

FY24 Q1 Investor Call

October 24, 2023

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 loans; changes in customer behavior due to political, business and economic conditions, including inflation and concerns about liquidity; 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 and 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, 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 FDIC. 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 FY24
Total Loan Volume	\$130.3 million
National Lending:	
Purchased Loans	\$52.4 million invested on \$63.7 million of UPB ⁽¹⁾ (82.2% purchase price)
Originated Loans ⁽²⁾	\$68.0 million
Weighted Average Rate as of 9/30/2023 ⁽³⁾	9.27%
Net Interest Margin	5.30%
Purchased Loan Return ⁽⁴⁾	9.04%
Net Proceeds from Share Issuances ⁽⁵⁾	None
Net Income	\$15.2 million
EPS (Diluted)	\$2.01
Return on Equity	19.73%
Return on Assets	2.12%
Tangible Book Value per Share	\$39.96

(1) Unpaid principal balance.

(2) National Lending originations for Q1 FY24 were 82% variable rate, of which 66% were Prime-rate based and 34% were SOFR-based.

(3) Q1 FY24 National Lending originations had a weighted average floor rate of 7.98%.

(4) Purchased loan return for Q1 FY24 included \$2.8 million of transactional income.

(5) During Q2 FY23, the Bank approved an At-the-Market Offering for up to \$50.0 million of voting common stock.

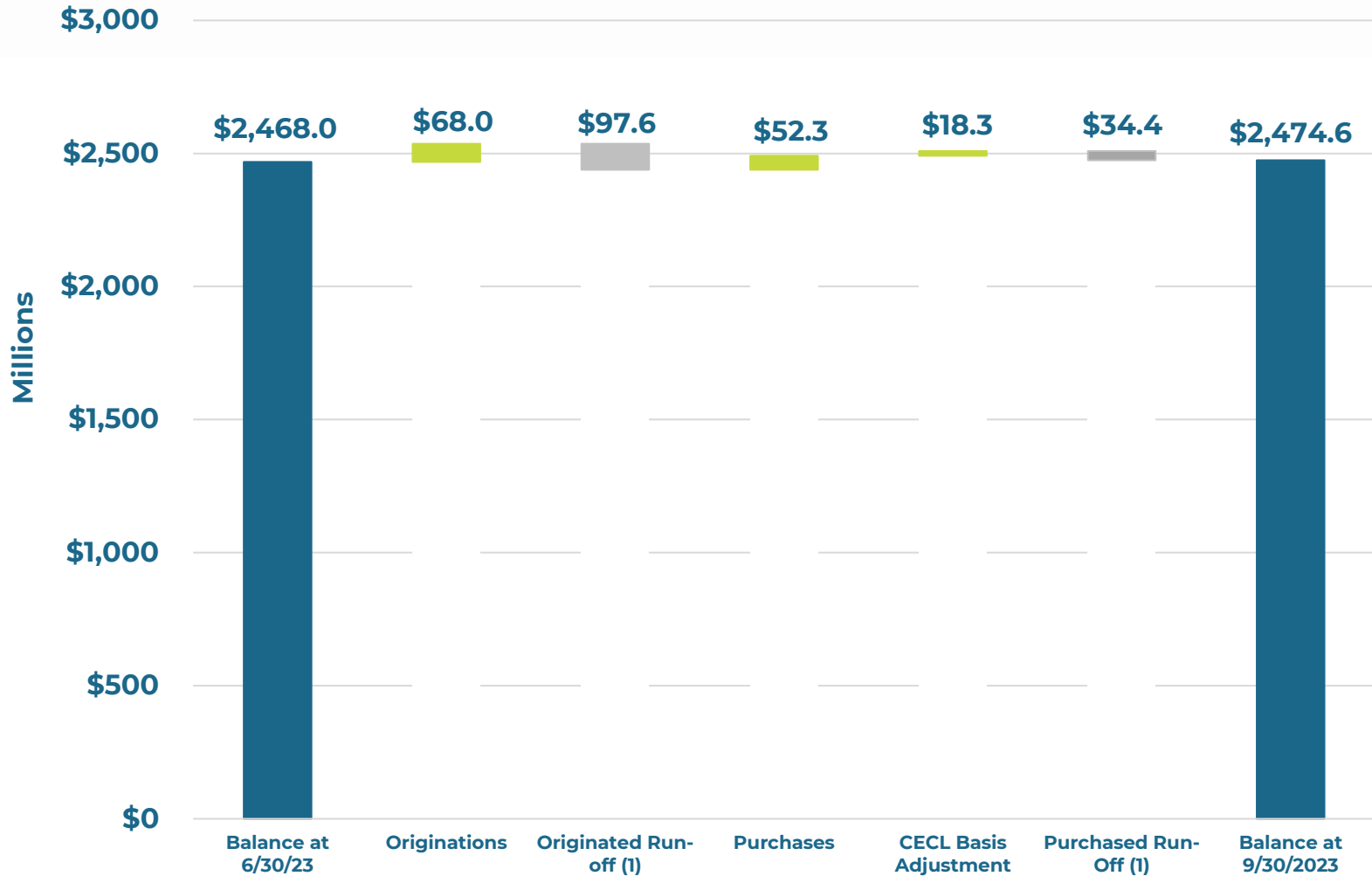
Loan Portfolio Summary

Loan Portfolio	# of Loans	Total Balance	Average Balance	WA LTV
<i>Dollars in thousands</i>				
National Lending Division				
Purchased Loans (1)	3,458	\$1,516,379	\$439	46%(4)
Direct Originated Loans (2)	111	516,754	4,655	54%
Lender Finance Loans (2)	97	441,478	4,551	45%
SBA and USDA Loans (3)	518	27,205	53	78%
Community Banking Division:				
Commercial Loans	104	8,233	78	43%
Residential and Consumer Loans	372	18,162	49	46%
Total	4,660	\$2,528,210	\$543	47%

- (1) Total balance of \$1.52 billion is equal to unpaid principal balance of \$1.69 billion, net of \$177.2 million purchased loan discount.
- (2) LTV is calculated as the Bank's loan amount to the value of the underlying commercial real estate collateral.
- (3) Total loan balance of \$27.2 million is comprised of \$8.8 million of the guaranteed portion and \$18.4 million of the unguaranteed portion of loans.
- (4) Reflects the Bank's basis net of allowance for credit loss reserves against the value of the underlying commercial real estate collateral.

