Form **8937** (December 2017) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name			2 Issuer's employer identification number (EIN)
PCSB Financial Corporation			81-4710738
3 Name of contact for additional information	4 Telephone No. of contact		5 Email address of contact
Carl Carlson	617-425-5331		CCarlson@brkl.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact			7 City, town, or post office, state, and ZIP code of contact
131 Clarendon Street			Boston, MA 02117-9179
8 Date of action	9 Classification and description		
01/01/2023			
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
69324R104		PCSB	

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Effective January 1, 2023, PCSB Financial ("PCSB") a publicly held Maryland corporation, merged with and into Brookline Bancorp ("BRKL), a Delaware corporation with Brookline being the surviving corporation ("the Merger").

Pursuant to the terms of the Agreement and Plan of Merger by and between BRKL and PCSB dated as of May 23, 2022, ("Merger Agreement") upon completion of the Merger, each share of PCSB common stock outstanding at the effective date of the Merger resulted in the following:

A.) An election to receive stock or no election prior to the election deadline, resulted in the receipt of 1.3284 shares of BRKL common stock.

B.) If a valid cash election was made, the PCSB shareholder received stock consideration for approximately 55.1009% of their PCSB shares and cash consideration for the remaining 44.8991% of their PCSB shares. If a shareholder elected to receive cash consideration, they can determine their entitlement (A) to Brookline common stock by multiplying the number of PCSB shares held at December 30, 2022 by .731961 and (B) to cash by multiplying the number of shares of PCSB common stock held at December 30, 2022, by $9.877793.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ PCSB shareholders exchanged each share of PCSB stock for a combination of cash and stock or all stock depending upon an election made for their requested form of consideration. The consideration mix for the cash election was changed to a combination of cash and BRKL stock due to the requirement to issue 60% stock in the merger transaction. For shareholders that received cash and BRKL stock in the exchange of their PCSB shares, an allocation of the original cost basis of PCSB shares is required. The tax basis in BRKL shares received is equal to the original cost basis of PCSB shares, reduced by the amount of cash consideration received (other than cash received for fractional shares of PCSB stock), and increased by the amount of any gain, if any, recognized (other than any gain or loss resulting from the deemed receipt and exchange of fractional shares of PCSB stock). The actual tax basis will differ with respect to each former PCSB shareholder and additionally with regard to separate and distinct blocks of shares of PCSB stock.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See item 15 above and attachment.

Part II **Organizational Action** *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC Sections 354, 356, 358, 1001, 1221

18 Can any resulting loss be recognized? ▶ **The Merger is intended to qualify for federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Pursuant to IRC Section 356, when boot is issued by an acquiring corporation in a tax-free transaction, the target shareholders receiving boot must recognize gain equal to the lesser of the amount of boot received or the amount of gain realized. In this transaction, the $22.00 per share cash paid will be treated as "boot."**
A loss is never recognized in a tax-free transaction other than for the sale of fractional shares, even when boot is received, except in the case of a shareholder receiving only the boot in the transaction. Further, for cash received in lieu of fractional shares of PCSB stock, a U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional shares surrendered in the exchange. See the attachment for line 16 illustrating a a sample calculation of gain recognized on the receipt of boot for PCSB shareholders that made a cash election. Equity sale transactions of BRKL stock received from the merger will result in gain or loss to the former PCSB shareholder depending upon the tax basis of shares received in the exchange.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The merger occurred with an effective date of January 1, 2023. Therefore any gain or loss should be recognized with respect to the Merger should be reported to PCSB shareholders in the tax year that includes January 1, 2023 (e.g. calendar year taxpayers would report the effects of the merger transaction for federal and state tax purposes on their 2023 tax return).**

PCSB shareholders are advised to consult with their own tax advisors with respect to their individual tax consequences of the Merger. The information is this document does not constitute tax advice and is not intended to be used and cannot be used for purposes of avoiding penalties under the Internal Revenue Code of 1986, as amended.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶ 2/7/2023

