

FY 2019 Q2 Investor Call



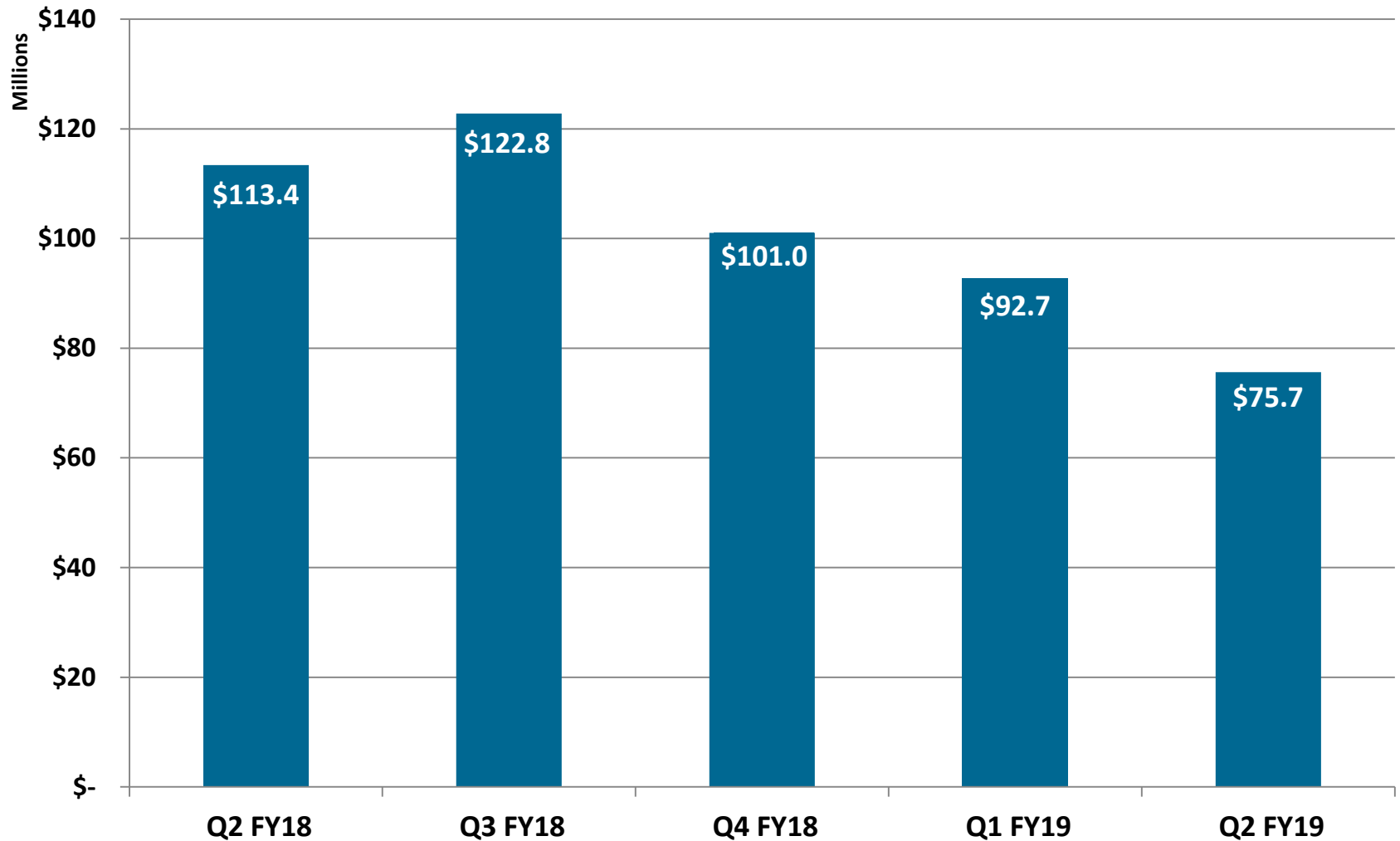
Forward-Looking Statement

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 Northeast 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 Company's control. The Company's actual results could differ materially from those projected in the forward-looking statements as a result of, among other factors, changes in interest rates and real estate values; competitive pressures from other financial institutions; the effects of weakness in general economic conditions on a national basis or in the local markets in which the Company operates, including changes which adversely affect borrowers' ability to service and repay our loans; changes in loan defaults and charge-off rates; changes 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; operational risks including, but not limited to, cybersecurity, fraud and natural disasters; the risk that the Company may not be successful in the implementation of its business strategy; the risk that intangibles recorded in the Company's financial statements will become impaired; the ability of the Company and the Bank to satisfy the conditions to the completion of the Reorganization; the ability of the Company and the Bank to meet expectations regarding the timing, completion and accounting and tax treatments of the Reorganization; the possibility that any of the anticipated benefits of the Reorganization will not be realized or will not be realized as expected; the failure of the Reorganization to close for any reason; the possibility that the Reorganization may be more expensive to complete than anticipated, including as a result of unexpected factors or events; changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Company's Annual Report on Form 10-K and updated by the Company's Quarterly Reports on Form 10-Q and other filings submitted to the Securities and Exchange Commission. These statements speak only as of the date of this release and the Company 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.

