

FY 2020 Q4 Investor Call



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, the negative impacts and disruptions of the COVID-19 pandemic and measures taken to contain its spread on our employees, customers, business operations, credit quality, financial position, liquidity and results of operations; the length and extent of the economic contraction resulting from the COVID-19 pandemic; continued deterioration in employment levels, 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 changing political, business and economic conditions or legislative or regulatory initiatives; turbulence in the capital and debt markets; changes in interest rates and real estate values; increases in loan 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; operational risks including, but not limited to, cybersecurity incidents, fraud, natural disasters 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; 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

	Q4 FY20	YTD FY20
Total Loan Volume	\$536.1 million	\$910.7 million
LASG:		
Purchased Loans	\$12.7 million invested on \$14.6 million of UPB ⁽¹⁾ (87.2% purchase price)	\$171.3 million invested on \$182.6 million of UPB ⁽¹⁾ (93.8% purchase price)
Originated Loans⁽²⁾	\$33.6 million	\$221.5 million
Weighted Average Rate as of 6/30/2020⁽³⁾	6.71%	7.23%
SBA PPP Loans	\$487.5 million	\$487.5 million
Community Bank:		
Residential Mortgage Originations	\$2.3 million	\$27.5 million
Commercial Originations	\$0.0 million	\$2.4 million
Net Interest Margin	4.90%	5.39%
Net Interest Margin excluding PPP⁽⁴⁾	5.34%	5.53%
Purchased Loan Return⁽⁵⁾	9.89%	9.97%
Earnings	\$11.2 million	\$22.7 million
EPS (Diluted)	\$1.33	\$2.53
Return on Equity	28.44%	14.21%
Return on Assets	3.07%	1.82%

(1) Unpaid principal balance.

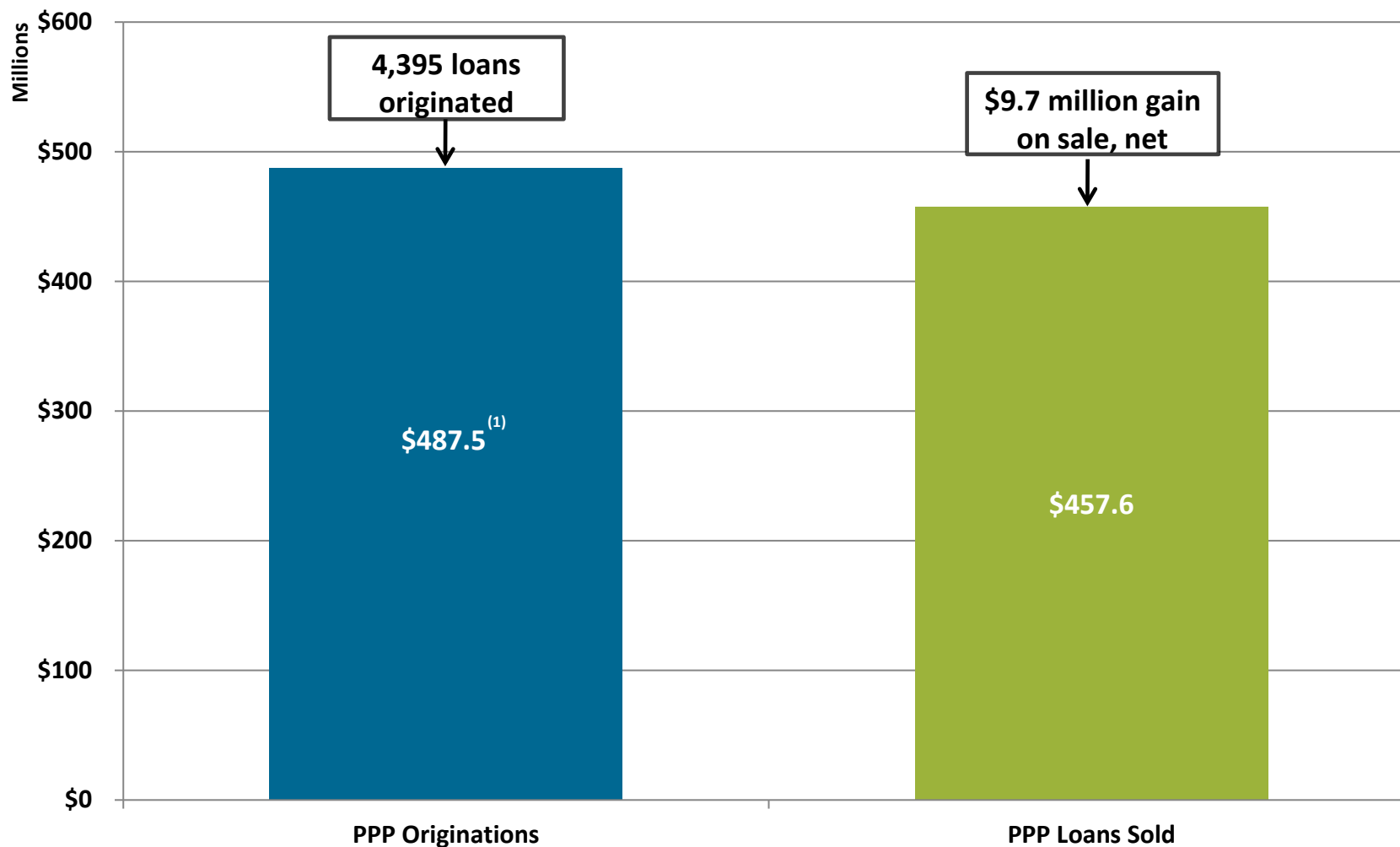
(2) LASG originations during Q4 FY20 and FY20 were 100% and 91% variable rate, of which 100% and 89% were Prime rate based.

(3) Q4 FY20 and FY20 LASG originations had a weighted average floor rate of 6.71% and 7.23%, respectively.

