

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2025

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ____ to ____

Commission File Number: 001-31486

WEBSTER FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

06-1187536

(I.R.S. Employer Identification No.)

200 Elm Street, Stamford, Connecticut 06902

(Address and zip code of principal executive offices)

Registrant's telephone number, including area code: (203) 578-2202

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbols</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	WBS	New York Stock Exchange
Depository Shares, each representing 1/1000th interest in a share of 5.25% Series F Non-Cumulative Perpetual Preferred Stock	WBS-PrF	New York Stock Exchange
Depository Shares, each representing 1/40th interest in a share of 6.50% Series G Non-Cumulative Perpetual Preferred Stock	WBS-PrG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of voting common stock held by non-affiliates, computed by reference using the closing price on June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$9.1 billion.

The number of shares of common stock, par value \$0.01 per share, outstanding as of February 20, 2026 was 161,226,585.

Documents Incorporated by Reference

[The information required by Part III is incorporated by reference to our definitive proxy statement or in an amendment to the Form 10-K, to be filed no later than 120 days after the end of the fiscal year covered by this Form 10-K.]

INDEX

	Page No.
Key to Acronyms and Terms	ii
Forward-Looking Statements	iv
PART I	
Item 1. Business	1
Item 1A. Risk Factors	16
Item 1B. Unresolved Staff Comments	33
Item 1C. Cybersecurity	34
Item 2. Properties	36
Item 3. Legal Proceedings	36
Item 4. Mine Safety Disclosures	36
PART II	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	37
Item 6. [Reserved]	38
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	39
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	70
Item 8. Financial Statements and Supplementary Data	71
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	158
Item 9A. Controls and Procedures	158
Item 9B. Other Information	160
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	160
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	160
Item 11. Executive Compensation	160
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	160
Item 13. Certain Relationships and Related Transactions, and Director Independence	160
Item 14. Principal Accountant Fees and Services	160
PART IV	
Item 15. Exhibits and Financial Statement Schedules	161
EXHIBIT INDEX	
Item 16. Form 10-K Summary	165
SIGNATURES	
	166

KEY TO ACRONYMS AND TERMS

ADSs	American Depositary Receipts representing Banco Santander Ordinary Shares
ACL	Allowance for credit losses
ACH	Automated Clearing House
Agency	A financial services corporation created by the United States Congress
Agency CMBS	Agency commercial mortgage-backed securities
Agency CMO	Agency collateralized mortgage obligations
Agency MBS	Agency mortgage-backed securities
AI	Artificial Intelligence
ALCO	Asset Liability Committee
Ametros	Ametros Financial Corporation
AOCI / AOCL	Accumulated other comprehensive income (loss), net of tax
ASC	Accounting Standards Codification
ASU or the Update	Accounting Standards Update
ATM	Automated teller machine
Banco Santander	Banco Santander, S.A.
Basel III Capital Rules	Capital rules under a global regulatory framework developed by the Basel Committee on Banking Supervision
Bend	Bend Financial, Inc.
BHC Act	Bank Holding Company Act of 1956, as amended
Board	The Board of Directors of Webster Financial Corporation
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act
CECL	Current expected credit loss model, defined in ASC 326 “Financial Instruments – Credit Losses”
CET1	Common Equity Tier 1 Capital, defined by the Basel III Capital Rules, as adopted in the U.S.
CET1 Risk-Based Capital	Ratio of CET1 capital to total risk-weighted assets, defined by the Basel III Capital Rules, as adopted in the U.S.
CFPB	Consumer Financial Protection Bureau
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CMBS	Non-agency commercial mortgage-backed securities
CNBC	Consumer News and Business Channel
CODM	Chief Operating Decision Maker
CRA	Community Reinvestment Act of 1977
DIF	Deposit Insurance Fund
DTA / DTL	Deferred tax asset / deferred tax liability
EAD	Exposure at default
FASB	Financial Accounting Standards Board
FDIA	Federal Deposit Insurance Act
FDIC	Federal Deposit Insurance Corporation
FDICIA	The Federal Deposit Insurance Corporation Improvement Act of 1991
Federal Reserve	The Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank
FICO	Fair Isaac Corporation
FRA	Federal Reserve Act
FRB	Federal Reserve Bank
FTE	Fully tax-equivalent
FTP	Funds Transfer Pricing, a matched maturity funding concept
GAAP	U.S. Generally Accepted Accounting Principles
HSA	Health savings account
HSA Bank	HSA Bank, a division of Webster Bank, National Association
interSYNC	interLINK Insured Sweep LLC, rebranded as interSYNC
ISACA	Information Systems Audit and Control Association
KRX	Keefe, Bruyette & Woods Regional Banking Index
LGD	Loss given default
LIHTC	Low-income housing tax credit
LTV	Loan-to-value
Marathon Asset Management	Marathon Asset Management MW Holding, LLC

[Table of Contents](#)

MBS	Mortgage-backed securities
Moody's	Moody's Investor Services
NAICS	North American Industry Classification System
NAV	Net asset value
NYSE	New York Stock Exchange
OCC	Office of the Comptroller of the Currency
OCI / OCL	Other comprehensive income (loss)
OFAC	Office of Foreign Assets Control of the U.S. Department of the Treasury
OPEB	Other post-employment medical and life insurance benefits
Ordinary Shares	Ordinary shares of Banco Santander, of 50 euro-cents nominal value each
OREO	Other real estate owned
PCAOB	Public Company Accounting Oversight Board
PCD	Purchased credit deteriorated
PD	Probability of default
PPNR	Pre-tax, pre-provision net revenue
ROU	Right-of-use
S&P	Standard and Poor's Rating Services
SALT	State and local tax
SEC	U.S. Securities and Exchange Commission
SecureSave	Secure Inc.
SERP	Supplemental executive retirement plan
SOFR	Secured Overnight Financing Rate
Sterling	Sterling Bancorp, collectively with its consolidated subsidiaries
Tier 1 Leverage Ratio	Ratio of Tier 1 capital to average tangible assets, defined by the Basel III Capital Rules, as adopted in the U.S.
Tier 1 Risk-Based Capital	Ratio of Tier 1 capital to total risk-weighted assets, defined by the Basel III Capital Rules, as adopted in the U.S.
Total Risk-Based Capital	Ratio of total capital to total risk-weighted assets, defined by the Basel III Capital Rules, as adopted in the U.S. The proposed acquisition of the Company by Banco Santander in two steps, including (1) the merger of the Company with and into Webster Virginia Corporation, a wholly owned subsidiary of the Company, with Webster Virginia Corporation continuing as the surviving corporation in such merger, and (2) immediately following the completion of such merger, the acquisition of all outstanding shares of Webster Virginia Corporation by Banco Santander through a statutory share exchange, in each case upon the terms and subject to the conditions set forth in the Transaction Agreement
Transaction	The definitive transaction agreement, dated as of February 3, 2026, by and among the Company, Banco Santander and Webster Virginia Corporation
Transaction Agreement	
UPB	Unpaid principal balance
U.S.	United States of America
USA PATRIOT Act	Uniting and Strengthening America by Providing Appropriate Tools Requirement to Intercept and Obstruct Terrorism Act of 2001
UTB	Unrecognized tax benefit
VIE / VOE	Variable interest entity / voting interest entity, defined in ASC 810-10 "Consolidation-Overall"
Webster Bank or the Bank	Webster Bank, National Association, a wholly-owned subsidiary of Webster Financial Corporation
Webster or the Company	Webster Financial Corporation, collectively with its consolidated subsidiaries

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements that constitute “forward-looking statements” within the meaning of, and subject to the protections of, the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “achieve,” “anticipate,” “assume,” “could,” “believe,” “could,” “deliver,” “drive,” “could,” “enhance,” “estimate,” “expect,” “focus,” “future,” “goal,” “grow,” “guidance,” “intend,” “may,” “might,” “plan,” “position,” “potential,” “predict,” “project,” “opportunity,” “outlook,” “should,” “strategy,” “target,” “trajectory,” “trend,” “will,” “would,” and other similar words and expressions or the negative of such terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements about the Company’s business strategy, goals and objectives projected financial and operating results, including outlook for future growth, and future common share dividends, common share repurchases, and other uses of capital.

Forward-looking statements are based on the Company’s current expectations and assumptions regarding its business, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict, and in many cases, are beyond the Company’s control. The Company’s actual results may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. Factors that could cause the Company’s actual results to differ from those discussed in any forward-looking statements include, but are not limited to:

- risks related to the proposed Transaction with Banco Santander including, among others, (1) the risk that the cost savings, synergies, and other benefits from the acquisition may not be fully realized or may take longer than anticipated to be realized, including as a result of changes in, or problems arising from, general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which Webster and Banco Santander operate; (2) the failure of the closing conditions in the Transaction Agreement by and among Webster, Banco Santander, and a wholly owned subsidiary of Webster providing for the Transaction to be satisfied, or any unexpected delay in closing the Transaction or the occurrence of any event, change, or other circumstances that could delay the Transaction or could give rise to the termination of the Transaction Agreement; (3) the outcome of any legal or regulatory proceedings or governmental inquiries or investigations that may be currently pending or later instituted against us, Banco Santander, or the combined company; (4) the possibility that the Transaction does not close when expected, or at all, because required regulatory, stockholder, or other approvals and other conditions to closing are not received or satisfied on a timely basis, or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed Transaction); (5) disruption to the parties’ businesses as a result of the announcement and pendency of the Transaction; (6) the costs associated with the anticipated length of time of the pendency of the Transaction, including the restrictions contained in the definitive Transaction Agreement on the ability of the Company to operate its business outside the ordinary course during the pendency of the Transaction; (7) risks related to management and oversight of the expanded business and operations of the combined company following the closing of the proposed Transaction; (8) the risk that the integration of our operations with Banco Santander’s will be materially delayed, or will be more costly or difficult than expected, or that the parties are otherwise unable to successfully integrate each party’s businesses into the other’s businesses; (9) the possibility that the Transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (10) reputational risk and potential adverse reactions of Webster’s or Banco Santander’s customers, employees, vendors, contractors, or other business partners, including those resulting from the announcement or completion of the Transaction; (11) the dilution caused by Banco Santander’s issuance of additional Ordinary Shares and corresponding ADSs in connection with the Transaction; (12) the possibility that any announcements relating to the Transaction could have adverse effects on the market price of Webster’s common stock, Ordinary Shares, and corresponding ADSs; (13) a material adverse change in Webster’s condition or Banco Santander’s condition; (14) the extent to which our or Banco Santander’s businesses perform consistent with management’s expectations; (15) Webster’s and Banco Santander’s ability to take advantage of growth opportunities and implement targeted initiatives in the timeframe and on the terms currently expected; (16) the possibility that the combined company is subject to additional regulatory requirements as a result of the proposed Transaction of expansion of the combined company’s business operations following the proposed Transaction;
- Webster’s ability to successfully execute its business plan and strategic initiatives, and manage any risks or uncertainties;
- continued regulatory changes or other risk mitigation efforts taken by government agencies in response to the risk to safety and soundness in the banking industry;
- volatility in Webster’s stock price due to investor sentiment and perception of the banking industry;
- local, regional, national, and international economic conditions or macroeconomic instability (including any economic slowdown or recession, inflation, monetary fluctuation, tariff increases, interest rate changes, credit loss trends, unemployment, changes in housing or securities markets, or other factors) and the impact of the same on Webster or its customers;
- volatility, disruption, or uncertainty in national and international financial markets, including as a result of geopolitical developments;

[Table of Contents](#)

- the impact of realized and unrealized losses in Webster’s financial instruments, including in Webster’s available-for-sale securities portfolio and held-to-maturity securities portfolio;
- changes in laws and regulations, or existing laws and regulations that Webster becomes subject to, including those concerning banking, taxes, dividends, securities, insurance, cybersecurity, and healthcare administration, with which Webster must comply;
- adverse conditions in the securities markets that could lead to impairment in the value of Webster’s securities portfolio;
- possible changes in governmental monetary and fiscal policies, or any leadership changes of those determining such policies, including, but not limited to, Federal Reserve policies in connection with continued inflationary pressures;
- the effects of any restructurings, staff reductions, or other disruptions in the U.S. federal government or in agencies regulating or otherwise impacting Webster’s business;
- the direct or indirect impact of any new regulatory, policy, or enforcement developments resulting from the policies or actions of the current U.S. presidential administration, including trade deals, changes in tariffs and other protectionist trade policies, any reciprocal and/or retaliatory tariffs by foreign countries, and any uncertainties related thereto;
- the timely development and acceptance of any new products and services, and the perceived value of those products and services by customers;
- changes in deposit flows, consumer spending, borrowings, and savings habits;
- Webster’s ability to implement new technologies and maintain secure and reliable information and technology systems;
- the effects, including reputational damage, of any cybersecurity threats, attacks or disruptions, fraudulent activity, or other data breaches or security events, including those involving Webster’s third-party vendors and service providers;
- issues with the performance of Webster’s counterparties and third-party vendors;
- Webster’s ability to increase market share and control expenses;
- changes in the competitive environment among banks, financial holding companies, and other traditional and non-traditional financial service providers;
- Webster’s ability to maintain adequate sources of funding and liquidity;
- possible downgrades in Webster’s credit ratings;
- limitations on Webster’s ability to receive dividends from its subsidiaries;
- Webster’s ability to attract, develop, motivate, and retain skilled employees;
- changes in loan demand or real estate values;
- changes in the mix of loan geographies, sectors, or types and the level of non-performing assets, charge-offs, and delinquencies;
- changes in Webster’s estimates of current expected credit losses based upon periodic review under relevant regulatory and accounting requirements;
- the effect of changes in accounting policies and practices applicable to Webster, including impacts of recently adopted accounting guidance;
- legal and regulatory developments, including any due to judicial decisions, the initiation or resolution of legal proceedings or regulatory or other governmental inquiries, the results of regulatory examinations or reviews, disruptions at regulatory agencies, government funding or other issues;
- Webster’s ability to navigate differing environmental, social, governmental, and sustainability concerns among federal and state governmental administrations and judicial decisions, Webster’s stakeholders, and other activists that may arise from Webster’s business activities;
- Webster’s ability to assess and monitor the effect of evolving uses of artificial intelligence on its business and operations;
- the occurrence of natural disasters, severe weather events, and public health crises, and any governmental or societal responses thereto; and
- the impact of any of the foregoing on the business or credit quality of Webster’s customers.

Any forward-looking statement in this Annual Report on Form 10-K speaks only as of the date on which it is made. Factors or events that could cause the Company’s actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by law.

PART I

ITEM 1. BUSINESS

General

The Company is a bank holding company that has elected to be treated as a financial holding company under the BHC Act, incorporated under the laws of Delaware in 1986, and headquartered in Stamford, Connecticut. As of December 31, 2025, the Company had \$84.1 billion in total consolidated assets.

The Bank is a commercial bank with a national bank charter focused on providing financial products and services to businesses, individuals, and families. While its core footprint spans the Northeast from the New York metropolitan area to Rhode Island and Massachusetts, certain businesses operate in extended geographies. The Bank offers three differentiated lines of business: Commercial Banking, Healthcare Financial Services, and Consumer Banking.

Proposed Transaction with Banco Santander

On February 3, 2026, Webster entered into a Transaction Agreement with Banco Santander and Webster Virginia Corporation, a wholly owned subsidiary of Webster incorporated in the State of Virginia. The Transaction Agreement provides that, upon the terms and subject to the conditions set forth therein, Banco Santander will acquire Webster in two steps. First, Webster will merge with and into Webster Virginia Corporation, with Webster Virginia Corporation continuing as the surviving corporation in such merger. Second, immediately following the completion of such merger, Banco Santander will acquire all outstanding shares of Webster Virginia Corporation through a statutory share exchange. Based on Banco Santander's closing stock price on February 2, 2026, the Transaction has an aggregate value of approximately \$12.3 billion.

Under the terms of the Transaction Agreement, holders of Webster common stock will receive \$48.75 in cash and 2.0548 ADSs (or Ordinary Shares in certain circumstances) for each share of Webster common stock that they own. The Transaction Agreement contains customary representations and warranties, covenants, and closing conditions. Completion of the Transaction remains subject to approval by the Federal Reserve and the European Central Bank, approval by the stockholders of each company, and other customary closing conditions. The Transaction is expected to close in the second half of 2026.

Joint Venture with Marathon Asset Management

On July 19, 2024, the Company, through its subsidiary, MW Advisor Holding, LLC, entered into an agreement with Marathon Asset Management and formed a private credit joint venture, which is designed to deliver direct lending solutions for sponsor-backed middle market companies across the country. Information regarding joint venture activities that occurred during the year ended December 31, 2025, can be found within Note 2: Business Developments in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

On January 26, 2026, CVC Capital Partners, a private markets investment firm, announced that it has agreed to acquire 100% of Marathon Asset Management, which will result in a change in control of Marathon Asset Management. Separately, Webster's Transaction with Banco Santander will result in a change of control of Webster. Pursuant to the operating agreement for Webster's joint venture with Marathon Asset Management, within 120 days after the consummation of a change in control, the non-affected member may elect to dissolve the joint venture, which would result in the wind-down of MW Advisor, LLC and Marathon Direct Lending SLP, LLC.

Subsidiaries and Reportable Segments

As of December 31, 2025, the Company's active consolidated subsidiaries included the Bank and MW Advisor Holding, LLC. The Bank's active consolidated subsidiaries included Webster Licensing, LLC, Webster Wealth Advisors, Inc., Bend Financial, Inc., InterLINK Insured Sweep LLC, Ametros Financial Corporation, Webster Servicing LLC, Webster Public Finance Corporation, Webster Mortgage Investment Corporation, Sterling National Funding Corp., Sterling REIT, Inc., Webster Preferred Capital Corporation, Webster Investment Services, Inc., and Secure Inc.

The Company's operations are organized into three reportable segments that represent its differentiated lines of business: Commercial Banking, Healthcare Financial Services, and Consumer Banking.

Commercial Banking delivers financial solutions nationally to a wide range of companies, investors, government entities, and other public and private institutions. Commercial Banking helps its clients achieve their business and financial goals with expertise in Commercial Real Estate, Middle Market, Sponsor and Specialty Finance, Verticals and Regional Banking, Asset Based Lending and Commercial Services, and Treasury Management. Commercial Banking's Private Banking team also pairs holistic wealth solutions, including tailored lending, with commercial banking services.

Healthcare Financial Services includes HSA Bank and Ametros. HSA Bank is one the country's largest providers of employee benefits solutions, including being one of the leading bank administrators of HSAs, emergency savings accounts, and flexible spending account administration services in 50 states. Ametros, the nation's largest professional administrator of medical insurance claim settlements, helps individuals manage their ongoing medical care through their CareGuard service and proprietary technology platform.

Consumer Banking delivers customized financial solutions to individuals, families, and small to mid-sized businesses through its experienced relationship managers and wealth advisors across 195 banking centers located throughout the Northeast. Consumer Banking offers a full suite of deposit, lending, treasury management, and wealth management solutions. Consumer Banking also provides a fully digital banking experience through its mobile banking apps and BrioDirect.

Additional information regarding the Company's reportable segments can be found in Part II under the section captioned "Segment Reporting" contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and within Note 20: Segment Reporting in the Notes to Consolidated Financial Statements contained in Item 8. Financial Statements and Supplementary Data.

Available Information

The Company files reports with the SEC, and makes available, free of charge, within the investor relations section of its website (<http://investors.websterbank.com>), its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports as soon as reasonably practicable after it electronically files such material with, or furnishes it to, the SEC. The SEC website (<http://www.sec.gov>) makes reports, proxy and information statements, and other information filed electronically with the SEC available to the public free of charge. The Company intends to use its Investor Relations website and its corporate website as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Accordingly, investors should monitor these channels in addition to our press releases, SEC filings, and public conference calls and webcasts. Information contained on the Company's website is not incorporated by reference into this Annual Report on Form 10-K.

Human Capital Resources

As a values-driven organization, our colleagues are the cornerstone of our success. As of December 31, 2025, the Company had 4,498 full-time employees and 103 part-time employees. Our employees are primarily located in our core footprint, which spans the Northeast from the New York metropolitan area to Rhode Island and Massachusetts, including our headquarters in Stamford, Connecticut. The average full-time and part-time employee tenure at the Company is approximately 8.9 years.

Culture and Engagement. We recognize the importance of an engaged workforce, and we support the professional development of our colleagues to help them achieve their career goals. Our 2025 colleague engagement survey results reflected our commitment to establishing a culture of trust and safety by encouraging colleagues to share their opinions and actionable ideas for improvement. Webster provides all colleagues with 24 hours of paid time (pro-rated for new hires and part-time colleagues) to volunteer at the organizations of their choice.

Internal Communication. Our internal communications channels are designed to keep colleagues informed, connected, and aligned with company priorities. We publish Webster Weekly, an all-colleague newsletter that provides regular updates on key initiatives, news, and achievements across the organization. Our intranet, the Vault, serves as a centralized hub for corporate messaging, essential resources and department information, ensuring colleagues have easy access to timely and accurate content. In 2025, we hosted 11 Webster Within webinars, a leadership series featuring members of the executive management committee who share insights on important topics and organizational priorities, supporting transparency, engagement, and ongoing colleague education.

Inclusion and Belonging. At Webster, we believe that fostering a culture of inclusion and belonging is integral to our long-term success. We are committed to attracting, developing, and retaining a talented workforce with a broad range of perspectives, knowledge, and experience. We are dedicated to providing equal employment opportunities to all individuals in accordance with applicable laws. We believe this approach enhances engagement, supports retention, increases job satisfaction, and contributes to a more engaged and productive workforce. Our Business Resource Groups, open to all colleagues on a voluntary basis, are strategic partners who support programs and initiatives that advance talent acquisition and leadership development, colleague retention and productivity, market development, and customer attraction and retention. They further align with corporate strategy by leveraging and capitalizing on the benefits of an inclusive well-qualified workforce to drive innovation, strengthen problem-solving, deepen market insight and enhance colleague engagement and satisfaction.

Compensation. Our compensation program is designed to attract, retain, and reward performance and align incentives with achievement of our strategic plan, and both short- and long-term operating objectives. Our hiring, promotion, and retention practices are based on merit and qualifications, guided by the principles of fairness. Our pay practices have strong governance processes, including reviewing competitive market data from multiple surveys each year. We also offer competitive benefits packages that reflect the needs of our workforce, which include medical, dental, and vision plans, prescription benefits, life insurance and disability benefits, HSAs, wellness incentives, health coaching, telemedicine, paid parental leave, paid time off and paid holidays, a matching 401(k) retirement savings plan, an employee stock purchase plan, an employee assistance program, a student loan repayment program, backup child and elder care, pet insurance, and wellness programs. We continually review and evolve our benefit plans as necessary to remain competitive and meet the needs of our workforce.

Learning and Talent Management. We are focused on investing in our current and future talent by actively supporting the success, growth, and career progression of our colleagues. Our colleagues have access to our internal learning resources that offer in-person facilitated learning programs, virtual instructor-led training and on-demand programs. We also provide unlimited access to self-directed e-learning courses taught by industry experts with curated learning paths designed for specific professional interests.

Significant investments in formal development programs are made to build our talent pipeline. Our Internship Program and our Rotational Program for early-career college graduates provide rotating assignments throughout the bank. Further, we offer our RISE Emerging Talent Program for high-potential individuals, our flagship management development program, Lead with Impact, and our Advanced Leadership Program targeted to our top leadership talent. Our mentoring program, which partners with our Business Resource Group network, is also an important resource to support colleagues with their professional growth based on their self-identified career development goals.

Competition

The Company is subject to strong competition from other commercial banks, savings banks, credit unions, non-bank health savings account trustees, consumer finance companies, investment companies, insurance companies, online lending and savings institutions, and other non-bank financial services companies. Certain of these competitors are larger financial institutions with substantially greater resources, lending limits, larger branch systems, and a wider array of commercial and consumer banking services than the Company. Many of these competitors lack a physical presence within our geographic footprint, but actively pursue business through digital channels and other remote means. Competition could intensify in the future as a result of industry consolidation, the increasing availability of products and services from non-bank organizations, including financial technology companies, greater technological developments in the industry, and continued bank regulatory changes.

The Company faces substantial competition for deposits and loans throughout its market areas. The primary factors in competing for deposits are interest rates, personalized services, the quality and range of financial services, convenience of office locations and hours, mobile banking, and other automated services. Competition for deposits comes from other commercial banks, savings banks, credit unions, non-bank health savings account trustees, money market mutual funds, financial technology companies, and other non-bank financial services companies. The primary factors in competing for commercial and consumer loans are interest rates, loan origination fees, ease and convenience of loan origination channels, the quality and range of lending services, personalized service, and the ability to close within each customer's desired time frame. Competition for the origination of loans comes primarily from commercial banks, non-bank lenders, savings institutions, mortgage banking firms, mortgage brokers, online lenders, and insurance companies.

The financial services industry continues to undergo rapid technological change with frequent introductions of new technology-driven products and services, including innovative ways that customers can make payments or manage their accounts, such as through the use of mobile payments, digital wallets, or digital assets. Other factors that affect competition include the general and local economic conditions, current interest rate levels, and volatility in the lending markets.

Supervision and Regulation

The Company and its bank and non-bank subsidiaries are subject to extensive regulation under federal and state laws. The regulatory framework applicable to bank holding companies and their depository institutions is intended to protect depositors, the DIF, consumers, and the U.S. banking system as a whole, not stockholders.

Set forth below is a summary of the significant elements of the laws and regulations applicable to the Company and its bank and non-bank subsidiaries. The description that follows is qualified in its entirety by reference to the full text of the statutes, regulations, and policies that are described. Banking statutes, regulations, and policies are continually under review by Congress, state legislatures, and federal and state regulatory agencies. Changes in the statutes, regulations, or policies applicable to the Company and its bank and non-bank subsidiaries, including how they are implemented or interpreted by regulators or by courts, could have a material effect on the results of the Company.

Regulatory Agencies

The Company is a separate and distinct legal entity from the Bank and its other subsidiaries. As a registered bank holding company that has elected to be treated as a financial holding company, the Company is subject to consolidated regulation, inspection, examination, and supervision under the BHC Act by its primary federal regulator, the Federal Reserve. As a publicly-traded company, the Company is subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, which are administered by the SEC. As a publicly-traded company with securities listed on the NYSE, the Company is subject to the rules of the NYSE.

The Bank is organized as a national banking association under the National Bank Act, as amended, and is subject to the supervision of and regular examination by the OCC, its primary regulator, and with respect to some matters, by the FDIC, its deposit insurer, and the CFPB. As a national banking association, the Bank derives its lending, investment, and other bank activity powers from the National Bank Act, as amended, and the regulations of the OCC promulgated thereunder.

The Company's non-bank subsidiaries are also subject to regulation by the Federal Reserve and other applicable federal and state agencies.

Permissible Activities

In general, the BHC Act limits the business of bank holding companies to banking, managing, or controlling banks and other activities that the Federal Reserve has determined to be closely related to banking. Bank holding companies that qualify and elect to become financial holding companies, such as the Company, may engage in any activity, or acquire and retain the shares of a company engaged in any activity, that is either financial in nature or incidental to such financial activity (as determined by the Federal Reserve in consultation with the Secretary of the Treasury), or complementary to a financial activity, and that does not pose a substantial risk to the safety and soundness of depository institutions or the financial system (as solely determined by the Federal Reserve). Activities that are financial in nature include securities underwriting, dealing and market making, sponsoring mutual funds and investment companies, insurance underwriting, and merchant banking. Subject to certain exceptions, the BHC Act generally prohibits us from acquiring direct or indirect ownership or control of voting shares of any company engaged in activities that are not permissible for financial holding companies to engage in.

Maintaining our financial holding company status requires that the Company and the Bank remain "well-capitalized" and "well managed," as defined by Regulation Y, and that the Bank maintains at least a "satisfactory" rating under the CRA. If the Company or the Bank fail to continue to meet these requirements, we could be subject to restrictions on new activities and acquisitions, and/or be required to cease and possibly divest operations that conduct existing activities that are not permissible for a bank holding company that is not a financial holding company. Additionally, the Federal Reserve could impose corrective capital and managerial requirements and activity restrictions on us if we cease to be "well-capitalized" or "well managed."

Acquisitions of Ownership

Acquisitions of Webster voting stock above certain thresholds may be subject to prior regulatory notice or approval under applicable federal banking laws. Investors are responsible for ensuring that they do not, directly or indirectly, acquire shares of Webster stock in excess of the amount that can be acquired without regulatory approval or notice under the BHC Act and the Change in Bank Control Act.

The proposed Transaction with Banco Santander will be subject to relevant regulatory approvals. Refer to the paragraphs captioned under "Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the Transaction" in Part I - Item 1A. Risk Factors for additional information.

Mergers and Acquisitions

Under the BHC Act, prior approval from the Federal Reserve is required in order for any bank holding company to acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank, acquire all or substantially all of the assets of a bank, or merge or consolidate with any other bank holding company. Generally, the Company is not required to obtain prior approval from the Federal Reserve to acquire a non-bank that engages in activities that are financial in nature or incidental to activities that are financial in nature, as long as the Company continues to meet the capital, managerial, and CRA requirements that enable it to qualify as a financial holding company. However, the Company is required to receive prior approval from the Federal Reserve for an acquisition in which the total consolidated assets to be acquired exceeds \$10 billion.

Pursuant to Section 18(c) of the FDIA, more commonly known as the Bank Merger Act, and for national banks relying on certain other sources of merger authority, prior written approval from a bank's primary federal regulator is required before any insured depository institution may consummate a merger transaction, which includes a merger, consolidation, assumption of deposit liabilities, and certain asset transfers between or among two or more institutions. Prior written approval of a bank's primary federal regulator is also required for merger transactions between or among affiliated institutions, as well as for merger transactions between or among non-affiliated institutions. Transactions that do not involve a transfer of deposit liabilities typically do not require prior approval under the Bank Merger Act unless the transaction involves the acquisition of all or substantially all of an institution's assets. When evaluating and acting on proposed merger transactions, regulators consider the extent of existing competition between and among the merging institutions, other depository institutions, and other providers of similar or equivalent services in the relevant product and geographic markets, the convenience and needs of the community to be served, capital adequacy and earnings prospects, and the effectiveness the merger institutions in combating money-laundering activities, among other factors.

Further, the Change in Bank Control Act of 1978 prohibits the Company from acquiring control of a bank regulated by the FDIC without providing at least 60 days prior written notice to the FDIC or upon receipt of written notice that the FDIC does not disapprove of the acquisition.

Capital Adequacy

The Federal Reserve, the OCC, and the FDIC have adopted the regulatory capital standards in accordance with the Basel III Capital Rules, as developed by the Basel Committee on Banking Supervision. The Basel III Capital Rules strengthened international capital adequacy standards by increasing institutions' minimum capital requirements and holdings of high-quality liquid assets and decreasing bank leverage.

Under the Basel III Capital Rules, as currently adopted in the U.S., the Company's and the Bank's assets, exposures, and certain off-balance sheet commitments and obligations are subject to risk weights used to determine risk-weighted assets. Risk weights can range from 0% for U.S. government securities to 1,250% for certain tranches of complex securitization or equity exposures. Risk-weighted assets serve as the base against which regulatory capital is measured, and are used to calculate capital ratios of CET1 Risk-Based Capital, Tier 1 Risk-Based Capital, Total Risk-Based Capital, and Tier 1 Leverage Ratio, as defined in the applicable regulations, which the Company and the Bank are required to maintain above certain specified minimums. CET1 capital consists of common stockholders' equity less deductions for goodwill and other intangible assets, and certain deferred tax adjustments. At the time of initial adoption of the Basel III Capital Rules, the Company had elected to opt-out of the requirement to include certain components of AOCI in CET1 capital. Tier 1 capital consists of CET1 capital plus preferred stock. Total capital consists of Tier 1 capital and Tier 2 capital, as defined in the regulations. Tier 2 capital includes qualifying subordinated debt and the permissible portion of the ACL.

In addition, the Basel III Capital Rules mandate that most deductions from or adjustments to regulatory capital be made to CET1 capital, not to the other components. For instance, the deduction of mortgage servicing assets, certain DTAs, and capital investments in unconsolidated financial institutions is required to the extent that any one such category exceeds 10% of CET1 capital or exceeds 15% of CET1 capital in the aggregate.

The Basel III Capital Rules also include a capital conservation buffer comprised entirely of CET1 capital, which is considered in addition to the 4.5% minimum CET1 capital ratio and is equal to 2.5% of risk-weighted assets for both the Company and the Bank. This buffer is designed to absorb losses during periods of economic stress, and is generally required in order to avoid limitations on capital distributions and certain discretionary bonus payments to executive officers.

Our regulatory capital ratios can be found in Part II under the section captioned "Liquidity and Capital Resources" contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and within Note 13: Regulatory Capital and Restrictions in the Notes to Consolidated Financial Statements contained in Item 8. Financial Statements and Supplementary Data.

Prompt Corrective Action

FDICIA requires the federal bank regulatory agencies to take "prompt corrective action" regarding FDIC-insured depository institutions that do not meet certain capital adequacy standards. A depository institution's treatment for purposes of the prompt corrective action provisions depends upon its level of capitalization and certain other factors. An institution that fails to remain "well-capitalized" becomes subject to a series of restrictions that increase in severity as its capital condition weakens. Such restrictions may include a prohibition on capital distributions, restrictions on asset growth or restrictions on the ability to receive regulatory approval of applications. FDICIA also provides for enhanced supervisory authority over "under capitalized" institutions, including authority for the appointment of a conservator or receiver for the institution. In certain instances, a bank holding company may be required to guarantee the performance of an "under capitalized" subsidiary bank's capital restoration plan. As of December 31, 2025, the Bank was categorized as "well-capitalized" under each of its capital ratio categories.

An insured depository institution with a ratio of tangible equity less than or equal to 2% is considered to be critically under capitalized. If an insured depository institution has been determined, after notice and opportunity for a hearing, to be in an unsafe or unsound condition, or if it receives a less-than-satisfactory rating for asset quality, management, earnings, or liquidity in its most recent examination, the appropriate federal banking agency may downgrade a well capitalized, adequately capitalized, or under capitalized insured depository institution to the next lower capital category.

All insured depository institutions, regardless of their capital category, are prohibited from making capital distributions or paying management fees if such distributions or payments would result in the insured depository institution becoming under capitalized, unless it is shown that the capital distribution would improve financial condition, or the management fee is being paid to a person or entity without a controlling interest in the insured depository institution. Restrictions are placed on certain brokered deposit activity and on deposit rates offered as the capital category declines below well capitalized. Further, if an insured depository institution receives notice that it is under capitalized, significantly under capitalized, or critically under capitalized, the insured depository institution generally must file a written capital restoration plan with the appropriate federal banking agency within 45 days of receipt, and the bank holding company must guarantee the performance of that plan.

Enhanced Prudential Standards

The Federal Reserve established enhanced prudential standards for larger bank holding companies based on size and certain risk-based indicators. In 2019, the Federal Reserve, along with other federal bank regulatory agencies, tailored these prudential standards allowing bank holding companies with total consolidated assets of \$250 billion or less to be exempt from certain enhanced capital and liquidity prudential standards, including company-run stress testing, capital planning, liquidity coverage ratio, and resolution planning requirements, among others. Although the Company's total consolidated assets are beneath the \$250 billion threshold, the Company performs certain stress tests internally and incorporates the economic models and information developed through its stress testing program into its risk management and capital planning activities, which continue to be subject to the regular supervisory processes of the Federal Reserve System and the OCC.

The transition to heightened supervision under enhanced prudential standards for large banks (e.g., crossing \$100 billion of assets, and thus becoming a Category IV institution under the tailoring framework) is a significant regulatory hurdle and involves additional liquidity risk management requirements, more onerous internal liquidity stress testing and liquidity buffer requirements, supervisory stress testing, the stress capital buffer, additional capital planning requirements, additional reporting to the Federal Reserve and more comprehensive resolution plan filings with the FDIC.

Federal Reserve System

Regulations of the Federal Reserve require a depository institution to maintain reserves against its transaction accounts and non-personal time deposits for the purposes of implementing monetary policy. The reserve requirement must be satisfied in the form of vault cash and, if vault cash is insufficient, by maintaining a balance in an account at a FRB. The FRA authorizes different ranges of reserve requirement ratios depending on the amount of transaction account balances held at a depository institution. Since March 26, 2020, the reserve requirement ratios on all net transaction accounts were reduced to zero percent, thereby eliminating reserve requirements for all depository institutions.

Further, as a national bank and a member of the Federal Reserve System, the Bank is required to subscribe to the capital stock of its district FRB in an amount equal to 6% of its capital and surplus, of which 50% is paid. The remaining 50% is subject to call by the Federal Reserve. At December 31, 2025, the Bank held a stock investment in the FRB of New York of \$231.2 million.

Federal Home Loan Bank System

The FHLB System provides a central credit facility for its member institutions. The Bank, as a member of the FHLB of Boston, is required to purchase and hold shares of FHLB capital stock for its membership and other activities in an amount equal to 0.05% of total assets as of the end of the prior calendar year, up to a maximum of \$5 million, plus an amount that varies from 3.0% to 4.0% depending on the maturities of its FHLB advances, of which there were \$3.0 billion outstanding for the Bank at December 31, 2025. The Bank was in compliance with these requirements at December 31, 2025, and held a FHLB stock investment of \$125.2 million.

Source of Strength Doctrine

Bank holding companies are required to serve as a source of financial and managerial strength to their subsidiary banks and could be required to commit resources to support each of their subsidiary banks. This support may be required at times when the Company is not in a financial position to provide such resources without adversely affecting its ability to meet other obligations. The Federal Reserve may require a bank holding company to make capital injections into a troubled subsidiary bank and may charge the bank holding company with engaging in unsafe and unsound practices if it fails to commit resources to such a subsidiary bank when necessary, or if it undertakes actions that the Federal Reserve believes might jeopardize the bank holding company's ability to commit resources to such subsidiary bank when necessary. Capital loans by a bank holding company to its subsidiary bank would be subordinate in right of payment to deposits and certain other debts of the subsidiary bank. In the event of bankruptcy, a formal commitment by a bank holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank would be assumed by the bankruptcy trustee and entitled to a priority of payment.

In addition, under the National Bank Act, if the Bank's capital stock is impaired by losses or otherwise, the OCC is authorized to require payment of the deficiency by assessment upon the Company. If the assessment is not paid within three months after receiving notice thereof, the OCC could order a sale of the Bank stock held to cover any deficiency.

Safety and Soundness Standards

The federal bank regulatory agencies have adopted the rules and regulations under the Interagency Guidelines Establishing Standards for Safety and Soundness, which are applicable to all insured depository institutions. These guidelines prescribe standards relating to internal controls, information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, fees, and benefits, asset quality, earnings, and stock valuation, as determined to be appropriate.

The OCC also has established guidelines setting forth heightened risk management and governance standards for large national banks, which currently includes the Bank. A large bank is currently defined as a bank with more than \$50 billion in average total consolidated assets from its four most recently filed quarterly Call Reports. Because the Bank is currently a covered bank, it has a risk governance framework designed to meet the OCC heightened standards. In December 2025, the OCC issued a notice of proposed rulemaking that would increase the threshold at which the heightened standards apply from \$50 billion to \$700 billion in average total consolidated assets, while keeping in place the concept of a risk governance framework for banks with over \$50 billion in average total consolidated assets. Additional information regarding our risk governance framework can be found under the section captioned “Risk Governance Framework” contained elsewhere in this Item 1. Business.

If the applicable federal bank regulatory agency determines that an institution fails to meet any of the established standards, the agency may require the institution to submit an acceptable plan to achieve compliance with the standard. In the event that an institution fails to submit an acceptable plan within the time allowed, or fails, in any material respect, to implement an accepted plan, the agency must require the institution to correct the deficiency and may take other supervisory and enforcement actions until the deficiency is corrected.

In more serious instances, enforcement actions may include the issuance of directives to increase capital, the issuance of formal and informal agreements, the imposition of civil monetary penalties, the issuance of a cease and desist order that can be judicially enforced, the issuance of removal and prohibition orders against officers, directors, and other institution affiliated parties, the termination of the insured depository institution’s deposit insurance, the appointment of a conservator or receiver for the insured depository institution, and injunctions or restraining orders based upon a judicial determination that the FDIC, as receiver, would be harmed if such equitable relief was not granted.

Resolution Planning

The FDIC requires certain insured depository institutions with more than \$50 billion in total assets to periodically submit resolution plans to provide the FDIC with information about the bank that is essential to effective resolution planning and to support the execution of a resolution, if necessary. In June 2024, the FDIC amended its insured depository institution resolution plan rule, which requires the Bank, as a “Group B” insured depository institution with between \$50 billion and \$100 billion in total assets, to submit informational filings on a three-year cycle and provide limited interim supplements in each of the off-years. The final rule became effective October 1, 2024. The Bank’s initial information filing submission is due on or before April 1, 2026. In December 2025, the FDIC provided an update on insured depository institution resolution planning for large banks and announced that it expects to propose changes to the Insured Depository Institution Rule and to conduct capabilities testing in 2026 on insured depository institutions’ ability to populate a virtual data room.

Dividends

The Company is dependent upon dividends from the Bank to provide funds for its cash requirements, including the payment of dividends to stockholders. Dividends paid by the Bank are subject to federal regulatory limitations. Express approval by the OCC is required if the effect of dividends declared would cause the regulatory capital of the Bank to fall below specified minimum levels or would exceed the net income for that year combined with the undistributed net income for the preceding two years. During the year ended December 31, 2025, the Bank declared and paid \$900.0 million in dividends to the Company and had \$634.6 million of undistributed net income available for the declaration and payment of dividends at December 31, 2025.

In addition, federal bank regulatory agencies have the authority to prohibit the Company from engaging in unsafe or unsound practices in conducting its business. The declaration and payment of dividends, depending on the financial condition of the Bank, could be deemed an unsafe or unsound practice, especially if its capital base is depleted to an inadequate level. The ability of the Bank to pay dividends in the future is currently, and could be further, influenced by bank regulatory policies and capital requirements.

Transactions with Affiliates and Insiders

Transactions between insured depository institutions and their affiliates are governed by Sections 23A and 23B of the FRA and Federal Reserve Regulation W. In a bank holding company context, at a minimum, the parent holding company of a national bank, and any companies that are controlled by such parent holding company, are considered affiliates of the bank. Generally, sections 23A and 23B of the FRA are intended to protect insured depository institutions from losses arising from transactions with non-insured affiliates by (i) limiting the extent to which an institution or its subsidiaries may engage in covered transactions with any one affiliate and with all affiliates in the aggregate, and (ii) requiring that all such transactions be on terms substantially the same, or at least favorable, to the institution or subsidiary as those provided to a non-affiliate on market terms. The term covered transaction includes the making of loans, purchase of assets, the issuance of a guarantee, and similar types of transactions. Certain covered transactions must be collateralized according to the FRA and Regulation W.

In addition, Section 22(h) of the FRA and Federal Reserve Regulation O restricts extensions of credit to directors, executive officers, and principal stockholders or insiders of the Bank. Pursuant to Section 22(h), extensions of credit to directors, executive officers, and principal stockholders of the Bank or its affiliates must be made on terms substantially the same as offered in comparable transactions to other persons, except that such insiders may receive preferential extensions of credit made under a benefit or compensation program that is widely available to the institution's employees and does not give preference to the insider over the employees. Further, extensions of credit to insiders and their related interests may not exceed, together with all other outstanding extensions of credit to such persons and affiliated entities, the percentage of the institution's total unimpaired capital and unimpaired surplus set forth in Regulation O. Extensions of credit to insiders above specified amounts must receive prior approval from the Bank's Board of Directors. Section 22(g) of the FRA and Regulation O places additional limitations on extensions of credit to executive officers.

Consumer Protection and Consumer Financial Protection Bureau Supervision

As an insured depository institution with more than \$10 billion in total assets, the Bank is subject to supervision by the CFPB. The CFPB has been responsible for implementing, enforcing, and examining compliance with federal consumer financial protection laws. In early February 2025, employees of the CFPB were instructed to cease all supervision, investigations, enforcement, rulemaking, and stakeholder activities. It is unclear how long these instructions — which are the subject of ongoing litigation — will stay in force, either fully or partially. There are also a number of federal laws, which the Bank has been subject to, that are designed to protect borrowers and promote lending, including, but not limited to, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Procedures Act, the Truth in Lending Act, the Home Mortgage Disclosure Act, the Real Estate Settlement Practices Act, the Consumer Financial Protection Act of 2010, and the Gramm Leach Bliley Act regarding Privacy of Consumer Financial Information.

In October 2023, the Federal Reserve proposed amendments to its rules on interchange fees. Interchange fees, or “swipe” fees, are charges that merchants pay to card-issuing banks for processing electronic payment transactions. The current interchange fee limitations establish a maximum possible fee for many types of debit interchange transactions that is equal to no more than 21 cents per transaction plus five basis points multiplied by the value of the transaction. The proposed changes would establish a maximum permissible interchange fee of no more than 14.4 cents per transaction plus four basis points multiplied by the value of the transaction. The current rules allow a debit card issuer to recover one cent per transaction for fraud prevention purposes if the issuer complies with certain fraud-related requirements. Under the proposed changes, the fraud prevention adjustment would be increased to 1.3 cents per transaction. The proposed rule would also establish an automatic update of the interchange fee cap every other year based on a survey of debit card issuers. However, the Federal Reserve's existing interchange fee rule is subject to ongoing litigation and therefore the Federal Reserve has indicated that it does not intend to finalize a new rule until there is legal certainty regarding interpretation of the regulation.

State authorities have increased their focus on and enforcement of consumer protection rules. Consumer protection laws apply to a broad range of our activities and to various aspects of our business and include laws relating to interest rates, fair lending, disclosures of credit terms and estimated transaction costs to consumer borrowers, debt collection practices, the use of and the provision of information to consumer reporting agencies, and the prohibition of unfair, deceptive, or abusive acts or practices in connection with the offer, sale, or provision of consumer financial products and services. The extent to which the Bank as a national bank is also subject to certain state consumer protection laws is also subject to ongoing litigation and uncertainty.

Identity Theft

Certain regulated entities are required to establish programs to address risks of identity theft. In accordance with these rules, financial institutions and creditors are required to develop and implement a written identity theft prevention program designed to detect, prevent, and mitigate identity theft in connection with certain existing accounts or the opening of new accounts. The Company has an Identity Theft Prevention Program in place satisfying its compliance with these requirements.

Financial Privacy and Data Security

The Company is subject to federal and certain state laws and regulations containing consumer privacy and data protection provisions addressing the treatment of nonpublic personal information about consumers by financial institutions. Subject to certain exceptions, financial institutions are prohibited from disclosing nonpublic personal information about a consumer to nonaffiliated third parties, unless the institution satisfies various notice and opt-out requirements, and the consumer has not elected to opt out of the disclosure. Regardless as to whether a financial institution shares nonpublic personal information, the institution must provide notice of its privacy policies and practices to its consumers, and must follow redisclosure and reuse limitations on any nonpublic personal information it receives from a nonaffiliated financial institution.

The federal bank regulatory agencies have adopted guidelines for establishing information security standards and programs to protect such information, with an increased focus on risk management and processes related to information technology, and the use of third parties. The expectation from the federal bank regulatory agencies is that financial institutions have established lines of defense to ensure that their risk management processes address the risks posed by compromised customer credentials, and that the financial institution has sufficient business continuity planning processes to ensure rapid recovery, resumption, and maintenance of operations after a cyber-attack.

Financial institutions are required to notify customers of security breaches that result in unauthorized access to their nonpublic personal information and its primary regulator of certain types of computer security incidents that result in harm to the confidentiality, integrity, or availability of an information system or the information that the system processes, stores, or transmits, as soon as possible and no later than 36 hours after the banking organization determines that a notification incident has occurred.

Community Reinvestment Act and Fair Lending Laws

The Bank has a responsibility under the CRA to help meet the credit needs of its communities, including low and moderate-income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions, nor does it limit an institution's discretion to develop the types of products or services that it believes are best suited to its particular community. In connection with its examination, the OCC assesses the Bank's record of compliance with the CRA. In addition, the Equal Credit Opportunity Act and the Fair Housing Act prohibit discrimination in lending practices on the basis of characteristics specified in those statutes. The Bank's failure to comply with the provisions of the CRA could, at a minimum, result in regulatory restrictions on its activities, as well as the activities of the Company. Further, the Bank's failure to comply with the Equal Credit Opportunity Act and the Fair Housing Act could result in enforcement actions against it by the OCC, as well as other federal regulatory agencies, including the CFPB and the Department of Justice. The Bank received a CRA rating of Outstanding in its most recent examination.

Federal Deposit Insurance

The standard deposit insurance coverage limit is \$250,000 per depositor, per FDIC-insured bank, for each account ownership category, although the FDIC may guarantee uninsured deposits above the \$250,000 limit under the statutory systemic risk exception, as was done with the Silicon Valley Bank and Signature Bank failures in March 2023. The DIF is funded mainly through quarterly assessments on insured depository institutions, such as the Bank, and provides insurance coverage for certain deposits up to this maximum amount.

The Bank's assessment is determined each quarter in accordance with the FDIC's standardized risk-based methodology by multiplying its assessment rate by its assessment base. The assessment base equals the Bank's average consolidated total assets less average tangible equity during the assessment period. As a large bank, or generally one with \$10 billion or more in assets, the Bank is assigned an individual rate based on a scorecard, which combines CAMELS (capital adequacy, asset quality, management, earnings, liquidity, and sensitivity) component ratings, financial measures used to measure a bank's ability to withstand asset-related and funding-related stress, and a measure of loss severity that estimates the relative magnitude of potential losses to the FDIC in the event of the bank's failure, to produce a score that is then converted to an assessment rate.

Assessment rates are subject to adjustment by the FDIC. For instance, assessment rates could (i) decrease for the issuance of long-term unsecured debt, including senior unsecured debt and subordinated debt, (ii) increase for holdings of long-term unsecured or subordinated debt issued by other banks, or (iii) increase for significant holdings of brokered deposits for large banks that are not well rated or not well capitalized. In 2022, the FDIC increased the initial deposit base deposit insurance assessment rate schedules uniformly by 2 basis points for all insured depository institutions, beginning in the first quarterly assessment period of 2023. The increase in assessment rate schedules is intended to increase the likelihood that the reserve ratio of the DIF reaches the statutory minimum of 1.35% by the statutory deadline of September 30, 2028.

In November 2023, the FDIC published a final rule implementing a special assessment for certain banks to recover losses incurred by protecting uninsured depositors of Silicon Valley Bank and Signature Bank upon their failure in March 2023. The special assessment is to be collected for an anticipated total of eight quarterly assessment periods, which began with the second quarter of 2024. In December 2025, the FDIC issued an interim final rule outlining a process for a potential offset to regular quarterly deposit insurance assessments for banks subject to the special assessment if the special assessment amount collected ultimately exceeds losses to the DIF. At December 31, 2025, the Company's remaining accrual for its estimated special assessment charge was \$5.9 million. The FDIC retains the right to cease collection early, extend the special assessment collection period, and impose a final shortfall special assessment if actual losses exceed the amounts collected. Additional information regarding this FDIC special assessment and the Company's related FDIC special assessment liability can be found within Note 22: Commitments and Contingencies in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

The FDIC may terminate a depository institution's deposit insurance upon finding that the institution's financial condition is unsafe or unsound, or that the institution has engaged in unsafe and unsound practices, or has violated any applicable law, regulation, rule, order, or condition imposed by the FDIC. The Company's management is not aware of any practice, violation, or condition that might lead to the termination of its deposit insurance.

Depositor Preference

In the event of the liquidation or other resolution of an insured depository institution, including the Bank, the claims of depositors of the institution (including any claims of the FDIC as subrogee of depositors) and certain claims for administrative expenses of the FDIC as a receiver will have priority over other general unsecured claims against the institution. If an insured depository institution fails, claims of insured and uninsured depositors, along with claims of the FDIC, would have priority in payment ahead of unsecured, non-deposit creditors, including the Company, with respect to any extensions of credit they have made to such insured depository institution.

Anti Money Laundering

A major focus of U.S. federal governmental policy as it relates to financial institutions is aimed at combating money laundering and terrorist financing. The failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with the relevant laws and regulations, could have serious legal and reputational consequences for the financial institution, including causing the applicable bank regulatory authorities to not approve merger or acquisition transactions or to prohibit such transactions even if prior approval is not required.

Financial institutions are required to take certain measures to identify their customers, prevent money laundering, monitor customer transactions, and report suspicious activity to U.S. law enforcement agencies. Financial institutions also are required to respond to requests for information from federal bank regulatory agencies and law enforcement agencies. Information sharing among financial institutions for the above purposes is encouraged by an exemption granted to complying financial institutions from the privacy provisions of federal privacy laws. Financial institutions that hold correspondent accounts for foreign banks or provide private banking services to foreign individuals are required to take measures to avoid dealing with certain foreign individuals or entities, including foreign banks with profiles that raise money laundering concerns, and are prohibited from dealing with foreign shell banks and persons from jurisdictions of particular concern.

Financial institutions also are required to establish internal anti money laundering programs. The effectiveness of a financial institution in combating money laundering activities is a factor to be considered in any application submitted under the Bank Merger Act. The Company has in place a Bank Secrecy Act and USA PATRIOT Act compliance program and engages in very few transactions of any kind with foreign financial institutions or foreign persons. The Company also complies with the sanctions administered by the OFAC of the U.S. Department of the Treasury, which is responsible for administering economic sanctions that affect transactions with designated foreign countries, nations, and others. The OFAC publishes lists of persons, organizations, and countries suspected of aiding, harboring, or engaging in terrorist acts, known as Specially Designated Nationals and Block Persons. Blocked assets (i.e., property and bank deposits) cannot be paid out, withdrawn, set off, or transferred in any manner without a license from the OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences.

Debit Card Interchange Fees

The Federal Reserve requires that the amount of any interchange transaction fee that a debit card issuer may receive or charge with respect to an electronic debit transaction shall be reasonable and proportional to the cost incurred by the debit card issuer with respect to the transaction, and imposes requirements regarding routing and exclusivity of electronic debit transactions and the usability of debit cards across networks. Interchange fees for certain electronic debit transactions are capped at 21 cents plus 0.05% of the transaction value for issuers with over \$10 billion in consolidated assets, such as the Bank. The regulation also allows covered debit card issuers to receive 1 cent per transaction for fraud-prevention costs, provided that the debit card issuer meets the fraud-prevention standards established by the Federal Reserve. For information regarding the Federal Reserve's proposed amendments to its rules on interchange fees, refer to the paragraphs captioned under "Consumer Protection and Consumer Financial Protection Bureau Supervision" earlier in this section. Interchange fees impact revenues of the Consumer Banking and HSA Bank operating segments, however, HSA Bank's interchange revenue is not subject to these rules. The regulations that govern interchange fees remains subject to ongoing litigation.

Incentive Compensation

The federal bank regulatory agencies have issued joint guidance on incentive compensation designed to ensure that the incentive compensation policies of banking organizations do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. We take this guidance into account as part of our compensation practices and enterprise risk management. Additionally, in accordance with federal securities laws and regulations and the continued listed standards for the NYSE, we adopted our Policy for Recoupment of Incentive Compensation for our executive officers as of October 17, 2023, which has been included as Exhibit 97 to this Annual Report on Form 10-K. Dodd-Frank requires the Federal Reserve, the OCC, the FDIC, the SEC, and two other regulatory agencies to adopt regulations governing incentive compensation provided by regulated financial services companies to their executives and other employees. Although regulations to implement these requirements has been proposed multiple times, final regulations have not been adopted.

Fair Access to Financial Services

In recent years, certain states have enacted, or have proposed to enact, statutes, regulations, or policies that prohibit financial institutions from denying or canceling products or services to a person or business, or otherwise discriminating against a person or business in making available products or services, on the basis of certain social or political factors or other activities. In August 2025, Executive Order 14331, “Guaranteeing Fair Banking Access for All Americans,” was signed, which states that it is the policy of the U.S. that no American should be denied access to financial services because of their constitutionally or statutorily protected beliefs, affiliations, or political views. The Executive Order directs the U.S. Treasury Secretary and the federal bank regulatory agencies to address politicized or unlawful debanking activities.

Climate-Related Developments

Climate change and the risks it may pose to financial institutions has, in the recent past, been an area of focus by the federal and state legislative bodies and regulators, including the federal bank regulatory agencies. In the future, new regulations or guidance may be issued, or other regulatory or supervisory actions may be taken, in this area by the federal bank regulatory agencies or other regulatory agencies. In addition, many states have adopted, or are considering adopting, laws that address climate-related and other issues that might arise. These laws may increase our compliance costs and may include provisions that conflict with other state and federal regulations. The Company will continue monitoring legislative and regulatory activity that may implicate potential new legal or regulatory obligations on our part and evaluating their potential impact to Webster.

Risk Governance Framework

Under federal banking laws, the Bank is required to maintain a risk governance framework that ensures the Bank’s risk profile is easily distinguished and separate from that of its parent bank holding company for risk management purposes, and a risk committee, led by an independent director, with at least one risk management expert, that is responsible for the oversight of its enterprise risk management framework and that meets other statutory and regulatory requirements set by the OCC. Under the OCC’s guidelines, the Bank may use the risk governance framework of its parent company if it meets the minimum standards, and the risk profiles of the parent company and the covered bank are substantially the same, along with certain other conditions. The Bank has elected to use the Company’s risk governance framework. The Bank maintains a standing Risk Committee of the Board that meets the OCC’s regulatory requirements to oversee its enterprise risk management framework. In addition, the Enterprise Risk Management Committee, which is the highest management-level risk committee, provides oversight of the risks inherent in Webster’s business and serves as an escalation point for risk topics and issues raised by its seven sub-committees.

At Webster, risk is defined as the potential that events, expected or unexpected, may have an adverse effect on the Company’s earnings, capital, and/or enterprise value. Webster’s risk governance framework, which is aligned with the OCC’s Heightened Standards and the Handbook on Large Bank Supervision, reflects a structured and systematic approach to managing risks and controlling risk-taking activities across the organization.

Risk identification is a continuous process and occurs at various levels throughout the organization. The approaches used to identify risk include process and data analysis, risk metrics, and risk assessments. Risks are categorized using a risk taxonomy and are assessed across all applicable risk categories. This includes an assessment of inherent risk and residual risk after considering the effectiveness of the control environment.

During the year ended December 31, 2025, the Company revised its risk taxonomy to better align with regulatory expectations and industry practices. Specifically, Information Risk was consolidated into Operational Risk, Financial Risk was realigned into Liquidity Risk and Market/Price Risk, and Reputation Risk was consolidated into Strategic Risk. These revisions were primarily administrative in nature, and do not represent a material change in the Company’s underlying risk profile.

Impacts of risk can be both quantitative and qualitative. Risks are mitigated through the establishment of robust controls, and documented policies and related procedures. A control is a specific activity, procedure, tool, or technical standard designed to satisfy the control objective and implemented within a business process to mitigate the impact and likelihood of associated inherent risk. For risks that cannot be controlled, First Line of Defense management may decide to accept the risks with agreement from relevant Second Line of Defense management, reduce the level of business activity, share or transfer the risks, or withdraw from the activity altogether.

Webster maintains a Risk Appetite Statement, which is a key component of its risk governance framework as it links the monitoring and reporting of risks, at the enterprise level, with Webster’s business strategy and financial objectives by providing the organization with expectations of the type and level of risk it is willing to accept in pursuit of its objectives. The Risk Appetite Statement establishes a risk appetite across Operational, Credit, Compliance, Liquidity, Market/Price, and Strategic as Level 1 risk categories, which represent the top risks that drive Webster’s risk profile, and uses a 5-point rating scale (minimal to critical). Further delineation and detail is provided at Level 2 and Level 3 to enable more precise risk identification, assessment, and response. The Risk Appetite Statement includes a set of qualitative risk statements and quantitative Board-level metrics along with Board-level tolerances, which are approved by the Board annually. Breaches of approved tolerances are required to be escalated and addressed in a timely manner.

The Chief Executive Officer is ultimately responsible for all of Webster's risk-taking activities and for supporting an effective enterprise risk management framework that is adopted, operationalized, and executed. The Chief Executive Officer sets the tone at the top and reinforces a strong risk culture that values risk self-identification and for holding executives accountable for their adherence to the enterprise risk management framework, appropriately assessing and effectively managing all of the risks associated with their activities and operating within the established risk appetite.

The Company has adopted the Three Lines of Defense Model. Under this model, the First Line manages risks, verifies compliance, performs control activities, and works in coordination with the Second Line. The Second Line provides expertise, support, and tools, and challenges the First Line to enhance efficiency and effectiveness of the control environment. The Third Line provides independent and objective assurance to management and the Board, assessing whether the First and Second Line functions are operating effectively. Detailed roles and responsibilities for each line are as follows:

- * **First Line of Defense:** Front-Line Units represent process owners that engage in activities designed to generate revenue and reduce expenses, provide operational and technology services, and provide operational support and servicing in the delivery of products or services. Since Front-Line Unit activities inherently create risk, the Front-Line Units are responsible for assessing and managing that risk.
- * **Second Line of Defense:** Independent Risk Management is responsible for identifying, measuring, monitoring, or controlling risks independently from the Front-Line Units and providing effective challenge to the Front-Line Units. Independent Risk Management includes Enterprise Risk, Operational Risk, Corporate Compliance, Enterprise Financial Crime, and Credit Risk Review, which report to the Chief Risk Officer, and Credit Risk Management, which reports to the Chief Credit Officer. The Chief Risk Officer and the Chief Credit Officer are Webster's Chief Risk Executives.
- * **Third Line of Defense:** Internal Audit independently assesses Webster's risk management processes and controls using methodology developed from professional auditing standards and regulatory guidance. Internal Audit undertakes these responsibilities through periodic reviews of Webster's business activities, operations, and systems, and through special or retrospective reviews that may be specifically requested by the Audit Committee or management. The Chief Audit Executive leads Internal Audit.

In December 2025, the OCC issued a notice of proposed rulemaking that would increase the threshold at which the heightened standards apply from \$50 billion to \$700 billion in average total consolidated assets, while keeping in place the concept of a risk governance framework for banks with over \$50 billion in average total consolidated assets.

Credit Risk

Credit risk is the risk of loss that arises when a client or counterparty fails to honor its financial or contractual obligations to Webster and/or the underlying collateral is insufficient to satisfy the obligation. Credit risk arises in Webster's lending operations, and in its funding and investment activities where counterparties have repayment or other obligations to Webster. Credit risk can also arise from deposit overdrafts and other solutions or services that involve customer obligations for the transfer of funds.

The overall focus of credit risk management is to identify, measure, monitor, and control credit risk at the portfolio and enterprise level. Webster maintains underwriting standards consistent with its desired risk profile and robust credit processes. Webster's loan portfolio is balanced to include both commercial and consumer lending activity while closely managing concentrations in borrowers, counterparties, industries, geographies, and collateral asset classes to avoid excessive correlated risk. Diversification of the loan portfolio across commercial and industrial, commercial real estate, and consumer is important in managing credit risk. Accordingly, management aims to actively measure and manage concentrations by portfolio, industry sector, and specific sub-sectors, geography, affiliated obligors, and other common characteristics. Webster is primarily a relationship lender. In addition, Webster will only assume credit risk when it can be effectively managed from an infrastructure or operational perspective, and it has industry, product, and market expertise.

Credit Risk at Webster includes:

- **Credit Concentration Risk** – The risk of financial loss due to overly concentrated exposure to borrowers and/or counterparties that have common characteristics, such as industry, geography, or collateral asset class.
- **Credit Quality Risk** – The risk of financial loss due to a decline in a borrower or counterparties creditworthiness, default due to lack of willingness or ability to meet financial obligations, or asset quality deterioration.

The Chief Credit Officer is responsible for credit risk oversight. The Credit Risk Management Committee is also responsible for providing oversight and governance of credit risk for the Bank.

Liquidity Risk

Liquidity Risk is the potential inability to meet contractual or contingent obligations as they arise without incurring significant losses. Liquidity Risk at Webster includes:

- *Capital Adequacy Risk* – The risk that the bank does not have enough capital to absorb losses and support its operations, putting its solvency, stability, and regulatory compliance at risk.
- *Funding Risk* – The risk that the Bank will be unable to issue new debt to meet funding needs or repay existing debt as it comes due.
- *Structural Mismatch Risk* – The risk of misalignment of cash flow timing between assets and liabilities, potentially leading to operational difficulties and financial losses.

Liquidity is monitored by considering the adequacy of liquidity sources and by considering present and future needs under various operating conditions, including extreme stress. Additionally, Webster aims to maintain capital levels that are consistent with supervisory expectations and commensurate with the risk profiles of our portfolios for a range of stress scenarios.

Market/Price Risk

Market/Price Risk is the risk of loss arising from changes in external market variables such as interest rates, foreign exchange rates, equity prices, asset values, and collateral values. Market/Price Risk at Webster includes:

- *Investment Risk* – The risk of significant changes in interest rates leading to fluctuations in the market value or prices of investments, potentially resulting in financial losses or capital deterioration.
- *Interest Rate Risk* – The risk arising from significant changes in interest rates that could have a material adverse impact on the Company's earnings or equity.

Interest rate exposure is actively monitored by measuring sensitivity of earnings and equity to changing interest rates and managed using investment portfolio positioning, wholesale funding mix, and interest rate contracts to ensure stable earnings and capital in changing interest rate environments.

The Chief Financial Officer, along with ALCO, are responsible for providing oversight and governance of both liquidity risk and market/price risk.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Operational risk at Webster includes:

- *Business Disruption Risk* – The risk of disruption to business activities that prevents the execution of critical operations required to service clients, support products, and satisfy other external obligations.
- *Corporate Practices Risk* – The risk that arises from failing to adhere to expected regulatory and financial market practices, including accurate and timely reporting, corporate tax filing, document retention/destruction, and effective risk management practices.
- *Data Risk* – The risk arising from inappropriate or inadequate collection, storage, processing, use, sharing, or disposal of information and data, including availability of data to support business processes.
- *External Fraud Risk* – The risk of loss due to acts intended to defraud, misappropriate property, or circumvent regulations, laws, or company policies by an external party.
- *Human Capital Risk* – The risk of loss of key personnel, skills shortages, and knowledge management which could potentially impact Webster's ability to execute on its key strategic initiatives, facilitate a desired risk culture, competitive position in the marketplace, and business operations.
- *Information Security Risk* – The risk of unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording, or destruction of electronic or physical data.
- *Information Technology Risk* – The risk that systems handling information and process flow may not meet quality, availability, and efficiency standards in line with industry, client, and regulatory expectations, or may fail causing outages, or that new systems may not be implemented timely.
- *Internal Fraud Risk* – The risk of loss due to acts intended to defraud, misappropriate property, or circumvent regulations, laws, or company policies which involve at least one internal party (e.g., colleague, former colleague, contractor).
- *Model Risk* – The risk that arises from errors within a model and/or incorrect use of a model, while considering the degree of reliance on model output in decision making.
- *Physical Security Risk* – The risk that arises from the inability to protect Webster's assets, including infrastructure and people, from criminal injury or natural and/or manmade disasters that would impair its ability to operate.

[Table of Contents](#)

- *Processing Risk* – The risk of failing to appropriately and timely process transactions on behalf of clients, colleagues, or the company, service client accounts, or manage technology and non-technology related change initiatives.
- *Third-Party Risk* – The risk of failing to manage third-party relationships resulting in an incident or vulnerability with a service being provided by or on behalf of a third-party provider.

Webster mitigates operational risk through an operational risk management framework, which provides a set of tools to identify, assess, monitor, control, and report on operational risk. The operational risk management framework enables the lines of business and corporate functions to establish accountability for the timely and effective management of identified risks, control failures, or other related gaps/deficiencies. Webster seeks to control operational risk within an acceptable range, determined by the types of businesses in which it engages. Control of operational losses depends on identifying the types of transactions and operational risks faced at the enterprise and business level, and ensuring effective internal control processes are in place to mitigate these risks.

The Head of Operational Risk is responsible for operational risk oversight. Additionally, the Operational Risk Management Committee is responsible for providing oversight and governance of Operational risk. Further, the Information Risk Committee is specifically responsible for providing oversight and governance of information security and information technology risks.

Compliance Risk

Compliance risk is the risk arising from non-adherence to applicable laws, rules, regulations, and other supervisory guidance. It risk exposes Webster to fines, civil monetary penalties, payment of damages, and the voiding of contracts. Compliance Risk at Webster includes:

- *Conduct Risk* – The risk associated with the conduct and behavior of individuals and organizations.
- *Consumer Compliance Risk* – The risk associated with failing to comply with regulations and laws that protect consumers.
- *Fiduciary Compliance Risk* – The risk associated with failing to uphold fiduciary duties when managing client investments and trust accounts.
- *Financial Crimes Risk* – The risk associated with illicit activities and criminal behaviors within the financial industry.
- *Legal Risk* – The risk arising from potential legal action due to colleague or corporate actions, improperly licensed legal entities, failure to meet Board’s requirements, and non-compliance with laws or regulations.
- *Prudential Regulatory Risk* – The risk associated with failing to comply with prudential regulatory requirements, potentially undermining confidence in the company.

Corporate Compliance manages compliance risk through the execution of a comprehensive Compliance Management Program, which is designed to identify and evaluate risks of non-compliance, assess, test, and monitor the effectiveness of internal controls, and report and escalate significant regulatory compliance risks and issues.

The Chief Compliance Officer is responsible for compliance risk oversight. The Regulatory Compliance Committee is responsible for providing oversight and governance of compliance risk.

Strategic Risk

Strategic risk is the risk associated with the Company’s mission and future business plans and includes the current or prospective risk to capital and earnings arising from changes in the business environment and from adverse business decisions, improper implementation of decisions, or lack of responsiveness to changes in the business environment. Strategic Risk at Webster includes:

- *Strategy Consistency & Effectiveness Risk* – The risk associated with the potential for the strategic plan or approach to be inconsistent or ineffective in achieving desired outcomes or business objectives. The chosen strategy may not be well-aligned with the Company’s goals, competitive landscape, or changing market conditions, leading to suboptimal results.
- *Reputational Risk* – The risk arising from negative perception of the company among clients, colleagues, investors, governments, regulators, and other external parties.

Webster manages strategic risk through a disciplined process led by Webster’s Chief Strategy Officer. This process ensures that strategic choices and initiatives align with Webster’s strategic risk management framework and overarching goal of allocating capital and resources to support strategies that create value for customers and sustainably grow economic profit over time. Management decisions include selecting strategic priorities, applying planning assumptions, assessing internal capabilities and external conditions, and dedicating resources to execution. Changes and updates to strategic choices and supporting initiatives are reviewed by the Board along with the Company’s priorities. The impact of strategies on Webster’s risk appetite and risk profile is evaluated in collaboration with independent risk management functions as part of the strategic planning process.

The Chief Corporate Responsibility Officer is responsible for implementing programs to manage reputational risk. Reputational risk is managed through strong corporate governance, risk culture, and adherence to the Code of Business Conduct and Ethics.

Enterprise Risk Management is responsible for second line oversight of strategic risks. Additionally, the Enterprise Risk Management Committee is the management-level oversight committee responsible for providing direct oversight and governance of strategic risks.

Additional information regarding risks and uncertainties, and relevant risk factors that could impact the Company's business, results of operations, or financial condition can be found in Part I - Item 1A. Risk Factors and throughout Part II of this report.

ITEM 1A. RISK FACTORS

Investment in our stock involves risks and uncertainties, some of which are inherent in the financial services industry and others of which are more specific to our business. The discussion in the paragraphs below addresses the material risks and uncertainties, of which we are currently aware, that could adversely affect our business, results of operations, or financial condition. Before making an investment decision, you should carefully consider the risks and uncertainties together with all of the other information included or incorporated by reference in this report. If any of these events or circumstances actually occurs, our business, results of operations, or financial condition could be significantly impacted.

Summary of Risk Factors

Below is a summary of the principal risk factors that could adversely affect our business, results of operations, financial condition (including capital and liquidity), or prospects or the value of or return on an investment in Webster.

Risks Related to the Proposed Transaction with Banco Santander

- Failure to complete the Transaction could negatively affect our stock price and our future business and financial results.
- We will be subject to business uncertainties and contractual restrictions while the Transaction is pending.
- Because the market price of ADSs (or Ordinary Shares, as applicable) may fluctuate, our stockholders cannot be certain of the precise value of the consideration they will receive in the Transaction.
- The Transaction Agreement may be terminated and the Transaction may not be completed.
- Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the Transaction.
- We have incurred, and are expected to incur, substantial costs related to the Transaction and related integration.
- Combining us and Banco Santander may be more difficult, costly, or time-consuming than expected, and the combined company may fail to realize the anticipated benefits of the Transaction.

Risks Related to Credit

- Our allowance for credit losses on loans and leases may be insufficient.
- The soundness of other financial institutions and other third parties, actual or perceived, could adversely affect our business.
- We are subject to the risk of default by our counterparties and clients, particularly with respect to certain types of commercial loans.
- We are subject to commercial lending concentration risks.

Risks Related to Liquidity

- Realized and unrealized losses in our financial instruments, including in both our available-for-sale securities portfolio and our held-to-maturity securities portfolio, could negatively impact our business, financial condition, and results of operations.
- The proportion of our deposit account balances that exceed the FDIC insurance limits may expose the Bank to enhanced liquidity risk in times of financial distress.
- A reduction in our credit rating could adversely affect our access to capital and could increase our cost of funds.
- We may be subject to more stringent capital and liquidity requirements, which could limit our business activities.
- Our ability to grow is contingent upon access to capital, which may not be readily available to us.

Risks Related to Market/Price

- Difficult conditions or volatility in the U.S. economy and financial markets may have a materially adverse effect on our business, financial condition, and results of operations.
- Our profitability depends significantly on local economic conditions in the states in which we conduct business.
- Changes in interest rates and spreads, including the level and shape of the yield curve, may have a materially adverse effect on our business, financial condition, and results of operations.
- Changes in our financial condition or in the general banking industry, or changes in interest rates, could result in a loss of depositor confidence.
- Our stock price can be volatile.
- The Company may not pay dividends to stockholders if it is not able to receive dividends from its subsidiary, the Bank.
- Higher mortgage rates and low inventory adversely impact our ability to originate or refinance residential mortgage loans.

Risks Related to Operations

- We rely on third parties to perform significant operational services for us.
- Our business may be adversely affected by fraud.
- Our internal controls may be ineffective, circumvented, or fail.
- Climate change manifesting as physical or transition risks could adversely affect our operations, businesses, and customers.
- We are exposed to environmental liability risk with respect to properties to which we obtain title.
- There may be risks resulting from the extensive use of models in our business.
- The development and use of AI, including by third parties, presents risks and challenges that may adversely impact our business.
- A failure or breach of our information systems, including as a result of cyber-attacks, could disrupt our businesses, result in the misuse of confidential or proprietary information, damage our reputation, and cause losses.
- We may not be able to successfully implement current or future information technology system enhancements and operational initiatives, which could adversely affect our business operations and profitability.
- Changes in our accounting policies or in accounting standards could materially impact how we report our financial results.
- The preparation of our consolidated financial statements requires the use of estimates that may vary from actual results.
- A significant merger or acquisition requires us to make estimates, including the fair values of assets acquired and liabilities assumed.
- If our goodwill were determined to be impaired, it could have a negative impact on our profitability.

Risks Related to Compliance

- We face risks related to the adoption of future legislation and potential changes in federal regulatory agency leadership, policies, and priorities.
- Changes in federal, state, or local tax laws may negatively impact our financial performance.
- We are subject to extensive government regulation and supervision, which may interfere with our ability to conduct our business operations.
- Significant changes to the size and operations of the federal government agencies may cause economic disruptions that could adversely impact our business, results of operations and financial condition.
- Regulatory compliance expense may increase substantially when we reach \$100 billion in assets, which is the next regulatory tier above us now. Moreover, we expect such costs to increase significantly as we approach that size.
- We are subject to examinations and challenges by taxing authorities.
- Health care reform could adversely affect our Healthcare Financial Services segment.
- We are subject to financial and reputational risks from potential liability arising from lawsuits.
- We are subject to complex state and federal laws and regulations regarding data privacy and security, which impact how we conduct our business.

Risks Related to Strategy

- New lines of business or new products and services may subject us to additional risk.
- We may not be able to attract and retain skilled people, and the loss of key employees or the inability to maintain appropriate staffing may disrupt relationships with customers and adversely impact our business.
- We operate in a highly competitive industry and market area.
- Failure to keep pace with and adapt to technological change could adversely impact our business.
- The loss of key partnerships could adversely affect our Healthcare Financial Services segment and interSYNC operations.
- Our investments in certain tax-advantaged projects may not generate returns as anticipated, or at all, and may have an adverse impact on our results of operations.
- Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our corporate responsibility practices may impose additional costs on us or expose us to new or additional risks.
- Our reputation and client relationships may be damaged as a result of our practices related to climate change.

The above summary is subject in its entirety to the discussion of the risk factors set forth below.

Risks Related to the Proposed Transaction with Banco Santander

Failure to complete the Transaction could negatively affect our stock price and our future business and financial results.

If the Transaction is not completed for any reason, our ongoing business may be adversely affected and, without realizing any of the benefits of having completed the Transaction, we would be subject to a number of risks, including, among others the following:

- negative reactions from the financial markets, including a decline in our stock price to the extent that current market prices reflect a market assumption that the Transaction will be completed;
- negative reactions from our customers and vendors;
- the incurrence of substantial expenses in connection with the negotiation of the Transaction Agreement and the requirement to pay certain costs relating to the Transaction, including legal, accounting, and other fees, whether or not the Transaction is completed; and
- the failure to pursue other beneficial opportunities due to the focus of our management team on the Transaction and the substantial time and resources dedicated to matters relating to the Transaction.

Moreover, if Banco Santander terminates the Transaction Agreement because our Board withdraws or modifies or qualifies its recommendation that our stockholders vote in favor of the Transaction, we may be required to pay a termination fee of \$489.0 million to Banco Santander.

We will be subject to business uncertainties and contractual restrictions while the Transaction is pending.

Uncertainty about the effect of the Transaction on our employees and customers may have an adverse effect on us. These uncertainties may impair our ability to attract, retain, and motivate key personnel until the Transaction is completed, and could cause customers and others that deal with us to seek to change existing business relationships with us. In addition, subject to certain exceptions, we have agreed to operate our business in the ordinary course, in all material respects, and to refrain from taking certain actions that may adversely affect our ability to consummate the Transaction on a timely basis without the consent of Banco Santander. These restrictions may prevent us from pursuing attractive business opportunities that may arise prior to the completion of the Transaction. Employee retention may be particularly challenging during the pendency of the Transaction, as employees may experience uncertainty about their roles with the surviving corporation following the Transaction. All of these risks may be exacerbated if the Transaction is not timely consummated.

Because the market price of ADSs (or Ordinary Shares, as applicable) may fluctuate, our stockholders cannot be certain of the precise value of the consideration they may receive in the Transaction.

Upon the completion of the Transaction, each issued and outstanding share of our common stock (other than certain shares held by us or Banco Santander) will be converted into the right to receive 2.0548 ADSs (or Ordinary Shares in certain circumstances). This exchange ratio is fixed and will not be adjusted for fluctuations in the market values of our common stock, Ordinary Shares, or corresponding ADSs that may occur during the time period between the execution of the Transaction Agreement and the completion of the Transaction. We are not permitted to terminate the Transaction Agreement as a result, in and of itself, of fluctuations in such market values. Fluctuations in such market values may occur as a result of a variety of factors, including general market and economic conditions and changes in our and Banco Santander's businesses, operations, and prospects, and regulatory considerations. Many of these factors are outside of our and Banco Santander's control. The actual value of the Ordinary Shares and corresponding ADSs received by our stockholders will depend on the respective market values of our common stock, Ordinary Shares, and corresponding ADSs at the time the Transaction is completed. This market value may be less or more than the value used to determine the exchange ratio stated in the Transaction Agreement and the proxy statement/prospectus.

The Transaction Agreement may be terminated and the Transaction may not be completed.

The Transaction Agreement is subject to a number of customary closing conditions, including (1) receipt of the requisite Webster and Banco Santander stockholder approvals, (2) authorization for listing on the NYSE of the ADSs, subject to official notice of issuance, (3) receipt of required regulatory approvals, including the approval of the Federal Reserve and the European Central Bank, (4) the effectiveness of the registration statement on Form F-4 for the Ordinary Shares and corresponding ADSs, (5) the filing of an exemption document or prospectus with the National Securities Market Commission of Spain, (6) Banco Santander's receipt of a required report from an independent expert under Spanish law validating the valuation of the common stock of Webster Virginia Corporation used to determine the exchange ratio, (7) the grant of a deed of capital increase before a Spanish public notary, and (8) the absence of any order, injunction, decree, or other legal restraint preventing the completion of Transaction, or any of the other transactions contemplated by the Transaction Agreement, or making the completion of the Transaction or any of the other transactions contemplated by the Transaction Agreement illegal. Each party's obligation to complete the merger of Webster and Webster Virginia Corporation is also subject to certain additional customary conditions, including subject to certain exceptions, the accuracy of the representations and warranties of the other party and performance, in all material respects, by the other party of its obligations under the Transaction Agreement. Conditions to the closing of the Transaction may not be fulfilled in a timely manner or at all, and, accordingly, the Transaction may be delayed or may not be

completed. In addition, we and/or Banco Santander may elect to terminate the Transaction Agreement under certain circumstances.

Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the Transaction.

Before the Transaction may be completed, various approvals, consents, and non-objections that have not yet been obtained must be obtained, including from the Federal Reserve and the European Central Bank. In determining whether to grant these approvals, such regulatory authorities consider a variety of factors, including the regulatory standing of each party. These approvals could be delayed or not obtained at all, including due to an adverse development in either party's regulatory standing or in any other factors considered by regulators when granting such approvals; governmental, political or community group inquiries, investigations or opposition; or changes in legislation or the political environment generally.

The approvals that are granted may impose terms and conditions, limitations, obligations, or costs, or place restrictions on the conduct of the combined company's business or require changes to the terms of the transactions contemplated by the Transaction Agreement. There can be no assurance that regulators will not impose any such conditions, limitations, obligations, or restrictions and that such conditions, limitations, obligations, or restrictions will not have the effect of delaying the completion of any of the transactions contemplated by the Transaction Agreement, imposing additional material costs on or materially limiting the revenues of the combined company following the Transaction or otherwise reducing the anticipated benefits of the Transaction if the Transaction were consummated successfully within the expected timeframe. In addition, there can be no assurance that any such conditions, terms, obligations, or restrictions will not result in the delay or abandonment of the Transaction. Additionally, the completion of the Transaction is conditioned on the absence of certain orders, injunctions, or decrees by any court or regulatory agency of competent jurisdiction that would prohibit or make illegal the completion of any of the transactions contemplated by the Transaction Agreement.

In addition, despite the parties' commitments to using their reasonable best efforts to comply with conditions imposed by regulators, under the terms of the Transaction Agreement, neither us nor Banco Santander, nor any of their respective subsidiaries, is required to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the required permits, consents, approvals, and authorizations of governmental entities that would reasonably be expected to have a material adverse effect on us and our subsidiaries, taken as a whole, or on Banco Santander and its subsidiaries (including, from and after the completion of the Transaction, Webster Virginia Corporation and its subsidiaries), taken as a whole.

We have incurred, and are expected to incur, substantial costs related to the Transaction and related integration.

We have incurred, and expect to incur, a number of non-recurring costs associated with the Transaction. These costs include, or will include, legal, financial advisory, accounting, consulting, and other advisory fees; retention, severance, and employee benefit-related costs; public company filings fees and other regulatory fees; financial printing and other printing costs. Some of these costs are payable by us regardless of whether or not the Transaction is completed.

Combining us and Banco Santander may be more difficult, costly, or time-consuming than expected, and the combined company may fail to realize the anticipated benefits of the Transaction.

The success of the Transaction will depend, in part, on the ability to realize the anticipated revenue and cost synergies from combining the businesses of us and Banco Santander. To realize the anticipated revenue and cost synergies from the Transaction, we and Banco Santander must successfully integrate and combine the businesses in a manner that permits those revenue and cost synergies to be realized without adversely affecting current revenues and future growth. If we and Banco Santander are not able to successfully achieve these objectives, the anticipated benefits of the Transaction may not be realized fully, or at all, or may take longer to realize than expected. In addition, the revenue and cost synergies of the Transaction could be less than anticipated, and integration may result in additional and unforeseen expenses.

An inability to realize the full extent of the anticipated benefits of the Transaction and the other transactions contemplated by the Transaction Agreement, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, levels of expenses and operating results of the combined company following the completion of the Transaction, which may adversely affect the values of the Ordinary Shares and corresponding ADSs following the completion of the Transaction.

We and Banco Santander have operated and, until the completion of the Transaction, must continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures, and policies that adversely affect the companies' ability to maintain relationships with merchants, merchant acquirers, clients, customers, depositors, and employees or to achieve the anticipated benefits and cost savings of the Transaction. Integration efforts between the companies may also divert management attention and resources. These integration matters could have an adverse effect on us during this transition period and for an undetermined period after completion of the Transaction on the combined company.

Risks Related to Credit

Our allowance for credit losses on loans and leases may be insufficient.

We maintain an ACL on loans and leases, which is a reserve established through a provision for credit losses charged to expense, that represents management's best estimate of expected credit losses over the life of the loan or lease within our existing portfolio. The determination of the appropriate level of ACL on loans and leases inherently involves a high degree of subjectivity and requires us to make significant estimates of current credit risks and trends using existing qualitative and quantitative information and reasonable supportable forecasts of future economic conditions, all of which may undergo frequent and material changes. Changes in economic conditions affecting borrowers, the softening of macroeconomic variables that we are more susceptible to, along with new information regarding existing loans, identification of additional problem loans, and other factors, both within and outside our control, may indicate the need for an increase in the ACL on loans and leases.

Bank regulatory agencies also periodically review our ACL and may require an increase in the provision for credit losses or the recognition of additional loan charge-offs, based on judgments different than those of management. In addition, if charge-offs in future periods exceed the ACL, we may need, depending on an analysis of the adequacy of the ACL, an additional provision to increase the ACL. An increase in the ACL would result in a decrease in net income, and could have a material adverse effect on our financial condition, results of operations, and regulatory capital position.

The Company has established processes and procedures intended to identify, measure, monitor, report, and analyze the types of risk to which it is subject, including credit risk, liquidity risk, market/price risk, among others. There are inherent limitations to the Company's risk management strategies as there may exist, or may develop in the future, risks that it has not appropriately anticipated or identified. In addition, the Company relies on both qualitative and quantitative factors, including models, to monitor, measure and analyze certain risks and to estimate certain financial values, which are subject to error. The Company must also develop and maintain a culture of risk management among its employees, as well as manage risks associated with third parties, and could fail to do so effectively. If the Company's risk framework proves ineffective, the Company could incur additional credit losses and an additional provision to increase the ACL. An increase in the ACL would result in a decrease in net income, and could have a material adverse effect on our financial condition, results of operations, and regulatory capital position.

The soundness of other financial institutions and other third parties, actual or perceived, could adversely affect our business.

Adverse developments affecting the overall strength and soundness of our competitors, the financial services industry as a whole and the general economic climate and the U.S. Treasury market could have a negative impact on perceptions about the strength and soundness of our business even if we are not subject to the same adverse developments. In addition, adverse developments with respect to third parties with whom we have important relationships also could negatively impact perceptions about us. These perceptions about us could cause our business to be negatively affected and exacerbate the other risks that we face. Moreover, the speed with which information spreads through news, social media and other sources on the Internet and the ease with which customers transact may amplify the onset and negative effects from such perceptions, such as rapid deposit withdrawals or other outflows.

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. We have exposure to many different industries and counterparties, and we routinely execute transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. As a result, defaults by, or even speculation regarding fragility at one or more financial services companies, or the financial services industry in general, have led, and may further lead to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. Many of our transactions with other financial institutions could expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be impacted if the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of our investment in the financial instrument. Any such losses could materially or adversely affect our business, financial condition, or results of operations.

We are subject to the risk of default by our counterparties and clients, particularly with respect to certain types of commercial loans.