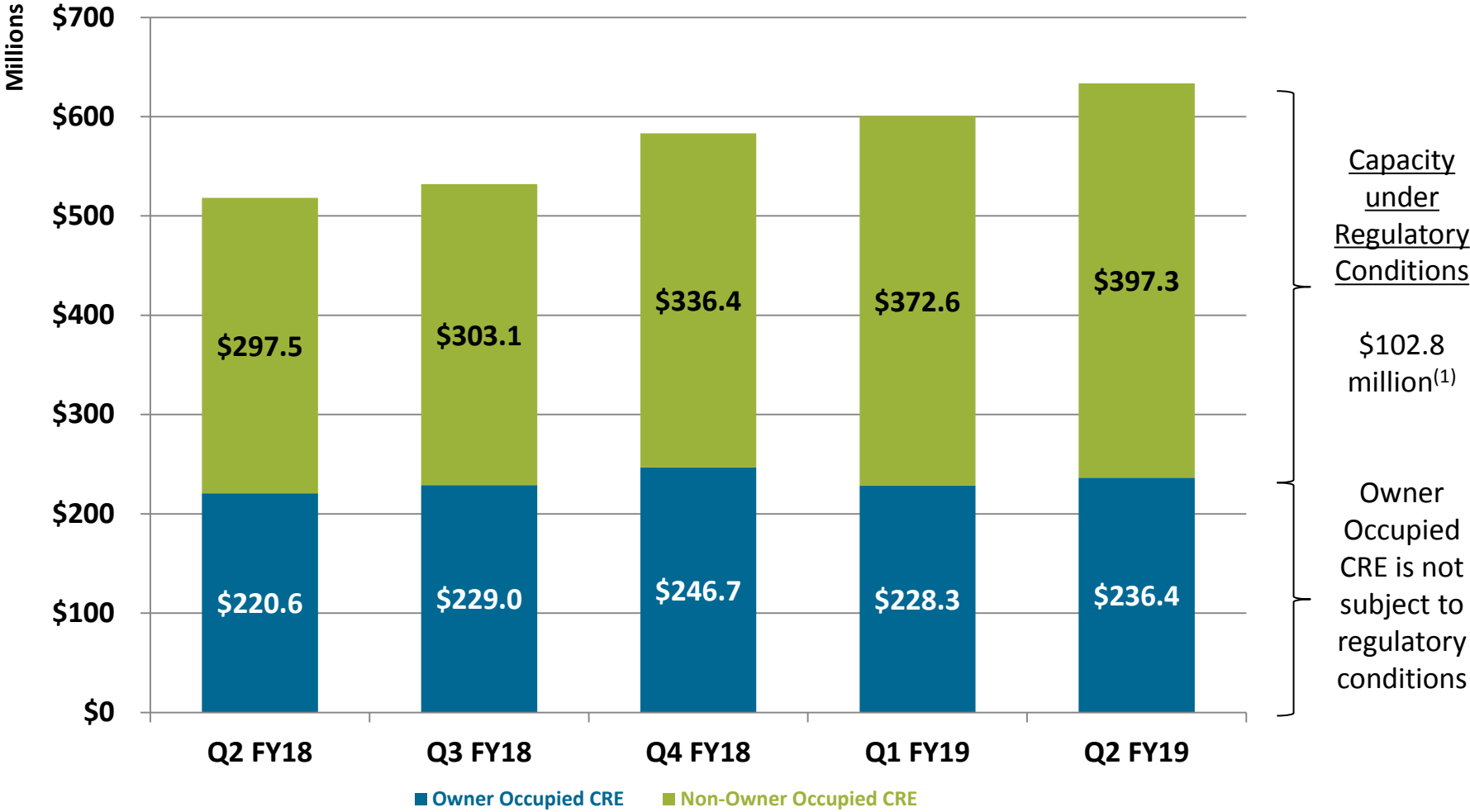
Q2 FY19 and YTD FY19 Highlights

	Q2 FY19	YTD FY19
Total Loan Volume	\$135.1 million	\$271.6 million
LASG:		
Purchased Loans	\$49.4 million invested on \$52.7 million of UPB ⁽¹⁾ (93.7% purchase price)	\$84.1 million invested on \$89.7 million of UPB ⁽¹⁾ (93.7% purchase price)
Originated Loans⁽²⁾	\$64.1 million	\$135.3 million
Weighted Average Rate as of 12/31/18	7.58%	7.70%
Community Bank:		
Residential Mortgage Originations	\$7.4 million	\$18.8 million
Commercial Originations	\$351 thousand	\$733 thousand
SBA:		
Originations⁽³⁾	\$13.8 million	\$32.7 million
Sales	\$12.8 million	\$25.2 million
Gain on Sale	\$942 thousand	\$1.8 million
Net Interest Margin	5.33%	5.13%
Purchased Loan Return⁽⁴⁾	10.30%	9.88%
Earnings	\$5.1 million	\$9.7 million
EPS (Diluted)	\$0.56	\$1.05
Return on Equity	13.94%	13.38%
Return on Assets	1.70%	1.60%