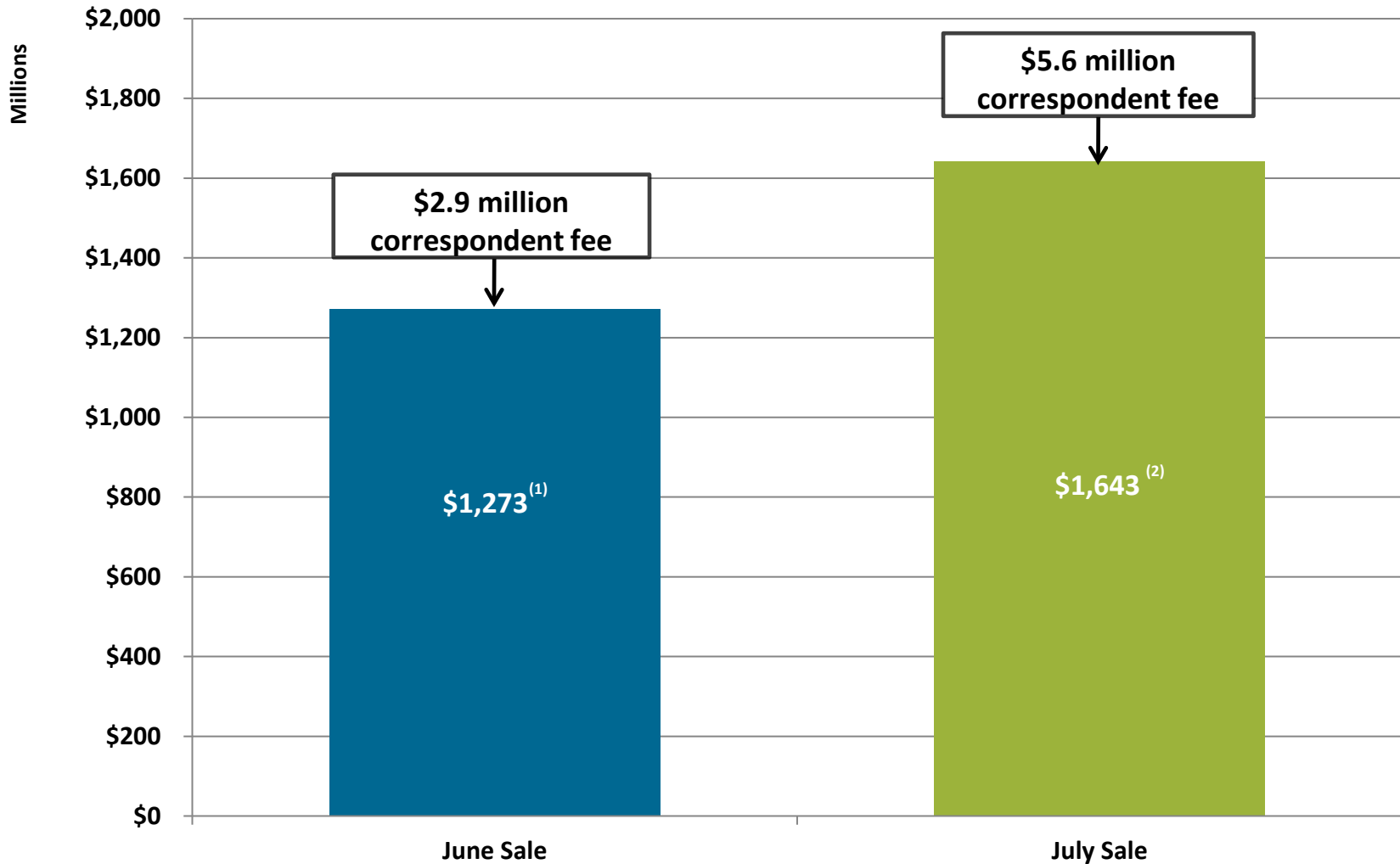
(4) NIM excluding PPP removes the effects of the following: PPP loan interest income of \$1.6 million and PPPLF interest expense of \$174 thousand for both Q4 FY20 and FY20, as well as PPP loan average balances of \$223.8 million and \$55.6 million for Q4 FY20 and FY20, respectively.

(5) Purchased loan return for Q4 FY20 and FY20 included \$2.6 million and \$9.4 million of transactional income, respectively.

Paycheck Protection Program- Activity



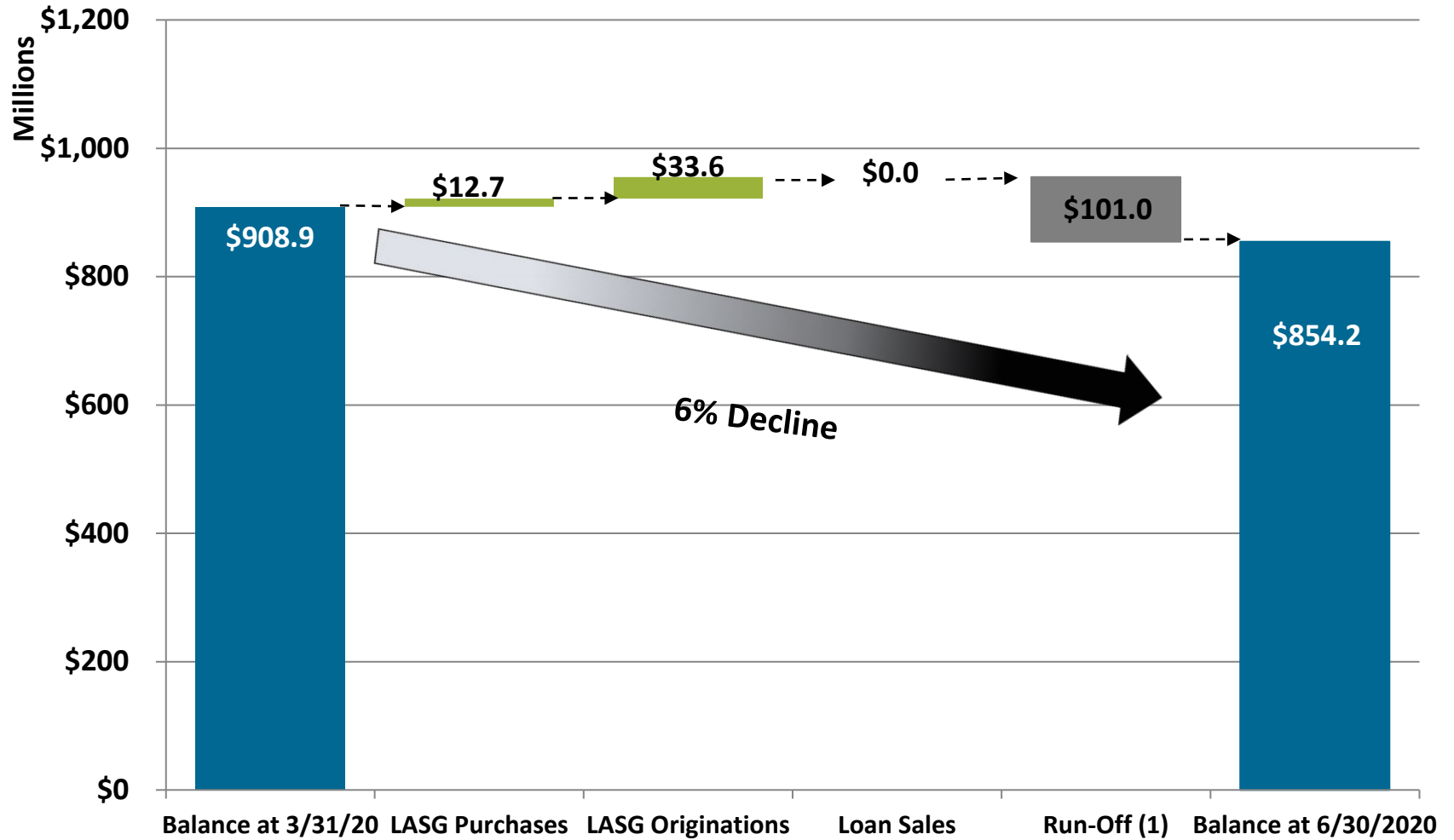
Paycheck Protection Program – Correspondent Income



In June 2020, the Bank entered into a correspondent relationship with Loan Source to provide them with access to PPP Liquidity Facility, thereby generating correspondent fee income on loans sold.

- (1) Includes \$457.6 million of loans sold by the Bank.
- (2) Includes \$44.5 million of loans sold by the Bank.

