

FY23 Q1 Investor Call

November 1, 2022

Forward-Looking Statement

Statements in this presentation that are not historical facts 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. Although the Bank believes that these forward-looking statements are based on reasonable estimates and assumptions, they are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors. You should not place undue reliance on our forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to significant risks, uncertainties and other factors which are, in some cases, beyond the Bank's control. The Bank's actual results could differ materially from those projected in the forward-looking statements as a result of, among other factors, changes in general business and economic conditions on a national basis and in the local markets in which the Bank operates, including changes which adversely affect borrowers' ability to service and repay our loans; changes in customer behavior due to political, business and economic conditions, including inflation; turbulence in the capital and debt markets; reductions in net interest income resulting from interest rate volatility as well as changes in the balances and mix of loans and deposits; changes in interest rates and real estate values; changes in loan collectability, increases in defaults and charge-off rates; decreases in the value of securities and other assets, adequacy of loan loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; changing government regulation; competitive pressures from other financial institutions; changes in legislation or regulation and accounting principles, policies and guidelines; cybersecurity incidents, fraud, natural disasters, the ongoing COVID-19 pandemic and future pandemics; the risk that the Bank may not be successful in the implementation of its business strategy; the risk that intangibles recorded in the Bank's financial statements will become impaired; reputational risk relating to our participation in the Paycheck Protection Program and other pandemic-related legislative and regulatory initiatives and programs; changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Bank's Annual Report on Form 10-K and updated by our Quarterly Reports on Form 10-Q and other filings submitted to the Federal Deposit Insurance Corporation. These statements speak only as of the date of this release and the Bank does not undertake any obligation to update or revise any of these forward-looking statements to reflect events or circumstances occurring after the date of this communication or to reflect the occurrence of unanticipated events.

Financial Highlights

	Q1 FY23
Total Loan Volume	\$260.8 million
National Lending:	
Purchased Loans	\$77.5 million invested on \$83.9 million of UPB ⁽¹⁾ (92.5% purchase price)
Originated Loans ⁽²⁾	\$181.7 million
Weighted Average Rate as of 9/30/2022 ⁽³⁾	7.46%
Net Interest Margin	5.96%
Net Interest Margin excluding Collection Account ⁽⁴⁾	6.22%
Purchased Loan Return ⁽⁵⁾	7.10%
Share Repurchases ⁽⁶⁾	107,722 at \$37.88
Net Income	\$8.3 million
EPS (Diluted)	\$1.12
Return on Equity	13.07%
Return on Assets	2.03%
Tangible Book Value per Share	\$33.57

(1) Unpaid principal balance.

(2) National Lending originations during Q1 FY23 were 100% variable rate, of which 71% were Prime-rate based.

(3) Q1 FY23 National Lending originations had a weighted average floor rate of 6.54%.

(4) NIM excluding Collection Account for Q1 FY23 excludes interest income on short-term investments of \$514 thousand, and average short-term investment balances of \$99.2 million.

(5) Purchased loan return for Q1 FY23 included \$1.1 million of transactional income.

(6) From the inception of the repurchase program, the Bank has purchased 3,945,835 shares at \$17.50.

Q1 FY23 Correspondent Fee Income Summary

Income Summary

Income Source	Amount Recognized
	<i>in thousands</i>
Correspondent Fee	\$266
Amortization of Purchased Accrued Interest	660
Earned Net Servicing Interest	<u>456</u>
Total Correspondent Fee Income	\$1,382

Correspondent Fee Summary

Quarter	PPP Loans Purchased by Loan Source ⁽¹⁾	Correspondent Fee	Purchased Accrued Interest ⁽²⁾	Total ⁽³⁾
				<i>in thousands</i>
Q4 FY 2020	\$1,272,900	\$2,891	\$688	\$3,579
Q1 FY 2021	2,112,100	5,348	2,804	8,152
Q2 FY 2021	1,333,500	495	3,766	4,261
Q3 FY 2021	2,141,900	0	598	598
Q4 FY 2021	4,371,000	171	2,703	2,874
Q1 FY 2022	<u>6,300</u>	<u>0</u>	<u>1</u>	<u>1</u>
Total	\$11,237,700	\$8,905	\$10,560	\$19,465
Less amounts recognized in Q1 FY 2023	N/A	266	660	926
Income Recognized - To Date	N/A	<u>\$8,410</u>	<u>\$9,334</u>	<u>\$17,744</u>
Remainder to be Recognized	N/A	\$229	\$566	\$795

(1) Loan Source's ending PPP loan balance was \$726.0 million as of September 30, 2022.

(2) The Bank's share

(3) Expected to be recognized into income over life of loans

Correspondent Activity Summary

Correspondent Activity by Round

	Round 1	Round 2	Total
	<i>In thousands</i>		
\$ Purchased	\$5,086,941	\$6,150,759	\$11,237,700
\$ Paid off/Forgiven	(4,990,696)	(5,520,961)	(10,511,657)
\$ Remaining	\$96,244	\$629,799	\$726,043
% Remaining	2%	10%	6%

Loan Portfolio Summary

Loan Portfolio	# of Loans	Total Balance	Average Balance	WA LTV
<i>Dollars in thousands</i>				
National Lending Division				
Purchased Loans (1)	1,006	\$530,393	\$527	47%(3)
Direct Originated Loans	125	501,541	4,012	51%
Lender Finance Loans	101	371,134	3,675	50%(4)
SBA and USDA Loans (2)	175	28,521	163	80%
Community Banking Division:				
Commercial Loans	154	12,121	79	42%
Residential and Consumer Loans	435	20,625	47	47%
Total	1,996	\$1,464,335	\$734	50%

(1) Total balance of \$530.4 million is equal to unpaid principal balance of \$569.8 million, net of \$39.4 million purchased loan discount.

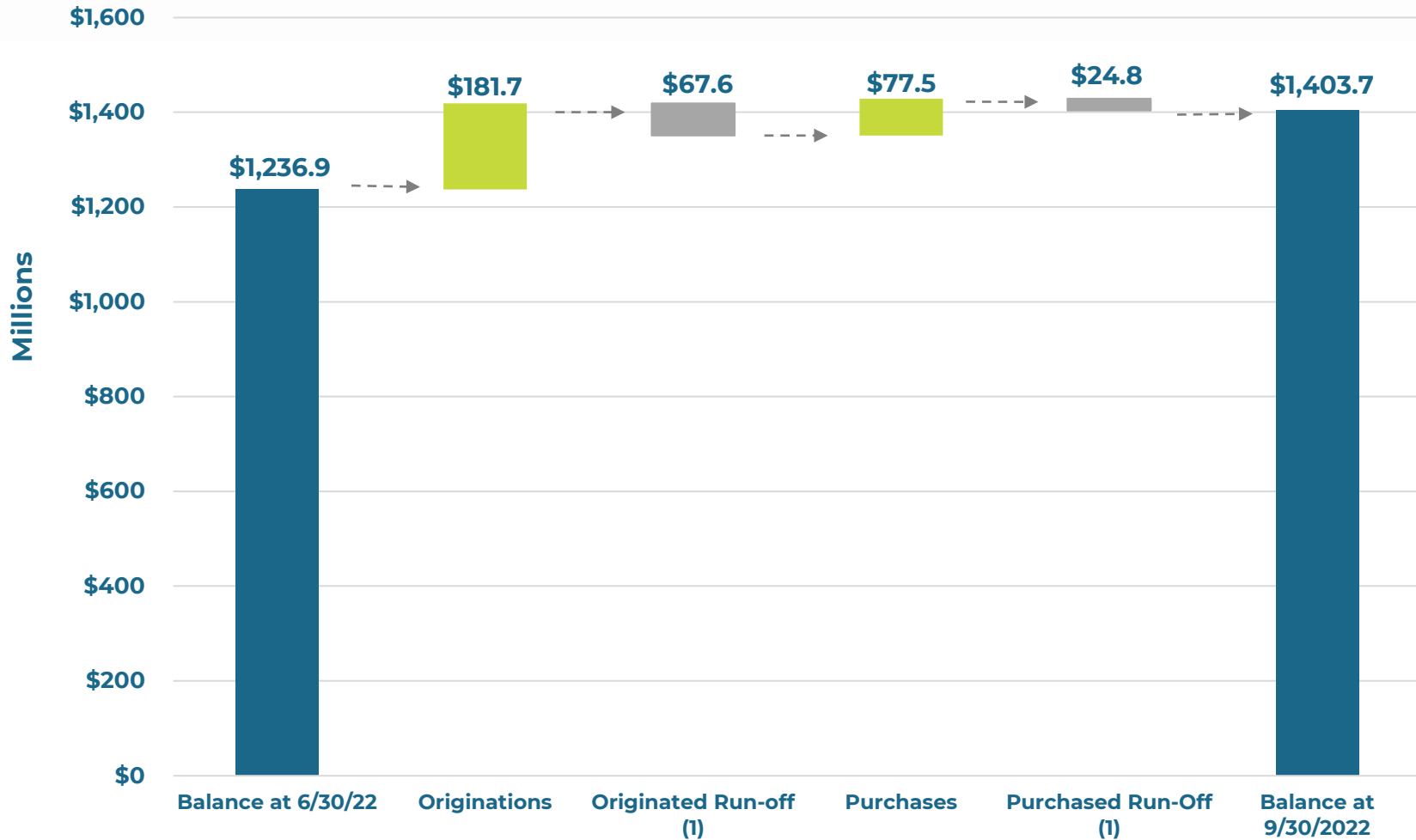
(2) Total loan balance of \$28.5 million is comprised of \$5.5 million of the guaranteed portion and \$23.0 million of the unguaranteed portion of loans.

