

STATE OF THE INDUSTRY: MASSACHUSETTS Q2 2024

Performance
Measurement



Strategic
Management



Profit & Process
Improvement



Management
Advisory



Financial
Advisory



DISCLOSURE STATEMENT

FORWARD LOOKING STATEMENTS

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Source: The Kafafian Group, Inc.

MASSACHUSETTS BANKERS ASSOCIATION QUARTERLY UPDATE

SUMMARY OF KEY THEMES

- 1 The unemployment rate increased to 4.1% in the US in Q2, the 30 year-fixed mortgage rate decreased to 6.86%, and the Consumer Price Index (CPI) decreased slightly to 313.05. These economic indicators have led to expectations from the Federal Reserve of at least one rate cut in 2024.
- 2 Credit quality conditions improved in Q2 2024 despite interest rates remaining elevated. Net interest margins (NIM) also improved in Q2, as the median NIM for all U.S. banks increased 8bps back to 3.32% from Q1 2024 to Q2 2024.
- 3 The Healey-Driscoll Administration's Division of Banks awarded \$3,350,151 in grants to 24 organizations across Massachusetts to fund first-time homeownership education programs and foreclosure prevention counseling centers throughout Massachusetts.
- 4 Jack Henry released its 6th annual study with key insights to help institutions capitalize on market shifts and new opportunities to compete successfully in the rest of 2024 and 2025. The top concerns for institutions over the next two years are margin compression, deposit attrition/displacement, and talent acquisition and retention.
- 5 Nationwide, industry consolidation remains elevated in 2024 relative, the annualized rate of consolidation in 2024 is approximately 2.8% vs. 1.8% in 2023. Two deals have been announced in Massachusetts YTD 2024.

Source: The Kafafian Group, Inc.

ECONOMIC SNAPSHOT

EMPLOYMENT & HOUSING

EMPLOYMENT	Measure				Change from	Change from
		Jun-24	May-24	Apr-24	Prior Month (%) or actual change	Prior Year (%) or actual change
1 Unemployment Rate (National Seasonally Adj)	%	4.1	4.0	3.9	0.1	0.50
2 Unemployment Rate in Massachusetts (Not Seasonally Adj)	%	4.0	3.8	3.1	0.2	0.5
3 All Employees, Total Nonfarm	000's	158,609	158,430	158,214	0.11%	2,582
4 Labor Force Participation Rate	%	62.6	62.5	62.7	0.00	-
		6/29/2024	5/25/2024	4/27/2024		
5 Initial Claims (Weekly)		239,000	221,000	209,000	8.14%	1,000

HOUSING	Measure				Change from	Change from
		Jun-24	May-24	Apr-24	Prior Month (%) or actual change	Prior Year (%) or actual change
6 S&P/Case-Shiller U.S. National Home Price Index		NA	320.1	319.3	0.25%	0.05
7 S&P/Case-Shiller MA-Boston Home Price Index		NA	332.4	332.1	0.09%	0.06
8 Housing Affordability Index		93.3	93.5	96.1	-0.21%	(0.01)
9 New Privately-Owned Housing Units Started: Single-Family Units	000's	980	1,002	1,037	-2.20%	0.05
10 New Privately-Owned Housing Units Started: Single-Family Units in the Northeast Census Region	000's	67.0	69.0	63.0	-2.90%	0.16
11 30-Year Fixed Rate Mortgage Average in the United States	%	6.86	7.03	7.17	-2.42%	0.02
		1Q2024	4Q2023	3Q2023		
12 Delinquency Rate on Single-Family Residential Mortgages	%	1.71	1.70	1.72	-1.16%	(0.01)

Source: The Kafarian Group, Inc. analysis of data provided by the Federal Reserve Bank of St. Louis, data where available as of 6/30/2024

ECONOMIC SNAPSHOT

MARKET/RATES, CONSUMER, & PRODUCTION/PRICES

MARKET/RATES (End of Period)	Measure				Change from	Change from
		Jun-24	May-24	Apr-24	Prior Month (%) or actual change	Prior Year (%) or actual change
1 S&P 500		5,460.5	5,277.5	5,035.7	3.47%	0.24
2 Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis	%	4.36	4.51	4.69	-3%	0.55
3 Bank Prime Loan Rate	%	8.50	8.50	8.50	-	0.25
4 Federal Funds Effective Rate	%	5.33	5.33	5.33	-	0.26

CONSUMER	Measure				Change from	Change from
		Jun-24	May-24	Apr-24	Prior Month (%) or actual change	Prior Year (%) or actual change
5 Personal Consumption Expenditures: Chain-type Price Index		123.2	123.2	123.1	0.07%	2.44%
6 Retail Sales: Excluding Motor Vehicle and Parts	\$mil	541,313	540,027	539,411	0.24%	-1.26%
7 University of Michigan: Consumer Sentiment		68.20	69.10	77.20	-1.30%	0.08
8 Personal Saving Rate	%	3.4	3.50	3.50	-2.86%	(0.27)

PRODUCTION/PRICES	Measure				Change from	Change from
		Jun-24	May-24	Apr-24	Prior Month (%) or actual change	Prior Year (%) or actual change
9 Consumer Price Index		313.05	313.23	313.21	-0.06%	2.98%
10 ISM Manufacturing: PMI		48.50	48.70	49.20	(0.00)	2.50
11 ISM Services: PMI		48.80	53.80	49.40	(0.09)	(5.10)
		2Q2024	1Q2024	4Q2023		
12 Gross Domestic Product (Change from Prior, annualized rate)	%	2.80	1.40	3.40	1.00	(0.33)

Source: The Kafarian Group, Inc. analysis of data provided by the Federal Reserve Bank of St. Louis, data where available as of 6/30/2024

STATE ECONOMIC TRENDS

NEW ENGLAND REGIONAL ECONOMIC TRENDS

The below highlights unemployment rate and salary trends in New England from January 2024 through June 2024. Massachusetts had the second highest 12 month percentage change in Nonfarm Wage and Salary Employment in the New England region.

Unemployment Rate %						
State	Jan2024	Feb2024	Mar2024	Apr2024	May2024	Jun2024
1 Massachusetts	3.50	3.70	3.50	3.10	3.80	4.00
2 Connecticut	5.00	5.40	4.20	3.50	4.10	2.80
3 Rhode Island	4.60	5.40	4.30	3.70	4.40	4.30
4 New Hampshire	2.60	2.90	2.80	2.40	2.00	2.40
5 Vermont	2.70	2.60	2.10	2.30	2.00	2.10
6 Maine	3.80	3.90	3.20	2.80	2.70	2.60
Nonfarm Wage and Salary Employment 12 Month % Change						
State	Jan2024	Feb2024	Mar2024	Apr2024	May2024	Jun2024
7 Massachusetts	0.50	0.60	0.40	0.50	0.60	1.10
8 Connecticut	0.60	1.00	0.90	1.30	1.00	0.70
9 Rhode Island	2.20	1.80	1.60	2.60	1.50	1.10
10 New Hampshire	1.20	1.30	1.30	1.40	1.30	1.60
11 Vermont	0.90	1.10	1.30	1.80	1.90	0.80
12 Maine	1.30	1.50	1.50	1.80	1.50	1.00
Finance Activities Wage and Salary Employment 12 Month % Change						
State	Jan2024	Feb2024	Mar2024	Apr2024	May2024	Jun2024
13 Massachusetts	0.30	0.60	0.50	(0.10)	0.20	-
14 Connecticut	(0.30)	0.10	(0.10)	0.50	0.10	0.50
15 Rhode Island	(0.30)	(0.60)	(1.10)	(0.80)	(0.80)	-
16 New Hampshire	(1.20)	(1.20)	(0.30)	(1.20)	0.30	(0.60)
17 Vermont	1.70	1.70	1.70	1.70	1.70	0.80
18 Maine	(1.50)	(1.90)	(1.50)	(2.30)	(1.90)	(1.50)

