

FY 2015 Q3 Investor Call

May 1, 2015



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, 2014, 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 FY15 Highlights

- Loan originations and acquisitions for the quarter totaled \$69.8 million including:
 - LASG invested \$35.8 million between purchases and originations
 - Residential mortgage division originated \$21.1 million (\$19.7 million originated for sale)
 - SBA division originated \$9.4 million (\$3.1 million sold to secondary market for \$425 thousand of net gain on sale⁽¹⁾)
- Achieved a 4.79% NIM
- Achieved a 13.6% purchased loan return as a result of \$2.7 million of transactional income
- Increased deposits by \$23.5 million (3.7% deposit growth)
- Repurchased 31,250 shares at a \$9.30 average repurchase price; 771,136 shares have been repurchased at an average repurchase price of \$9.36 as of March 31, 2015
- Announced 500,000 share increase to existing stock repurchase plan

(1) Gain shown includes servicing asset realized of \$118 thousand

Lending Highlights

Purchases

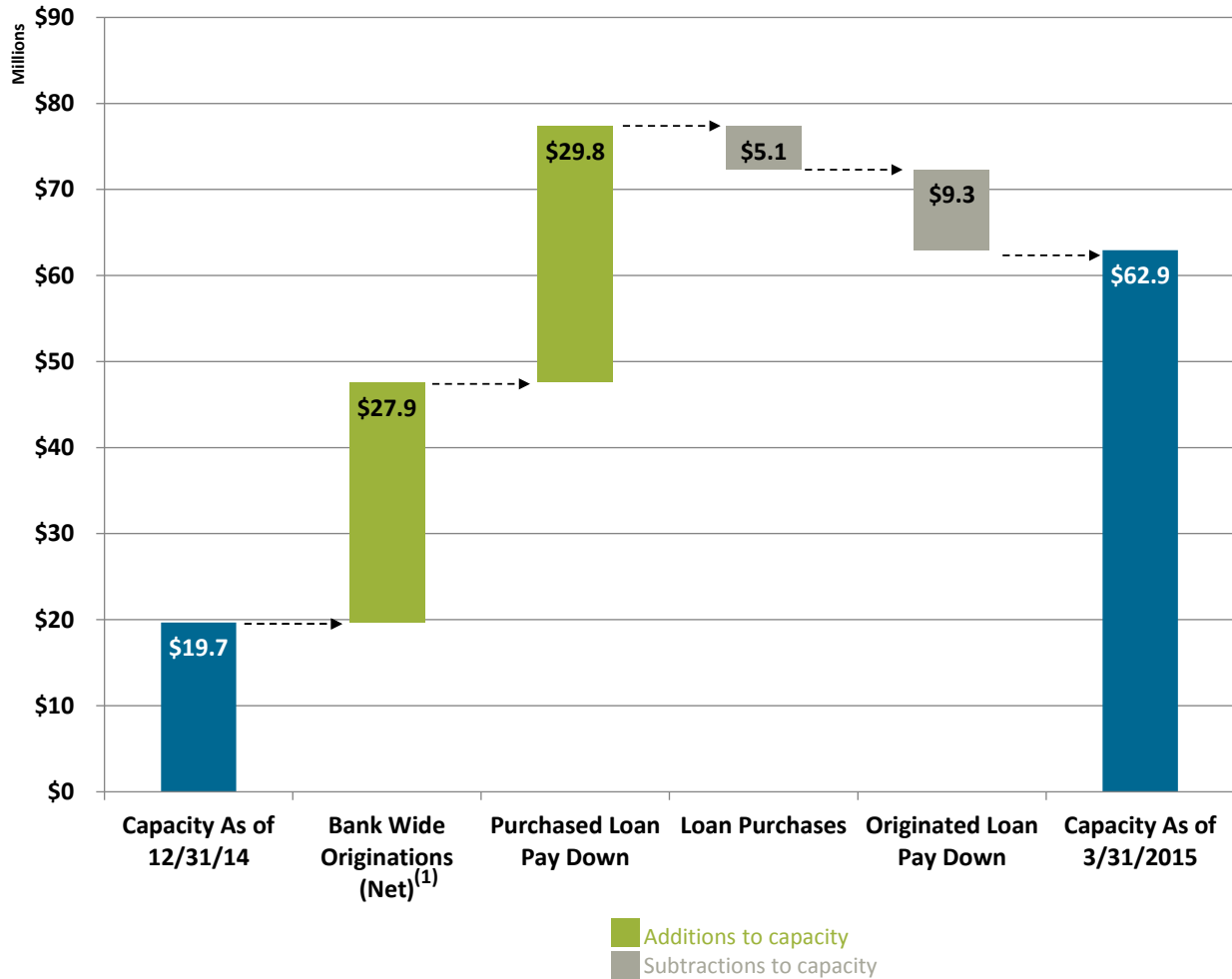
- For the quarter, LASG purchased 14 loans for \$5.1 million of invested dollars on \$5.5 million of unpaid principal balance (92.3% average purchase price)
- 3 separate transactions with the largest deal size of \$2.9 million invested
- Sellers were a mix of banks and opportunity funds