LASG Portfolio Roll Forward: Trailing Three Months



COVID Modification Summary – Full Payment Deferral

Deferral Start Month	Original Deferral	Currently in Deferral	Status as of July 27, 2020		
			Paid on Time	< 30 DPD	30-59 DPD
(Dollars in Millions)					
March	\$8.8	\$0.0	\$7.2	\$1.0	\$0.6
April	\$86.3	\$19.8	\$44.9	\$21.6	\$0.0
May	\$29.5	\$29.5	Payments resume in August		
June	\$10.0	\$10.0	Payments resume in September		
July	\$0.8	\$0.8	Payments resume in October		
Grand Total	\$135.4	\$60.1	\$52.1	\$22.6	\$0.6
% Deferral over Total Loans¹	13.94%	6.19%			

1 - Total Loans as of June 30, 2020

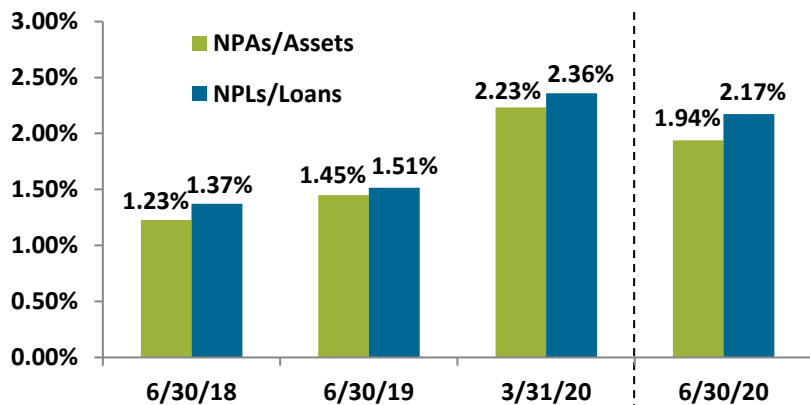
COVID Modification Summary – Interest-Only Period

Status as of July 27, 2020					
I/O Start Month	Original Deferral	Currently in Deferral	Paid on Time	< 30 DPD	30-59 DPD
(Dollars in Millions)					
March	\$1.7	\$1.7	\$1.7	\$0.0	\$0.0
April	\$21.6	\$21.6	\$17.2	\$4.4	\$0.0
May	\$17.8	\$17.8	\$11.3	\$6.5	\$0.0
June	\$8.8	\$8.8	\$8.8	\$0.0	\$0.0
July	\$0.6	\$0.6	\$0.6	\$0.0	\$0.0
Grand Total	\$50.5	\$50.5	\$39.6	\$10.9	\$0.0
% Deferral over Total Loans¹	5.20%	5.20%			

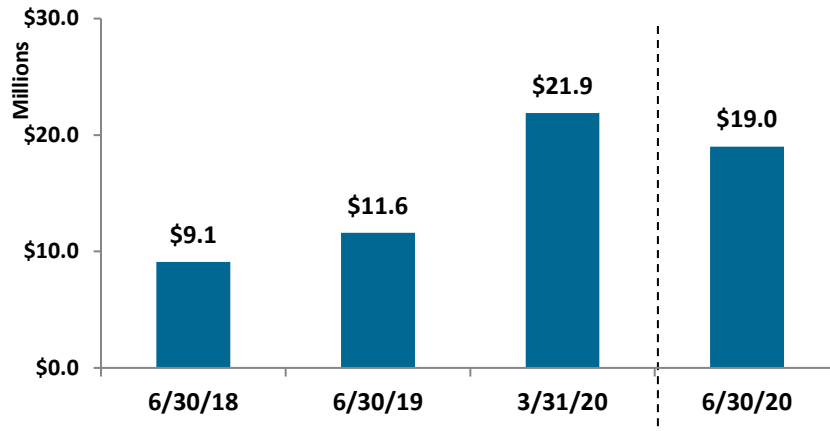
1 - Total Loans as of June 30, 2020

Asset Quality Metrics

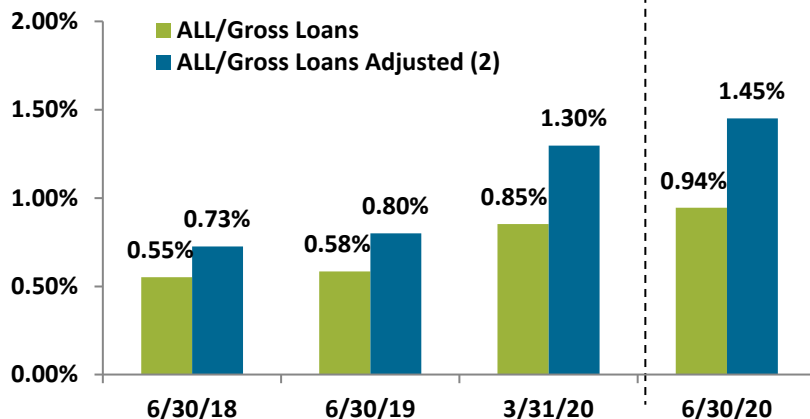
NPAs / Total Assets & NPLs / Total Loans



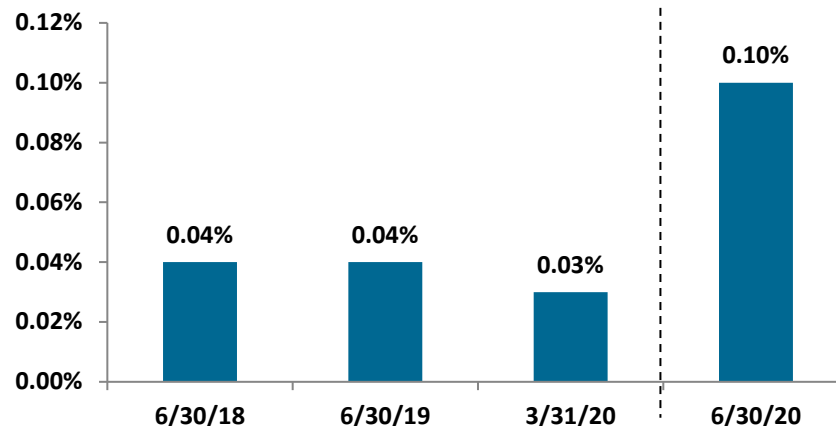
Classified Commercial Loans⁽¹⁾



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) ALL/Gross Loans Adjusted represents total allowance for loan losses less allowance on purchased loans, divided by total loans less purchased 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.