Many of our routine transactions expose us to credit risk in the event of default of our counterparties or clients. Our credit risk may be exacerbated when the collateral held cannot be realized or is liquidated at prices insufficient to cover the full amount of the loan or derivative exposure to us. In deciding whether to extend credit or enter into other transactions, we may rely on information furnished by or on behalf of counterparties and clients, including financial statements, credit reports, and other information. We may also rely on representations of those counterparties, clients, or other third parties, such as independent auditors, as to the accuracy and completeness of that information. The inaccuracy of that information or those representations affects our ability to evaluate the default risk of a counterparty or client accurately and could cause us to enter into unfavorable transactions, which could have a material adverse effect on our financial condition and results of operations.

In addition, we consider our commercial real estate loans and commercial and industrial loans to be higher risk categories in our loan portfolio because these loans are particularly sensitive to economic conditions. Commercial real estate loans generally have large balances and can be significantly affected by adverse economic conditions that are outside of the borrower's control because payments on such loans typically depend on the successful operation and management of the businesses that hold the loans. In recent years, commercial real estate has been impacted by higher interest rates and inflation, which affected the profitability of new commercial real estate developments, the feasibility of some projects, and the volume of commercial real estate investments. The commercial real estate market has experienced increased property vacancies and declining rent growth. In the case of commercial and industrial loans, related collateral often consists of accounts receivable, inventory, and equipment. This type of collateral typically does not yield substantial recovery in the event of foreclosure and may rapidly deteriorate, disappear, or be misdirected in advance of foreclosure. In addition, many of our commercial real estate and commercial and industrial borrowers have more than one loan outstanding with us. Consequently, an adverse development with respect to one loan or one credit relationship may expose us to significantly greater risk of loss. The risks associated with these types of loans could have a significant negative affect on our earnings in any quarter, which could have a material adverse affect on our business, financial condition, and results of operations.

During periods of market stress or illiquidity, our credit risk may be further increased when we fail to realize the fair value of the collateral we hold; collateral is liquidated at prices that are not sufficient to recover the full amount owed to us; or counterparties are unable to post collateral, whether for operational or other reasons. Furthermore, disputes with counterparties concerning the valuation of collateral may increase in times of significant market stress, volatility or illiquidity, and we could suffer losses during these periods if we are unable to realize the fair value of collateral or to manage declines in the value of collateral.

We are subject to commercial lending concentration risks.

At December 31, 2025, approximately 75% of our loan and lease portfolio consisted of commercial non-mortgage, commercial real estate, and multi-family loans, and a large portion of the borrowers or properties associated with these loans are geographically concentrated in New York City and proximate areas. We continue to monitor risks associated with office space, anchor tenants, and the general economic and physical risks (such as severe weather, public health, and personal safety risks), affecting commercial properties and borrowers in the Greater New York City area. Additional information regarding our commercial lending business can be found in Part II under the section captioned "Loans and Leases" contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

A general decline in property values would adversely affect the value of collateral securing the real estate that we hold, as well as the volume of loan originations and the amount we realize on the sale of real estate loans. Additionally, if insurance obtained by our borrowers is insufficient to cover any losses sustained to the collateral, the decreases in the value of collateral securing our loans as a result of natural disasters or other related events could adversely impact our financial condition and results of operations. If insurance coverage is unavailable to our borrowers due to the reluctance of insurance companies to renew policies covering the collateral or due to other factors, the resulting increase in cost of property ownership could affect the ability of borrowers to repay loans. These factors could result in higher delinquencies and greater charge-offs in future periods, which could materially adversely affect our business, financial condition or results of operations.

Risks Related to Liquidity

Realized and unrealized losses in our financial instruments, including in both our available-for-sale securities portfolio and held-to-maturity securities portfolio, could negatively impact our business, financial condition, and results of operations.

We have a large portfolio of financial instruments, including loans and leases, loan commitments, available-for-sale and held-to-maturity debt securities, derivative assets and liabilities, and non-marketable equity securities that are subject to valuation and impairment assessments. Certain of these financial instruments are measured at fair value and may be subject to considerable fluctuation resulting from, for example, perceived changes in the value of the asset, the volume of trading of the asset, shifts in investor sentiment, and general market conditions. Due to these kinds of fluctuations, the amount that we realize on a financial instrument in a subsequent period may significantly differ from the last reported value. Our access to liquidity sources, financial condition, and results of operations could be affected by unrealized losses if securities must be sold at a loss. Changes in interest rates or interest rate spreads may also affect the Company's ability to hedge various forms of market and interest rate risk, and may decrease the profitability or protection, or increase the risk or cost associated with such hedges. Additionally, significant unrealized losses could negatively impact market and/or customer perceptions of us, which could lead to a loss of depositor confidence and result in an increase in withdrawals, particularly among those with uninsured deposits.

In addition, we experienced significant unrealized losses on our available-for-sale securities portfolio as market rates increased over the past few years. Unrealized losses related to available-for-sale securities are reflected in AOCL in our Consolidated Balance Sheets and reduce the level of our tangible common equity. Such unrealized losses do not affect our regulatory capital ratios. We actively monitor our available-for-sale securities portfolio and believe that it is not more likely than not that we will be required to sell securities before the recovery of the amortized cost basis.

The proportion of our deposit account balances that exceed the FDIC insurance limits may expose the Bank to enhanced liquidity risk in times of financial distress.

Various assessments of the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank in the first half of 2023 concluded that a significant contributing factor to the failures was the proportion of deposits held by each institution that exceeded FDIC insurance limits.

In response to the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank, many large depositors across the industry withdrew deposits in excess of the applicable deposit insurance limits and deposited these funds in other financial institutions. If a significant portion of our deposits were to be withdrawn within a short period of time such that additional sources of funding would be required to meet withdrawal demands, the Company may be unable to obtain funding at favorable terms, which may have an adverse effect on our net interest margin. Additionally, obtaining adequate funding to meet our deposit obligations may be more challenging during periods of elevated prevailing interest rates. In addition to customer deposits, sources of liquidity include brokered deposits, repurchase agreements, the FHLB of Boston, and the FRB of New York, as well as the debt and equity capital markets. Interest rates paid on these additional sources of liquidity generally exceed interest rates paid on deposits. Our ability to attract and retain depositors during a time of actual or perceived distress of instability in the marketplace may be limited.

A reduction in our credit rating could adversely affect our access to capital and could increase our cost of funds.

The credit rating agencies regularly evaluate the Company and the Bank, and credit ratings are based on a number of factors, including our financial strength and ability to generate earnings, as well as factors not entirely within our control, including conditions affecting the financial services industry, the economy, and changes in rating methodologies. There can be no assurance that we will maintain our current credit ratings. A downgrade of our credit ratings could adversely affect our access to liquidity and capital, and could significantly increase our cost of funds, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing to lend to us or purchase our securities. In particular, if we were to be downgraded below investment grade, we may not be able to reliably access the short-term unsecured funding markets, and certain customers could be prohibited from placing deposits with the Bank, which could cause us to hold more cash and liquid investments to meet our ongoing needs. Additionally, if we were to be downgraded to below investment grade, certain counterparty contracts may be required to be renegotiated or require posting of additional collateral. This could affect our growth, profitability, and financial condition, including liquidity.

We may be subject to more stringent capital and liquidity requirements, which could limit our business activities.

The Company and the Bank are subject to capital and liquidity requirements imposed by statute and the rules and regulations promulgated by the federal bank regulatory agencies. Regulators have proposed and may implement changes to these requirements. Potential revisions to the applicable regulations remain uncertain. If we fail to meet the minimum capital adequacy and liquidity guidelines and other requirements, our business activities, including lending and our ability to expand, either organically or through acquisitions, could be limited. Any changes in the applicable regulations could also result in us being required to take steps to increase our regulatory capital that may be dilutive to stockholders or limit our ability to pay dividends, or sell or refrain from acquiring assets.

Our ability to grow is contingent upon access to capital, which may not be readily available to us.

We may not be able to maintain adequate sources of funding and liquidity to fund our operations, grow our business, pay our outstanding liabilities, and meeting regulatory expectations. Our ability to borrow from other financial institutions or access the capital markets, if needed, will depend on a number of factors outside of our control, including the state of the financial markets. Heightened interest rates, disruptions in financial markets, negative perceptions of our business or our financial strength, negative perceptions of the overall banking industry or of other regional banks, or other factors may impact our ability to raise additional capital, if needed, on terms acceptable to us or at all. For example, in the event of future turmoil in the banking industry or other idiosyncratic events, there is no guarantee that the U.S. government will invoke the systemic risk exception, create additional liquidity programs, or take any other action to stabilize the banking industry or provide liquidity. Any diminished ability to access short-term funding or capital markets to raise additional capital, if needed, could subject us to liability, restrict our ability to grow, require us to take actions that would affect our earnings negatively or otherwise adversely affect our business and our ability to implement our business plan, capital plan and strategic goals.

Risks Related to Market/Price

Difficult conditions or volatility in the U.S. economy and financial markets may have a materially adverse effect on our business, financial condition, and results of operations.

As a financial services company, our business and overall financial performance is highly dependent upon the U.S. economy and strength of its financial markets. Difficult economic and market conditions could adversely affect our business, results of operations, and financial condition.

The risks associated with our business become more acute in periods of a slowing economy or slow growth. In particular, we could face some of the following risks in connection with adverse economic conditions in the U.S. economic and market environment:

- loss of confidence in the financial services industry and the debt and equity markets by investors, placing pressure on our common share price;
- decreased consumer and business confidence levels may decrease the demand for credit and investment, or increase in delinquencies and default rates;
- decreased household or corporate incomes, which could reduce customer purchasing power, confidence and spending, as well as demand for our products and services;
- decreased value of collateral securing loans to borrowers, causing a decrease in the asset quality of our loan and lease portfolio and/or an increase in charge-offs;
- changes in usage of commercial real estate, which may have sustained negative impact on utilization rates and values;
- decreased confidence in the creditworthiness of the U.S. government and agency securities that we hold;
- increased concern over and scrutiny of capital and liquidity levels;
- increased cost of capital and labor;
- increased competition or consolidation in the financial services industry; and
- increased limitations on or potential additional regulation of financial service companies.

The U.S. economy and financial markets have experienced volatility in recent years and may continue to do so in the foreseeable future. Robust demand, labor shortages, supply chain constraints, structural and secular changes, and tariffs and other trade policies, as well as geographical tensions and other conditions, have led to persistent inflationary pressures throughout the economy. In response to these inflationary pressures, the Federal Reserve raised benchmark interest rates in the past, and may cause the Federal Reserve to raise interest rates again in response to economic conditions, particularly in a continued high rate of inflation. Amidst these uncertainties, financial markets have continued to experience volatility. If financial markets remain volatile or if the aforementioned conditions result in further economic stress or recession, the performance of various segments of our business, including the value of our investment securities portfolio, could be significantly impacted, with the significance of the impact generally depending on the nature and severity of the adverse economic conditions.

Although the rate of inflation fell in 2024 and 2025, after rising sharply in 2022 and 2023, certain policy changes or actions, such as increased tariffs, may increase the risk that inflation will rise again. Prolonged periods of inflation may further impact our profitability by negatively impacting our fixed costs and expenses, including increasing funding costs and expenses related to talent acquisition and retention. If significant inflation continues, our business could be negatively affected by, among other things, increased default rates leading to credit losses which could decrease our appetite for new credit extensions. In addition, a prolonged period of inflation could cause an increase in wages and other costs to the Company. These inflationary pressures could result in missed earnings and budgetary projections causing our stock price to suffer. We continue to closely monitor the pace of inflation and the impacts of inflation on the larger market, including labor and supply chain impacts.

Even when economic conditions are relatively good or stable, specific economic factors can negatively affect our business and performance. This can be especially true when the factors relate to particular segments of the economy and impact our customers whose operations or financial conditions are directly or indirectly dependent on good or stable conditions in those segments. For example, given the fundamental change in office demand driven by the acceptance of remote work, commercial real estate space remains underutilized. This, combined with higher interest rates, likely decreases demand for financial services in that sector and may make it more difficult for borrowers to refinance maturing loans, contributes to decreased property values and harms the creditworthiness of some of our office commercial real estate customers, as well as businesses whose customers have historically been office workers.

Our profitability depends significantly on local economic conditions in the states in which we conduct business.

The success of our business is dependent on the general economic conditions of the significant markets in which we operate, particularly Connecticut, Massachusetts, Rhode Island, New York, and New Jersey. Difficult economic conditions or adverse changes in such local markets, whether caused by inflation, recession, unemployment, changes in housing or securities markets, or other factors, could reduce demand for our loans and deposits, increase problem loans and charge-offs, affect the ability of borrowers to repay their loans, cause a decline in the value of collateral securing loans, and otherwise negatively affect our performance and financial condition. Any declines in real estate values in such local markets may adversely affect borrowers and the value of collateral securing many of our loans, which could adversely affect our current performing loans, leading to future delinquencies or defaults and an increase in our provision for credit losses.

Changes in interest rates and spreads, including the level and shape of the yield curve, may have a materially adverse effect on our business, financial condition, and results of operations.

Like other financial institutions, our business is sensitive to interest rate movements. Our financial condition and results of operations are significantly affected by changes in market interest rates. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions, the competitive environment within our markets, consumer preferences for specific loan and deposit products, and policies of various governmental and regulatory agencies, in particular the Federal Reserve. Changes in monetary policy, including changes in interest rates, could influence the amount of interest we receive on loans and securities, the amount of interest we pay on deposits and borrowings, our ability to originate loans and obtain deposits, and the fair market value of our financial assets and liabilities.

Increased interest rates may decrease demand for interest-rate based products and services, including loans and deposits; make it more difficult for borrowers to meet obligations under variable-rate or adjustable-rate loans and other debt instruments; increase our borrowing costs; and require us to increase the interest we pay on funds deposited with us; and reduce the market value of our securities holdings. Decreased interest rates often increase prepayments on loans and securities as borrowers refinance their loans to reduce borrowing costs. Under these circumstances, we are further subject to reinvestment risk to the extent that we cannot reinvest the cash received from such prepayments with interest rates comparable to pre-existing loans and securities. If the rate of economic growth decreased sharply, causing the Federal Reserve to lower interest rates, our net income could be adversely affected.

To the extent that interest rates increase, we expect competition for cost-effective deposits to also increase, making it more costly for the Bank to fund loan growth. Rapid and unexpected volatility in interest rates creates additional uncertainty and potential for adverse financial effects. There can be no assurance that the Bank will not be materially adversely affected by future changes in interest rates.

To a large degree, our consolidated earnings are dependent on net interest income, which is the difference between the interest income earned from our interest-earning assets and the interest expense paid on our interest-bearing liabilities. If the rates paid on interest-bearing liabilities increase at a faster rate than the yields received on interest-earning assets, our net interest income, and therefore earnings, could be adversely affected. Conversely, earnings could also be adversely affected if the yields received on interest-earning assets fall more quickly than the rates paid on interest-bearing liabilities. To the extent that the yield curve steepens, net interest income would benefit, primarily from the additional yield provided to fixed-rate asset reinvestment and production, without a commensurate offset from increasing funding costs. Conversely, a flatter yield curve would reduce net interest income, all else equal.

Although management believes that it has designed and implemented effective asset and liability management strategies to reduce the potential effects of changes in interest rates on our financial condition and results of operations, interest rates are affected by many factors outside of our control and any unexpected or prolonged period of interest rate changes could have a material adverse effect on our financial condition and results of operations. Further, our interest rate modeling techniques and assumption may not fully predict or capture the impact of actual interest rate changes on net interest income.

Changes in our financial condition or in the general banking industry, or changes in interest rates, could result in a loss of depositor confidence.

Liquidity is the ability to meet cash flow needs on a timely basis at a reasonable cost. The Bank uses its liquidity to extend credit and to repay liabilities as they become due or as demanded by customers. Our primary source of liquidity is our large supply of interest-bearing and non-interest bearing deposits. The continued availability of this supply of deposits depends on customer willingness to maintain deposit balances with banks in general and us in particular, as well as the continued inflow of deposits for new and existing customers. The availability of deposits can also be impacted by regulatory changes (e.g., changes in FDIC insurance, liquidity requirements, healthcare reform, legislation and regulation regulated to stablecoins, etc.), changes in financial condition of the Bank, other banks, or the banking industry in general, changes in the interest rates our competitors pay on their deposits, and other events which can impact the perceived safety or economic benefits of bank deposits. Many other financial institutions have increased their reliance on deposit funding and, as such, we expect continued competition in the deposit markets. We cannot predict how this competition will affect our costs. While we make significant efforts to consider and plan for hypothetical disruptions in our deposit funding, market-related, geopolitical, or other events could impact the liquidity derived from deposits.

Our stock price can be volatile.

Stock price volatility may make it more difficult for stockholders to resell their common stock when they want and at prices that they find attractive. Our stock price can fluctuate significantly in response to a variety of factors including, among other things:

- actual or anticipated variations in results of operations;
- recommendations or projections by securities analysts or failure to meet their expectations;
- operating and stock price performance of other companies that investors deem comparable to us;
- news reports relating to trends, concerns, and other issues in the financial services and healthcare industries;

- perceptions in the marketplace regarding us and/or our competitors;
- new technology used, or services offered, by competitors;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving us or our competitors;
- changes in dividends and capital returns;
- issuance of additional shares of Webster common stock;
- changes in government regulations; and
- geopolitical conditions such as acts or threats of terrorism or military conflicts, including the ongoing military conflict between Russia and Ukraine, or the conflicts in the Middle East.

General market fluctuations, including real or anticipated changes in the strength of the economy, industry factors and general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes, credit loss trends, among other factors, could also cause our stock price to decrease regardless of operating results.

The Company may not pay dividends to stockholders if it is not able to receive dividends from its subsidiary, the Bank.

The Company is a separate and distinct legal entity from the Bank and its non-banking subsidiaries. A substantial portion of the Company's revenues are derived from dividends paid to it by the Bank. These dividends are the principal source of funds to pay dividends to common and preferred stockholders. Whether the Bank is able to pay dividends depends on its ability to generate sufficient net income and meet certain regulatory requirements, and the amount of such dividends may then be limited by federal laws. Any decision by the Company to return capital to stockholders requires the approval of the Company's Board and must comply with applicable capital regulations, including the maintenance of capital ratios exceeding specified minimum levels and applicable buffers. In certain circumstances, we will not be able to make a capital distribution unless the Federal Reserve approves such distribution. As a bank holding company, we also are required to consult with the Federal Reserve before increasing dividends or redeeming or repurchasing capital instruments. Additionally, the Federal Reserve could prohibit or limit our payment of dividends if it determines that payment of the dividend would constitute an unsafe or unsound practice. In the event the Bank is unable to pay the Company dividends, we may not be able to pay dividends to our common and preferred stockholders.

Higher mortgage rates and low inventory adversely impact our ability to originate or refinance residential mortgage loans.

The residential mortgage lending business is sensitive to changes in interest rates, especially long-term interest rates. Lower interest rates generally increase the volume of mortgage originations and refinancing, while higher interest rates generally cause that volume to decrease. Therefore, our residential mortgage performance is typically correlated to fluctuations in interest rates. The sustained higher rates experienced between 2022 and into 2025, have negatively impacted the mortgage market, including our loan origination volume and refinancing activity. Although interest rates declined in 2024 and 2025, it is uncertain if and when they will decline further, which will ultimately be driven by monetary policy decisions by the Federal Reserve informed by inflation, labor market performance, and economic growth. Adverse market conditions, including increased volatility, changes in interest rates and mortgage spreads, and reduced market demand could result in greater risk in retaining mortgage loans. A reduction in our residential mortgage origination and refinancing volume could have a materially adverse effect on our financial condition and results of operations.

Risks Related to Operations

We rely on third parties to perform significant operational services for us.

Third parties perform significant operational services on our behalf. For instance, we depend on our vendor-provided core banking processing systems to process a large number of increasingly complex transactions on a daily basis. Accordingly, we are exposed to the risk that vendors and third-party service providers might not perform in accordance with their contracts or service agreements, whether due to changes in their organizational structure, strategic focus, support for existing products, technology, services, financial condition, or for any other reason. Their failure to perform could be disruptive to our operations, which could have a materially adverse impact on our business, results of operations, and financial condition. Although we require third-party service providers to have business continuity and disaster recovery plans that are aligned with our plans, such plans may not operate successfully or in a timely manner so as to prevent any such material adverse impact.

Our business may be adversely affected by fraud.

As a financial institution, we are inherently exposed to risk in the form of theft and other fraudulent activities by employees, customers, or other third parties targeting Webster or Webster's customers or data. Such activity may take many forms, including check fraud, electronic fraud, wire fraud, phishing, social engineering, and other dishonest acts. Although we devote substantial resources to maintaining effective policies and internal controls to identify and prevent such incidents, given the increasing sophistication of possible perpetrators, we may experience financial losses or reputational harm as a result of fraud, including from risks that we have not appropriately anticipated, monitored, or identified.

Our internal controls may be ineffective, circumvented, or fail.

Management regularly reviews and updates our internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures, failure to implement any necessary improvement of controls and procedures, or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, results of operations, and financial condition.

Climate change manifesting as physical or transition risks could adversely affect our operations, businesses, and customers.

There is an increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include discrete events, such as flooding, wildfires, and other climate-related events, and longer-term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. Such events could disrupt our operations, those of our customers, or third parties on which we rely, including through direct damage to assets, such as those securing certain loans, and indirect impacts from supply chain disruption and market volatility. In addition, transitioning to a low-carbon economy may entail extensive policy, legal, technological, and market initiatives. Transition risks, including changes in consumer preferences and additional regulatory requirements or taxes, could increase our expenses and undermine our strategies.

Further, due to divergent policies and viewpoints regarding climate change, we are at increased risk of being subject to different and potentially conflicting legal or regulatory requirements and stakeholder expectations. Furthermore, ongoing legislative or regulatory uncertainties and changes regarding climate-related matters may result in higher regulatory, compliance, credit, and other risks and costs.

We are exposed to environmental liability risk with respect to properties to which we obtain title.

A significant portion of our loan portfolio is secured by real property. In the normal course of business, we may foreclose on and take title of properties securing certain loans, and there is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, we may be held liable for remediation costs, including significant investigation and clean-up costs and for personal injury or property damage. In addition, environmental contamination could materially reduce the affected property's value or limit our ability to use or sell the affected property. Although we have policies and procedures to perform environmental reviews prior to lending against or initiating any foreclosure action on real property, these reviews may not be sufficient to detect all potential environmental hazards. Further, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs incurred by others due to environmental contamination emanating from the property. These remediation costs and liabilities could have a material adverse effect on our business, financial condition, and results of operations.

There may be risks resulting from the extensive use of models in our business.

We rely on financial and economic models to measure risks, estimate certain financial values, and inform certain business decisions. Models may be used in processes such as risk management, asset management, valuation, capital and reserve calculations, and financial reporting. Models generally predict or infer certain financial outcomes, leveraging historical data and assumptions as to the future, often with respect to macroeconomic conditions. Development and implementation of some of these models requires us (or third parties) to make difficult, subjective, and complex judgments. Such judgments may not capture or fully incorporate conditions leading to losses, particularly in times of market distress, and the historical correlations on which we rely may no longer be relevant. Additionally, as businesses and markets evolve, the data and assumptions used in these models may not accurately reflect this evolution. If the design, implementation, or incorrect use of our models (or our third parties' models) is flawed, or a model's assumptions or limitations are misunderstood or set incorrectly, we could make business, strategic, or tactical decisions based on a model's output that is incorrect, misleading, or incomplete. Further, to the extent that we incorporate AI as part of our modeling process, this may lead to heightened risk. For example, AI has been known to produce false or "hallucinatory" inferences or output, and certain AI uses machine learning and predictive analytics, which can create inaccurate, incomplete, or misleading output, unexpected results, errors, or inadequacies, any of which may not be easily detectable. In addition, information we provide to the public or to our regulators based on poorly designed, implemented, or incorrectly used models could be misleading or inaccurate. Certain decisions that the regulators make, including those related to requests we may make to pay dividends to our stockholders, could be adversely affected due to a regulator's negative perception of our risk or business management, including but not limited to, insufficient model quality or incorrect model use.

The development and use of AI, including by third parties, presents risks and challenges that may adversely impact our business.

We are in the early stages of incorporating AI into our business activities to increase employee productivity. We have not yet deployed AI-driven systems in critical decision-making or client-facing processes. Our vendors or third parties may develop or incorporate AI technology in certain business processes, services, or products. Any reliance on AI presents a number of risks

and challenges to our business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving, both in the U.S. and internationally, and includes regulatory schemes targeted specifically at AI. During 2025, President Trump issued a number of Executive Orders aimed at reducing barriers to AI innovation in the U.S. economy and establishing a federal framework with a national standard. The Executive Order issued on January 23, 2025, requires relevant persons and bodies within the federal government to develop an AI action plan to carry out this objective and revokes prior AI-related Executive Orders, as well as all corresponding policies, regulations, order, directives, and other actions taken in response to such Executive Order. These evolving laws and regulations could require changes in our consideration and implementation of AI technology and increase our compliance costs and the risk of non-compliance.

AI models, including generative AI models, may produce output or influence us or third-party service providers to take actions that are incorrect, that result in the release of private, confidential, or proprietary information, that may reflect biases included in the data on which they are trained, that could result in the release of confidential company information, infringe on intellectual property rights, or that is otherwise harmful. Further, the complexity of many AI models makes it challenging to understand why they are generating particular outputs. This limited transparency increases the challenges associated with assessing the proper operation of AI models, understanding and monitoring the capabilities of the AI models, reducing erroneous output, eliminating bias, and complying with regulations that require documentation or explanation of the basis on which decisions are made. Thus, the use of an AI model and the risks related to it could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures.

In addition to our use of AI technologies, we are exposed to risks arising from the use of AI technologies by bad actors to commit fraud and misappropriate funds, and to facilitate cyber-attacks. Use of AI technologies by bad actors can contribute to the evolution of new and more effective techniques, which can hinder our efforts to prevent, detect, and remediate such harmful activities. AI, if used to perpetrate fraud or launch cyber-attacks, could result in losses, liquidity outflows, or other adverse effects at a particular exchange or financial institution, including us.

A failure or breach of our information systems, including as a result of cyber-attacks, could disrupt our businesses, result in the misuse of confidential or proprietary information, damage our reputation, and cause losses.

As a financial institution, we depend on our ability to process, record, and monitor a large number of customer transactions. Accordingly, our operational systems and technology infrastructure must continue to be safeguarded and monitored for potential failures, disruptions, and breakdowns. Our business, financial, accounting, data processing, or other operating systems and facilities, including mobile banking applications and other recently developed technologies, may stop operating properly or become disabled or compromised as a result of a number of factors that may be beyond our control. For example, there could be sudden increases in customer transaction volume, electrical or telecommunications outages, natural disasters, pandemics, events arising from political or social matters, including terrorist acts and cyber-attacks, all of which may contribute to a cybersecurity threat.

Although we have business continuity plans and information security and technology processes and controls in place, we are at risk of cybersecurity threats due to disruptions or failures in the operational systems or technology infrastructures that support our businesses and customers, or cyber-attacks or security breaches of the networks, systems, or devices on which information assets are stored or are used by customers to access our products and services. Any of these incidents could result in customer attrition, regulatory fines, penalties or intervention, reputational damage, reimbursement, or other compensation costs, which could have a material adverse effect on our business strategy, results of operations, or financial condition.

Additionally, third parties with whom we do business or that facilitate our business activities, including exchanges, clearing houses, financial intermediaries, or vendors that provide services or security solutions for our operations, could also be sources of operational risk and information security risk, including breakdowns or failures of their own systems, capacity constraints, and cyber-attacks, each of which could pose a cybersecurity risk.

In recent years, information security risks for financial institutions have risen due to the increased sophistication and activities of organized crime, hackers, terrorists, hostile foreign governments, activists, and other external parties. There have been instances involving financial services and consumer-based companies reporting unauthorized access to, and disclosure of, customer information or the destruction or theft of corporate data. There have also been highly publicized cases where hackers have requested ransom-payments in exchange for allowing access to systems and/or not disclosing customer information. Security breaches affecting our customers, or system breakdowns, failures, security breaches, or employee misconduct affecting such other third parties, may require us to take steps to protect the integrity of our own systems or to safeguard our confidential information or of our customers, thereby increasing our operational costs and adversely affecting our business. Additionally, successful cyber-attacks at other large financial institutions, whether or not we are impacted, could lead to a general loss of customer confidence in financial institutions that could negatively affect us, including harming the market perception of the effectiveness of our security measures or the financial system in general, which could result in reduced use of our financial products.

Our inherent risk and exposure to information security matters remains heightened, and as a result, the continued development and enhancement of our controls, processes, and practices designed to protect operational systems, computers, software, data, and networks from attack, damage, or unauthorized access remains a high priority for us. While we have purchased network and privacy liability insurance coverage, which includes digital asset loss, business interruption loss, network security liability, privacy liability, network extortion, and data breach coverage, such insurance may not cover any and all actual losses. As cybersecurity threats and related regulations continue to evolve, we may be required to expend significant additional resources to modify our protective measures or to investigate and remediate any information security vulnerabilities.

We may not be able to successfully implement current or future information technology system enhancements and operational initiatives, which could adversely affect our business operations and profitability.

We continue to invest significant resources in our core information technology systems in order to provide functionality and security at an appropriate level, and to improve our operating efficiency and to streamline our client experience. These initiatives significantly increase the complexity of our relationships with third-party service providers and such relationships may be difficult to unwind. We may not be able to successfully implement and integrate such system enhancements and initiatives, which could adversely impact our ability to comply with certain legal and regulatory requirements. In addition, these projects could have higher than expected costs and/or result in operating inefficiencies, which could increase the costs associated with the implementation as well as ongoing operations. Failure to properly utilize system enhancements that are implemented in the future could result in impairment charges that adversely impact our financial condition and results of operations, could result in significant costs to remediate or replace the defective components, and could impact our ability to compete. In addition, we may incur significant training, licensing, maintenance, consulting, and amortization expense during and after implementation, and any such costs may continue for an extended period of time. As such, we cannot guarantee anticipated long-term benefits from these system enhancements and operational initiatives.

Changes in our accounting policies or in accounting standards could materially impact how we report our financial results.

Our accounting policies and methods are fundamental to understanding how we record and report our results of operations and financial condition. Accordingly, we exercise judgment in selecting and applying these accounting policies and methods so they comply with GAAP. The FASB, SEC, and other regulatory bodies that establish accounting standards periodically change the financial accounting and reporting standards, or the interpretation of those standards, that govern the preparation of our financial statements. These changes are beyond our control, can be hard to predict, and could materially impact how we report our results of operations and financial condition. We could be required to apply a new or revised standard retrospectively, which may result in us having to restate our prior period financial statements by material amounts.

The preparation of our consolidated financial statements requires the use of estimates that may vary from actual results.

The preparation of the Company's Consolidated Financial Statements, and the accompanying Notes thereto, in conformity with GAAP requires management to make difficult, subjective, or complex judgments about matters that are uncertain, which include assumptions and estimates of current risks and future trends, all of which may undergo material changes. Materially different amounts could be reported under different conditions or using different assumptions and estimates. Because of the inherent uncertainty of estimates involved in preparing our financial statements, we may be required to significantly adjust the financial statements as actual events unfold, which could have a material adverse effect on our financial condition and results of operations. Significant estimates subject to change include, among other items, the allowance for credit losses, the carrying value of goodwill or other intangible assets, the fair value estimates of certain assets and liabilities, and the realization of deferred tax assets and liabilities.

A significant merger or acquisition requires us to make estimates, including the fair values of assets acquired and liabilities assumed.

GAAP requires us to record the assets and liabilities of an acquired business to their fair values at the time of the acquisition. With larger transactions, fair value and other estimations can take up to four quarters to finalize. These estimates, and their revisions, can have a substantial effect on the presentation of our financial condition and operating results after the Transaction closes. In addition, the excess of the purchase price over the fair value of the assets acquired, net of liabilities assumed, is recorded as goodwill. If the estimates that we have used at any financial statement date are significantly revised in the future, there could be a material negative impact on our goodwill or other acquisition-related intangibles and our results of operations for the period in which the revisions are made.

If our goodwill were determined to be impaired, it could have a negative impact on our profitability.

GAAP requires that goodwill be tested for impairment at the reporting unit level on at least an annual basis or more frequently upon the occurrence of a triggering event. An impairment loss is to be recognized if the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit. A significant decline in our expected future cash flows, a continued period of local and national economic disruption, changes to financial markets, slower growth rates, or other external factors, all of which can be highly unpredictable, may impact fair value calculations and require us to recognize an impairment

loss in the future. Such an impairment loss may be significant and have a material adverse effect on our financial condition and results of operations.

Risks Related to Compliance

We face risks related to the adoption of future legislation and potential changes in federal regulatory agency leadership, policies, and priorities.

Changes in key personnel at the regulatory agencies, including the federal banking regulators, may result in differing interpretations of rules and guidelines, including more stringent enforcement and more severe penalties than previously. Disagreements between, or in, the U.S. Congress on the federal budget and debt ceiling may lead to total or partial government shutdowns, which can create economic instability and negatively affect our business and financial performance. New federal or state laws and regulations regarding lending and funding practices and liquidity standards could negatively impact the Bank's business operations, increase the cost of compliance, and adversely affect profitability. The failure of banks to follow existing laws and regulations contributes to bank failures, which also adversely affects the banking industry and can lead to special FDIC assessments, such as what we are currently subject to.

Changes in federal, state, or local tax laws may negatively impact our financial performance.

We are subject to changes in tax laws that could increase our effective tax rates or cause an increase or decrease in our income tax liabilities. These law changes may be retroactive to previous periods and as a result, could negatively impact our current and future financial performance.

We are subject to extensive government regulation and supervision, which may interfere with our ability to conduct our business operations.

We are subject to extensive federal and applicable state regulation and supervision, primarily through the Bank and certain non-bank subsidiaries. Banking regulations are primarily intended to protect depositors, the DIF, and the safety and soundness of the U.S. banking system as a whole, not stockholders. These regulations affect our lending practices, capital structure, investment practices, dividend policy, and growth, among other things. Congress and federal bank regulatory agencies continuously review banking laws, regulations, and policies for possible changes, and proposed changes are to be expected. It is not possible to predict the nature of future changes to statutes, regulations, or regulatory policies, including changes in interpretation or implementation thereof, which could affect us in substantial and unpredictable ways. Changes in the U.S. presidential administration and Congress have led and will likely continue to lead to changes in law or policy. In addition, changes in key personnel at the agencies that regulate us, including the federal bank regulatory agencies, may result in differing interpretations of and focus on existing rules and guidelines. Although the Trump Administration has indicated an intent to pursue the regulation of the financial services industry differently than was the case under the previous administration, there is significant uncertainty regarding the direction this administration will continue to take and its ability to implement its policies and objectives, as well as the ultimate impact on potential new regulatory initiatives and the enforcement of existing laws and regulations. It is possible the expected changes in regulation do not occur or are reversed by a subsequent administration, or the regulatory measures that are ultimately enacted deliver significant competitive advantages to financial services providers that are structured differently or serve different markets than we do. Such changes could subject us to additional costs, limit the types of financial services and products we may offer, and affect what we are able to charge for certain banking services, or lead to regulatory uncertainty. Failure to comply with laws, regulations, or policies could result in sanctions by regulatory agencies, civil penalties, and reputation damage, which could have a material adverse effect on our business, financial condition, and results of operations. While we have policies and procedures designed to prevent these types of violations, there can be no assurance that such violations will not occur.

Significant changes to the size and operations of the federal government agencies may cause economic disruptions that could adversely impact our business, results of operations and financial condition.

The Trump Administration is implementing significant changes to the size of the federal government. To date, there have been executive actions to eliminate or modify federal agency and federal program funding, reduce the size of the federal workforce and minimize the oversight of certain federal agencies, and encourage the use of AI and other advanced technologies. Government services and federal program funds and benefits have been and may continue to be disrupted or eliminated which could adversely affect regional and local economies and our customers, and thus our business, results of operations and financial condition. If there is an absence of, or significant decrease in, comprehensive federal regulation and oversight, we could become increasingly burdened by a patchwork of overlapping by differing state and local laws, rules, and regulations, which would increase uncertainty with respect to certain matters and require us to incur additional costs and expenses in an effort to comply.

Regulatory compliance expense may increase substantially when we reach \$100 billion in assets, which is the next regulatory tier above us now. Moreover, we expect such costs to increase significantly as we approach that size.

Regulatory restrictions and costs tend to increase based on a bank holding company's and bank's consolidated asset tiers. Becoming subject to Category IV enhanced prudential standards will have the most significant impact on us after we cross the \$100 billion in total consolidated assets threshold. As of December 31, 2025, we had more than \$84 billion in assets on a consolidated basis. Under such enhanced prudential standards, Category IV bank holding companies are subject to greater regulation and supervision, including, but not limited to: certain capital planning and stress testing and capital buffer requirements; supervisory capital stress testing conducted by the Federal Reserve biennially; and certain liquidity risk management and liquidity stress testing and buffer requirements. Our preparations for, and the application of, these enhanced prudential standards and resolution planning requirements for our depository institution could adversely affect our results of operations and financial performance through additional capital and liquidity requirements and increased compliance costs. Compliance costs associated with those and other Category IV regulations have historically been significant. Moreover, we expect that a significant portion of those compliance costs to be incurred as we approach the \$100 billion tier, rather than commence abruptly when we become a Category IV bank, as we upgrade compliance systems, processes, and staffing before they are fully needed.

We are subject to examinations and challenges by taxing authorities.

We are subject to federal and applicable state and local income tax regulations. Income tax regulations are often complex and require interpretation. In the normal course of business, we are routinely subject to examinations and challenges from federal and applicable state and local taxing authorities regarding the amount of taxes due in connection with investments we have made and the businesses in which we have engaged. Recently, federal and state and local taxing authorities have been increasingly aggressive in challenging tax positions taken by financial institutions. These tax positions may relate to compliance, sales and use, franchise, gross receipts, payroll, property, and income tax issues such as tax base, apportionment, and tax credit planning. The challenges made by taxing authorities may result in adjustments to the timing or amount of taxable income or deductions, or the allocation of income among tax jurisdictions. If any such challenges are made and are not resolved in our favor, they could have a material adverse effect on our financial condition and results of operations.

Health care reform could adversely affect our Healthcare Financial Services segment.

The enactment of future health care reform affecting HSAs and/or workers compensation at the federal or state level may affect our Healthcare Financial Services segment as a bank custodian of HSAs and insurance claim settlements. We cannot predict if any such reforms will occur, ultimately become law, or if enacted, what the terms or regulations promulgated pursuant to such laws will be. Any health care reform enacted may be phased in over a number of years, but could, with respect to the operations of our Healthcare Financial Services segment, reduce revenues, increase costs, and require us to revise the ways in which we conduct business or put us at risk for loss of business. In addition, our results of operations, financial position, and cash flows could be materially adversely affected by such changes.

We are subject to financial and reputational risks from potential liability arising from lawsuits.

The nature of our business ordinarily results in certain legal proceedings and claims. Whether claims or legal actions are founded or unfounded, if such claims and legal actions are not resolved in a manner favorable to us, they may result in significant financial liability and/or adversely affect how the market perceives us, the products and services we offer, as well as customer demand for those products and services. Any financial liability or reputation damage could have a material adverse effect on our business, which could have a material adverse effect on our financial condition and results of operations.

We assess our liabilities and contingencies in connection with outstanding legal proceedings and certain threatened claims and assessments using the latest and most reliable information. For matters identified where it is probable that we will incur a loss and we can reasonably estimate the amount, we will establish an accrual for the loss. Once established, the accrual is then adjusted, as needed, to reflect any relevant developments. However, the actual cost of an outstanding legal proceeding or threatened claim and assessment may be substantially higher than the amount accrued by management.

We are subject to complex state and federal laws and regulations regarding data privacy and security, which impact how we conduct our business.

We are subject to complex and evolving data privacy laws, rules and contractual obligations (collectively "data privacy laws") that relate to the privacy and security of the personal information of our customers and employees, or any other natural persons. These data privacy laws require, among other things, that we make certain privacy disclosures, maintain a robust security program, require disclosures and notifications during a cyber or information security incident, and regulate our collection, use, sharing, retention, and safeguarding of consumer or employee information. State and federal regulators may also hold us responsible for privacy and data protection obligations performed by our third-party service providers while providing services to us, as well as disclosures and notifications during a cyber or information security incident. Consumers also have the option to direct us and other financial institutions not to share information about transactions and experiences with affiliated companies for the purpose of marketing products or services.

State regulators have also been increasingly active in implementing privacy and cybersecurity regulations. Several states have also recently strengthened their data breach notification and data privacy requirements. We expect this trend of state-level activity in those areas to continue and are continually monitoring developments, particularly if the CFPB is no longer actively enforcing federal financial institution consumer privacy laws and regulations. As the regulatory environment becomes more rigorous, we anticipate that compliance with these requirements will result in additional costs and expenses, and may impact the way we conduct business. Our failure to comply with data privacy laws could result in potentially significant regulatory or governmental investigations, litigation, fines, or sanctions, or cause damage to our reputation, which could have a material adverse effect on our business, financial condition, or results of operations.

Risks Related to Strategy

New lines of business or new products and services may subject us to additional risk.

On occasion, we may implement new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved, and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives, and shifting market preferences may also impact the successful implementation of a new line of business and/or a new product or service. Further, any new line of business and/or new product or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business and/or new products or services could have a material adverse effect on our business, results of operations, and financial condition.

We may not be able to attract and retain skilled people, and the loss of key employees or the inability to maintain appropriate staffing may disrupt relationships with customers and adversely impact our business.

Our success depends, in large part, on our ability to attract, develop, compensate, motivate, and retain skilled people, including executives, managers, and other key employees with the skills and know-how necessary to run our business. The failure to attract or retain talented executives, managers, and employees with diverse backgrounds and experiences, or the loss of certain executives, managers, and key employees, could have a material adverse impact on our business. These risks may be heightened when U.S. labor markets, or segments of those markets, are especially competitive.

Competition for the best people in most activities in which we engage can be intense, and we may not be able to hire sufficiently skilled people or retain them. The recent transition towards companies offering remote and hybrid work environments, which is expected to endure, as well as our workplace policies (or perceptions of those policies by current and potential employees), including policies with respect to remote and hybrid work, could impact our ability to attract and retain talent with the necessary skills and experience. In addition, the transition to remote and hybrid work environments may exacerbate the challenges of attracting and retaining skilled employees because job markets may be less constrained by physical geography. Our current or future approach to in-office and remote-work arrangements may not meet the needs or expectations of our current or prospective employees or may not be perceived as favorable as the arrangements offered by other employers, which could adversely affect our ability to attract and retain employees. The unexpected loss of services of our key personnel could have a material adverse impact on the business because of their skills, knowledge of our markets, years of industry experience, and the difficulty of promptly finding qualified replacement personnel.

Further, our business is primarily relationship-driven, in that many of our key employees have extensive customer relationships. The loss of a key employee with such customer relationships may lead to the loss of business if the customers were to follow that employee to a competitor or otherwise choose to transition to another financial services provider. While we believe that our relationships with key personnel are good, we cannot guarantee that all of our key personnel will remain with our organization.

We operate in a highly competitive industry and market area.

We face substantial competition in all areas of our operations from a variety of different competitors, both within and beyond our financial markets, many of which are larger and may have more financial resources than we do. Such traditional competitors primarily include national, regional, community, and internet banks within the various markets in which we operate, including the HSA market. We also face competition from many other types of financial institutions, including savings and loans, credit unions, non-bank health savings account trustees, finance companies, brokerage firms, insurance companies, online lenders, factoring companies, and other financial intermediaries. Some of these organizations are not subject to the same degree of regulation that is imposed on bank holding companies and federally insured depository institutions, which may give them greater flexibility in accessing funding and providing various services. Moreover, organizations that are larger than we are may be able to achieve greater economies of scale or offer a broader range of products and services, or better pricing on products and services, than what we can offer.

The financial services industry could become even more competitive as a result of legislative and regulatory changes, and continued consolidation. This consolidation may produce larger, better capitalized, and more geographically diverse companies that are capable of offering a wider array of financial products and services at more competitive prices. In addition, as customer preferences and expectations continue to evolve, technology has lowered barriers to entry and has made it possible for non-banks to offer products and services traditionally provided by banks. The financial services industry also faces increasing competitive pressure from the introduction of disruptive new technologies, such as blockchain and digital payments, often by non-traditional competitors and financial technology companies. In particular, the activity of financial technology companies has grown significantly over recent years and is expected to continue to grow. Among other things, technology and other changes are allowing customers to complete financial transactions that historically have involved banks at one or both ends of the transaction. The move toward digital banking and financial services, and customer expectations regarding digital offerings, will require us to invest greater resources in technological improvements and may put us at a disadvantage to banks and non-banks with greater resources to spend on technology.

Our ability to compete successfully depends on a number of factors, including, among other things:

- the ability to develop, maintain, and build upon long-term customer relationships based on top quality service, high ethical standards, and safe, sound financial position;
- the ability to expand our market position;
- the scope, relevance, and pricing of products and services offered to meet customer needs and demands, including within the HSA market;
- the rate at which we introduce new products and services relative to our competitors;
- customer satisfaction with our level of service and products;
- the quality of the technology that supports the customer experience; and
- industry and general economic trends.

Failure to perform in any of these areas could significantly weaken our competitive position, which could adversely affect our growth and profitability, and in turn, could have a material adverse effect on our financial condition and results of operations.

Failure to keep pace with and adapt to technological change could adversely impact our business.

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services and the use of artificial intelligence. These new technologies may be superior to, or render obsolete, the technologies currently used in our products and services. Our future success depends, in part, upon our ability to address the needs of our customers by using technology and information to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements because of their larger size and available capital. Developing or acquiring new technologies and incorporating them into our products and services may require significant investment, take considerable time, and ultimately may not be successful. We cannot predict which technological developments or innovations will become widely adopted or how those technologies may be regulated. We also may not be able to effectively market new technology-driven products and services to our customers. Failure to successfully keep pace with and adapt to technological change affecting the financial services industry could have a material adverse impact on our business and, in turn, our financial condition and results of operations.

The loss of key partnerships could adversely affect our Healthcare Financial Services segment and interSYNC operations.

Our Healthcare Financial Services segment and interSYNC operations rely on partnerships to maximize our distribution model. To the extent that we fail to maintain such partnerships, which may be due to mergers and/or acquisitions and may result in changes to their business processes, or our partners choosing to align with competitors or develop their own solutions, our business, financial condition, and results of operations could be adversely affected. In particular, health plan partners who provide high deductible health plan options are a significant source of new and existing HSA holders. If these health plan partners or other partners choose to align with our competitors or develop their own solutions, our business, financial condition, and results of operations could be adversely affected.

There is significant competition for our existing partners, and our failure to retain our existing larger partner relationships upon expiration or the earlier loss of a relationship upon the exercise of a partner's early termination rights, or the expiration or termination of a substantial number of small partner relationships, could have a material adverse effect on our results of operations (including growth rates) and financial condition to the extent that we do not acquire new partners of similar size and profitability or otherwise grow our business. In addition, existing relationships may be renewed with less favorable terms to the Company in response to increased competition for such relationships. The competition for new partners is also significant, and our failure to attract new partners could adversely affect our ability to grow.

Our investments in certain tax-advantaged projects may not generate returns as anticipated, or at all, and may have an adverse impact on our results of operations.

We invest in certain tax-advantaged investments that support qualified affordable housing projects and other community development initiatives. Our investments in these projects rely on the ability of the projects to generate a return primarily through the realization of federal and state income tax credits and other tax benefits. We face the risk that tax credits, which remain subject to recapture by taxing authorities based on compliance with relevant requirements at the project level, may not be able to be realized. The risk of not being able to realize the tax credits and other tax benefits associated with a particular project depends on many factors that are outside of our control. A project's failure to realize these tax credits and other tax benefits may have a negative impact on our investment, and as a result, on our financial condition and results of operations.

Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our corporate responsibility practices may impose additional costs on us or expose us to new or additional risks.

Companies are facing increasing scrutiny from customers, regulators, investors, and other stakeholders related to their corporate responsibility practices and disclosure. Investor advocacy groups, investment funds, and influential investors are also increasingly focused on these practices, especially as they relate to the environment (including with respect to climate change), health and safety, inclusion and belonging, human capital management, labor conditions, and human rights. Due to divergent stakeholder views, priorities and expectations on these matters, we are at increased risk that any action, or lack thereof, concerning these matters will be perceived negatively by some stakeholders. Failing to comply with expectations and standards, or taking action in conflict with one or multiple of those stakeholders' expectations, could also lead to loss of business, impacts on our talent management strategy, adverse publicity, and adverse impact on our business and reputation, customer complaints, or public protests. Furthermore, as a result of our diverse base of clients and business partners, we may face potential negative publicity based on the identity of our clients or business partners and the public's (or certain segments of the public's) view of those entities. Increased corporate responsibility-related compliance costs for us, as well as among our third-party suppliers, vendors, and various other parties within our supply chain, could also result in increases to our overall operational costs. Any success, failure, or perceived success or failure (whether or not valid) to pursue or fulfill corporate responsibility-related objectives, comply with evolving regulatory requirements, or meet investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, access to capital, and the price of our stock. There can be no assurance that we will achieve these corporate responsibility-related objectives or that any such achievements will have the desired results.

Our reputation and client relationships may be damaged as a result of our practices related to climate change.

Our reputation and client relationships may be damaged as a result of our practices related to climate change, including our direct or indirect involvement in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to conduct or change our activities in response to managing climate risk. While we have relatively limited exposure to climate risks in our operations and lending portfolio, we consider climate-related risks in our business operations and in our lending activities. We have developed and continue to enhance processes to assess, monitor, and mitigate the Bank's exposure to climate risk. However, because the timing and impact of climate change have limited predictability, our risk management strategies may not be effective in mitigating climate risk exposure.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy. The Company has processes for assessing, identifying, and managing material risks from cybersecurity threats, and is committed to the prevention, detection, and timely response to cybersecurity threats that may impact the confidentiality, integrity, and availability of its information systems and information assets.

The Company has a Technology Risk Management Program (First Line), including Cyber and Information Risk Management, a First Line Control Office, and an Information Risk Management Program (Second Line) under its Risk Governance Framework for the identification, assessment, measurement, mitigation, monitoring, and internal reporting of risks associated with its information systems, information assets, and third parties, including vendors and service providers. The Cyber and Information Security Risk Management Program and Technology Risk Management Program align with the Company's Third-Party Risk Management Program in regard to protecting information assets. Internal Audit (Third Line) also performs periodic audits of these risk management programs in accordance with their internal audit plan, which is approved by the Audit Committee of the Board.

The Cyber and Information Security Risk Management Program and Technology Risk Management Program are managed by the Company's Corporate Information Security team, led by the CISO and the CIO. Our CISO has over 25 years of financial services industry experience, with varying positions in information technology, security, and risk management. She has numerous industry certifications, including Certified Information Systems Security Professional and Certified in Risk and Information Systems Controls certifications. She is a board of directors member with the Cyber Risk Institute, and a member of ISACA's global Emerging Trends Working Group and Securing AI Certification Working Group. Our CIO has over 25 years of relevant experience in large scale digital transformation, strategic planning, talent development, global technology delivery, and operational experience. Our CIO has deep expertise across the financial services industry and in leading organizations through change. He is a member of the CNBC Technology Executive Council, where he contributes to ongoing discussions and insights on the latest trends and challenges in technology. In addition, he is a member of the Wall Street Journal CIO Network, a collective community of leading technology experts from the world's most influential companies. Both our CISO and CIO also participate in various financial services industry committees and cybersecurity advisory boards.

On average, the other Corporate Information Security team members have over a decade of cybersecurity experience and hold over 100 industry-leading certifications in cybersecurity. For most of these certifications, there is a continuing professional education requirement to maintain a consistent level of learning by completing certain professional activities, such as attending conferences and workshops, completing online training courses, and participating in professional association meetings, throughout the certification cycle to maintain an active credential. Further, each employee is responsible for an effective cybersecurity defense which is enforced with mandatory cyber awareness training, periodic newsletters, and security updates.

"Zero trust principles" drive the Company's information security architecture, and the Company deploys a "defense in-depth" strategy to protect against cybersecurity threats, layering multiple levels of information security and technology controls within business processes for information assets and relationships with third parties based on the National Institute of Standards and Technology Special Publication 800-53 Framework. The Company's information systems and risk management are also subject to regulatory requirements and examination by federal banking regulators.

The identification of control weaknesses and vulnerabilities affecting information assets and/or relationships with third parties allows the Company to mitigate risk from, and respond to, cybersecurity threats. Initial risk assessments are performed upon the acquisition, or as part of the development of, information assets in order to evaluate the inherent risk associated with network and host environments and assess the adequacy of implemented technology operation processes and controls. Risk and control self-assessments are conducted on an annual basis to identify gaps resulting from any process changes that occurred during the year, and to evaluate whether the levels of cybersecurity risk remain within the tolerance set in the Company's Risk Appetite Statement or whether a risk needs to be mitigated.

Due diligence is performed prior to onboarding all third parties with access to the Company's information assets to ensure such parties maintain security controls contractually required by the Company as part of its Third Party Risk Management Program. The Company provides ongoing monitoring, including cybersecurity maturity assessments, of third parties using a risk-based approach to determine the extent and frequency of periodic assessments. Semi-annual cybersecurity maturity assessments are conducted by the Company's Corporate Information Security team on its information systems using industry-standard guidelines and tools, including the National Institute of Standards Cybersecurity Framework, the Federal Financial Institutions Examination Council Cybersecurity Assessment Tool, and the Center for Internet Security Critical Security Controls.

Because cybersecurity threats continue to evolve, thereby increasing inherent risk, the Company's Corporate Information Security team is augmented by contracted external managed security service providers, who collectively work 24/7 to monitor cybersecurity threats through processes such as endpoint and network security, email protection, data loss prevention, vulnerability scanning and mitigation, identity and access management, logging and monitoring, and threat hunting. Independent third parties test the Company's cyber capabilities and audit its cloud security. The Company regularly tests its systems to discover and address any potential vulnerabilities. Senior and Executive management also participate in cybersecurity industry collaboration and information-sharing forums and utilize the information gained to drive protective and detective cybersecurity strategies and tactics.

The Company requires information security education, training at the time of hire, and annually thereafter, by its employees (including contractors and other third parties for training purposes), designed to mitigate accidental information security incidents. Phishing simulation activities are regularly conducted to assess employees' competency at identifying potential threats. Employees are assigned incremental training requirements should they fail to identify simulated phishing emails through the initial training.

The Company's Corporate Information Security team members are also responsible for completing additional mandatory annual training to understand the processes, procedures, and technical requirements for securing information assets across the enterprise. The Company also offers ongoing practice and specialized education for Corporate Information Security team members to stay up to date with emerging trends in cybersecurity threat protection, detection, and response.

The Information Security Management Program sets forth enterprise-wide coordinated responses to identified threats, ensuring timely mitigation and remediation, and facilitating awareness and communication. Tabletop exercises are held regularly at the Senior and Executive management levels to validate roles and responsibilities and response protocols respective to cybersecurity threats. The outcomes of these tabletop exercises are reviewed annually at the Board level.

Employees, contractors, and third parties are required to immediately report any suspected cybersecurity threats to the Corporate Information Security team for triaging. Any threat assessed by the Corporate Information Security team that could impact the safety of customers or personnel, cause damage to, or threaten the confidentiality, integrity, or availability of information assets, or bring about significant business interruption, are escalated for further assessment. In the event that the CISO, in consultation with the Company's Legal and Compliance teams, determines that a material cybersecurity incident has occurred, a dedicated Crisis Incident Response team comprised of individuals from various departments across the organization is assigned to coordinate all planned cybersecurity incident-related response activities. The Company will engage third party specialists to assist in any cybersecurity incident investigation, as needed.

Cybersecurity threats that are identified and deemed material are escalated and communicated directly to Senior and Executive Management and the Risk Committee of the Board. Materiality determinations are made under the Company's Disclosure Controls and Procedures to ensure timely cybersecurity incident disclosure notification in accordance with securities laws and/or regulations.

Material Cybersecurity Threat Risks. Risks from cybersecurity threats have not materially affected the Company, its business strategy, results of operations, or financial condition for the year ended December 31, 2025. However, it is possible that the Company could suffer such losses in the future. Information regarding risks from material cybersecurity threats can be found under the section captioned "Operational Risk" contained in Item 1A. Risk Factors.

Governance. Oversight of information security risk and information technology risk is the responsibility of the Information Risk Committee, a management committee, with additional oversight from the Enterprise Risk Management Committee, a management committee, and the Risk and Technology Committees of the Board. On at least a quarterly basis, the Corporate Information Security team provides reports on updates to the Company's information risk profile, emerging risks and threats, results of examinations, status of remediation plans and/or results of remediation activities, risk reports and risk assessment results, and risk metric results to the Information Risk Committee, who then provides such information to the Enterprise Risk Management Committee and the Risk Committee of the Board. In addition, on at least a quarterly basis, this information, along with updates on key cybersecurity initiatives, is shared with the Technology Committee of the Board, who provides oversight on information security and information technology strategy and governance.

Additional information regarding the Company's risk management framework, including management-level and Board-level committee experience and expertise, oversight responsibilities, and information risk governance, can be found under the section captioned "Risk Governance Framework" contained in Item 1. Business.

ITEM 2. PROPERTIES

The Company's corporate headquarters is located in Stamford, Connecticut. This leased facility houses the Company's primary executive and administrative functions and serves as the principal banking headquarters of the Bank. Additional corporate functions are housed in owned facilities in Waterbury, and in leased facilities in Southington, Hartford, and New Haven, Connecticut; Providence, Rhode Island; Boston, Massachusetts; Jericho, White Plains, and New York, New York; and Paramus, New Jersey. The Company considers its properties to be suitable and adequate for its current business needs.

Commercial Banking maintains leased facilities across a geographic footprint that ranges from Massachusetts to California. Offices are located in Boston, Massachusetts; Westerly, Rhode Island; Garden City, New York; Conshohocken, Pennsylvania; Baltimore, Maryland; Atlanta, Georgia; Dallas, Texas; and Ladera Ranch, California.

Healthcare Financial Services includes HSA Bank and Ametros. HSA Bank maintains leased facilities in Milwaukee and Sheboygan, Wisconsin, and Ametros maintains a leased facility in Wilmington, Massachusetts.

Consumer Banking operates a distribution network that consists of 195 banking centers:

Location	Leased	Owned	Total
Connecticut	61	34	95
Massachusetts	8	9	17
Rhode Island	4	3	7
New York	37	39	76
Total	110	85	195

Additional information regarding the Company's owned facilities and leased locations can be found within Note 5: Premises and Equipment and Note 6: Leasing, respectively, in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

ITEM 3. LEGAL PROCEEDINGS

Information regarding legal proceedings can be found within Note 22: Commitments and Contingencies in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information**

The Company’s common stock is traded on the NYSE under the symbol WBS. At February 20, 2026, there were 7,551 holders of record, as determined by Broadridge Corporate Issuer Solutions, Inc., the Company’s transfer agent.

Information regarding dividend restrictions can be found under the section captioned “Supervision and Regulation” in Part I - Item 1. Business and within Note 13: Regulatory Capital and Restrictions in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data, which are incorporated herein by reference.

Recent Sales of Unregistered Securities

There were no unregistered securities sold by the Company during the year ended December 31, 2025.

Issuer Purchases of Equity Securities

The following table provides information with respect to any purchase of the Company’s common stock made by or on behalf of the Company or any “affiliated purchaser,” as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, during the three months ended December 31, 2025:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount Available for Purchase Under the Plans or Programs ⁽³⁾
October 1, 2025 - October 31, 2025	2,868,577	\$ 56.50	2,866,010	\$ 376,627,388
November 1, 2025 - November 30, 2025	746,871	56.70	746,580	334,298,182
December 1, 2025 - December 31, 2025	—	—	—	334,298,182
Total	<u>3,615,448</u>	56.54	<u>3,612,590</u>	334,298,182

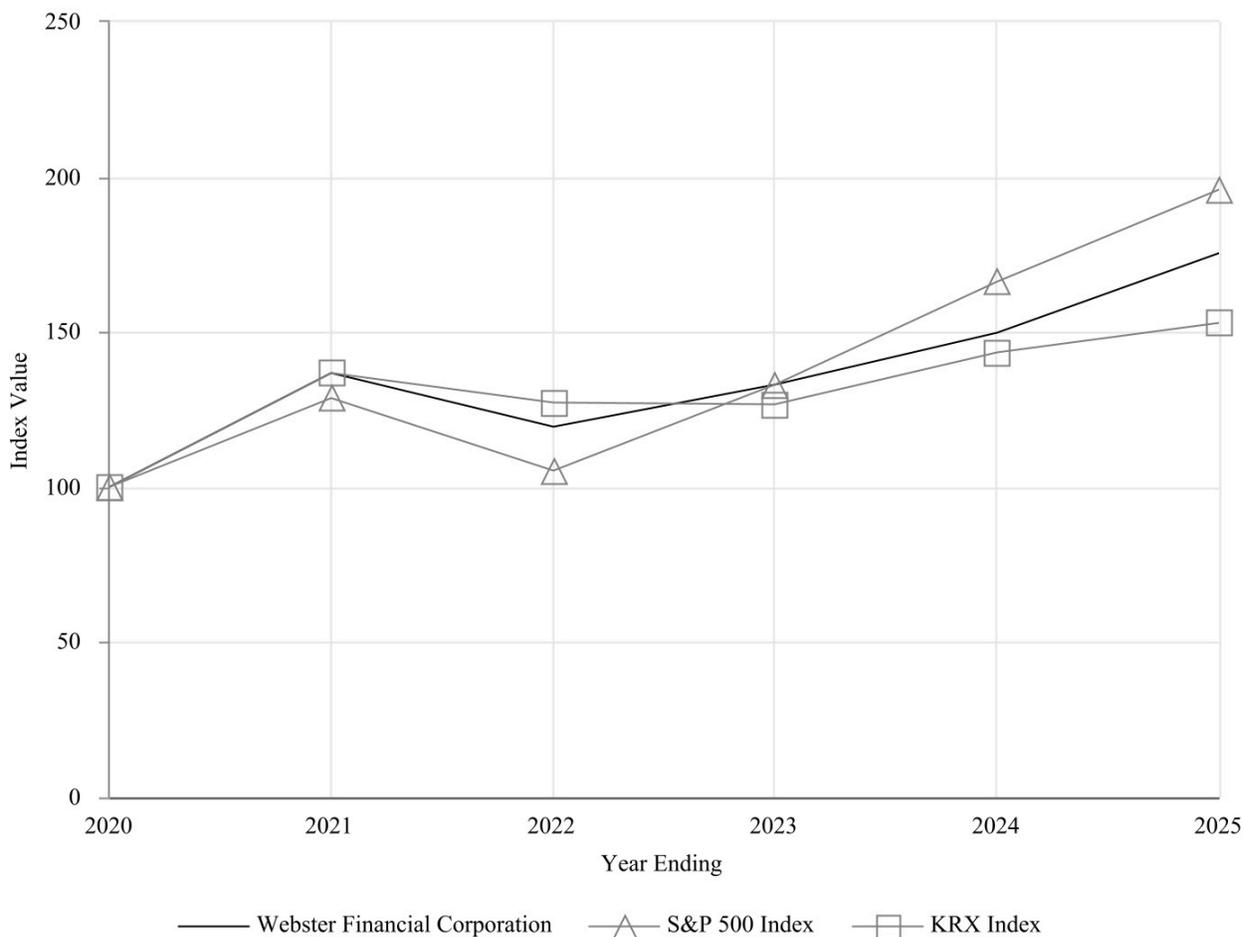
- (1) During the three months ended December 31, 2025, 2,858 of the total number of shares purchased were acquired at market prices outside of the Company’s common stock repurchase program and related to employee stock-based compensation plan activity.
- (2) The average price paid per share is calculated on a trade date basis and includes commissions and other transaction costs.
- (3) The Company maintains a common stock repurchase program, which was approved by the Board on October 24, 2017, that permits management to repurchase shares of Webster common stock in open market or private transactions, through block trades, and pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the SEC, subject to the availability and trading price of stock, general market conditions, alternative uses for capital, regulatory considerations, and the Company’s financial performance. On April 30, 2025, the Board increased the Company’s authority to repurchase shares of Webster common stock under the repurchase program by \$700.0 million. In accordance with the Transaction Agreement with Banco Santander, the Company paused repurchases under its stock repurchase program through the completion of the Transaction. Additional information regarding the proposed Transaction with Banco Santander can be found within the sections captioned “Proposed Transaction with Banco Santander” in both Part I - Item 1. Business and Part II - Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and within Note 24: Subsequent Events in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Performance Graph

The performance graph compares the yearly percentage change in the Company’s cumulative total stockholder return on its common stock over the last five years to the cumulative total return of (i) the Standard & Poor’s 500 Index (“S&P 500 Index”) and (ii) the Keefe, Bruyette & Woods Regional Banking Index (“KRX Index”), assuming the reinvestment of dividends and an initial investment of \$100 on December 31, 2020. The KRX Index is a market-capitalization weighted index comprised of 50 regional banks or thrifts located throughout the United States.

Cumulative total stockholder return is measured by dividing the sum of the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and the difference between the share price at the end and the beginning of the measurement period, by the share price at the beginning of the measurement period. The plotted points represent the cumulative total stockholder return on the last trading day of the year indicated. Historical performance shown on the graph is not necessarily indicative of future performance.

Five-Year Cumulative Total Return



	Period Ending December 31,					
	2020	2021	2022	2023	2024	2025
Webster Financial Corporation	\$ 100	\$ 137	\$ 120	\$ 133	\$ 150	\$ 176
KRX Index	\$ 100	\$ 137	\$ 127	\$ 127	\$ 143	\$ 153
S&P 500 Index	\$ 100	\$ 129	\$ 105	\$ 133	\$ 166	\$ 196

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information that management believes is necessary to understand the Company's consolidated financial condition, results of operations, and cash flows for the year ended December 31, 2025, as compared to the year ended December 31, 2024. This information should be read in conjunction with the Consolidated Financial Statements, and the accompanying Notes thereto, contained in Part II - Item 8. Financial Statements and Supplementary Data, as well as other information set forth throughout this report. For discussion and analysis of the Company's consolidated financial condition, results of operations, and cash flows for the year ended December 31, 2024, as compared to the year ended December 31, 2023, please refer to Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 3, 2025. The Company's consolidated financial condition, results of operations, and cash flows for the year ended December 31, 2025, are not necessarily indicative of results that may be attained in future periods.

Economic Outlook

Actions and announcements related to changes in trade policies and other economic policies and practices, including tariffs, have created significant economic uncertainty in the U.S., which could contribute to higher inflation, increase the risk of a recession, and introduce further uncertainty as to the pace and direction of interest rate changes. Events such as these are outside of our control, but nonetheless may alter customer behavior, including borrowing, repayment, investment, and deposit practices, which could, in turn, adversely impact our business and financial results in future periods. While we cannot predict the potential impact that these changes and economic developments may have on us or our customers, we believe that our diverse businesses, strong capital position, unique deposit profile, and solid risk management framework allow us to operate in a range of economic environments.

Proposed Transaction with Banco Santander

On February 3, 2026, Webster entered into a Transaction Agreement with Banco Santander and Webster Virginia Corporation, a wholly owned subsidiary of Webster incorporated in the State of Virginia. The Transaction Agreement provides that, upon the terms and subject to the conditions set forth therein, Banco Santander will acquire Webster in two steps. First, Webster will merge with and into Webster Virginia Corporation, with Webster Virginia Corporation continuing as the surviving corporation in such merger. Second, immediately following the completion of such merger, Banco Santander will acquire all outstanding shares of Webster Virginia Corporation through a statutory share exchange. Based on Banco Santander's closing stock price on February 2, 2026, the Transaction has an aggregate value of approximately \$12.3 billion.

Under the terms of the Transaction Agreement, holders of Webster common stock will receive \$48.75 in cash and 2.0548 ADSs (or Ordinary Shares in certain circumstances) for each share of Webster common stock that they own. The Transaction Agreement contains customary representations and warranties, covenants, and closing conditions. Completion of the Transaction remains subject to approval by the Federal Reserve and the European Central Bank, approval by the stockholders of each company, and other customary closing conditions. The Transaction is expected to close in the second half of 2026.

Results of Operations

The following table summarizes selected financial highlights and key performance indicators:

	Years ended December 31,		
	2025	2024	2023
<i>(In thousands, except per share and ratio data)</i>			
Income and performance ratios:			
Net income	\$ 1,002,802	\$ 768,707	\$ 867,840
Net income applicable to common stockholders	974,861	744,076	843,268
Earnings per common share - diluted	5.90	4.37	4.91
Return on average assets	1.23 %	1.00 %	1.18 %
Return on average tangible common stockholders' equity (non-GAAP)	17.16	14.35	16.95
Return on average common stockholders' equity	10.85	8.71	10.59
Non-interest income as a percentage of total revenue	13.85	9.72	11.85
Asset quality:			
ACL on loans and leases	\$ 719,411	\$ 689,566	\$ 635,737
Non-performing assets ⁽¹⁾	502,156	461,751	218,600
ACL on loans and leases / total loans and leases	1.27 %	1.31 %	1.25 %
Net charge-offs / average loans and leases	0.33	0.32	0.21
Non-performing loans and leases / total loans and leases ⁽¹⁾	0.88	0.88	0.41
Non-performing assets / total loans and leases plus OREO and repossessed assets ⁽¹⁾	0.89	0.88	0.43
ACL on loans and leases / non-performing loans and leases ⁽¹⁾	143.69	149.47	303.39
Other ratios:			
Tangible common equity (non-GAAP)	7.42 %	7.45 %	7.73 %
Tier 1 Risk-Based Capital	11.69	12.06	11.62
Total Risk-Based Capital	13.67	14.24	13.72
CET1 Risk-Based Capital	11.20	11.54	11.11
Stockholders' equity / total assets	11.29	11.56	11.60
Net interest margin	3.42	3.42	3.52
Efficiency ratio (non-GAAP)	45.99	45.43	42.15
Equity and share related:			
Common stockholders' equity	\$ 9,208,257	\$ 8,849,235	\$ 8,406,017
Book value per common share	57.12	51.63	48.87
Tangible book value per common share (non-GAAP)	37.20	32.95	32.39
Common stock closing price	62.94	55.22	50.76
Dividends and equivalents declared per common share	1.60	1.60	1.60
Common shares outstanding	161,216	171,391	172,022
Weighted-average common shares outstanding - basic	164,842	169,820	171,775
Weighted-average common shares - diluted	165,206	170,192	171,883

(1) Non-performing asset balances and related asset quality ratios exclude the impact of net unamortized (discounts)/premiums and net unamortized deferred (fees)/costs on loans and leases.

Non-GAAP Financial Measures

The non-GAAP financial measures identified in the preceding table provide both management and investors with information useful in understanding the Company's financial position, results of operations, the strength of its capital position, and overall business performance. These non-GAAP financial measures are used by management for performance measurement purposes, as well as for internal planning and forecasting, and by securities analysts, investors, and other interested parties to assess peer company operating performance. Management believes that this presentation, together with the accompanying reconciliations, provides investors with a more complete understanding of the factors and trends affecting the Company's business and allows investors to view its performance in a similar manner.

Tangible book value per common share represents stockholders' equity, less preferred stock and goodwill and other net intangible assets ("tangible common equity"), divided by common shares outstanding at the end of the reporting period. The tangible common equity ratio represents tangible common equity divided by total assets, less goodwill and other net intangible assets ("tangible assets"). Both of these measures are used by management to evaluate the Company's capital position. The return on average tangible common stockholders' equity is calculated using net income less preferred stock dividends, adjusted for the tax-effected amortization of intangible assets, as a percentage of average tangible common equity. This measure is used by management to assess the Company's performance against its peer financial institutions. The efficiency ratio, which represents the costs expended to generate a dollar of revenue, is calculated excluding certain non-operational items in order to measure how well the Company is managing its recurring operating expenses.

These non-GAAP financial measures should not be considered a substitute for GAAP-basis financial measures. Because non-GAAP financial measures are not standardized, it may not be possible to compare these with other companies that present financial measures having the same or similar names.

The following tables reconcile non-GAAP financial measures to the most comparable financial measures defined by GAAP:

	December 31,		
	2025	2024	2023
<i>(Dollars and shares in thousands, except per share data)</i>			
Tangible book value per common share:			
Stockholders' equity	\$ 9,492,236	\$ 9,133,214	\$ 8,689,996
Less: Preferred stock	283,979	283,979	283,979
Goodwill and other intangible assets, net	3,210,756	3,202,369	2,834,600
Tangible common stockholders' equity	\$ 5,997,501	\$ 5,646,866	\$ 5,571,417
Common shares outstanding	161,216	171,391	172,022
Tangible book value per common share	\$ 37.20	\$ 32.95	\$ 32.39
Book value per common share (GAAP)	\$ 57.12	\$ 51.63	\$ 48.87
Tangible common equity ratio:			
Tangible common stockholders' equity	\$ 5,997,501	\$ 5,646,866	\$ 5,571,417
Total assets	\$ 84,073,663	\$ 79,025,073	\$ 74,945,249
Less: Goodwill and other intangible assets, net	3,210,756	3,202,369	2,834,600
Tangible assets	\$ 80,862,907	\$ 75,822,704	\$ 72,110,649
Tangible common equity ratio	7.42 %	7.45 %	7.73 %
Common stockholders' equity to total assets (GAAP)	10.95 %	11.20 %	11.22 %
	Years ended December 31,		
	2025	2024	2023
<i>(Dollars in thousands)</i>			
Return on average tangible common stockholders' equity:			
Net income	\$ 1,002,802	\$ 768,707	\$ 867,840
Less: Preferred stock dividends	16,650	16,650	16,650
Add: Intangible assets amortization, tax-affected	26,457	28,505	28,604
Adjusted net income	\$ 1,012,609	\$ 780,562	\$ 879,794
Average stockholders' equity	\$ 9,373,912	\$ 8,919,675	\$ 8,323,955
Less: Average preferred stock	283,979	283,979	283,979
Average goodwill and other intangible assets, net	3,189,345	3,195,988	2,848,114
Average tangible common stockholders' equity	\$ 5,900,588	\$ 5,439,708	\$ 5,191,862
Return on average tangible common stockholders' equity	17.16 %	14.35 %	16.95 %
Return on average common stockholders' equity (GAAP)	10.85 %	8.71 %	10.59 %

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Efficiency ratio:			
Non-interest expense	\$ 1,429,264	\$ 1,351,279	\$ 1,416,355
Less: Foreclosed property activity	2,016	(1,413)	(1,282)
Intangible assets amortization	36,304	36,082	36,207
Operating lease depreciation	28	1,541	5,569
Acquisition and merger-related expenses ⁽¹⁾	1,129	3,139	162,517
Contribution to the Webster Charitable Foundation	20,000	—	—
Asset disposal and contract termination costs	6,966	12,598	—
FDIC special assessment	(10,318)	10,318	47,164
Strategic restructuring costs ⁽²⁾	—	9,571	—
Adjusted non-interest expense	\$ 1,373,139	\$ 1,279,443	\$ 1,166,180
Net interest income	\$ 2,497,894	\$ 2,338,387	\$ 2,337,269
Add: FTE adjustment	56,642	57,517	68,939
Non-interest income	401,519	251,899	314,337
Other income ⁽³⁾	39,936	29,440	18,059
Less: Operating lease depreciation	28	1,541	5,569
Gain (loss) on sale of investment securities, net	220	(136,224)	(33,620)
Gain on extinguishment of long-term debt	9,767	—	—
Net (loss) on sale of factored receivables portfolio	—	(15,977)	—
Net gain on sale of mortgage servicing rights	—	11,655	—
Adjusted income	\$ 2,985,976	\$ 2,816,248	\$ 2,766,655
Efficiency ratio	45.99 %	45.43 %	42.15 %
Non-interest expense as a percentage of total revenue (GAAP)	49.29 %	52.17 %	53.41 %

(1) Acquisition and merger-related expenses includes SecureSave acquisition expenses for the year ended December 31, 2025, Ametros acquisition expenses for the year ended December 31, 2024, and primarily Sterling merger expenses for the year ended December 31, 2023. Additional information regarding the acquisition of SecureSave and Ametros can be found within Note 2: Business Developments in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

(2) Strategic restructuring costs primarily comprises severance expense.

(3) Other income (non-GAAP) includes the taxable equivalent of net income generated from LIHTC investments.

Net Interest Income Analysis

The following table summarizes daily average balances, interest, and average yield/rate by major category, and net interest margin on an FTE basis:

(Dollars in thousands)	Years ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Income/Expense	Average Yield/Rate	Average Balance	Interest Income/Expense	Average Yield/Rate	Average Balance	Interest Income/Expense	Average Yield/Rate
Assets:									
Interest-earning assets:									
Loans and leases ⁽¹⁾	\$ 54,045,716	\$ 3,166,033	5.86 %	\$ 51,597,443	\$ 3,224,653	6.25 %	\$ 50,637,569	\$ 3,113,709	6.15 %
Investment securities:									
Taxable	17,309,642	773,798	4.47	15,823,052	651,507	4.12	13,057,669	423,289	3.22
Non-taxable	948,301	28,949	3.05	1,533,701	38,758	2.53	2,569,015	54,207	2.18
Total investment securities	18,257,943	802,747	4.40	17,356,753	690,265	3.98	15,626,684	477,496	3.06
FHLB and FRB stock	340,547	17,285	5.08	330,418	18,633	5.64	408,673	24,785	6.06
Interest-bearing deposits ⁽²⁾	2,031,837	87,870	4.32	723,688	37,341	5.16	1,564,255	80,475	5.14
Loans held for sale	79,128	4,215	5.33	143,812	13,911	9.67	28,710	734	2.56
Total interest-earning assets	74,755,171	\$ 4,078,150	5.46 %	70,152,114	\$ 3,984,803	5.68 %	68,265,891	\$ 3,697,199	5.42 %
Non-interest-earning assets	6,553,102			6,461,020			5,557,991		
Total assets	\$ 81,308,273			\$ 76,613,134			\$ 73,823,882		
Liabilities and Stockholders' Equity:									
Interest-bearing liabilities:									
Demand	\$ 10,227,051	\$ —	— %	\$ 10,387,807	\$ —	— %	\$ 11,596,949	\$ —	— %
Interest-bearing checking	10,158,941	177,482	1.75	9,555,367	180,326	1.89	8,845,284	131,060	1.48
Health savings accounts	9,177,995	15,012	0.16	8,650,485	13,139	0.15	8,249,332	12,366	0.15
Money market	22,161,593	769,422	3.47	19,354,659	784,527	4.05	15,769,533	568,791	3.61
Savings	7,217,900	118,766	1.65	6,879,935	106,096	1.54	7,259,640	56,670	0.78
Certificates of deposit	6,094,856	213,459	3.50	5,896,230	253,743	4.30	4,534,008	151,241	3.34
Brokered certificates of deposit	1,653,423	71,562	4.33	1,701,382	89,373	5.25	1,997,602	101,290	5.07
Total deposits	66,691,759	1,365,703	2.05	62,425,865	1,427,204	2.29	58,252,348	1,021,418	1.75
Securities sold under agreements to repurchase	167,269	3,298	1.97	142,025	1,098	0.77	210,676	1,231	0.58
Federal funds purchased	—	—	—	54,303	3,015	5.55	167,495	7,871	4.70
FHLB advances	2,508,404	111,183	4.43	2,296,048	125,329	5.46	4,275,394	222,537	5.21
Long-term debt	951,555	43,430	4.56	903,603	32,253	3.57	1,027,869	37,934	3.69
Total borrowings	3,627,228	157,911	4.35	3,395,979	161,695	4.76	5,681,434	269,573	4.74
Total deposits and interest-bearing liabilities	70,318,987	\$ 1,523,614	2.17 %	65,821,844	\$ 1,588,899	2.41 %	63,933,782	\$ 1,290,991	2.02 %
Non-interest-bearing liabilities	1,615,374			1,871,615			1,566,145		
Total liabilities	71,934,361			67,693,459			65,499,927		
Preferred stock	283,979			283,979			283,979		
Common stockholders' equity	9,089,933			8,635,696			8,039,976		
Total stockholders' equity	9,373,912			8,919,675			8,323,955		
Total liabilities and stockholders' equity	\$ 81,308,273			\$ 76,613,134			\$ 73,823,882		
Net interest income (FTE)		2,554,536			2,395,904			2,406,208	
Less: FTE adjustment ⁽³⁾		(56,642)			(57,517)			(68,939)	
Net interest income		\$ 2,497,894			\$ 2,338,387			\$ 2,337,269	
Net interest margin (FTE)			3.42 %			3.42 %			3.52 %

(1) Non-accrual loans have been included in the computation of average balances.

(2) Interest-bearing deposits are a component of Cash and cash equivalents on the Consolidated Statements of Cash Flows included in Part II - Item 8. Financial Statements and Supplementary Data.

(3) FTE adjustments on loans and leases and investment securities are determined assuming a statutory federal income tax rate of 21%. Items computed on an FTE basis are considered non-GAAP financial measures, and are used by management to evaluate the comparability of the Company's revenue arising from both taxable and non-taxable sources.

[Table of Contents](#)

The following table summarizes the change in net interest income attributable to changes in rate and volume, and reflects net interest income on an FTE basis:

<i>(In thousands)</i>	Years ended December 31,					
	2025 vs. 2024			2024 vs. 2023		
	Increase (decrease) due to			Increase (decrease) due to		
	Rate ⁽¹⁾	Volume	Total	Rate ⁽¹⁾	Volume	Total
Change in interest on interest-earning assets:						
Loans and leases	\$ (208,582)	\$ 149,962	\$ (58,620)	\$ 78,816	\$ 32,128	\$ 110,944
Investment securities	74,977	37,505	112,482	160,500	52,269	212,769
FHLB and FRB stock	(1,919)	571	(1,348)	(1,406)	(4,746)	(6,152)
Interest-bearing deposits	(16,969)	67,498	50,529	110	(43,244)	(43,134)
Loans held for sale	(3,439)	(6,257)	(9,696)	13,743	(566)	13,177
Total interest income	\$ (155,932)	\$ 249,279	\$ 93,347	\$ 251,763	\$ 35,841	\$ 287,604
Change in interest on interest-bearing liabilities:						
Interest-bearing checking	\$ (14,234)	\$ 11,390	\$ (2,844)	\$ 38,745	\$ 10,521	\$ 49,266
Health savings accounts	\$ 1,072	\$ 801	\$ 1,873	\$ 172	\$ 601	\$ 773
Money market	(128,882)	113,777	(15,105)	86,424	129,312	215,736
Savings	7,458	5,212	12,670	52,389	(2,963)	49,426
Certificates of deposit	(48,832)	8,548	(40,284)	57,062	45,440	102,502
Brokered certificates of deposit	(15,292)	(2,519)	(17,811)	3,103	(15,020)	(11,917)
Securities sold under agreements to repurchase	2,005	195	2,200	268	(401)	(133)
Federal funds purchased	—	(3,015)	(3,015)	463	(5,319)	(4,856)
FHLB advances	(25,737)	11,591	(14,146)	5,818	(103,026)	(97,208)
Long-term debt	9,465	1,712	11,177	(1,095)	(4,586)	(5,681)
Total interest expense	\$ (212,977)	\$ 147,692	\$ (65,285)	\$ 243,349	\$ 54,559	\$ 297,908
Net change in net interest income	\$ 57,045	\$ 101,587	\$ 158,632	\$ 8,414	\$ (18,718)	\$ (10,304)

(1) The change attributable to mix, a combined impact of rate and volume, and other is included with the change due to rate.

Net interest income increased \$0.2 billion, or 6.8%, from \$2.3 billion for the year ended December 31, 2024, to \$2.5 billion for the year ended December 31, 2025, reflecting increases of \$4.6 billion, or 6.6%, in average total interest-earning assets and \$4.5 billion, or 6.8%, in average total deposits and interest-bearing liabilities. Net interest margin remained flat at 3.42% for the years ended December 31, 2025, and 2024. The lower interest rate environment during the year ended December 31, 2025, as compared to the year ended December 31, 2024, primarily caused the average yield on average total interest-earning assets to decrease by 22 basis points and the average rate on average total deposits and interest-bearing liabilities to decrease by 24 basis points.

The change in average total interest-earnings assets was primarily attributed to the following items:

- Average loans and leases increased \$2.4 billion, or 4.7%, primarily due to increases in commercial non-mortgage, residential mortgages, commercial real estate, and other consumer loans, partially offset by decreases in multi-family mortgages and asset-based lending.
- Average total investment securities increased \$0.9 billion, or 5.2%, primarily due to the timing and volume of purchases, paydowns, and sales activities, particularly within the available-for-sale portfolio.
- Average interest-bearing deposits held at the FRB of New York increased \$1.3 billion, or 180.8%, primarily due to management's strategic decision to hold higher levels of on-balance sheet liquidity.

The change in average total deposits and interest-bearing liabilities was primarily attributed to the following items:

- Average total deposits increased \$4.3 billion, or 6.8%, primarily due to an increase in money market deposits, which contributed to \$2.8 billion of the change. The Company also experienced increases across all other deposit products, except for demand deposits and brokered certificates of deposit.
- Average FHLB advances increased \$0.2 billion, or 9.2%, primarily due to a change in short-term funding mix.

Provision for Credit Losses

The provision for credit losses decreased \$12.0 million, or 5.4% from \$222.0 million for the year ended December 31, 2024 to \$210.0 million for the year ended December 31, 2025, primarily due to improvements in risk rating migration and changes in commercial portfolio mix, partially offset by higher net charge-offs, changes in the macroeconomic forecast, economic uncertainty, and loan growth.

Additional information regarding the Company's provision for credit losses and ACL can be found under the sections captioned "Loans and Leases" through "Allowance for Credit Losses on Loans and Leases" contained elsewhere in this Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Non-Interest Income

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Deposit service fees	\$ 157,891	\$ 161,144	\$ 169,318
Loan and lease related fees	70,692	76,384	84,861
Wealth and investment services	30,983	33,234	28,999
Cash surrender value of life insurance policies	33,219	27,712	26,228
Gain (loss) on sale of investment securities, net	220	(136,224)	(33,620)
Other income	108,514	89,649	38,551
Total non-interest income	\$ 401,519	\$ 251,899	\$ 314,337

Total non-interest income increased \$149.6 million, or 59.4%, from \$251.9 million for the year ended December 31, 2024, to \$401.5 million for the year ended December 31, 2025, primarily due to the change in Net gains (losses) on sale of investment securities and increases in Other income and the Cash surrender value of life insurance policies, partially offset by decreases in Loan and lease related fees and Wealth and investment services.

Loan and lease related fees decreased \$5.7 million, or 7.5%, from \$76.4 million for the year ended December 31, 2024, to \$70.7 million for the year ended December 31, 2025, primarily due to lower loan servicing fees, factoring fees, and amendment fees, partially offset by lower mortgage servicing rights amortization and an increase in line usage fees.

Wealth and investment services decreased \$2.2 million, or 6.8%, from \$33.2 million for the year ended December 31, 2024, to \$31.0 million for the year ended December 31, 2025, primarily due to a decrease in investment services, partially offset by an increase in personal trust fees.

The Cash surrender value of life insurance policies increased \$5.5 million, or 19.9%, from \$27.7 million for the year ended December 31, 2024, to \$33.2 million for the year ended December 31, 2025, primarily due to bank-owned life insurance events in 2024, which resulted in a lower increase to the cash surrender value in the prior year.

Net gains (losses) on sale of investment securities changed \$136.4 million, or 100.2%, from net (losses) of \$136.2 million for the year ended December 31, 2024, to net gains \$0.2 million for the year ended December 31, 2025. During the year ended December 31, 2025, the Company sold \$14.7 million of Corporate debt securities classified as available-for-sale for proceeds of \$14.9 million. During the year ended December 31, 2024, the Company sold \$2.3 billion of Municipal bonds and notes, Agency MBS, Corporate debt securities, Agency CMBS, Government agency debentures, and Agency CMOs classified as available-for-sale for proceeds of \$2.1 billion. The amounts presented in non-interest income include the portion of any losses that were not due to credit related factors.

