



Massachusetts
Bankers
Association

**THE
KAFAFIAN
GROUP**



STATE OF THE INDUSTRY: MASSACHUSETTS 3Q2020

Performance
Measurement



Strategic
Management



Profit & Process
Improvement



Management
Advisory



Financial
Advisory



DISCLOSURE STATEMENT

FORWARD LOOKING STATEMENTS

This presentation is not considered complete without the accompanying oral presentation made by The Kafafian Group, Inc. (“TKG”). This presentation has been developed by TKG for the Massachusetts Bankers Association

The information contained in this presentation and attached exhibits, if any, have been obtained from sources that are believed to be reliable and is presented “as is”. TKG makes no representations or warranties as to the accuracy or completeness of the information and disclaims any and all liabilities from the use of this presentation. TKG does not have any obligation to update any component of this presentation as the data are only current as of the date of this presentation. The recipient of this presentation should not construe this information as advice relating to regulatory matters, accounting and tax practices, legal matters or as a recommendation to invest in or purchase any form of investment security.

Source: The Kafafian Group, Inc



MASSACHUSETTS BANKERS ASSOCIATION QUARTERLY UPDATE

SUMMARY OF KEY THEMES

- 1 Election results are in, while promises are made, bankers should watch closely for agents of change including potential changes in tax code.
- 2 The Paycheck Protection Program is still shifting metrics across the industry as uncertainty exists on recognition and treatment of deferrals. More guidance was released in early October from the SBA.
- 3 New data from the FDIC's Summary of Deposits report is now available for 2020. The market share picture for community banks in Massachusetts has not changed dramatically aside from any merger and acquisition activity.
- 4 Home affordability is becoming an issue as prices continue to climb. As of the third quarter, three Massachusetts MSAs ranked in the bottom 50 of affordability, the measure ranks a total of 237 MSAs
- 5 Major indices have recovered, but bank valuations have lagged. During the third quarter of 2020, the Median total return for publicly traded MA Banks was -3%, while the SNL Bank Index was flat, the S&P 500 was up 8%. TSLA and AAPL were up 92% and 27%, respectively.

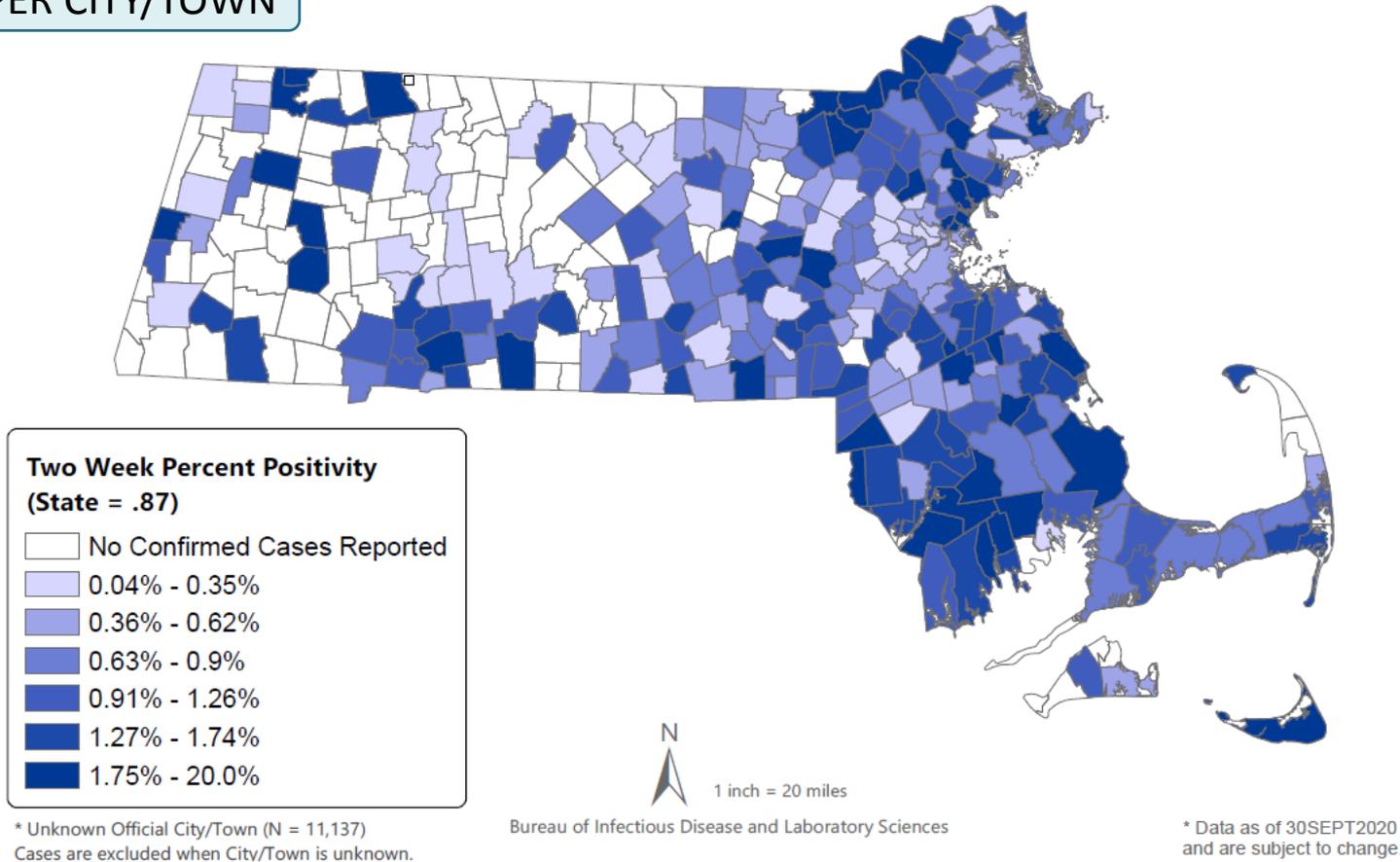
Source: The Kafafian Group, Inc.



CORONAVIRUS PANDEMIC – WEEKLY DASHBOARD

PERCENT POSITIVITY AMONG TESTS PERFORMED – 9/13/2020-9/26/2020

CASES PER CITY/TOWN

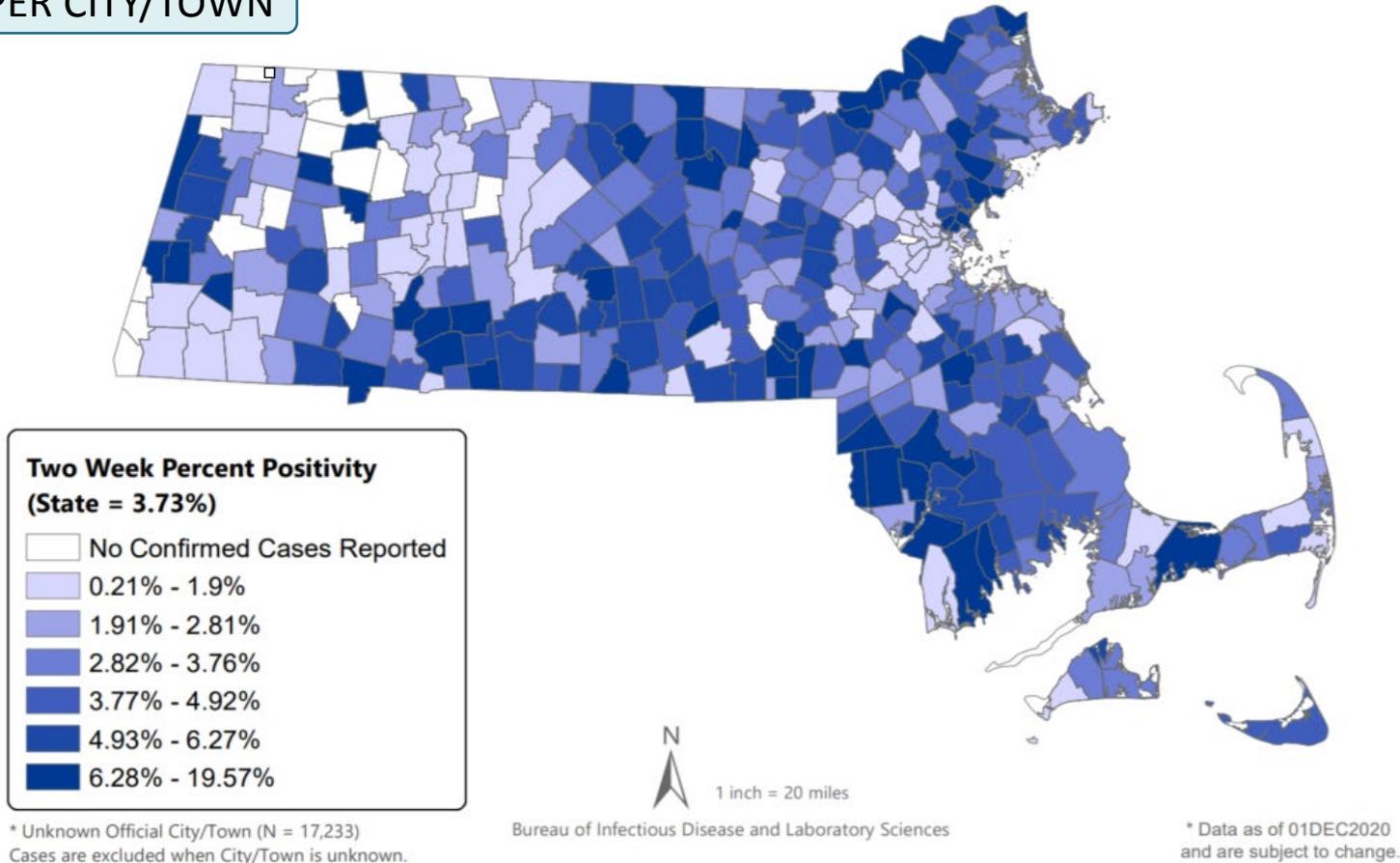


Source: Mass.gov – Bureau of Infectious Disease and Laboratory Sciences. *Data as of September 30, 2020; subject to change

CORONAVIRUS PANDEMIC – WEEKLY DASHBOARD

PERCENT POSITIVITY AMONG TESTS PERFORMED – 11/15/2020-11/28/2020

CASES PER CITY/TOWN



Source: Mass.gov – Bureau of Infectious Disease and Laboratory Sciences. *Data as of December 1, 2020; subject to change

ELECTION: MOVING FORWARD

WHAT COULD BE AHEAD

- Slower opening, more testing
- Blue wave potential for much larger stimulus package
- Would raise minimum wage to \$15/hour
- Critical of 2017 tax cuts, pledges to reverse some (largely targeting high earners)
- \$2 trillion to green infrastructure
- ACA: Yes

Banks are not a hot button for this election. Most likely issues for banks are tied to tax policy and industry specific initiatives or restrictions for commercial customers.

