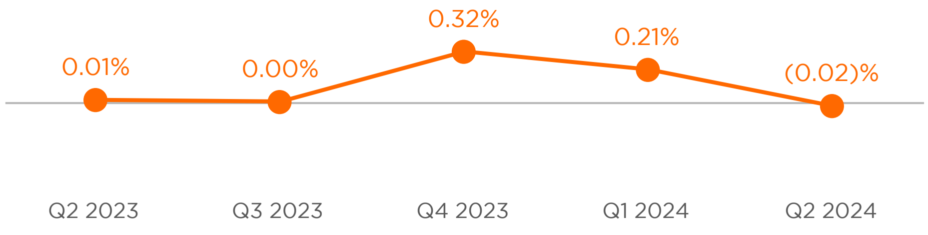
Asset quality

Eastern Bankshares, Inc.

Non-performing loans ("NPLs")



Net (recoveries) charge-offs ("NCOs") / Avg. loans[1]



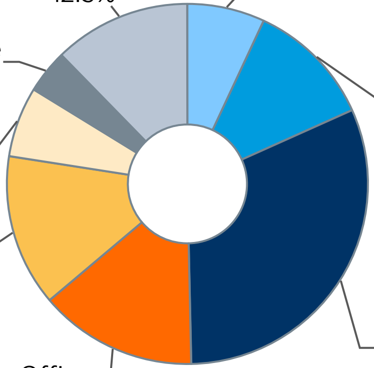
- **NPLs reduction from $57.2 million to $39.8 million**, or from 0.41% to 0.28% of total loans.
    - Two previously-disclosed NPLs were resolved in Q2 2024; one new office loan was moved to NPL status and was reserved for in the quarter
- **Net recoveries were $0.8 million in the second quarter**, **or 0.02%**[1] of average total loans compared to net charge-offs ("NCOs") of 0.21%[1] in the prior quarter
    - $2 million in recoveries associated with resolved NPLs
- **Provision of $6.1 million** for the second quarter, driven primarily by an increase in individual loan reserves associated with CRE office loans
- The **allowance for loan losses was $156.1 million** at June 30, 2024, an increase of $7.0 million from the prior quarter and representing 1.11% of total loans

$ in millions. [1]Presented on an annualized basis.

CRE exposure[1]

Eastern Bankshares, Inc.

CRE composition and LTV as of June 30, 2024



CRE Multi-family exposure[4]

- CRE multi-family loans total $2.1 billion or 38% of total CRE loans
  - No CRE multi-family NPLs in Q2 2024
  - No CRE multi-family charge-offs in the past 10+ years
  - 91% of CRE multi-family properties are in MA or NH

- **CRE portfolio of $5.4 billion**, or 38% of total loans
- Non-owner occupied ("NOO") CRE to total risk-based capital ("RBC") ratio[2] of 151%
- Composed of **diversified property types** with **multi-family as the largest segment**
- Low range of LTV at origination in 50%s for most loan segments indicates low and manageable credit risk
- **~90%** of the properties are in **MA or NH**
- **NPL ratio[3] of 0.4%,** associated with 2 office NPLs, compared to 0.7% in the prior quarter.
- See slide 16 for CRE office exposure

$ in millions. [1]CRE exposure excludes Construction and Business Banking except for the NOO CRE to total RBC ratio. [2]NOO CRE to total RBC ratio in Q2 2024 is an estimated number. [3]Non-performing CRE loans as a percentage of total CRE loans. [4]Includes affordable housing loans.

CRE office exposure[1]

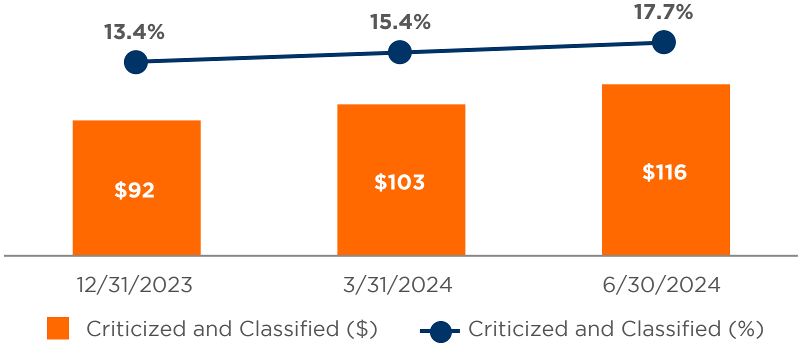
Eastern Bankshares, Inc.

