

FY 2016 Q4 Investor Call

July 28, 2016



Safe Harbor Statement

Certain statements in this presentation are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are subject to numerous assumptions, risks and uncertainties, and represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside its control. Any forward-looking statements the Company may make speak only as of the date on which such statements are made. The Company's actual results and financial position may differ materially from the anticipated results and financial condition indicated in or implied by these forward-looking statements, and the Company makes no commitment to update or revise forward-looking statements to reflect new information or subsequent events or changes in expectations. For a discussion of some of the risks and important factors that could affect the Company's future results and financial condition, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Statements and Factors that Could Affect Future Results" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2015, as updated by our SEC filings, and any other cautionary statements, written or oral, that may be made or referred to in connection with such forward-looking statements.

Q4 FY16 Highlights

	Q4 FY16	YTD FY16
Total Loan Volume	\$96.6 million	\$380.9 million
LASG:		
Purchased Loans	\$18.8 million invested on \$20.6 million of UPB ⁽¹⁾ (91.1% purchase price)	\$100.0 million invested on \$108.7 million of UPB ⁽¹⁾ (92.0% purchase price)
Originated Loans	\$31.8 million	\$110.6 million
Community Bank:		
Residential Mortgage Originations	\$25.6 million	\$93.8 million
Commercial Originations	\$3.0 million	\$22.0 million
SBA National:		
Originations⁽²⁾	\$17.4 million	\$54.5 million
Sales	\$14.2 million	\$39.1 million
Net Interest Margin	4.73%	4.59%
Purchased Loan Yield⁽³⁾	10.88%	11.37%
Net Deposit Growth	\$47.5 million (6% growth)	\$125.7 million (19% growth)
Share Repurchases⁽⁴⁾	13,400 at \$10.82	322,900 at \$10.40
Earnings	\$2.2 million	\$7.6 million
EPS	\$0.24	\$0.80

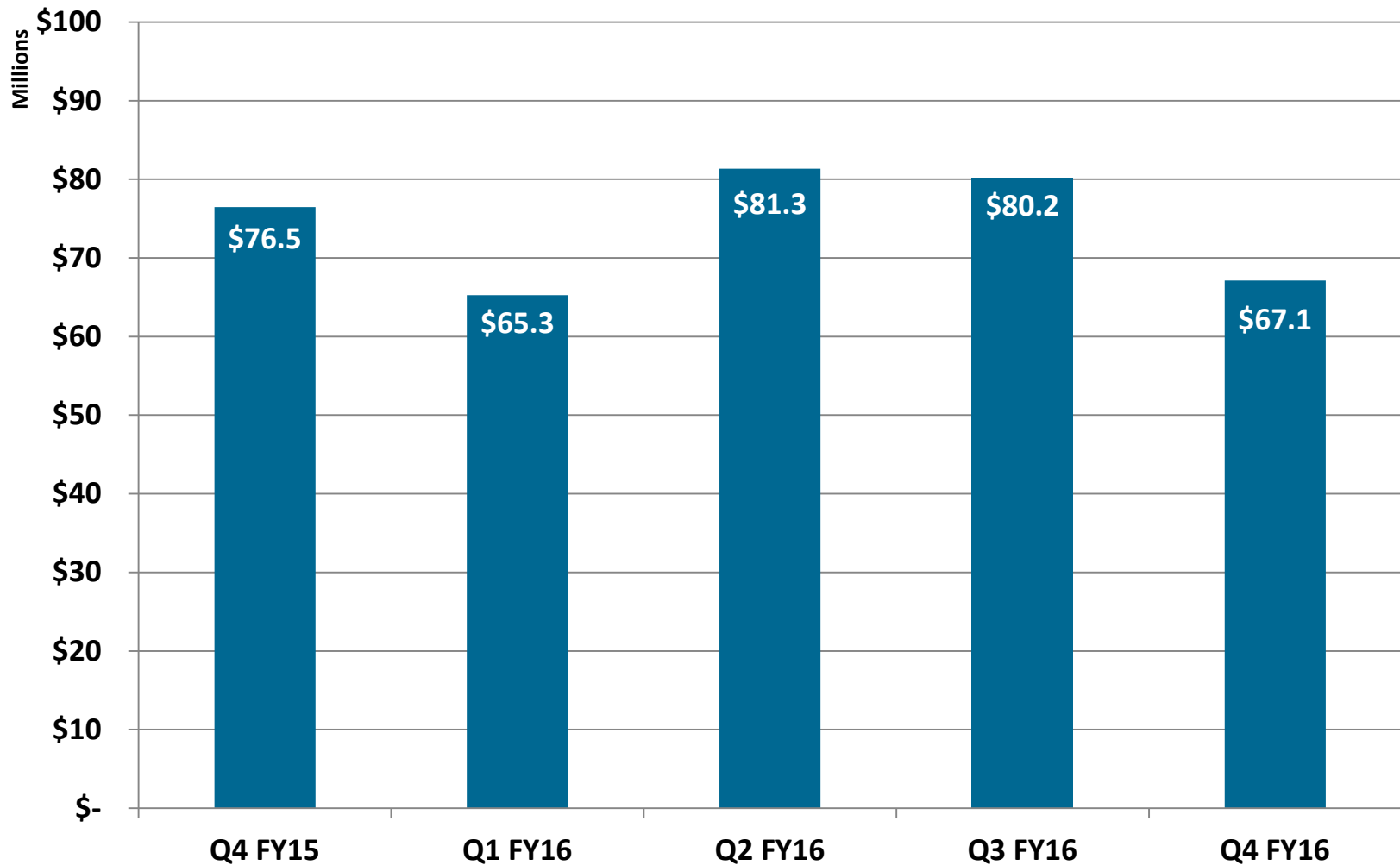
(1) Unpaid principal balance

(2) SBA loans closed during Q4 and YTD included funded loans of \$16.1 million and \$51.5 million, respectively

(3) Purchased loan yield for Q4 and YTD included \$1.5 million and \$7.3 million of transactional interest income, respectively

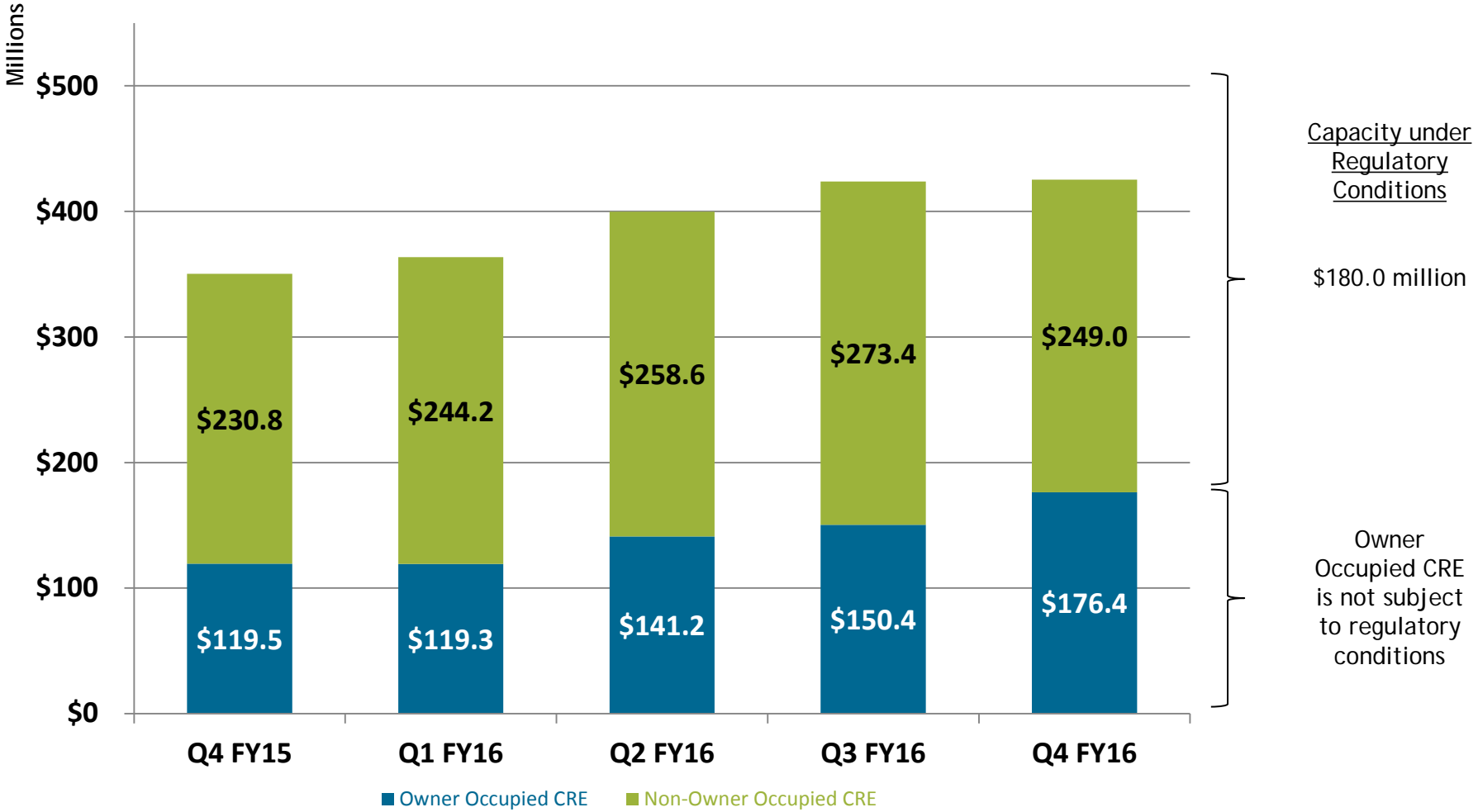
(4) From the inception of the repurchase program, the Company has purchased 1,324,762 shares at a \$9.70 average repurchase price

