

FY25 Q1 Investor Call

October 30, 2024

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 FY25
Total Loan Volume	\$942.2 million
National Lending:	
Purchased Loans	\$732.9 million invested on \$807.7 million of UPB ⁽¹⁾ (90.7% purchase price)
Originated Loans ⁽²⁾	\$126.9 million
Weighted Average Rate as of 9/30/2024 ⁽³⁾	8.85%
SBA Loans Originated	\$82.4 million
SBA Loans Sold	\$63.1 million
Gain on Sale of SBA Loans	\$3.3 million
Net Interest Margin	4.90%
Purchased Loan Return ⁽⁴⁾	8.84%
Net Income	\$17.1 million
Availability under At-the-Market Offering ⁽⁵⁾	\$23.1 million
Loan Capacity as of 9/30/2024	\$462 million
EPS (Diluted)	\$2.11
Return on Equity	17.53%
Return on Assets	2.09%
Tangible Book Value per Share	\$47.80

(1) Unpaid principal balance.

(2) National Lending originations for Q1 FY25 were 100% variable rate, of which 58% were Prime-rate based and 42% were SOFR-based.

(3) Q1 FY25 National Lending originations had a weighted average floor rate of 8.19%.

(4) Purchased loan return for Q1 FY25 included \$2.0 million of transactional income.

(5) During Q2 FY23, the Bank approved an At-the-Market ("ATM") Offering for up to \$50.0 million of voting common stock. During Q2 FY24, the Bank extended the ATM through November 2024. No shares were issued under the ATM in Q1 FY25.

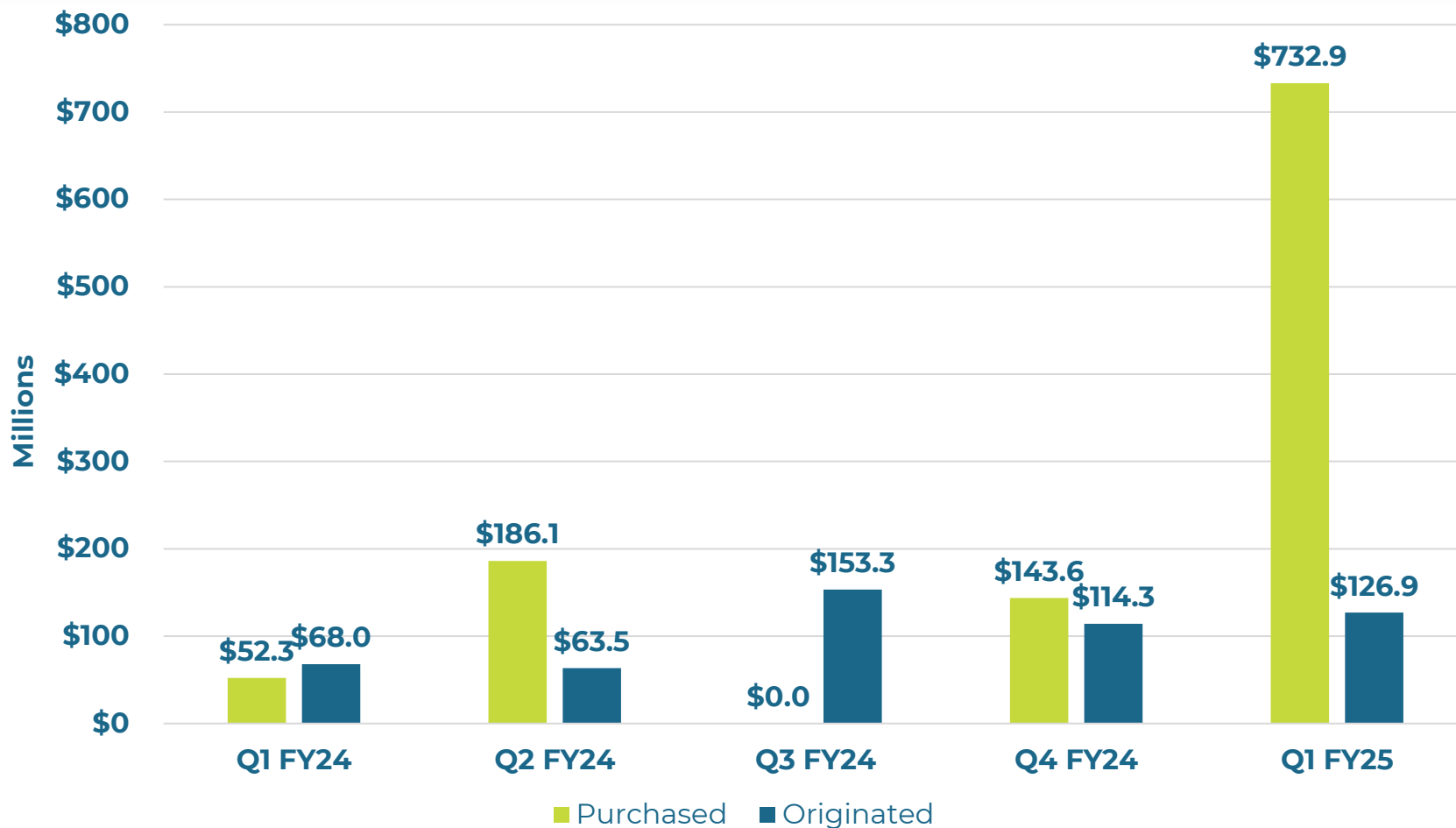
Loan Portfolio Summary

Loan Portfolio	# of Loans	Total Balance	Average Balance	WA LTV
<i>Dollars in thousands</i>				
National Lending Division				
Purchased Loans (1)	3,360	\$2,420,883	\$721	49%(4)
Direct Originated Loans (2)	89	403,079	4,529	54%
Lender Finance Loans (2)	97	608,296	6,271	45%
SBA and USDA Loans (3)	2,150	49,279	23	84%
Community Banking Division:				
Commercial Loans	87	5,848	67	40%
Residential and Consumer Loans	309	15,579	50	47%
Total	6,092	\$3,502,963	\$575	50%

- (1) Total balance of \$2.42 billion is equal to unpaid principal balance of \$2.64 billion, net of \$223.5 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 \$49.3 million is comprised of \$2.8 million of the guaranteed portion and \$46.5 million of the unguaranteed portion of loans. Balance does not reflect the guaranteed portion of \$17.6 million included in loans held for sale.
- (4) Reflects the Bank's basis net of allowance for credit loss reserves against the value of the underlying commercial real estate collateral.

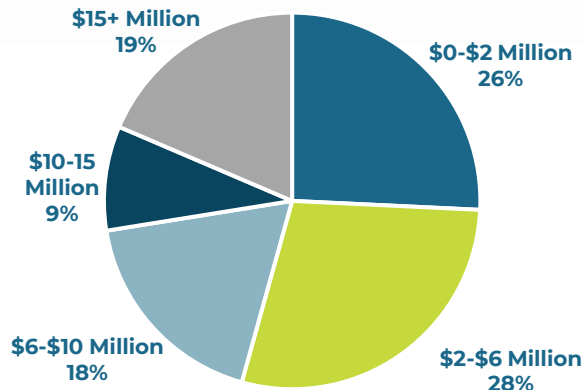
All data as of September 30, 2024, unless otherwise noted.

