

FY 2016 Q3 Investor Call

May 3, 2016



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, 2015, 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 FY16 Highlights

	Q3 FY16	YTD FY16
Total Loan Volume	\$84.4 million	\$284.3 million
LASG:		
Purchased Loans	\$21.9 million invested on \$24.4 million of UPB ⁽¹⁾ (89.9% purchase price)	\$81.3 million invested on \$88.1 million of UPB ⁽¹⁾ (92.2% purchase price)
Originated Loans	\$27.8 million	\$78.8 million
Community Bank:		
Residential Mortgage Originations	\$15.9 million	\$68.3 million
Commercial Originations	\$8.3 million	\$19.0 million
SBA Division:		
Originations⁽²⁾	\$10.4 million	\$37.1 million
Loan Sales	\$11.9 million	\$24.9 million
Net Interest Margin	4.25%	4.53%
Purchased Loan Yield⁽³⁾	9.88%	11.57%
Net Deposit Growth	\$26.2 million (4% growth)	\$78.2 million (12% growth)
Share Repurchases⁽⁴⁾	184,400 at \$10.22	309,500 at \$10.39
Earnings	\$1.8 million	\$5.4 million
EPS	\$0.19	\$0.57

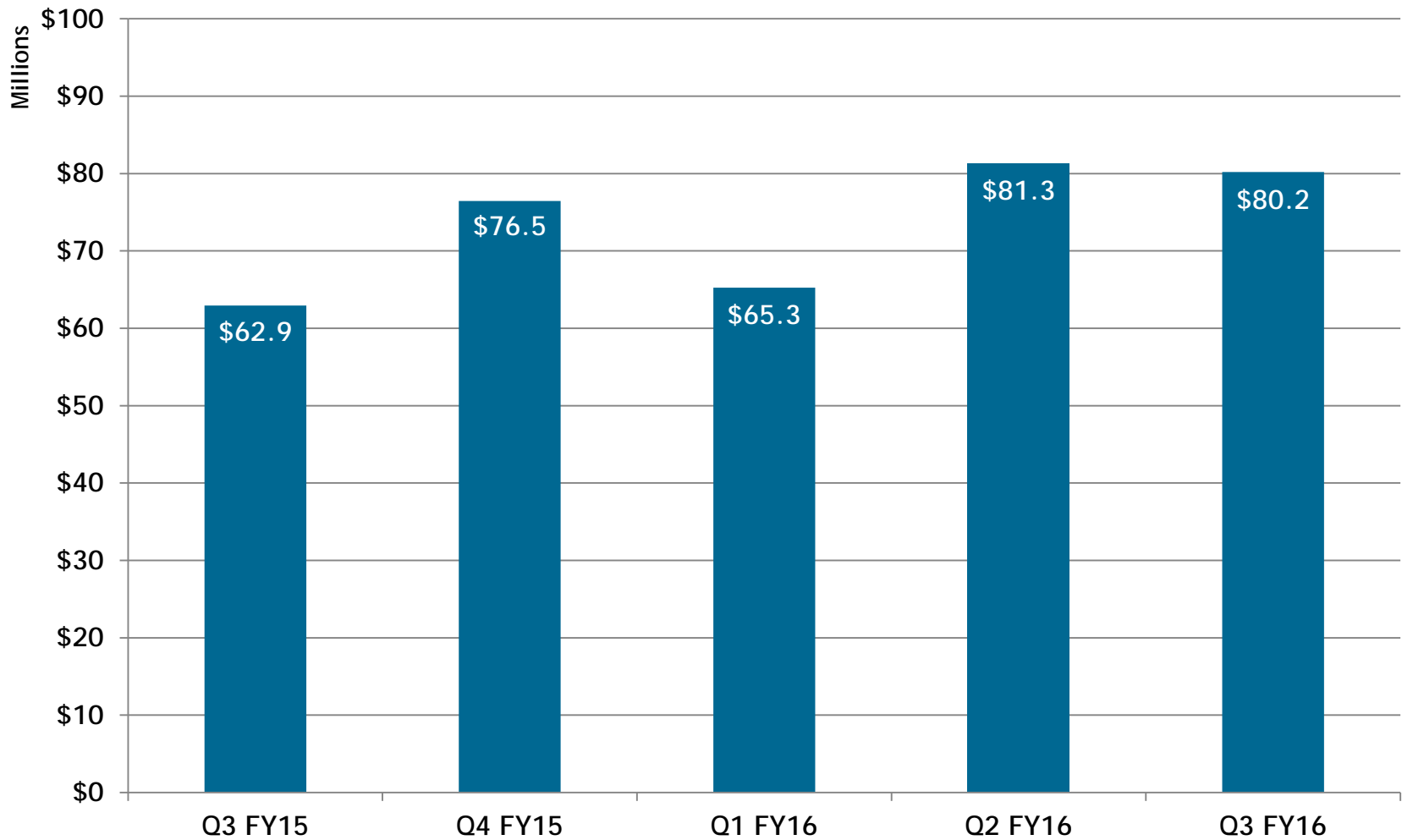
(1) Unpaid principal balance

(2) SBA loans closed during Q3 and YTD included funded loans of \$10.3 million and \$34.7 million, respectively

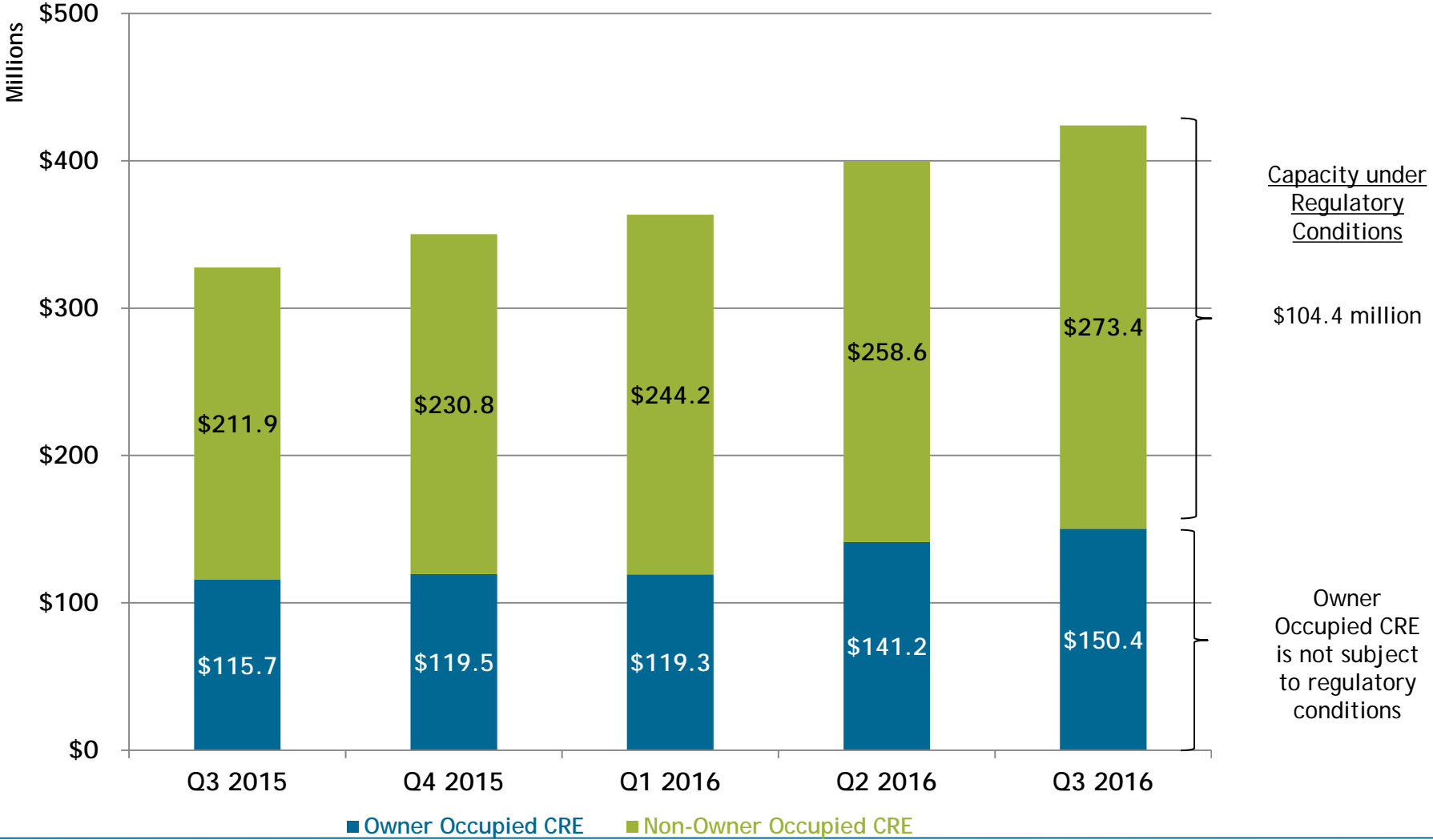
(3) Purchased loan yield for Q3 and YTD included \$913 thousand and \$5.8 million of transactional interest income, respectively