**REPUBLICAN
SENATE**

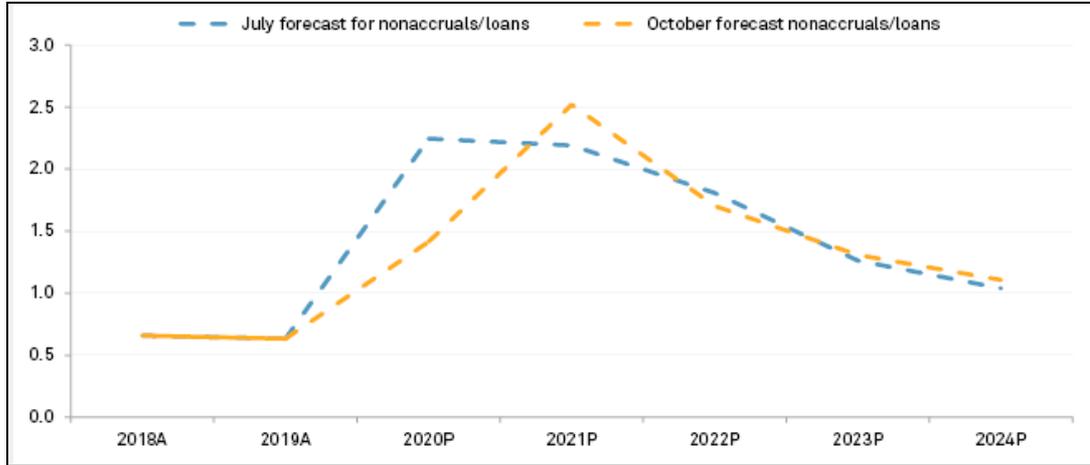
- Likely to reopen economy faster
- Supports additional stimulus, but cautions against nonessential funding
- Would likely make no changes to tax policy in support of maintaining 2017's cuts
- Infrastructure investments necessary, but not focused on "Green"
- ACA: No

**DEMOCRAT
PRESIDENT & HOUSE**

Source: The Kafafian Group, Inc; *<https://www.chase.com/personal/investments/learning-and-insights/article/2020-election-in-focus>.

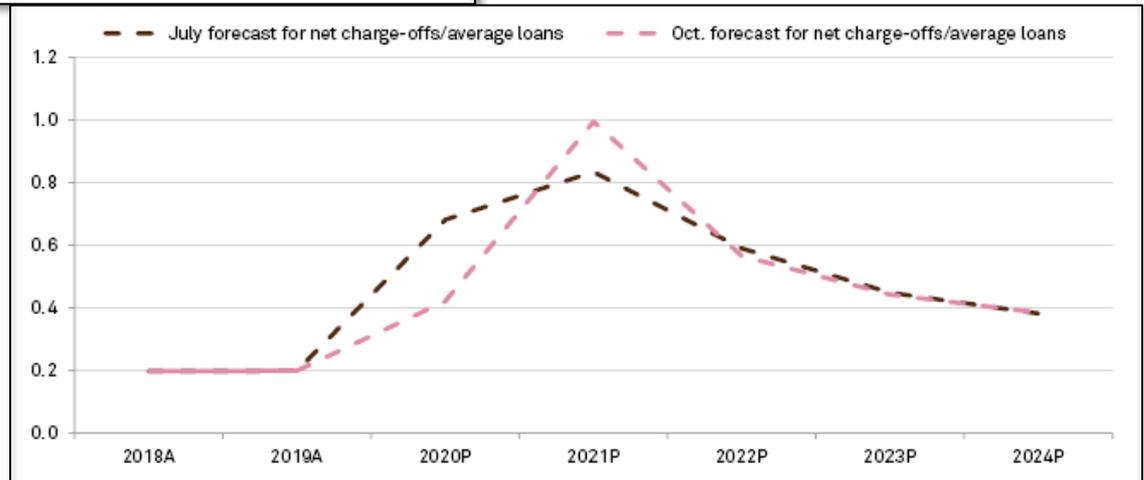
DID THE PANDEMIC CHANGE BANKING?

CREDIT QUALITY



Loan deferrals and government stimulus are delaying credit deterioration.

Executives at JPMorgan Chase & Co. and BofA said significant net charge-offs would probably not appear until the second half of 2021.

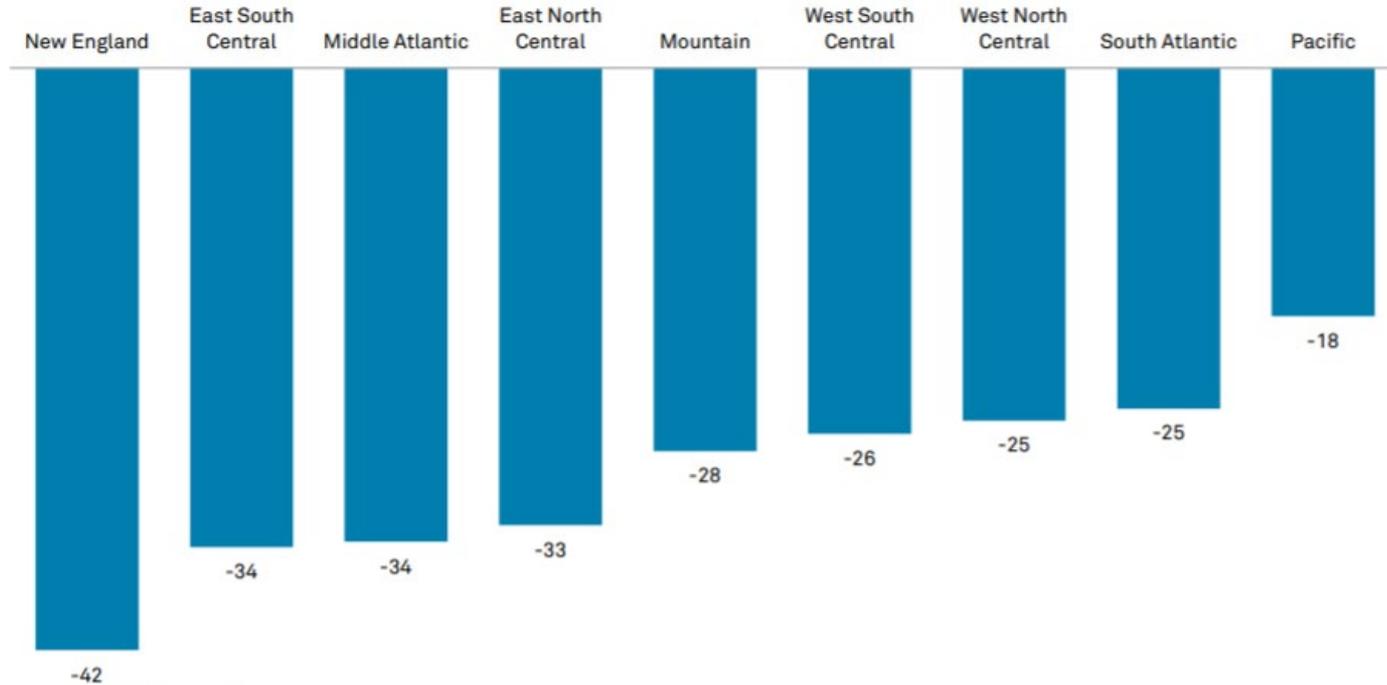


Source: S&P Global Market Intelligence; "Excess liquidity, credit costs threaten community bank returns", October 19, 2020

MOBILE APP USAGE

ADOPTION OF MOBILE BANKING STRONG IN NEW ENGLAND

Decline in survey takers who visited a branch in the last 30 days between 2019 and 2020 (%)



Data compiled Oct. 27, 2020.

Reflects respondents who answered "I visited a branch of my bank" to the following question: "Which of the following actions did you perform in the past 30 days?"

2020 survey responses adjusted for differences in regional sample sizes between surveys.

See footnotes tab for sample sizes in each census division.

2019 survey fielded between Feb. 15 and Feb. 27, 2019, across a nationwide sample of 4,000 U.S. mobile bank app users 18 years or older.

2020 survey fielded between June 22 and July 16, 2020, across a nationwide sample of nearly 4,000 U.S. mobile bank app users 18 years or older.

Source: S&P Global Market Intelligence: 2020 US Mobile Banking Market Report

THE U.S. GOVERNMENT’S RESPONSE TO THE CORONAVIRUS PANDEMIC

THE FOUNDATION: AMERICA’S COMMUNITY BANKS – MASSACHUSETTS BUSINESSES



U.S. Small Business Administration

Paycheck Protection Program

TOP PPP CITIES		
CITY	LOAN COUNT	TOP NAICS
Boston	7,359	Full-Service Restaurants
Worcester	2,392	Offices of Lawyers
Cambridge	2,190	Full-Service Restaurants
Quincy	1,433	Offices of Lawyers
Waltham	1,415	Full-Service Restaurants
Woburn	1,364	Offices of Lawyers
Springfield	1,318	Offices of Lawyers
Framingham	1,273	Offices of Lawyers
New Bedford	1,174	Shellfish Fishing
Brockton	1,122	Offices of Lawyers

MASSACHUSETTS TOP PPP LOANS BY NAICS CODE		
NAICS CODE	DESCRIPTION	COUNT
722511	Full-Service Restaurants	5,093
541110	Offices of Lawyers	3,621
531210	Offices of Real Estate Agents and Brokers	2,632
722513	Limited-Service Restaurants	2,520
621210	Offices of Dentists	2,476
812112	Beauty Salons	2,071
238220	Plumbing, Heating, and Air-Conditioning Contractors	1,935
561730	Landscaping Services	1,907
813110	Religious Organizations	1,877
621111	Offices of Physicians (except Mental Health Specialists)	1,676

Source: TKG analysis of U.S. Small Business Administration and Paycheck Protection Program data as of August 8, 2020