Loan Purchasing Capacity By Trailing 5 Quarters⁽¹⁾

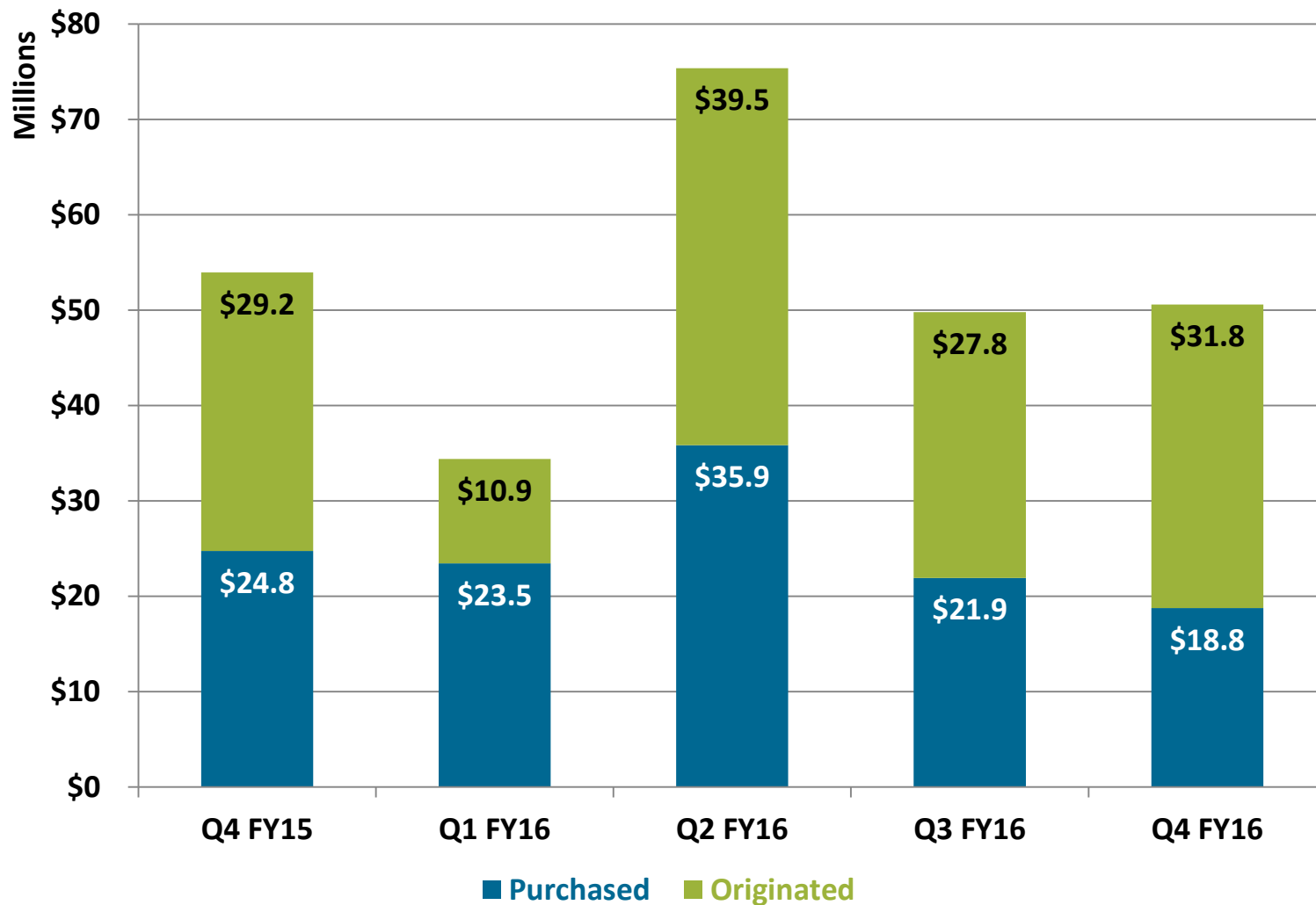


(1) Every dollar of originations creates 0.67 dollars of purchased loan capacity

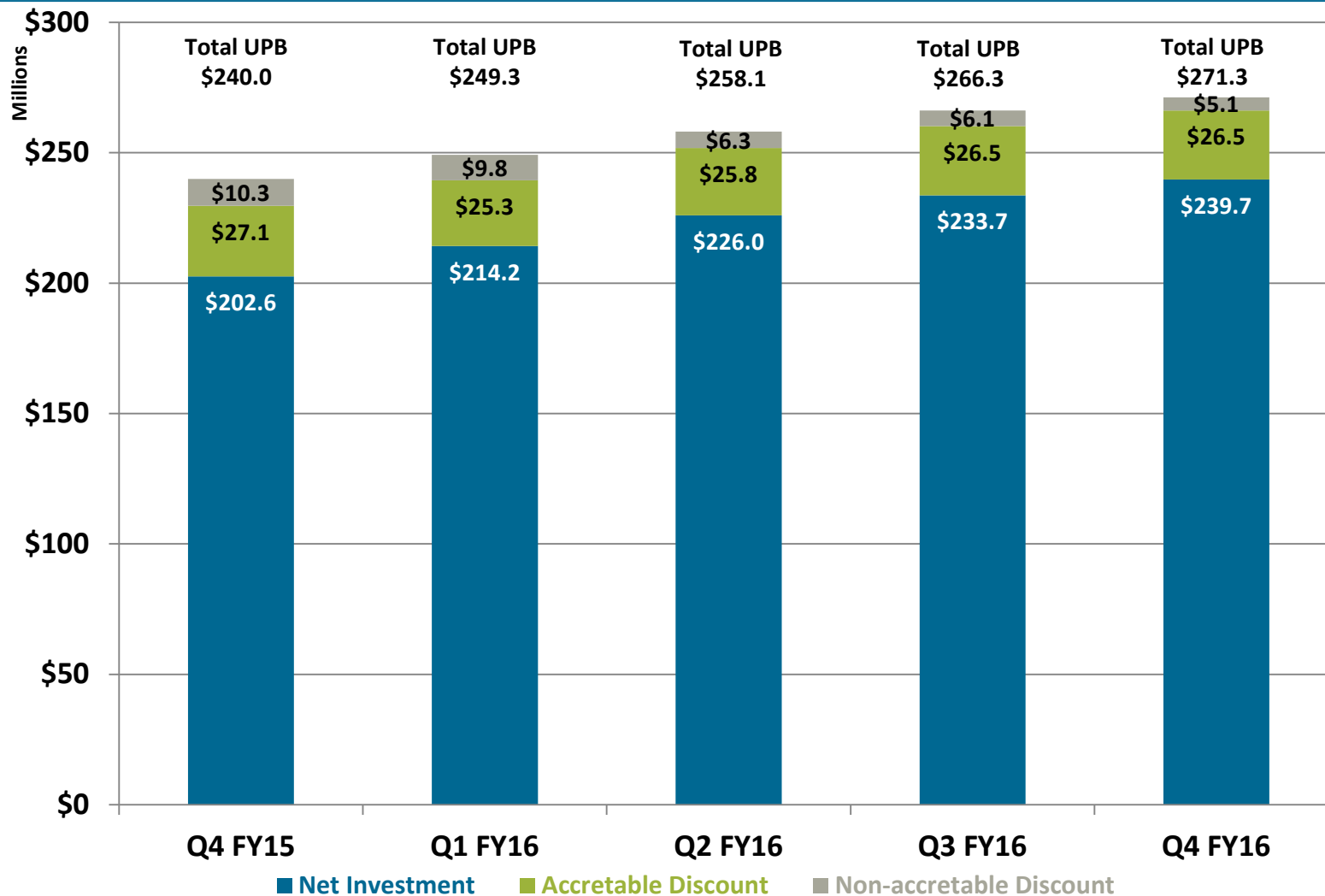
CRE Activity and Capacity By Trailing 5 Quarters