(4) From the inception of the repurchase program, the Company has purchased 1,311,362 shares at a \$9.69 average repurchase price

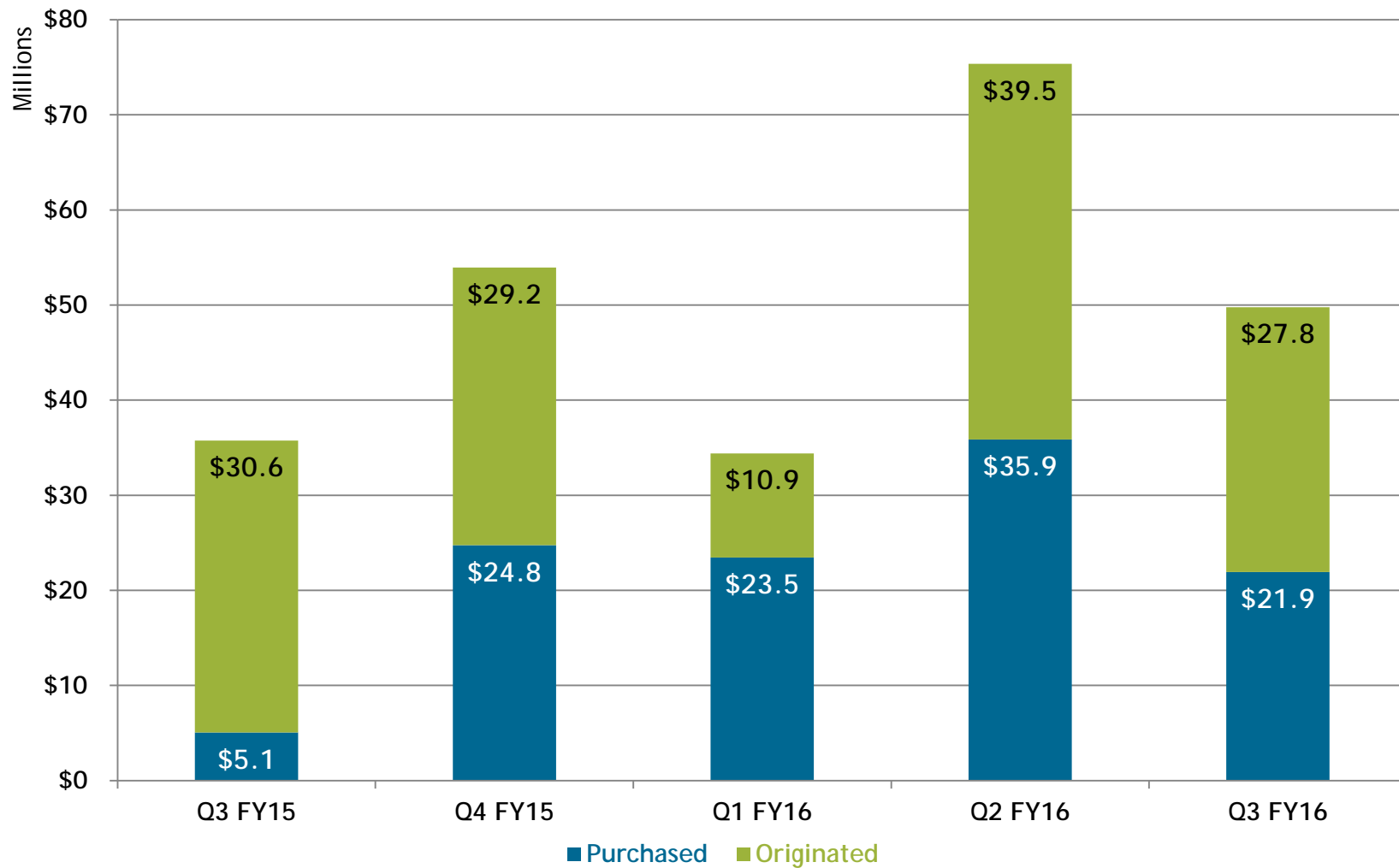
Loan Purchasing Capacity By Trailing 5 Quarters⁽¹⁾



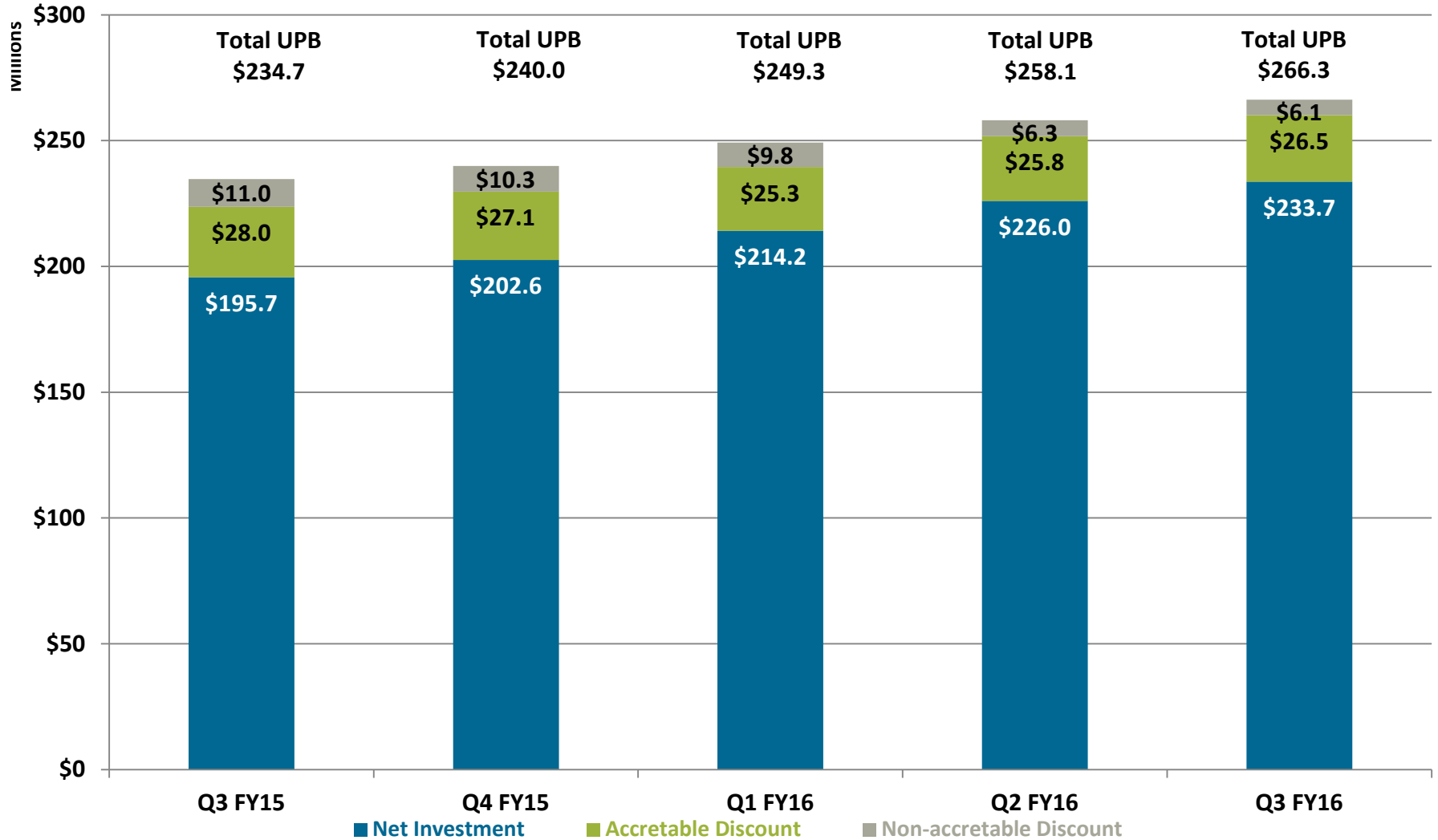
CRE Activity and Capacity By Trailing 5 Quarters