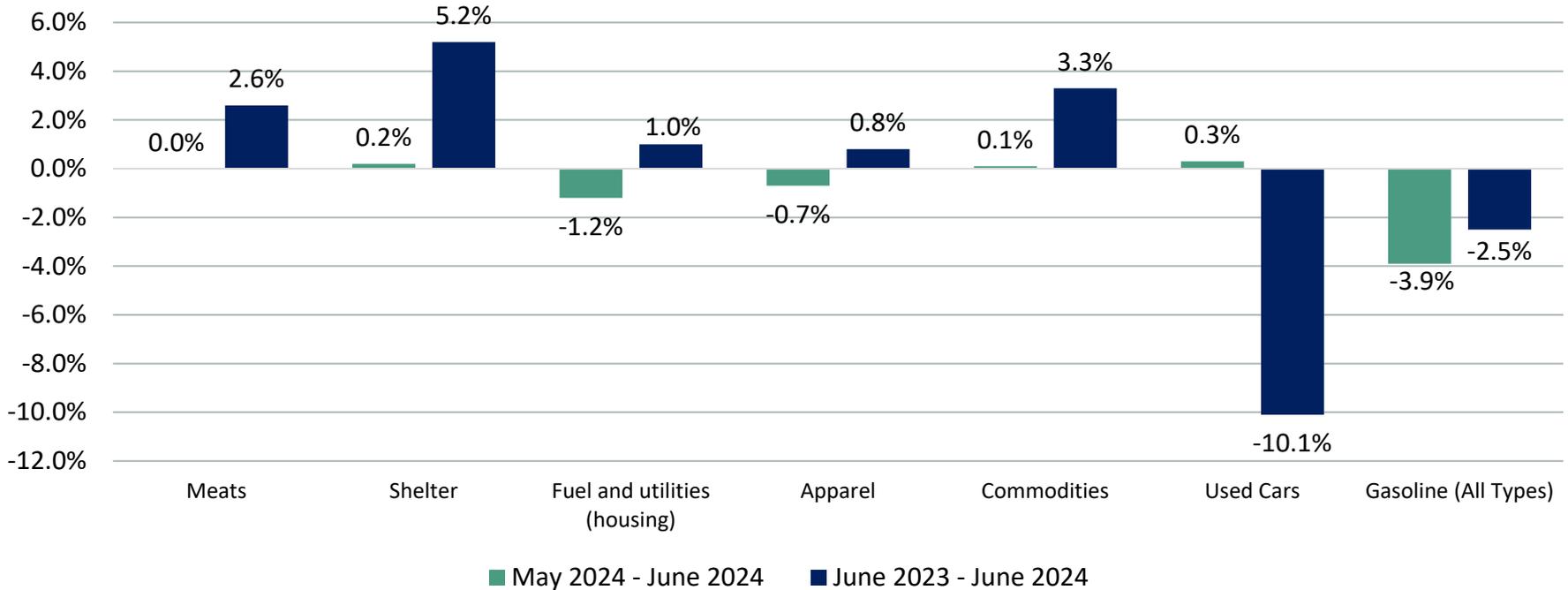
Source: Bureau of Labor Statistics

INFLATION

TRENDS IN INFLATION IN THE BOSTON-CAMBRIDGE-NEWTON METROPOLITAN STATISTICAL AREA

The graphic below shows year-over-year increases in everyday necessities between May 2024 and June 2024 as well as June 2023 and June 2024. Inflation has subsided in most categories. The cost of used cars in the Boston-Cambridge-Newton Metropolitan area is down 10.1% from June 2023 and the price of gasoline has decreased slightly by 2.5% from June 2023 to June 2024.

Select Consumer Price Index Metrics:
Boston-Cambridge-Newton



Source: Bureau of Labor Statistics, eia.gov

INTEREST RATE ENVIRONMENT

CHICAGO MERCANTILE EXCHANGE INC. (CME GROUP) FEDWATCH TOOL

In August 2023, there was a 3.37% probability of rates being 525-550bps for the September 2024 meeting, by year-end 2023 that probability decreased to 0%. As of March 28, 2024, the probability of a target fed funds rate of 525-550bps was 6.50% for the September 18 meeting. As of June 12, 2024, the updated probability of a target fed funds rate of 525-550bps for the September 18, 2024 meeting was 35.04%. Interest rates have remained at the same level since July of 2023. The probabilities for the September 2024 meeting indicate the probability of a target fed funds rate of 500-525bps is 72.5%, indicating the first rate cut since March 2020. The probabilities for the December 2024 meeting show 43.3% for rates to be 425-450bps.

MEETING PROBABILITIES(%)								
MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525
9/18/2024	0.0	0.0	0.0	0.0	0.0	0.0	27.5	72.5
11/7/2024	0.0	0.0	0.0	0.0	5.7	36.8	57.6	0.0
12/18/2024	0.0	0.0	1.8	15.5	43.3	39.4	0.0	0.0
1/29/2025	0.0	2.0	16.0	43.3	38.7	0.0	0.0	0.0
3/19/2025	2.6	17.1	43.1	37.0	0.0	0.0	0.0	0.0
4/30/2025	10.4	31.1	39.8	17.1	0.0	0.0	0.0	0.0
6/18/2025	25.8	37.6	23.0	4.4	0.0	0.0	0.0	0.0
7/30/2025	30.9	31.2	14.8	2.5	0.0	0.0	0.0	0.0

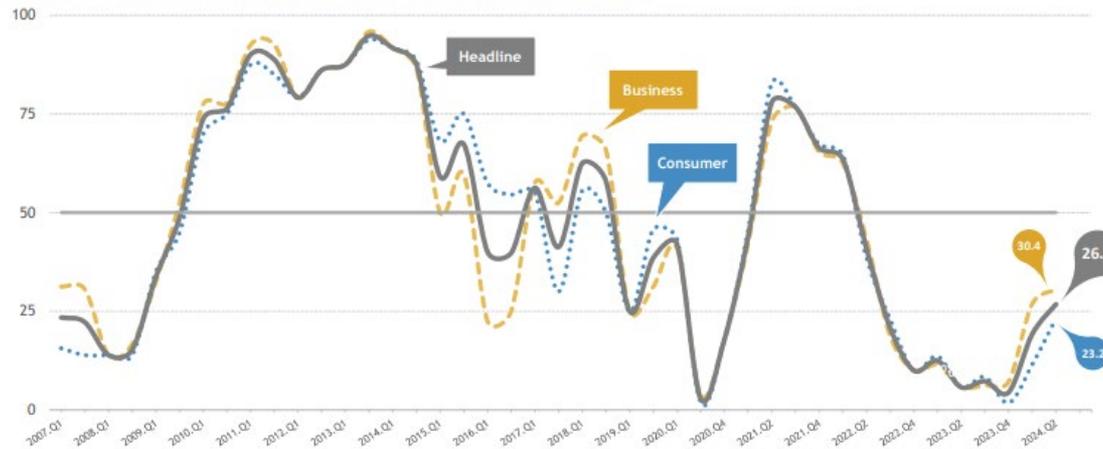
Source: CME Group. Data as of 8/16/2024

CREDIT CONDITIONS

POTENTIAL FOR IMPROVING CREDIT MARKET CONDITIONS IN 2024?