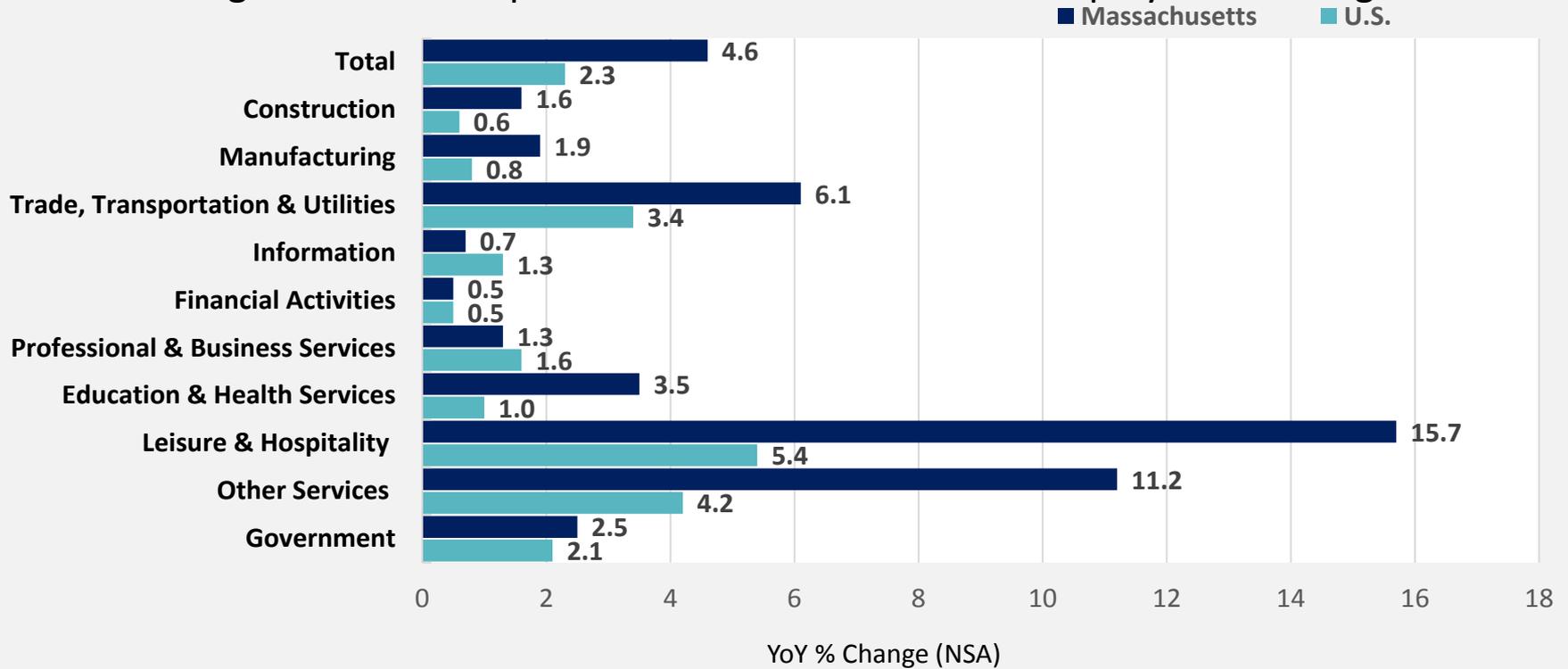


MASSACHUSETTS INDUSTRY GROWTH

PERCENTAGE IMPROVEMENT JUNE MEASURE OF EMPLOYMENT FROM A YEAR AGO (NSA)

The nation is still a long way off from being at employment levels scene pre-pandemic, but levels are certainly improving. For example, Leisure & Hospitality is still down 21.7% (US) and 34.9% (MA) for September 2020, but in June the levels were down 27.1% (US) and 50.6% (MA); indicating the levels improved by 5.4% and 15.7%, respectively.

Change in June vs. Sept. Measure of Year over Year Employment Change



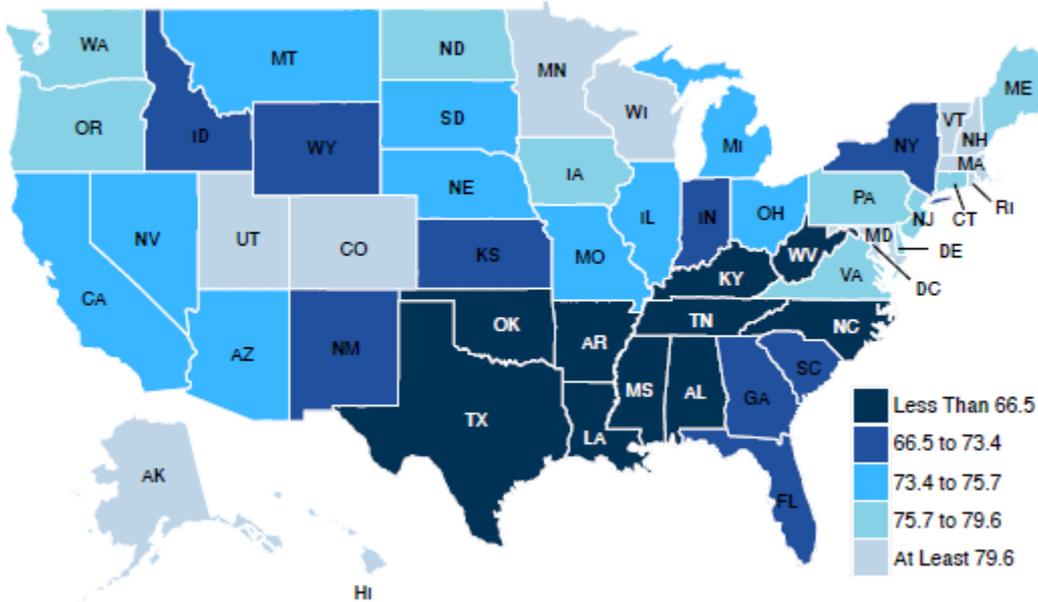
Source: Federal Reserve Bank of Richmond

BANK CREDIT ACCESS

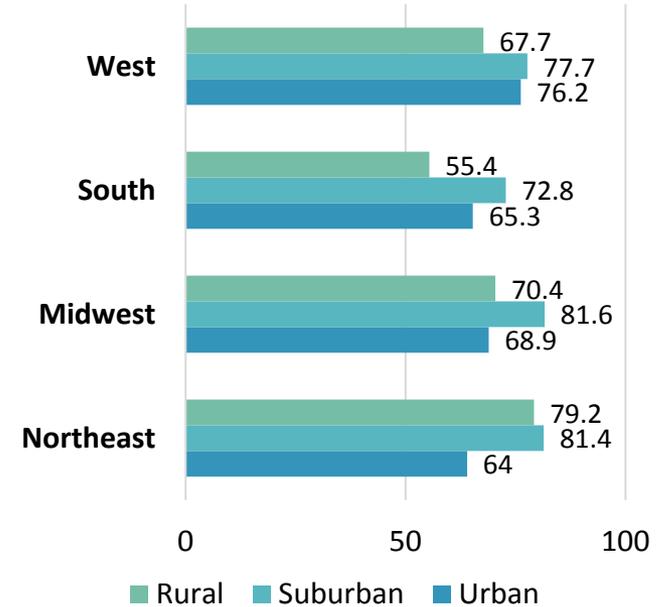
USE OF BANK CREDIT

Bank credit (as opposed to non-bank credit which the FDIC defines as loans such as pay-day, auto title, pawn shop, or tax refund anticipation loans) use varied widely across states: 85.3 percent of households in New Hampshire used bank credit, compared with 52.4 percent in Mississippi. Nationwide the usage rate was 72.5%, Massachusetts was 81.1%.

Bank Credit Use by State (%)



Bank Credit Use by Metro Status & Region (%)

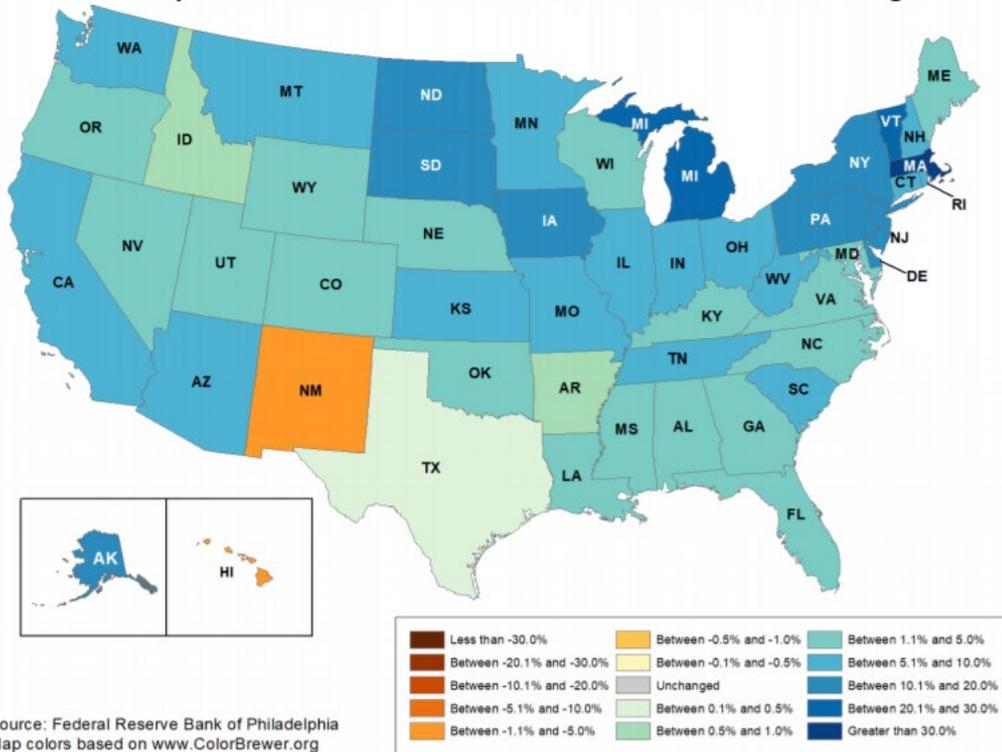


Source: "How America Banks: Household Use of Banking and Financial Services", 2019 FDIC Survey

STATE COINCIDENT INDEXES

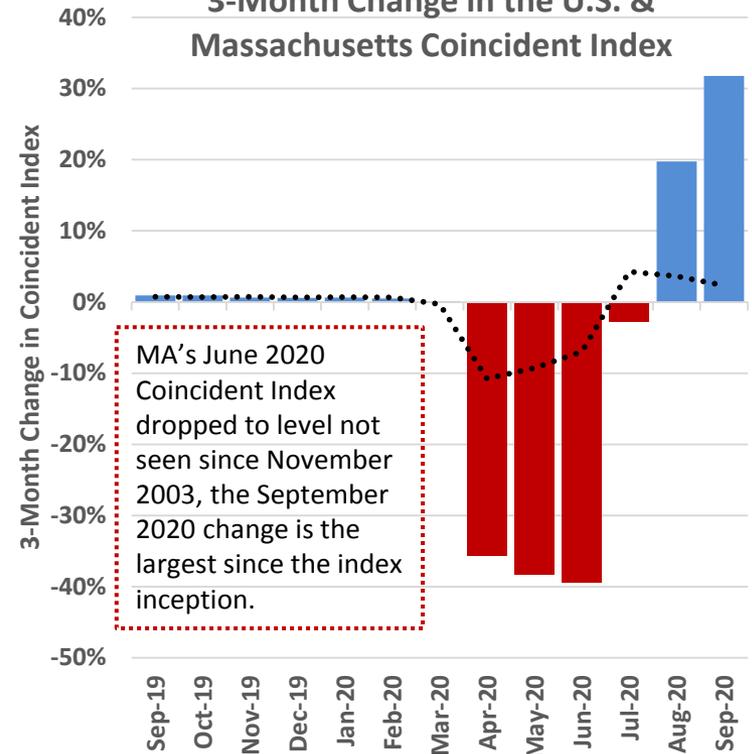
IMPACT OF CORONAVIRUS ON THE ECONOMY

September 2020 State Coincident Indexes: Three-Month Change



Source: Federal Reserve Bank of Philadelphia
Map colors based on www.ColorBrewer.org

3-Month Change in the U.S. & Massachusetts Coincident Index



MA's June 2020 Coincident Index dropped to level not seen since November 2003, the September 2020 change is the largest since the index inception.

