

Citizens to Acquire Investors Bancorp

Building a Leading Regional Banking Franchise

July 28, 2021

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Cautionary Statement About Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, business plans and future performance of Citizens and Investors. Words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “targets,” “designed,” “could,” “may,” “should,” “will” or other similar words and expressions are intended to identify these forward-looking statements. These forward-looking statements are based on Citizens’ and Investors’ current expectations and assumptions regarding Citizens’ and Investors’ businesses, the economy, and other future conditions.

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Additional Information and Where to Find It

In connection with the proposed transaction, Citizens will file a registration statement on Form S-4 with the SEC. The registration statement will include a proxy statement of Investors that will be sent to Investors’ stockholders seeking certain approvals related to the proposed transaction, and a prospectus of Citizens.

The information contained in this communication does not constitute an offer to sell or a solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

INVESTORS AND SECURITY HOLDERS OF INVESTORS AND CITIZENS AND THEIR RESPECTIVE AFFILIATES ARE URGED TO READ, WHEN AVAILABLE, THE REGISTRATION STATEMENT ON FORM S-4, THE PROXY STATEMENT AND PROSPECTUS TO BE INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT INVESTORS, CITIZENS AND THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain a free copy of the registration statement, including the proxy statement and prospectus contained therein, as well as other relevant documents filed with the SEC containing information about Investors and Citizens, without charge, at the SEC’s website (<http://www.sec.gov>). Copies of documents filed with the SEC by Citizens will be made available free of charge in the “SEC Filings” section of will’s website, <https://investor.citizensbank.com/about-us/investor-relations/financial-information/sec-filings.aspx>. Copies of documents filed with the SEC by Investors will be made available free of charge in the “Investor Relations” section of Investors’ website, <https://www.myinvestorsbank.com/Investor-Relations>, under the heading “SEC Filings.”

Participants in Solicitation

Investors and certain of its directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction under the rules of the SEC. Citizens and its directors and officers are not a participant in such solicitation of proxies. Information regarding Investors’ directors and executive officers is available in its proxy statement, which was filed with the SEC on April 15, 2021, and certain other documents filed by Investors with the SEC. Other information regarding the participants in the solicitation of proxies in respect of the proposed transaction and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement to be filed by Investors, the prospectus to be filed by Citizens and other relevant materials to be filed with the SEC. Free copies of these documents, when available, may be obtained as described in the preceding paragraph.



A strategically compelling acquisition

Strategic rationale

- Complementary geographic footprint that strengthens presence in attractive markets
 - Fills branch gap in retail footprint, connecting New England to the Mid-Atlantic market; 154 branches overall, including 130 in NYC Metro, 16 in Philadelphia Metro area
 - Builds brand presence in NYC Metro, moves to top-10 position; solidifies top-4 position in greater Philadelphia
 - Entry into New Jersey market; #7 in New Jersey by deposits
- Provides branch base and brand reach to expand commercial lending in the New Jersey and NYC Metro markets; adds attractive middle market/small business customer base

Deploy capabilities across expanded footprint

- The acquisition of Investors combined with HSBC creates a strong franchise in the greater NYC and Philadelphia Metro areas and in New Jersey
 - Adds ~\$30 billion of deposits and 234 branches
 - Approximately one million customers acquired
 - Integrating these platforms with our broader retail and commercial capabilities creates a strong foundation for future revenue growth
- Ability to drive household growth and scale, accelerates Consumer Lending and Wealth

Creates long-term shareholder value

- Immediately accretive to EPS, 2023E EPS accretion of 6.4% with fully phased-in synergies; 8.8% including HSBC
- Strong IRR of over 20% and ROIC of ~13%, well above our cost of capital
- Meaningful enhancement to key profitability metrics: improves ROTCE by ~120 bps, efficiency ratio by ~270 bps
- Modest tangible book value per share dilution of ~2.6% with an earn-back of ~2.5 years
- CET1 neutral transaction
- Synergistic transaction with compelling cost savings opportunities; ~30% of Investors cost base after adding in investments for brand marketing and technology capabilities
 - Significant revenue upside from delivering Citizens' products and capabilities to Investors customer base (not modeled)

Low-risk transaction

- Conducted a detailed due diligence process
- Strong historical credit performance
- Confident in integration given Investors' business model and robust planning/dedicated resources going forward

Key transaction structure and terms

Consideration

- Fixed exchange ratio of 0.297x and \$1.46/share of cash
- Consideration: 90% Citizens common stock, 10% cash
- Total consideration of ~\$3.5 billion, \$14.63 per Investors' share based on July 27, 2021 closing price
- Investors' shareholders will own ~14% of pro forma company

Key pricing ratios

- 8.5x Price / 2022E EPS with fully phased in synergies
- 1.3x Price / tangible book value per share

Governance and management

- Board of Directors: 2 current Investors members, including CEO
- Investors president to co-head integration with a Citizens Executive Committee member
- Additional senior managers to join the Citizens team

Community support

- Continuation of Investors community leadership in markets of operation, consistent with Citizens' strong community track record