Originations

- For the quarter, LASG originated 8 loans for \$30.7 million of invested dollars
- One \$12 million loan secured by marketable securities was originated to a broker dealer
- Loan size ranged from \$0.4 million to \$12.0 million
- SBA division commenced originations with \$9.4 million of originations within the quarter; \$3.1 million were sold to the secondary market for \$425 thousand of gain⁽¹⁾

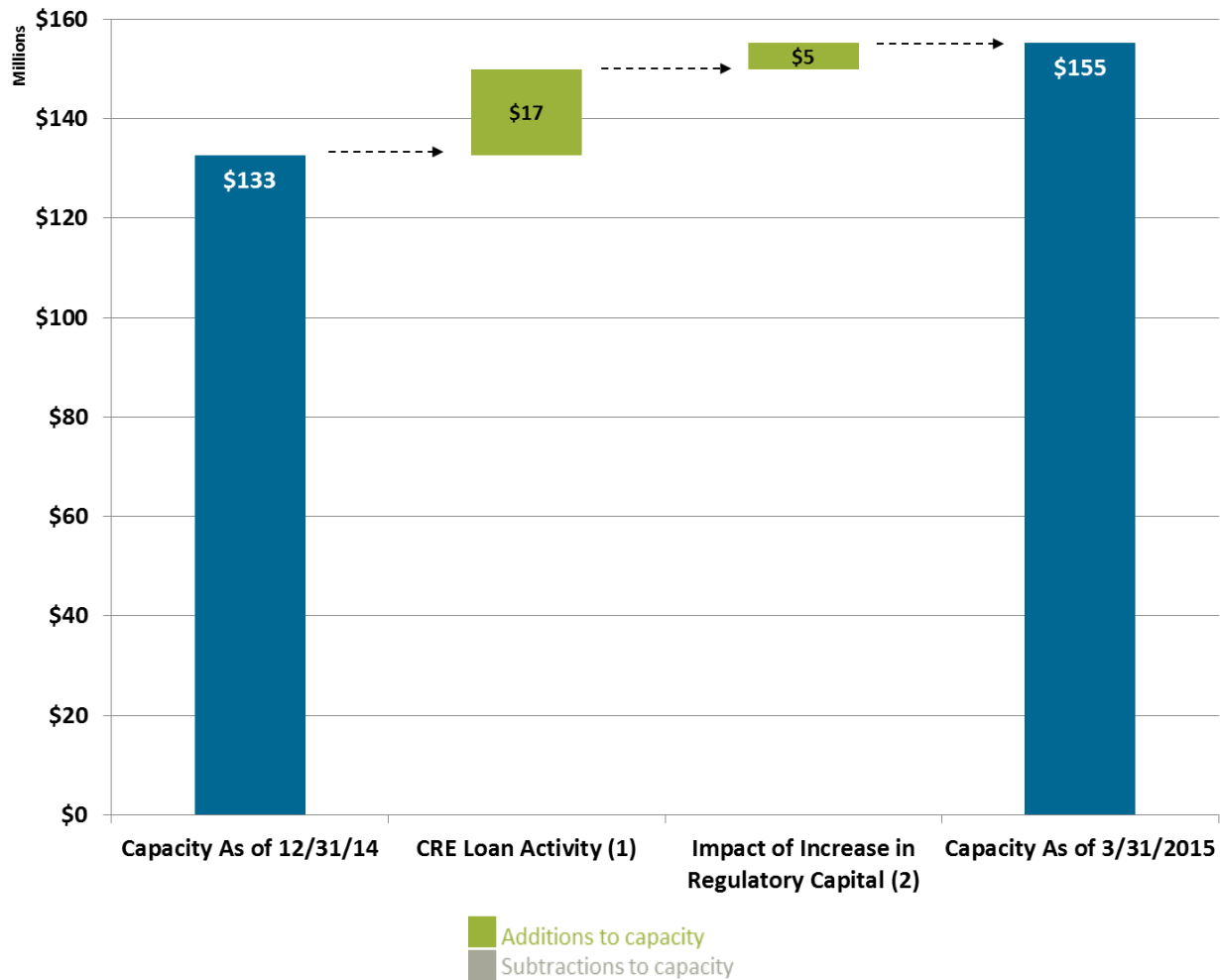
(1) Gain shown includes servicing asset realized of \$118 thousand