Black dotted line represents the U.S./The bars represent Massachusetts

Source: The Kafafian Group, Inc., Federal Reserve Bank of Philadelphia

ECONOMIC SNAPSHOT

EMPLOYMENT & HOUSING

EMPLOYMENT	Measure				Change from	Change from
		Nov-20	Oct-20	Sep-20	Prior Month (%) or actual change	Prior Year (%) or actual change
Unemployment Rate (National Seasonally Adj)	%	6.7	6.9	7.9	-0.2	3.2
Unemployment Rate in Massachusetts (Not Seasonally Adj)	%	NA	6.9	9.8	-2.9	4.1
All Employees, Total Nonfarm	000's	142,629	142,384	141,774	0.17%	-6.05%
Labor Force Participation Rate	%	61.5	61.7	61.4	-0.2	-1.7
		12/5/2020	11/7/2020	10/10/2020		
Initial Claims (Weekly)		853,000	716,000	787,000	19.13%	259.92%

HOUSING	Measure				Change from	Change from
		Nov-20	Oct-20	Sep-20	Prior Month (%) or actual change	Prior Year (%) or actual change
S&P/Case-Shiller U.S. National Home Price Index		NA	NA	226.8	1.16%	6.95%
S&P/Case-Shiller MA-Boston Home Price Index		NA	NA	239.3	1.75%	7.75%
Housing Affordability Index		NA	167.2	167.4	-0.12%	-1.30%
Privately Owned Housing Starts: 1-Unit Structures	000's	NA	1,179	1,108	6.41%	29.42%
Housing Starts for 1-Unit Structures in Northeast Census Region	000's	NA	55.0	67.0	-17.91%	41.03%
30-Year Fixed Rate Mortgage Average in the United States	%	2.83	2.89	2.94	-0.06	-0.86
		3Q2020	2Q2020	1Q2020		
Delinquency Rate on Single-Family Residential Mortgages	%	2.81	2.53	2.37	0.28	0.38

Source: The Kafafian Group, Inc. analysis of data provided by the Federal Reserve Bank of St. Louis, data where available as of December 16, 2020.

ECONOMIC SNAPSHOT

MARKET/RATES, CONSUMER, & PRODUCTION/PRICES

MARKET/RATES (End of Period)	Measure	Nov-20	Oct-20	Sep-20	Change from	Change from
					Prior Month (%) or actual change	Prior Year (%) or actual change
S&P 500		3,621.6	3,270.0	3,363.0	10.75%	15.30%
10-Year Treasury Constant Maturity Rate	%	0.84	0.88	0.69	(0.04)	(0.94)
TED Spread	%	0.15	0.13	0.13	0.02	(0.20)
Bank Prime Loan Rate	%	3.25	3.25	3.25	-	(1.50)
Effective Federal Funds Rate	%	0.09	0.09	0.09	-	(1.47)

CONSUMER	Measure	Nov-20	Oct-20	Sep-20	Change from	Change from
					Prior Month (%) or actual change	Prior Year (%) or actual change
Personal Consumption Expenditures: Chain-type Price Index		NA	111.7	111.7	0.00%	1.18%
Retail Sales: Excluding Motor Vehicle and Parts	\$mil	NA	438,414	437,481	0.21%	4.45%
University of Michigan: Consumer Sentiment		NA	81.80	80.40	1.74%	-14.35%
Personal Saving Rate	%	NA	13.60	14.60	(1.00)	6.40

PRODUCTION/PRICES	Measure	Nov-20	Oct-20	Sep-20	Change from	Change from
					Prior Month (%) or actual change	Prior Year (%) or actual change
Consumer Price Index		NA	260.33	260.21	0.04%	1.20%
ISM Manufacturing: PMI		57.50	59.30	55.40	(1.80)	9.40
ISM Services: PMI		55.90	56.60	57.80	(0.70)	2.00
		3Q2020	2Q2020	1Q2020		
Gross Domestic Product(Change from Prior, annualized rate)	%	38.00	(32.80)	(3.40)	NA	NA

Source: The Kafafian Group, Inc. analysis of data provided by the Federal Reserve Bank of St. Louis, data where available as of December 16, 2020.

IN THE NEWS

MASSACHUSETTS BANKS AND BANKERS IN THE NEWS

Investors Bank to buy 8 branches of Boston-based Berkshire Bank

Wednesday, December 2, 2020 6:50 PM ET

NEWS AUG 13, 2020, 6:26AM EDT

Mass. banks turn to fintechs for help with PPP forgiveness

. South Shore **Bank** did not use a fintech to help it with PPP applications in April, but CEO Jim Dunphy says that for the forgiveness process, it's integrating software from a Fiserv Inc. affiliate. The...

CEO of Massachusetts-based Cornerstone Bank to retire

Friday, September 11, 2020 1:17 AM ET

K. Michael Robbins will retire as CEO of Worcester, Mass.-based [Cornerstone Bank](#) on Dec. 31.

Robbins will continue to serve as chairman of the bank. Cornerstone Bank President Todd Tallman will replace Robbins as CEO.

Kathleen M. Murphy to Succeed Daniel J. Forte as President/CEO of the Massachusetts Bankers Association

Eastern Bankshares completes common stock offering

Wednesday, October 14, 2020 7:59 PM ET

Source: The Kafafian Group, Inc., American Bankers Association, Boston Business Journal, MBA, The Boston Globe, and S&P Global Market Intelligence.

Massachusetts bank rebranded to reflect national push

By Paul Davis July 14, 2020, 9:54 a.m. EDT 1 Min Read

Provident Bancorp in Amesbury, Mass., has rebranded its bank.

Eastern Insurance Group acquires assets of Massachusetts-based insurance agency

Tuesday, December 1, 2020 11:27 AM ET

NEWS SEP 1, 2020, 5:06AM EDT

Mass. banks outperform industry peers in face of Covid-19

suggest. Boston-based Berkshire **Bank** (Nasdaq: BHLB), one of the state's largest lenders, wrote down over half a billion dollars on its goodwill balance during that time frame, which shows up on its balance...

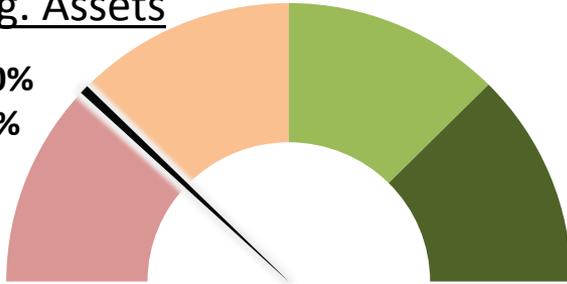


THE U.S. BANKING INDUSTRY VS MASSACHUSETTS BANKS

RECENT PERFORMANCE: SELECT PROFITABILITY RATIOS

Return On Avg. Assets

MA Median: 0.60%
US Median: 0.97%

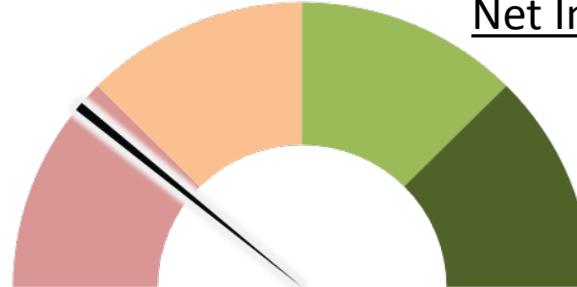


MA's **Median** ROAA ranks among the 24th percentile Nationwide

ROAA utilizes S&P Global Market Intelligence's adjustment for institutions that operate as Sub Chapter S Corporations.

Net Interest Margin

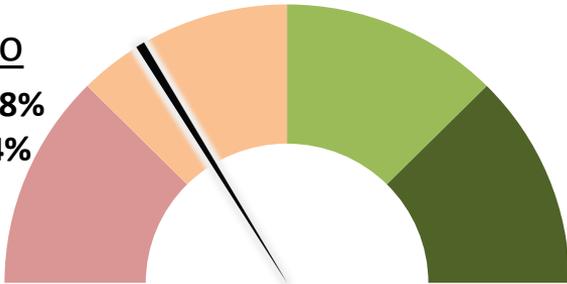
MA Median: 3.03%
US Median: 3.53%



MA's **Median** Net Interest Margin ranks among the 21st percentile Nationwide

Efficiency Ratio

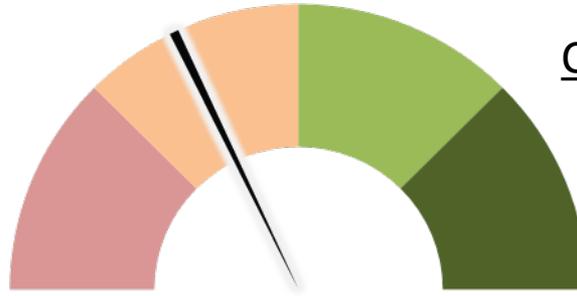
MA Median: 72.78%
US Median: 66.04%



MA's **Median** Efficiency Ratio ranks among the 31st percentile Nationwide

Cost of Funds

MA Median: 0.86%
US Median: 0.71%



MA's **Median** Cost of Funds ranks among the 35th percentile Nationwide

Source: The Kafafian Group, Inc. and S&P Global Market Intelligence. Presented for the Latest Twelve Months ended September 30, 2020

THE U.S. BANKING INDUSTRY VS MASSACHUSETTS BANKS

RECENT PERFORMANCE: SELECT BALANCE SHEET RATIOS

NPA/Assets

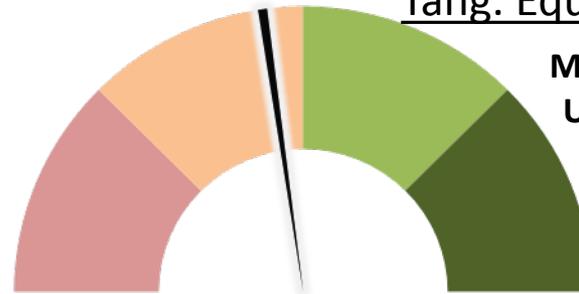
MA Median: 0.44%
US Median: 0.52%



MA's **Median** NPA/Assets ratio ranks among the 56th percentile Nationwide.

Tang. Equity/Tang. Assets

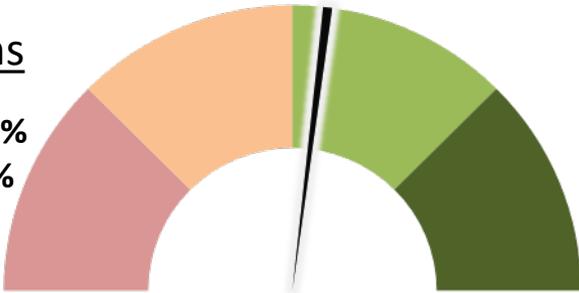
MA Median: 10.05%
US Median: 10.35%



MA's **Median** Tangible Equity/Tangible Assets ratio ranks among the 45th percentile Nationwide

Total CRE/Loans

MA Median: 23.00%
US Median: 21.58%



MA's **Median** Total CRE/Loans ratio ranks among the 72nd percentile Nationwide

Loans/Deposits

MA Median: 91.04%
US Median: 79.45%



MA's **Median** Loan/Deposit ratio ranks among the 70th percentile Nationwide

Source: The Kafafian Group, Inc. and S&P Global Market Intelligence. Presented for the Quarter ended September 30, 2020.