Loan Purchasing Capacity By Trailing 5 Quarters⁽¹⁾

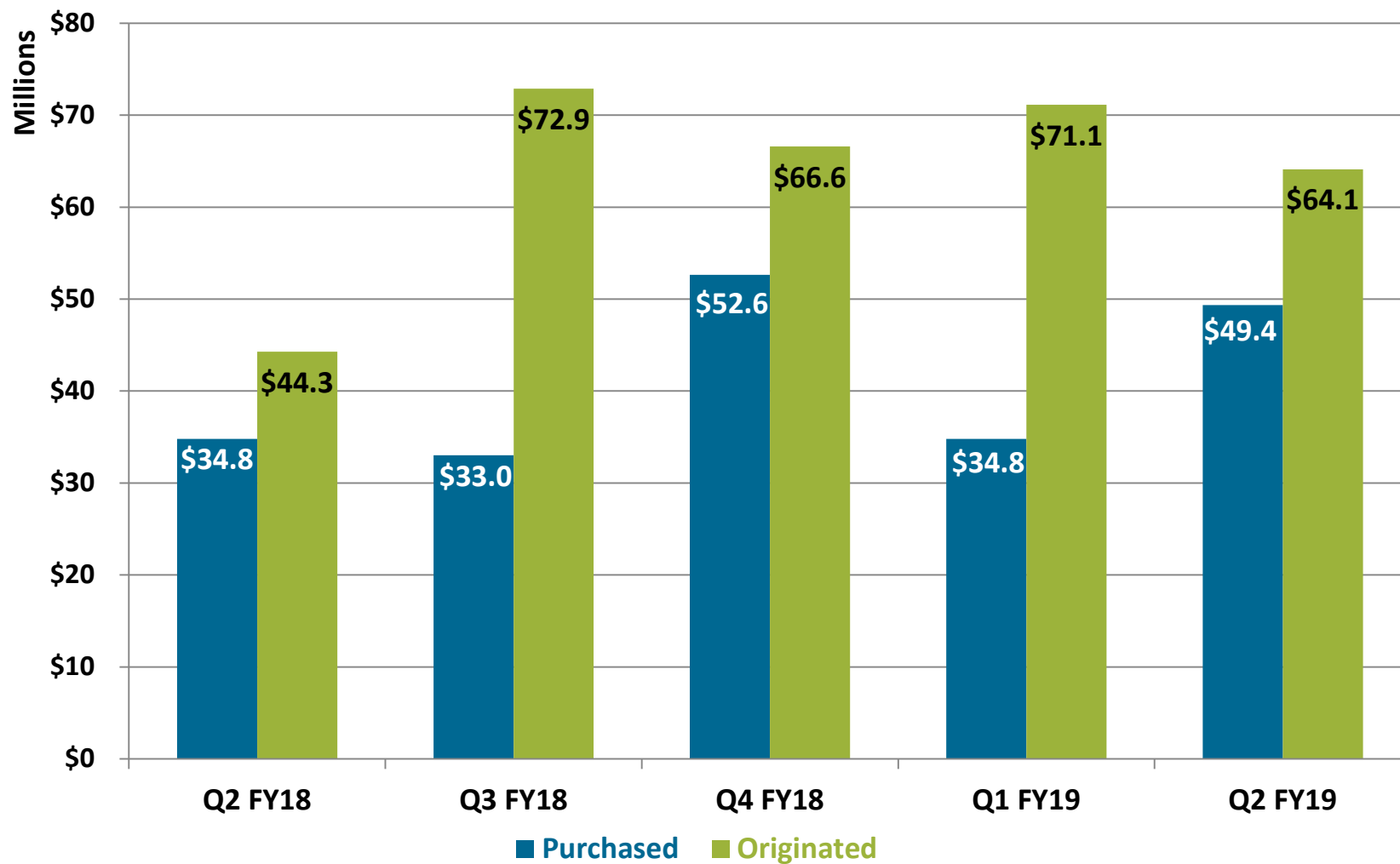


CRE Activity and Capacity By Trailing 5 Quarters

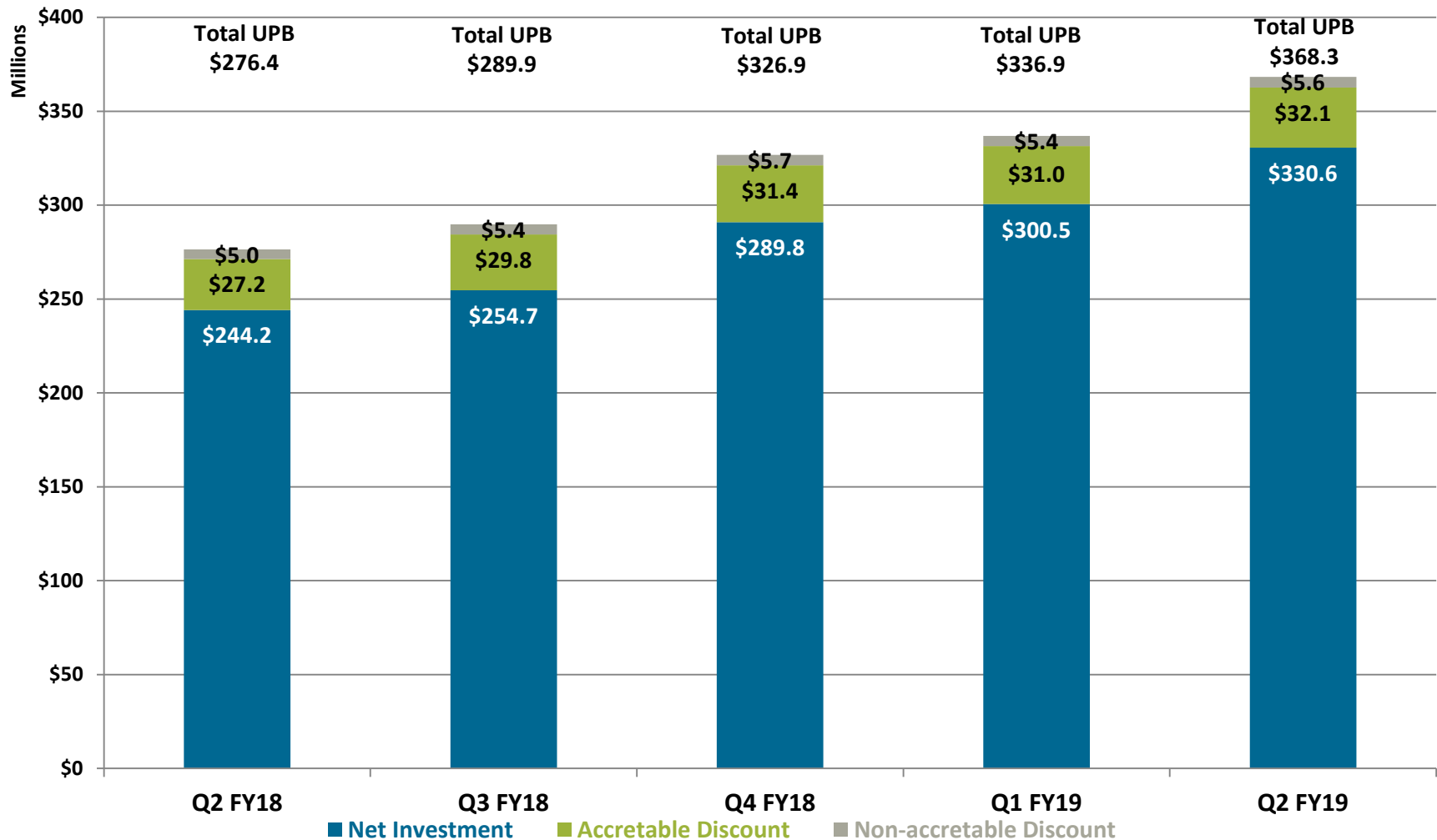


(1) \$102.8 million includes Memorandum Item #3 loans in the amount of \$35.1 million, which are included in CRE for regulatory commitment purposes. The amounts included in the bar graph for the periods Q2 FY18 through Q2 FY19 inclusive do not include Memorandum Item #3 loans or amounts.

LASG Activity By Trailing 5 Quarters



Purchased Loan Investment Basis and Discount By Trailing 5 Quarters



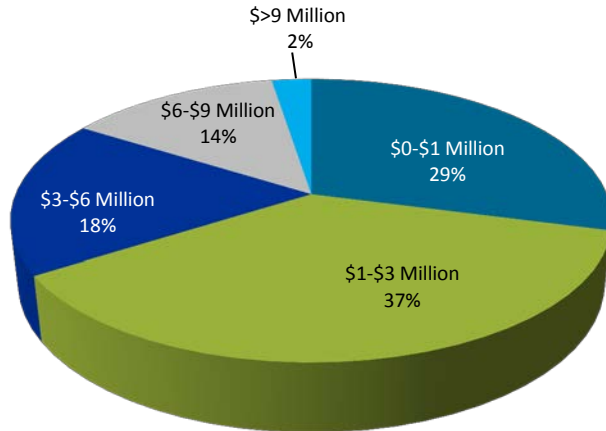
LASG Portfolio – Q2 FY19 Return Summary⁽¹⁾ as of December 31, 2018

	<u>Purchased</u>	<u>Originated</u>	<u>Total</u>
Regularly Scheduled Interest & Accretion	7.57%	7.61%	7.60%
Accelerated Accretion & Fees Recognized on Loan Payoffs	2.73%	0.00%	1.15%
Total	10.30%	7.61%	8.75%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales, gains on real estate owned and other noninterest income 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 December 31, 2018

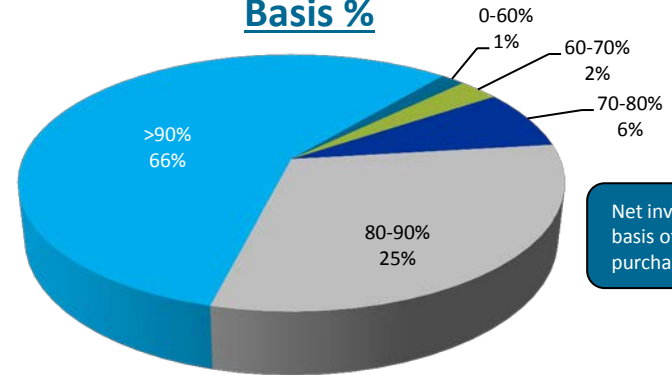
Investment Size



- Average investment size of \$725k/loan
- Originated: \$2MM
- Purchased: \$400k

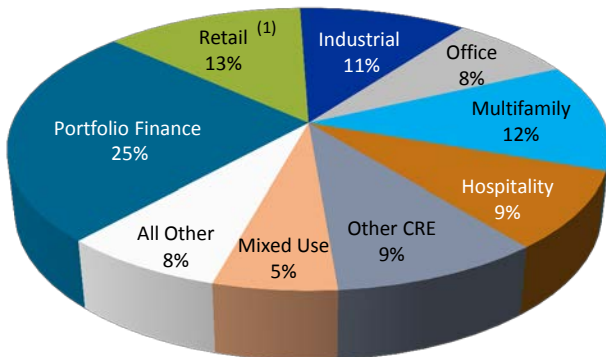
Purchased Loan Net Investment

Basis %



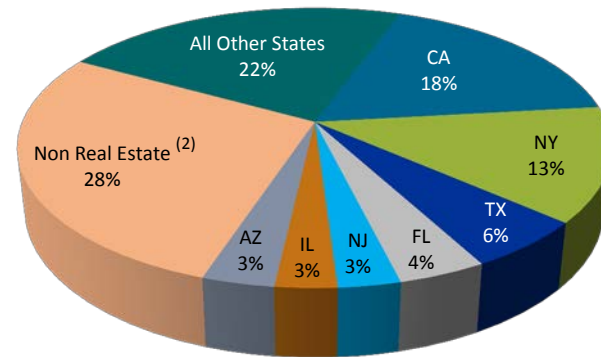
Net investment basis of 90% for purchased loans

Collateral Type



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

Collateral State

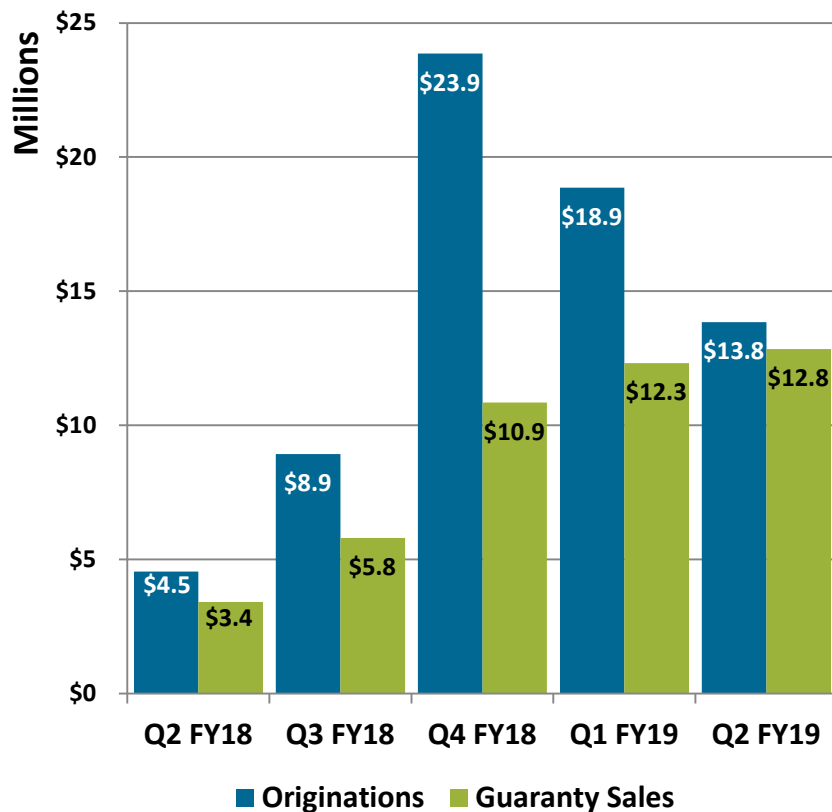


- Geographically diverse with collateral in 42 different states
- CA and NY represent combined 31% of portfolio