- In the second quarter of 2024, the headline credit index increased 7.6 points to 26.8, this reflects a major improvement and optimism among economists for future credit quality conditions. The consumer credit index increased 11.7 points from a previous low to 23.2 in Q2. Despite this improvement, only one Economic Advisory Committee (EAC) member expects consumer credit availability and quality to improve over the next six months. The business credit index increased 3.4 points to 30.4 in Q2, indicating that there may be potential for credit quality to improve, though EAC members are still cautious.
- Credit quality improved for a second consecutive quarter in Q2 2024. This has led EAC members to express cautious optimism about the outlook of the economy this year. With job growth rising and expected to continue, inflation forecasted to decrease toward the 2% target, and potentially multiple interest rate cuts by the end of the year, the short-term outlook is generally positive. The share of small firms intending to hire in the near future is at its lowest level since May of 2020, indicating consumer expenditures may decrease later in 2024. The Fed appears optimistic for at least one rate cut this year. The expectation is for the Fed to begin to lower rates in the latter part of 2024. Despite upward-trending credit quality and availability, EAC members remain cautious about the economic outlook over the next six months.

CREDIT CONDITIONS INDEX: HISTORICAL SERIES*

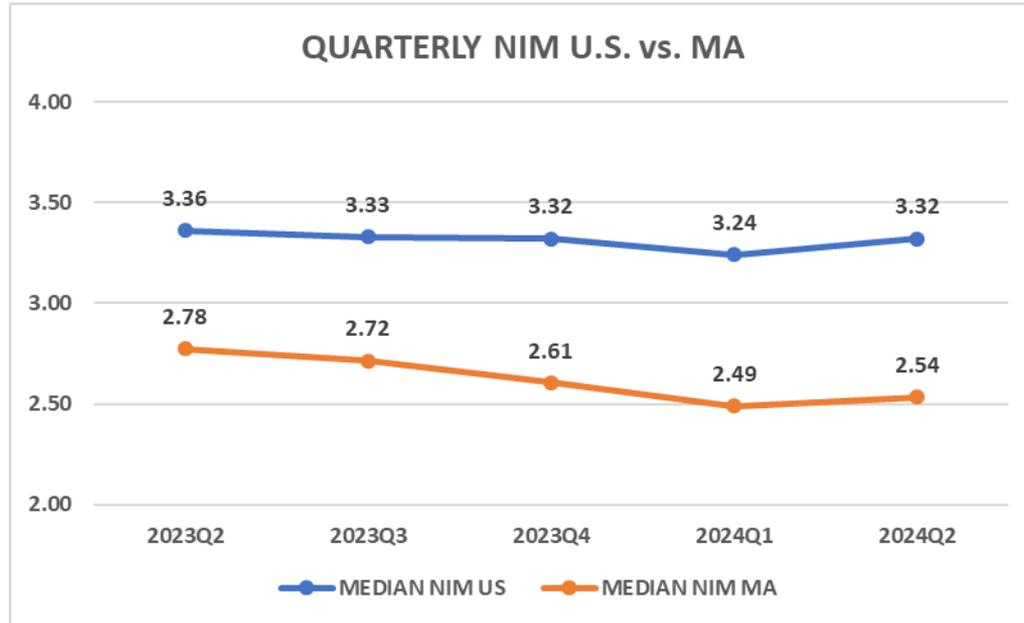


Source: ABA Credit Conditions Index 6/30/2024

NET INTEREST MARGIN ENVIRONMENT

U.S. VS MASSACHUSETTS

Increased borrowing costs due to high rates have resulted in a decreased net interest margin (NIM) for banks across the nation, the graph below illustrates the median NIM by quarter from Q2 2023 to Q2 2024 in both the U.S. and the Commonwealth of Massachusetts. The U.S. NIM annual growth rate is -1.19% for the U.S. and -8.65% for the Commonwealth. The quarter-over-quarter growth rate is 2.47% in the U.S. and 1.81% for Massachusetts. While net interest margins have fallen significantly over the past year, Q2 2024 NIM growth rates were positive in both the US and MA for the first time since Q4 2022.

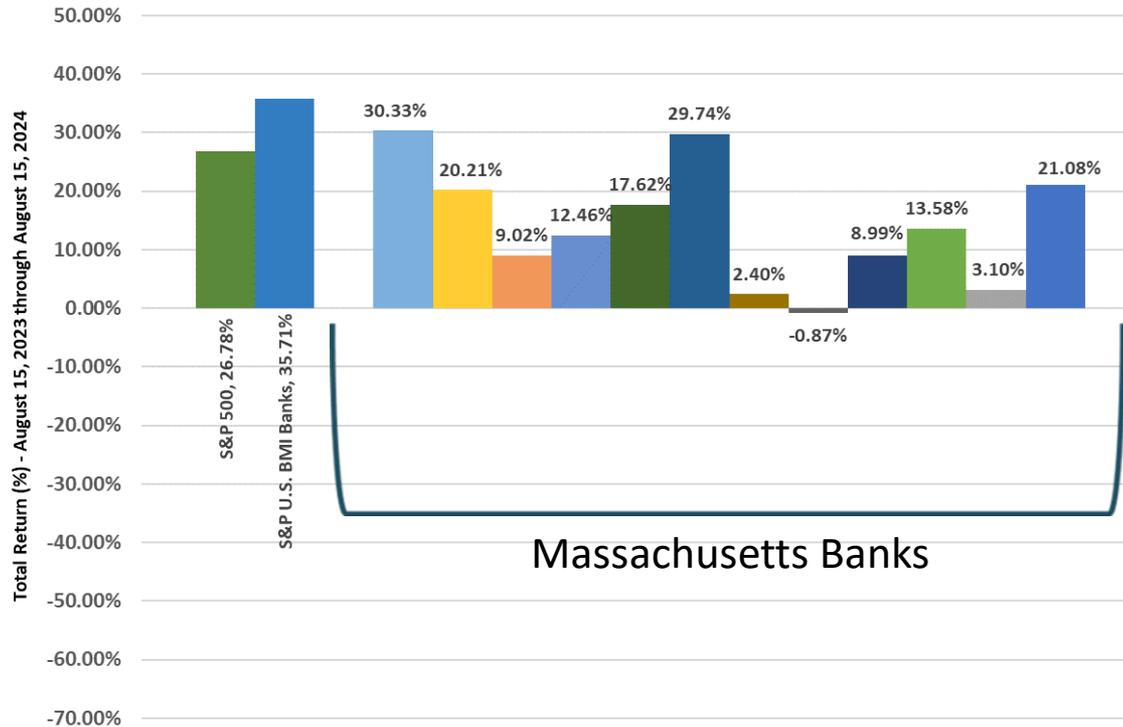


Source: S&P Capital IQ Pro

TOTAL RETURN

TOTAL RETURN: AUGUST 15, 2023 THROUGH AUGUST 15, 2024

The median total return for publicly traded Massachusetts headquartered banks was 12.46%, while the S&P U.S. BMI Banks Index was 35.71% and the S&P 500 was 26.78%.

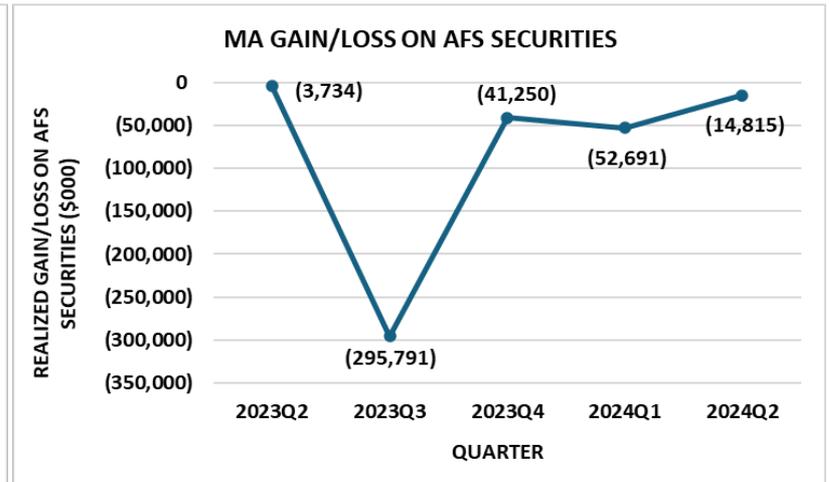
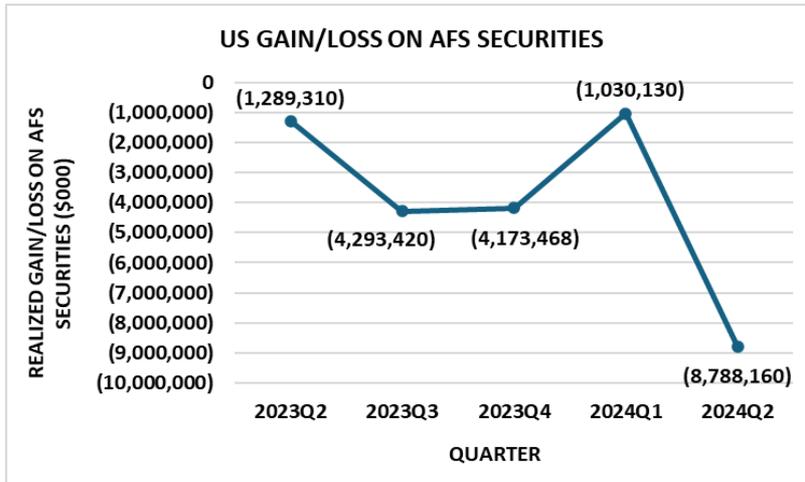