LASG Activity By Trailing 5 Quarters



Purchased Loan Investment Basis and Discount Growth By Trailing 5 Quarters



LASG Portfolio – Q4 FY16 Return Summary⁽¹⁾

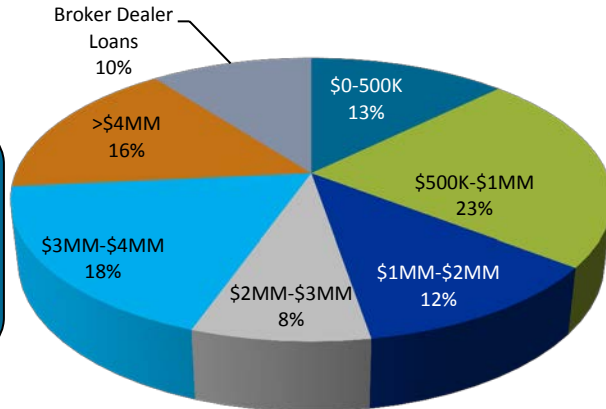
	<u>Purchased</u>	<u>Originated⁽²⁾</u>	<u>Securities Lending</u>	<u>Totals</u>
Regularly Scheduled Interest & Accretion	8.25%	5.86%	0.51%	6.44%
Accelerated Accretion & Fees Recognized on Loan Payoffs	2.63%	1.12%	0.00%	1.75%
Total	10.88%	6.98%	0.51%	8.19%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales, and other noninterest income recorded during the period divided by the average invested balance, on an annualized basis. The total return does not include the effect of purchased loan charge-offs or recoveries in the quarter.

(2) Total return on LASG originated loans includes \$385 thousand of fees related to one loan.

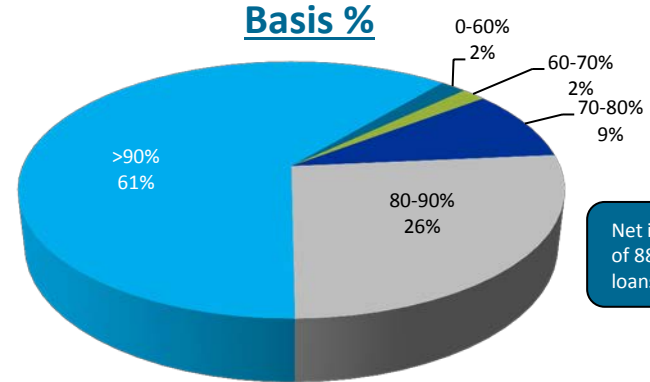
LASG Loan Portfolio Statistics

Investment Size



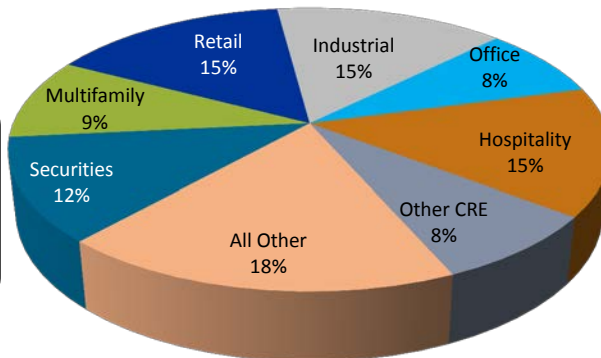
- Average investment (excluding securities lending) is \$756/loan
- Broker-dealer loans total \$48 million (\$12 million each)

Purchased Loan Net Investment Basis %



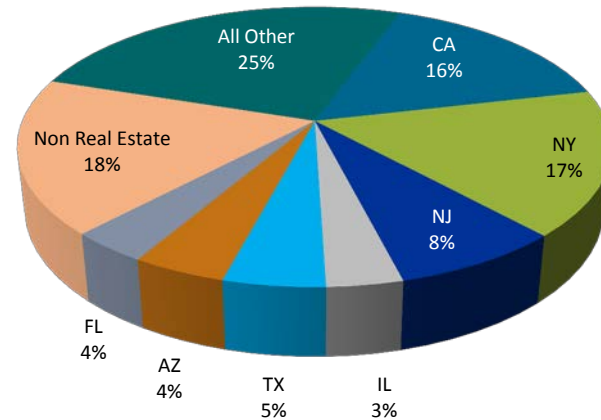
Net investment basis of 88% for purchased loans

Collateral Type



Diverse collateral types focused primarily in five major real estate sectors: office, industrial, retail, hospitality, and multifamily

Collateral State⁽¹⁾

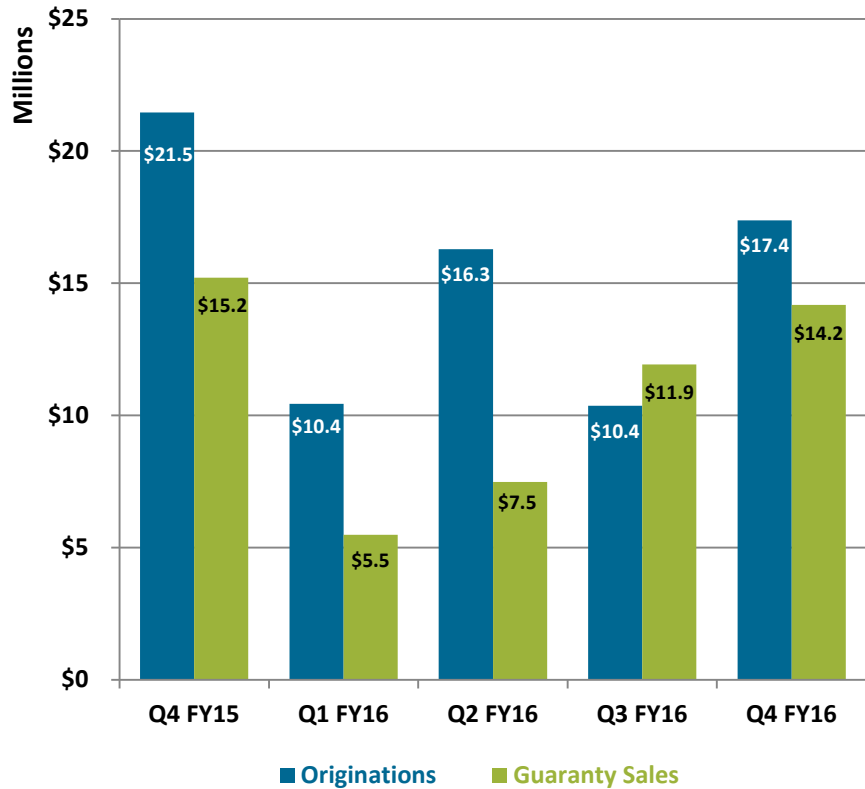


- Geographically diverse with collateral in 36 different states
- CA and NY represent combined 33% of portfolio