Capacity Bridge Under The 40% Purchased Loan Limitation

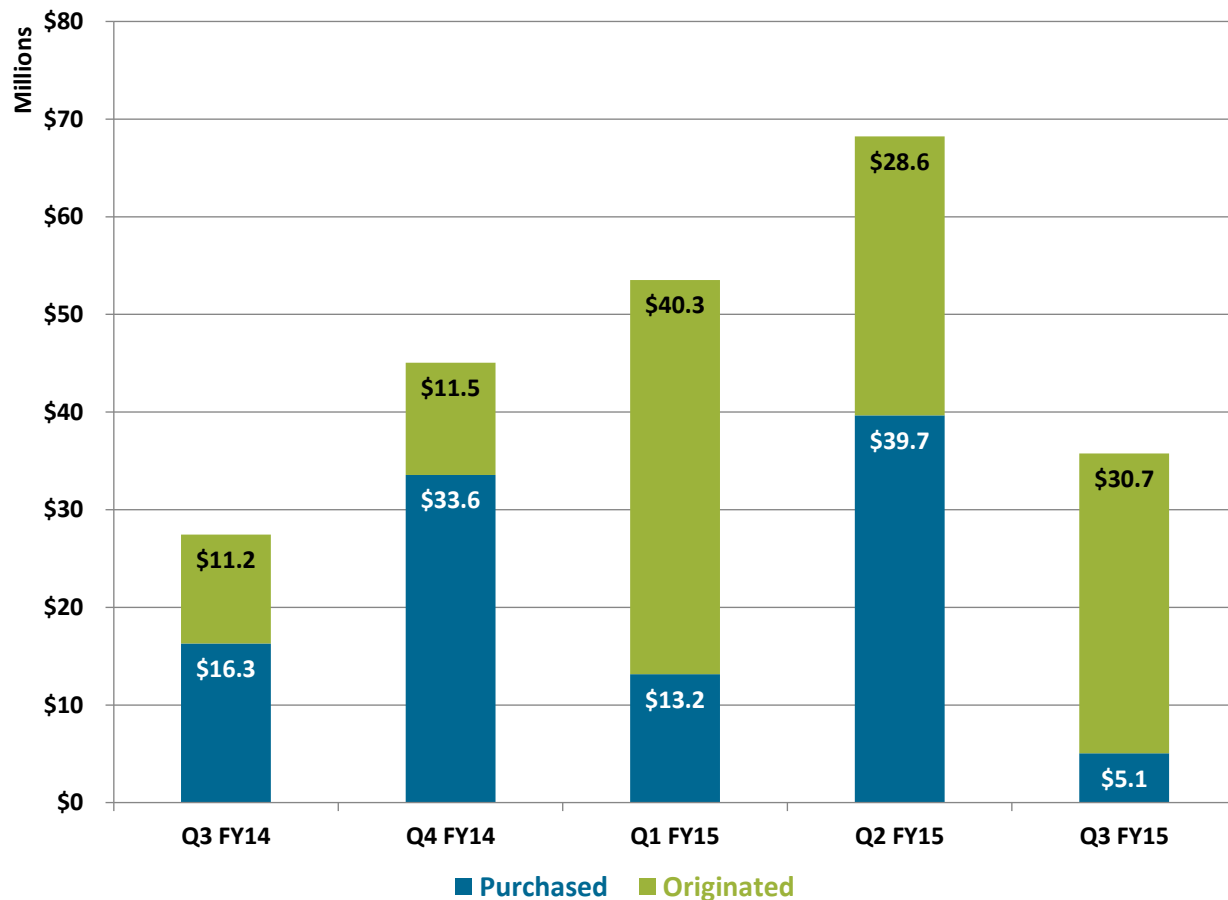


- Capacity under the 40% purchased loan limitation increased by \$43.2 million since previous quarter end
- Every dollar of originations creates 0.67 dollars of purchased loan capacity