Source: The Kafarian Group, Inc. and S&P Capital IQ Pro data as of 8/15/2024

CREATING LIQUIDITY ON BALANCE SHEETS

IMPACT OF REALIZING GAINS/LOSSES ON THE SALE OF AFS SECURITIES

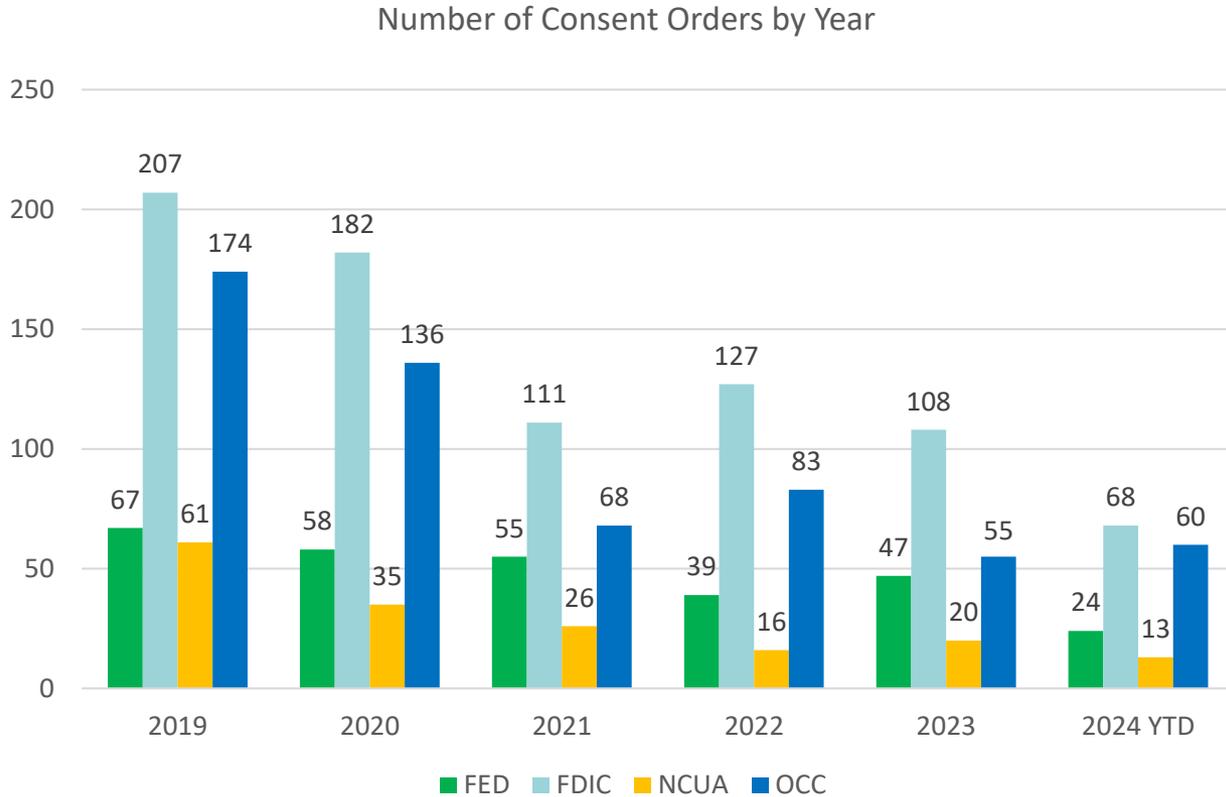
The charts below show the trend in realized gains/losses on available-for-sale (AFS) securities for both U.S. and Massachusetts banks from Q2 2023 to Q2 2024. Bond values react inversely to the movement of interest rates, the rapid increase of rates from March 2022 to July 2023 has resulted in the decrease of securities portfolios for most banks across the nation. The 3rd quarter of 2023 shows over a 320% increase in realized losses on AFS securities for banks in the U.S. because banks have been selling low-yielding bonds to replace them with higher-yielding bonds. Banks have taken a temporary hit from the sale, however, banks are restructuring their portfolio with higher-yielding securities to build future earnings. Massachusetts has seen two major decreases in realized losses on AFS securities, this is largely due to two individual banks realizing losses on AFS securities at one time. One bank realized a \$294 million loss in Q3 2023 in Massachusetts. In Q2 2024, Massachusetts banks decreased their realized loss on AFS securities by about 72% despite U.S. banks realized loss on AFS securities increasing by about 753%.



Source: S&P Capital IQ Pro, American Banker

REGULATORY ACTIONS

TREND OF ENFORCEMENT ACTIONS



Source: Federal Reserve, FDIC, NCUA and OCC as of 8/9/2024

FINANCIAL INSTITUTIONS LOSING MILLIONS TO AI-POWERED FRAUD

BIOCATCH SURVEY: U.S. FINANCIAL INSTITUTIONS

Slightly more than half of financial institutions said in a recent survey that they had lost between \$5 million and \$25 million to artificial intelligence-based threats in 2023.

- A survey conducted by security services firm BioCatch found that **51%** of respondents said they had lost millions to AI-enabled crime in the past year.
- At the same time, **56%** said that financial crime activity increased in 2023, with 46% expecting it to increase this year.
- **69%** of respondents said that criminals are more advanced at using AI for financial crime than banks are at using AI to fight crime.
- **22%** of respondents said their organizations faced cases of synthetic identities when onboarding new clients. At the same time, **91%** are rethinking the use of voice verification for big customers given the risks of voice cloning with AI.
- **88%** of respondents said more information should be shared between banks, financial institutions and government or regulatory authorities to combat financial crime and fraud.



Source: ABA Banking Journal , 4/24/2024

DIVISION OF BANKS AWARDS \$3.35 MILLION IN GRANTS

SUPPORTING FORECLOSURE COUNSELING & FIRST-TIME HOMEBUYER EDUCATION

The Healey-Driscoll Administration’s Division of Banks awarded \$3,350,151 in grants to 24 organizations across the state to fund first-time homeownership education programs and foreclosure prevention counseling centers throughout Massachusetts. The funds were awarded through the Chapter 206 Grant Program, which serves to assist two groups: homeowners who may be experiencing financial hardship, as well as prospective homebuyers who are determining if homeownership is right for them.