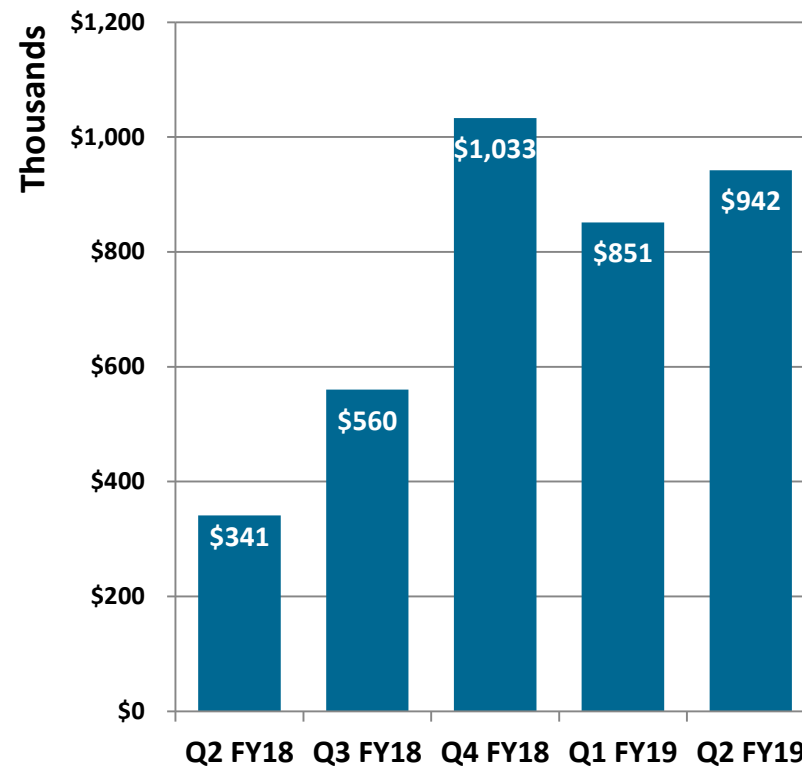
(1) Includes traditional and non-traditional retail, such as restaurants and gas stations
 (2) 90% of the 28% Non Real Estate total represents Portfolio Finance loans