Capacity Bridge Under The 300% Non-Owner Occupied CRE Limitation

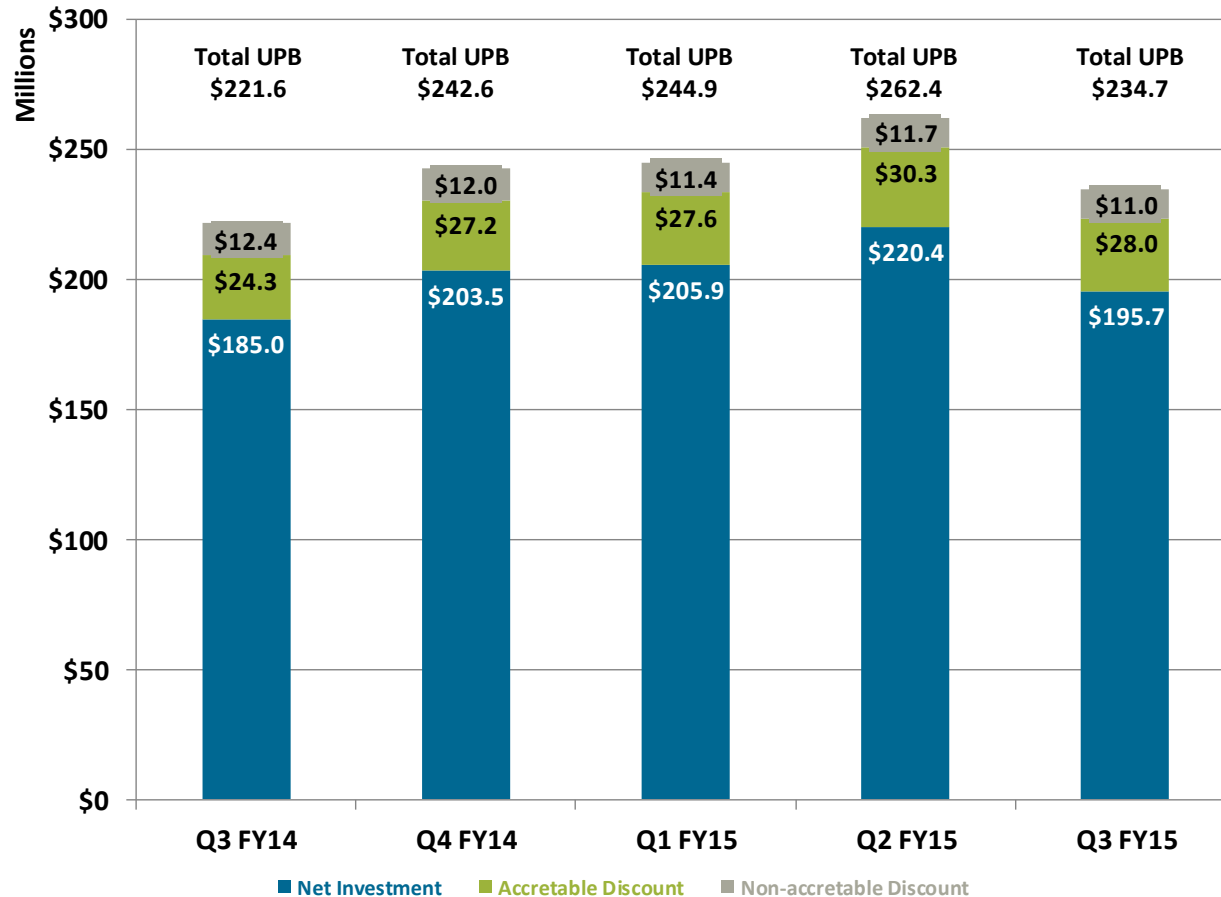


LASG Activity By Trailing 5 Quarters



- LASG purchased 14 loans for \$5.1 million of invested dollars on \$5.5 million of unpaid principal balance (92.3¢ average purchase price)
- \$30.7 million of total originations for Q3 FY15
- Quarterly activity can vary due to the transactional nature of the business

Purchased Loan Investment Basis and Discount Growth By Trailing 5 Quarters



• For the quarter purchased loans decreased by \$29.8 million, generating transactional income of \$2.7 million; purchases were \$5.1 million

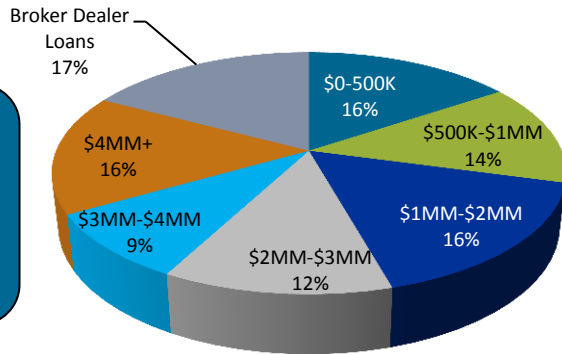
LASG Portfolio – Q3 FY15 Return Summary⁽¹⁾

	Purchased	Traditional Originations	Securities Lending	Totals
Regularly Scheduled Interest & Accretion	8.41%	5.52%	0.46%	6.56%
Gain/(Loss) on Asset Sales	0.73%	0.00%	0.00%	0.46%
Accelerated Accretion & Fees Recognized on Loan Payoffs	4.46%	0.15%	0.00%	2.79%
Total⁽²⁾	13.60%	5.67%	0.46%	9.81%

- Three components drive return:
 - Regularly scheduled interest and accretion
 - Gain on loan & REO sales
 - Accelerated accretion and fees recognized on loan payoffs
- We often achieve results in excess of our targeted yields when a loan is prepaid

LASG Loan Portfolio Statistics As Of March 31, 2015

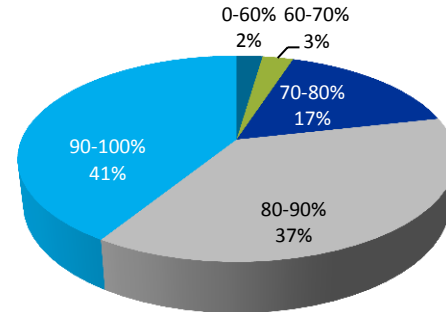
Investment Size



- Average investment is \$793K/loan
- Broker dealer loans are each \$12 million

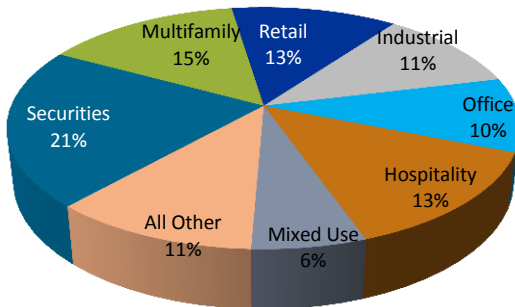
Purchased Loan Net Investment

Basis %



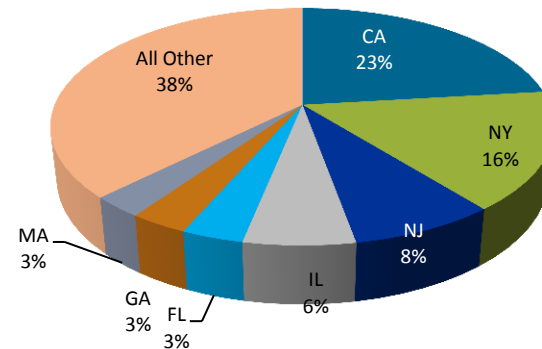
- Net investment basis of 83% for purchased loans