Approval and timing

- Investors shareholder vote expected early 4Q21
- Transaction expected to close in 1H22 subject to customary regulatory approvals

Financially compelling pro forma impact

EPS Accretion 6.4% in 2023E

IRR 20%+

ROIC ~13%

Price / 2022E EPS after synergies ~8.5x

ROTCE uplift ~120 bps

Efficiency ratio improves ~270 bps

CET1: Neutral transaction at close

Expense synergies: ~30% of Investors' cost base after reinvestments



Investors: A leading New York Metro Bank

Company overview

- Founded 1926, Investors is a diversified, community-focused financial services company headquartered in Short Hills, NJ
- Strong market position in New York, New Jersey and Philadelphia
- History of strong credit performance
- Customer centric approach to banking
- Diversified portfolio of products and services

Key metrics¹

\$27B

Total assets

\$22B

Gross loans

\$20B

Total deposits

\$318MM

2022 Consensus earnings

1.13%

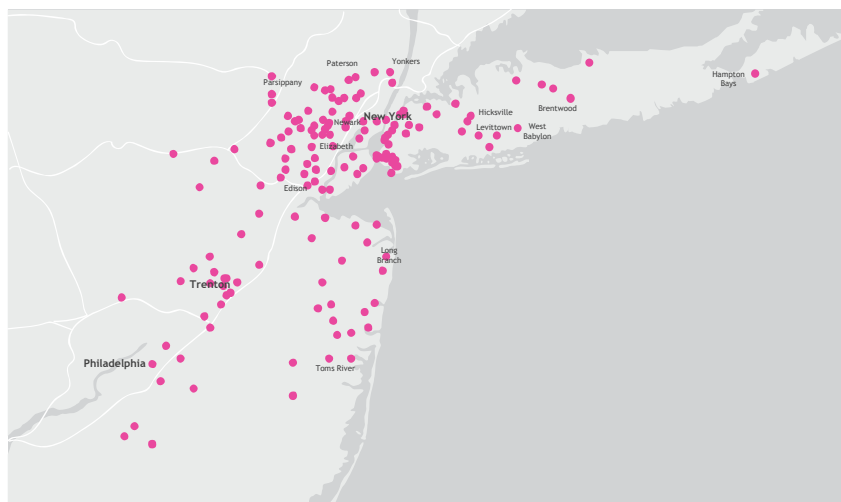
2022E ROAA

~200K

Customers

Source: SNL Financial.

Branch footprint



Leading position in the New Jersey market²

Name	Deposits (\$Bn)	Deposit Mkt Share	Branches (No.)
1 Bank of America Corp.	\$68	17%	227
2 The Toronto-Dominion Bank	\$50	13%	226
3 Wells Fargo & Co.	\$42	11%	252
4 The PNC Financial Services Group Inc.	\$37	9%	246
5 JPMorgan Chase & Co.	\$29	8%	198
6 Valley National Bancorp	\$19	5%	132
7 Investors Bancorp Inc.	\$16	4%	107
8 Banco Santander SA	\$11	3%	116
9 Provident Financial Services Inc.	\$9	2%	92
10 OceanFirst Financial Corp.	\$8	2%	61
New Jersey Total	\$391		2,592

Note: Financial data as of June 30, 2021; Market data as of 7/27/2021.