CRE office loan composition

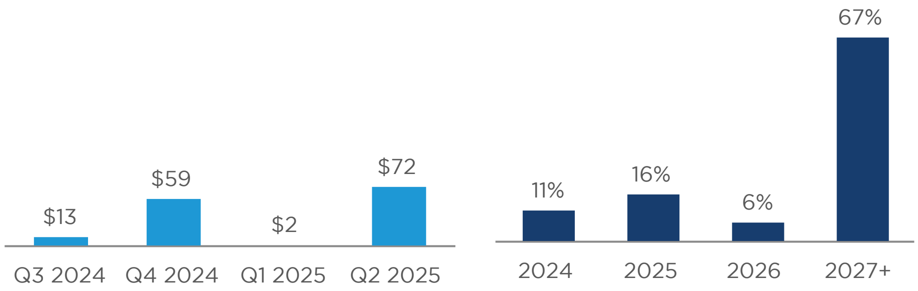
	3/31/24		6/30/24	
	Balance	% of Total Loans	Balance	% of Total Loans
Owner Occupied Office	$ 114	1 %	$ 113	1 %
Investor Office	668	5 %	657	5 %
Total CRE Office[1]	782	6 %	770	5 %

CRE investor office risk segment

Criticized & classified CRE investor office loans



CRE investor office maturity schedule



Characteristics of CRE investor office loans

- **CRE investor office totaled $657 million,** or 5% of total loans
- Average loan size of $4.5 million; 51% in mixed-use office or medical office
- **$116 million criticized and classified,** or 18% of total CRE investor office
- **Five investor office loans moved to NPL status since Q3 2023**:
  - Three NPLs resolved;
  - Collateral of two NPLs being marketed for sale
- **Upcoming maturities proactively managed**: two investor office loans maturing by Q4 2024 were moved to NPL status in 1H 2024
- **Cambridge Trust's office exposure will be marked to fair value** as part of purchase accounting adjustments

$ in millions. [1] CRE Office exposure excludes Construction and Business Banking.

Outlook

Eastern Bankshares, Inc.

- In mid-July, the Cambridge investment portfolio was liquidated and the proceeds were used to pay off wholesale funding
- Reiterating merger guidance from Q1:
  - Post-merger net interest margin expected to be 3.0%+
  - EPS accretion expected to exceed original projections of 20%+
  - Pro forma cash efficiency ratio in mid-50% range, excluding non-cash intangible amortization
  - Combined wealth revenues of $60 million annually with an efficiency ratio in the low-50% range
- Anticipate providing a full update on merger financials with next quarter's earnings release
  - Loan valuation and estimated accretion schedules underway and expect to be finalized late in the third quarter
  - Core deposit intangible, wealth customer list intangible, CECL reserves on similar timeline
- Share repurchases will be subject to capital, market, and liquidity conditions

Non-GAAP financial measures

Eastern Bankshares, Inc.

Non-GAAP financial measures used in this presentation are denoted by an asterisk.

A non-GAAP financial measure is defined as a numerical measure of the Company's historical or future financial performance, financial position or cash flows that excludes (or includes) amounts, or is subject to adjustments that have the effect of excluding (or including) amounts that are included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP") in the Company's statement of income, balance sheet or statement of cash flows (or equivalent statements).

The Company presents non-GAAP financial measures, which management uses to evaluate the Company's performance, and which exclude the effects of certain transactions that management believes are unrelated to its core business and are therefore not necessarily indicative of its current performance or financial position. Management believes excluding these items facilitates greater visibility for investors into the Company's core business as well as underlying trends that may, to some extent, be obscured by inclusion of such items in the corresponding GAAP financial measures. Except as otherwise indicated, these non-GAAP financial measures presented in this presentation exclude discontinued operations. Please refer to Appendix H to this presentation for further information regarding discontinued operations.