(3) This reflects the Bank's basis against the appraised value at origination.

(4) LTV is calculated as the Bank's loan amount to the value of the underlying commercial real estate collateral.

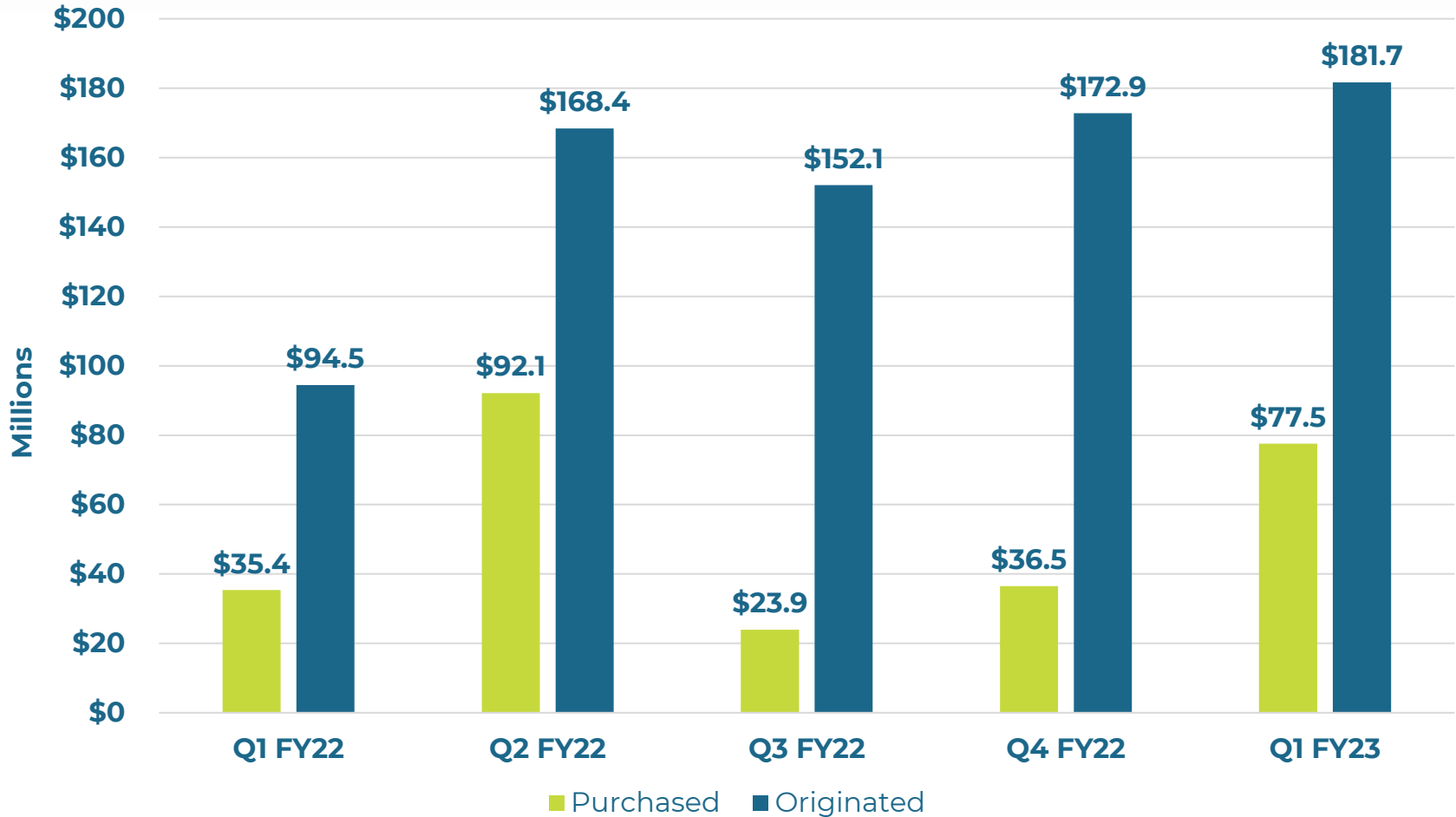
Loan balances exclude net deferred fees and costs.

National Lending Portfolio Roll Forward: Trailing Three Months



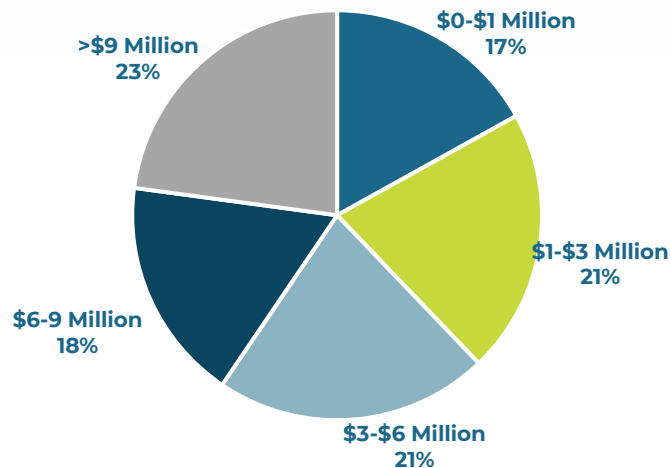
(1) Run-off includes scheduled amortization, principal pay downs and payoffs.

National Lending Activity By Trailing 5 Quarters

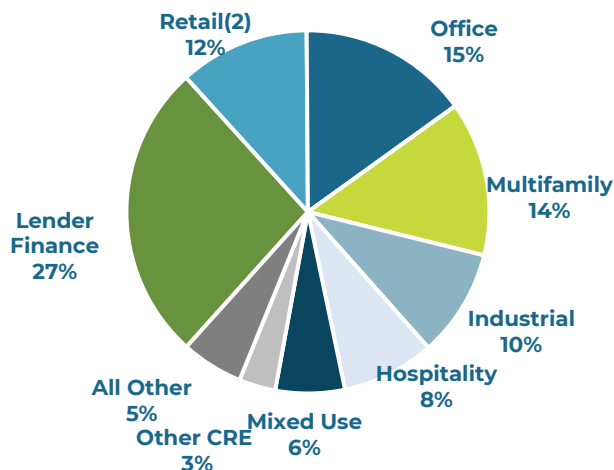


National Lending Loan Portfolio Statistics as of September 30, 2022

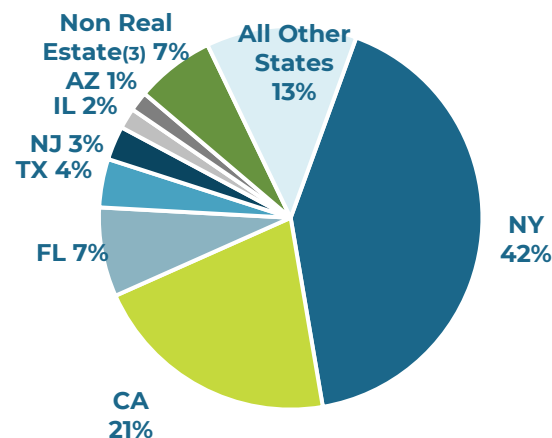
Investment Size ⁽¹⁾



Collateral Type



Collateral State (44 States)



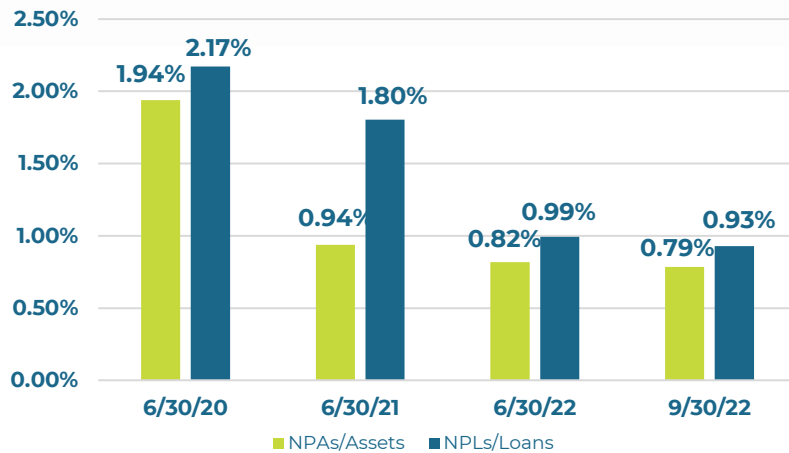
(1) Average investment size of \$1.1 million/loan; originated average: \$3.8 million/loan and purchased average: \$527 thousand/loan

(2) Includes traditional and non-traditional retail, such as restaurants and gas stations.