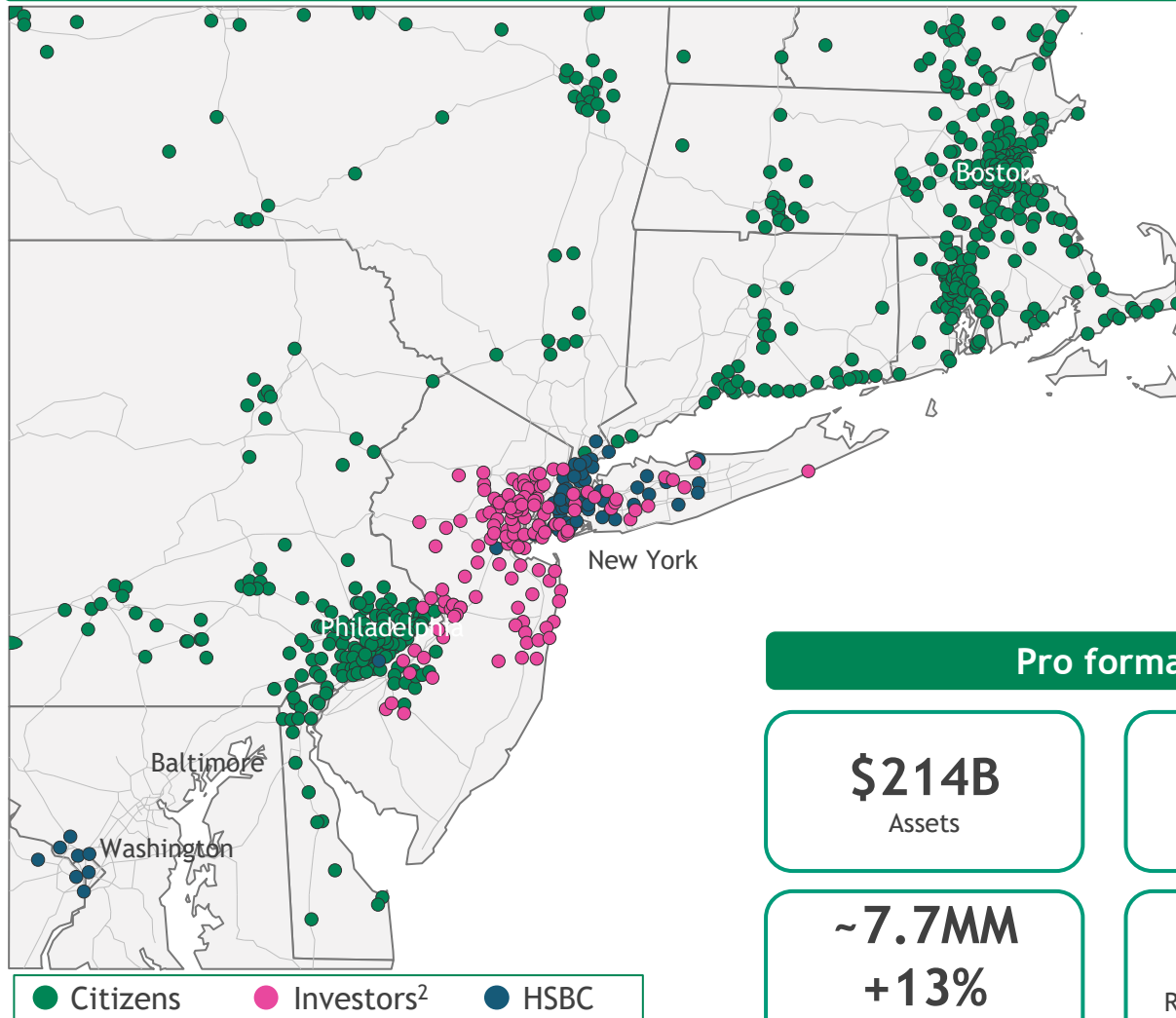
1. Total loan and deposit amounts pro forma for Berkshire branches.

2. FDIC deposit data.



Building a leading regional banking platform with top financial metrics

Connecting the branch footprint...



...Combining market leading franchises

- ✓ Top-10 NYC Metro bank by deposits³
- ✓ ~\$21 billion total deposits in NY Metro¹
- ✓ Improves customer reach, connecting our New England and Pennsylvania markets
- ✓ Complements recently acquired HSBC East Coast branches and national online deposits; ~800K customers
- ✓ Broader opportunity to further penetrate NY Metro market and enhances leadership position in greater Philadelphia Metro area

Pro forma financial highlights^{1,2}

\$214B
Assets

\$146B
Loans

\$180B
Deposits

**~7.7MM
+13%**
Customers

~120 bps
ROTCE improvement

~270 bps
Efficiency Ratio
improvement

Source: SNL Financial and regulatory figures.

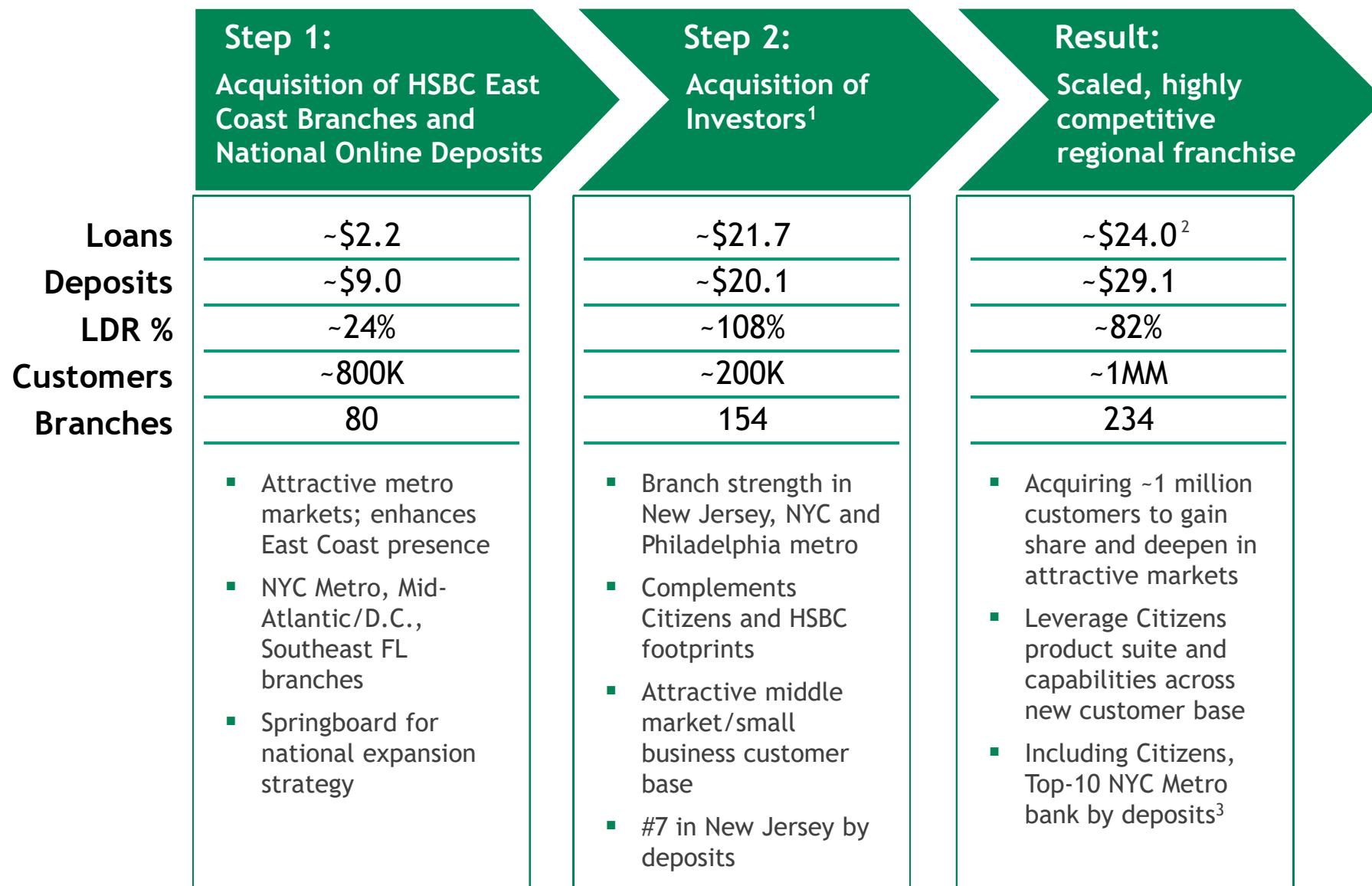
Note:

1. Includes branches acquired through announced HSBC transaction of East Coast branch locations and online banking.
2. Totals pro forma for pending acquisition of 8 Berkshire Hills branches; \$639MM in deposits acquired
3. Includes branches under \$5 billion.



Strategically building a leading regional banking franchise

(\$'s in billions)



Source: SNL Financial and company financials.

Note:

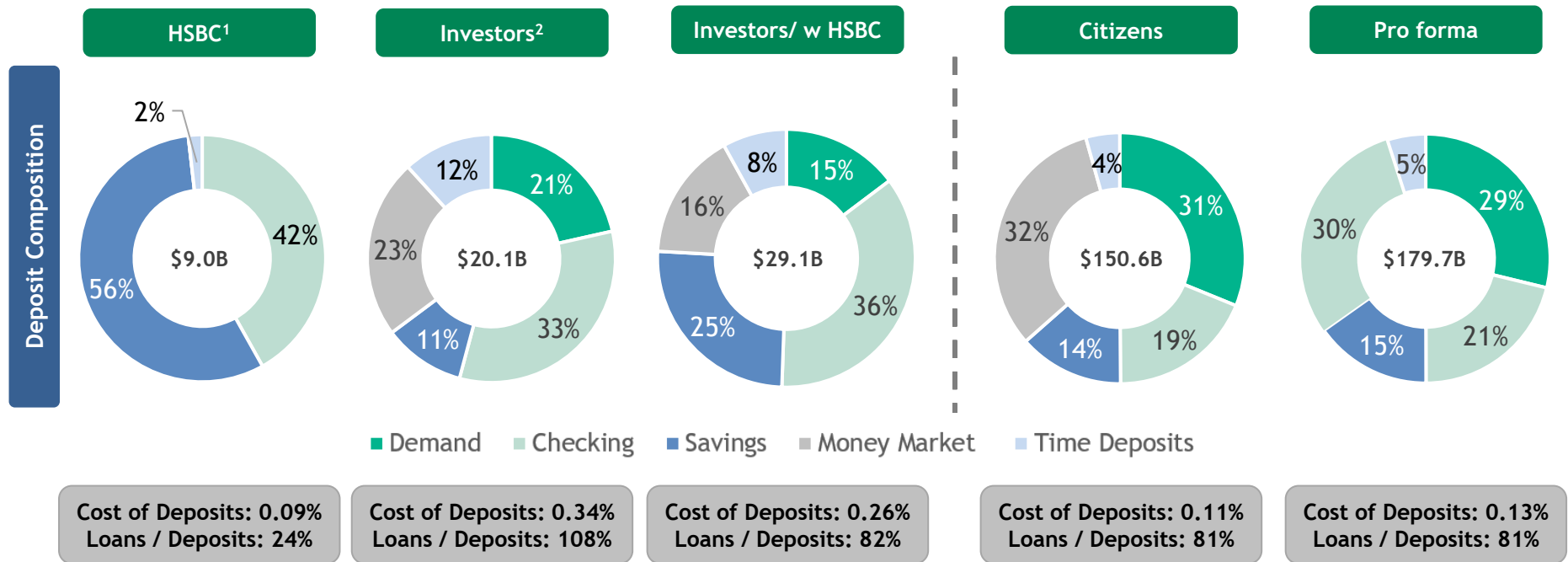
1. Totals pro forma for pending acquisition of 8 Berkshire Hills branches; \$639MM in deposits acquired.