LASG Activity By Trailing 5 Quarters



Purchased Loan Investment Basis and Discount Growth By Trailing 5 Quarters



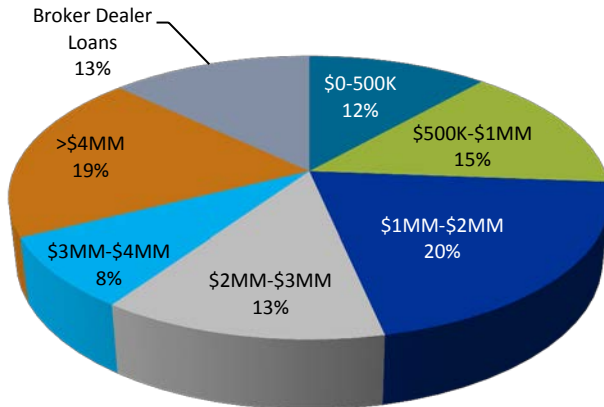
LASG Portfolio – Q3 FY16 Return Summary⁽¹⁾

	<u>Purchased</u>	<u>Originated</u>	<u>Securities Lending</u>	<u>Totals</u>
Regularly Scheduled Interest & Accretion	8.24%	5.83%	0.50%	6.32%
Gain (Loss) on Asset Sales	0.00%	0.00%	0.00%	0.00%
Accelerated Accretion & Fees Recognized on Loan Payoffs	1.64%	0.00%	0.00%	0.83%
Total	9.88%	5.83%	0.50%	7.15%

(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, on an annualized basis. The total return does not include the effect of purchased loan charge-offs or recoveries in the quarter.

LASG Loan Portfolio Statistics

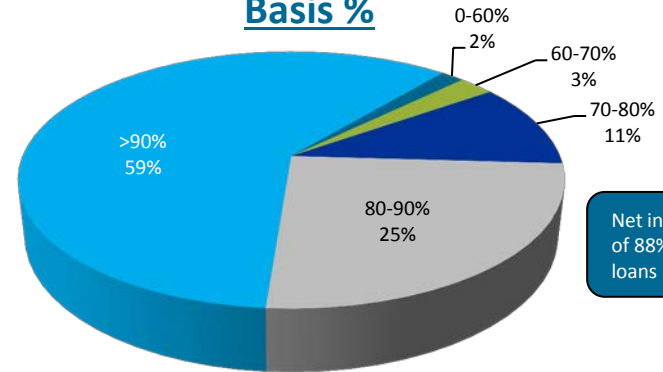
Investment Size



- Average investment (excluding securities lending) is \$787/loan
- Broker-dealer loans are each \$12 million

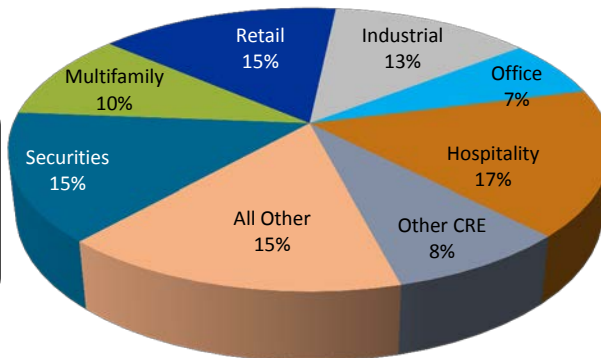
Purchased Loan Net Investment

Basis %



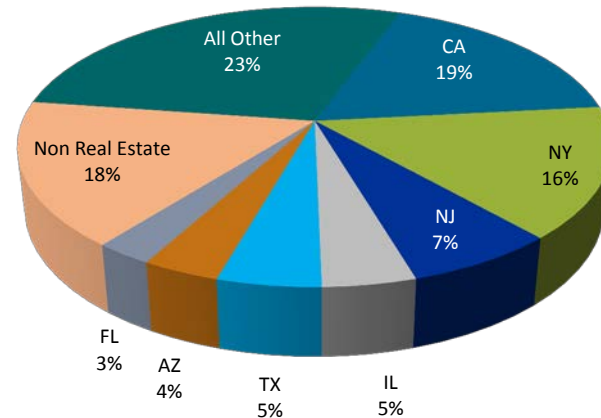
- Net investment basis of 88% for purchased loans

Collateral Type



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

Collateral State⁽¹⁾

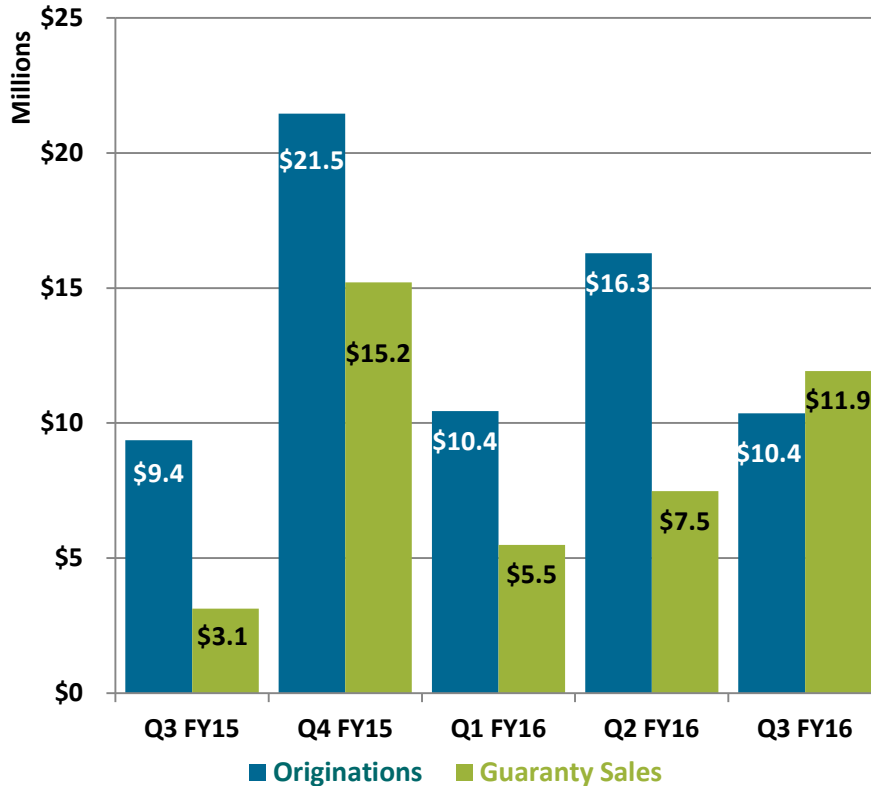


- Geographically diverse with collateral in 37 different states
- CA and NY represent combined 35% of portfolio