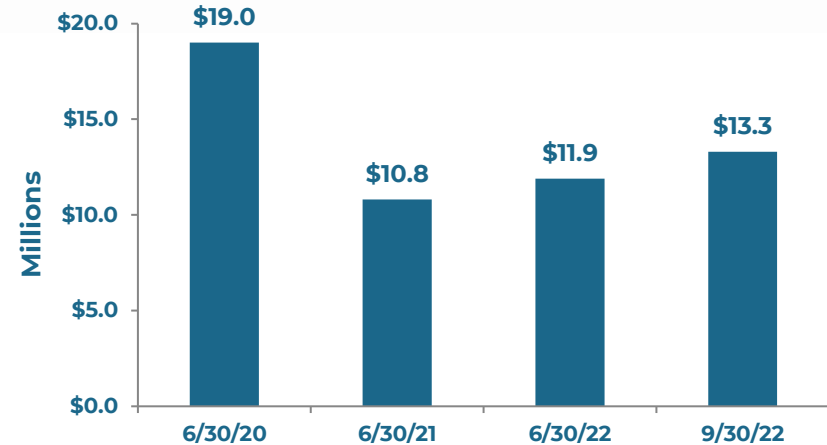
(3) 81% of the 7% Non-Real Estate total represents Lender Finance loans consisting of various collateral types in various locations.

Asset Quality Metrics

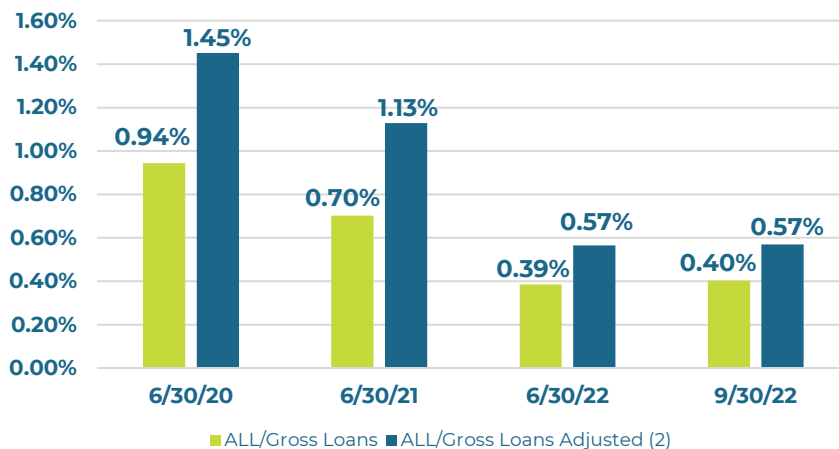
NPAs / Total Assets & NPLs / Total Loans



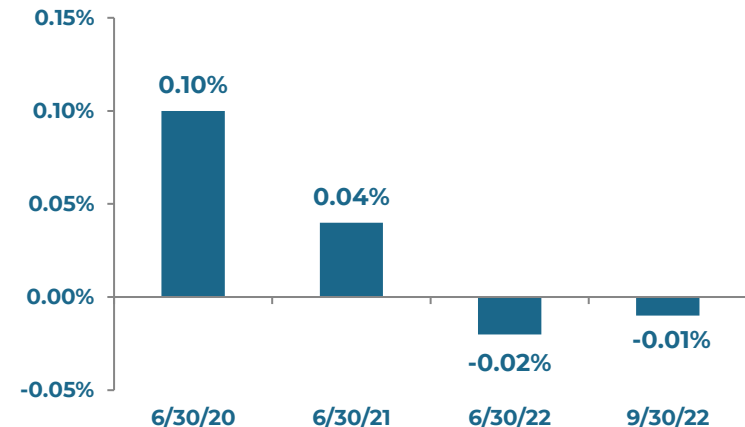
Classified Commercial Loans⁽¹⁾



Allowance for Loan Losses / Gross Loans



NCOs / Average Loans⁽³⁾



(1) Classified loans includes commercial real estate and commercial and industrial loans risk rated under the Bank's internal loan rating system.

(2) Represents allowance on originated loans divided by total originated loans.

(3) For periods ending 6/30, calculated as trailing twelve months of net charge-offs divided by average loans for the same period; for all other periods, calculated as current quarter's net charge-offs (annualized) divided by average loans for the same period.

Nonperforming Assets Turnover – Quarter ended September 30, 2022

	Nonperforming Loans	REO	Total	FMV of Collateral	LTV	Notes
<i>(Dollars in Thousands)</i>						
June 30, 2022 Balance:	\$12,946	\$0	\$12,946			
NPL Additions:						
#1	1,313	-	1,313	2,160	61%	Seven-building mixed use property in TX
#2	787	-	787	1,840	43%	3-story mixed use property in CA
Other Loans - Various	876	-	876			4 loans (totaling \$876 thousand) placed on nonaccrual
REO #1		90	90	90		Recently closed branch, transferred from fixed assets
Total Additions:	2,976	90	3,066			
NPL Resolutions:						
#1	(1,455)	-	(1,455)			Previous loan-on-loan later secured by commercial property in MI; paid off
#2	(422)	-	(422)			3-loan relationship secured by 4 level vintage building in CT; returned to accrual
Other Loans - Various	(448)	-	(448)			3 loans (totaling \$23 thousand) returned to accrual or paid off; \$425 thousand in net paydowns
Total Resolutions:	(2,325)	-	(2,325)			
September 30, 2022 Balance:	\$13,597	\$90	\$13,687			

Allowance Allocation

Loan Segment	Total Loan Balances at September 30, 2022	Total Reserves at September 30, 2022	ALL / Total Loans at September 30, 2022	Total Reserves at June 30, 2022	ALL / Total Loans at June 30, 2022	Total Reserves at September 30, 2021	ALL / Total Loans at September 30, 2021
<i>Dollars in thousands</i>							
LASG Purchased	\$530,393	\$576	0.11%	\$348	0.07%	\$415	0.10%
Originated Loans:							
C&I (Lender Finance primarily)	391,031	1,707	0.44%	1,473	0.42%	1,494	0.61%
Commercial Real Estate	450,394	2,972	0.66%	2,495	0.65%	2,364	0.76%
SBA and USDA:							
- Guaranteed	5,479	-	0.00%	-	0.00%	-	0.00%
- Unguaranteed	22,157	373	1.68%	449	1.70%	2,651	8.43%
1-4 Family Residential	64,102	259	0.40%	253	0.41%	213	0.46%
Consumer	664	11	1.66%	10	1.35%	29	2.91%
Total Originated Loans	933,827	5,322	0.57%	4,680	0.57%	6,751	1.05%
Total Loans	\$1,464,220	\$5,898	0.40%	\$5,028	0.39%	\$7,166	0.67%

(1) Under purchased loan accounting, only further declines in expected cash flows subsequent to the acquisition of a loan are recognized through a specific reserve in the allowance for loan losses.

Loan balances are net of deferred fees and costs.