Other income increased \$18.9 million, or 21.0%, from \$89.6 million for the year ended December 31, 2024, to \$108.5 million for the year ended December 31, 2025, primarily due to a \$16.0 million net loss on sale of the factored receivables portfolio in 2024, a \$9.8 gain on extinguishment of long-term debt in 2025, a \$4.0 million beneficial legal settlement in 2025, increased client hedging activities in 2025, and the decrease in the credit valuation adjustment on derivatives in 2025, partially offset by an \$11.7 million net gain on sale of mortgage servicing rights in 2024, bank owned life insurance events in 2024, and a \$4.4 million net gain on sale of multi-family loans (securitization) in 2024.

Non-Interest Expense

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Compensation and benefits	\$ 821,748	\$ 762,794	\$ 711,752
Occupancy	77,416	72,161	77,520
Technology and equipment	190,614	195,017	197,928
Intangible assets amortization	36,304	36,082	36,207
Marketing	20,978	18,751	18,622
Professional and outside services	75,202	58,253	107,497
Deposit insurance	51,006	68,912	98,081
Other expense	155,996	139,309	168,748
Total non-interest expense	\$ 1,429,264	\$ 1,351,279	\$ 1,416,355

Total non-interest expense increased \$0.1 billion, or 5.8%, from \$1.3 billion for the year ended December 31, 2024, to \$1.4 billion for the year ended December 31, 2025, primarily due to increases in Compensation and benefits, Professional and outside services, Other expense, and Occupancy, partially offset by a decrease in Deposit insurance.

Compensation and benefits increased \$58.9 million, or 7.7%, from \$762.8 million for the year ended December 31, 2024, to \$821.7 million for the year ended December 31, 2025, primarily due to higher performance-based incentives and increased compensation and employee benefits resulting from investments in human capital and risk management infrastructure, partially offset by a decrease in severance.

Occupancy increased \$5.2 million, or 7.3%, from \$72.2 million for the year ended December 31, 2024, to \$77.4 million for the year ended December 31, 2025, primarily due to a one-time lease termination benefit in 2024.

Professional and outside services increased \$16.9 million, or 29.1%, from \$58.3 million for the year ended December 31, 2024, to \$75.2 million for the year ended December 31, 2025, primarily due to an increase in technology consulting fees.

Deposit insurance decreased \$17.9 million, or 26.0%, from \$68.9 million for the year ended December 31, 2024, to \$51.0 million for the year ended December 31, 2025, primarily due to the change in the FDIC special assessment liability, partially offset by the impact from an increase in the Company's deposit insurance assessment base.

Other expense increased \$16.7 million, or 12.0%, from \$139.3 million for the year ended December 31, 2024, to \$156.0 million for the year ended December 31, 2025, primarily due to a \$20.0 million charitable contribution to the Webster Charitable Foundation, partially offset by individually immaterial net decreases in various other expense items.

Income Taxes

The Company recognized income tax expense of \$257.3 million and \$248.3 million for the years ended December 31, 2025, and 2024, respectively, reflecting effective tax rates of 20.4% and 24.4%, respectively. The increase in income tax expense is primarily due to the higher level of pre-tax income recognized in 2025, as compared to 2024. The higher effective tax rate in 2024 primarily reflects the recognition in 2024 of \$42.3 million in net discrete tax expense during that period, which included a \$29.4 million DTA valuation adjustment resulting from a change in management's estimate about the realizability of its SALT DTAs applicable to net operating loss carryforwards due to an estimated decrease in future taxable income for SALT purposes.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law, which includes a broad range of tax reform provisions with varying effective dates. The Company has evaluated the changes in tax law and determined that the impact on its consolidated financial statements is not material.

At December 31, 2025, and 2024, the Company's valuation allowance on its DTAs was \$56.8 million and \$64.4 million, respectively, of which \$56.8 million and \$62.7 million, respectively, were related to the portion of SALT net operating loss and credit carryforwards that, in management's judgment, are not more likely than not to be realized. The \$5.9 million decrease in the valuation allowance for SALT net operating loss and credit carryforwards from 2024 to 2025 is primarily attributed to the expiration of net operating loss carryforwards for which a valuation allowance existed at December 31, 2024. At December 31, 2025, and 2024, the Company's gross DTAs included \$66.1 million and \$67.7 million, respectively, applicable to SALT net operating loss and credit carryforwards that are available to offset future taxable income.

The ultimate realization of DTAs is dependent on the generation of future taxable income during the periods in which the net operating loss and credit carryforwards are available. In making its assessment, management considers the Company's forecasted future results of operations, estimates the content and apportionment of its income by legal entity over the near term for SALT purposes, and also applies longer-term growth rate assumptions. Based on its estimates, management believes it is more likely than not that the Company will realize its DTAs, net of the valuation allowance, at December 31, 2025. However, it is possible that some or all of the Company's net operating loss and credit carryforwards could expire unused, or that more net operating loss and credit carryforwards could be utilized than estimated, either as a result of changes in future forecasted levels of taxable income or if future economic or market conditions or interest rates were to vary significantly from the Company's forecasts and, in turn, impact its future results of operations.

Additional information regarding the Company's income taxes, including its DTAs, can be found within Note 8: Income Taxes in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Segment Reporting

The Company's operations are organized into three reportable segments that represent its differentiated lines of business: Commercial Banking, Healthcare Financial Services, and Consumer Banking. Additional information regarding the Company's reportable segments and its segment reporting methodology can be found within Note 20: Segment Reporting in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Commercial Banking

Operating Results:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Net interest income	\$ 1,296,523	\$ 1,348,346	\$ 1,436,616
Non-interest income	129,750	143,104	125,265
Non-interest expense	433,700	418,467	394,942
Pre-tax, pre-provision net revenue	\$ 992,573	\$ 1,072,983	\$ 1,166,939

Commercial Banking's PPNR decreased \$80.4 million, or 7.5%, for the year ended December 31, 2025, as compared to the year ended December 31, 2024, due to decreases in net interest income and non-interest income and an increase in non-interest expense. The \$51.8 million decrease in net interest income is primarily due to a lower net spread on loans and leases, partially offset by higher average loan and deposit balances. The \$13.4 million decrease in non-interest income is primarily due to lower factoring and deposit service fees, and a non-recurring gain from a multi-family securitization event in 2024, partially offset by an increase in client hedging activities and syndication fees. The \$15.2 million increase in non-interest expense is primarily due to increased investments in human capital, operational process improvements, technology, and higher foreclosed property and loan workout expenses.

Selected Balance Sheet and Off-Balance Sheet Information:

<i>(In thousands)</i>	December 31,	
	2025	2024
Loans and leases	\$ 43,762,010	\$ 40,616,156
Deposits	17,278,467	16,251,850
Assets under administration / management (off-balance sheet)	2,820,973	2,965,624

Loans and leases increased \$3.1 billion, or 7.7%, at December 31, 2025, as compared to at December 31, 2024, primarily due to growth across Commercial Real Estate, Sponsor and Specialty Finance, and Verticals and Regional Banking, partially offset by net principal paydowns in Asset-Based Lending and the transfer of loans from portfolio to held for sale, particularly as it relates to joint venture activities. Total portfolio originations for the years ended December 31, 2025, and 2024, were \$12.9 billion and \$9.7 billion, respectively. The \$3.2 billion increase was primarily due to increased Commercial Real Estate, Middle Market, and Sponsor and Specialty Finance origination activities.

Deposits increased \$1.0 billion, or 6.3%, at December 31, 2025, as compared to at December 31, 2024, primarily due to an increase in interest-bearing deposits and money market deposits, partially offset by a decrease in non-interest-bearing deposits.

Assets under administration and assets under management, in aggregate, decreased \$144.7 million, or 4.9%, at December 31, 2025, as compared to at December 31, 2024, primarily due to customer investment outflows and investment performance.

Healthcare Financial Services

Operating Results:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Net interest income	\$ 392,887	\$ 366,927	\$ 302,856
Non-interest income	112,413	110,207	88,113
Non-interest expense	224,577	214,089	168,160
Pre-tax, pre-provision, net revenue	\$ 280,723	\$ 263,045	\$ 222,809

Healthcare Financial Services' PPNR increased \$17.7 million, or 6.7%, for the year ended December 31, 2025, as compared to the year ended December 31, 2024, due to increases in net interest income and non-interest income, partially offset by an increase in non-interest expense. The \$26.0 million increase in net interest income is primarily due to higher deposit balances, partially offset by lower deposit spreads. The \$2.2 million increase in non-interest income is primarily due to higher interchange fees and medical fees. The \$10.5 million increase in non-interest expense is primarily due to higher compensation and benefits, technology costs, marketing costs, and a one-time lease termination benefit in 2024, partially offset by lower service contract expenses.

Selected Balance Sheet and Off-Balance Sheet Information:

<i>(In thousands)</i>	December 31,	
	2025	2024
Deposits	\$ 10,417,888	\$ 9,966,773
Assets under administration, through linked investment accounts (off-balance sheet)	6,508,605	5,321,736

Deposits increased \$0.5 billion, or 4.5%, at December 31, 2025, as compared to at December 31, 2024, primarily due to additional HSA Bank and Ametros account holders.

Assets under administration, through linked investment accounts, increased \$1.2 billion, or 22.3%, at December 31, 2025, as compared to at December 31, 2024, primarily due to additional HSA Bank account holders and increased investment account balances as a result of higher equity market valuations in 2025.

Consumer Banking

Operating Results:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Net interest income	\$ 839,393	\$ 812,743	\$ 898,898
Non-interest income	100,233	113,638	114,851
Non-interest expense	499,863	471,402	469,629
Pre-tax, pre-provision net revenue	\$ 439,763	\$ 454,979	\$ 544,120

Consumer Banking's PPNR decreased \$15.2 million, or 3.3%, for the year ended December 31, 2025, as compared to the year ended December 31, 2024, due to a decrease in non-interest income and an increase in non-interest expense, partially offset by an increase in net interest income. The \$26.7 million increase in net interest income is primarily due to higher average loan and deposit balances coupled with a higher interest rate spread on loans, partially offset by lower interest spreads on deposits. The \$13.4 million decrease in non-interest income is primarily due to the net gain on sale of mortgage servicing rights in 2024, a gain on an investment portfolio sale in 2024, lower investment services income, and decreased deposit service fees, partially offset by increased loan servicing fees. The \$28.5 million increase in non-interest expense is primarily due to increased investments in technology, human capital, and outside professional services, partially offset by lower operational support expenses and costs related to debit card processing.

Selected Balance Sheet Information:

<i>(In thousands)</i>	December 31,	
	2025	2024
Loans	\$ 12,827,465	\$ 11,886,095
Deposits	27,663,514	27,332,786
Assets under administration (off-balance sheet)	8,009,314	7,997,114

Loans increased \$0.9 billion, or 7.9%, at December 31, 2025, as compared to at December 31, 2024, primarily due to growth in residential mortgages and other consumer loans, partially offset by net principal paydowns in home equity loans/lines of credit and business banking commercial loans. Total portfolio originations for the years ended December 31, 2025, and 2024, were \$2.2 billion and \$1.9 billion, respectively. The \$0.3 billion increase was primarily due to increased residential mortgage and home equity loan/line originations, partially offset by decreased business banking commercial loan originations.

Deposits increased \$0.3 billion, or 1.2%, at December 31, 2025, as compared to at December 31, 2024, primarily due to growth in online savings, money markets, certificates of deposit, and interest-bearing checking, partially offset by outflows in non-interest-bearing demand.

Assets under administration remained relatively flat at approximately \$8.0 billion at December 31, 2025, and 2024, primarily due to increased investment account balances as a result of higher equity market valuations in 2025, partially offset by the sale of two investment portfolios.

Financial Condition

Total assets increased \$5.1 billion, or 6.4%, from \$79.0 billion at December 31, 2024, to \$84.1 billion at December 31, 2025. The change in total assets was primarily attributed to the following items, which experienced changes greater than \$100 million:

- Cash and cash equivalents increased \$0.4 billion, primarily due to an increase in interest-bearing deposits held at the FRB of New York as a result of management's strategic decision to hold higher levels of on-balance sheet liquidity;
- Total investment securities, net increased \$0.5 billion, reflecting a \$1.0 billion increase in the available-for-sale portfolio, partially offset by a \$0.5 billion decrease in the held-to-maturity portfolio. The net increase in total investment securities was primarily due to purchases exceeding paydown activities, particularly across the Agency CMBS, Agency MBS, and CMBS categories;
- Loans and leases increased \$4.1 billion, primarily due to \$15.1 billion of originations during the year ended December 31, 2025, particularly across the commercial non-mortgage, commercial real estate, and residential mortgages categories, partially offset by net principal paydowns and the transfer of loans from portfolio to held for sale, particularly as it relates to joint venture activities;
- DTAs decreased \$0.1 billion, primarily due to the deferred tax effect on the change in other comprehensive income and an increase in deferred tax expense for the year ended December 31, 2025;
- Accrued interest receivable and other assets increased \$0.1 billion. Notable drivers of the change included increases in treasury derivative assets, LIHTC investments, other alternative investments, and accrued interest receivable, partially offset by decreases in prepaid expenses and other assets.

Total liabilities increased \$4.7 billion, or 6.7%, from \$69.9 billion at December 31, 2024, to \$74.6 billion at December 31, 2025. The change in total liabilities was primarily attributed to the following items:

- Total deposits increased \$4.0 billion, reflecting a \$4.2 billion increase in interest-bearing deposits, partially offset by a \$0.2 billion decrease in non-interest-bearing deposits. The net increase in interest-bearing deposits was primarily due to an increase in money market deposits, particularly from interSYNC, which contributed to \$2.0 billion of the change. The Company also experienced increases across all other interest-bearing deposit categories except for savings deposits;
- Securities sold under agreements to repurchase increased \$0.3 billion, primarily due to a change in short-term funding mix;
- FHLB advances increased \$0.9 billion, also primarily due to a change in short-term funding mix;
- Long-term debt decreased \$0.2 billion, primarily due to the repayment during the fourth quarter of 2025 of the subordinated notes due on November 1, 2030, and the subordinated notes due on December 30, 2029, partially offset by the issuance in the third quarter of 2025 of the subordinated notes due on September 11, 2035; and
- Accrued expenses and other liabilities decreased \$0.3 billion. Notable drivers of the change included decreases in treasury derivative liabilities, unfunded commitments for LIHTC investments, accrued FDIC deposit insurance, and accrued interest payable, partially offset by increases in accrued compensation and other liabilities.

Total stockholders' equity increased \$0.4 billion, or 3.9%, from \$9.1 billion at December 31, 2024, to \$9.5 billion at December 31, 2025. The change in stockholders' equity was attributed to the following items:

- Net income of \$1.0 billion;
- Other comprehensive income, net of tax, of \$205.5 million;
- Dividends paid to common and preferred stockholders of \$267.6 million and \$16.7 million, respectively;
- Stock-based compensation expense of \$56.8 million;
- Stock options exercised of \$0.1 million; and
- Repurchases of common stock under the Company's common stock repurchase program of \$599.2 million, which includes the 1% excise tax on net stock repurchases, and \$22.8 million related to employee stock-based compensation plan activity.

Investment Securities

Through its Corporate Treasury function, the Company maintains and invests in debt securities that are primarily used to provide a source of liquidity for operating needs, as a means to manage the Company's interest-rate risk, and to generate interest income. The Company's investment securities are classified into two major categories: available-for-sale and held-to-maturity.

The ALCO manages the Company's investment securities in accordance with regulatory guidelines and corporate policies, which include limitations on aspects such as concentrations in and types of investments, as well as minimum risk ratings per type of security. In addition, the OCC may further establish individual limits on certain types of investments if the concentration in such security presents a safety and soundness concern. Although the Bank held the entirety of the Company's investment securities portfolio at both December 31, 2025, and 2024, the Company may also directly hold investments.

The following table summarizes the carrying amount and percentage composition of the Company's investment securities:

	December 31,			
	2025		2024	
<i>(Dollars in thousands)</i>	Amount	%	Amount	%
Available-for-sale:				
Government agency debentures	\$ 197,650	2.0 %	\$ 186,426	2.1 %
Municipal bonds and notes	109,619	1.1	110,876	1.2
Agency CMO	24,856	0.2	29,043	0.3
Agency MBS	5,057,273	50.5	4,519,785	50.2
Agency CMBS	3,526,010	35.2	3,034,392	33.8
CMBS	718,412	7.2	625,388	6.9
Corporate debt	328,145	3.3	452,266	5.0
Private label MBS	38,052	0.4	39,219	0.4
Other	9,483	0.1	9,205	0.1
Total available-for-sale	\$ 10,009,500	100.0 %	\$ 9,006,600	100.0 %
Held-to-maturity:				
Agency CMO	\$ 16,791	0.2 %	\$ 19,847	0.2 %
Agency MBS	2,767,869	34.7	3,109,411	36.8
Agency CMBS	4,295,308	53.9	4,357,505	51.6
Municipal bonds and notes ⁽¹⁾	824,734	10.4	891,909	10.6
CMBS	64,970	0.8	65,690	0.8
Total held-to-maturity	\$ 7,969,672	100.0 %	\$ 8,444,362	100.0 %
Total investment securities	\$ 17,979,172		\$ 17,450,962	

(1) The balances at December 31, 2025, and 2024, exclude the ACL recorded on held-to-maturity securities of \$0.1 million and \$0.2 million, respectively.

Available-for-sale securities increased \$1.0 billion, or 11.1%, from \$9.0 billion at December 31, 2024, to \$10.0 billion at December 31, 2025, primarily due to purchases exceeding paydown activities, particularly across the Agency CMBS, Agency MBS, and CMBS categories. The average FTE yield on the available-for-sale portfolio was 4.74% for the year ended December 31, 2025, as compared to 4.17% for the year ended December 31, 2024. The 57 basis point increase is primarily due to higher yields on securities that were purchased in 2024 and 2025, as compared to the yields on securities with paydown activities or that were sold.

At December 31, 2025, and 2024, gross unrealized losses on available-for-sale securities were \$0.5 billion and \$0.7 billion, respectively. The \$0.2 billion decrease is primarily due to lower market interest rates and lower securities' spreads. On a quarterly basis, each available-for-sale security that is in an unrealized loss position is evaluated to determine whether the decline in fair value below the amortized cost basis is a result of any credit related factors. There was no ACL recorded on available-for-sale securities at December 31, 2025. At December 31, 2024, the ACL on available-for-sale securities was \$0.9 million, which related to a single Corporate debt security. Each of the Company's available-for-sale securities in an unrealized loss position at December 31, 2025, is investment grade, current as to principal and interest, and their price changes are consistent with interest and credit spreads when adjusting for duration, convexity, rating, and industry differences. Based on current market conditions and the Company's targeted balance sheet composition strategy, the Company intends to hold its available-for-sale securities in unrealized loss positions through the anticipated recovery period.

Held-to-maturity securities decreased \$0.4 billion, or 5.6%, from \$8.4 billion at December 31, 2024, to \$8.0 billion at December 31, 2025, primarily due to paydown activities across the Agency MBS, Agency CMBS, and Municipal bonds and notes categories. There were no purchases of held-to-maturity securities during the year ended December 31, 2025. The average FTE yield on the held-to-maturity portfolio was 3.98% for the year ended December 31, 2025, as compared to 3.75% for the year ended December 31, 2024. The 23 basis point increase is primarily due to paydowns of lower yielding securities.

[Table of Contents](#)

At December 31, 2025, and 2024, gross unrealized losses on held-to-maturity securities were \$0.8 billion and \$1.0 billion, respectively. The \$0.2 billion decrease is primarily due to lower market interest rates and lower securities' spreads. Held-to-maturity securities are evaluated for credit losses on a quarterly basis under the CECL methodology. At December 31, 2025, and 2024, the ACL on held-to-maturity securities was \$0.1 million and \$0.2 million respectively.

The following table summarizes the maturity distribution of investment securities by the earlier of either contractual maturity or call date, as applicable, along with their respective weighted-average yields:

	December 31, 2025									
	1 Year or Less		1 - 5 Years		5 - 10 Years		After 10 Years		Total	
	Amount	Weighted-Average Yield ⁽¹⁾	Amount	Weighted-Average Yield ⁽¹⁾	Amount	Weighted-Average Yield ⁽¹⁾	Amount	Weighted-Average Yield ⁽¹⁾	Amount	Weighted-Average Yield ⁽¹⁾
<i>(Dollars in thousands)</i>										
Available-for-sale:										
Government agency debentures	\$ —	— %	\$ —	— %	\$ 99,587	2.51 %	\$ 123,261	3.76 %	\$ 222,848	3.20 %
Municipal bonds and notes	175	4.24	3,456	2.83	62,595	2.32	50,524	2.11	116,750	2.25
Agency CMO	—	—	—	—	1,729	3.30	25,087	2.81	26,816	2.85
Agency MBS	67	1.64	1,639	1.33	3,837	3.59	5,119,890	4.68	5,125,433	4.68
Agency CMBS	—	—	112,098	4.61	529,620	4.58	3,213,674	4.82	3,855,392	4.78
CMBS	7,272	5.48	—	—	—	—	710,504	5.46	717,776	5.46
Corporate debt	5,000	6.66	142,058	3.95	183,168	3.43	20,770	2.95	350,996	3.66
Private label MBS	—	—	—	—	—	—	41,087	4.01	41,087	4.01
Other	—	—	9,880	3.25	—	—	—	—	9,880	3.25
Total available-for-sale	\$ 12,514	5.92 %	\$ 269,131	4.17 %	\$ 880,536	3.94 %	\$ 9,304,797	4.75 %	\$ 10,466,978	4.67 %
Held-to-maturity:										
Agency CMO	\$ —	— %	\$ —	— %	\$ —	— %	\$ 16,791	2.85 %	\$ 16,791	2.85 %
Agency MBS	22	2.54	—	—	59,075	2.47	2,708,772	3.43	2,767,869	3.41
Agency CMBS	—	—	99,302	2.68	—	—	4,196,006	4.29	4,295,308	4.26
Municipal bonds and notes	10,441	3.09	69,835	2.75	214,564	2.89	529,894	3.31	824,734	3.15
CMBS	—	—	—	—	—	—	64,970	2.39	64,970	2.39
Total held-to-maturity	\$ 10,463	3.09 %	\$ 169,137	2.71 %	\$ 273,639	2.80 %	\$ 7,516,433	3.89 %	\$ 7,969,672	3.83 %
Total investment securities ⁽²⁾	\$ 22,977	4.63 %	\$ 438,268	3.61 %	\$ 1,154,175	3.67 %	\$ 16,821,230	4.37 %	\$ 18,436,650	4.31 %

(1) Weighted-average yields exclude FTE adjustments and hedge adjustments, and are calculated on a pre-tax basis using the current yield inclusive of premium amortization and discount accretion for each security, major type, and maturity bucket.

(2) Available-for-sale securities and held-to-maturity securities are presented at amortized cost before any allowance for credit losses.

Additional information regarding the Company's investment securities' portfolios can be found within Note 3: Investment Securities in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Loans and Leases

The following table summarizes the amortized cost and percentage composition of the Company's loans and leases:

<i>(Dollars in thousands)</i>	December 31,			
	2025		2024	
	Amount	%	Amount	%
Commercial non-mortgage	\$ 20,405,237	36.0 %	\$ 18,037,942	34.4 %
Asset-based	1,231,231	2.2	1,404,007	2.7
Commercial real estate	15,326,007	27.1	14,492,436	27.6
Multi-family	7,008,839	12.4	6,898,600	13.1
Equipment financing	1,258,882	2.2	1,235,016	2.3
Residential	9,599,577	17.0	8,853,669	16.9
Home equity	1,370,513	2.4	1,427,692	2.7
Other consumer	396,824	0.7	155,806	0.3
Total loans and leases ⁽¹⁾	\$ 56,597,110	100.0 %	\$ 52,505,168	100.0 %

(1) The amortized cost balances at December 31, 2025, and 2024, exclude the ACL recorded on loans and leases of \$719.4 million and \$689.6 million, respectively.

The following table summarizes loans and leases by contractual maturity, along with the indication of whether interest rates are fixed or variable:

<i>(In thousands)</i>	December 31, 2025					Total
	1 Year or Less	1 - 5 Years	5 - 15 Years	After 15 Years	Total	
Fixed rate:						
Commercial non-mortgage	\$ 298,107	\$ 1,129,599	\$ 2,789,702	\$ 1,548,563	\$ 5,765,971	
Asset-based	64,123	383,338	—	—	447,461	
Commercial real estate	840,988	2,148,993	618,730	120,542	3,729,253	
Multi-family	688,808	3,419,805	625,806	112,608	4,847,027	
Equipment financing	102,595	830,131	326,156	—	1,258,882	
Residential	1,839	29,772	373,654	5,738,358	6,143,623	
Home equity	2,624	21,273	145,905	213,981	383,783	
Other consumer	16,287	308,213	47,506	31	372,037	
Total fixed rate loans and leases	\$ 2,015,371	\$ 8,271,124	\$ 4,927,459	\$ 7,734,083	\$ 22,948,037	
Variable rate:						
Commercial non-mortgage	\$ 4,057,560	\$ 8,442,895	\$ 2,070,210	\$ 68,601	\$ 14,639,266	
Asset-based	340,192	443,578	—	—	783,770	
Commercial real estate	2,299,219	6,465,790	2,331,736	500,009	11,596,754	
Multi-family	297,968	1,234,918	624,754	4,172	2,161,812	
Residential	402	6,906	216,007	3,232,639	3,455,954	
Home equity	2,863	4,304	81,423	898,140	986,730	
Other consumer	5,332	17,801	1,654	—	24,787	
Total variable rate loans and leases ⁽¹⁾	\$ 7,003,536	\$ 16,616,192	\$ 5,325,784	\$ 4,703,561	\$ 33,649,073	
Total loans and leases ⁽²⁾	\$ 9,018,907	\$ 24,887,316	\$ 10,253,243	\$ 12,437,644	\$ 56,597,110	

(1) The Company has a back-to-back swap program, whereby it enters into an interest rate swap with a qualified customer and simultaneously enters into an equal and opposite interest-rate swap with a swap counterparty, to hedge interest rate risk. At December 31, 2025, there were 927 customer interest rate swap arrangements with a total notional amount of \$8.8 billion to convert variable-rate loan payments to fixed-rate loan payments, and 46 customer interest rate cap arrangements with a total notional amount of \$1.2 billion limiting how high interest rates can rise on variable-rate loans in a rising interest rate environment.

(2) Amounts due exclude total accrued interest receivable of \$282.5 million.

Portfolio Concentrations

The Company actively monitors and manages concentrations of credit risk pertaining to specific industries, geographies, property types, and other characteristics that may exist in its loan and lease portfolio. At both December 31, 2025, and 2024, commercial non-mortgage, commercial real estate, and multi-family loans comprised approximately 75% of the Company's loan and lease portfolio, with a large portion of the borrowers or properties associated with these loans geographically concentrated in New York City and the proximate areas.

[Table of Contents](#)

The following table summarizes the percentage composition of commercial non-mortgage loans by industry, as determined using NAICS codes, which are used by the Company to categorize loans based on the borrower's type of business:

Industry:	December 31,	
	2025	2024
Finance	30.0 %	25.7 %
Public Administration	16.4	15.8
Services	15.7	16.1
Communications	7.0	7.7
Manufacturing	5.7	6.4
Real Estate	5.6	5.0
Retail & Wholesale	4.1	4.6
Transportation & Public Utilities	3.3	3.0
Healthcare	3.0	4.6
Construction	2.0	2.3
Other	7.2	8.8
Total Commercial non-mortgage	100.0 %	100.0 %

As illustrated above, concentrations generally remain consistent from period to period. Any change in composition is consistent with the Company's portfolio growth strategy.

The following tables summarize the percentage composition of commercial real estate and multi-family loans by both geography and property type, and whether the properties are owner occupied or non-owner occupied:

Geography:	December 31,					
	2025			2024		
	Owner Occupied	Non-Owner Occupied	Total	Owner Occupied	Non-Owner Occupied	Total
New York City	2.6 %	31.0 %	33.6 %	2.9 %	32.6 %	35.5 %
Other New York Counties	3.0	10.7	13.7	2.6	11.7	14.3
Connecticut	2.0	7.1	9.1	2.4	6.3	8.7
New Jersey	1.0	6.3	7.3	1.6	6.9	8.5
Massachusetts	1.0	4.5	5.5	1.4	4.9	6.3
Southeast	0.9	12.0	12.9	1.0	10.2	11.2
Other	1.1	16.8	17.9	1.4	14.1	15.5
Total Commercial real estate & Multi-family	11.6 %	88.4 %	100.0 %	13.3 %	86.7 %	100.0 %

Property Type:	December 31,					
	2025			2024		
	Owner Occupied	Non-Owner Occupied	Total	Owner Occupied	Non-Owner Occupied	Total
Multi-family	0.2 %	34.5 %	34.7 %	0.4 %	34.3 %	34.7 %
Industrial & Warehouse	3.3	17.3	20.6	3.1	14.6	17.7
Retail	0.5	9.0	9.5	0.5	8.1	8.6
Construction	—	5.1	5.1	0.1	7.7	7.8
Medical Office	0.1	4.8	4.9	0.1	4.2	4.3
Healthcare & Senior Living	2.3	2.3	4.6	4.3	1.9	6.2
Traditional Office	—	3.6	3.6	—	3.8	3.8
Hotel	—	2.1	2.1	—	2.1	2.1
Other	5.2	9.7	14.9	4.8	10.0	14.8
Total Commercial real estate & Multi-family	11.6 %	88.4 %	100.0 %	13.3 %	86.7 %	100.0 %

The weighted-average LTV ratio for non-owner occupied commercial real estate and multi-family loans at both December 31, 2025, and 2024, was 57%. The Company calculates its LTV ratios primarily using appraisals at origination unless a full appraisal is subsequently required based on deal-specific events.

Given the ongoing change in office demand driven by the acceptance of remote work options, the commercial real estate market has continued to experience an increase in office property vacancies. As such, commercial real estate performance across the U.S. related to the traditional office sector continues to be an area of uncertainty. At December 31, 2025, the outstanding principal balance of traditional office commercial real estate loans was approximately \$733.8 million, which had corresponding reserves of \$36.3 million. While the Company does anticipate ongoing change in the traditional office sector, management believes that its reserve levels reflect the expected credit losses in the portfolio.

Credit Policies and Procedures

The Bank has credit policies and procedures in place designed to support its lending activities within an acceptable level of risk, which are reviewed and approved by management and the Board on a regular basis. To assist with this process, management reviews reports generated by the Company's loan reporting systems related to loan production, loan quality, concentrations of credit, loan delinquencies, non-performing loans, and potential problem loans.

Commercial non-mortgage, asset-based, and equipment finance loans are underwritten after evaluating and understanding the borrower's ability to operate and service its debt. Assessment of the borrower's management is a critical element of the underwriting process and credit decision. Once it has been determined that the borrower's management possesses sound ethics and a solid business acumen, current and projected cash flows are examined to determine the ability of the borrower to repay obligations, as contracted. Commercial non-mortgage, asset-based, and equipment finance loans are primarily made based on the identified cash flows of the borrower, and secondarily on the underlying collateral provided by the borrower. However, the cash flows of borrowers may not be as expected, and the collateral securing these loans, as applicable, may fluctuate in value. Most commercial non-mortgage, asset-based, and equipment finance loans are secured by the assets being financed and may incorporate personal guarantees of the principal balance.

Commercial real estate loans, including multi-family, are subject to underwriting standards and processes similar to those for commercial non-mortgage, asset-based, and equipment finance loans. These loans are primarily viewed as cash flow loans, and secondarily as loans secured by real estate. Repayment of commercial real estate loans is largely dependent on the successful operation of the property securing the loan, the market in which the property is located, and the tenants of the property securing the loan. Management monitors and evaluates commercial real estate loans based on collateral, geography, and risk grade criteria. All transactions are appraised to determine market value. Commercial real estate loans may be adversely affected by conditions in the real estate markets or in the general economy. Management periodically utilizes third-party experts to provide insight and guidance about economic conditions and trends affecting its commercial real estate loan portfolio.

The Bank requires a valuation of real estate collateral, which generally includes third-party appraisals, at the time of origination or renewal in accordance with regulatory guidance. On an annual basis, appraisal assumptions and other factors are internally reviewed to determine whether an incremental third-party appraisal is warranted. New appraisals are typically obtained sooner if a loan becomes substandard or non-accrual.

Consumer loans are subject to policies and procedures developed to manage the specific risk characteristics of the portfolio. These policies and procedures, coupled with relatively small individual loan amounts and predominately collateralized loan structures, are spread across many different borrowers, minimizing the level of credit risk. Trend and outlook reports are reviewed by management on a regular basis, and policies and procedures are modified or developed, as needed. Underwriting factors for residential mortgage and home equity loans include the borrower's FICO score, the loan amount relative to property value, and the borrower's debt-to-income level. The Bank originates both qualified mortgage and non-qualified mortgage loans.

Allowance for Credit Losses on Loans and Leases

The ACL on loans and leases increased \$29.8 million, or 4.3%, from \$689.6 million at December 31, 2024, to \$719.4 million at December 31, 2025, primarily due to additional reserves resulting from changes in the macroeconomic forecast, economic uncertainty, and loan growth, partially offset by net charge-offs, improvements in risk rating migration, and changes in commercial portfolio mix.

The following table summarizes the percentage allocation of the ACL across the loans and leases categories:

<i>(Dollars in thousands)</i>	December 31,			
	2025		2024	
	Amount	% ⁽¹⁾	Amount	% ⁽¹⁾
Commercial non-mortgage	\$ 280,934	39.1 %	\$ 270,613	39.2 %
Asset-based	19,950	2.8	30,049	4.4
Commercial real estate	254,764	35.4	245,124	35.5
Multi-family	62,131	8.6	70,998	10.3
Equipment financing	13,598	1.9	19,087	2.8
Residential	37,769	5.2	27,354	4.0
Home equity	25,313	3.5	19,625	2.8
Other consumer	24,952	3.5	6,716	1.0
Total ACL on loans and leases	\$ 719,411	100.0 %	\$ 689,566	100.0 %

(1) The ACL allocated to a single loan and lease category does not preclude its availability to absorb losses in other categories.

Methodology

The Company's ACL on loans and leases is considered to be a critical accounting policy. The ACL on loans and leases is a contra-asset account that offsets the amortized cost basis of loans and leases for the credit losses that are expected to occur over the life of the asset. Executive management reviews and advises on the adequacy of the allowance on a quarterly basis, which is maintained at a level that management deems to be sufficient to cover expected losses within the loan and lease portfolios.

The ACL on loans and leases is determined using the CECL model, whereby an expected lifetime credit loss is recognized at the origination or purchase of an asset, including those acquired through a business combination, which is then reassessed at each reporting date over the contractual life of the asset. The calculation of expected credit losses includes consideration of past events, current conditions, and reasonable and supportable economic forecasts that affect the collectability of the reported amounts. Generally, expected credit losses are determined through a pooled, collective assessment of loans and leases with similar risk characteristics. However, if the risk characteristics of a loan or lease change such that it no longer aligns to that of the collectively assessed pool, it is removed from the population and individually assessed for credit losses. The total ACL on loans and leases recorded by management represents the aggregated estimated credit loss determined through both the collective and individual assessments.

Collectively Assessed Loans and Leases. Collectively assessed loans and leases are segmented based on product type and credit quality, and expected losses are determined using models that follow a PD, LGD, or EAD framework. Under these frameworks, expected credit losses are calculated as the product of the probability of a loan defaulting, expected loss rate given the occurrence of a default, and the expected exposure of a loan at default. Summing the product across loans over their lives yields the lifetime expected credit losses for a given portfolio. The Company's PD and LGD calculations are predictive models that measure the current risk profile of the loan pools using forecasts of future macroeconomic conditions, historical loss information, loan-level risk attributes, and credit quality indicators. The calculation of EAD follows an iterative process to determine the expected remaining principal balance of a loan based on historical paydown rates for loans of a similar segment within the same portfolio. The calculation of portfolio exposure in future quarters incorporates expected losses, the loan's amortization schedule, and prepayment rates.

The Company incorporates forecasts of macroeconomic variables in the determination of expected credit losses. Macroeconomic variables are selected for each class of financing receivable based on relevant factors, such as asset type and the correlation of the variables to credit losses, among others. Data from the forecast scenario of these macroeconomic variables are used as inputs to the modeled loss calculation.

The Company's models incorporate a baseline and a downside macroeconomic forecast scenario, and management weights the scenarios based on reviews of variable forecasts and comparisons to expectations using readily available data to arrive at a macroeconomic scenario for each quarter end over a reasonable and supportable forecast period. The development of the reasonable and supportable forecast assumes that each portfolio will revert to its long-term loss rate expectation. The reasonable and supportable forecast period is two years, after which the reversion period is one year. Models use output reversion and revert to mean historical portfolio and risk rating specific loss rates on a straight-line basis in the third year of the forecast.

A portion of the collective ACL is comprised of qualitative adjustments for risk characteristics that are not reflected or captured in the quantitative models, but are likely to impact the measurement of estimated credit losses. Qualitative adjustments are based on management's judgment of the Company, market, industry, or business specific data, and may be applied in relation to economic forecasts when relevant facts and circumstances are expected to impact credit losses, particularly in times of significant volatility in economic activity. Qualitative factors that are generally used in the Company's models for all loan and lease portfolios include, but are not limited to, nature and volume of portfolio growth, credit quality trends, underwriting exception levels, quality of internal loan review, credit concentrations, and staffing trends.

During the third quarter of 2025, the Company completed a refresh of its CECL models, incorporating additional loss history and enhancements to modeling methodologies used in the estimation process, which resulted in an increase in the quantitative portion of the collective ACL relative to the total ACL on loans and leases. The refreshed CECL models reflect the estimated impact of economic conditions including tariffs, the risk of recession/inflation, and the general economic uncertainty associated with these evolving risks. The change in probability-weighting of macroeconomic forecast scenarios resulted in an increase to the collective ACL of \$30.4 million from December 31, 2024, to December 31, 2025. The qualitative portion of the collective ACL accounted for approximately 22% and 39% of the total ACL on loans and leases at December 31, 2025, and 2024, respectively. The composition of qualitative reserves primarily relates to credit quality trends and credit concentrations, which decreased from the prior year as a result of the effects of the CECL model refresh and improvements in overall commercial risk rating migration trends.

Individually Assessed Loans and Leases. If the risk characteristics of a loan or lease change such that it no longer matches the risk characteristics of the collectively assessed pool, it is removed from the population and individually assessed for credit losses. Generally, all non-accrual loans and loans with a charge-off are individually assessed. The measurement method used to calculate the expected credit loss on an individually assessed loan or lease depends on the type and whether the loan or lease is considered to be collateral dependent. Methods for collateral dependent commercial loans are either based on the fair value of the collateral less estimated costs to sell when the basis of repayment is the sale of collateral, or the present value of the expected cash flows from the operation of the collateral. For non-collateral dependent loans, either a discounted cash flow method or other loss factor method is used. Any individually assessed loan or lease for which no specific allowance is deemed necessary is either the result of sufficient cash flows or sufficient collateral coverage relative to the amortized cost of the asset.

Additional information regarding the Company's ACL methodology can be found within Note 1: Summary of Significant Accounting Policies in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Asset Quality Ratios

The Company manages asset quality using risk tolerance levels established through the Company's underwriting standards, servicing, and management of its loan and lease portfolio. Loans and leases for which a heightened risk of loss has been identified are regularly monitored to mitigate further deterioration and preserve asset quality in future periods. Non-performing assets, credit losses, and net charge-offs are considered by management to be key measures of asset quality.

The following table summarizes key asset quality ratios and their underlying components:

	Years ended December 31,		
	2025	2024	2023
<i>(Dollars in thousands)</i>			
Non-performing loans and leases ⁽¹⁾⁽²⁾	\$ 500,684	\$ 461,326	\$ 209,544
Total loans and leases	56,597,110	52,505,168	50,726,052
Non-performing loans and leases as a percentage of total loans and leases	0.88 %	0.88 %	0.41 %
Non-performing loans and leases ⁽¹⁾⁽²⁾	\$ 500,684	\$ 461,326	\$ 209,544
Add: OREO and repossessed assets	1,472	425	9,056
Total non-performing assets ⁽¹⁾	\$ 502,156	\$ 461,751	\$ 218,600
Total loans and leases plus OREO and repossessed assets	\$ 56,598,582	\$ 52,505,593	\$ 50,735,108
Non-performing assets as a percentage of total loans and leases plus OREO and repossessed assets	0.89 %	0.88 %	0.43 %
Non-performing assets ⁽¹⁾	\$ 502,156	\$ 461,751	\$ 218,600
Total assets	84,073,663	79,025,073	74,945,249
Non-performing assets as a percentage of total assets	0.60 %	0.58 %	0.29 %
ACL on loans and leases	\$ 719,411	\$ 689,566	\$ 635,737
Non-performing loans and leases ⁽¹⁾⁽²⁾	500,684	461,326	209,544
ACL on loans and leases as a percentage of non-performing loans and leases	143.69 %	149.47 %	303.39 %
ACL on loans and leases	\$ 719,411	\$ 689,566	\$ 635,737
Total loans and leases	56,597,110	52,505,168	50,726,052
ACL on loans and leases as a percentage of total loans and leases	1.27 %	1.31 %	1.25 %
ACL on loans and leases	\$ 719,411	\$ 689,566	\$ 635,737
Net charge-offs	179,203	166,914	108,086
Ratio of ACL on loans and leases to net charge-offs	4.01x	4.13x	5.88x

(1) Non-performing asset balances and related asset quality ratios exclude the impact of net unamortized (discounts)/premiums and net unamortized deferred (fees)/costs on loans and leases.

(2) The change from December 31, 2024, to December 31, 2025, is primarily due to increases in non-performing commercial real estate, asset-based, and multi-family, partially offset by decreases in non-performing commercial non-mortgage and equipment financing.

The following table summarizes net charge-offs (recoveries) as a percentage of average loans and leases for each category:

<i>(Dollars in thousands)</i>	Years ended December 31,								
	2025			2024			2023		
	Net Charge-offs (Recoveries)	Average Balance	%	Net Charge-offs (Recoveries)	Average Balance	%	Net Charge-offs (Recoveries)	Average Balance	%
Commercial non-mortgage	\$ 71,312	\$ 18,919,628	0.38 %	\$ 88,525	\$ 17,071,748	0.52 %	\$ 13,531	\$ 16,900,423	0.08 %
Asset-based	37,337	1,329,092	2.81	6,090	1,474,703	0.41	17,088	1,699,064	1.01
Commercial real estate	60,094	14,683,485	0.41	39,776	14,222,437	0.28	62,208	13,397,036	0.46
Multi-family	936	6,876,285	0.01	22,761	7,622,410	0.30	3,447	7,072,507	0.05
Equipment financing	6,572	1,228,747	0.53	10,239	1,258,733	0.81	4,949	1,509,948	0.33
Warehouse lending	—	—	—	—	—	—	—	316,729	—
Residential	(1,197)	9,305,795	(0.01)	(953)	8,403,098	(0.01)	3,601	8,126,878	0.04
Home equity	(1,977)	1,389,459	(0.14)	(2,890)	1,464,894	(0.20)	(123)	1,560,707	(0.01)
Other consumer	6,126	313,225	1.96	3,366	79,420	4.24	3,385	54,277	6.24
Total	\$ 179,203	\$ 54,045,716	0.33 %	\$ 166,914	\$ 51,597,443	0.32 %	\$ 108,086	\$ 50,637,569	0.21 %

Net charge-offs increased \$12.3 million, or 7.4%, to \$179.2 million for the year ended December 31, 2025, as compared to \$166.9 million for the year ended December 31, 2024, primarily due to increases in asset-based and commercial real estate, partially offset by decreases in multi-family and commercial non-mortgage.

Liquidity and Capital Resources

The Company manages its cash flow requirements through proactive liquidity measures at both the Company and the Bank. In order to maintain stable, cost-effective funding, and to promote overall balance sheet strength, the liquidity position of the Company is continuously monitored, and adjustments are made to balance sources and uses of funds, as appropriate.

Cash inflows are provided through a variety of sources, including principal and interest payments on loans and investments, unpledged securities that can be sold or utilized to secure funding, and new deposits. The Company is committed to maintaining a strong base of core deposits, which consists of demand, health savings, interest-bearing checking, money market, and savings accounts, to support growth in its loan portfolios. Management actively monitors the interest rate environment and makes adjustments to its deposit strategy in response to evolving market conditions, funding needs, and client relationship dynamics.

Company Liquidity. The primary source of liquidity at the Company is dividends from the Bank. To a lesser extent, investment income, net proceeds from investment sales, borrowings, and public offerings may provide additional liquidity. The Company generally uses its funds for principal and interest payments on senior notes, subordinated notes, and junior subordinated debt, dividend payments to preferred and common stockholders, repurchases of its common stock, and purchases of debt and equity securities, as applicable.

There are certain restrictions on the Bank's payment of dividends to the Company, which can be found within the section captioned "Supervision and Regulation" in Part I - Item 1. Business, and within Note 13: Regulatory Capital and Restrictions in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data. During the year ended December 31, 2025, the Bank paid \$900.0 million in dividends to the Company. At December 31, 2025, there was \$634.6 million of retained earnings available for the payment of dividends by the Bank to the Company. On January 28, 2026, the Bank was approved to pay the Company \$300.0 million in dividends in the first quarter of 2026.

The quarterly cash dividend to common stockholders remained at \$0.40 per common share throughout 2025. On January 28, 2026, it was announced that the Company's Board had declared a quarterly cash dividend of \$0.40 per share on Webster common stock. For the Series F Preferred Stock and Series G Preferred Stock, quarterly cash dividends of \$328.125 per share and \$16.25 per share, respectively, were declared. The Company continues to monitor economic forecasts, anticipated earnings, and its capital position in the determination of its dividend payments. In accordance with the Transaction Agreement with Banco Santander, quarterly cash dividends on Webster common stock, the Series F Preferred Stock, and the Series G Preferred Stock may not exceed \$0.40 per share, \$328.125 per share, and \$16.25 per share, respectively, without prior written consent from Banco Santander.

The Company maintains a common stock repurchase program, which was approved by the Board, that permits management to repurchase shares of its common stock in open market or private transactions, through block trades, and pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the SEC, subject to the availability and trading price of stock, general market conditions, alternative uses for capital, regulatory considerations, and the Company's financial performance. On April 30, 2025, the Board increased management's authority to repurchase shares of Webster common stock under the repurchase program by \$700.0 million. During the year ended December 31, 2025, the Company repurchased 10,933,584 shares under the repurchase program at a weighted-average price of \$54.30 per share, totaling \$593.7 million. At December 31, 2025, the Company's remaining purchase authority was \$334.3 million. In accordance with the Transaction Agreement with Banco Santander, the Company paused repurchases under its stock repurchase program through the completion of the Transaction.

In addition, the Company will periodically acquire common shares outside of the repurchase program related to employee stock compensation plan activity. During the year ended December 31, 2025, the Company repurchased 402,502 shares at a weighted-average price of \$56.55 per share, totaling \$22.8 million, for this purpose.

Webster Bank Liquidity. The Bank's primary source of funding is its core deposits. Including time deposits, the Bank had a loan to total deposit ratio of 82.3% and 81.1% at December 31, 2025, and 2024, respectively.

The Bank is required by OCC regulations to maintain a sufficient level of liquidity to ensure safe and sound operations. The adequacy of liquidity, as assessed by the OCC, depends on factors such as overall asset and liability structure, market conditions, competition, and the nature of the institution's deposit and loan customers. At December 31, 2025, the Bank exceeded all regulatory liquidity requirements. The Company has designed a detailed contingency plan in order to respond to any liquidity concerns in a prompt and comprehensive manner, including early detection of potential problems and corrective action to address liquidity stress scenarios.

Capital Requirements. The Company and the Bank are subject to various regulatory capital requirements administered by the federal bank regulatory agencies. Failure to meet minimum capital requirements can initiate certain mandatory actions by regulators that could have a direct material effect on the Company's Consolidated Financial Statements. Under capital adequacy guidelines and/or the regulatory framework for prompt corrective action (applies to the Bank only), both the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated pursuant to regulatory directives. Capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by the Basel III Capital Rules to ensure capital adequacy require the Company and the Bank to maintain minimum ratios of CET1 Risk-Based Capital, Tier 1 Risk-Based Capital, Total Risk-Based Capital, and Tier 1 Leverage Capital, as defined in the regulations.

The following table presents the minimum ratios required as of December 31, 2025, and 2024:

	Adequately Capitalized	Well Capitalized
CET1 Risk-Based Capital	4.5 %	6.5 %
Tier 1 Risk-Based Capital	6.0	8.0
Total Risk-Based Capital	8.0	10.0
Tier 1 Leverage Ratio	4.0	5.0

At December 31, 2025, and 2024, both the Company and the Bank were classified as "well-capitalized." Management believes that no events or changes have occurred subsequent to year-end and through the date of this Annual Report on Form 10-K that would change this designation.

The Company's and the Bank's capital ratios, which exceeded minimum regulatory requirements, were as follows:

	December 31,			
	2025 ⁽¹⁾		2024 ⁽¹⁾	
	Capital/Assets	Ratio	Capital/Assets	Ratio
<i>(Dollars in thousands)</i>				
Webster Financial Corporation				
CET1 Risk-Based Capital	\$ 6,441,440	11.20 %	\$ 6,318,876	11.54 %
Tier 1 Risk-Based Capital	6,725,419	11.69	6,602,855	12.06
Total Risk-Based Capital	7,861,688	13.67	7,800,717	14.24
Tier 1 Leverage Ratio	6,725,419	8.33	6,602,855	8.70
Risk-weighted assets	57,511,986		54,767,609	
Webster Bank				
CET1 Risk-Based Capital	\$ 7,007,352	12.19 %	\$ 6,847,474	12.53 %
Tier 1 Risk-Based Capital	7,007,352	12.19	6,847,474	12.53
Total Risk-Based Capital	7,720,373	13.43	7,512,143	13.74
Tier 1 Leverage Ratio	7,007,352	8.69	6,847,474	9.04
Risk-weighted assets	57,474,351		54,667,360	

- (1) In accordance with regulatory capital rules, the Company elected to delay the estimated impact of the adoption of CECL on its regulatory capital over a two-year deferral period, which ended on January 1, 2022, and a subsequent three-year transition period, which ended on December 31, 2024. During the three-year transition period, regulatory capital ratios phased out the aggregate amount of the regulatory capital benefit provided from the delayed CECL adoption in the initial two years. For 2024, the Company was allowed 25%, of the regulatory capital benefit as of December 31, 2021. Full absorption occurred in 2025.

Additional information regarding the required regulatory capital levels and ratios applicable to the Company and the Bank can be found within Note 13: Regulatory Capital and Restrictions in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Sources and Uses of Funds

Sources of Funds. Deposits are the primary source of cash flows for the Bank's lending activities and general operational needs. Loan and securities repayments, proceeds from sales of loans and securities held for sale, and maturities also provide cash flows. While scheduled loan and securities repayments are a relatively stable source of funds, prepayments and other deposit inflows are influenced by economic conditions and prevailing interest rates, the timing of which are inherently uncertain. Additional sources of funds are provided by both short-term and long-term borrowings, and to a lesser extent, dividends received as part of the Bank's membership with the FHLB of Boston and FRB of New York.

Deposits. The Bank offers a wide variety of checking and savings deposit products designed to meet the transactional and investment needs of its consumer and business customers. The Bank's deposit services include, but are not limited to, ATM and debit card use, direct deposit, ACH payments, mobile banking, internet-based banking, banking by mail, account transfers, and overdraft protection, among others. The Bank manages the flow of funds in its deposit accounts and interest rates consistent with FDIC regulations. The Bank's Consumer and Digital Pricing Committee and its Commercial and Institutional Liability and Loan Pricing Committee both meet regularly to determine pricing and marketing initiatives. In addition, the Bank may use brokered certificates of deposit as a funding source, which are managed based on established limits set by the ALCO.

Total deposits were \$68.8 billion and \$64.8 billion at December 31, 2025, and 2024, respectively. The \$4.0 billion net increase in total deposits was primarily due an increase in money market deposits, particularly from interSYNC, which contributed to \$2.0 billion of the change. The Company also experienced increases across all other deposit categories, except for savings and non-interest-bearing demand deposits.

The following table summarizes daily average balances of deposits by type and the weighted-average rates paid thereon:

	Years ended December 31,					
	2025		2024		2023	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
<i>(Dollars in thousands)</i>						
Non-interest-bearing:						
Demand	\$ 10,227,051	—%	\$ 10,387,807	—%	\$ 11,596,949	—%
Interest-bearing:						
Checking	10,158,941	1.75	9,555,367	1.89	8,845,284	1.48
Health savings accounts	9,177,995	0.16	8,650,485	0.15	8,249,332	0.15
Money market	22,161,593	3.47	19,354,659	4.05	15,769,533	3.61
Savings	7,217,900	1.65	6,879,935	1.54	7,259,640	0.78
Certificates of deposit	6,094,856	3.50	5,896,230	4.30	4,534,008	3.34
Brokered certificates of deposit	1,653,423	4.33	1,701,382	5.25	1,997,602	5.07
Total interest-bearing	56,464,708	2.42	52,038,058	2.74	46,655,399	2.19
Total average deposits	\$ 66,691,759	2.05%	\$ 62,425,865	2.29%	\$ 58,252,348	1.75%

Uninsured deposits represent the portion of deposit accounts in U.S. offices that exceed the FDIC insurance limit or similar state deposit insurance regimes, and amounts in any other uninsured investment or deposit accounts that are classified as deposits and not subject to any federal or state deposit insurance regimes. The Company calculates its uninsured deposit balances based on the methodologies and assumptions used for regulatory reporting requirements, which includes an estimated portion and affiliate deposits. At December 31, 2025, and 2024, total uninsured deposits as per regulatory reporting requirements and reported on Schedule RC-O of the Bank's Call Report were \$23.8 billion and \$22.6 billion, respectively.

The following table summarizes additional uninsured deposits information after certain exclusions:

	December 31, 2025
<i>(Dollars in thousands)</i>	
Uninsured deposits, per regulatory reporting requirements	\$ 23,795,358
Less: Affiliate deposits	(3,944,472)
Collateralized deposits	(4,539,073)
Uninsured deposits, after exclusions	\$ 15,311,813
Immediately available liquidity ⁽¹⁾	\$ 27,260,769
Uninsured deposits coverage	178.0%

(1) Reflects \$7.9 billion and \$17.3 billion of additional borrowing capacity from the FHLB of Boston and the FRB of New York, respectively, and \$2.0 billion of interest-bearing deposits held at the FRB of New York.

[Table of Contents](#)

Uninsured deposits, after adjusting for affiliate deposits and collateralized deposits, represented 22.3% of total deposits at December 31, 2025. Management believes that this presentation provides a more accurate view of deposits at risk given that affiliate deposits are not customer-facing, and therefore are eliminated upon consolidation, and collateralized deposits are secured by other means. As of the date of this Annual Report on Form 10-K, the Company's uninsured deposits as a percentage of total deposits, adjusted for affiliate deposits and collateralized deposits, is consistent with the percentage reported at December 31, 2025.

The following table summarizes the portion of U.S. time deposits in excess of the FDIC insurance limit and time deposits otherwise uninsured by contractual maturity:

<i>(In thousands)</i>	December 31, 2025
Portion of U.S. time deposits in excess of insurance limit	\$ 578,376
Time deposits otherwise uninsured with a maturity of:	
3 months or less	\$ 321,774
Over 3 months through 6 months	194,438
Over 6 months through 12 months	61,731
Over 12 months	433

Additional information regarding period-end deposit balances and rates can be found within Note 9: Deposits in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Borrowings. The Bank's primary borrowing sources include securities sold under agreements to repurchase, federal funds purchased, FHLB advances, and long-term debt. Total borrowings were \$4.3 billion and \$3.4 billion at December 31, 2025, and 2024, respectively, and represented 5.1% and 4.3% of total assets, respectively. The \$1.0 billion increase is primarily due increases of \$0.9 billion in FHLB advances and \$0.3 billion in securities sold under agreements to repurchase, partially offset by a decrease of \$0.2 billion in long-term debt.

Securities sold under agreements to repurchase are generally a form of short-term funding for the Bank in which it sells securities to counterparties with an agreement to buy them back in the future at a fixed price. Securities sold under agreements to repurchase totaled \$0.6 billion and \$0.3 billion at December 31, 2025, and December 31, 2024, respectively. The \$0.3 billion increase is primarily due to a change in short-term funding mix.

The Bank may also purchase term and overnight federal funds to meet its short-term liquidity needs. There were no federal funds purchased at December 31, 2025, and 2024.

FHLB advances are not only utilized as a source of funding, but also for interest rate risk management purposes. FHLB advances totaled \$3.0 billion and \$2.1 billion at December 31, 2025, and 2024, respectively. The \$0.9 billion increase is primarily due to a change in short-term funding mix.

Long-term debt consists of senior notes maturing in 2029, subordinated notes maturing in 2035, and junior subordinated notes maturing in 2033. Long-term debt totaled \$0.7 billion and \$0.9 billion at December 31, 2025, and 2024, respectively. The \$0.2 billion decrease is primarily due to the repayment during the fourth quarter of 2025 of the subordinated notes due on November 1, 2030, and the subordinated notes due on December 30, 2029, partially offset by the issuance in the third quarter of 2025 of the subordinated notes due on September 11, 2035.

The Bank had additional borrowing capacity from the FHLB of Boston and FRB of New York of \$7.9 billion and \$17.3 billion, respectively, at December 31, 2025. Unencumbered investment securities of \$1.0 billion at December 31, 2025, could have been used for collateral on borrowings or to increase borrowing capacity by either \$0.8 billion with the FHLB of Boston or \$0.9 billion with the FRB of New York.

The following table summarizes daily average balances of borrowings by type and the weighted-average rates paid thereon:

<i>(Dollars in thousands)</i>	Years ended December 31,					
	2025		2024		2023	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Securities sold under agreements to repurchase	\$ 167,269	1.97 %	\$ 142,025	0.77 %	\$ 210,676	0.58 %
Federal funds purchased	—	—	54,303	5.55	167,495	4.70
FHLB advances	2,508,404	4.43	2,296,048	5.46	4,275,394	5.21
Long-term debt	951,555	4.56	903,603	3.57	1,027,869	3.69
Total average borrowings	\$ 3,627,228	4.35 %	\$ 3,395,979	4.76 %	\$ 5,681,434	4.74 %

Additional information regarding period-end borrowings balances and rates can be found within Note 10: Borrowings in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

Federal Home Loan Bank and Federal Reserve Bank Stock. The Bank is a member of the FHLB System, which consists of 11 district FHLBs, each of which is subject to the supervision and regulation of the Federal Housing Finance Agency. An activity-based capital stock investment in a FHLB is required in order for the Bank to maintain its membership and access advances and other extensions of credit for sources of funds and liquidity purposes. The FHLB capital stock investment is restricted as there is no market for it, and it can only be redeemed by the applicable FHLB. The Bank held FHLB of Boston capital stock of \$125.2 million and \$91.7 million at December 31, 2025, and 2024, respectively. During the year ended December 31, 2025, the Bank received \$7.4 million in dividends from the FHLB of Boston. The most recent FHLB quarterly cash dividend in 2025 was paid on November 4, 2025, in an amount equal to an annual yield of 7.39%.

The Bank is also required to hold FRB stock equal to 6% of its capital and surplus, of which 50% is paid. The remaining 50% is subject to call when deemed necessary by the Federal Reserve. Similar to FHLB stock, the FRB capital stock investment is restricted as there is no market for it, and it can only be redeemed by the applicable FRB. The Bank held FRB of New York capital stock of \$231.2 million and \$229.6 million at December 31, 2025, and 2024, respectively. During the year ended December 31, 2025, the Bank received \$9.9 million in dividends from the FRB of New York. The most recent FRB semi-annual cash dividend in 2025 was paid on December 31, 2025, in an amount equal to an annual yield of 4.18%.

Uses of Funds. The Company enters into various contractual obligations in the normal course of business that require future cash payments and that could impact its short-term and long-term liquidity and capital resource needs. The following table summarizes significant fixed and determinable contractual obligations at December 31, 2025. The actual timing and amounts of future cash payments may differ from the amounts presented. Based on the Company's current liquidity position, it is expected that our sources of funds will be sufficient to fulfill these obligations when they come due.

<i>(In thousands)</i>	Payments Due by Period ⁽¹⁾						Total
	2026	2027	2028	2029	2030	Thereafter	
Senior notes	\$ —	\$ —	\$ —	\$ 300,000	\$ —	\$ —	\$ 300,000
Subordinated notes	—	—	—	—	—	350,000	350,000
Junior subordinated debt	—	—	—	—	—	77,320	77,320
FHLB advances	2,970,000	201	201	615	3,669	6,032	2,980,718
Securities sold under agreements to repurchase	596,738	—	—	—	—	—	596,738
Time deposits	8,464,468	45,728	20,414	15,797	23,664	247	8,570,318
Operating lease liabilities	36,360	37,005	35,087	30,784	24,235	75,419	238,890
Royalty liabilities	1,000	1,000	1,000	1,000	1,000	3,949	8,949
Total contractual obligations	\$ 12,068,566	\$ 83,934	\$ 56,702	\$ 348,196	\$ 52,568	\$ 512,967	\$ 13,122,933

(1) Interest payments on borrowings and obligations arising from agreements to purchase goods or receive services have been excluded.

The Company enters into commitments to invest in venture capital and private equity funds and tax credit structures to assist the Bank in meeting its responsibilities under the CRA. The total unfunded commitment for these alternative investments was \$764.2 million at December 31, 2025. However, the timing of capital calls cannot be reasonably estimated, and depending on the nature of the contract, the entirety of the capital committed by the Company may not be called.

Pension obligations are funded by the Company, as needed, to provide for participant benefit payments as it relates to the Company's frozen, non-contributory, qualified defined benefit pension plan. Decisions to contribute to the defined benefit pension plan are made based upon pension funding requirements under the Pension Protection Act, the maximum amount deductible under the Internal Revenue Code, the actual performance of plan assets, and trends in the regulatory environment. The Company was not required to contribute to the defined benefit pension plan in 2025, nor does it currently anticipate that it will be required to contribute in 2026. The Company's non-qualified supplemental executive retirement plans and other post-employment benefit plans are unfunded. Expected future net benefit payments related to the Company's defined benefit pension and other postretirement benefit plans included \$13.0 million in less than one year, \$27.5 million in one to three years, \$28.4 million in three to five years, and \$72.0 million after five years.

In connection with the completion of a multi-family securitization in 2024, the Company assumed an obligation to reimburse, or guarantee, losses incurred by the multi-family securitization trusts of up to 12% of the aggregate UPB of the loans at the time of sale. Essentially, this obligation represents a first credit loss enhancement provided by the Company. Based on the credit quality of the multi-family loans, among other factors, the Company estimated the amount of its reimbursement obligation to be \$3.3 million at December 31, 2025. The Company has not yet been required to make any guarantee payments to Freddie Mac. However, in the event that value of the assets in the multi-family securitization trusts significantly declined, the Company's maximum exposure to loss could be \$36.4 million.

In connection with the SecureSave acquisition completed in December 2025, the Company recorded contingent consideration at fair value related to one earn-out agreement. The earn-out is based on total program deposits measured as of three future measurement dates, with a payment due only if total program deposits exceed the program deposit threshold and, if so, (i) equal to total program deposits multiplied by the applicable earn-out rate for the measurement dates on December 31, 2026, and December 31, 2027, and (ii) equal to the total program deposits in excess of the program deposit threshold multiplied by the earn-out rate for the measurement date on December 31, 2028. The contingent consideration is payable in cash up to an aggregate maximum of \$35.0 million.

In connection with the formation of the joint venture with Marathon Asset Management, the Company and Marathon Asset Management have agreed to collectively make a capital contribution to a certain investment fund formed in connection with the joint venture (the “Fund”) for an amount equal to the lesser of \$20 million or 2% of total capital commitments from limited partners to the Fund. At its discretion, the Company may contribute amounts exceeding this commitment, up to BHC Act limitations (less than 25% of the Fund’s total equity interests and less than 5% of its voting equity interests).

At December 31, 2025, the Company’s Consolidated Balance Sheet reflects a liability for uncertain tax positions of \$10.4 million and \$5.3 million of accrued interest and penalties, respectively. The ultimate timing and amount of any related future cash settlements cannot be predicted with reasonable certainty.

In the normal course of business, the Company offers financial instruments with off-balance sheet risk to meet the financing needs of its customers. These transactions include commitments to extend credit and commercial and standby letters of credit, which involve, to a varying degree, elements of credit risk. Since many of these commitments are expected to expire unused or be only partially funded, the total commitment amount of \$13.2 billion at December 31, 2025, does not necessarily reflect future cash payments.

In November 2023, the FDIC issued a final rule implementing a special assessment for certain banks to recover losses to the DIF associated with protecting uninsured depositors of Silicon Valley Bank and Signature Bank upon their failure in March 2023. At December 31, 2025, the Company’s remaining accrual for its estimated special assessment charge was \$5.9 million, which will be collected over the one remaining quarterly assessment period. The FDIC retains the right to cease collection early, extend the special assessment collection period, and impose shortfall special assessments if actual losses exceed the amounts collected. The Company continues to monitor the estimated loss attributable to the protection of uninsured depositors at Silicon Valley Bank and Signature Bank, which could impact the amount of its accrued liability.

Additional information regarding the obligations discussed above can be found within the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data, specifically, Note 2: Business Developments for the multi-family securitization; Note 8: Income Taxes for income taxes; Note 14: Variable Interest Entities for alternative investments and the joint venture with Marathon Asset Management; Note 17: Fair Value Measurements for the SecureSave contingent consideration; Note 18: Retirement Benefit Plans for defined benefit pension and other postretirement benefit plans; and Note 22: Commitments and Contingencies for credit-related financial instruments and the FDIC special assessment.

Asset/Liability Management and Market Risk

An effective asset/liability management process must balance the risks and rewards from both short-term and long-term interest rate risk when determining the Company's strategy and action. To facilitate this process, interest rate sensitivity is monitored on an ongoing basis by the Company's ALCO, whose primary goal is to manage interest rate risk and maximize net income and net economic value over time in changing interest rate environments. Limits for earnings at risk are set for parallel ramps in interest rates over a 12-month period of up and down 100, 200, and 300 basis points, and for interest rate curve twist shocks of up and down 50 and 100 basis points. Limits for net economic value, referred to as equity at risk, are set for parallel shocks in interest rates of up and down 100, 200, and 300 basis points. The ALCO also regularly reviews earnings at risk scenarios for non-parallel changes in interest rates, as well as longer-term earnings at risk for up to four years in the future.

Management measures interest rate risk using simulation analysis and asset/liability modeling software to calculate the Company's earnings at risk and equity at risk. Key assumptions relate to the behavior of interest rates and spreads, prepayment speeds, and the run-off of deposits. From these simulations, interest rate risk is quantified, and appropriate strategies are formulated and implemented.

Deposit beta is defined as the change in deposit rate for interest-bearing and non-interest-bearing deposits due to changes in market rates (increase or decrease). The model assumes a deposit beta by each product. The deposit beta for each product is a function of prior rate cycle, prior deposit beta, current rate cycle expectation, level of competition, and line of business input.

Earnings at risk is defined as the change in net interest income due to changes in interest rates. Essentially, interest rates are assumed to change up or down in a parallel fashion, and the net interest income results in each scenario are compared to a flat rate base scenario. The flat rate base scenario holds the end of period yield curve constant over a 12-month forecast horizon. The earnings at risk simulation analysis incorporates assumptions about balance sheet changes (i.e., product mix, growth, and loan and deposit pricing). Overall, it is a measure of short-term interest rate risk. At December 31, 2025, and 2024, the flat rate base scenario assumed a federal funds rate of 3.75% and 4.50%, respectively. The federal funds rate target range was 3.50-3.75% at December 31, 2025, and 4.25-4.50% at December 31, 2024.

Equity at risk is defined as the change in the net economic value of financial assets and financial liabilities due to changes in interest rates compared to a base net economic value. Equity at risk analyzes sensitivity in the present value of cash flows over the expected life of existing financial assets, financial liabilities, and off-balance sheet financial instruments. It is a measure of the long-term interest rate risk to future earnings' streams embedded in the current balance sheet.

The Bank regularly evaluates rate exposure over long-term using equity at risk. The Bank deploys various techniques to a yield curve shocks, static balance sheet, basis risks, and options risks. The level of uncertainty around key assumption increases with time, which may limit its effectiveness.

Asset sensitivity is defined as earnings or net economic value increasing when interest rates rise and decreasing when interest rates fall, as compared to a base scenario. In other words, financial assets are more sensitive to changing interest rates than liabilities, and therefore, re-price faster. Likewise, liability sensitivity is defined as earnings or net economic value decreasing when interest rates rise and increasing when interest rates fall, as compared to a base scenario.

Key assumptions underlying the present value of cash flows include the behavior of interest rates and spreads, asset prepayment speeds, and attrition rates on deposits. Cash flow projections from the model are compared to market expectations for similar collateral types and adjusted based on experience with the Bank's own portfolio. The model's valuation results are compared to observable market prices for similar instruments whenever possible. The behavior of deposit and loan customers is studied using historical time series analysis to model future customer behavior under varying interest rate environments.

The equity at risk simulation process uses multiple interest rate paths generated by an arbitrage-free trinomial lattice term structure model. The base case rate scenario, against which all others are compared, currently uses the month-end SOFR/swap yield curve as a starting point to derive forward rates for future months. Using interest rate swap option volatilities as inputs, the model creates multiple rate paths for this scenario with forward rates as the mean. In shock scenarios, the starting yield curve is shocked up or down in a parallel fashion. Future rate paths are then constructed in a similar manner to the base case scenario.

Cash flows for all financial instruments are generated using product specific prepayment models and account specific system data for properties such as maturity date, amortization type, coupon rate, repricing frequency, and repricing date. The asset/liability simulation software is enhanced with a mortgage prepayment model and a collateralized mortgage obligation database. Financial instruments with explicit options (i.e., caps, floors, puts, and calls) and implicit options (i.e., prepayment and early withdrawal abilities) require such modeling approach to quantify value and risk more accurately.

On the asset side, risk is impacted the most by residential mortgage loans and mortgage-backed securities, which can typically prepay at any time without penalty and may have embedded caps and floors. In the loan portfolio, floors are a benefit to interest income in low interest rate environments. Floating-rate loans at floors pay a higher interest rate than a loan at a fully indexed rate without a floor, as with a floor, there is a limit on how low the interest rate can fall. As market rates rise, however, the interest rate paid on these loans does not rise until the fully indexed rate rises through the contractual floor.

On the liability side, there is a large concentration of customers with indeterminate maturity deposits who have options to add or withdraw funds from their accounts at any time. Implicit floors on deposits, based on historical data, are modeled. The Bank also has the option to change the interest rate paid on these deposits at any time.

Four main tools are used for managing interest rate risk:

- the size, duration, and credit risk of the investment portfolio;
- the size and duration of the wholesale funding portfolio;
- interest rate contracts; and
- the pricing and structure of loans and deposits.

The ALCO meets frequently to make decisions on the investment and funding portfolios based on the economic outlook, its interest rate expectations, the risk position, and other factors. The ALCO delegates pricing and product design responsibilities to individuals and sub-committees, but continuously monitors and influences their actions on a regular basis.

Various interest rate contracts, including futures, options, swaps, caps, and floors, can be used to manage interest rate risk. These contracts involve, to varying degrees, levels of credit risk and interest rate risk. The notional amount of the derivative instrument, or the amount from which interest and other payments are derived, is not exchanged, and therefore, should not be used as a measure of credit risk.

In addition, certain derivative instruments are used by the Bank to manage the risk of loss associated with its mortgage banking activities. Generally, prior to closing and funds disbursement, an interest-rate lock commitment is extended to the borrower. During this time, the Bank is subject to the risk that market interest rates may change, which could impact pricing on loan sales. In an effort to mitigate this risk, the Bank establishes forward delivery sales commitments, thereby setting the sales price.

The Company will also hold futures, options, and forward foreign currency exchange contracts to minimize the price volatility of certain financial assets and financial liabilities. Changes in the market value of these derivative positions are recognized in earnings. Additional information regarding derivatives can be found within Note 16: Derivative Financial Instruments in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

The following table summarizes the estimated impact that gradual parallel changes in interest rates of up and down 100, 200, and 300 basis points might have on the Company's net interest income over a 12-month period starting at December 31, 2025, and 2024, as compared to actual net interest income and assuming no changes in interest rates:

	-300bp	-200bp	-100bp	+100bp	+200bp	+300bp
December 31, 2025	(0.9)%	(0.6)%	(0.2)%	0.2%	0.2%	0.1%
December 31, 2024	(1.6)%	(0.6)%	—%	0.4%	0.6%	0.8%

Asset sensitivity in terms of net interest income decreased at December 31, 2025, as compared to at December 31, 2024, primarily due to an increase in fixed-rate assets, including investment securities and residential loans, and increased client hedging activities.

The following table summarizes the estimated impact that yield curve twists or immediate non-parallel changes in interest rates of up and down 50 and 100 basis points might have on the Company's net interest income over a 12-month period starting at December 31, 2025, and 2024:

	Short End of the Yield Curve				Long End of the Yield Curve			
	-100bp	-50bp	+50bp	+100bp	-100bp	-50bp	+50bp	+100bp
December 31, 2025	1.3%	0.6%	(0.5)%	(1.1)%	(2.3)%	(1.1)%	1.0%	1.9%
December 31, 2024	2.1%	1.0%	(0.7)%	(1.6)%	(2.2)%	(1.0)%	1.0%	1.9%

These non-parallel scenarios are modeled with the short end of the yield curve moving up or down 50 and 100 basis points, while the long end of the yield curve remains unchanged, and vice versa. The short end of the yield curve is defined as terms less than eighteen months, and the long end of the yield curve is defined as terms greater than eighteen months. The results reflect the annualized impact of immediate interest rate changes.

Sensitivity to the short end of the yield curve for net interest income decreased at December 31, 2025, as compared to at December 31, 2024, primarily due to an increase in our interest-bearing deposits (cash balance) and floating-rate loans. Sensitivity to the long end of the yield curve generally remained stable from December 31, 2024, to December 31, 2025.

[Table of Contents](#)

The following table summarizes the estimated economic value of financial assets, financial liabilities, and off-balance sheet financial instruments and the corresponding estimated change in economic value if interest rates were to instantaneously increase or decrease by 100 basis points at December 31, 2025, and 2024:

<i>(Dollars in thousands)</i>	Estimated Economic Value	Estimated Economic Value Change					
		-300bp	-200bp	-100bp	+100bp	+200bp	+300bp
December 31, 2025							
Assets	\$ 79,584,542	\$ 4,528,862	\$ 3,372,921	\$ 2,097,645	\$ (2,285,952)	\$ (3,966,009)	\$ (5,499,807)
Liabilities	67,085,524	7,166,552	4,486,746	2,095,930	(1,891,143)	(3,444,959)	(4,918,786)
Net	\$ 12,499,018	\$ (2,637,690)	\$ (1,113,825)	\$ 1,715	\$ (394,809)	\$ (521,050)	\$ (581,021)
Net change as % base net economic value		(21.1)%	(8.9)%	— %	(3.2)%	(4.2)%	(4.6)%
December 31, 2024							
Assets	\$ 73,921,262	\$ 4,850,915	\$ 3,590,907	\$ 2,180,555	\$ (2,223,719)	\$ (3,830,057)	\$ (5,294,750)
Liabilities	60,952,551	7,059,329	4,443,645	2,089,770	(1,813,843)	(3,398,762)	(4,795,161)
Net	\$ 12,968,711	\$ (2,208,414)	\$ (852,738)	\$ 90,785	\$ (409,876)	\$ (431,295)	\$ (499,589)
Net change as % base net economic value		(17.0)%	(6.6)%	0.7 %	(3.2)%	(3.3)%	(3.9)%

Changes in economic value can best be described through duration, which is a measure of the price sensitivity of financial assets and financial liabilities due to changes in interest rates. For fixed-rate financial instruments, it can be thought of as the weighted-average expected time to receive future cash flows, whereas for floating-rate financial instruments, it can be thought of as the weighted-average expected time until the next rate reset. Overall, the longer the duration, the greater the price sensitivity due to changes in interest rates. Generally, increases in interest rates reduce the economic value of fixed-rate financial assets as future discounted cash flows are worth less at higher interest rates. In a rising interest rate environment, the economic value of financial liabilities decreases for the same reason. A reduction in the economic value of financial liabilities is a benefit to the Company. Floating-rate financial instruments may have durations as short as one day, and therefore, may have very little price sensitivity due to changes in interest rates.

Duration gap represents the difference between the duration of financial assets and financial liabilities. A duration gap at or near zero would imply that the balance sheet is matched, and therefore, would exhibit no change in estimated economic value for changes in interest rates. At December 31, 2025, and 2024, the Company's duration gap was zero.

These earnings and net economic value estimates are subject to factors that could cause actual results to differ, and also assume that management does not take any additional action to mitigate any positive or negative effects from changing interest rates. Management believes that the Company's interest rate risk position at December 31, 2025, represents a reasonable level of risk given the current interest rate outlook. Management continues to monitor interest rates and other relevant factors given recent market volatility and is prepared to take additional action, as necessary.

Critical Accounting Estimates

The preparation of the Company's Consolidated Financial Statements, and accompanying notes thereto, in accordance with GAAP and practices generally applicable to the financial services industry, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent assets and liabilities. While management's estimates are made based on historical experience, current available information, and other factors that are deemed to be relevant, actual results could significantly differ from those estimates.

Accounting estimates are necessary in the application of certain accounting policies and can be susceptible to significant change in the near term. Critical accounting estimates are those estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had, or are reasonably likely to have, a material impact on the Company's financial condition or results of operations. Management has identified that the Company's most critical accounting estimates are those related to the ACL on loans and leases and business combinations accounting policies. These accounting policies and their underlying estimates are discussed directly with the Audit Committee of the Board.

Allowance for Credit Losses on Loans and Leases

The ACL on loans and leases is a reserve established through a provision for credit losses charged to expense, which represents management's best estimate of expected lifetime credit losses within the Company's loan and lease portfolios at the balance sheet date. The calculation of expected credit losses is determined using predictive methods and models that follow a PD, LGD, EAD, or loss rate framework, and include consideration of past events, current conditions, macroeconomic variables (i.e., unemployment, gross domestic product, property values, and interest rate spreads), and reasonable and supportable economic forecasts that affect the collectability of the reported amounts. Changes to the ACL on loans and leases, and therefore, to the related provision for credit losses, can materially affect financial results.

The determination of the appropriate level of ACL on loans and leases inherently involves a high degree of subjectivity and requires the Company to make significant estimates of current credit risks and trends using existing qualitative and quantitative information, and reasonable and supportable forecasts of future economic conditions, all of which may undergo frequent and material changes. Changes in economic conditions affecting borrowers and macroeconomic variables that the Company is more susceptible to, unforeseen events such as natural disasters and pandemics, along with new information regarding existing loans, identification of additional problem loans, the fair value of underlying collateral, and other factors, both within and outside the Company's control, may indicate the need for an increase or decrease in the ACL on loans and leases.

The Company's ACL on loans and leases is sensitive to changes in forecasted macroeconomic conditions during the reasonable and supportable forecast period. The Company performs sensitivity analyses using probability weighted scenarios to quantify the impact on the ACL resulting from hypothetical changes in key macroeconomic variable inputs to the CECL models, including, but not limited to, gross domestic product, the unemployment rate, and property values. As of December 31, 2025, the results of this sensitivity analysis indicated that, by applying a 100% weighting to a 90th percentile downside scenario (meaning that there is a 90% probability that the economy will perform better and a 10% probability that it will perform worse) the Company's ACL on loans and leases would increase by approximately \$91.3 million, or 12.7%. This does not represent management's expectations of changes in our estimate of expected credit losses or in the macroeconomic environment. The downside scenario used is characterized by an economic recession beginning in the first quarter of 2026 and lasting through the third quarter of 2026 and assumes that from the fourth quarter of 2025 through the third quarter of 2026, real gross domestic product declines cumulatively by approximately 2.6%; unemployment begins to increase significantly sharply in the first quarter of 2026, peaking at approximately 8.4% in the first quarter of 2027; and house prices drop approximately 12.3% over the course of 2026.

Executive management reviews and advises on the adequacy of the ACL on loans and leases on a quarterly basis. Although the overall balance is determined based on specific portfolio segments and individually assessed assets, the entire balance is available to absorb credit losses for any of the loan and lease portfolios. Additional information regarding the determination of the ACL on loans and leases, including the Company's valuation methodology, can be found in Part II under the section captioned "Allowance for Credit Losses on Loans and Leases" contained elsewhere in this Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and within Note 1: Summary of Significant Accounting Policies in the Notes to Consolidated Financial Statements contained in Item 8. Financial Statements and Supplementary Data.

Business Combinations

The acquisition method of accounting generally requires that the identifiable assets acquired and liabilities assumed in business combinations are recorded at fair value as of the acquisition date. The determination of fair value often involves the use of internal or third-party valuation techniques, such as discounted cash flow analyses. Particularly, the valuation techniques used to estimate the fair value of the core deposit intangible asset acquired in the Ametros acquisition included estimates related to discount rates, client attrition rates, an alternative cost of funds, and other relevant factors, which are inherently subjective. A description of the valuation methodologies used to estimate the fair values of the significant assets acquired and liabilities assumed in the Ametros acquisition can be found within Note 2: Business Developments in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information regarding quantitative and qualitative disclosures about market risk can be found in Part II under the section captioned “Asset/Liability Management and Market Risk” contained in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and within Note 16: Derivative Financial Instruments in the Notes to Consolidated Financial Statements contained in Item 8. Financial Statements and Supplementary Data, which are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

	<u>Page No.</u>
Report of Independent Registered Public Accounting Firm	72
Consolidated Balance Sheets	74
Consolidated Statements of Income	75
Consolidated Statements of Comprehensive Income	76
Consolidated Statements of Stockholders' Equity	77
Consolidated Statements of Cash Flows	78
Notes to Consolidated Financial Statements	80

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors Webster Financial Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Webster Financial Corporation and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 27, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the allowance for credit losses for certain commercial loans and leases evaluated on a collective basis

As discussed in Notes 1 and 4 to the consolidated financial statements, the Company's total allowance for credit losses as of December 31, 2025 was \$719.4 million, a portion of which related to the allowance for credit losses for certain commercial loans and leases evaluated on a collective basis (the Commercial Allowance). The Commercial Allowance includes the measure of expected credit losses on a collective (pooled) basis for those loans and leases with similar risk characteristics. The Company's collectively assessed loans and leases are segmented based on product type and credit quality and expected losses are determined using a model that follows a probability of default (PD), loss given default (LGD), and exposure at default (EAD) framework. The expected credit losses are calculated as the product of the Company's estimate of PD, LGD, and individual loan level EAD. The Company's PD and LGD calculations use a predictive model that measures the current risk profile of the loan pools using forecasts of future macroeconomic conditions, historical loss information, loan-level risk attributes and credit quality indicators. The Company's model incorporates baseline and downside macroeconomic forecast scenarios, and management weights the scenarios based on reviews of variable forecasts and comparisons to expectations using readily available data to arrive at a macroeconomic scenario over a reasonable and supportable forecast period. The development of the reasonable and supportable forecast assumes that each portfolio will revert to its long-term loss rate expectation. The reasonable and supportable forecast period is two years after which the reversion period is one year. The model uses output reversion and revert to mean historical portfolio loss rates on a straight-line basis in the third year of the forecast. A portion of

the Commercial Allowance is comprised of qualitative adjustments for risk characteristics that are not reflected or captured in the quantitative model but are likely to impact the measurement of expected credit losses.

We identified the assessment of the Commercial Allowance as a critical audit matter. A high degree of audit effort, including specialized skills and knowledge, and subjective and complex auditor judgment was involved in the assessment due to significant measurement uncertainty. Specifically, the assessment encompassed the evaluation of the Commercial Allowance methodology, including the methods and model used to estimate (1) the PD, LGD, and EAD, and their significant assumptions, including the baseline and downside macroeconomic forecast scenarios and macroeconomic variables and (2) qualitative adjustments and their significant assumptions not reflected in the PD and LGD model and EAD method. The assessment also included an evaluation of the conceptual soundness and performance of the PD and LGD model and EAD method. In addition, auditor judgment was required to evaluate the sufficiency of audit evidence obtained.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's measurement of the Commercial Allowance estimate, including controls over the:

- evaluation of the Commercial Allowance methodology
- continued use and appropriateness of changes made to certain PD and LGD model and EAD method
- identification and determination of the significant assumptions used in the PD and LGD model and EAD method
- procedures performed by the Company to validate the model is fit for use and appropriate to estimate the lifetime loss
- evaluation of qualitative adjustments, including the significant assumptions, and
- analysis of the Collective Allowance results, trends, and ratios.

We evaluated the Company's process to develop the Commercial Allowance estimate by testing certain sources of data, factors, and assumptions that the Company used, and considered the relevance and reliability of such data, factors, and assumptions. In addition, we involved credit risk professionals with specialized skills and knowledge, who assisted in:

- evaluating the Company's Commercial Allowance methodology for compliance with U.S. generally accepted accounting principles
- evaluating judgments made by the Company relative to the assessment and performance testing of PD and LGD model and EAD method by comparing them to relevant Company-specific metrics and trends and the applicable industry practices
- assessing the conceptual soundness and performance of the PD and LGD model by inspecting the model documentation to determine whether the model is suitable for the intended use
- evaluating the selection of the economic forecast scenarios and underlying macroeconomic variables by comparing them to the Company's business environment and relevant industry practices
- evaluating the methodology and assumptions used to develop the qualitative factors and the effect of those factors on the Commercial Allowance compared with credit trends and identified limitations of the underlying quantitative model.

We also assessed the sufficiency of the audit evidence obtained related to the Commercial Allowance estimate by evaluating the cumulative results of the audit procedures and potential bias in the accounting estimate.

/s/ KPMG LLP (185)

We have served as the Company's auditor since 2013.

New York, New York
February 27, 2026

WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2025	2024
<i>(In thousands, except share and par value data)</i>		
Assets:		
Cash and due from banks	\$ 370,748	\$ 388,060
Interest-bearing deposits	2,078,777	1,686,374
Investment securities available-for-sale, at fair value ⁽¹⁾	10,009,500	9,006,600
Investment securities held-to-maturity, net of allowance for credit losses of \$97 and \$171 ⁽²⁾	7,969,575	8,444,191
Loans held for sale ⁽³⁾	14,886	27,634
Loans and leases	56,597,110	52,505,168
Allowance for credit losses on loan and leases	(719,411)	(689,566)
Loans and leases, net	55,877,699	51,815,602
Federal Home Loan Bank and Federal Reserve Bank stock	356,411	321,343
Deferred tax assets, net	195,740	316,856
Premises and equipment, net	432,035	406,963
Goodwill	2,897,522	2,868,068
Other intangible assets, net	313,234	334,301
Cash surrender value of life insurance policies	1,271,457	1,251,622
Accrued interest receivable and other assets	2,286,079	2,157,459
Total assets	<u>\$ 84,073,663</u>	<u>\$ 79,025,073</u>
Liabilities and stockholders' equity:		
Deposits:		
Non-interest-bearing	\$ 10,082,854	\$ 10,316,501
Interest-bearing	58,676,959	54,436,579
Total deposits	68,759,813	64,753,080
Securities sold under agreements to repurchase and federal funds purchased	596,738	344,168
Federal Home Loan Bank advances	2,980,718	2,110,108
Long-term debt	739,454	909,185
Accrued expenses and other liabilities	1,504,704	1,775,318
Total liabilities	74,581,427	69,891,859
Stockholders' equity:		
Preferred stock, \$0.01 par value: Authorized—3,000,000 shares;		
Series F issued and outstanding—6,000 shares	145,037	145,037
Series G issued and outstanding—135,000 shares	138,942	138,942
Common stock, \$0.01 par value: Authorized—400,000,000 shares;		
Issued—182,778,045 shares; Outstanding—161,216,008 and 171,391,125 shares	1,828	1,828
Paid-in capital	6,183,434	6,181,475
Retained earnings	4,477,744	3,759,158
Treasury stock, at cost—21,562,037 and 11,386,920 shares	(1,103,905)	(536,843)
Accumulated other comprehensive (loss), net of tax	(350,844)	(556,383)
Total stockholders' equity	9,492,236	9,133,214
Total liabilities and stockholders' equity	<u>\$ 84,073,663</u>	<u>\$ 79,025,073</u>

(1) Investment securities available-for-sale had an amortized cost basis of \$10,466,978 at December 31, 2025, and \$9,720,415 at December 31, 2024.