SBA Division Activity

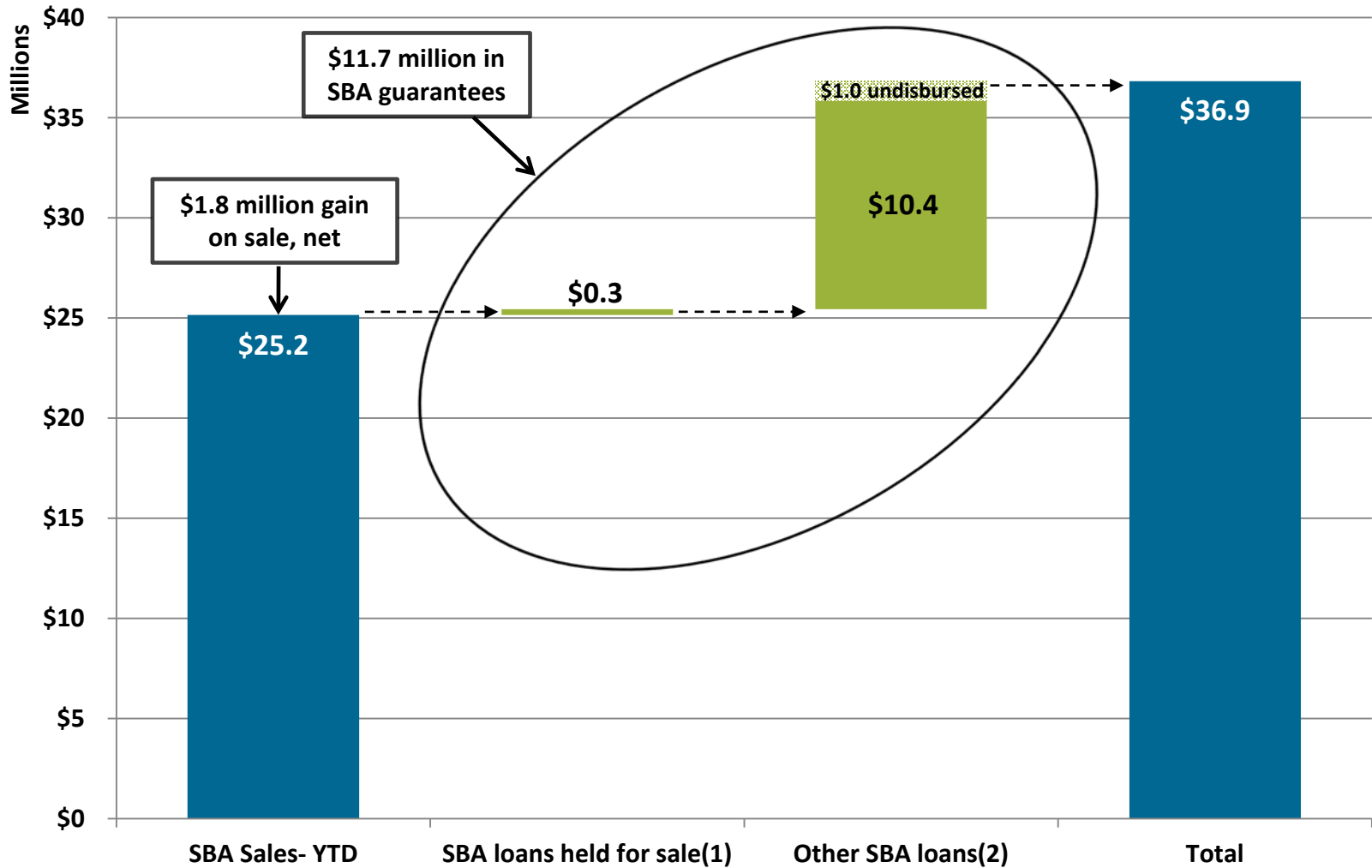
Originations & Guaranty Sales⁽¹⁾



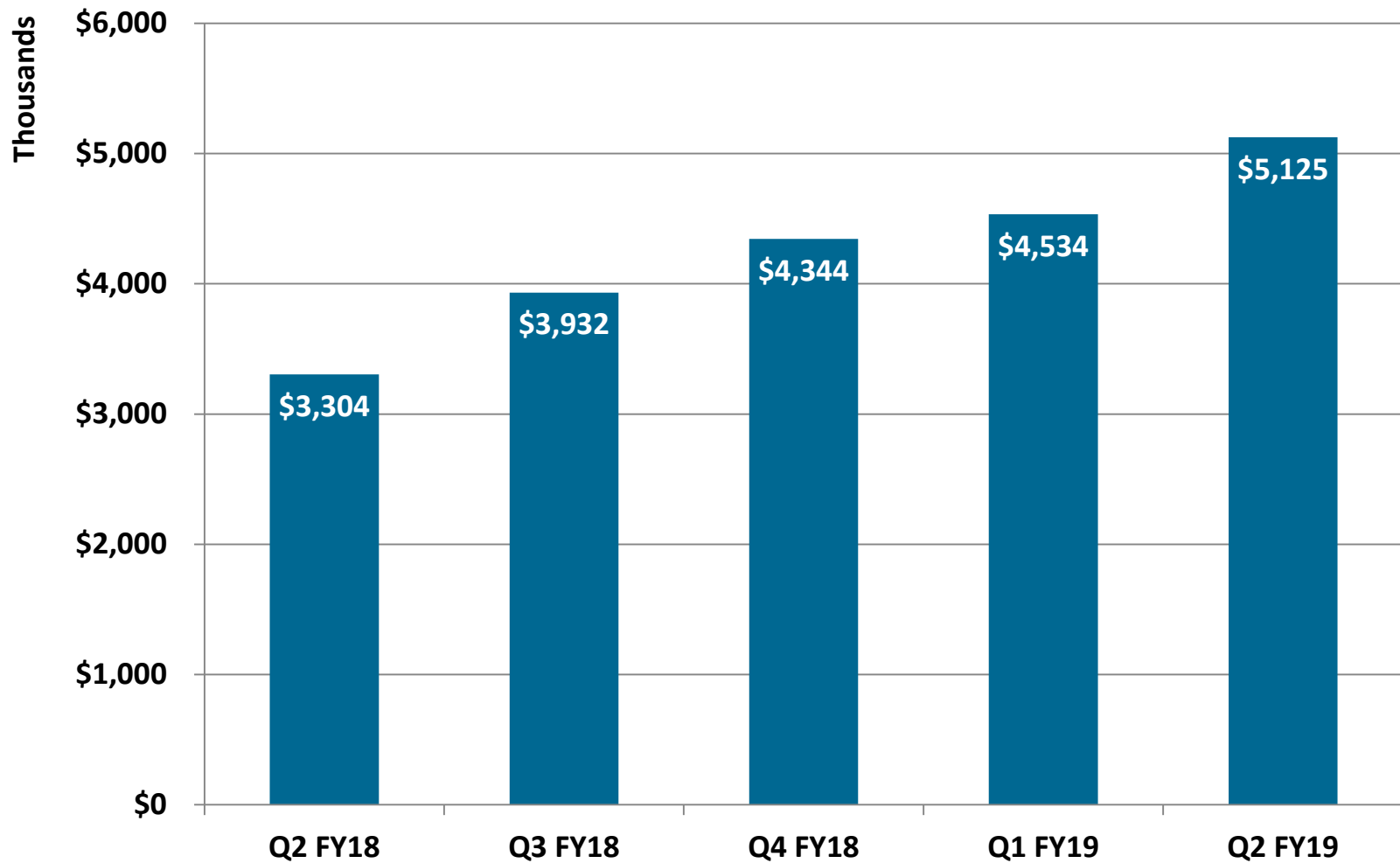
Net Gain on Sale⁽²⁾



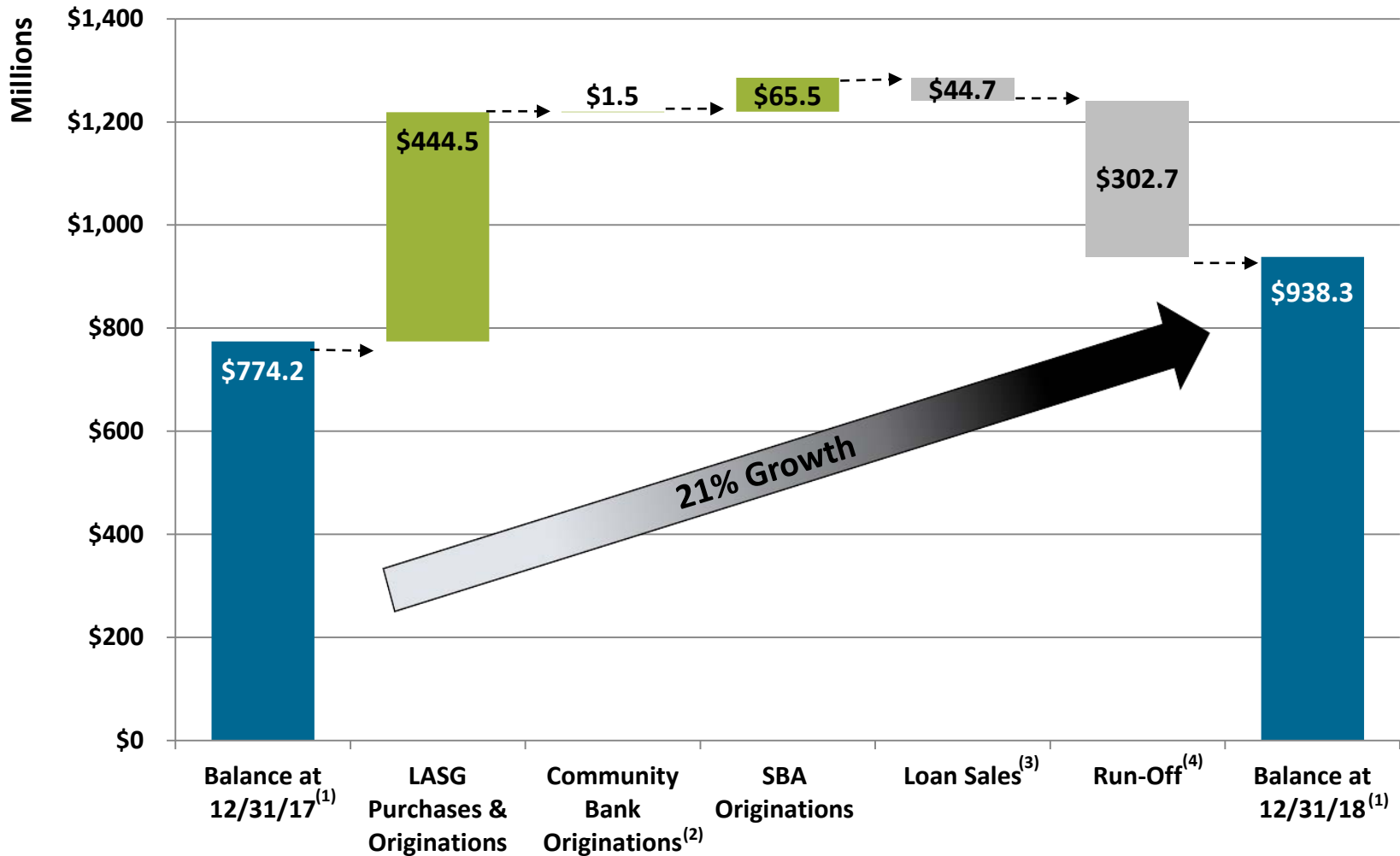
SBA Sale Pipeline



Net Income For Trailing 5 Quarters



Loan Portfolio Roll Forward: Trailing Twelve Months



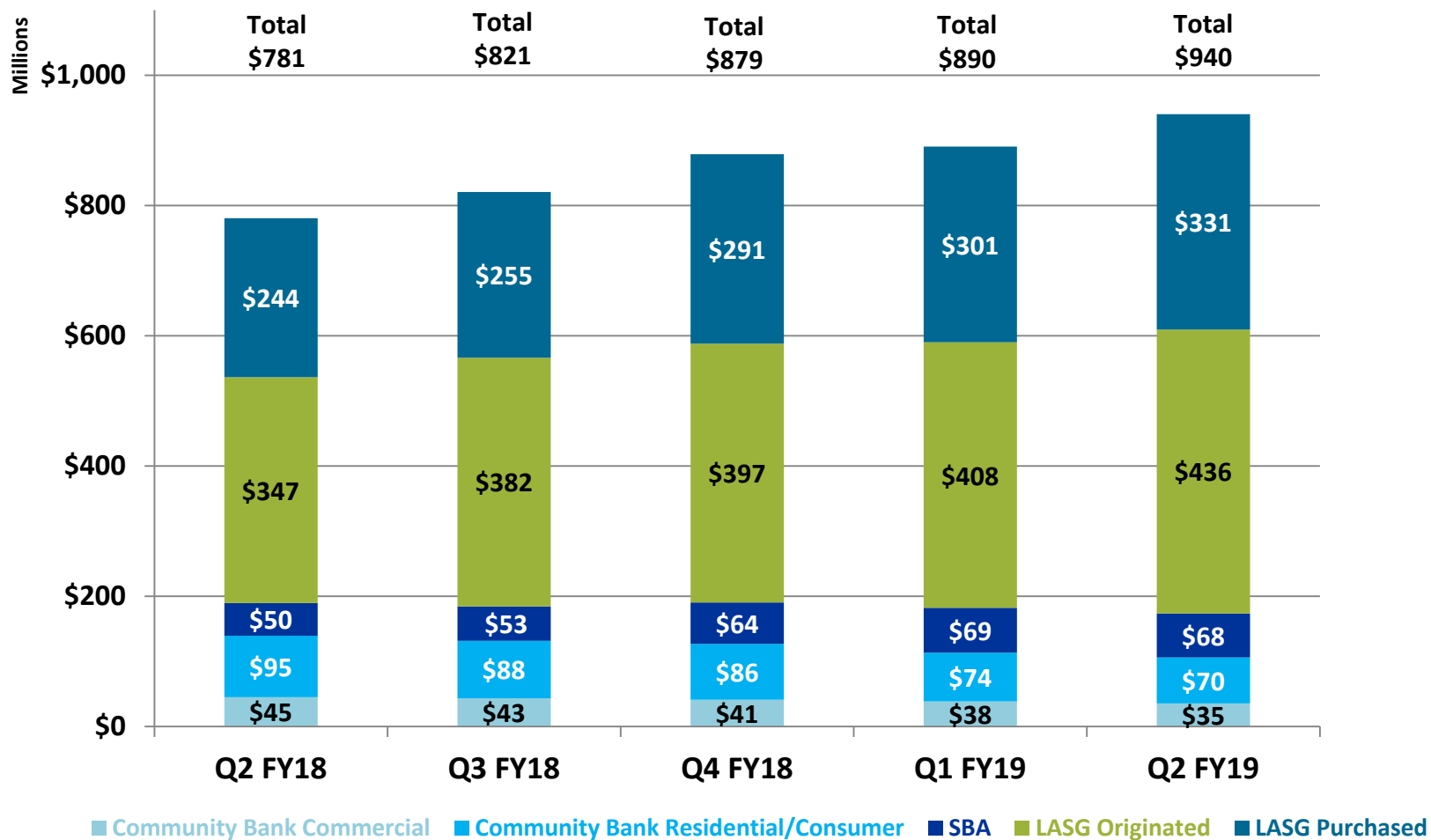
(1) Balances do not include loans held for sale in the amount of \$6.3 million and \$1.8 million at December 31, 2017 and 2018, respectively

