

FY 2017 Q3 Investor Call

April 26, 2017



Safe Harbor Statement

Certain statements in this presentation 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. These statements are subject to numerous assumptions, risks and uncertainties, and represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside its control. Any forward-looking statements the Company may make speak only as of the date on which such statements are made. The Company's actual results and financial position may differ materially from the anticipated results and financial condition indicated in or implied by these forward-looking statements, and the Company makes no commitment to update or revise forward-looking statements to reflect new information or subsequent events or changes in expectations. For a discussion of some of the risks and important factors that could affect the Company's future results and financial condition, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Statements and Factors that Could Affect Future Results" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2016, as updated by our SEC filings, and any other cautionary statements, written or oral, that may be made or referred to in connection with such forward-looking statements.

Q3 FY17 and YTD FY17 Highlights

	Q3 FY17	YTD FY17
Total Loan Volume	\$125.4 million	\$364.4 million
LASG:		
Purchased Loans	\$7.9 million invested on \$8.6 million of UPB ⁽¹⁾ (91.3% purchase price)	\$67.8 million invested on \$76.5 million of UPB ⁽¹⁾ (88.6% purchase price)
Originated Loans	\$81.8 million	\$169.8 million
Community Bank:		
Residential Mortgage Originations	\$12.3 million	\$57.0 million
Commercial Originations	\$0.8 million	\$6.8 million
SBA:		
Originations⁽²⁾	\$22.6 million	\$63.0 million
Sales	\$9.9 million	\$34.7 million
Net Interest Margin	5.11%	4.71%
Purchased Loan Yield⁽³⁾	11.89%	11.77%
Net Loan Growth (Decrease)⁽⁴⁾	(\$25.2 million) (3.3% decrease)	\$49.3 million (7.1% growth)
Net Deposit Growth	\$9.9 million (1.2% growth)	\$49.0 million (6.1% growth)
Share Repurchases⁽⁵⁾	None	645,238 at \$10.75
Earnings	\$3.5 million	\$8.3 million
EPS	\$0.39	\$0.93

(1) Unpaid principal balance

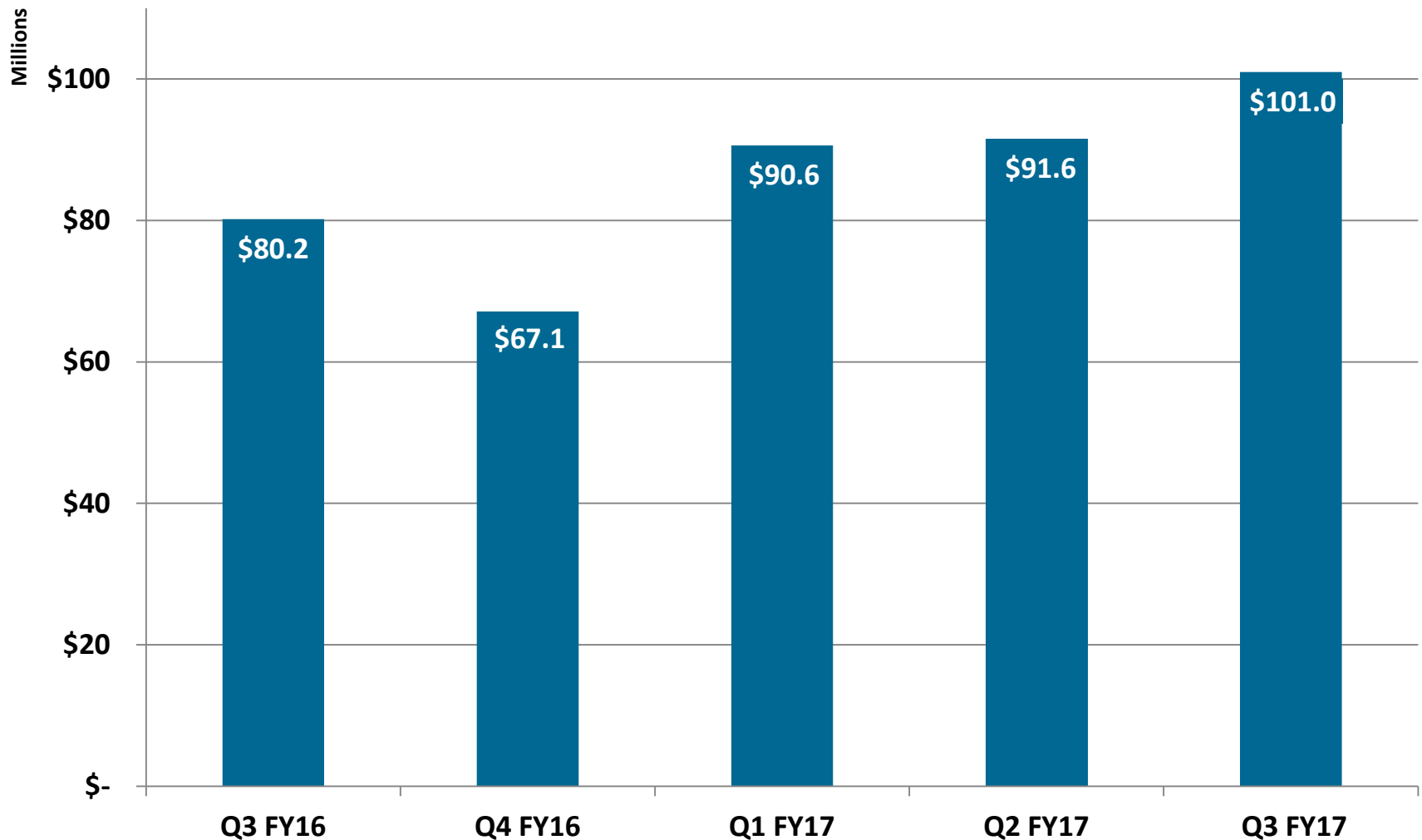
(2) SBA originations during Q3 and YTD FY17 include funded loans of \$16.5 million and \$56.9 million, respectively

(3) Purchased loan yield for Q3 and YTD FY17 included \$2.3 million and \$6.5 million of transactional interest income, respectively

(4) Reflects the payoff of \$48.0 million in broker-dealer loans and the sale of a Community Banking Division commercial loan portfolio for \$18.3 million

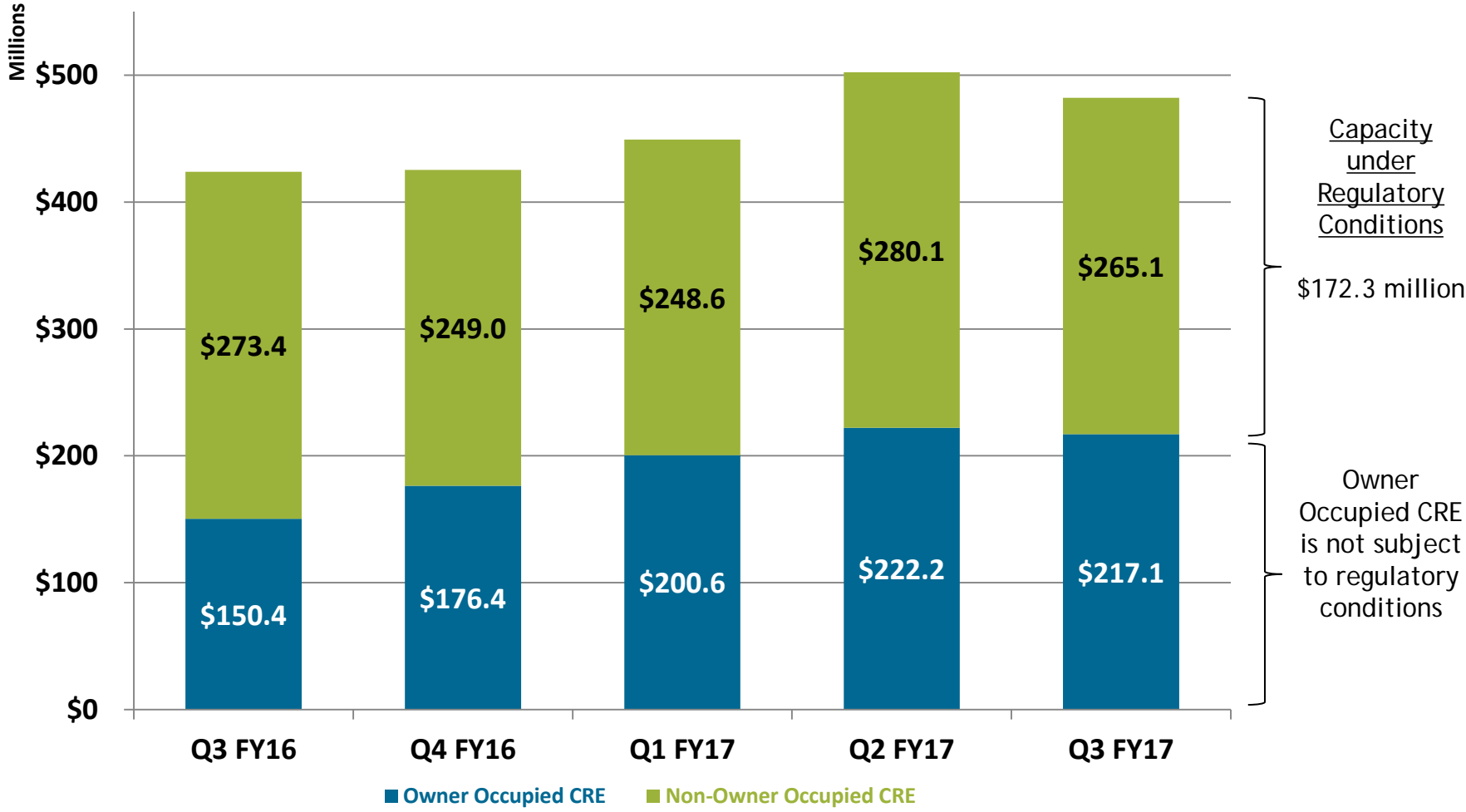
(5) From the inception of the repurchase program, the Company has purchased 1,970,000 shares at a \$10.05 average repurchase price