National Lending Activity By Trailing 5 Quarters

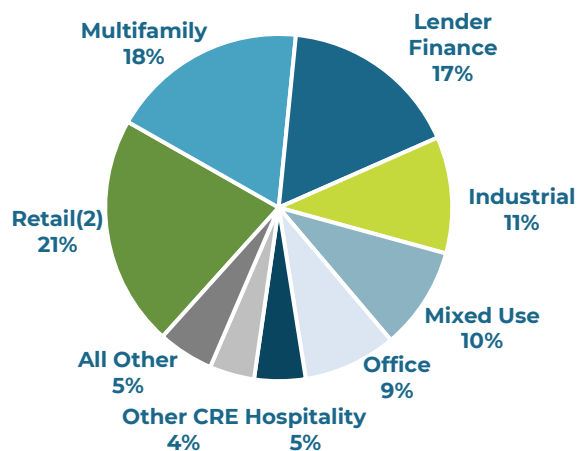


National Lending Loan Portfolio Statistics as of September 30, 2024

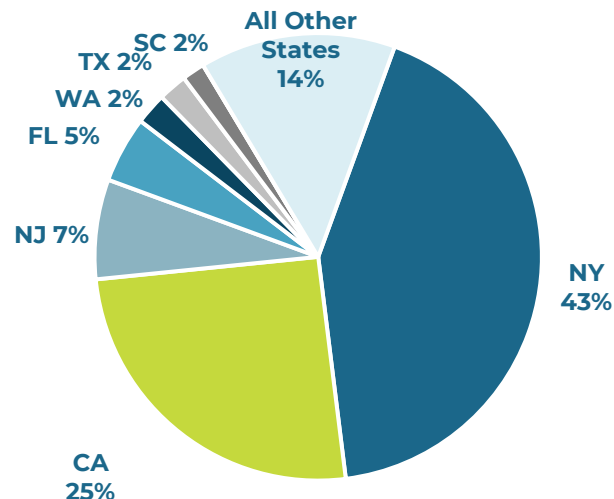
Investment Size⁽¹⁾



Collateral Type



Collateral State (44 States)

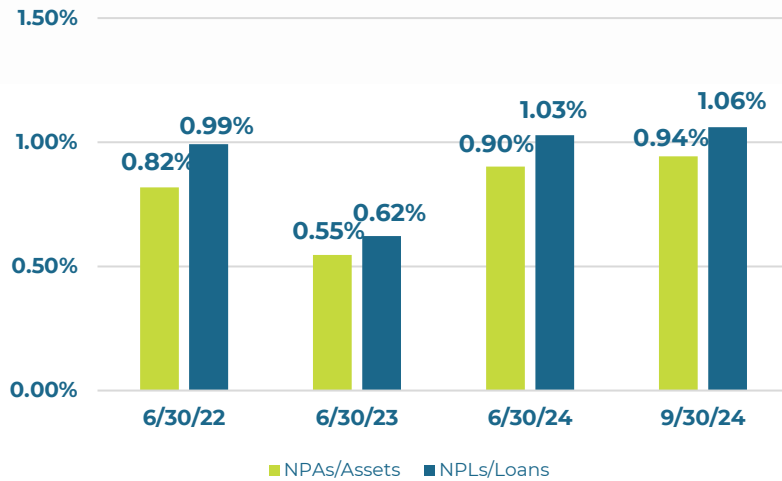


(1) Average investment size of \$967 thousand/loan; originated average: \$5.3 million/loan and purchased average: \$720 thousand/loan

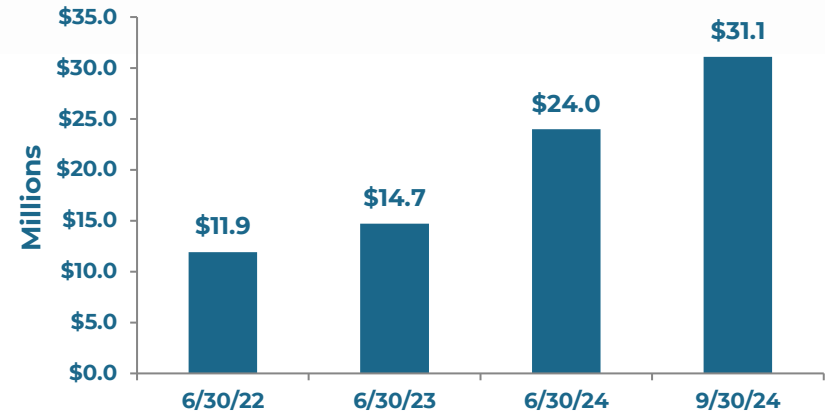
(2) Includes traditional and non-traditional retail, such as restaurants and gas stations.

Asset Quality Metrics

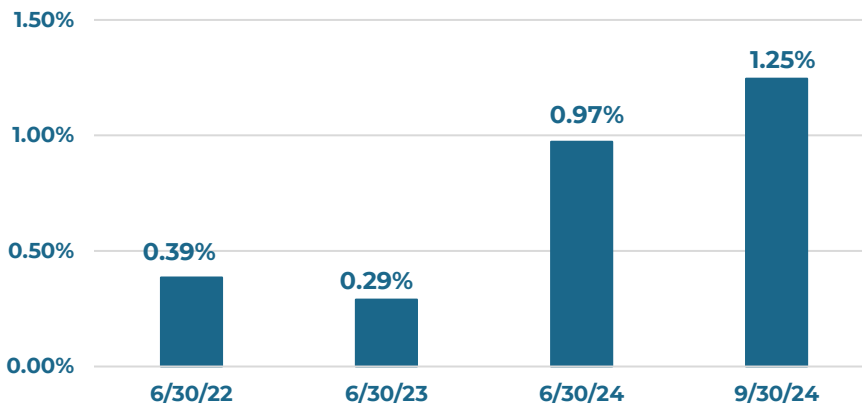
NPAs & NPLs



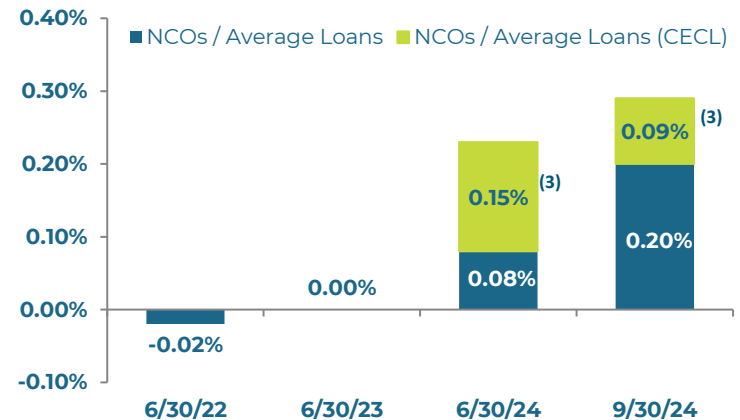
Classified Commercial Loans⁽¹⁾



Allowance for Credit Losses / Gross Loans



NCOs / Average Loans⁽²⁾



(1) Classified loans includes commercial real estate and commercial and industrial loans risk rated under the Bank's internal loan rating system
 (2) Calculated as trailing twelve months of net charge-offs divided by average loans for the same period.
 (3) Upon the adoption of CECL, the previously designated non-accretable discount is added to the carrying basis of the loan, with an offsetting allowance. For the quarters ended June 30, 2024 and September 30, 2024, such charged-off discount was 15 basis points and 9 basis points, respectively. This component does not represent a loss of invested dollars.

