

FY24 Q3 Investor Call

May 1, 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

	Q3 FY24	YTD FY24
Total Loan Volume	\$182.4 million	\$576.1 million
National Lending:		
Purchased Loans	None	\$238.5 million invested on \$271.7 million of UPB ⁽¹⁾ (87.8% purchase price)
Originated Loans ⁽²⁾	\$153.3 million	\$284.9 million
Weighted Average Rate as of 3/31/2024 ⁽³⁾	9.31%	9.38%
Net Interest Margin	5.01%	5.17%
Purchased Loan Return ⁽⁴⁾	8.70%	8.98%
Net Proceeds from Share Issuances ⁽⁵⁾	180,136 at \$52.34	192,760 at \$51.70
Net Income	\$13.9 million	\$43.1 million
EPS (Diluted)	\$1.83	\$5.67
Return on Equity	16.45%	17.79%
Return on Assets	1.87%	1.97%
Tangible Book Value per Share	\$44.11	\$44.11

(1) Unpaid principal balance.

(2) National Lending originations for Q3 FY24 were 100% variable rate, of which 60% were Prime-rate based and 40% were SOFR-based. National Lending originations for YTD FY24 were 96% variable rate, of which 56% were Prime-rate based and 44% were SOFR-based.

(3) Q3 and YTD FY24 National Lending originations had a weighted average floor rate of 8.15% and 8.02%, respectively.

(4) Purchased loan return for Q3 and YTD FY24 included \$1.3 million and \$6.6 million of transactional income, respectively.

(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 until November 2024.

Loan Portfolio Summary

Loan Portfolio	# of Loans	Total Balance	Average Balance	WA LTV
<i>Dollars in thousands</i>				
National Lending Division				
Purchased Loans (1)	3,292	\$1,620,409	\$492	46%(4)
Direct Originated Loans (2)	94	443,942	4,723	55%
Lender Finance Loans (2)	95	531,934	5,599	44%
SBA and USDA Loans (3)	1,031	36,375	35	89%
Community Banking Division:				
Commercial Loans	96	7,289	75	40%
Residential and Consumer Loans	339	16,832	50	47%
Total	4,947	\$2,656,781	\$537	48%

(1) Total balance of \$1.62 billion is equal to unpaid principal balance of \$1.79 billion, net of \$174.3 million purchased loan discount.

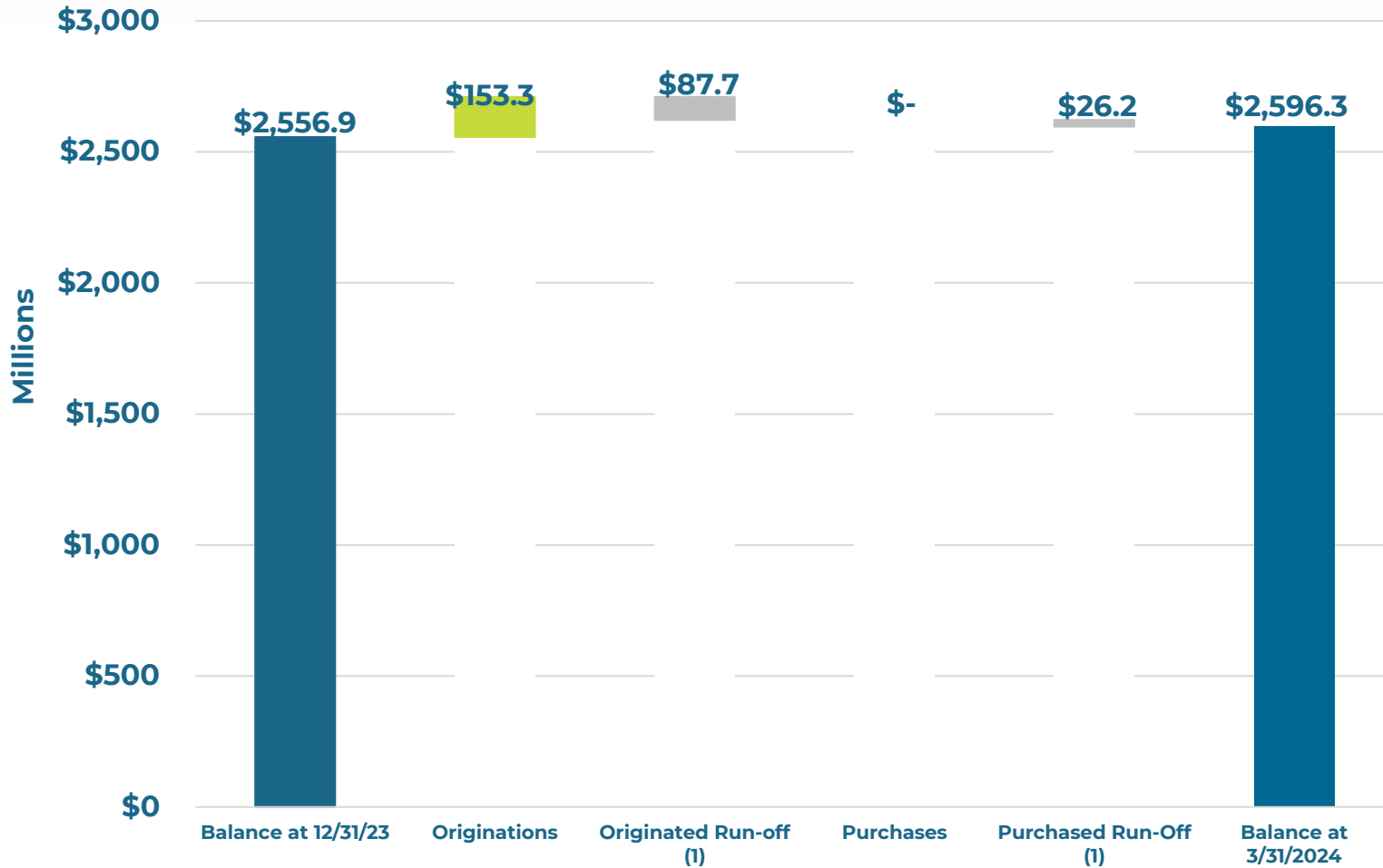
(2) LTV is calculated as the Bank's loan amount to the value of the underlying commercial real estate collateral.

(3) Total loan balance of \$36.4 million is comprised of \$11.5 million of the guaranteed portion and \$24.9 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.