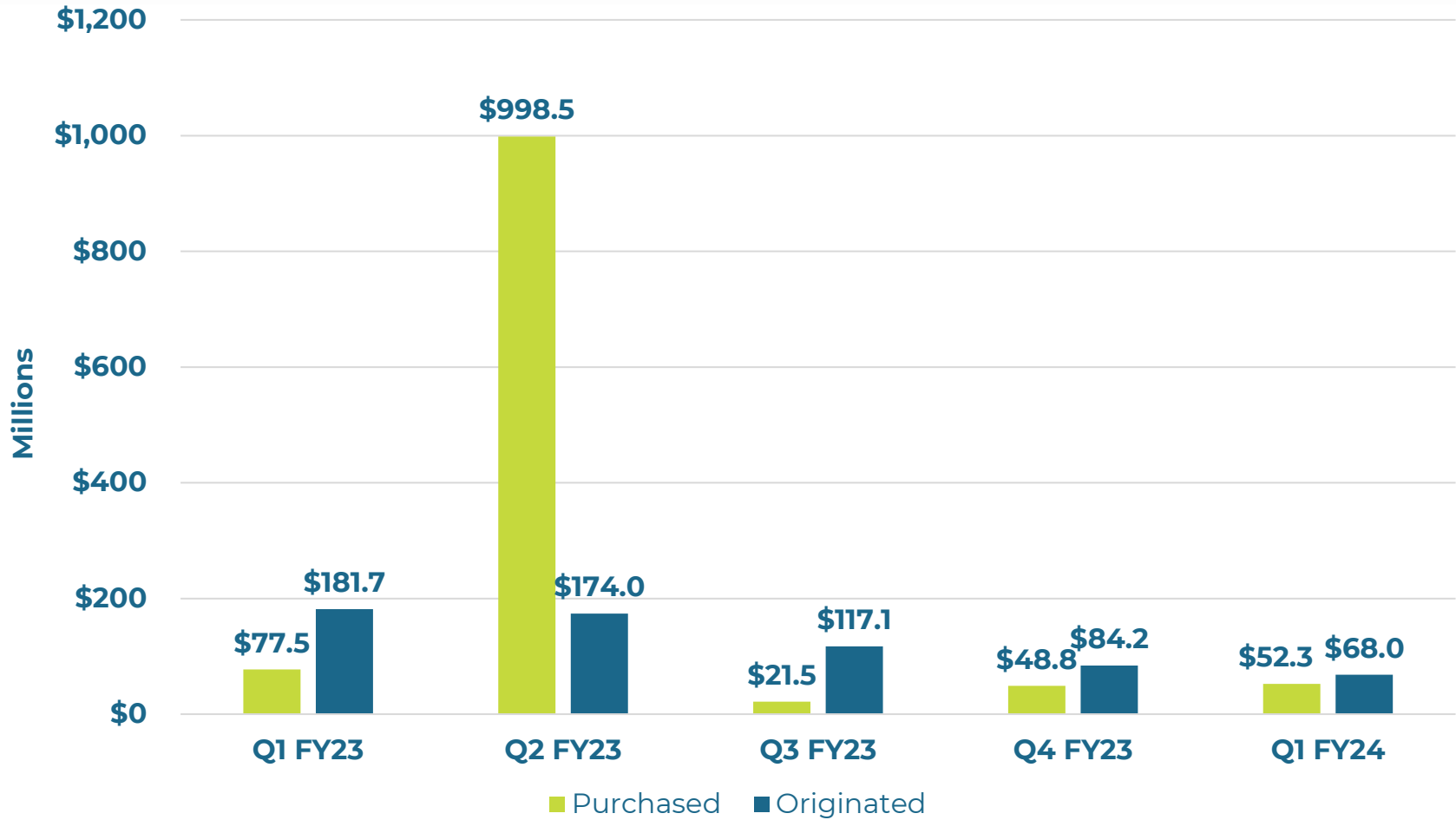
All data as of September 30, 2023, unless otherwise noted.

National Lending Portfolio Roll Forward: Trailing Three Months



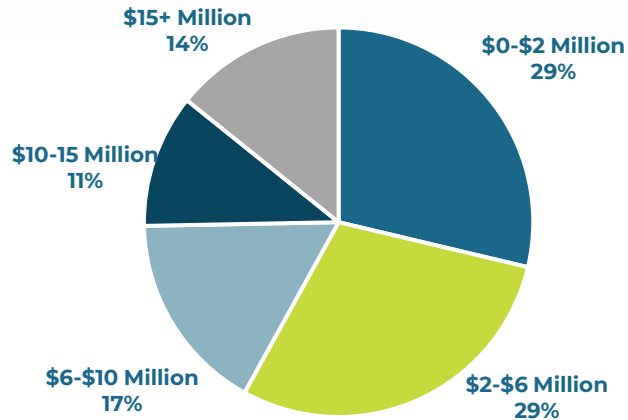
(1) Run-off includes scheduled amortization, principal pay downs and payoffs.

National Lending Activity By Trailing 5 Quarters

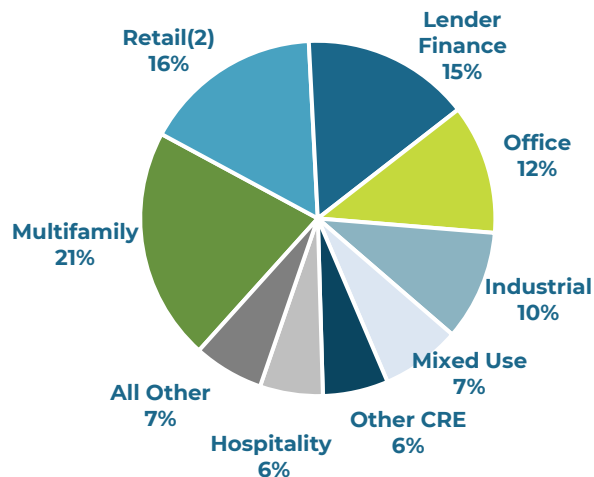


National Lending Loan Portfolio Statistics as of September 30, 2023

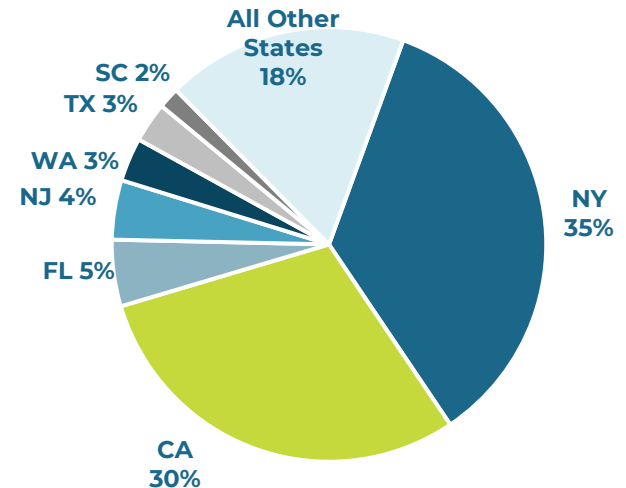
Investment Size⁽¹⁾



Collateral Type



Collateral State (44 States)

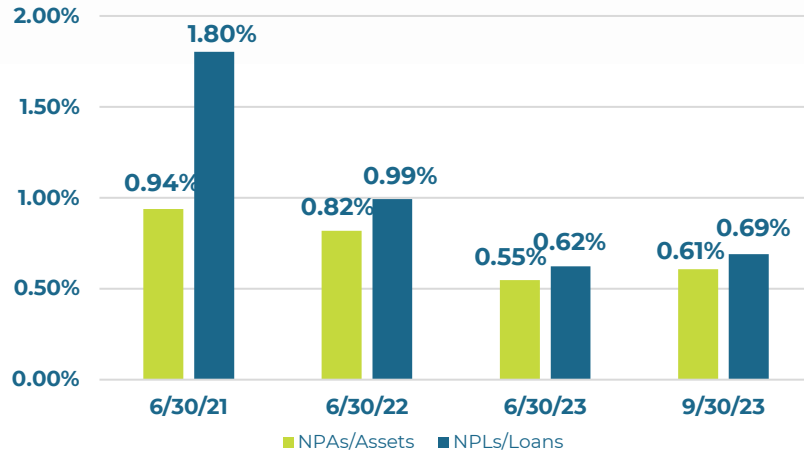


(1) Average investment size of \$674 thousand/loan; originated average: \$4.5 million/loan and purchased average: \$438 thousand/loan

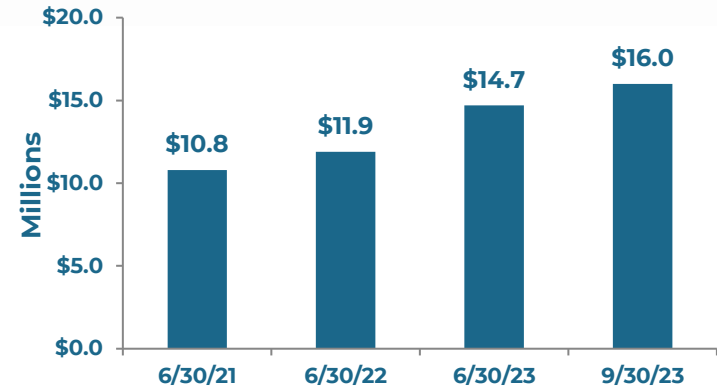
(2) Includes traditional and non-traditional retail, such as restaurants and gas stations.