2024 Chapter 206 Grant Award Recipients

Consumer Counseling Organizations

- ACT Lawrence, Inc. - \$200,000
- Allston Brighton Community Development Corporation - \$60,000
- Asian Community Development Corporation - \$60,000
- Berkshire County Regional Housing Authority - \$73,000
- Catholic Social Services, Diocese of Fall River, Inc. - \$69,420
- Chelsea Restoration Corporation - \$228,563
- Community Development Partnership, Inc. - \$60,000
- Ecumenical Social Action Committee, Inc. (ESAC) - \$35,000
- Franklin County Regional Housing and Redevelopment Authority - \$25,000
- Gloucester Housing Authority - \$25,000
- Lawrence Community Works, Inc. (LCW) - \$353,570
- Merrimack Valley Housing Partnership, Inc. - \$150,000
- Quincy Community Action Programs, Inc. (QCAP) - \$25,000
- Somerville Community Corporation - \$50,000
- Valley Community Development Corporation - \$80,000



Regional Foreclosure Education Centers

- City of Boston Department of Neighborhood Development - \$225,000
- Codman Square Neighborhood Development Corporation - \$200,000
- Neighborhood of Affordable Housing, Inc. (N.O.A.H.) - \$140,000
- NeighborWorks Housing Solutions of MA - \$150,000
- NewVue Communities - \$352,972
- South Middlesex Opportunity Council, Inc. (SMOC) - \$52,080
- Southeast Asian Coalition - \$105,000
- Urban Edge Housing Corporation - \$250,000
- Way Finders, Inc. - \$380,546

Source: Mass.gov, 4/19/2024

TOP PRIORITIES FOR BANKS IN 2024 AND 2025

JACK HENRY CASE STUDY

Jack Henry's sixth annual study uncovers key insights and valuable takeaways from bank and credit union CEOs to help institutions capitalize on market shifts and new opportunities, refine strategic plans, and compete successfully in 2024 and 2025.

The top concerns for banks over the next two years are:

- Net interest margin (NIM) compression
- Deposit attrition/displacement
- Talent acquisition and retention



- **80%** of all financial institutions plan to increase technology spending over the next two years, fraud detection/mitigation, digital banking, and data analytics are expected to be the top three technology investments in 2024 and 2025.
- **92%** of financial institutions plan to embed fintech into their digital banking experiences. **97%** of respondents plan to enhance their lending capabilities, with banks focusing on automated workflow and custom/automated financial spreading.
- Plans for launching Banking-as-a-Service (BaaS) business lines have been significantly tempered by increased regulatory scrutiny and related compliance costs introduced in 2023. In fact, only **30%** of financial institutions cite BaaS plans in 2024 and 2025.

Source: Bank Automation News, June 3, 2024

RECENT CHANGE TO MASSACHUSETTS LAW

PERMITTING REMOTE REVERSE MORTGAGE LOAN COUNSELING

- On April 30, 2024, Massachusetts Governor Healey signed the FY2024 Supplemental Budget, House 4582, into law as **Chapter 88** of the Acts of 2024.
- Chapter 88 includes the provisions to authorize reverse mortgage counseling via synchronous real-time video conference or telephone on a permanent basis. These provisions are effective as of 3/31/24.

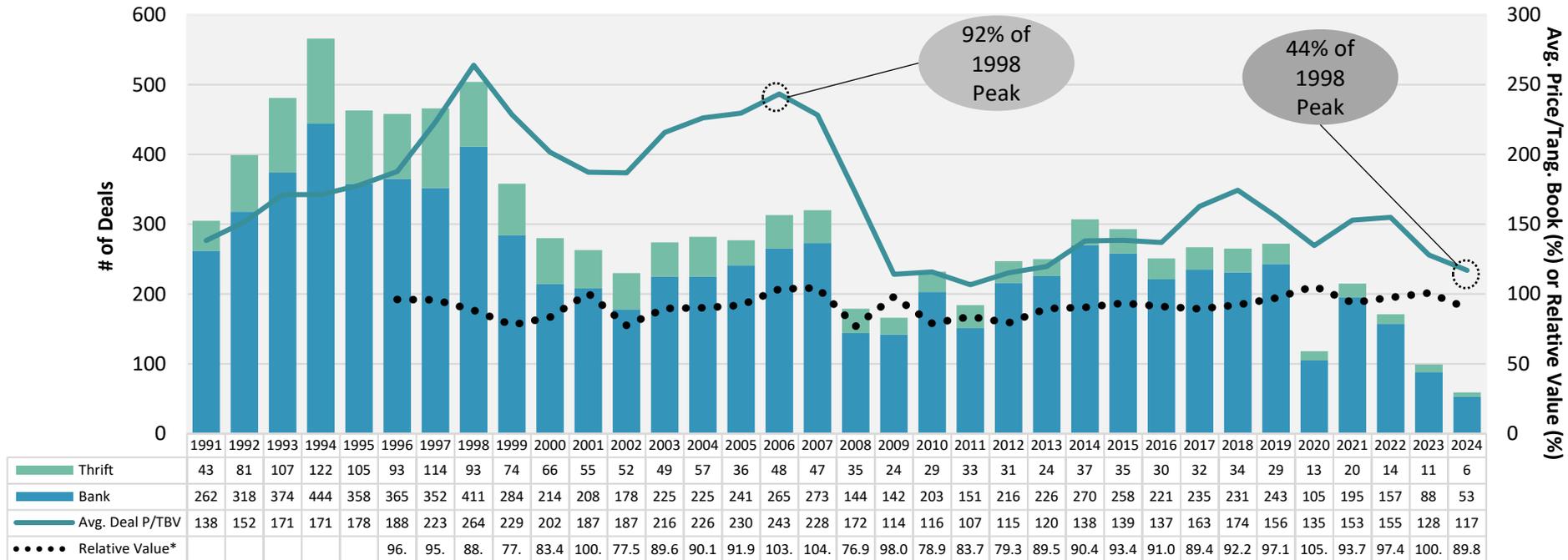


Source: Mass.gov, 5/2/2024

INDUSTRY CONSOLIDATION

DEAL AND VALUATION TRENDS

So far in 2024 there have been 59 announced acquisitions of banks. At an annualized rate, the estimated consolidation rate in the industry is approximately 2.6%, a moderate increase from an estimated 1.8% consolidation rate in 2023.



NOTE: 2024 data as of June 30, 2024

*Relative value is calculated as the median of the deal value price to tangible book divided by the acquirer's price to tangible book.

Source: The Kafafian Group, Inc. analysis of S&P Capital IQ Pro data – Includes all deals where Target is in the U.S. Reflects data at deal announcement.

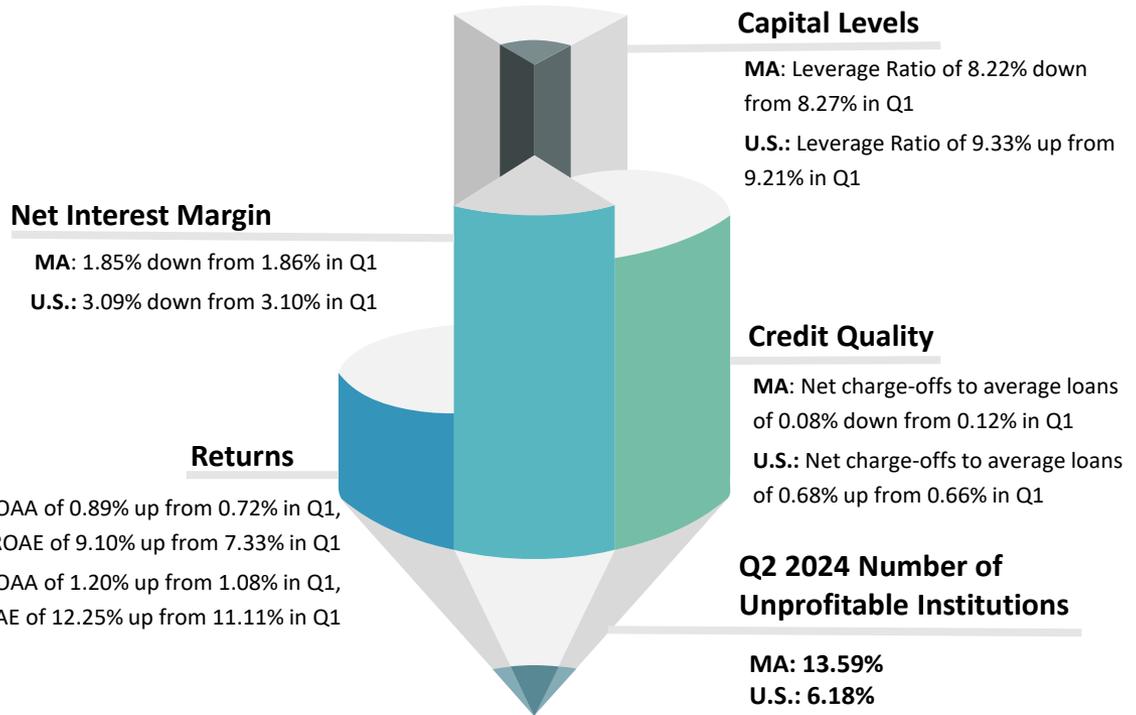
THE U.S. BANKING INDUSTRY VS MASSACHUSETTS BANKS