THE U.S. BANKING INDUSTRY VS MASSACHUSETTS BANKS

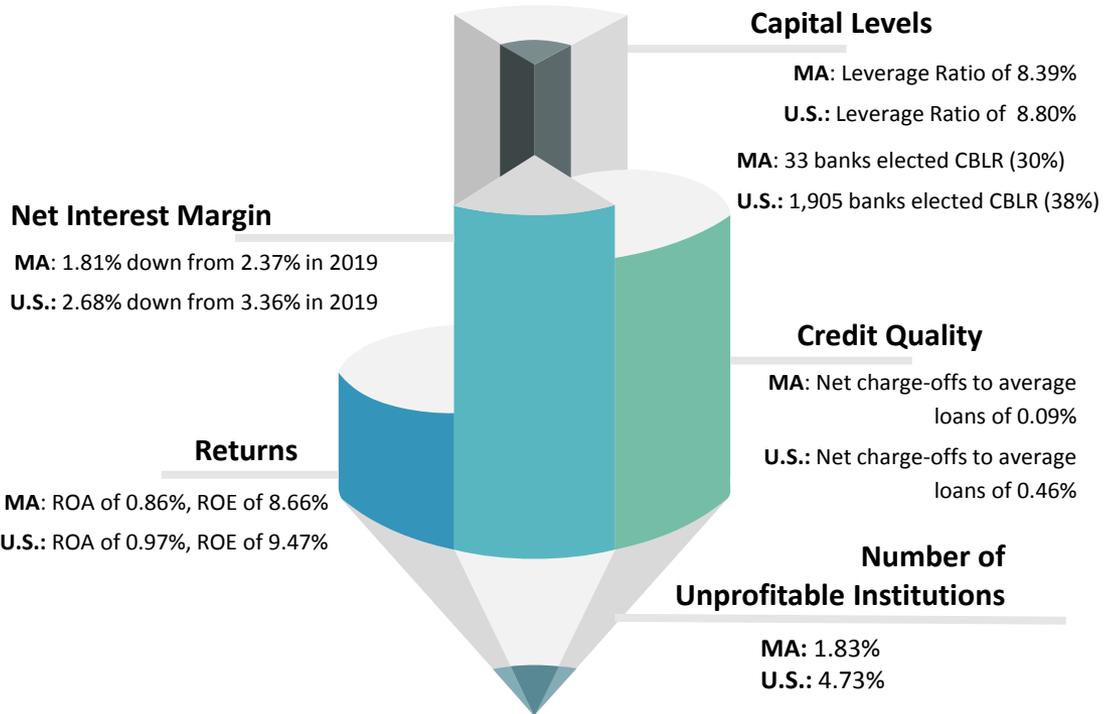
THIRD QUARTER OF 2020 RESULTS (AGGREGATE)

109 MA Institutions*

5,033 Total US Institutions

2.17% of the U.S. Banking Industry's Total Assets

1.57% of the U.S. Banking Industry's Total Loans



*Headquartered in Massachusetts

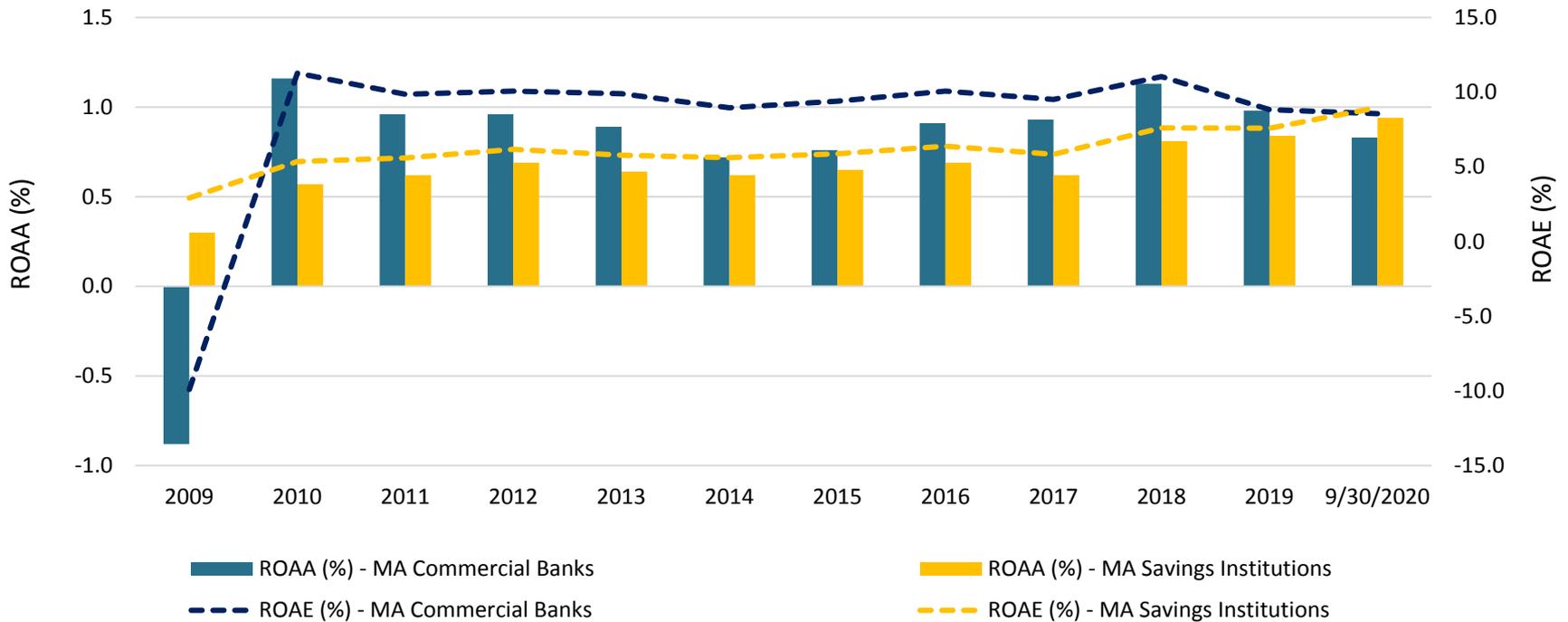
Source: TKG analysis of S&P Global Market Intelligence and FDIC data which is aggregated

MASSACHUSETTS BANKS PERFORMANCE

RECENT TRENDS

Typically, Massachusetts Commercial Banks outperform Massachusetts Savings Institutions when evaluating ROAA and ROAE, this is not the case based on annualized results from the third quarter of 2020

PROFITABILITY HIGHLIGHTS (%)



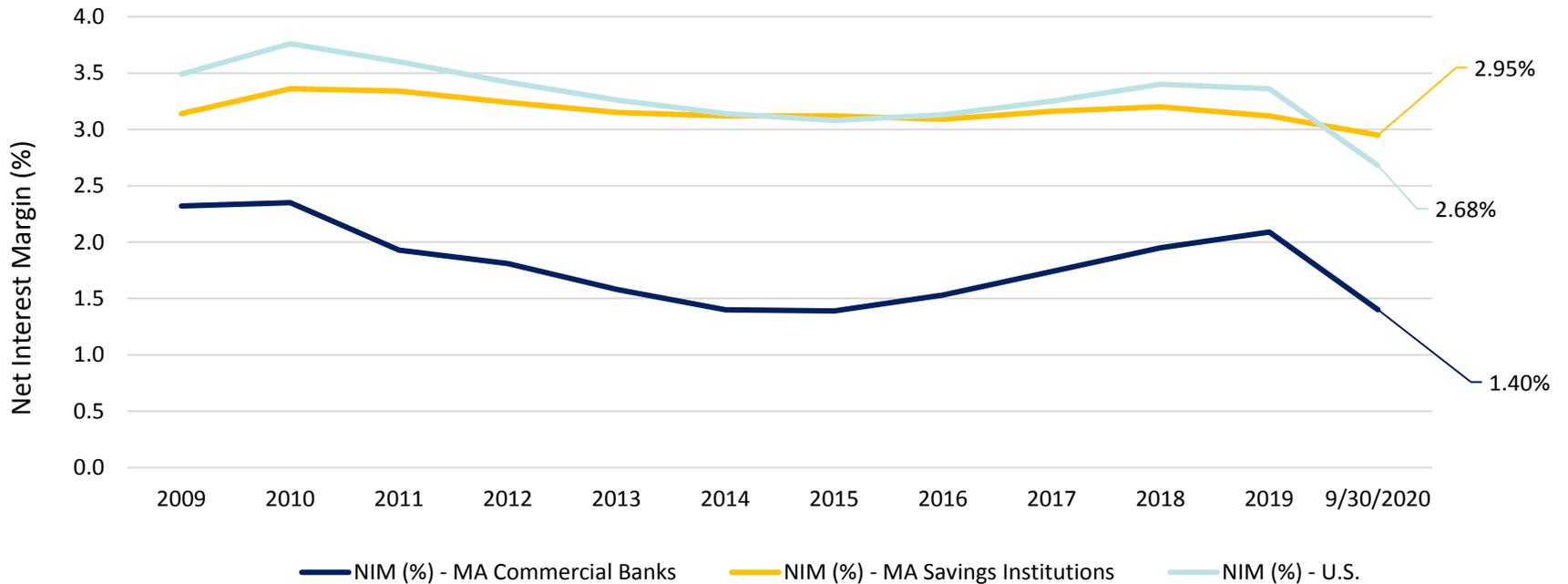
Source: FDIC data as of 9/30/2020 (quarterly annualized)

MASSACHUSETTS BANKS PERFORMANCE

RECENT TRENDS (CONTINUED)

Net interest margin of Massachusetts Commercial Banks lags Massachusetts Savings Institutions. Concentrations due to PPP are likely the culprit.

PROFITABILITY HIGHLIGHTS (%)



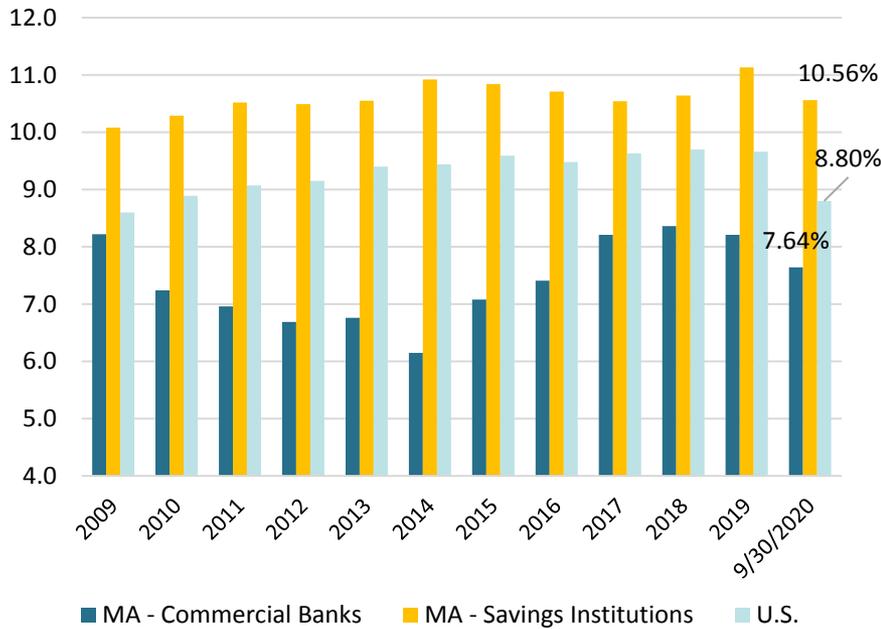
Source: FDIC data as of 9/30/2020 (quarterly annualized)