(2) Does not include \$44.0 million of residential mortgages that were originated for sale

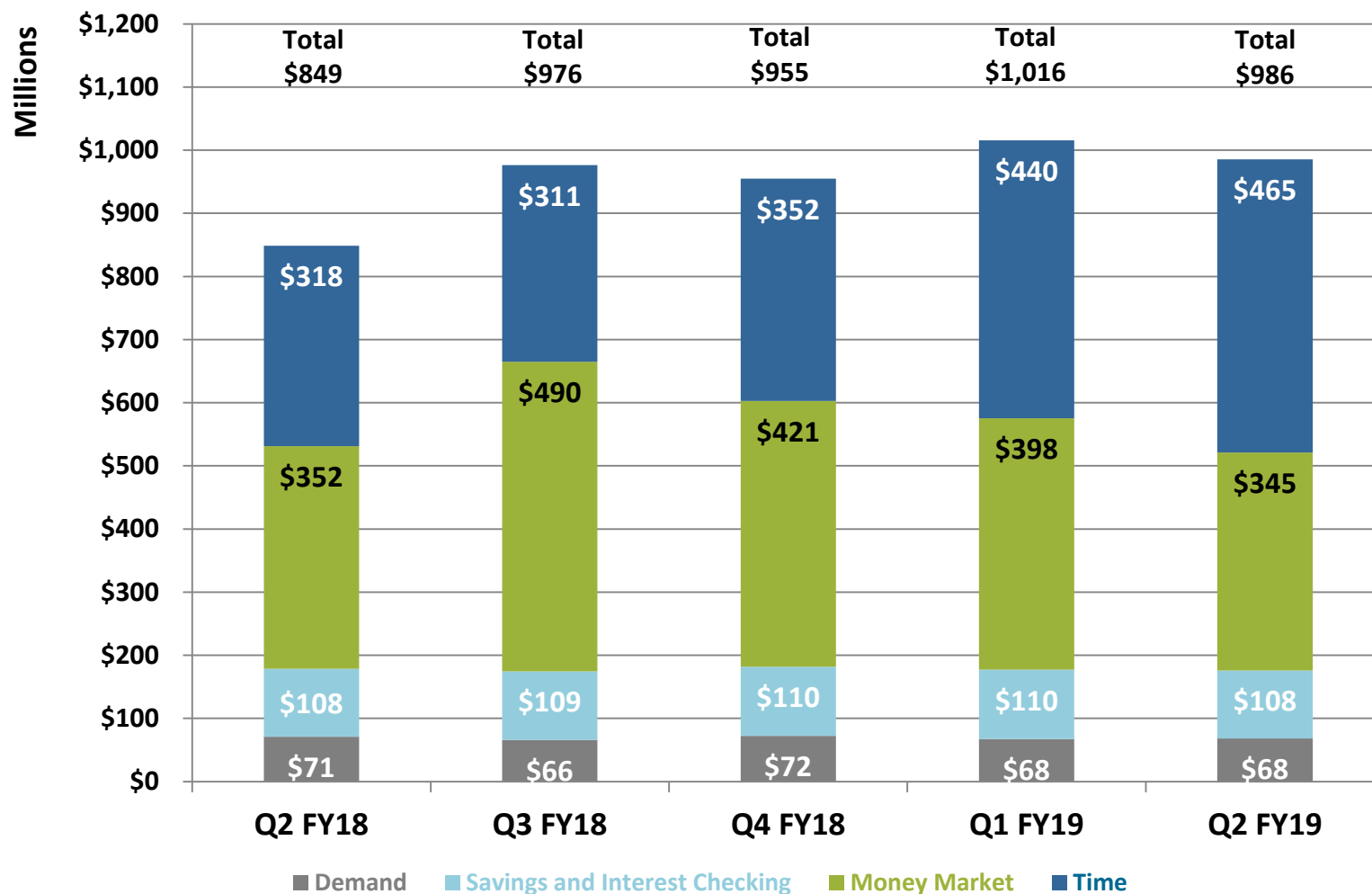
(3) Includes \$41.8 million of SBA loan sales for the trailing twelve months