(2) Investment securities held-to-maturity had a fair value of \$7,168,583 at December 31, 2025, and \$7,453,123 and at December 31, 2024.

(3) Total loans held for sale includes residential mortgage loans valued under the fair value option of \$2,142 at December 31, 2025, and \$297 at December 31, 2024.

See accompanying Notes to Consolidated Financial Statements.

WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

<i>(In thousands, except per share data)</i>	Years ended December 31,		
	2025	2024	2023
Interest income:			
Interest and fees on loans and leases	\$ 3,118,558	\$ 3,182,466	\$ 3,071,378
Taxable interest on investment securities	764,631	636,177	396,681
Non-taxable interest on investment securities	28,949	38,758	54,207
Loans held for sale	4,215	13,911	734
Other interest and dividends	105,155	55,974	105,260
Total interest income	<u>4,021,508</u>	<u>3,927,286</u>	<u>3,628,260</u>
Interest expense:			
Deposits	1,365,703	1,427,204	1,021,418
Securities sold under agreements to repurchase and federal funds purchased	3,298	4,113	9,102
Federal Home Loan Bank advances	111,183	125,329	222,537
Long-term debt	43,430	32,253	37,934
Total interest expense	<u>1,523,614</u>	<u>1,588,899</u>	<u>1,290,991</u>
Net interest income	2,497,894	2,338,387	2,337,269
Provision for credit losses	210,000	222,000	150,747
Net interest income after provision for credit losses	<u>2,287,894</u>	<u>2,116,387</u>	<u>2,186,522</u>
Non-interest income:			
Deposit service fees	157,891	161,144	169,318
Loan and lease related fees	70,692	76,384	84,861
Wealth and investment services	30,983	33,234	28,999
Cash surrender value of life insurance policies	33,219	27,712	26,228
Gain (loss) on sale of investment securities, net	220	(136,224)	(33,620)
Other income	108,514	89,649	38,551
Total non-interest income	<u>401,519</u>	<u>251,899</u>	<u>314,337</u>
Non-interest expense:			
Compensation and benefits	821,748	762,794	711,752
Occupancy	77,416	72,161	77,520
Technology and equipment	190,614	195,017	197,928
Intangible assets amortization	36,304	36,082	36,207
Marketing	20,978	18,751	18,622
Professional and outside services	75,202	58,253	107,497
Deposit insurance	51,006	68,912	98,081
Other expense	155,996	139,309	168,748
Total non-interest expense	<u>1,429,264</u>	<u>1,351,279</u>	<u>1,416,355</u>
Income before income taxes	1,260,149	1,017,007	1,084,504
Income tax expense	257,347	248,300	216,664
Net income	<u>1,002,802</u>	<u>768,707</u>	<u>867,840</u>
Preferred stock dividends	16,650	16,650	16,650
Income allocated to participating securities	11,291	7,981	7,922
Net income applicable to common stockholders	<u>\$ 974,861</u>	<u>\$ 744,076</u>	<u>\$ 843,268</u>
Earnings per common share:			
Basic	\$ 5.91	\$ 4.38	\$ 4.91
Diluted	5.90	4.37	4.91

See accompanying Notes to Consolidated Financial Statements.

WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Net income	\$ 1,002,802	\$ 768,707	\$ 867,840
Other comprehensive income (loss), net of tax:			
Investment securities available-for-sale	186,205	(2,868)	113,710
Derivative financial instruments	13,341	(6,731)	6,005
Defined benefit pension and other postretirement benefit plans	5,993	3,787	14,674
Other comprehensive income (loss), net of tax	205,539	(5,812)	134,389
Comprehensive income	\$ 1,208,341	\$ 762,895	\$ 1,002,229

See accompanying Notes to Consolidated Financial Statements.

WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<i>(In thousands, except per share data)</i>	Preferred Stock	Common Stock	Paid-In Capital	Retained Earnings	Treasury Stock, at cost	Accumulated Other Comprehensive (Loss), Net of Tax	Total Stockholders' Equity
Balance at December 31, 2022	\$ 283,979	\$ 1,828	\$ 6,173,240	\$ 2,713,861	\$ (431,762)	\$ (684,960)	\$ 8,056,186
Adoption of ASU No. 2022-02	—	—	—	(4,245)	—	—	(4,245)
Net income	—	—	—	867,840	—	—	867,840
Other comprehensive income, net of tax	—	—	—	—	—	134,389	134,389
Common stock dividends and equivalents—\$1.60 per share	—	—	—	(278,276)	—	—	(278,276)
Series F preferred stock dividends—\$1,312.50 per share	—	—	—	(7,875)	—	—	(7,875)
Series G preferred stock dividends—\$65.00 per share	—	—	—	(8,775)	—	—	(8,775)
Stock-based compensation	—	—	8,539	—	45,548	—	54,087
Exercise of stock options	—	—	(2,026)	—	3,749	—	1,723
Common shares acquired from stock compensation plan activity	—	—	—	—	(16,278)	—	(16,278)
Common stock repurchase program ⁽¹⁾	—	—	—	—	(108,780)	—	(108,780)
Balance at December 31, 2023	283,979	1,828	6,179,753	3,282,530	(507,523)	(550,571)	8,689,996
Net income	—	—	—	768,707	—	—	768,707
Other comprehensive (loss), net of tax	—	—	—	—	—	(5,812)	(5,812)
Common stock dividends and equivalents—\$1.60 per share	—	—	—	(275,429)	—	—	(275,429)
Series F preferred stock dividends—\$1,312.50 per share	—	—	—	(7,875)	—	—	(7,875)
Series G preferred stock dividends—\$65.00 per share	—	—	—	(8,775)	—	—	(8,775)
Stock-based compensation	—	—	1,886	—	53,255	—	55,141
Exercise of stock options	—	—	(164)	—	418	—	254
Common shares acquired from stock compensation plan activity	—	—	—	—	(17,215)	—	(17,215)
Common stock repurchase program ⁽¹⁾	—	—	—	—	(65,778)	—	(65,778)
Balance at December 31, 2024	283,979	1,828	6,181,475	3,759,158	(536,843)	(556,383)	9,133,214
Net income	—	—	—	1,002,802	—	—	1,002,802
Other comprehensive income, net of tax	—	—	—	—	—	205,539	205,539
Common stock dividends and equivalents—\$1.60 per share	—	—	—	(267,566)	—	—	(267,566)
Series F preferred stock dividends—\$1,312.50 per share	—	—	—	(7,875)	—	—	(7,875)
Series G preferred stock dividends—\$65.00 per share	—	—	—	(8,775)	—	—	(8,775)
Stock-based compensation	—	—	1,997	—	54,826	—	56,823
Exercise of stock options	—	—	(38)	—	105	—	67
Common shares acquired from stock compensation plan activity	—	—	—	—	(22,762)	—	(22,762)
Common stock repurchase program ⁽¹⁾	—	—	—	—	(599,231)	—	(599,231)
Balance at December 31, 2025	\$ 283,979	\$ 1,828	\$ 6,183,434	\$ 4,477,744	\$ (1,103,905)	\$ (350,844)	\$ 9,492,236

(1) Includes an addition to Treasury Stock of \$5.6 million, \$0.4 million, and \$0.8 million at December 31, 2025, 2024, and 2023, respectively, for the 1% excise tax on net stock repurchases as imposed by the Inflation Reduction Act of 2022.

See accompanying Notes to Consolidated Financial Statements.

WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Operating Activities:			
Net income	\$ 1,002,802	\$ 768,707	\$ 867,840
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	210,000	222,000	150,747
Deferred income tax expense (benefit)	47,588	18,183	(53,634)
Stock-based compensation	56,823	55,141	54,087
Depreciation and amortization of property and equipment and intangible assets	73,346	71,531	76,490
Net (accretion) and amortization of interest-earning assets and borrowings	(165,552)	(95,281)	(23,267)
Amortization of low-income housing tax credit investments	115,274	80,902	71,775
Reduction of ROU lease assets	29,960	31,275	30,616
Net (gain) loss on sale of investment securities	(220)	136,224	33,620
Originations of loans held for sale	(9,843)	(6,806)	(13,319)
Proceeds from sale of loans held for sale	8,068	8,310	13,882
Net loss on sale of factored receivables portfolio	—	15,977	—
Net (gain) on sale of mortgage servicing rights	—	(11,655)	—
(Increase) in cash surrender value of life insurance policies	(33,219)	(27,712)	(26,228)
(Gain) from life insurance policies	(4,777)	(14,065)	(3,566)
(Gain) on extinguishment of long-term debt	(9,767)	—	(698)
(Gain) on sale of alternative investments	(8,806)	(14,763)	—
Other operating activities, net	(16,042)	(15,998)	2,760
Net decrease (increase) in loans held for sale	3	(49,566)	—
Net (increase) decrease in derivative contract assets and liabilities	(185,003)	20,526	(73,295)
Net decrease (increase) in prepaid expenses and other assets	37,177	246,752	(13,774)
Net (decrease) in accrued expenses and other liabilities	(89,676)	(35,382)	(115,387)
Net cash provided by operating activities	1,058,136	1,404,300	978,649
Investing Activities:			
Purchases of available-for-sale investment securities	(1,990,902)	(3,202,766)	(2,372,249)
Proceeds from principal payments, maturities, and calls of available-for-sale investment securities	1,292,532	892,965	591,207
Proceeds from sale of available-for-sale investment securities	14,880	2,142,462	789,603
Purchases of held-to-maturity investment securities	—	(1,778,098)	(891,761)
Proceeds from principal payments, maturities, and calls of held-to-maturity investment securities	538,566	457,433	390,073
Net (increase) decrease in Federal Home Loan Bank and Federal Reserve Bank stock	(35,068)	5,539	119,018
Alternative investments (capital calls), net of returns of capital	(293,451)	(160,062)	(27,430)
Proceeds from sales of alternative investments	13,441	19,588	—
Net (increase) in loans	(4,632,549)	(2,488,796)	(1,653,257)
Proceeds from sale of loans not originated for sale	400,017	569,538	625,968
Proceeds from sale of mortgage servicing rights	—	18,588	—
Proceeds from sale of foreclosed properties and repossessed assets	2,055	8,526	4,033
Proceeds from sale of property and equipment	4,337	6,769	6,894
Purchases of property and equipment	(49,566)	(35,844)	(40,303)
Proceeds from life insurance policies	18,574	34,358	20,098
Cash paid for acquisitions of HSA deposits	(6,428)	—	—
Net cash paid for acquisition of SecureSave	(24,401)	—	—
Net cash paid for acquisition of Ametros	—	(359,460)	—
Net cash paid for acquisition of interLINK	—	—	(157,646)
Net cash (used for) investing activities	(4,747,963)	(3,869,260)	(2,595,752)

See accompanying Notes to Consolidated Financial Statements.

WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS, continued

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Financing Activities:			
Net increase in deposits	4,006,261	3,697,887	6,721,028
Net increase (decrease) in Federal Home Loan Bank advances	870,610	(249,910)	(3,100,534)
Net increase (decrease) in securities sold under agreements to repurchase and federal funds purchased	252,570	(114,219)	(693,443)
Repayment of long-term debt	(499,000)	(132,550)	(16,752)
Proceeds from the issuance of long-term debt	347,389	—	—
Debt issuance costs	(1,636)	—	—
Payment of contingent consideration	(11,447)	(4,050)	—
Dividends paid to common stockholders	(266,830)	(274,545)	(278,155)
Dividends paid to preferred stockholders	(16,650)	(16,650)	(16,650)
Exercise of stock options	67	254	1,723
Common stock repurchase program	(593,654)	(65,403)	(107,984)
Common shares acquired related to stock compensation plan activity	(22,762)	(17,215)	(16,278)
Net cash provided by financing activities	4,064,918	2,823,599	2,492,955
Net increase in cash and cash equivalents	375,091	358,639	875,852
Cash and cash equivalents, beginning of period	2,074,434	1,715,795	839,943
Cash and cash equivalents, end of period	\$ 2,449,525	\$ 2,074,434	\$ 1,715,795

See accompanying Notes to Consolidated Financial Statements.

WEBSTER FINANCIAL CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Company is a bank holding company that has elected to be treated as a financial holding company under the BHC Act, incorporated under the laws of Delaware in 1986, and headquartered in Stamford, Connecticut. As of December 31, 2025, the Company had \$84.1 billion in total consolidated assets.

The Bank is a commercial bank with a national bank charter focused on providing financial products and services to businesses, individuals, and families. While its core footprint spans the Northeast from the New York metropolitan area to Rhode Island and Massachusetts, certain businesses operate in extended geographies. The Bank offers three differentiated lines of business: Commercial Banking, Healthcare Financial Services, and Consumer Banking.

Basis of Presentation

The Consolidated Financial Statements have been prepared in accordance with GAAP, and include the accounts of the Company and all other entities in which the Company has a controlling financial interest. Intercompany transactions and balances have been eliminated in consolidation. Assets under administration or assets under management that the Company holds or manages in a fiduciary or agency capacity for customers are not included on the accompanying Consolidated Balance Sheets. Certain prior period amounts presented in the Consolidated Statement of Cash Flows and disclosed in Note 12: Accumulated Other Comprehensive (Loss), Net of Tax and Note 18: Retirement Benefit Plans have been reclassified to conform to the current year's presentation. These reclassifications did not have a significant impact on the Company's Consolidated Financial Statements.

Principles of Consolidation

The purpose of Consolidated Financial Statements is to present the results of operations and the financial position of the Company and its subsidiaries as if the consolidated group were a single economic entity. In accordance with the applicable accounting guidance for consolidations, the Consolidated Financial Statements include any VOE in which the Company has a controlling financial interest and any VIE for which the Company is deemed to be the primary beneficiary. The Company generally consolidates its VOEs if the Company, directly or indirectly, owns more than 50% of the outstanding voting shares of the entity, and if the non-controlling stockholders do not hold any substantive participating or controlling rights. The Company evaluates VIEs to understand the purpose and design of the entity, and its involvement in the ongoing activities of the VIE, and will consolidate the VIE if it has (i) the power to direct the activities of the VIE that most significantly affect the VIE's economic performance, and (ii) an obligation to absorb losses of the VIE, or the right to receive benefits from the VIE, that could potentially be significant to the VIE. The Company accounts for unconsolidated partnerships and certain other investments using the equity method of accounting if it has the ability to significantly influence the operating and financial policies of the investee. This is generally presumed to exist when the Company owns between 20% and 50% of a corporation's voting common stock or in-substance common stock, or when it has greater than 3% to 5% interest in a limited partnership or similarly structured entity. Additional information regarding consolidated and non-consolidated VIEs can be found within Note 14: Variable Interest Entities.

Use of Estimates

The preparation of the Consolidated Financial Statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Business Combinations

Business combinations are accounted for under the acquisition method, in which the identifiable assets acquired and liabilities assumed are generally measured and recognized at fair value as of the acquisition date, with the excess of the purchase price over the fair value of the net assets acquired recognized as goodwill. Items such as acquired ROU lease assets and operating lease liabilities as lessee, employee benefit plans, and income-tax related balances are recognized in accordance with other applicable GAAP, which may result in measurements that differ from fair value. After the adoption of ASU No. 2021-08—Business Combinations (Topic 805)—Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, contract assets and contract liabilities from contracts with customers, may result in measurements that differ from fair value as well. The Company uses estimates and assumptions as part of the purchase price allocation process to determine the fair value of assets acquired and liabilities assumed as of the acquisition date. These estimates and assumptions are inherently uncertain and subject to refinement during the measurement period, which may extend for up to one year from the acquisition date.

Business combinations are included in the Consolidated Financial Statements from the respective dates of acquisition. Historical reporting periods reflect only the results of legacy Webster operations. Acquisition-related costs are expensed in the period incurred and presented within the applicable non-interest expense category. Additional information regarding the Company's business combinations can be found within Note 2: Business Developments.

Cash and Cash Equivalents

Cash and cash equivalents is comprised of Cash and due from banks and Interest-bearing deposits. Cash equivalents have an original maturity of three months or less.

Cash and due from banks includes cash on hand, certain deposits at the FRB of New York, and cash due from banks. Restricted cash related to Federal Reserve requirements, cash collateral received on derivative positions, and cash due from a bank held in connection with a compensating balance arrangement are also included in Cash and due from banks.

Interest-bearing deposits includes deposits at the FRB of New York in excess of reserve requirements and federal funds sold to other financial institutions. Restricted cash related to a deposit with contractual use limitations held in connection with a third-party arrangement is also included in Interest-bearing deposits.

The following table summarizes supplemental disclosures of cash flow information and non-cash investing and financing activities:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Supplemental disclosure of cash flow information:			
Interest paid	\$ 1,550,091	\$ 1,611,201	\$ 1,248,620
Income taxes paid ⁽¹⁾	85,386	124,817	234,549
Non-cash investing and financing activities:			
Transfer of loans held for investment to foreclosed properties and repossessed assets	\$ 8,178	\$ 2,305	\$ 10,485
Transfer of returned finance lease equipment to assets held for sale	3,220	5,626	5,139
Transfer of loans held for investment to loans held for sale	368,620	680,159	629,172
Transfer of loans held for sale to loans held for investment	—	133,168	—
Transfer of property and equipment to assets held for sale	—	750	—
ROU lease assets obtained in exchange for operating lease liabilities	42,611	10,444	22,989
Settlement of outstanding loan balance through receipt of equity interest	19,180	—	—
Approved commitments to fund LIHTC investments	166,494	304,269	334,947
Receipt of Ametros member deposits from other financial institutions	—	285,705	—
Business combinations ⁽²⁾ :			
Tangible assets acquired	\$ 5,214	\$ 256,957	\$ 24,318
Goodwill and other intangible assets	38,944	417,085	157,361
Liabilities assumed ⁽³⁾	3,303	299,507	7,994
Forgiveness of long-term debt	—	12,875	—
Pre-existing equity interest	8,034	2,200	—
Contingent consideration	8,420	—	16,039

(1) Income taxes paid, net of refunds received, are further disaggregated by jurisdiction in the table below, in accordance with the disclosure requirements of ASU No. 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures.

(2) Reflects the effects from the acquisition of SecureSave during the year ended December 31, 2025, Ametros during the year ended December 31, 2024, and interLINK during the year ended December 31, 2023. In addition, the amounts for 2023 include adjustments to fair values of assets acquired and liabilities assumed related to the Bend acquisition and Sterling merger, which were recognized during the one-year measurement period.

(3) For the year ended December 31, 2024, the amount presented reflects the sum of the \$293.7 million of liabilities assumed from Ametros and the \$5.8 million liability assumed for the Seller's transaction expenses, which was included as part of the purchase price consideration and paid by the Company at closing.

Disaggregation of Income Taxes Paid

Upon adoption of ASU No. 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures, the following table summarizes the disaggregation of income taxes paid, net of refunds received, by jurisdiction:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Federal	\$ 55,350	\$ 70,299	\$ 181,073
State and local:			
Massachusetts	12,581	*	*
New Jersey	6,000	*	*
Illinois	4,587	*	*
New York State	*	23,486	15,322
New York City	*	14,001	12,553
Other	6,868	17,031	25,601
Total state and local	30,036	54,518	53,476
Total income taxes paid, net of refunds received	\$ 85,386	\$ 124,817	\$ 234,549

*The amount of income taxes paid, net of refunds received, during the year for this jurisdiction does not meet the 5% disaggregation threshold and is included in Other.

Investments in Debt Securities

Debt security transactions are recognized on the trade date, which is the date the order to buy or sell the security is executed. Investments in debt securities are classified as available-for-sale or held-to-maturity at the time of purchase. Any classification change subsequent to the trade date is reviewed for compliance with corporate objectives and accounting policies.

Debt securities classified as available-for-sale are recorded at fair value with unrealized gains and losses recorded as a component of AOCL. If a debt security is transferred from available-for-sale to held-to-maturity, it is recorded at fair value at the time of transfer and any respective gain or loss would be recorded as a separate component of AOCL and amortized as an adjustment to interest income over the remaining life of the security. Debt securities classified as available-for-sale are reviewed for credit losses when the fair value of a security falls below the amortized cost basis and the decline is evaluated to determine if any portion is attributable to credit loss. The decline in fair value attributable to credit loss is recorded directly to earnings, with a corresponding allowance for credit loss, limited to the amount that fair value is less than the amortized cost. If the credit quality subsequently improves, previously recorded allowance amounts may be reversed. An available-for-sale debt security will be placed on non-accrual status if collection of principal and interest in accordance with contractual terms is doubtful. When the Company intends to sell an impaired available-for-sale debt security, or if it is more likely than not that the Company will be required to sell the security prior to recovery of the amortized cost basis, the entire fair value adjustment will immediately be recognized in earnings through non-interest income. The gain or loss on sale is calculated using the carrying value plus any related AOCL balance associated with the securities sold.

Debt securities classified as held-to-maturity are those in which the Company has the ability and intent to hold to maturity. Debt securities classified as held-to-maturity are recorded at amortized cost net of unamortized premiums and discounts. Discount accretion income and premium amortization expense are recognized as interest income using the effective interest method, with consideration given to prepayment assumptions on mortgage-backed securities. Premiums are amortized to the earliest call date for debt securities purchased at a premium, with explicit, non-contingent call features and are callable at a fixed price and preset date. Debt securities classified as held-to-maturity are reviewed for credit losses under the CECL model with an allowance recorded on the balance sheet for expected lifetime credit losses. The ACL is calculated on a pooled basis using statistical models which include forecasted scenarios of future economic conditions. Forecasts revert to long-run loss rates implicitly through the economic scenario, generally over three years. If the risk for a particular security no longer matches the collective assessment pool, it is removed and individually assessed for credit deterioration. The non-accrual policy for held-to-maturity debt securities is the same as for available-for-sale debt securities.

A zero credit loss assumption is maintained for U.S. Treasuries and agency-backed securities in both the available-for-sale and held-to-maturity portfolios, as applicable. This assumption is subject to quarterly review to ensure it remains appropriate. Additional information regarding investments in debt securities can be found within Note 3: Investment Securities.

Investments in Equity Securities

The Company's accounting treatment for non-consolidated equity investments differs for those with and without readily determinable fair values. Equity investments with readily determinable fair values are recorded at fair value with changes in fair value recorded in non-interest income. For equity investments without readily determinable fair values and are not already accounted for under the equity method, the Company elected the measurement alternative, and therefore carries these investments at cost, less impairment, if any, plus or minus changes in observable prices. Certain equity investments that do not have a readily available fair value may qualify for NAV measurement based on specific requirements. The Company's alternative investments accounted for at NAV consist of investments in non-public entities that generally cannot be redeemed since the Company's investments are distributed as the underlying equity is liquidated. On a quarterly basis, the Company reviews its equity investments without readily determinable fair values for impairment. If the equity investment is considered impaired, an impairment loss equal to the amount by which the carrying value exceeds its fair value is recorded through a charge to earnings. The impairment loss may be reversed in a subsequent period if there are observable transactions for the identical or similar investment of the same issuer at a higher amount than the carrying amount that was established when the impairment was recognized. Impairments, as well as upward or downward adjustments resulting from observable price changes in orderly transactions for identical or similar investments, are included in non-interest income.

Equity investments in entities that finance affordable housing and other community development projects provide a return primarily through the realization of tax benefits. The Company applies the proportional amortization method to account for its investments in qualified affordable housing projects.

Investment in Federal Home Loan Bank and Federal Reserve Bank Stock

The Bank is a member of the FHLB and the Federal Reserve System, and is required to maintain an investment in capital stock of both a FHLB and FRB. Based on redemption provisions, FHLB and FRB stock has no quoted market value and is carried at cost. Membership stock is reviewed for impairment if economic circumstances would warrant review.

Loans Held for Sale

Loans that are classified as held for sale at the time of origination are accounted for under the fair value option. Loans not originated for sale but subsequently transferred to held for sale are valued at the lower of cost or fair value on an individual asset basis. Any cost amount in excess of fair value is recorded as a valuation allowance and recognized as a reduction of other non-interest income. Interest income on loans held for sale is recognized based on contractual rates and is reflected in Loans held for sale interest income on the accompanying Consolidated Statements of Income. Gains or losses on the sale of loans held for sale are recorded as part of Other income on the accompanying Consolidated Statements of Income.

For the purpose of presentation in the accompanying Consolidated Statements of Cash Flows, cash flows from loans are classified based on management's intent to either sell the loan or hold the loan as an investment for the foreseeable future. When management's intent is to sell the loan, the cash flows of that loan are presented as operating activities. When management's intent is to hold the loan as an investment for the foreseeable future, the cash flows of that loan are presented as investing activities. Additionally, proceeds from the sale of loans that were originated for sale are presented as operating activities, and proceeds from the sale of loans that were originated for investment and then subsequently transferred to held for sale are presented as investing activities consistent with the original classification.

Transfers and Servicing of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is generally considered to have been surrendered when: (i) the transferred assets are legally isolated from the Company or its consolidated affiliates, even in bankruptcy or other receivership, (ii) the transferee has the right to pledge or exchange the assets with no conditions that constrain the transferee and provide more than a trivial benefit to the Company, and (iii) the Company does not maintain the obligation or unilateral ability to reclaim or repurchase the assets. Transfers of financial assets that do not qualify for sale accounting are reported as collateralized borrowings. Accordingly, the related assets remain on the Company's consolidated balance sheets and continue to be reported and accounted for as if the transfer had not occurred as discussed within the next policy below.

The Company sells financial assets in the normal course of business, the majority of which are residential mortgage loan sales to government-sponsored enterprises through established programs, as well as commercial loan sales through participation agreements, and other individual or portfolio loan and securities sales. In accordance with the accounting guidance for asset transfers, the Company considers any ongoing involvement with transferred assets in determining whether the assets should be derecognized from the balance sheet. With the exception of servicing, the Company's continuing involvement with financial assets sold is minimal, and generally is limited to market customary representation and warranty clauses covering certain characteristics of the mortgage loans that were sold, and the Company's origination process. The gain or loss on sale depends on the previous carrying amount of the transferred financial assets, the consideration received, and the fair value of any other assets obtained or liabilities incurred in exchange for the transferred assets.

When the Company sells financial assets, it may retain servicing rights and/or other interests in the financial assets. Servicing assets and any other interests held by the Company are initially measured at fair value, and subsequently measured using the amortization method.

Securities Sold Under Agreements to Repurchase

These agreements are accounted for as secured financing transactions since the Company maintains effective control over the transferred investment securities and the transfer meets the other criteria for such treatment. Obligations to repurchase the sold investment securities are reflected as a liability on the accompanying Consolidated Balance Sheets. The investment securities sold with agreement to repurchase to wholesale dealers are transferred to a custodial account for the benefit of the dealer or to the bank with whom each transaction is executed. The dealers or banks may sell, loan, or otherwise dispose of such securities to other parties in the normal course of their operations and agree to resell to the Company the same securities at the maturity date of the agreement. The Company also enters into repurchase agreements with Bank customers. The investment securities sold to Bank customers with agreements to repurchase are not transferred, but internally pledged to the repurchase agreement transaction. As such, the underlying investment securities pledged remain on the accompanying Consolidated Balance Sheets. Additional information regarding securities sold under agreements to repurchase can be found within Note 10: Borrowings.

Loans and Leases

Loans and leases are stated at the principal amount outstanding, net of amounts charged-off, unamortized premiums and discounts, and deferred loan and lease fees or costs, which are recognized as yield adjustments in interest income using the effective interest method. These yield adjustments are amortized over the contractual life of the related loans and leases and are adjusted for prepayments as they occur. Interest on loans and leases is credited to interest income as earned based on the interest rate applied to principal amounts outstanding. The Company has elected to present accrued interest receivable separately from the amortized cost basis of Loans and leases on the accompanying Consolidated Balance Sheets. Amounts of cash receipts and cash payments for loans and leases are presented net within Investing activities on the Consolidated Statements of Cash Flows.

Non-accrual Loans

Loans are placed on non-accrual status when full collection of principal and interest in accordance with contractual terms is not expected based on available information, which generally occurs when principal or interest payments become 90 days delinquent unless the loan is well secured and in the process of collection, or sooner if circumstances indicate that the borrower may be unable to meet contractual principal or interest payments. The Company considers a loan to be “well-secured” when it is secured by collateral in the form of liens on, or pledges of, real or personal property that have a realizable value sufficient to discharge the debt in full, or when it is secured by a contractual guarantee of a financially responsible party. The Company considers a loan “in the process of collection” if collection of the debt is proceeding in due course either through legal action or through collection efforts not involving legal action that are reasonably expected to result in repayment of the debt or in its restoration to a current status in the near future.

When loans and leases are placed on non-accrual status, the accrual of interest income and the amortization or accretion of premiums, discounts, and deferred fees and costs is discontinued, and any previously accrued interest is reversed as a reduction of interest income. For commercial loans and leases, if the Company determines that repayment of non-accrual loans and leases is not expected, any payment received is applied to principal until the unpaid balance has been fully recovered. Any excess is then credited to interest income. For consumer loans, if the Company determines that principal can be repaid, interest payments are taken into income as received on a cash basis.

Loans are generally removed from non-accrual status when they become current as to principal and interest or demonstrate a period of performance under the contractual terms and, in the opinion of management, are fully collectible as to principal and interest. For commercial loans, a sustained period of repayment performance is generally required. Pursuant to regulatory guidance, a loan discharged under Chapter 7 of the U.S. bankruptcy code is removed from non-accrual status when full repayment of the remaining pre-discharged contractual principal and interest is expected, and there have been at least six consecutive months of current payments. Additional information regarding non-accrual loans and leases can be found within Note 4: Loans and Leases.

Allowance for Credit Losses on Loans and Leases

The ACL on loans and leases, which is established through a provision charged to expense, is a contra-asset account that offsets the amortized cost basis of loans and leases for the credit losses that are expected to occur over the life of the asset. Executive management reviews and advises on the adequacy of the allowance on a quarterly basis, which is maintained at a level that management deems to be sufficient to cover expected credit losses within the loan and lease portfolios. An ACL on accrued interest for a loan is not measured since accrued interest income is reversed against interest income for non-accrual loans immediately after their non-accrual classification.

The ACL on loans and leases is determined using the CECL model, whereby an expected lifetime credit loss is recognized at the origination or purchase of an asset, including those acquired through a business combination, which is then reassessed at each reporting date over the contractual life of the asset. The calculation of expected credit losses includes consideration of past events, current conditions, and reasonable and supportable economic forecasts that affect the collectability of the reported amounts. Generally, expected credit losses are determined through a pooled, collective assessment of loans and leases with similar risk characteristics. However, if the risk characteristics of a loan or lease change such that it no longer aligns to that of the collectively assessed pool, it is removed from the population and individually assessed for credit losses. The total ACL on loans and leases recorded by management represents the aggregated estimated credit loss determined through both the collective and individual assessments.

Collectively Assessed Loans and Leases. Collectively assessed loans and leases are segmented based on product type and credit quality, and expected losses are determined using models that follow a PD, LGD, or EAD framework. Under these frameworks, expected credit losses are calculated as the product of the probability of a loan defaulting, expected loss rate given the occurrence of a default, and the expected exposure of a loan at default. Summing the product across loans over their lives yields the lifetime expected credit losses for a given portfolio. The Company's PD and LGD calculations are predictive models that measure the current risk profile of the loan pools using forecasts of future macroeconomic conditions, historical loss information, loan-level risk attributes, and credit quality indicators. The calculation of EAD follows an iterative process to determine the expected remaining principal balance of a loan based on historical paydown rates for loans of a similar segment within the same portfolio. The calculation of portfolio exposure in future quarters incorporates expected losses, the loan's amortization schedule, and prepayment rates.

The Company incorporates forecasts of macroeconomic variables in the determination of expected credit losses. Macroeconomic variables are selected for each class of financing receivable based on relevant factors, such as asset type and the correlation of the variables to credit losses, among others. Data from the forecast scenario of these macroeconomic variables are used as inputs to the modeled loss calculation.

The Company's models incorporate a baseline and a downside macroeconomic forecast scenario, and management weights the scenarios based on reviews of variable forecasts and comparisons to expectations using readily available data to arrive at a macroeconomic scenario for each quarter end over a reasonable and supportable forecast period. The development of the reasonable and supportable forecast assumes that each portfolio will revert to its long-term loss rate expectation. The reasonable and supportable forecast period is two years, after which the reversion period is one year. Models use output reversion and revert to mean historical portfolio and risk rating specific loss rates on a straight-line basis in the third year of the forecast.

The commercial models use unemployment, gross domestic product, corporate profits, housing starts, and retail sales (for commercial unfunded); the residential models use the Case-Shiller Home Price Index and the Federal Housing Finance Agency Home Price Index. Forecasted economic scenarios are sourced from a third party. Data from the baseline forecast scenario is used as the input to the modeled loss calculation. Changes in forecasts of macroeconomic variables will impact expectations of lifetime credit losses calculated by the loss models. However, the impact of changes in macroeconomic forecasts may be different for each portfolio and will reflect the credit quality and nature of the underlying assets at that time.

A portion of the collective ACL is comprised of qualitative adjustments for risk characteristics that are not reflected or captured in the quantitative models, but are likely to impact the measurement of estimated credit losses. Qualitative adjustments are based on management's judgment of the Company, market, industry, or business specific data, and may be applied in relation to economic forecasts when relevant facts and circumstances are expected to impact credit losses, particularly in times of significant volatility in economic activity. Qualitative factors that are generally used in the Company's models for all loan and lease portfolios include, but are not limited to, nature and volume of portfolio growth, credit quality trends, underwriting exception levels, quality of internal loan review, credit concentrations, and staffing trends.

In addition to the above considerations, the ACL calculation includes expectations of prepayments and recoveries. Extensions, renewals, and modifications are not included in the collective assessment.

Individually Assessed Loans and Leases. When loans and leases no longer align to the risk characteristics of the collectively assessed pool, they are removed from the collectively assessed population and individually assessed for credit losses. Generally, all non-accrual loans and loans with a charge-off are individually assessed.

Individual assessment for commercial loans that are considered to be collateral dependent is based on the fair value of the collateral less estimated cost to sell, the present value of the expected cash flows from the operation of the collateral, or a probability-weighted scenario approach of both of these methods. If a loan is not collateral dependent, the individual assessment is based on a discounted cash flow approach. For collateral dependent commercial loans and leases, the Company's process requires the Company to determine the fair value of the collateral by obtaining a third-party appraisal or asset valuation, an interim valuation analysis, blue book reference, or other internal methods. Whenever the Company has a third-party real estate appraisal performed by independent licensed appraisers, a licensed in-house appraisal officer or qualified individual reviews these appraisals for compliance with the Financial Institutions Reform Recovery and Enforcement Act and the Uniform Standards of Professional Appraisal Practice.

Individual assessment for consumer loans are based on the fair value of collateral less the estimated costs to sell or loss factor approach based on historical loss rates. For residential and consumer collateral dependent loans, a third-party appraisal is obtained upon loan default. Fair value of the collateral for residential and consumer collateral dependent loans is reevaluated every six months, by either obtaining a new appraisal or other internal valuation method. Fair value is also reassessed, with any excess amount charged off, for residential and home equity loans that reach 180 days past due per Federal Financial Institutions Examination Council guidelines.

A fair value shortfall relative to the amortized cost balance is reflected as an allowance within the ACL on loans and leases. Subsequent to an appraisal or other fair value estimate, should reliable information come to management's attention that the value has declined further, an additional allowance may be recorded to reflect the particular situation, thereby increasing the ACL on loans and leases. If the credit quality subsequently improves, the allowance is reversed up to a maximum of the previously recorded credit losses. Any individually assessed loan for which no specific allowance is necessary is the result of either sufficient cash flow or sufficient collateral coverage relative to the amortized cost. Additional information regarding the ACL on loans and leases can be found within Note 4: Loans and Leases.

Charge-off of Uncollectible Loans

If all or a portion of a loan is deemed to be no longer collectible upon the occurrence of a loss-confirming event, a charge-off may be recognized. Charge-offs reduce the amortized cost basis of the loan with a corresponding reduction to the ACL. For commercial loans, loss confirming events usually involve the receipt of specific adverse information about the borrower. The Company will generally recognize charge-offs for commercial loans on a case-by-case basis based on the review of the entire credit relationship and financial condition of the borrower. Loss-confirming events for consumer loans, such as bankruptcy or protracted delinquency, are typically based on established thresholds rather than by specific adverse information about the borrower.

PCD Loans and Leases

PCD loans and leases are defined as those that have experienced a more-than-insignificant deterioration in credit quality since origination. The Company considers a variety of factors to evaluate and identify whether acquired loans are PCD, including but not limited to, nonaccrual status, delinquency, whether the borrower is experiencing financial difficulty, partial charge-offs, decreases in FICO scores, risk rating downgrades, and other factors. Upon acquisition, expected credit losses are added to the fair value of individual PCD loans and leases to determine the amortized cost basis. After initial recognition, any changes to the estimate of expected credit losses, favorable or unfavorable, are recorded as a provision for credit loss during the period of change.

PCD accounting is also applied to loans and leases previously charged-off by the acquiree if the Company has contractual rights to the cash flows at the acquisition date. The Company recognizes an additional ACL for amounts previously charged-off by the acquiree with a corresponding increase to the amortized costs basis of the acquired asset. Balances deemed to be uncollectible are immediately charged-off in accordance with the Company's charge-off policies, resulting in the establishment of the initial ACL for PCD loans and leases to be recorded net of these uncollectible balances.

Allowance for Credit Losses on Unfunded Loan Commitments

The ACL on unfunded loan commitments provides for potential exposure inherent with funding the unused portion of legal commitments to lend that are not unconditionally cancellable by the Company. Accounting for unfunded loan commitments follows the CECL model. The calculation of the allowance includes the probability of funding to occur and a corresponding estimate of expected lifetime credit losses on amounts assumed to be funded. Loss calculation factors are consistent with the ACL methodology for funded loans using the PD and LGD applied to the underlying borrower risk and facility grades, a draw down factor applied to utilization rates, relevant forecast information, and management's qualitative factors. The ACL on unfunded credit commitments is included within Accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets. Additional information regarding the ACL on unfunded loan commitments can be found within

Note 22: Commitments and Contingencies.

Foreclosed and Repossessed Assets

Real estate acquired through foreclosure or completion of a deed in lieu of foreclosure and other assets acquired through repossession are recorded at fair value less estimated cost to sell at the date of transfer. Subsequent to the acquisition date, the foreclosed and repossessed assets are carried at the lower of cost or fair value less estimated selling costs and are included within Accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets. Independent appraisals generally are obtained to substantiate fair value and may be subject to adjustment based upon historical experience or specific geographic trends impacting the property. Upon transfer to OREO, the excess of the loan balance over fair value less cost to sell is charged off against the ACL. Subsequent write-downs in value, maintenance costs as incurred, and gains or losses upon sale are charged to Other expense on the accompanying Consolidated Statements of Income.

Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets, as illustrated in the following table. If shorter, leasehold improvements are amortized over the terms of the respective leases.

	<u>Minimum</u>	-	<u>Maximum</u>	
Building and improvements	5	-	40	years
Leasehold improvements	5	-	20	years
Furniture, fixtures, and equipment	5	-	10	years
Data processing equipment and software	3	-	7	years

Repairs and maintenance costs are expensed as incurred, while significant improvements are capitalized. Property and equipment that is actively marketed for sale is reclassified to assets held for disposition. The cost and accumulated depreciation and amortization of property and equipment that is sold, retired, or otherwise disposed of, is eliminated from accounts and any resulting gain or loss is included in Other expense on the accompanying Consolidated Statements of Income. Additional information regarding property and equipment can be found within Note 5: Premises and Equipment.

Operating Leases

The Company determines if an arrangement is a lease at inception by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. As lessee, operating leases with a term greater than one year are recognized as lease liabilities and corresponding ROU assets on the lease commencement date. The Company has elected the short-term lease practical expedient; as such, the Company does not recognize lease liabilities and ROU assets on operating leases with terms of one year or less. An ROU asset is measured based on the present value of the future minimum lease payments, adjusted for any initial direct costs, incentives, or other payments prior to the lease commencement date. A lease liability represents a legal obligation to make lease payments and is measured based on the present value of the future minimum lease payments. The Company utilizes the incremental borrowing rate, which is the rate of interest that would be incurred to borrow on a collateralized basis over a similar term on an amount equal to the lease payments in a similar economic environment since the interest rate implicit in the lease contract is typically not readily determinable. Variable lease payments that are dependent on either an index or rate are initially measured using the index or rate at the commencement date and included in the measurement of the lease liability. Renewal options are not included as part of the ROU asset or lease liability unless the renewal option is deemed reasonably certain to be exercised. ROU assets and operating lease liabilities are included in Premises and equipment and Accrued expenses and other liabilities, respectively, on the accompanying Consolidated Balance Sheets.

For real estate leases, lease components and non-lease components are accounted for as a single lease component. For equipment leases, lease components and non-lease components are accounted for separately. Operating lease expense, which is comprised of operating lease costs and variable lease costs, net of sublease income, is amortized on a straight-line basis and reflected as a part of Occupancy or Technology and equipment expense on the accompanying Consolidated Statements of Income. Additional information regarding the Company's lessee arrangements can be found within Note 6: Leasing.

Goodwill

Goodwill represents the excess purchase price of businesses acquired over the fair value of the identifiable net assets acquired and is assigned to specific reporting units. Goodwill is not subject to amortization but rather is evaluated for impairment annually, or more frequently if events occur or circumstances change indicating it would more likely than not result in a reduction of the fair value of the reporting units below their carrying value, including goodwill.

Goodwill may be evaluated for impairment by first performing a qualitative assessment. If the qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, or, if for any other reason the Company determines it to be appropriate, then a quantitative assessment will be performed. The quantitative assessment process utilizes an income and market approach to arrive at an indicated fair value range for the reporting units. The fair value calculated for each reporting unit is compared to its carrying amount, including goodwill, to ascertain if goodwill impairment exists. If the fair value exceeds the carrying amount, including goodwill for a reporting unit, it is not considered to be impaired. If the fair value is below the carrying amount, including goodwill for a reporting unit, then an impairment charge is recognized for the amount by which the carrying amount exceeds the calculated fair value, up to but not exceeding the amount of goodwill allocated to the reporting unit. The resulting amount is charged to Other expense on the accompanying Consolidated Statements of Income.

The Company completed a quantitative assessment for its reporting units during its most recent annual impairment review. Based on this quantitative assessment, the Company determined that there was no evidence of impairment to the balance of its goodwill. Additional information regarding goodwill can be found within Note 7: Goodwill and Other Intangible Assets.

Other Intangible Assets

Other intangible assets represent purchased assets that lack physical substance but can be distinguished from goodwill because of contractual or other legal rights, or because they are capable of being sold or exchanged either separately or in combination with a related contract, asset, or liability. Other intangible assets with finite useful lives, such as core deposits and customer relationships, are amortized to non-interest expense over their estimated useful lives and are evaluated for impairment whenever events occur or circumstances change indicating that the carrying amount of the asset may not be recoverable. Recognized impairment losses are charged to Other expense on the accompanying Consolidated Statements of Income. Additional information regarding other intangible assets can be found within Note 7: Goodwill and Other Intangible Assets.

Cash Surrender Value of Life Insurance

Bank-owned life insurance represents the cash surrender value of life insurance policies on certain current and former employees of Webster and Sterling, and employees of banks that Webster and Sterling had previously acquired. Cash surrender value increases and decreases are recorded in Non-interest income. Death benefit proceeds in excess of the cash surrender value are recorded in Other income upon the death of the insured.

Revenue From Contracts With Customers

Revenue from contracts with customers comprises non-interest income earned in exchange for services provided to customers and is recognized either when services are completed or as they are rendered. These revenue streams include Deposit service fees, Wealth and investment services, and non-significant portions of Loan and lease related fees and Other income on the accompanying Consolidated Statements of Income. The Company identifies the performance obligations included in its contracts with customers, determines the transaction price, allocates the transaction price to the performance obligations, as applicable, and recognizes revenue when the performance obligations are satisfied. Services provided over a period of time are generally transferred to customers evenly over the term of the contracts, and revenue is recognized evenly over the period the services are provided. On the accompanying Consolidated Balance Sheets, deferred costs to obtain contracts are included in Accrued interest receivable and other assets, and deferred revenue is included in Accrued expenses and other liabilities. Payment terms vary by services offered, and generally the time between the completion of performance obligations and receipt of payment is not significant. Additional information regarding contracts with customers can be found within Note 21: Revenue from Contracts with Customers.

Stock-Based Compensation

The Company maintains a stock compensation plan that provides for the grant of stock options, stock appreciation rights, restricted stock, performance-based stock, and stock units to employees and directors. Share awards are issued from available treasury shares. Stock compensation expense is recognized over the required service vesting period for each award based on the grant date fair value, and is included within Compensation and benefits expense on the accompanying Consolidated Statements of Income. For time-based restricted stock awards and average return on equity performance-based restricted stock awards, fair value is measured using the closing price of Webster common stock at the grant date. For total stockholder return performance-based restricted stock awards, fair value is measured using the Monte Carlo simulation model. Performance-based restricted stock awards ultimately vest in a range from 0% to 150% of the target number of shares under the grant. Compensation expense may be subject to adjustment based on management's assessment of the Company's average return on equity performance relative to the target number of shares condition. Stock option awards use the Black-Scholes Option-Pricing Model to measure fair value at the grant date. Forfeiture of stock awards are accounted for as they occur. Excess tax benefits or tax deficiencies result when tax return deductions differ from recognized compensation cost determined using the grant-date fair value approach for financial statement purposes. Dividends are paid on time-based shares upon grant and are non-forfeitable, while dividends

are accrued on performance-based awards and are paid with the vested shares when the performance target is met. Additional information regarding share-based compensation can be found within Note 19: Stock-Based Compensation Plans.

Income Taxes

Income tax expense (benefit) is comprised of two components, current and deferred. The current component represents income taxes payable or refundable for the current period based on applicable tax laws, while the deferred component represents the tax effects of temporary differences between amounts recognized for financial accounting and tax purposes. DTAs and DTLs reflect the tax effects of such differences that are anticipated to result in taxable or deductible amounts in the future when the temporary differences reverse. DTAs are recognized if it is more likely than not that they will be realized, and may be reduced by a valuation allowance if it is more likely than not that all or some portion will not be realized.

Uncertain tax positions that meet a more likely than not recognition threshold are initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority based on knowledge of all relevant information. The determination of whether or not a tax position meets the more likely than not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management judgment. The Company recognizes interest and penalties on uncertain tax positions and interest on refundable income taxes as a component of Income tax expense and Other income, respectively, on the accompanying Consolidated Statements of Income. Additional information regarding income taxes can be found within Note 8: Income Taxes.

Earnings per Common Share

Earnings per common share is calculated under the two-class method. Basic earnings per common share is computed by dividing earnings applicable to common stockholders by the weighted-average number of common shares outstanding, excluding outstanding participating securities, during the pertinent period. Diluted earnings per common share is computed using the weighted-average number of shares determined for the basic earnings per common share computation plus the dilutive effect of shares resulting from stock compensation and warrants for common stock using the treasury stock method. The identification of the Company's participating securities and a reconciliation between the weighted-average common shares used in calculating basic earnings per common share and the weighted-average common shares used in calculating diluted earnings per common share can be found within Note 15: Earnings Per Common Share.

Comprehensive Income (Loss)

Comprehensive income (loss) includes all changes in equity during the period, except those resulting from transactions with stockholders. Comprehensive income (loss) comprises net income and the after-tax effect changes in the following items: net unrealized gain (loss) on available-for-sale securities, net unrealized gain (loss) on derivative instruments, and net actuarial gain (loss) related to defined benefit pension and other postretirement benefit plans. Comprehensive income (loss) is reported on the accompanying Consolidated Statements of Stockholders' Equity and the accompanying Consolidated Statements of Comprehensive Income. Income tax effects of these items are released from Comprehensive income (loss) contemporaneously with the related gross pretax amount. Additional information regarding comprehensive income (loss) can be found within Note 12: Accumulated Other Comprehensive (Loss), Net of Tax.

Derivative Instruments and Hedging Activities

Derivatives are recognized at fair value and are included in Accrued interest receivable and other assets and Accrued expenses and other liabilities, as applicable, on the accompanying Consolidated Balance Sheets. The value of exchange-traded contracts is based on quoted market prices, whereas non-exchange traded contracts are valued based on dealer quotes, pricing models, discounted cash flow methodologies, or similar techniques in which the determination of fair value may require management judgment or estimation. Net cash flows from derivative contract assets and liabilities are presented within Operating activities on the accompanying Consolidated Statements of Cash Flows.

Derivatives Designated in Hedge Relationships. The Company uses derivatives to hedge exposures or to modify interest rate characteristics for certain balance sheet accounts under its interest rate risk management strategy. The Company designates derivatives in qualifying hedge relationships either as fair value or cash flow hedges for accounting purposes. Derivative financial instruments receive hedge accounting treatment if they are qualified and are properly designated as a hedge, and remain highly effective in offsetting changes in the fair value or cash flows attributable to the risk being hedged, both at hedge inception and on an ongoing basis throughout the life of the hedge. Quarterly prospective and retrospective assessments are performed to ensure hedging relationships continue to be highly effective. If a hedge relationship is no longer highly effective, hedge accounting would be discontinued.

The change in fair value on a derivative that is designated and qualifies as a fair value hedge, as well as the offsetting change in fair value on the hedged item attributable to the risk being hedged, is recognized in earnings. The gain or loss on a derivative that is designated and qualifies as a cash flow hedge is initially recorded as a component of AOCL, and either subsequently reclassified to interest income as hedged interest payments are received or to interest expense as hedged interest payments are made during the same period in which the hedged transaction affects earnings.

Derivatives Not Designated in Hedge Relationships. The Company also enters into derivative transactions that are not designated in hedge relationships. Derivative financial instruments not designated in hedge relationships are recorded at fair value with changes in fair value recognized in Other income on the accompanying Consolidated Statements of Income.

Offsetting Assets and Liabilities. Derivative assets and derivative liabilities with the same counterparty are presented on a net basis in Accrued interest receivable and other assets or Accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets when master netting agreements are in place. Cash collateral paid or received for non-exchange cleared transactions are presented net with the associated derivative assets and derivative liabilities. Securities collateral is not offset. Amounts paid to dealers for initial margin are also included in Accrued interest receivable and other assets. Additional information regarding derivatives can be found within Note 16: Derivative Financial Instruments.

Fair Value Measurements

The Company measures many of its assets and liabilities on a fair value basis in accordance with ASC Topic 820, Fair Value Measurement. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is used to measure certain assets and liabilities on a recurring basis when fair value is the primary basis of accounting, and on a non-recurring basis when evaluating assets or liabilities for impairment. Additional information regarding the Company's policies and methodologies used to measure fair value can be found within Note 17: Fair Value Measurements.

Employee Retirement Benefit Plans

The Company sponsors defined contribution postretirement benefit plans that are established under Section 401(k) of the Internal Revenue Code. Expenses to maintain the plans, as well as employer contributions, are charged to Compensation and benefits on the accompanying Consolidated Statements of Income.

The Bank had offered a qualified noncontributory defined benefit pension plan and a non-qualified SERP to eligible employees and key executives who met certain age and service requirements, both of which were frozen effective December 31, 2007. The Bank also provides for OPEB to certain retired employees. In connection with the merger with Sterling, the Company also assumed the benefit obligations of Sterling's non-qualified SERP and OPEB plans.

Pension contributions are funded in accordance with the requirements of the Employee Retirement Income Security Act. Net periodic benefit cost (income), which is based upon actuarial computations of current and future benefits for eligible employees, are charged to Other expense on the accompanying Consolidated Statements of Income. The funded status of the plans is recorded as an asset when over-funded or a liability when under-funded. Additional information regarding the defined benefit pension and postretirement benefit plans can be found within Note 18: Retirement Benefit Plans.

Accounting Standards Adopted During the Current Year

ASU No. 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures, to provide more transparency about income tax information through improvements to income tax disclosures, primarily related to the rate reconciliation and income taxes paid information. Specifically, the amendments in this Update require disclosure of: (i) a tabular reconciliation, using both percentages and reporting currency amounts, with prescribed categories that are required to be disclosed, and the separate disclosure and disaggregation of prescribed reconciling items with an effect equal to 5% or more of the amount determined by multiplying pretax income from continuing operations by the application statutory rate; (ii) a qualitative description of the states and local jurisdictions that make up the majority (greater than 50%) of the effect of the state and local income taxes; and (iii) amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign taxes and by individual jurisdictions that comprise 5% or more of total income taxes paid, net of refunds received. The amendments in this Update also include certain other amendments to improve the effectiveness of income tax disclosures.

The Company adopted the Update as of December 31, 2025, on a retrospective basis. Refer to the section captioned "Disaggregation of Income Taxes Paid" earlier in this Note 1: Summary of Significant Accounting Policies and Note 8: Income Taxes for the incorporation of such additional income tax disclosure information.

Relevant Accounting Standards Issued But Not Yet Adopted

ASU No. 2024-03—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires entities to disclose specified information about certain costs and expenses in the notes to financial statements at each interim and annual reporting period, including the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depletion included in each relevant expense caption. For the employee compensation category, bank holding companies may continue to present compensation expense on the face of the income statement in accordance with Regulation S-X Rule 210.9-04. A qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively are also required to be disclosed. In addition, entities must disclose the total amount of selling expenses and, in annual reporting periods, their definition of selling expenses.

The Update is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments may be applied on either a prospective or retrospective basis. The Company is currently evaluating this guidance to determine the impact on its non-interest expense disclosures; however, the impact is not expected to be material.

ASU No. 2025-06—Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the FASB issued ASU No. 2025-06—Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, to modernize the accounting framework for internal-use software development. The amendments eliminate the requirement to evaluate software development stages and instead introduce a principles-based capitalization threshold. Under the new guidance, entities begin capitalizing costs when (i) management authorizes and commits to funding the project, and (ii) it is probable the project will be completed, and the software will be used to perform its intended function (the “probable-to-complete” threshold).

The Update is effective for annual periods beginning after December 15, 2027, including interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments may be applied using either a prospective, modified, or retrospective transition approach. The Company is currently evaluating this guidance to determine the impact on its internal-use software costs capitalization policy and financial statement presentation.

ASU No. 2025-08—Financial Instruments—Credit Losses (Topic 326): Purchased Loans

In November 2025, the FASB issued ASU No. 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans, which expands the gross-up approach under CECL beyond PCD assets to include certain purchased seasoned loans. Under the amendments, loans (excluding credit cards) acquired without credit deterioration and deemed “seasoned,” as defined in the Update, are considered purchased seasoned loans and accounted for using the gross-up approach at acquisition. The Update also clarifies that any difference between the unpaid principal balance and the grossed-up basis is a non-credit discount or premium, which is to be accreted or amortized into interest income over the term of the loan.

The Update is effective for annual periods beginning after December 15, 2026, including interim periods within those fiscal years, with early adoption permitted. The amendments are to be applied prospectively. The Company is currently evaluating this guidance to determine the impact on its consolidated financial statements.

ASU No. 2025-09—Derivatives and Hedging (Topic 815): Hedge Accounting Improvements

In November 2025, the FASB issued ASU No. 2025-09, Derivatives and Hedging (Topic 815): Hedge Accounting Improvements, which introduces targeted refinements to simplify and expand hedge accounting. The amendments (i) permit designation of groups of forecasted transactions with similar risk exposure in a cash flow hedge, (ii) provide an optional model for hedging choose-your-rate debt instruments to maintain continuity when contractual terms allow index or tenor changes, (iii) allow designation of variable price components of forecasted purchases or sales of nonfinancial items, and (iv) remove the presumption that a derivative instrument that results from combining a written option and any other non-option derivative are automatically a written option. The Update also eliminates presentation mismatches for dual hedge strategies involving foreign-currency-denominated debt.

The Update is effective for annual periods beginning after December 15, 2026, including interim periods within those fiscal years, with early adoption permitted. The amendments are to be applied prospectively. The Company is currently evaluating this guidance to determine the impact on its consolidated financial statements.

Note 2: Business Developments

SecureSave Acquisition

On December 4, 2025, the Company acquired SecureSave, a financial technology company that partners with employers to offer employees FDIC-insured emergency savings accounts funded through automatic payroll deductions to help budget for unexpected expenses. The acquisition provided the Company with a new source of low-cost deposits with potential for growth, access to SecureSave's existing client partnerships, and enhanced the Company's financial wellness offerings.

Prior to the acquisition, the Company had a 17% interest in SecureSave. Upon acquisition, the Company remeasured its previously held equity interest in SecureSave to its acquisition-date fair value of \$8.0 million, and recognized an insignificant loss in Other income on the accompanying Consolidated Statement of Income.

The total consideration transferred was \$34.9 million, which reflects the purchase price for the remaining 83% of the business, and included cash paid at closing of \$26.5 million and contingent consideration with an acquisition-date fair value of \$8.4 million. The contingent consideration is payable in cash up to a maximum \$35.0 million, based upon the achievement of deposit growth performance targets at three consecutive annual measurement dates beginning December 31, 2026. Additional information regarding the determination of fair value for contingent consideration liabilities can be found within Note 17: Fair Value Measurements.

The acquisition was accounted for as a business combination. The total consideration transferred was preliminarily allocated to \$13.5 million of net identifiable assets acquired, measured at fair value, which primarily comprised a \$7.6 million core deposit intangible asset and a \$1.9 million non-competition agreement intangible asset. The associated core deposit intangible asset is being amortized on an accelerated basis over an estimated useful life of 10 years, which represents the period over which the expected economic benefits are anticipated to be received. The non-competition agreement intangible asset is being amortized on a straight-line basis over an estimated useful life of 3 years. The Company considers its valuations of other intangible assets and, in turn, the related deferred tax impact, to be provisional at December 31, 2025.

The \$29.5 million of preliminary goodwill recognized, which represents the future economic benefits arising from acquiring SecureSave primarily due to expected synergies, is not deductible for tax purposes. Information regarding the allocation of goodwill to the Company's reportable segments can be found within Note 20: Segment Reporting.

United Community Bank HSA Portfolio Acquisition

On November 14, 2025, the Company acquired a portfolio of HSAs from United Community Bank. The transaction was accounted for as an asset acquisition, and the Company received \$10.5 million in both cash and deposits on the acquisition date. The Company also paid an 8% deposit premium based on the final settlement of deposits, which resulted in the recognition of an \$0.8 million core deposit intangible asset. The associated core deposit intangible asset is being amortized over an estimated useful life of 9 years using a 1.5% declining balance approach. This portfolio acquisition reflects a planned change in custody related to the Company's acquisition of Bend in 2022. The HSA deposits acquired in the transaction had been previously reflected as assets under administration, which are excluded from the Company's Consolidated Balance Sheets.

Elements Financial Federal Credit Union HSA Portfolio Acquisition

On October 1, 2025, the Company acquired a portfolio of HSAs from Elements Financial Federal Credit Union. The transaction was accounted for as an asset acquisition, and the Company received \$53.9 million in both cash and deposits on the acquisition date. The Company also paid a 12% deposit premium based on \$40.9 million of the total deposits settlement, which resulted in the recognition of a \$4.9 million core deposit intangible asset. The associated core deposit intangible asset is being amortized over an estimated useful life of 9 years using a 1.5% declining balance approach. This portfolio acquisition reflects a planned change in custody related to the Company's acquisition of Bend in 2022. The HSA deposits acquired in the transaction had been previously reflected as assets under administration, which are excluded from the Company's Consolidated Balance Sheets.

Allegacy Federal Credit Union HSA Portfolio Acquisition

On August 29, 2025, the Company acquired a portfolio of HSAs from Allegacy Federal Credit Union. The transaction was accounted for as an asset acquisition, and the Company received \$6.2 million in both cash and deposits on the acquisition date. The Company also paid a 12% deposit premium based on the final settlement of deposits, which resulted in the recognition of a \$0.7 million core deposit intangible asset. The associated core deposit intangible asset is being amortized over an estimated useful life of 9 years using a 1.5% declining balance approach. This portfolio acquisition reflects a planned change in custody related to the Company's acquisition of Bend in 2022. The HSA deposits acquired in the transaction had been previously reflected as assets under administration, which are excluded from the Company's Consolidated Balance Sheets.

Ametros Acquisition

On January 24, 2024, the Bank acquired all of the equity interest in Ametros from Long Ridge Capital Management (the “Seller”). Ametros is a custodian and administrator of medical funds from insurance claim settlements that helps individuals manage their ongoing medical care through its CareGuard service and proprietary technology platform. The acquisition provided the Bank with a fast-growing source of low-cost and long-duration deposits, new sources of non-interest income, and enhanced its employee benefit and healthcare financial services expertise.

The acquisition was accounted for as a business combination. Accordingly, the total purchase price, which included cash paid of \$359.7 million, the forgiveness of \$12.9 million in long-term debt, and the assumption of a \$5.8 million liability for the Seller’s transaction expenses, has been allocated to the identifiable assets acquired and liabilities assumed based on their acquisition-date fair values, as summarized in the following table:

<i>(In thousands)</i>	Fair Value
Purchase price consideration	\$ 378,424
Assets:	
Cash and due from banks	310
Premises and equipment	1,078
Other intangible assets	188,900
Deferred tax assets, net	(35,889)
Other assets:	
Funds held in escrow	288,167
Accounts receivable	2,435
Prepaid expenses	1,166
Total other assets	291,768
Total assets acquired	\$ 446,167
Liabilities:	
Interest-bearing deposits ⁽¹⁾	(20,622)
Other liabilities:	
Accounts payable	684
Accrued expenses	4,270
Deferred revenue	20,391
Members’ funds	288,167
Operating lease liabilities	\$ 838
Total other liabilities	\$ 314,350
Total liabilities assumed	\$ 293,728
Net assets acquired	152,439
Pre-existing equity interest ⁽²⁾	2,200
Goodwill	\$ 228,185

(1) The \$20.6 million reflects the amount held in Ametros’ operating cash account at the Bank on January 24, 2024. Upon acquisition, such cash and the Bank’s corresponding deposit liability owed to Ametros were eliminated in consolidation, which resulted in a decrease to interest-bearing deposits for the Bank and the Bank’s legal title to the funds being held in such operating cash account.

(2) Prior to the acquisition date, the Company had a 0.6% equity interest in Ametros. The consideration transferred reflects the purchase price for the remaining 99.4% of the business. Upon acquisition, the Company recognized a \$1.5 million gain in Other income on the accompanying Consolidated Statement of Income, which represents the difference between the cost basis and estimated acquisition-date fair value of the Company’s pre-existing equity interest in Ametros.

The Company’s valuations of the assets acquired and liabilities assumed in the Ametros acquisition were considered final as of December 31, 2024. There were no adjustments to fair value estimates recognized during the measurement period. The \$228.2 million of goodwill represents future economic benefits arising from acquiring Ametros, primarily due to its strong market position and its assembled workforce, and is not deductible for tax purposes. Information regarding the allocation of goodwill to the Company’s reportable segments can be found within Note 20: Segment Reporting.

The Company incurred \$3.1 million of professional and outside services expenses related to the acquisition of Ametros during the first quarter of 2024. The revenue and earnings related to the Ametros business since the acquisition date are included in the Company’s Consolidated Statements of Income for the years ended December 31, 2025, and 2024, and were not material.

The following is a description of the valuation methodologies used to estimate the fair values of the significant assets acquired and liabilities assumed:

Other intangible assets. The Company identified and recognized a \$182.8 million core deposit intangible asset and a \$6.1 million trade name intangible asset. A core deposit intangible asset represents the value of relationships with deposit customers. The fair value of the core deposit intangible asset was estimated using a net cost savings method, a form of discounted cash flow methodology, which gave appropriate consideration to expected client attrition rates and other applicable adjustments to the projected deposit balance, the interest cost and net maintenance cost associated with the client deposit base, an alternative cost of funds, and a discount rate that was used to discount the future economic benefits of the core deposit intangible asset to present value. The core deposit intangible asset is being amortized on an accelerated basis over an estimated useful life of 25 years, which is the period over which the estimated economic benefits are estimated to be received. The fair value of the trade name intangible asset for the Ametros brand was estimated using a relief-from-royalty methodology, which models the cost savings from owning the brand rather than licensing it from a third party. The trade name intangible asset is being amortized on a straight-line basis over an estimated useful life of 5 years.

Funds held in escrow and Members' funds. Funds held in escrow represent amounts held in interest-bearing checking accounts at insured depository institutions other than the Bank for the purpose of providing post-settlement medical administration services on a respective member's behalf. Members' funds is the corresponding liability to the Funds held in escrow. Given that these amounts can be withdrawn and/or directed for use on demand, as long as in accordance with the terms of the settlement agreement, their carrying amount is a reasonable estimate of fair value.

Joint Venture with Marathon Asset Management

On July 19, 2024, the Company, through its subsidiary, MW Advisor Holding, LLC, entered into an agreement with Marathon Asset Management and formed a private credit joint venture, which is designed to deliver direct lending solutions for sponsor-backed middle market companies across the country.

During the year ended December 31, 2025, the Company identified and sold \$247.5 million, in aggregate, of commercial non-mortgage loans comprising the seed portfolio to launch the joint venture's operations. The transfers each met the requisite criteria to be accounted for as sales in accordance with ASC 860, Transfers and Servicing. The resulting gain on sale of \$2.1 million, in aggregate, was included in Other income on the accompanying Consolidated Statements of Income and in Commercial Banking for segment reporting purposes. Upon the identification of the loans to be sold, the \$1.3 million difference, in aggregate, between the lower of the amortized cost basis of the loans and their fair value was charged-off and recognized in the Provision for credit losses on the accompanying Consolidated Statements of Income.

Multi-family Securitization

On September 30, 2024, the Company completed a multi-family securitization, in which it transferred \$303.9 million of multi-family loans (\$302.5 million carrying amount plus \$1.4 million accrued interest receivable) to a third-party depositor, who placed the multi-family loans into a third-party trust, in exchange for net cash proceeds of \$311.6 million. Through a two-step process, pass-through certificates were issued, which are secured by the multi-family loans and guaranteed by Freddie Mac. The transfer of the multi-family loans was accounted for as a sale in accordance with ASC 860, Transfers and Servicing. Servicing rights were not retained.

Per the terms of the securitization agreement, the Company assumed an obligation to reimburse Freddie Mac for any payments made under Freddie Mac's guarantee of the certificates. The reimbursement obligation covers losses up to 12% of the aggregate UPB of the multi-family loans at the time of sale, and is secured in full by an irrevocable letter of credit issued by the FHLB. Essentially, this reimbursement obligation represents a first credit loss enhancement provided by the Company to Freddie Mac. Based on the credit quality of the multi-family loans at the time of sale, among other factors, the Company estimated the fair value of its reimbursement obligation to be \$3.3 million. Including the reimbursement obligation, the transaction resulted in a net gain on sale of \$4.4 million. The carrying amount of the reimbursement obligation remained at \$3.3 million at both December 31, 2025, and 2024, and is included in Accrued expenses and other liabilities on the Consolidated Balance Sheets. The Company has not yet been required to make any guarantee payments to Freddie Mac.

Until the Company's obligation to reimburse Freddie Mac for the first 12% of losses is reduced to 25% of the initial amount, it may have the option to exercise certain contingent repurchase rights over the transferred multi-family loans, unless it elects to waive or assign those rights. At both the time of sale, and as of December 31, 2025, the Company does not intend to repurchase any of the multi-family loans.

Payroll Finance Portfolio and Sale of Factored Receivables Portfolio

In March 2024, the Company initiated a plan to actively sell its payroll finance and factored receivables loan portfolios, along with the related customer contracts. This decision was a direct result of the Company's continuous reassessment of its strategic model in an effort to identify opportunities to improve its core financial products and services. Accordingly, the aggregate \$220.2 million balance of the payroll finance and factored receivables loans, at March 31, 2024, was reclassified and transferred from held for investment to held for sale on the accompanying Consolidated Balance Sheets. Upon the transfer, the \$5.4 million ACL that was previously recorded against the payroll finance and factored receivables loans was reversed into earnings.

On September 27, 2024, the Company sold its factored receivables loan portfolio of \$124.1 million, and the related customer contracts, for proceeds of \$129.2 million. After the write-off of the factored receivables customer relationship intangible asset, which had a net carrying amount of \$19.7 million, less \$1.3 million of selling costs, the sale of assets resulted in a \$16.0 million net loss on sale. The entire net loss is included in Other income on the Consolidated Statements of Income and in the Corporate and Reconciling category for segment reporting purposes in accordance with the Company's methodology.

In December 2024, after re-evaluating its strategic priorities as part of its annual budgeting and forecasting process, the Company decided to terminate the plan of sale of its payroll finance portfolio and instead hold the loans as an investment for the foreseeable future. Accordingly, the \$133.2 million balance of the payroll finance loans, at December 31, 2024, was reclassified and transferred from held for sale to held for investment on the accompanying Consolidated Balance Sheets. Upon the transfer, a \$0.3 million ACL was re-established against the payroll finance loans.

Sale of Mortgage Servicing Rights

During the year ended December 31, 2023, the Company committed to and initiated a plan to actively market and sell the majority of its mortgage servicing portfolio. Upon making this determination, the Company treated the related mortgage servicing rights as assets held for disposition and ceased the recognition of any future amortization expense. On February 12, 2024, the Company sold the majority of its mortgage servicing portfolio, which comprised 9,184 individual residential mortgage loans with an aggregate UPB of \$1.4 billion. In connection with the sale, the Company received net cash proceeds of \$18.4 million and derecognized \$6.7 million of mortgage servicing rights. The resulting \$11.7 million net gain on sale of mortgage servicing rights is included in Other income on the Consolidated Statements of Income and in Consumer Banking for segment reporting purposes.

Note 3: Investment Securities

Available-for-Sale

The following tables summarize the amortized cost and fair value of available-for-sale securities by major type:

	December 31, 2025				
<i>(In thousands)</i>	Amortized Cost ⁽¹⁾	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Government agency debentures	\$ 222,848	\$ —	\$ (25,198)	\$ —	\$ 197,650
Municipal bonds and notes	116,750	—	(7,131)	—	109,619
Agency CMO	26,816	—	(1,960)	—	24,856
Agency MBS	5,125,433	80,370	(148,530)	—	5,057,273
Agency CMBS	3,855,392	9,057	(338,439)	—	3,526,010
CMBS	717,776	1,531	(895)	—	718,412
Corporate debt	350,996	584	(23,435)	—	328,145
Private label MBS	41,087	—	(3,035)	—	38,052
Other	9,880	—	(397)	—	9,483
Total available-for-sale	\$ 10,466,978	\$ 91,542	\$ (549,020)	\$ —	\$ 10,009,500

	December 31, 2024				
<i>(In thousands)</i>	Amortized Cost ⁽¹⁾	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Government agency debentures	\$ 222,767	\$ —	\$ (36,341)	\$ —	\$ 186,426
Municipal bonds and notes	123,885	2	(13,011)	—	110,876
Agency CMO	32,193	—	(3,150)	—	29,043
Agency MBS	4,760,541	11,654	(252,410)	—	4,519,785
Agency CMBS	3,400,021	84	(365,713)	—	3,034,392
CMBS	630,985	411	(6,008)	—	625,388
Corporate debt	496,087	801	(43,755)	(867)	452,266
Private label MBS	44,081	—	(4,862)	—	39,219
Other	9,855	—	(650)	—	9,205
Total available-for-sale	\$ 9,720,415	\$ 12,952	\$ (725,900)	\$ (867)	\$ 9,006,600

(1) Accrued interest receivable on available-for-sale securities of \$37.5 million and \$35.2 million at December 31, 2025, and 2024, respectively, is excluded from amortized cost and included in accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets.

Unrealized Losses

The following tables summarize the gross unrealized losses and fair value of available-for-sale securities by length of time each major security type has been in a continuous unrealized loss position:

	December 31, 2025						
	Less Than 12 Months		12 Months or More		Total		
<i>(Dollars in thousands)</i>	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Number of Holdings	Fair Value	Gross Unrealized Losses
Government agency debentures	\$ —	\$ —	\$ 197,650	\$ (25,198)	15	\$ 197,650	\$ (25,198)
Municipal bonds and notes	—	—	108,944	(7,131)	36	108,944	(7,131)
Agency CMO	—	—	24,856	(1,960)	25	24,856	(1,960)
Agency MBS	15,368	(22)	1,197,592	(148,508)	301	1,212,960	(148,530)
Agency CMBS	542,126	(10,939)	2,395,394	(327,500)	184	2,937,520	(338,439)
CMBS	151,663	(362)	72,197	(533)	16	223,860	(895)
Corporate debt	14,948	(52)	297,613	(23,383)	41	312,561	(23,435)
Private label MBS	—	—	38,052	(3,035)	3	38,052	(3,035)
Other	4,994	(6)	4,489	(391)	2	9,483	(397)
Total	\$ 729,099	\$ (11,381)	\$ 4,336,787	\$ (537,639)	623	\$ 5,065,886	\$ (549,020)

	December 31, 2024						
	Less Than 12 Months		12 Months or More		Total		
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Number of Holdings	Fair Value	Gross Unrealized Losses
<i>(Dollars in thousands)</i>							
Government agency debentures	\$ —	\$ —	\$ 186,427	\$ (36,341)	15	\$ 186,427	\$ (36,341)
Municipal bonds and notes	859	(1)	108,013	(13,010)	57	108,872	(13,011)
Agency CMO	—	—	29,043	(3,150)	28	29,043	(3,150)
Agency MBS	2,624,722	(31,539)	1,246,818	(220,871)	370	3,871,540	(252,410)
Agency CMBS	1,468,615	(32,528)	1,540,263	(333,185)	185	3,008,878	(365,713)
CMBS	—	—	457,423	(6,008)	32	457,423	(6,008)
Corporate debt	—	—	426,805	(43,755)	59	426,805	(43,755)
Private label MBS	—	—	39,219	(4,862)	3	39,219	(4,862)
Other	—	—	9,205	(650)	2	9,205	(650)
Total	\$ 4,094,196	\$ (64,068)	\$ 4,043,216	\$ (661,832)	751	\$ 8,137,412	\$ (725,900)

The \$176.9 million decrease in gross unrealized losses of available-for-sale securities from December 31, 2024, to December 31, 2025, is primarily due to lower market interest rates and lower securities' spreads. The Company assesses each available-for-sale security that is in an unrealized loss position on a quarterly basis to determine whether the decline in fair value below the amortized cost basis is a result of any credit related factors. There was no ACL recorded on available-for-sale securities at December 31, 2025. At December 31, 2024, the ACL on available-for-sale securities was \$0.9 million, which related to a single Corporate debt security. Each of the Company's available-for-sale securities in an unrealized loss position at December 31, 2025, is investment grade, current as to principal and interest, and their price changes are consistent with interest and credit spreads when adjusting for duration, convexity, rating, and industry differences.

Based on current market conditions and the Company's targeted balance sheet composition strategy, the Company intends to hold its available-for-sale securities in unrealized loss positions through the anticipated recovery period. The issuers of these available-for-sale securities have not, to the Company's knowledge, established any cause for default. Market prices are expected to approach par as the securities approach maturity.

Contractual Maturities

The following table summarizes the amortized cost and fair value of available-for-sale securities by contractual maturity:

<i>(In thousands)</i>	December 31, 2025	
	Amortized Cost	Fair Value
Maturing within 1 year	\$ 12,514	\$ 12,495
After 1 year through 5 years	269,131	265,399
After 5 years through 10 years	880,536	851,880
After 10 years	9,304,797	8,879,726
Total available-for-sale	\$ 10,466,978	\$ 10,009,500

Available-for-sale securities that are not due at a single maturity date have been categorized based on the maturity date of the underlying collateral. Actual principal cash flows may differ from this categorization as borrowers have the right to prepay their obligations with or without prepayment penalties.

Sales of Available-for Sale Securities

The following table summarizes information related to sales of available-for-sale securities:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Proceeds from sales	\$ 14,880	\$ 2,142,462	\$ 789,603
Gross realized gains	\$ 332	\$ 2,240	\$ —
Gross realized losses ⁽¹⁾	(112)	(141,034)	(37,356)

- (1) There were no gross losses realized on sale of available-for-sale securities due to credit related factors for the year ended December 31, 2025. For the years ended December 31, 2024, and 2023, respectively, \$2.6 million and \$3.8 million of the gross losses realized on sale of available-for-sale securities were due to credit related factors and, therefore, was included in the Provision for credit losses on the accompanying Consolidated Statements of Income. The net amounts presented as a component of non-interest income for the years ended December 31, 2025, 2024, and 2023, respectively, include the portion of any gross losses that were not due to credit related factors.

Other Information

The following table summarizes the carrying value of available-for-sale securities that are pledged for deposits, borrowings, and other purposes:

<i>(In thousands)</i>	December 31,	
	2025	2024
Pledged for deposits	\$ 1,779,781	\$ 1,596,378
Pledged for borrowings and other	7,659,722	6,863,183
Total available-for-sale securities pledged	\$ 9,439,503	\$ 8,459,561

Held-to-Maturity

The following tables summarize the amortized cost, fair value, and ACL on held-to-maturity securities by major type:

<i>(In thousands)</i>	December 31, 2025					
	Amortized Cost ⁽¹⁾	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Allowance for Credit Losses	Net Carrying Value
Agency CMO	\$ 16,791	\$ —	\$ (1,071)	\$ 15,720	\$ —	\$ 16,791
Agency MBS	2,767,869	24,073	(226,089)	2,565,853	—	2,767,869
Agency CMBS	4,295,308	—	(567,040)	3,728,268	—	4,295,308
Municipal bonds and notes	824,734	989	(30,461)	795,262	(97)	824,637
CMBS	64,970	—	(1,490)	63,480	—	64,970
Total held-to-maturity	\$ 7,969,672	\$ 25,062	\$ (826,151)	\$ 7,168,583	\$ (97)	\$ 7,969,575

<i>(In thousands)</i>	December 31, 2024					
	Amortized Cost ⁽¹⁾	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Allowance for Credit Losses	Net Carrying Value
Agency CMO	\$ 19,847	\$ —	\$ (1,671)	\$ 18,176	\$ —	\$ 19,847
Agency MBS	3,109,411	771	(333,039)	2,777,143	—	3,109,411
Agency CMBS	4,357,505	414	(613,914)	3,744,005	—	4,357,505
Municipal bonds and notes	891,909	317	(40,266)	851,960	(171)	891,738
CMBS	65,690	—	(3,851)	61,839	—	65,690
Total held-to-maturity	\$ 8,444,362	\$ 1,502	\$ (992,741)	\$ 7,453,123	\$ (171)	\$ 8,444,191

(1) Accrued interest receivable on held-to-maturity securities of \$28.1 million and \$30.5 million at December 31, 2025, and 2024, respectively, is excluded from amortized cost and is included in accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets.

An ACL on held-to-maturity securities is recorded for certain Municipal bonds and notes to account for expected lifetime credit losses. Agency securities represent obligations issued by a U.S. government-sponsored enterprise or other federally related entity and are either explicitly or implicitly guaranteed, and therefore, assumed to be zero loss. Held-to-maturity securities with gross unrealized losses and no ACL are considered to be high credit quality, and therefore, zero credit loss has been recorded.

The following table summarizes the activity in the ACL on held-to-maturity securities:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Balance, beginning of period	\$ 171	\$ 209	\$ 182
(Benefit) provision for credit losses	(74)	(38)	27
Balance, end of period	\$ 97	\$ 171	\$ 209

Contractual Maturities

The following table summarizes the amortized cost and fair value of held-to-maturity securities by contractual maturity:

<i>(In thousands)</i>	December 31, 2025	
	Amortized Cost	Fair Value
Maturing within 1 year	\$ 10,463	\$ 10,465
After 1 year through 5 years	169,137	164,773
After 5 years through 10 years	273,639	269,539
After 10 years	7,516,433	6,723,806
Total held-to-maturity	\$ 7,969,672	\$ 7,168,583

Held-to-maturity securities that are not due at a single maturity date have been categorized based on the maturity date of the underlying collateral. Actual principal cash flows may differ from this categorization as borrowers have the right to prepay their obligations with or without prepayment penalties.

Credit Quality Information

The Company monitors the credit quality of held-to-maturity securities through credit ratings provided by S&P, Moody's, Fitch Ratings, Inc., Kroll Bond Rating Agency, or DBRS Inc. Credit ratings express opinions about the credit quality of a security and are updated at each quarter end. Investment grade securities are rated BBB- or higher by S&P, or Baa3 or higher by Moody's, and are generally considered by the rating agencies and market participants to be of low credit risk. Conversely, securities rated below investment grade, which are labeled as speculative grade by the rating agencies, are considered to have distinctively higher credit risk than investment grade securities. At December 31, 2025, and 2024, there were no speculative grade held-to-maturity securities. Held-to-maturity securities that are not rated are collateralized with U.S. Treasury obligations.

The following tables summarize the amortized cost of held-to-maturity securities based on their lowest publicly available credit rating:

<i>(In thousands)</i>	December 31, 2025								Not Rated
	Investment Grade								
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3		
Agency CMO	\$ —	\$ 16,791	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Agency MBS	—	2,767,869	—	—	—	—	—	—	—
Agency CMBS	—	4,295,308	—	—	—	—	—	—	—
Municipal bonds and notes	298,666	153,187	234,269	112,482	9,539	4,165	—	—	12,426
CMBS	64,970	—	—	—	—	—	—	—	—
Total held-to-maturity	\$ 363,636	\$ 7,233,155	\$ 234,269	\$ 112,482	\$ 9,539	\$ 4,165	\$ —	\$ —	\$ 12,426

<i>(In thousands)</i>	December 31, 2024								Not Rated
	Investment Grade								
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3		
Agency CMO	\$ —	\$ 19,847	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Agency MBS	—	3,109,411	—	—	—	—	—	—	—
Agency CMBS	—	4,357,505	—	—	—	—	—	—	—
Municipal bonds and notes	341,187	158,327	230,986	128,692	13,761	—	4,165	—	14,791
CMBS	65,690	—	—	—	—	—	—	—	—
Total held-to-maturity	\$ 406,877	\$ 7,645,090	\$ 230,986	\$ 128,692	\$ 13,761	\$ —	\$ 4,165	\$ —	\$ 14,791

At December 31, 2025, and 2024, there were no held-to-maturity securities past due under the terms of their agreements or in non-accrual status.

Other Information

The following table summarizes the carrying value of held-to-maturity securities that are pledged for deposits, borrowings, and other purposes:

<i>(In thousands)</i>	December 31,	
	2025	2024
Pledged for deposits	\$ 1,926,373	\$ 1,978,445
Pledged for borrowings and other	5,934,352	6,258,828
Total held-to-maturity securities pledged	\$ 7,860,725	\$ 8,237,273

Note 4: Loans and Leases

The following table summarizes loans and leases by portfolio segment and class:

<i>(In thousands)</i>	December 31,	
	2025	2024
Commercial non-mortgage	\$ 20,405,237	\$ 18,037,942
Asset-based	1,231,231	1,404,007
Commercial real estate	15,326,007	14,492,436
Multi-family	7,008,839	6,898,600
Equipment financing	1,258,882	1,235,016
Commercial portfolio	45,230,196	42,068,001
Residential	9,599,577	8,853,669
Home equity	1,370,513	1,427,692
Other consumer	396,824	155,806
Consumer portfolio	11,366,914	10,437,167
Loans and leases	\$ 56,597,110	\$ 52,505,168

The carrying amount of loans and leases at December 31, 2025, and 2024, includes net unamortized (discounts)/premiums and net unamortized deferred (fees)/costs, in aggregate, of \$16.3 million and \$(1.8) million, respectively. Accrued interest receivable of \$282.5 million and \$265.0 million at December 31, 2025, and 2024, respectively, is excluded from the carrying amount of loans and leases and included in Accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets. At December 31, 2025, the Company had pledged \$17.2 billion and \$7.2 billion of eligible loans as collateral to support borrowing capacity at the FHLB of Boston and FRB of New York, respectively.

Non-Accrual and Past Due Loans and Leases

The following tables summarize the aging of accrual and non-accrual loans and leases by class:

<i>(In thousands)</i>	December 31, 2025						
	30-59 Days Past Due and Accruing	60-89 Days Past Due and Accruing	90 or More Days Past Due and Accruing	Non-accrual	Total Past Due and Non-accrual	Current	Total Loans and Leases
Commercial non-mortgage	\$ 12,397	\$ 1,547	\$ —	\$ 165,378	\$ 179,322	\$ 20,225,915	\$ 20,405,237
Asset-based	—	—	—	66,844	66,844	1,164,387	1,231,231
Commercial real estate	23,702	838	—	182,968	207,508	15,118,499	15,326,007
Multi-family	476	—	—	41,095	41,571	6,967,268	7,008,839
Equipment financing	2,279	256	—	8,340	10,875	1,248,007	1,258,882
Commercial portfolio	38,854	2,641	—	464,625	506,120	44,724,076	45,230,196
Residential	12,163	3,074	—	18,187	33,424	9,566,153	9,599,577
Home equity	5,602	2,126	—	16,743	24,471	1,346,042	1,370,513
Other consumer	1,370	830	—	859	3,059	393,765	396,824
Consumer portfolio	19,135	6,030	—	35,789	60,954	11,305,960	11,366,914
Total	\$ 57,989	\$ 8,671	\$ —	\$ 500,414	\$ 567,074	\$ 56,030,036	\$ 56,597,110

	December 31, 2024						
<i>(In thousands)</i>	30-59 Days Past Due and Accruing	60-89 Days Past Due and Accruing	90 or More Days Past Due and Accruing	Non-accrual	Total Past Due and Non-accrual	Current ⁽¹⁾	Total Loans and Leases
Commercial non-mortgage	\$ 3,949	\$ 3,318	\$ —	\$ 248,078	\$ 255,345	\$ 17,782,597	\$ 18,037,942
Asset-based	—	21,997	—	20,787	42,784	1,361,223	1,404,007
Commercial real estate	22,115	558	—	120,151	142,824	14,349,612	14,492,436
Multi-family	2,508	26,377	—	18,043	46,928	6,851,672	6,898,600
Equipment financing	6,096	3,300	—	19,367	28,763	1,206,253	1,235,016
Commercial portfolio	34,668	55,550	—	426,426	516,644	41,551,357	42,068,001
Residential	9,595	4,604	—	12,750	26,949	8,826,720	8,853,669
Home equity	6,273	2,381	—	21,425	30,079	1,397,613	1,427,692
Other consumer	349	162	—	124	635	155,171	155,806
Consumer portfolio	16,217	7,147	—	34,299	57,663	10,379,504	10,437,167
Total	\$ 50,885	\$ 62,697	\$ —	\$ 460,725	\$ 574,307	\$ 51,930,861	\$ 52,505,168

(1) At December 31, 2024, there were \$32.7 million of commercial loans that had reached their contractual maturity but were actively in the process of being refinanced with the Company. Due to the status of these refinancings, these commercial loans have been reported as current in the table above. In January 2025, all of such commercial loans were approved and refinanced.