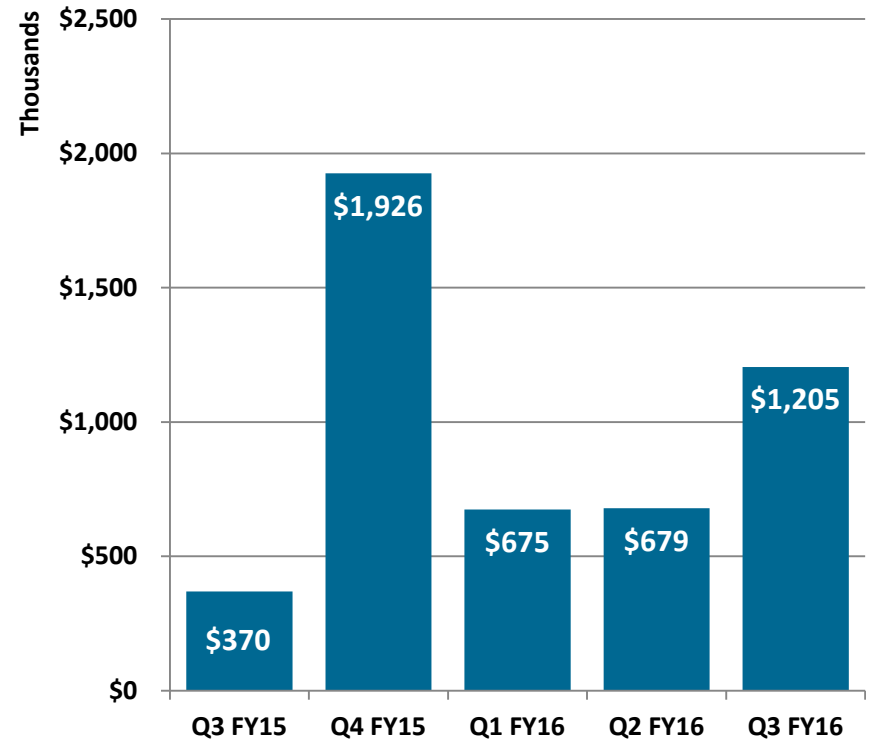
(1) Excludes \$60 million of secured loans to broker-dealers