National Lending Portfolio by Collateral Type

Collateral Type	Direct Originated		Lender Finance		Purchased		Total National Lending	
<i>Dollars in thousands</i>	<i>Balance</i>	<i>WA LTV</i>	<i>Balance</i>	<i>WA LTV</i>	<i>Balance</i>	<i>WA LTV</i>	<i>Balance</i>	<i>WA LTV</i>
1-4 Family	\$41,599	54%	\$14,716	40%	\$7,579	29%	\$63,894	48%
Hospitality	90,919	51%	23,495	55%	27,508	45%	141,923	51%
Industrial	28,556	56%	30,760	51%	108,664	42%	167,980	46%
Land and Construction	11,751	37%	28,338	42%	5,815	49%	45,903	41%
Mixed Use	81,044	49%	74,172	57%	30,976	44%	186,191	51%
Multi Family	31,479	53%	73,079	46%	149,871	49%	254,429	48%
Office	85,324	53%	21,976	61%	89,498	51%	196,798	53%
Retail	117,049	52%	58,780	53%	107,667	50%	283,496	52%
Small Balance Commercial	13,820	31%	45,819	42%	2,816	31%	62,454	39%
Total	\$501,541	51%	\$371,134	50%	\$530,393	47%	\$1,403,068	49%

All data as of September 30, 2022, unless otherwise noted. Loan balances exclude net deferred fees and costs.

National Lending Portfolio — Weighted Average LTV By Bucket

National Lending Portfolio	<40%	40-49%	50-59%	60-69%	70-79%	>=80%	Total
<i>Dollars in thousands</i>							
Purchased Loans	\$186,130	\$94,847	\$96,311	\$96,895	\$39,841	\$16,369	\$530,393
Direct Originated Loans	109,791	104,159	139,111	78,361	58,744	11,375	501,541
Lender Finance Loans	77,775	86,582	138,713	46,550	21,514	-	371,134
Total	\$373,696	\$285,588	\$374,135	\$221,806	\$120,099	\$27,744	\$1,403,068
% of Total	27%	20%	27%	16%	8%	2%	100%

National Lending Purchased Portfolio — Further Analysis

National Lending Purchased Portfolio	Origination Year			Total
	Pre-2009	2009-2015	2016 and later	
<i>Dollars in thousands</i>				
Current Basis	\$137,739	\$178,295	\$214,359	\$530,393
# of Loans	558	227	222	1,007
% of Portfolio	26%	34%	40%	100%
Original Principal Balance	\$380,817	\$291,794	\$266,998	\$939,609
Current Principal Balance	153,982	188,149	227,651	569,782
% Principal Paid Down Since Origination	60%	36%	15%	39%
Current Basis⁽¹⁾ / Original Principal	36%	61%	80%	56%

(1) Current basis is net of principal paydowns and remaining discount.

All data as of September 30, 2022, unless otherwise noted. Loan balances exclude net deferred fees and costs.

National Lending Originated Portfolio — Interest Reserve Analysis

Lender Finance

<i>Dollars in thousands</i>	Balance	% with Interest Reserves	Interest Reserve WA Duration	WA Advance Rate⁽¹⁾	WA Loan to Underlying RE⁽¹⁾
Total Lender Finance Loans	\$371,134			67%	50%
Lender Finance Loans with Interest Reserves	349,844	94%	4.5 Months		

Direct Originated Loans

<i>Dollars in thousands</i>	Balance	% with Interest Reserves	Interest Reserve WA Duration	WA LTV⁽¹⁾
Total Direct Originated Loans	\$501,541			51%
Direct Originated Loans with Interest Reserves	421,915	84%	7.2 Months	

(1) Weighted Average calculations utilize original balance and real estate values at the time of origination.

All data as of September 30, 2022, unless otherwise noted. Loan balances exclude net deferred fees and costs.

Community Banking Division Portfolio by Collateral Type

Collateral Type	Commercial		Consumer		Total	
	<i>Dollars in thousands</i>	<i>Balance</i>	<i>WA LTV</i>	<i>Balance</i>	<i>WA LTV</i>	<i>Balance</i>
1-4 Family		\$1,542	49%	\$18,808	46%	\$20,350
Hospitality		730	23%	-	NAP	730
Industrial		117	44%	-	NAP	117
Land and Construction		58	26%	152	26%	211
Mixed Use		304	83%	-	NAP	304
Multi Family		3,036	39%	1,313	54%	4,349
Office		3,679	31%	-	NAP	3,679
Retail		1,258	36%	-	NAP	1,258
Small Balance		1,397	76%	343	44%	1,740
Unsecured		-	NAP	9	100%	9
Total		\$12,121	42%	\$20,625	47%	\$32,746

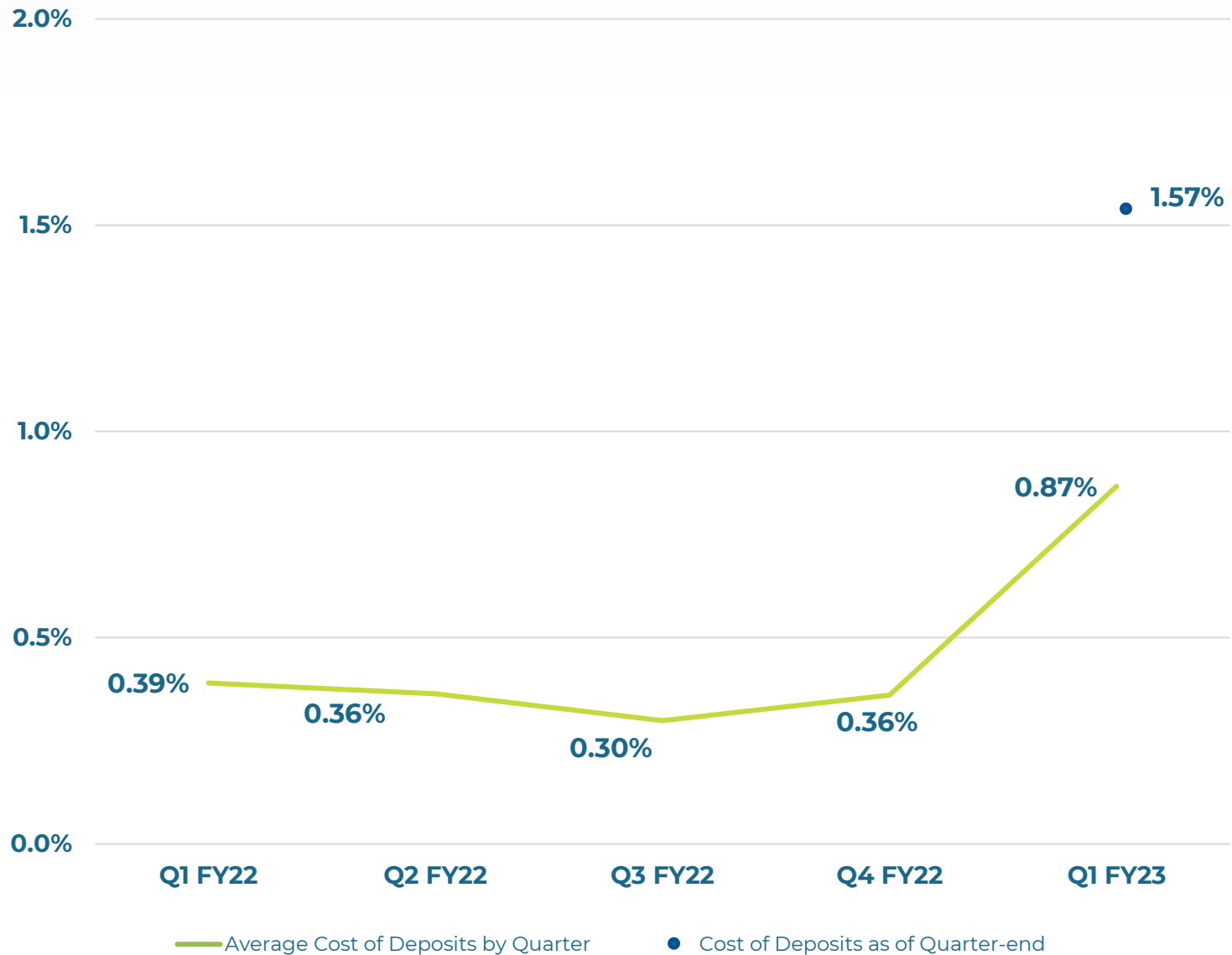
All data as of September 30, 2022, unless otherwise noted. Loan balances exclude net deferred fees and costs.