Loan Purchasing Capacity By Trailing 5 Quarters⁽¹⁾

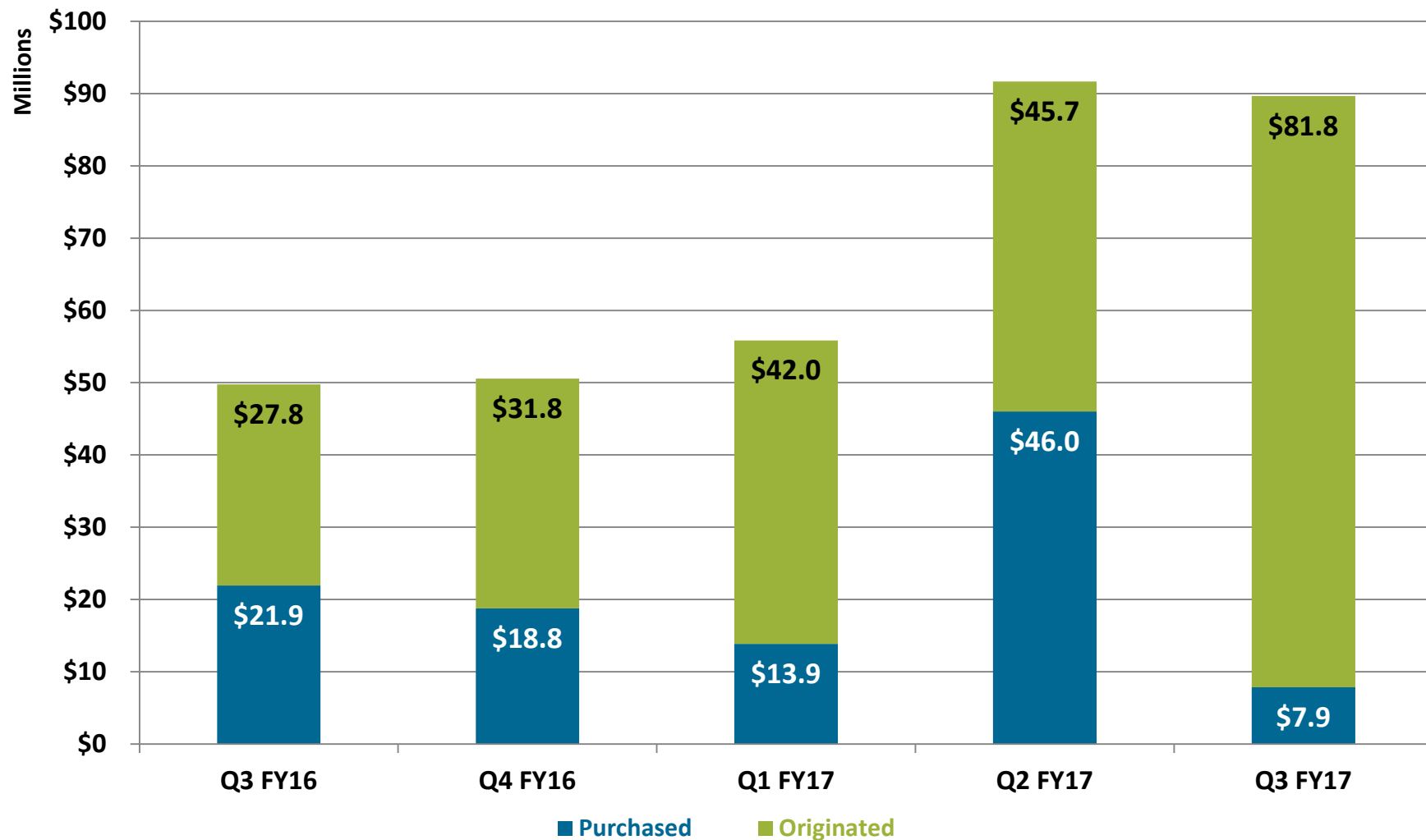


(1) Every dollar of originations creates 0.67 dollars of purchased loan capacity

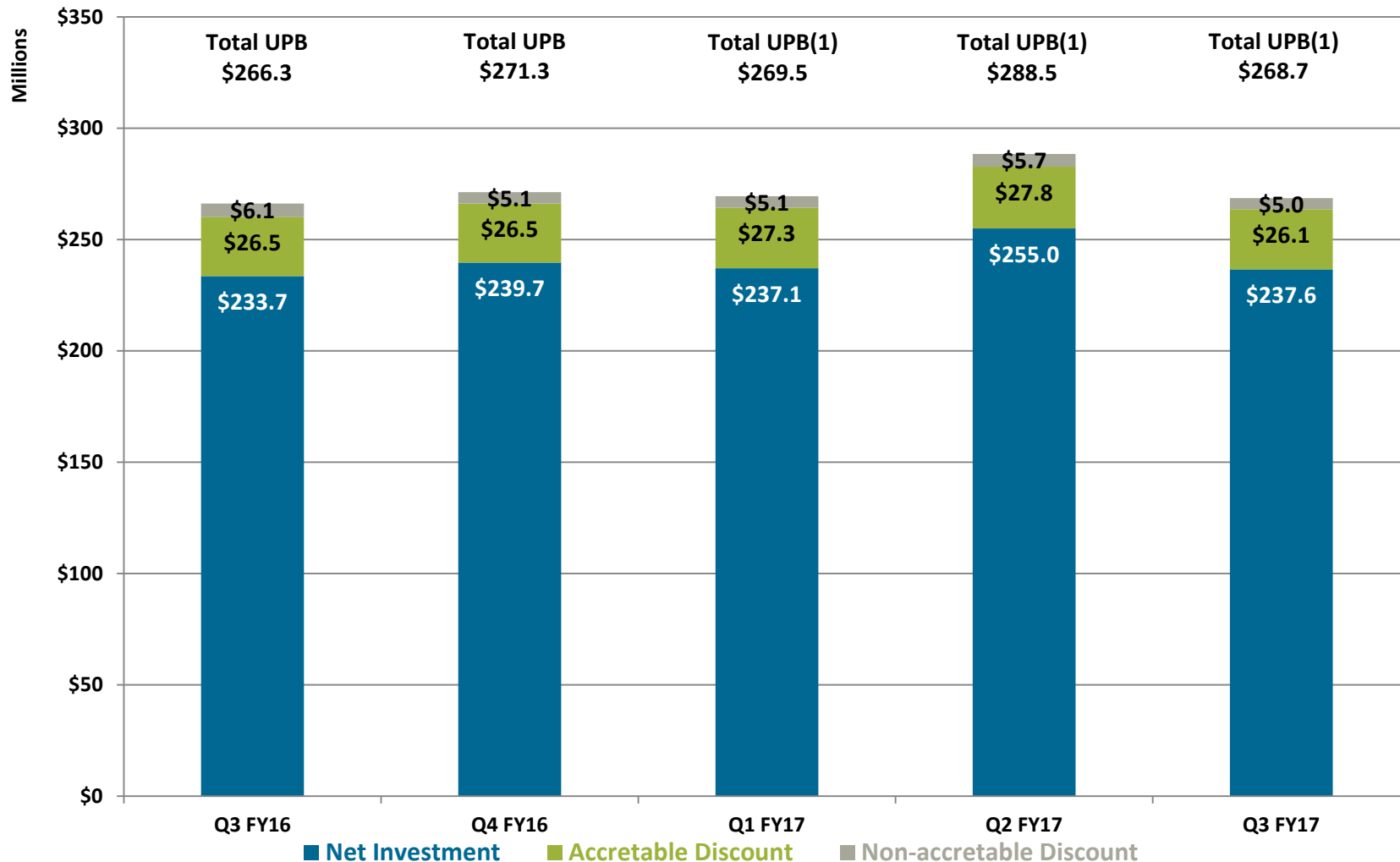
CRE Activity and Capacity By Trailing 5 Quarters