Nonperforming Assets Turnover – Quarter ended September 30, 2024

	Nonperforming Loans	REO	Total	FMV of Collateral ⁽¹⁾	Notes
	<i>(Dollars in Thousands)</i>				
June 30, 2024 Balance:	\$28,261	\$0	\$28,261		
NPL Additions:					
#1	4,300	-	4,300	5,400	Nonprofit social club in Washington, DC
#2	2,400	-	2,400	2,752	Two mixed use buildings in NY
#3	1,456	-	1,456	2,588	Single family home in NY
#4	1,261	-	1,261	1,552	Commercial building in NJ
Other Loans - Various	1,256	-	1,256		49 loans placed on nonaccrual with largest invested balance of \$580 thousand
Total Additions:	10,673	-	10,673		
NPL Resolutions:					
Other Loans - Various	(559)	-	(559)		Net payoffs, paydowns and returns to accrual status
Total Resolutions:	(559)	-	(559)		
52 loans, average charge-off per loan of \$24 thousand					
Charge-Offs:					
Standard Charge-Offs ⁽²⁾	(1,157)		(1,157)		
CECL Charge-Offs ⁽³⁾	(46)		(46)		
Total Charge-Offs:	(1,203)	-	(1,203)		
September 30, 2024 Balance:	\$37,172	\$0	\$37,172		

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

(2) 91% of standard charge-off amount was previously reserved for in the allowance for credit losses

(3) Upon the adoption of CECL, the previously designated non-accretable discount was added to the carrying basis of the loan, with an offsetting allowance. The charge-off amount does not represent a loss of invested dollars.

Allowance Allocation

Loan Segment	Total Loan Balances at September 30, 2024	Total Reserves at September 30, 2024	ACL / Total Loans at June 30, 2024	Total Reserves at June 30, 2024	ACL / Total Loans at June 30, 2024	Total Reserves at September 30, 2023	ACL / Total Loans at September 30, 2023
<i>Dollars in thousands</i>							
National Lending Purchased	\$2,420,883	\$37,897	1.57%	\$20,716	1.21%	\$18,046	1.19%
Originated Loans:							
C&I (Lender Finance primarily)	622,011	3,494	0.56%	4,253	0.73%	1,838	0.41%
Commercial Real Estate	380,726	911	0.24%	1,250	0.32%	4,902	1.05%
SBA and USDA:							
- Guaranteed	2,801	-	0.00%	-	0.00%	-	0.00%
- Unguaranteed	46,478	1,267	2.73%	414	1.34%	167	0.91%
1-4 Family Residential	29,830	71	0.24%	76	0.25%	350	0.53%
Consumer	234	-	0.00%	0	0.00%	0	0.00%
Total Originated Loans	1,082,080	5,743	0.53%	5,993	0.57%	7,257	0.72%
Total Loans	\$3,502,963	\$43,640	1.25%	\$26,709	0.97%	\$25,303	1.00%

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		\$5,827	57%	\$53,237	35%	\$72,798	55%	\$131,862	47%
Hospitality		116,844	53%	91,384	48%	48,757	50%	256,986	51%
Industrial		31,116	49%	62,770	43%	363,882	45%	457,768	45%
Land and Construction		2,600	51%	27,848	45%	10,133	44%	40,581	45%
Mixed Use		13,512	50%	89,897	52%	316,080	58%	419,489	56%
Multi Family		24,302	58%	68,982	48%	698,733	49%	792,017	49%
Office		118,985	52%	40,008	46%	181,655	47%	340,649	49%
Retail		79,452	57%	60,605	52%	701,357	48%	841,415	49%
Small Balance Commercial		10,440	89%	113,564	38%	27,488	69%	151,492	47%
Total		\$403,079	54%	\$608,296	45%	\$2,420,883	49%	\$3,432,258	49%

(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)	\$40,533	\$108,678	\$106,881	\$83,072	\$44,684	\$19,231	\$403,079
Lender Finance Loans (1)	215,097	124,275	204,272	45,752	18,900	-	608,296
Purchased Loans (2)	739,450	378,941	386,060	666,882	215,724	33,826	2,420,883
Total	\$995,080	\$611,894	\$697,213	\$795,706	\$279,308	\$53,057	\$3,432,258
% of Total	29%	18%	21%	22%	8%	2%	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	\$240,268	\$993,642	\$1,186,973	\$2,420,883
# of Loans	760	1,884	716	3,360
% of Portfolio	10%	41%	49%	100%
Original Principal Balance	\$573,605	\$1,512,800	\$1,440,976	\$3,527,381
Current Principal Balance	256,947	1,066,723	1,320,730	2,644,400
% Principal Paid Down Since Origination	55%	29%	8%	25%
Current Basis / Original Principal	42%	66%	82%	69%

All data as of September 30, 2024, 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	\$608,296			60%	45%
Lender Finance Loans with Interest Reserves	491,686	81%	5.9 Months		

Direct Originated Loans

<i>Dollars in thousands</i>	Balance	% with Interest Reserves	Interest Reserve WA Duration	WA LTV⁽²⁾
Total Direct Originated Loans	\$403,079			54%
Direct Originated Loans with Interest Reserves	289,037	72%	3.8 Months	

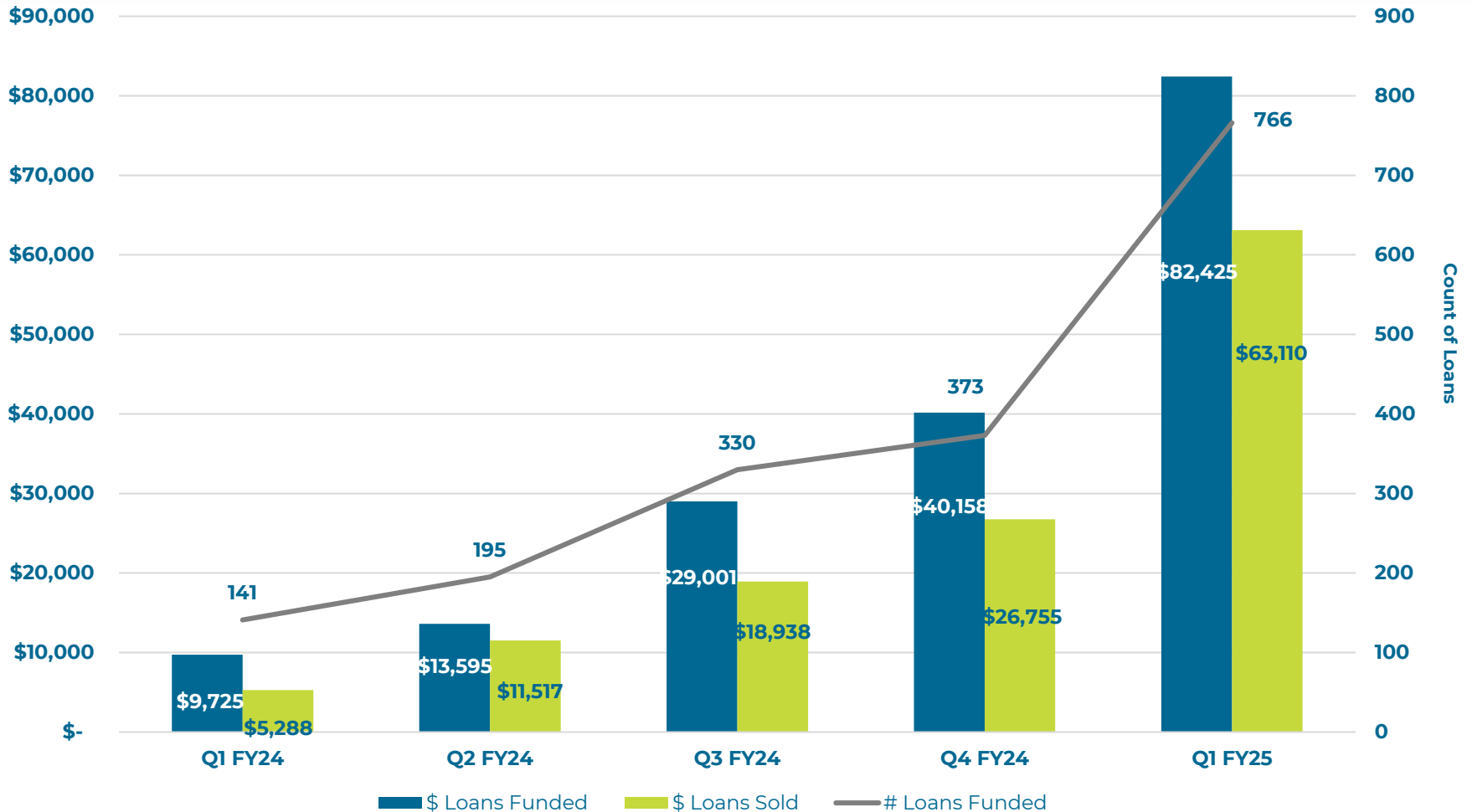
(1) Weighted Average Advance Rate utilizes original balance and real estate value at the time of origination