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

Loan Mix As of Trailing 5 Quarter Ends⁽¹⁾

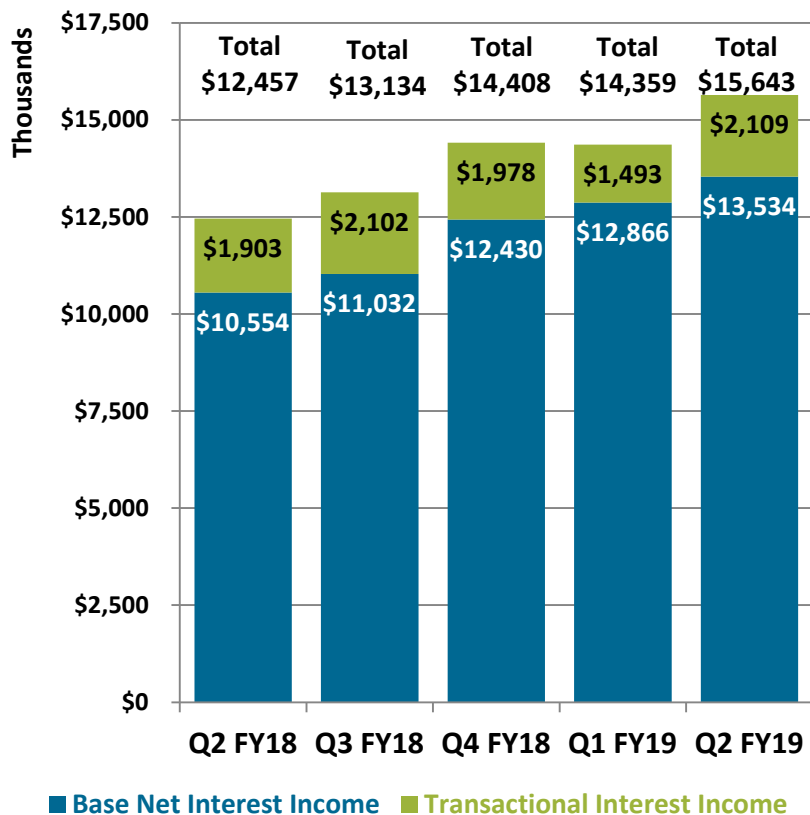


Deposit Mix By Trailing 5 Quarter Ends

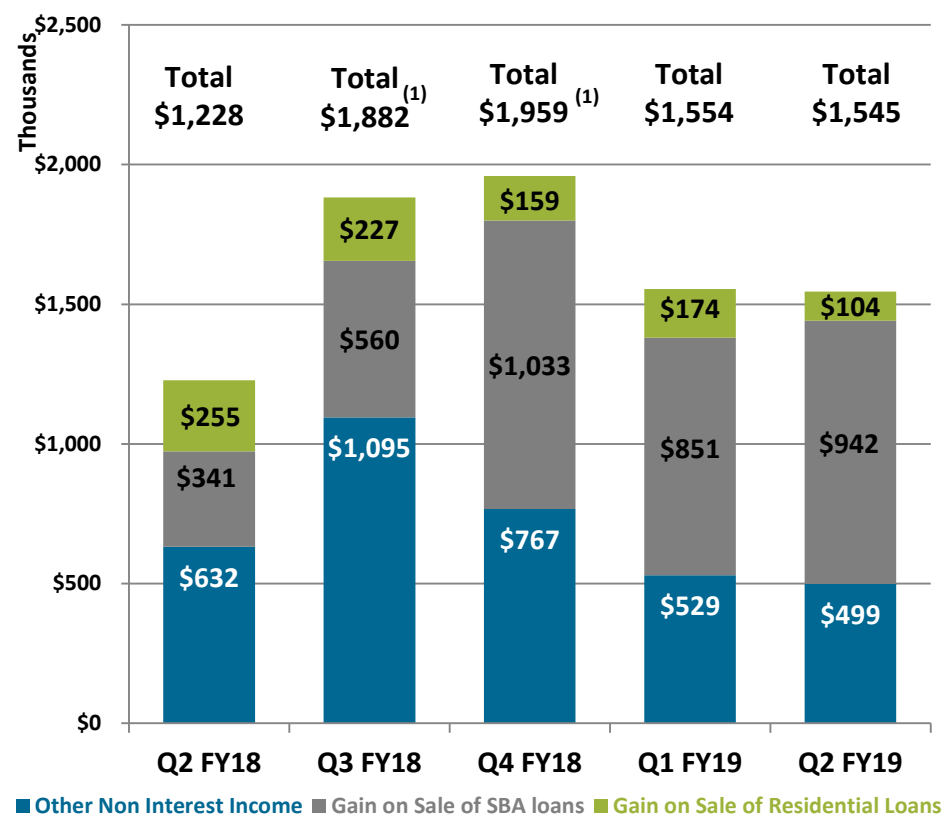


Key Components of Income For Trailing 5 Quarters

Net Interest Income Before Loan Loss Provision

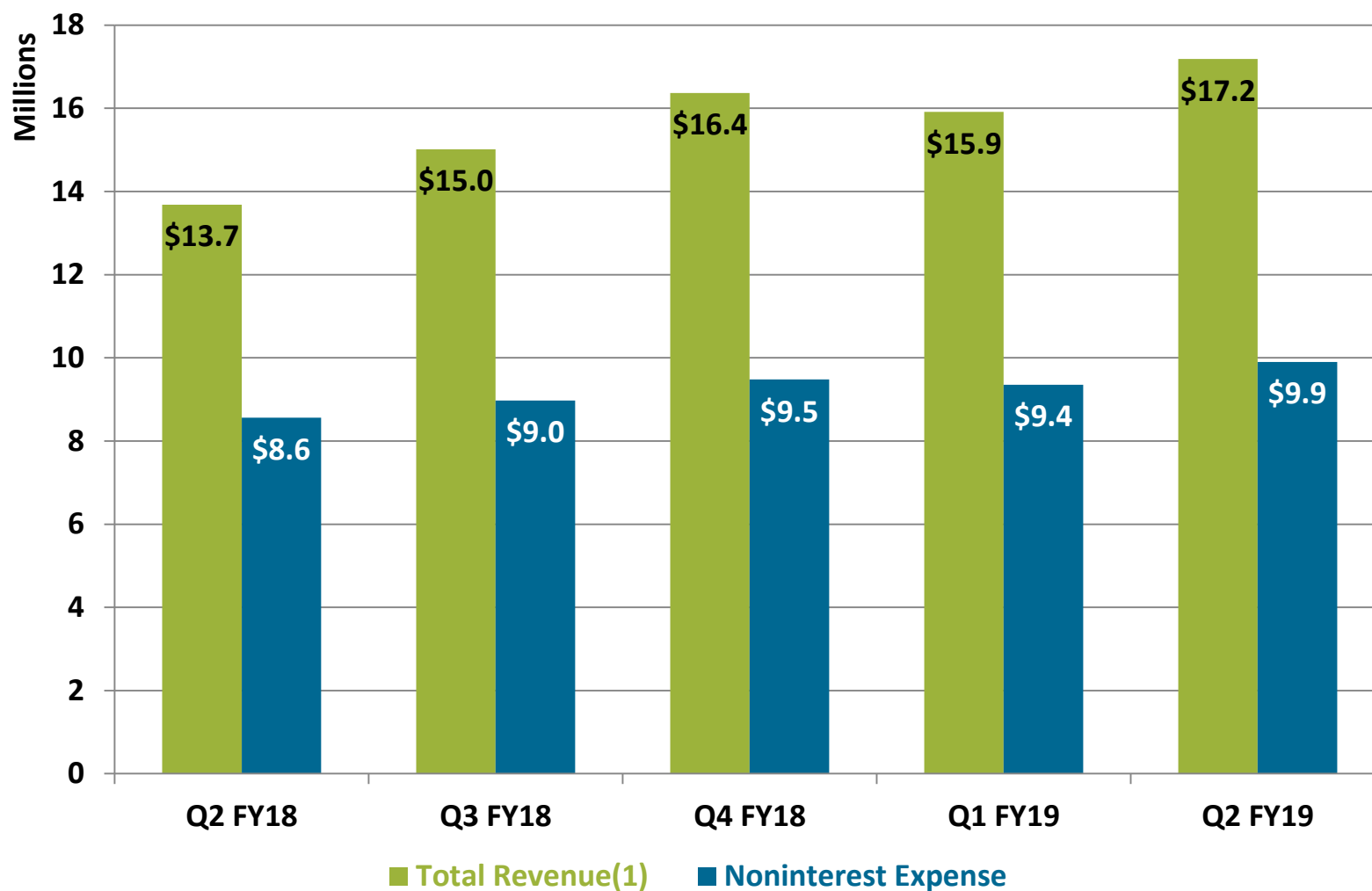


Noninterest Income



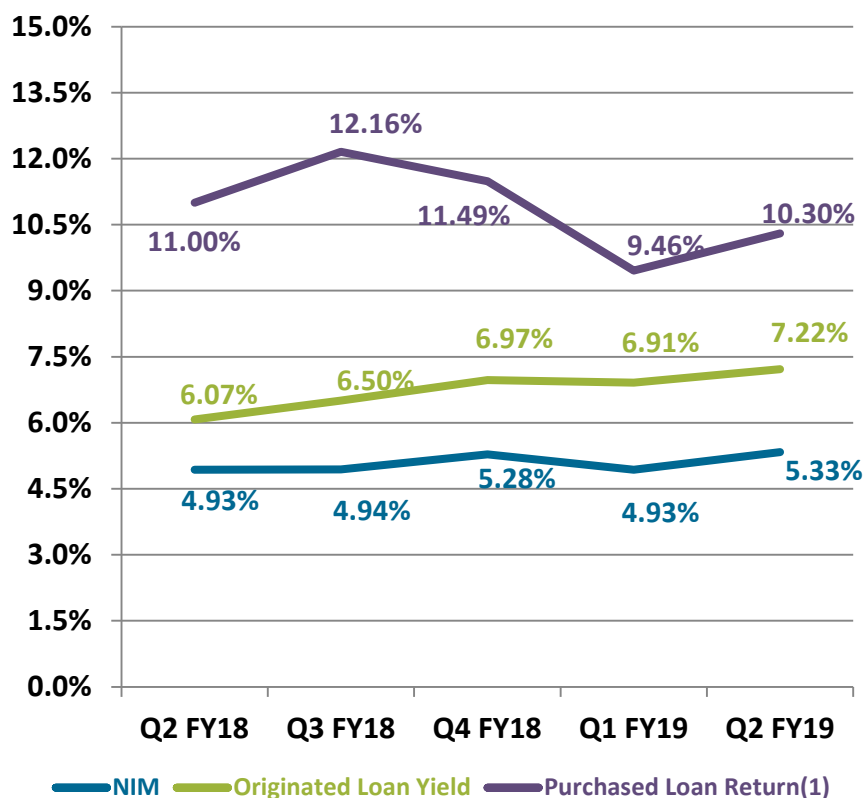
(1) Includes \$516 thousand and \$402 thousand gain on sale of two LASG purchased loans in Q3 FY18 and Q4 FY18, respectively.