Asset Quality Metrics

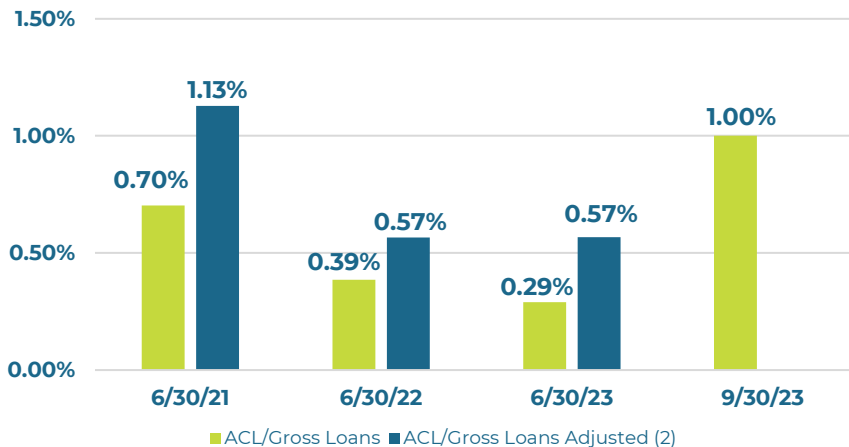
NPAs & NPLs



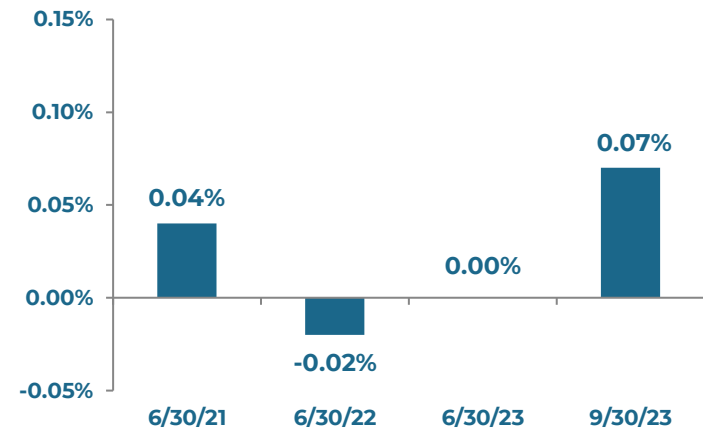
Classified Commercial Loans⁽¹⁾



Allowance for Credit 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. 9/30/23 amount reflects a \$2.0 million increase in basis on loans in connection with the adoption of CECL.

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

(3) Calculated as trailing twelve months of net charge-offs divided by average loans for the same period.

Nonperforming Assets Turnover – Quarter ended September 30, 2023

	Nonperforming Loans	REO	Total	FMV of Collateral ⁽¹⁾	Notes
	<i>(Dollars in Thousands)</i>				
June 30, 2023 Balance:	\$15,683	\$0	\$15,683		
NPL Additions:					
#1	1,018	-	1,018	960	Multifamily property in NY; \$166 thousand specific reserve
#2	397	-	397	480	Industrial manufacturing building in MO
CECL Basis Adjustment	2,290	-	2,290		\$2.3 million increase in basis resulting from adoption of CECL on July 1, 2023
Other Loans - Various	615	-	615		59 loans placed on nonaccrual
Total Additions:	4,320	-	4,320		
NPL Resolutions:					
#1	(1,526)	-	(1,526)		Retail/commercial building in AZ paid off
#2	(315)	-	(315)		Multifamily apartment building in CA returned to accrual
Other Loans - Various	(713)	-	(713)		9 loans (totaling \$377 thousand) returned to accrual or paid off; \$336 thousand in net paydowns
Total Resolutions:	(2,554)	-	(2,554)		
September 30, 2023 Balance:	\$17,449	\$0	\$17,449		

(1) Fair Market Value reflects the projected net proceeds from liquidation of collateral

Allowance Allocation

Loan Segment	Total Loan Balances at September 30, 2023	Total Reserves at September 30, 2023	ACL / Total Loans at September 30, 2023	Total Reserves at June 30, 2023	ALL / Total Loans at June 30, 2023	Total Reserves at September 30, 2022	ALL / Total Loans at September 30, 2022
<i>Dollars in thousands</i>							
National Lending Purchased (1)	\$1,516,379	\$18,046	1.19%	\$1,406	0.09%	\$576	0.11%
Originated Loans:							
C&I (Lender Finance primarily)	450,459	1,838	0.41%	1,904	0.40%	1,707	0.44%
Commercial Real Estate	467,527	4,902	1.05%	3,410	0.73%	2,972	0.66%
SBA and USDA:							
- Guaranteed	8,818	-	0.00%	-	0.00%	-	0.00%
- Unguaranteed	18,387	167	0.91%	294	1.55%	373	1.68%
1-4 Family Residential	66,212	350	0.53%	281	0.39%	259	0.40%
Consumer	428	-	0.00%	9	1.86%	11	1.66%
Total Originated Loans	1,011,831	7,257	0.72%	5,898	0.57%	5,322	0.57%
Total Loans	\$2,528,210	\$25,303	1.00%	\$7,304	0.29%	\$5,898	0.40%

(1) The Bank adopted CECL on July 1, 2023. In connection with adoption, the Bank recorded an allowance for credit losses on purchased loans that required an allowance based on net collateral value, increasing the loan's basis by the same amount. Prior to July 1, 2023, under purchased loan accounting, only further declines in expected cash flows subsequent to the acquisition of a loan were 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 (1)</i>	<i>Balance</i>	<i>WA LTV (1)</i>	<i>Balance</i>	<i>WA LTV (2)</i>	<i>Balance</i>	<i>WA LTV</i>
1-4 Family		\$24,751	59%	\$14,850	47%	\$6,644	31%	\$46,245	51%
Hospitality		112,316	53%	37,220	46%	33,534	49%	183,070	51%
Industrial		47,704	55%	45,415	45%	213,450	40%	306,570	43%
Land and Construction		2,600	51%	17,007	42%	9,277	46%	28,884	44%
Mixed Use		25,650	56%	81,551	47%	153,809	57%	261,010	54%
Multi Family		79,152	54%	100,052	40%	550,687	47%	729,891	47%
Office		119,508	53%	40,420	44%	177,148	46%	337,077	48%
Retail		99,870	56%	58,649	52%	346,687	41%	505,206	45%
Small Balance Commercial		5,202	24%	46,313	40%	25,143	77%	76,658	51%
Total		\$516,754	54%	\$441,478	45%	\$1,516,379	46%	\$2,474,611	47%

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

(2) Reflects the Bank's basis net of allowance for credit loss reserves against the value of the underlying commercial real estate collateral.

National Lending Portfolio — Weighted Average LTV By Bucket

WA LTV

National Lending Portfolio	<40%	40-49%	50-59%	60-69%	70-79%	>=80%	Total
<i>Dollars in thousands</i>							
Direct Originated Loans (1)	\$68,303	\$115,292	\$145,100	\$118,376	\$53,322	\$16,361	\$516,754
Lender Finance Loans (1)	180,654	111,658	71,517	58,746	18,903	-	441,478
Purchased Loans (2)	602,442	280,377	188,719	238,459	158,844	47,539	1,516,379
Total	\$851,398	\$507,327	\$405,336	\$415,582	\$231,068	\$63,900	\$2,474,611
% of Total	34%	21%	16%	17%	9%	3%	100%

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

(2) Reflects the Bank's basis net of allowance for credit loss reserves against the value of the underlying commercial real estate collateral.