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

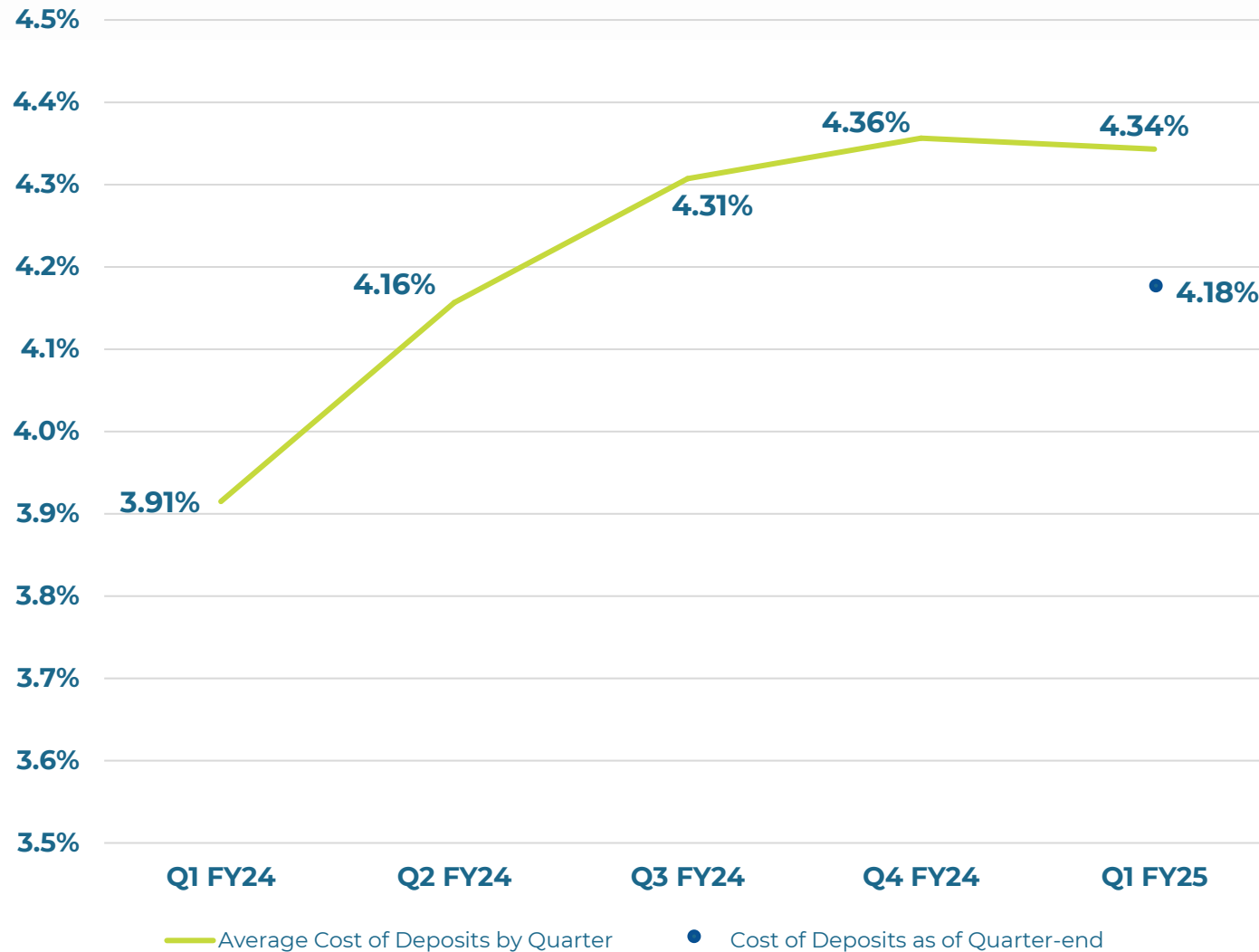
SBA Loan Activity

SBA Loan Originations and Sales

(dollars in thousands)