LASG Activity By Trailing 5 Quarters



Purchased Loan Investment Basis and Discount Growth By Trailing 5 Quarters



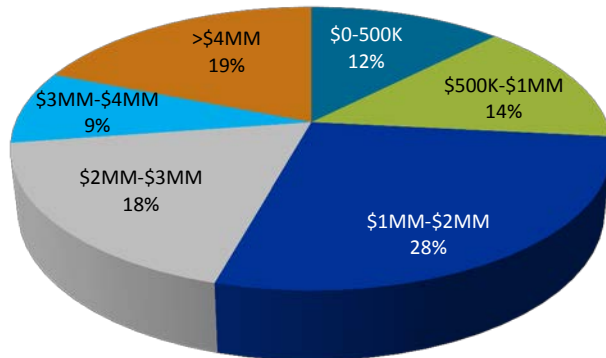
LASG Portfolio – Q3 FY17 Return Summary as of March 31, 2017⁽¹⁾

	<u>Purchased</u>	<u>Originated</u>	<u>Securities Lending</u>	<u>Totals</u>
Regularly Scheduled Interest & Accretion	8.13%	6.36%	1.13%	6.90%
Accelerated Accretion & Fees Recognized on Loan Payoffs	3.82%	0.08%	0.00%	1.81%
Total	11.95%	6.44%	1.13%	8.71%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales, 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 in the quarter. Total return is considered a non-GAAP financial measure.

LASG Loan Portfolio Statistics as of March 31, 2017

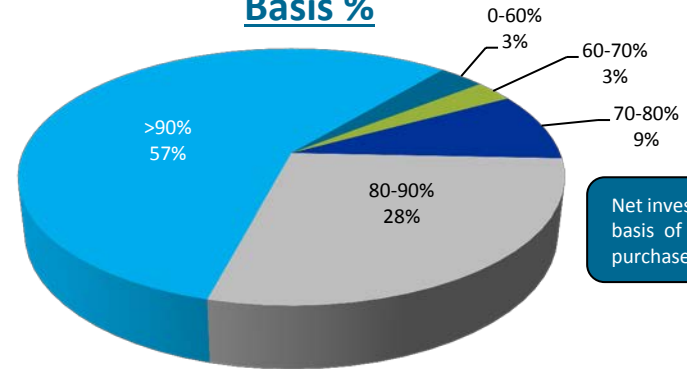
Investment Size



• Average investment size of \$752k/loan

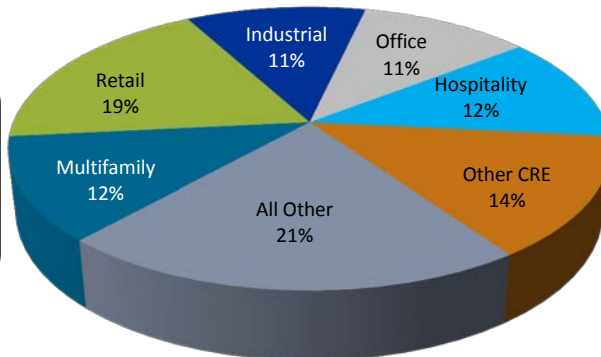
Purchased Loan Net Investment

Basis %



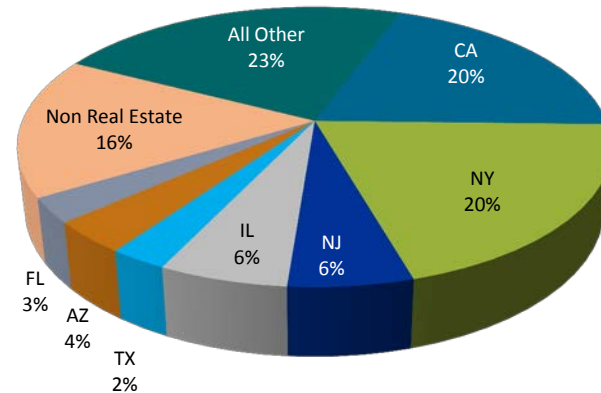
Net investment basis of 88% for purchased loans

Collateral Type



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

Collateral State

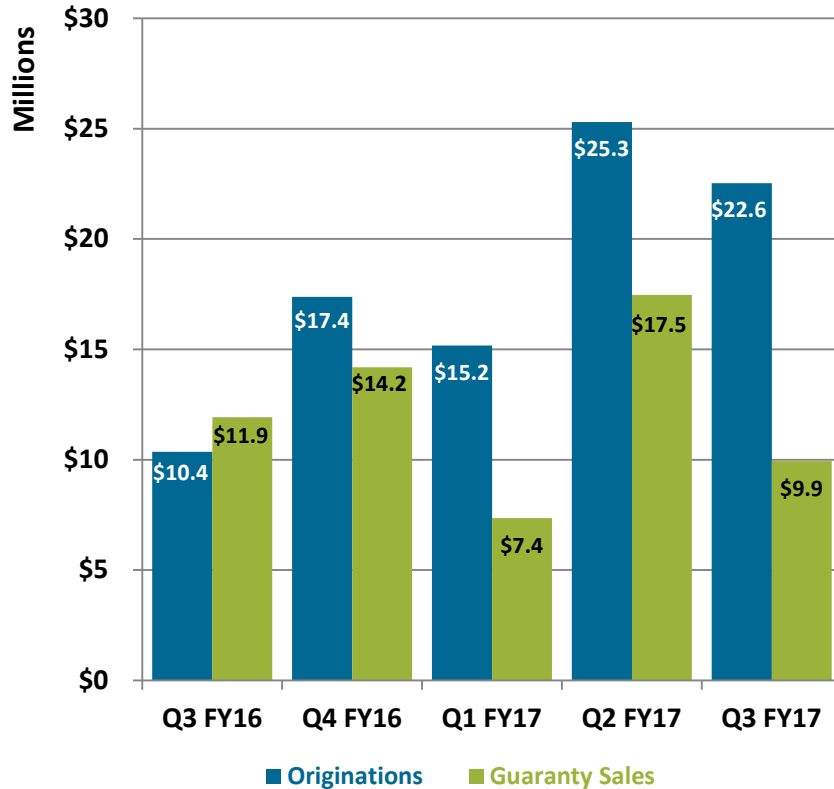


• Geographically diverse with collateral in 37 different states

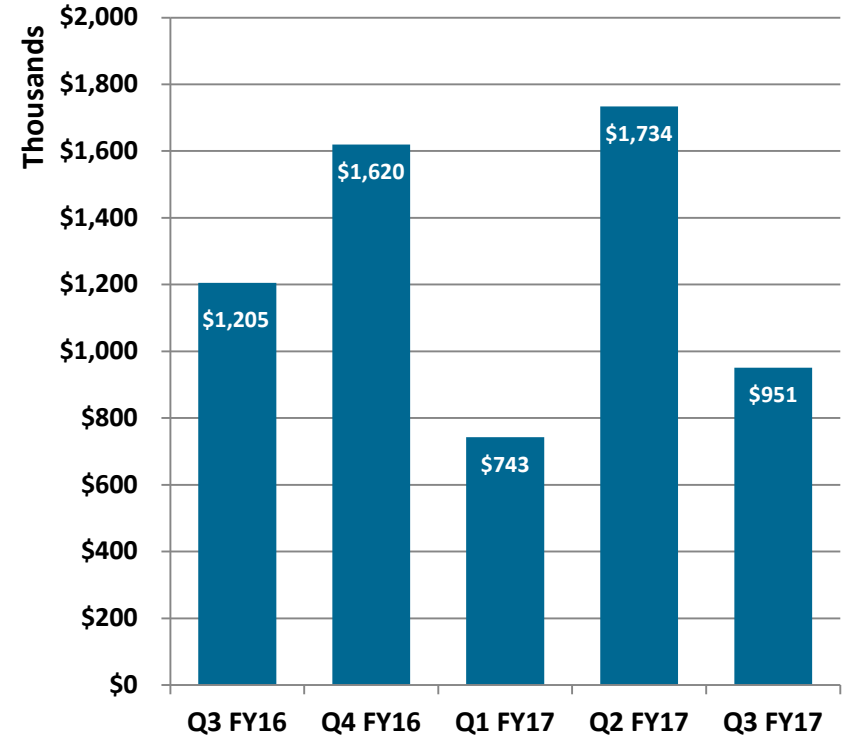
• CA and NY represent combined 40% of portfolio