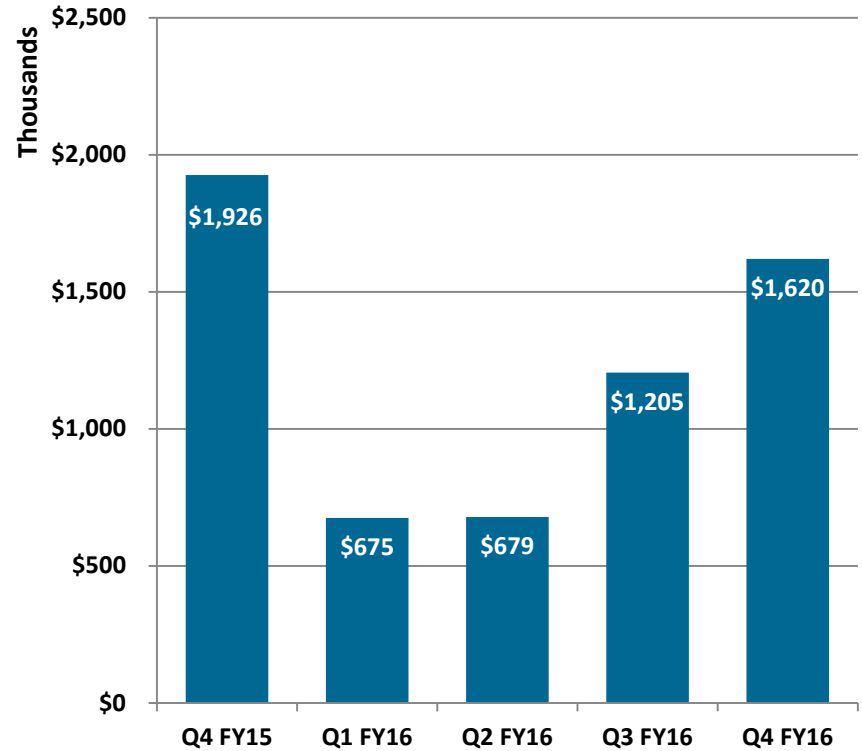
(1) Excludes \$48 million of secured loans to broker-dealers