2. Totals may not foot due to rounding.

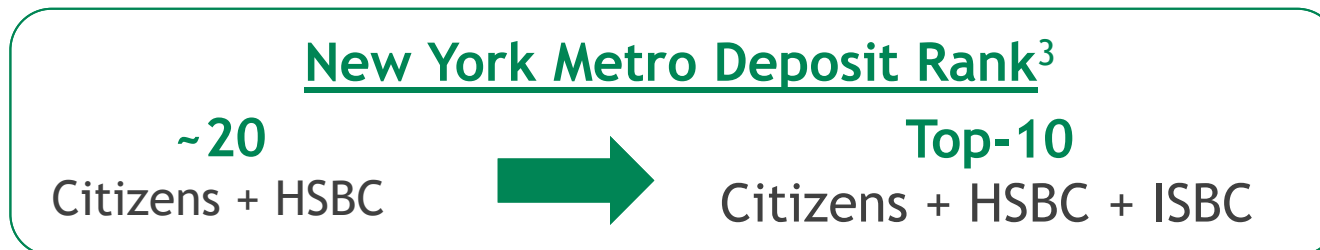
3. Includes branches under \$5 billion.



Pro forma deposit profile



- Attractive funding profile with opportunity to reduce the combined company's cost of funds
- Borrowing profile optimized post close; deposit costs and mix optimized over time post migration of Investors' customers to Citizens' platform, pricing and product set



Source: SNL Financial and regulatory figures.

Note:

1. 1Q21 HSBC East Coast and Online deposit composition and cost.

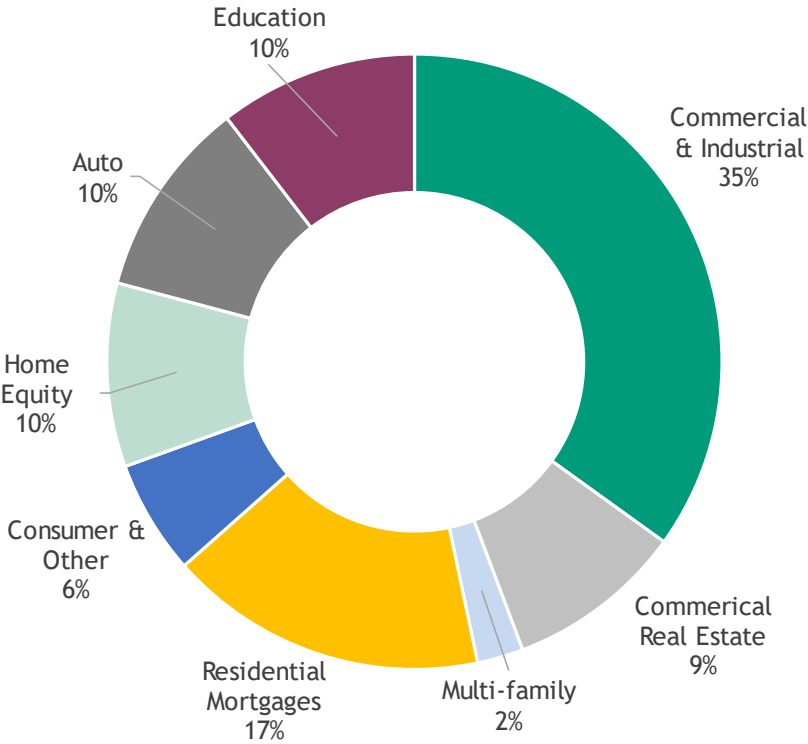
2. Investors deposit composition based on 2Q21 deposit data. Total deposit dollar amount pro forma for Berkshire branches.