The following table provides additional information on non-accrual loans and leases:

	December 31,			
<i>(In thousands)</i>	2025		2024	
	Non-accrual	Non-accrual with No Allowance	Non-accrual	Non-accrual with No Allowance
Commercial non-mortgage	\$ 165,378	\$ 52,284	\$ 248,078	\$ 50,943
Asset-based	66,844	774	20,787	1,080
Commercial real estate	182,968	53,385	120,151	26,666
Multi-family	41,095	31,873	18,043	17,953
Equipment financing	8,340	181	19,367	1,809
Commercial portfolio	464,625	138,497	426,426	98,451
Residential	18,187	8,284	12,750	6,923
Home equity	16,743	8,688	21,425	12,225
Other consumer	859	—	124	3
Consumer portfolio	35,789	16,972	34,299	19,151
Total	\$ 500,414	\$ 155,469	\$ 460,725	\$ 117,602

Allowance for Credit Losses on Loans and Leases

The following table summarizes the change in the ACL on loans and leases by portfolio segment:

	Years ended December 31,								
<i>(In thousands)</i>	2025			2024			2023		
	Commercial Portfolio	Consumer Portfolio	Total	Commercial Portfolio	Consumer Portfolio	Total	Commercial Portfolio	Consumer Portfolio	Total
ACL on loans and leases:									
Balance, beginning of period	\$ 635,871	\$ 53,695	\$ 689,566	\$ 577,663	\$ 58,074	\$ 635,737	\$ 533,125	\$ 61,616	\$ 594,741
Adoption of ASU No. 2022-02	—	—	—	—	—	—	7,704	(1,831)	5,873
Provision (benefit)	171,757	37,291	209,048	225,599	(4,856)	220,743	138,057	5,152	143,209
Charge-offs	(181,764)	(7,526)	(189,290)	(171,460)	(5,010)	(176,470)	(104,509)	(12,703)	(117,212)
Recoveries	5,513	4,574	10,087	4,069	5,487	9,556	3,286	5,840	9,126
Balance, end of period ⁽¹⁾	\$ 631,377	\$ 88,034	\$ 719,411	\$ 635,871	\$ 53,695	\$ 689,566	\$ 577,663	\$ 58,074	\$ 635,737
Individually evaluated for credit losses	79,196	799	79,995	68,013	693	68,706	43,559	4,635	48,194
Collectively evaluated for credit losses	\$ 552,181	\$ 87,235	\$ 639,416	\$ 567,858	\$ 53,002	\$ 620,860	\$ 534,104	\$ 53,439	\$ 587,543

(1) The \$29.8 million increase in the ACL on loans and leases from December 31, 2024, to December 31, 2025, is primarily due to additional reserves resulting from changes in the macroeconomic forecast, economic uncertainty, and loan growth, partially offset by net charge-offs, improvements in risk rating migration, and changes in commercial portfolio mix.

Concentrations of Credit Risk

Concentrations of credit risk may exist when a number of borrowers are engaged in similar activities, or activities in the same geographic region, and have similar economic characteristics that would cause them to be similarly impacted by changes in economic or other conditions. Concentrations of credit risk are controlled and monitored as part of the Company's credit policies and procedures. The Company is a regional financial services holding company in the Northeast U.S. with a commercial concentration primarily in five geographic markets: New York City, Other New York Counties, Connecticut, New Jersey, and Massachusetts; and secondarily in the Southeast and Other states. At December 31, 2025, and 2024, the Company's concentration of credit risk associated with commercial real estate and multi-family loans, in aggregate, represented 39.5% and 40.7% of total loans and leases, respectively. At December 31, 2025, and 2024, the Company's concentration of credit risk associated with commercial non-mortgage loans represented 36.0% and 34.4% of total loans and leases, respectively.

Credit Quality Indicators

To measure credit risk for the commercial portfolio, the Company employs a dual grade credit risk grading system for estimating the PD and LGD. The credit risk grade system assigns a rating to each borrower and to the facility, which together form a Composite Credit Risk Profile. The credit risk grade system categorizes borrowers by common financial characteristics that measure the credit strength of borrowers and facilities by common structural characteristics. The Composite Credit Risk Profile has ten grades, with each grade corresponding to a progressively greater risk of loss. Grades (1) to (6) are considered pass ratings, and grades (7) to (10) are considered criticized, as defined by the regulatory agencies. A (7) "Special Mention" rating has a potential weakness that, if left uncorrected, may result in deterioration of the repayment prospects for the asset. An (8) "Substandard" rating has a well-defined weakness that jeopardizes the full repayment of the debt. A (9) "Doubtful" rating has all of the same weaknesses as a substandard asset with the added characteristic that the weakness makes collection or liquidation in full, given current facts, conditions, and values, improbable. Assets classified as a (10) "Loss" rating are considered uncollectible and charged-off. Risk ratings, which are assigned to differentiate risk within the portfolio, are reviewed on an ongoing basis and revised to reflect changes in a borrower's current financial position and outlook, risk profile, and the related collateral and structural position. Loan officers review updated financial information or other loan factors on at least an annual basis for all pass rated loans to assess the accuracy of the risk grade. Criticized loans undergo more frequent reviews and enhanced monitoring.

To measure credit risk for the consumer portfolio, the most relevant credit characteristic is the FICO score, which is a widely used credit scoring system that ranges from 300 to 850. A lower FICO score is indicative of higher credit risk and a higher FICO score is indicative of lower credit risk. FICO scores are updated at least quarterly. Factors such as past due status, employment status, collateral, geography, loans discharged in bankruptcy, and the status of first lien position loans on second lien position loans, are also considered to be consumer portfolio credit quality indicators. For portfolio monitoring purposes, the Company estimates the current value of property secured as collateral for home equity and residential first mortgage lending products on an ongoing basis. The estimate is based on home price indices compiled by the S&P/Case-Shiller Home Price Indices. Real estate price data is applied to the loan portfolios taking into account the age of the most recent valuation and geographic area.

The following tables summarize the amortized cost basis of commercial loans and leases by Composite Credit Risk Profile grade and origination year:

	December 31, 2025								
<i>(In thousands)</i>	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total	
Commercial non-mortgage:									
Risk rating:									
Pass	\$ 3,378,004	\$ 2,340,865	\$ 1,463,952	\$ 1,857,656	\$ 853,239	\$ 1,420,790	\$ 7,929,719	\$ 19,244,225	
Special mention	4,213	46,657	50,332	181,775	32,948	15,264	38,883	370,072	
Substandard	67,353	33,646	144,627	219,885	88,312	42,874	194,220	790,917	
Doubtful	—	—	—	—	1	22	—	23	
Total commercial non-mortgage	3,449,570	2,421,168	1,658,911	2,259,316	974,500	1,478,950	8,162,822	20,405,237	
Current period gross write-offs	6,716	3,550	7,817	13,774	721	17,166	26,157	75,901	
Asset-based:									
Risk rating:									
Pass	10,550	199	2,320	—	—	15,901	1,036,960	1,065,930	
Special mention	—	—	7,063	—	—	—	8,069	15,132	
Substandard	1,445	—	3,898	—	—	4,833	139,993	150,169	
Total asset-based	11,995	199	13,281	—	—	20,734	1,185,022	1,231,231	
Current period gross write-offs	—	—	—	—	—	—	37,870	37,870	
Commercial real estate:									
Risk rating:									
Pass	3,462,637	2,091,777	2,092,674	2,337,376	1,105,105	3,268,858	273,252	14,631,679	
Special mention	—	—	16,834	75,651	—	29,401	—	121,886	
Substandard	—	3,240	168,356	93,572	100,957	206,317	—	572,442	
Total commercial real estate	3,462,637	2,095,017	2,277,864	2,506,599	1,206,062	3,504,576	273,252	15,326,007	
Current period gross write-offs	—	—	31,057	256	1,283	27,514	—	60,110	
Multi-family:									
Risk rating:									
Pass	736,744	691,180	1,193,933	1,370,368	810,954	1,988,941	—	6,792,120	
Special mention	—	—	—	—	3,865	68,742	—	72,607	
Substandard	—	—	11,915	26,377	38,819	67,001	—	144,112	
Total multi-family	736,744	691,180	1,205,848	1,396,745	853,638	2,124,684	—	7,008,839	
Current period gross write-offs	—	—	—	—	—	990	—	990	
Equipment financing:									
Risk rating:									
Pass	454,313	305,538	141,372	120,382	59,566	96,161	—	1,177,332	
Special mention	4,931	5,700	2,573	2,430	1,087	1,663	—	18,384	
Substandard	3,145	696	17,898	24,897	9,501	7,029	—	63,166	
Total equipment financing	462,389	311,934	161,843	147,709	70,154	104,853	—	1,258,882	
Current period gross write-offs	—	—	1,356	4,614	174	749	—	6,893	
Total commercial portfolio	8,123,335	5,519,498	5,317,747	6,310,369	3,104,354	7,233,797	9,621,096	45,230,196	
Current period gross write-offs	\$ 6,716	\$ 3,550	\$ 40,230	\$ 18,644	\$ 2,178	\$ 46,419	\$ 64,027	\$ 181,764	

December 31, 2024

<i>(In thousands)</i>	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial non-mortgage:								
Risk rating:								
Pass	\$ 2,917,048	\$ 1,916,905	\$ 2,818,720	\$ 1,100,575	\$ 562,252	\$ 1,211,312	\$ 6,325,637	\$ 16,852,449
Special mention	31,587	66,770	156,555	51,055	30,669	4,203	44,017	384,856
Substandard	56,307	125,735	237,362	92,134	16,466	63,998	208,608	800,610
Doubtful	—	—	—	1	—	25	1	27
Total commercial non-mortgage	3,004,942	2,109,410	3,212,637	1,243,765	609,387	1,279,538	6,578,263	18,037,942
Current period gross write-offs	—	11,894	45,308	10,668	3,842	3,385	15,169	90,266
Asset-based:								
Risk rating:								
Pass	1,250	11,684	—	—	—	20,255	1,132,901	1,166,090
Special mention	—	—	—	—	—	5,226	90,372	95,598
Substandard	—	2,562	—	—	—	1,239	138,518	142,319
Total asset-based	1,250	14,246	—	—	—	26,720	1,361,791	1,404,007
Current period gross write-offs	—	—	—	—	—	—	6,091	6,091
Commercial real estate:								
Risk rating:								
Pass	1,867,468	2,334,965	3,186,098	1,462,814	944,367	3,465,817	197,998	13,459,527
Special mention	—	12,809	175,252	37,307	37,469	64,483	—	327,320
Substandard	—	131,108	69,829	121,139	112,582	262,079	8,852	705,589
Total commercial real estate	1,867,468	2,478,882	3,431,179	1,621,260	1,094,418	3,792,379	206,850	14,492,436
Current period gross write-offs	—	854	1,244	1,579	15,477	22,674	—	41,828
Multi-family:								
Risk rating:								
Pass	582,363	1,394,855	1,314,395	862,273	245,802	2,179,207	16,991	6,595,886
Special mention	—	14,365	93,396	18,790	70,908	8,588	—	206,047
Substandard	—	—	16,761	27,102	26,720	26,084	—	96,667
Total multi-family	582,363	1,409,220	1,424,552	908,165	343,430	2,213,879	16,991	6,898,600
Current period gross write-offs	—	—	—	4,955	6,264	11,678	—	22,897
Equipment financing:								
Risk rating:								
Pass	382,783	242,440	207,081	126,399	83,838	124,910	—	1,167,451
Special mention	1,298	231	—	55	—	—	—	1,584
Substandard	572	16,228	18,341	16,970	5,514	8,356	—	65,981
Total equipment financing	384,653	258,899	225,422	143,424	89,352	133,266	—	1,235,016
Current period gross write-offs	—	5,146	1,705	52	—	3,475	—	10,378
Total commercial portfolio	5,840,676	6,270,657	8,293,790	3,916,614	2,136,587	7,445,782	8,163,895	42,068,001
Current period gross write-offs	\$ —	\$ 17,894	\$ 48,257	\$ 17,254	\$ 25,583	\$ 41,212	\$ 21,260	\$ 171,460

The following tables summarize the amortized cost basis of consumer loans by FICO score and origination year:

	December 31, 2025								
<i>(In thousands)</i>	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total	
Residential:									
Risk rating:									
800+	\$ 517,482	\$ 551,613	\$ 272,249	\$ 918,256	\$ 1,045,573	\$ 1,258,654	\$ —	\$ 4,563,827	
740-799	687,120	419,019	212,246	480,885	598,172	748,825	—	3,146,267	
670-739	185,620	118,104	84,332	294,954	241,266	604,881	—	1,529,157	
580-669	16,852	19,346	23,602	51,886	45,714	100,593	—	257,993	
579 and below	648	2,377	3,952	21,911	21,966	51,479	—	102,333	
Total residential	1,407,722	1,110,459	596,381	1,767,892	1,952,691	2,764,432	—	9,599,577	
Current period gross write-offs	—	—	—	—	—	135	—	135	
Home equity:									
Risk rating:									
800+	11,847	8,896	23,146	22,811	29,498	65,401	348,961	510,560	
740-799	15,932	11,658	16,149	16,523	19,123	35,861	317,846	433,092	
670-739	10,811	9,786	10,120	9,351	11,025	27,662	217,924	296,679	
580-669	1,682	1,522	2,850	2,731	2,941	9,607	68,953	90,286	
579 and below	77	499	1,662	2,287	908	4,543	29,920	39,896	
Total home equity	40,349	32,361	53,927	53,703	63,495	143,074	983,604	1,370,513	
Current period gross write-offs	—	50	—	1	—	38	175	264	
Other consumer:									
Risk rating:									
800+	11,131	4,799	254	74	1,677	171	16,597	34,703	
740-799	88,171	46,222	368	145	30	136	3,273	138,345	
670-739	133,564	68,381	282	231	130	133	14,439	217,160	
580-669	2,651	1,962	74	60	27	59	1,136	5,969	
579 and below	34	36	65	53	19	2	438	647	
Total other consumer	235,551	121,400	1,043	563	1,883	501	35,883	396,824	
Current period gross write-offs	3,325	3,591	19	10	7	7	168	7,127	
Total consumer portfolio	1,683,622	1,264,220	651,351	1,822,158	2,018,069	2,908,007	1,019,487	11,366,914	
Current period gross write-offs	\$ 3,325	\$ 3,641	\$ 19	\$ 11	\$ 7	\$ 180	\$ 343	\$ 7,526	

[Table of Contents](#)

	December 31, 2024							Revolving Loans Amortized Cost Basis	Total
<i>(In thousands)</i>	2024	2023	2022	2021	2020	Prior			
Residential:									
Risk rating:									
800+	\$ 312,771	\$ 299,006	\$ 909,109	\$ 1,097,807	\$ 433,950	\$ 956,478	\$ —	\$ 4,009,121	
740-799	649,118	258,699	567,545	656,599	235,749	623,989	—	2,991,699	
670-739	172,886	123,354	317,373	271,247	80,318	550,252	—	1,515,430	
580-669	16,643	13,382	55,507	35,292	16,738	109,240	—	246,802	
579 and below	237	2,680	12,617	21,387	3,791	49,905	—	90,617	
Total residential	1,151,655	697,121	1,862,151	2,082,332	770,546	2,289,864	—	8,853,669	
Current period gross write-offs	—	—	—	—	—	147	—	147	
Home equity:									
Risk rating:									
800+	12,313	25,226	23,512	32,695	22,705	53,844	365,741	536,036	
740-799	12,238	21,831	20,718	23,517	10,861	33,703	330,691	453,559	
670-739	11,416	14,298	12,732	13,074	6,242	28,638	224,449	310,849	
580-669	1,755	2,570	1,685	2,172	754	9,471	67,745	86,152	
579 and below	58	799	2,401	726	429	4,254	32,429	41,096	
Total home equity	37,780	64,724	61,048	72,184	40,991	129,910	1,021,055	1,427,692	
Current period gross write-offs	—	—	—	—	2	444	351	797	
Other consumer:									
Risk rating:									
800+	4,920	312	218	1,765	50	284	31,549	39,098	
740-799	45,001	721	301	165	124	266	3,550	50,128	
670-739	57,952	432	372	313	220	188	3,349	62,826	
580-669	1,417	116	105	69	25	81	1,150	2,963	
579 and below	29	93	63	28	9	—	569	791	
Total other consumer	109,319	1,674	1,059	2,340	428	819	40,167	155,806	
Current period gross write-offs	3,467	17	34	20	113	193	222	4,066	
Total consumer portfolio	1,298,754	763,519	1,924,258	2,156,856	811,965	2,420,593	1,061,222	10,437,167	
Current period gross write-offs	\$ 3,467	\$ 17	\$ 34	\$ 20	\$ 115	\$ 784	\$ 573	\$ 5,010	

Collateral Dependent Loans and Leases

A non-accrual loan or lease is considered collateral dependent when the borrower is experiencing financial difficulty and when repayment is substantially expected to be provided through the operation or sale of collateral. Commercial non-mortgage loans, asset-based loans, and equipment financing loans and leases are generally secured by machinery and equipment, inventory, receivables, or other non-real estate assets, whereas commercial real estate, multi-family, residential, and home equity loans are secured by real estate.

At December 31, 2025, and 2024, the carrying amount of collateral dependent loans was \$308.3 million and \$139.5 million, respectively, for commercial loans and leases, and \$28.1 million and \$29.1 million, respectively, for consumer loans. The ACL for collateral dependent loans and leases is individually assessed based on the fair value of the collateral less costs to sell at the reporting date. At December 31, 2025, and 2024, the aggregate collateral value associated with collateral dependent loans and leases was \$364.3 million and \$200.1 million, respectively.

Modifications to Borrowers Experiencing Financial Difficulty

In certain circumstances, the Company enters into agreements to modify the terms of loans to borrowers experiencing financial difficulty. A variety of solutions are offered to borrowers experiencing financial difficulty, including loan modifications that may result in principal forgiveness, interest rate reductions, payment delays, term extensions, or a combination thereof. The following is a description of each of these types of modifications:

- **Principal forgiveness** – The outstanding principal balance of a loan may be reduced by a specified amount. Principal forgiveness may occur voluntarily as part of a negotiated agreement with a borrower, or involuntarily through a bankruptcy proceeding.
- **Interest rate reductions** – Includes modifications where the contractual interest rate of the loan has been reduced.
- **Payment delays** – Deferral arrangements that allow borrowers to delay a scheduled loan payment to a later date. Deferred loan payments do not affect the original contractual maturity terms of the loan. Modifications that result in only an insignificant payment delay are not disclosed. The Company generally considers a payment delay of three months or less to be insignificant.
- **Term extensions** – Extensions of the original contractual maturity date of the loan.
- **Combination** – Combination includes loans that have undergone more than one of the above loan modification types.

Significant judgment is required to determine if a borrower is experiencing financial difficulty. These considerations vary by portfolio class. The Company has identified modifications to borrowers experiencing financial difficulty that are included in its disclosures as follows:

- *Commercial*: The Company evaluates modifications of loans to commercial borrowers that are rated substandard or worse, and includes the modifications in its disclosures to the extent that the modification is considered other-than-insignificant.
- *Consumer*: The Company generally evaluates all modifications of loans to consumer borrowers subject to its loss mitigation program and includes them in its disclosures to the extent that the modification is considered other-than-insignificant.

The following tables summarize the amortized cost basis at December 31, 2025, 2024, and 2023, of loans modified to borrowers experiencing financial difficulty, disaggregated by class and type of concession granted:

	Year ended December 31, 2025								Total	% of Total Class
					Combination					
	Interest Rate Reduction	Term Extension	Payment Delay		Term Extension & Interest Rate Reduction	Term Extension & Payment Delay	Interest Rate Reduction & Payment Delay	Term Extension, Interest Rate Reduction, & Payment Delay		
<i>(Dollars in thousands)</i>										
Commercial non-mortgage	\$ —	\$ 137,722	\$ 49,427	\$ 597	\$ 18,599	\$ 55	\$ 66	\$ 206,466	1.0 %	
Asset-based	—	29,939	16,500	—	—	—	—	46,439	3.8	
Commercial real estate	—	115,829	2,275	71,958	—	—	199	190,261	1.2	
Multi-family	2,042	19,186	23,117	—	—	—	—	44,345	0.6	
Equipment financing	32	6,062	7	—	152	—	—	6,253	0.5	
Residential	—	418	—	1,834	—	—	—	2,252	—	
Home equity	—	599	—	215	—	—	—	814	0.1	
Total ⁽¹⁾	\$ 2,074	\$ 309,755	\$ 91,326	\$ 74,604	\$ 18,751	\$ 55	\$ 265	\$ 496,830	0.9 %	

Year ended December 31, 2024							
<i>(Dollars in thousands)</i>	Interest Rate Reduction	Term Extension	Payment Delay	Combination - Term Extension & Interest Rate Reduction		Total	% of Total Class ⁽²⁾
Commercial non-mortgage	\$ 9	\$ 189,026	\$ 34,642	\$ 886	\$	\$ 224,563	1.2 %
Asset-based	—	24,112	—	—	—	24,112	1.7
Commercial real estate	—	122,088	1,347	8,112	—	131,547	0.9
Equipment financing	—	289	—	—	—	289	—
Residential	618	141	—	890	—	1,649	—
Home equity	275	337	—	309	—	921	0.1
Total ⁽¹⁾	\$ 902	\$ 335,993	\$ 35,989	\$ 10,197	\$	\$ 383,081	0.7 %

Year ended December 31, 2023									
<i>(Dollars in thousands)</i>	Interest Rate Reduction	Term Extension	Payment Delay	Combination				Total	% of Total Class ⁽²⁾
				Term Extension & Interest Rate Reduction	Term Extension & Payment Delay	Interest Rate Reduction & Payment Delay	Term Extension, Interest Rate Reduction, & Payment Delay		
Commercial non-mortgage	\$ —	\$ 96,895	\$ 5,858	\$ 1,062	\$ 28,860	\$ 35	\$ 425	\$ 133,135	0.8 %
Asset-based	—	45,042	—	—	—	—	—	45,042	2.9
Commercial real estate	—	3,090	174	17,107	511	—	—	20,882	0.2
Equipment financing	—	357	1,284	—	—	—	—	1,641	0.1
Residential	—	186	804	136	—	—	—	1,126	—
Home equity	62	76	—	513	—	—	—	651	—
Total ⁽¹⁾	\$ 62	\$ 145,646	\$ 8,120	\$ 18,818	\$ 29,371	\$ 35	\$ 425	\$ 202,477	0.4 %

(1) The total amortized cost excludes accrued interest receivable of \$2.7 million, \$0.9 million, and \$0.7 million for the years ended December 31, 2025, 2024, and 2023, respectively.

(2) Represents the total amortized cost of the loans modified as a percentage of the total period end loan balance by class.

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty:

Year ended December 31, 2025	
Financial Effect ⁽¹⁾	
Interest Rate Reduction:	
Multi-family	Reduced weighted average interest rate by 2.0%
Term Extension:	
Commercial non-mortgage	Extended term by a weighted average of 1.3 years
Asset-based	Extended term by a weighted average of 0.7 years
Commercial real estate	Extended term by a weighted average of 0.5 years
Multi-family	Extended term by a weighted average of 2.2 years
Equipment financing	Extended term by a weighted average of 1.5 years
Payment Delay:	
Commercial non-mortgage	Provided payment deferrals for a weighted average of 0.8 years
Asset-based	Provided payment deferrals for a weighted average of 0.3 years
Commercial real estate	Provided payment deferrals for a weighted average of 0.3 years
Multi-family	Provided payment deferrals for a weighted average of 0.8 years
Combination - Term Extension & Interest Rate Reduction:	
Commercial real estate	Extended term by a weighted average of 1.6 years and reduced weighted average interest rate by 2.3%
Residential	Extended term by a weighted average of 1.6 years and reduced weighted average interest rate by 4.0%
Combination - Term Extension & Payment Delay:	
Commercial non-mortgage	Extended term by a weighted average of 0.4 years and provided payment deferrals for a weighted average of 0.5 years

Year ended December 31, 2024	
Financial Effect ⁽¹⁾	
Term Extension:	
Commercial non-mortgage	Extended term by a weighted average of 0.8 years
Asset-based	Extended term by a weighted average of 2.9 years
Commercial real estate	Extended term by a weighted average of 1.4 years
Payment Delay:	
Commercial non-mortgage	Provided payment deferrals for a weighted average of 0.5 years
Commercial real estate	Provided payment deferrals for a weighted average of 0.3 years to be received at contractual maturity
Combination - Term Extension & Interest Rate Reduction:	
Commercial real estate	Extended term by a weighted average of 0.3 years and reduced weighted average interest rate by 2.0%

(1) Certain disclosures related to financial effects of 2025 and 2024 modifications do not include those deemed to be immaterial.

Year ended December 31, 2023	
Financial Effect	
Interest Rate Reduction:	
Home equity	Reduced weighted average interest rate by 0.5%
Term Extension:	
Commercial non-mortgage	Extended term by a weighted average of 1.3 years
Asset-based	Extended term by a weighted average of 0.7 years
Commercial real estate	Extended term by a weighted average of 2.2 years
Equipment financing	Extended term by a weighted average of 4.5 years
Residential	Extended term by a weighted average of 2.8 years
Home equity	Extended term by a weighted average of 10.1 years
Payment Delay:	
Commercial non-mortgage	Provided partial payment deferrals for a weighted average of 0.5 years
Commercial real estate	Provided payment deferrals for a weighted average of 0.3 years to be received at contractual maturity
Equipment financing	Provided partial payment deferrals for a weighted average of 0.5 years
Residential	Provided payment deferrals for a weighted average of 1.0 year
Combination - Term Extension & Interest Rate Reduction:	
Commercial non-mortgage	Extended term by a weighted average of 1.4 years and reduced weighted average interest rate by 1.8%
Commercial real estate	Extended term by a weighted average of 3.0 years and reduced weighted average interest rate by 2.4%
Residential	Extended term by a weighted average of 17.9 years and reduced weighted average interest rate by 0.3%
Home equity	Extended term by a weighted average of 16.8 years and reduced weighted average interest rate by 2.1%
Combination - Term Extension & Payment Delay:	
Commercial non-mortgage	Extended term by a weighted average of 1.1 years and provided partial payment deferrals for a weighted average of 1.0 year
Commercial real estate	Extended term by a weighted average of 0.5 years and provided payment deferrals for a weighted average of 0.5 years
Combination - Interest Rate Reduction & Payment Delay:	
Commercial non-mortgage	Reduced weighted average interest rate by 2.0% and provided payment deferrals for a weighted average of 0.5 years
Combination - Term Extension, Interest Rate Reduction, & Payment Delay:	
Commercial non-mortgage	Extended term by a weighted average of 0.5 years, reduced weighted average interest rate by 2.0%, and provided payment deferrals for a weighted average of 0.5 years

The Company closely monitors the performance of loans that are modified with borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following tables summarize the aging of loans that had been modified during the years ended December 31, 2025, 2024, and 2023:

December 31, 2025						
<i>(In thousands)</i>	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Non-Accrual	Total
Commercial non-mortgage	\$ 144,004	\$ 386	\$ —	\$ —	\$ 62,076	\$ 206,466
Asset-based	29,939	—	—	—	16,500	46,439
Commercial real estate	144,715	—	—	—	45,546	190,261
Multi-family	40,249	—	—	—	4,096	44,345
Equipment financing	5,437	—	—	—	816	6,253
Residential	1,623	—	—	—	629	2,252
Home equity	39	—	—	—	775	814
Total	\$ 366,006	\$ 386	\$ —	\$ —	\$ 130,438	\$ 496,830

December 31, 2024						
<i>(In thousands)</i>	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Non-Accrual	Total
Commercial non-mortgage	\$ 64,081	\$ 986	\$ —	\$ —	\$ 159,498	\$ 224,565
Asset-based	24,112	—	—	—	—	24,112
Commercial real estate	100,594	—	—	—	30,953	131,547
Equipment financing	313	21	—	—	—	334
Residential	1,426	—	—	—	223	1,649
Home equity	319	—	—	—	602	921
Total	\$ 190,845	\$ 1,007	\$ —	\$ —	\$ 191,276	\$ 383,128

December 31, 2023						
<i>(In thousands)</i>	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Non-Accrual	Total
Commercial non-mortgage	\$ 107,852	\$ —	\$ —	\$ —	\$ 25,283	\$ 133,135
Asset-based	45,042	—	—	—	—	45,042
Commercial real estate	20,708	—	—	—	174	20,882
Equipment financing	1,284	—	—	—	357	1,641
Residential	990	—	—	—	136	1,126
Home equity	547	—	—	—	104	651
Total	\$ 176,423	\$ —	\$ —	\$ —	\$ 26,054	\$ 202,477

There were \$3.9 million of commercial non-mortgage loans and \$16.5 million of asset-based loans that had been modified in the form of term extensions and payment delays, respectively, with borrowers experiencing financial difficulty during the year ended December 31, 2025, and that had a subsequent payment default in 2025. The \$3.9 million of modified commercial non-mortgage loans were re-modified again in the form of term extensions as of December 31, 2025.

There were \$17.8 million of commercial non-mortgage loans that had been modified in the form of term extensions with borrowers experiencing financial difficulty during the year ended December 31, 2024, and that had a subsequent payment default in 2024. These loans were re-modified again in the form of term extensions as of December 31, 2024.

Loans that had been modified with borrowers experiencing financial difficulty during the year ended December 31, 2023, and that had a subsequent payment default in 2023, were not significant.

For the purpose of this disclosure, a payment default is defined as 90 or more days past due. Non-accrual loans that are modified to borrowers experiencing financial difficulty remain on non-accrual status until the borrower has demonstrated performance under the modified terms. Commitments to lend additional funds to borrowers experiencing financial difficulty whose loans had been modified were not significant.

Note 5: Premises and Equipment

The following table summarizes the components of premises and equipment:

<i>(In thousands)</i>	December 31,	
	2025	2024
Land	\$ 73,442	\$ 73,442
Buildings and improvements	105,163	102,062
Leasehold improvements	75,970	74,288
Furniture, fixtures, and equipment	68,611	64,651
Data processing equipment and software	118,750	103,811
Property and equipment	441,936	418,254
Less: Accumulated depreciation and amortization	(186,573)	(175,118)
Property and equipment, net	255,363	243,136
ROU lease assets, net	176,672	163,827
Premises and equipment, net	\$ 432,035	\$ 406,963

Depreciation and amortization of property and equipment was \$37.0 million, \$35.4 million, and \$34.7 million for the years ended December 31, 2025, 2024, and 2023, respectively, and is included in both Occupancy and Technology and equipment expense on the accompanying Consolidated Statements of Income.

The Company recognized \$0.3 million, \$1.7 million, and \$4.6 million in losses on disposals of property and equipment for the years ended December 31, 2025, 2024, and 2023, respectively, which primarily pertained to construction in progress as a result of the Company's decision to stop further project development and the retirement of internal use software.

Additional information regarding ROU lease assets, net can be found within Note 6: Leasing.

Property and Equipment Held for Sale

Assets held for disposition are included in Accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets. At December 31, 2025, and 2024, the carrying amount of assets held for disposition, which was comprised entirely of returned finance lease equipment, was \$1.8 million and \$5.1 million, respectively.

When finance lease equipment is returned to the Company, either at the end of the lease term or through repossession, and management's intent is to sell the equipment, the asset is reclassified from Loans and leases to assets held for disposition and recorded at the lower of cost or fair value, less estimated costs to sell. During the years ended December 31, 2025, 2024, and 2023, returned finance lease equipment of \$3.2 million, \$5.6 million, and \$5.1 million, respectively, was transferred to assets held for disposition and experienced subsequent write-downs of \$1.0 million, \$0.3 million, and \$0.1 million, respectively, prior to sale. For sales of such equipment that occurred during the years ended December 31, 2025, 2024, and 2023, the Company received cash proceeds of \$4.3 million, \$4.4 million, and \$2.7 million, respectively, and recognized (losses) gains on sale of \$(1.2) million, \$0.4 million, and \$1.1 million, respectively.

During the year ended December 31, 2024, the Company arranged and sold its Manchester, Connecticut property, which was comprised of land, buildings, and improvements, and had a net carrying value of \$0.7 million. The Company received cash proceeds of \$1.6 million and recognized a gain on sale of \$0.9 million.

In addition, during the year ended December 31, 2024, the Company arranged and sold its Yonkers, New York, property, which was comprised of land, buildings, and improvements. Upon making the determination to sell, the Company recognized a \$0.4 million write-down and then transferred the property to assets held for disposition at its fair market value of \$0.8 million less estimated costs to sell of \$0.1 million. The Company received cash proceeds of \$0.7 million and recognized an insignificant gain on sale.

During the year ended December 31, 2023, the Company sold its New Britain, Connecticut, property, which was comprised of land, buildings, and improvements, and had a fair market value of \$4.8 million. The Company received cash proceeds of \$4.1 million and recognized a loss on sale of \$0.7 million.

Note 6: Leasing

Lessor Arrangements

The Company leases certain types of machinery and equipment to its customers through sales-type and direct financing leases as part of its equipment financing portfolio. These leases generally have remaining lease terms of one to ten years, some of which include renewal options and/or options for the lessee to purchase the asset near or at the end of the lease term. The Company recognized interest income from its sales-type and direct financing lessor activities of \$23.2 million, \$19.3 million, and \$18.7 million for the years ended December 31, 2025, 2024, and 2023, respectively. The Company does not have any significant operating leases in which it is the lessor. Additional information regarding the Company's equipment financing portfolio can be found within Note 4: Loans and Leases.

The following table summarizes the components of the Company's net investment in its sales-type and direct financing leases:

<i>(In thousands)</i>	December 31,	
	2025	2024
Lease receivables	\$ 482,274	\$ 394,489
Unguaranteed residual values ⁽¹⁾	65,452	63,014
Total net investment	\$ 547,726	\$ 457,503

(1) The Company performs quarterly reviews of residual values associated with its equipment finance leasing portfolio considering factors such as the subject equipment, structure of the transaction, industry, prior experience with the lessee, and other factors that may impact the residual value to assess for impairment.

The following table reconciles undiscounted future lease payments to the total sales-type and direct financing leases' net investment:

<i>(In thousands)</i>	December 31, 2025
2026	\$ 168,284
2027	119,080
2028	109,704
2029	70,740
2030	42,181
Thereafter	111,104
Total lease payments receivable	621,093
Present value adjustment	(73,367)
Total net investment	\$ 547,726

Lessee Arrangements

The Company enters into operating leases in the normal course of business, primarily for office space, banking centers, and other operational activities. These leases generally have remaining lease terms of one to ten years. The Company does not have any finance leases in which it is the lessee, nor any significant sub-lease arrangements.

The following table summarizes the Company's ROU lease assets and operating lease liabilities:

<i>(In thousands)</i>	Consolidated Balance Sheet Line Item	December 31,	
		2025	2024
ROU lease assets, net	Premises and equipment, net	\$ 176,672	\$ 163,827
Operating lease liabilities	Accrued expenses and other liabilities	202,742	193,188

The following table summarizes the components of operating lease expense and other relevant information:

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Lease Cost:			
Operating lease cost	\$ 37,430	\$ 36,235	\$ 33,880
Variable lease cost	6,970	4,880	4,617
Sublease income	(745)	(909)	(223)
Total operating lease expense	\$ 43,655	\$ 40,206	\$ 38,274
Other Information:			
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 40,937	\$ 36,080	\$ 37,615
ROU lease assets obtained in exchange for operating lease liabilities ⁽¹⁾	42,611	10,444	22,989
Weighted-average remaining lease term (in years)	7.41	7.08	7.46
Weighted-average discount rate	3.86 %	3.20 %	2.96 %

(1) Excludes \$0.5 million of ROU lease assets acquired from Ametros for the year ended December 31, 2024.

The following table reconciles undiscounted future lease payments to total operating lease liabilities:

<i>(In thousands)</i>	December 31, 2025
2026	\$ 36,360
2027	37,005
2028	35,087
2029	30,784
2030	24,235
Thereafter	75,419
Total operating lease payments	238,890
Present value adjustment	(36,148)
Total operating lease liabilities	\$ 202,742

Note 7: Goodwill and Other Intangible Assets

Goodwill

The following table summarizes changes in the carrying amount of goodwill:

	December 31,	
	2025	2024
<i>(In thousands)</i>		
Balance, beginning of period	\$ 2,868,068	\$ 2,631,465
SecureSave acquisition	29,454	—
Ametros acquisition ⁽¹⁾	—	236,603
Balance, end of period	\$ 2,897,522	\$ 2,868,068

(1) Reflects the \$228.2 million of goodwill recorded in connection with the Ametros acquisition in January 2024, and \$8.4 million of other adjustments.

Information regarding goodwill by reportable segment can be found within Note 20: Segment Reporting.

Other Intangible Assets

The following table summarizes other intangible assets:

	December 31,					
	2025			2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>(In thousands)</i>						
Core deposits ⁽¹⁾	\$ 342,875	\$ 98,483	\$ 244,392	\$ 328,837	\$ 76,795	\$ 252,042
Customer relationships ⁽²⁾	120,855	59,255	61,600	122,063	47,186	74,877
Non-competition agreements ⁽³⁾	5,880	2,400	3,480	4,000	1,600	2,400
Trade name	6,100	2,338	3,762	6,100	1,118	4,982
Total other intangible assets	\$ 475,710	\$ 162,476	\$ 313,234	\$ 461,000	\$ 126,699	\$ 334,301

- (1) The increase in the gross carrying amount of Core deposits is attributed to the acquisition of SecureSave and the acquisition of HSA portfolios from United Community Bank, Elements Financial Federal Credit Union, Allegacy Federal Credit Union, as previously discussed in Note 2: Business Developments.
- (2) The decrease in the gross carrying amount of Customer relationships is attributed to the write-off of a single Bend customer relationship in connection with the immaterial sale of a related off-balance sheet HSA portfolio in November 2025. At the time of sale, the customer relationship had a net carrying amount of \$0.7 million, reflecting a \$1.2 million gross carrying amount, net of \$0.5 million in accumulated amortization.
- (3) The increase in the gross carrying amount of Non-competition agreements is attributed to the acquisition of SecureSave, as previously discussed in Note 2: Business Developments.

The remaining estimated aggregate future amortization expense for other intangible assets is as follows:

<i>(In thousands)</i>	December 31, 2025
2026	\$ 36,985
2027	35,578
2028	32,414
2029	29,938
2030	28,997
Thereafter	149,322

Note 8: Income Taxes

Income tax expense reflects the following expense (benefit) components:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ 154,714	\$ 171,913	\$ 219,548
State and local	55,045	58,204	50,750
Total current	209,759	230,117	270,298
Deferred:			
Federal	45,537	(14,464)	(43,615)
State and local	2,051	32,647	(10,019)
Total deferred	47,588	18,183	(53,634)
Total federal	200,251	157,449	175,933
Total state and local	57,096	90,851	40,731
Income tax expense	\$ 257,347	\$ 248,300	\$ 216,664

The deferred federal expense in 2025 reflects the effects of accelerated deductions the Company plans to take on its 2025 federal tax return as afforded by the One Big Beautiful Bill Act. Deferred SALT expense was not impacted by those deductions to any significant degree, while deferred SALT expense in 2025 does include a \$5.5 million benefit from operating loss carryforwards. The Company's total deferred tax expense in 2024 included \$29.4 million related to an increase in its valuation allowance for its SALT DTAs attributable to operating loss carryforwards.

The following table reflects a reconciliation of reported income tax expense to the amount that would result from applying the federal statutory rate of 21.0%:

<i>(Dollars in thousands)</i>	Years ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Income tax expense at federal statutory rate	\$ 264,631	21.0 %	\$ 213,572	21.0 %	\$ 227,746	21.0 %
Reconciliation to reported income tax expense:						
SALT expense, net of federal ⁽¹⁾	45,906	3.6	64,798	6.4	28,603	2.7
Tax credits:						
LIHTCs and related benefits, net of amortization	(16,804)	(1.3)	(17,376)	(1.7)	(7,070)	(0.7)
Other	(597)	(0.1)	(1,237)	(0.1)	(824)	(0.1)
Changes in valuation allowances	(1,378)	(0.1)	1,378	0.1	(368)	—
Nontaxable or Nondeductible items:						
Tax-exempt interest, net	(44,369)	(3.5)	(31,500)	(3.1)	(44,473)	(4.1)
Non-deductible FDIC deposit insurance premiums	12,878	1.0	12,305	1.2	10,693	1.0
Other	(2,952)	(0.2)	(4,156)	(0.4)	(938)	(0.1)
Changes in unrecognized tax benefits ⁽²⁾	(894)	(0.1)	3,635	0.4	4,466	0.4
Other, net	926	0.1	6,881	0.6	(1,171)	(0.1)
Income tax expense and effective tax rate	\$ 257,347	20.4 %	\$ 248,300	24.4 %	\$ 216,664	20.0 %

(1) The majority (greater than 50 percent) of the tax effect in this category is comprised of New York State, along with Massachusetts in 2025, Connecticut in 2024, and New York City in 2023.

(2) Changes in unrecognized tax benefits include interest and penalties.

The following table reflects the significant components of DTAs, net:

<i>(In thousands)</i>	December 31,	
	2025	2024
Deferred tax assets:		
ACL on loans and leases	\$ 195,913	\$ 187,348
Net operating loss and credit carry forwards	73,180	74,363
Compensation and employee benefit plans	58,649	50,880
Lease liabilities under operating leases	54,989	52,397
Net unrealized loss on available-for-sale securities	124,044	193,309
Other	36,155	71,008
Gross deferred tax assets	542,930	629,305
Valuation allowance	(56,816)	(64,422)
Total deferred tax assets, net of valuation allowance	\$ 486,114	\$ 564,883
Deferred tax liabilities:		
ROU assets under operating leases	\$ 47,918	\$ 44,434
Equipment financing leases	84,337	54,990
Goodwill and other intangible assets	96,029	102,042
Purchase accounting and fair value adjustments	16,170	10,359
Other	45,920	36,202
Gross deferred tax liabilities	290,374	248,027
Deferred tax assets, net	\$ 195,740	\$ 316,856

The Company's net DTAs decreased by \$121.1 million during 2025, reflecting primarily the \$47.6 million deferred tax expense and a \$76.5 million expense allocated directly to AOCL, partially offset by a \$3.8 million net DTA recognized as part of purchase accounting adjustments related to the acquisition of SecureSave.

The valuation allowance of \$56.8 million at December 31, 2025, is attributable to SALT net operating loss and credit carryforwards, as compared to \$64.4 million at December 31, 2024, which was comprised of \$62.7 million attributable to SALT net operating loss and credit carryforwards and \$1.7 million of capital loss carryforwards. The \$7.6 million decrease in the valuation allowance during 2025 primarily reflects a \$7.3 million expiration of net operating loss carryforwards for which a valuation allowance existed at December 31, 2024.

SALT net operating loss carryforwards of approximately \$1.1 billion and SALT credit carryforwards of \$1.1 million at December 31, 2025, have varying carryforward periods. The vast majority of the SALT net operating loss and credit carryforwards are scheduled to expire during the years 2026 through 2032. Federal net operating loss carryforwards of approximately \$31.3 million and federal credit carryforwards of \$0.5 million at December 31, 2025, related to the Bend and SecureSave acquisitions are subject to annual limitations on utilization, with the net operating losses able to be carried forward indefinitely and the credits scheduled to expire in varying amounts between 2038 and 2045. The valuation allowance reflects approximately \$1.0 billion of those SALT net operating loss carryforwards and \$0.5 million of the SALT credit carryforwards that are estimated to expire unused.

Management believes it is more likely than not that the results of future operations will generate sufficient taxable income to realize its total DTAs, net of the valuation allowance. Although taxable income in prior years is no longer able to be included as a source of taxable income, due to the general repeal of the carryback of net operating losses under the Tax Cuts and Jobs Act of 2017, significant positive evidence remains in support of management's conclusion regarding the realizability of the Company's DTAs, including projected future reversals of existing taxable temporary differences and book-taxable income levels in recent years and projected in future years. There can, however, be no assurance that any specific level of future income will be generated or that the Company's DTAs will ultimately be realized.

DTLs of \$63.2 million at both December 31, 2025, and 2024, have not been recognized for certain thrift bad-debt reserves, established before 1988, that would become taxable upon the occurrence of certain events: distributions by the Bank in excess of certain earnings and profits; the redemption of the Bank's stock; or liquidation. The Company does not expect any of those events to occur.

The following table reflects a reconciliation of the beginning and ending balances of UTBs:

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Beginning balance	\$ 13,766	\$ 13,836	\$ 9,875
Additions as a result of tax positions taken during the current year	305	493	359
Additions as a result of tax positions taken during prior years	3,430	7,447	4,255
Reductions as a result of tax positions taken during prior years	(3,626)	(5,651)	—
Reductions relating to settlements with taxing authorities	(2,553)	(1,997)	—
Reductions as a result of lapse of statute of limitation periods	(894)	(362)	(653)
Ending balance	\$ 10,428	\$ 13,766	\$ 13,836

At December 31, 2025, 2024, and 2023, there were \$8.9 million, \$11.6 million, and \$12.4 million, respectively, of UTBs that if recognized would affect the effective tax rate.

The Company recognizes interest and penalties related to UTBs, where applicable, in income tax expense. The Company recognized a benefit of \$1.6 million during the year ended December 31, 2025, and expenses of \$3.1 million, and \$1.8 million during the years ended December 31, 2024, and 2023, respectively. At December 31, 2025, and 2024, the Company had accrued interest and penalties related to UTBs of \$5.3 million and \$6.9 million, respectively.

The Company's federal tax returns for years subsequent to 2021 remain open to examination, except for the carryback of a Sterling 2019 net operating loss under the CARES Act in 2020 to tax years 2014 and 2016, which is currently under audit by the Internal Revenue Service. The Company's tax returns filed in its other principal tax jurisdictions of Connecticut, New York State, New York City, Massachusetts and New Jersey, are either under or remain open to examination for varying years subsequent to 2016, 2018, or 2021.

Note 9: Deposits

The following table summarizes deposits by type:

<i>(In thousands)</i>	December 31,	
	2025	2024
Non-interest-bearing:		
Demand	\$ 10,082,854	\$ 10,316,501
Interest-bearing:		
Checking	10,760,496	9,834,790
Health savings accounts	9,184,452	8,951,031
Money market	23,196,747	20,433,250
Savings	6,964,946	6,982,554
Time deposits	8,570,318	8,234,954
Total interest-bearing	<u>58,676,959</u>	<u>54,436,579</u>
Total deposits	<u>\$ 68,759,813</u>	<u>\$ 64,753,080</u>
Time deposits, money market, and interest-bearing checking obtained through brokers ⁽¹⁾	\$ 3,134,894	\$ 3,181,298
Aggregate amount of time deposit accounts that exceeded the FDIC limit ⁽²⁾	1,494,626	1,407,077
Deposit overdrafts reclassified as loan balances	6,674	7,146

(1) Excludes money market deposits received through interSYNC of \$9.3 billion at December 31, 2025, and \$7.3 billion at December 31, 2024.

(2) Excludes an aggregate amount of time deposit accounts that were at the FDIC limit of \$10.5 million at December 31, 2025, and \$16.8 million at December 31, 2024.

The following table summarizes the scheduled maturities of time deposits:

<i>(In thousands)</i>	December 31, 2025
2026	\$ 8,464,468
2027	45,728
2028	20,414
2029	15,797
2030	23,664
Thereafter	247
Total time deposits	<u>\$ 8,570,318</u>

Note 10: Borrowings

Securities Sold Under Agreements to Repurchase and Federal Funds Purchased

The following table summarizes securities sold under agreements to repurchase and federal funds purchased:

<i>(Dollars in thousands)</i>	December 31,			
	2025		2024	
	Total Outstanding	Rate	Total Outstanding	Rate
Securities sold under agreements to repurchase ⁽¹⁾	\$ 596,738	3.32 %	\$ 344,168	2.98 %
Securities sold under agreements to repurchase and federal funds purchased ⁽²⁾	\$ 596,738	3.32 %	\$ 344,168	2.98 %

(1) Securities sold under agreements to repurchase have an original maturity date of one year or less for the periods presented.

(2) There were no outstanding federal funds purchased at December 31, 2025, and 2024.

The Company's repurchase agreement counterparties are limited to primary dealers in government securities and commercial and municipal customers through the Corporate Treasury function. The Company has the right of offset with respect to repurchase agreement assets and liabilities with the same counterparty when master netting agreements are in place. Securities sold under agreements to repurchase are presented as gross transactions at December 31, 2025, and 2024, since only liabilities are outstanding. Agency MBS securities, which had an aggregate carrying value of \$625.3 million and \$358.4 million at December 31, 2025, and 2024, respectively, are pledged to secure repurchase agreements. These Agency MBS securities are subject to changes in market value and, therefore, the Company may increase or decrease the level of securities pledged as collateral based upon movements in market value.

The following tables represent the offsetting of repurchase agreements that are subject to master netting agreements:

<i>(In thousands)</i>	December 31, 2025					
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Liabilities Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial position		
				Financial Instruments ⁽¹⁾	Cash Collateral Pledged	Net Amount
Repurchase agreements	\$ 494,420	\$ —	\$ 494,420	\$ 494,420	\$ —	\$ —

<i>(In thousands)</i>	December 31, 2024					
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Liabilities Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial position		
				Financial Instruments ⁽¹⁾	Cash Collateral Pledged	Net Amount
Repurchase agreements	\$ 209,961	\$ —	\$ 209,961	\$ 209,961	\$ —	\$ —

(1) Amounts disclosed are limited to the balance of securities sold under agreements to repurchase reported on the accompanying Consolidated Balance Sheets that are subject to master netting agreements and, accordingly, exclude excess collateral pledged. At December 31, 2025 and 2024, Agency MBS with a carrying amount of \$520.1 million and \$220.6 million, respectively, were pledged as collateral against such securities sold under agreements to repurchase, resulting in an excess collateral positions of \$25.6 million and \$10.6 million, respectively.

FHLB Advances

The following table summarizes information for FHLB advances:

	December 31,			
	2025		2024	
<i>(Dollars in thousands)</i>	Total Outstanding	Weighted-Average Contractual Coupon Rate	Total Outstanding	Weighted-Average Contractual Coupon Rate
Maturing within 1 year	\$ 2,970,000	3.44 %	\$ 2,100,000	4.50 %
After 1 but within 2 years	201	—	—	—
After 2 but within 3 years	201	2.75	218	—
After 3 but within 4 years	615	1.75	215	2.75
After 4 but within 5 years	3,669	1.25	642	1.75
After 5 years	6,032	2.16	9,033	2.02
Total FHLB advances	\$ 2,980,718	3.44 %	\$ 2,110,108	4.49 %
Aggregate market value of assets pledged as collateral	\$ 16,331,016		\$ 16,581,133	
Remaining borrowing capacity at FHLB	7,882,187		8,670,348	

The Bank may borrow up to a discounted amount of eligible loans and securities that have been pledged as collateral to secure FHLB advances, which includes certain residential, multi-family, and commercial real estate loans, home equity lines of credit, Agency MBS, and Agency CMO. The Bank was in compliance with its FHLB collateral requirements at both December 31, 2025, and 2024.

Long-term Debt

The following table summarizes long-term debt:

	December 31,	
	2025	2024
<i>(In thousands)</i>		
2029 senior notes ⁽¹⁾	\$ 317,398	\$ 322,751
2029 subordinated notes	—	274,000
2030 subordinated notes	—	225,000
2035 subordinated notes	350,000	—
2033 junior subordinated notes	77,320	77,320
Total senior and subordinated debt	744,718	899,071
Discount on 2029 senior notes	(323)	(423)
Debt issuance cost on 2029 senior notes	(869)	(1,137)
Premium on 2029 subordinated notes	—	4,435
Premium on 2030 subordinated notes	—	7,239
Discount on 2035 subordinated notes	(2,545)	—
Debt issuance cost on 2035 subordinated notes	(1,527)	—
Long-term debt ⁽²⁾	\$ 739,454	\$ 909,185

(1) The Company de-designated its fair value hedging relationship on these senior notes in 2020. A basis adjustment of \$17.4 million and \$22.8 million at December 31, 2025, and 2024, respectively, is included in the carrying value and is being amortized over the remaining life of the senior notes.

(2) The classification of debt as long-term is based on the initial terms of greater than one year as of the date of issuance.

2029 Senior Notes. On March 25, 2019, the Company issued \$300.0 million in aggregate principal amount of 4.100% fixed-rate senior notes due on March 25, 2029 (the “2029 senior notes”). The 2029 senior notes are not convertible or exchangeable, and interest is payable semi-annually in arrears on March 25 and September 25 of each year. Prior to December 25, 2028, the 2029 senior notes may be redeemed by the Company at any time, in whole or in part, at a price equal to the greater of (i) the total principal amount to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest thereon, exclusive of interest accrued to the redemption date, discounted to the redemption date on a semi-annual basis at the Treasury rate plus 25 basis points, plus in any case any accrued and unpaid interest thereon, but excluding the redemption date. On or after December 25, 2028, the 2029 senior notes may be redeemed by the Company at any time, in whole or in part, at a redemption price equal to the total principal amount to be redeemed plus any accrued and unpaid interest thereon to, but excluding, the redemption date.

2029 Subordinated Notes. The Company assumed \$274.0 million in aggregate principal amount of 4.000% fixed-to-floating rate subordinated notes due on December 30, 2029 (the “2029 subordinated notes”), in connection with the Sterling merger in 2022. The 2029 subordinated notes were issued by Sterling on December 16, 2019, and were not convertible or exchangeable. Prior to December 30, 2024, the interest rate was fixed at 4.000% and payable semi-annually in arrears on June 30 and December 30 of each year. Beginning on December 30, 2024, through the earlier of maturity or redemption, the 2029 subordinated notes bore interest at a floating rate per annum equal to three-month term SOFR plus 253 basis points, payable quarterly in arrears on March 30, June 30, September 30, and December 30 of each year, commencing on March 30, 2025. The interest rate on the 2029 subordinated notes yielded 6.840% on December 31, 2024. The 2029 subordinated notes were eligible to be redeemed by the Company, in whole or in part, on any interest payment date after December 30, 2024, at a price equal to the total principal amount plus any accrued and unpaid interest thereon to, but excluding the redemption date, or upon the occurrence of certain specified events.

The Company exercised its option to redeem the 2029 subordinated notes and, on December 30, 2025, repaid the outstanding \$274.0 million principal balance due, plus any accrued and unpaid interest thereon, recognizing a \$3.6 million gain upon debt extinguishment.

2030 Subordinated Notes. The Company assumed \$225.0 million in aggregate principal amount of 3.875% fixed-to-floating rate subordinated notes due on November 1, 2030 (the “2030 subordinated notes”), in connection with the Sterling merger in 2022. The 2030 subordinated notes were issued by Sterling on October 30, 2020, and were not convertible or exchangeable. Prior to November 1, 2025, the interest rate was fixed at 3.875% and payable semi-annually in arrears on May 1 and November 1 of each year. Beginning on November 1, 2025, through the earlier of maturity or redemption, the 2030 subordinated notes bore interest at a floating rate per annum equal to three-month term SOFR plus 369 basis points, payable quarterly in arrears on February 1, May 1, August 1, and November 1 of each year, commencing on February 1, 2026. The 2030 subordinated notes were eligible to be redeemed by the Company, in whole or in part, on November 1, 2025, or any interest payment date thereafter, at a price equal to the total principal amount plus any accrued and unpaid interest thereon to, but excluding the redemption date, or upon the occurrence of certain specified events.

The Company exercised its option to redeem the 2030 subordinated notes and, on November 3, 2025, the next business day following the November 1, 2025 call date, repaid the outstanding \$225.0 million principal balance due, plus any accrued and unpaid interest thereon, recognizing a \$6.2 million gain upon debt extinguishment.

2035 Subordinated Notes. On September 11, 2025, the Company issued \$350.0 million in aggregate principal amount of 5.784% fixed-rate reset subordinated notes due on September 11, 2035 (the “2035 subordinated notes”). The 2035 subordinated notes are not convertible or exchangeable, and interest is payable semi-annually in arrears on March 11 and September 11 of each year. Prior to September 11, 2030, the interest rate is fixed at 5.784%. On and after September 30, 2030, through the earlier of maturity or redemption, the 2035 subordinated notes will bear interest at a rate per annum equal to the U.S. Treasury Rate for a five-year maturity plus 212.5 basis points. The 2035 subordinated notes may be redeemed by the Company (i) in whole, but not in part, on September 11, 2030, (ii) in whole or in part, at any time or from time to time, on or after June 11, 2035, and (iii) upon the occurrence of certain events, in each case at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest to, but excluding, the date of redemption.

2033 Junior Subordinated Notes. On September 17, 2003, the Company issued \$77.3 million in aggregate principal amount of floating-rate junior subordinated notes due September 17, 2033 (the “2033 junior subordinated notes”). The 2033 junior subordinated notes are held in Webster Statutory Trust I, a statutory business trust which was created for the purpose of issuing trust preferred securities. Additional information regarding the Webster Statutory Trust I can be found in Note 14: Variable Interest Entities. The 2033 junior subordinated notes are not convertible or exchangeable, and interest is payable quarterly in arrears on March 17, June 17, September 17, and December 17 of each year. The interest rate on the 2033 junior subordinated notes varies quarterly based on 3-month SOFR plus a credit spread adjustment plus a market spread of 2.95%, which yielded 6.92% and 7.56% at December 31, 2025, and 2024, respectively. Prior to February 3, 2026, the Company was able to redeem its 2033 junior subordinated notes quarterly, in whole or in part, at a price equal to the total principal amount to be redeemed plus any accrued and unpaid interest thereon to the redemption date. However, in accordance with the Transaction Agreement with Banco Santander, effective as of February 3, 2026, the Company is restricted from redeeming any of its outstanding debt through the completion of the Transaction.

Note 11: Stockholders' Equity

The following table summarizes the changes in shares of preferred and common stock issued and common stock held as treasury shares:

	Preferred Stock Series F Issued	Preferred Stock Series G Issued	Common Stock Issued	Treasury Stock Held	Common Stock Outstanding
Balance at December 31, 2022	6,000	135,000	182,778,045	8,770,472	174,007,573
Stock compensation plan activity ⁽¹⁾	—	—	—	(605,684)	605,684
Stock options exercised	—	—	—	(75,848)	75,848
Common stock repurchase program	—	—	—	2,667,149	(2,667,149)
Balance at December 31, 2023	6,000	135,000	182,778,045	10,756,089	172,021,956
Stock compensation plan activity ⁽¹⁾	—	—	—	(768,737)	768,737
Stock options exercised	—	—	—	(8,858)	8,858
Common stock repurchase program	—	—	—	1,408,426	(1,408,426)
Balance at December 31, 2024	6,000	135,000	182,778,045	11,386,920	171,391,125
Stock compensation plan activity ⁽¹⁾	—	—	—	(756,353)	756,353
Stock options exercised	—	—	—	(2,114)	2,114
Common stock repurchase program	—	—	—	10,933,584	(10,933,584)
Balance at December 31, 2025	6,000	135,000	182,778,045	21,562,037	161,216,008

(1) Reflects (i) common shares issued from Treasury stock for time-based restricted stock award grants, net of forfeitures, and the vesting of performance-based restricted stock awards of 1,158,855, 1,130,061, and 921,413, in aggregate, for the years ended December 31, 2025, 2024, and 2023, respectively; less (ii) common shares acquired outside of the Company's common stock repurchase program related to stock compensation plan activity of 402,502, 361,324, and 315,729 during the years ended December 31, 2025, 2024, and 2023, respectively.

Common Stock Repurchase Program

The Company maintains a common stock repurchase program, which was approved by the Board on October 24, 2017, that permits management to repurchase shares of Webster common stock in open market or private transactions, through block trades, and pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the SEC, subject to the availability and trading price of stock, general market conditions, alternative uses for capital, regulatory considerations, and the Company's financial performance. On April 30, 2025, the Board increased the Company's authority to repurchase shares of Webster common stock under the repurchase program by \$700.0 million. During the year ended December 31, 2025, the Company repurchased 10,933,584 shares under the repurchase program at a weighted-average price of \$54.30 per share, totaling \$593.7 million. At December 31, 2025, the Company's remaining purchase authority was \$334.3 million.

In accordance with the Transaction Agreement with Banco Santander, the Company paused repurchases under its stock repurchase program through the completion of the Transaction.

Series F Preferred Stock

On December 12, 2017, the Company closed on a public offering of 6,000,000 depository shares, each representing 1/1000th ownership interest in a share of 5.25% Series F Non-Cumulative Preferred Perpetual Stock, par value \$0.01 per share, with a liquidation preference equal to \$25,000 per share (the "Series F Preferred Stock"). The Series F Preferred Stock ranks on parity with the Series G Preferred Stock and senior to Webster common stock, with respect to the payment of dividends and distributions upon the liquidation, dissolution, or winding-up of the Company.

Dividends on the Series F Preferred Stock are non-cumulative and are not mandatory. If declared by the Board, or a duly authorized committee thereof, the Company will pay dividends quarterly in arrears on the fifteenth day of each March, June, September, and December, at a rate equal to 5.25% of the \$25,000 per share liquidation amount per annum. If a dividend on the Series F Preferred Stock is not declared in respect of a dividend period, a dividend will not accrue and the Company has no obligation to pay any dividend for that period, regardless as to whether a dividend is declared for a future period on the Series F Preferred Stock or any other series of Webster preferred stock. The terms of the Series F Preferred Stock prohibit the Company from declaring or paying any cash dividends on Webster common stock, and from repurchasing, redeeming, or otherwise acquiring Webster common stock or any other series of Webster preferred stock to which it ranks on parity with, unless dividends have been declared and paid in full on the Series F Preferred Stock for the most recent dividend period.

The Series F Preferred Stock is perpetual and has no maturity date, and is not subject to any mandatory redemption, sinking fund, or other similar provisions. Except with respect to certain non-payment events and certain changes to the terms of the Series F Preferred Stock, holders have no voting rights nor preemptive or conversion rights. The Series F Preferred Stock is not convertible or exchangeable for shares of any other class of Webster stock.

Series G Preferred Stock

On January 31, 2022, in connection with the Sterling merger, the Company registered and issued 5,400,000 depositary shares, each representing 1/40th interest in a share of 6.50% Series G Non-Cumulative Preferred Perpetual Stock, par value \$0.01 per share, with a liquidation preference equal to \$1,000 per share (the “Series G Preferred Stock”). The Series G Preferred Stock ranks on parity with the Series F Preferred Stock and senior to Webster common stock, with respect to the payment of dividends and distributions upon the liquidation, dissolution, or winding-up of the Company.

Dividends on the Series G Preferred Stock are non-cumulative and are not mandatory. If declared by the Board, or a duly authorized committee thereof, the Company will pay dividends quarterly in arrears on the fifteenth day of each January, April, July, and October, at a rate equal to 6.50% of the \$1,000 per share liquidation amount per annum. If a dividend on the Series G Preferred Stock is not declared in respect of a dividend period, a dividend will not accrue and the Company has no obligation to pay any dividend for that period, regardless as to whether a dividend is declared for a future period on the Series G Preferred Stock or any other series of Webster preferred stock. The terms of the Series G Preferred Stock prohibit the Company from declaring or paying any cash dividends on Webster common stock, and from repurchasing, redeeming or otherwise acquiring Webster common stock or any other series of Webster preferred stock to which it ranks on parity with, unless dividends have been declared and paid in full on the Series G Preferred Stock for the most recent dividend period.

The Series G Preferred Stock is perpetual and has no maturity date, and is not subject to any mandatory redemption, sinking fund, or other similar provisions. Except with respect to certain non-payment events and certain changes to the terms of the Series G Preferred Stock, holders have no voting rights, nor preemptive or conversion rights. The Series G Preferred Stock is not convertible or exchangeable for shares of any other class of Webster stock.

Preferred Stock Redemptions

Prior to February 3, 2026, the Company was able to redeem either the Series F Preferred Stock or the Series G Preferred Stock at its option, in whole or in part, subject to the approval of Federal Reserve, on any dividend payment date, or in whole but not in part, upon the occurrence of a regulatory capital treatment event, at a redemption price equal to the liquidation preference plus any declared and unpaid dividends, without accumulation of any undeclared dividends. However, in accordance with the Transaction Agreement with Banco Santander, effective as of February 3, 2026, the Company is restricted from redeeming any of its equity securities through the completion of the Transaction.

Note 12: Accumulated Other Comprehensive (Loss), Net of Tax

The following table summarizes the changes in each component of accumulated other comprehensive (loss), net of the related tax impact:

<i>(In thousands)</i>	Investment Securities Available- for-Sale	Derivative Financial Instruments	Defined Benefit Pension and Other Postretirement Benefit Plans	Total
Balance at December 31, 2022	\$ (631,160)	\$ (8,874)	\$ (44,926)	\$ (684,960)
Other comprehensive income (loss) before reclassifications	90,654	(4,883)	11,794	97,565
Amounts reclassified from accumulated other comprehensive (loss)	23,056	10,888	2,880	36,824
Other comprehensive income, net of tax	113,710	6,005	14,674	134,389
Balance at December 31, 2023	(517,450)	(2,869)	(30,252)	(550,571)
Other comprehensive (loss) income before reclassifications	(106,447)	(37,446)	2,397	(141,496)
Amounts reclassified from accumulated other comprehensive (loss)	103,579	30,715	1,390	135,684
Other comprehensive (loss) income, net of tax	(2,868)	(6,731)	3,787	(5,812)
Balance at December 31, 2024	(520,318)	(9,600)	(26,465)	(556,383)
Other comprehensive income before reclassifications	186,590	5,902	4,885	197,377
Amounts reclassified from accumulated other comprehensive (loss)	(385)	7,439	1,108	8,162
Other comprehensive income, net of tax	186,205	13,341	5,993	205,539
Balance at December 31, 2025	\$ (334,113)	\$ 3,741	\$ (20,472)	\$ (350,844)

The following table further summarizes the amounts reclassified from accumulated other comprehensive (loss):

<i>(In thousands)</i>	Years ended December 31,			Associated Line Item on the Consolidated Statements Of Income
	2025	2024	2023	
Investment securities available-for-sale:				
Net gains (losses) ⁽¹⁾	\$ 528	\$ (141,418)	\$ (31,533)	Non-interest income ⁽²⁾
Tax (expense) benefit	(143)	37,839	8,477	Income tax expense
Net of tax	\$ 385	\$ (103,579)	\$ (23,056)	
Derivative financial instruments:				
Interest payments ⁽³⁾	\$ (10,207)	\$ (41,472)	\$ (12,279)	Interest and fees on loans and leases
Hedge terminations	\$ —	\$ (34)	\$ (310)	Long-term debt interest expense
Time-value premiums	—	(533)	(2,349)	Interest and fees on loans and leases
Tax benefit	2,768	11,324	4,050	Income tax expense
Net of tax	\$ (7,439)	\$ (30,715)	\$ (10,888)	
Defined benefit pension and other postretirement benefit plans:				
Transition obligation	\$ 2	\$ —	\$ —	Other expense
Net actuarial (losses)	(1,522)	(1,907)	(2,083)	Other expense
Other	—	—	(1,869)	Other expense
Tax benefit	412	517	1,072	Income tax expense
Net of tax	\$ (1,108)	\$ (1,390)	\$ (2,880)	

- (1) Reclassification adjustments for net unrealized gains (losses) on investment securities available-for-sale that were sold are determined by reference to the unrealized gain or loss reported in the month prior to sale.
- (2) Gains and losses realized on sales of investment securities available-for-sale are generally included as a component of non-interest income on the accompanying Consolidated Statements of Income unless any portion or all of the loss is due to credit related factors, in which the amount is then included in the Provision for credit losses. Additional information regarding the presentation of gains and losses realized on sales of investment securities available-for-sale for the years ended December 31, 2025, 2024, and 2023, respectively, can be found within Note 3: Investment Securities.
- (3) Over the next 12 months, an estimated \$(4.1) million related to cash flow hedge gain or loss will be reclassified from AOCL, increasing Interest and fees on loans and leases as hedge interest payments are made.

The following tables summarize each component of other comprehensive income (loss) and the related tax effects:

	Year ended December 31, 2025		
	Amount Before Tax	Tax Benefit (Expense)	Amount Net of Tax
<i>(In thousands)</i>			
Investment securities available-for-sale:			
Net unrealized gain arising during the year	\$ 255,998	\$ (69,408)	\$ 186,590
Reclassification adjustment for net realized (gains) included in net income	(528)	143	(385)
Total investment securities available-for-sale	255,470	(69,265)	186,205
Derivative financial instruments:			
Net unrealized gain arising during the year	8,099	(2,197)	5,902
Reclassification adjustment for net realized losses included in net income	10,207	(2,768)	7,439
Total derivative financial instruments	18,306	(4,965)	13,341
Defined benefit pension and other postretirement benefit plans:			
Net actuarial gain arising during the year	6,703	(1,818)	4,885
Reclassification adjustment for amortization of transition obligation and amortization of net actuarial loss included in net income	1,520	(412)	1,108
Total defined benefit pension and other postretirement benefit plans	8,223	(2,230)	5,993
Other comprehensive income, net of tax	\$ 281,999	\$ (76,460)	\$ 205,539

	Year ended December 31, 2024		
	Amount Before Tax	Tax Benefit (Expense)	Amount Net of Tax
<i>(In thousands)</i>			
Investment securities available-for-sale:			
Net unrealized (losses) arising during the year	\$ (145,673)	\$ 39,226	\$ (106,447)
Reclassification adjustment for net realized losses included in net income	141,418	(37,839)	103,579
Total investment securities available-for-sale	(4,255)	1,387	(2,868)
Derivative financial instruments:			
Net unrealized (losses) arising during the year	(51,383)	13,937	(37,446)
Reclassification adjustment for net realized losses included in net income	42,039	(11,324)	30,715
Total derivative financial instruments	(9,344)	2,613	(6,731)
Defined benefit pension and other postretirement benefit plans:			
Net actuarial gain arising during the year	3,290	(893)	2,397
Reclassification adjustment for actuarial net loss amortization included in net income	1,907	(517)	1,390
Total defined benefit pension and other postretirement benefit plans	5,197	(1,410)	3,787
Other comprehensive (loss), net of tax	\$ (8,402)	\$ 2,590	\$ (5,812)

	Year ended December 31, 2023		
	Amount Before Tax	Tax Benefit (Expense)	Amount Net of Tax
<i>(In thousands)</i>			
Investment securities available-for-sale:			
Net unrealized gains arising during the year	\$ 124,233	\$ (33,579)	\$ 90,654
Reclassification adjustment for net realized losses included in net income	31,533	(8,477)	23,056
Total investment securities available-for-sale	155,766	(42,056)	113,710
Derivative financial instruments:			
Net unrealized (losses) arising during the year	(6,701)	1,818	(4,883)
Reclassification adjustment for net realized losses included in net income	14,938	(4,050)	10,888
Total derivative financial instruments	8,237	(2,232)	6,005
Defined benefit pension and other postretirement benefit plans:			
Net actuarial gain arising during the year	16,183	(4,389)	11,794
Reclassification adjustment for actuarial net loss amortization and other included in net income	3,952	(1,072)	2,880
Total defined benefit pension and other postretirement benefit plans	20,135	(5,461)	14,674
Other comprehensive income, net of tax	\$ 184,138	\$ (49,749)	\$ 134,389

Note 13: Regulatory Capital and Restrictions

Regulatory Capital Requirements

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory actions by regulators that could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and/or the regulatory framework for prompt corrective action (applies to the Bank only), both the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated pursuant to regulatory directives. Capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by Basel III to ensure capital adequacy require the Company and the Bank to maintain minimum ratios of CET1 Risk-Based Capital, Risk-Based Capital, Total Risk-Based Capital, and Tier 1 Leverage Ratio, as defined in the regulations. CET1 capital consists of common stockholders' equity, less deductions for goodwill and other intangible assets, and certain deferred tax adjustments. At the time of initial adoption of the Basel III Capital Rules, the Company had elected to opt-out of the requirement to include certain components of AOCI in CET1 capital. Tier 1 capital consists of CET1 capital plus preferred stock. Total capital consists of Tier 1 capital and Tier 2 capital, as defined in the regulations. Tier 2 capital includes qualifying subordinated debt and the permissible portion of the ACL.

At December 31, 2025, and 2024, both the Company and the Bank were classified as "well-capitalized."

The following table provides information on the regulatory capital ratios for the Company and the Bank:

	December 31, 2025					
	Actual ⁽¹⁾		Minimum Requirement		Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<i>(Dollars in thousands)</i>						
Webster Financial Corporation						
CET1 Risk-Based Capital	\$ 6,441,440	11.20 %	\$ 2,588,039	4.5 %	\$ 3,738,279	6.5 %
Tier 1 Risk-Based Capital	6,725,419	11.69	3,450,719	6.0	4,600,959	8.0
Total Risk-Based Capital	7,861,688	13.67	4,600,959	8.0	5,751,199	10.0
Tier 1 Leverage Ratio	6,725,419	8.33	3,230,039	4.0	4,037,549	5.0
Webster Bank						
CET1 Risk-Based Capital	\$ 7,007,352	12.19 %	\$ 2,586,346	4.5 %	\$ 3,735,833	6.5 %
Tier 1 Risk-Based Capital	7,007,352	12.19	3,448,461	6.0	4,597,948	8.0
Total Risk-Based Capital	7,720,373	13.43	4,597,948	8.0	5,747,435	10.0
Tier 1 Leverage Ratio	7,007,352	8.69	3,226,561	4.0	4,033,202	5.0
December 31, 2024						
	Actual ⁽¹⁾		Minimum Requirement		Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	<i>(Dollars in thousands)</i>					
Webster Financial Corporation						
CET1 Risk-Based Capital	\$ 6,318,876	11.54 %	\$ 2,464,542	4.5 %	\$ 3,559,895	6.5 %
Tier 1 Risk-Based Capital	6,602,855	12.06	3,286,057	6.0	4,381,409	8.0
Total Risk-Based Capital	7,800,717	14.24	4,381,409	8.0	5,476,761	10.0
Tier 1 Leverage Ratio	6,602,855	8.70	3,034,369	4.0	3,792,961	5.0
Webster Bank						
CET1 Risk-Based Capital	\$ 6,847,474	12.53 %	\$ 2,460,031	4.5 %	\$ 3,553,378	6.5 %
Tier 1 Risk-Based Capital	6,847,474	12.53	3,280,042	6.0	4,373,389	8.0
Total Risk-Based Capital	7,512,143	13.74	4,373,389	8.0	5,466,736	10.0
Tier 1 Leverage Ratio	6,847,474	9.04	3,031,190	4.0	3,788,988	5.0

(1) In accordance with regulatory capital rules, the Company elected to delay the estimated impact of the adoption of CECL on its regulatory capital over a two-year deferral period, which ended on January 1, 2022, and a subsequent three-year transition period, which ended on December 31, 2024. During the three-year transition period, regulatory capital ratios phased out the aggregate amount of the regulatory capital benefit provided from the delayed CECL adoption in the initial two years. For 2024, the Company was allowed 25%, of the regulatory capital benefit as of December 31, 2021. Full absorption occurred in 2025.

Dividend Restrictions

The Company is dependent upon dividends from the Bank to provide funds for the payment of dividends to stockholders and for other cash requirements. Dividends paid by the Bank are subject to various federal and state regulatory limitations. Express approval by the OCC is required if the effect of dividends declared would cause the regulatory capital of the Bank to fall below specified minimum levels or if the amount would exceed net income for that year combined with undistributed net income for the preceding two years. During the years ended December 31, 2025, and 2024, the Bank paid the Company \$900.0 million and \$600.0 million in dividends, respectively, for which no express approval from the OCC was required.

Cash Restrictions

The Bank is required under Federal Reserve regulations to maintain cash reserve balances in the form of vault cash or deposits held at a FRB to ensure that it is able to meet customer demands. The reserve requirement ratio is subject to adjustment as economic conditions warrant. On March 26, 2020, the Federal Reserve reduced the reserve requirement ratios on all net transaction accounts to zero percent. As a result, the Bank has not been required to hold cash reserve balances since that date.

Note 14: Variable Interest Entities

The Company has an investment interest in the following entities that each meet the definition of a VIE. Information regarding the consolidation of VIEs can be found within Note 1: Summary of Significant Accounting Policies.

Consolidated

Rabbi Trusts. The Company had established a Rabbi Trust to meet its obligations due under the Webster Bank Deferred Compensation Plan for Directors and Officers. The funding of this Rabbi Trust and the discontinuation of the Webster Bank Deferred Compensation Plan for Directors and Officers occurred during 2012. In 2025, the Company amended the Rabbi Trust that had been established for the Webster Bank Deferred Compensation Plan for Directors and Officers to also cover the funding of its obligations due under the Webster Bank Deferred Director Fee Plan. Further, in connection with the merger with Sterling in 2022, the Company acquired assets held in separate Rabbi Trusts that had been respectively established to fund obligations due under the Greater New York Savings Bank Directors' Retirement Plan and the Sterling National Bank Nonqualified Deferred Compensation Plan (renamed as the Webster Bank Nonqualified Deferred Compensation Plan).

The Company is considered the primary beneficiary of these Rabbi Trusts as it has the power to direct the activities that most significantly impact their economic performance and it has the obligation to absorb losses and/or the right to receive benefits that could potentially be significant. The Rabbi Trusts' assets are included in Accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets. Investment earnings and any changes in fair value, as applicable, are included in Other income on the accompanying Consolidated Statements of Income. Additional information regarding the Rabbi Trusts' investments can be found within Note 17: Fair Value Measurements.

Non-Consolidated

Low-Income Housing Tax Credit Investments. The Company makes non-marketable equity investments in entities that sponsor affordable housing and other community development projects that qualify for the LIHTC Program pursuant to Section 42 of the Internal Revenue Code. The purpose of these investments is not only to assist the Bank in meeting its responsibilities under the CRA, but also to provide a return, primarily through the realization of tax benefits. While the Company's investment in an entity may exceed 50% of its outstanding equity interests, the entity is not consolidated as the Company is not the primary beneficiary. The Company has determined that it is not the primary beneficiary due to its inability to direct the activities that most significantly impact economic performance. The Company applies the proportional amortization method to subsequently measure its investments in qualified affordable housing projects.

The following table summarizes the Company's LIHTC investments and related unfunded commitments:

	December 31,	
	2025	2024
<i>(In thousands)</i>		
Gross investment in LIHTC investments	\$ 1,605,955	\$ 1,439,461
Accumulated amortization	(337,375)	(222,101)
Net investment in LIHTC investments	\$ 1,268,580	\$ 1,217,360
Unfunded commitments for LIHTC investments	\$ 634,092	\$ 720,890

During the years ended December 31, 2025, 2024, and 2023, the Company was approved to commit \$166.5 million, \$304.3 million, and \$334.9 million respectively, to fund LIHTC investments.

The aggregate carrying value of the Company's LIHTC investments and the related unfunded commitments are included in Accrued interest receivable and other assets and Accrued expenses and other liabilities, respectively, on the accompanying Consolidated Balance Sheets. The Company's maximum exposure to loss related to its LIHTC investments is generally the aggregate carrying value as of each reporting date. However, income tax credits recognized related to these investments are subject to recapture by taxing authorities for up to a period of 15 years based on compliance provisions that are required to be met at the project level.

The following table summarizes the amount of income tax credits, other income tax benefits, and investment amortization generated from the Company's LIHTC investments, which are recognized as a component of income tax expense on the accompanying Consolidated Statements of Income:

	Years ended December 31,		
	2025	2024	2023
<i>(In thousands)</i>			
Income tax credits and other income tax benefits from LIHTC investments	\$ (142,347)	\$ (107,851)	\$ (90,093)
Investment amortization from LIHTC investments	115,274	80,902	71,775

Income tax credits and other income tax benefits, and investment amortization generated from the Company's LIHTC investments, are included as a component of operating activities on the accompanying Consolidated Statements of Cash Flows.

Webster Statutory Trust I. The Company owns all the outstanding common stock of Webster Statutory Trust I, a financial vehicle that has issued, and in the future may issue, trust preferred securities. The Company is not the primary beneficiary of Webster Statutory Trust I. The only assets of Webster Statutory Trust I are junior subordinated debentures that are issued by the Company, which were acquired using the proceeds from the issuance of trust preferred securities and common stock. The junior subordinated debentures are included in Long-term debt on the accompanying Consolidated Balance Sheets, and the related interest expense is included in Long-term debt on the accompanying Consolidated Statements of Income. Additional information regarding these junior subordinated debentures can be found within Note 10: Borrowings.

Multi-family Securitization Trusts. As previously discussed in Note 2: Business Developments, the Company completed a multi-family securitization in 2024. The Company has determined that it is not the primary beneficiary of the multi-family securitization trusts since it does not have the power to direct the activities that would have the most significant impact on their economic performance. The Company's maximum exposure related to the multi-family securitization trusts is \$36.4 million, which represents its obligation to Freddie Mac to guarantee losses up to 12% of the aggregate UPB of the loans at the time of sale. The obligation is secured in full by an irrevocable letter of credit issued by the FHLB.

Joint Venture with Marathon Asset Management. The Company, through its subsidiary MW Advisor Holding, LLC, owns a 50 percent interest in both MW Advisor, LLC and Marathon Direct Lending SLP, LLC. The Company (i) will receive a management fee for investment advisory and other related services performed by MW Advisor, LLC on behalf of a certain investment fund formed in connection with the joint venture (the "Fund"), and (ii) may be entitled to receive certain special limited partner carried interest distributions through its interest in Marathon Direct Lending SLP, LLC, as the designated special limited partner of the Fund. The Company has determined that it is not the primary beneficiary of either MW Advisor, LLC, Marathon Direct Lending SLP, LLC, or the Fund since it does not have the power to make decisions or control the activities that would most significantly affect their economic performance.

The carrying value of the Company's investment in MW Advisor, LLC and Marathon Direct Lending SLP, LLC, which is included in Accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets, was not significant at December 31, 2025, and 2024, and its maximum exposure to loss is equal to the carrying value plus contractual obligations to provide capital contributions in the future, which also is not significant.

Other Non-Marketable Investments. The Company invests in alternative investments comprising interests in non-public entities that cannot be redeemed since the investment is distributed as the underlying equity is liquidated. The ultimate timing and amount of these distributions cannot be predicted with reasonable certainty. For each of these alternative investments that is classified as a VIE, the Company has determined that it is not the primary beneficiary due to its inability to direct the activities that most significantly impact economic performance. The aggregate carrying value of the Company's other non-marketable investments was \$271.1 million and \$216.5 million at December 31, 2025, and 2024, respectively, which is included in Accrued interest receivable and other assets on the accompanying Consolidated Balance Sheets, and its maximum exposure to loss, including unfunded commitments, was \$401.2 million and \$332.8 million, respectively. Additional information regarding other non-marketable investments can be found within Note 17: Fair Value Measurements.

Note 15: Earnings Per Common Share

The following table summarizes the calculation of basic and diluted earnings per common share:

<i>(In thousands, except per share data)</i>	Years ended December 31,		
	2025	2024	2023
Net income	\$ 1,002,802	\$ 768,707	\$ 867,840
Less: Preferred stock dividends	16,650	16,650	16,650
Income allocated to participating securities	11,291	7,981	7,922
Net income applicable to common stockholders	\$ 974,861	\$ 744,076	\$ 843,268
Weighted-average common shares outstanding - basic	164,842	169,820	171,775
Add: Effect of dilutive stock options and restricted stock	364	372	108
Weighted-average common shares - diluted	165,206	170,192	171,883
Earnings per common share - basic	\$ 5.91	\$ 4.38	\$ 4.91
Earnings per common share - diluted	5.90	4.37	4.91

Earnings per common share is calculated under the two-class method in which all earnings, distributed and undistributed, are allocated to common stock and participating securities based on their respective rights to receive dividends. The Company may provide for the grant of stock options, stock appreciation rights, restricted stock, performance-based stock, and stock units to eligible employees and directors under its stock incentive plan. Holders of restricted stock are entitled to receive non-forfeitable dividends during the vesting period on a basis equivalent to the dividends paid to holders of common stock. These unvested awards meet the definition of participating securities.

Potential common shares from performance-based restricted stock that were not included in the computation of diluted earnings per common share because they were anti-dilutive under the treasury stock method were zero, zero, and 204,945 for the years ended December 31, 2025, 2024, and 2023, respectively. Additional information regarding the issuance of stock awards under the Company's stock incentive plan can be found within Note 19: Stock-Based Compensation Plans.

Note 16: Derivative Financial Instruments

Derivative Positions and Offsetting

Derivatives Designated in Hedge Relationships. Interest rate swaps allow the Company to change the fixed or variable nature of an interest rate without the exchange of the underlying notional amount. Certain pay fixed/receive variable interest rate swaps are designated as cash flow hedges to effectively convert variable-rate debt into fixed-rate debt, whereas certain receive fixed/pay variable interest rate swaps are designated as fair value hedges to effectively convert fixed-rate debt into variable-rate debt. Certain purchased options are also designated as cash flow hedges, allowing the Company to limit the potential adverse impact of variable interest rates by establishing a cap rate or floor rate in exchange for an upfront premium. The purchased options designated as cash flow hedges represent interest rate caps where payment is received from the counterparty if interest rates rise above the cap rate, and interest rate floors where payment is received from the counterparty when interest rates fall below the floor rate. The maximum length of time over which forecasted transactions are hedged is 2.1 years.

Derivatives Not Designated in Hedge Relationships. The Company also enters into derivative transactions that are not designated in hedge relationships. The Company has a back-to-back swap program, whereby it enters into an interest rate swap with a qualified customer and simultaneously enters into an equal and opposite interest-rate swap with a swap counterparty, to hedge interest rate risk. Derivative assets and derivative liabilities with the same counterparty are presented on a net basis when master netting agreements are in place.

The following tables present the notional amounts and fair values, including accrued interest, of derivative positions:

	December 31, 2025			
	Asset Derivatives		Liability Derivatives	
	Notional Amounts	Fair Value	Notional Amounts	Fair Value
<i>(In thousands)</i>				
Designated in hedge relationships:				
Interest rate derivatives ⁽¹⁾	\$ 4,500,000	\$ 6,258	\$ 500,000	\$ 403
Not designated in hedge relationships:				
Interest rate derivatives ⁽¹⁾	9,989,160	223,685	9,989,160	222,794
Mortgage banking derivatives	4,032	67	—	—
Other ⁽²⁾	412,075	191	1,014,621	517
Total not designated as hedging instruments	10,405,267	223,943	11,003,781	223,311
Gross derivative instruments, before netting	\$ 14,905,267	230,201	\$ 11,503,781	223,714
Less: Master netting agreements		65,063		65,063
Cash collateral pledged		84,056		12,053
Total derivative instruments, after netting		\$ 81,082		\$ 146,598

	December 31, 2024			
	Asset Derivatives		Liability Derivatives	
	Notional Amounts	Fair Value	Notional Amounts	Fair Value
<i>(In thousands)</i>				
Designated as hedging instruments:				
Interest rate derivatives ⁽¹⁾	\$ 750,000	\$ 719	\$ 4,250,000	\$ 13,169
Not designated in hedge relationships:				
Interest rate derivatives ⁽¹⁾	8,693,493	300,120	8,728,767	298,296
Mortgage banking derivatives	584	3	—	—
Other ⁽²⁾	337,370	1,300	833,449	96
Total not designated as hedging instruments	9,031,447	301,423	9,562,216	298,392
Gross derivative instruments, before netting	\$ 9,781,447	302,142	\$ 13,812,216	311,561
Less: Master netting agreements		31,881		31,881
Cash collateral pledged		251,212		80
Total derivative instruments, after netting		\$ 19,049		\$ 279,600

(1) The notional amounts of interest rate swaps that were centrally-cleared through clearing housings was \$65.3 million at December 31, 2025, and \$71.1 million at December 31, 2024, for asset derivatives, and \$126.5 million at December 31, 2025, and zero at December 31, 2024, for liability derivatives. Interest rate swaps that are centrally-cleared through clearing houses are “settled-to-market” and considered a single unit of account. In accordance with their rule books, clearing houses record the variation margin transferred for settled-to-market derivatives as a legal settlement of the derivative contract (i.e., the variation margin legally settles the outstanding exposure, but does not result in any other change or reset of the contractual terms of the derivative). The fair values of the Company’s settled-to-market interest rate swaps are presented net on the accompanying Consolidated Balance Sheets and approximated zero.

(2) Other derivatives not designated in hedge relationships included foreign currency forward contracts related to lending arrangements, a Visa equity swap transaction, and risk participation agreements. The notional amount of risk participation agreements was \$370.1 million at December 31, 2025, and \$294.5 million at December 31, 2024, for asset derivatives, and \$965.4 million at December 31, 2025, and \$796.6 million at December 31, 2024, for liability derivatives, all of which had immaterial related fair values.