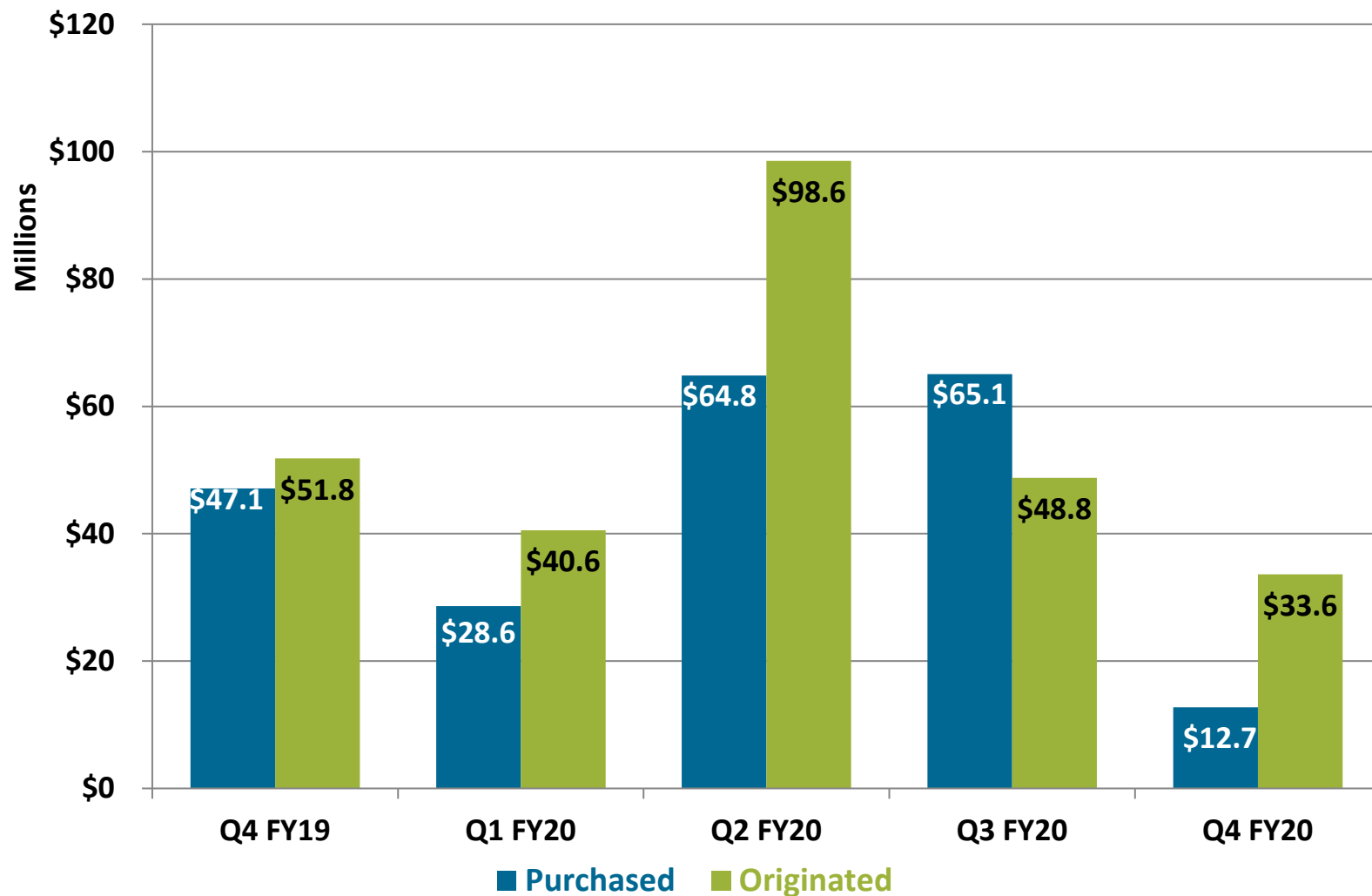
Allowance Allocation

Loan Segment	Total Loan Balances at June 30, 2020	Total Reserves at June 30, 2020	ALL / Total Loans at June 30, 2020	Total Reserves at June 30, 2019	ALL / Total Loans at June 30, 2019
<i>Dollars in thousands</i>					
LASG Purchased	\$386,624	\$689	0.18%	\$520	0.16%
Originated Loans:					
C&I (Portfolio Finance primarily)	208,170	957	0.46%	717	0.32%
Commercial Real Estate	262,142	2,077	0.79%	2,065	0.70%
SBA and USDA:					
- Guaranteed	5,255	0	0.00%	0	0.00%
- Unguaranteed	41,840	4,977	11.90%	1,974	3.13%
Residential Real Estate	65,997	449	0.68%	376	0.61%
Consumer	1,574	29	1.84%	50	1.99%
Total Originated Loans	584,978	8,489	1.45%	5,182	0.80%
Total Loans	\$971,602	\$9,178	0.94%	\$5,702	0.58%

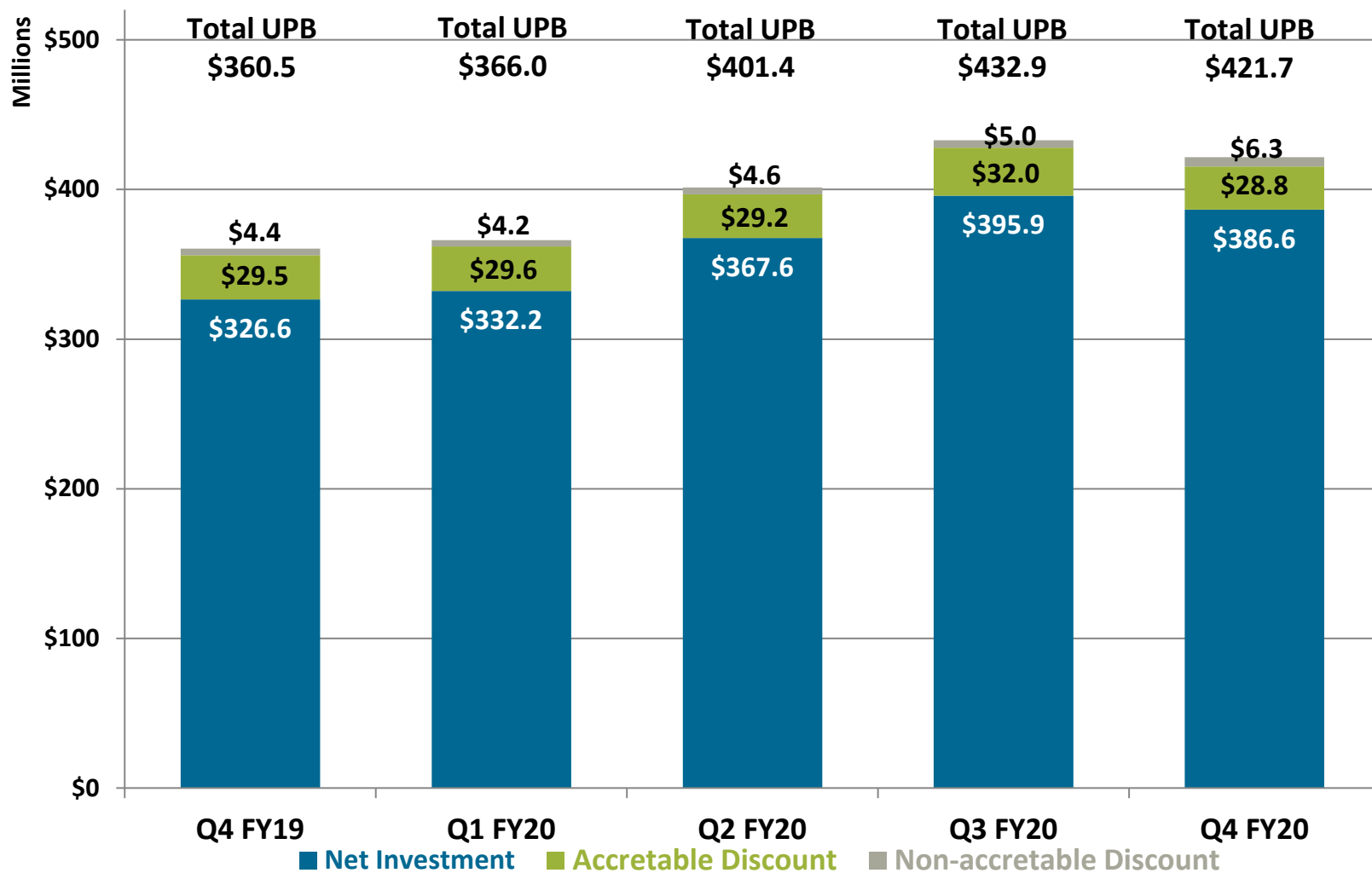
Share Repurchase Plan

	Number of Shares	Price Per Share	Total Price
October 2019 Repurchase Plan ¹	900,000		
Third Quarter FY 2020 Activity	416,700	\$12.83	\$5,346,469
Fourth Quarter FY 2020 Activity	436,398	\$14.04	\$6,126,592
Total Repurchased- FY 2020	853,098	\$13.45	\$11,473,061
Remaining Shares in October 2019 Plan	46,902		
July 2020 Repurchase Plan ²	600,000		
Total Remaining Shares	646,902		
<i>(1) Plan approved on October 21, 2019 and expires on October 21, 2020.</i>			
<i>(2) Plan approved on July 21, 2020 and expires on July 21, 2021, limited to \$10.2 million of common stock.</i>			

LASG Activity By Trailing 5 Quarters



Purchased Loan Investment Basis and Discount By Trailing 5 Quarters



LASG Portfolio – Q4 FY20 Return Summary⁽¹⁾ as of June 30, 2020

	<u>Purchased</u>	<u>Originated</u>	<u>Total</u>
Regularly Scheduled Interest & Accretion	7.18%	7.12%	7.14%
Accelerated Accretion & Fees Recognized on Loan Payoffs & Gain on Loan Sales	2.71%	0.01%	1.20%
Total	9.89%	7.13%	8.34%