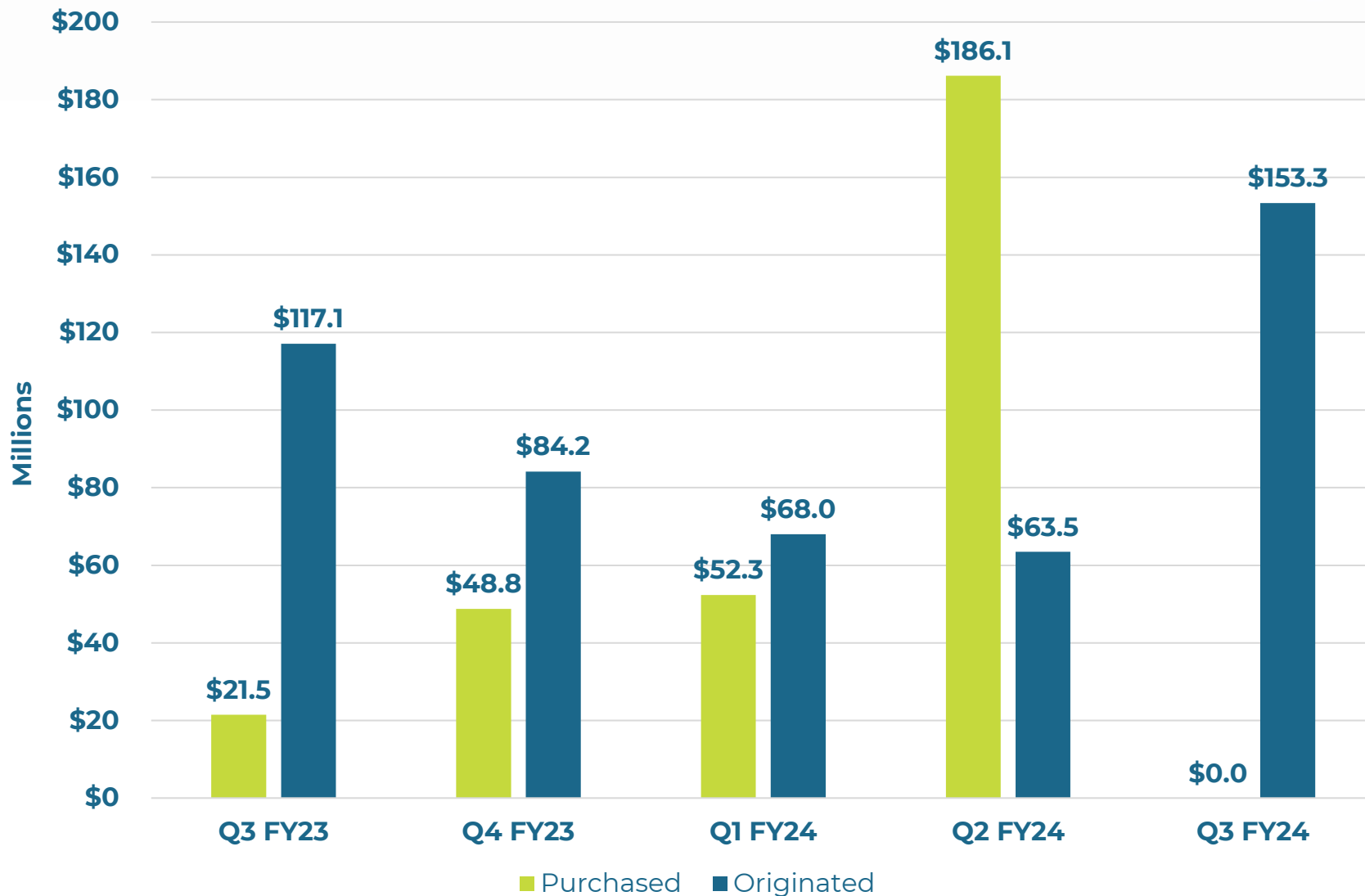
All data as of March 31, 2024, unless otherwise noted.

National Lending Portfolio Roll Forward: Trailing Three Months



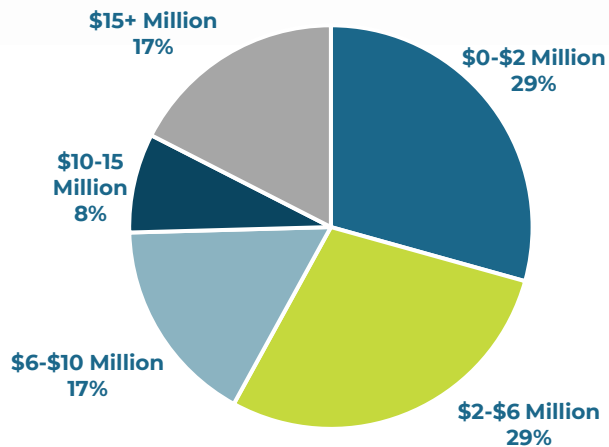
(1) Run-off includes scheduled amortization, principal pay downs and payoffs.

National Lending Activity By Trailing 5 Quarters

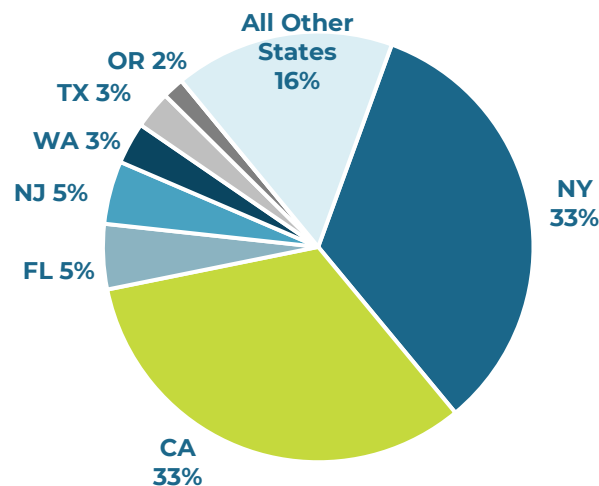


National Lending Loan Portfolio Statistics as of March 31, 2024

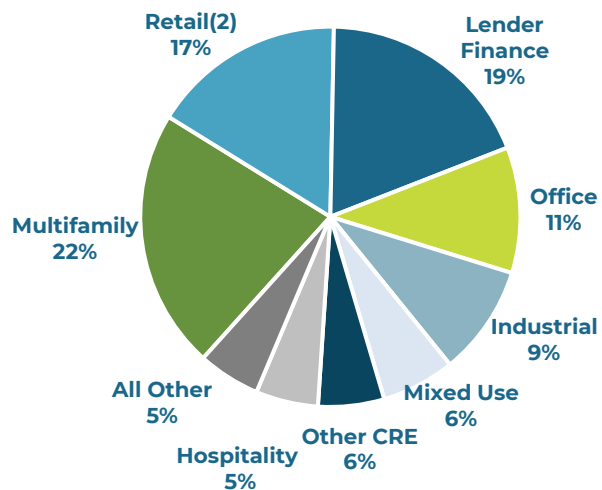
Investment Size⁽¹⁾



Collateral State (44 States)



Collateral Type

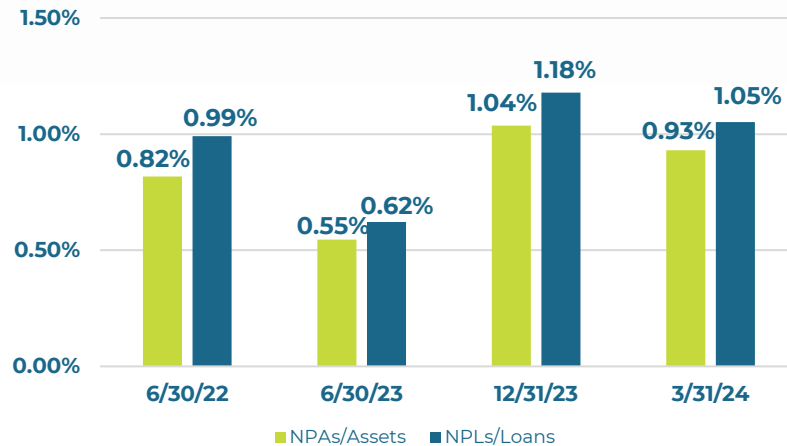


(1) Average investment size of \$775 thousand/loan; originated average: \$5.1 million/loan and purchased average: \$492 thousand/loan

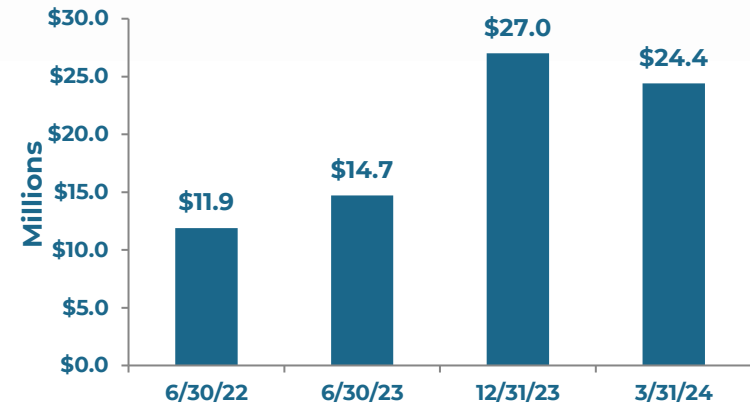
(2) Includes traditional and non-traditional retail, such as restaurants and gas stations.