National Lending Purchased Portfolio — Further Analysis

Portfolio	Origination Year			Total
	Pre-2013	2013-2018	2019 and later	
<i>Dollars in thousands</i>				
Current Basis	\$264,630	\$739,554	\$512,195	\$1,516,379
# of Loans	842	2,085	532	3,459
% of Portfolio	17%	49%	34%	100%
Original Principal Balance	\$617,752	\$1,210,532	\$688,131	\$2,516,415
Current Principal Balance	285,616	805,753	602,258	1,693,627
% Principal Paid Down Since Origination	54%	33%	12%	33%
Current Basis / Original Principal	43%	61%	74%	60%

All data as of September 30, 2023, 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 LTV⁽²⁾
Total Lender Finance Loans	\$441,478			62%	45%
Lender Finance Loans with Interest Reserves	392,388	89%	5.2 Months		

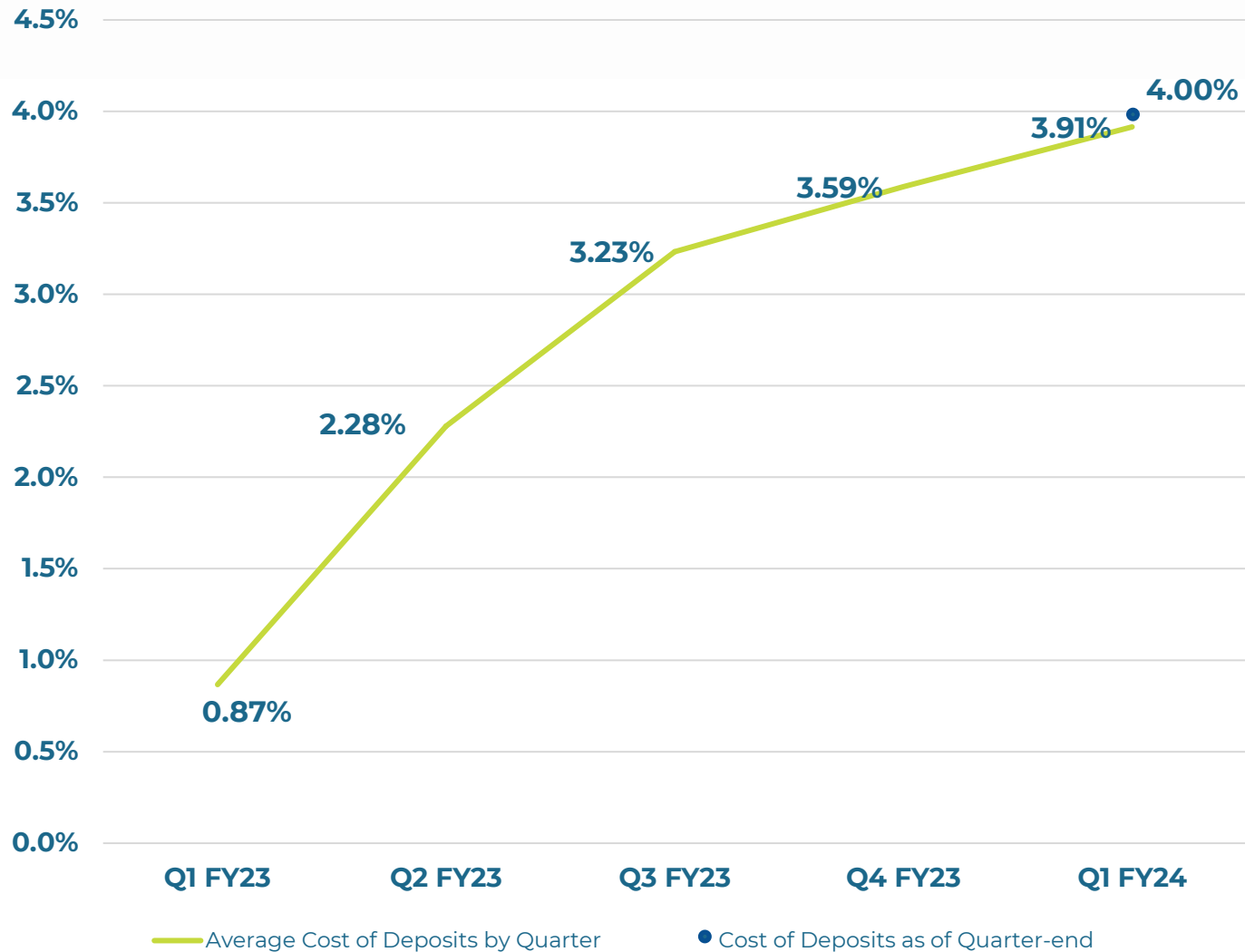
Direct Originated Loans

<i>Dollars in thousands</i>	Balance	% with Interest Reserves	Interest Reserve WA Duration	WA LTV⁽²⁾
Total Direct Originated Loans	\$516,754			54%
Direct Originated Loans with Interest Reserves	433,832	84%	4.9 Months	

(1) Weighted Average Advance Rate utilizes original balance and real estate value at the time of origination