SBA Division Activity

Originations & Guaranty Sales

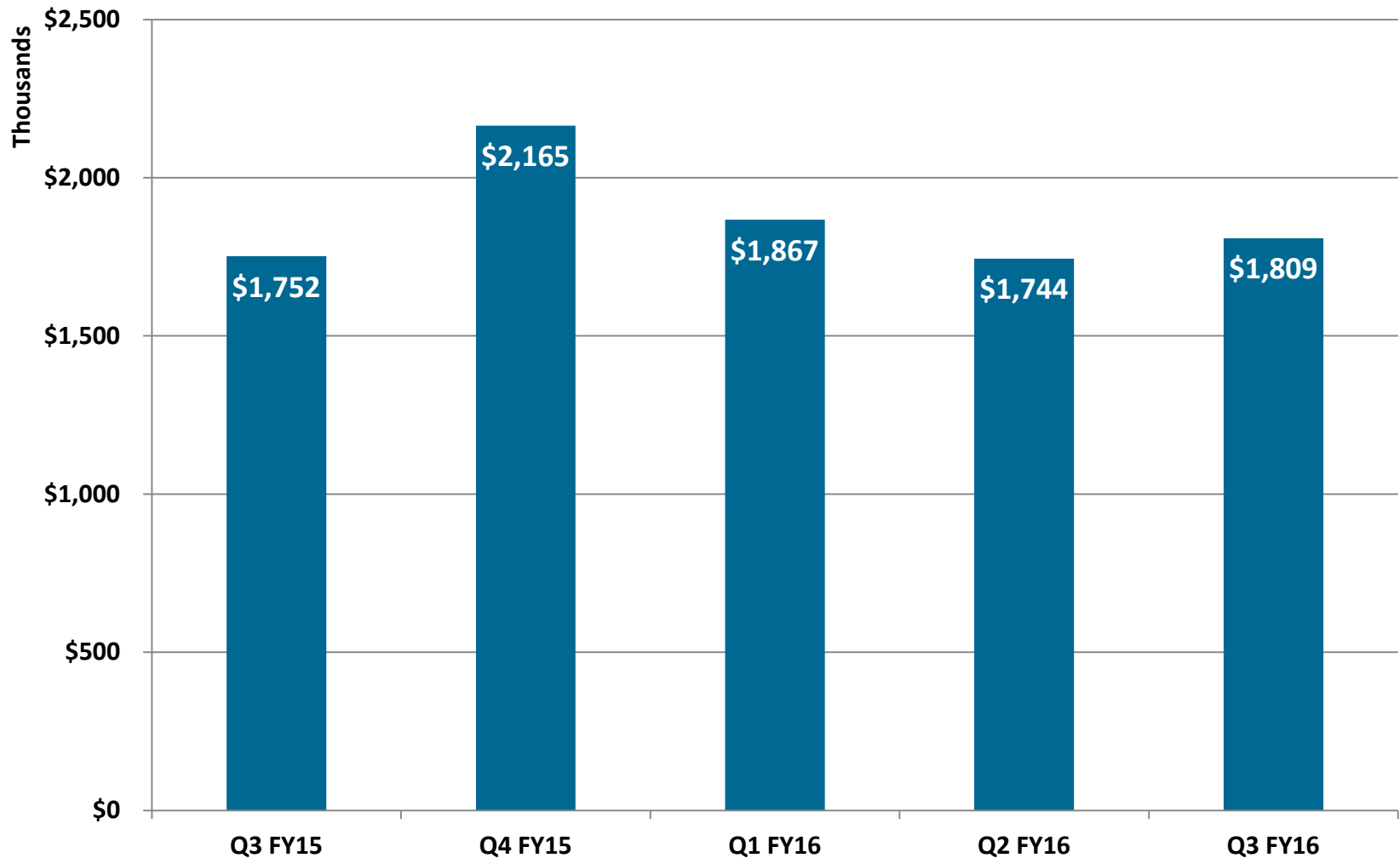


Net Gain on Sale⁽¹⁾

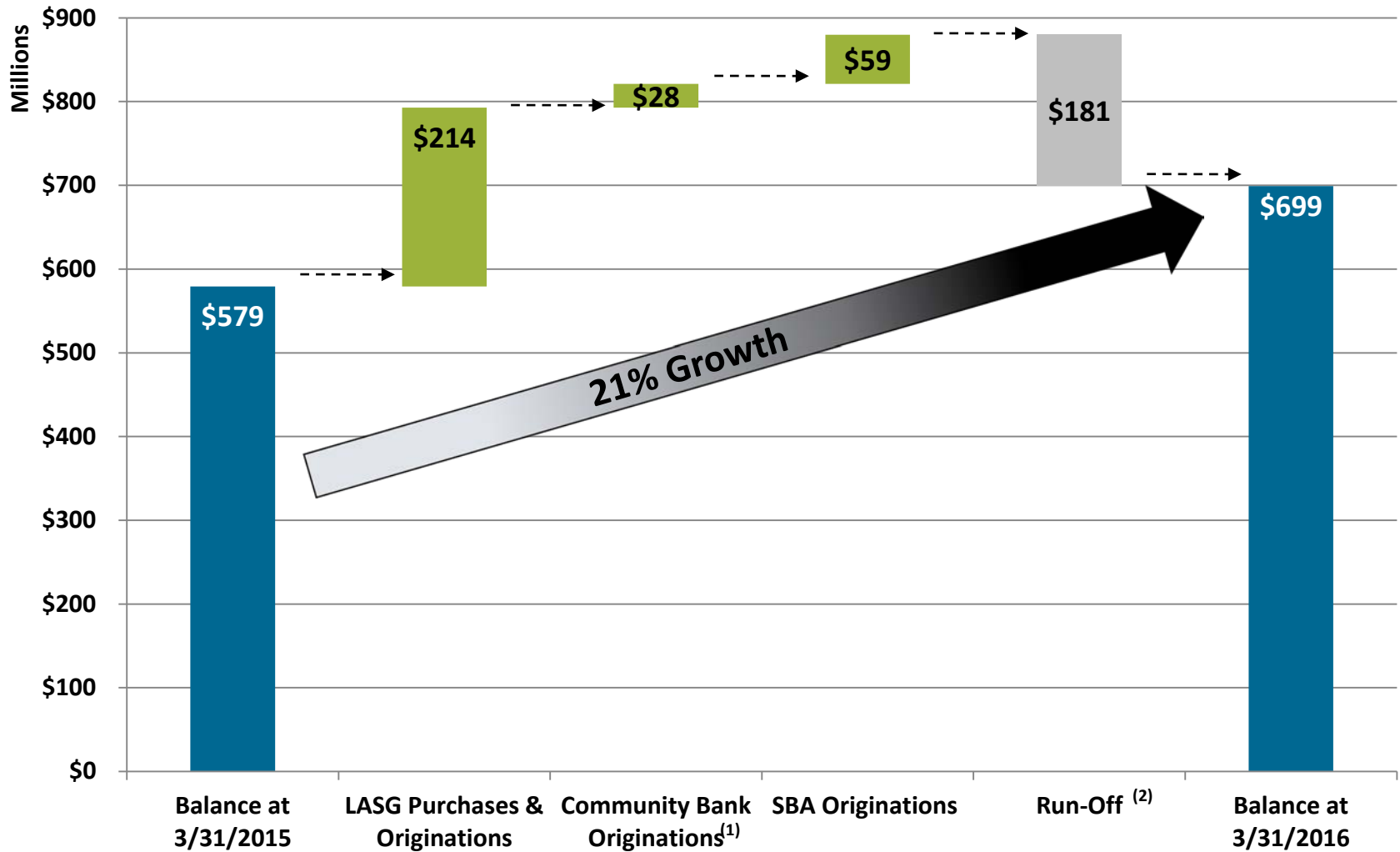


- (1) Servicing asset included in net gain by quarter: Q3 15 - \$118 thousand; Q4 15 - \$694 thousand; Q1 16 - \$229 thousand; Q2 16 - \$199 thousand; and Q3 16 - \$360 thousand
- (2) Loan sales include originations from both current and prior quarters

Net Income From Continuing Operations For Trailing 5 Quarters



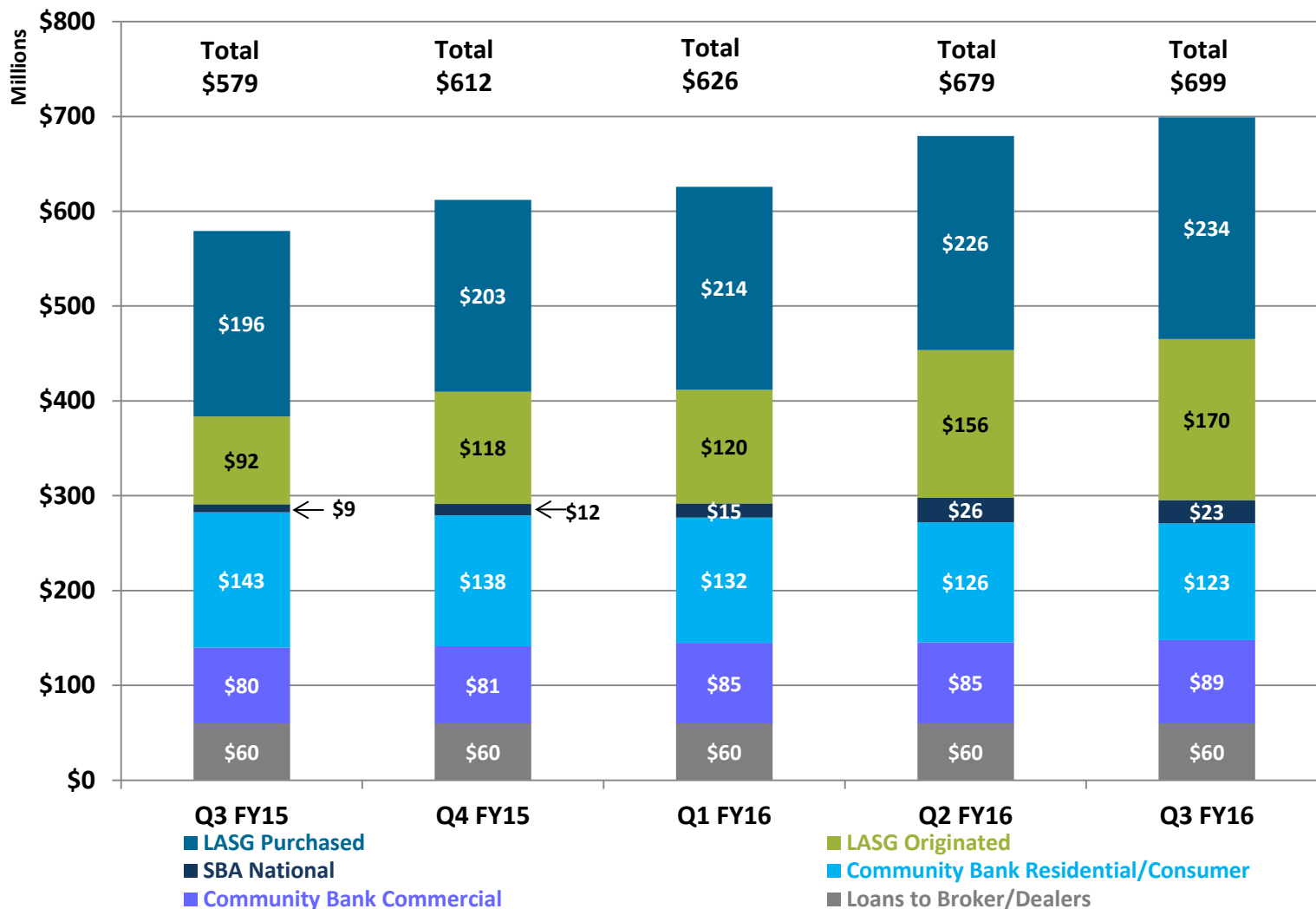
Loan Portfolio Roll Forward: Trailing 12 Months