There are items in the Company's financial statements that impact its financial results, but which management believes are unrelated to the Company's core business. Accordingly, the Company presents noninterest income on an operating basis, total operating revenue, noninterest expense on an operating basis, operating net income, operating earnings per share, operating return on average assets, operating return on average shareholders' equity, operating return on average tangible shareholders' equity (discussed further below), and the operating efficiency ratio. Each of these figures excludes the impact of such applicable items because management believes such exclusion can provide greater visibility into the Company's core business and underlying trends. Such items that management does not consider to be core to the Company's business include (i) income and expenses from investments held in rabbi trusts, (ii) gains and losses on sales of securities available for sale, net, (iii) gains and losses on the sale of other assets, (iv) rabbi trust employee benefits, (v) impairment charges on tax credit investments and associated tax credit benefits, (vi) other real estate owned ("OREO") gains, (vii) merger and acquisition expenses, (viii) the non-cash pension settlement charge recognized related to the Defined Benefit Plan, (ix) certain discrete tax items and (x) net income from discontinued operations. The Company does not provide an outlook for its total noninterest income and total noninterest expense because each contains income or expense components, as applicable, such as income associated with rabbi trust accounts and rabbi trust employee benefit expense, which are market-driven, and over which the Company cannot exercise control. Accordingly, reconciliations of the Company's outlook for its noninterest income on an operating basis and its noninterest expense on an operating basis to an outlook for total noninterest income and total noninterest expense, respectively, cannot be made available without unreasonable effort.

Management also presents tangible assets, tangible shareholders' equity, average tangible shareholders' equity, tangible book value per share, the ratio of tangible shareholders' equity to tangible assets including the impact of mark-to-market adjustments on held-to-maturity securities, return on average tangible shareholders' equity, and operating return on average tangible shareholders' equity (discussed further above), each of which excludes the impact of goodwill and other intangible assets, as management believes these financial measures provide investors with the ability to further assess the Company's performance, identify trends in its core business and provide a comparison of its capital adequacy to other companies. The Company included the tangible ratios because management believes that investors may find it useful to have access to the same analytical tools used by management to assess performance and identify trends.

These non-GAAP financial measures presented in this presentation should not be considered an alternative or substitute for financial results or measures determined in accordance with GAAP or as an indication of the Company's cash flows from operating activities, a measure of its liquidity position or an indication of funds available for its cash needs. An item which management considers to be non-core and excludes when computing these non-GAAP measures can be of substantial importance to the Company's results for any particular period. In addition, management's methodology for calculating non-GAAP financial measures may differ from the methodologies employed by other banking companies to calculate the same or similar performance measures, and accordingly, the Company's reported non-GAAP financial measures may not be comparable to the same or similar performance measures reported by other banking companies. Please refer to Appendices C-G for a reconciliations of the Company's GAAP financial measures to the non-GAAP financial measures in this presentation.

Forward-looking statements

Eastern Bankshares, Inc.

This presentation contains "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. Forward-looking statements include statements regarding anticipated future events and can be identified by the fact that they do not relate strictly to historical or current facts. You can identify these statements from the use of the words "may," "will," "should," "could," "would," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target", "outlook" and similar expressions. Forward-looking statements, by their nature, are subject to risks and uncertainties. There are many factors that could cause actual results to differ materially from expected results described in the forward-looking statements.