Quarterly Cost of Deposits



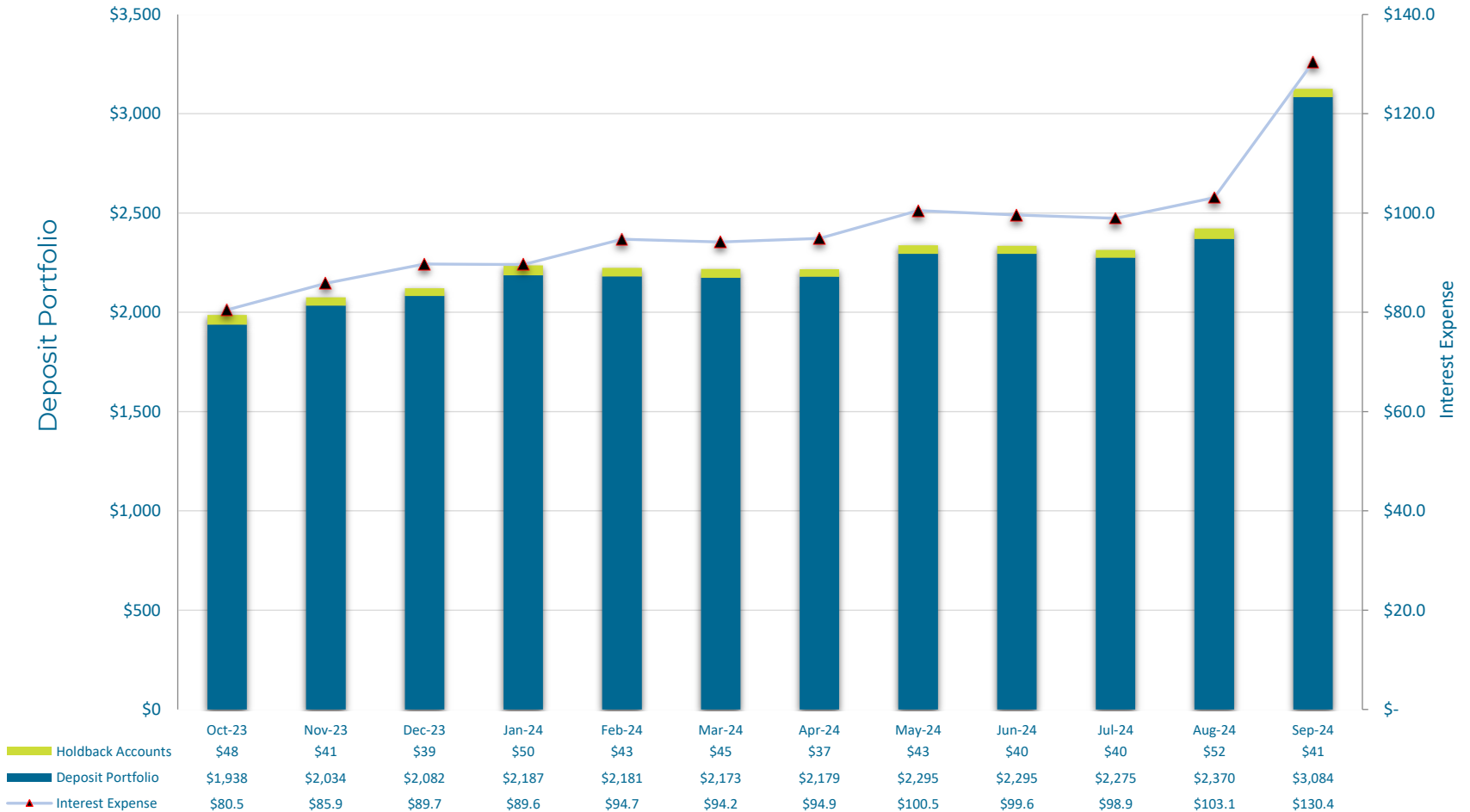
Deposit Portfolio Changes

By Channels	September 30, 2024			September 30, 2023			Net Change		
	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%	WAR
<i>Dollars in thousands</i>									
Retail									
Banking Centers	927,423	3.66%	30%	\$725,563	3.70%	37%	\$201,860	28%	-0.04%
Government Banking	426,278	4.68%	14%	319,049	4.86%	16%	107,229	34%	-0.18%
National Lending	49,141	0.68%	2%	\$49,458	0.83%	3%	(317)	-1%	-0.16%
ableBanking	37,208	3.38%	1%	23,834	0.17%	1%	13,374	56%	3.21%
Corporate/Institutional	59,762	4.66%	2%	102,495	5.36%	5%	(42,733)	-42%	-0.70%
Holdback Accounts	40,842	0.12%	1%	41,452	0.10%	2%	(610)	-1%	0.02%
Brokered Deposits	1,584,261	4.56%	50%	692,527	5.14%	35%	891,734	129%	-0.58%
Bulletin Board	0	0.00%	0%	12,750	5.06%	1%	(12,750)	-100%	-5.06%
Grand Total	3,124,914	4.18%		\$1,967,127	4.00%		\$1,157,787	59%	0.18%

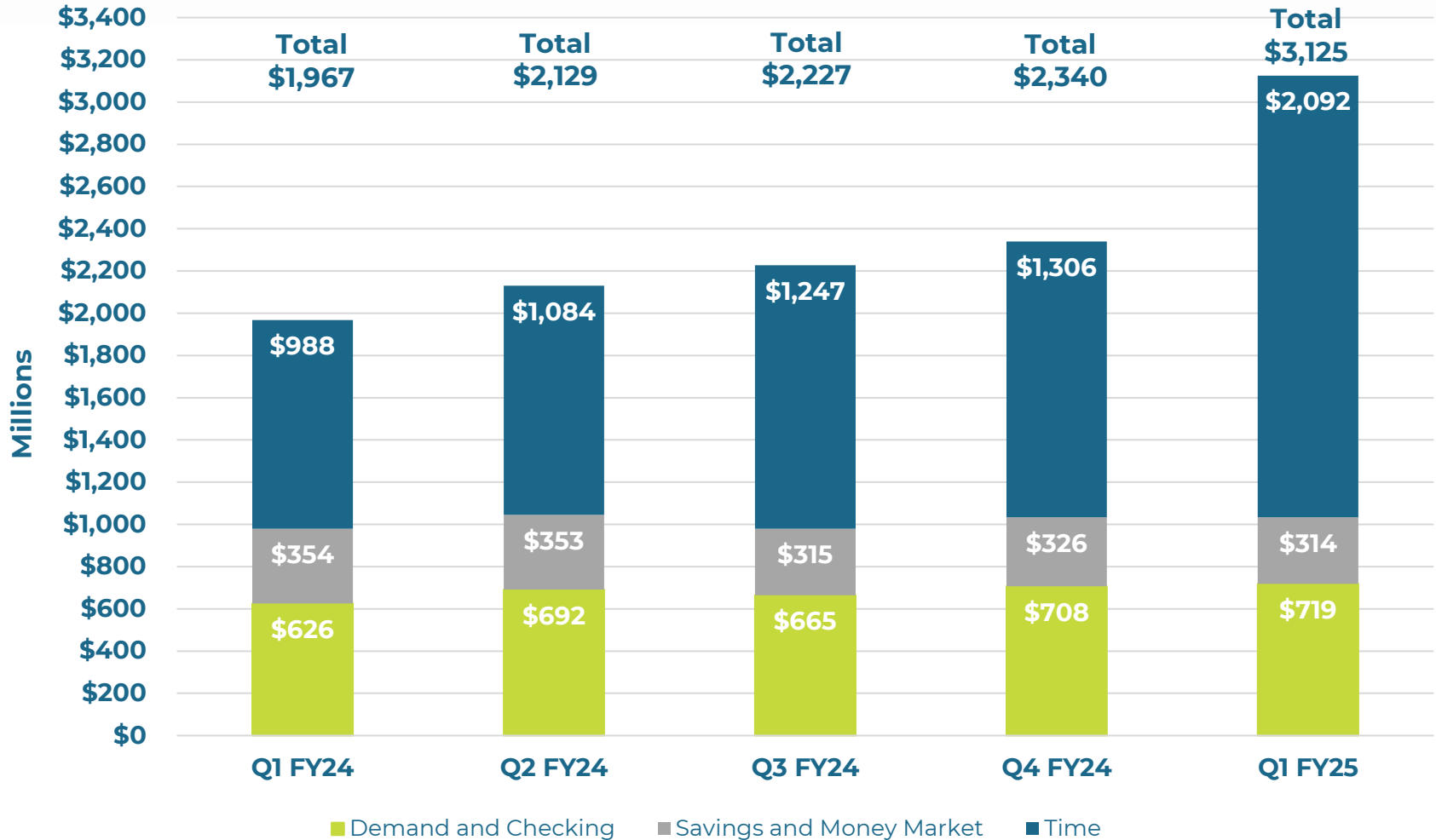
By Products	September 30, 2024			September 30, 2023			Net Change		
	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%	WAR
<i>Dollars in thousands</i>									
Checking	\$667,621	3.52%	22%	\$584,099	3.50%	29%	\$83,522	14%	0.02%
Savings	183,428	3.40%	6%	110,621	2.63%	6%	72,807	66%	0.77%
Money Market	130,739	3.19%	4%	242,979	3.40%	12%	(112,240)	-46%	-0.21%
Certificate of Deposit	2,102,285	4.59%	67%	987,976	4.75%	51%	1,114,309	113%	-0.16%
Holdback Accounts	40,842	0.12%	1%	41,452	0.10%	2%	(610)	-1%	0.02%
Grand Total	\$3,124,914	4.18%		\$1,967,127	4.00%		\$1,157,787	59%	0.18%