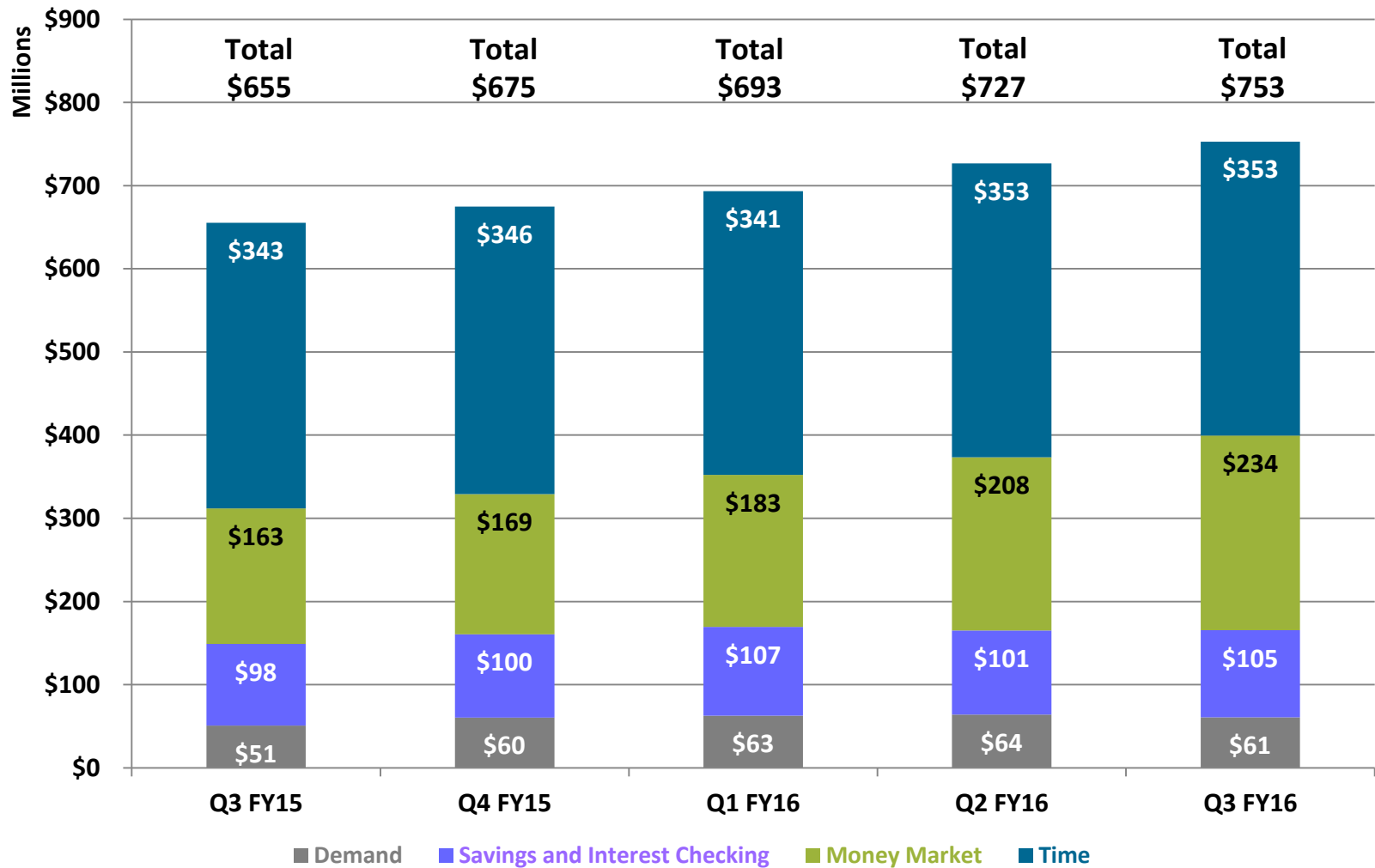
(1) Does not include \$94.2 million of residential mortgages that were originated for sale

(2) Run-off includes scheduled amortization, unscheduled principal pay downs, payoffs and SBA loan sales