Asset Quality Metrics

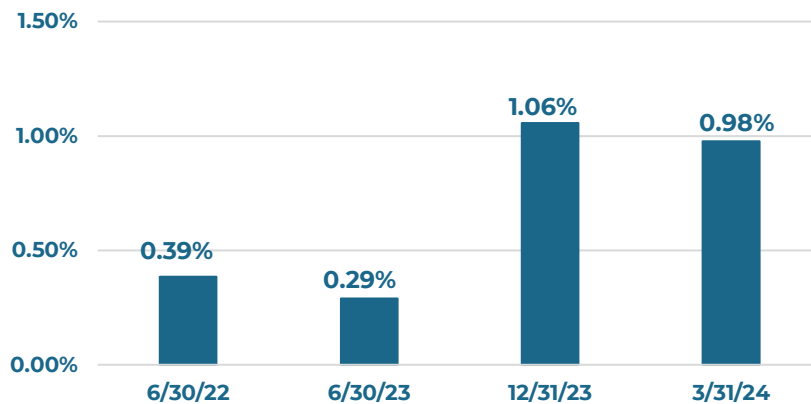
NPAs & NPLs



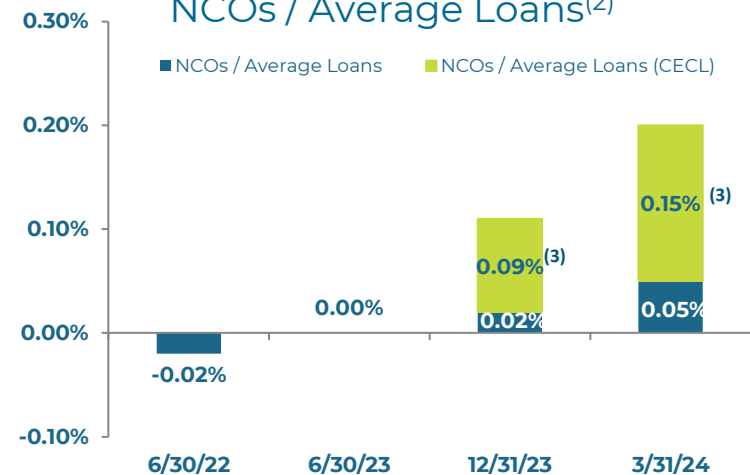
Classified Commercial Loans⁽¹⁾



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 December 31, 2023 and March 31, 2024, such charged-off discount was 9 basis points and 15 basis points, respectively. This component does not represent a loss of invested dollars.

Nonperforming Assets Turnover – Quarter ended March 31, 2024

	Nonperforming Loans	REO	Total	FMV of Collateral ⁽¹⁾	Notes
	<i>(Dollars in Thousands)</i>				
December 31, 2023 Balance:	\$30,772	\$0	\$30,772		
NPL Additions:					
Various	844	-	844		56 loans placed on nonaccrual with largest invested balance of \$165 thousand
Total Additions:	844	-	844		
NPL Resolutions:					
#1	(1,100)	-	(1,100)		Commercial retail/strip mall property in NY; paid off in full
Other Loans - Various	(348)	-	(348)		Net paydowns and payoffs
Total Resolutions:	(1,448)	-	(1,448)		
Charge-Offs:					
					188 loans, average charge-off per loan of \$12 thousand
Standard Charge-Offs	(799)		(799)		
CECL Charge-Offs ⁽²⁾	(1,423)		(1,423)		
Total Charge-Offs:	(2,222)	-	(2,222)		
March 31, 2024 Balance:	\$27,946	\$0	\$27,946		

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

(2) Upon the adoption of CECL, the previously designated non-accretable discount is 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 March 31, 2024	Total Reserves at March 31, 2024	ALL / Total Loans at March 31, 2024	Total Reserves at December 31, 2023	ALL / Total Loans at December 31, 2023	Total Reserves at March 31, 2023	ALL / Total Loans at March 31, 2023
<i>Dollars in thousands</i>							
National Lending Purchased	\$1,620,409	\$17,723	1.09%	\$20,154	1.22%	\$1,009	0.07%
Originated Loans:							
C&I (Lender Finance primarily)	544,452	3,163	0.58%	2,365	0.53%	1,968	0.42%
Commercial Real Estate	396,042	4,144	1.05%	4,331	1.03%	3,506	0.73%
SBA and USDA:							
- Guaranteed	11,499	-	0.00%	-	0.00%	-	0.00%
- Unguaranteed	24,876	766	3.08%	549	2.69%	315	1.67%
1-4 Family Residential	59,171	146	0.25%	195	0.30%	285	0.39%
Consumer	332	-	0.00%	0	0.00%	9	1.60%
Total Originated Loans	1,036,372	8,219	0.79%	7,440	0.77%	6,083	0.58%
Total Loans	\$2,656,781	\$25,942	0.98%	\$27,594	1.06%	\$7,092	0.28%

(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		\$17,987	65%	\$38,465	38%	\$4,094	41%	\$60,546	46%
Hospitality		106,511	53%	66,461	49%	32,985	48%	205,958	51%
Industrial		41,005	54%	46,062	47%	227,161	40%	314,228	43%
Land and Construction		2,600	51%	14,005	35%	10,361	44%	26,967	40%
Mixed Use		7,068	53%	95,598	49%	155,521	56%	258,187	54%
Multi Family		66,691	53%	64,749	47%	620,433	46%	751,874	47%
Office		96,065	55%	59,388	39%	185,284	47%	340,737	48%
Retail		97,012	56%	57,383	53%	364,485	41%	518,881	45%
Small Balance Commercial		9,003	73%	89,823	32%	20,083	96%	118,909	46%
Total		\$443,942	55%	\$531,934	44%	\$1,620,409	46%	\$2,596,285	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)	\$61,394	\$82,574	\$134,061	\$90,985	\$52,209	\$22,720	\$443,942
Lender Finance Loans (1)	213,221	124,387	118,394	57,031	18,901	-	531,934
Purchased Loans (2)	650,456	293,521	222,931	240,651	152,032	60,818	1,620,409
Total	\$925,070	\$500,481	\$475,386	\$388,667	\$223,142	\$83,538	\$2,596,285
% of Total	36%	19%	18%	15%	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	\$254,763	\$783,853	\$581,793	\$1,620,409
# of Loans	804	1,955	534	3,293
% of Portfolio	16%	48%	36%	100%
Original Principal Balance	\$599,443	\$1,263,951	\$761,077	\$2,624,471
Current Principal Balance	273,707	849,946	671,017	1,794,670
% Principal Paid Down Since Origination	54%	33%	12%	32%
Current Basis / Original Principal	42%	62%	76%	62%