Deposit Portfolio and Interest Analysis

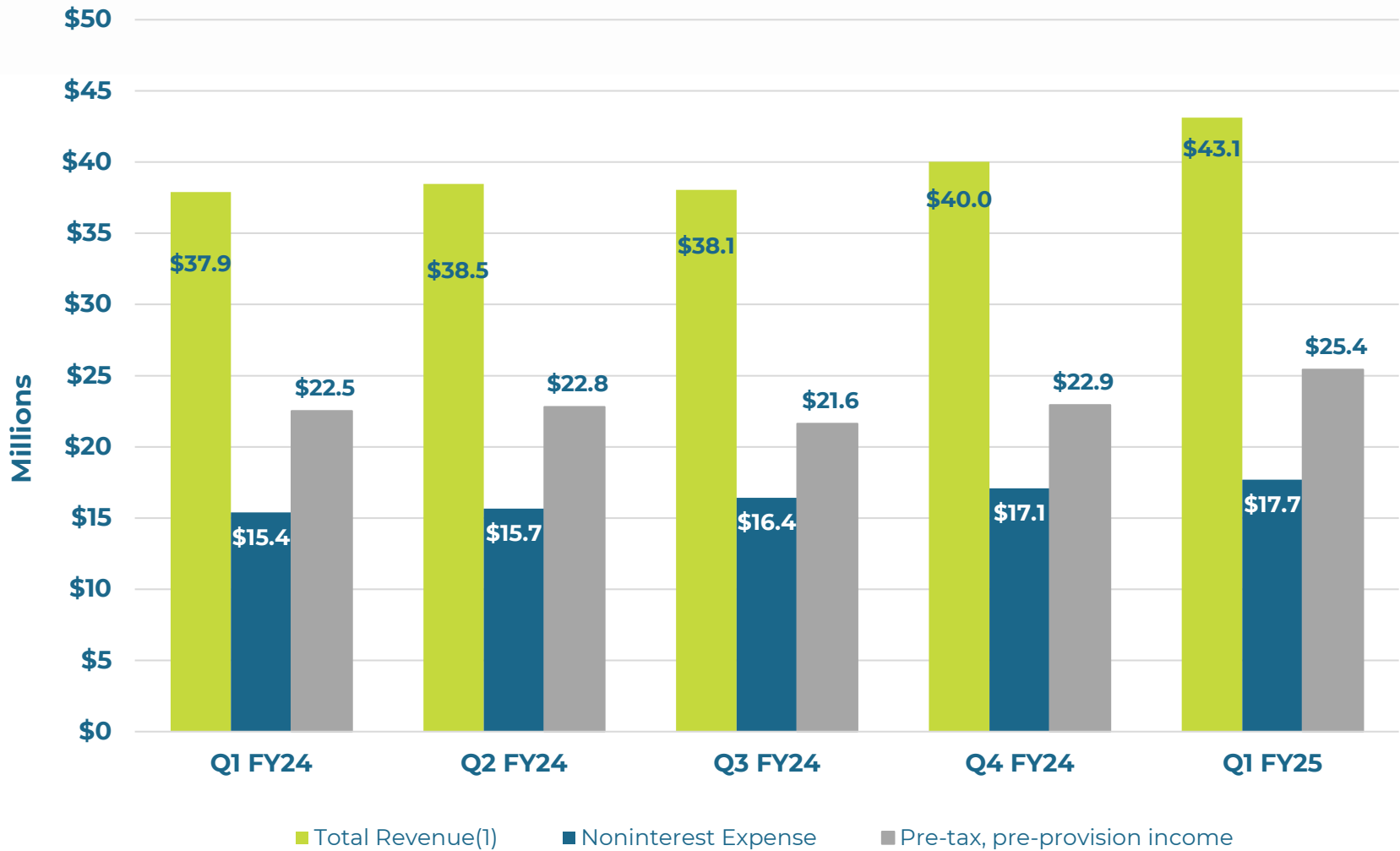
Trailing Twelve-Month Deposit Portfolio and Annualized Interest Expense
(Includes Brokered Deposits)
\$ Millions



Deposit Mix By Trailing 5 Quarter Ends



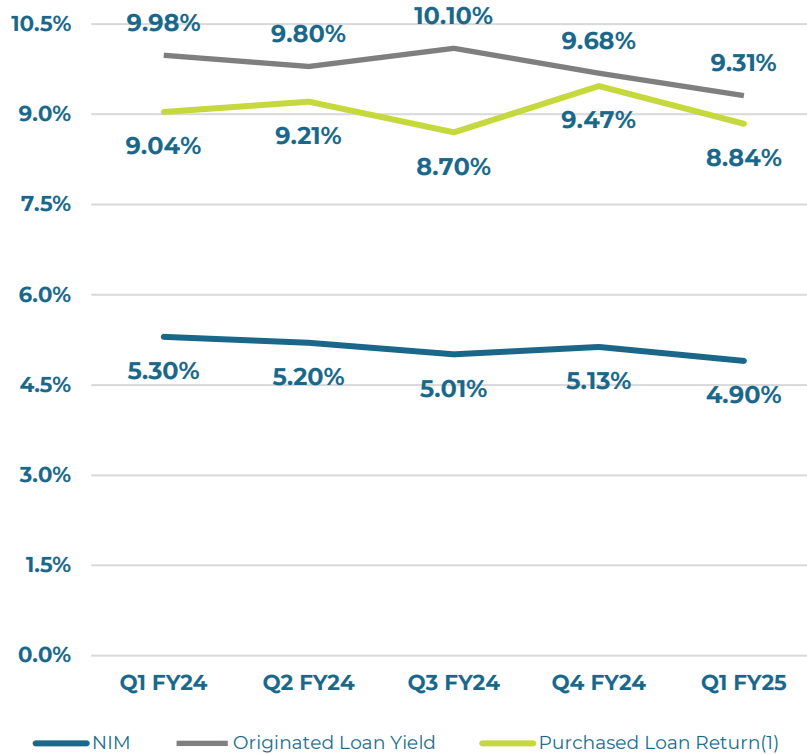
Revenue and Noninterest Expense for Trailing 5 Quarters



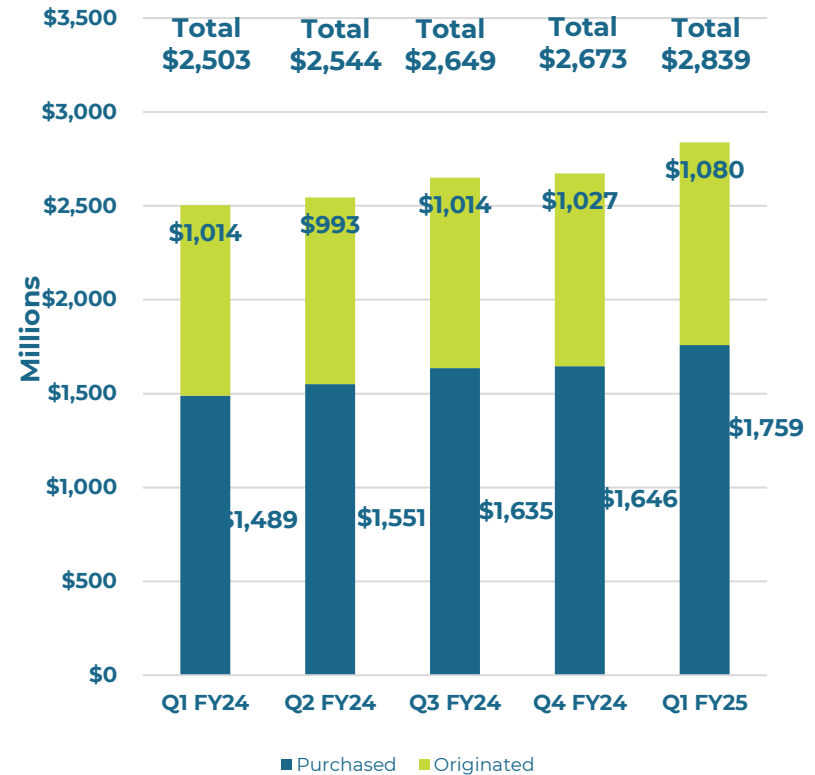
(1) Total Revenue includes net interest income before credit loss provision (credit) and noninterest income.

Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

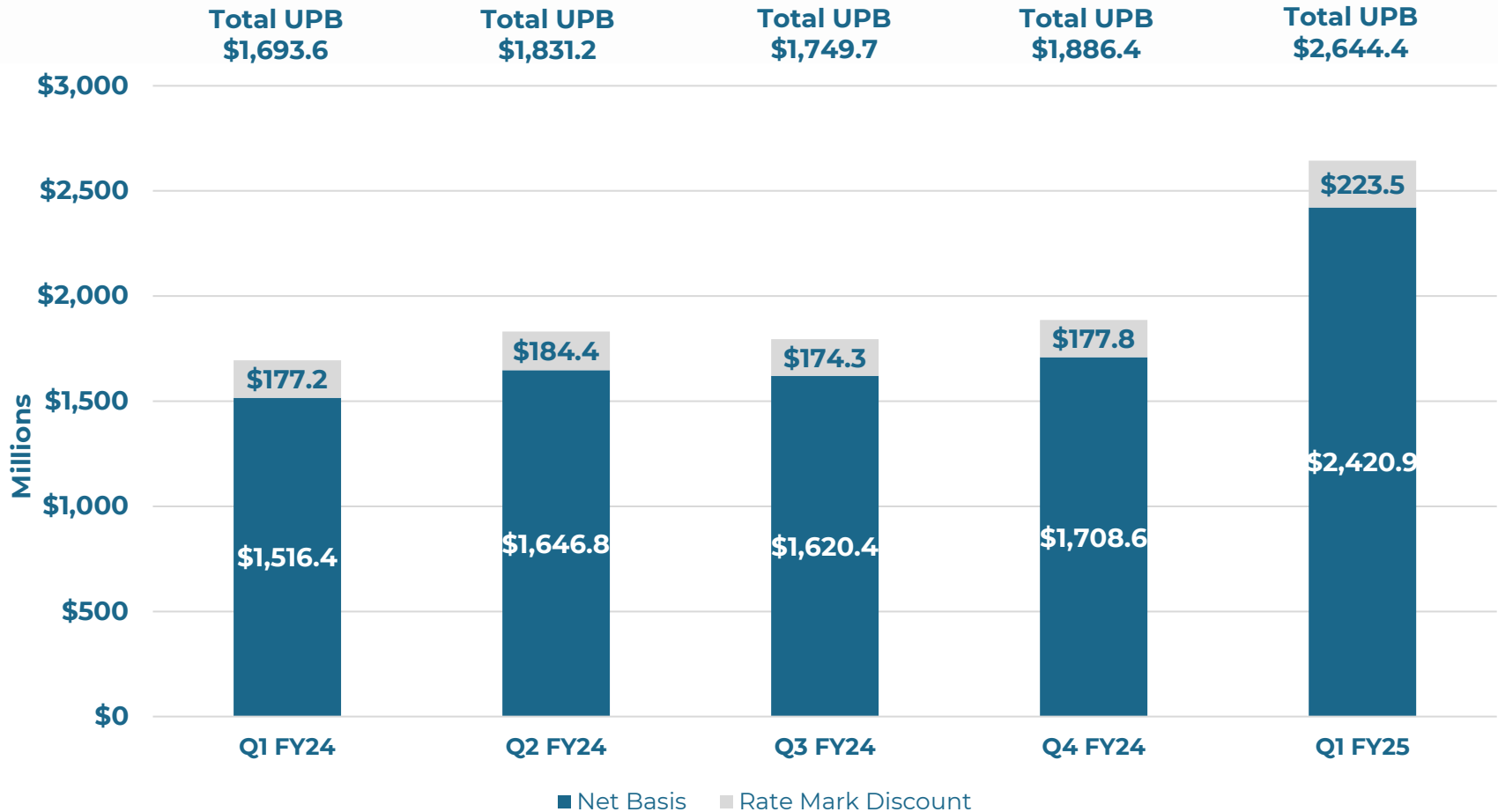


Average Loan Balance for Trailing 5 Quarters



(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

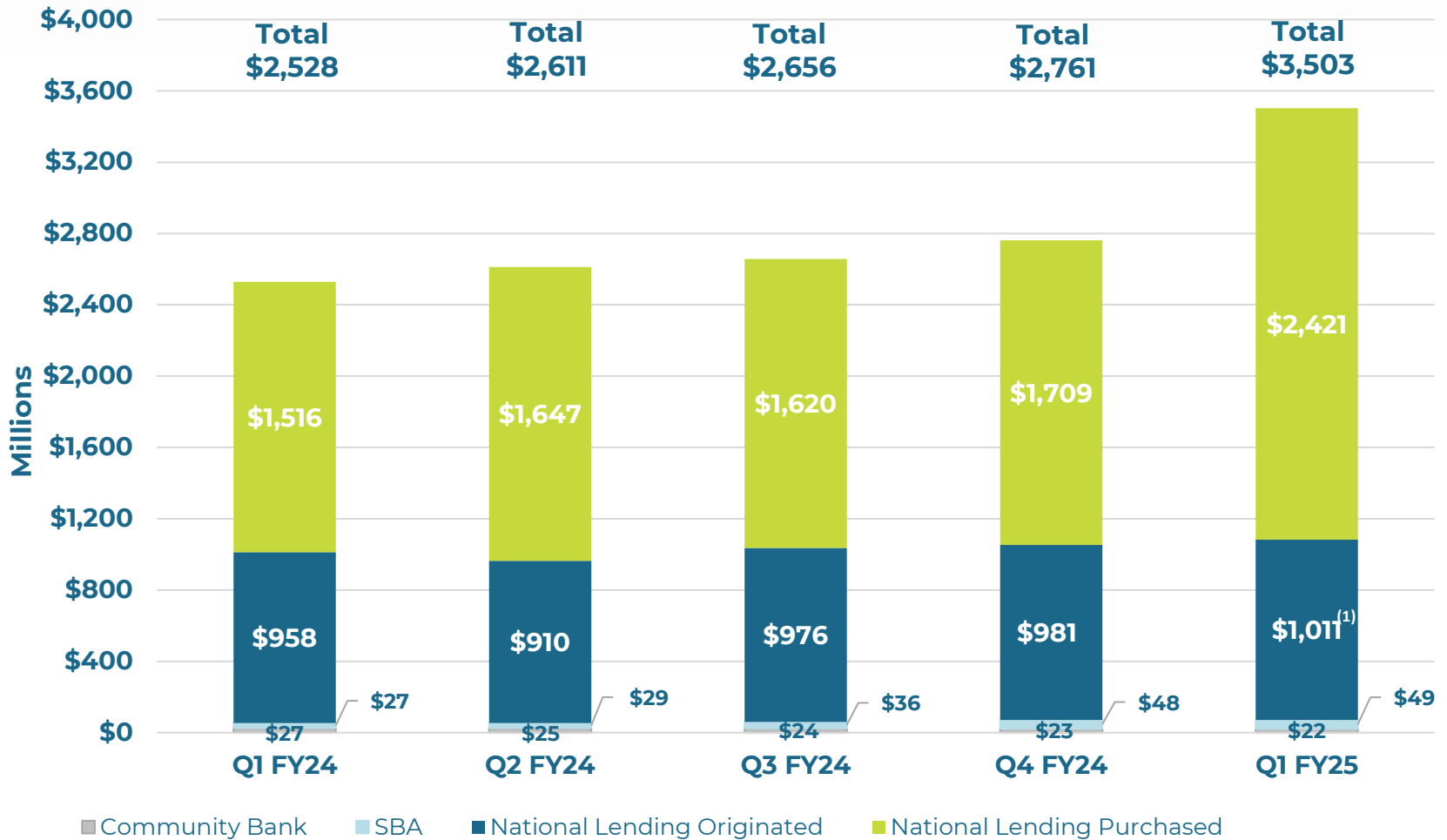


National Lending Portfolio — Q1 FY25 Return Summary⁽¹⁾

	Purchased	Originated	Total
Regularly Scheduled Interest & Accretion	8.38%	9.29%	8.71%
Accelerated Accretion, Interest, & Fees Recognized on Loan Payoffs	0.46%	0.02%	0.30%
Total	8.84%	9.31%	9.01%