SBA Division Activity

Originations & Guaranty Sales⁽¹⁾



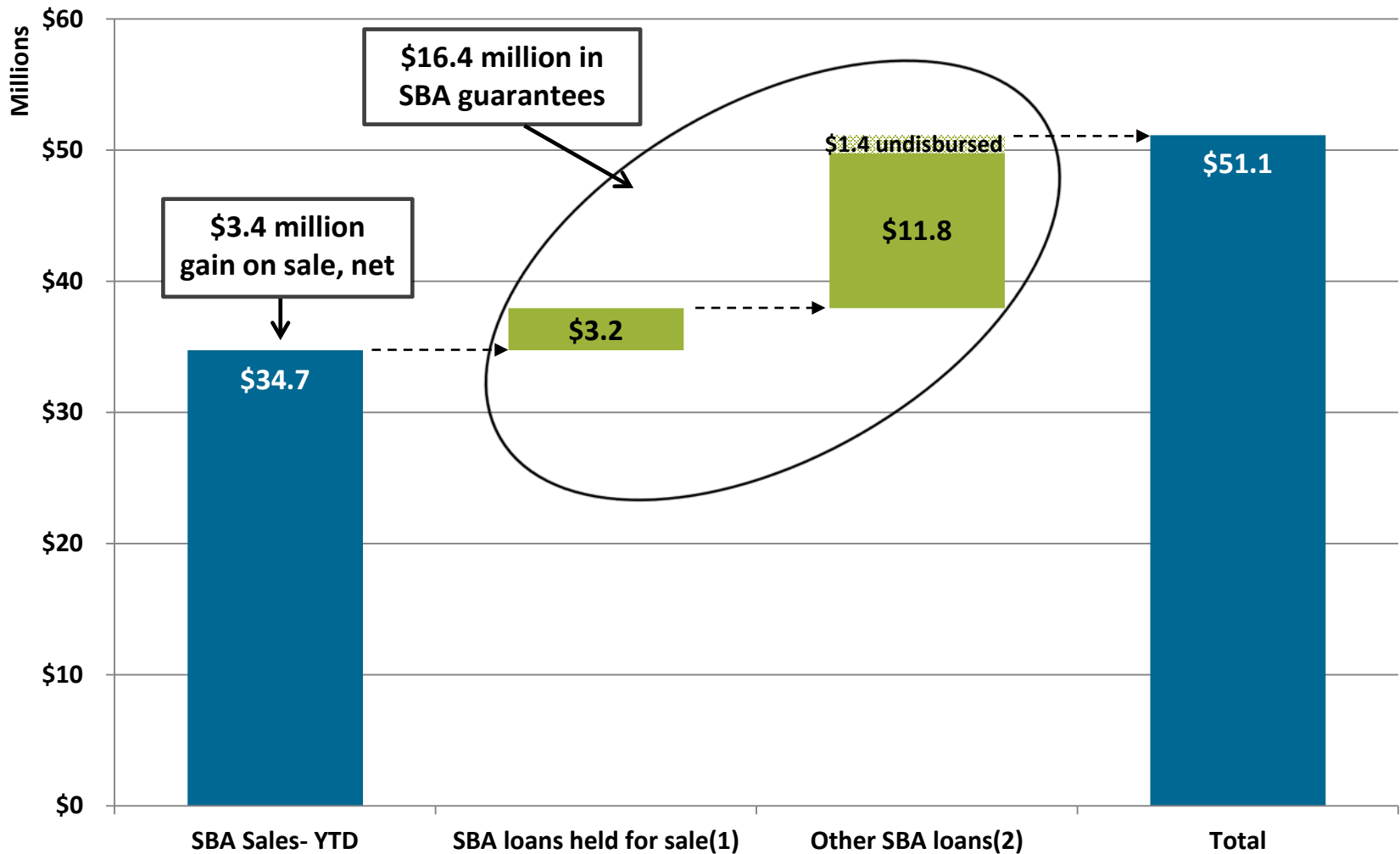
Net Gain on Sale⁽²⁾



(1) Loan sales include originations from both current and prior quarters

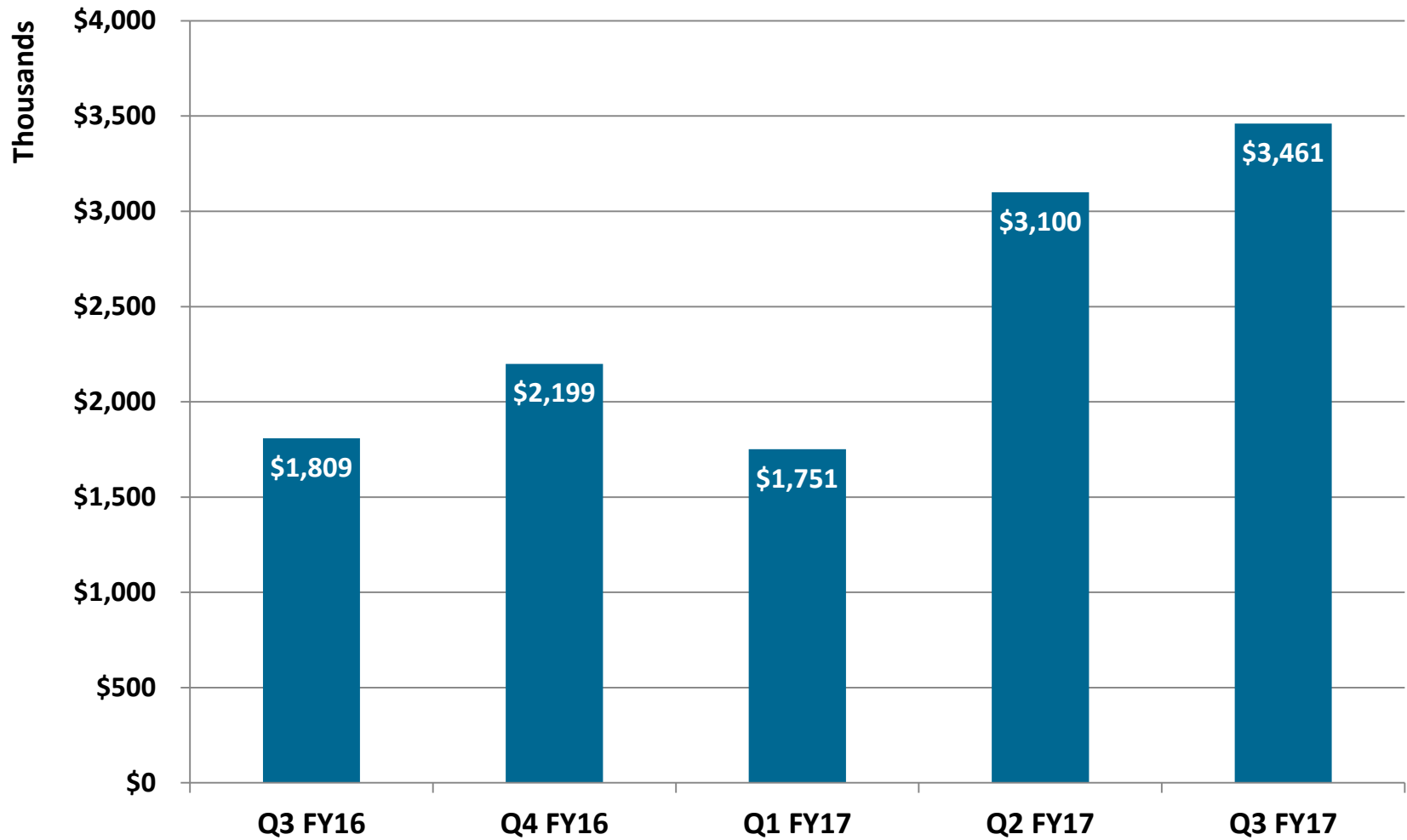
(2) Servicing asset included in net gain by quarter: Q3 16 - \$360 thousand; Q4 16 - \$442 thousand; Q1 17 - \$218 thousand; Q2 17: \$428 thousand; and Q3 17: \$193 thousand.