All data as of March 31, 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	\$531,934			63%	44%
Lender Finance Loans with Interest Reserves	457,625	86%	5.3 Months		

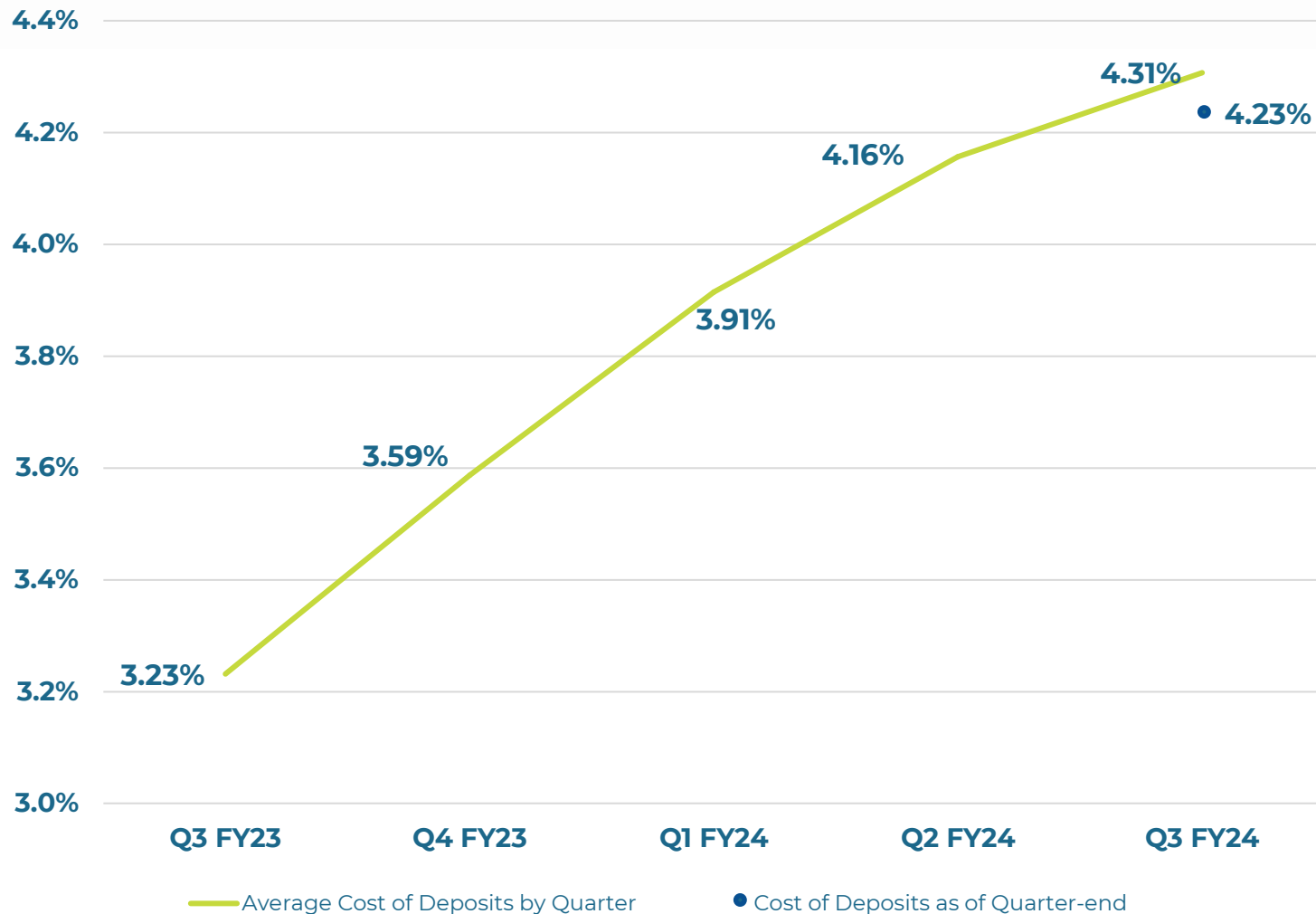
Direct Originated Loans

<i>Dollars in thousands</i>	Balance	% with Interest Reserves	Interest Reserve WA Duration	WA LTV⁽²⁾
Total Direct Originated Loans	\$443,942			55%
Direct Originated Loans with Interest Reserves	362,338	82%	4.1 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