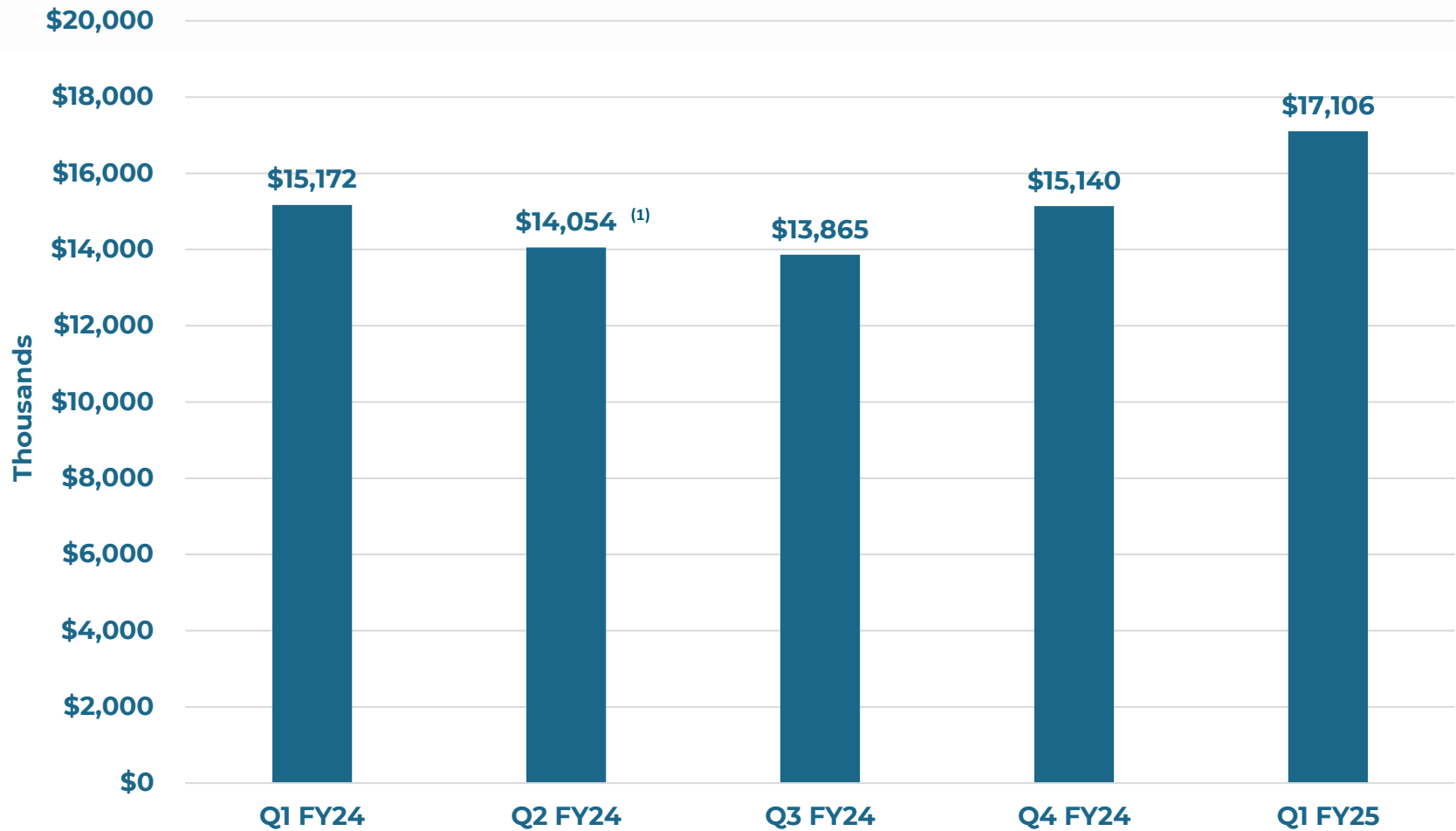
(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales, gains on real estate owned, and release of allowance for credit losses on purchased loans recorded during the period divided by the average invested balance, on an annualized basis. The 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) 99% of the National Lending Originated portfolio had a floor, with a weighted average floor of 7.42% as of September 30, 2024.

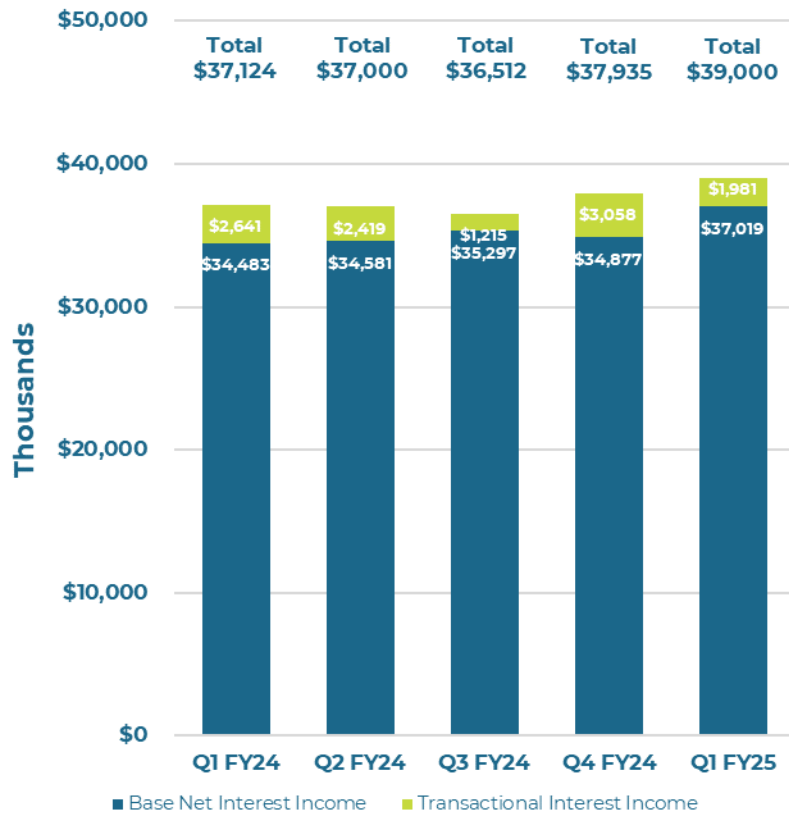
Net Income for Trailing 5 Quarters



(1) Net of a deferred tax asset write-down of \$957 thousand due to a change in Massachusetts tax law regarding income tax apportionment.

Key Components of Income For Trailing 5 Quarters

Net Interest Income Before Credit Loss Provision



Noninterest Income