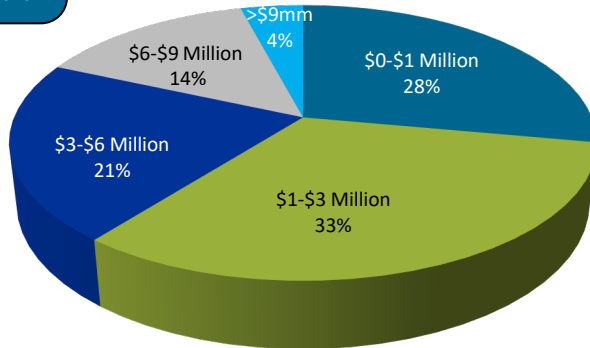
(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales and gains on real estate owned recorded during the period divided by the average invested balance, which includes loans held for sale, on an annualized basis. The total return does not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

LASG Loan Portfolio Statistics as of June 30, 2020

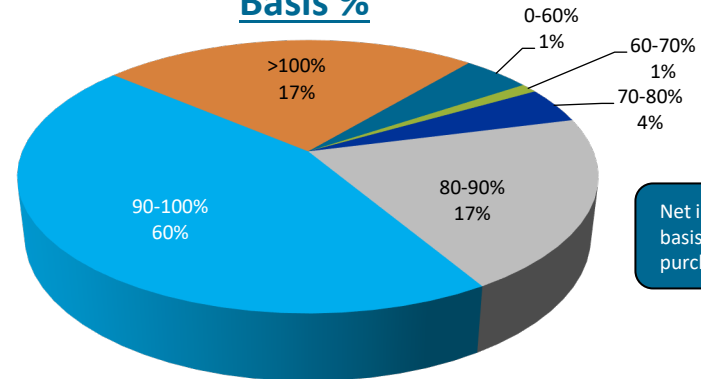
- Average investment size of \$765 thousand / loan

- Originated: \$2.2 million
- Purchased: \$429 thousand

Investment Size

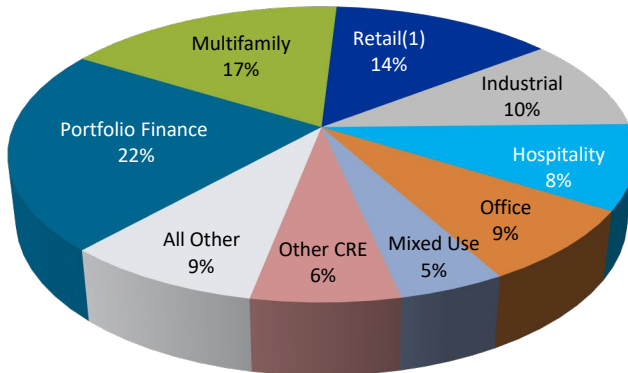


Purchased Loan Net Investment Basis %



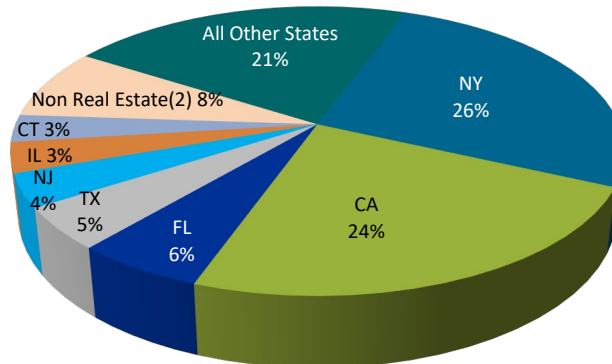
Net investment basis of 92% for purchased loans

Collateral Type



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

Collateral State



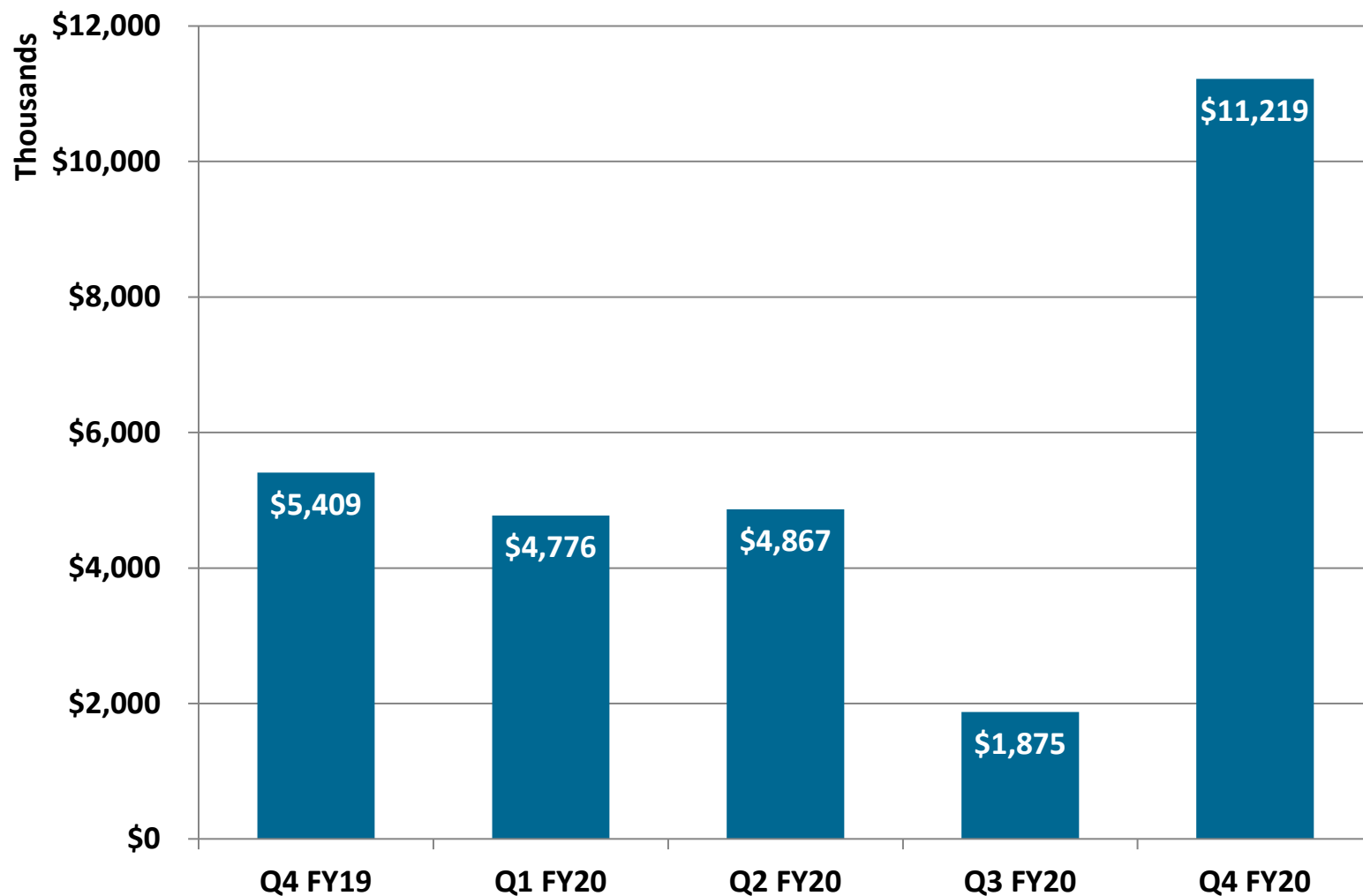
• Geographically diverse with collateral in 42 different states