Revenue and Noninterest Expense for Trailing 5 Quarters

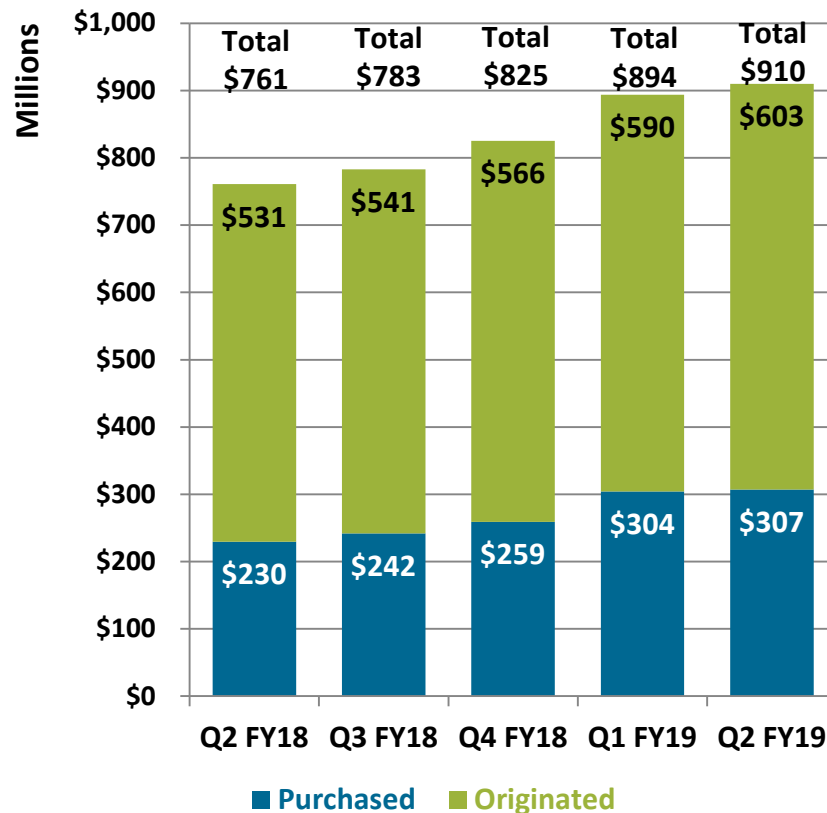


Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

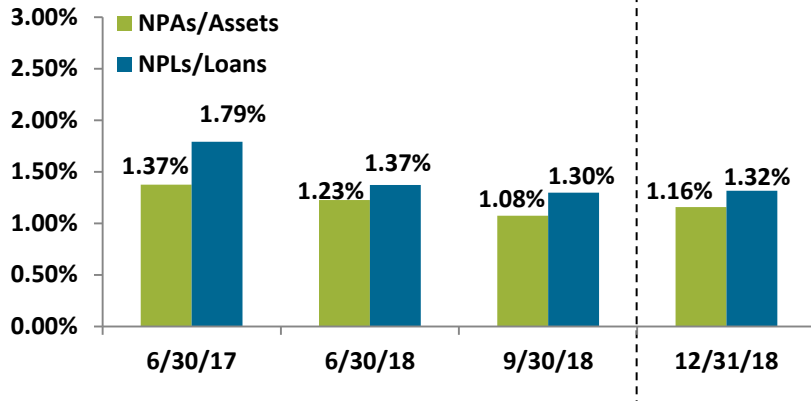


Average Loan Balance For Trailing 5 Quarters⁽²⁾

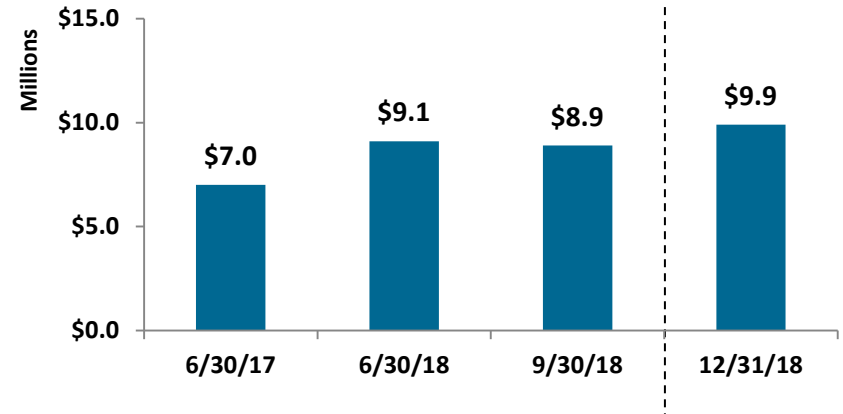


Asset Quality Metrics

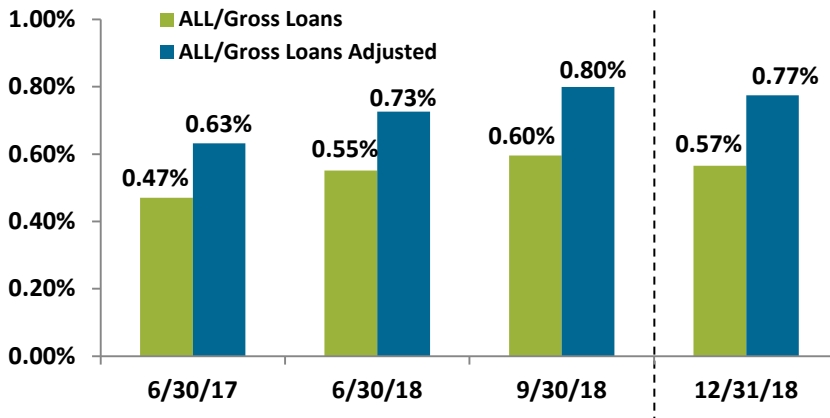
NPAs / Total Assets & NPLs / Total Loans



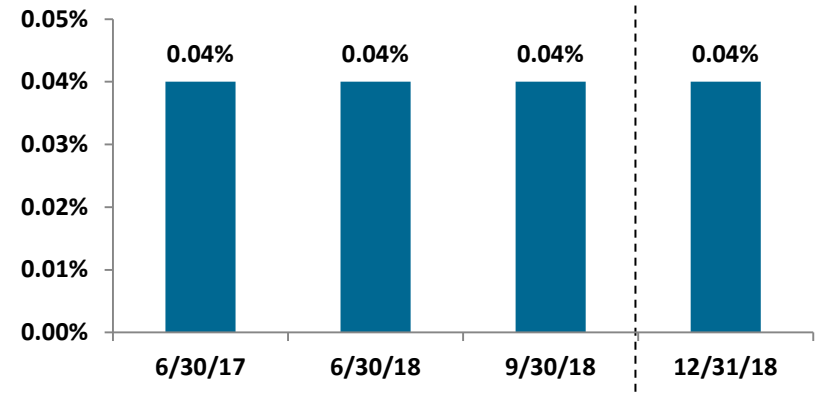
Classified Commercial Loans⁽¹⁾



Allowance for Loan Losses / Gross Loans



NCOs / Average Loans⁽²⁾



(1) Classified loans includes commercial real estate, commercial business, and construction loans risk rated under the Company's internal loan rating system

(2) Trailing twelve months of net charge-offs divided by average loans for the same period