The following tables represent the offsetting of derivative financial instruments that are subject to master netting agreements:

December 31, 2025						
<i>(In thousands)</i>	Gross Amounts of Assets/Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial position		
				Financial Instruments	Cash Collateral Pledged	Net Amount
Asset derivatives	\$ 153,854	\$ 65,063	\$ 88,791	\$ —	\$ 84,056	\$ 4,735
Liability derivatives	77,167	65,063	12,104	—	12,053	51

December 31, 2024						
<i>(In thousands)</i>	Gross Amounts of Assets/Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial position		
				Financial Instruments	Cash Collateral Pledged	Net Amount
Asset derivatives	\$ 283,185	\$ 31,881	\$ 251,304	\$ —	\$ 251,212	\$ 92
Liability derivatives	32,218	31,881	337	—	80	257

Derivative Activity

The following table summarizes the income statement effect of derivatives designated in hedge relationships:

<i>(In thousands)</i>	Recognized In Net Interest Income	Years ended December 31,		
		2025	2024	2023
Fair value hedges:				
Interest rate derivatives	Deposits interest expense	\$ —	\$ (1,320)	\$ 3,194
Hedged item	Deposits interest expense	—	—	(15)
Net recognized on fair value hedges ⁽¹⁾		\$ —	\$ 1,320	\$ (3,179)
Cash flow hedges:				
Interest rate derivatives	Long-term debt interest expense	\$ —	\$ 34	\$ 310
Interest rate derivatives	Interest and fees on loans and leases	(10,207)	(42,005)	(14,628)
Net recognized on cash flow hedges ⁽²⁾		\$ (10,207)	\$ (42,039)	\$ (14,938)

(1) The Company de-designated its fair value hedging relationship on \$400.0 million of deposits, which pertained to a portion of Ametros' member deposits, in 2023. The \$1.3 million basis adjustment included in the carrying amount of deposits at December 31, 2023, was amortized into interest expense in January 2024 upon the acquisition of Ametros.

(2) Additional information regarding the amounts recognized in net income related to cash flow hedge activities can be found within Note 12: Accumulated Other Comprehensive (Loss), Net of Tax.

The following table summarizes the income statement effect of derivatives not designated in hedge relationships:

<i>(In thousands)</i>	Recognized In Non-interest Income	Years ended December 31,		
		2025	2024	2023
Interest rate derivatives	Other income	\$ 8,664	\$ (1,480)	\$ (6,159)
Mortgage banking derivatives	Other income	63	(34)	5
Other	Other income	(5,526)	4,246	(2,476)
Total not designated in hedge relationships		\$ 3,201	\$ 2,732	\$ (8,630)

Derivative Exposure. At December 31, 2025, the Company had \$84.5 million of cash collateral received and \$13.8 million of cash collateral posted included in Cash and due from banks on the accompanying Consolidated Balance Sheets. In addition, the Company had \$3.5 million in initial margin posted at clearing houses. The Company regularly evaluates the credit risk of its derivative customers, taking into account the likelihood of default, net exposures, and remaining contractual life, among other related factors. Credit risk exposure is mitigated as transactions with customers are generally secured by the same collateral of the underlying transactions. Current net credit exposure relating to derivatives with the Bank's customers was \$76.3 million at December 31, 2025. In addition, the Company monitors potential future exposure, representing its best estimate of exposure to remaining contractual maturity. The potential future exposure relating to derivatives with the Bank's customers totaled \$126.9 million at December 31, 2025. The Company has incorporated a credit valuation adjustment to reflect non-performance risk in the fair value measurement of its derivatives, which totaled \$4.2 million at December 31, 2025, and \$7.6 million at December 31, 2024. Various factors impact changes in the credit valuation adjustment over time, such as changes in the credit spreads of the contracted parties, and changes in market rates and volatilities, which affect the total expected exposure of the derivative instruments.

Note 17: Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The determination of fair value may require the use of estimates when quoted market prices are not available. Fair value estimates made at a specific point in time are based on management's judgments regarding future expected losses, current economic conditions, the risk characteristics of each financial instrument, and other subjective factors that cannot be determined with precision.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels within the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, rate volatility, prepayment speeds, and credit ratings), or inputs that are derived principally from or corroborated by market data, correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. This includes certain pricing models or other similar techniques that require significant management judgment or estimation.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Available-for-Sale Securities. When unadjusted quoted prices are available in an active market, the Company classifies its available-for-sale securities within Level 1 of the fair value hierarchy. When quoted market prices are not available, the Company employs an independent pricing service that utilizes matrix pricing to calculate fair value. These fair value measurements consider observable data, such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the respective terms and conditions for debt instruments. Management maintains procedures to monitor the pricing service's results and has a process in place to challenge their valuations and methodologies. Government agency debentures, Municipal bonds and notes, Agency CMO, Agency MBS, Agency CMBS, CMBS, Corporate debt, Private label MBS, and Other available-for-sale securities are classified within Level 2 of the fair value hierarchy.

Derivative Financial Instruments. The fair values presented for derivative financial instruments include any accrued interest. Foreign exchange contracts are valued based on unadjusted quoted prices in active markets and, accordingly, are classified within Level 1 of the fair value hierarchy. Except for mortgage banking derivatives, all other derivative financial instruments are valued using third-party valuation software, which considers the present value of cash flows discounted using observable forward rate assumptions. The resulting fair value is then validated against valuations performed by dealer counterparties. Credit valuation adjustments, which are included in the fair value of derivative financial instruments, utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by its counterparties. When credit valuation adjustments are significant to the overall fair value of a derivative financial instrument, the Company classifies that derivative financial instrument in Level 3 of the fair value hierarchy. Otherwise, derivative financial instruments are generally classified within Level 2 of the fair value hierarchy. At December 31, 2025, and 2024, these credit valuation adjustments were not considered significant to the overall fair value of the Company's derivative financial instruments.

Mortgage Banking Derivatives. The Company uses forward sales of mortgage loans and mortgage-backed securities to manage the risk of loss associated with its mortgage loan commitments and mortgage loans held for sale. Prior to closing and funding certain single-family residential mortgage loans, an interest rate lock commitment is generally extended to the borrower. During this in-between time period, the Company is subject to the risk that market interest rates may change. If rates rise, investors generally will pay less to purchase mortgage loans, which would result in a reduction in the gain on sale of the loans, or possibly a loss. In an effort to mitigate this risk, forward delivery sales commitments are established in which the Company agrees to either deliver whole mortgage loans to various investors or issue mortgage-backed securities. The fair value of mortgage banking derivatives is determined based on current market prices for similar assets in the secondary market. Accordingly, mortgage banking derivatives are classified within Level 2 of the fair value hierarchy.

Loans Originated For Sale. The Company has elected to measure residential mortgage loans originated for sale at fair value under the fair value option per ASC Topic 825, Financial Instruments. Electing to measure residential mortgage loans originated for sale at fair value reduces certain timing differences and better reflects the price the Company would expect to receive from the sale of these loans. The fair value of residential mortgage loans originated for sale is based on quoted market prices of similar loans sold in conjunction with securitization transactions. Accordingly, residential mortgage loans originated for sale are classified within Level 2 of the fair value hierarchy.

The following table compares the fair value to the UPB of residential mortgage loans held for sale:

<i>(In thousands)</i>	December 31,					
	2025			2024		
	Fair Value	UPB	Difference	Fair Value	UPB	Difference
Originated loans held for sale	\$ 2,142	\$ 2,068	\$ 74	\$ 297	\$ 283	\$ 14

Rabbi Trust Investments. Investments held in each of the Company's Rabbi Trusts reported at fair value consist primarily of mutual funds that invest in equity and fixed income securities. Shares of these mutual funds are valued based on the NAV as reported by the trustee of the funds, which represents quoted prices in active markets. Accordingly, these Rabbi Trusts' investments are classified within Level 1 of the fair value hierarchy. At December 31, 2025, and 2024, the total cost basis of the investments held in these Rabbi Trusts was \$11.2 million and \$9.2 million, respectively.

Alternative Investments. Equity investments have a readily determinable fair value when unadjusted quoted prices are available in an active market for identical assets. Accordingly, these alternative investments are classified within Level 1 of the fair value hierarchy. In 2024, the Company sold its equity investments with a readily determinable fair value for proceeds of \$1.2 million. Prior to the sale, these alternative investments experienced total write-ups in fair value of \$0.3 million. There were no equity investments with a readily determinable fair value at December 31, 2025, and 2024.

Equity investments that do not have a readily determinable fair value may qualify for the NAV practical expedient if they meet certain requirements. The Company's alternative investments measured at NAV consist of investments in non-public entities that cannot be redeemed since investments are distributed as the underlying equity is liquidated. Alternative investments measured at NAV are not classified within the fair value hierarchy. At December 31, 2025, and 2024, these alternative investments had a total carrying amount of \$57.5 million and \$43.4 million, respectively, and a remaining unfunded commitment of \$52.2 million and \$30.1 million, respectively.

Contingent Consideration. The Company recorded contingent consideration at fair value related to one earn-out agreement associated with the SecureSave acquisition completed in December 2025. The earn-out is based on total program deposits measured as of three future measurement dates, with a payment due only if total program deposits exceed the program deposit threshold and, if so, (i) equal to total program deposits multiplied by the applicable earn-out rate for the measurement dates on December 31, 2026, and December 31, 2027, and (ii) equal to the total program deposits in excess of the program deposit threshold multiplied by the earn-out rate for the measurement date on December 31, 2028. The contingent consideration is payable in cash up to an aggregate maximum of \$35.0 million.

The following table summarizes the significant inputs used to derive the estimated fair value of the Company's contingent consideration liability associated with the SecureSave acquisition at December 31, 2025 (dollars in thousands):

Measurement date	Contractual Inputs			Unobservable Inputs				Fair Value
	Program Deposit Threshold	Earn-Out Rate	Aggregate Maximum Earn-Out	Projected Program Deposits	Earn-Out Metric Discount Rate	Deposit Volatility	Payout Present Value Factor	
December 31, 2026	\$ 145,000	1.0 %	\$ 35,000	\$ 146,700	15.1 %	14.0 %	0.94	\$ 417
December 31, 2027	402,500	1.5	35,000	485,405	15.0	14.0	0.90	2,998
December 31, 2028	681,000	5.0	35,000	1,034,752	15.0	14.0	0.86	5,005

The estimated fair values of the SecureSave contingent consideration liabilities are measured on a recurring basis and determined using a Monte Carlo simulation which utilizes contractual inputs and management's evaluation of unobservable inputs such as projected program deposits, an earn-out metric discount rate, deposit volatility, and the payout present value factor. The unobservable inputs, which are the responsibility of management and were calculated with the assistance of a third-party valuation specialist, are not observable, and accordingly, are classified within Level 3 of the fair value hierarchy.

The Company also recorded contingent consideration at fair value related to two earn-out agreements associated with the acquisition of interLINK Insured Sweep LLC from StoneCastle Partners LLC in January 2023. The terms of the purchase agreement specified that the seller would receive earn-outs based on the ability of the Company to: (i) re-sign the existing broker dealers under contract, and (ii) generate \$2.5 billion in new broker dealer deposit programs within three years of the acquisition date. As of the third quarter of 2025, the Company had settled all of its contingent consideration obligations with StoneCastle Partners LLC in accordance with the purchase agreement.

The following table summarizes the significant inputs used to derive the estimated fair value of the Company's contingent consideration liability associated with the interLINK acquisition at December 31, 2024 (dollars in thousands):

Agreement	Maximum Amount	Probability of Achievement	Payment Term (in years)	Discount Rate	Fair Value
(i) Re-sign broker dealers ⁽¹⁾	\$ 207	99.0 %	0.88	6.40 %	\$ 182
(ii) Deposit program growth ⁽²⁾	\$ 12,500	100.0 %	0.50	6.40 %	\$ 11,568

- (1) The Company re-signed the last existing broker dealer under contract in July 2025, which resulted in the cash payment of \$0.2 million and an immaterial fair value adjustment.
- (2) During the first quarter of 2025, the Company re-evaluated its estimate of the forecasted achievement date (payment term) for the deposit program growth event earn-out, which resulted in a revised expected achievement date of April 30, 2025, instead of June 30, 2025. This change in estimate resulted in an increase in fair value of \$0.9 million. The Company generated the required \$2.5 billion in new broker dealer deposit programs in April 2025, which resulted in the cash payment of \$12.5 million.

The estimated fair values of the interLINK contingent consideration liabilities are measured on a recurring basis and determined using an income approach considering management's evaluation of the probability of achievement, forecasted achievement date (payment term), and a discount rate equivalent to the cost of debt. These significant inputs, which are the responsibility of management and were calculated with the assistance of a third-party valuation specialist, are not observable, and accordingly, are classified within Level 3 of the fair value hierarchy.

Contingent consideration liabilities are included in Accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets. Any fair value adjustments to contingent consideration liabilities are included in Other expense on the accompanying Consolidated Statements of Income.

The following table summarizes the fair values of assets and liabilities measured at fair value on a recurring basis:

<i>(In thousands)</i>	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Available-for-sale securities:				
Government agency debentures	\$ —	\$ 197,650	\$ —	\$ 197,650
Municipal bonds and notes	—	109,619	—	109,619
Agency CMO	—	24,856	—	24,856
Agency MBS	—	5,057,273	—	5,057,273
Agency CMBS	—	3,526,010	—	3,526,010
CMBS	—	718,412	—	718,412
Corporate debt	—	328,145	—	328,145
Private label MBS	—	38,052	—	38,052
Other	—	9,483	—	9,483
Total available-for-sale securities	—	10,009,500	—	10,009,500
Gross derivative instruments, before netting ⁽¹⁾	152	230,049	—	230,201
Originated loans held for sale	—	2,142	—	2,142
Investments held in Rabbi Trusts	15,415	—	—	15,415
Alternative investments measured at NAV ⁽²⁾	—	—	—	57,549
Total financial assets	\$ 15,567	\$ 10,241,691	\$ —	\$ 10,314,807
Financial Liabilities:				
Gross derivative instruments, before netting ⁽¹⁾	\$ 417	\$ 223,297	\$ —	\$ 223,714
Contingent consideration	—	—	8,420	8,420
Total financial liabilities	\$ 417	\$ 223,297	\$ 8,420	\$ 232,134

<i>(In thousands)</i>	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Available-for-sale securities:				
Government agency debentures	\$ —	\$ 186,426	\$ —	\$ 186,426
Municipal bonds and notes	—	110,876	—	110,876
Agency CMO	—	29,043	—	29,043
Agency MBS	—	4,519,785	—	4,519,785
Agency CMBS	—	3,034,392	—	3,034,392
CMBS	—	625,388	—	625,388
Corporate debt	—	452,266	—	452,266
Private label MBS	—	39,219	—	39,219
Other	—	9,205	—	9,205
Total available-for-sale securities	—	9,006,600	—	9,006,600
Gross derivative instruments, before netting ⁽¹⁾	1,263	300,879	—	302,142
Originated loans held for sale	—	297	—	297
Investments held in Rabbi Trust	13,438	—	—	13,438
Alternative investments measured at NAV ⁽²⁾	—	—	—	43,360
Total financial assets	\$ 14,701	\$ 9,307,776	\$ —	\$ 9,365,837
Financial Liabilities:				
Gross derivative instruments, before netting ⁽¹⁾	\$ 43	\$ 311,518	\$ —	\$ 311,561
Contingent consideration	—	—	11,750	11,750
Total financial liabilities	\$ 43	\$ 311,518	\$ 11,750	\$ 323,311

(1) Additional information regarding the impact of netting derivative assets and derivative liabilities, as well as the impact from offsetting cash collateral with the same derivative counterparties, can be found within Note 16: Derivative Financial Instruments.

(2) Certain alternative investments are recorded at NAV. Assets measured at NAV are not classified within the fair value hierarchy.

Assets Measured at Fair Value on a Non-Recurring Basis

The Company measures certain assets at fair value on a non-recurring basis. The following is a description of valuation methodologies used for assets measured at fair value on a non-recurring basis.

Alternative Investments. The measurement alternative has been elected for alternative investments without readily determinable fair values that do not qualify for the NAV practical expedient. The measurement alternative requires investments to be measured at cost minus impairment, if any, plus or minus adjustments resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Accordingly, these alternative investments are classified within Level 2 of the fair value hierarchy. At December 31, 2025, and 2024, the carrying amount of these alternative investments was \$86.1 million and \$61.5 million, respectively, of which \$7.5 million and \$8.3 million, respectively, were considered to be measured at fair value. During the year ended December 31, 2025, there were \$2.0 million in total write-ups due to observable price changes and \$0.5 million of total write-downs due to impairment. Additionally, during the year ended December 31, 2025, the Company sold alternative investments with a carrying amount of \$4.6 million, for which the measurement alternative was elected, for proceeds of \$13.4 million, resulting in total gains on sale of \$8.8 million.

Loans Transferred to Held for Sale. Once a decision has been made to sell loans that were not previously classified as held for sale, these loans are transferred into the held for sale category and carried at the lower of cost or fair value, less estimated costs to sell. At the time of transfer and classification as held for sale, any amount by which cost exceeds fair value is accounted for as a valuation allowance. This activity generally pertains to loans with observable inputs and, therefore, are classified within Level 2 of the fair value hierarchy. However, should these loans include adjustments for changes in loan characteristics based on unobservable inputs, the loans would then be classified within Level 3 of the fair value hierarchy. At December 31, 2025, and 2024, there were \$12.7 million and \$27.3 million, respectively, of loans on the accompanying Consolidated Balance Sheets that had been transferred to held for sale.

Collateral Dependent Loans and Leases. Loans and leases for which repayment is substantially expected to be provided through the operation or sale of collateral are considered collateral dependent, and are valued based on the estimated fair value of the collateral, less estimated costs to sell at the reporting date, using customized discounting criteria. Accordingly, collateral dependent loans and leases are classified within Level 3 of the fair value hierarchy.

Other Real Estate Owned and Repossessed Assets. OREO and repossessed assets are held at the lower of cost or fair value and are considered to be measured at fair value when recorded below cost. The fair value of OREO is calculated using independent appraisals or internal valuation methods, less estimated selling costs, and may consider available pricing guides, auction results, and price opinions. Certain repossessed assets may also require assumptions about factors that are not observable in an active market when determining fair value. Accordingly, OREO and repossessed assets are classified within Level 3 of the fair value hierarchy. At December 31, 2025, and 2024, the total carrying value of OREO and repossessed assets was \$1.5 million and \$0.4 million, respectively. In addition, the amortized cost of consumer loans secured by residential real estate property that were in the process of foreclosure at December 31, 2025, was \$9.0 million.

Estimated Fair Values of Financial Instruments

The Company is required to disclose the estimated fair values of certain financial instruments. The following is a description of the valuation methodologies used to estimate fair value for those assets and liabilities.

Cash and Cash Equivalents. Given the short time frame to maturity, the carrying amount of cash and cash equivalents, which is comprised of Cash and due from banks and Interest-bearing deposits, approximates fair value. Cash and cash equivalents are classified within Level 1 of the fair value hierarchy.

Held-to-Maturity Securities. When quoted market prices are not available, the Company employs an independent pricing service that utilizes matrix pricing to calculate fair value. These fair value measurements consider observable data, such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the respective terms and conditions for debt instruments. Management maintains procedures to monitor the pricing service's results and has a process in place to challenge their valuations and methodologies. Held-to-maturity securities, which include Agency CMO, Agency MBS, Agency CMBS, Municipal bonds and notes, and CMBS, are classified within Level 2 of the fair value hierarchy.

Loans and Leases, net. Except for collateral dependent loans and leases, the fair value of loans and leases held for investment is estimated using a discounted cash flow methodology, based on future prepayments and market interest rates inclusive of an illiquidity discount for comparable loans and leases. The associated cash flows are then adjusted for associated credit risks and other potential losses, as appropriate. Loans and leases, net are classified within Level 3 of the fair value hierarchy.

Deposit Liabilities. The fair value of deposit liabilities, which is comprised of non-interest-bearing demand deposits, interest-bearing checking, health savings, money market, and savings accounts, reflects the amount payable on demand at the reporting date. Deposit liabilities are classified within Level 2 of the fair value hierarchy.

Time Deposits. The fair value of fixed-maturity certificates of deposit is estimated by discounting contractual cash flows using current market rates for financial instruments with similar maturities. Time deposits are classified within Level 2 of the fair value hierarchy.

Securities Sold Under Agreements to Repurchase and Federal Funds Purchased. The fair value of securities sold under agreements to repurchase and federal funds purchased that mature within 90 days approximates their carrying value. The fair value of securities sold under agreements to repurchase and federal funds purchased that mature after 90 days is estimated using a discounted cash flow methodology based on current market rates and adjusted for associated credit risks, as appropriate. Securities sold under agreements to repurchase and federal funds purchased are each classified within Level 2 of the fair value hierarchy.

Federal Home Loan Bank Advances and Long-Term Debt. The fair value of FHLB advances and long-term debt is estimated using a discounted cash flow methodology in which discount rates are matched with the time period of the expected cash flows and adjusted for associated credit risks, as appropriate. FHLB advances and long-term debt are each classified within Level 2 of the fair value hierarchy.

The following table summarizes the carrying amounts, estimated fair values, and classifications within the fair value hierarchy of selected financial instruments:

<i>(In thousands)</i>	December 31,			
	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Level 1				
Cash and cash equivalents	\$ 2,449,525	\$ 2,449,525	\$ 2,074,434	\$ 2,074,434
Level 2				
Held-to-maturity investment securities, net	7,969,575	7,168,583	8,444,191	7,453,123
Level 3				
Loans and leases, net	55,877,699	54,892,526	51,815,602	50,245,305
Liabilities:				
Level 2				
Deposit liabilities	\$ 60,189,495	\$ 60,189,495	\$ 56,518,126	\$ 56,518,126
Time deposits	8,570,318	8,553,998	8,234,954	8,211,582
Securities sold under agreements to repurchase and federal funds purchased	596,738	596,872	344,168	344,166
FHLB advances	2,980,718	2,978,201	2,110,108	2,107,790
Long-term debt ⁽¹⁾	739,454	791,945	909,185	860,200

(1) Any unamortized premiums/discounts, debt issuance costs, or basis adjustments to long-term debt, as applicable, are excluded from the determination of fair value.

Note 18: Retirement Benefit Plans

Defined Benefit Pension and Other Postretirement Benefit Plans

The Bank had offered a qualified noncontributory defined benefit Pension Plan (“Webster Bank Pension Plan”) and a non-qualified SERP (“Webster Bank Supplemental Defined Benefit Plan for Executive Officers”) to eligible employees and key executives who met certain age and service requirements, both of which were frozen effective December 31, 2007. Only those employees who were hired prior to January 1, 2007, and who became participants of the plans prior to January 1, 2008, have accrued benefits under the plans. The Bank also provides an OPEB plan to certain retired employees (“Webster Bank Postretirement Medical Benefit Plan”).

In connection with the Sterling merger in 2022, the Company assumed the benefit obligations of Sterling’s non-qualified SERPs, which included the Astoria Bank Excess Benefit and Supplemental Benefit Plans, Astoria Bank Directors’ Retirement Plan, Retirement Plan of the Greater New York Saving Bank for Non-Employee Directors, Supplemental Executive Retirement Plan of Provident Bank, and the Supplemental Executive Retirement Plan of Provident Bank - Other; and OPEB plans, which included the Sterling Bancorp Supplemental Postretirement Life Insurance Plan, Astoria Postretirement Welfare Benefit Plans, and a Split Dollar Life Insurance Arrangement. In 2024, the Split Dollar Life Insurance Arrangement was liquidated.

In 2025, the Eagle Benefit Equalization Plan, which is a non-qualified SERP that had previously been managed off-balance sheet, was integrated into the Company’s consolidated financial statements.

Each of the above plan’s measurement dates coincides with the Company’s December 31 year end.

The following table summarizes the changes in the benefit obligation, fair value of plan assets, and funded status of the defined benefit pension and other postretirement benefit plans at December 31:

<i>(In thousands)</i>	Pension		SERP		OPEB	
	2025	2024	2025	2024	2025	2024
Change in benefit obligation:						
Beginning balance	\$ 174,112	\$ 189,986	\$ 3,598	\$ 4,139	\$ 13,667	\$ 22,669
Benefit obligation ⁽¹⁾	—	—	106	—	—	—
Service cost	—	—	—	—	19	17
Interest cost	8,775	8,648	172	178	692	956
Actuarial loss (gain) ⁽²⁾	4,269	(13,588)	241	(260)	(88)	3,637
Benefits paid	(11,466)	(10,934)	(449)	(459)	(741)	(13,612)
Ending balance	175,690	174,112	3,668	3,598	13,549	13,667
Change in plan assets:						
Beginning balance	209,339	217,167	—	—	—	—
Actual return on plan assets ⁽³⁾	23,194	3,106	—	—	—	—
Employer contributions	—	—	449	459	741	13,612
Benefits paid	(11,466)	(10,934)	(449)	(459)	(741)	(13,612)
Ending balance	221,067	209,339	—	—	—	—
Funded status ⁽⁴⁾	\$ 45,377	\$ 35,227	\$ (3,668)	\$ (3,598)	\$ (13,549)	\$ (13,667)

(1) Reflects the benefit obligation as of the date that the Eagle Benefit Equalization Plan was integrated into the Company’s consolidated financial statements in 2025.

(2) The change in actuarial (gain) loss is primarily due to actuarial losses in 2025 resulting from a decrease in discount rates, as compared to actuarial (gains) in 2024 resulting from an increase in discount rates.

(3) The increase in the actual return on plan assets for the Pension Plan is primarily due to the performance of fixed income investments, which comprise approximately 65% of the portfolio. In 2025, fixed income investments earned a positive return, as compared to a negative return in 2024.

(4) The overfunded (underfunded) status of each plan is respectively included in Accrued interest receivable and other assets or Accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets, as applicable.

The following table summarizes the weighted-average assumptions used to determine the benefit obligation at December 31:

	Discount Rate	
	2025	2024
Pension:		
Webster Bank Pension Plan	5.26 %	5.43 %
SERP:		
Webster Bank Supplemental Defined Benefit Plan for Executive Officers	5.00 %	5.31 %
Astoria Bank Excess Benefit and Supplemental Benefit Plans	4.67	5.14
Astoria Bank Directors' Retirement Plan	4.49	5.04
Eagle Benefit Equalization Plan	4.88	n/a
Retirement Plan of the Greater New York Savings Bank for Non-Employee Directors	4.47	5.03
Supplemental Executive Retirement Plan of Provident Bank	4.80	5.32
Supplemental Executive Retirement Plan of Provident Bank - Other	4.41	5.09
OPEB:		
Webster Bank Postretirement Medical Benefit Plan	4.48 %	5.01 %
Sterling Bancorp Supplemental Postretirement Life Insurance Plan	4.75	5.20
Astoria Bank Postretirement Welfare Benefit Plans	5.18	5.39

The following table summarizes the amounts recorded in accumulated other comprehensive (loss) that have not yet been recognized in net periodic benefit (income) cost at December 31:

<i>(In thousands)</i>	Pension		SERP		OPEB	
	2025	2024	2025	2024	2025	2024
Transition obligation	\$ —	\$ —	\$ 104	\$ —	\$ —	\$ —
Net actuarial loss (gain)	25,686	34,440	207	(44)	(1,613)	(1,788)
Deferred tax (benefit) expense	(4,120)	(6,488)	(50)	8	258	337
Net amount recorded in (AOCL)	\$ 21,566	\$ 27,952	\$ 261	\$ (36)	\$ (1,355)	\$ (1,451)

The following table summarizes the components of net periodic benefit (income) cost for the years ended December 31:

<i>(In thousands)</i>	Pension			SERP			OPEB		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 19	\$ 17	\$ 27
Interest cost	8,775	8,648	8,782	172	178	191	692	956	1,042
Expected return on plan assets	(12,231)	(12,709)	(11,778)	—	—	—	—	—	—
Amortization of transition obligation	—	—	—	(2)	—	—	—	—	—
Amortization of actuarial loss (gain)	2,061	2,871	4,781	(11)	12	6	(528)	(976)	(2,704)
Other ⁽¹⁾	—	—	—	—	—	—	—	3,212	—
Net periodic benefit (income) cost ⁽²⁾	\$ (1,395)	\$ (1,190)	\$ 1,785	\$ 159	\$ 190	\$ 197	\$ 183	\$ 3,209	\$ (1,635)

(1) Reflects the loss recognized upon cessation of the Split Dollar Life Insurance Arrangement in 2024.

(2) Net periodic benefit (income) cost is included in Other expense on the accompanying Consolidated Statements of Income.

The following table summarizes the weighted-average assumptions used to determine net periodic benefit (income) cost for the years ended December 31:

	Discount Rate		
	2025	2024	2023
Pension:			
Webster Bank Pension Plan	5.43 %	4.76 %	4.96 %
SERP:			
Webster Bank Supplemental Defined Benefit Plan for Executive Officers	5.31 %	4.68 %	4.88 %
Astoria Bank Excess Benefit and Supplemental Benefit Plans	5.14	4.56	4.77
Astoria Bank Directors' Retirement Plan	5.04	4.50	4.70
Eagle Benefit Equalization Plan	5.06	n/a	n/a
Retirement Plan of the Greater New York Savings Bank for Non-Employee Directors	5.03	4.50	4.70
Supplemental Executive Retirement Plan of Provident Bank	5.32	4.83	5.04
Supplemental Executive Retirement Plan of Provident Bank - Other	5.09	4.71	4.90
OPEB:			
Webster Bank Postretirement Medical Benefit Plan	5.01 %	4.54 %	4.72 %
Sterling Bancorp Supplemental Postretirement Life Insurance Plan	5.20	4.51	4.70
Astoria Bank Postretirement Welfare Benefit Plans	5.39	4.74	4.94
Split Dollar Life Insurance Arrangement	n/a	4.45	4.63

	Expected Long-Term Rate of Return on Plan Assets		
	2025	2024	2023
Pension:			
Webster Bank Pension Plan	6.00 %	6.00 %	6.00 %
OPEB:			
Webster Bank Postretirement Medical Benefit Plan	7.00 %	6.50 %	6.50 %
Astoria Bank Postretirement Welfare Benefit Plans	7.00	6.50	6.40

(1) The rates to which the healthcare cost trend rates are assumed to decline (ultimate trend rates) along with the year that the ultimate trend rates will be reached are 4.40% in 2036 for the Webster Bank Postretirement Medical Benefit Plan and 4.40% in 2036 for the Astoria Bank Postretirement Welfare Benefit Plans.

The discount rates used to determine the benefit obligation and net periodic benefit (income) cost for the Company's defined benefit pension and other postretirement benefit plans were generally selected by reference to a high-quality bond yield curve, using a full yield curve approach, and matched to the timing and amount of each plan's expected benefit payments.

The following table summarizes amounts recognized in other comprehensive income (loss), including reclassification adjustments, for the years ended December 31:

<i>(In thousands)</i>	Pension			SERP			OPEB		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Net actuarial (gain) loss	\$ (6,693)	\$ (3,985)	\$ (10,639)	\$ 241	\$ (260)	\$ 183	\$ (251)	\$ 955	\$ (382)
Amortization of transition obligation	—	—	—	2	—	—	—	—	—
Amortization of actuarial (loss) gain	(2,061)	(2,871)	(4,781)	11	(12)	(6)	528	976	2,704
Total (gain) loss recognized in OCI (OCL)	\$ (8,754)	\$ (6,856)	\$ (15,420)	\$ 254	\$ (272)	\$ 177	\$ 277	\$ 1,931	\$ 2,322

At December 31, 2025, the expected future benefit payments for the Company's defined benefit pension and other postretirement benefits plans are as follows:

<i>(In thousands)</i>	Pension	SERP	OPEB
2026	\$ 11,383	\$ 471	\$ 1,195
2027	11,890	451	1,219
2028	12,287	428	1,185
2029	12,580	404	1,153
2030	12,801	377	1,108
Thereafter	65,432	1,463	5,078

Asset Management

The Pension Plan invests primarily in common collective trusts and registered investment companies. However, the Pension Plan's investment policy guidelines also allow for the investment in cash and cash equivalents, fixed income securities, and equity securities. Common collective trusts and registered investment companies are both benchmarked against the Standard & Poor's 500 Index. Incremental benchmarks used to assess the common collective trusts include the S&P 400 Mid Cap Index, Russell 200 Index, MSCI ACWI ex U.S. Index, and the Bloomberg U.S. Long Credit Index. The standard deviation should not exceed that of the composite index. The Pension Plan's investment strategy and asset allocations are monitored by the Company's Retirement Plans Committee with the assistance of external investment advisors, and the investment portfolio is rebalanced, as appropriate. The target asset allocation percentages for the year ended December 31, 2025, were 64.5% fixed-income investments and 35.5% equity investments. The actual asset allocation percentages for the year ended December 31, 2025, were 64.1% fixed-income investments, 35.3% equity investments, and 0.6% cash and cash equivalents.

The overall investment objective of the Pension Plan is to maintain a diversified portfolio with a targeted expected long-term rate of return on plan assets of approximately 6.00%. The expected long-term rate of return on plan assets is the average rate of return expected to be realized on funds invested, or expected to be invested, to provide for the benefits included in the benefit obligation. The expected long-term rate of return on plan assets is generally established as of the beginning of the year based upon historical and projected returns for each asset category, with subsequent remeasurements occurring in interim periods, as appropriate. Depending on market conditions, the expected long-term rate of return on plan assets may exceed or fall short of the targeted percentage.

Fair Value Measurement

The following is a description of the valuation methodologies used for the Pension Plan's assets measured at fair value:

Common Collective Trusts. Common collective trusts are valued based on the net asset value as reported by the trustee of the funds. The underlying investments of the common collective trusts are valued using quoted market prices in active markets or observable inputs for similar assets. Therefore, common collective trusts are classified as Level 2 within the fair value hierarchy.

Registered Investment Companies. Registered investment companies are valued at the daily closing price as reported by the fund. Registered investment companies held by the Plan are quoted in an active market and are classified as Level 1 within the fair value hierarchy.

The following table sets forth by level within the fair value hierarchy the Pension Plan's assets at fair value:

<i>(In thousands)</i>	December 31,							
	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Common collective trusts	\$ —	\$ 198,764	\$ —	\$ 198,764	\$ —	\$ 188,399	\$ —	\$ 188,399
Registered investment companies	22,303	—	—	22,303	20,940	—	—	20,940
Total pension plan assets	\$ 22,303	\$ 198,764	\$ —	\$ 221,067	\$ 20,940	\$ 188,399	\$ —	\$ 209,339

Multiple-Employer Defined Benefit Pension Plan

The Bank participates in a multi-employer plan that provides pension benefits to former employees of a bank acquired by the Company. Participation in the plan was frozen as of September 1, 2004. The plan maintains a single trust and does not segregate the assets or liabilities of its participating employers. Minimum required employer contributions are determined by an independent actuary and are calculated using a 15-year shortfall amortization factor. There are no collective bargaining agreements or other obligations requiring contributions to the plan, nor has a funding improvement plan been implemented.

The following table summarizes information related to the Bank's participation in the multi-employer plan:

(Dollars in thousands)

Plan Name	Employer Identification Number	Plan Number	Surcharge Imposed	Contributions Years Ended December 31,			Funded Status At December 31,	
				2025	2024	2023	2025	2024
Pentegra Defined Benefit Plan for Financial Institutions	13-5645888	333	No	\$475	\$482	\$448	At least 80 percent	At least 80 percent

The Bank's contributions to the multi-employer plan for the years ended December 31, 2025, 2024, and 2023, did not exceed more than 5% of total plan contributions for the plan years ended June 30, 2024, 2023, and 2022. The plan's Form 5500 was not available for the plan year ended June 30, 2025, as of the date the Company's Consolidated Financial Statements were issued. As of July 1, 2025, the date of the most recent actuarial valuation, the plan administrator confirmed that the Bank's portion of the multi-employer plan was \$2.8 million underfunded.

Defined Contribution Postretirement Benefit Plans

The Bank also sponsors the Webster Bank Retirement Savings Plan, which is a defined contribution postretirement benefit plan established under Section 401(k) of the Internal Revenue Code. Under the Webster Bank Retirement Savings Plan, employees who have met a certain age requirement may elect to contribute a percentage of their eligible compensation to the plan on either a pre-tax or post-tax basis. During the years ended December 31, 2025, 2024, and 2023, the Bank made matching employer contributions to their accounts equal to 100% of the first 2% and 50% of the next 6% of participants' contributions.

The Sterling National Bank 401k and Profit Sharing Plan, which was offered to eligible legacy Sterling employees who became employees of the Company in 2022, was effectively merged with and into the Webster Bank Retirement Savings Plan on December 29, 2023. Prior to the merger of these plans, participants of the Sterling National Bank 401(k) and Profit Sharing Plan could elect to contribute a percentage of their eligible compensation to the plan on either a pre-tax or post-tax basis. During the year ended December 31, 2023, the Bank made (i) matching employer contributions equal to 50% of participant contributions up to 4% of eligible compensation for a maximum match of 2%, and (ii) profit sharing contributions equal to 3% of eligible compensation for all eligible legacy Sterling participants, regardless of whether they had contributed to the plan.

Compensation and benefits expense included total employer contributions under the defined contribution postretirement benefit plans of \$23.4 million, \$20.6 million, and \$20.3 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Note 19: Stock-Based Compensation Plans

The Company maintains a stock compensation plan that provides for the grant of stock options, stock appreciation rights, restricted stock, performance-based stock, and stock units to better align the interests of its employees and directors with those of its stockholders. The total number of shares of Webster common stock authorized for issuance under the plan is 21.4 million shares. At December 31, 2025, there were 2.2 million shares available to be granted. Stock compensation expense is recognized over the required service vesting period for each award based on the grant-date fair value and is included in Compensation and benefits on the accompanying Consolidated Statements of Income.

The following table summarizes stock-based compensation plan activity for the year ended December 31, 2025:

	Non-Vested Restricted Stock Awards Outstanding				Stock Options Outstanding	
	Time-Based		Performance-Based		Number of Shares	Weighted-Average Exercise Price
	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value		
Balance, beginning of period	1,791,631	\$ 49.26	608,640	\$ 53.00	2,114	\$ 31.51
Granted	1,046,572	54.24	138,854	55.74	—	—
Vested	(821,321)	50.24	(219,583)	58.88	—	—
Forfeited	(107,300)	50.88	(26,186)	52.30	—	—
Exercised	—	—	—	—	(2,114)	31.51
Balance, end of period	1,909,582	51.48	501,725	52.44	—	—

Restricted Stock Awards

Time-based restricted stock awards vest over the applicable service period primarily ranging from one to three years. Under the plan, the number of time-based restricted stock awards that may be granted to an eligible individual per calendar year is limited to 300,000 shares. The fair value of time-based restricted stock awards used to determine compensation expense is measured using the closing price of Webster common stock at the grant date.

Performance-based restricted stock awards generally vest after a three year performance period, with the total share quantity dependent on the Company meeting certain target performance conditions ranging from 0% to 150%. Under the plan, 50% of the share quantity is determined based on three-year total stockholder return as compared to the Company's compensation peer group, while the other 50% is based on the Company's average return on equity over the three-year period. The fair value of performance-based restricted stock awards used to determine compensation expense is calculated using the Monte-Carlo simulation model for total stockholder return awards and the closing price of Webster common stock at the grant date for average return on equity awards. Compensation expense for average return on equity awards is subject to adjustment based on the Company's average return on equity performance relative to the target number of shares condition.

The Company recognized restricted stock compensation expense of \$56.8 million, \$55.1 million, and \$54.5 million, during the years ended December 31, 2025, 2024, and 2023, respectively, in which the related income tax benefit was \$16.3 million, \$12.8 million, and \$13.9 million, respectively. The fair value of restricted stock awards that had vested during the years ended December 31, 2025, 2024, and 2023, was \$54.2 million, \$49.7 million, and \$39.9 million, respectively. At December 31, 2025, there was \$42.7 million of unrecognized restricted stock expense related to non-vested restricted stock awards, which is expected to be recognized over a weighted-average period of 1.8 years.

Stock Options

Stock options, incentive and non-incentive, are granted at an exercise price equal to the market value of Webster common stock on the grant date. Each option grants the holder the right to acquire one share of Webster common stock over a contractual life of ten years. While the Company has not granted stock options since 2013, replacement options were issued in 2022 in order for the Company to satisfy its consideration under the Sterling merger agreement. During the year ended December 31, 2025, the remainder of the replacement options issued in connection with the Sterling merger were exercised. As a result, there were no incentive stock options outstanding at December 31, 2025.

For the years ended December 31, 2025, 2024, and 2023, the total intrinsic value of the options exercised was \$0.1 million, \$0.3 million, and \$2.2 million, respectively. The amount of cash received from the exercise of stock options during the years ended December 31, 2025, 2024, and 2023, was \$0.1 million, \$0.3 million, and \$1.8 million, respectively.

Note 20: Segment Reporting

The Company's operations are organized into three reportable segments that represent its differentiated lines of business: Commercial Banking, Healthcare Financial Services, and Consumer Banking. The Company's CODM is the Chairman and Chief Executive Officer. The CODM uses income before income taxes and the provision for credit losses, referred to as PPNR, to allocate resources, including financial and capital resources, employees, and property, for each segment predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a monthly basis when making decisions about allocating resources to the segments. The CODM also uses PPNR to assess the performance of each segment and in the compensation of certain employees.

Commercial Banking delivers financial solutions nationally to a wide range of companies, investors, government entities, and other public and private institutions. Commercial Banking helps its clients achieve their business and financial goals with expertise in Commercial Real Estate, Middle Market, Sponsor and Specialty Finance, Verticals and Regional Banking, Asset Based Lending and Commercial Services, and Treasury Management. Commercial Banking's Private Banking team also pairs holistic wealth solutions, including tailored lending, with commercial banking services.

Healthcare Financial Services includes HSA Bank and Ametros. HSA Bank is one of the country's largest providers of employee benefits solutions, including being one of the leading bank administrators of HSAs, emergency savings accounts, and flexible spending account administration services in 50 states. Ametros, the nation's largest professional administrator of medical insurance claim settlements, helps individuals manage their ongoing medical care through their CareGuard service and proprietary technology platform.

Consumer Banking delivers customized financial solutions to individuals, families, and small to mid-sized businesses through its experienced relationship managers and wealth advisors across 195 banking centers located throughout the Northeast. Consumer Banking offers a full suite of deposit, lending, treasury management, and wealth management solutions. Consumer Banking also provides a fully digital banking experience through its mobile banking apps and BrioDirect.

Corporate and Reconciling Category

Certain Treasury activities and other corporate and functional divisions, such as information technology, human resources, risk management, bank operations, and the operations of interSYNC, and amounts required to reconcile non-GAAP profitability metrics to those reported in accordance with GAAP are included in the Corporate and Reconciling category.

In addition to the amounts required to reconcile non-GAAP profitability metrics (i.e., estimates for FTP, allocations of equity capital) to those reported in accordance with GAAP, revenues reported in the Corporate and Reconciling category also include gains/losses from sales of investments securities, extinguishments of long-term debt, certain swaps, and bank-owned life insurance, and immaterial revenues from contracts with customers attributable to interSYNC. Neither the Treasury function nor interSYNC operations meet the definition of an operating segment, and therefore, are not considered for determining reportable segments.

Total assets reported in the Corporate and Reconciling category consists primarily of cash and cash equivalents, investment securities, FHLB/FRB stock, and other assets. The ACL on loans and leases is also reported in Total assets in the Corporate and Reconciling category. A provision for credit losses is allocated from the Corporate and Reconciling category to Commercial Banking and Consumer Banking based on the expected loss content of their specific loan and lease portfolios over a 3-year period (non-GAAP). There is no provision for credit losses associated with Healthcare Financial Services since that segment does not originate nor acquire loans and leases. Business development expenses, which include merger-related expenses and other strategic initiatives and restructuring costs, are also generally included in the Corporate and Reconciling category.

Change in Reportable Segments

From time to time, the Company may make reclassifications among the reportable segments to more appropriately reflect management's view of the business and/or based on changes in the Company's organizational structure or product lines. Accordingly, the results derived are not necessarily comparable with similar financial information published by other financial institutions. Additionally, because of the interrelationships of the segments, the financial information presented is not indicative of how the segments would perform if they operated as independent entities.

Effective January 1, 2024, the Company realigned certain of its Business Banking operations to better serve its customers and deliver operational efficiencies. Under this realignment, \$1.5 billion of loans and \$2.2 billion of deposits were reassigned, and \$77.2 million of goodwill was reallocated on a relative fair value basis, from Commercial Banking to Consumer Banking. There was no goodwill impairment as a result of this realignment. Amounts for the year ended December 31, 2023, have been recast accordingly.

With the acquisition of Ametros on January 24, 2024, the Company formed the Healthcare Financial Services reportable segment, which includes the aggregated financial information of the HSA Bank and Ametros operating segments. The financial information presented within Healthcare Financial Services for the year ended December 31, 2023, reflects that only of the HSA Bank operating segment.

Segment Reporting Methodology

The Company uses an internal profitability reporting system to generate PPNR by reportable segment, which is comprised of direct revenues, direct expenses, estimates for FTP, and allocations for equity capital, net operating costs, and total support costs. Since the majority of each reportable segment's revenue is interest, each segment's interest revenue is reported net of its interest expense ("net interest income"). Estimates for FTP and allocations of equity capital and non-interest expense, certain of which are subjective in nature, are periodically reviewed and refined. Equity capital is allocated using a combination of risk-weighted asset and management assessment methodologies across the differentiated lines of business. Net operating costs and total support costs, which reflect costs for shared services and back-office support areas, are allocated using an activity and driver-based costing process. The full profitability measurement reports, which are prepared for each reportable segment and reviewed by the CODM on a monthly basis, reflect non-GAAP reporting methodologies. The differences between full profitability and GAAP results are reconciled in the Corporate and Reconciling category.

The goal of FTP is to encourage loan and deposit growth consistent with the Company's overall profitability objectives. The FTP process considers the specific interest rate risk and liquidity risk of financial instruments, other assets, and other liabilities included in each reportable segment. Loans and deposits are assigned FTP rates, and segments are charged a cost to fund loans and are paid a credit for deposit funds provided. Consideration is given to the origination date and the earlier of the maturity date or the repricing date of a financial instrument to assign an FTP rate for loans and deposits originated each day. Overall, the FTP process reflects the transfer of interest rate risk exposure to the Treasury function included within the Corporate and Reconciling category, where such exposures are centrally managed.

Financial Information

The following table presents certain balance sheet financial information for the Company's reportable segments:

	December 31, 2025				
<i>(In thousands)</i>	Commercial Banking	Healthcare Financial Services	Consumer Banking	Corporate and Reconciling	Consolidated Total
Goodwill ⁽¹⁾	\$ 1,960,363	\$ 315,124	\$ 622,035	\$ —	\$ 2,897,522
Total assets	46,169,398	535,453	13,871,139	23,497,673	84,073,663

	December 31, 2024				
<i>(In thousands)</i>	Commercial Banking	Healthcare Financial Services	Consumer Banking	Corporate and Reconciling	Consolidated Total
Goodwill ⁽²⁾	\$ 1,960,363	\$ 285,670	\$ 622,035	\$ —	\$ 2,868,068
Total assets	43,010,580	488,194	12,932,260	22,594,039	79,025,073

- (1) The allocation of the purchase price for the SecureSave acquisition was considered preliminary at December 31, 2025. The \$29.5 million of preliminary goodwill recorded has been allocated entirely to Healthcare Financial Services.
- (2) The allocation of the purchase price for the Ametros acquisition was considered final at December 31, 2024. The \$228.2 million of goodwill recorded was allocated entirely to Healthcare Financial Services.

The following tables present certain income statement information for the Company's reportable segments:

	Year ended December 31, 2025			
<i>(In thousands)</i>	Commercial Banking	Healthcare Financial Services	Consumer Banking	Totals
Net interest income	\$ 1,296,523	\$ 392,887	\$ 839,393	\$ 2,528,803
Non-interest income	129,750	112,413	100,233	342,396
Total segment revenues	1,426,273	505,300	939,626	2,871,199
<i>Reconciliation of revenue:</i>				
Corporate and reconciling				28,214
Total consolidated revenues				2,899,413
<i>Less:</i>				
Compensation and benefits	205,581	95,999	153,890	
Occupancy ⁽¹⁾	—	—	55,515	
Technology and equipment ⁽¹⁾	9,337	32,111	12,206	
Marketing	—	—	8,340	
Other segment items ^{(2) (3)}	218,782	96,467	269,912	
Segment pre-tax, pre-provision net revenue	992,573	280,723	439,763	1,713,059
<i>Reconciliation of pre-tax, pre-provision net revenue:</i>				
Corporate and reconciling				(242,910)
Total consolidated pre-tax, pre-provision net revenue				1,470,149
Total consolidated provision for credit losses				210,000
Total consolidated income before income taxes				1,260,149

(1) Occupancy and Technology and equipment include, in aggregate, depreciation expense of \$0.6 million for Commercial Banking, \$5.9 million for Healthcare Financial Services, and \$10.0 million for Consumer Banking.

(2) Other segment items for each reportable segment includes:

- Commercial Banking--occupancy, marketing, outside professional services, loan workout expense, foreclosed property expense, other non-interest expense, allocated net operating costs, and allocated total support costs.
- Healthcare Financial Services--occupancy, marketing, outside professional services, other non-interest expense, allocated net operating costs, and allocated total support costs.
- Consumer Banking--outside professional services, loan workout expense, foreclosed property expense, other-non interest expense, allocated net operating costs, and allocated total support costs.

(3) Intangible assets amortization, which is a component of other non-interest expense presented in Other segment items, was \$10.7 million for Commercial Banking, \$14.0 million for Healthcare Financial Services, and \$7.2 million for Consumer Banking.

	Year ended December 31, 2024			
	Commercial Banking	Healthcare Financial Services	Consumer Banking	Totals
<i>(In thousands)</i>				
Net interest income	\$ 1,348,346	\$ 366,927	\$ 812,743	\$ 2,528,016
Non-interest income	143,104	110,207	113,638	366,949
Total segment revenues	1,491,450	477,134	926,381	2,894,965
<i>Reconciliation of revenue:</i>				
Corporate and reconciling ⁽¹⁾				(304,679)
Total consolidated revenues				2,590,286
<i>Less:</i>				
Compensation and benefits	199,545	90,166	146,428	
Occupancy ⁽²⁾	—	—	56,102	
Technology and equipment ⁽²⁾	8,153	33,010	11,087	
Marketing	—	—	7,835	
Other segment items ⁽³⁾⁽⁴⁾	210,769	90,913	249,950	
Segment pre-tax, pre-provision net revenue	1,072,983	263,045	454,979	1,791,007
<i>Reconciliation of pre-tax, pre-provision net revenue:</i>				
Corporate and reconciling				(552,000)
Total consolidated pre-tax, pre-provision net revenue				1,239,007
Total consolidated provision for credit losses				222,000
Total consolidated income before income taxes				1,017,007

- (1) The negative revenue for the Corporate and Reconciling Category primarily reflects the impact on net interest income for estimates for FTP and allocations of equity capital, the \$136.2 million net loss on sale of investment securities, losses on treasury swaps, and the \$16.0 million net loss on sale of the factored receivables portfolio, partially offset by bank-owned life insurance income.
- (2) Occupancy and Technology and equipment include, in aggregate, depreciation expense of \$0.2 million for Commercial Banking, \$5.5 million for Healthcare Financial Services, and \$9.5 million for Consumer Banking.
- (3) Other segment items for each reportable segment includes:
- Commercial Banking--occupancy, marketing, outside professional services, loan workout expense, foreclosed property expense, other non-interest expense, allocated net operating costs, and allocated total support costs.
 - Healthcare Financial Services--occupancy, marketing, outside professional services, other non-interest expense, allocated net operating costs, and allocated total support costs.
 - Consumer Banking--outside professional services, loan workout expense, foreclosed property expense, other non-interest expense, allocated net operating costs, and allocated total support costs.
- (4) Intangible assets amortization, which is a component of other non-interest expense presented in Other segment items, was \$9.3 million for Commercial Banking, \$13.4 million for Healthcare Financial Services, and \$8.3 million for Consumer Banking.

	Year ended December 31, 2023			
	Commercial Banking	Healthcare Financial Services	Consumer Banking	Totals
<i>(In thousands)</i>				
Net interest income	\$ 1,436,616	\$ 302,856	\$ 898,898	\$ 2,638,370
Non-interest income	125,265	88,113	114,851	328,229
Total segment revenues	1,561,881	390,969	1,013,749	2,966,599
<i>Reconciliation of revenue:</i>				
Corporate and reconciling ⁽¹⁾				(314,993)
Total consolidated revenues				2,651,606
<i>Less:</i>				
Compensation and benefits	178,289	84,072	139,203	
Occupancy ⁽²⁾	—	—	57,289	
Technology and equipment ⁽²⁾	7,944	27,860	9,998	
Marketing	—	—	6,736	
Other segment items ⁽³⁾⁽⁴⁾	208,709	56,228	256,403	
Segment pre-tax, pre-provision net revenue	1,166,939	222,809	544,120	1,933,868
<i>Reconciliation of pre-tax, pre-provision net revenue:</i>				
Corporate and reconciling				(698,617)
Total consolidated pre-tax, pre-provision net revenue				1,235,251
Total consolidated provision for credit losses				150,747
Total consolidated income before income taxes				1,084,504

- (1) The negative revenue for the Corporate and Reconciling Category primarily reflects the impact on net interest income for estimates for FTP and allocations of equity capital, the \$33.6 million net loss on sale of investment securities, and losses on treasury swaps, partially offset by bank-owned life insurance income.
- (2) Occupancy and Technology and equipment include, in aggregate, depreciation expense of \$0.4 million for Commercial Banking, \$4.5 million for Healthcare Financial Services, and \$8.9 million for Consumer Banking.
- (3) Other segment items for each reportable segment includes:
- Commercial Banking--occupancy, marketing, outside professional services, loan workout expense, foreclosed property expense, other non-interest expense, allocated net operating costs, and allocated total support costs.
 - Healthcare Financial Services--occupancy, marketing, outside professional services, other non-interest expense, allocated net operating costs, and allocated total support costs.
 - Consumer Banking--outside professional services, loan workout expense, foreclosed property expense, other-non interest expense, allocated net operating costs, and allocated total support costs.
- (4) Intangible assets amortization, which is a component of other non-interest expense presented in Other segment items, was \$16.0 million for Commercial Banking, \$4.7 million for Healthcare Financial Services, and \$9.7 million for Consumer Banking.

Note 21: Revenue from Contracts with Customers

The following tables summarize revenues recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. These disaggregated amounts, together with sources of other non-interest income that are subject to other GAAP topics, have been reconciled to non-interest income by reportable segment as presented within Note 20: Segment Reporting.

	Year ended December 31, 2025				
<i>(In thousands)</i>	Commercial Banking	Healthcare Financial Services	Consumer Banking	Corporate and Reconciling	Consolidated Total
<i>Non-interest Income:</i>					
Deposit service fees	\$ 18,491	\$ 75,879	\$ 64,191	\$ (670)	\$ 157,891
Loan and lease related fees ⁽¹⁾	9,688	—	—	—	9,688
Wealth and investment services	13,130	—	17,874	(21)	30,983
Other ⁽²⁾⁽³⁾	—	35,877	1,667	1,861	39,405
Revenue from contracts with customers	41,309	111,756	83,732	1,170	237,967
Other sources of non-interest income	88,441	657	16,501	57,953	163,552
Total non-interest income	\$ 129,750	\$ 112,413	\$ 100,233	\$ 59,123	\$ 401,519

	Year ended December 31, 2024				
<i>(In thousands)</i>	Commercial Banking	Healthcare Financial Services	Consumer Banking	Corporate and Reconciling	Consolidated Total
<i>Non-interest Income:</i>					
Deposit service fees	\$ 19,904	\$ 78,211	\$ 63,591	\$ (562)	\$ 161,144
Loan and lease related fees ⁽¹⁾	14,170	—	—	—	14,170
Wealth and investment services	13,122	—	20,133	(21)	33,234
Other ⁽²⁾⁽³⁾	—	31,996	1,067	4,088	37,151
Revenue from contracts with customers	47,196	110,207	84,791	3,505	245,699
Other sources of non-interest income ⁽⁴⁾	95,908	—	28,847	(118,555)	6,200
Total non-interest income	\$ 143,104	\$ 110,207	\$ 113,638	\$ (115,050)	\$ 251,899

	Year ended December 31, 2023				
<i>(In thousands)</i>	Commercial Banking	Healthcare Financial Services	Consumer Banking	Corporate and Reconciling	Consolidated Total
<i>Non-interest Income:</i>					
Deposit service fees	\$ 15,987	\$ 81,051	\$ 71,539	\$ 741	\$ 169,318
Loan and lease related fees ⁽¹⁾	17,633	—	—	—	17,633
Wealth and investment services	11,544	—	17,477	(22)	28,999
Other ⁽²⁾	—	7,062	6,199	4,193	17,454
Revenue from contracts with customers	45,164	88,113	95,215	4,912	233,404
Other sources of non-interest income ⁽⁴⁾	80,101	—	19,636	(18,804)	80,933
Total non-interest income	\$ 125,265	\$ 88,113	\$ 114,851	\$ (13,892)	\$ 314,337

- (1) A portion of Loan and lease related fees on the Consolidated Statements of Income is comprised of income generated from factored receivables activities (through the third quarter of 2024 only) and payroll financing activities that is within the scope of ASC Topic 606.
- (2) Other income included in the Corporate and Reconciling category that is in scope of ASC Topic 606 is comprised entirely of immaterial fee revenue from contracts with customers attributable to interSYNC.
- (3) The increase in Other income for Healthcare Financial Services during the years ended December 31, 2025, and 2024, is primarily attributed to the acquired Ametros business, which recognized \$29.6 million and \$23.0 million from contracts with customers in those reporting periods, respectively.
- (4) The negative revenue amount in Other sources of non-interest income for the Corporate and Reconciling Category during the years ended December 31, 2024, and 2023, was primarily attributed to \$136.2 million and \$33.6 million of net losses on sale of investment securities recognized in those reporting periods, respectively.

Major Revenue Streams

Deposit Service Fees. Deposit service fees consists of fees earned from commercial and consumer customer deposit accounts, such as account maintenance and cash management/analysis fees, as well as other transactional service charges (i.e., insufficient funds, wire transfers, stop payment fees, etc.). Performance obligations for account maintenance services and cash management/analysis fees are satisfied on a monthly basis at a fixed transaction price, whereas performance obligations for other deposit service charges that result from various customer-initiated transactions are satisfied at a point-in-time when the service is rendered. Payment for deposit service fees is generally received immediately or in the following month through a direct charge to the customers' accounts. Certain commercial customer contracts include credit clauses, whereby the Company will grant credit upon the customer meeting pre-determined conditions, which can be used to offset fees. In addition, certain healthcare financial services contracts include revenue share clauses, whereby the Company will reduce or refund deposit service fees or make referral payments to attract and retain customers and their accounts. Such revenue share costs are recognized as a reduction to revenue in the period incurred. On occasion, the Company may also waive certain fees. Fee waivers are recognized as a reduction to revenue in the period the waiver is granted to the customer.

The deposit service fees revenue stream also includes interchange fees earned from debit and credit card transactions. The transaction price for interchange services is based on the transaction value and the interchange rate set by the card network. Performance obligations for interchange fees are satisfied at a point-in-time when the cardholders' transaction is authorized and settled. Payment for interchange fees is generally received immediately or in the following month.

Loan and Lease Related Fees. As previously discussed in Note 2: Business Developments, the Company sold its factored receivables loan portfolio, which included the related customer contracts, in the third quarter of 2024. Prior to the completion of that transaction, the Company recognized factored receivables non-interest income from fees earned from accounts receivable management services. The Company factored accounts receivable, with and without recourse, for customers whereby the Company purchased their accounts receivable at a discount and assumed the risk, as applicable, and ownership of the assets through direct cash receipt from the end consumer. Factoring services were performed in exchange for a non-refundable fee at a transaction price based on a percentage of the gross invoice amount of each receivable purchased, subject to a minimum required amount. The performance obligation for factoring services was generally satisfied at a point-in-time when the receivable was assigned to the Company. However, if the commission earned did not meet or exceed the minimum required annual amount, the difference between that and the actual amount was recognized at the end of the contract term. Other fees associated with factoring receivables included wire transfer and technology fees, field examination fees, and Uniform Commercial Code fees, where the performance obligations were satisfied at a point-in-time when the services were rendered. Payment from the customer for factoring services was generally received immediately or within the following month.

Payroll finance non-interest income consists of fees earned from performing payroll financing and business process outsourcing services, including full back-office technology and tax accounting services, along with payroll preparation, making payroll tax payments, invoice billings, and collections for independently-owned temporary staffing companies nationwide. Performance obligations for payroll finance and business processing activities are either satisfied upon completion of the support services or as payroll remittances are made on behalf of customers to fund their employee payroll, which generally occurs on a weekly basis. The agreed-upon transaction price is based on a fixed-percentage per the terms of the contract. The Company also withholds an agreed-upon hold-back reserve, which may be applied to cover defaults or other amounts owed to the Company under the contract, and which is returnable to the customer upon termination of the contract provided that all contractual obligations have been fully satisfied. When the Company collects on amounts due from end consumers on behalf of its customers and at the time of financing payroll, the Company retains the agreed-upon transaction price payable for the performance of its services and remits an amount to the customer net of any advances and payroll tax withholdings, as applicable.

Wealth and Investment Services. Wealth and investment services consists of fees earned from asset management, trust administration, and investment advisory services, and through facilitating securities transactions. Performance obligations for asset management and trust administration services are satisfied on a monthly or quarterly basis at a transaction price based on a percentage of the period-end market value of the assets under administration. Payment for asset management and trust administration services is generally received a few days after period-end through a direct charge to the customers' accounts. Performance obligations for investment advisory services are satisfied over the period in which the services are provided through a time-based measurement of progress, and the agreed-upon transaction price with the customer varies depending on the nature of the services performed. Performance obligations for facilitating securities transactions are satisfied at a point-in-time when the securities are sold at a transaction price that is based on a percentage of the contract value. Payment for both investment advisory services and facilitating securities transactions may be received in advance of the service, but generally is received immediately or in the following period, in arrears.

Other Income - Ametros. Other income for the Healthcare Financial Services segment primarily includes revenues recognized in connection with contracts with customers from the acquired Ametros business. The nature of such revenue primarily pertains to income earned from arranging sales of in-network products and services, which is recognized at a point in time. Under the terms of these arrangements, the Company has determined that it acts in the capacity as an agent and, therefore, records revenue on a net basis. Other income related to Ametros also includes revenues earned from providing post-settlement medical management and compliance services, which are recognized over time.

The Company evaluates its contracts with Ametros customers for material rights, or options, to acquire additional goods or services for free or at a discount. The contracts for post-settlement medical management and compliance services contain renewal options that represent a material right, which is recognized as a separate performance obligation at the inception of the arrangement. The Company allocates the transaction price to material rights using the practical alternative, which allocates the transaction price to the services expected to be provided and the corresponding expected consideration. Material rights are recognized at the time the service is transferred or when the option expires.

In addition, a fixed, non-refundable fee that represents an advance payment for access to future services is initially deferred and subsequently amortized into other income ratably over the estimated life expectancy of the member. During the years ended December 31, 2025, and 2024, \$2.0 million and \$1.6 million, respectively, of such deferred revenue was recognized in Other income.

Deferred Costs to Obtain Contracts and Deferred Revenue

Contracts with customers generated deferred costs to obtain contracts and deferred revenue of \$6.6 million and \$25.3 million, respectively, at December 31, 2025, and \$3.0 million and \$22.8 million, respectively, at December 31, 2024. These balances pertained to contracts with customers from the acquired Ametros business.

Note 22: Commitments and Contingencies**Credit-Related Financial Instruments**

In the normal course of business, the Company offers financial instruments with off-balance sheet risk to meet the financing needs of its customers. These transactions include commitments to extend credit, standby letters of credit, and commercial letters of credit, which involve, to varying degrees, elements of credit risk.

The following table summarizes the outstanding amounts of credit-related financial instruments with off-balance sheet risk:

<i>(In thousands)</i>	December 31,	
	2025	2024
Commitments to extend credit	\$ 12,517,384	\$ 11,630,765
Standby letters of credit	636,811	578,912
Commercial letters of credit	22,421	28,287
Total credit-related financial instruments with off-balance sheet risk	\$ 13,176,616	\$ 12,237,964

The Company enters into contractual commitments to extend credit to its customers (i.e., revolving credit arrangements, term loan commitments, and short-term borrowing agreements), generally with fixed expiration dates or other termination clauses and that require payment of a fee. Substantially all of the Company's commitments to extend credit are contingent upon its customers maintaining specific credit standards at the time of loan funding, and are often secured by real estate or other collateral. Since the majority of the Company's commitments typically expire without being fully funded, the total contractual amount does not necessarily represent the Company's future payment requirements.

Standby letters of credit are written conditional commitments issued by the Company to guarantee its customers' performance to a third party. In the event the customer does not perform in accordance with the terms of its agreement with a third-party, the Company would be required to fund the commitment. The contractual amount of each standby letter of credit represents the maximum amount of potential future payments the Company could be required to make. Historically, the majority of the Company's standby letters of credit expire without being funded. However, if the commitment were funded, the Company has recourse against the customer. The Company's standby letter of credit agreements are often secured by cash or other collateral.

Commercial letters of credit are issued to finance either domestic or foreign customer trade arrangements. As a general rule, drafts are committed to be drawn when the goods underlying the transaction are in transit. Similar to standby letters of credit, the Company's commercial letter of credit agreements are often secured by the underlying goods subject to trade.

Allowance for Credit Losses on Unfunded Loan Commitments

An ACL is recorded under the CECL methodology to provide for the unused portion of commitments to lend that are not unconditionally cancellable by the Company. At December 31, 2025, and 2024, the ACL on unfunded loan commitments was \$24.1 million and \$22.6 million, respectively.

Litigation

The Company is subject to certain legal proceedings and unasserted claims and assessments in the ordinary course of business. Legal contingencies are evaluated based on information currently available, including advice of counsel and assessment of available insurance coverage. The Company establishes an accrual for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Once established, each accrual is adjusted to reflect any subsequent developments. Legal contingencies are subject to inherent uncertainties, and unfavorable rulings may occur that could cause the Company to either adjust its litigation accrual or incur actual losses that exceed the current estimate, which ultimately could have a material adverse effect, either individually or in the aggregate, on its business, financial condition, or operating results. The Company will consider settlement of cases when it is in the best interests of the Company and its stakeholders. The Company intends to defend itself in all claims asserted against it, and management currently believes that the outcome of these contingencies will not be material, either individually or in the aggregate, to the Company or its consolidated financial position.

Federal Deposit Insurance Corporation Special Assessment

In November 2023, the FDIC issued a final rule implementing a special assessment for certain banks, based on the amount of estimated uninsured deposits reported as of December 31, 2022, to recover losses to the DIF associated with protecting uninsured depositors of Silicon Valley Bank and Signature Bank upon their failure in March 2023. At that time, the special assessment was anticipated to be collected over a total of eight quarterly assessment periods, which began during the second quarter of 2024, at a quarterly rate of 3.36 basis points. The Company's initial estimate of its total special assessment was \$47.2 million as of December 31, 2023.

Throughout 2024, the FDIC increased its related loss estimated to the DIF associated with the Silicon Valley Bank and Signature Bank failures, indicating that the special assessment would be collected for an additional two quarters beyond the initial eight-quarter assessment period at a lower quarterly rate. As a result, during the year ended 2024, the Company accrued an additional \$10.3 million towards its estimated special assessment charge.

In December 2025, the FDIC issued an interim final rule to amend the collection of the special assessment to reduce the eighth quarterly assessment rate from 3.36 basis points to 2.97 basis points and remove the additional two quarter assessment periods. In light of this interim final rule, the Company released \$10.3 million of its special deposit insurance assessment accrual. At December 31, 2025, the Company's remaining accrual for its estimated special assessment charge was \$5.9 million. The Company continues to monitor the estimated loss attributable to the protection of uninsured depositors at Silicon Valley Bank and Signature Bank, which could impact the amount of its accrued liability.

Note 23: Parent Company Financial Information

The following tables summarize condensed financial information for the Parent Company only:

CONDENSED BALANCE SHEETS

<i>(In thousands)</i>	December 31,	
	2025	2024
Assets:		
Cash and cash equivalents	\$ 138,993	\$ 456,166
Intercompany debt securities	250,000	150,000
Investment in subsidiaries	9,774,083	9,377,808
Due from subsidiaries	499	—
Alternative investments	86,722	71,959
Other assets	7,973	7,962
Total assets	<u>\$ 10,258,270</u>	<u>\$ 10,063,895</u>
Liabilities and stockholders' equity:		
Senior notes	\$ 316,206	\$ 321,191
Subordinated notes	345,928	510,674
Junior subordinated debt	77,320	77,320
Accrued interest payable	9,585	5,007
Due to subsidiaries	—	10,613
Other liabilities	16,995	5,876
Total liabilities	<u>766,034</u>	<u>930,681</u>
Stockholders' equity	9,492,236	9,133,214
Total liabilities and stockholders' equity	<u>\$ 10,258,270</u>	<u>\$ 10,063,895</u>

CONDENSED STATEMENTS OF INCOME

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Income:			
Dividend income from bank subsidiary	\$ 900,000	\$ 600,000	\$ 600,000
Interest income on intercompany debt securities and interest-bearing deposits	12,881	11,606	11,259
Alternative investments income	17,474	7,580	1,272
Other non-interest income ⁽¹⁾	9,942	198	908
Total income	<u>940,297</u>	<u>619,384</u>	<u>613,439</u>
Expense:			
Interest expense on borrowings	43,430	32,253	37,933
Other non-interest expense	30,545	24,988	33,711
Total expense	<u>73,975</u>	<u>57,241</u>	<u>71,644</u>
Income before income taxes and equity in undistributed earnings of subsidiaries	866,322	562,143	541,795
Income tax benefit	9,360	10,021	15,106
Equity in undistributed earnings of subsidiaries	127,120	196,543	310,939
Net income	<u>\$ 1,002,802</u>	<u>\$ 768,707</u>	<u>\$ 867,840</u>

(1) Includes a \$9.8 million gain on extinguishment of long-term debt for the year ended December 31, 2025. Additional information regarding the gains recognized on the extinguishment of the 2029 subordinated notes and the 2030 subordinated notes can be found within Note 10: Borrowings.

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Net income	\$ 1,002,802	\$ 768,707	\$ 867,840
Other comprehensive income (loss), net of tax:			
Derivative financial instruments	—	25	229
Other comprehensive income (loss) of subsidiaries	205,539	(5,837)	134,160
Other comprehensive income (loss), net of tax	<u>205,539</u>	<u>(5,812)</u>	<u>134,389</u>
Comprehensive income	<u>\$ 1,208,341</u>	<u>\$ 762,895</u>	<u>\$ 1,002,229</u>

CONDENSED STATEMENTS OF CASH FLOWS

<i>(In thousands)</i>	Years ended December 31,		
	2025	2024	2023
Operating activities:			
Net income	\$ 1,002,802	\$ 768,707	\$ 867,840
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed earnings of subsidiaries	(127,120)	(196,543)	(310,939)
(Gain) on call of intercompany debt securities	(1,734)	—	—
(Gain) on extinguishment of long-term debt	(9,767)	—	(698)
Other, net ⁽¹⁾	(21,032)	(8,711)	(7,614)
Net cash provided by operating activities	843,149	563,453	548,589
Investing activities:			
Purchase of intercompany debt securities	(250,000)	—	—
Proceeds from call of intercompany debt securities	151,734	—	—
Alternative investments (capital calls), net of returns of capital	(21,206)	(17,589)	(13,070)
Proceeds from sales of alternative investments	12,226	9,657	—
Net cash (used in) investing activities	(107,246)	(7,932)	(13,070)
Financing activities:			
Repayment of long-term debt	(499,000)	(132,550)	(16,752)
Proceeds from issuance of long-term debt	347,389	—	—
Debt issuance costs	(1,636)	—	—
Dividends paid to common stockholders	(266,830)	(274,545)	(278,155)
Dividends paid to preferred stockholders	(16,650)	(16,650)	(16,650)
Exercise of stock options	67	254	1,723
Common stock repurchase program	(593,654)	(65,403)	(107,984)
Common shares acquired related to stock compensation plan activity	(22,762)	(17,215)	(16,278)
Net cash (used in) financing activities	(1,053,076)	(506,109)	(434,096)
Net (decrease) increase in cash and cash equivalents	(317,173)	49,412	101,423
Cash and cash equivalents, beginning of period	456,166	406,754	305,331
Cash and cash equivalents, at end of period	\$ 138,993	\$ 456,166	\$ 406,754
Supplemental disclosure of cash flow information:			
Non-cash investing and financing activities:			
Contribution of alternative investment to the Bank	\$ 8,034	\$ —	\$ —

(1) The increase in Other, net during the year ended December 31, 2025, is primarily attributed to higher alternative investments (gains) and a higher deferred tax (benefit) expense recognized in 2025, as compared to 2024 and 2023.

Note 24: Subsequent Events

The Company has evaluated subsequent events from the date of the Consolidated Financial Statements, and accompanying Notes thereto, through the date of issuance, and determined that, other than the below, there were no other significant events identified requiring recognition for disclosure.

Proposed Transaction with Banco Santander

On February 3, 2026, Webster entered into a Transaction Agreement with Banco Santander and Webster Virginia Corporation, a wholly owned subsidiary of Webster incorporated in the State of Virginia. The Transaction Agreement provides that, upon the terms and subject to the conditions set forth therein, Banco Santander will acquire Webster in two steps. First, Webster will merge with and into Webster Virginia Corporation, with Webster Virginia Corporation continuing as the surviving corporation in such merger. Second, immediately following the completion of such merger, Banco Santander will acquire all outstanding shares of Webster Virginia Corporation through a statutory share exchange. Based on Banco Santander's closing stock price on February 2, 2026, the Transaction has an aggregate value of approximately \$12.3 billion.

Under the terms of the Transaction Agreement, holders of Webster common stock will receive \$48.75 in cash and 2.0548 ADSs (or Ordinary Shares in certain circumstances) for each share of Webster common stock that they own. The Transaction Agreement contains customary representations and warranties, covenants, and closing conditions. Completion of the Transaction remains subject to approval by the Federal Reserve and the European Central Bank, approval by the stockholders of each company, and other customary closing conditions. The Transaction is expected to close in the second half of 2026.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of the Chief Executive Officer (who is our principal executive officer) and Chief Financial Officer (who is our principal financial officer), evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of December 31, 2025. The term “disclosure controls and procedures” means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2025, our disclosure controls and procedures were effective.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting is a process designed by, or under the supervision of, a company’s principal executive and principal financial officers, or persons performing similar functions, and effected by a company’s Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. It includes those policies and procedures that:

1. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of a company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of a company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of a company’s assets that could have a material effect on the financial statements.

Our management conducted an assessment, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer under the oversight of our Board, of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management concluded that our internal control over financial reporting was effective at December 31, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Because of its inherent limitations, management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Attestation Report of Independent Registered Public Accounting Firm

The Company's independent registered public accounting firm, KPMG LLP, has issued an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, which appears below under the heading "Report of Independent Registered Public Accounting Firm."

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors Webster Financial Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Webster Financial Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements), and our report dated February 27, 2026 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

New York, New York
February 27, 2026

ITEM 9B. OTHER INFORMATION

No director or officer of the Company adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408 of Regulation S-K, during the quarter ended December 31, 2025.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company has adopted a Code of Business Conduct and Ethics that applies to all directors, officers, and employees, including its principal executive officer, principal financial officer, and principal accounting officer. The Company has also adopted a Corporate Governance Policy and has charters for each of the Board's standing committees, which includes an Audit, Compensation and Human Resources, Executive, Nominating and Corporate Governance, Risk, and Technology Committee.

The Company's Code of Business Conduct and Ethics, Corporate Governance Policy, Insider Trading Policy, Executive Stock Ownership Guidelines, Shareholder Rights Plan Policy, and the charters for the Audit, Compensation and Human Resources, Nominating and Corporate Governance, Risk, and Technology Committees of the Board can be found within the investor relations section of its internet website (<http://investors.websterbank.com>).

The Company's Insider Trading Policy governs the purchase, sale, and/or other transactions of our securities by our directors, officers, and employees. A copy of our Insider Trading Policy is also filed as Exhibit 19 to this Annual Report on Form 10-K. In addition, we believe that the Company's insider trading policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to us.

A printed copy of any of these documents can be obtained, without charge, directly from the Company at the following address:

Webster Financial Corporation
200 Elm Street
Stamford, Connecticut 06902
Attn: Investor Relations
Telephone: (203) 578-2202

Other information required by this Item will be included in an amendment to this Annual Report on Form 10-K filed in accordance with General Instructions G(3).

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item will be included in an amendment to this Annual Report on Form 10-K filed in accordance with General Instructions G(3).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding compensation plans under which Webster common stock is authorized for issuance as of December 31, 2025, can be found within Note 19: Stock-Based Compensation Plans in the Notes to Consolidated Financial Statements contained in Part II - Item 8. Financial Statements and Supplementary Data of this report.

Other information required by this Item will be included in an amendment to this Annual Report on Form 10-K filed in accordance with General Instructions G(3).

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item will be included in an amendment to this Annual Report on Form 10-K filed in accordance with General Instructions G(3).

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item will be included in an amendment to this Annual Report on Form 10-K filed in accordance with General Instructions G(3).

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements

The Company's Consolidated Financial Statements, and the accompanying Notes thereto, and the Report of Independent Registered Public Accounting Firm thereon, are included in Part II - Item 8. Financial Statements and Supplementary Data.

Financial Statement Schedules

All financial statement schedules for the Company have been included in the Consolidated Financial Statements, and the accompanying Notes thereto, or are either inapplicable or not required, and therefore, have been omitted.

Exhibits

A list of exhibits to this Form 10-K is set forth below.

[Table of Contents](#)

Exhibit Number	Exhibit Description	Exhibit Included	Incorporated by Reference		
			Form	Exhibit	Filing Date
2.1 ⁽¹⁾	Transaction Agreement, dated as of February 3, 2026, by and among Webster Financial Corporation, Banco Santander, S.A., and Webster Virginia Corporation		8-K	2.1	2/6/2026
3	Certificate of Incorporation and Bylaws				
3.1	Fourth Amended and Restated Certificate of Incorporation		10-Q	3.1	8/9/2016
3.2.1	Certificate of Amendment to the Fourth Amended and Restated Certificate of Incorporation of Webster Financial Corporation, effective as of April 28, 2023		8-K	3.1	4/28/2023
3.2.2	Certificate of Amendment to the Fourth Amended and Restated Certificate of Incorporation of Webster Financial Corporation, effective as of January 31, 2022		8-K	3.2	2/1/2022
3.3	Certificate of Designations establishing the rights of Webster Financial Corporation's 8.50% Series A Non-Cumulative Perpetual Convertible Preferred Stock		8-K	3.1	6/11/2008
3.4	Certificate of Designations establishing the rights of Webster Financial Corporation's Fixed Rate Cumulative Perpetual Preferred Stock, Series B		8-K	3.1	11/24/2008
3.5	Certificate of Designations establishing the rights of Webster Financial Corporation's Perpetual Participating Preferred Stock, Series C		8-K	3.1	7/31/2009
3.6	Certificate of Designations establishing the rights of Webster Financial Corporation's Non-Voting Perpetual Participating Preferred Stock, Series D		8-K	3.2	7/31/2009
3.7	Certificate of Designations establishing the rights of Webster Financial Corporation's 6.40% Series E Non-Cumulative Perpetual Preferred Stock		8-A12B	3.3	12/4/2012
3.8	Certificate of Designations establishing the rights of Webster Financial Corporation's 5.25% Series F Non-Cumulative Perpetual Preferred Stock		8-A12B	3.3	12/12/2017
3.9	Certificate of Designations establishing the rights of Webster Financial Corporation's 6.50% Series G Non-Cumulative Perpetual Preferred Stock			3.4	2/1/2022
3.10	Bylaws, as amended effective March 15, 2020		8-K	3.1	3/17/2020
3.11	Amendment to Bylaws of Webster Financial Corporation, effective as of January 31, 2022		8-K	3.5	2/1/2022
4	Instruments Defining the Rights of Security Holders				
4.1	Description of the Securities of the Registrant		10-K	4.1	2/25/2022
4.2	Specimen Common Stock Certificate		10-K	4.1	3/10/2006
4.3	Junior Subordinated Indenture, dated as of January 29, 1997, between the Company and The Bank of New York, as Trustee, relating to the Company's Junior Subordinated Deferrable Interest Debentures		10-K	10.41	3/27/1997
4.4	Deposit Agreement, dated as of December 12, 2017, by and among Webster Financial Corporation, Computershare Shareowner Services LLC, as Depository, and the Holders of Depositary Receipts		8-K	4.1	12/12/2017
4.5.1	Deposit Agreement, dated as of March 19, 2013, by and among Astoria Financial Corporation, Computershare Shareowner Services, LLC, as depository, and the holders from time to time of the depositary receipts described therein		8-K	4.1	2/1/2022
4.5.2	First Amendment to the Deposit Agreement, effective as of October 2, 2017, by and between Sterling Bancorp (as successor in interest to Astoria Financial Corporation) and Computershare Inc. (as successor in interest to Computershare Shareowner Services LLC)		8-K	4.2	2/1/2022
4.5.3	Second Amendment to Deposit Agreement, dated as of January 31, 2022, by and among Webster Financial Corporation, Sterling Bancorp, Computershare Inc. and Broadridge Corporate Issuer Solutions, Inc.		8-K	4.3	2/1/2022
4.6	Form of Global Receipt (included as Exhibit A of Exhibit 4.5.3)		8-K	4.4	2/1/2022
4.7	Senior Debt Indenture, dated as of February 11, 2014, between Webster Financial Corporation and The Bank of New York Mellon, as Trustee		8-K	4.1	2/11/2014
4.8	Supplemental Indenture, dated as of February 11, 2014, between Webster Financial Corporation and The Bank of New York Mellon, as Trustee, relating to Webster Financial Corporation's 4.375% Senior Notes due February 15, 2024		8-K	4.2	2/11/2014
4.9	Form of Specimen Stock Certificate for Webster Financial Corporation's 5.25% Series F Non-		8-A12B	4.3	12/12/2017

	<u>Cumulative Perpetual Preferred Stock</u>			
4.10	<u>Senior Debt Indenture, dated March 25, 2019, between Webster Financial Corporation and The Bank of New York Mellon, as Trustee</u>	8-K	4.1	3/25/2019
4.11	<u>Supplemental Indenture, dated March 25, 2019, between Webster Financial Corporation and The Bank of New York Mellon, as Trustee</u>	8-K	4.2	3/25/2019

[Table of Contents](#)

Exhibit Number	Exhibit Description	Exhibit Included	Incorporated by Reference		
			Form	Exhibit	Filing Date
4.12	Junior Subordinated Indenture, dated as of September 17, 2003, between Webster Financial Corporation and US Bank, as trustee, relating to Webster Financial Corporation's Junior Subordinated Deferrable Interest Debentures		10-Q	4	5/6/2021
4.13	Subordinated Debt Indenture dated as of September 11, 2025, between Webster Financial Corporation and U.S. Bank Trust Company, National Association, as Trustee		8-K	4.1	9/11/2025
4.14	First Supplemental Indenture dated as of September 11, 2025, between Webster Financial Corporation and U.S. Bank Trust Company, National Association, as Trustee		8-K	4.2	9/11/2025
4.15	Form of 5.784% Fixed Rate Reset Subordinated Note (included in Exhibit 4.14 hereto)		8-K	4.3	9/11/2025
10	Material Contracts ⁽²⁾				
10.1	Webster Financial Corporation 2021 Stock Incentive Plan, as amended and restated effective April 26, 2023		10-K	10.1	2/27/2024
10.2	Webster Bank, N.A. Deferred Director Fee Plan, as amended and restated effective January 1, 2025	X			
10.3	Webster Bank Supplemental Defined Contribution Plan for Executive Officers, effective as of October 20, 2008	X			
10.4	Amendment No. 1 to the Webster Bank Supplemental Defined Contribution Plan for Executive Officers, effective April 23, 2009	X			
10.5	Amendment No. 2 to the Webster Bank Supplemental Defined Contribution Plan for Executive Officers, effective August 20, 2009	X			
10.6	Amendment No. 3 to the Webster Bank Supplemental Defined Contribution Plan for Executive Officers, effective February 1, 2022	X			
10.7	Sterling National Bank Nonqualified Deferred Compensation Plan, dated as of January 6, 2019	X			
10.8	2022 Name Change Amendment to the Sterling National Bank Nonqualified Deferred Compensation Plan	X			
10.9	Employee Stock Purchase Plan, as amended and restated effective April 1, 2019		10-Q	10.1	5/7/2019
10.10	Amended and Restated Non-Competition Agreement, dated as of April 3, 2017, by and between Webster Financial Corporation and Daniel Bley		10-Q	10.1	5/5/2017
10.11	Change in Control Agreement, dated as of January 3, 2014, by and between Webster Financial Corporation and Charles L. Wilkins		10-K	10.13	2/28/2014
10.12	Amended and Restated Non-Competition Agreement, dated as of April 3, 2017, by and between Webster Financial Corporation and Charles Wilkins		10-Q	10.5	5/5/2017
10.13	Change in Control Agreement, dated as of February 26, 2018, by and between Webster Financial Corporation and John Ciulla		10-K	10.18	3/1/2018
10.14	Amended and Restated Non-Competition Agreement, dated as of April 3, 2017, by and between Webster Financial Corporation and John Ciulla		10-Q	10.2	5/5/2017
10.15	Retention Agreement, dated as of April 18, 2021, by and between Webster Financial Corporation and John R. Ciulla		8-K	10.1	2/1/2022
10.16	Change in Control Agreement, dated as of January 1, 2017, by and between Webster Financial Corporation and Christopher Motl		10-K	10.20	2/27/2024
10.17	Amendment to Change in Control Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Christopher Motl		10-K	10.21	2/27/2024
10.18	Amended and Restated Non-Competition Agreement, dated as of April 3, 2017, by and between Webster Financial Corporation and Christopher Motl		10-Q	10.4	5/5/2017
10.19	Retention Agreement, dated as of April 18, 2021, by and between Webster Financial Corporation and Luis Massiani		8-K	10.4	2/1/2022
10.20	Change in Control Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Luis Massiani		10-K	10.25	2/27/2024
10.21	Non-Competition Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Luis Massiani		10-K	10.26	2/27/2024
10.22	Change in Control Agreement, dated as of September 21, 2023, by and between Webster Financial Corporation and Kristy Berner		10-K	10.27	2/27/2024
10.23	Non-Solicitation Agreement, dated as of September 21, 2023, by and between Webster Financial Corporation and Kristy Berner		10-K	10.28	2/27/2024
10.24	Change in Control Agreement, dated as of October 12, 2023, by and between Webster Financial		10-K	10.29	2/27/2024

[Table of Contents](#)

Exhibit Number	Exhibit Description	Exhibit Included	Incorporated by Reference		
			Form	Exhibit	Filing Date
10.25	Non-Competition Agreement, dated as of October 12, 2023, by and between Webster Financial Corporation and Elzbieta Cieslik		10-K	10.30	2/27/2024
10.26	Change in Control Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Javier Evans		10-K	10.31	2/27/2024
10.27	Non-Competition Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Javier Evans		10-K	10.32	2/27/2024
10.28	Change in Control Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and James Griffin		10-K	10.33	2/27/2024
10.29	Non-Competition Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and James Griffin		10-K	10.34	2/27/2024
10.30	Change in Control Agreement, dated as of October 12, 2023, by and between Webster Financial Corporation and Vikram Nafde		10-K	10.35	2/27/2024
10.31	Non-Competition Agreement, dated as of October 12, 2023, by and between Webster Financial Corporation and Vikram Nafde		10-K	10.36	2/27/2024
10.32	Change in Control Agreement, dated as of August 11, 2023, by and between Webster Financial Corporation and Jason Soto		10-K	10.37	2/27/2024
10.33	Non-Competition Agreement, dated as of August 11, 2023, by and between Webster Financial Corporation and Jason Soto		10-K	10.38	2/27/2024
10.34	Change in Control Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Marissa Weidner		10-K	10.39	2/27/2024
10.35	Non-Competition Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Marissa Weidner		10-K	10.40	2/27/2024
10.36	Change in Control Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Benjamin Krynick		10-K	10.41	2/27/2024
10.37	Non-Competition Agreement, dated as of February 1, 2024, by and between Webster Financial Corporation and Benjamin Krynick		10-K	10.42	2/27/2024
10.38	Change in Control Agreement, dated as of July 15, 2024, by and between Webster Financial Corporation and William Neal Holland		8-K	10.1	7/15/2024
10.39	Amendment to Change in Control Agreement, dated as of May 7, 2025, by and between Webster Financial Corporation and William Neal Holland		10-Q	10.1	5/9/2025
10.40	Non-Competition Agreement, dated as of July 15, 2024, by and between Webster Financial Corporation and William Neal Holland		8-K	10.2	7/15/2024
10.41	Change in Control Agreement, dated as of July 14, 2025, by and between Webster Financial Corporation and Jason Schugel		10-Q	10.2	8/8/2025
10.42	Non-Competition Agreement, dated as of July 14, 2025, by and between Webster Financial Corporation and Jason Schugel		10-Q	10.3	8/8/2025
10.43	Change in Control Agreement, dated as of January 6, 2026, by and between Webster Financial Corporation and Kristen Antonopoulos		8-K	10.1	1/9/2026
10.44	Non-Competition Agreement, dated as of January 6, 2026, by and between Webster Financial Corporation and Kristen Antonopoulos		8-K	10.2	1/9/2026
19	Insider Trading Policy	X			
21	Subsidiaries	X			
23	Consent of KPMG LLP	X			
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed by the Chief Executive Officer	X			
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, signed by the Chief Financial Officer	X			
32.1	Written statement pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by the Chief Executive Officer	X ⁽³⁾			
32.2	Written statement pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by the Chief Financial Officer	X ⁽³⁾			
97	Policy for Recoupment of Incentive Compensation		10-K	97	2/27/2024

Exhibit Number	Exhibit Description	Exhibit Included	Incorporated by Reference		
			Form	Exhibit	Filing Date
101	The following financial information from the Company's Annual Report on Form 10-K for the year ended December 31, 2025 formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) Cover Page, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Income, (iv) Consolidated Statements of Comprehensive Income, (v) Consolidated Statements of Stockholders' Equity, (vi) Consolidated Statements of Cash Flows, and (vii) Notes to Consolidated Financial Statements, tagged in summary and in detail.	X			
104	Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101)	X			
	(1) Certain confidential portions of this exhibit were omitted by means of marking such portions with brackets because the confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.				
	(2) Material contracts are management contracts, or compensatory plans or arrangements, in which directors or executive officers are eligible to participate.				
	(3) Exhibit is furnished herewith and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.				