• CA and NY represent combined 50% of portfolio

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

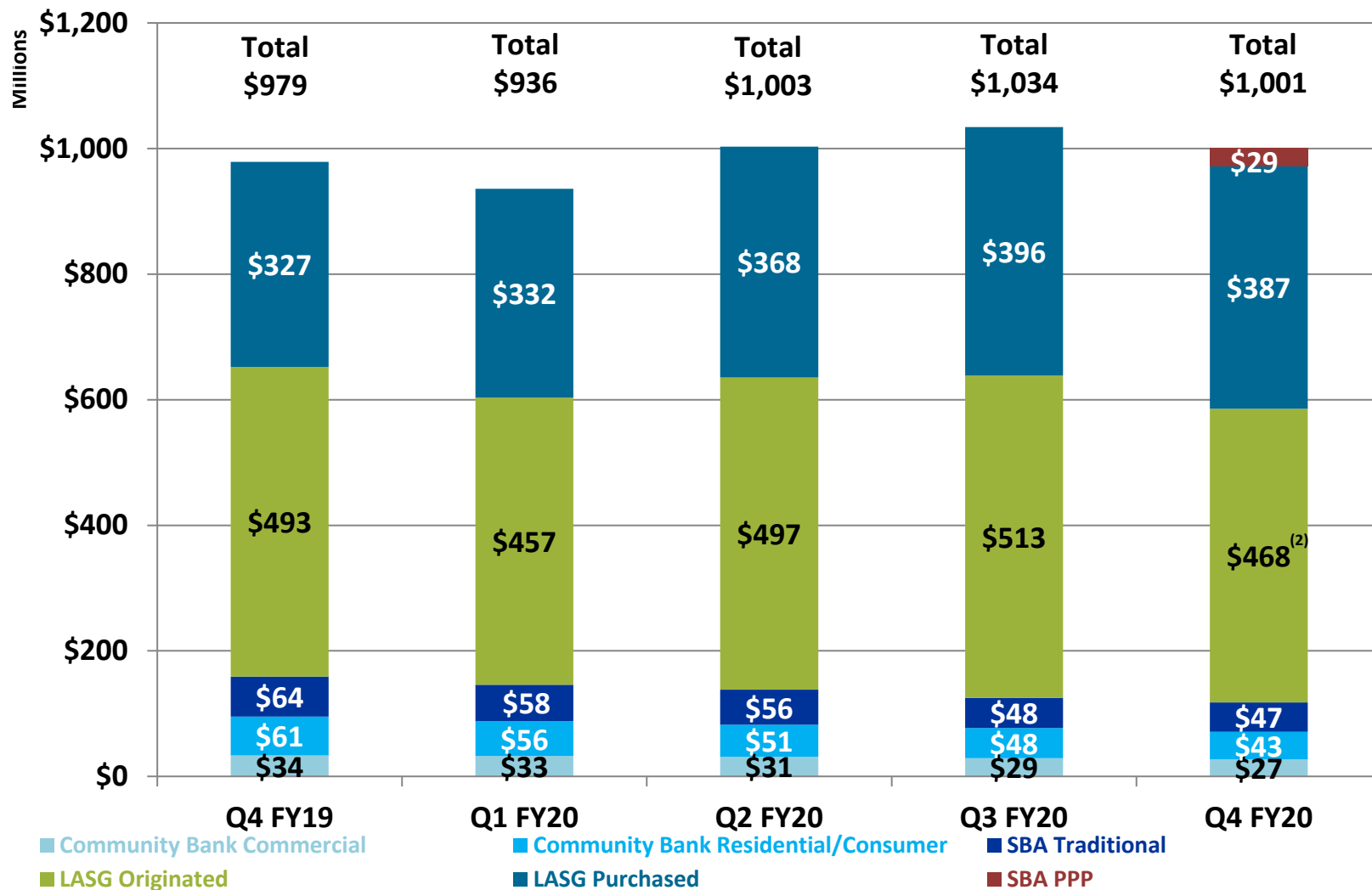
(2) 72% of the 8% Non Real Estate total represents Portfolio Finance loans.

Net Operating Earnings For Trailing 5 Quarters⁽¹⁾



(1) Management believes net operating earnings, which exclude non-core items related to the corporate reorganization, provide a more meaningful representation of the Bank's performance. Q4 FY19 results above exclude \$6.0 million of expenses (after tax) related to the corporate reorganization.

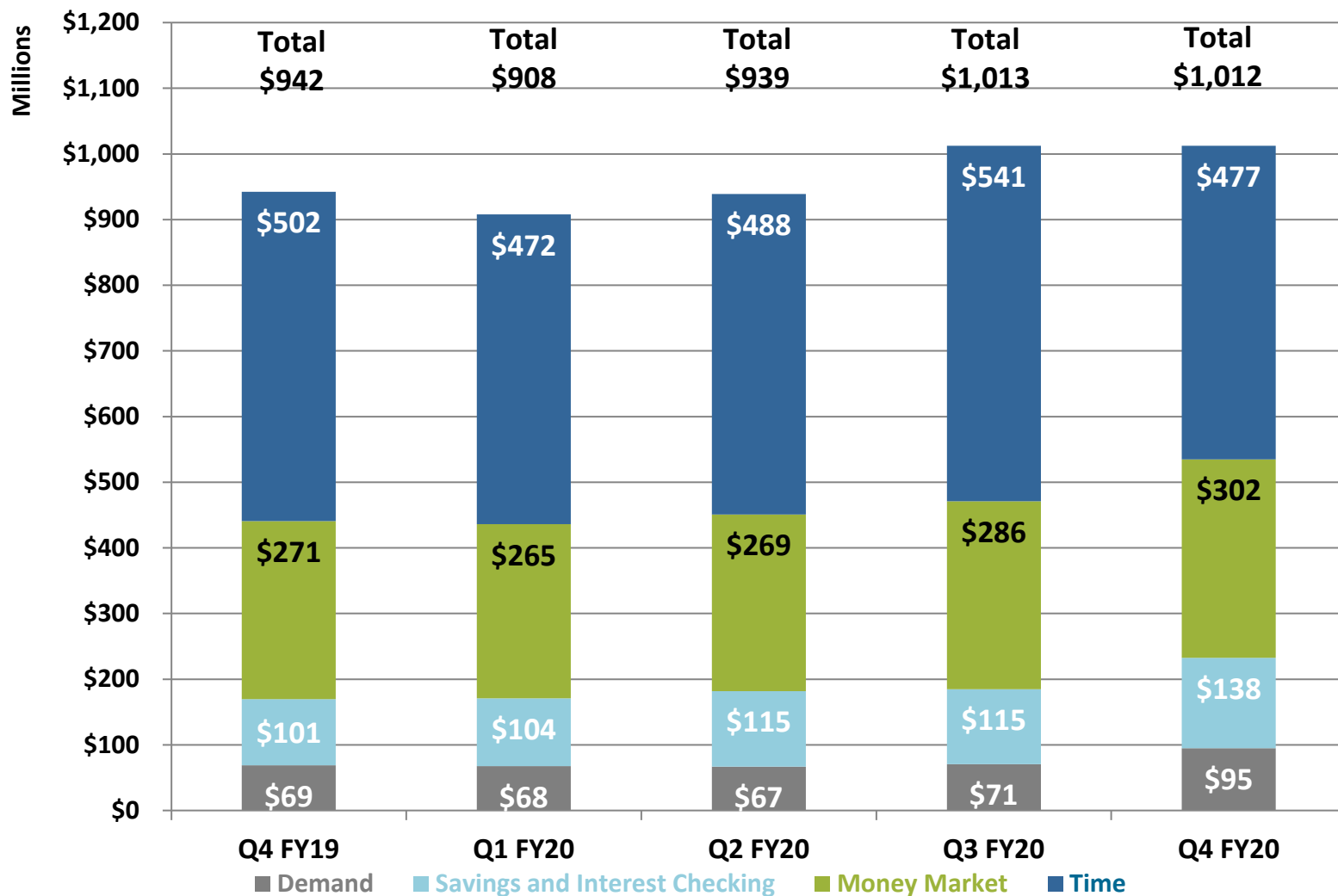
Loan Mix As of Trailing 5 Quarter Ends⁽¹⁾