SBA Division Activity

Originations & Guaranty Sales

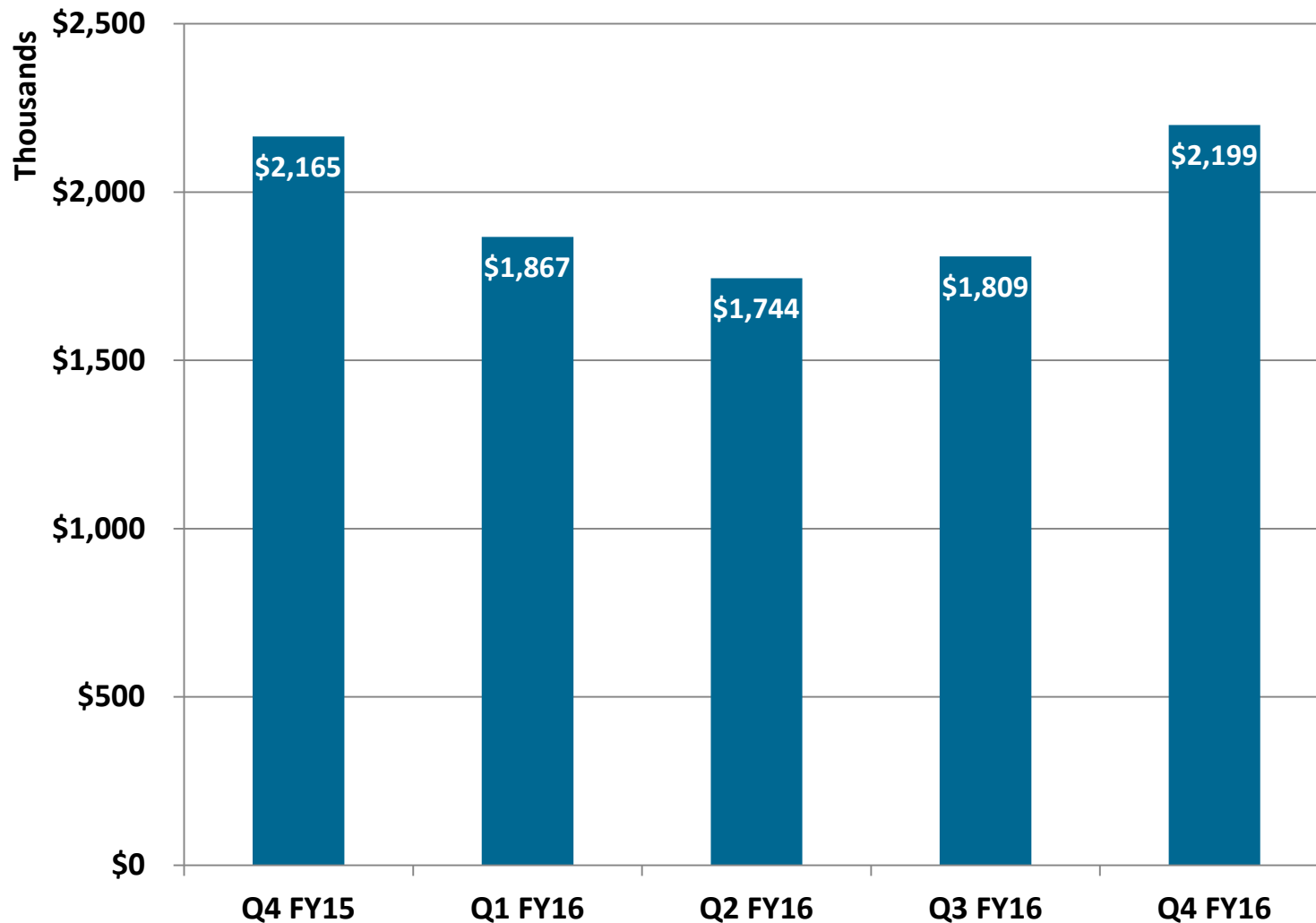


Net Gain on Sale⁽¹⁾

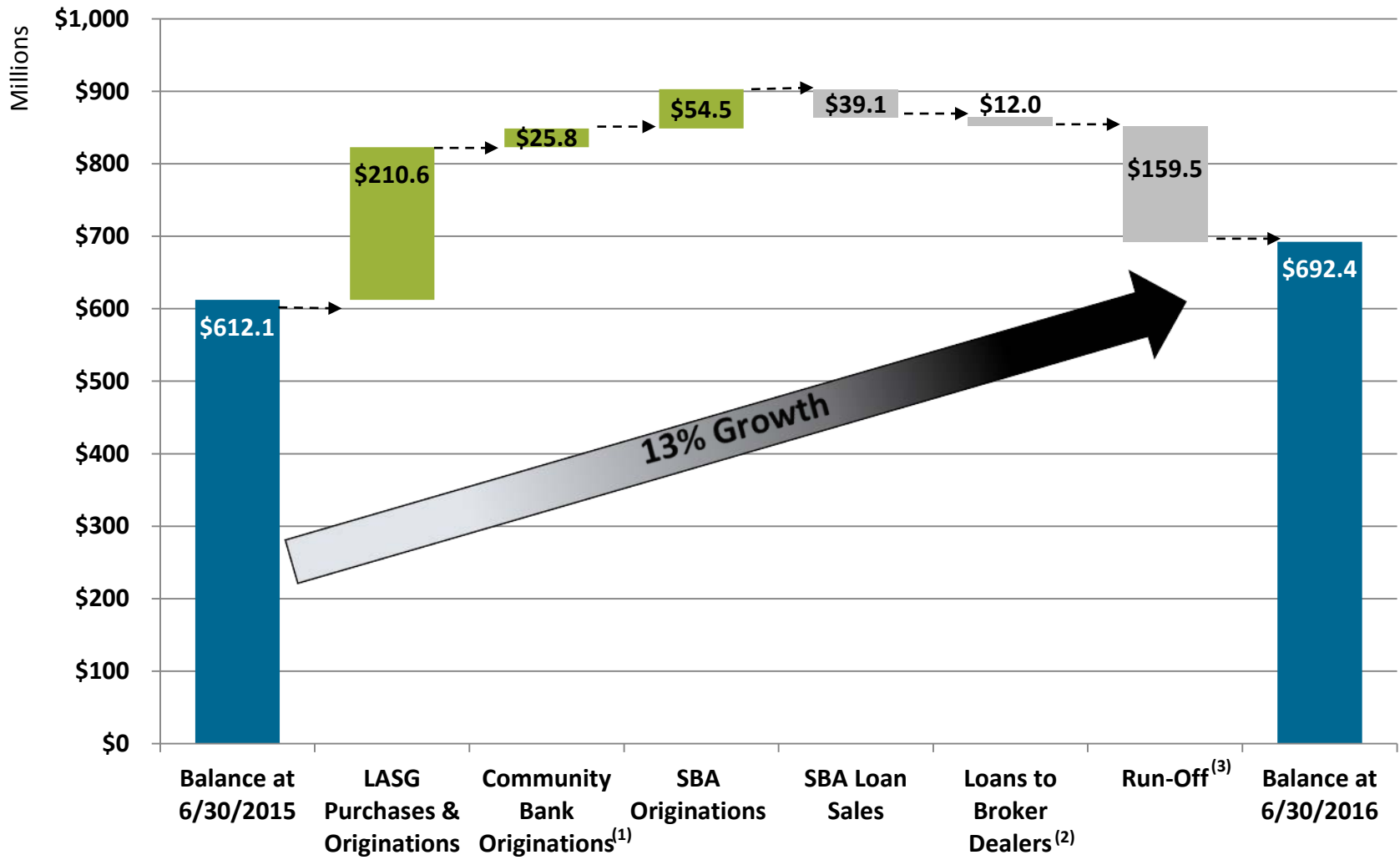


- (1) Servicing asset included in net gain by quarter: Q4 15 - \$694 thousand; Q1 16 - \$229 thousand; Q2 16 - \$199 thousand; Q3 16 - \$360 thousand; and Q4 16 - \$442 thousand.
- (2) Loan sales include originations from both current and prior quarters

Net Income From Continuing Operations For Trailing 5 Quarters



Loan Portfolio Roll Forward: Trailing Twelve Months

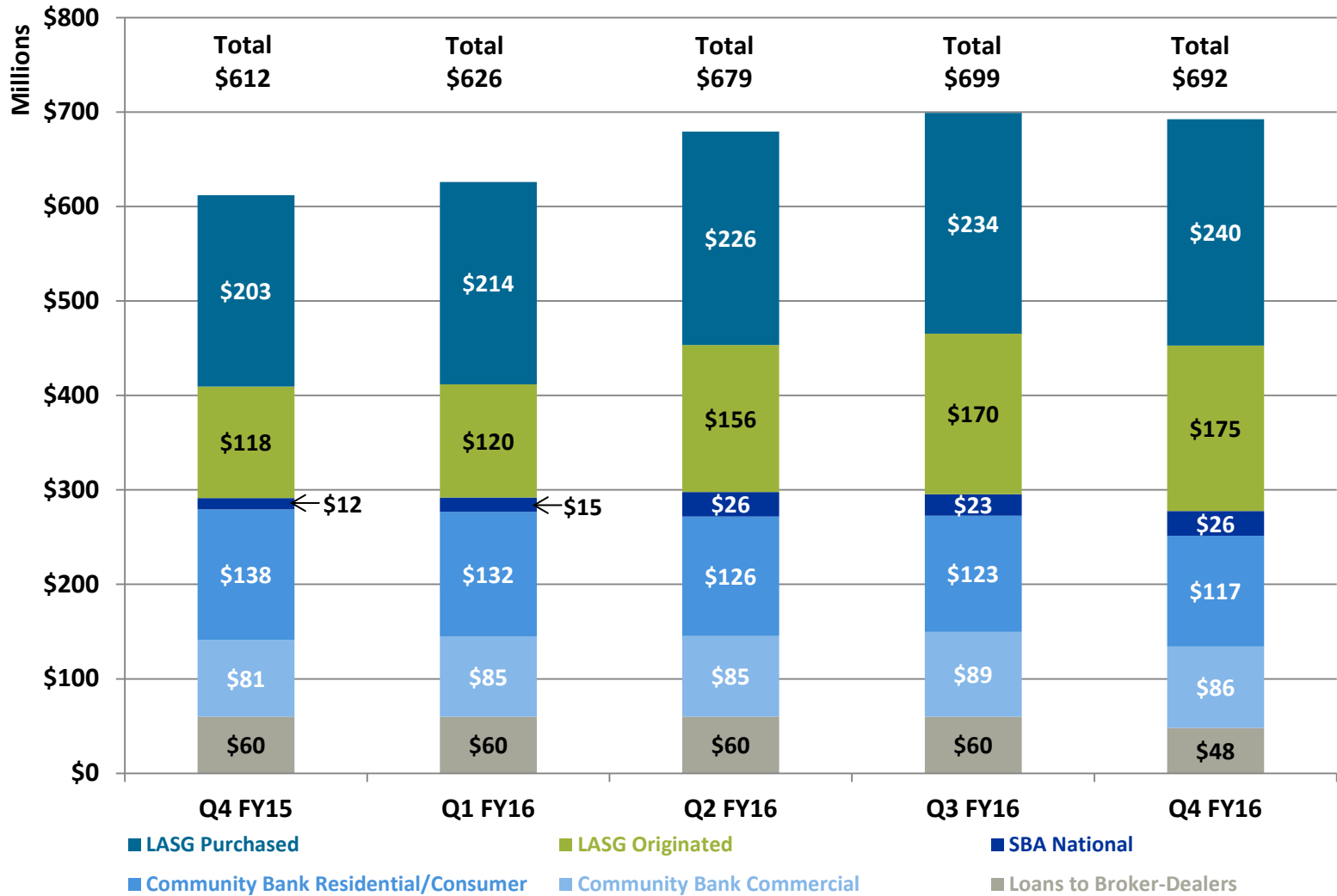


(1) Does not include \$90.0 million of residential mortgages that were originated for sale