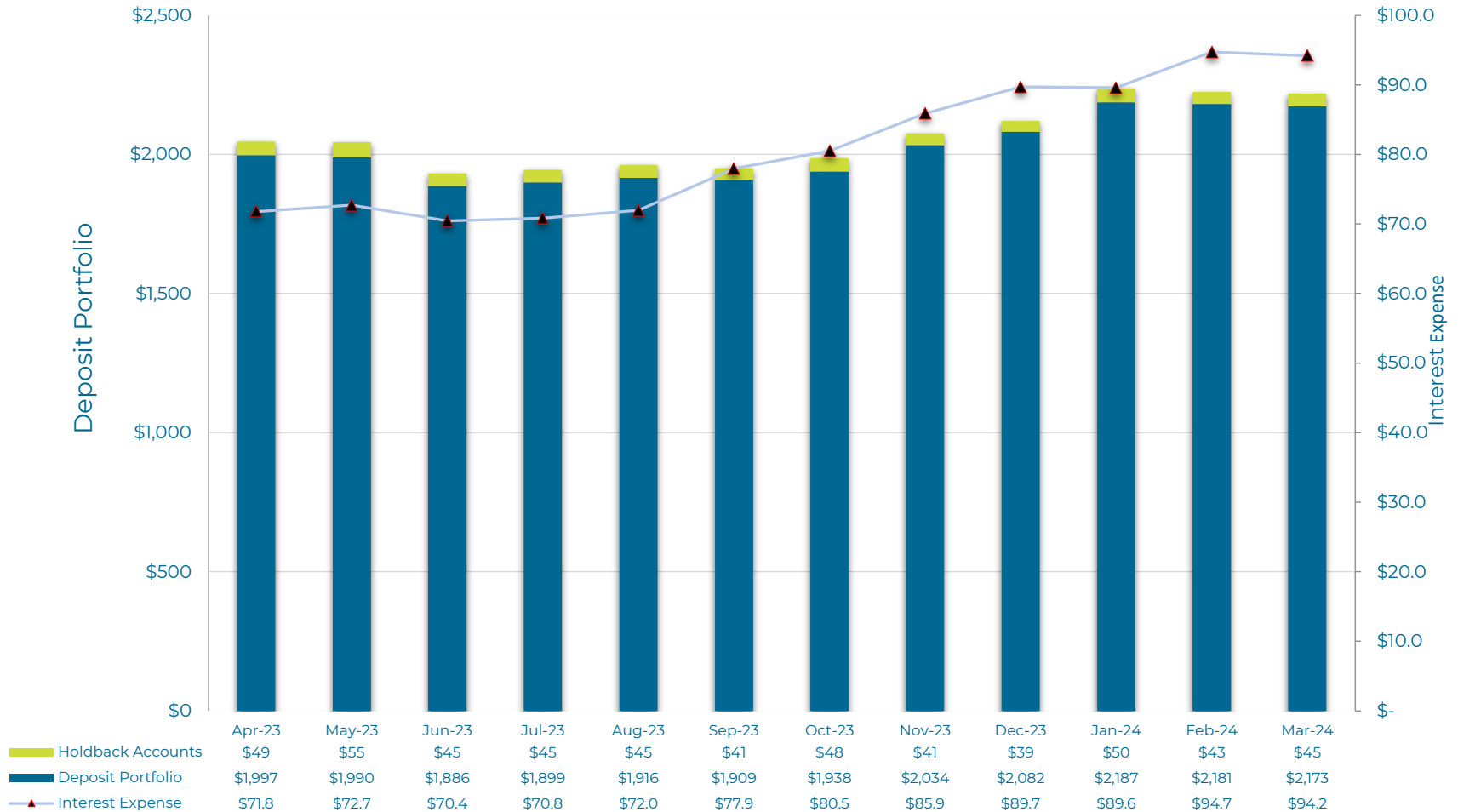
Deposit Portfolio Changes

By Channels	March 31, 2024			March 31, 2023			Net Change		
	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%	WAR
<i>Dollars in thousands</i>									
Community Banking									
Banking Centers	817,059	3.39%	37%	\$614,968	1.61%	29%	\$202,091	33%	1.78%
Government Banking	347,470	4.99%	16%	318,701	4.33%	15%	28,769	9%	0.66%
Corporate/Institutional	93,977	5.33%	4%	196,087	4.97%	9%	(102,110)	-52%	0.36%
National Lending	46,306	0.85%	2%	61,277	1.10%	3%	(14,971)	-24%	-0.25%
ableBanking	17,128	0.45%	1%	35,505	0.38%	2%	(18,377)	-52%	0.07%
Bulletin Board	0	0.00%	0%	43,547	4.40%	2%	(43,547)	-100%	-4.40%
Brokered Deposits	859,339	5.08%	39%	794,860	4.47%	37%	64,479	8%	0.61%
Holdback Accounts	45,431	0.10%	2%	63,930	0.00%	3%	(18,500)	-29%	0.10%
Grand Total	\$2,226,710	4.23%		\$2,128,875	3.36%		\$97,835	5%	0.87%

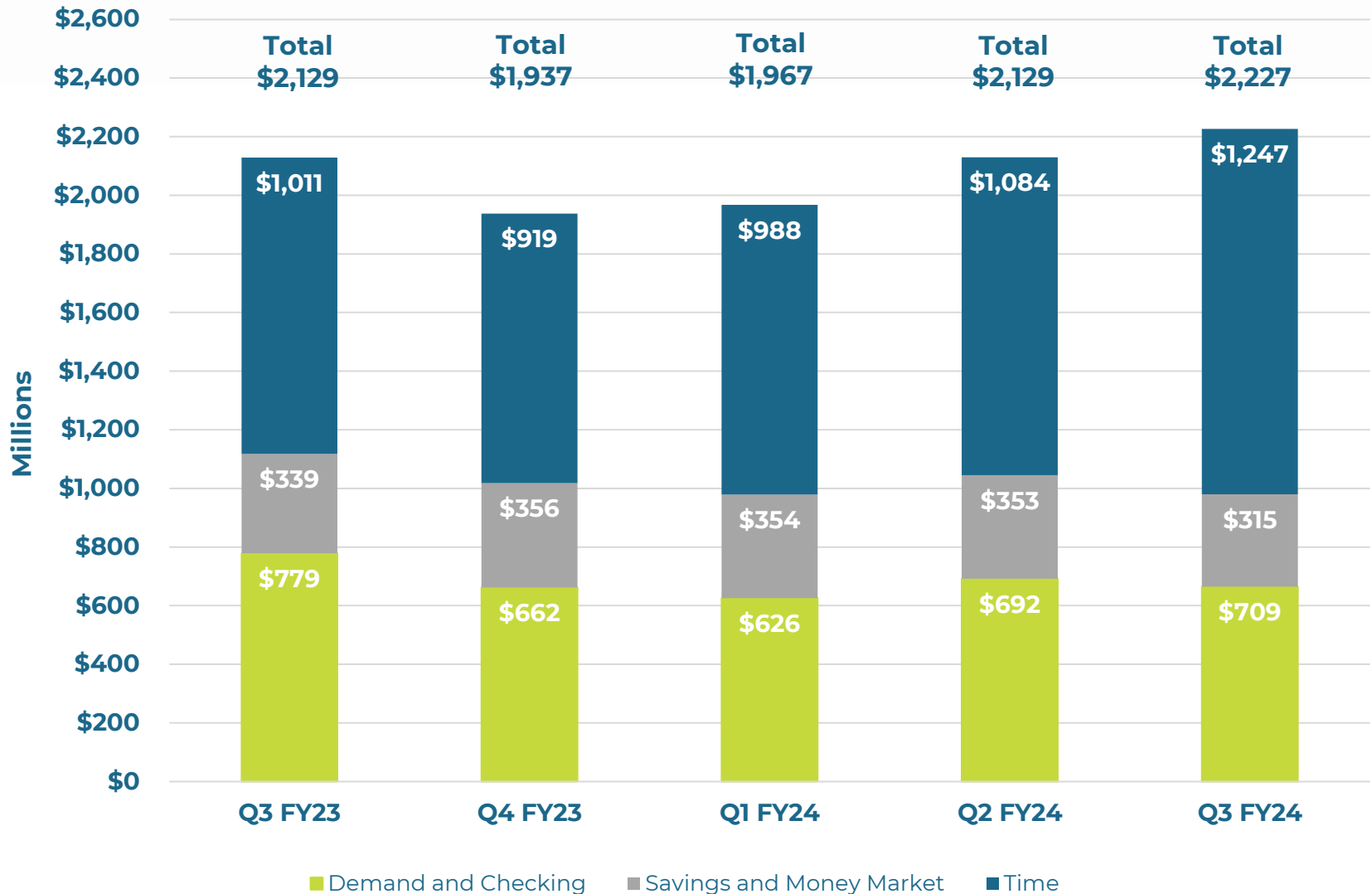
By Products	March 31, 2024			March 31, 2023			Net Change		
	Balance	WAR	Mix	Balance	WAR	Mix	Balance	%	WAR
<i>Dollars in thousands</i>									
Checking	\$618,878	3.63%	28%	\$714,464	3.20%	35%	(\$95,586)	-13%	0.43%
Savings	153,765	3.30%	7%	90,379	0.98%	4%	63,386	70%	2.32%
Money Market	161,415	3.19%	7%	248,607	2.59%	12%	(87,191)	-35%	0.60%
Certificate of Deposit	1,247,221	4.93%	56%	1,011,495	4.08%	49%	235,726	23%	0.85%
Holdback Accounts	45,431	0.10%	2%	63,930	0.00%	3%	(18,500)	-29%	0.10%
Grand Total	\$2,226,710	4.23%		\$2,128,875	3.36%		\$97,835	5%	0.87%