Collateral Type



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

Collateral State⁽¹⁾

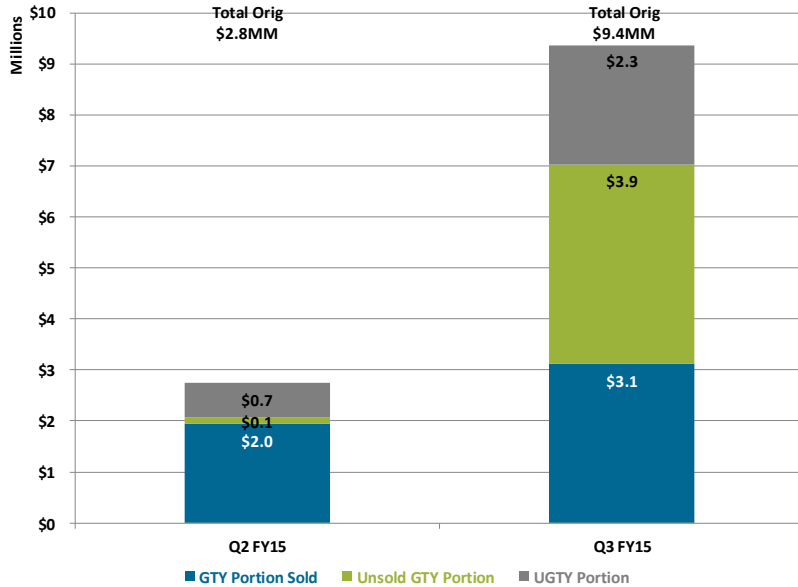


- Geographically diverse with collateral in 36 different states
- CA and NY represent combined 39% of portfolio

(1) Excludes loans to broker dealers

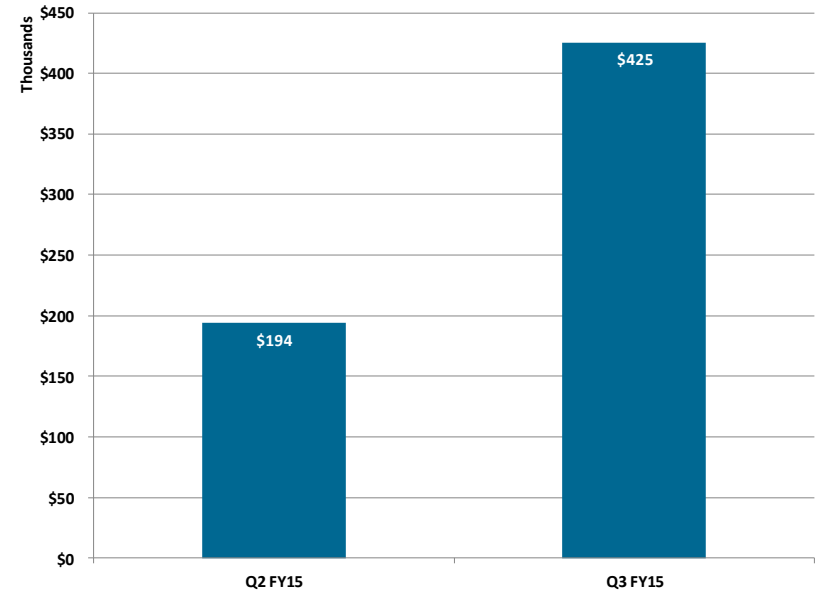
National SBA 7(a) Activity

Originations & Guaranty Sales



- First quarter of national SBA division production was Q2 FY15
- Unsold guaranteed portions of SBA loans are related to loans that are closed near the end of the quarter; however, the guaranteed portion was not sold by quarter end
- Typical 5-10 business day lag between loan closing and guaranty sale