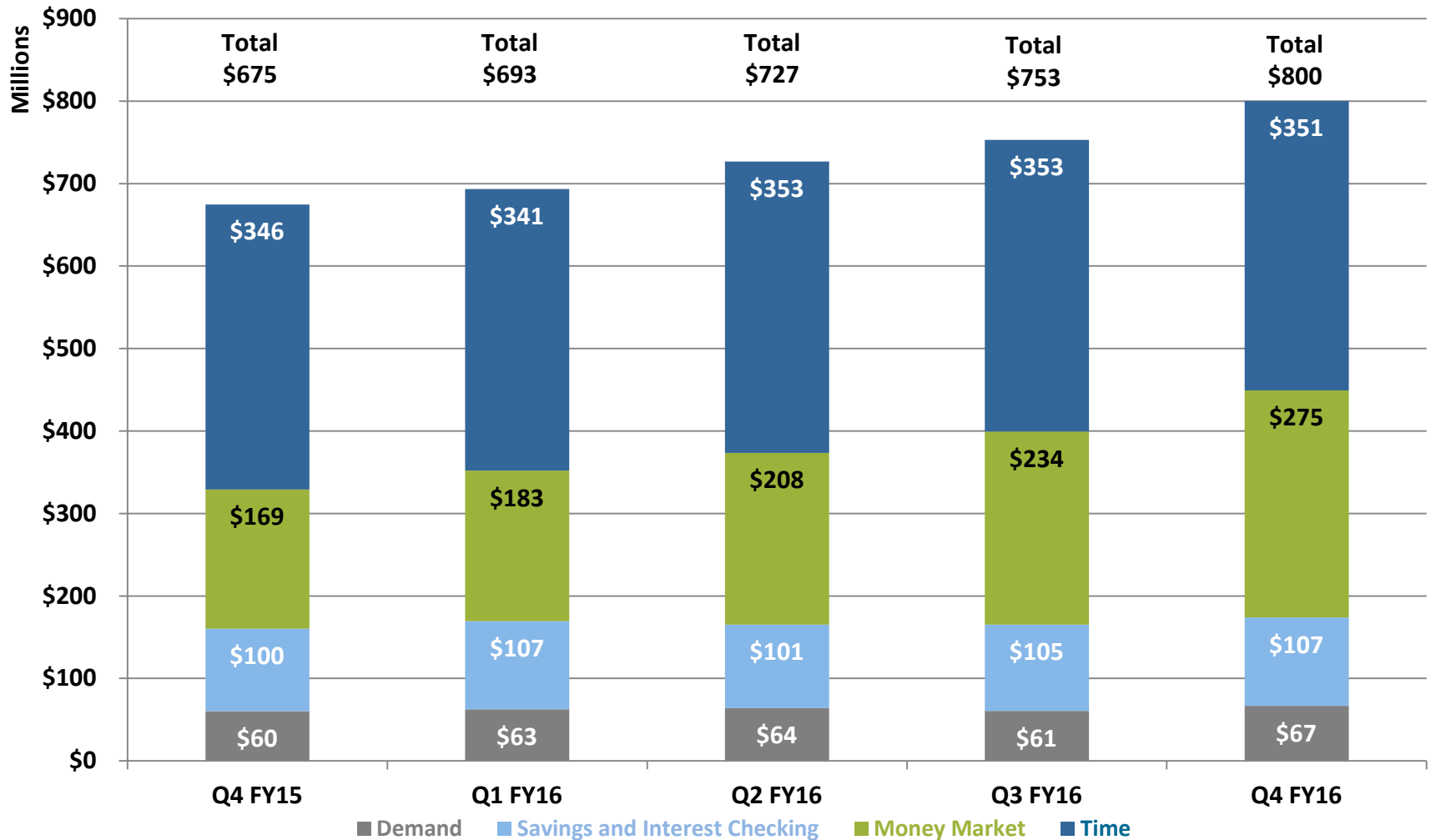
(2) Represents pay off of one loan to broker-dealer for \$12.0 million

(3) Run-off includes scheduled amortization, unscheduled principal pay downs, and payoffs