Certain factors that could cause actual results to differ materially from expected results include; adverse developments in the level and direction of loan delinquencies and charge-offs and changes in estimates of the adequacy of the allowance for loan losses; increased competitive pressures; changes in interest rates and resulting changes in competitor or customer behavior, mix or costs of sources of funding, and deposit amounts and composition; risks associated with the Company's implementation of the merger with Cambridge Bancorp, including that the combined companies may not perform as expected due to transaction-related uncertainty or other factors; that revenue or expense synergies may not fully materialize for the Company in the timeframe expected or at all, or may be more costly to achieve; that following completion of the transaction, Eastern's business may not perform as expected due to transaction-related uncertainty or other factors; that Eastern is unable to successfully implement integration strategies; that Eastern's expansion of services or capabilities resulting from the merger may be more challenging than anticipated; reputational risks and the reaction of customers to the transaction; the inability to implement onboarding plans and other consequences associated with mergers; the diversion of management time and Company resources on merger-related issues; and disruptions arising from transitions in management personnel; adverse national or regional economic conditions or conditions within the securities markets or banking sector; legislative and regulatory changes and related compliance costs that could adversely affect the business in which the Company and its subsidiaries, including Eastern Bank, are engaged, including the effect of, and changes in, monetary and fiscal policies and laws, such as the interest rate policies of the Board of Governors of the Federal Reserve System; market and monetary fluctuations, including inflationary or recessionary pressures, interest rate sensitivity, liquidity constraints, increased borrowing and funding costs, and fluctuations due to actual or anticipated changes to federal tax laws; the realizability of deferred tax assets; the Company's ability to successfully implement its risk mitigation strategies; asset and credit quality deterioration, including adverse developments in local or regional real estate markets that decrease collateral values associated with existing loans; operational risks such as cybersecurity incidents, natural disasters, and pandemics, including COVID-19 and the failure of the Company to execute its planned share repurchases. For further discussion of such factors, please see the Company's most recent Annual Report on Form 10-K and subsequent filings with the U.S. Securities and Exchange Commission (the "SEC"), which are available on the SEC's website at www.sec.gov.

You should not place undue reliance on forward-looking statements, which reflect the Company's expectations only as of the date of this press release. The Company does not undertake any obligation to update forward-looking statements.

Appendix

Appendix A: Reconciliation of non-GAAP earnings metrics (1 of 3) (1)

Eastern Bankshares, Inc.

(Unaudited, dollars in thousands, except per-share data)	As of and for the Three Months Ended Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Net income from continuing operations (GAAP)	$ 26,331	$ 38,647	$ 31,509	$ 63,464	$ 44,419
Add:					
Noninterest income components:					
(Income) losses from investments held in rabbi trusts	(1,761)	(4,318)	(4,969)	1,523	(3,002)
Losses on sales of securities available for sale, net	7,557	—	—	—	—
Losses (gains) on sales of other assets	2	—	—	(2)	—
Noninterest expense components:					
Rabbi trust employee benefit expense (income)	930	1,746	1,740	(586)	1,314
Merger and acquisition expenses	3,684	1,816	1,865	3,630	—
Total impact of non-GAAP adjustments	10,412	(756)	(1,364)	4,565	(1,688)
adjustments (2)	224	(190)	13,270	15,944	1,639
Non-GAAP adjustments, net of tax	$ 10,188	$ (566)	$ (14,634)	$ (11,379)	$ (3,327)
Operating net income (non-GAAP)	$ 36,519	$ 38,081	$ 16,875	$ 52,085	$ 41,092
Weighted average common shares outstanding during the period:					
Basic	163,145,255	162,863,540	162,571,066	162,370,469	162,232,236
Diluted	163,499,296	163,188,410	162,724,398	162,469,887	162,246,675
Earnings per share from continuing operations, basic:	$ 0.16	$ 0.24	$ 0.19	$ 0.39	$ 0.27
Earnings per share from continuing operations, diluted:	$ 0.16	$ 0.24	$ 0.19	$ 0.39	$ 0.27
Operating earnings per share, basic (non-GAAP)	$ 0.22	$ 0.23	$ 0.10	$ 0.32	$ 0.25
Operating earnings per share, diluted (non-GAAP)	$ 0.22	$ 0.23	$ 0.10	$ 0.32	$ 0.25

(1) Average assets, average goodwill and other intangibles, and average tangible shareholders' equity components for the three months ended Dec 31, 2023 and preceding periods presented in this section include discontinued operations.