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

Quarterly Cost of Deposits



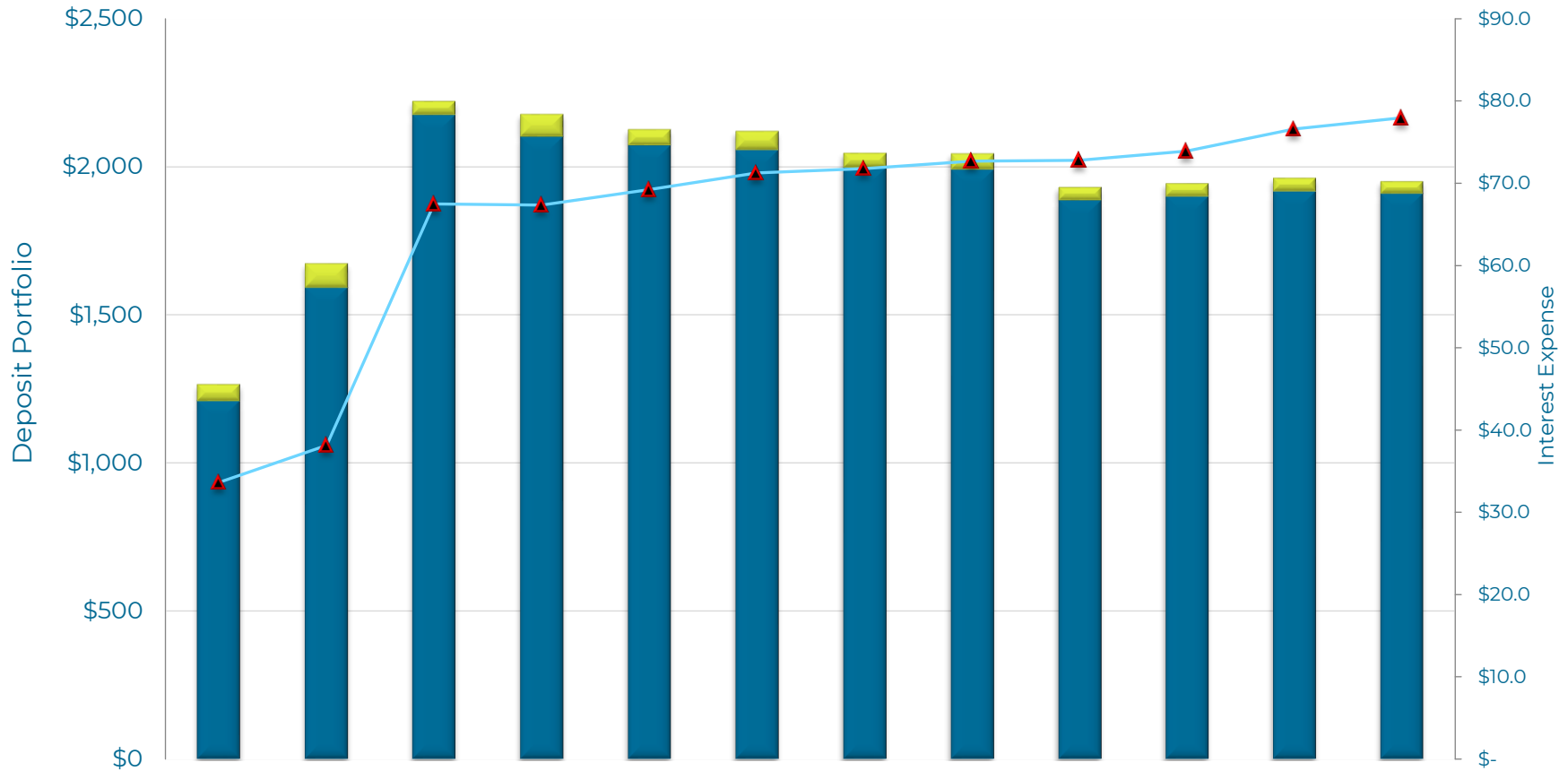
Deposit Portfolio Changes

By Channels	September 30, 2023			September 30, 2022			Net Change			
	<i>Dollars in thousands</i>	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%	WAR
Community Banking										
Banking Centers	\$725,563	3.70%	37%	\$581,520	0.69%	45%	\$144,043	25%	3.01%	
Government Banking	319,049	4.86%	16%	207,935	2.60%	16%	111,113	53%	2.26%	
Corporate/Institutional	102,495	5.36%	5%	235,735	2.60%	11%	(133,240)	-57%	2.76%	
National Lending	49,458	0.83%	3%	56,779	1.29%	4%	(7,322)	-13%	-0.46%	
ableBanking	23,834	0.17%	1%	70,945	0.55%	6%	(47,111)	-66%	-0.38%	
Bulletin Board	12,750	5.06%	1%	48,328	3.84%	4%	(35,579)	-74%	1.22%	
Brokered Deposits	692,527	5.14%	35%	76,229	3.02%	6%	616,298	808%	2.12%	
Holdback Accounts	41,452	0.10%	2%	50,927	0.00%	4%	(9,475)	-19%	0.10%	
Grand Total	\$1,967,127	4.00%		\$1,328,399	1.57%		\$638,728	48%	2.43%	

By Products	September 30, 2023			September 30, 2022			Net Change		
	<i>Dollars in thousands</i>	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%
Checking	\$584,099	3.50%	29%	\$658,630	1.84%	52%	(74,531)	-11%	1.65%
Savings	110,621	2.63%	6%	134,704	0.88%	11%	(24,083)	-18%	1.75%
Money Market	242,979	3.40%	12%	246,147	0.89%	19%	(3,168)	-1%	2.51%
Certificate of Deposit	987,976	4.75%	51%	237,991	2.26%	19%	749,985	315%	2.50%
Holdback Accounts	41,452	0.10%	2%	50,927	0.00%	17%	(9,475)	-19%	0.10%
Grand Total	\$1,967,127	4.00%		\$1,328,399	1.57%		\$638,728	48%	2.43%