Loan Mix As of Trailing 5 Quarter Ends

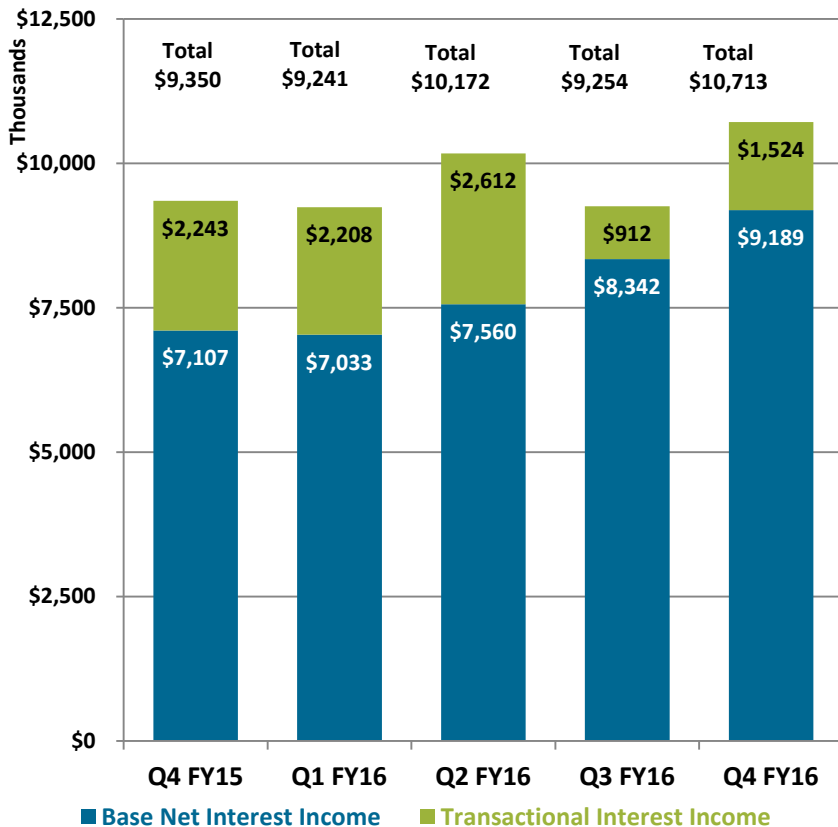


Deposit Mix By Trailing 5 Quarter Ends

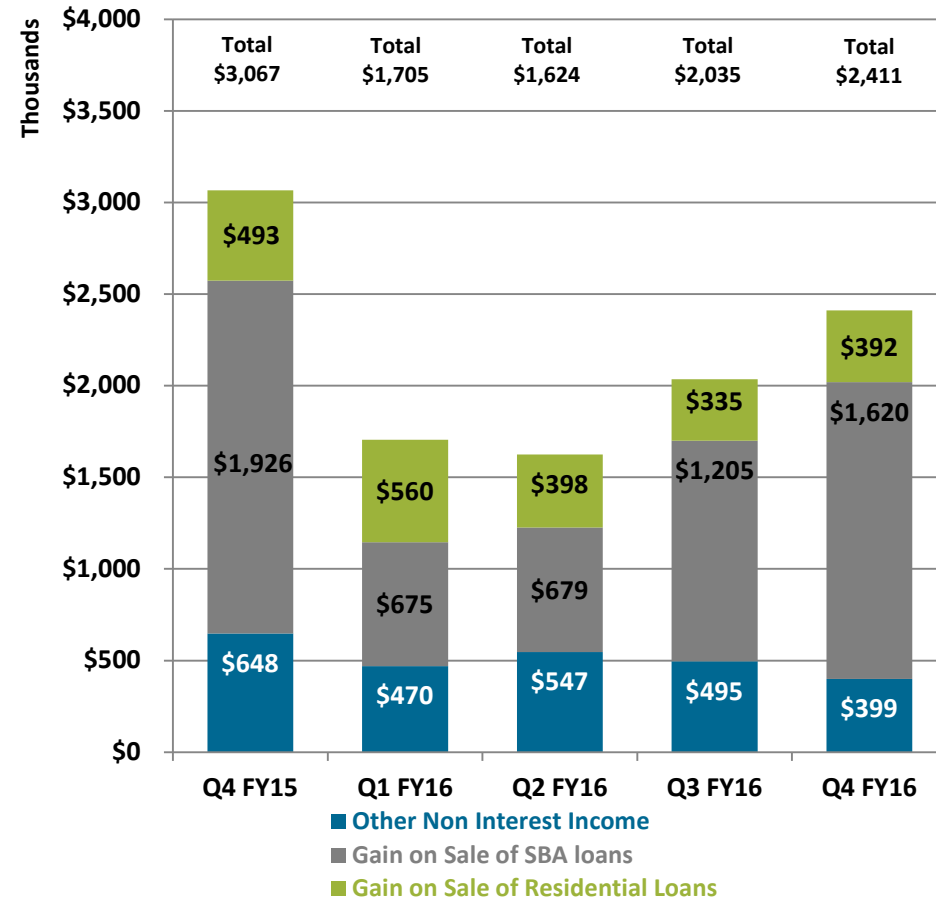


Key Components of Income For Trailing 5 Quarters

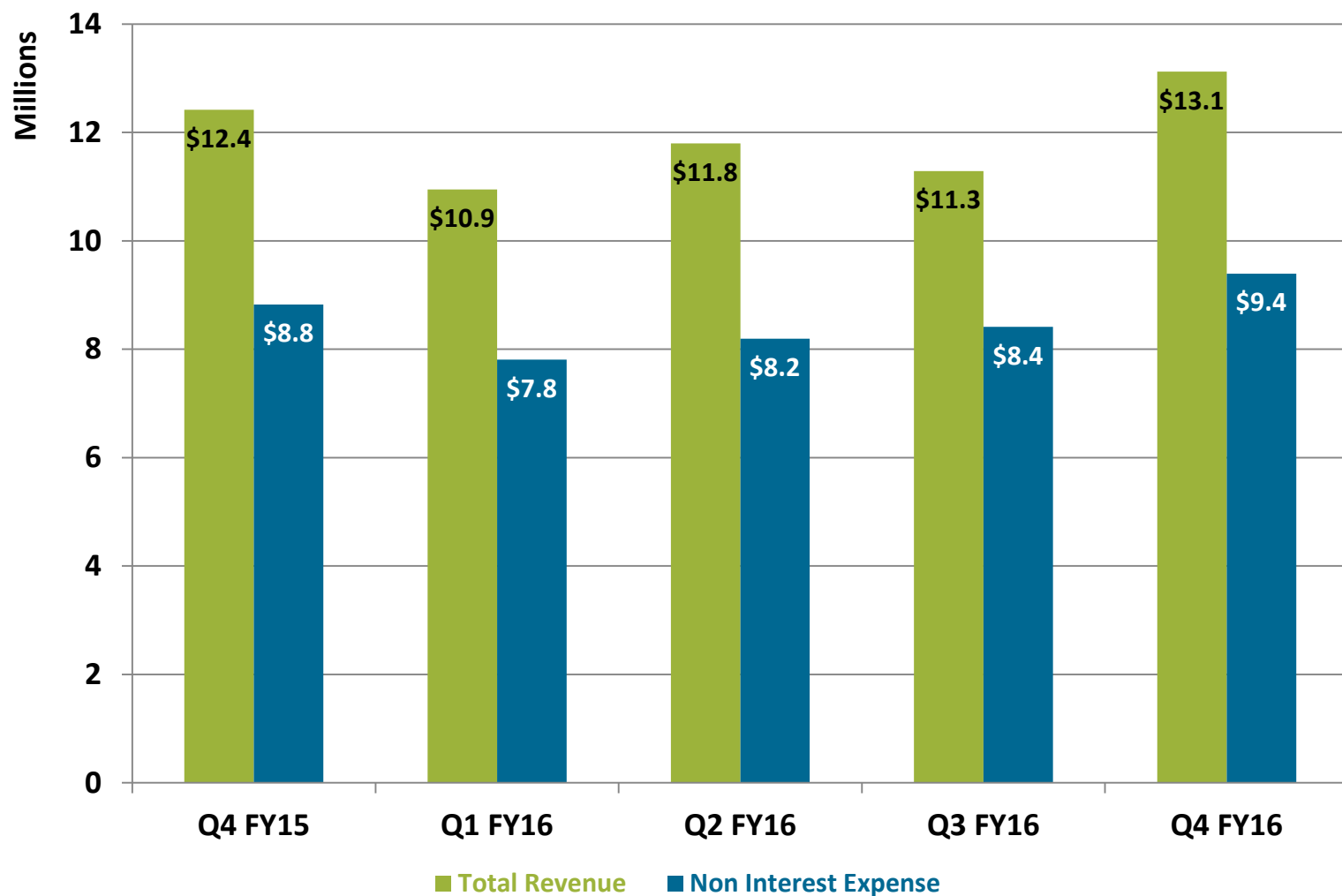
Net Interest Income Before Loan Loss Provision



Noninterest Income



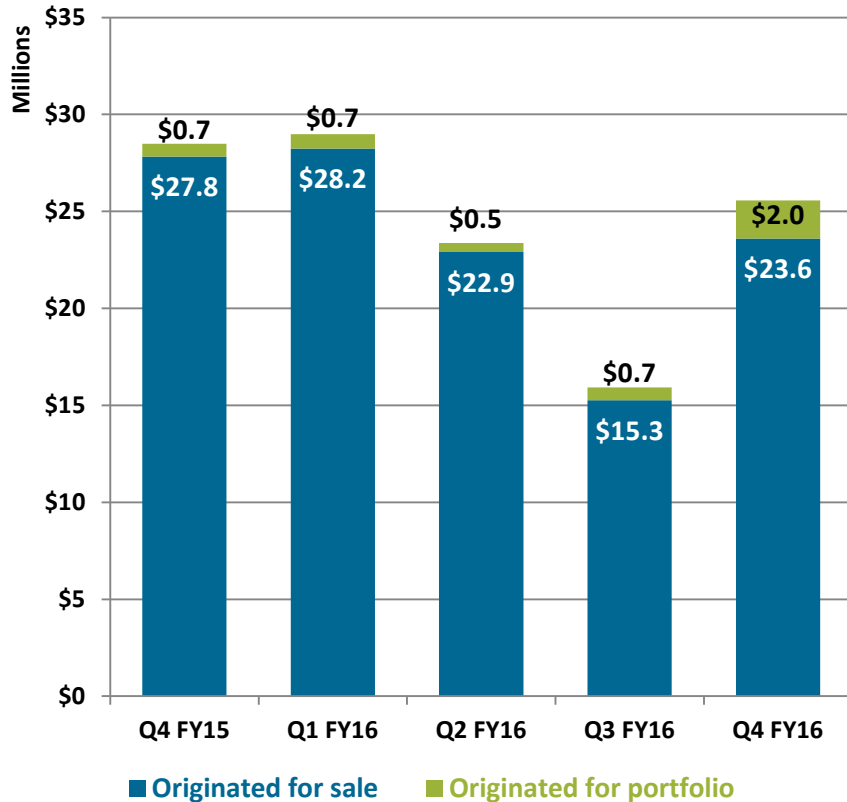
Revenue and Noninterest Expense for Trailing 5 Quarters



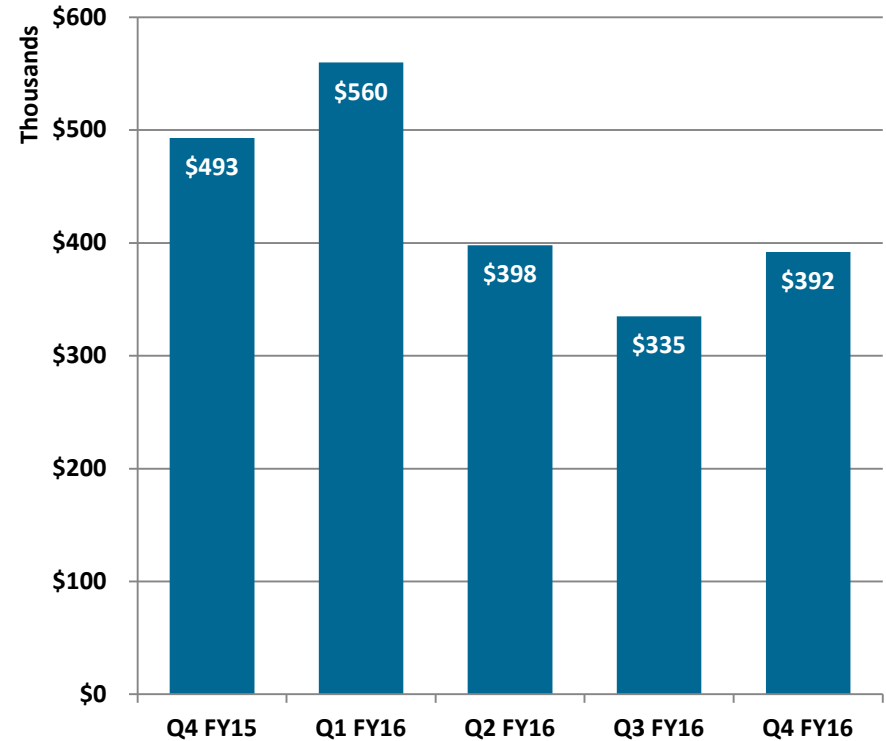
(1) Total Revenue includes net interest income before loan loss provision and noninterest income