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 27, 2026.

WEBSTER FINANCIAL CORPORATION

By: /s/ John R. Ciulla
John R. Ciulla
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 27, 2026.

Signature:

Title:

<u>/s/ John R. Ciulla</u> John R. Ciulla	Chairman and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Neal Holland</u> Neal Holland	Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ Kristen Antonopoulos</u> Kristen Antonopoulos	Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Richard O'Toole</u> Richard O'Toole	Lead Independent Director
<u>/s/ Mona Aboelnaga Kanaan</u> Mona Aboelnaga Kanaan	Director
<u>/s/ William L. Atwell</u> William L. Atwell	Director
<u>/s/ John P. Cahill</u> John P. Cahill	Director
<u>/s/ Frederick J. Crawford</u> Frederick J. Crawford	Director
<u>/s/ William D. Haas</u> William D. Haas	Director
<u>/s/ E. Carol Hayles</u> E. Carol Hayles	Director
<u>/s/ Maureen B. Mitchell</u> Maureen B. Mitchell	Director

[Table of Contents](#)

/s/ Laurence C. Morse Director
Laurence C. Morse

/s/ Mark Pettie Director
Mark Pettie

/s/ Lauren C. States Director
Lauren C. States

/s/ William E. Whiston Director
William E. Whiston

Webster Bank, N.A. Amended & Restated Deferred Director Fee Plan

As Amended and Restated Effective as of January 1, 2025

IMPORTANT NOTE

This document has not been approved by the Department of Labor, Internal Revenue Service, or any other governmental entity. An adopting Employer must determine whether the Plan is subject to the Federal securities laws and the securities laws of the various states. An adopting Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is “unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees” under Title I of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Employer’s particular situation. FMR LLC, its affiliates and employees cannot provide you with legal advice in connection with the execution of this document. This document should be reviewed by the Employer’s attorney prior to execution.

Table of Contents

Preamble	1
Article 1 - General	1-1
1.1. Plan	1-1
1.2. Effective Dates	1-1
1.3. Amounts Not Subject to Code Section 409A	1-1
Article 2 - Definitions	2-1
2.1. Account	2-1
2.2. Administrator	2-1
2.3. Adoption Agreement	2-1
2.4. Beneficiary	2-1
2.5. Board or Board of Directors	2-1
2.6. Bonus	2-1
2.7. Change in Control	2-1
2.8. Code	2-1
2.9. Compensation	2-1
2.10. Director	2-2
2.11. Disability	2-2
2.12. Eligible Employee	2-2
2.13. Employer	2-2
2.14. ERISA	2-2
2.15. Identification Date	2-2
2.16. Key Employee	2-2
2.17. Participant	2-2
2.18. Plan	2-2
2.19. Plan Sponsor	2-2
2.20. Plan Year	2-2
2.21. Related Employer	2-3
2.22. Retirement	2-3
2.23. Separation from Service	2-3
2.24. Unforeseeable Emergency	2-4
2.25. Valuation Date	2-4
2.26. Years of Service	2-4
Article 3 - Participation	3-1
3.1. Participation	3-1
3.2. Termination of Participation	3-1
Article 4 - Participant Elections	4-1
4.1. Deferral Agreement	4-1
4.2. Amount of Deferral	4-1
4.3. Timing of Election to Defer	4-1
4.4. Election of Payment Schedule and Form of Payment	4-2
Article 5 - Employer Contributions	5-1
5.1. Matching Contributions	5-1
5.2. Other Contributions	5-1
Article 6 - Accounts and Credits	6-1
6.1. Establishment of Account	6-1
6.2. Credits to Account	6-1
Article 7 - Investment of Contributions	7-1
7.1. Investment Options	7-1
7.2. Adjustment of Accounts	7-1
Article 8 - Right to Benefits	8-1

8.1. Vesting	8-1
8.2. Death	8-1
8.3. Disability	8-1
Article 9 - Distribution of Benefits	9-1
9.1. Amounts of Benefits	9-1
9.2. Method and Timing of Distributions	9-1
9.3. Unforeseeable Emergency	9-1
9.4. Payment Election Overrides	9-2
9.5. Cashouts of Amounts Not Exceeding Stated Limit	9-2
9.6. Required Delay in Payment to Key Employees	9-2
9.7. Change in Control	9-3
9.8. Permissible Delays in Payment	9-6
9.9. Permitted Acceleration of Payment	9-7
Article 10 - Amendment and Termination	10-1
10.1. Amendment by Plan Sponsor	10-1
10.2. Plan Termination Following Change in Control or Corporate Dissolution	10-1
10.3. Other Plan Terminations	10-1
Article 11 - The Trust	11-1
11.1. Establishment of Trust	11-1
11.2. Trust	11-1
11.3. Investment of Trust Funds	11-1
Article 12 - Plan Administration	12-1
12.1. Powers and Responsibilities of the Administrator	12-1
12.2. Claims and Review Procedures	12-2
12.3. Plan Administrative Costs	12-3
Article 13 - Miscellaneous	13-1
13.1. Unsecured General Creditor of the Employer	13-1
13.2. Employer's Liability	13-1
13.3. Limitation of Rights	13-1
13.4. Anti-Assignment	13-1
13.5. Facility of Payment	13-2
13.6. Notices	13-2
13.7. Tax Withholding	13-2
13.8. Indemnification	13-3
13.9. Successors	13-4
13.10. Disclaimer	13-4
13.11. Governing Law	13-4

Preamble

The Plan is intended to be a “plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, or an “excess benefit plan” within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, or a combination of both. The Plan is further intended to conform with the requirements of Internal Revenue Code Section 409A and the final regulations issued thereunder and shall be interpreted, implemented, and administered in a manner consistent therewith.

Article 1 - General

1.1. Plan

The Plan will be referred to by the name specified in the Adoption Agreement.

1.2. Effective Dates

- (a) Original Effective Date. The Original Effective Date is the date as of which the Plan was initially adopted.
- (b) Amendment Effective Date. The Amendment Effective Date is the date specified in the Adoption Agreement as of which the Plan is amended and restated. Except as otherwise provided in the Adoption Agreement, all amounts deferred under the Plan prior to the Amendment Effective Date shall be governed by the terms of the Plan as in effect on the day before the Amendment Effective Date.
- (c) Special Effective Date. A Special Effective Date may apply to any given provision if so specified in Appendix A of the Adoption Agreement. A Special Effective Date will control over the Original Effective Date or Amendment Effective Date, whichever is applicable, with respect to such provision of the Plan.

1.3. Amounts Not Subject to Code Section 409A

Except as otherwise indicated by the Plan Sponsor in Section 1.01 of the Adoption Agreement, amounts deferred before January 1, 2005 that are earned and vested on December 31, 2004 will be separately accounted for and administered in accordance with the terms of the Plan as in effect on December 31, 2004.

Article 2 - Definitions

Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

2.1. Account

“Account” means an account and any subaccounts established for the purpose of recording amounts credited on behalf of a Participant and any earnings, expenses, gains, losses, or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant or to the Participant’s Beneficiary pursuant to the Plan.

2.2. Administrator

“Administrator” means the person or persons designated by the Plan Sponsor in Section 1.05 of the Adoption Agreement to be responsible for the administration of the Plan. If no Administrator is designated in the Adoption Agreement, the Administrator is the Plan Sponsor.

2.3. Adoption Agreement

“Adoption Agreement” means the agreement adopted by the Plan Sponsor that establishes the Plan.

2.4. Beneficiary

“Beneficiary” means the persons, trusts, estates, or other entities entitled under Section 8.2 to receive benefits under the Plan upon the death of a Participant.

2.5. Board or Board of Directors

“Board” or “Board of Directors” means the Board of Directors of the Plan Sponsor.

2.6. Bonus

“Bonus” means an amount of incentive remuneration payable by the Employer to a Participant.

2.7. Change in Control

“Change in Control” means the occurrence of an event involving the Plan Sponsor that is described in Section 9.7.

2.8. Code

“Code” means the Internal Revenue Code of 1986, as amended.

2.9. Compensation

“Compensation” has the meaning specified in Section 3.01 of the Adoption Agreement.

2.10. Director

“Director” means a non-employee member of the Board who has been designated by the Employer as eligible to participate in the Plan.

2.11. Disability

“Disability” means that a Participant is disabled as defined in Section 6.01(i) of the Adoption Agreement.

2.12. Eligible Employee

“Eligible Employee” means an employee of the Employer who satisfies the requirements in Section 2.01 of the Adoption Agreement.

2.13. Employer

“Employer” means the Plan Sponsor and any other Related Employer that is listed in Section 1.04 of the Adoption Agreement and which is authorized by the Plan Sponsor to participate in and, in fact, does adopt the Plan.

2.14. ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

2.15. Identification Date

“Identification Date” means the date as of which Key Employees are determined which is specified in Section 1.06 of the Adoption Agreement.

2.16. Key Employee

“Key Employee” means an employee who satisfies the conditions set forth in Section 9.6.

2.17. Participant

“Participant” means an Eligible Employee or Director who commences participation in the Plan in accordance with Article 3.

2.18. Plan

“Plan” means the unfunded plan of deferred compensation set forth herein, including the Adoption Agreement and any trust agreement, as adopted by the Plan Sponsor, and as amended from time to time.

2.19. Plan Sponsor

“Plan Sponsor” means the entity identified in Section 1.03 of the Adoption Agreement or any successor by merger, consolidation or otherwise.

2.20. Plan Year

“Plan Year” means the period identified in Section 1.02 of the Adoption Agreement.

2.21. *Related Employer*

“Related Employer” means the Plan Sponsor and (a) any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the Plan Sponsor and (b) any trade or business that is under common control as defined in Code Section 414(c) that includes the Plan Sponsor.

2.22. *Retirement*

“Retirement” has the meaning specified in 6.01(f) of the Adoption Agreement.

2.23. *Separation from Service*

“Separation from Service” means the date that the Participant dies, retires, or otherwise has a termination of employment with respect to all entities comprising the Related Employer. A Separation from Service does not occur if the Participant is on military leave, sick leave or other bona fide leave of absence if the period of leave does not exceed six months or such longer period during which the Participant’s right to re-employment is provided by statute or contract. If the period of leave exceeds six months and the Participant’s right to re-employment is not provided either by statute or contract, a Separation from Service will be deemed to have occurred on the first day following the six-month period. If the period of leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where the impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29 month period of absence may be substituted for the six month period.

Whether a termination of employment has occurred is based on whether the facts and circumstances indicate that the Related Employer and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36 month period (or the full period of services to the Related Employer if the employee has been providing services to the Related Employer for less than 36 months).

An independent contractor is considered to have experienced a Separation from Service with the Related Employer upon the expiration of the contract (or, in the case of more than one contract, all contracts) under which services are performed for the Related Employer if the expiration constitutes a good-faith and complete termination of the contractual relationship.

If a Participant provides services as both an employee and an independent contractor of the Related Employer, the Participant must separate from service both as an employee and as an independent contractor to be treated as having incurred a Separation from Service. If a Participant ceases providing services as an independent contractor and begins providing services as an employee, or ceases providing services as an employee and begins providing services as an independent contractor, the Participant will not be considered to have experienced a Separation from Service until the Participant has ceased providing services in both capacities.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate Related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as a Director are not taken into account in determining whether the Participant has incurred a Separation from Service as an employee for purposes of a nonqualified deferred compensation plan in which the Participant participates as an employee that is not aggregated under Code Section 409A with any plan in which the Participant participates as a Director.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as an employee are not taken into account in determining whether the Participant has experienced a Separation from Service as a Director for purposes of a nonqualified deferred compensation plan in which the Participant participates as a Director that is not aggregated under Code Section 409A with any plan in which the Participant participates as an employee.

All determinations of whether a Separation from Service has occurred will be made in a manner consistent with Code Section 409A and the final regulations thereunder.

2.24. Unforeseeable Emergency

“Unforeseeable Emergency” means a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s Beneficiary, or the Participant’s dependent (as defined in Code Section 152, without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B); loss of the Participant’s property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

2.25. Valuation Date

“Valuation Date” means each business day of the Plan Year that the New York Stock Exchange is open.

2.26. Years of Service

“Years of Service” means each one-year period for which the Participant receives service credit in accordance with the provisions of Section 7.01(d) of the Adoption Agreement.

Article 3 - Participation

3.1. Participation

The Participants in the Plan shall be those Eligible Employees and Directors of the Employer who satisfy the requirements of Section 2.01 of the Adoption Agreement.

3.2. Termination of Participation

The Administrator may terminate a Participant's participation in the Plan in a manner consistent with Code Section 409A. If the Employer terminates a Participant's participation before the Participant experiences a Separation from Service, the Participant's vested Accounts shall be paid in accordance with the provisions of Article 9.

Article 4 - Participant Elections

4.1. Deferral Agreement

If permitted by the Plan Sponsor in accordance with Section 4.01 of the Adoption Agreement, each Eligible Employee and Director may elect to defer his or her Compensation within the meaning of Section 3.01 of the Adoption Agreement by executing in writing or electronically, a deferral agreement in accordance with rules and procedures established by the Administrator and the provisions of this Article 4.

A new deferral agreement must be timely executed for each Plan Year during which the Eligible Employee or Director desires to defer Compensation. An Eligible Employee or Director who does not timely execute a deferral agreement shall be deemed to have elected zero deferrals of Compensation for such Plan Year.

A deferral agreement may be changed or revoked during the period specified by the Administrator. Except as provided in Section 9.3, a deferral agreement becomes irrevocable at the close of the specified period.

4.2. Amount of Deferral

An Eligible Employee or Director may elect to defer Compensation in any amount permitted by Section 4.01(a) of the Adoption Agreement.

4.3. Timing of Election to Defer

Each Eligible Employee or Director who desires to defer Compensation otherwise payable during a Plan Year must execute a deferral agreement within the period preceding the Plan Year specified by the Administrator. Each Eligible Employee who desires to defer Compensation that is a Bonus must execute a deferral agreement within the period preceding the Plan Year during which the Bonus is earned that is specified by the Administrator, except that if the Bonus can be treated as performance based compensation as described in Code Section 409A(a)(4)(B) (iii), the deferral agreement may be executed within the period specified by the Administrator, which period, in no event, shall end after the date which is six months prior to the end of the period during which the Bonus is earned, provided the Participant has performed services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the Participant executed the deferral agreement and provided further that the compensation has not yet become 'readily ascertainable' within the meaning of Treas. Reg. § 1.409A-2(a)(8). In addition, if the Compensation qualifies as 'fiscal year compensation' within the meaning of Treas. Reg. § 1.409A-2(a)(6), the deferral agreement may be made not later than the end of the Employer's taxable year immediately preceding the first taxable year of the Employer in which any services are performed for which such Compensation is payable.

Except as otherwise provided below, an employee who is classified or designated as an Eligible Employee during a Plan Year or a Director who is designated as eligible to participate during a Plan Year may elect to defer Compensation otherwise payable during the remainder of such Plan Year in accordance with the rules of this Section 4.3 by executing a deferral agreement within the thirty (30) day period beginning on the date the employee is classified or designated as an Eligible Employee or the date the Director is designated as eligible, whichever is applicable, if permitted by Section 4.01(b)(ii) of the Adoption Agreement. If Compensation is based on a specified performance period that begins before the Eligible Employee or Director executes his or her deferral agreement, the election will be deemed to apply to the portion of such Compensation equal to the total amount of Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the election becomes irrevocable and effective over the total number of days in the performance period. The rules of this paragraph shall not apply unless the Eligible Employee or Director can be treated as initially eligible in accordance with Treas. Reg. § 1.409A-2(a)(7).

4.4. Election of Payment Schedule and Form of Payment

All elections of a payment schedule and a form of payment will be made in accordance with rules and procedures established by the Administrator and the provisions of this Section 4.4.

- (a) If the Plan Sponsor has elected to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director completes a deferral agreement, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for the Compensation subject to the deferral agreement from among the options the Plan Sponsor has made available for this purpose and which are specified in 6.01(b) of the Adoption Agreement. Prior to the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director shall elect a distribution event (which includes a specified time) and a form of payment for any Employer contributions that may be credited to the Participant's Account during the Plan Year. If an Eligible Employee or Director fails to elect a distribution event, he or she shall be deemed to have elected Separation from Service as the distribution event. If he or she fails to elect a form of payment, he or she shall be deemed to have elected a lump sum form of payment.

- (b) If the Plan Sponsor has elected not to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director first completes a deferral agreement but in no event later than the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for amounts credited to his or her Account from among the options the Plan Sponsor has made available for this purpose and which are specified in Section 6.01(b) of the Adoption Agreement. If an Eligible Employee or Director fails to elect a distribution event, he or she shall be deemed to have elected Separation from Service in the distribution event. If the Participant fails to elect a form of payment, he or she shall be deemed to have elected a lump sum form of payment.

Article 5 - Employer Contributions

5.1. Matching Contributions

If elected by the Plan Sponsor in Section 5.01(a) of the Adoption Agreement, the Employer will credit the Participant's Account with a matching contribution determined in accordance with the formula specified in Section 5.01(a) of the Adoption Agreement. The matching contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(a)(iii) of the Adoption Agreement.

5.2. Other Contributions

If elected by the Plan Sponsor in Section 5.01(b) of the Adoption Agreement, the Employer will credit the Participant's Account with a contribution or contributions determined in accordance with the formula or method specified in Section 5.01(b) of the Adoption Agreement. These contributions will be treated as allocated to the Participant's Account at the time specified in Section 5.01(b)(iii) of the Adoption Agreement.

Article 6 - Accounts and Credits

6.1. Establishment of Account

For accounting and computational purposes only, the Administrator will establish and maintain an Account on behalf of each Participant which will reflect the credits made pursuant to Section 6.2, distributions or withdrawals, along with the earnings, expenses, gains and losses allocated thereto, attributable to the hypothetical investments made with the amounts in the Account as provided in Article 7. The Administrator may establish and maintain such other records and accounts, as it decides in its discretion to be reasonably required or appropriate to discharge its duties under the Plan.

6.2. Credits to Account

A Participant's Account will be credited for each Plan Year with the amount of his or her elective deferrals under Section 4.1 at the time the amount subject to the deferral election would otherwise have been payable to the Participant and the amount of Employer contributions, if any, treated as allocated on his or her behalf under Article 5.

Article 7 - Investment of Contributions

7.1. Investment Options

The amount credited to each Account shall be treated as invested in the investment options designated for this purpose by the Administrator.

7.2. Adjustment of Accounts

The amount credited to each Account shall be adjusted for hypothetical investment earnings, expenses, gains or losses in an amount equal to the earnings, expenses, gains or losses attributable to the investment options selected by the party designated in Section 9.01 of the Adoption Agreement from among the investment options provided in Section 7.1. If permitted by Section 9.01 of the Adoption Agreement, a Participant (or the Participant's Beneficiary after the death of the Participant) may, in accordance with rules and procedures established by the Administrator, select the investments from among the options provided in Section 7.1 to be used for the purpose of calculating future hypothetical investment adjustments to the Account or to future credits to the Account under Section 6.2 effective as of the Valuation Date coincident with or next following notice to the Administrator. Each Account shall be adjusted as of each Valuation Date to reflect: (a) the hypothetical earnings, expenses, gains, and losses described above; (b) amounts credited pursuant to Section 6.2; and (c) distributions or withdrawals. In addition, each Account may be adjusted for its allocable share of the hypothetical costs and expenses associated with the maintenance of the hypothetical investments provided in Section 7.1.

Article 8 - Right to Benefits

8.1. Vesting

A Participant, at all times, has a 100% nonforfeitable interest in the amounts credited to his or her Account attributable to his or her elective deferrals made in accordance with Section 4.1.

A Participant's right to the amounts credited to his or her Account attributable to Employer contributions made in accordance with Article 5 shall be determined in accordance with the relevant schedule and provisions in Section 7.01 of the Adoption Agreement. Upon a Separation from Service and after application of the provisions of Section 7.01 of the Adoption Agreement, the Participant shall forfeit the nonvested portion of his or her Account.

8.2. Death

The Plan Sponsor may elect to accelerate vesting upon the death of the Participant in accordance with Section 7.01(c) of the Adoption Agreement and/or to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement. If the Plan Sponsor does not elect to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the vested amount credited to the Participant's Account will be paid in accordance with the provisions of Article 9.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries in accordance with rules and procedures established by the Administrator. Whenever a Participant designates a new Beneficiary, all former Beneficiary designations by such Participant shall be revoked automatically. If a Participant and the Participant's spouse divorce, any designations of the spouse as Beneficiary shall become null and void. The former spouse shall be treated as the Beneficiary under the Plan only if after the divorce is final, the Participant expressly re-designates the former spouse as the Participant's Beneficiary.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's vested Account, such amount will be paid to his or her estate (such estate shall be deemed to be the Beneficiary for purposes of the Plan) in accordance with the provisions of Article 9.

8.3. Disability

If the Plan Sponsor has elected to accelerate vesting upon the occurrence of a Disability in accordance with Section 7.01(c) of the Adoption Agreement and/or to permit distributions upon Disability in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the determination of whether a Participant has incurred a Disability shall be based on the definition of Disability in Section 6.01(i) of the Adoption Agreement and in a manner consistent with the requirements of Code Section 409A.

Article 9 - Distribution of Benefits

9.1. Amount of Benefits

The vested amount credited to a Participant's Account as determined under Articles 6, 7 and 8 shall determine and constitute the basis for the value of benefits payable to the Participant under the Plan.

9.2. Method and Timing of Distributions

Except as otherwise provided in this Article 9, distributions under the Plan shall be made in accordance with the elections made or deemed made by the Participant under Article 4. Subject to the provisions of Section 9.6 requiring a six-month delay for certain distributions to Key Employees, distributions following a payment event shall commence at the time specified in Section 6.01(a) of the Adoption Agreement. If permitted by Section 6.01(g) of the Adoption Agreement, a Participant may elect, at least twelve months before a scheduled distribution event, to delay the payment date for a minimum period of sixty months from the originally scheduled date of payment, provided the election does not take effect for at least twelve months from the date on which the election is made. The distribution election change must be made in accordance with procedures and rules established by the Administrator. The Participant may, at the same time the date of payment is deferred, change the form of payment but such change in the form of payment may not effect an acceleration of payment in violation of Code Section 409A or the provisions of Treas. Reg. § 1.409A-2(b). For purposes of this Section 9.2, a series of installment payments is always treated as a single payment and not as a series of separate payments.

9.3. Unforeseeable Emergency

A Participant may request a distribution due to an Unforeseeable Emergency if the Plan Sponsor has elected to permit Unforeseeable Emergency withdrawals under Section 8.01(a) of the Adoption Agreement. The request must be in writing and must be submitted to the Administrator along with evidence that the circumstances constitute an Unforeseeable Emergency. The Administrator has the discretion to require whatever evidence it deems necessary to determine whether a distribution is warranted, and may require the Participant to certify that the need cannot be met from other sources reasonably available to the Participant. Whether a Participant has incurred an Unforeseeable Emergency will be determined by the Administrator on the basis of the relevant facts and circumstances in its sole discretion, but, in no event, will an Unforeseeable Emergency be deemed to exist if the hardship can be relieved: (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Participant's assets to the extent such liquidation would not itself cause severe financial hardship, or (c) by cessation of deferrals under the Plan. A distribution due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need and may include any amounts necessary to pay any federal, state, foreign or local income taxes and penalties reasonably anticipated to result from the distribution. The distribution will be made in the form of a single lump sum cash payment. If permitted by Section 8.01(b) of the Adoption Agreement, a Participant's deferral elections for the remainder of the Plan Year will be cancelled upon a withdrawal due to an Unforeseeable Emergency. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with Section 9.6 at the time he or she experiences an Unforeseeable Emergency, the amount being delayed shall not be subject to the provisions of this Section 9.3 until the expiration of the six month period of delay required by section 9.6.

9.4. Payment Election Overrides

If the Plan Sponsor has elected one or more payment election overrides in accordance with Section 6.01(d) of the Adoption Agreement, the following provisions apply. Upon the occurrence of the first event selected by the Plan Sponsor, the remaining vested amount credited to the Participant's Account shall be paid in the form designated to the Participant or his or her Beneficiary regardless of whether the Participant had made different elections of time and/or form of payment or whether the Participant was receiving installment payments at the time of the event.

9.5. Cashouts of Amounts Not Exceeding Stated Limit

If the vested amount credited to the Participant's Account does not exceed the limit established for this purpose by the Plan Sponsor in Section 6.01(e) of the Adoption Agreement at the time he or she incurs a Separation from Service for any reason, the Employer shall distribute such amount to the Participant at the time specified in Section 6.01(a) of the Adoption Agreement in a single lump sum cash payment following such Separation from Service regardless of whether the Participant had made different elections of time or form of payment as to the vested amount credited to his or her Account or whether the Participant was receiving installments at the time of such termination. A Participant's Account, for purposes of this Section 9.5, shall include any amounts described in Section 1.3.

9.6. Required Delay in Payment to Key Employees

Except as otherwise provided in this Section 9.6, a distribution made on account of Separation from Service (or Retirement, if applicable) to a Participant who is a Key Employee as of the date of his or her Separation from Service (or Retirement, if applicable) shall not be made before the date which is six months after the Separation from Service (or Retirement, if applicable).

- (a) A Participant is treated as a Key Employee if: (i) he or she is employed by a Related Employer any of whose stock is publicly traded on an established securities market, and (ii) he or she satisfies the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii), determined without regard to Code Section 416(i)(5), at any time during the twelve month period ending on the Identification Date.
- (b) A Participant who is a Key Employee on an Identification Date shall be treated as a Key Employee for purposes of the six month delay in distributions for the twelve month period beginning on the first day of a month no later than the fourth month following the Identification Date. The Identification Date and the effective date of the delay in distributions shall be determined in accordance with Section 1.06 of the Adoption Agreement.

- (c) The Plan Sponsor may elect to apply an alternative method to identify Participants who will be treated as Key Employees for purposes of the six month delay in distributions if the method satisfies each of the following requirements: (i) is reasonably designed to include all Key Employees, (ii) is an objectively determinable standard providing no direct or indirect election to any Participant regarding its application, and (iii) results in either all Key Employees or no more than 200 Key Employees being identified in the class as of any date. Use of an alternative method that satisfies the requirements of this Section 9.6(c) will not be treated as a change in the time and form of payment for purposes of Treas. Reg. § 1.409A-2(b).
- (d) The six-month delay does not apply to payments described in Section 9.9(a), (b) or (d) or to payments that occur after the death of the Participant. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with this Section 9.6 at the time he or she incurs a Disability which would otherwise require a distribution under the terms of the Plan, no amount shall be paid until the expiration of the six month period of delay required by this Section 9.6.

9.7. Change in Control

If the Plan Sponsor has elected to permit distributions upon a Change in Control, the following provisions shall apply. A distribution made upon a Change in Control will be made at the time specified in Section 6.01(a) of the Adoption Agreement in the form elected by the Participant in accordance with the procedures described in Article 4. Alternatively, if the Plan Sponsor has elected in accordance with Section 11.02 of the Adoption Agreement to require distributions upon a Change in Control, the Participant's remaining vested Account shall be paid to the Participant or the Participant's Beneficiary at the time specified in Section 6.01(a) of the Adoption Agreement as a single lump sum payment. A Change in Control, for purposes of the Plan, will occur upon a change in the ownership of the Plan Sponsor, a change in the effective control of the Plan Sponsor or a change in the ownership of a substantial portion of the assets of the Plan Sponsor, but only if elected by the Plan Sponsor in Section 11.03 of the Adoption Agreement. The Plan Sponsor, for this purpose, includes any corporation identified in this Section 9.7. All distributions made in accordance with this Section 9.7 are subject to the provisions of Section 9.6.

If a Participant continues to make deferrals in accordance with Article 4 after he or she has received a distribution due to a Change in Control, the residual amount payable to the Participant shall be paid at the time and in the form specified in the elections he or she makes in accordance with Article 4 or upon his or her death or Disability as provided in Article 8.

Whether a Change in Control has occurred will be determined by the Administrator in accordance with the rules and definitions set forth in this Section 9.7. A distribution to the Participant will be treated as occurring upon a Change in Control if the Plan Sponsor terminates the Plan in accordance with Section 10.2 and distributes the Participant's benefits within twelve months of a Change in Control as provided in Section 10.3.

- (a) Relevant Corporations. To constitute a Change in Control for purposes of the Plan, the event must relate to: (i) the corporation for whom the Participant is performing services at the time of the Change in Control, (ii) the corporation that is liable for the payment of the Participant's benefits under the Plan (or all corporations liable if more than one corporation is liable) but only if either the deferred compensation is attributable to the performance of services by the Participant for such corporation (or corporations) or there is a bona fide business purpose for such corporation (or corporations) to be liable for such payment and, in either case, no significant purpose of making such corporation (or corporations) liable for such payment is the avoidance of federal income tax, or (iii) a corporation that is a majority shareholder of a corporation identified in (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (i) or (ii). A majority shareholder is defined as a shareholder owning more than fifty percent (50%) of the total fair market value and voting power of such corporation.
- (b) Stock Ownership. Code Section 318(a) applies for purposes of determining stock ownership. Stock underlying a vested option is considered owned by the individual who owns the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). If, however, a vested option is exercisable for stock that is not substantially vested (as defined by Treas. Reg. § 1.83-3(b) and (j)) the stock underlying the option is not treated as owned by the individual who holds the option.
- (c) Change in the Ownership of a Corporation. A change in the ownership of a corporation occurs on the date that any one person or more than one person acting as a group, acquires ownership of stock of the corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. If any one person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation as discussed below in Section 9.7(d)). An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock. Section 9.7(c) applies only when there is a transfer of stock of a corporation (or issuance of stock of a corporation) and stock in such corporation remains outstanding after the transaction. For purposes of this Section 9.7(c), persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of a public offering. Persons will, however, be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

- (d) Change in the Effective Control of a Corporation. A change in the effective control of a corporation occurs on the date that either (i) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the corporation possessing thirty percent (30%) or more of the total voting power of the stock of such corporation, or (ii) a majority of members of the corporation's Board of Directors is replaced during any twelve month period by Directors whose appointment or election is not endorsed by a majority of the members of the corporation's Board of Directors prior to the date of the appointment or election, provided that for purposes of this paragraph (ii), the term corporation refers solely to the relevant corporation identified in Section 9.7(a) for which no other corporation is a majority shareholder for purposes of Section 9.7(a). In the absence of an event described in Section 9.7(d)(i) or (ii), a change in the effective control of a corporation will not have occurred. A change in effective control may also occur in any transaction in which either of the two corporations involved in the transaction has a change in the ownership of such corporation as described in Section 9.7(c) or a change in the ownership of a substantial portion of the assets of such corporation as described in Section 9.7(e). If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of this Section 9.7(d), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation or to cause a change in the ownership of the corporation within the meaning of Section 9.7(c). For purposes of this Section 9.7(d), persons will or will not be considered to be acting as a group in accordance with rules similar to those set forth in Section 9.7(c) with the following exception. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

- (e) Change in the Ownership of a Substantial Portion of a Corporation's Assets. A change in the ownership of a substantial portion of a corporation's assets occurs on the date that any one person, or more than one person acting as a group (as determined in accordance with rules similar to those set forth in Section 9.7(d)), acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the corporation immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation or the value of the assets being disposed of determined without regard to any liabilities associated with such assets. There is no Change in Control event under this Section 9.7(e) when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer. A transfer of assets by a corporation is not treated as a change in ownership of such assets if the assets are transferred to (i) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the corporation, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the corporation, or (iv) an entity, at least fifty (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 9.7(e)(iii). For purposes of the foregoing, and except as otherwise provided, a person's status is determined immediately after the transfer of assets.

9.8. Permissible Delays in Payment

Distributions may be delayed beyond the date payment would otherwise occur in accordance with the provisions of Articles 8 and 9 in any of the following circumstances (as long as the Employer treats all payments to similarly situated Participants on a reasonably consistent basis):

- (a) The Employer may delay payment if it reasonably anticipates that its deduction with respect to such payment would be limited or eliminated by the application of Code Section 162(m). Payment must be made during the Participant's first taxable year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year the deduction of such payment will not be barred by the application of Code Section 162(m) or during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's taxable year in which the Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. If a scheduled payment to a Participant is delayed in accordance with this Section 9.8(a), all scheduled payments to the Participant that could be delayed in accordance with this Section 9.8(a) will also be delayed.
- (b) The Employer may also delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation.
- (c) The Employer reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

9.9. Permitted Acceleration of Payment

The Employer may permit acceleration of the time or schedule of any payment or amount scheduled to be paid pursuant to a payment under the Plan provided such acceleration would be permitted by the provisions of Treas. Reg. § 1.409A-3(j)(4), including the following events:

- (a) Domestic Relations Order. A payment may be accelerated if such payment is made to an alternate payee pursuant to and following the receipt and qualification of a domestic relations order as defined in Code Section 414(p).
- (b) Compliance with Ethics Agreement and Legal Requirements. A payment may be accelerated as may be necessary to comply with ethics agreements with the Federal government or as may be reasonably necessary to avoid the violation of Federal, state, local or foreign ethics law or conflicts of laws, in accordance with the requirements of Code Section 409A.
- (c) De Minimis Amounts. A payment may be accelerated if (i) the amount of the payment is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), and (ii) at the time the payment is made the amount constitutes the Participant's entire interest under the Plan and all other plans that are aggregated with the Plan under Treas. Reg. § 1.409A-1(c)(2).
- (d) FICA Tax. A payment may be accelerated to the extent required to pay the Federal Insurance Contributions Act tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) of the Code with respect to compensation deferred under the Plan (the "FICA Amount"). Additionally, a payment may be accelerated to pay the income tax on wages imposed under Code Section 3401 of the Code on the FICA Amount and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. The total payment under this subsection (d) may not exceed the aggregate of the FICA Amount and the income tax withholding related to the FICA Amount.
- (e) Section 409A Additional Tax. A payment may be accelerated if the Plan fails to meet the requirements of Code Section 409A; provided that such payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A.
- (f) Offset. A payment may be accelerated in the Employer's discretion as satisfaction of a debt of the Participant to the Employer, where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer, the entire amount of the reduction in any of the Employer's taxable years does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.
- (g) Other Events. A payment may be accelerated in the Administrator's discretion in connection with such other events and conditions as permitted by Code Section 409A.

Article 10 - Amendment and Termination

10.1. Amendment by Plan Sponsor

The Plan Sponsor reserves the right to amend the Plan (for itself and each Employer) through action of its Board of Directors or other authorized person. No amendment can directly or indirectly deprive any current or former Participant or Beneficiary of all or any portion of his or her Account which had accrued and vested prior to the amendment.

10.2. Plan Termination Following Change in Control or Corporate Dissolution

If so elected by the Plan Sponsor in 11.01 of the Adoption Agreement, the Plan Sponsor reserves the right to terminate the Plan and distribute all amounts credited to all Participant Accounts within the 30 days preceding or the twelve months following a Change in Control as determined in accordance with the rules set forth in Section 9.7. For this purpose, the Plan will be treated as terminated only if all agreements, methods, programs and other arrangements sponsored by the Related Employer immediately after the Change in Control which are treated as a single plan under Treas. Reg. § 1.409A-1(c)(2) are also terminated so that all Participants under the Plan and all similar arrangements are required to receive all amounts deferred under the terminated arrangements within twelve months of the date the Plan Sponsor irrevocably takes all necessary action to terminate the arrangements. In addition, the Plan Sponsor reserves the right to terminate the Plan within twelve months of a corporate dissolution taxed under Code Section 331 or with the approval of a bankruptcy court pursuant to 11 U. S. C. Section 503(b)(1)(A) provided that amounts deferred under the Plan are included in the gross incomes of Participants in the latest of (a) the calendar year in which the termination and liquidation occurs, (b) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which payment is administratively practicable.

10.3. Other Plan Terminations

The Plan Sponsor retains the discretion to terminate the Plan if (a) all arrangements sponsored by the Plan Sponsor that would be aggregated with any terminated arrangement under Code Section 409A and Treas. Reg. § 1.409A-1(c)(2) are terminated, (b) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements, (c) all payments are made within twenty-four months of the date the Plan Sponsor takes all necessary action to irrevocably terminate and liquidate the arrangements, (d) the Plan Sponsor does not adopt a new arrangement that would be aggregated with any terminated arrangement under Code Section 409A and the regulations thereunder at any time within the three year period following the date of termination of the arrangement, and (e) the termination does not occur proximate to a downturn in the financial health of the Plan Sponsor. The Plan Sponsor also reserves the right to amend the Plan to provide that termination of the Plan will occur under such conditions and events as may be prescribed by the Secretary of the Treasury in generally applicable guidance published in the Internal Revenue Bulletin.

Article 11 - The Trust

11.1. Establishment of Trust

The Plan Sponsor may but is not required to establish a trust to hold amounts which the Plan Sponsor may contribute from time to time to correspond to some or all amounts credited to Participants under Section 6.2. In the event that the Plan Sponsor wishes to establish a trust to provide a source of funds for the payment of Plan benefits, any such trust shall be constructed to constitute an unfunded arrangement that does not affect the status of the Plan as an unfunded plan for purposes of Title I of ERISA and the Code. If the Plan Sponsor elects to establish a trust in accordance with Section 10.01 of the Adoption Agreement, the provisions of Sections 11.2 and 11.3 shall become operative.

11.2. Trust

Any trust established by the Plan Sponsor shall be between the Plan Sponsor and a trustee pursuant to a separate written agreement under which assets are held, administered and managed, subject to the claims of the Plan Sponsor's creditors in the event of the Plan Sponsor's insolvency. The Plan Sponsor must notify the trustee in the event of a bankruptcy or insolvency.

11.3. Investment of Trust Funds

Any amounts contributed to the trust by the Plan Sponsor shall be invested by the trustee in accordance with the provisions of the trust and the instructions of the Administrator. Trust investments need not reflect the hypothetical investments selected by Participants under Section 7.1 for the purpose of adjusting Accounts and the earnings or investment results of the trust need not affect the hypothetical investment adjustments to Participant Accounts under the Plan.

Article 12 - Plan Administration

12.1. Powers and Responsibilities of the Administrator

The Administrator has the full power and the full responsibility to administer the Plan in all of its details; subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

- (a) To make and enforce such rules and procedures as it deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, its interpretation thereof to be final, except as provided in Section 12.2, on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
- (d) To administer the claims and review procedures specified in Section 12.2;
- (e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;
- (f) To determine the person or persons to whom such benefits will be paid;
- (g) To authorize the payment of benefits;
- (h) To make corrections and recover the overpayment of any benefits;
- (i) To comply with the reporting and disclosure requirements of Part 1 of Subtitle B of Title I of ERISA;
- (j) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan;
- (k) By written instrument, to allocate and delegate its responsibilities, including the formation of an Administrative Committee to administer the Plan.

12.2. Claims and Review Procedures

- (a) Claims Procedure. If any person believes he or she is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the person's right to bring a civil action following an adverse decision on review. If the claim involves a Disability, the denial must also include the standards that governed the decision, including the basis for disagreeing with any health care professionals, vocational professionals or the Social Security Administration as well as an explanation of the scientific or clinical judgment underlying the denial. Such notification will be given within 90 days (45 days in the case of a claim regarding Disability) after the claim is received by the Administrator. The Administrator may extend the period for providing the notification by 90 days (30 days in the case of a claim regarding Disability, which may be extended an additional 30 days) if special circumstances require an extension of time for processing the claim and if written notice of such extension and circumstance is given to such person within the initial 90 day period (45 day period in the case of a claim regarding Disability). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.
- (b) Review Procedure. Within 60 days (180 days in the case of a claim regarding Disability) after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within 60 days (180 days in the case of a claim regarding Disability) of the date denial is considered to have occurred), such person (or his or her duly authorized representative) may (i) file a written request with the Administrator for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The notification will explain that the person is entitled to receive, upon request and free of charge, reasonable access to and copies of all pertinent documents and has the right to bring a civil action following an adverse decision on review. The decision on review will be made within 60 days (45 days in the case of a claim regarding Disability). The Administrator may extend the period for making the decision on review by 60 days (45 days in the case of a claim regarding Disability) if special circumstances require an extension of time for processing the request such as an election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period (45 days in the case of a claim regarding Disability). If the decision on review is not made within such period, the claim will be considered denied.

If the claim is regarding Disability, and the determination of Disability has not been made by the Social Security Administration, the Railroad Retirement Board, or under the Plan Sponsor's long-term disability plan, the person may, upon written request and free of charge, also receive the identification of medical or vocational experts whose advice was obtained in connection with the denial of a claim regarding Disability, even if the advice was not relied upon.

Before issuing any decision with respect to a claim involving Disability, the Administrator will provide to the person, free of charge, the following information as soon as possible and sufficiently in advance of the date on which the response is required to be provided to the person to allow the person a reasonable opportunity to respond prior to the due date of the response:

- (i) Any new or additional evidence considered, relied upon, or generated by the Administrator or other person making the decision; and
 - (ii) A new or additional rationale if the decision will be based on that rationale.
- (c) Exhaustion of Claims Procedures and Right to Bring Legal Claim. No action at law or equity shall be brought more than one year after the Administrator's affirmation of a denial of a claim, or, if earlier, more than four years after the facts or events giving rise to the claimant's allegation(s) or claim(s) first occurred.

12.3. Plan Administrative Costs

All reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Administrator in administering the Plan shall be paid by the Plan to the extent not paid by the Employer.

Article 13 - Miscellaneous

13.1. Unsecured General Creditor of the Employer

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer. For purposes of the payment of benefits under the Plan, any and all of the Employer's assets shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer. Each Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

13.2. Employer's Liability

Each Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan and by the deferral agreements entered into between a Participant and the Employer. An Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan and a deferral agreement or agreements. An Employer shall have no liability to Participants employed by other Employers.

13.3. Limitation of Rights

Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Employer, the Plan or the Administrator, except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.

13.4. Anti-Assignment

Except as may be necessary to fulfill a domestic relations order within the meaning of Code Section 414(p), none of the benefits or rights of a Participant or any Beneficiary of a Participant shall be subject to the claim of any creditor. In particular, to the fullest extent permitted by law, all such benefits and rights shall be free from attachment, garnishment, or any other legal or equitable process available to any creditor of the Participant and his or her Beneficiary. Neither the Participant nor his or her Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the payments which he or she may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary to receive death benefits provided hereunder. Notwithstanding the preceding, the benefit payable from a Participant's Account may be reduced, at the discretion of the Administrator, to satisfy any debt or liability to the Employer.

13.5. Facility of Payment

If the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of any benefit payments under the Plan is incapable of handling his or her affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may direct the Employer to disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments therefore, and any such payment to the extent thereof, shall discharge the liability of the Employer, the Plan and the Administrator for the payment of benefits hereunder to such recipient.

13.6. Notices

Any notice or other communication to the Employer or Administrator in connection with the Plan shall be deemed delivered in writing if addressed to the Plan Sponsor at the address specified in Section 1.03 of the Adoption Agreement and if either actually delivered at said address or, in the case of a letter, five business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified.

13.7. Tax Withholding

If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or from amounts deferred, as permitted by law, or otherwise make appropriate arrangements with the Participant or his or her Beneficiary for satisfaction of such obligation. Tax, for purposes of this Section 13.7 means any federal, state, local or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants under the Plan.

13.8. Indemnification

- (a) Each Indemnitee (as defined in Section 13.8(e)) shall be indemnified and held harmless by the Employer for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action), to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined in subsection (e)). No indemnification pursuant to this Section shall be made, however, in any case where (1) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (2) there is a settlement to which the Employer does not consent.
- (b) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Employer in advance of the final disposition of the Proceeding, to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated; provided that, if such law requires, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only on delivery to the Employer of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.
- (c) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be such and shall inure to the benefit of his or her heirs, executors, and administrators. The Employer agrees that the undertakings made in this Section shall be binding on its successors or assigns and shall survive the termination, amendment, or restatement of the Plan.
- (d) The foregoing right to indemnification shall be in addition to such other rights as the Indemnitee may enjoy as a matter of law or by reason of insurance coverage of any kind and is in addition to and not in lieu of any rights to indemnification to which the Indemnitee may be entitled pursuant to the by-laws of the Employer.
- (e) For the purposes of this Section, the following definitions shall apply:
 - (i) "Indemnitee" shall mean each person serving as an Administrator (or any other person who is an employee, Director, or officer of the Employer) who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he or she is or was performing administrative functions under the Plan.
 - (ii) "Proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding (including, without limitation, an action, suit, or proceeding by or in the right of the Employer), whether civil, criminal, administrative, investigative, or through arbitration.

13.9. Successors

The provisions of the Plan shall bind and inure to the benefit of the Plan Sponsor, the Employer and their successors and assigns and the Participant and the Participant's designated Beneficiaries.

13.10. Disclaimer

It is the Plan Sponsor's intention that the Plan comply with the requirements of Code Section 409A. Neither the Plan Sponsor nor the Employer shall have any liability to any Participant should any provision of the Plan fail to satisfy the requirements of Code Section 409A.

13.11. Governing Law

The Plan will be construed, administered, and enforced according to the laws of the State specified by the Plan Sponsor in Section 12.01 of the Adoption Agreement.

**WEBSTER BANK
SUPPLEMENTAL DEFINED CONTRIBUTION PLAN
FOR EXECUTIVE OFFICERS**

As Adopted on October 20, 2008
Effective as of October 20, 2008

TABLE OF CONTENTS

General

ARTICLE I Definitions

ARTICLE II Eligibility

ARTICLE III Supplemental Contributions ARTICLE IV Benefit Claims Procedure

ARTICLE V Funding

ARTICLE VI Amendment and Termination ARTICLE VII Miscellaneous

ANNEX I Special Provisions for Certain Former Participants in the
Eagle Financial Corporation Plan

ANNEX II Special Provisions Relating to Certain Supplemental Matching
Contributions

ANNEX III Special Provisions Relating to the Grandfathering of Certain
Benefits Under Code Section 409A

**WEBSTER BANK
SUPPLEMENTAL DEFINED CONTRIBUTION PLAN
FOR EXECUTIVE OFFICERS**

General

The Webster Bank Supplemental Defined Contribution Plan for Executive Officers (the "Plan") is a nonqualified deferred compensation plan designed to provide supplemental contributions to a select group of management or highly compensated employees. The Plan is also expected to encourage the continued service of such individuals and to facilitate the recruiting of executive personnel in the future.

The Plan is adopted effective as of October 20, 2008.

Prior to July 1, 2006, the Supplemental Retirement Plan for Employees of Webster Bank provided supplemental contributions to a select group of management or highly compensated employees. For the period on and after July 1, 2006 and prior to October 20, 2008, all liabilities relating to such supplemental contributions were transferred to, and assumed by, the Webster Bank Deferred Compensation Plan for Directors and Officers. Effective as of October 20, 2008, all liabilities relating to such supplemental contributions were transferred to, and assumed by, the Plan.

Under the terms of the Webster Bank Retirement Savings Plan: (a) effective as of January 1, 2007, all employees who are first hired on or after January 1, 2007 will be eligible to receive both matching contributions and nonelective contributions; (b) effective as of April 1, 2007, all employees who are rehired on or after January 1, 2007 will be eligible to receive both matching contributions and nonelective contributions; and (c) effective as of January 1, 2008, all other employees will be eligible to receive (i) both matching contributions and nonelective contributions, and (ii) if the employees were employed on December 31, 2006 and were active participants in the Webster Bank Pension Plan on December 31, 2007, transition contributions. Under the Plan, each eligible employee will receive supplemental matching contributions, supplemental nonelective contributions and supplemental transition contributions determined by reference to the matching contributions formula, nonelective contributions formula, and transition contributions formula applicable to the employee under the Webster Bank Retirement Savings Plan. In addition, the Chairman and Chief Executive Officer, the President, and the Chief Financial Officer of the Bank will be eligible to receive supplemental additional transition contributions under the Plan.

ARTICLE I

Definitions

1.1 "Affiliate" means any corporation or other entity which is under common control with the Bank and the Corporation within the meaning of Section 414(b) or Section 414(c) of the Code. A "Participating Affiliate" is an Affiliate which has assumed the obligations of the Plan with the consent of the Board. A "Nonparticipating Affiliate" is an Affiliate which has not assumed the obligations of the Plan with the consent of the Board.

1.2 "Bank" means Webster Bank, National Association and any successor corporation which hereafter assumes its obligations hereunder.

1.3 "Beneficiary" means the person designated by a Participant to receive benefits payable under the Plan in the event of the Participant's death. If a Participant has not designated a Beneficiary, or if the Beneficiary does not survive the Participant, the Participant's Beneficiary will be his or her surviving spouse or, if none, his or her estate.

1.4 "Board" means the board of directors of the Bank.

1.5 "Change in Control" means the occurrence of any of the following events:

(a) Any person becomes the beneficial owner of twenty-five percent (25%) or more of the total number of voting shares of the Corporation;

(b) Any person becomes the beneficial owner of ten percent (10%) or more, but less than twenty-five percent (25%), of the total number of voting shares of the Corporation, unless the Federal Reserve Board (the "FRB") has approved a rebuttal agreement filed by such person or such person has filed a certification with the FRB;

(c) Any person (other than the persons named as proxies solicited on behalf of the board of directors of the Corporation) holds revocable or irrevocable proxies, as to the election or removal of two or more directors of the Corporation, for twenty-five percent (25%) or more of the total number of voting shares of the Corporation;

(d) Any person has received the approval of the FRB under the Bank Holding Company Act, as amended (the "Holding Company Act"), or regulations issued thereunder, to acquire control of the Corporation;

(e) Any person has received approval of the FRB under the Federal Deposit Insurance Act, as amended (the "Control Act"), or regulations issued thereunder, to acquire control of the Corporation;

(f) Any person has commenced a tender or exchange offer, or entered into an agreement or received an option, to acquire beneficial ownership of twenty-five percent (25%) or more of the total number of voting shares of the Corporation, whether or not the requisite approval for such acquisition has been received under the Holding Company Act, the Control Act, or the respective regulations issued thereunder;

(g) As a result of, or in connection with, any cash tender offer or exchange offer, merger, or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the persons who were directors of the Corporation before such transaction shall cease to constitute at least two-thirds of the board of directors of the Corporation or any successor corporation; or

(h) The Corporation's beneficial ownership of the total number of voting shares of the Bank is reduced to less than fifty percent (50%).

Notwithstanding the foregoing, a change in control will not be deemed to have occurred under Section 1.5(b), Section 1.5(c), Section 1.5(d), Section 1.5(e) or Section 1.5(f) if, within thirty (30) days of such action, the board of directors of the Corporation (by a two-thirds affirmative vote of the directors in office before such action occurred) makes a determination that such action does not and is not likely to constitute a Change in Control of the Corporation. For purposes of this Section 1.5, a "person" includes an individual, corporation, partnership, trust, association, joint venture, pool, syndicate, unincorporated organization, joint-stock company or similar organization or group acting in concert. A person for these purposes shall be deemed to be a beneficial owner as that term is used in Rule 13d-3 under the Securities Exchange Act of 1934.

1.6 "Code" means the Internal Revenue Code of 1986, as amended.

1.7 "Committee" means any committee authorized by the Board to administer the Plan.

1.8 "Corporation" means Webster Financial Corporation and any successor corporation which hereafter assumes its obligations.

1.9 "Employee" means an individual who is an employee of either the Bank, the Corporation or a Participating Affiliate.

1.10 "401(k) Plan" means the Webster Bank Retirement Savings Plan and any subsequent amendments thereto. For the period prior to January 1, 2007, the 401(k) Plan was known as the Webster Bank Employee Investment Plan.

1.11 "Matching Percentage" means the percentage of a Participant's elective deferrals to the 401(k) Plan (to the extent such elective deferrals are not in excess of the Minimum Percentage of the Participant's compensation) which the Bank, the Corporation or a Participating Affiliate has agreed to contribute to the 401(k) Plan on behalf of the Participant as matching contributions.

1.12 "Minimum Percentage" means the lowest percentage of compensation which a Participant must elect to have contributed to the 401(k) Plan as elective deferrals in order to receive the maximum amount of matching contributions available under the terms of the 401(k) Plan.

1.13 "Participant" means an individual who satisfied the eligibility requirements of Article II and who is entitled to receive Supplemental Contributions under Article III.

1.14 "Plan" means the Webster Bank Supplemental Defined Contribution Plan for Executive Officers, as set forth herein, including any amendments, rules and regulations adopted pursuant hereto.

1.15 "Section 409A Change in Control" means a change in ownership of the Corporation, a change in effective control of the Corporation, or a change in the ownership of a substantial portion of the assets of the Corporation.

(a) A change in ownership of the Corporation occurs when any person (or two or more persons acting as a group) acquires ownership of stock of the Corporation which, together with stock held by such person or group, constitutes more than fifty percent (50%) of the stock of the Corporation. However, if any person or group of persons is considered to own more than fifty percent (50%) of the stock of the Corporation, the acquisition of additional stock by the same person or group of persons is not considered to result in a change in ownership of the Corporation.

(b) A change in effective control of the Corporation occurs either: (i) when any person (or two or more persons acting as a group) acquires (or has acquired during the preceding twelve month period) ownership of stock of the Corporation possessing thirty percent (30%) or more of the stock of the Corporation; or (ii) a majority of the board of directors of the Corporation is replaced during a twelve month period by persons who are not endorsed by a majority of the board of directors of the Corporation in office prior to such change. However, if any person or group of persons is considered to have acquired effective control of the Corporation pursuant to this Section 1.15(b), the acquisition of additional control of the Corporation by the same person or group of persons is not considered to result in a change in effective control of the Corporation.

(c) A change in ownership of a substantial portion of the assets of the Corporation occurs on the date that any one person (or two or more persons acting as a group) acquires (or has acquired during the preceding twelve month period) assets from the Corporation that have a total gross fair market value equal to or greater than forty percent (40%) of the total gross fair market value of all of the assets of the Corporation immediately prior to such acquisition or acquisitions. Gross fair market value means the value of the assets of the Corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

1.16 "Separation from Service" means an individual's termination of service with the Bank, the Corporation and all Affiliates, as defined for purposes of Section 409A of the Code.

1.17 "Supplemental Contributions" means the amount of nonelective deferred compensation credited to the Supplemental Contributions Account of a Participant under Section 3.1.

1.18 "Supplemental Contributions Account" means the bookkeeping account maintained for each Participant to which the Participant's Supplemental Contributions (and the earnings and losses allocable thereto) are credited.

Each Participant's Supplemental Contributions Account shall be divided into four bookkeeping subaccounts:

(a) The Supplemental Matching Contributions Account consists of the Supplemental Matching Contributions credited to the Participant pursuant to Section 3.1(a)(i) (and the earnings and losses allocable thereto).

(b) The Supplemental Nonelective Contributions Account consists of the Supplemental Nonelective Contributions credited to the Participant pursuant to Section 3.1(a)(ii) (and the earnings and losses allocable thereto).

(c) The Supplemental Transition Contributions Account consists of the Supplemental Transition Contributions credited to the Participant pursuant to Section 3.1(a)(iii) (and the earnings and losses allocable thereto).

(d) The Supplemental Additional Transition Contributions Account consists of the Supplemental Additional Transition Contributions credited to the Participant pursuant to Section 3.1(a)(iv) (and the earnings and losses allocable thereto).

In addition, each Participant's Supplemental Matching Contributions Account, Supplemental Nonelective Contributions Account, Supplemental Transition Contributions Account, and Supplemental Additional Transition Contributions Account shall be further divided into two bookkeeping subaccounts: (i) the "Installment Subaccount" shall be credited with any Supplemental Matching Contributions, Supplemental Nonelective Contributions, Supplemental Transition Contributions, or Supplemental Additional Transition Contributions (as the case may be) that the Participant elects to be paid in installments pursuant to Section 3.6(a)(ii); and (ii) the

"Lump Sum Subaccount" shall be credited with the Participant's remaining Supplemental Matching Contributions, Supplemental Nonelective Contributions, Supplemental Transition Contributions, or Supplemental Additional Transition Contributions (as the case may be).

ARTICLE II

Eligibility

2.1 Eligibility.

(a) Eligibility to participate in the Plan is limited to those Employees who satisfy the following conditions:

(i) the Employee is a member of a select group of management or highly compensated employees (as determined by the Board) and is an executive vice president or above of the Bank, the Corporation or a Participating Affiliate;

(ii) the Employee has satisfied the eligibility requirements of the 401(k) Plan and has reached the entry date under the 401(k) Plan; and

(iii) if the Employee had made the maximum elective deferrals permitted by the terms of the 401(k) Plan for a calendar year, the matching contributions which would have been allocated to the account of the Employee under the 401(k) Plan for the calendar year would have been limited due to the Employee's inability to make elective contributions equal to at least the Minimum Percentage of his or her compensation as a result of the applicability of the limitations on elective deferrals under Section 402(g) of the Code, the limitations on contributions under Section 415 of the Code, or the limitations on compensation under Section 401(a)(17) of the Code.

(b) If an Employee transfers employment from the Bank, the Corporation or a Participating Affiliate to a Nonparticipating Affiliate, the Employee shall not be credited with any Supplemental Contributions with respect to compensation earned after the date of such transfer of employment.

ARTICLE III

Supplemental Contributions

3.1 Supplemental Contributions. The amount of Supplemental Contributions allocated to a Participant is determined as follows:

(a) The amount of a Participant's Supplemental Contributions for a calendar year will equal the sum of the Participant's Supplemental Matching Contributions, Supplemental Nonelective Contributions, Supplemental Transition Contributions and Supplemental Additional Transition Contributions.

(i) If the Participant is entitled to receive matching contributions under the 401(k) Plan, the Participant's Supplemental Matching Contributions will equal the excess, if any, of: (A) the Participant's adjusted matching contributions, as determined under Section 3.1(b) for such calendar year; over (B) the maximum amount of matching contributions which would have been allocated for the benefit of the Participant under the 401(k) Plan for such calendar year if he or she had actually made the maximum elective deferrals permitted by the terms of the 401(k) Plan (determined in accordance with the limitations set forth in the 401(k) Plan and in Code Sections 401(k), 401(m), 402(g), 415 and 401(a)(17)). Supplemental Matching Contributions will be determined as of the last day of each calendar year.

(ii) If the Participant is entitled to receive nonelective contributions under the 401(k) Plan, the Participant's Supplemental Nonelective Contributions will equal the excess, if any, of: (A) the Participant's adjusted nonelective contributions, as determined under Section 3.1(c) for such calendar year; over (B) the actual nonelective contributions received by the Participant during the calendar year (determined in accordance with the limitations set forth in the 401(k) Plan and in Code Sections 415 and 401(a)(17)). Supplemental Nonelective Contributions will be determined as of the last day of each calendar year.

(iii) If the Participant is entitled to receive transition contributions under the 401(k) Plan, the Participant's Supplemental Transition Contributions will equal the excess, if any, of: (A) the Participant's adjusted transition contributions, as determined under Section 3.1(d) for such calendar year; over (B) the actual transition contributions received by the Participant during the calendar year (determined in accordance with the limitations set forth in the 401(k) Plan and in Code Sections 415 and 401(a)(17)). Supplemental Transition Contributions will be determined as of the last day of each calendar year.

(iv) With respect to the Chairman and Chief Executive Officer of the Bank and the President and Chief Operating Officer of the Bank who were in office on January 1, 2004, if the Participant is entitled to receive transition contributions under the 401(k) Plan, the Participant's Supplemental Additional Transition Contributions will equal the amount determined under Section 3.1(e). Supplemental Additional Transition Contributions will be determined as of the following dates: (A) with respect to the portion of the Participant's supplemental additional transition contribution compensation that includes his base pay, Supplemental Additional Transition Contributions will be determined as of the fifteenth day of the second month of each calendar quarter; and (B) with respect to the portion of the Participant's supplemental additional transition contribution compensation that includes his bonuses, Supplemental Additional Transition Contributions will be determined as of the last day of each calendar year.

With respect to the Chief Financial Officer of the Bank who was in office on January 1, 2007, for: (A) the 2007 calendar year; and (B) any period on or after January 1, 2008 in which the

Participant is entitled to receive transition contributions under the 401(k) Plan, the Participant's Supplemental Additional Transition Contributions will equal the amount determined under Section 3.1(e). Supplemental Additional Transition Contributions will be determined as of the following dates: (A) with respect to the portion of the Participant's supplemental additional transition contribution compensation that includes his base pay, Supplemental Additional Transition Contributions will be determined as of the fifteenth day of the second month of each calendar quarter; and (B) with respect to the portion of the Participant's supplemental additional transition contribution compensation that includes his bonuses, Supplemental Additional Transition Contributions will be determined as of the last day of each calendar year.

No other Participants in the Plan shall be eligible to receive Supplemental Additional Transition Contributions.

Notwithstanding the above, for the period prior to April 1, 2008, Supplemental Additional Transition Contributions were determined as of each payday.

(v) Notwithstanding the provisions of Section 3.1(a)(i), Section 3.1(a)(ii), Section 3.1(a)(iii) and Section 3.1(a)(iv), for the President and Chief Operating Officer of the Bank who was in office on January 1, 2004: (A) the amount of such Participant's Supplemental Matching Contributions, Supplemental Nonelective Contributions and Supplemental Transition Contributions that is attributable to the severance pay that he is entitled to receive during the period on and after January 1, 2009 shall be determined by assuming that he was a participant in the 401(k) Plan on and after January 1, 2009 with 401(k) Plan compensation equal to his severance pay; and (B) the amount of such Participant's Supplemental Matching Contributions, Supplemental Nonelective Contributions, Supplemental Transition Contributions and Supplemental Additional Transition Contributions that is attributable to the compensation that he is entitled to receive during the period on and after June 30, 2008 and prior to January 1, 2009, and to the severance pay that he is entitled to receive during the period on and after January 1, 2009, shall be determined as of June 30, 2008.

(b) For purposes of Section 3.1(a)(i), a Participant's adjusted matching contributions shall equal the Matching Percentage of the Participant's elective deferrals under the 401(k) Plan to the extent they do not exceed the Minimum Percentage of the Participant's compensation, except that:

- (i) it shall be assumed that the Participant elected to contribute at least the Minimum Percentage of his or her compensation as elective deferrals under the 401(k) Plan;
- (ii) adjusted matching contributions shall be determined without regard to the limitations on elective deferrals under Section 401(k) and Section 402(g) of the Code;
- (iii) adjusted matching contributions shall be determined without regard to the limitations on matching contributions under Section 401(m) of the Code;
- (iv) adjusted matching contributions shall be determined without regard to the limitations on contributions under Section 415 of the Code;
- (v) adjusted matching contributions shall be determined without regard to the limitations on compensation under Section 401(a)(17) of the Code; and
- (vi) adjusted matching contributions shall be determined by reference to the definition of compensation set forth in Section 3.1(f).

The adjustments for determining adjusted matching contributions which are described in this Section 3.1(b) shall apply to all calendar years in which the Participant was eligible to

participate in the Plan, including any calendar years prior to the effective date of any amendment to the Plan.

(c) For purposes of Section 3.1(a)(i), a Participant's adjusted nonelective contributions shall equal the nonelective contributions that the Participant would receive under the 401(k) Plan, except that:

- (i) adjusted nonelective contributions shall be determined without regard to the limitations on contributions under Section 415 of the Code;
- (ii) adjusted nonelective contributions shall be determined without regard to the limitations on compensation under Section 401(a)(17) of the Code; and
- (iii) adjusted nonelective contributions shall be determined by reference to the definition of compensation set forth in Section 3.1(f).

(d) For purposes of Section 3.1(a)(iii), a Participant's adjusted transition contributions shall equal the transition contributions that the Participant would receive under the 401(k) Plan, except that:

- (i) adjusted transition contributions shall be determined without regard to the limitations on contributions under Section 415 of the Code;
- (ii) adjusted transition contributions shall be determined without regard to the limitations on compensation under Section 401(a)(17) of the Code; and
- (iii) adjusted transition contributions shall be determined by reference to the definition of compensation set forth in Section 3.1(f).

(e) For purposes of Section 3.1 (a)(iv), a Participant's Supplemental Additional Transition Contributions shall be determined as follows:

(i) the Supplemental Additional Transition Contributions for the Chairman and Chief Executive Officer of the Bank who was in office on January 1, 2004 shall equal twenty-five and five-tenths percent (25.5%) of his supplemental additional transition contribution compensation as defined in Section 3.1(f); *provided, however*, that such Participant shall not receive any Supplemental Additional Transition Contributions for any period following the date on which he terminates employment or the date on which he reaches age 65 (whichever occurs first);

(ii) the Supplemental Additional Transition Contributions for the President of the Bank who was in office on January 1, 2004 shall equal forty-five and four-tenths percent (45.4%) of his supplemental additional transition contribution compensation as defined in Section 3.1(f); *provided, however*, that such Participant shall not receive any Supplemental Additional Transition Contributions for any period following the date on which he terminates employment or December 31 of the calendar year in which he reaches age 65 (whichever occurs first); and

(iii) the Supplemental Additional Transition Contributions for the Chief Financial Officer of the Bank who was in office on January 1, 2007 shall equal ten percent (10%) of his supplemental additional transition contribution compensation as defined in Section 3.1(f); *provided, however*, that such Participant shall not receive any Supplemental Additional Transition Contributions for any period following the date on which he terminates employment or December 31 of the calendar year in which he reaches age 65 (whichever occurs first).

(f) (i) In computing a Participant's adjusted matching contributions under Section 3.1(b), adjusted nonelective contributions under Section 3.1(c), and adjusted transition contributions under Section 3.1(d), the Participant's compensation is based on the definition of compensation set forth in the 401(k) Plan that is applicable to the period on and after September

1, 2004. Pursuant to such definition, the Participant's compensation: (A) includes all of the Participant's regular salary, overtime, commissions, bonuses, and pre-tax contributions made to the 401(k) Plan, to an employee benefit plan under an arrangement described in Section 125 of the Code or to a qualified transportation fringe benefit plan described in Section 132(f)(4) of the Code; *but* (B) excludes taxable car benefits, taxable reimbursements (such as moving expenses), taxable fringe benefits (such as the cost of excess group term life insurance), and any taxable income realized in connection with the exercise of a nonqualified stock option, the disqualifying disposition of stock received under an incentive stock option, or the grant or vesting of restricted property. In addition, if a Participant elects to defer all or any portion of his or her compensation, such deferred compensation is included in the Participant's compensation during the calendar year in which it would have been paid to the Participant but for the deferral election.

(ii) For purposes of determining a Participant's Supplemental Additional Transition Contributions under Section 3.1(e), the Participant's supplemental additional transition contribution compensation shall equal the following:

(A) one-fourth of his annual rate of base pay as in effect on the fifteenth day of the second month of the applicable calendar quarter; *provided, however*, that such amount shall be adjusted to take into account the amount and timing of any adjustments in the Participant's annual rate of base pay that became effective prior to the fifteenth day of the second month of such calendar quarter and that were not previously taken into account; *and provided further*, with respect to the calendar quarter in which the Participant incurs a Separation from Service, such amount shall be reduced to exclude any amount that is attributable to a period in which the Participant was not employed; and

(B) the bonuses earned during the applicable calendar year (whether or not paid during such calendar year).

Notwithstanding the above, for the period prior to April 1, 2008, the Participant's supplemental additional transition contribution compensation equaled his base pay and any bonuses earned during the applicable period (whether or not paid during the applicable period).

(iii) Notwithstanding the provisions of Section 3.1(f)(i) and Section 3.1(f)(ii), for purposes of determining the adjusted matching contributions under Section 3.1(b), the adjusted nonelective contributions under Section 3.1(c), the adjusted transition contributions under Section 3.1(d), and the supplemental additional transition contributions under Section 3.1(e) of the President and Chief Operating Officer of the Bank who was in office on January 1, 2004, such Participant's compensation shall also include all of the severance pay that the Participant is entitled to receive during the period on and after January 1, 2009 (including, but not limited to, any severance pay that is based on bonus compensation that the Participant would have received if the required performance criteria had been satisfied).

3.2 Election of Form of Distribution. Prior to the later of January 1, 2008 or (for Participants other than the Chairman and Chief Executive Officer, the President and the Chief Financial Officer of the Bank) the date that is thirty (30) days after the end of the calendar year in which a Participant first becomes entitled to receive Supplemental Contributions under this Article III, a Participant can elect that any amounts credited to his or her Supplemental Matching Contributions Account, Supplemental Nonelective Contributions Account, Supplemental Transition Contributions Account, or Supplemental Additional Contributions Account will be credited to his or her Lump Sum Subaccount and distributed pursuant to Section 3.6(a)(i) in a single lump sum, or will be credited to his or her Installment Subaccount and distributed pursuant to Section 3.6(a)(ii) in ten annual installments. If a Participant fails to make an election, the Participant shall be deemed to have elected that all amounts

credited to his or her Supplemental Matching Contributions Account, Supplemental Nonelective Contributions Account, Supplemental Transition Contributions Account, and Supplemental Additional Contributions Account will be credited to his or her Lump Sum Subaccount and distributed pursuant to Section 3.6(a)(i) in a single lump sum.

3.3 Accounting for Supplemental Contributions.

(a) The Corporation, the Bank or a Participating Affiliate (as applicable) shall credit a Participant's Supplemental Matching Contributions to the Supplemental Matching Contributions Account maintained for the Participant, shall credit a Participant's Supplemental Nonelective Contributions to the Supplemental Nonelective Contributions Account maintained for the Participant, shall credit a Participant's Supplemental Transition Contributions to the Supplemental Transition Contributions Account maintained for the Participant, and shall credit a Participant's Supplemental Additional Transition Contributions to the Supplemental Additional Transition Contributions Account maintained for the Participant. In addition, such Supplemental Contributions shall be credited to either the Lump Sum Subaccount or the Installment Subaccount of the Participant's Supplemental Matching Contributions Account, Supplemental Nonelective Contributions Account, Supplemental Transition Contributions Account, or Supplemental Additional Transition Contributions Account, as appropriate.

Supplemental Matching Contributions shall be credited to the Participant's Supplemental Matching Contributions Account, Supplemental Nonelective Contributions shall be credited to the Participant's Supplemental Nonelective Contributions Account, and Supplemental Transition Contributions shall be credited to the Participant's Supplemental Transition Contributions Account, as of the end of the calendar year with respect to which such contributions are made. Supplemental Additional Transition Contributions shall be credited to the Participant's Supplemental Additional Transition Contributions Account as follows:

(i) with respect to the portion of the Participant's supplemental additional transition contribution compensation that includes his base pay, as of the fifteenth day of the second month of the calendar quarter with respect to which such contributions are determined (or as of one of the next two business days following such day); *provided, however*, with respect to the calendar quarter in which the Participant incurs a Separation from Service, such Supplemental Additional Transition Contributions Account shall be reduced, as of the date of the Participant's Separation from Service, to exclude any amount that is attributable to a period in which the Participant was not employed; and

(ii) with respect to the portion of the Participant's supplemental additional transition contribution compensation that includes his bonuses, as of the paydate on which such bonuses are paid (or as of one of the next two business days following such day).

Notwithstanding the above: (A) with respect to the President and Chief Operating Officer of the Bank who was in office on January 1, 2004, all of such Participant's Supplemental Matching Contributions, Supplemental Nonelective Contributions, Supplemental Transition Contributions, and Supplemental Additional Transition Contributions that are attributable to the compensation that he is entitled to receive during the period on and after June 30, 2008 and prior to January 1, 2009, and to the severance pay that he is entitled to receive during the period on and after January 1, 2009, shall be credited to the Participant's Supplemental Contributions Account as of June 30, 2008; and (B) for the period prior to April 1, 2008, Supplemental Additional Transition Contributions were credited to the Participant's Supplemental Additional Transition Contributions Account as of the paydate with respect to which such contributions were made.

Any distribution made to a Participant or Beneficiary shall be charged to the Supplemental Matching Contributions Account, Supplemental Nonelective Contributions Account, Supplemental Transition Contributions Account, or Supplemental Additional Contributions Account of the Participant, as appropriate, at the time of the distribution. If the distribution is a lump sum distribution, the distribution shall be charged to the Lump Sum Subaccount of the Participant's appropriate account. If the distribution is made in installments, the distribution shall be charged to the Installment Subaccount of the Participant's appropriate account.

(b) (i) A Participant's Supplemental Contributions shall be credited with earnings and losses in the same manner as if the Supplemental Contributions were actually invested in one or more of the investment options offered under the 401(k) Plan and elected by the Participant; *provided, however*, that: (A) the Fidelity Managed Income Portfolio shall not be deemed to be an investment option available under the 401(k) Plan; (B) the Webster Stock Fund shall not be deemed to be an investment option available under the 401(k) Plan, *except that*, effective on and after May 1, 2007, the Webster Stock Fund shall be deemed to be an investment option available under the 401(k) Plan for the Chairman and Chief Executive Officer, the President and Chief Operating Officer, and the Chief Financial Officer of the Bank; and (C) a Fidelity money market fund shall be deemed to be an investment option available under the 401(k) Plan.

(ii) A Participant may specify the percentage of the Supplemental Contributions to be credited to the Plan on his or her behalf, or the percentage of his or her Supplemental Contributions Account, which will be credited with earnings and losses based on the investment options selected by the Participant. The Participant may change his or her investment election at any time by providing notice to the Committee, and any such change shall be effective as soon as practicable after it is received by the Committee.

Any change in a Participant's investment election shall be effective on a prospective basis only.

(iii) Separate investment elections shall not be permitted with respect to a Participant's Supplemental Matching Contributions, Supplemental Nonelective Contributions, Supplemental Transition Contributions and Supplemental Additional Transition Contributions. Therefore, any investment election, or change in an investment election, that a Participant makes pursuant to Section 3.3(b)(ii) shall apply to all of the Participant's Supplemental Matching Contributions, Supplemental Nonelective Contributions, Supplemental Transition Contributions and Supplemental Additional Transition Contributions to be credited to the Plan thereafter on his or her behalf, or to the Participant's entire Supplemental Contributions Account.

3.4 Vesting of Supplemental Contributions.

(a) Subject to Section 3.4(b), a Participant will become vested and will have a nonforfeitable right to receive the amounts credited to his or her Supplemental Contributions Account as follows:

(i) With respect to a Participant's Supplemental Matching Contributions Account, in the same manner and to the same extent as the amounts credited to the Participant's matching contributions account under the 401(k) Plan;

(ii) With respect to a Participant's Supplemental Nonelective Contributions Account, in the same manner and to the same extent as the amounts credited to the Participant's nonelective contributions account under the 401(k) Plan; and

(iii) With respect to a Participant's Supplemental Transition Contributions Account and Supplemental Additional Transition Contributions Account, in the same manner and to the same extent as the amounts credited to the Participant's transition contributions account under the 401(k) Plan.

(b) Notwithstanding the above, however, if the Committee determines, after a hearing, that a Participant who is eligible to receive or is receiving Supplemental Contributions under the Plan has engaged in any activities which, in the opinion of the Committee, are detrimental to the interests of, or are in competition with, the Bank, the Corporation or any Affiliate, then all amounts credited to his or her Supplemental Contributions Account that are payable under the Plan shall thereupon be terminated and forfeited.

(c) Notwithstanding the above, if a Vesting Change in Control occurs and the employment of a Participant is terminated other than for Cause or Disability, or the Participant terminates his or her employment for Good Reason, during the two year period following the Vesting Change in Control, then the Participant shall become vested and shall have a nonforfeitable right to receive his or her entire Supplemental Contributions Account under the Plan.

For purposes of this Section 3.4(c):

(i) "Cause" shall mean:

(a) the willful and continued failure of the Participant to perform substantially the Participant's duties with the Corporation or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Participant's delivery of a notice termination for Good Reason), after a written demand for substantial performance is delivered to the Participant by the Board of Directors or the Chief Executive Officer of the Corporation that specifically identifies the manner in which the Board of Directors or the Chief Executive Officer believes that the Participant has not substantially performed the Participant's duties; or

(b) the willful engaging by the Participant in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Corporation.

For purposes of this subsection (c)(i), no act, or failure to act, on the part of the Participant shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon authority (A) given pursuant to a resolution duly adopted by the Board of Directors or, if the Corporation is not the ultimate parent corporation of its affiliated companies and is not publicly-traded, the board of directors of the ultimate parent of the Corporation (the "Applicable Board"); (B) upon the instructions of the Chief Executive Officer of the Corporation or a senior officer of the Corporation; or (C) based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Corporation. The cessation of employment of the Participant shall not be deemed to be for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Participant and the Participant is given an opportunity, together with counsel for the Participant, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in subsection (c)(i)(A) or subsection (c)(i)(B) above, and specifying the particulars thereof in detail.

(ii) "Disability" shall mean the absence of the Participant from the Participant's duties with the Corporation on a full-time basis for one hundred eighty (180) consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Corporation or its insurers and acceptable to the Participant or the Participant's legal representative.

(iii) "Good Reason" shall mean:

(A) the assignment to the Participant of any duties inconsistent in any respect with the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by any agreement between the Corporation and the Participant, or any other action by the Corporation which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Corporation promptly after receipt of notice thereof given by the Participant;

(B) any failure by the Corporation to provide the Participant the compensation or benefits required by any agreement between the Corporation and the Participant, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Corporation promptly after receipt of notice thereof given by the Participant;

(C) the Corporation's requiring the Participant to be based at any office or location other than as provided in any agreement between the Corporation and the Participant, or the Corporation's requiring the Participant to travel on Corporation business to a substantially greater extent than required immediately prior to the Vesting Change in Control;

(D) any purported termination by the Corporation of the Participant's employment otherwise than as expressly permitted by any agreement between the Corporation and the Participant; or

(E) any failure by the Corporation to cause any successor to all or substantially all of its business and/or assets to assume expressly and agree to perform the obligations of the Corporation under any agreement between the Corporation and the Participant.

For purposes of this subsection (c)(iii), any good faith determination of "Good Reason" made by the Participant shall be conclusive. The Participant's mental or physical incapacity following the occurrence of an event described above in subsections (c)(iii)(A) through (c)(iii)(E) shall not affect the Participant's ability to terminate employment for Good Reason.

(iv) "Vesting Change in Control" shall mean:

(A) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (I) the then outstanding shares of common stock of the Corporation (the "Outstanding Corporation Common Stock") or (II) the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Corporation Voting Securities"); *provided, however*; that for purposes of this subsection (c)(iv)(A), the following acquisitions shall not constitute a Change in Control: (I) any acquisition directly from the Corporation, (II) any acquisition by the Corporation, (III) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any affiliated company, or (IV)

any acquisition pursuant to a transaction which complies with clauses (I), (II) and (III) of subsection (c)(iv)C); or

(B) Any time at which individuals who, as of the date of the amendment and restatement of this Plan, constituted the Board of Directors of the Corporation (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; *provided, however*; that any individual becoming a director subsequent to such date whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors; or

(C) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any of its subsidiaries (each a "Business Combination"), in each case, unless, following such Business Combination: (I) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities, as the case may be; (II) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination; and (III) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination; or

(D) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

3.5 Time of Distribution of Supplemental Contributions. A Participant's Supplemental Contributions (adjusted for the earnings and losses allocable thereto) will be distributed, or will

commence to be distributed, on the first day of the month coinciding with or next following the earlier of:

(a) the date that is six months after the date of the Participant's Separation from Service with the Bank, the Corporation and all Affiliates; or

(b) the date that is sixty (60) days after the Participant's death.

3.6 Form of Distribution of Supplemental Contributions.

(a) A Participant's Supplemental Contributions will be distributed, or will commence to be distributed, in the form of distribution elected, or deemed elected, by the Participant pursuant to Section 3.2, depending on whether such Supplemental Contributions are credited to his or her Lump Sum Subaccount or Installment Subaccount:

(i) Amounts credited to the Participant's Lump Sum Subaccount shall be distributed to the Participant in a single lump sum at the time determined pursuant to Section 3.5.

(ii) Amounts credited to the Participant's Installment Subaccount shall be distributed in ten substantially equal, annual installments, commencing at the time determined pursuant to Section 3.5. Each installment shall be equal to the balance credited to the Installment Subaccount multiplied by a fraction, the numerator of which is one and the denominator of which is ten minus the number of annual installments previously paid to the Participant (so that the first installment will be 1/10th of the account, the second installment will be 1/9th of the account, and so on).

If a Participant is entitled to receive installment payments due to a Separation from Service pursuant to Section 3.5(a), the installment payment to which the Participant would otherwise have been entitled if installment payments had commenced on the first day of the month coinciding with or next following the date of his or her Separation from Service will be segregated as of such date, credited with earnings and losses, and paid on the first day of the month coinciding with or next following the date that is six months after his or her Separation from Service. The remainder of the installments shall be paid to the Participant annually on each subsequent anniversary of the first day of the month coinciding with or next following the date of his or her Separation from Service until the ten installments have been paid.

If a Participant begins to receive installment payments but he or she dies before his or her entire Installment Subaccount has been distributed, the remaining installment payments shall be made to the Participant's Beneficiary.

If a Participant dies before beginning to receive his or her installment payments, the first installment will be paid to the Beneficiary on the first day of the month coinciding with or next following the date that is sixty (60) days after the Participant's death. Subsequent installments shall be paid to the Beneficiary annually on each subsequent anniversary of such date until the ten installments have been paid.

(b) Amounts payable under this Section 3.6 shall be paid in cash, *except that*, prior to the commencement of payments, at the election of the Chairman and Chief Executive Officer, the President and Chief Operating Officer, or the Chief Financial Officer of the Bank, or his or her Beneficiary if payments have not commenced at the time of his or her death, the portion (if any) of the Supplemental Contributions Account that is then credited with earnings and losses based on the value of Webster Financial Corporation common stock shall be distributed in shares of such common stock.

3.7 Change in Form of Distribution.

(a) Anything herein to the contrary notwithstanding, a Participant may make an election pursuant to Section 3.2 regarding the form of distribution of Supplemental Contributions subsequent to the date specified in Section 3.2, *provided that*: (i) any change in such an election cannot become effective until at least twelve months after the date on which the change in election occurs; and (ii) if it is related to a distribution described in Section 3.5(a), the change must delay the date of distribution (or the date of the first distribution) for at least five years from the date such distribution would otherwise have been made. In no event can a change in an election (or deemed election) made pursuant to Section 3.2 accelerate the time or schedule of any distribution of Supplemental Contributions, except to the extent permitted by Code Section 409A and the regulations issued pursuant thereto.

(b) In Notice 2005-1, Question 19(c), as modified by the preamble to the proposed regulations under Code Section 409A, Notice 2006-79, and the preamble to the final regulations under Code Section 409A (the "Election Guidance"), the Internal Revenue Service stated that, with respect to deferred compensation subject to Code Section 409A, a nonqualified deferred compensation arrangement may be amended to allow a participant to make a new payment election with respect to the form of payment of his or her deferred compensation, and such election will not be treated as a change in the form of payment of the deferred compensation under Code Section 409A(a)(4) or an acceleration of a payment under Code Section 409A(a)(3), *provided that*: (i) the amendment is adopted and effective on or before December 31, 2007; (ii) the employee makes an election regarding the form of payment of his or her deferred compensation on or before December 31, 2007; (iii) the election applies only to amounts that would not otherwise be payable in 2007 and does not cause an amount to be paid in 2007 that would not otherwise be payable in 2007; and (iv) the election otherwise satisfies the constructive receipt rule and other provisions of the Code and common law doctrines.

Pursuant to the Election Guidance, on or before December 31, 2007 a Participant may make an election pursuant to Section 3.2 regarding the form of distribution of his or her Supplemental Contributions, without being subject to the requirements of Section 3.7(a); *provided, however*, that the effective date of such an election shall be delayed to the extent required by the constructive receipt rule or other provisions of the Code or common law doctrines.

3.8 Cashout of Small Accounts. Notwithstanding the provisions of Section 3.6 and Section 3.7, if the sum of a Participant's Supplemental Contributions Account and accounts under any nonqualified deferred compensation arrangements of the same type (i.e., any account balance plans) maintained by the Bank, the Corporation or any Affiliates does not exceed the limitation on elective deferrals set forth in Section 402(g)(1)(B) of the Code at the time of his or her Separation from Service with the Bank, the Corporation and all Affiliates, then the Participant's entire Supplemental Contributions Account shall be paid to the Participant in a single lump sum on the date that is sixty (60) days after the date on which the Participant Separates from Service.

ARTICLE IV

Benefit Claims Procedure

4.1 Claims for Benefits.

(a) Any claim for benefits under the Plan shall be made in writing to the Committee. The Committee shall promptly process each claim for benefits received by it and shall notify the claimant in writing of the action taken regarding the claim for benefits within a reasonable period of time following its receipt, but not later than ninety (90) days (forty-five (45) days in the case of a claim for disability benefits). This period may be extended by the Committee for up to ninety (90) days (for up to two thirty (30) day periods in the case of a claim for disability benefits), *provided that* the notice of the extension of time is furnished to the claimant prior to the beginning of the extension period. In the event of a denial of benefits, the Committee shall furnish the claimant with a written notification which shall include: (i) the reasons for the denial; (ii) specific references to the Plan provisions on which the denial is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim for benefits, including an explanation of why such material or information is necessary; and (iv) an explanation of the review procedure set forth in Section 4.2.

(b) In the event of a denial of a disability benefit claim, in addition to the notification requirements of Section 4.1(a), the Committee shall furnish the claimant a copy of the criterion relied upon (or a statement that the criterion will be provided free of charge upon request), and an explanation of the scientific or clinical judgment on which the denial was based (or a statement that the explanation will be provided free of charge upon request).

Notwithstanding anything herein to the contrary, any disability related claim shall be handled in a manner consistent with applicable Department of Labor regulations. For purposes of this Section 4.1, a benefit is a "disability benefit" if the claimant is required to provide proof of his or her eligibility for a disability benefit as a condition for obtaining the benefit. A benefit is not a disability benefit if a finding of benefit eligibility is determined under another program by an independent party, such as the Social Security Administration.

4.2 Appeal Procedure.

(a) A claimant who has received a written denial of a claim for benefits may appeal by filing with the Committee a written request for review. Such request must be made within sixty (60) days (one hundred eighty (180) days in the case of a claim for disability benefits) following the receipt of the written denial. In connection with any request for review, the claimant may at any time review all documents, records, and other information relevant to the claim free of charge, and request a review that takes into account all comments, documents, records and other information submitted (without regard to whether such information was submitted or considered in the initial benefit determination).