Deposit Portfolio and Interest Analysis

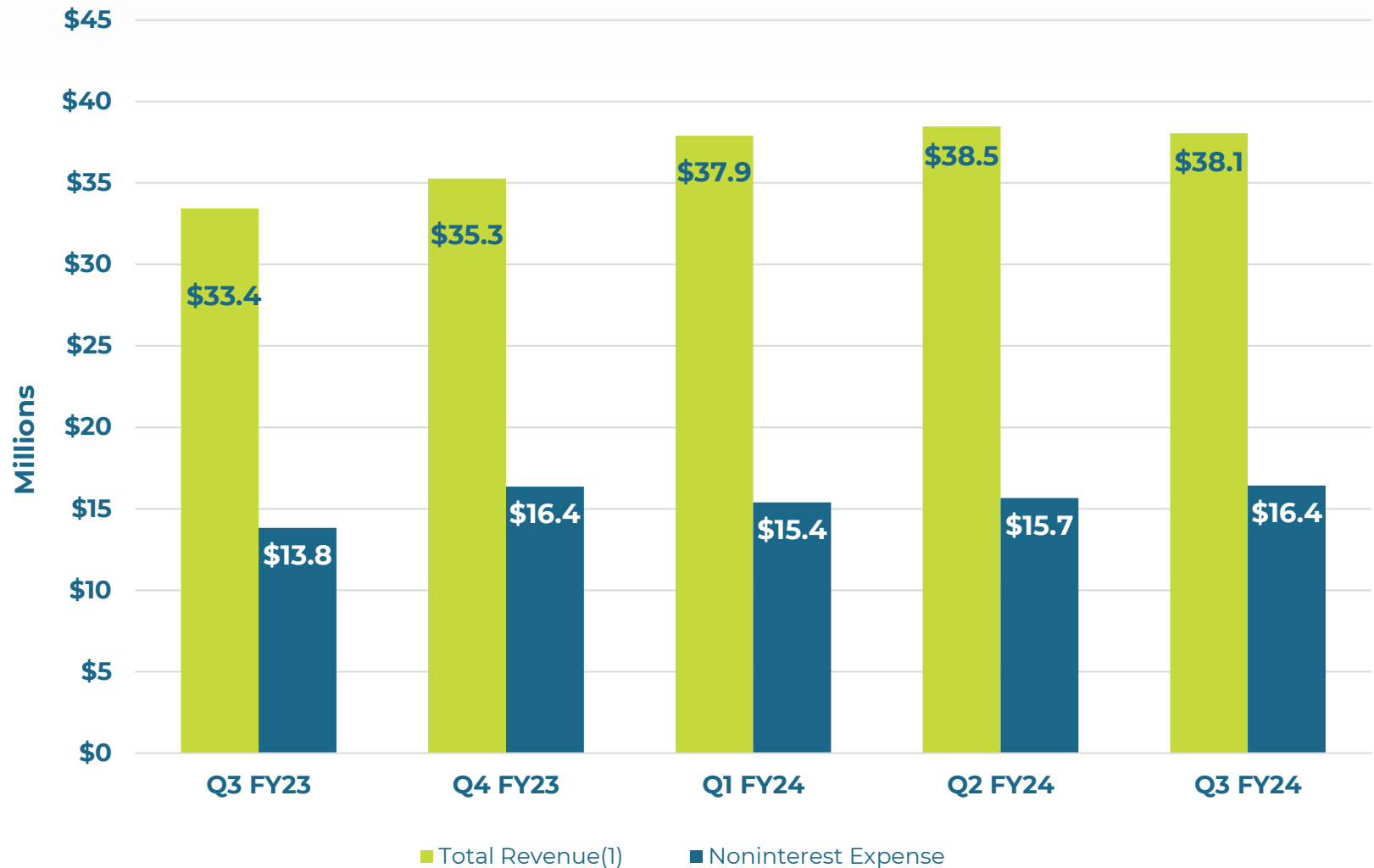
Trailing Twelve-Month Deposit Portfolio and Annualized Interest Expense
(Includes Brokered Deposits)
\$ Millions



Deposit Mix By Trailing 5 Quarter Ends



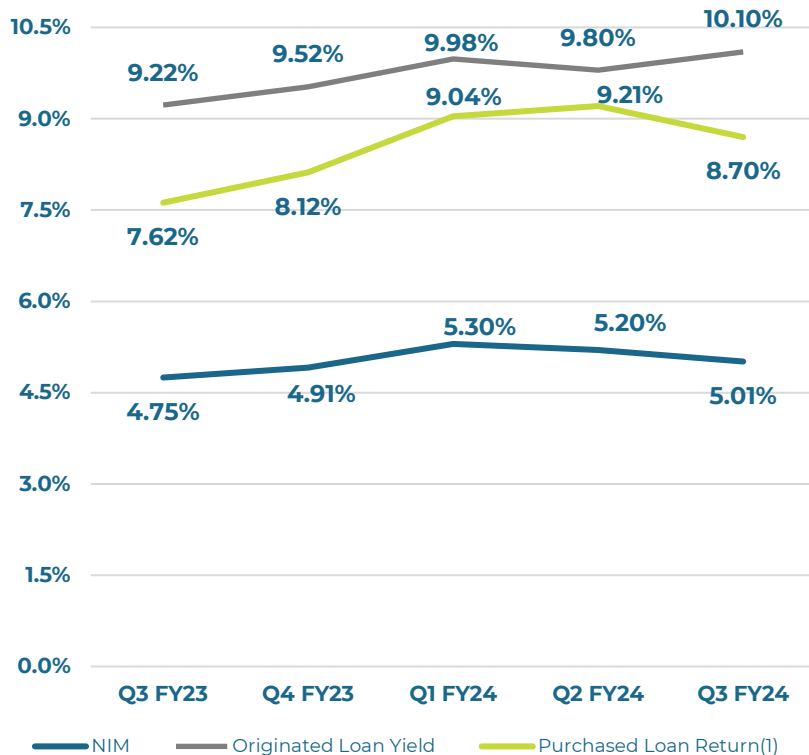
Revenue and Noninterest Expense for Trailing 5 Quarters



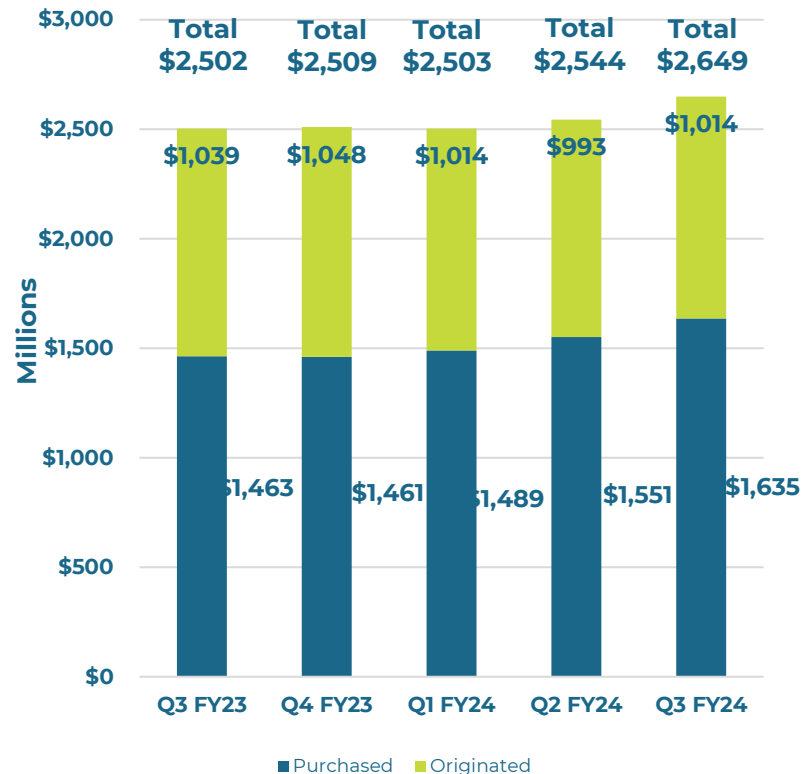
(1) Total Revenue includes net interest income before credit loss provision (credit) and noninterest income.

Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

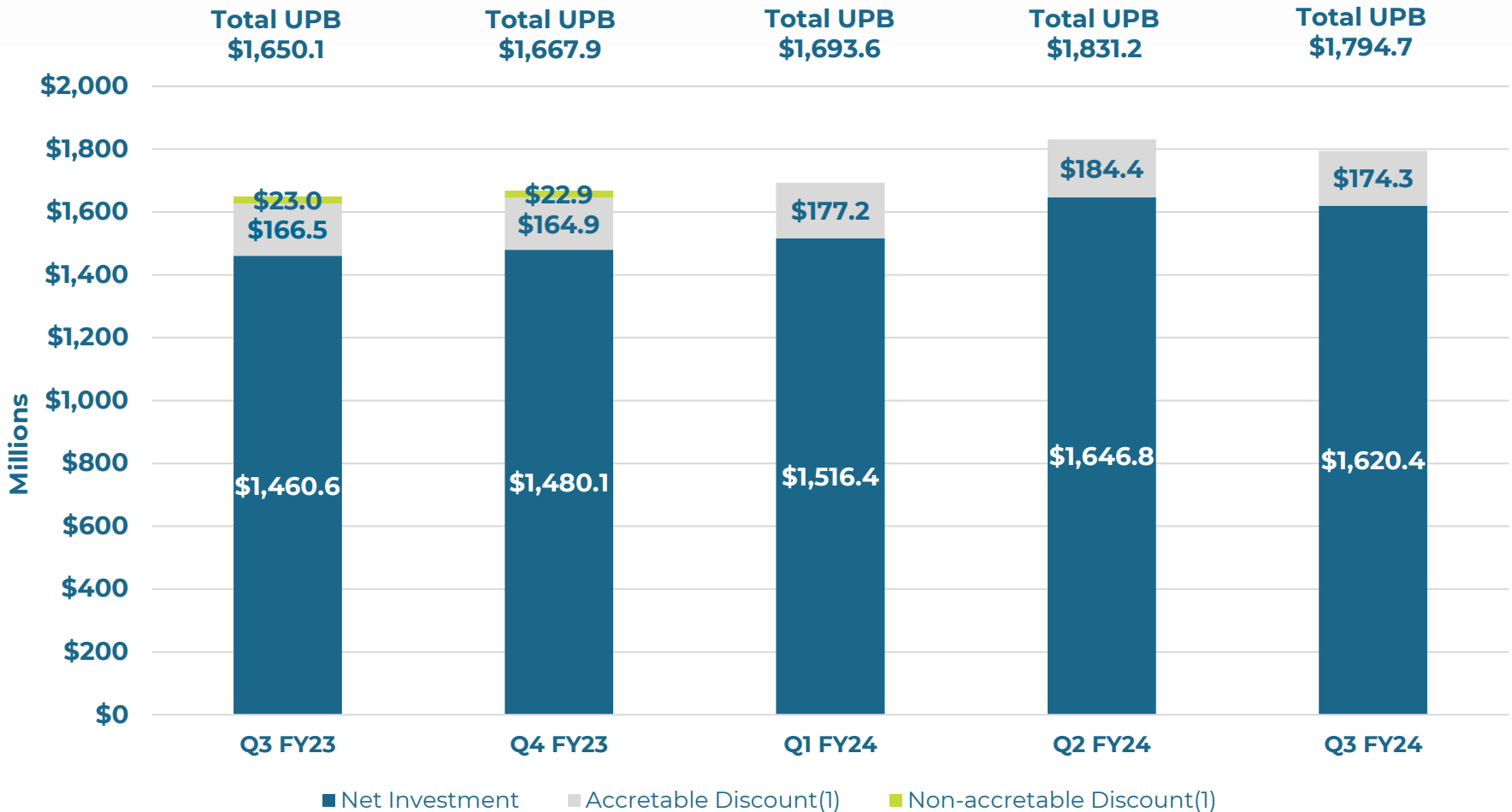


Average Loan Balance for Trailing 5 Quarters



(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



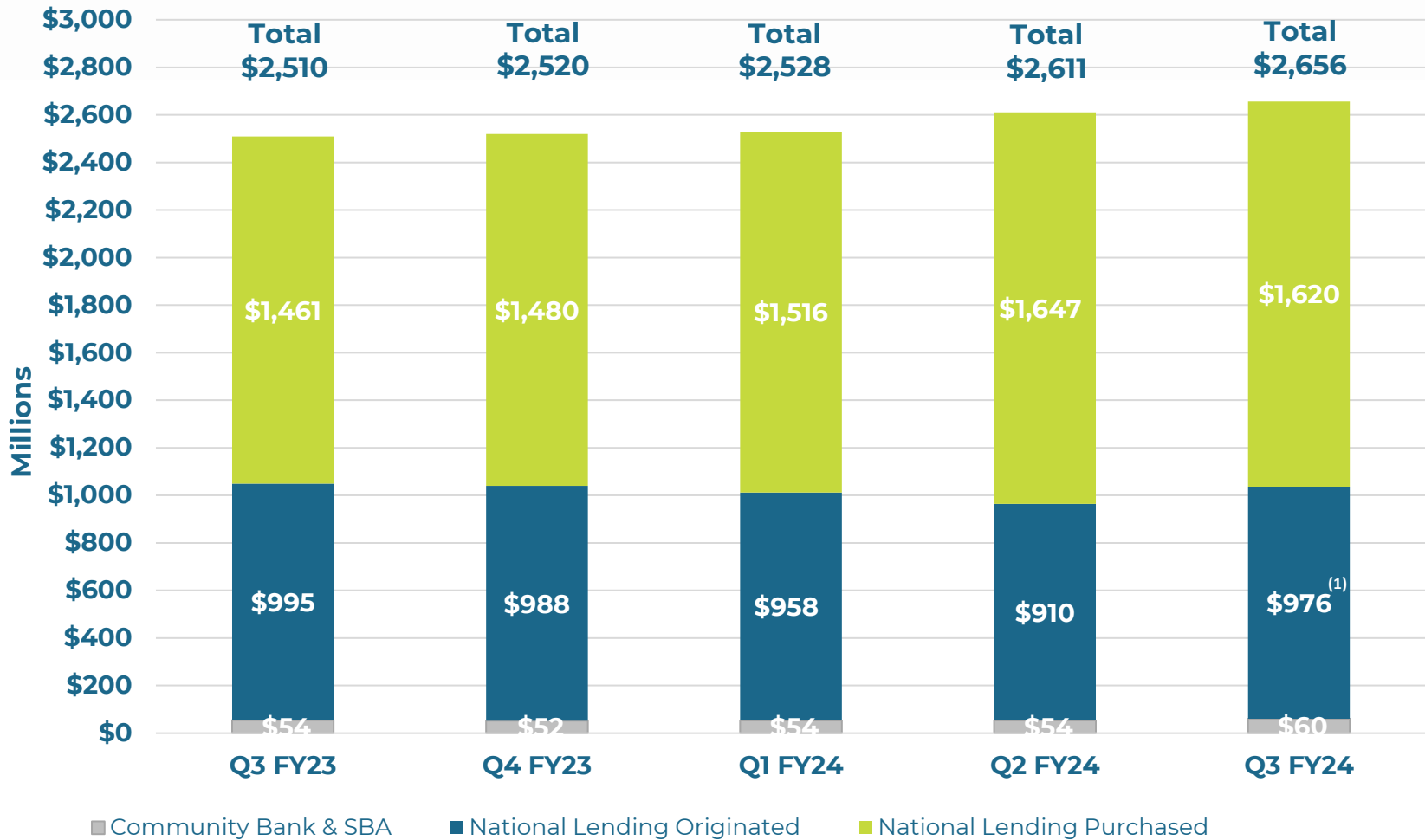
(1) The Bank adopted CECL on July 1, 2023, which removed Accretible Discount and Non-accretible Discount. Beginning in Q1 FY24, the Bank recorded a rate mark discount against total purchased UPB and any discount that related to credit losses was transferred to the allowance for credit losses.