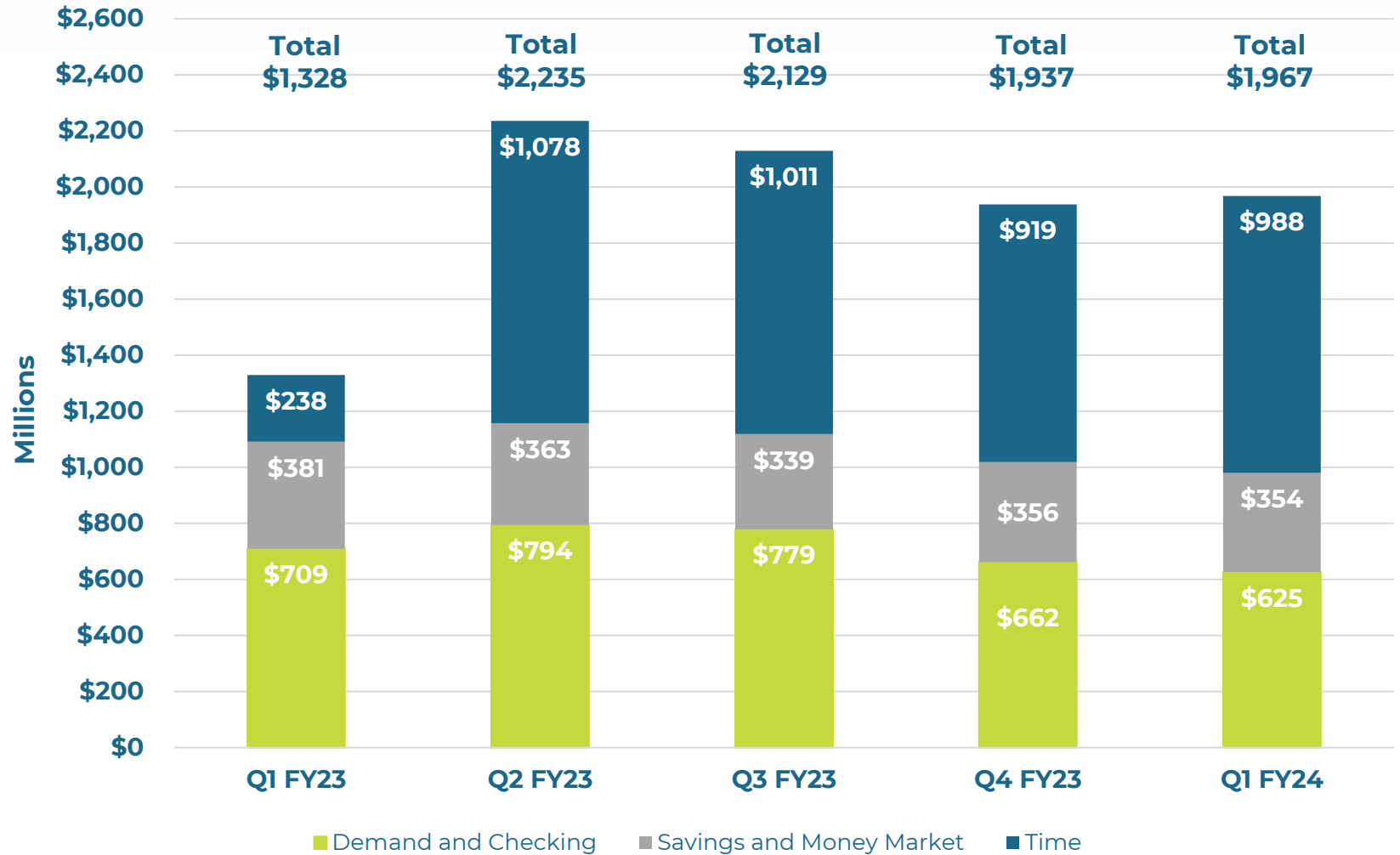
Deposit Portfolio and Interest Analysis

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

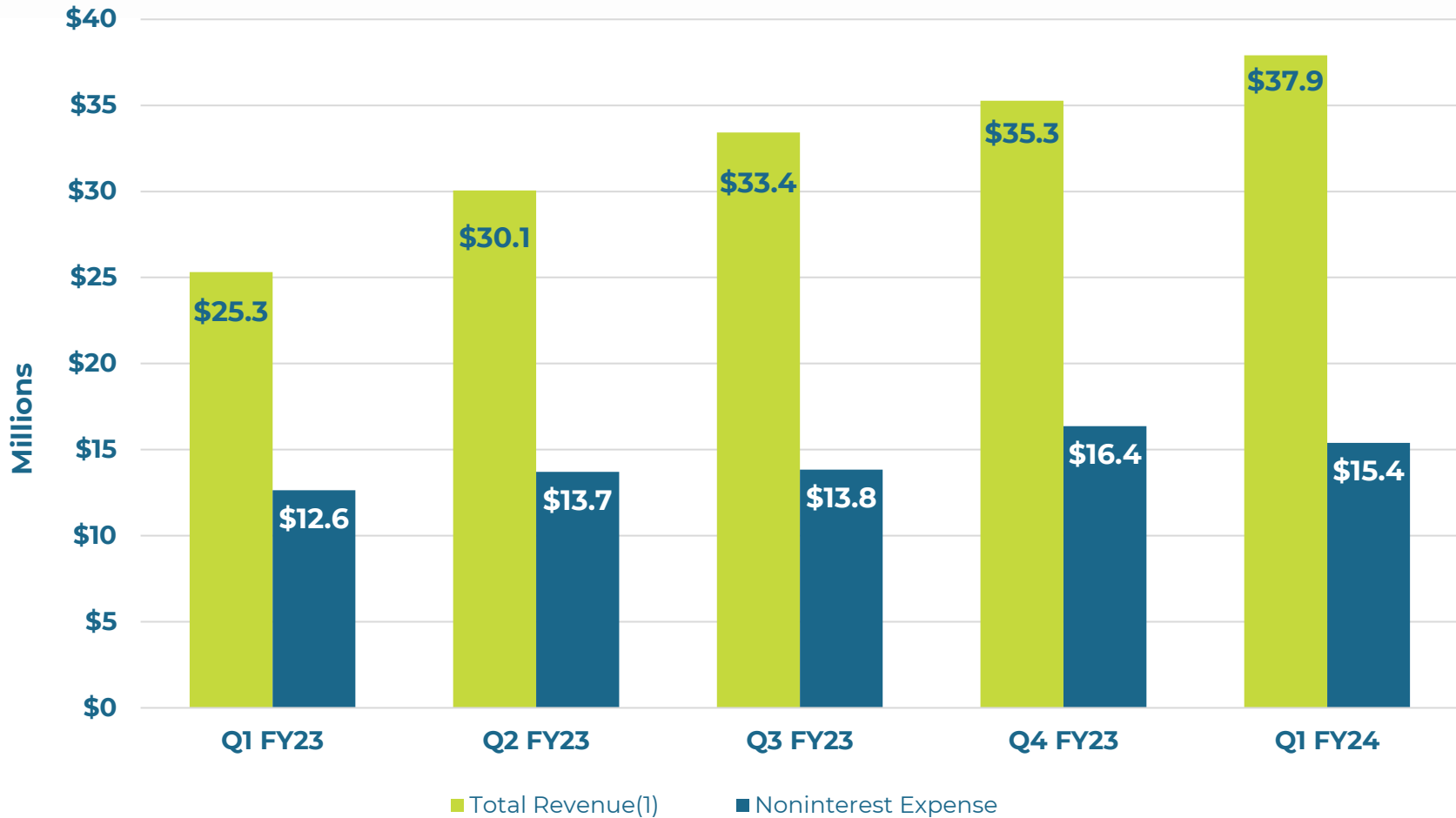


	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Holdback Accounts	\$57	\$83	\$46	\$77	\$55	\$64	\$49	\$55	\$45	\$45	\$45	\$41
Deposit Portfolio	\$1,210	\$1,592	\$2,174	\$2,100	\$2,071	\$2,056	\$1,997	\$1,990	\$1,886	\$1,899	\$1,916	\$1,909
Interest Expense	\$33.6	\$38.1	\$67.5	\$67.3	\$69.2	\$71.3	\$71.8	\$72.7	\$72.8	\$73.9	\$76.6	\$77.9

Deposit Mix By Trailing 5 Quarter Ends



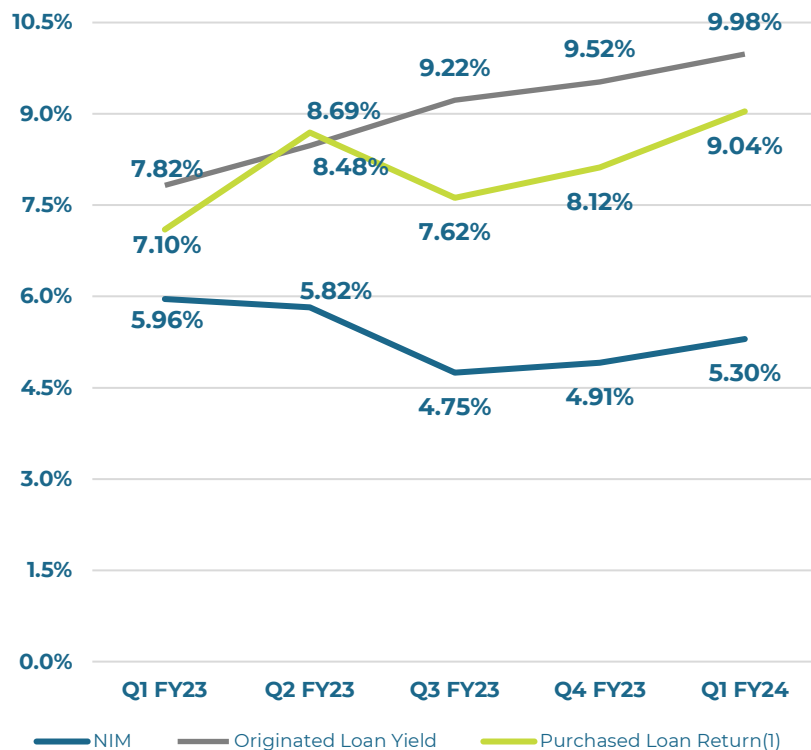
Revenue and Noninterest Expense for Trailing 5 Quarters



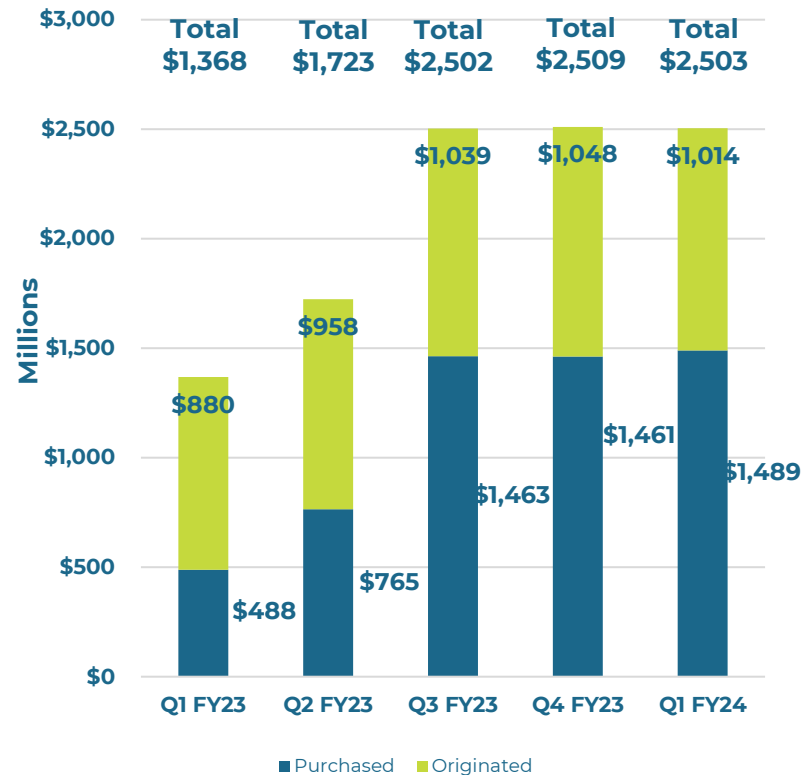
(1) Total Revenue includes net interest income before credit loss provision (credit) and noninterest income.

Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

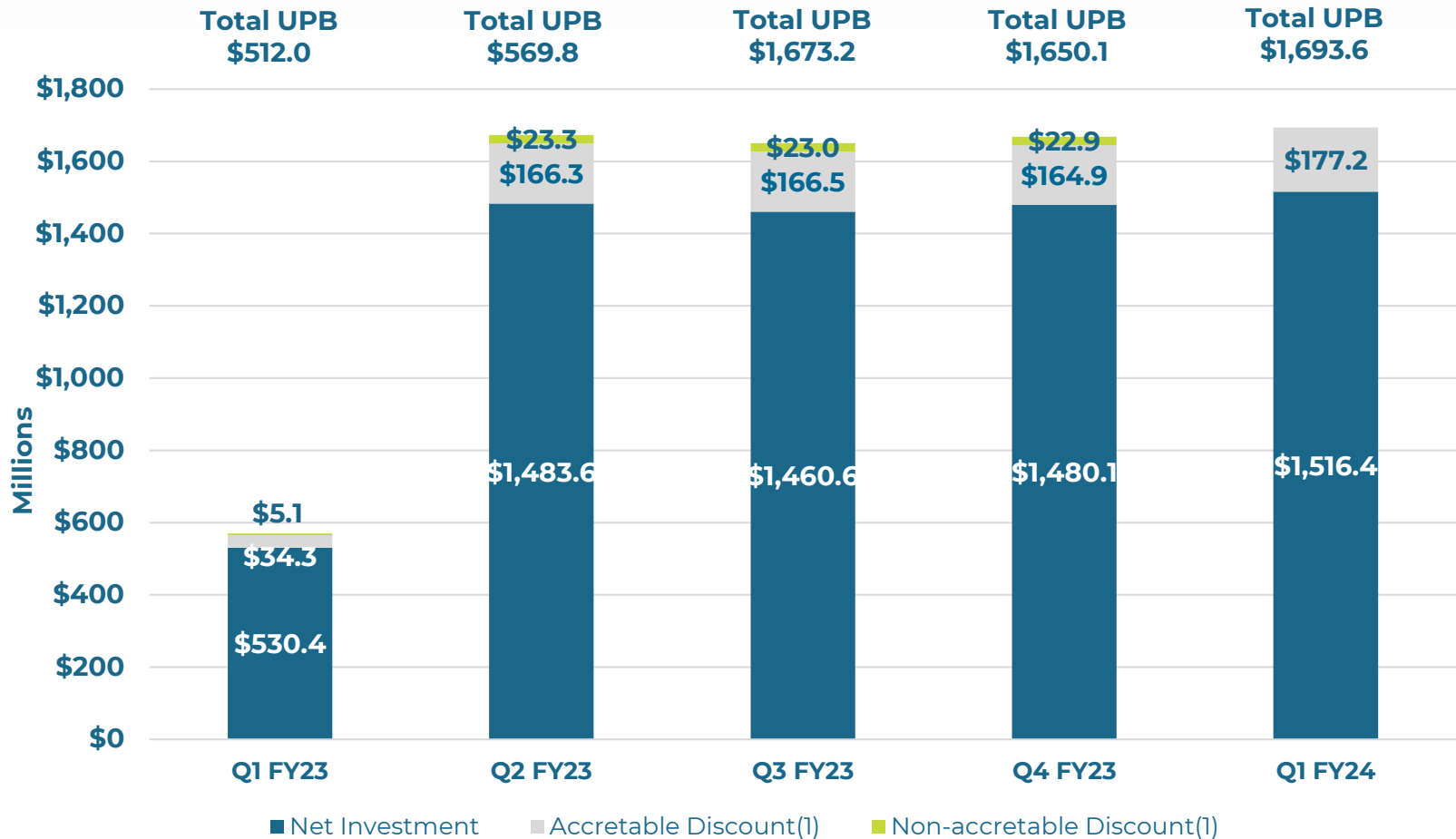


Average Loan Balance for Trailing 5 Quarters



(1) Purchased loan return includes purchased loan yield, as well as gain on loan sales, gain on sale of real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income.

Purchased Loan Investment Basis and Discount By Trailing 5 Quarters



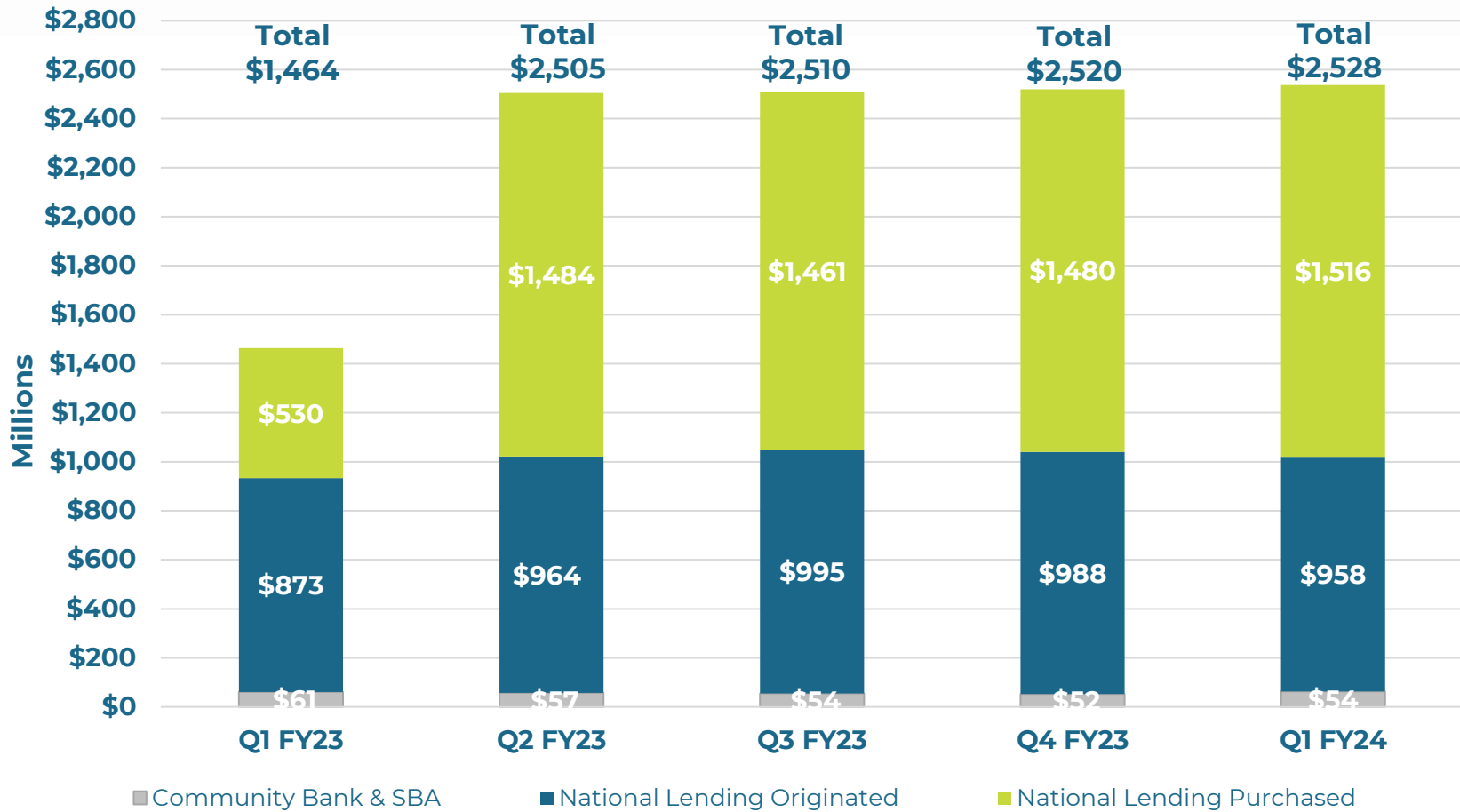
(1) The Bank adopted CECL on July 1, 2023, which removed Accretable Discount and Non-accretable Discount. Beginning in Q1 FY24, the Bank recorded a rate mark discount against total purchased UPB and any discount that related to credit losses was transferred to the allowance for credit losses.