SBA Sale Pipeline

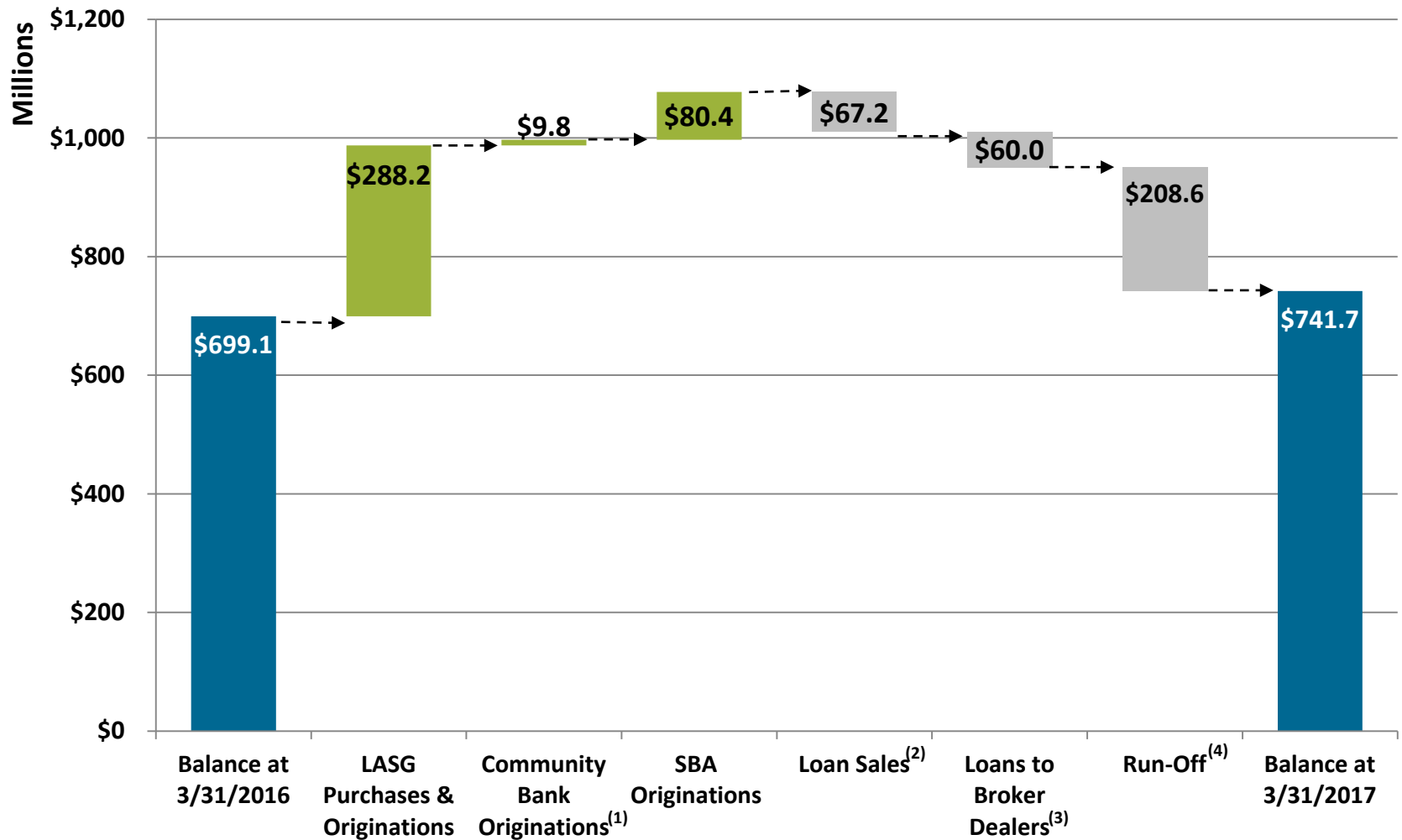


- (1) Represents SBA loans that are closed and fully funded (4 loans with an average guarantee balance of \$803 thousand)
- (2) Represents SBA loans that are closed, but not fully funded (13 loans with an average guarantee balance of \$1.0 million)