SBA and USDA Loans by Collateral Type

Collateral Type	SBA and USDA Loans				
	<i>Dollars in thousands</i>	<i>Guaranteed</i>	<i>Unguaranteed</i>	<i>Total Balance</i>	<i>WA LTV</i>
Hospitality		\$17	\$13,608	\$13,625	76%
Industrial		587	1,677	2,264	63%
Office		-	1,861	1,861	80%
Retail		3,492	4,157	7,649	88%
Small Balance Commercial		18	1,223	1,241	91%
1-4 Family		656	219	875	63%
Unsecured		709	297	1,006	100%
Total		\$5,479	\$23,042	\$28,521	80%

All data as of September 30, 2022, unless otherwise noted. Loan balances exclude net deferred fees and costs.

Quarterly Cost of Deposits



Deposit Portfolio Changes

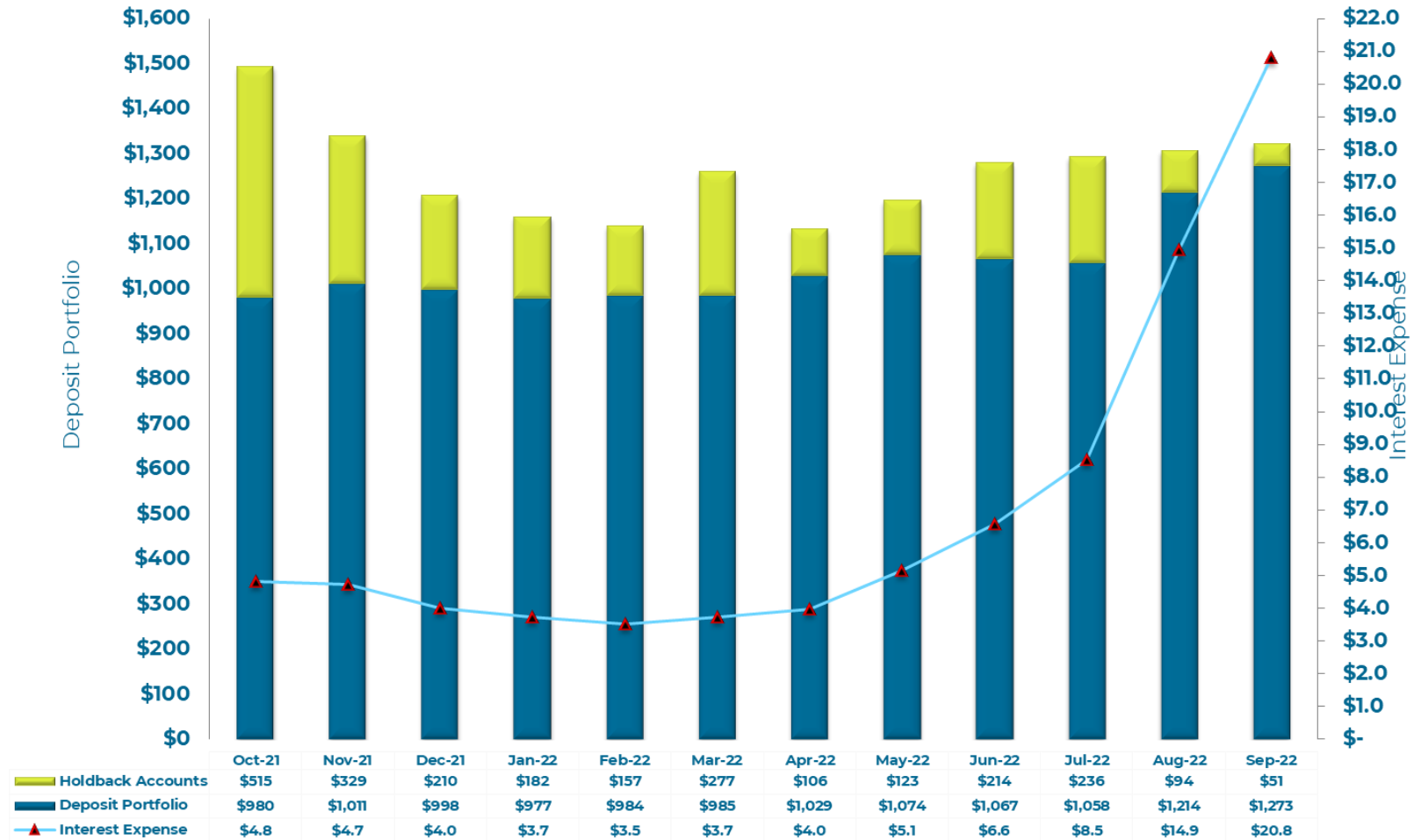
By Channels	September 30, 2022			September 30, 2021			Net Change		
	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%	WAR
<i>Dollars in thousands</i>									
Community Banking	\$1,081,970	1.51%	85%	\$731,537	0.36%	74%	\$350,433	48%	1.15%
ableBanking	70,945	0.55%	6%	159,924	0.60%	16%	(88,979)	-56%	-0.05%
Bulletin Board	48,328	3.84%	4%	101,273	1.25%	10%	(52,945)	-52%	2.59%
Brokered Deposits	76,229	3.02%	6%	0	0.00%	0%	76,229	0%	3.02%
Sub-Total	1,277,472	1.63%	96%	992,734	0.49%	91%	284,738	29%	1.14%
Holdback Accounts	50,927 (1)	0.00%	4%	93,576 (1)	0.00%	9%	(42,649)	-46%	0.00%
Grand Total	\$1,328,399	1.57%		\$1,086,310	0.45%		\$242,089	22%	1.12%

By Products	September 30, 2022			September 30, 2021			Net Change		
	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%	WAR
<i>Dollars in thousands</i>									
Checking	\$658,630	1.84%	52%	\$395,897	0.19%	40%	\$262,732	66%	1.66%
Savings	134,704	0.88%	11%	84,676	0.43%	9%	50,027	59%	0.45%
Money Market	246,147	0.89%	19%	270,801	0.29%	27%	(24,653)	-9%	0.61%
Certificate of Deposit	237,991	2.26%	19%	241,359	1.23%	24%	(3,368)	-1%	1.03%
Sub-Total	1,277,472	1.64%	96%	992,733	0.49%	91%	284,738	29%	1.14%
Holdback Accounts	50,927 (1)	0.00%	17%	93,576 (1)	0.00%	9%	(42,649)	-46%	0.00%
Grand Total	\$1,328,399	1.57%		\$1,086,310	0.45%		\$242,088	22%	1.12%

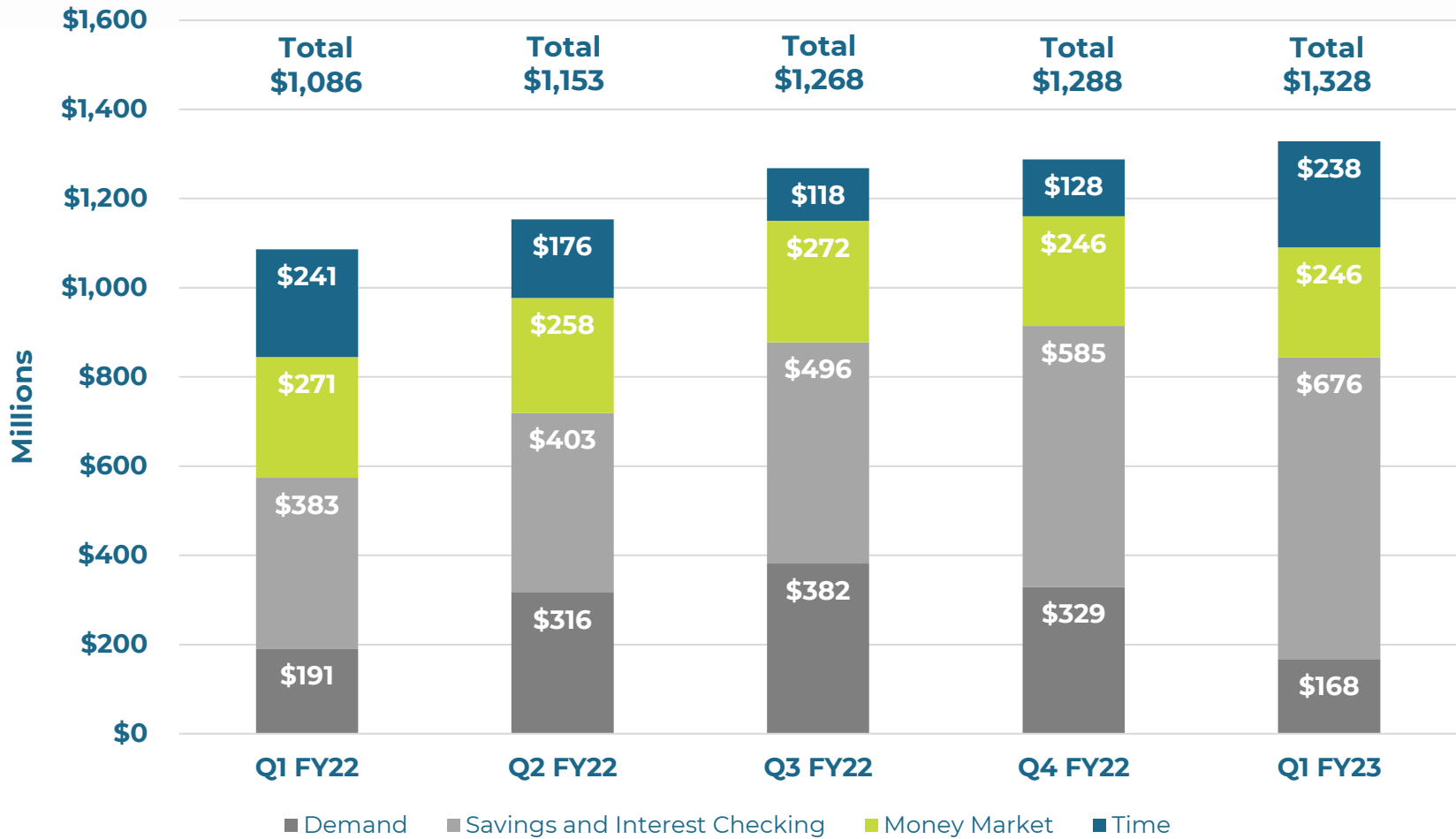
(1) Includes PPP Collection Account balance of \$20.4 million and \$77.9 million at September 30, 2022 and 2021, respectively.