National Lending Portfolio — Q3 FY24 Return Summary⁽¹⁾

	Purchased	Originated	Total
Regularly Scheduled Interest & Accretion	8.37%	9.66%	8.85%
Accelerated Accretion, Interest, & Fees Recognized on Loan Payoffs	0.33%	0.43%	0.37%
Total	8.70%	10.09%	9.22%

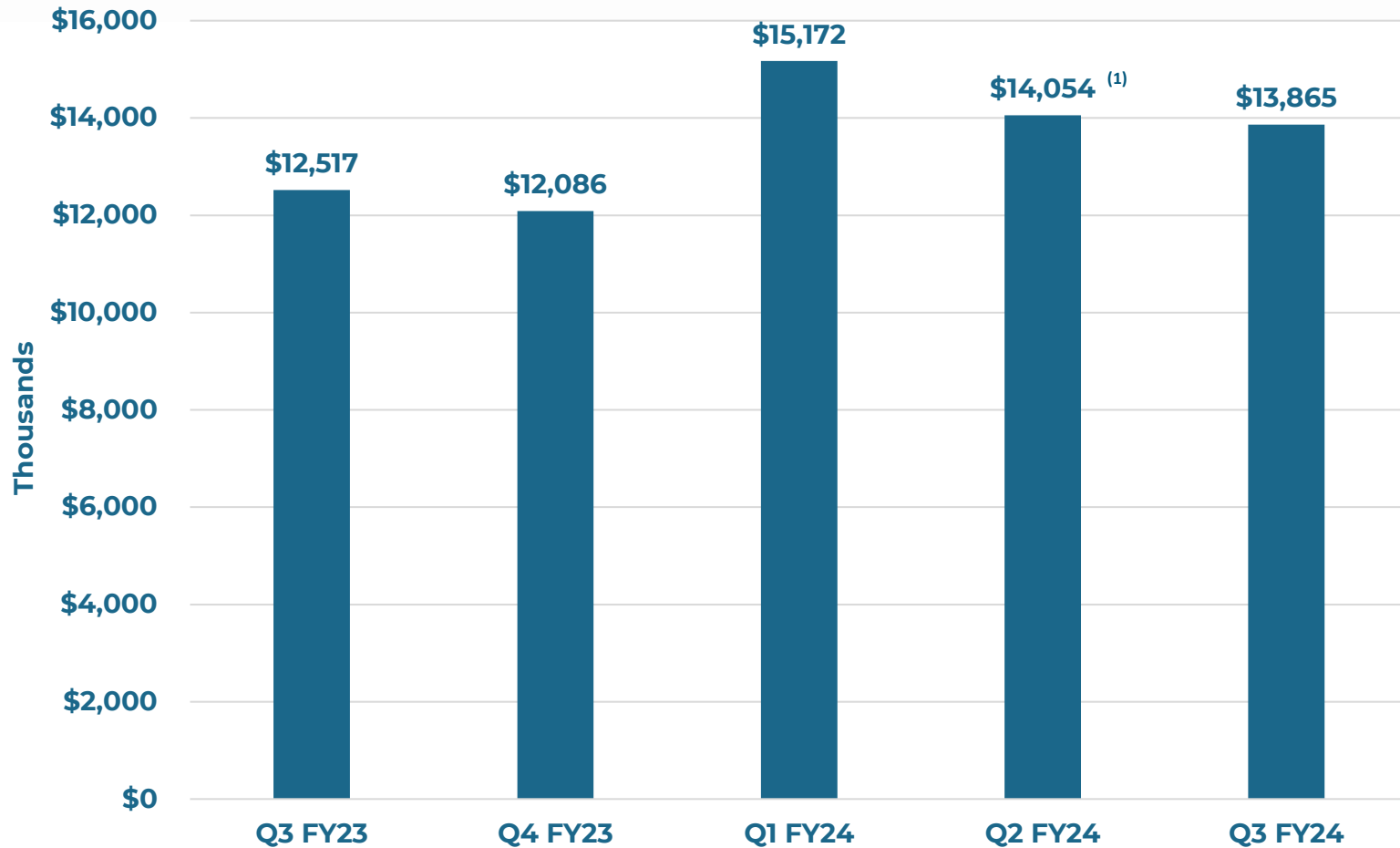
(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales, gains on real estate owned, and release of allowance for credit losses on purchased loans recorded during the period divided by the average invested balance, on an annualized basis. The 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) 98% of the National Lending Originated portfolio had a floor, with a weighted average floor of 7.28% as of March 31, 2024.

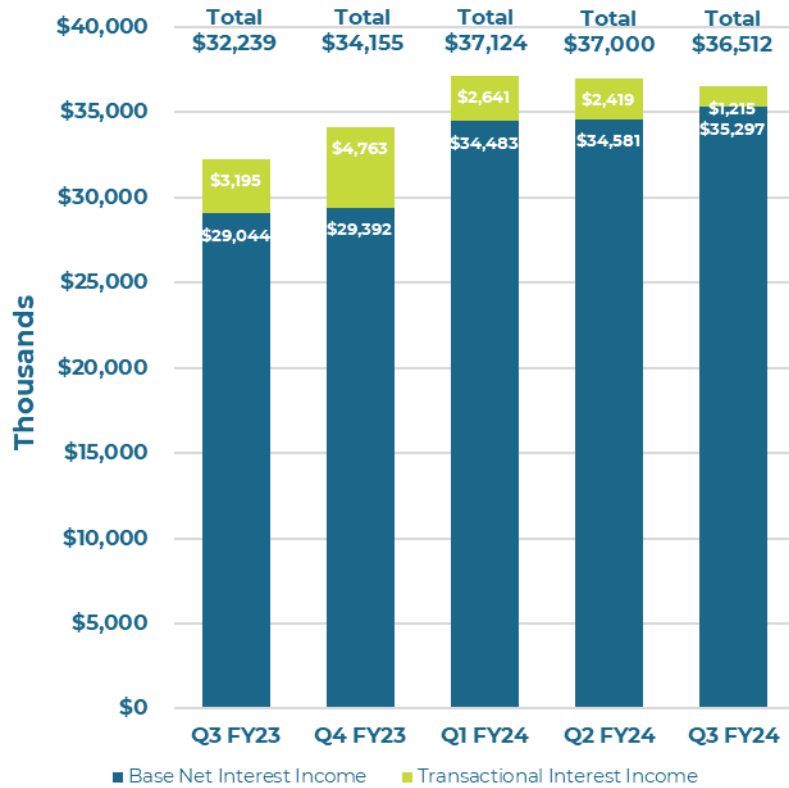
Net Income for Trailing 5 Quarters



(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