MASSACHUSETTS BANKS PERFORMANCE

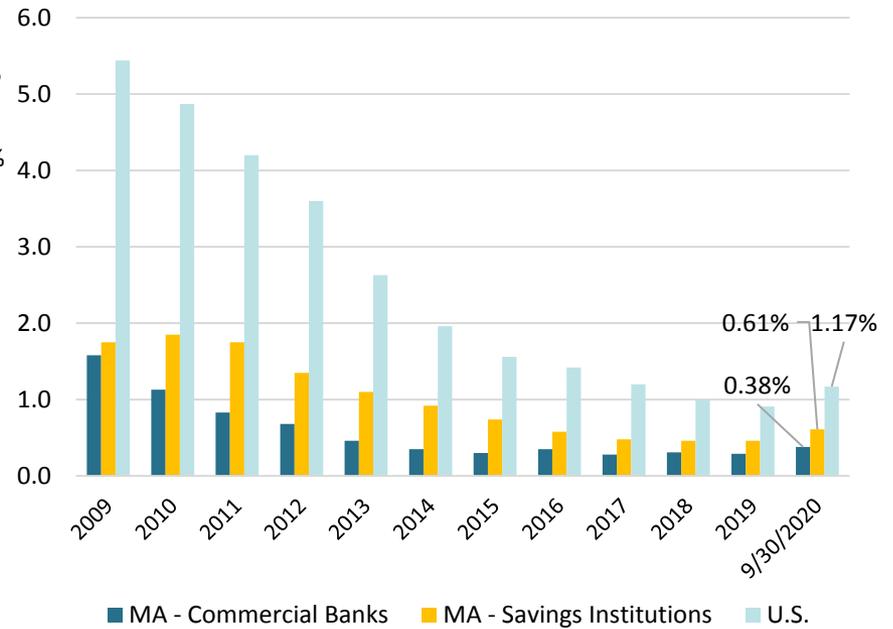
RECENT TRENDS CONTINUED

Both Massachusetts Commercial Banks and Savings Institutions have superior Noncurrent Loans/Total Loans compared to the U.S. Also, the rate at which the U.S. noncurrent loans to total loans is increasing outpaced that of Massachusetts-based financial institutions.

TIER 1 LEVERAGE RATIO (%)



NONCURRENT LOANS/TOTAL LOANS (%)



Source: FDIC data as of 9/30/2020



MASSACHUSETTS MERGERS AND ACQUISITIONS

TRANSACTION FINANCIAL HIGHLIGHTS

Presented are deals announced between January 1, 2017 and September 30, 2020. No new Massachusetts deals announced between July 1 and September 30. While deals have been announced during the third quarter across the nation, there has been a noticeable slow down in potential business combinations in the banking industry.

Date Announced	Date Completed	Buyer	Target	Target City	Target State	Target Financials at Announcement								
						Total Assets (\$000)	Total Deposits (\$000)	Tang. Eq./ Assets (%)	NPAs/ Assets (%)	Non-int. Inc./AA (%)	Non-int. Exp./AA (%)	ROAA (%)	ROAE (%)	
1	02/18/20	LendingClub Corporation	Radius Bancorp, Inc.	Boston	MA	1,390,254	1,190,769	8.78	0.92	0.81	2.85	0.47	5.09	
2	01/14/20	07/31/20	Beacon Bancorp	Freedom National Bank	Greenville	RI	123,029	102,968	10.03	1.94	0.31	3.53	0.30	3.03
3	12/18/19	06/01/20	Cambridge Financial Group, Inc.	Melrose Bancorp, Inc.	Melrose	MA	340,813	270,134	11.93	NA	0.10	1.72	0.38	2.93
4	12/05/19	06/01/20	Cambridge Bancorp	Wellesley Bancorp, Inc.	Wellesley	MA	985,867	758,745	7.28	NA	0.35	1.87	0.70	9.48
5	12/04/19	10/01/20	Bridgewater Financial, MHC	Mansfield Co-operative Bank	Mansfield	MA	527,235	423,975	10.66	0.35	0.47	2.75	0.60	5.77
6	06/18/19	01/01/20	Fidelity Mutual Holding Company	Family Federal Savings, F.A.	Fitchburg	MA	97,894	84,773	11.76	1.36	0.38	2.64	0.05	0.47
7	04/09/19	10/01/19	North Shore Bancorp	Beverly Financial, MHC	Beverly	MA	486,825	410,928	8.53	0.30	0.29	2.47	0.72	8.40
8	02/27/19	10/21/19	Hometown Financial Group MHC	Millbury Savings Bank	Millbury	MA	228,126	186,891	12.46	0.76	0.32	3.02	0.81	6.72
9	02/06/19	05/17/19	Hometown Financial Group MHC	Abington Bank	Abington	MA	314,124	267,617	9.92	1.31	0.26	2.99	0.47	4.45
10	12/11/18	05/17/19	Berkshire Hills Bancorp, Inc.	SI Financial Group, Inc.	Willimantic	CT	1,607,135	1,250,093	9.65	1.17	0.66	1.77	0.41	3.82
11	12/05/18	04/17/19	Cambridge Bancorp	Optima Bank & Trust Company	Portsmouth	NH	524,176	488,544	6.29	0.44	0.25	2.41	0.47	7.22
12	11/27/18	04/01/19	People's United Financial, Inc.	BSB Bancorp, Inc.	Belmont	MA	2,971,807	1,948,328	6.66	0.19	0.17	0.95	0.74	11.00
13	11/06/18	04/30/19	North Easton Savings Bank	Mutual Bank	Whitman	MA	517,988	425,280	8.99	0.31	0.70	3.12	0.59	6.65
14	09/20/18	04/01/19	Independent Bank Corp.	Blue Hills Bancorp, Inc.	Norwood	MA	2,741,162	2,112,067	14.31	0.52	0.46	1.60	0.70	4.54
15	08/14/18	04/01/19	Equitable Bancorp, MHC	South Shore Mutual Holding Company	Weymouth	MA	522,836	399,325	8.87	1.12	0.33	2.83	0.29	3.07
16	07/25/18	01/31/19	Hometown Financial Group MHC	Pilgrim Bancshares, Inc.	Cohasset	MA	265,562	194,634	12.93	1.34	0.19	2.03	0.52	4.04
17	07/17/18	11/30/18	PeoplesBancorp, MHC	First Suffield Financial, Inc.	Suffield	CT	281,475	233,299	NA	NA	NA	NA	NA	NA
18	05/29/18	11/14/18	Independent Bank Corp.	MNB Bancorp	Milford	MA	365,356	301,139	8.19	0.44	0.58	3.15	0.55	6.19
19	04/30/18	08/20/18	Salem Five Bancorp	Sage Bank	Lowell	MA	141,727	91,372	7.22	1.48	5.00	9.48	(1.25)	(15.66)
20	03/14/18	10/05/18	HarborOne Bancorp, Inc. (MHC)	Coastway Bancorp, Inc.	Warwick	RI	738,905	476,956	9.66	1.94	1.13	2.12	0.39	3.72
21	09/21/17	03/01/18	Brookline Bancorp, Inc.	First Commons Bank, NA	Newton Centre	MA	323,797	277,191	10.83	0.00	0.12	2.15	0.74	7.45
22	09/19/17	04/01/18	Fidelity Mutual Holding Company	Colonial Co-operative Bank	Gardner	MA	69,027	62,998	8.12	6.44	0.78	4.09	0.11	1.40
23	07/18/17	10/31/17	South Shore Bancorp MHC	Braintree Bancorp MHC	Braintree	MA	258,583	237,189	8.09	1.69	0.54	3.09	0.20	2.54
24														
25														
26														
27														

High	2,971,807	2,112,067	14.31	6.44	5.00	9.48	0.81	11.00
Low	69,027	62,998	6.29	0.00	0.10	0.95	(1.25)	(15.66)
Average	687,987	530,227	9.60	1.20	0.65	2.85	0.41	4.20
Median	365,356	301,139	9.32	1.02	0.36	2.70	0.47	4.49

Source: The Kafafian Group, Inc. and S&P Global Market Intelligence. Deal announced between July 1, 2017 and September 30, 2020



MASSACHUSETTS MERGERS AND ACQUISITIONS

TRANSACTION VALUATION HIGHLIGHTS

No new deals announced during the third quarter of 2020, but one of the two 2020 deals announced involving MA banks closed in the second quarter, as well as one on October 1, 2020.

Date Announced	Date Completed	Buyer	Target	Consid-eration	MOE?	Transaction Ratios at Announcement (completion if deal has closed)				Variance between Announce and Close					
						Deal Value (\$M)	Price/Book (%)	Price/Tang. Bk (%)	Price/LTM EPS (x)	Deal Value (\$M)	Price/Book (%)	Price/Tang. Bk (%)			
1	02/18/20		LendingClub Corporation	Radius Bancorp, Inc.	Mix	No	188.3	176.41	179.49	35.4		NA	NA	NA	
2	01/14/20	07/31/20	Beacon Bancorp	Freedom National Bank	Cash	No	20.0	159.52	159.52	54.1	→	0.0	-2.63	-2.63	
3	12/18/19	06/01/20	Cambridge Financial Group, Inc.	Melrose Bancorp, Inc.	Cash	No	57.6	142.10	142.10	NM	→	0.0	0.28	0.28	
4	12/05/19	06/01/20	Cambridge Bancorp	Wellesley Bancorp, Inc.	Stock	No	91.1	116.85	121.35	13.8	↓	-29.9	-41.68	-47.26	
5	12/04/19	10/01/20	Bridgewater Financial, MHC	Mansfield Co-operative Bank	NA	Yes	NA	NA	NA	NA		NA	NA	NA	
6	06/18/19	01/01/20	Fidelity Mutual Holding Company	Family Federal Savings, F.A.	NA	No	NA	NA	NA	NA		NA	NA	NA	
7	04/09/19	10/01/19	North Shore Bancorp	Beverly Financial, MHC	NA	No	NA	NA	NA	NA		NA	NA	NA	
8	02/27/19	10/21/19	Hometown Financial Group MHC	Millbury Savings Bank	NA	No	NA	NA	NA	NA		NA	NA	NA	
9	02/06/19	05/17/19	Hometown Financial Group MHC	Abington Bank	NA	No	NA	NA	NA	NA		NA	NA	NA	
10	12/11/18	05/17/19	Berkshire Hills Bancorp, Inc.	SI Financial Group, Inc.	Stock	No	178.4	100.59	111.74	16.1	↓	-4.1	-5.55	-7.08	
11	12/05/18	04/17/19	Cambridge Bancorp	Optima Bank & Trust Company	Mix	No	62.8	179.49	179.49	24.4	↓	-2.6	-18.90	-18.90	
12	11/27/18	04/01/19	People's United Financial, Inc.	BSB Bancorp, Inc.	Mix	No	321.7	159.30	159.40	13.5	↑	4.5	-0.45	-0.82	
13	11/06/18	04/30/19	North Easton Savings Bank	Mutual Bank	NA	No	NA	NA	NA	NA		NA	NA	NA	
14	09/20/18	04/01/19	Independent Bank Corp.	Blue Hills Bancorp, Inc.	Mix	No	673.7	159.52	170.61	24.4	↓	-51.7	-14.19	-15.00	
15	08/14/18	04/01/19	Equitable Bancorp, MHC	South Shore Mutual Holding Company	NA	Yes	NA	NA	NA	NA		NA	NA	NA	
16	07/25/18	01/31/19	Hometown Financial Group MHC	Pilgrim Bancshares, Inc.	Cash	No	53.8	150.74	155.89	46.0	→	0.0	-0.69	-0.72	
17	07/17/18	11/30/18	PeoplesBancorp, MHC	First Suffield Financial, Inc.	Cash	No	60.0	201.85	NA	NA	→	0.0	0.00	NA	
18	05/29/18	11/14/18	Independent Bank Corp.	MNB Bancorp	Mix	No	55.5	204.16	204.16	49.9	↑	1.1	0.44	0.44	
19	04/30/18	08/20/18	Salem Five Bancorp	Sage Bank	Cash	No	9.3	116.51	116.51	NA	→	0.0	3.54	3.54	
20	03/14/18	10/05/18	HarborOne Bancorp, Inc. (MHC)	Coastway Bancorp, Inc.	Cash	No	123.9	168.75	168.75	37.7	→	0.0	-5.04	-4.93	
21	09/21/17	03/01/18	Brookline Bancorp, Inc.	First Commons Bank, NA	Stock	No	57.3	161.28	161.28	34.2	↑	1.8	2.97	2.97	
22	09/19/17	04/01/18	Fidelity Mutual Holding Company	Colonial Co-operative Bank	NA	No	NA	NA	NA	NA		NA	NA	NA	
23	07/18/17	10/31/17	South Shore Bancorp MHC	Braintree Bancorp MHC	NA	No	NA	NA	NA	NA		NA	NA	NA	
24							High	673.7	204.16	204.16	54.1		4.5	3.54	3.54
25							Low	9.3	100.59	111.74	13.5		(51.7)	(41.68)	(47.26)
26							Average	139.5	156.93	156.18	31.8		(6.2)	(6.30)	(7.51)
27							Median	61.4	159.52	159.52	34.2		0.0	(0.69)	(1.72)