Deposit Portfolio and Interest Analysis

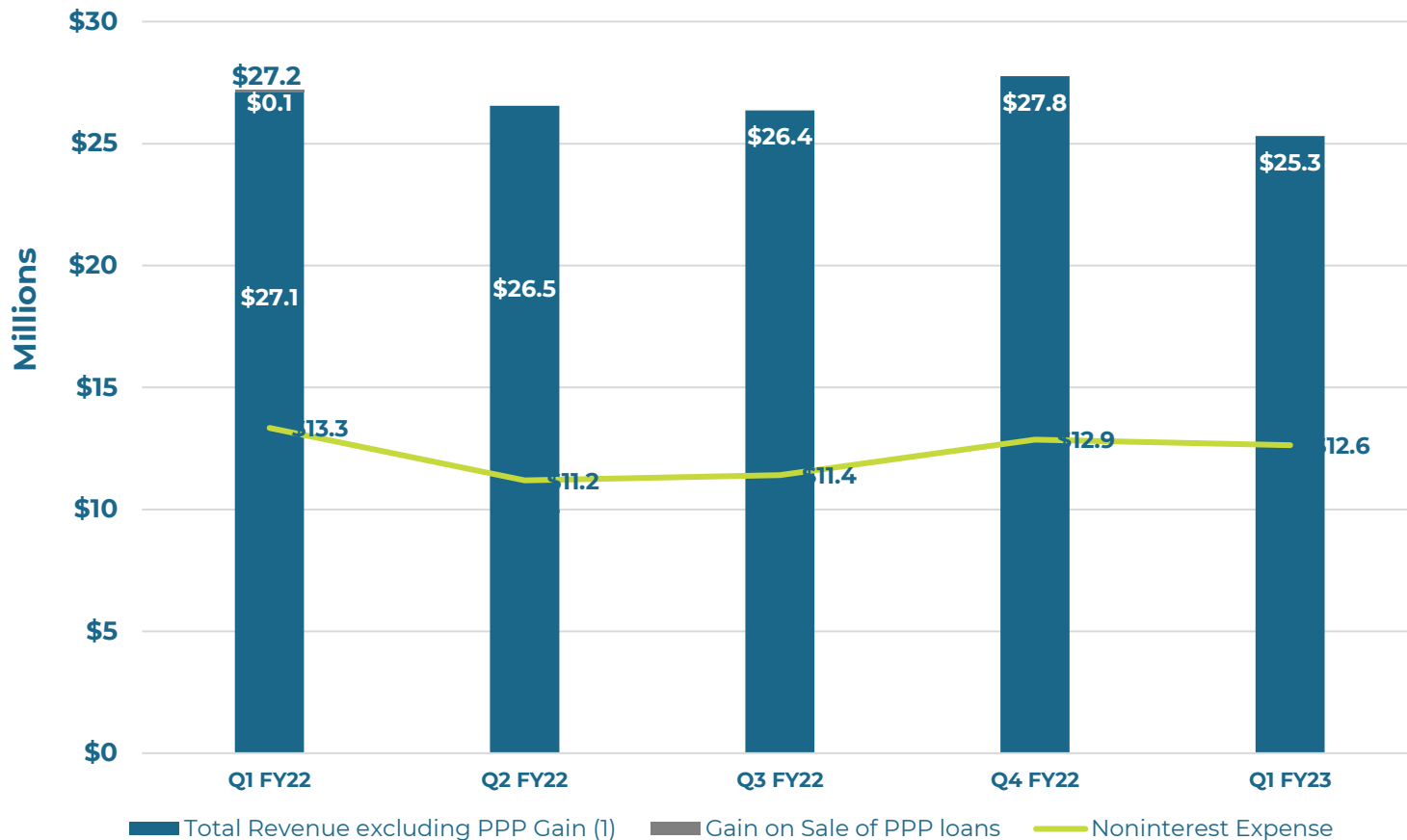
Trailing Twelve-Month Deposit Portfolio and Annualized Interest Expense
(Includes Brokered Deposits)
\$ Millions



Deposit Mix By Trailing 5 Quarter Ends



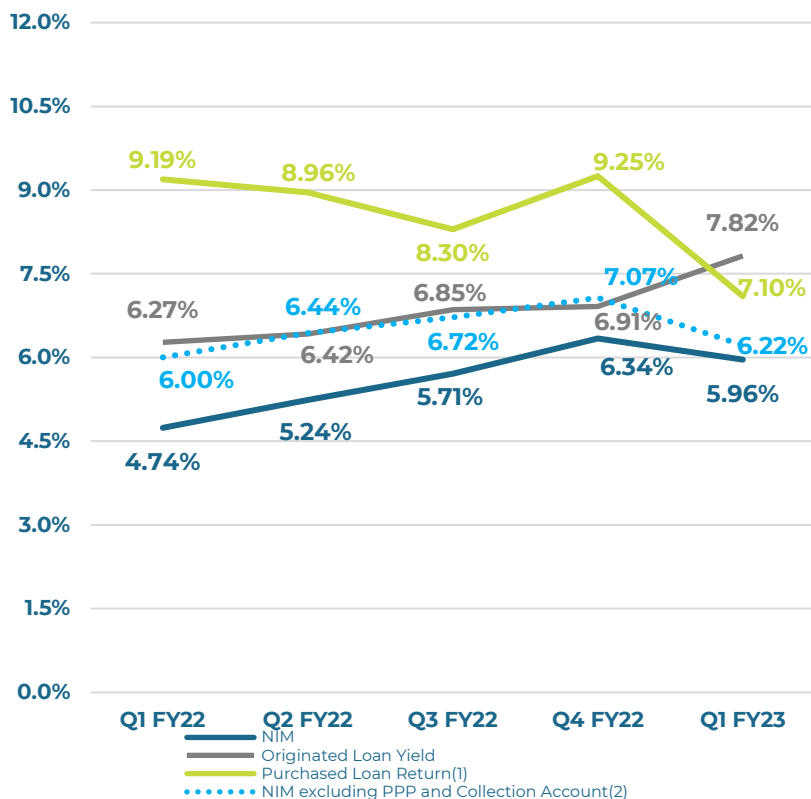
Revenue and Noninterest Expense for Trailing 5 Quarters