(2) The net tax benefit (expense) associated with these items is generally determined by assessing whether each item is included or excluded from net taxable income and applying our combined statutory tax rate only to those items included in net taxable income. The net tax benefit for the three months ended December 31, 2023 was primarily due to the tax benefit from state tax strategies associated with the utilization of capital losses as a result of the sale of securities in the first quarter of 2023. Upon the sale of securities in the first quarter of 2023, we established a valuation allowance of $17.4 million, as it was determined at that time that it was not more-likely-than-not that the entirety of the deferred tax asset related to the loss on such securities would be realized. Included in that $17.4 million was $2.8 million in expected lost state tax benefits. Following the execution of the sale of our insurance agency business in October 2023 and the resulting capital gain, coupled with tax planning strategies, a state tax benefit of $13.6 million was realized on the security sale losses.

Appendix A: Reconciliation of non-GAAP earnings metrics (2 of 3) (1)

Eastern Bankshares, Inc.

	As of and for the Three Months Ended				
	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Return on average assets (3)	0.50 %	0.74 %	0.59 %	1.18 %	0.81 %
Add:					
(Income) losses from investments held in rabbi trusts (3)	(0.03)%	(0.08)%	(0.09)%	0.03%	(0.05)%
Losses on sales of securities available for sale, net (3)	0.14%	0.00%	0.00%	0.00%	0.00%
Losses (gains) on sales of other assets (3)	0.00%	0.00%	0.00%	0.00%	0.00%
Rabbi trust employee benefit expense (income) (3)	0.02%	0.03%	0.03%	(0.01)%	0.02%
Merger and acquisition expenses (3)	0.07%	0.03%	0.03%	0.07%	0.00%
Less: net tax benefit (expense) associated with non-GAAP adjustments (2) (3)	0.00%	0.00%	0.25%	0.30%	0.03%
Operating return on average assets (non-GAAP) (3)	0.70 %	0.72 %	0.31 %	0.97 %	0.75 %
Return on average shareholders' equity (3)	3.62 %	5.23 %	4.66 %	9.91 %	6.85 %
Add:					
(Income) losses from investments held in rabbi trusts (3)	(0.24)%	(0.58)%	(0.73)%	0.24%	(0.46)%
Losses on sales of securities available for sale, net (3)	1.04%	0.00%	0.00%	0.00%	0.00%
Losses (gains) on sales of other assets (3)	0.00%	0.00%	0.00%	0.00%	0.00%
Rabbi trust employee benefit expense (income) (3)	0.13%	0.24%	0.26%	(0.09)%	0.20%
Merger and acquisition expenses (3)	0.51%	0.25%	0.28%	0.57%	0.00%
Less: net tax benefit (expense) associated with non-GAAP adjustments (2) (3)	0.03%	(0.03)%	1.96%	2.49%	0.25%
Operating return on average shareholders' equity (non-GAAP) (3)	5.03 %	5.17 %	2.51 %	8.14 %	6.34 %

(1) Average assets, average goodwill and other intangibles, and average tangible shareholders' equity components for the three months ended Dec 31, 2023 and preceding periods presented in this section include discontinued operations.

(2) The net tax benefit (expense) associated with these items is generally determined by assessing whether each item is included or excluded from net taxable income and applying our combined statutory tax rate only to those items included in net taxable income. The net tax benefit for the three months ended December 31, 2023 was primarily due to the tax benefit from state tax strategies associated with the utilization of capital losses as a result of the sale of securities in the first quarter of 2023. Upon the sale of securities in the first quarter of 2023, we established a valuation allowance of $17.4 million, as it was determined at that time that it was not more-likely-than-not that the entirety of the deferred tax asset related to the loss on such securities would be realized. Included in that $17.4 million was $2.8 million in expected lost state tax benefits. Following the execution of the sale of our insurance agency business in October 2023 and the resulting capital gain, coupled with tax planning strategies, a state tax benefit of $13.6 million was realized on the security sale losses.

(3) Presented on an annualized basis.

Appendix A: Reconciliation of non-GAAP earnings metrics (3 of 3)(1)

Eastern Bankshares, Inc.