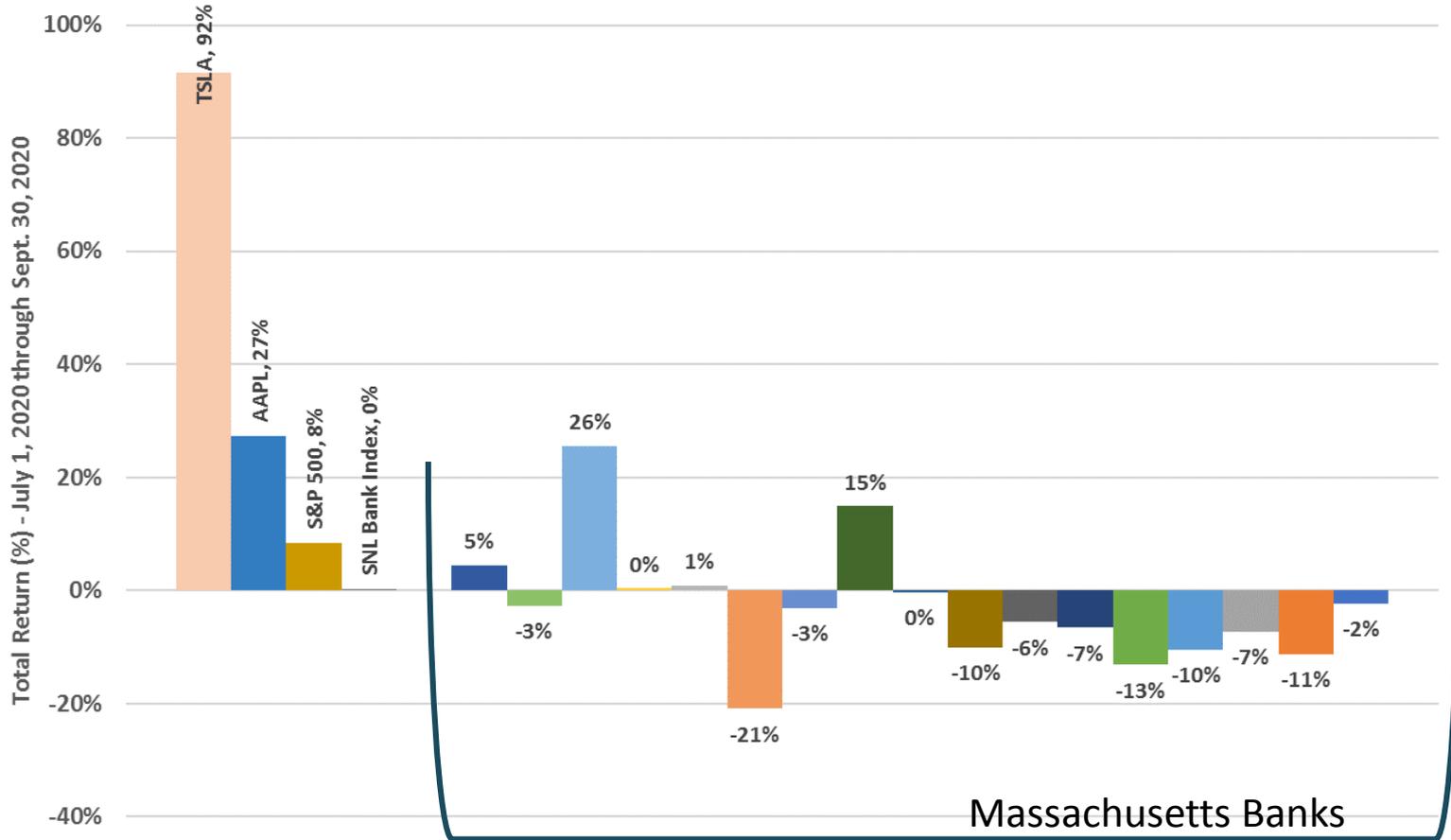
Source: The Kafafian Group, Inc. and S&P Global Market Intelligence. Deal announced between July 1, 2017 and September 30, 2020



MASSACHUSETTS BANK'S TOTAL RETURN

TOTAL RETURN SINCE JULY 1, 2020 THROUGH SEPTEMBER 30, 2020

Publicly traded MA Headquartered Banks underperformed the S&P 500 and the SNL Bank Index. The median total return for MA Banks was -4%.



Source: The Kafafian Group, Inc. and S&P Global Market Intelligence.



DEPOSIT MARKET

MASSACHUSETTS DEPOSIT MARKET SHARE

Top 4 Massachusetts Market Share (not HQ in MA)

6/30/2020 Rank	Institution	State	Number of Branches	Branch change from 2019 SOD	Deposits In Market (\$000)	Total Market Share (%)	Percent of Parent Deposits (%)
1	Bank of America Corporation	NC	199	-7	98,795,267	27.26	5.71
2	Citizens Financial Group, Inc.	RI	235	-13	51,260,533	14.14	35.16
3	Banco Santander, SA		197	-6	24,746,198	6.83	36.92
4	Toronto-Dominion Bank		139	-4	20,800,441	5.74	6.27
				-30	195,602,439	53.97	

Massachusetts HQ Banks Market Share

6/30/2020 Rank	Institution	Number of Branches	Deposits In Market (\$000)	Total Market Share (%)	Percent of Parent Deposits
5	Eastern Bankshares, Inc.	83	11,396,702	3.14	96.08
6	Independent Bank Corp.	98	10,811,588	2.98	100.00
9	Berkshire Hills Bancorp, Inc.	51	6,167,534	1.7	60.32
10	Century Bancorp, Inc.	27	5,115,812	1.41	100.00
11	Middlesex Bancorp, MHC	33	4,849,279	1.34	100.00
12	Meridian Bancorp, Inc.	43	4,840,485	1.34	100.00
13	Boston Private Financial Holdings, Inc.	11	4,809,641	1.33	64.33
14	Brookline Bancorp, Inc.	30	4,168,822	1.15	64.10
15	Cambridge Financial Group, Inc.	18	4,057,142	1.12	100.00
16	Salem Five Bancorp	37	4,053,654	1.12	100.00
17	Cape Cod Five Mutual Company	25	3,468,900	0.96	100.00
18	Institution for Savings in Newburyport	15	2,957,585	0.82	100.00
19	Cambridge Bancorp	16	2,904,844	0.8	88.45
20	HarborOne Bancorp, Inc.	19	2,880,393	0.79	83.41
21	Enterprise Bancorp, Inc.	18	2,867,028	0.79	78.58
22	Hometown Financial Group MHC	29	2,483,150	0.69	89.55
24	Northern Bancorp, Inc.	14	2,174,713	0.6	100.00
25	NB Financial MHC	11	2,077,162	0.57	100.00
26	Hingham Institution for Savings	10	2,063,350	0.57	100.00
27	UFS Bancorp	14	2,029,319	0.56	100.00
28	Beacon Bancorp	17	2,017,246	0.56	88.34

6/30/2020 Rank	Institution	Number of Branches	Deposits In Market (\$000)	Total Market Share (%)	Percent of Parent Deposits
29	PeoplesBancorp, MHC	20	1,988,048	0.55	87.73
31	Western New England Bancorp, Inc.	23	1,845,110	0.51	94.59
32	Assabet Valley Bancorp	10	1,780,590	0.49	100.00
33	Leader Bancorp Inc.	7	1,612,282	0.44	100.00
34	Narragansett Financial Corp.	19	1,609,929	0.44	92.97
35	South Shore Bancorp MHC	14	1,509,405	0.42	100.00
36	Radius Bancorp, Inc.	1	1,450,258	0.4	100.00
37	Florence Bancorp, MHC	12	1,425,878	0.39	100.00
38	1831 Bancorp, MHC	14	1,353,094	0.37	100.00
39	Country Bank for Savings	15	1,317,987	0.36	100.00
40	Village Bank	9	1,271,214	0.35	100.00
41	North Shore Bancorp	18	1,243,838	0.34	96.48
42	Watertown Savings Bank	10	1,205,889	0.33	100.00
43	Lowell Five Bancorp MHC	15	1,135,086	0.31	95.66
44	Bluestone Financial, MHC	12	1,120,311	0.31	100.00
45	North Easton Savings Bank	19	1,066,688	0.29	100.00
46	SSB Community Bancorp MHC	12	1,031,349	0.28	100.00
47	1854 Bancorp	12	1,007,166	0.28	100.00
48	BankFive, MHC	12	999,762	0.28	97.20
49	Fidelity Mutual Holding Company	15	967,796	0.27	100.00
50	Coastal Affiliates, MHC	13	943,531	0.26	100.00

Source: Updated annually by FDIC as of June 30, 2020, data is proforma as of December 8, 2020