Loan Mix As of Trailing 5 Quarter Ends

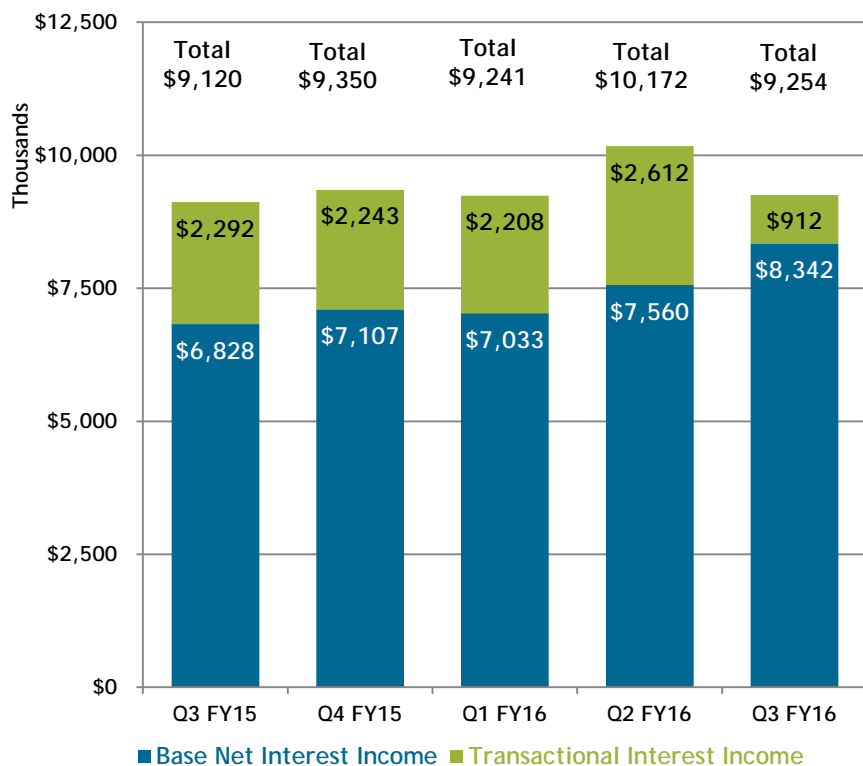


Deposit Mix By Trailing 5 Quarter Ends

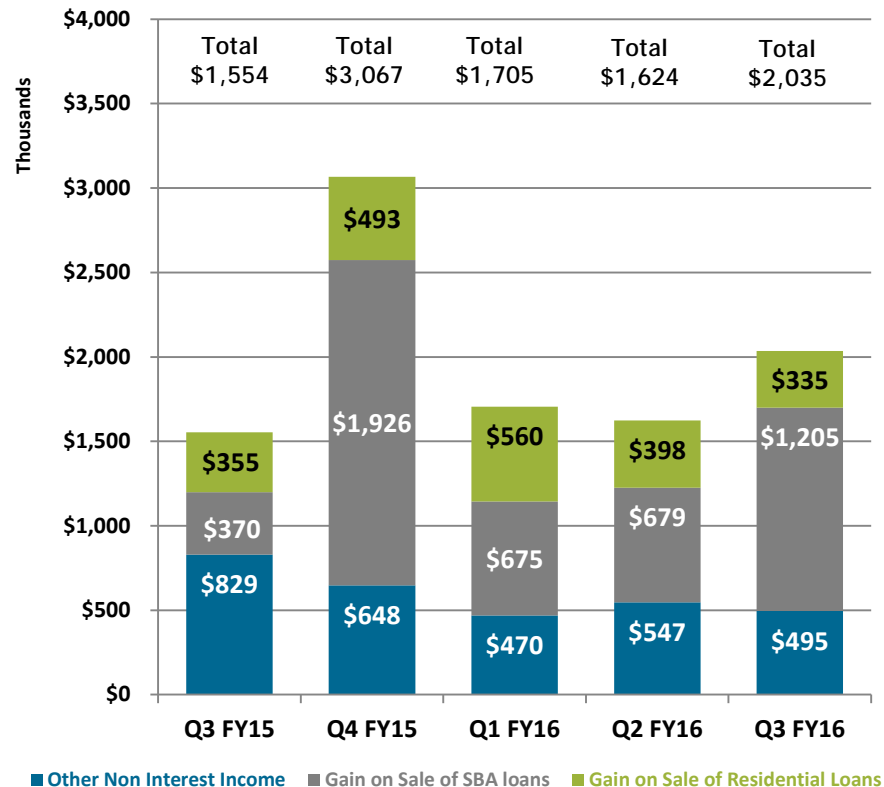


Key Components of Income For Trailing 5 Quarters

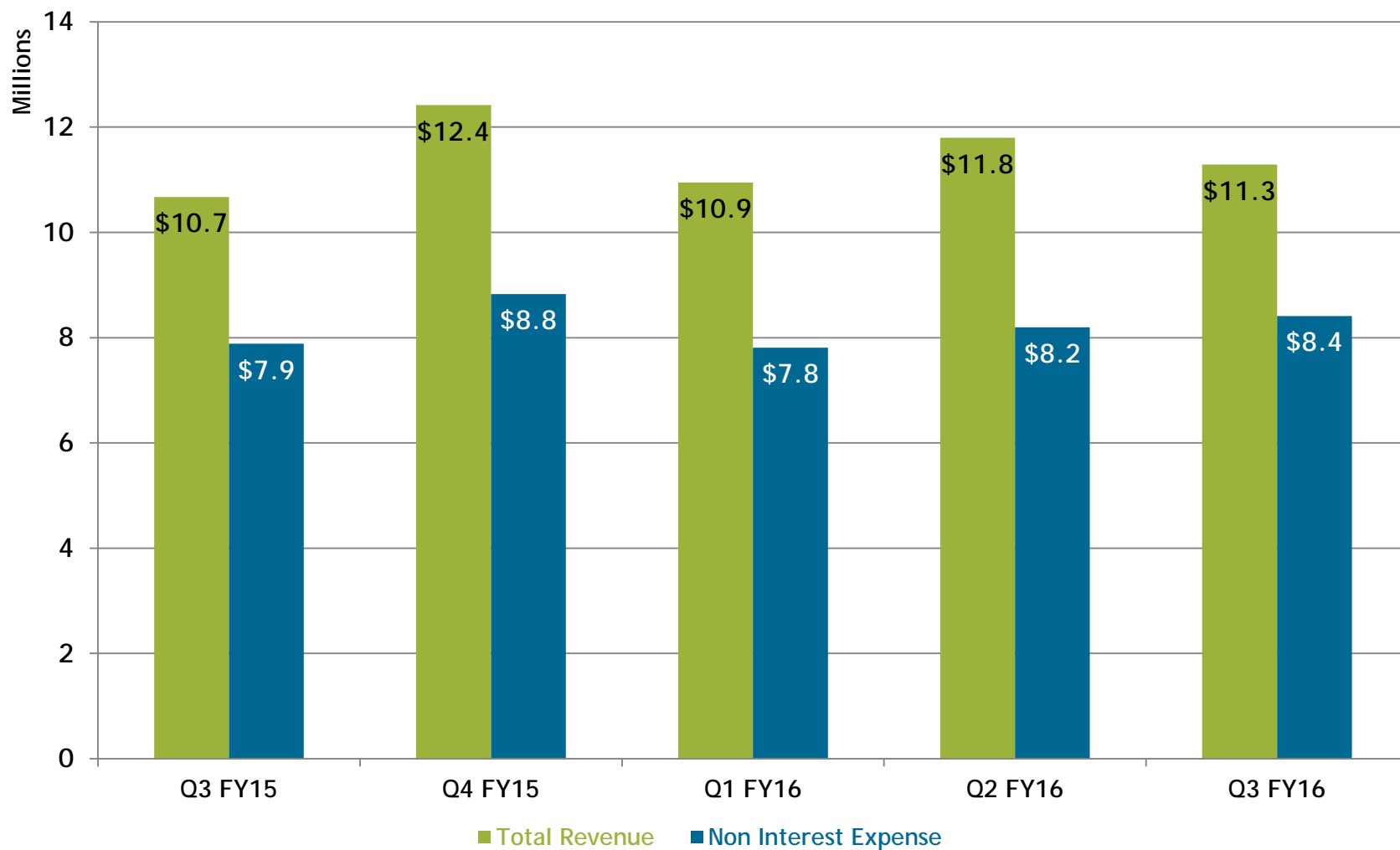
Net Interest Income Before Loan Loss Provision



Noninterest Income

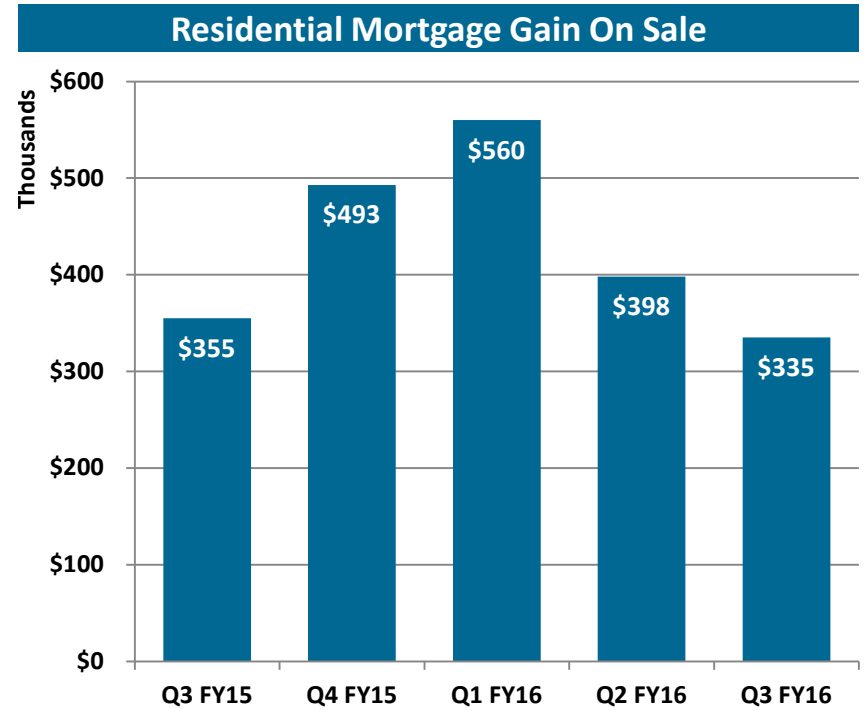
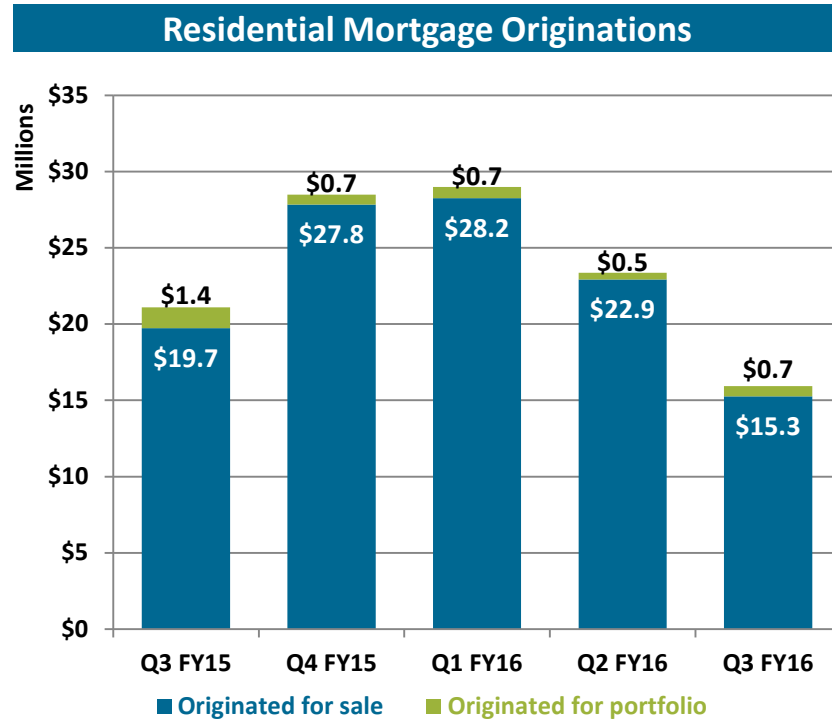