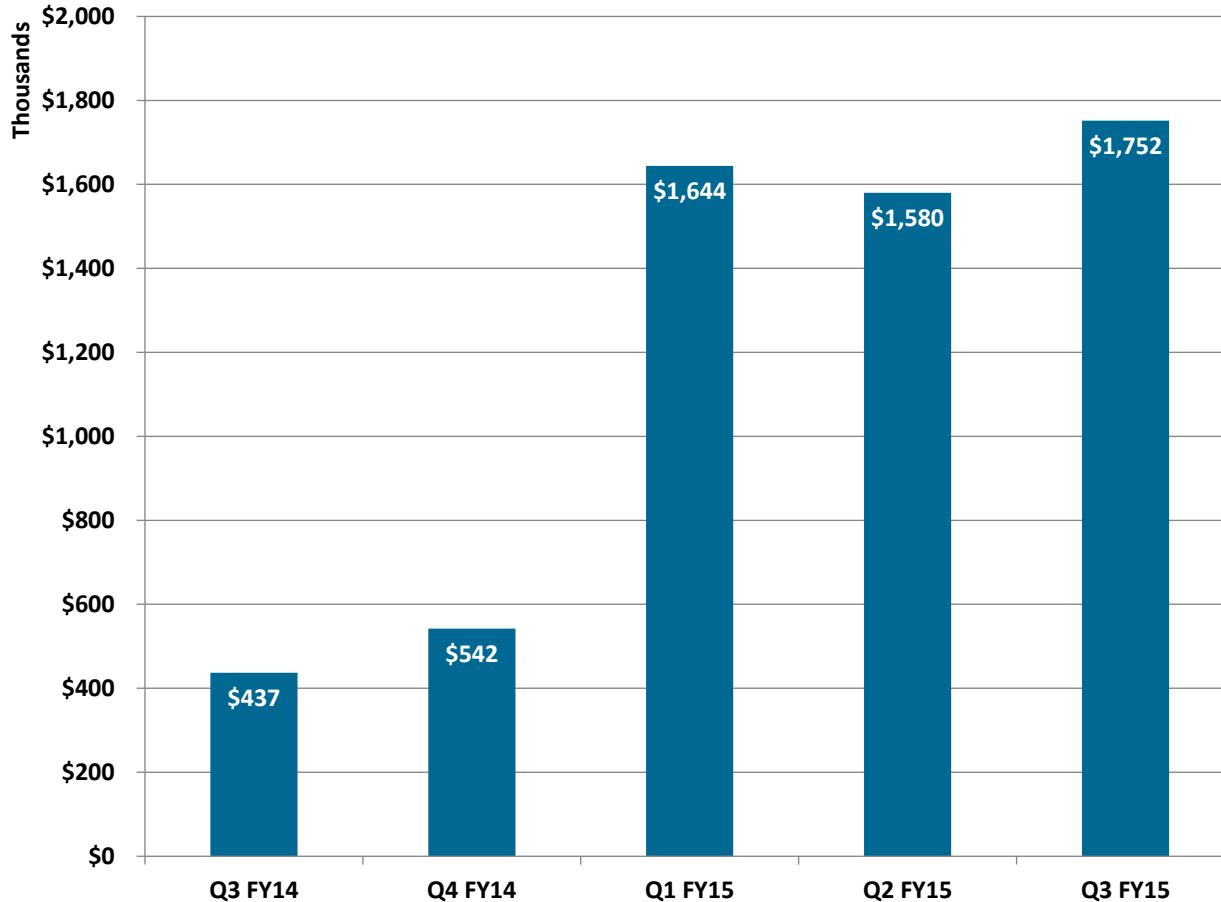
Net Gain on Sale⁽¹⁾



- Net gain on sale presented above includes any servicing asset that is capitalized
- Realized secondary market premiums in Q3 FY15 ranged from 112.1% to 119.4% (note: any premium above 110% is split 50/50 with the SBA)