Net Income For Trailing 5 Quarters

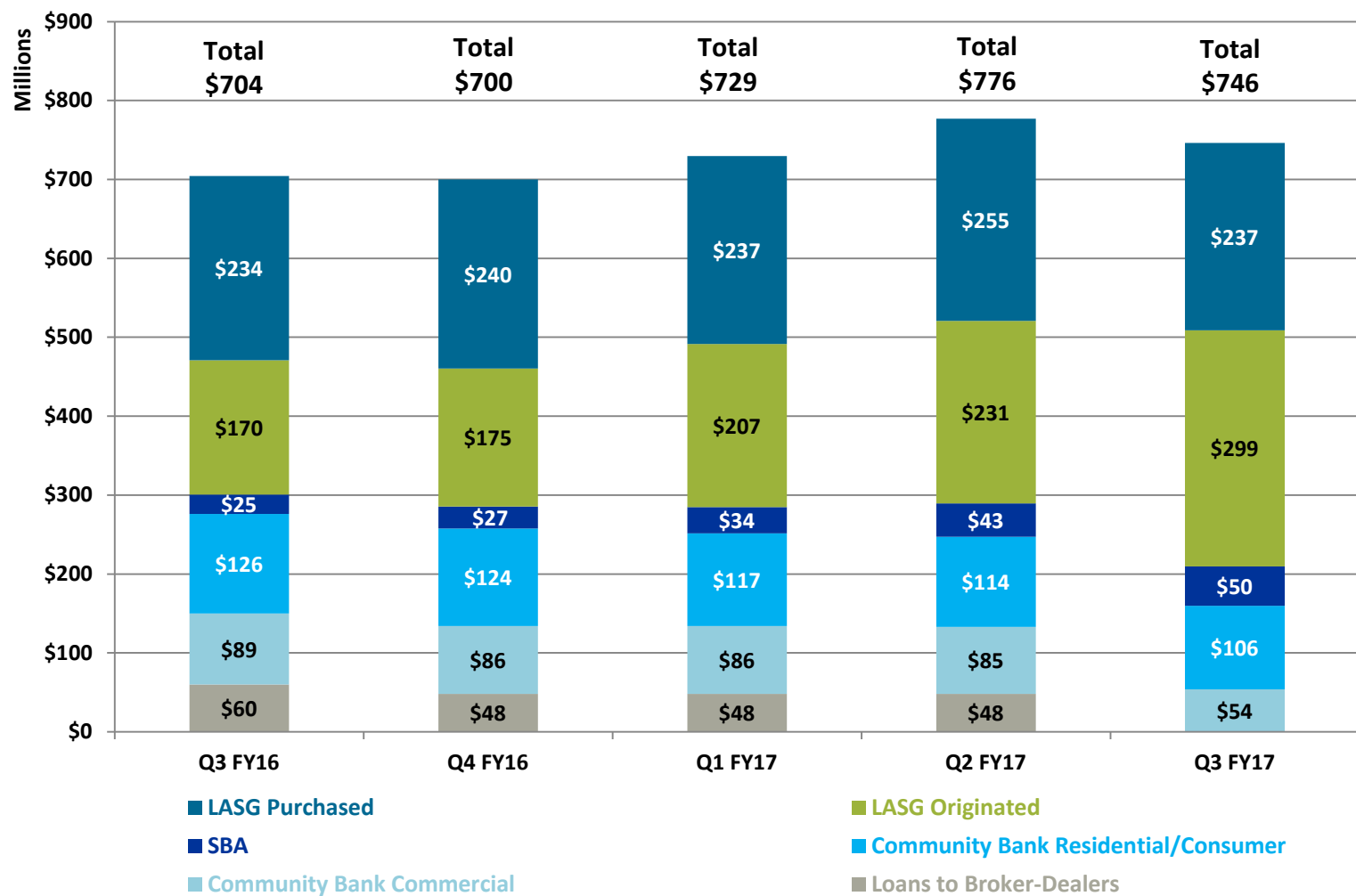


Loan Portfolio Roll Forward: Trailing Twelve Months

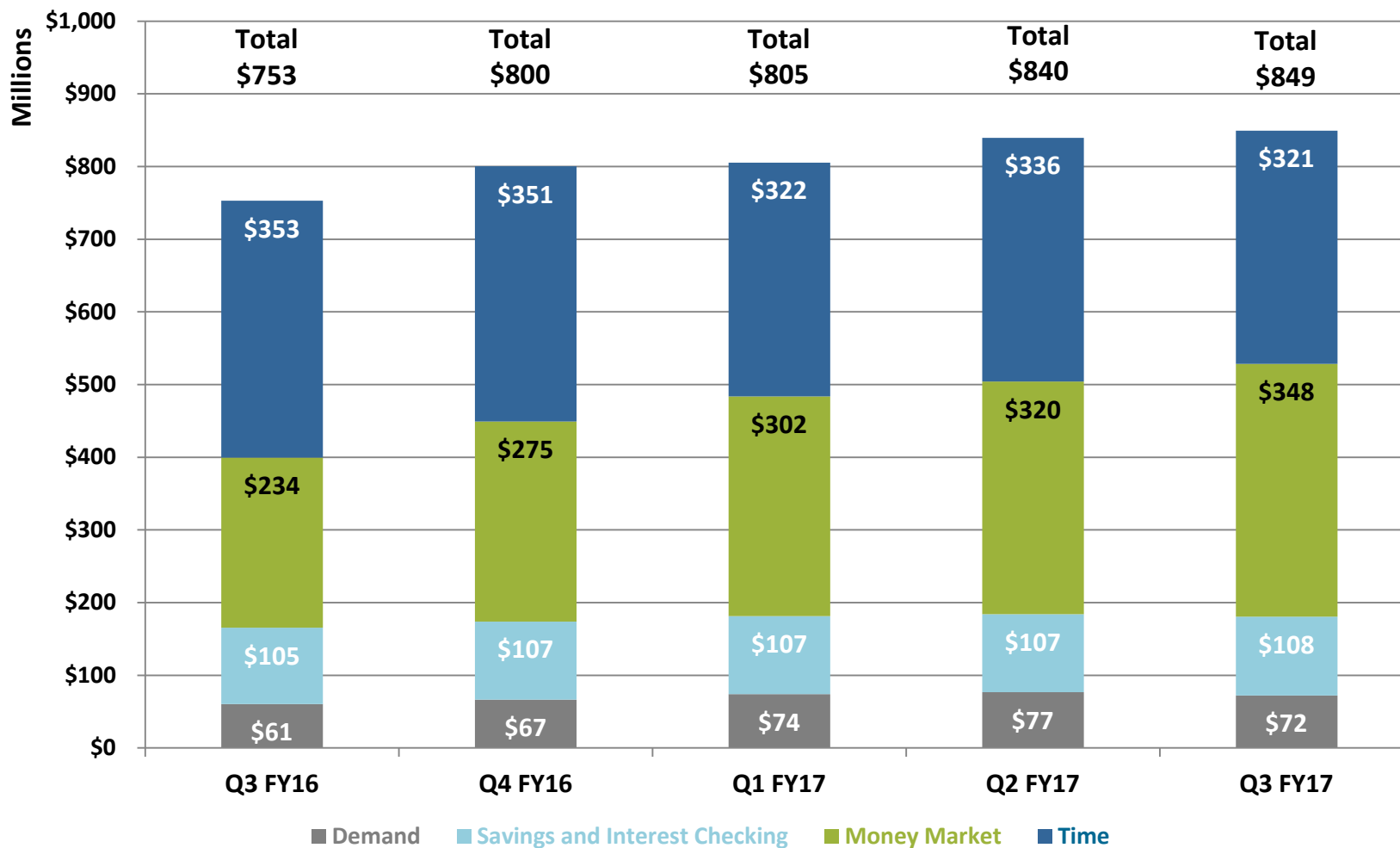


(1) Does not include \$77.4 million of residential mortgages that were originated for sale
 (2) Includes \$48.9 million of SBA loan sales for the trailing twelve months and the sale of a Community Banking Division commercial loan portfolio in Q3 FY 17 for \$18.3 million
 (3) Represents pay off of five loans to broker-dealers for \$12.0 million each
 (4) Run-off includes scheduled amortization, principal pay downs and payoffs