3. Includes branches under \$5 billion.



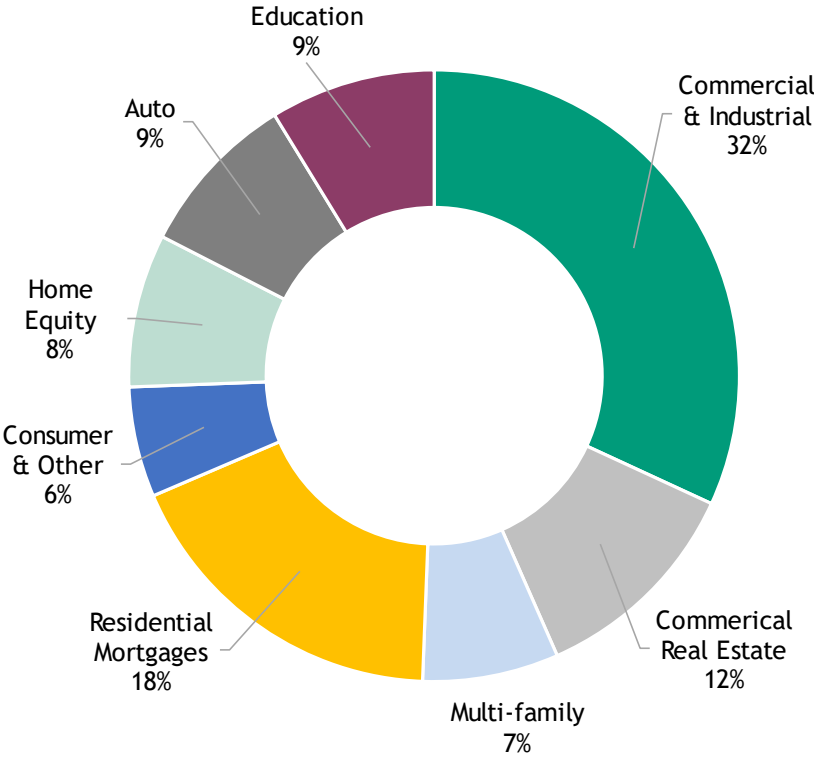
Diversified loan portfolio

\$122.6 billion Citizens total loans¹



Yield on Loans: 3.5%

\$146.6 billion pro forma total loans²



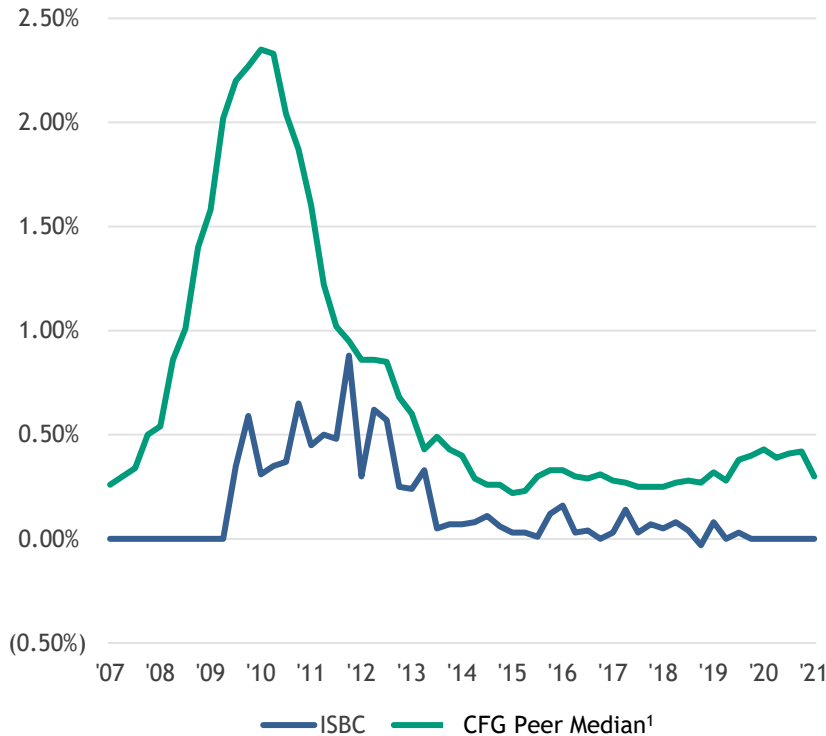
Yield on Loans: 3.6%

■ Citizens' loan portfolio remains well diversified with the addition of Investors and HSBC

Note: Loans are period end.
1. Citizens 2Q21 financial supplement.
2. 1Q21 HSBC East Coast and Online loan yield and balances. Investors loan composition based on 2Q21 loan data. Total loan dollar amount pro forma for Berkshire branches..

Investors: Diversified and well-secured Commercial Real Estate portfolio

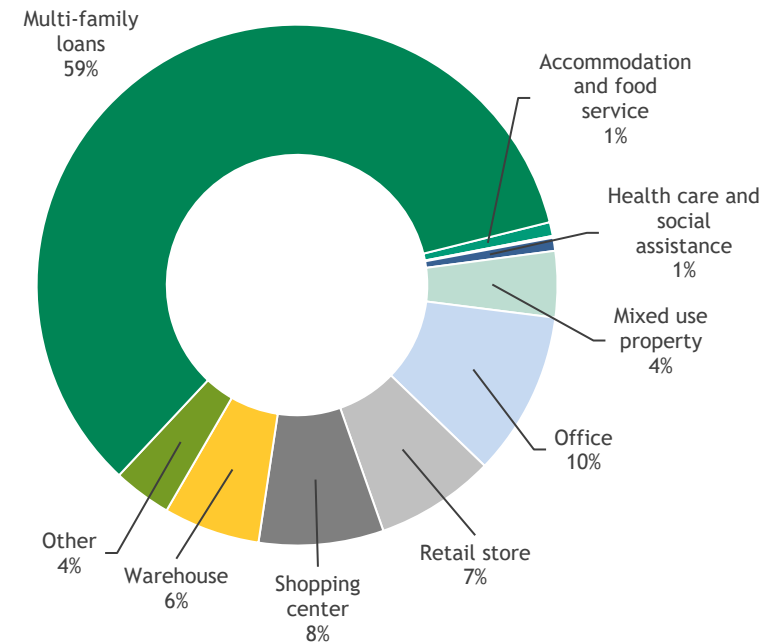
Net charge-offs / total loans through-the-cycle