(1) Does not include gains on sale associated with purchased SBA 7(a) loans

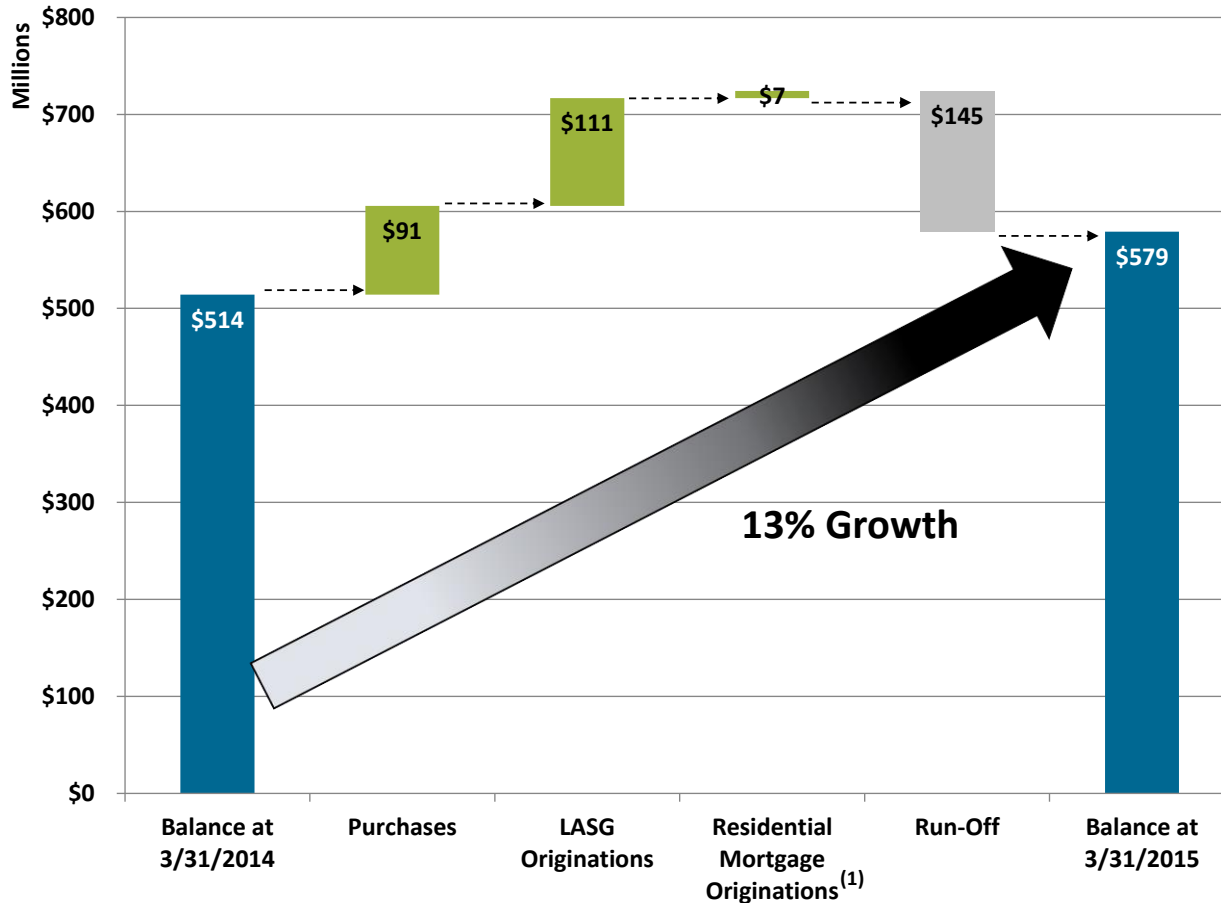
Net Income From Continuing Operations For Trailing 5 Quarters



- Q3 FY14 Includes:
 - \$53K of severance
 - \$135K of core conversion expense
- Q4 FY14 Includes:
 - \$652K of severance
 - \$237K of core conversion expense

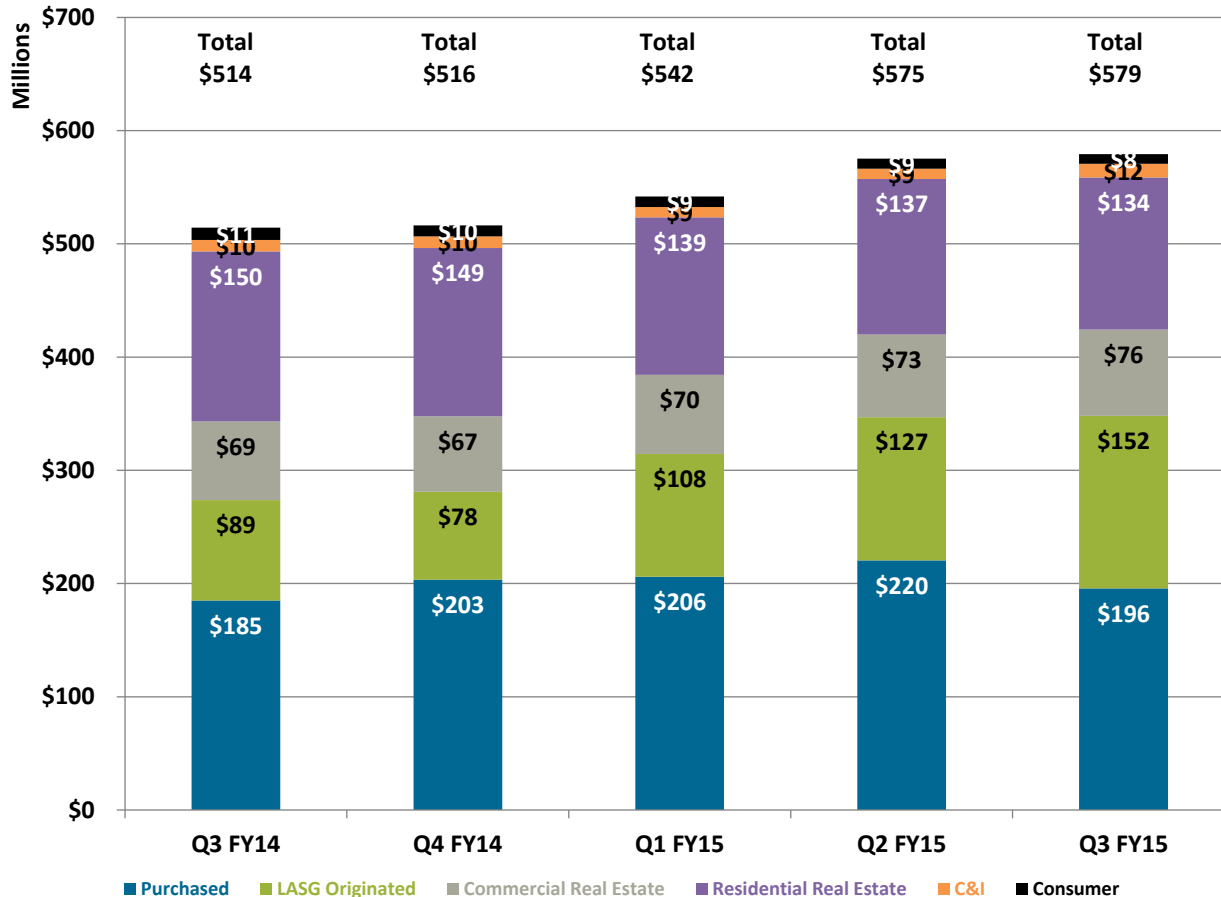
Note: All non-recurring items identified in the box above are pre-tax