SECOND QUARTER OF 2024 RESULTS (AGGREGATE)

103 MA Institutions*
4,756 Total U.S. Institutions**

1.96% of the U.S. Banking Industry's Total Assets

1.58% of the U.S. Banking Industry's Total Loans



*Massachusetts FDIC call report filers; removed State Street Bank and Trust Company

**All FDIC call report filers

Source: The Kafafian Group, Inc. and S&P Capital IQ Pro. Data for the quarter ended 6/30/2024 and includes active commercial banks, savings banks and savings & loan associations

THE U.S. BANKING INDUSTRY VS MASSACHUSETTS BANKS

RECENT PERFORMANCE: SELECT PROFITABILITY RATIOS (MEDIAN)

*Return On Avg. Assets

MA Median: 0.38%
U.S. Median: 0.90%

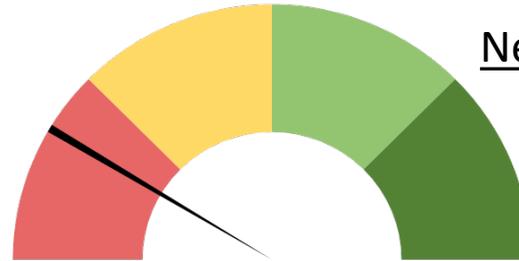


MA's **Median** ROAA ranks among the **16th** percentile Nationwide

**ROAA utilizes S&P Capital IQ Pro's adjustment for institutions that operate as Sub Chapter S Corporations.*

Net Interest Margin

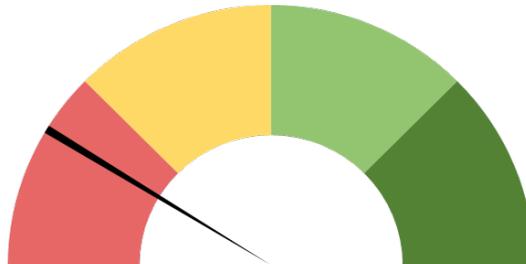
MA Median: 2.54%
U.S. Median: 3.32%



MA's **Median** Net Interest Margin ranks among the **16th** percentile Nationwide

Efficiency Ratio

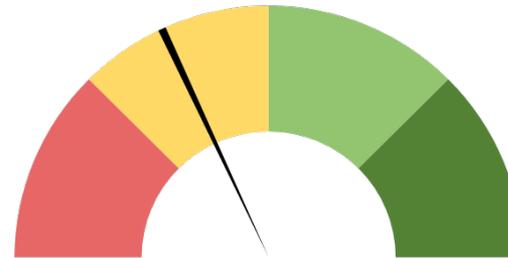
MA Median: 88.07%
U.S. Median: 66.77%



MA's **Median** Efficiency Ratio ranks among the **17th** percentile Nationwide

Cost of Funds

MA Median: 2.37%
U.S. Median: 2.08%



MA's **Median** Cost of Funds ranks among the **36th** percentile Nationwide

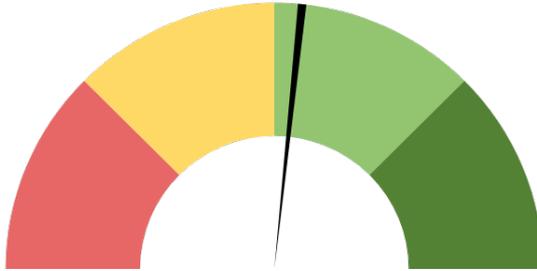
Source: The Kafafian Group, Inc. and S&P Capital IQ Pro. Data for the quarter ended 6/30/2024 and includes active commercial banks, savings banks and savings & loan associations

THE U.S. BANKING INDUSTRY VS MASSACHUSETTS BANKS

RECENT PERFORMANCE: SELECT BALANCE SHEET RATIOS (MEDIAN)

NPA/Assets

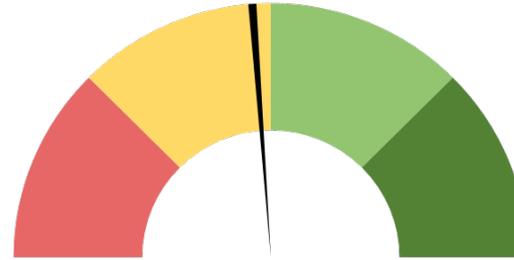
MA Median: 0.23%
U.S. Median: 0.25%



MA's **Median** NPA/Assets ranks among the **52nd** percentile Nationwide

Tier 1 Leverage

MA Median: 10.51%
U.S. Median: 10.67%



MA's **Median** Tier 1 Leverage Ratio ranks among the **47th** percentile Nationwide

*CRE/Loans

MA Median: 30.22%
U.S. Median: 23.76%

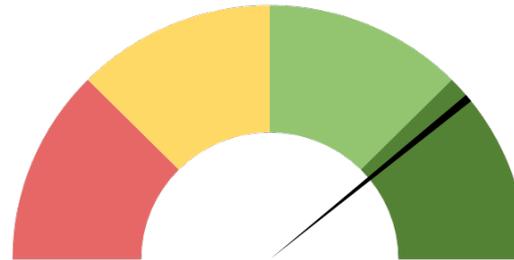
**non-owner occupied*



MA's **Median** Total CRE/Loans ratio ranks among the **63rd** percentile Nationwide

Loans/Deposits

MA Median: 94.29%
U.S. Median: 80.45%



MA's **Median** Loan/ Deposit ratio ranks among the **77th** percentile Nationwide