(Unaudited, dollars in thousands)	As of and for the Three Months Ended Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Average tangible shareholders' equity:					
Average total shareholders' equity (GAAP)	$ 2,928,101	$ 2,970,759	$ 2,682,600	$ 2,539,806	$ 2,599,325
Less: Average goodwill and other intangibles	565,523	566,027	597,234	658,591	659,825
Average tangible shareholders' equity (non-GAAP)	$ 2,362,578	$ 2,404,732	$ 2,085,366	$ 1,881,215	$ 1,939,500
Return on average tangible shareholders' equity (non-GAAP) (3)	4.48%	6.46%	5.99%	13.38%	9.19%
Add:					
(Income) losses from investments held in rabbi trusts (3)	(0.30)%	(0.72)%	(0.95)%	0.32%	(0.62)%
Losses on sales of securities available for sale, net (3)	1.29%	—%	—%	—%	—%
Losses (gains) on sales of other assets (3)	—%	—%	—%	—%	—%
Rabbi trust employee benefit expense (income) (3)	0.16 %	0.29 %	0.33 %	(0.12)%	0.27 %
Merger and acquisition expenses (3)	0.63 %	0.30 %	0.35 %	0.77 %	— %
Less: net tax benefit (expense) associated with non-GAAP adjustments (2) (3)	0.04%	(0.03)%	2.52%	3.36%	0.34%
Operating return on average tangible shareholders' equity (non-GAAP) (3)	6.22%	6.36%	3.20%	10.99%	8.50%

(1) Average assets, average goodwill and other intangibles, and average tangible shareholders' equity components for the three months ended Dec 31, 2023 and preceding periods presented in this section include discontinued operations.

(2) The net tax benefit (expense) associated with these items is generally determined by assessing whether each item is included or excluded from net taxable income and applying our combined statutory tax rate only to those items included in net taxable income. The net tax benefit for the three months ended December 31, 2023 was primarily due to the tax benefit from state tax strategies associated with the utilization of capital losses as a result of the sale of securities in the first quarter of 2023. Upon the sale of securities in the first quarter of 2023, we established a valuation allowance of $17.4 million, as it was determined at that time that it was not more-likely-than-not that the entirety of the deferred tax asset related to the loss on such securities would be realized. Included in that $17.4 million was $2.8 million in expected lost state tax benefits. Following the execution of the sale of our insurance agency business in October 2023 and the resulting capital gain, coupled with tax planning strategies, a state tax benefit of $13.6 million was realized on the security sale losses.

(3) Presented on an annualized basis.

Appendix B: Reconciliation of non-GAAP operating revenues and expenses

Eastern Bankshares, Inc.

(Unaudited, dollars in thousands)	Three Months Ended Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Net interest income (GAAP)	$ 128,649	$ 129,900	$ 133,307	$ 137,205	$ 141,588
Add:					
Tax-equivalent adjustment (non-GAAP) (1)	4,553	4,483	4,483	4,376	3,877
Fully-taxable equivalent net interest income (non-GAAP)	$ 133,202	$ 134,383	$ 137,790	$ 141,581	$ 145,465
Noninterest income (GAAP)	$ 25,348	$ 27,692	$ 26,739	$ 19,157	$ 26,204
Less:					
Income (losses) from investments held in rabbi trusts	1,761	4,318	4,969	(1,523)	3,002
Losses on sales of securities available for sale, net	(7,557)	—	—	—	—
Gains (losses) on sales of other assets	(2)	—	—	2	—
Noninterest income on an operating basis (non-GAAP)	$ 31,146	$ 23,374	$ 21,770	$ 20,678	$ 23,202
Noninterest expense (GAAP)	$ 109,869	$ 101,202	$ 121,029	$ 101,748	$ 99,934
Less:					
Rabbi trust employee benefit expense (income)	930	1,746	1,740	(586)	1,314
Merger and acquisition expenses	3,684	1,816	1,865	3,630	—
Noninterest expense on an operating basis (non-GAAP)	$ 105,255	$ 97,640	$ 117,424	$ 98,704	$ 98,620
Total revenue (GAAP)	$ 153,997	$ 157,592	$ 160,046	$ 156,362	$ 167,792
Total operating revenue (non-GAAP)	$ 164,348	$ 157,757	$ 159,560	$ 162,259	$ 168,667
Efficiency ratio (GAAP)	71.34 %	64.22 %	75.62 %	65.07 %	59.56 %
Operating efficiency ratio (non-GAAP)	64.04 %	61.89 %	73.59 %	60.83 %	58.47 %