- Strong credit performance compared to Citizens' peer median net charge-offs through-the-cycle
- Investors outperformed their peer average historical commercial net charge-offs²

Diversified CRE portfolio

All CRE by Classification - March 31, 2021



Multifamily:

- Diversified and granular portfolio; focused on class B properties
- Good risk return dynamics with historically low loss rates

Non-multifamily CRE:

- Diverse, granular portfolio concentrated in historically strong markets - NY, NJ, PA
- Predominantly stabilized portfolio with minimal development risk

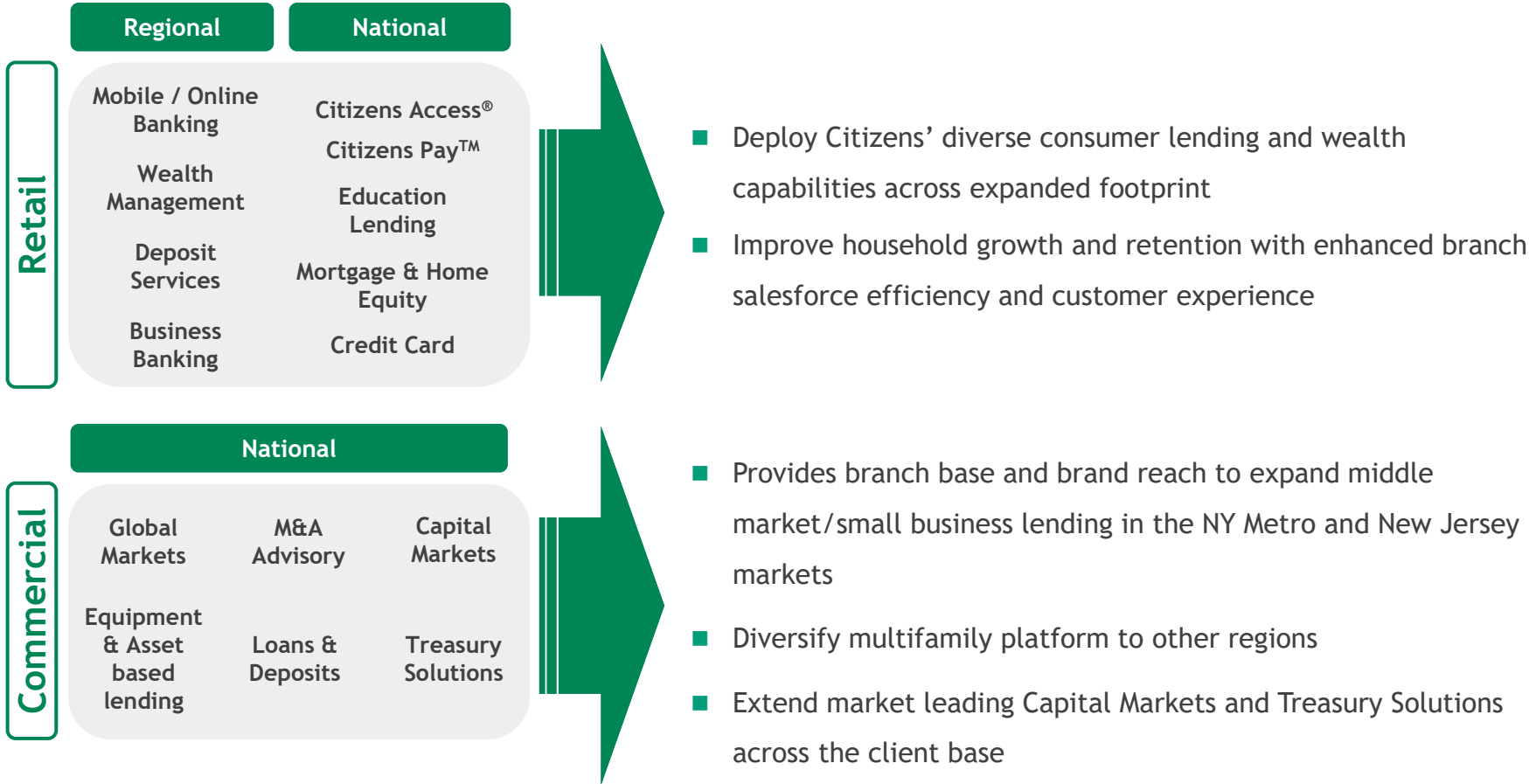
Source: SNL Financial. SEC Filings.