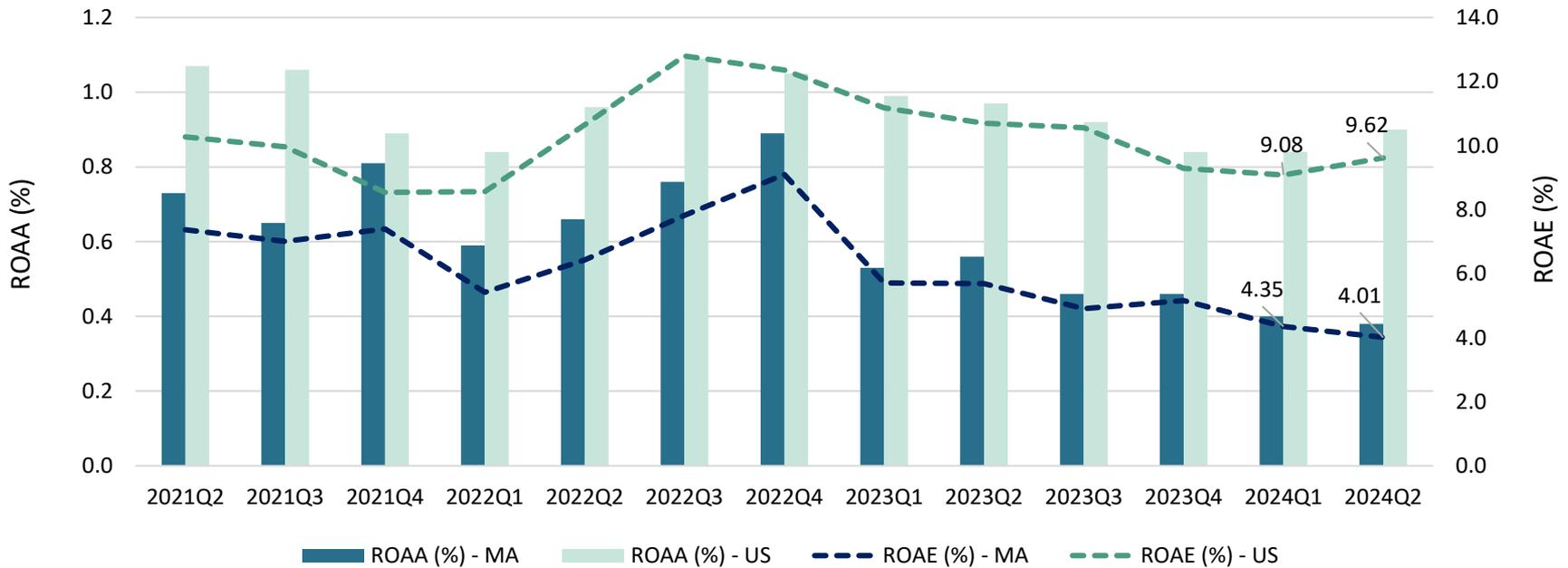
Source: The Kafarian Group, Inc. and S&P Capital IQ Pro. Data for the quarter ended 6/30/2024 and includes active commercial banks, savings banks and savings & loan associations

MASSACHUSETTS BANKS PERFORMANCE

RECENT TRENDS (MEDIAN)

ROAA and ROAE both decreased for Massachusetts banks and both increased for U.S. banks in Q2 2024 compared to Q1 2024.

Profitability Highlights (Median %)

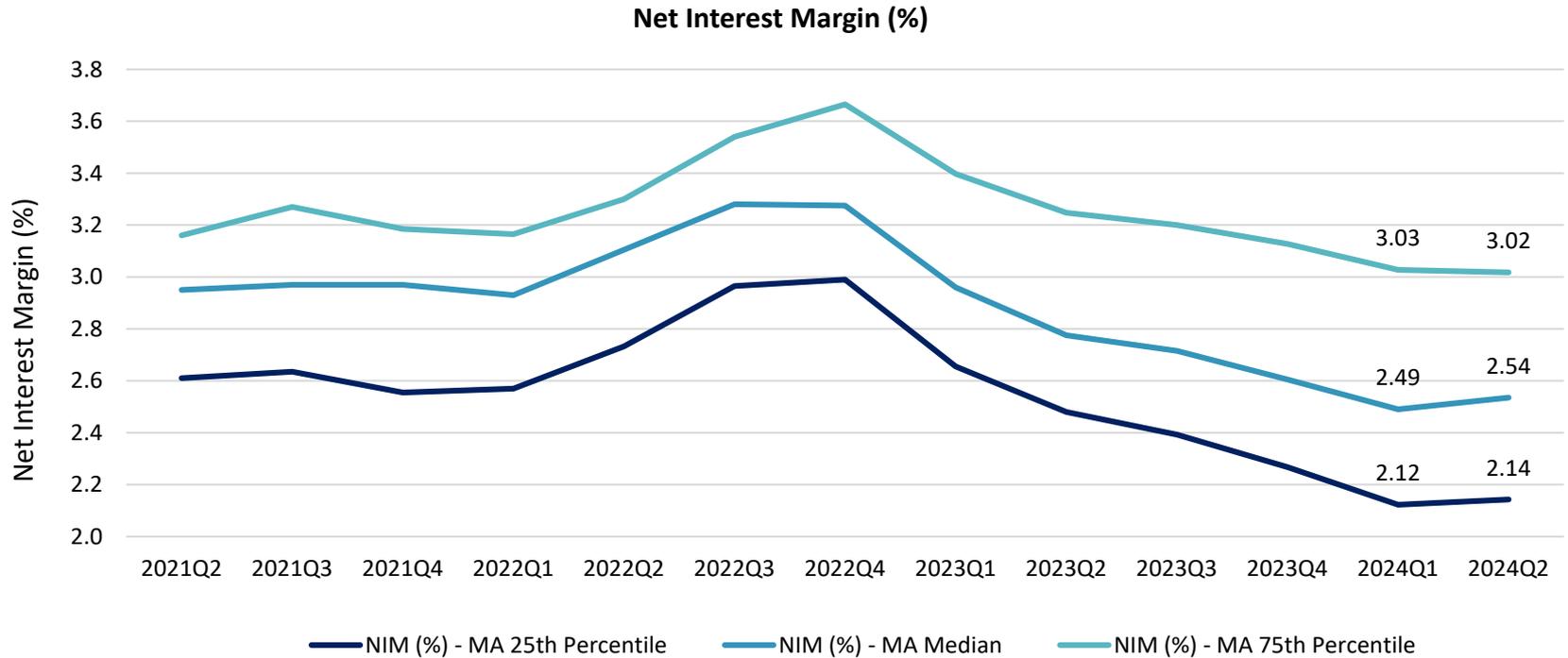


Source: The Kafarian Group, Inc. and S&P Capital IQ Pro. Data for the quarter ended 6/30/2024 and includes active commercial banks, savings banks and savings & loan associations

MASSACHUSETTS BANKS PERFORMANCE

RECENT TRENDS (CONTINUED)

The net interest margin (NIM) median and 25th percentile for Massachusetts banks increased in Q2 2024 compared to Q1 2024 while the 75th percentile of NIM for Massachusetts banks decreased in Q2 2024 by 1 basis points.



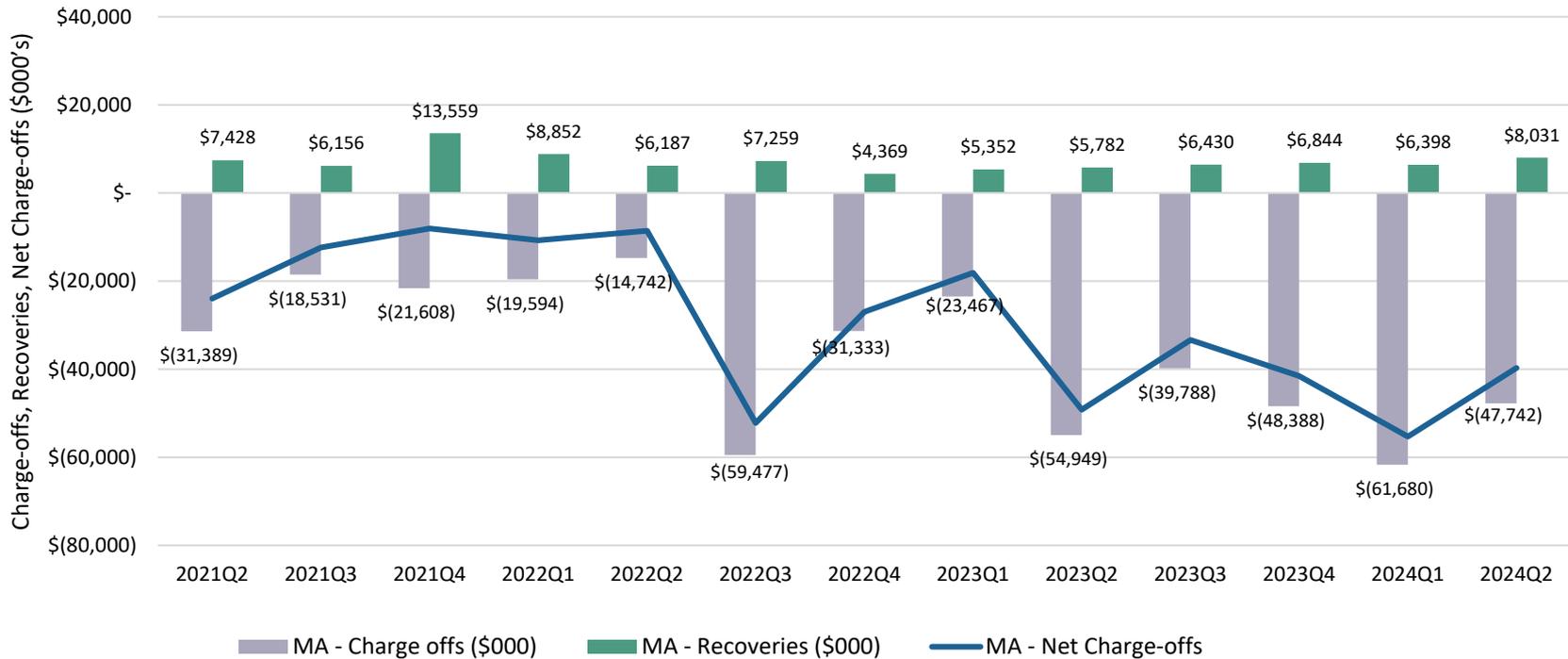
Source: The Kafarian Group, Inc. and S&P Capital IQ Pro. Data for the quarter ended 6/30/2024 and includes active commercial banks, savings banks and savings & loan associations