Print your name ▶ **Carl Carlson** Title ▶ **Chief Financial Officer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	David Marsh		**02/03/23**		**P00036573**
	Firm's name ▶ **RSM US LLP**			Firm's EIN ▶ **42-0714325**	
	Firm's address ▶ **80 City Square, Boston, MA 02129**			Phone no. **(617) 912-9000**	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

PCSB Financial Corporation
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:

Under the terms of the Merger agreement, each share of PCSB common stock was converted into the right to receive either all stock or cash and stock based on a shareholder election.

For shareholders that elected to receive all stock consideration, they were entitled to receive 1.3284 shares of Brookline common stock for each share of PCSB stock held. The tax basis of Brookline shares received in exchange for PCSB shares owned would be equal to the tax basis of the PCSB shares surrendered in the exchange. No gain or loss would be recognized for shareholders that received all stock in the merger transaction.

For shareholders that elected to receive cash consideration, they were awarded a combination of cash and stock in order for the total merger consideration to comprise 60% stock and 40% cash. A valid cash consideration election resulted in shareholders receiving Brookline common stock for approximately 55.1009% of their PCSB shares and the cash consideration for the remaining 44.8991% of their PCSB shares.

The cash received of $9.8778 per share will be treated as "boot" for federal tax consequences. Pursuant to IRC Sec 356, when boot is used by an acquiring corporation in a tax-free transaction, the target shareholders receiving boot must recognize gain equal to the lesser of the amount of boot received or the amount of gain realized (amount by which the fair market value of BRKL common at effective time of merger and cash received exceed basis in PCSB shares surrendered). A loss is never recognized in a tax-free transaction, even when boot is received, except in the case of a shareholder receiving only boot in the transaction.

For example, if a U.S. holder owned 100 shares of PCSB, making a valid cash election held stock with a basis of $15 per share, he or she would recognize gain of $489.67 and the basis in each share of BRKL common stock received would be $13.70 as evidenced in the table below:

Assumptions:	
PCSB shares held at acquisition date	100
Original per share cost basis of PCSB	$15.00
Total original cost basis of PCSB	$1,500.00
BRKL FMV on last trading day preceding merger date (December 30, 2022)	$13.698
Facts:	
Cash Consideration per share of PCSB before consideration allocation	22.00
Cash Conversion ratio per share of PCSB Stock	0.4490
Allocated Cash received per share of PCSB Stock	9.8778
BRKL shares received per share of PCSB Stock	1.3284
BRKL stock conversion ratio per share of PCSB Stock	0.5510

Allocated BRKL stock received per share of PCSB stock	0.7320	
Number of BRKL shares upon conversion (100 shares of BRKL x .73196)	73.1960	
Fractional Shares adjustment	-0.19604	
BRKL shares received	73.00	
Calculation of gain to be recognized:		
The lesser of:		
1.) Amount of boot received (100 shares of PCSB * 9.878)	987.78	
2.) Amount of gain realized:		
FMV of BRKL common (73 shares of PCSB x 13.698)	999.95	
Plus Boot received (9.8778 x 100 shares of PCSB)	987.78	
Plus cash received for fractional shares (.19604*9.8778)	1.94	
Less cost basis in PCSB common surrendered	(1,500)	
Total Gain realized	489.67	
3.) Lesser of Number 1 or 2 above	489.67	
Calculation of cost basis:		
Total Cost of PCSB Shares	1,500	
Less Boot received other than from fractional shares	(987.78)	
Plus gain recognized other than from fractional shares	490.42	
Total Cost basis, as adjusted	1,003	A
Number of BRKL shares upon conversion	73.1960	B
Cost basis per BRKL share	13.70	A/B
Fractional Share Adjustment	0.19604	
Cost Basis allocated to fractional share	2.69	
Cost Basis in 73 shares of BRKL common	999.96	