(1) Interest income on tax-exempt loans and investment securities has been adjusted to a FTE basis using a marginal tax rate of 21.7%, 21.7%, 21.9%, 21.7%, and 21.8% for the three months ended June 30, 2024, March 31, 2024, December 31, 2023, September 30, 2023, and June 30, 2023, respectively.

Appendix C: Reconciliation of non-GAAP capital metrics

Eastern Bankshares, Inc.

(Unaudited, dollars in thousands, except per-share data)	As of Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Tangible shareholders' equity:					
Total shareholders' equity (GAAP)	$ 2,967,473	$ 2,952,831	$ 2,974,855	$ 2,446,553	$ 2,526,772
Less: Goodwill and other intangibles (1)	565,196	565,701	566,205	657,824	658,993
Tangible shareholders' equity (non-GAAP)	2,402,277	2,387,130	2,408,650	1,788,729	1,867,779
Tangible assets:					
Total assets (GAAP)	21,044,169	21,174,804	21,133,278	21,146,292	21,583,493
Less: Goodwill and other intangibles (1)	565,196	565,701	566,205	657,824	658,993
Tangible assets (non-GAAP)	$ 20,478,973	$ 20,609,103	$ 20,567,073	$ 20,488,468	$20,924,500
Shareholders' equity to assets ratio (GAAP)	14.1 %	13.9 %	14.1 %	11.6 %	11.7 %
Tangible shareholders' equity to tangible assets ratio (non-GAAP)	11.7 %	11.6 %	11.7 %	8.7 %	8.9 %
Common shares outstanding	176,687,829	176,631,477	176,426,993	176,376,675	176,376,675
Book value per share (GAAP)	$ 16.80	$ 16.72	$ 16.86	$ 13.87	$ 14.33
Tangible book value per share (non-GAAP)	$ 13.60	$ 13.51	$ 13.65	$ 10.14	$ 10.59

(1) Includes goodwill and other intangible assets of discontinued operations as of September 30, 2023 and June 30, 2023.

Appendix D: Tangible shareholders' equity roll forward

Eastern Bankshares, Inc.

	As of		Change from
	Jun 30, 2024	Mar 31, 2024	Mar 31, 2024
(Unaudited, dollars in thousands, except per-share data)			
Common stock	$ 1,770	$ 1,769	$ 1
Additional paid in capital	1,673,722	1,669,133	4,589
Unallocated ESOP common stock	(130,295)	(131,512)	1,217
Retained earnings	2,076,566	2,068,315	8,251
AOCI, net of tax - available for sale securities	(612,196)	(611,802)	(394)
AOCI, net of tax - pension	6,430	6,946	(516)
AOCI, net of tax - cash flow hedge	(48,524)	(50,018)	1,494
Total shareholders' equity:	$ 2,967,473	$ 2,952,831	$ 14,642
Less: Goodwill and other intangibles	565,196	565,701	(505)
Tangible shareholders' equity (non-GAAP)	$ 2,402,277	$ 2,387,130	$ 15,147
Common shares outstanding	176,687,829	176,631,477	56,352
Per share:			
Common stock	$ 0.01	$ 0.01	$ —
Additional paid in capital	9.47	9.45	0.02
Unallocated ESOP common stock	(0.74)	(0.74)	0.01
Retained earnings	11.75	11.71	0.04
AOCI, net of tax - available for sale securities	(3.46)	(3.46)	—
AOCI, net of tax - pension	0.04	0.04	—
AOCI, net of tax - cash flow hedge	(0.27)	(0.28)	0.01
Total shareholders' equity:	$ 16.80	$ 16.72	$ 0.08
Less: Goodwill and other intangibles	3.20	3.20	—
Tangible shareholders' equity (non-GAAP)	$ 13.60	$ 13.51	$ 0.08