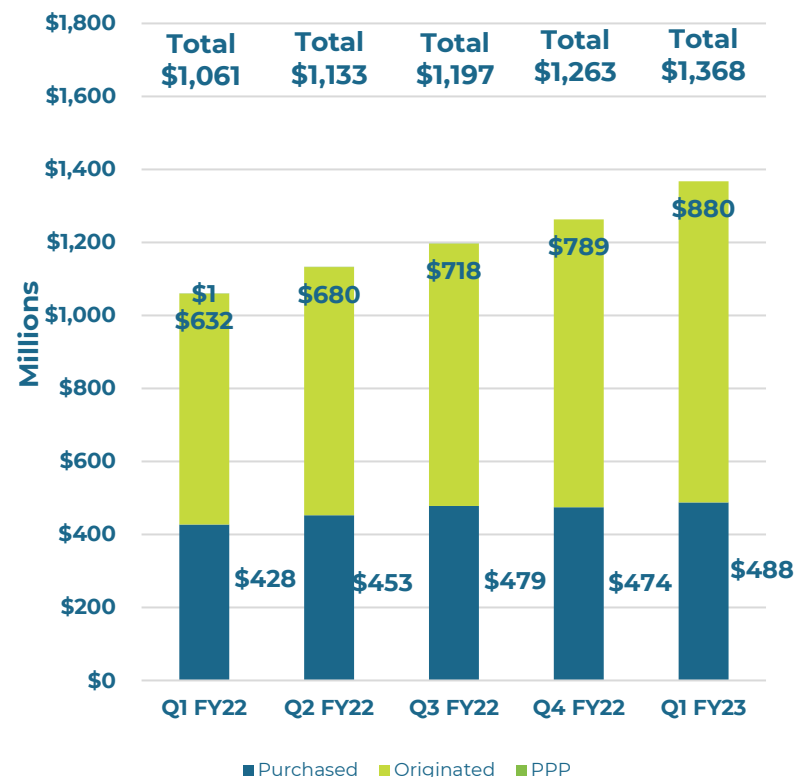
(1) Total Revenue includes net interest income before loan loss provision (credit) and noninterest income.

Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

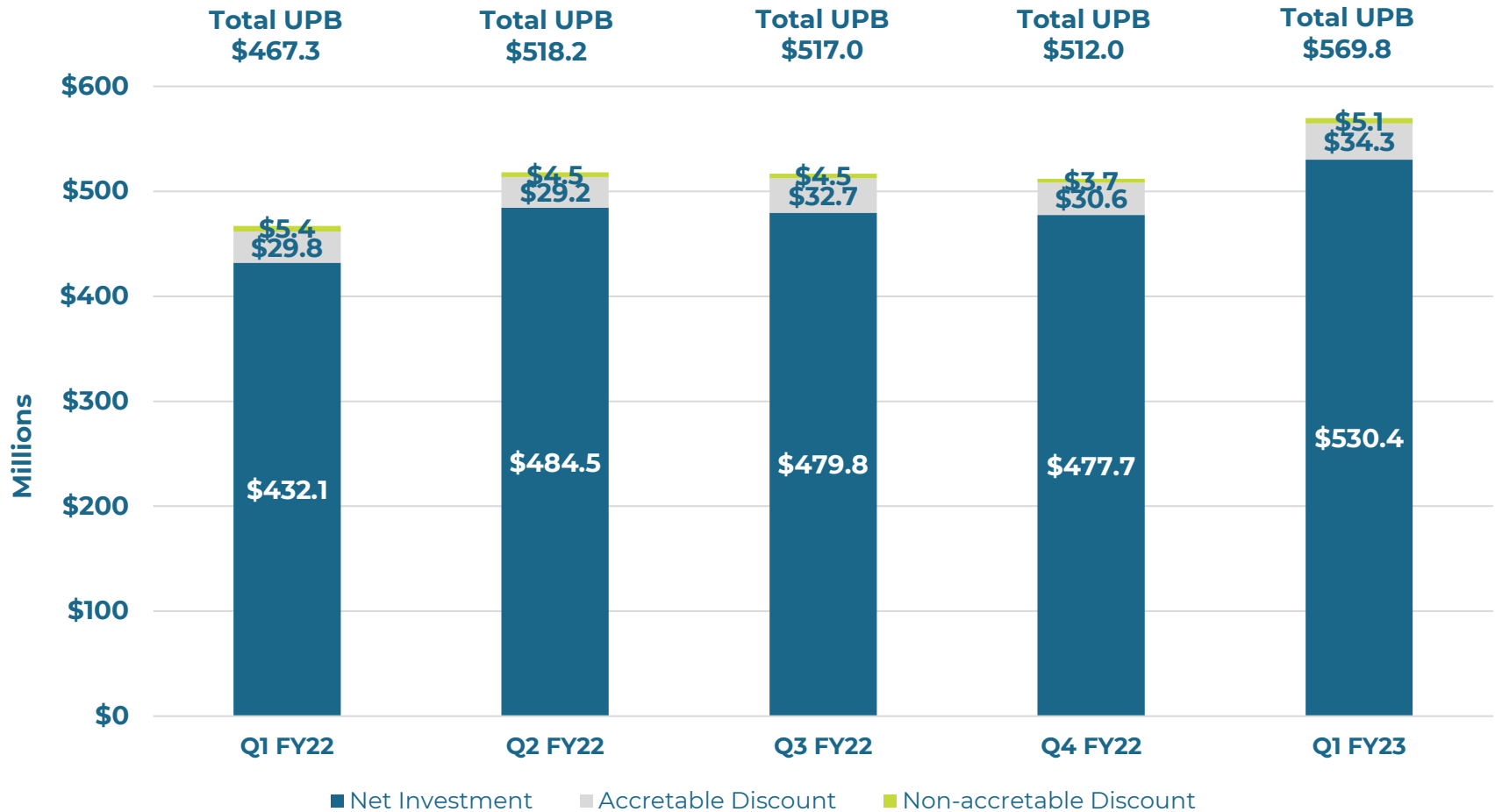


Average Loan Balance for Trailing 5 Quarters⁽³⁾



- (1) Purchased loan return includes purchased loan yield, as well as gain on loan sales, gain on sale of real estate owned and other noninterest income.
- (2) NIM excluding PPP and collection Account for Q1 FY22, Q2 FY22, Q3 FY22, Q4 FY22, and Q1 FY23 removes the effects of the following: PPP loan interest income of \$11 thousand, \$2 thousand, \$3 thousand, \$0, and \$0, interest income on short-term investments of \$84 thousand, \$73 thousand, \$60 thousand, \$362 thousand, and \$514 thousand, average PPP loan balances of \$1.4 million, \$628 thousand, \$462 thousand, \$0, and \$0, and short-term investments average balance related to PPP collection account of \$334.3 million, \$287.7 million, \$244.0 million, \$175.2 million, and \$99.2 million, respectively.
- (3) Includes loans held for sale.