DEPOSIT MARKET

MASSACHUSETTS DEPOSIT MARKET SHARE

Massachusetts HQ Banks Market Share					Massachusetts HQ Banks Market Share						
6/30/2020		Number of Branches	Deposits In Market (\$000)	Total	Percent of	6/30/2020		Deposits In Market (\$000)	Total	Percent of	
Rank	Institution			Market Share (%)	Parent Deposits	Rank	Institution		Market Share (%)	Parent Deposits	
51	Main Street Group Bancshares, Inc.	12	930,486	0.26	100.00	84	Cooperative Bank	4	384,112	0.11	100.00
52	GSB, MHC	10	821,618	0.23	100.00	85	Seamen's Bank	5	378,551	0.1	100.00
53	Martha's Vineyard Savings Bank	8	785,561	0.22	100.00	86	Haverhill Bank	8	367,661	0.1	93.93
54	WebFive, MHC	7	775,737	0.21	100.00	87	Berkshire Financial Services, Inc.	5	366,474	0.1	100.00
55	Equitable Bancorp, MHC	16	767,311	0.21	100.00	88	Northmark Bank	3	346,056	0.1	100.00
56	MutualOne Bank	3	756,063	0.21	100.00	89	Dean Co-operative Bank	4	332,964	0.09	100.00
57	MountainOne Financial, MHC	7	739,746	0.2	100.00	90	Middlesex Federal MHC	3	331,137	0.09	100.00
58	Newburyport Five Cents Bancorp, MHC	7	687,020	0.19	84.08	91	Milford Federal Bank	4	325,011	0.09	89.48
59	Provident Bancorp, Inc.	3	670,328	0.18	57.25	92	Grand Bank Corporation	2	314,390	0.09	100.00
61	Winchester Co-operative Bank	2	637,047	0.18	100.00	93	Winter Hill Bank, FSB	3	293,313	0.08	100.00
62	Greenfield Bancorp, MHC	10	636,851	0.18	100.00	94	Pittsfield Co-operative Bank	4	285,556	0.08	100.00
63	Ponkapoag Bancorp, MHC	5	600,223	0.17	100.00	95	North Brookfield Savings Bank	8	281,798	0.08	100.00
64	Adams Community Bank	8	581,246	0.16	100.00	96	BankGloucester	4	279,629	0.08	100.00
65	Wakefield Bancorp, MHC	9	565,729	0.16	100.00	97	Colonial Federal Savings Bank	4	279,123	0.08	100.00
66	Randolph Bancorp, Inc.	5	545,127	0.15	100.00	98	Charles River Bancorp, MHC	4	246,316	0.07	100.00
67	Cape Ann Savings Bank	4	539,829	0.15	100.00	99	Wakefield Co-operative Bank	2	236,729	0.07	100.00
68	Winchester Savings Bank	4	522,059	0.14	100.00	100	Washington Savings Bank	2	218,696	0.06	100.00
69	Rollstone Bancorp, MHC	8	522,038	0.14	100.00	101	Marblehead Bank	4	214,151	0.06	100.00
70	Pentucket Bank Holdings, MHC	4	515,881	0.14	72.44	102	Patriot Community Bank	1	167,277	0.05	100.00
71	Reading Cooperative Bank	8	514,012	0.14	100.00	104	Admirals Bancorp, Inc.	1	155,833	0.04	70.73
72	1889 Bancorp, MHC	1	512,100	0.14	100.00	106	Bank of Easton	2	150,585	0.04	100.00
73	Clinton Financial Services, MHC	8	504,336	0.14	100.00	107	Foxboro Federal Savings	3	149,640	0.04	100.00
74	StonehamBank	2	503,633	0.14	100.00	109	Commonwealth Cooperative Bank	3	140,251	0.04	100.00
76	Mechanics Bancorp, MHC	10	497,044	0.14	100.00	111	New Valley Bank & Trust	2	124,703	0.03	100.00
77	Savers Co-operative Bank	7	487,153	0.13	100.00	112	Wrentham Co-operative Bank	2	115,009	0.03	100.00
78	Monson Financial Services MHC	6	446,990	0.12	100.00	114	Canton Co-operative Bank	1	111,161	0.03	100.00
79	Everett Co-operative Bank	2	446,056	0.12	100.00	115	Stoughton Co-operative Bank	2	110,829	0.03	100.00
80	Eagle Bank	5	430,295	0.12	100.00	116	Methuen Co-operative Bank	1	91,810	0.03	100.00
81	Athol Savings Bank	7	426,161	0.12	100.00	118	Millbury National Bank	1	88,372	0.02	100.00
82	Walpole Co-operative Bank	1	421,160	0.12	100.00	119	North Cambridge Co-operative Bank	1	69,668	0.02	100.00
83	1895 Corporation	7	402,506	0.11	100.00						

Source: Updated annually by FDIC as of June 30, 2020, data is proforma as of December 8, 2020



HOUSING AFFORDABILITY INDEX

HOW DO MASSACHUSETTS MSAs RANK IN HOUSING AFFORDABILITY

In all, 58.3 percent of new and existing homes sold between the beginning of July and end of September were affordable to families earning an adjusted U.S. median income of \$72,900. This is down from the 59.6 percent of homes sold in the second quarter of 2020 that were affordable to median-income earners and the lowest reading since the fourth quarter of 2018.

	HOI 3rd Qtr 2020 Share of Homes Affordable for Median Income	2020 Median Family Income (\$000s)	3rd Qtr 2020 Median Sales Price (\$000s)	3rd Qtr 2020 Affordability Rank	
				National	Regional
Barnstable Town, MA	46.4	89.7	450	192	40
Boston, MA ^^^	41.6	102.0	539	203	44
Cambridge-Newton-Framingham, MA ^^^	45.4	110.4	550	195	41
Pittsfield, MA	72.1	84.4	250	92	23
Providence-Warwick, RI-MA	61.0	80.8	315	144	35
Springfield, MA	70.5	71.7	239	98	26
Worcester, MA-CT	70.6	91.2	310	97	25

^^^ Indicate Metropolitan Divisions. All others are Metropolitan Statistical Areas.
Region is defined as "Northeast" by the National Association of Homebuilders

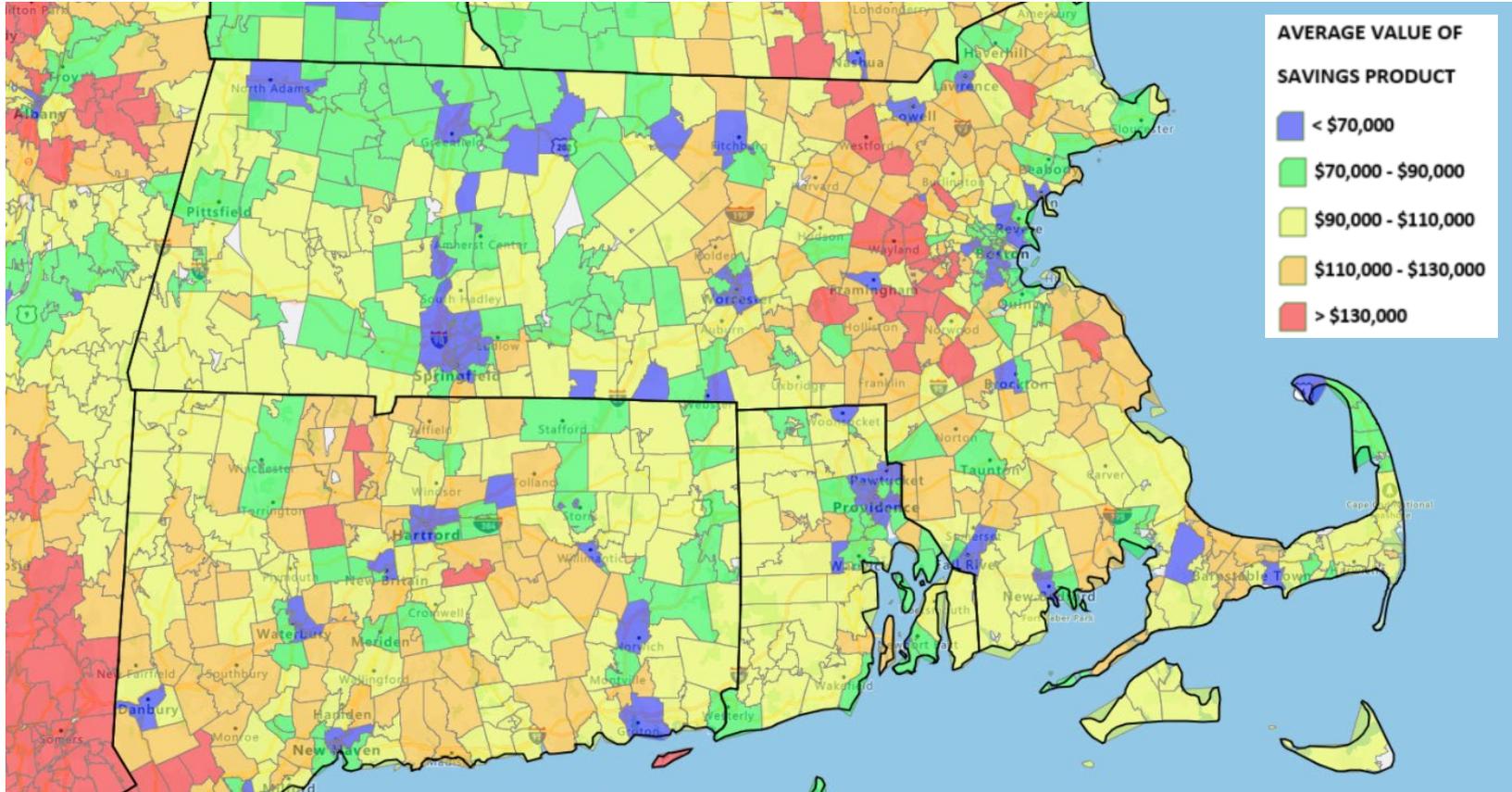
Source: The Kafafian Group, Inc. National Association of Home Builders



SAVINGS PRODUCT DEMAND

ZIP CODE PROJECTED AVERAGE VALUE OF SAVINGS PRODUCT 2025

Projected 2025 average value of households with any type of savings product, including all types of fixed-interest/regular savings accounts, variable-interest/money market savings accounts, CDs (including those in IRAs) and IRAs invested in savings accounts.



Source: The Kafafian Group, Inc. and S&P Global Market Intelligence

THE KAFAFIAN GROUP, INC.

FIRM OVERVIEW – LINES OF BUSINESS



PERFORMANCE MEASUREMENT

- Outsourced profitability reporting
- Funds transfer pricing (FTP)
- Activity-based cost (ABC) assignments
- Capital assignment and risk-adjusted return on capital (RAROC)
- Profitability system audits and implementations
- Peer group reporting



STRATEGIC MANAGEMENT

- Strategic planning
- Board and management retreat facilitation
- Capital planning
- Stress testing
- Profit planning
- Business planning
- Customer and data analytics
- Feasibility studies



PROFIT & PROCESS IMPROVEMENT

- Profit improvement studies (whole institution or divisions or units)
- Process improvement studies (whole institution or divisions or units)



MANAGEMENT ADVISORY

- Board and management studies
- Regulatory distress assistance
- Regulatory applications
- Board and management training
- Model validation and documentation
- Risk management



FINANCIAL ADVISORY

- Whole institution M&A
- Fee-based lines of businesses
- Branch purchase or sale
- Fairness opinions
- Valuation reports
- Strategic alternatives (TKG's 360 View) and value gap planning
- Capital management strategies
- Expert witness
- Forensic accounting

Source: www.kafafiangroup.com