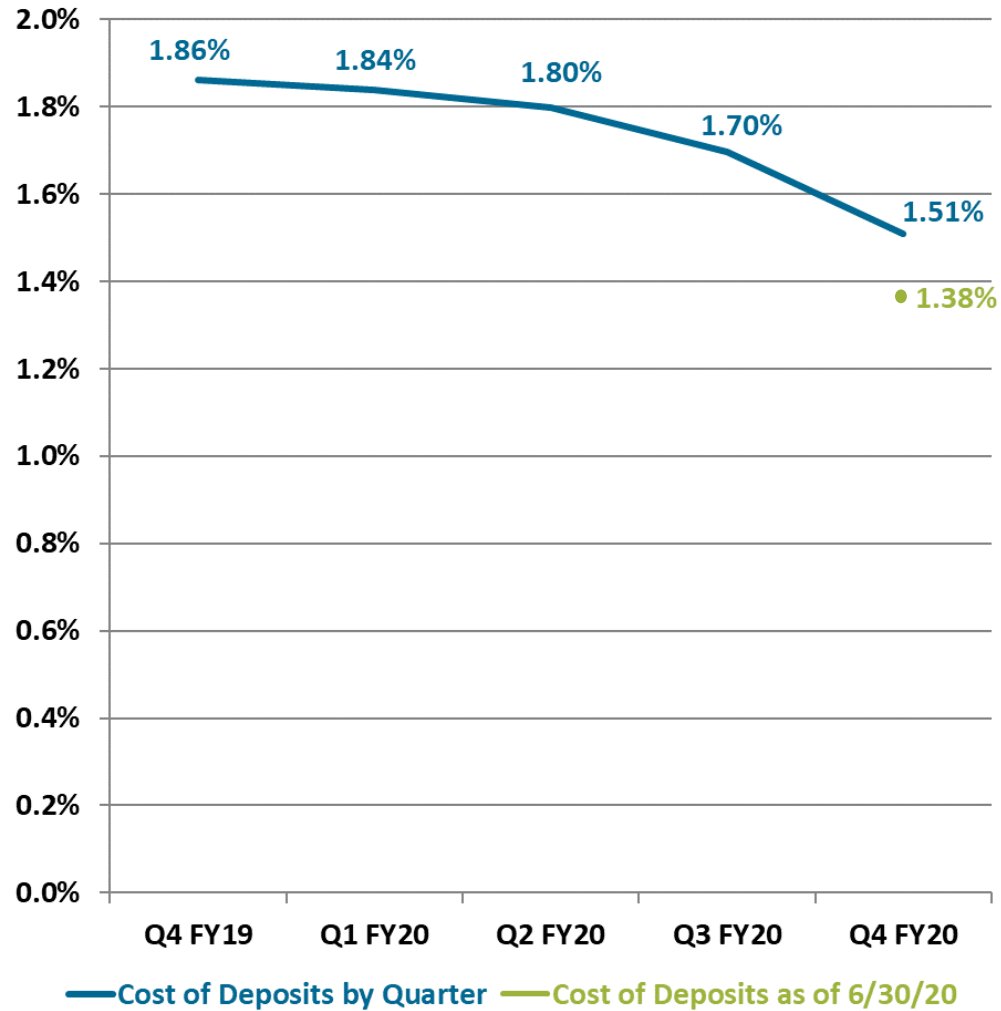
(1) Includes loans held for sale.

(2) 89% of the LASG Originated portfolio had a floor, with a weighted average floor of 7.08% as of June 30, 2020.