Loan Mix As of Trailing 5 Quarter Ends⁽¹⁾

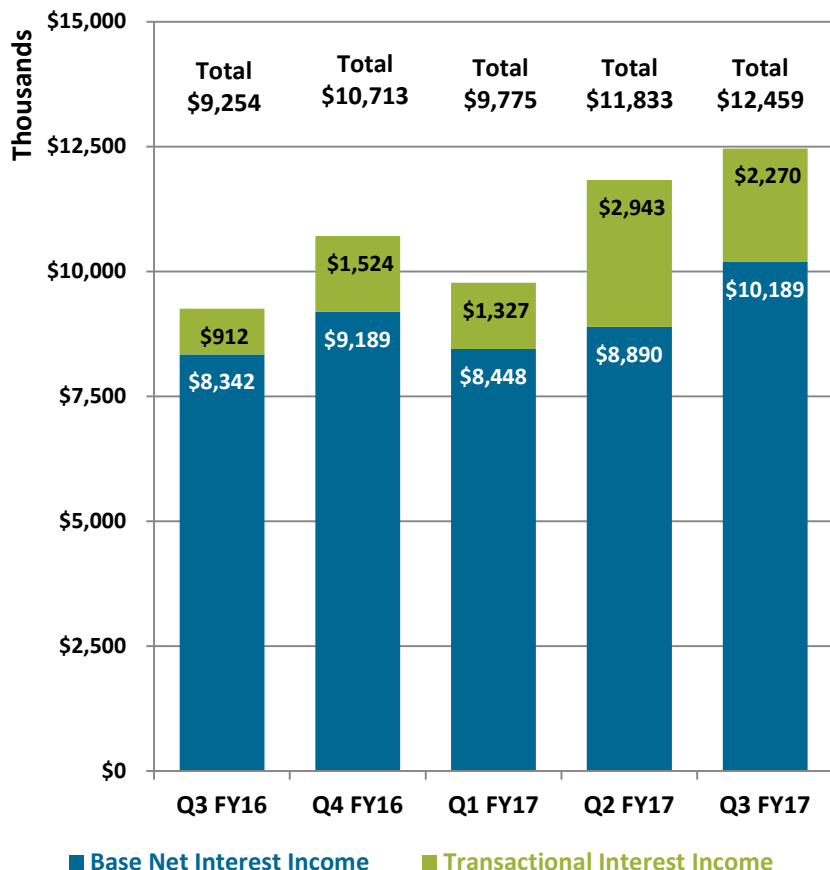


Deposit Mix By Trailing 5 Quarter Ends

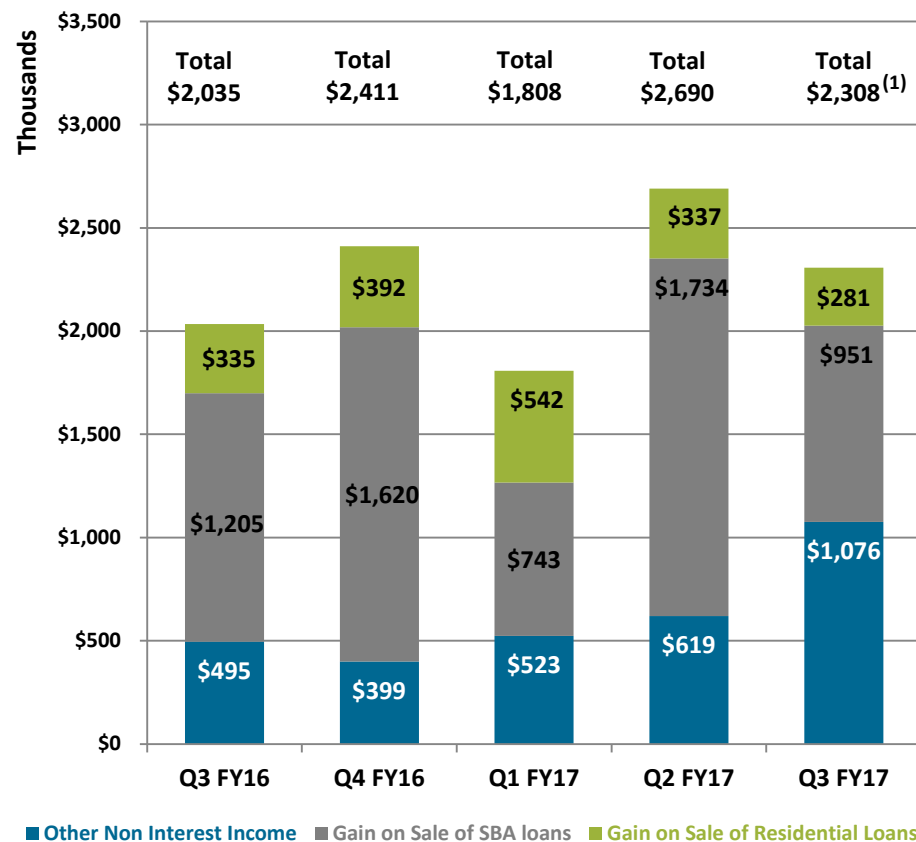


Key Components of Income For Trailing 5 Quarters

Net Interest Income Before Loan Loss Provision

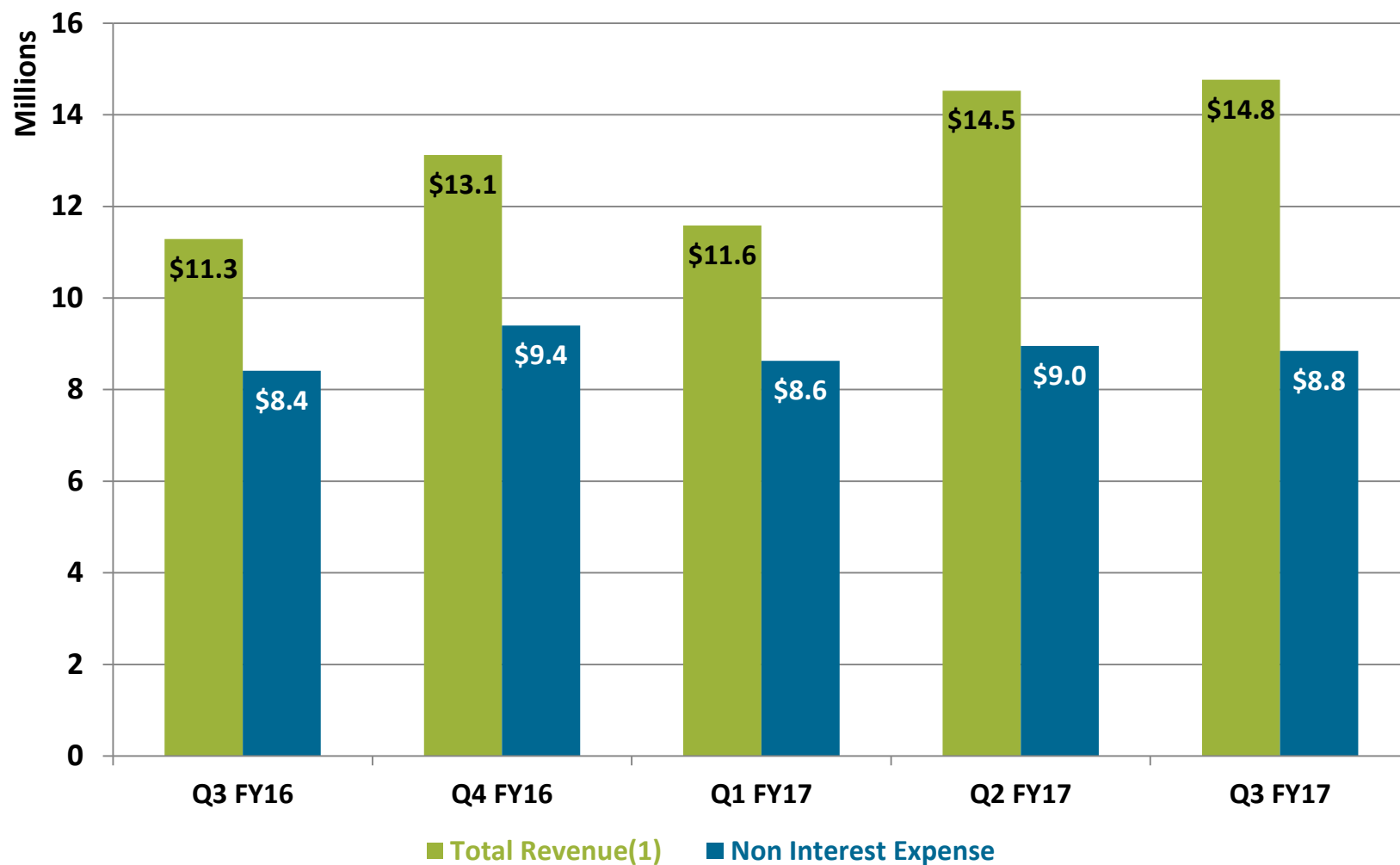


Noninterest Income



(1) Noninterest income includes \$365 thousand gain on sale of a Community Banking Division commercial loan portfolio in the quarter ended March 31, 2017.

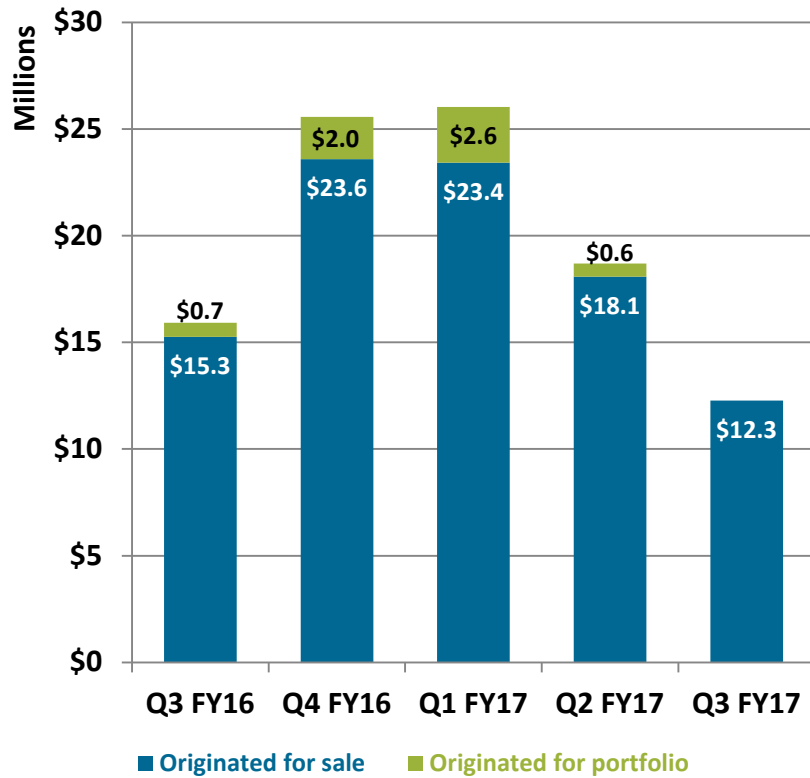
Revenue and Noninterest Expense for Trailing 5 Quarters



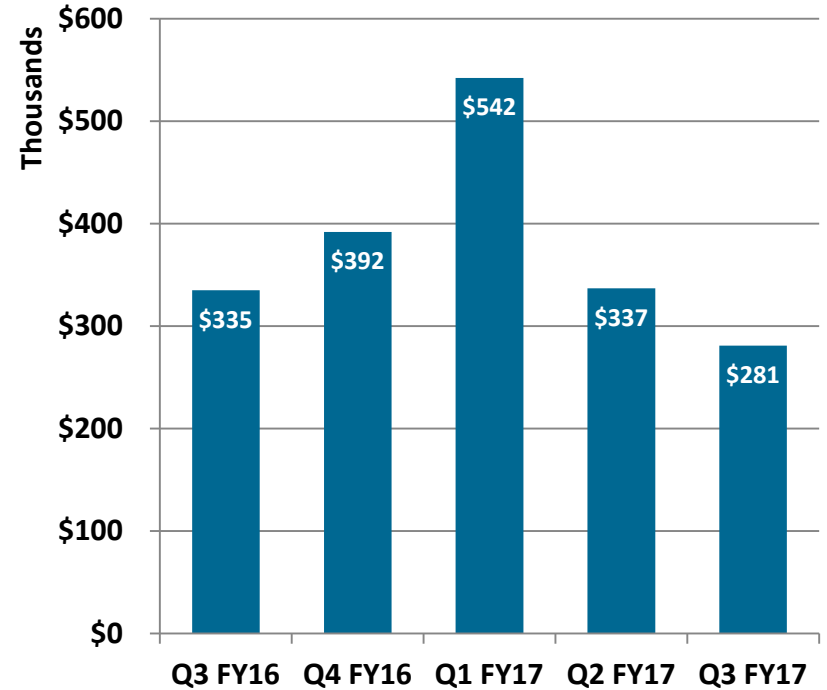
(1) Total Revenue includes net interest income before loan loss provision and noninterest income