Note:

1. Peer median represents median quarterly NCO/Average loan figures across U.S. Bancorp (USB); Truist Financial Corporation (TFC); The PNC Financial Services Group, Inc. (PNC); Fifth Third Bancorp (FITB); KeyCorp (KEY); Regions Financial Corporation (RF); M&T Bank Corporation (MTB); Huntington Bancshares Corporation (HBAN); and Comerica Incorporated (CMA)
2. Peer average represents full year Commercial NCOs/Average loans for 2010-2020. Peers include Associated Banc-Corp (ASB), BankUnited (BKU), Commerce Bancshares (CBSH), F.N.B. Corporation (FNB), Fulton Financial (FULT), Old National Bancorp (ONB), PacWest Bancorp (PACW), Sterling Bancorp (STL), UMB Financial (UMBF), Umpqua (UMPQ), Valley (VLY), Webster (WBS) and Wintrust (WTFC).

Substantial revenue growth potential

Leverage enhanced brand recognition and combined scale to deepen relationships in important NY Metro, New Jersey and Philadelphia markets



All transaction return metrics presented throughout exclude the expected benefit of revenue synergies



Extensive due diligence process and integration planning

Comprehensive due diligence & preparation

Detailed business due diligence

- Deep dive across businesses, operations and risk completed by ~150 Citizens' professionals
- Legal review supplemented by external counsel
- Departments participating in due diligence review include:

Risk Management	Credit	Treasury	Accounting Policy & Tax	Consumer	Commercial
Enterprise Security	Technology & Operations	Legal / Compliance	Strategy	Human Resources	Audit

Extensive credit due diligence process

- Intensive on-site review comprised of ~30 seasoned Citizens' professionals across
 - Credit risk management
 - Loan review
 - CRE
 - C&I
 - Residential
- Analyzed delinquencies and forbearance data on all C&I, CRE and consumer loans
- Significant loan file review and analytical coverage of the entire loan portfolio
- Conducted loan reviews for performance, collateral, condition, probability of default and loss given default across multi-family, CRE, construction and C&I
- Reviewed 100% criticized or classified loans greater than \$5 million; additional emphasis on low-pass clients
- Assessed 100% of the deferred loan population

Successful integration

Coordinated two-step process with HSBC closing and converting 1Q22



Strong integration expertise Led by a single integration management office



Dedicated Personnel Key individuals from both businesses



Focus on customers Throughout the integration



Community reinvestment

A transaction that is beneficial to all our stakeholders

Community involvement

- Deeply committed to the community:
 - Since 2005, Investors Foundation has pledged more than \$40 million to non-profits
 - Now the official consumer and business bank of the NY Giants and official bank of NJ Devils
- CRA: Citizens maintains outstanding rating
 - In 2020:
 - Extended \$1.06 billion in loan and investment commitments to community development qualified activities
 - Loaned over \$1.4 billion to small businesses with sales of \$1.0 million or less
 - Provided over \$4.1 billion of mortgage loans to low-and moderate-income borrowers and in low-and moderate-income communities



Support of our customers

- Proven track record of fair and responsible banking
- During the pandemic, ~4,000 Citizens colleagues logged ~122,000 volunteer hours supporting ~1,700 organizations in 2020



ESG focus

- In 2020:
 - Completed an ESG materiality assessment and established an ESG governance framework
 - \$10 million provided to address racial and social justice in our communities and \$500 million commitment in incremental financing and capital for small businesses, housing and other developments predominantly minority communities
 - Adopted Scope 1 and 2 carbon emissions reduction targets



Summary

■ Solidifies our presence in attractive NY Metro Market

- Complements the HSBC deposit acquisition
- Provides branch base and brand reach to expand commercial lending in the region; adds attractive middle market/small business customer base
- Platform to deliver more for existing customers given the broader set of capabilities we can deliver, and to grow the customer base

■ Attractive financial metrics

- Immediately accretive to EPS
- Conservative cost savings estimate; upside from non-modeled revenue synergies
- Strong returns, well above cost of capital
- Accelerates the achievement of long-term financial goals
- Enhances growth outlook

■ Low risk business model and integration

- Strong familiarity with these markets
- Strong historical credit performance
- Clear integration path



Appendix



Key Assumptions

Earnings estimates

- Citizens consensus estimates
- Investors: Consensus estimates, adjusted for transaction impacts in 2022

Synergies and one-time integration costs

- Identified run rate cost savings of ~\$130 million; 30% of Investors' cost base
- ~\$400 million pre-tax one-time integration costs, which is assumed to be 100% incurred at close

Loans credit and rate marks

- ~\$325 million total lifetime loss estimate or 1.48% of loans
- Non-PCD reserve of ~\$160 million established day 2 through provision expense
- ~\$150 million positive interest rate mark and non-PCD credit mark amortized / accreted over 5 years

Other adjustments

- Other net positive fair value marks of ~\$30 million, including:
 - ~\$90 million mark-up of securities (3 year phase in)
 - FHLB and Swap portfolio, ~\$60 million pre-tax mark-down accreted over 2 to 5 years
- Core deposit intangible of 0.52% on Investor's core deposits, or \$93 million, amortized over 7.5 years using sum-of-years digits
- ~\$16 million of other intangibles amortized over 4 years

Revenue synergies

- Expected but not included in pro forma figures