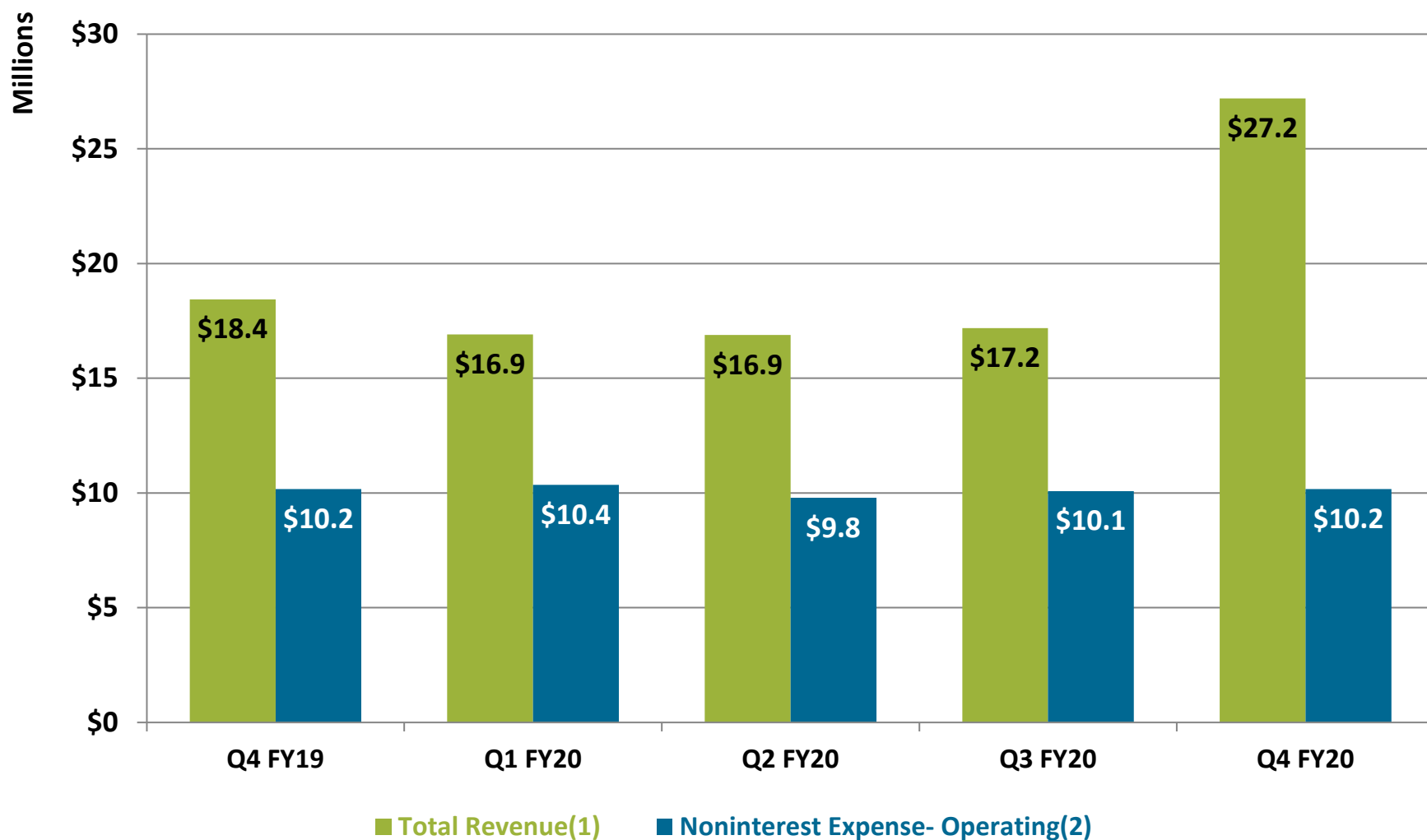
Deposit Mix By Trailing 5 Quarter Ends



Quarterly Cost of Deposits

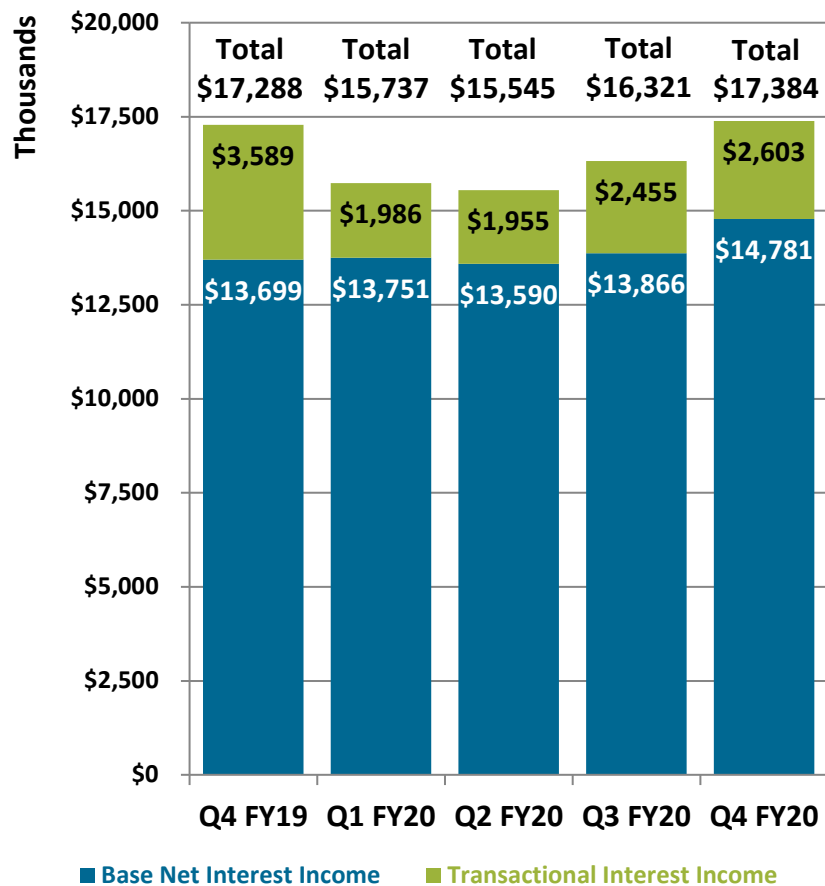


Revenue and Noninterest Expense for Trailing 5 Quarters

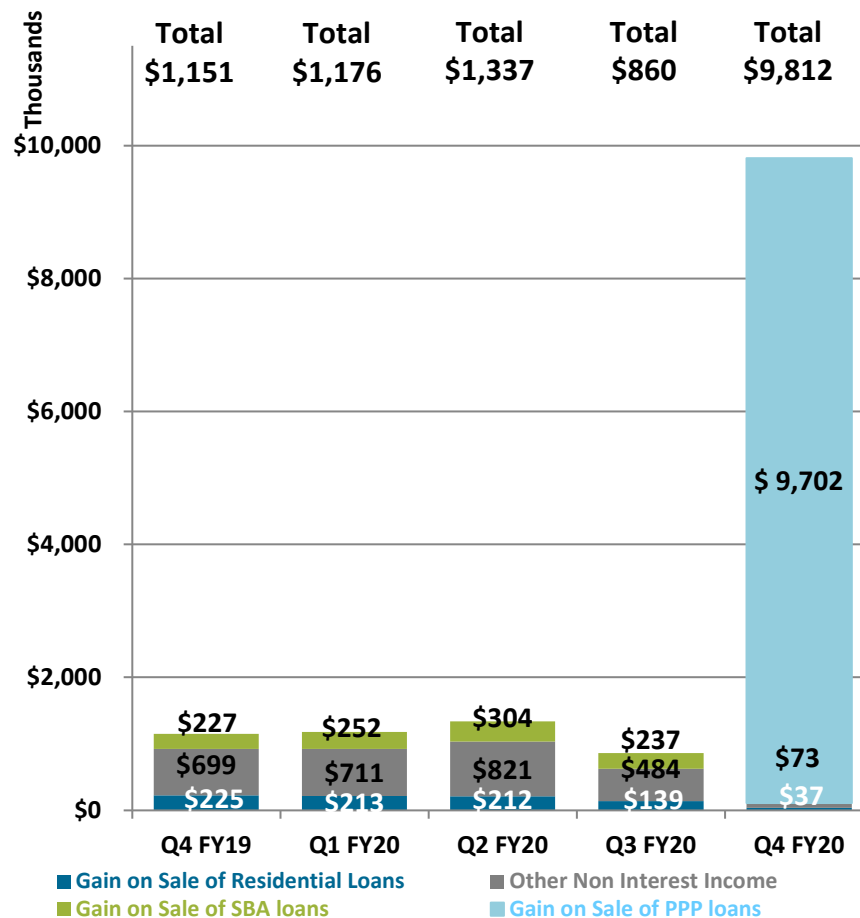


Key Components of Income For Trailing 5 Quarters

Net Interest Income Before Loan Loss Provision

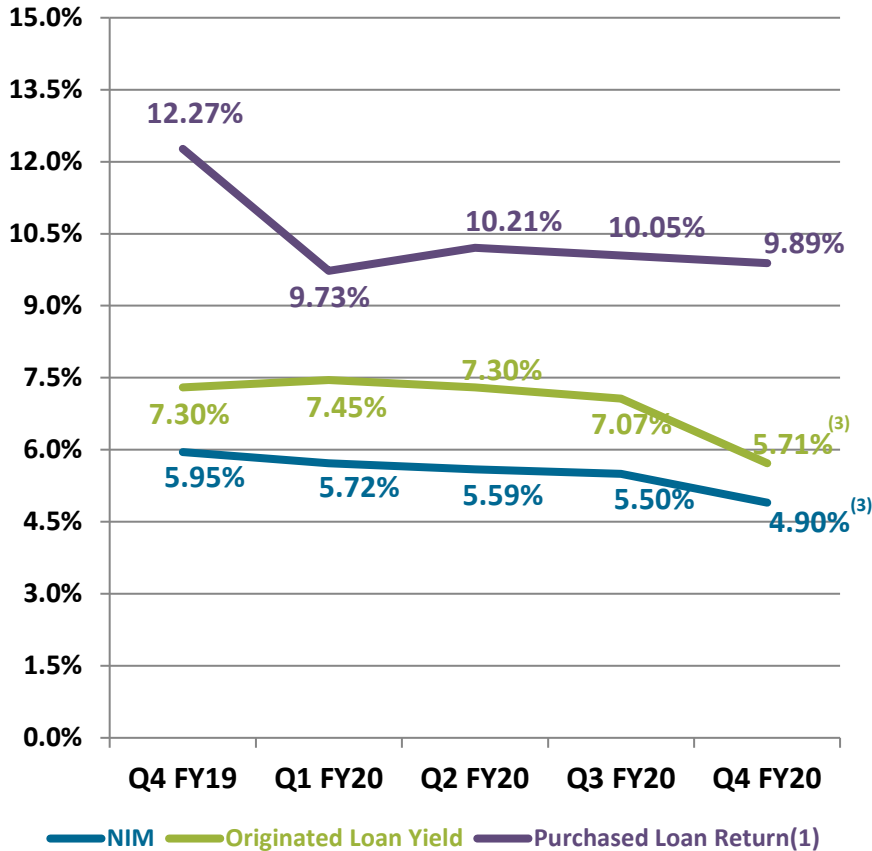


Noninterest Income



Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance



Average Loan Balance For Trailing 5 Quarters⁽²⁾