Residential Mortgage Originations & Gain On Sale By Trailing 5 Quarters

Residential Mortgage Originations

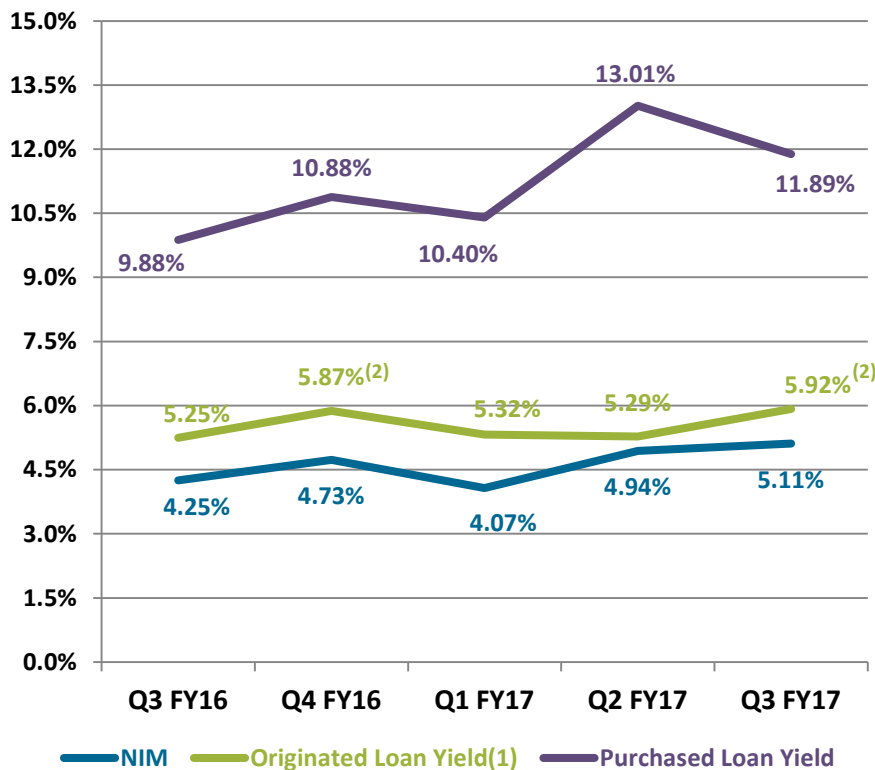


Residential Mortgage Gain On Sale

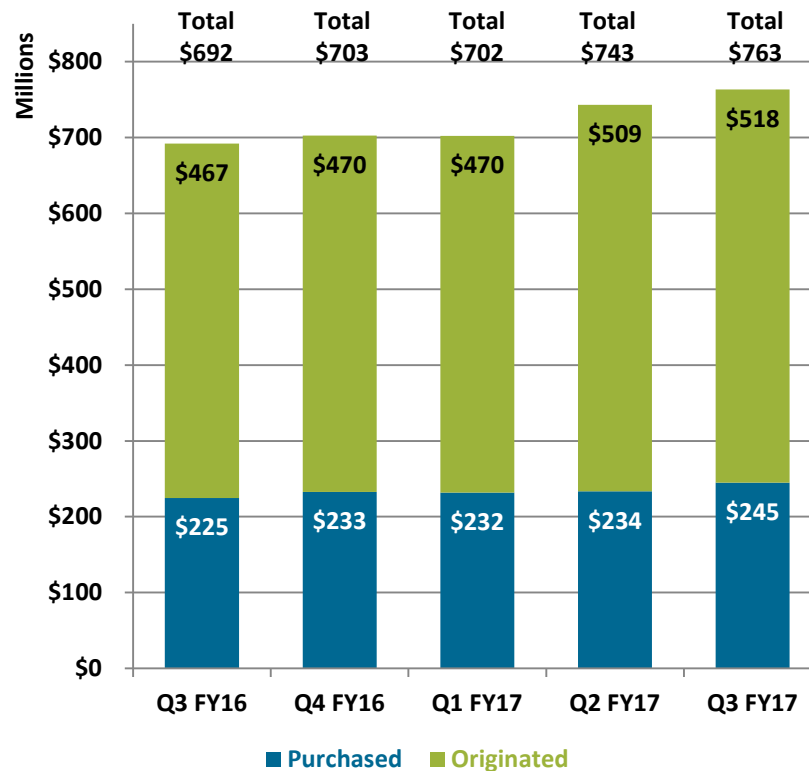


Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

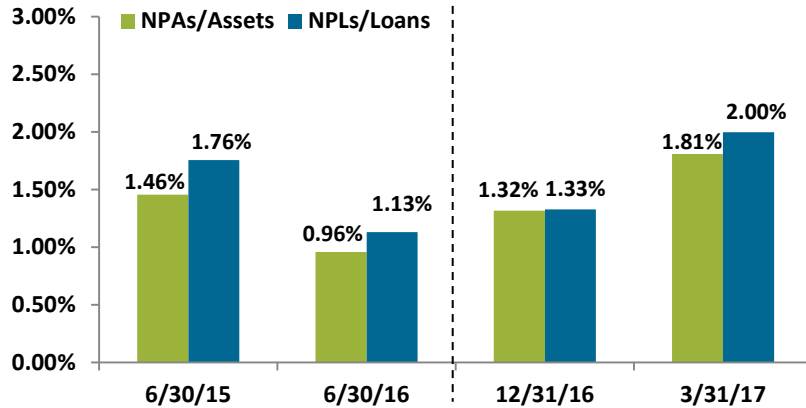


Average Loan Balance For Trailing 5 Quarters⁽³⁾

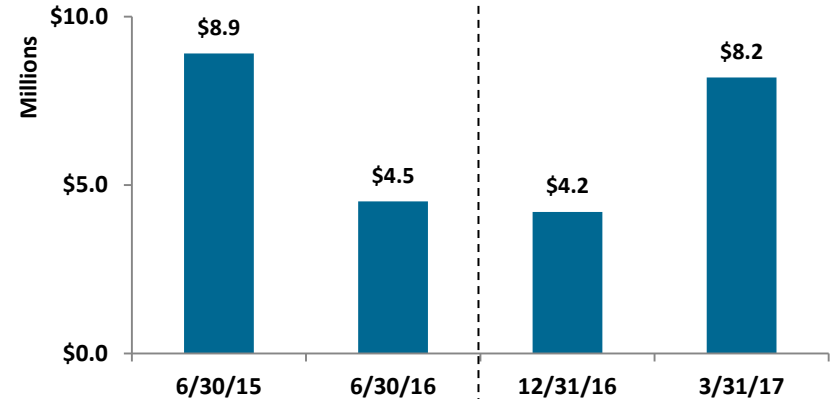


Asset Quality Metrics

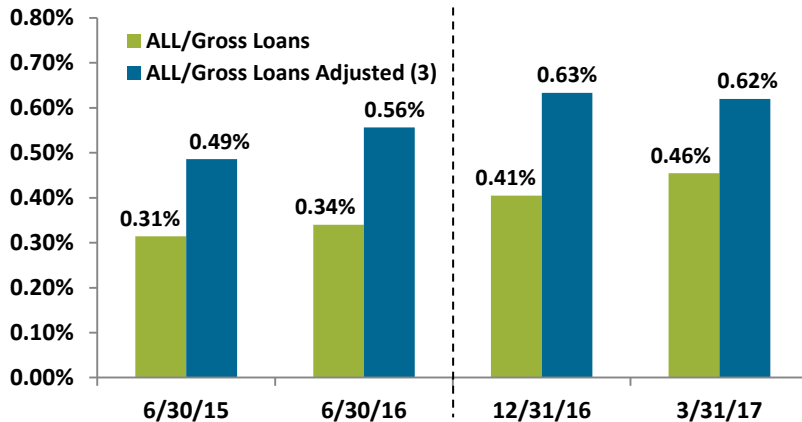
NPAs / Total Assets & NPLs / Total Loans



Classified Commercial Loans⁽¹⁾



Allowance for Loan Losses / Gross Loans



NCOs / Average Loans⁽²⁾