National Lending Portfolio — Q1 FY24 Return Summary⁽¹⁾

	Purchased	Originated	Total
Regularly Scheduled Interest & Accretion	8.29%	9.72%	8.85%
Accelerated Accretion, Interest, & Fees Recognized on Loan Payoffs	0.75%	0.31%	0.58%
Total	9.04%	10.03%	9.43%

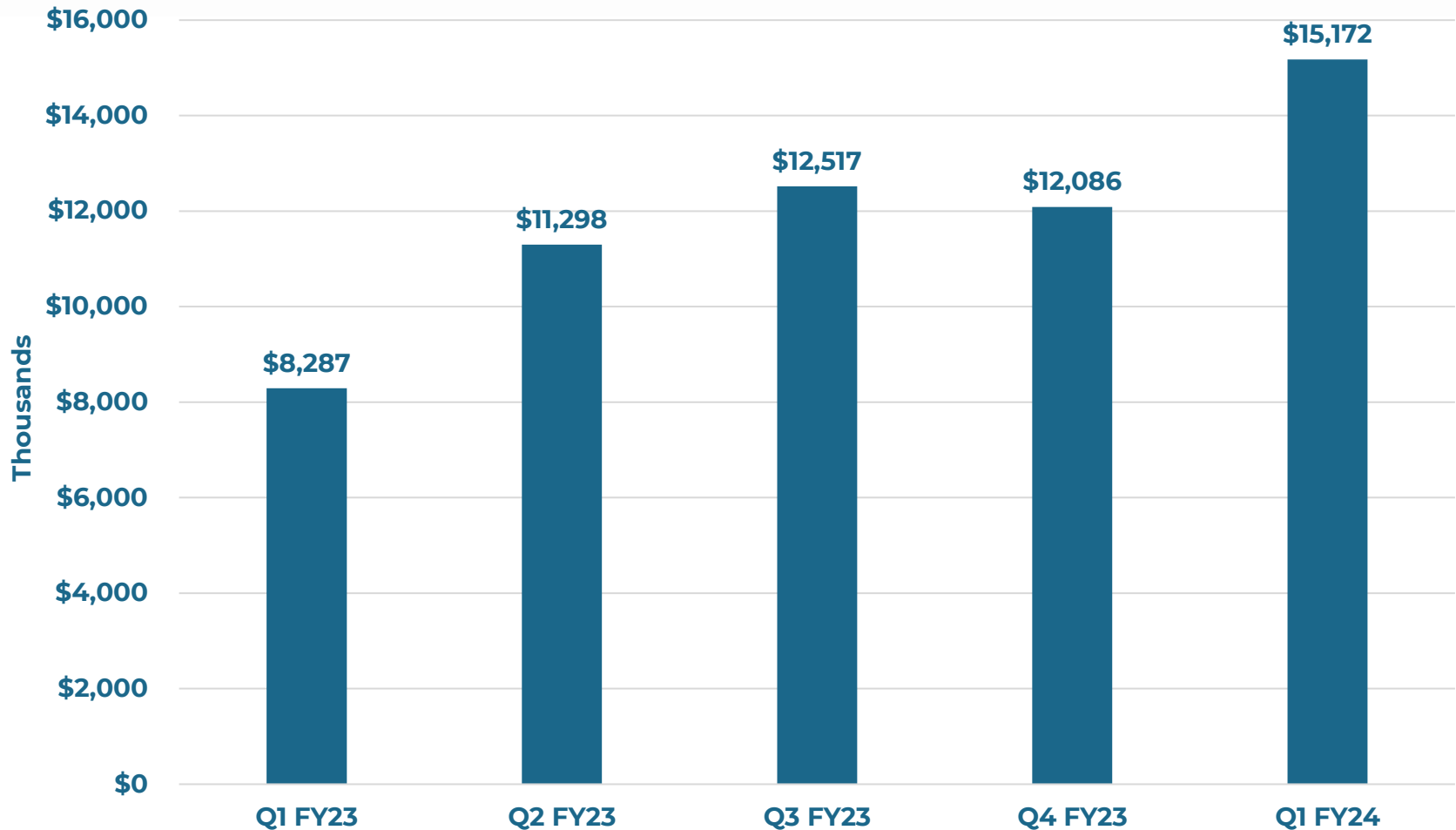
(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales, gains on real estate owned, and release of allowance for credit losses on purchased loans recorded during the period divided by the average invested balance, on an annualized basis. The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

Loan Mix As of Trailing 5 Quarter Ends



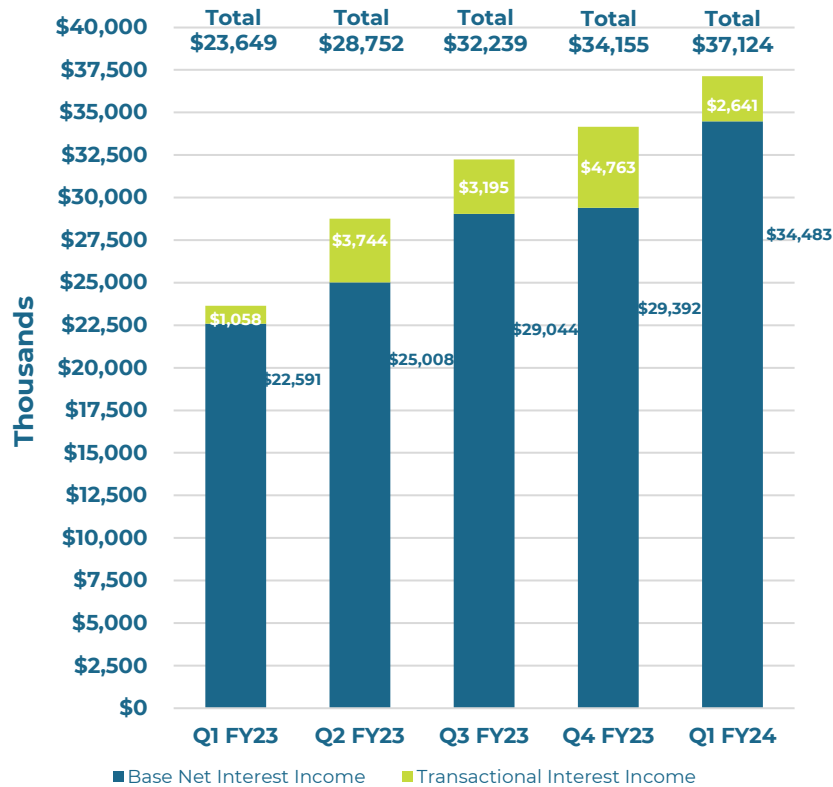
(1) 97% of the National Lending Originated portfolio had a floor, with a weighted average floor of 6.95% as of September 30, 2023.

Net Income for Trailing 5 Quarters



Key Components of Income For Trailing 5 Quarters

Net Interest Income Before Loan Loss Provision



Noninterest Income