Revenue and Noninterest Expense for Trailing 5 Quarters



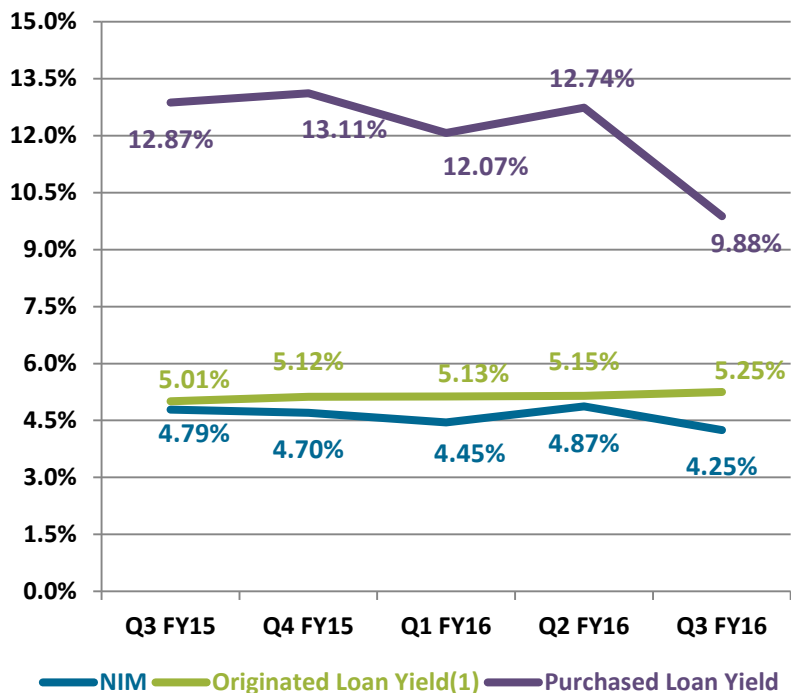
(1) Total Revenue includes net interest income before loan loss provision plus non interest income

Residential Mortgage Originations & Gain On Sale By Trailing 5 Quarters

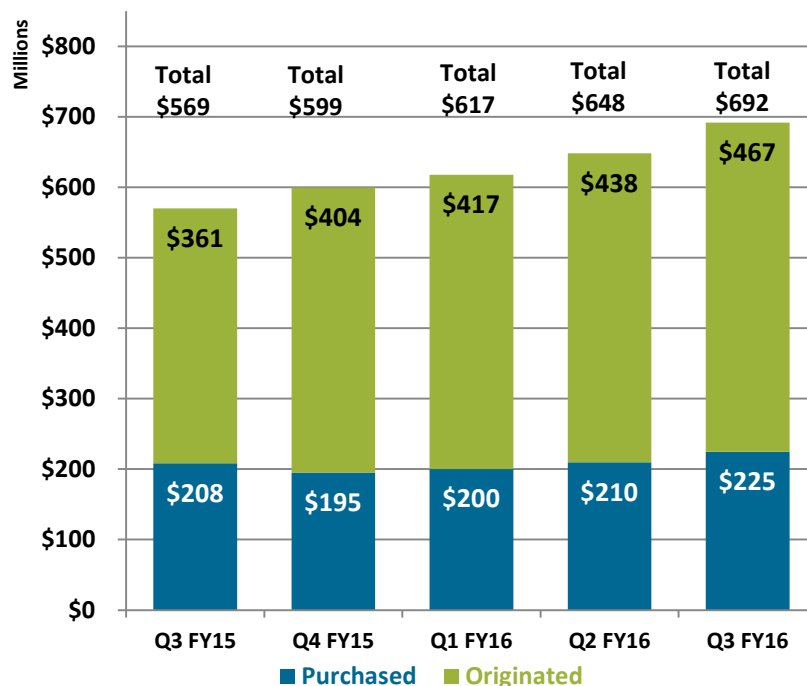


Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

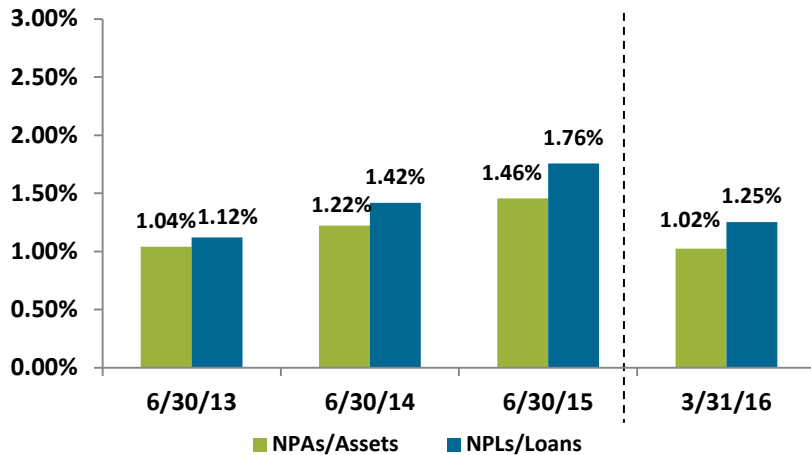


Average Loan Balance For Trailing 5 Quarters⁽²⁾

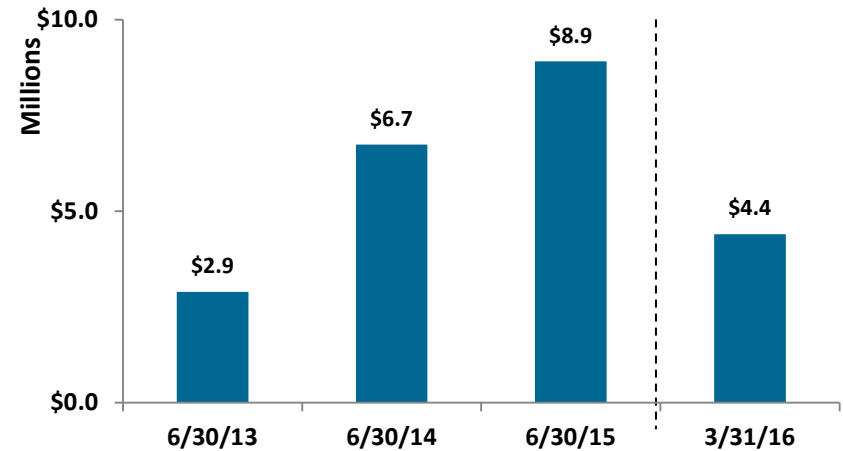


Asset Quality Metrics

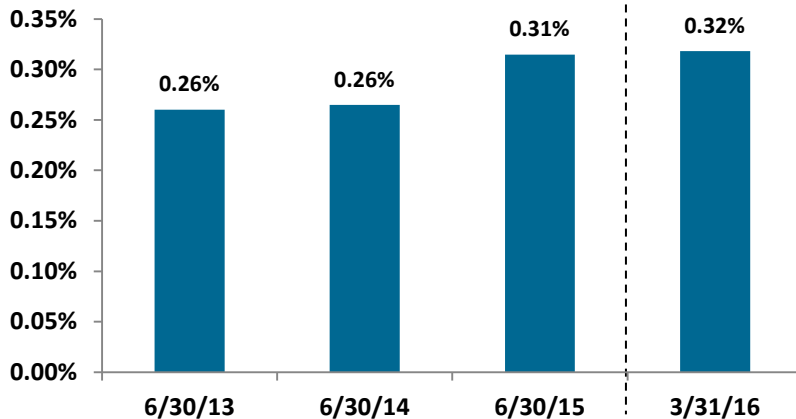
NPAs / Total Assets & NPLs / Total Loans



Classified Commercial Loans⁽¹⁾



Allowance for Loan Losses / Gross Loans



NCOs / Average Loans⁽²⁾