Purchased Loan Investment Basis and Discount By Trailing 5 Quarters

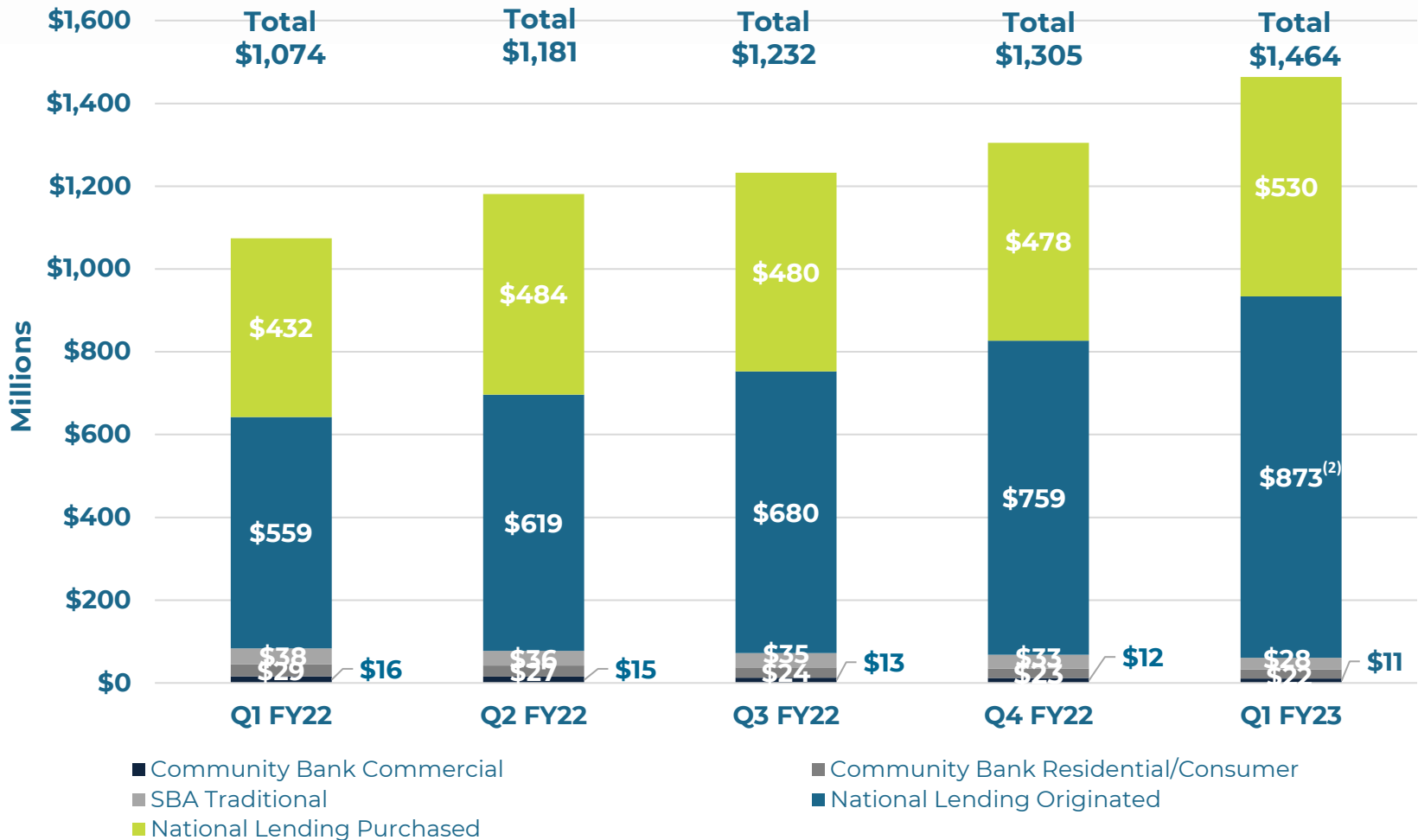


National Lending Portfolio — Q1 FY23 Return Summary⁽¹⁾

	Purchased	Originated	Total
Regularly Scheduled Interest & Accretion	6.24%	7.29%	6.90%
Accelerated Accretion, Interest, & Fees Recognized on Loan Payoffs	0.86%	0.56%	0.67%
Total	7.10%	7.85%	7.57%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales and gains on real estate owned recorded during the period divided by the average invested balance, which includes loans held for sale, on an annualized basis. The total return does not include the effect of purchased loan charge-offs or recoveries during the period.

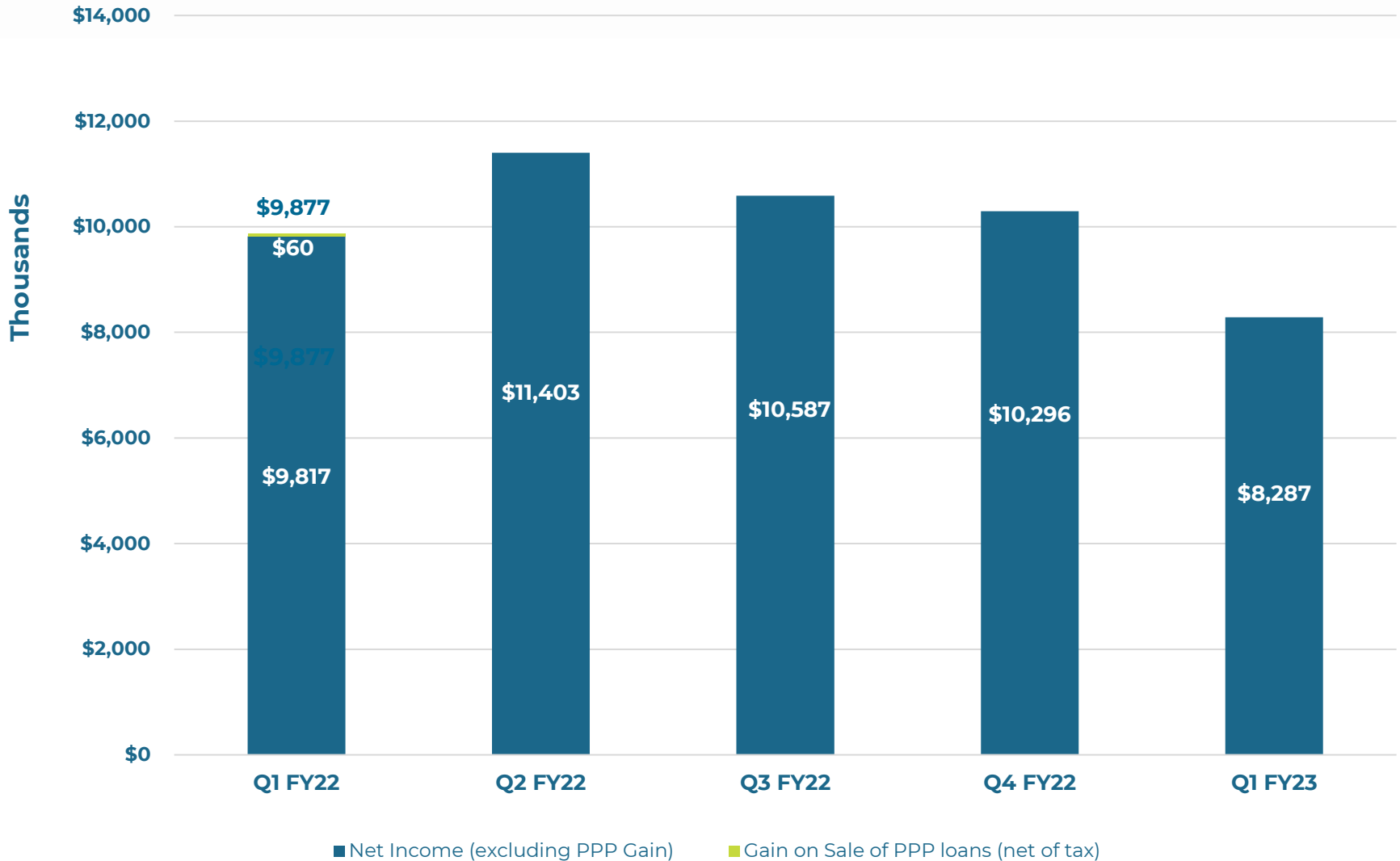
Loan Mix As of Trailing 5 Quarter Ends⁽¹⁾



(1) Includes loans held for sale.

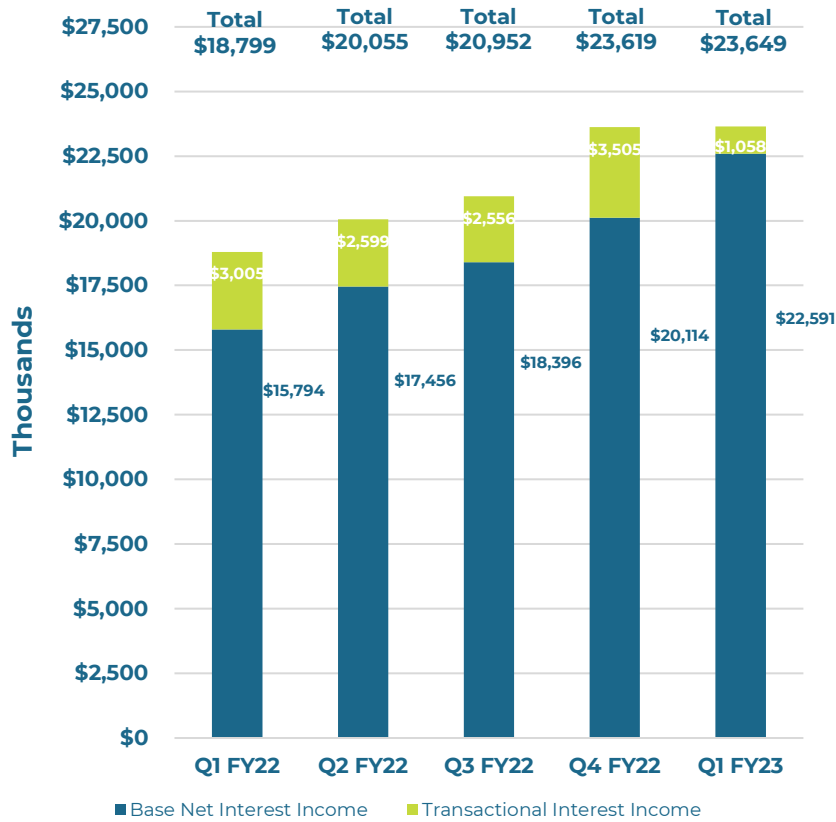
(2) 89% of the National Lending Originated portfolio had a floor, with a weighted average floor of 6.26% as of September 30, 2022.

Net Income for Trailing 5 Quarters



Key Components of Income For Trailing 5 Quarters

Net Interest Income Before Loan Loss Provision



Noninterest Income