MASSACHUSETTS BANKS PERFORMANCE

RECENT TRENDS (CONTINUED)

Net-charge offs in Q2 2024 improved for all active Massachusetts banks.

Massachusetts Aggregate Charge-offs and Recoveries



Source: The Kafarian Group, Inc. and S&P Capital IQ Pro. Data for the quarter ended 6/30/2024 and includes all active commercial banks, savings banks and savings & loan associations in Massachusetts

MBA LEGISLATIVE SESSION RECAP

2023-2024 LEGISLATIVE SUCCESSES

July 31, 2024 marked the last day of formal sessions for the 2023-2024 legislative session. To recap, more than 8,200 bills were introduced this session. The Massachusetts Bankers Association tracked over 432 bills that related to the banking industry and submitted testimony on over 100 pieces of legislation over the course of this legislative session. Though formal sessions have ended, the Association government affairs team continues our discussions with lawmakers on active outstanding bills and begins our work planning for the next legislative session that commences in January 2025

MBA 2023-2024 LEGISLATIVE PROGRAM

This session, the Association was successful in advocating the Legislature to pass legislation that:

- Allows Remote Online Notarization, which authorizes commissioned notaries to provide services using audio and/or video technology and includes an Association-driven industry exemption to the expansion of the unauthorized practice of law (UPL) statute.
- Updates statute to reduce the burden for mortgagors by updating current statute to allow for the use of video and telephone conferencing for third party counseling before the closing of a reverse mortgage loan.



Importantly, the Association was also recently successful in stopping legislation that would have:

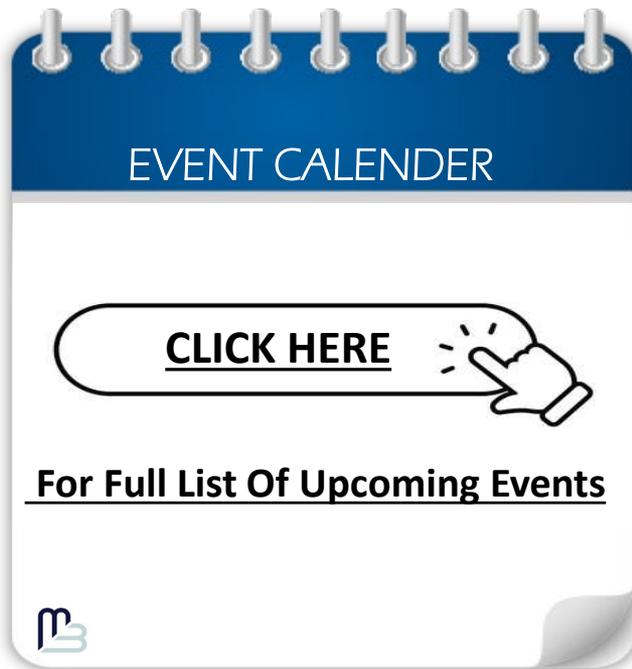
- Created a state-run public bank;
- Allowed Massachusetts credit unions to acquire community banks;
- Permitted Massachusetts credit unions to secure public deposit authority;
- Allowed municipalities to implement a transfer tax on certain real estate transactions;
- Delayed the conveyancing of real estate throughout Massachusetts by guaranteeing a tenant's right of first refusal.

The Association also successfully advocated the Massachusetts Division of Banks to issue an opinion authorizing the use of reciprocal deposit programs by Massachusetts Banks.

Source: Massachusetts Bankers Association

MASSACHUSETTS BANKERS ASSOCIATION

UPCOMING EVENTS



- 27**
Aug 2024
2024 Iolta Accounts Update
Everything you need to know about the new process for dormant IOLTA accounts!
- 11**
Sept 2024
Digital/Online Banking and the Rise of Artificial Intelligence Webinar
Join Carl Pry to discuss discuss the associated risks with incorporating AI and "big data," current and proposed agency guidance aimed at AI use, and review case studies for real-life application.
- 13**
Sept 2024
2024 Mass Bankers Connect Conference
The Mass Bankers Association welcomes you to our first annual Connect Conference. This full-day conference combines four of our annual conferences into a single mega conference.
- 16**
Sept 2024
32nd Annual Bank Compliance Academy
The 32nd Annual Bank Compliance Academy returns! A 3-day compliance school. Eligible for CE credits.
- 24**
Sept 2024
Fundamentals of Commercial Lending
Mass Bankers and New Horizons Financial Group present the 2024 Fundamentals of Commercial Lending program.
- 25**
Sept 2024
New England Conference
We are pleased to extend a cordial invitation to you, as a distinguished leader in the banking industry, to our upcoming New England Conference, which will be held from Wednesday, September 25 through Friday, September 27.
- 8**
Oct 2024
18th Annual Retail Banking Leadership Series
The Retail Banking Leadership Series, designed in conjunction with Performance Solutions Inc., returns for the 18th annual, four-part workshop.
- 10**
Oct 2024
MBA's Opening Fiduciary Accounts in Massachusetts
Your account holder, the federal government or the court has named someone legally to act on his or her behalf. Now what? What can these caregivers and fiduciaries do? What supporting paperwork must each bring?

Source: Massachusetts Bankers Association

OTHER INDUSTRY RESOURCES

INSIGHT AND ANALYSIS FROM INDUSTRY EXPERTS

Our podcasts and insights focus on different topics throughout our five service lines of business. Below are our most recent Insights. Click any of the topics to be taken to the podcast or Perspective article!



TKG Monthly Podcast

[Pig Butchering Scams – Help Protect Your Customers!](#)

[Major Issues Impacting Bank Stocks and Valuations](#)

[Banks Can Thrive or Die, What History Teaches Us](#)

[How Promoting Financial Literacy Can Help Financial Institutions Perform Better](#)



TKG Quarterly Perspectives

[Unlocking Data Analytics: The Critical Role of a Profitability Measurement System for 2024 and Beyond](#)

[Failure is OK](#)

[Insights from the American Bankers' Association Conference for Community Bankers](#)

[Navigating the Shifting Tides: Unraveling the Dynamics of Higher for Longer Rates and Profitability Trends in Community Banks](#)

Source: www.kafafiangroup.com

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 and 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.kafiangroup.com