Residential Mortgage Originations & Gain On Sale By Trailing 5 Quarters

Residential Mortgage Originations

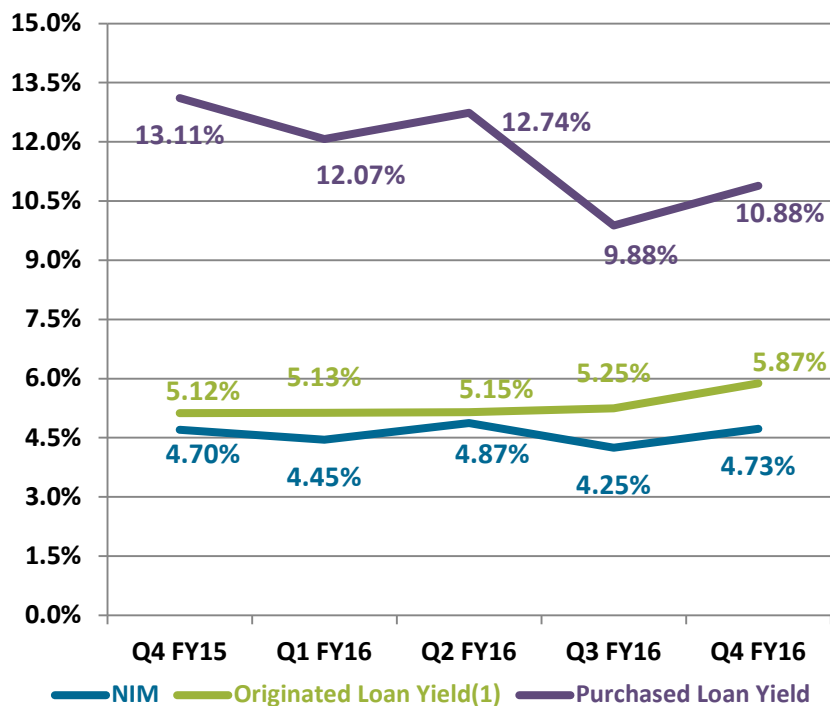


Residential Mortgage Gain On Sale

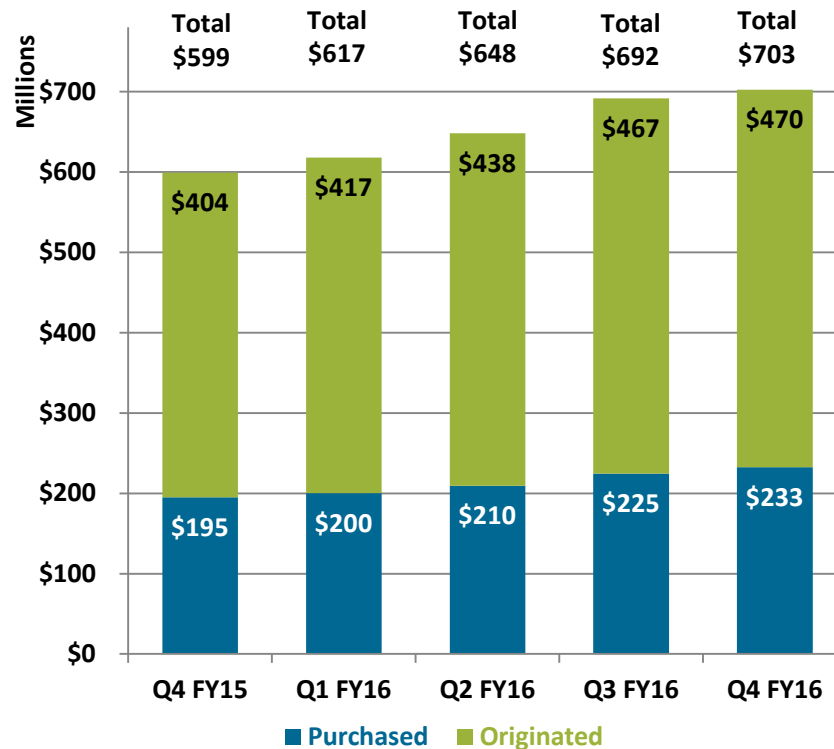


Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

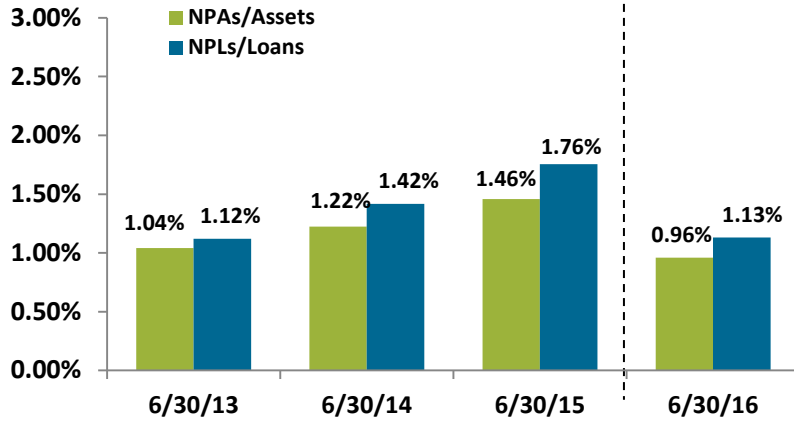


Average Loan Balance For Trailing 5 Quarters⁽²⁾

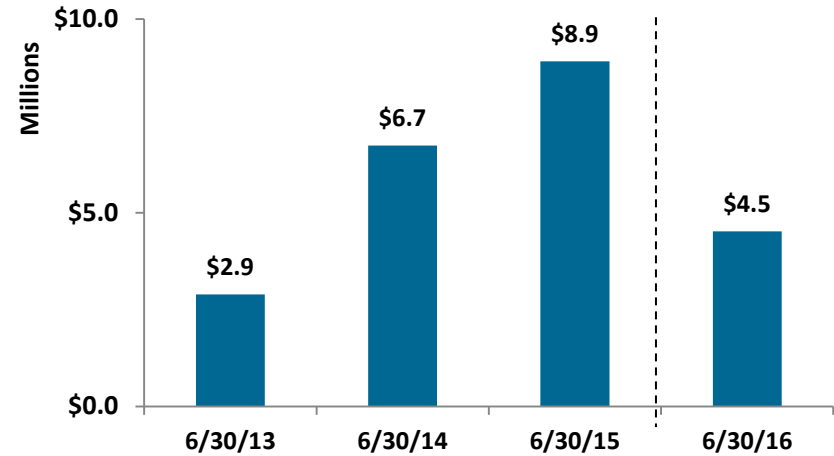


Asset Quality Metrics

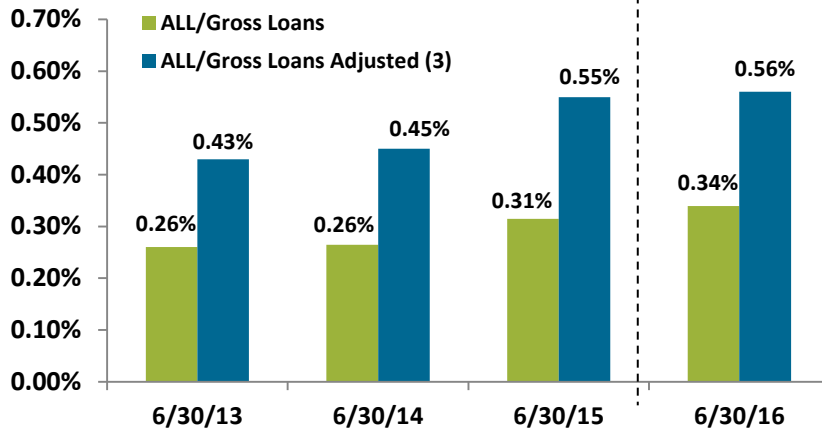
NPAs / Total Assets & NPLs / Total Loans



Classified Commercial Loans⁽¹⁾



Allowance for Loan Losses / Gross Loans



NCOs / Average Loans⁽²⁾