(b) In connection with any request for review of a disability benefit claim, in addition to the other requirements of this Section 4.2, the Committee shall provide for a review that: (i) does not afford deference to the initial adverse benefit determination; (ii) is conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal nor the subordinate of such individual; (iii) in the case of an adverse benefit determination based on a medical judgment, provides that the

appropriate named fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment; (iv) provides for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan, without regard to whether the advice was relied upon in making the benefit determination; and (v) provides that the health care professional engaged is an individual who is neither the individual who made the adverse benefit determination nor the subordinate of such individual.

(c) The Committee shall notify the claimant of its determination on review within sixty (60) days (forty-five (45) days in the case of a claim for disability benefits) following receipt of the request for review. This period may be extended by the Committee for up to sixty (60) days (forty-five (45) days in the case of a claim for disability *benefits*), *provided that* the Committee determines that special circumstances (such as the need to hold a hearing) require an extension of time for processing the claim. Written notice of the extension shall be furnished to the claimant prior to the beginning of the extension period. The extension notice must indicate the special circumstances requiring the extension and the date as of which the Committee expects to render a decision.

ARTICLE V

Funding

5.1 Funding. It is the intention of the Bank, the Corporation, the Participating Affiliates, the Participants and their survivors and Beneficiaries, and each other party to the Plan that the arrangements hereunder be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. The rights of Participants and their survivors and Beneficiaries shall be solely those of a general unsecured creditor of the Bank, the Corporation or a Participating Affiliate (as applicable). The Plan constitutes a mere promise by the Bank, the Corporation or a Participating Affiliate (as applicable) to make benefit payments in the future.

The obligation of the Bank, the Corporation or a Participating Affiliate (as applicable) to pay benefits under the Plan shall be interpreted as a contractual obligation to pay only those amounts described in the Plan in the manner and under the conditions prescribed by the Plan.

Any assets set aside to fund deferred compensation shall be subject to the claims of general creditors, and no person other than the Bank, the Corporation or a Participating Affiliate (as applicable) shall, by virtue of the provisions of the Plan, have any interest in such funds.

Prior to the occurrence of a Change in Control, neither the Bank, the Corporation nor any Participating Affiliate shall have any obligation to fund the benefits payable under the Plan. If the Bank, the Corporation or a Participating Affiliate determines, prior to a Change in Control, that deferred compensation under the Plan should be funded, it may utilize, singly or in combination, any method of funding it may deem appropriate, including, but not limited to, terminal funding, annuity contracts, life insurance contracts, or a group or individual trust (including a trust the terms of which conform with the language of the model trust agreement set forth in Revenue Procedure 92-64 issued by the Internal Revenue Service (or any successor thereto) relating to trusts established in connection with unfunded deferred compensation arrangements (a "Rabbi Trust")).

Upon the occurrence of a Change in Control, the Bank, the Corporation and each Participating Affiliate shall (unless their liabilities under the Plan have been fully discharged) adopt and fully fund a Rabbi Trust (or, if Rabbi Trusts are no longer available for use in connection with unfunded deferred compensation arrangements, any other instrument which is designed to provide a similar level of security and to have the same tax results as a Rabbi Trust). All of the assets of the Rabbi Trust shall be located, and shall remain located, within the United States, whether or not such assets are available to satisfy the claims of general creditors. In addition, the Rabbi Trust shall not contain any provision which states that the assets of the Rabbi Trust will be restricted to the provision of benefits under the Plan in the event of a change in the financial health of the Bank, the Corporation, or an Affiliate (or any successor thereof), whether or not such assets are available to satisfy the claims of general creditors.

ARTICLE VI

Amendment and Termination

6.1 Right to Amend. At any time, and from time to time, the Board of the Bank, by resolutions adopted by it, may amend the Plan or change the designation of Participants under the Plan.

6.2 Right to Terminate. The Plan can be terminated by action of the Board of the Bank only if: (a) the termination of the Plan does not occur proximate to a downturn in the financial health of the Bank, the Corporation or an Affiliate; (b) all nonqualified deferred compensation arrangements of the same type (i.e., all account balance plans) maintained by the Bank, the Corporation and all Affiliates are terminated with respect to all employees; (c) no payments are made within twelve months after the termination of the Plan (other than payments that would have been payable under the terms of the Plan if the termination had not occurred); (d) all payments are made within twenty-four (24) months after the termination of the Plan; and (e) neither the Bank, the Corporation nor any Affiliate adopts a nonqualified deferred compensation arrangement of the same type (i.e., an account balance plan) for a period of three years with respect to any employee following the date of the termination of the Plan. If the Plan is terminated, each Participant's Supplemental Contributions Account will be paid to the Participant in a lump sum on the first day of the month coinciding with or next following the first anniversary of the termination of the Plan.

If the Board of the Bank takes irrevocable action to terminate the Plan and all nonqualified deferred compensation arrangements of the same type (i.e., all account balance plans) sponsored by the Bank, the Corporation and all Affiliates within thirty (30) days preceding or within twelve months following a Section 409A Change in Control, then each Participant's Supplemental Contributions Account will be distributed in a lump sum within twelve (12) months following the date of such irrevocable action.

If the Board of the Bank terminates the Plan within twelve months following a corporate dissolution that is taxable under Code Section 331 or within twelve months following the bankruptcy court's approval of the termination of the Plan, then each Participant's Supplemental Contributions Account will be distributed in the calendar year in which the Plan is terminated, the first calendar year in which the Supplemental Matching Contributions Account is no longer subject to a substantial risk of forfeiture, or the first year in which the distribution is administratively practicable (whichever is latest).

6.3 Limitations. Notwithstanding the preceding provisions of this Article VI: (a) no modification, amendment, discontinuance or termination of the Plan may permit any distribution of a Participant's Supplemental Contributions Account other than in accordance with the provisions of Section 409A of the Code; (b) no modification, amendment, discontinuance or termination of the Plan shall adversely affect the rights of any former Employee (or the survivor of any former Employee) then receiving benefits; and (c) the vested benefits which any Participant had accrued immediately prior to the effective date of any modification, amendment, discontinuance or termination of the Plan shall not be reduced. Notice of every such modification, amendment, discontinuance or termination shall be given in writing to each Participant.

ARTICLE VII

Miscellaneous

7.1 Plan Administration. In its discretion, the Board of the Bank may appoint a Committee consisting of at least one (1) but not more than five (5) persons. If appointed, the Committee shall be deemed to be the plan administrator of the Plan. If the Board has not appointed a Committee to administer the Plan, the Board will act as the Committee.

The Committee shall interpret and construe the provisions of the Plan, shall decide any disputes which may arise relative to the rights of Participants (and their survivors and Beneficiaries) under the terms of the Plan, and shall, in general, direct the administration of the Plan embodied herein. The Committee may adopt such rules as it deems necessary for the proper administration of the Plan. The decision of the Committee in all matters involving the interpretation and application of the Plan shall be final, binding and conclusive (unless the Committee has acted in an arbitrary or capricious manner).

7.2 Nonassignability. Except to the extent required by law, the right of any Participant or his or her survivors or Beneficiaries to any benefit or payment under the Plan: (a) shall not be subject to voluntary or involuntary anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or his or her survivors or Beneficiaries; (b) shall not be considered an asset of the Participant or his or her survivors or Beneficiaries in the event of any divorce, insolvency or bankruptcy; and (c) shall not be subject to attachment, execution, garnishment, sequestration or other legal or equitable process. In the event that a Participant or any survivors or Beneficiaries who are receiving or are entitled to receive benefits under the Plan attempt to assign, transfer or dispose of such right, or if an attempt is made to subject said right to such process, such assignment, transfer, disposition or process shall, unless required by law, be null and void.

7.3 Code Section 409A. Any provision of the Plan that is susceptible to more than one interpretation shall be interpreted in a manner that is consistent with the Plan satisfying the requirements of Code Section 409A.

7.4 Governing Law. Except to the extent preempted by applicable federal laws, the provisions of the Plan shall be interpreted, construed and administered in accordance with the laws of the State of Connecticut, other than its choice of law principles.

7.5 No Employment Contract. The adoption and maintenance of the Plan shall not be deemed to constitute a contract between the Bank, the Corporation or an Affiliate and its employees or to be consideration for, or an inducement or condition of, the employment of any person. Nothing herein contained shall be deemed: (a) to give to any Employee the right to be retained in the employ of the Bank, the Corporation or an Affiliate; (b) to affect the right of the Bank, the Corporation or an Affiliate to discipline or discharge any Employee at any time; (c) to give the Bank, the Corporation or an Affiliate the right to require any Employee to remain in its employ; or (d) to affect any Employee's right to terminate his or her employment at any time.

7.6 Withholding. The Corporation, the Bank or an Affiliate shall have the right to deduct from any distribution any taxes required by law to be withheld from a Participant with respect to such award.

7.7 Rights of Survivors and Beneficiaries. Whenever the rights of a Participant are stated or limited in the Plan, his or her survivors and Beneficiaries shall be bound thereby.

7.8 Account Statements. Periodically (as determined by the Committee), each Participant shall receive a statement indicating the amounts credited to and distributed from the Participant's Supplemental Contributions Account during such period

7.9 Masculine, Feminine, Singular and Plural. The masculine shall be read in the feminine, the singular in the plural, and vice versa, whenever the context shall so require.

7.10 Titles. The titles to Articles and Sections in this Plan are placed herein for convenience of reference only, and the Plan is not to be construed by reference thereto.

7.11 Other Plans. Nothing in this Plan shall be construed to affect the rights of a Participant, his or her survivors or Beneficiaries, or his or her estate to receive any retirement or death benefit under any tax qualified pension plan, another nonqualified deferred compensation arrangement, insurance agreement, tax-deferred annuity, or other retirement plan of the Corporation, the Bank or an Affiliate.

Dated this 20th day of October, 2008

WEBSTER BANK, NATIONAL ASSOCIATION

/s/ James C. Smith

Chief Executive Officer

Special Provisions for Certain Former Participants
in the Eagle Financial Corporation Plan

Effective as of April 15, 1998 (the "Eagle Acquisition Date"), Eagle Financial Corporation ("Eagle") was merged with and into Webster Financial Corporation. Effective as of the Eagle Acquisition Date, all of the obligations of Eagle under the Eagle Financial Corporation Benefit Equalization Plan (the "Eagle SERP") were transferred to, and assumed by, Webster Financial Corporation. Webster Financial Corporation has, in turn, transferred all of such obligations to Webster Bank, National Association, a wholly-owned subsidiary of Webster Financial Corporation. Therefore, effective as of the Eagle Acquisition Date, all of the obligations of Eagle under the Eagle SERP have been transferred to, and assumed by, Webster Bank, National Association.

Effective as of April 15, 1998, the Eagle SERP was merged with and into the Webster Bank Supplemental Retirement Plan for Employees of Webster Bank (the "Webster SERP").

Effective as of the first day with respect to which the processing of the payroll for the former employees of Eagle was performed in conjunction with the processing of the payroll for the employees of Webster Bank (the "Eagle Payroll Merger Date"), the former employees of Eagle became eligible to participate in the Webster Bank Retirement Savings Plan (formerly known as the Webster Bank Employee Investment Plan) (the "Webster 401(k) Plan"). In addition, effective as of July 1, 1998, certain of the assets and liabilities of the Financial Institutions Thrift Plan as Adopted by Eagle Financial Corporation (the "Eagle 401(k) Plan") were transferred to and assumed by the Webster 401(k) Plan.

Prior to July 1, 2006, the Webster SERP provided the Supplemental Matching Contributions described in Article III. For the period on and after July 1, 2006 and prior to October 20, 2008, all liabilities relating to the Supplemental Matching Contributions were transferred to, and assumed by, the Webster Bank Deferred Compensation Plan for Directors and Officers. Effective as of October 20, 2008, all liabilities relating to the Supplemental Matching Contributions were transferred to, and assumed by, the Plan.

(1) No person who was a participant in the Eagle SERP on the Eagle Acquisition Date became a Participant in the Webster SERP unless the Board specifically designated such person as being eligible to participate in the Webster SERP pursuant to Article II.

(2) If a former participant in the Eagle SERP became a Participant in the Webster SERP on or about the Eagle Acquisition Date, such person was not deemed to have incurred a separation from service under the Eagle SERP and was not entitled to receive (or commence to receive) a distribution of the benefits which he or she accrued thereunder until the date set forth in Article III. However, if a former participant in the Eagle SERP did not become a Participant in the Webster SERP on or about the Eagle Acquisition Date, such person was deemed to have incurred a separation from service under the Eagle SERP and was entitled to receive (or commence to receive) a distribution of the benefits which he or she accrued thereunder in accordance with the terms of the Webster SERP.

(3) If any person who was a participant in the Eagle SERP on the Eagle Acquisition Date became a Participant in the Webster SERP and he or she was eligible to receive Supplemental Matching Contributions under the Webster SERP, then such Supplemental Matching Contributions were credited to him or her only with respect to elective deferrals made to the 401(k) Plan on or after

the Eagle Payroll Merger Date. No Supplemental Matching Contributions were credited with respect to elective deferrals made to the Eagle 401(k) Plan prior to the Eagle Payroll Merger Date.

(4) Except as otherwise provided in this Annex I, all of the provisions of the Plan shall apply to each person who was a participant in the Eagle SERP immediately prior to the Eagle Acquisition Date.

Special Provisions Relating to Certain
Supplemental Matching Contributions

Prior to July 1, 2006, the Webster Bank Deferred Compensation Plan for Directors and Officers (the "Deferred Compensation Plan") permitted Participants only to elect to have deferred compensation credited to their deferred compensation accounts. Prior to July 1, 2006, the Supplemental Retirement Plan for Employees of Webster Bank provided for the crediting of Supplemental Matching Contributions to the Supplemental Matching Contributions Accounts of a select group of management or highly compensated employees.

Effective as of July 1, 2006, all liabilities relating to Supplemental Matching Contributions were transferred to, and assumed by, the Deferred Compensation Plan.

Effective as of October 20, 2008, all liabilities relating to Supplemental Matching Contributions and other Supplemental Contributions were transferred to, and assumed by, the Plan. Therefore, effective as of October 20, 2008, the Plan provides for the crediting of Supplemental Contributions.

The following special provisions apply to certain Supplemental Matching Contributions:

With respect to any Supplemental Matching Contributions credited to a Participant's Supplemental Matching Contributions Account under the Deferred Compensation Plan prior to July 1, 2006, interest (compounded monthly) shall be added to the balance credited to the Supplemental Matching Contributions Account from time to time: (1) as of the last day of each calendar year during the period beginning when the Supplemental Matching Contributions were first so credited, and ending on the last day of the calendar year preceding the date described in (2); and (2) as of the date of distribution of a final installment payment or a lump sum distribution of the amounts credited to the Participant's Supplemental Matching Contributions Account. The rate of interest is the interest rate on one year United States Treasury obligations, as reported from time to time in *The Wall Street Journal*, plus fifty (50) basis points, adjusted monthly.

Notwithstanding the preceding paragraph of this Annex II, a Participant who had not commenced to receive his or her Supplemental Matching Contributions prior to June 7, 2006 was permitted to elect to have any Supplemental Matching Contributions credited to his or her Supplemental Matching Contributions Account prior to July 1, 2006 credited with earnings and losses pursuant to the provisions of Section 3.3(b) rather than being credited with interest pursuant to the preceding paragraph of this Annex II. Any such election had to be made by June 7, 2006, and is irrevocable.

Special Provisions Relating to the Grandfathering
of Certain Benefits Under Code Section 409A

It is the intention of the Bank, the Corporation and each Participating Affiliate that all Supplemental Matching Contributions (including Supplemental Matching Contributions that were earned and vested prior to January 1, 2005) shall not be grandfathered for purposes of Code Section 409A and shall be subject to the terms of the Webster Bank Deferred Compensation Plan for Directors and Officers as amended and restated effective as of January 1, 2005 and to the terms of the Plan as adopted effective as of October 20, 2008. Therefore, each Participant's entire Supplemental Matching Contributions Account is subject to the terms of the Plan.

**AMENDMENT NO.1
TO THE WEBSTER BANK
SUPPLEMENTAL DEFINED CONTRIBUTION PLAN
FOR EXECUTIVE OFFICERS**

The Webster Bank Supplemental Defined Contribution Plan for Executive Officers, as adopted on October 20, 2008 effective as of October 20, 2008, is hereby amended as follows:

(1) Effective as of the date of adoption of this amendment, Section 3.6(a)(ii) of the Plan is deleted and the following is substituted in lieu thereof:

(ii) Amounts credited to the Participant's Installment Subaccount shall be distributed in ten substantially equal, annual installments, commencing at the time determined pursuant to Section 3.5. Each installment shall be equal to the balance credited to the Installment Subaccount multiplied by a fraction, the numerator of which is one and the denominator of which is ten minus the number of annual installments previously paid to the Participant (so that the first installment will be 1/10th of the account, the second installment will be 1/9th of the account, and so on).

If a Participant is entitled to receive installment payments due to a Separation from Service pursuant to Section 3.5(a), the installment payments shall be paid in accordance with either the Payment Anniversary Rule or the Separation Anniversary Rule, as elected by the Bank prior to the Participant's Separation from Service. In no event may the Participant, either directly or indirectly, elect the method for paying the installment payments.

(A) Under the Payment Anniversary Rule, installments will be paid on the first day of the month coinciding with or next following the date that is six months after his or her Separation from Service, and annually on each subsequent anniversary of such date until the ten installments have been paid.

(B) Under the Separation Anniversary Rule, the installment payment to which the Participant would otherwise have been entitled if installment payments had commenced on the first day of the month coinciding with or next following the date of his or her Separation from Service will be segregated as of such date, credited with earnings and losses, and paid on the first day of the month coinciding with or next following the date that is six months after his or her Separation from Service. The remainder of the installments shall be paid to the Participant annually on each subsequent anniversary of the first day of the month coinciding with or next following the date of his or her Separation from Service until the ten installments have been paid.

If a Participant begins to receive installment payments but he or she dies before his or her entire Installment Subaccount has been distributed, the remaining installment payments shall be made to the Participant's Beneficiary.

If a Participant dies before beginning to receive his or her installment payments, the first installment will be paid to the Beneficiary on the first day of the month coinciding with or next following the date that is sixty (60) days after the Participant's death. Subsequent

installments shall be paid to the Beneficiary annually on each subsequent anniversary of such date until the ten installments have been paid.

(2) All section numbers and cross references thereto are appropriately amended to effectuate the intention of the foregoing amendments.

Dated this 23rd day of April, 2009

WEBSTER BANK, NATIONAL ASSOCIATION

/s/ James C. Smith

Chief Executive Officer

**AMENDMENT NO. 2
TO THE WEBSTER BANK
SUPPLEMENTAL DEFINED CONTRIBUTION PLAN
FOR EXECUTIVE OFFICERS**

The Webster Bank Supplemental Defined Contribution Plan for Executive Officers, as adopted on October 20, 2008 effective as of October 20, 2008, is hereby amended as follows:

(1) Effective as of August 20, 2009, Article III of the Plan is amended by deleting Section 3.1(f)(i) and substituting the following in lieu thereof:

(i) In computing a Participant's adjusted matching contributions under Section 3.1(b), adjusted nonelective contributions under Section 3.1(c), and adjusted transition contributions under Section 3.1(d), the Participant's compensation is based on the definition of compensation set forth in the 401(k) Plan that is applicable to the period on and after September 1, 2004; *provided, however,* that effective as of August 20, 2009 the Participant's compensation for purposes of this Plan shall include income relating to the purchase of shares of Webster Financial Corporation common stock under the Webster Financial Corporation Executive Stock Purchase Plan. As defined in the 401(k) Plan, a Participant's compensation: (A) includes all of the Participant's regular salary, overtime, commissions, bonuses, and pre-tax contributions made to the 401(k) Plan, to an employee benefit plan under an arrangement described in Section 125 of the Code or to a qualified transportation fringe benefit plan described in Section 132(f)(4) of the Code; *but* (B) excludes taxable car benefits, taxable reimbursements (such as moving expenses), taxable fringe benefits (such as the cost of excess group term life insurance), and any taxable income realized in connection with the exercise of a nonqualified stock option, the disqualifying disposition of stock received under an incentive stock option, or the grant or vesting of restricted property. In addition, if a Participant elects to defer all or any portion of his or her compensation, such deferred compensation is included in the Participant's compensation during the calendar year in which it would have been paid to the Participant but for the deferral election.

(2) Effective as of August 20, 2009, Article III of the Plan is amended by deleting Section 3.1(f)(ii) and substituting the following in lieu thereof:

(ii) For purposes of determining a Participant's Supplemental Additional Transition Contributions under Section 3.1(e), the Participant's supplemental additional transition contribution compensation shall equal the following:

(A) one-fourth of his annual rate of base pay as in effect on the fifteenth day of the second month of the applicable calendar quarter (including in the Participant's annual rate of base pay any income relating to the purchase of shares of Webster Financial Corporation common stock under the Webster Financial Corporation Executive Stock Purchase Plan); *provided, however,* that such amount shall be adjusted to take into account the amount and timing of any adjustments in the Participant's annual rate of base pay that became effective prior to the fifteenth day of the second month of such calendar quarter and that were not previously taken into account; *and provided further,* with respect to the calendar quarter in which the Participant incurs a Separation from Service, such amount shall

be reduced to exclude any amount that is attributable to a period in which the Participant was not employed; and

(B) the bonuses earned during the applicable calendar year (whether or not paid during such calendar year).

Notwithstanding the above, for the period prior to April 1, 2008, the Participant's supplemental additional transition contribution compensation equaled his base pay and any bonuses earned during the applicable period (whether or not paid during the applicable period).

(3) All section numbers and cross references thereto are appropriately amended to effectuate the intention of the foregoing amendments.

Dated this 15th day of December, 2009

WEBSTER BANK, NATIONAL ASSOCIATION

/s/ James C. Smith

Chief Executive Officer

**AMENDMENT NO.3
TO THE WEBSTER BANK
SUPPLEMENTAL DEFINED CONTRIBUTION PLAN
FOR EXECUTIVE OFFICERS**

The Webster Bank Supplemental Defined Contribution Plan for Executive Officers, as adopted on October 20, 2008 effective as of October 20, 2008, is hereby amended as follows:

(1) Effective as of February 1, 2022, Article II of the Plan is amended by deleting subsection (i) of Section 2.1(a), and substituting the following in lieu thereof:

"(i) the Employee is a member of a select group of management or highly compensated employees (as determined by the Board, or a committee delegated by the Board) and is a member of the executive management team of the Bank, the Corporation or a Participating Affiliate;"

(2) Effective as of February 1, 2022, Article II of the Plan is further amended by adding the following paragraph at the end of Section 2.1(a):

"Notwithstanding anything to the contrary in this subsection (a), effective as of February 1, 2022, an individual who becomes an Employee of the Bank or the Corporation as a result of the completion of the mergers described in the Agreement and Plan of Merger by and between Webster Financial Corporation and Sterling Bancorp dated April 18, 2021, shall be eligible to participate in the Plan if such individual meets the requirements of this Section 2.1(a), without regard to such individual's eligibility to participate in the Webster Bank Retirement Savings Plan. With respect to such individuals, any reference to "401(k) Plan" in this Section 2.1(a) shall be a reference to the Sterling National Bank 401(k) and Profit Sharing Plan."

(3) Effective as of February 1, 2022, Article III of the Plan is amended by adding the following paragraph at the end of Section 3.1(a)(i):

"Notwithstanding anything herein to the contrary, effective as of February 1, 2022, if an individual who becomes an Employee of the Bank or the Corporation as a result of the completion of the mergers described in the Agreement and Plan of Merger by and between Webster Financial Corporation and Sterling Bancorp dated April 18, 2021, becomes eligible to participate in the Plan in accordance with the requirements of Article II, such individual shall be eligible to receive Supplemental Matching Contributions determined in accordance with the provisions of this Article III. With respect to such individuals, any reference to "401(k) Plan" in this Article III shall be a reference to the Sterling National Bank 401(k) and Profit Sharing Plan."

(4) All section numbers and cross references thereto are appropriately amended to effectuate the intention of the foregoing amendments.

Dated this 28 day of September 2022

WEBSTER BANK, NATIONAL ASSOCIATION

/s/ Javier Evans

Chief Human Resources Officer

/s/ Glenn I. MacInnes

Chief Financial Officer

/s/ John R. Ciulla

President & CEO

**STERLING NATIONAL BANK NONQUALIFIED DEFERRED COMPENSATION
PLAN**

Sterling National Bank
Nonqualified Deferred Compensation Plan

Table of Contents

Article 1	Definitions	1
1.1	Account	1
1.2	Administrator	1
1.3	Board	1
1.4	Bonus	1
1.5	Cause	1
1.6	Change-in-Control	1
1.7	Code	2
1.8	Compensation	2
1.9	Deferrals	2
1.10	Deferral Election	2
1.11	Disability	2
1.12	Effective Date	2
1.13	Eligible Employee	2
1.14	Employee	2
1.15	Employer	2
1.16	Employer Discretionary Contribution	2
1.17	ERISA	2
1.18	Investment Fund	3
1.19	Participant	3
1.20	Plan Year	3
1.21	Retirement	3
1.22	Salary	3
1.23	Separation from Service	3
1.24	Service Recipient	3
1.25	Specified Employee	4
1.26	Trust	4
1.27	Trustee	4
1.28	Years of Service	4
Article 2	Participation	4
2.1	Commencement of Participation	4
2.2	Loss of Eligible Employee Status	4
Article 3	Contributions	4
3.1	Deferral Elections - General	4
3.2	Time of Election	4
3.3	Distribution Elections	5
3.4	Additional Requirements	5
3.5	Cancellation of Deferral Election due to Disability	5
3.6	Employer Discretionary Contribution	5
Article 4	Vesting	6
4.1	Vesting of Deferrals	6
4.2	Vesting of Employer Discretionary Contributions	6
4.3	Vesting due to Certain Events	6
4.4	Amounts Not Vested	6
4.5	Forfeitures	6
Article 5	Accounts	7
5.1	Accounts	7
5.2	Investments, Gains and Losses	7

Article 6	Distributions	7
6.1	Distribution Election	7
6.2	Distributions upon an In-Service Account Triggering Date	8
6.3	Distributions upon a Separation from Service	8
6.4	Substantially Equal Annual Installments	8
6.5	Distributions due to Disability	8
6.6	Distributions upon Death	8
6.7	Changes to Distribution Elections	8
6.8	Acceleration or Delay in Payments	9
6.9	Unforeseeable Emergency	9
6.10	Distributions to Specified Employee	9
6.11	Minimum Distribution	9
6.12	Form of Payment	9
6.13	Separation from Service for Cause	9
Article 7	Beneficiaries	10
7.1	Beneficiaries	10
7.2	Lost Beneficiary	10
Article 8	Funding	10
8.1	Prohibition against Funding	10
8.2	Deposits in Trust	10
8.3	Withholding of Employee Contributions	10
Article 9	Claims Administration	10
Article 10	General Provisions	11
10.1	Administrator	11
10.2	No Assignment	11
10.3	No Employment Rights	11
10.4	Incompetence	11
10.5	Identity	12
10.6	Other Benefits	12
10.7	Expenses	12
10.8	Insolvency	12
10.9	Amendment or Modification	12
10.10	Plan Suspension	12
10.11	Plan Termination	12
10.12	Plan Termination due to a Change-in-Control	13
10.13	Construction	14
10.14	Governing Law	14
10.15	Severability	14
10.16	Headings	14
10.17	Terms	14
10.18	Code Section 409A Fail Safe Provision	14
10.19	No Guarantee of Tax Consequences	14
10.20	Limitation on Actions	14
10.21	Right of Setoff	14
10.22	Receipt and Release	15
10.23	Furnishing Information	15
10.24	Insurance	15

Sterling National Bank
Nonqualified Deferred Compensation Plan

Sterling National Bank hereby adopts this Sterling National Bank Nonqualified Deferred Compensation Plan (the "Plan") for the benefit of a select group of management or highly compensated employees. This Plan is an unfunded arrangement and is intended to be exempt from the participation, vesting, funding, and fiduciary requirements set forth in Title I of the Employee Retirement Income Security Act of 1974, as amended. It is intended to comply with Internal Revenue Code Section 409A.

Article 1 Definitions

1.1 Account

The sum of all the bookkeeping sub-accounts as may be established for each Participant as provided in Section 5.1 hereof.

1.2 Administrator

The Employer or individuals or an administrative committee appointed by the Employer shall serve as the Administrator of the Plan. The Administrator shall serve as the agent for the Employer with respect to the Trust.

1.3 Board

The Board of Directors of the Employer.

1.4 Bonus

Cash Compensation which is designated as such by the Employer and which relates to services performed during an incentive period by an Eligible Employee in addition to his or her Salary, including any pretax elective deferrals from said Bonus to any Employer sponsored plan that includes amounts deferred under a Deferral Election or any elective deferral as defined in Code Section 402(g)(3) or any amount contributed or deferred at the election of the Eligible Employee in accordance with Code Section 125 or 132(f)(4).

1.5 Cause

For purposes of this Plan, "Cause" shall mean (i) engaging in willful or grossly negligent misconduct that is materially injurious to the Employer and/or affiliate, (ii) embezzlement or misappropriation of funds or property of the Employer and/or affiliate, (iii) conviction of a felony or the entrance of a plea of guilty or nolo contendere to a felony, (iv) conviction of any crime involving fraud, dishonesty or breach of trust or the entrance of a plea of guilty or nolo contendere to such a crime, or (v) failure or refusal by the Participant to devote full business time and attention to the performance of his or her duties and responsibilities if such breach has not been cured within fifteen (15) days after notice is given to the Participant.

1.6 Change-in-Control

Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, a "Change-in-Control" of the Employer (which, for purpose of this Section 1.5 shall mean Sterling Bancorp and/or Sterling National Bank but not any of its affiliates or subsidiaries) shall mean the first to occur of any of the following:

(a) the date that any one person or persons acting as a group acquires ownership of Employer stock constituting more than fifty percent (50%) of the total fair market value or total voting power of the Employer;

(b) the date that any one person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of the stock of the Employer possessing thirty percent (30%) or more of the total voting power of the stock of the Employer;

(c) the date that any one person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Employer that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Employer immediately prior to such acquisition; or

(d) the date that a majority of members of the Employer's Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or elections, provided that for purposes of this Section, a Change-in-Control of the Employer will not occur if the majority stockholder of the Employer is another corporation.

1.7 Code

The Internal Revenue Code of 1986, as amended.

1.8 Compensation

Compensation means, for purposes of contributions under this Plan, a Participant's Salary and Bonus.

1.9 Deferrals

The portion of Compensation that a Participant elects to defer in accordance with Section 3.1 hereof.

1.10 Deferral Election

The separate agreement, submitted to the Administrator, by which an Eligible Employee agrees to participate in the Plan and make Deferrals thereto.

1.11 Disability

Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, a Participant shall be considered to have incurred a Disability if: (i) the Participant is determined to be disabled in accordance with a disability insurance program sponsored by the Participant's Employer that applies a definition of disability that complies with the regulations under Code Section 409A; or (ii) the Participant is determined to be totally disabled by the Social Security Administration.

1.12 Effective Date

January 1, 2020.

1.13 Eligible Employee

An Employee shall be considered an Eligible Employee if such Employee is a member of a "select group of management or highly compensated employees," within the meaning of Sections 201, 301 and 401 of ERISA, and is designated as an Eligible Employee by the Administrator. The Administrator may at any time, in its sole discretion, change the eligible criteria for an Eligible Employee or determine that one or more Participants will cease to be an Eligible Employee. The designation of an Employee as an Eligible Employee in any year shall not confer upon such Employee any right to be designated as an Eligible Employee in any future Plan Year.

1.14 Employee

Any person employed by the Employer.

1.15 Employer

Sterling Bancorp, Sterling National Bank and their subsidiaries and affiliates.

1.16 Employer Discretionary Contribution

A discretionary contribution made by the Employer that is credited to one or more Participant's Accounts in accordance with the terms of Section 3.6 hereof.

1.17 ERISA

The Employee Retirement Income Security Act of 1974, as amended.

1.18 Investment Fund

Each investment(s) which serves as a means to measure value, increases or decreases with respect to a Participant's Accounts.

1.19 Participant

An Eligible Employee who is a Participant as provided in Article 2.

1.20 Plan Year

Calendar year.

1.21 Retirement

Retirement shall mean a Participant's Separation from Service on, or subsequent to, the applicable Participant attaining sixty-five (65) years of age.

1.22 Salary

An Eligible Employee's base salary earned during a Plan Year, including any pretax elective deferrals from said Salary to any Employer sponsored plan that includes amounts deferred under a Deferral Election or any elective deferral as defined in Code Section 402(g)(3) or any amount contributed or deferred at the election of the Eligible Employee in accordance with Code Section 125 or 132(f)(4).

1.23 Separation from Service

Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, to mean a change in an Executive's service relationship with the Service Recipient such as a death, retirement or other termination of employment, whether or not initiated by the Service Recipient, such that the Service Recipient reasonably determines, based on the facts and circumstances available at such determination date, that no further services will be performed by the Executive for the Service Recipient after a certain date (the "Separation Date") or that the level of bona fide services the Participant will perform after the Separation Date (whether as an employee, independent contractor or other service provider) will decrease permanently to a level that is less than 50% of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period. No Separation from Service shall be deemed to occur due to military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six months or, if longer, so long as Executive's right to reemployment is provided by law or contract. If the leave exceeds six months and Executive's right to reemployment is not provided by law or by contract, then Executive shall have a Separation from Service on the first date immediately following such six-month period. Notwithstanding the foregoing, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the employee to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29-month period of absence may be substituted for such six-month period, provided, however, that an earlier termination of employment will end such disability extension. Upon a sale or other disposition of the assets of the Employer to an unrelated purchaser, the Administrator reserves the right, to the extent permitted by Code section 409A to determine whether Participants providing services to the purchaser after and in connection with the purchase transaction have experienced a Separation from Service.

1.24 Service Recipient

Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, Service Recipient shall mean the Employer or person for whom the services are performed and with respect to whom the legally binding right to compensation arises, and all persons with whom such person would be considered a single employer under Code Section 414(b) (employees of controlled group of corporations), and all persons with whom such person would be considered a single employer under Code Section 414(c) (employees of partnerships, proprietorships, etc., under common control).

1.25 Specified Employee

Provided that such term shall be interpreted within the meaning of regulations promulgated under Code Section 409A, a "Specified Employee" shall mean a participant who is considered a key employee on the Identification Date, as defined in Code Section 416(i) without regard to section 416(i)(5) and such other requirements imposed under Code Section 409A(a)(2)(B)(i) and regulations thereunder for the period beginning April 1 of the year subsequent to the Identification Date and ending March 31 of the following year. The Identification Date for this Plan is December 31 of each year. Notwithstanding anything to the contrary, a Participant is not a Specified Employee unless any stock of the Service Recipient is publicly traded on an established securities market or otherwise.

1.26 Trust

The agreement between the Employer and the Trustee under which the assets of the Plan are held, administered and managed, which shall conform to the terms of Rev. Proc. 92-64.

1.27 Trustee

Individual or entity, or such other successor that shall become trustee pursuant to the terms of the Plan.

1.28 Years of Service

A Participant's "Years of Service" for vesting purposes shall be measured as a twelve (12) month period commencing with the date such Employer Discretionary Contribution is credited or deemed credited to the Plan and anniversaries thereof. With respect to a Plan Year, the Employer Discretionary Contribution, if any, shall be deemed made on the last day of the Plan Year.

Article 2 Participation

2.1 Commencement of Participation

Each Eligible Employee shall become a Participant at the earlier of the date on which his or her Deferral Election first becomes effective or the date on which an Employer Discretionary Contribution is first credited to his or her Account.

2.2 Loss of Eligible Employee Status

A Participant who is no longer an Eligible Employee shall not be permitted to submit a Deferral Election and all Deferrals for such Participant shall cease as of the end of the year in which such Participant is determined to no longer be an Eligible Employee. Amounts credited to the Account of a Participant who is no longer an Eligible Employee shall continue to be held pursuant to the terms of the Plan and shall be distributed as provided in Article 6.

Article 3 Contributions

3.1 Deferral Elections - General

A Participant's Deferral Election for a Plan Year, is irrevocable for that applicable Plan Year; provided, however that a cessation of Deferrals shall be allowed if required by the terms of the Employer's qualified 401 (k) plan in order for the Participant to obtain a hardship withdrawal from the 401(k) plan, if the Participant is determined to be disabled within the meaning of Section 3.5 hereof, or if required under Section 6.9 (Unforeseeable Emergency) of this Plan. Such amounts deferred under the Plan shall not be made available to such Participant, except as provided in Article 6, and shall reduce such Participant's Compensation from the Employer in accordance with the provisions of the applicable Deferral Election; provided, however, that all such amounts shall be subject to the rights of the general creditors of the Employer as provided in Article 8. The Deferral Election, in addition to the requirements set forth below, must designate: (i) the amount of Compensation to be deferred, (ii) the time of the distribution, and (iii) the form of the distribution.

3.2 Time of Election

A Deferral Election shall be void if it is not made in a timely manner as follows:

(a) A Deferral Election with respect to any Compensation must be submitted to the Administrator before the beginning of the calendar year during which the amount to be deferred will be earned. Except to the extent set forth in this Plan, as of December 31 of the calendar year ending before the year for which said Deferral Election is to be effective, such Deferral Election is irrevocable for the immediately following calendar year.

(b) Notwithstanding the foregoing and in the discretion of the Employer, in a year in which an Employee is first eligible to participate, and provided that such Employee is not eligible to participate in any other similar account balance arrangement subject to Code Section 409A, such Deferral Election shall be submitted within thirty (30) days after the date on which an Employee is first eligible to participate, and such Deferral Election shall apply to Compensation to be earned during the remainder of the calendar year after such election is made.

3.3 Distribution Elections

At the time a Participant makes a Deferral Election, he or she must also elect the time and form of the distribution by establishing one or more In-Service sub-account(s) or Separation from Service sub-account(s) as provided in Sections 5.1 and 6.1. If the Participant fails to properly designate the time and form of a distribution, the Participant's Account shall be designated as a Separation from Service sub-account and shall be paid in a lump sum.

3.4 Additional Requirements

The Deferral Election, subject to the limitations set forth in Sections 3.1 and 3.2 hereof, shall comply with the following additional requirements, or as otherwise required by the Administrator in its sole discretion:

(a) Deferrals may be made in whole percentages or stated dollar amounts as determined by the Administrator.

(b) The maximum amount that may be deferred each Plan Year is twenty-five percent (25%) of the Participant's Salary and one-hundred percent (100%) of the Participant's Bonus, net of applicable taxes.

(c) The distribution year for an In-Service sub-account must be at least five (5) Plan Years after the Plan Year in which such Deferral is credited to an In-Service sub-account. The initial contribution year will be considered as the first year.

3.5 Cancellation of Deferral Election due to Disability

Notwithstanding anything to the contrary, if a Participant incurs a disability as defined in this Section 3.5, said Participant may file an election to stop Deferrals as of the date the election is received by the Administrator, provided that such cancellation occurs by the later of the end of the calendar year or the 15th day of the third month following the date the Participant incurs a disability. Disability for purposes of this Section 3.5 only means that a Participant incurs a medically determinable physical or mental impairment resulting in the Participant's inability to perform the duties of his or her position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than six months, as determined by the Administrator in its sole discretion.

3.6 Employer Discretionary Contribution

The Employer may make Employer Discretionary Contributions to some or all Participants' Accounts in such amount and in such manner as may be determined by the Employer. Such Employer Discretionary Contributions, at the option of the Employer, shall be credited to such sub-account as may be elected by the Participant in accordance with Sections 3.1 and 5.1 and procedures established by the Administrator. In the event no such election is made by the Participant or if Employer desires to direct Employer Discretionary Contributions to a particular Participant sub-account, the Employer, in its sole discretion, may determine which sub-account will be credited with such Employer Discretionary Contributions. In the event the Employer does not designate which Participant sub-account shall be credited, such Employer Discretionary Contributions shall be credited to a lump-sum Separation from Service sub-account.

Article 4 Vesting

4.1 Vesting of Deferrals

A Participant shall be one-hundred percent (100%) vested in his or her Account attributable to Deferrals and any earning or losses on the investment of such Deferrals.

4.2 Vesting of Employer Discretionary Contributions

A Participant shall have a vested right to the portion of his or her Account attributable to Employer Discretionary Contribution(s) and any earnings or losses on the investment of such Employer Discretionary Contribution(s) according to such vesting schedule as the Employer shall determine at the time an Employer Discretionary Contribution is made. In the event the Employer fails to provide a vesting schedule for a particular Employer Discretionary Contribution, such Employer Discretionary Contribution shall fully vest in accordance with the following schedule:

Completed	Vested
Years of Service	Percentage
1 but fewer than 2	20%
2 but fewer than 3	40%
3 but fewer than 4	60%
4 but fewer than 5	80%
5 or more years	100%

If the Employer desires to have a different vesting schedule for a particular Employer Discretionary Contribution, the Employer shall memorialize such vesting schedule in an addendum to the Plan document, specifying the vesting schedule and the particular Plan Year and/or Participants to which such vesting schedule applies.

4.3 Vesting due to Certain Events

- (a) A Participant who incurs a Disability shall be fully vested in the amounts credited to his or her Account as of the date of Disability.
- (b) Upon a Participant's death, the Participant shall be fully vested in the amounts credited to his or her Account.
- (c) A Participant who incurs Retirement shall be fully vested in the amounts credited to his or her Account as of the date of Retirement.
- (d) Upon a Change-in-Control, all Participants shall be fully vested in the amounts credited to their Accounts as of the date of the Change-in-Control.

4.4 Amounts Not Vested

Any amounts credited to a Participant's Account that are not vested at the time of a distribution event shall be forfeited.

4.5 Forfeitures

At the discretion of the Employer, any forfeitures from a Participant's Account (i) may continue to be held in the Trust, may be separately invested, and may be used to reduce succeeding Deferrals and any Employer Contributions, or (ii) may be returned to the Employer as soon as administratively feasible.

Article 5 Accounts

5.1 Accounts

The Administrator shall establish and maintain a bookkeeping account in the name of each Participant. The Administrator shall also establish sub-accounts as provided in subsection (a) and (b), below, as elected by the Participant pursuant to Article 3.

(a) A Participant may establish one or more Separation from Service sub-account by designating as such on the Participant's Deferral Election. Each Participant's Separation from Service sub-account shall be credited with Deferrals (as specified in the Participant's Deferral Election), any Employer Discretionary Contributions, and the Participant's allocable share of any earnings or losses on the foregoing. Each Participant's Separation from Service sub-account shall be reduced by any distributions made plus any federal and state tax withholding, and any social security withholding tax as may be required by law.

(b) A Participant may elect to establish one or more In-Service sub-account by designating as such in the Participant's Deferral Election the year in which payment shall be made. Each Participant's In-Service sub-account shall be credited with Deferrals (as specified in the Participant's Deferral Election), any Employer Discretionary Contributions, and the Participant's allocable share of any earnings or losses on the foregoing. Each Participant's In-Service sub-account shall be reduced by any distributions made plus any federal and state tax withholding and any social security withholding tax as may be required by law.

5.2 Investments, Gains and Losses

(a) A Participant may direct that his or her Separation from Service sub-accounts and or In-Service sub-accounts established pursuant to Section 5.1 may be valued as if they were invested in one or more Investment Funds as selected by the Employer in multiples of one percent (1 %). The Employer may from time to time, at the discretion of the Administrator, change the Investment Funds for purposes of this Plan.

(b) The Administrator shall adjust the amounts credited to each Participant's Account to reflect Deferrals, any Employer Discretionary Contributions, investment experience, distributions and any other appropriate adjustments. Such adjustments shall be made as frequently as is administratively feasible.

(c) A Participant may change his or her selection of Investment Funds with respect to his or her Account or sub-accounts by filing a new election in accordance with procedures established by the Administrator. An election shall be effective as soon as administratively feasible following the date the change is submitted on a form prescribed by the Administrator.

(d) Notwithstanding the Participant's ability to designate the Investment Fund in which his or her deferred Compensation shall be deemed invested, the Employer shall have no obligation to invest any funds in accordance with the Participant's election. Participants' Accounts shall merely be bookkeeping entries on the Employer's books, and no Participant shall obtain any property right or interest in any Investment Fund.

Article 6 Distributions

6.1 Distribution Election

Each Participant shall designate in his or her Deferral Election the form and timing of his or her distribution by indicating the type of sub-account as described under Section 5.1, and by designating the form in which payments shall be made from the choices available under Section 6.2 and 6.3 hereof. Notwithstanding anything to the contrary contained herein provided, no acceleration of the time or schedule of payments under the Plan shall occur except as permitted under both this Plan and Code Section 409A.

6.2 Distributions upon an In-Service Account Triggering Date

In-Service sub-account distributions of all vested amounts shall begin as soon as administratively feasible but no later than sixty (60) days following June 1 of the calendar year designated by the Participant on a properly submitted Deferral Election, and are payable in either a lump-sum payment or substantially equal annual installments, as described in Section 6.4 below, over a period of up to five (5) years as elected by the Participant in his or her Deferral Election. If the Participant fails to designate the form of the distribution, the sub-account shall be paid in a lump-sum payment.

6.3 Distributions upon a Separation from Service

If the Participant has a Separation from Service, the vested amount of the Participant's Separation from Service sub-account shall be distributed or commence to be distributed as soon as administratively feasible but no later than sixty (60) days following the Participant's Separation from Service, subject to Section 6.10 (Distributions to Specified Employees). Distribution shall be made either in a lump-sum payment or in substantially equal annual installments, as defined in Section 6.4 below, over a period of up to ten (10) years as elected by the Participant. If the Participant fails to designate the form of the distribution, the sub-account shall be paid in a lump-sum payment. If a Participant has any In-Service sub-accounts at the time of his or her Separation from Service, said sub-accounts shall be distributed in a lump sum as soon as administratively feasible but no later than sixty (60) days following Participant's Separation from Service, subject to Section 6.10 (Distributions to Specified Employees).

6.4 Substantially Equal Annual Installments

(a) The amount of the substantially equal payments of all vested amounts shall be determined by multiplying the Participant's Account or sub-account by a fraction, the denominator of which in the first year of payment equals the number of years over which benefits are to be paid, and the numerator of which is one (1). The amounts of the payments for each succeeding year shall be determined by multiplying the Participant's Account or sub-account as of the applicable anniversary of the payout by a fraction, the denominator of which equals the number of remaining years over which benefits are to be paid, and the numerator of which is one (1). Installment payments made pursuant to this Section 6.4 shall be made as soon as administratively feasible but no later than sixty (60) days following the anniversary of the distribution event, subject to Section 6.10 (Distributions to Specified Employees).

(b) For purposes of the Plan pursuant to Code Section 409A and regulations thereunder, a series of annual installments from a particular subaccount shall be considered a single payment.

6.5 Distributions due to Disability

Upon a Participant's Disability, all vested amounts credited to his or her Account shall be paid to the Participant in a lump sum as soon as administratively feasible but no later than sixty (60) days following the date of Disability.

6.6 Distributions upon Death

Upon the death of a Participant, all vested amounts credited to his or her Account shall be paid, as soon as administratively feasible but no later than sixty (60) days following Participant's date of death, to his or her beneficiary or beneficiaries, as determined under Article 7 hereof, in a lump sum.

6.7 Changes to Distribution Elections

A Participant will be permitted to elect to change the form or timing of the distribution of the balance of one or more sub-accounts within his or her Account to the extent permitted and in accordance with the requirements of Code Section 409A(a)(4)(C), including the requirement that (i) a redeferral election may not take effect until at least twelve (12) months after such election is filed with the Employer, (ii) an election to further defer a distribution (other than a distribution upon death, Disability or an unforeseeable emergency) must result in the first distribution subject to the election being made at least five (5) years after the previously elected date of distribution, and (iii) any redeferral election affecting a distribution at a fixed date must be filed with the Employer at least twelve (12) months before the first scheduled payment under the previous fixed date distribution election.

6.8 Acceleration or Delay in Payments

To the extent permitted by Code Section 409A, and notwithstanding any provision of the Plan to the contrary, the Administrator, in its sole discretion, may elect to (i) accelerate the time or form of payment of all vested amounts of a benefit owed to a Participant hereunder in accordance with the terms and subject to the conditions of Treasury Regulations Section 1.409A-3(j)(4), or (ii) delay the time of payment of a benefit owed to a Participant hereunder in accordance with the terms and subject to the conditions of Treasury Regulations Section 1.409A-2(b)(7). By way of example, and at the sole discretion of the Administrator, if a Participant's entire Account balance is less than the applicable Code Section 402(g) annual limit, the Employer may distribute the Participant's Account in a lump sum provided that the distribution results in the termination of the participant's entire interest in the Plan, subject to the plan aggregation rules of Code Section 409A and regulations thereunder. By way of example, the Administrator may permit such acceleration of the time or schedule of a payment of all vested amounts under the arrangement to an individual other than a Participant as may be necessary to fulfill a domestic relations order (as defined in Code Section 414(p)(1)(B)).

6.9 Unforeseeable Emergency

The Administrator may permit an early distribution of part or all of any deferred amounts; provided, however, that such distribution shall be made only if the Administrator, in its sole discretion, determines that the Participant, or the Participant's beneficiary, has experienced an Unforeseeable Emergency. An Unforeseeable Emergency is defined as a severe financial hardship resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary, or a dependent (as defined in Code Section 152(a)) of the Participant, loss of the Participant's property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. If an Unforeseeable Emergency is determined to exist, a distribution may not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). Upon a distribution to a Participant under this Section 6.10, the Participant's Deferrals shall cease and no further Deferrals shall be made for such Participant for the remainder of the Plan Year.

6.10 Distributions to Specified Employee

Notwithstanding anything herein to the contrary, if any Participant is a Specified Employee upon a Separation from Service for any reason other than death, distributions of all vested amounts to such Participant shall commence no earlier than six months following Separation from Service (or, if earlier, the date of death of the Participant) and no later than eight months following Separation from Service. If distributions are to be made in annual installments, the second installment and all those thereafter will be made on the applicable anniversaries of the date on which the Participant's initial installment was payable.

6.11 Minimum Distribution

Notwithstanding any provision to the contrary, if the vested balance of a Participant's Account or sub-account at the time of a distribution event is \$10,000 or less, then the Participant shall be paid his or her Account or sub-account as a single lump sum.

6.12 Form of Payment

All distributions shall be made in the form of cash.

6.13 Separation from Service for Cause

Notwithstanding anything to the contrary contained herein, in the event the Participant has an involuntary Separation from Service for Cause, Participant shall only receive the return of his or her Deferrals including the Participant's allocable share of any earnings or losses credited on those Deferrals pursuant to Section 5.2 and subject to Section 6.01 (Distributions to Specified Employees) above. Upon a Participant's Separation from Service for Cause, all amounts credited to Participant's Account amounts relating to Employer Discretionary Contributions, including the Participant's allocable share of any earnings or losses credited on the foregoing pursuant to Section 5.2, above, shall be forfeited back to the Employer.

Article 7 Beneficiaries

7.1 Beneficiaries

Each Participant may from time to time designate one or more persons (who may be any one or more members of such person's family or other persons, administrators, trusts, foundations or other entities) as his or her beneficiary under the Plan. Such designation shall be made in a form prescribed by the Administrator. Each Participant may at any time and from time to time, change any previous beneficiary designation, without notice to or consent of any previously designated beneficiary, by amending his or her previous designation in a form prescribed by the Administrator. If the beneficiary does not survive the Participant (or is otherwise unavailable to receive payment) or if no beneficiary is validly designated, then the amounts payable under this Plan shall be paid to the Participant's surviving spouse, or if no surviving spouse to the Participant's estate. If more than one person is the beneficiary of a deceased Participant, each such person shall receive a pro rata share of any death benefit payable unless otherwise designated in the applicable form. If a beneficiary who is receiving benefits dies, all benefits that were payable to such beneficiary shall then be payable to the estate of that beneficiary.

7.2 Lost Beneficiary

All Participants and beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid. If a Participant or beneficiary cannot be located by the Administrator exercising due diligence, then, in its sole discretion, the Administrator may presume that the Participant or beneficiary is deceased for purposes of the Plan and all unpaid amounts (net of due diligence expenses) owed to the Participant or beneficiary shall be paid accordingly or, if a beneficiary cannot be so located, then such amounts may be forfeited. Any such presumption of death shall be final, conclusive and binding on all parties.

Article 8 Funding

8.1 Prohibition against Funding

Should any investment be acquired in connection with the liabilities assumed under this Plan, it is expressly understood and agreed that the Participants and beneficiaries shall not have any right with respect to, or claim against, such assets nor shall any such purchase be construed to create a trust of any kind or a fiduciary relationship between the Employer and the Participants, their beneficiaries or any other person. Any such assets shall be and remain a part of the general, unpledged, unrestricted assets of the Employer, subject to the claims of its general creditors. It is the express intention of the parties hereto that this arrangement shall be unfunded for tax purposes and for purposes of Title I of the ERISA. Each Participant and beneficiary shall be required to look to the provisions of this Plan and to the Employer itself for enforcement of any and all benefits due under this Plan, and to the extent any such person acquires a right to receive payment under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer. The Employer or the Trust shall be designated the owner and beneficiary of any investment acquired in connection with its obligation under this Plan.

8.2 Deposits in Trust

Notwithstanding Section 8.1, or any other provision of this Plan to the contrary, the Employer may deposit into the Trust any amounts it deems appropriate to pay the benefits under this Plan. The amounts so deposited may include all contributions made pursuant to a Deferral Election by a Participant and any Employer Discretionary Contributions.

8.3 Withholding of Employee Contributions

The Administrator is authorized to make any and all necessary arrangements with the Employer in order to withhold the Participant's Deferrals under Section 3.1 hereof from his or her Compensation. The Administrator shall determine the amount and timing of such withholding.

Article 9 Claims Administration

If the Participant, Beneficiary or his or her representative is denied all or a portion of an expected benefit for any reason and the Participant, Beneficiary or his or her representative desires to dispute the decision of the Administrator, he or she must file a written notification of his or her claim with the Administrator. The Plan,

being established as a "top-hat plan" within the meaning of DOL Reg. §2520.104- 23, requires all claims for benefits hereunder be made pursuant to those claims procedure requirements under DOL Reg. §2560.503-1, as amended from time to time. Participant, Beneficiary or his or her representative may file with the Administrator a written claim for benefits, if the Participant, beneficiary or his or her representative disputes the Administrator's determination regarding a benefit. The Administrator under this Article 9 will provide a separate written document to Participant, Beneficiary or his or her representative explaining the Plan's claims procedures and which by this reference is incorporated into the Plan. Such documentation shall be written in manner that is in a culturally and linguistically appropriate manner to the party receiving the documentation.

Article 10 General Provisions

10.1 Administrator

(a) The Administrator is expressly empowered to limit the amount of Compensation that may be deferred; to deposit amounts into the Trust in accordance with Section 8.2 hereof; to interpret the Plan, and to determine all questions arising in the administration, interpretation and application of the Plan; to employ actuaries, accountants, counsel, and other persons it deems necessary in connection with the administration of the Plan; to request any information from the Employer it deems necessary to determine whether the Employer would be considered insolvent or subject to a proceeding in bankruptcy; and to take all other necessary and proper actions to fulfill its duties as Administrator.

(b) The Administrator shall not be liable for any actions by it hereunder, unless due to its own negligence, willful misconduct or lack of good faith.

(c) The Administrator shall be indemnified and saved harmless by the Employer from and against all personal liability to which it may be subject by reason of any act done or omitted to be done in its official capacity as Administrator in good faith in the administration of the Plan and Trust, including all expenses reasonably incurred in its defense in the event the Employer fails to provide such defense upon the request of the Administrator. The Administrator is relieved of all responsibility in connection with its duties hereunder to the fullest extent permitted by law, short of breach of duty to the beneficiaries.

10.2 No Assignment

Benefits or payments under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or the Participant's beneficiary, whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish the same shall not be valid, nor shall any such benefit or payment be in any way liable for or subject to the debts, contracts, liabilities, engagement or torts of any Participant or beneficiary, or any other person entitled to such benefit or payment pursuant to the terms of this Plan, except to such extent as may be required by law. If any Participant or beneficiary or any other person entitled to a benefit or payment pursuant to the terms of this Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish any benefit or payment under this Plan, in whole or in part, or if any attempt is made to subject any such benefit or payment, in whole or in part, to the debts, contracts, liabilities, engagements or torts of the Participant or beneficiary or any other person entitled to any such benefit or payment pursuant to the terms of this Plan, then such benefit or payment, in the discretion of the Administrator, shall cease and terminate with respect to such Participant or beneficiary, or any other such person.

10.3 No Employment Rights

Participation in this Plan shall not be construed to confer upon any Participant the legal right to be retained in the employ of the Employer, or give a Participant or beneficiary, or any other person, any right to any payment whatsoever, except to the extent of the benefits provided for hereunder. Each Participant shall remain subject to discharge to the same extent as if this Plan had never been adopted.

10.4 Incompetence

If the Administrator determines that any person to whom a benefit is payable under this Plan is incompetent by reason of physical or mental disability, the Administrator shall have the power to cause the payments becoming due to such person to be made to another for his or her benefit without responsibility of the Administrator or the

Employer to see to the application of such payments. Any payment made pursuant to such power shall, as to such payment, operate as a complete discharge of the Employer, the Administrator and the Trustee.

10.5 Identity

If, at any time, any doubt exists as to the identity of any person entitled to any payment hereunder or the amount or time of such payment, the Administrator shall be entitled to hold such sum until such identity or amount or time is determined or until an order of a court of competent jurisdiction is obtained. The Administrator shall also be entitled to pay such sum into court in accordance with the appropriate rules of law. Any expenses incurred by the Employer, Administrator, and Trust incident to such proceeding or litigation shall be charged against the Account of the affected Participant.

10.6 Other Benefits

The benefits of each Participant or beneficiary hereunder shall be in addition to any benefits paid or payable to or on account of the Participant or beneficiary under any other pension, disability, annuity or retirement plan or policy whatsoever.

10.7 Expenses

All expenses incurred in the administration of the Plan, whether incurred by the Employer or the Plan, shall be paid by the Employer.

10.8 Insolvency

Should the Employer be considered insolvent (as defined by the Trust), the Employer, through its Board and chief executive officer, shall give immediate written notice of such to the Administrator of the Plan and the Trustee. Upon receipt of such notice, the Administrator or Trustee shall cease to make any payments to Participants who were Employees of the Employer or their beneficiaries and shall hold any and all assets attributable to the Employer for the benefit of the general creditors of the Employer.

10.9 Amendment or Modification

The Employer may, at any time, in its sole discretion, amend or modify the Plan in whole or in part, except that no such amendment or modification shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts, and provided that such amendment or modification complies with Code Section 409A and related regulations thereunder.

10.10 Plan Suspension

The Employer further reserves the right to suspend the Plan in whole or in part, except that no such suspension shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts, and provided that the distribution of the vested Participant Accounts shall not be accelerated but shall be paid at such time and in such manner as determined under the terms of the Plan immediately prior to suspension as if the Plan had not been suspended.

10.11 Plan Termination

The Employer further reserves the right to terminate the Plan in whole or in part, in the following manner, except that no such termination shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts, and provided that such termination complies with Code Section 409A and related regulations thereunder:

- (a) The Employer, in its discretion, may terminate the Plan and make the distribution provided below provided that:
 - (i) the termination does not occur proximate to a downturn in the financial health of the Employer and its subsidiaries and its affiliates;
 - (ii) the Employer terminates all other arrangements that would be aggregated with the Plan as a single plan under Code Section 409A if the same Participant had deferrals of compensation under all of the other arrangements;

- (iii) no payments in liquidation of the Plan are made within 12 months after the date the Employer takes all necessary action to irrevocably terminate the Plan, other than payments that would be payable under the terms of the Plan if action to terminate the Plan had not occurred;
- (iv) all payments are made within 24 months after the date of the Employer takes all necessary action to irrevocable terminate the Plan; and
- (v) neither the Employer nor any subsidiary or affiliate adopts a new plan that would be aggregated with any terminated plan or arrangement under the definition of what constitutes a plan for purposes of Code Section 409A of the same Participant participated in both arrangements, at any time within 3 years following the date the Employer takes all necessary action to irrevocable terminate the Plan.

Upon a Plan termination, no further Participant Deferrals shall be made, and no further Employer Discretionary Contributions shall be made after the taxable year in which the Plan termination occurs. The Employer shall be responsible to pay any benefit attributable to vested amounts credited to the Participant's Account as soon as practicable after distributions are permissible under Code Section 409A (following any final adjustments to such Accounts in accordance with Article III hereof).

(b) The Employer in its discretion may terminate and liquidate the Plan and make the payments provided below within 12 months after a corporate dissolution provided that the value of the Participants' vested benefits is included in the Participants' gross incomes in the latest of the following years (or, if earlier, the year in which the amount is actually or constructively received):

- (i) the calendar year in which the Plan termination occurs;
- (ii) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or
- (iii) the first calendar year in which the payment is administratively practicable.

Upon a Plan termination following a corporate dissolution, no further Elective Deferrals or Employer Discretionary Contributions shall be made, and the Employer shall be responsible to pay any benefit attributable to vested amounts credited to the Participant's Account as of the effective date of termination (following any final adjustments to such Accounts).

10.12 Plan Termination due to a Change-in-Control

In the event of a Change-in-Control, the Employer or its successor may terminate the Plan within 30 days preceding or the 12 months following a Change-in-Control Event, the Employer or its successor takes irrevocable action to terminate the Plan, the Plan will be terminated and liquidated with respect to the Participants of each corporation that experienced the Change-in-Control. The Plan will be terminated under this Section 10.12 only if all other arrangements sponsored by the Employer experiencing the Change-in-Control that would be aggregated with the Plan as a single plan under Code Section 409A are also terminated, so all Participants under such aggregated arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within 12 months after the date the Employer takes all necessary action to terminate the Plan and the other arrangement. For purposes of this Section 10.12, when the Change of Control results from an asset purchase transaction, the applicable Employer with the discretion to terminate the Plan and the other arrangements is the Plan Sponsor that is primarily liable immediately after the transaction for the payment of deferred compensation. Upon a Plan termination following a Change-in-Control, no further Participant Deferrals or Employer Discretionary Contributions shall be made, and the Employer shall be responsible to pay any benefit attributable to vested amounts credited to the Participant's Account as soon as practicable following date on which the Employer irrevocably takes all necessary action to terminate the Plan (following any final adjustments to such Accounts), but not later than 12 months following such date.

10.13 Construction

All questions of interpretation, construction or application arising under or concerning the terms of this Plan shall be decided by the Administrator, in its sole and final discretion, whose decision shall be final, binding and conclusive upon all persons.

10.14 Governing Law

This Plan shall be governed by, construed and administered in accordance with the applicable provisions of ERISA, Code Section 409A, and any other applicable federal law, provided, however, that to the extent not preempted by federal law this Plan shall be governed by, construed and administered under the laws of the State of New York, other than its laws respecting choice of law.

10.15 Severability

If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of this Plan and this Plan shall be construed and enforced as if such provision had not been included therein. If the inclusion of any Employee (or Employees) as a Participant under this Plan would cause the Plan to fail to comply with the requirements of sections 201(2), 301(a)(3) and 401 (a)(1) of ERISA, then the Plan shall be severed with respect to such Employee or Employees, who shall be considered to be participating in a separate arrangement.

10.16 Headings

The Article headings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of this Plan nor in any way shall they affect this Plan or the construction of any provision thereof.

10.17 Terms

Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine, and vice versa, as appropriate.

10.18 Code Section 409A Fail Safe Provision

If any provision of this Plan violates Code Section 409A, the regulations promulgated thereunder, regulatory interpretations, announcements or mandatory judicial precedent construing Code Section 409A (collectively "Applicable Law"), then such provision shall be void and have no effect. At all times, this Plan shall be interpreted in such manner that it complies with Applicable Law.

10.19 No Guarantee of Tax Consequences

While the Plan is intended to provide tax deferral for Participants, the Plan is not a guarantee that the intended tax deferral will be achieved. Participants are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with this Plan (including any taxes arising under Section 409A of the Code). Neither the Employer nor any of its directors, officers or employees shall have any obligation to indemnify or otherwise hold any Participant harmless from any such taxes.

10.20 Limitation on Actions

Any Participant or Beneficiary who disagrees with a denial of his appealed claim under Article 9 of this Plan must file any complaint in a federal District Court to dispute such determination (a) within three (3) years of the earlier of the date on which such claim for benefits first accrued or arose under the terms of the Plan, or (b) within one (1) year after the such claim was denied upon appeal, or deemed denied under Article 9 hereof.

10.21 Right of Setoff

The Employer may, to the extent permitted by applicable law, deduct from and setoff against any amounts payable to a Participant from this Plan such amounts as may be owed by a Participant to the Employer, although the Participant shall remain liable for any part of the Participant's payment obligation not satisfied through such deduction and setoff; provided, however, that this setoff may occur only at the date on which the amount would

otherwise be distributed to the Participant as required by Code Section 409A. By electing to participate in the Plan and deferring compensation hereunder, the Participant agrees to any deduction or setoff under this Section 10.21, which is allowed by law.

10.22 Receipt and Release

Any payment to any Participant or Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the Employer, the Administrator and the Trustee under the Plan, and the Administrator may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect. If any Participant or Beneficiary is determined by the Administrator to be incompetent by reason of physical or mental disability (including not being the age of majority) to give a valid receipt and release, the Administrator may cause payment or payments becoming due to such person to be made to a legal guardian, trustee, or other proper representative of the Participant or Beneficiary without responsibility on the part of the Administrator, the Employer or the Trustee to follow the application of such funds.

10.23 Furnishing Information

A Participant or Beneficiary will cooperate with the Administrator or any representative thereof by furnishing any and all information requested by the Administrator and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Administrator may deem necessary.

10.24 Insurance

The Employer, on their own behalf or on behalf of the Trustee of the Trust, and, in their sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as they may choose. The Employer or the Trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such policy or policies, and at the request of the Employer, the Participant shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to which the Employer have applied for insurance.

IN WITNESS WHEREOF, Sterling National Bank has caused this instrument to be executed by its duly authorized officer, effective as of this 06 day of January, 2019.

Sterling National Bank

By: /s/ Alexis Brown
_____ Alexis Brown

Title: Director, Compensation

**Sterling National Bank
Nonqualified Deferred Compensation Plan
2022 Name Change Amendment**

WHEREAS, Sterling National Bank, adopted the Sterling National Nonqualified Deferred Compensation Plan (hereinafter the "Plan") for the benefit of a select group of management or highly compensated employees with an effective date of January 1, 2020; and

WHEREAS, Article 10, General Provisions, Section 10.9, Amendment or Modification, of the Plan document provides for, and enables the Employer to, amend or modify the Plan, subject to non- applicable restrictions; and

WHEREAS, the Employer now desires to amend the Plan to reflect the corporate entity name change pursuant to Section 10.9 of the Plan document.

NOW THEREFORE, pursuant to the above desires, Plan enabling provision and Employer's authority, the Employer does hereby amend the Plan document as follows:

1. The Plan's name and all Plan references thereto, shall be amended to reflect the new corporate name as follows: "Webster Bank Nonqualified Deferred Compensation Plan."
 2. All references within the Plan to the "Employer" and "Sterling National Bank" shall be amended to reflect the new corporate name as follows: "Webster Financial Corporation, Webster Bank, N.A. and their subsidiaries and affiliates."
 3. All other provisions of the previously titled "Sterling National Bank Nonqualified Deferred Compensation Plan" shall remain in full force and in effect as presently written and previously amended.
 4. This Amendment shall be effective as of February 1, 2022.
-

IN WITNESS WHEREOF, the Employer has executed this Name Change Amendment on this
10th day of August, 2022

Webster Bank N.A., (f/k/a Sterling National Bank):

By: /s/ Javier Evans

Javier Evans

Insider Trading Policy

Purpose

This Insider Trading Policy (the “Policy”) provides guidelines with respect to purchases, sales, gifts, and any other transfers or transactions (collectively, "Transactions") in the securities of Webster Financial Corporation (the “Company” or "Webster") and the handling of confidential information about the Company and the companies with which the Company engages in transactions or does business or about whom the Company obtains Material Nonpublic Information (as defined below). The Company’s Board of Directors has adopted this Policy to promote compliance with U.S. federal and state securities laws that prohibit certain persons who are aware of Material Nonpublic Information about a company from (1) engaging in Transactions in the securities of that company; and (2) providing Material Nonpublic Information to other persons who may trade based on that information. This Policy is also intended to prevent both actual and perceived improper "insider" conduct on the part of anyone employed by or associated with the Company, and to protect the Company's reputation.

Authority and Governance

This Policy is reviewed and revised no less than annually by General Counsel, the Enterprise Risk Management Committee (“ERMC”), and the Risk Committee of the Board (“RC”) prior to submission for annual approval by the Board of Directors.

Applicability

This Policy applies to all directors, officers and other employees of the Company and its subsidiaries (collectively, "Colleagues"). The Company may also determine, from time to time, that other persons should be subject to this Policy, such as contractors or consultants who have access to Material Nonpublic Information.

This Policy also applies to Family Members and Controlled Entities (each as defined below).

In addition, the Company itself must comply with applicable securities laws with respect to its own securities trading activities and will not effect Transactions when the Company is in possession of Material Nonpublic Information relevant to such Transactions.

Policy Exceptions

There are no exceptions to this Policy (except as specifically noted herein).

Key Requirements

Transactions Subject to This Policy

This Policy applies to Transactions in the Company’s securities (collectively referred to in this Policy as “Company Securities”), including the Company’s common stock, preferred stock, options to purchase common stock or preferred stock, or any other type of securities that the Company may issue, including (but not limited to) convertible debentures and warrants, as well as derivative securities regardless of whether such securities are issued by the Company, such as exchange-traded put or call options or swaps relating to the Company’s Securities. This Policy also applies to Transactions in the securities of a third-party public company while in possession of Material Nonpublic Information.

Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in Transactions in Company Securities or in Transactions

of a third-party public company while in possession of Material Nonpublic Information. Persons subject to this Policy must not engage in illegal trading and must avoid the appearance of improper trading. Each individual is responsible for making sure that he, she or they comply with this Policy, and that any Family Member or Controlled Entity whose Transactions are subject to this Policy also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of Material Nonpublic Information rests with that individual, and any action on the part of the Company, the General Counsel, or any other member of the Legal Department does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws.

Statement of Policy / Prohibited Activities

It is the Company's Policy that no Colleague or any other person designated by this Policy or by the General Counsel as subject to this Policy (who is aware of Material Nonpublic Information relating to the Company) may, directly, or indirectly through Family Members or other persons or Controlled Entities:

1. Engage in Transactions in Company Securities, except as otherwise specified in this Policy under the headings "*Transactions Under Company Plans and Other Exempted Transactions*" and "*Rule 10b5-1 Plans*;"
2. Recommend that others engage in Transactions in any Company Securities;
3. Disclose Material Nonpublic Information to persons within the Company whose jobs do not require them to have that information, or outside the Company to other persons, including, but not limited to, family, friends, business associates, investors, or consultants, unless such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company; or
4. Assist anyone engaged in the above activities.

In addition, it is the Policy of the Company that no Colleague of the Company (or any other person designated as subject to this Policy) who, in the course of working for the Company or any of its subsidiaries, learns of Material Nonpublic Information about a company may engage in Transactions in that company's securities until the information becomes public or is no longer material.

Similarly, no Colleague of the Company (or any other person designated as subject to this Policy) who learns of Material Nonpublic Information about a third-party public company may share that information either internally (to those who do not have a business need to know) or externally. Such sharing would represent a breach of his, her or their fiduciary duty, and may subject the "tipper" to liability for the actions of the recipient who trades on the information.

Other Special and Prohibited Transactions in Company Securities

The Company has determined that there is a heightened legal risk and/or the appearance of improper

or inappropriate conduct if the persons subject to this Policy engage in certain types of Transactions, even if they are not in possession of Material Nonpublic Information. It therefore is the Company's policy that persons subject to this Policy may not engage in the following:

Hedging Transactions. Colleagues of Webster are prohibited from hedging their ownership of Company Securities, including through the use of options, puts, calls, short sales, futures contracts, equity swaps, collars or other derivative instruments relating to Company Securities, regardless of whether such Colleagues have Material Nonpublic Information about Webster.

Margin Accounts and Pledged Securities. Colleagues are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral for a loan.

Standing and Limit Orders. The Company discourages placing standing or limit orders on Company Securities. If a person subject to this Policy determines that they must use a standing order or limit order, the order should be limited to three business days and should otherwise comply with the restrictions and procedures outlined below under the heading “Additional Procedures”.

Transactions Under Company Plans and Other Exempted Transactions

This Policy does not apply in the case of the following Transactions, except as specifically noted:

Stock Option Exercises. This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company’s plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Restricted Stock Awards - Performance Based Stock and Stock Units. This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock, performance-based stock, or stock units. The Policy does apply, however, to any market sale of restricted stock, performance-based stock, or stock units.

401(k) Plan. This Policy does not apply to purchases of Company Securities in the Company’s 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy does apply, however, to certain elections you may make under the 401(k) plan, including:

1. an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company Securities fund;
2. an election to make an intra-plan transfer to an existing account balance into or out of the Company Securities fund;
3. an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company Securities fund balance; and
4. an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

It should be noted that sales of Company Securities from a 401(k) account are also subject to Rule 144, and therefore affiliates should ensure that a Form 144 is filed when required.

Employee Stock Purchase Plan. This Policy does not apply to purchases of Company Securities in the employee stock purchase plan resulting from your periodic contribution of money to the plan pursuant to the election you made at the time of your enrollment in the plan. This Policy also does not apply to purchases of Company Securities resulting from lump sum contributions to the plan, provided you elected to participate by lump sum payment at the beginning of the applicable enrollment period. This Policy does apply, however, to your election to participate in the plan for any enrollment period, and to your sales of Company Securities purchased pursuant to the plan.

Dividend Reinvestment Plan. This Policy does not apply to purchases of Company Securities under the Company’s dividend reinvestment plan resulting from your reinvestment of dividends paid on Company Securities. This Policy does apply, however, to voluntary purchases of Company Securities resulting from additional contributions you choose to make to the dividend reinvestment plan, and to your election to participate in the plan or increase your level of participation in the plan. This Policy also applies to your sale of any Company Securities purchased pursuant to the plan.

Transfers by Will or Descent Transactions. This policy does not apply to transfers by will or the laws of descent and distribution or transfers pursuant to a domestic-relations order.

Other Similar Transactions. Any other purchase of Company Securities from the Company or sales of Company Securities to the Company are not subject to this Policy.

Pre-Clearance Procedures. Persons designated by the Board of Directors as Section 16 Reporting Persons, as well as Family Members and Controlled Entities of such Section 16 Reporting Persons, may not engage in any Transaction in Company Securities without first obtaining pre-clearance of the transaction from the General Counsel or, if unavailable, another member of the Company's Legal Department. A request for pre-clearance should be submitted to the General Counsel at least two business days in advance of the proposed Transaction. Pre-cleared trades must be executed within five business days of receipt of pre-clearance unless an exception is granted. Section 16 Reporting Persons are required to notify the General Counsel promptly upon the completion of any pre-cleared Transaction so that a Form 4 may be timely prepared and filed with the Securities Exchange Commission by the Company on behalf of such Section 16 Reporting Person. Transactions not executed within the time limit would be subject to pre-clearance again. If a person seeks pre-clearance and permission to engage in the Transaction is denied, then he, she or they should refrain from initiating any transaction in Company Securities and should not inform any other person of this restriction.

When a request for pre-clearance is made, the requestor should carefully consider whether he, she or they may be aware of any Material Nonpublic Information about the Company and should describe fully those circumstances to the General Counsel. The requestor should also indicate whether he, she or they has effected any non-exempt "opposite-way" Transactions (as defined below) within the past six months.

Pursuant to Section 16 of the Securities and Exchange Act of 1934 (the "Exchange Act"), Section 16 Reporting Persons are required to return any profits to the Company for any "opposite-way" Transactions.

Additional Procedures

The Company has established additional procedures to assist the Company in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while in possession of Material Nonpublic Information, and to avoid the appearance of any impropriety. These additional procedures are applicable only to those individuals described below:

Quarterly Blackout Periods. Persons designated by the General Counsel as subject to this restriction, as well as their Family Members or Controlled Entities, may not conduct any Transactions involving the Company's Securities (other than as specified by this Policy), during a "Restricted Period" beginning on the 15th day of the last month of each fiscal quarter (March, June, September and December) and ending on the second trading day following the public release of the Company's earnings results for that quarter.

Event-Specific Blackout Periods. From time to time, an event may occur that is material to the Company or involves Material Nonpublic Information about third-party public company and is known by only a few Colleagues. So long as the event remains material and nonpublic, the persons designated by the General Counsel may not engage in Transactions in Company Securities or Transaction in any affected third-party public company's securities. In addition, the Company's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the General Counsel, designated persons should refrain from engaging in Transactions in Company Securities even sooner than the quarterly Restricted Period. In that situation, the General Counsel, without disclosing the reason for the restriction, may notify these persons that they should not trade

in the Company's Securities or in any third-party public company's securities. The existence of an Event-Specific Restricted Period or the extension of a quarterly Restricted Period will not be announced to the Company as a whole and should not be communicated to any other person. Even if the General Counsel has not designated you as a person who should not engage in Transactions in Company Securities or in any affected third-party public company's securities due to an Event-Specific Restricted Period, you should not trade while aware of Material Nonpublic Information.

Exceptions. The quarterly trading restrictions and event-specific trading restrictions do not apply to those Transactions to which this Policy does not apply, as described above under the heading "Transactions Under Company Plans." Further, the requirement for pre-clearance, the quarterly trading restrictions and event-specific trading restrictions do not apply to Transactions conducted pursuant to approved Rule 10b5-1 plans, described below

Rule 10b5-1 Plans

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for Transactions in Company Securities that meets certain conditions specified in the Rule ("Rule 10b5-1 Plan"). If the plan meets the requirements of Rule 10b5-1, Transactions in Company Securities may occur even when the person who has entered into the plan is aware of Material Nonpublic Information.

In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of Material Nonpublic Information and when the Company is not in a Restricted Period. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of Transactions in advance or delegate discretion on these matters to an independent third party. The plan must include a cooling-off period before trading can commence that, for directors or officers, ends on the later of 90 days after the adoption of the Rule 10b5-1 plan or two business days following the disclosure of the Company's financial results in an SEC periodic report for the fiscal quarter in which the plan was adopted (but in any event, the required cooling-off period is subject to a maximum of 120 days after adoption of the plan), and for persons other than directors or officers, 30 days following the adoption or modification of a Rule 10b5-1 Plan. A person may not enter into overlapping Rule 10b5-1 Plans (subject to certain exceptions) and may only enter into one single-trade Rule 10b5-1 plan during any 12-month period (subject to certain exceptions). At the time of adoption or modification of a Rule 10b5-1 plan, Directors and officers must include a representation certifying that: (1) they are not aware of any Material Nonpublic Information; and (2) they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b5-1.

Any Rule 10b5-1 Plan, or revision/amendment thereto, must be submitted for approval by the General Counsel at least five days prior to the entry. Further, any modification or change to the amount, price or timing of the purchase or sale of securities underlying at Rule 10b5-1 Plan will be considered a termination of the original plan and the adoption of a new plan that will trigger a new cooling off period (as described above).

No further pre-approval of Transactions conducted pursuant to the Rule 10b5-1 Plan will be required. However, Section 16 Reporting Persons are required to notify the General Counsel promptly upon the completion of any pre-cleared Transaction so that a Form 4 may be timely prepared and filed with the Securities Exchange Commission by the Company on behalf of the Section 16 Reporting Person.

The Company will also disclose in its quarterly and annual reports the material terms of any Rule 10b5-1 Plans adopted or terminated (which includes modifications) by directors and officers, as required by the rules of the Securities and Exchange Commission (the "SEC"), including the identify of the person, the date

of adoption or termination, the duration of the trading arrangement and the aggregate number of securities under the Rule 10b5- 1 Plan.

Post-Termination Transactions

This Policy continues to apply to Transactions in Company Securities even after termination of service to the Company. If the individual is in possession of Material Nonpublic Information when his or her service terminates, that individual may not engage in Transactions in Company Securities until that information has become public or is no longer material. The pre-clearance procedures specified under the heading “Additional Procedures” above, however, will cease to apply to Transactions in Company Securities upon the expiration of any Restricted Period or other Company-imposed trading restrictions applicable at the time of the termination of service.

Liability and Consequences

The purchase and sale of securities while aware of Material Nonpublic Information, or the disclosure of Material Nonpublic Information to others who then engage in the transactions in the Company’s Securities, is prohibited by federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities, as well as enforcement authorities in foreign jurisdictions. Punishment for insider trading violations is severe and could include significant fines and imprisonment. In addition, an individual’s failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, whether or not the Colleague’s failure to comply results in a violation of law.

Training

In connection with training on the Company's Code of Business Conduct and Ethics, the Company has prepared materials that review requirements for internal policies, procedures and processes. The Company requires this training annually for Colleagues and incorporates regulatory requirements and internal controls. The Legal Department reviews training content and Assignments annually.

Roles and Responsibilities

Board of Directors

The Board of Directors ("Board") is responsible for approval of this Policy no less than annually and providing oversight of its effective implementation.

Risk Committee ("RC")

The RC is responsible for recommending approval of this Policy annually and any interim material changes to the Board of Directors and for overseeing the effective implementation of this Policy.

Enterprise Risk Management Committee ("ERMC")

The ERMC is responsible for recommending approval of this Policy annually to the RC and any interim material changes to the Board and for overseeing the effective implementation of this Policy.

General Counsel/Policy Owner

The General Counsel is the Policy Owner and is responsible for (i) developing, maintaining, communicating and implementing this Policy in accordance with Webster’s Policy Governance Policy; (ii) notifying any persons designated by the General Counsel of the commencement or termination of any Quarterly Blackout Periods or Event Specific Blackout Periods, and any applicable restrictions on conducting any Transactions during such Restricted Periods; and (iii) reporting any known violations of this Policy to the RC.

Internal Audit

Internal Audit is responsible for independently testing Policy compliance.

Record Retention

The Company shall retain evidence of compliance with this Policy in accordance with Webster's Record Retention Schedule. The Policy Owner is responsible for establishing procedures to comply with specific regulatory record retention requirements, if applicable.

References

None

Key Definitions

Controlled Entities

Business entities, including, but not limited to, corporations, limited liability companies, partnerships and trusts, influenced or controlled by a person covered by this Policy.

Family Members

Anyone who resides in your household as well as those family members who do not live in your household but whose Transactions you direct, influence, or control (e.g., parents or children who consult with you before engaging in any Transaction in Company Securities).

Material Nonpublic Information

Information that is both Material Information and Nonpublic Information

Material Information

Information generally is considered “material” if a reasonable investor could consider the information important in deciding whether to buy or sell the securities in question, or where the information, if disclosed, could be viewed by a reasonable investor as having significantly altered the “total mix” of information available. Some examples of Material Information could include, but are not limited to, the following:

- a significant merger or acquisition involving Webster;
- projections of Webster’s future earnings or losses, or other earnings guidance;
- changes in capital that impact the Company's ability to satisfy regulatory capital and liquidity guidelines or remain well-capitalized;
- changes to previously announced earnings guidance;
- the establishment of a program to repurchase securities of Webster;
- significant exposure due to actual or threatened litigation;
- significant governmental regulatory activities;
- a significant cybersecurity incident;
- a change in dividend policy; and
- similar information about a third-party public company that persons covered under this policy may become aware of through their employment with the Company.

Both positive and negative information may be material.

Because materiality determinations are often challenged with the benefit of hindsight, when doubt exists, the information involved should be presumed to be material. If you are unsure whether information of which you are aware is material or nonpublic, please consult with Webster's General Counsel.

Nonpublic Information

Information is nonpublic until it has been disclosed broadly to the marketplace, such as by press release or a filing with the SEC or reference in a publication of general circulation, and the investing public has had time to absorb the information fully. As a general rule, information should not be considered fully "absorbed" by the marketplace until two trading days have elapsed since the information was released. (e.g., If the Company were to make an announcement on a Monday morning before the market opens, you should not trade in the Company Securities until Wednesday.)

"Opposite-way" transactions

"Opposite-way" Transactions means any purchases of Company Securities if the requestor is seeking pre- clearance to sell Company Securities, or any sales of Company Securities if the requestor is seeking pre- clearance to purchase Company Securities, within six months of the requested Transaction.

Section 16 Reporting Persons

Section 16 Reporting Persons include all directors of the Company, all Executives Officers of the Company as named in the Company's annual Proxy Statement, and the Company's Chief Accounting Officer.

SUBSIDIARIES

Webster Bank, National Association (“Webster Bank”) is a direct subsidiary of Webster Financial Corporation (“Webster”). Webster has 50% ownership of Sterling Silver Title Agency L.P., and Sterling Silver Title Agency L.P. is the sole member of Sterling Silver Abstract LLC. Webster also is the sole member of MW Advisor Holding, LLC, and MW Advisor Holding, LLC has 50% ownership of MW Advisor, LLC and 50% ownership of Marathon Direct Lending SLP, LLC.

Webster Bank has the following direct or indirect subsidiaries: Ametros Financial Corporation, Ametros Claims Management LLC, 21 Scarsdale Road Corp., 369 East Realty Corp., Advantage Funding Commercial Capital Corp., Advantage Funding Management Co., Inc., AF Agency, Inc., AF Insurance Agency, Inc., Bend Financial, Inc., Fidata Service Corp., Grassy Sprain Real Estate Holdings, Inc., HVB Fleet Services Corp., HVB Properties Corp., InterLINK Insured Sweep LLC, Mortgage Headquarters Inc., MyWebster, Inc., Provest Services Corp. II, Secure Inc., Sterling National Funding Corp., Sterling National Mortgage Company, Inc., Sterling REIT, Inc., Webster Investment Services, Inc., Webster Mortgage Investment Corporation, Webster Community Development Corporation, Webster Licensing, LLC, Webster Public Finance Corporation (formerly Webster Massachusetts Security Corporation), Webster Preferred Capital Corporation, Webster Servicing LLC, and Webster Wealth Advisors, Inc.

Webster Bank has the following direct or indirect wholly-owned OREO subsidiaries: 10 Ben Holding Corp., 143 Will Holding Corp., 325 West Holding Corp., 500 Commercial Holding Corp., 682 Jam Holding Corp., Aspen Place, Inc., Hudsave Development, Inc., Prosave Development, Inc., Sprain Brook Realty Corp., and Warsave Development, Inc.

WEBSTER SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Organization	Names Under Which Subsidiary Does Business
Webster Bank, N.A.	United States	Same
Sterling Silver Title Agency L.P.	New Jersey	Same
Sterling Silver Abstract LLC	New Jersey	Same
Marathon Direct Lending SLP, LLC	Delaware	Same
MW Advisor Holding, LLC	Delaware	Same
MW Advisor, LLC	Delaware	Same

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-37530, 333-88021, 333-48548, 333-87508, 333-104871, 333-107263, 333-122344, 333-132068, 333-137951, 333-156419, 333-161604, 333-167161, 333-183875, 333-212075, 333-231066, 333-239255, 333-255454, 333-257035, and 333-271767) on Form S-8 and registration statement No. 333-276034 on Form S-3 of our reports dated February 27, 2026, with respect to the consolidated financial statements of Webster Financial Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

New York, New York
February 27, 2026

CERTIFICATION

I, John R. Ciulla, certify that:

1. I have reviewed this annual report on Form 10-K of Webster Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2026

/s/ John R. Ciulla

John R. Ciulla

Chairman and Chief Executive Officer

CERTIFICATION

I, Neal Holland, certify that:

1. I have reviewed this annual report on Form 10-K of Webster Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2026

/s/ Neal Holland

Neal Holland

Senior Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Webster Financial Corporation (the "Company") hereby certifies that, to his knowledge on the date hereof:

1. The Form 10-K Report of the Company for the year ended December 31, 2025 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2026

/s/ John R. Ciulla

John R. Ciulla

Chairman and Chief Executive Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Webster Financial Corporation (the “Company”) hereby certifies that, to his knowledge on the date hereof:

1. The Form 10-K Report of the Company for the year ended December 31, 2025 filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2026

/s/ Neal Holland

Neal Holland

Senior Executive Vice President and Chief Financial Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.