Loan Portfolio Roll Forward: 3/31/2014 – 3/31/2015



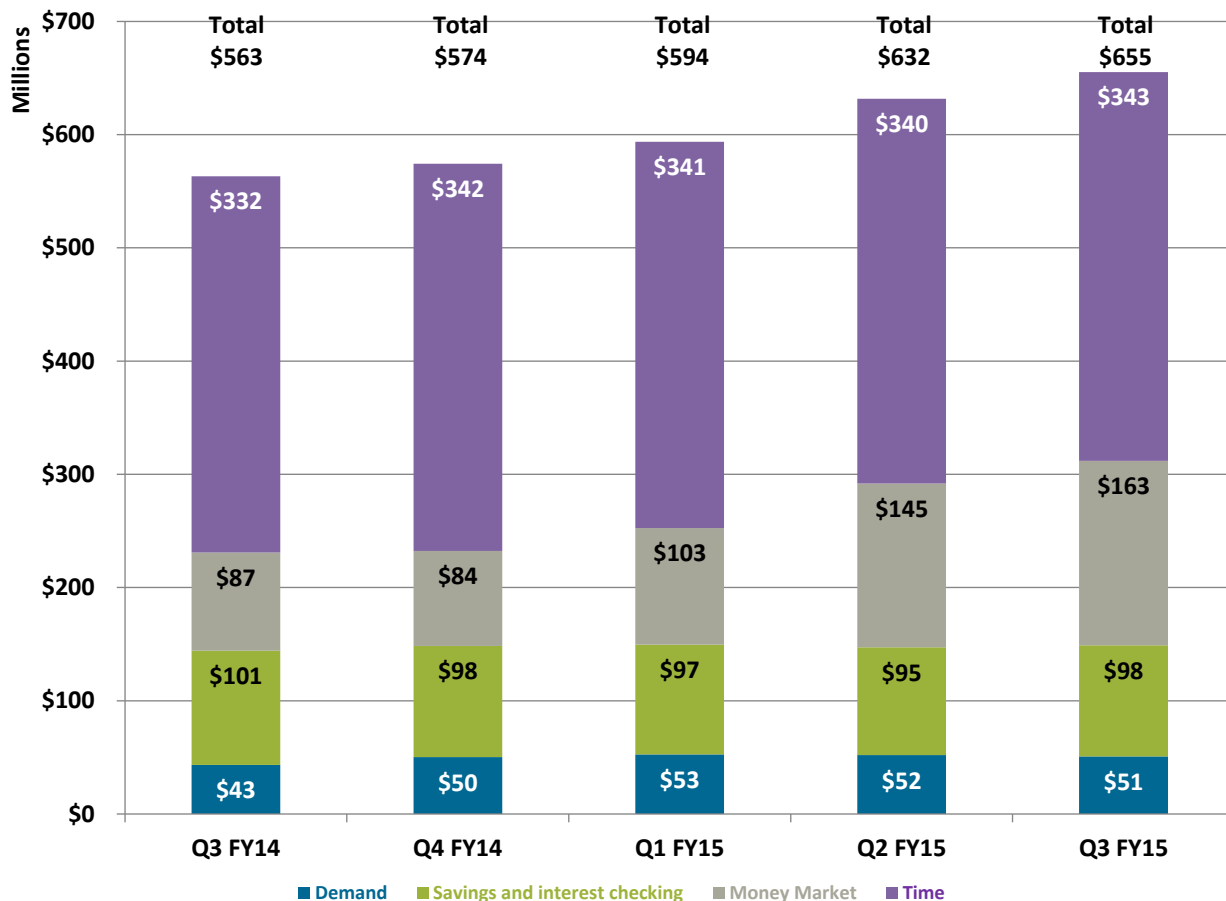
- \$65 million of growth (13%) over the trailing twelve month period
- Approximately \$210 million of purchases and originations over the trailing twelve month period
- 61% of the run-off has been in the purchased book (\$89.1 million), 33% in the LASG originated book (\$47.4 million), and 6% in the community bank (\$8.5 million)

Loan Mix As of Trailing 5 Quarter Ends



- LASG portfolio has increased by \$74 million over the past twelve month period
- The community bank portfolio has decreased by \$9 million over the past twelve month period; residential decreased by \$16 million while the commercial portfolio increased by \$9 million

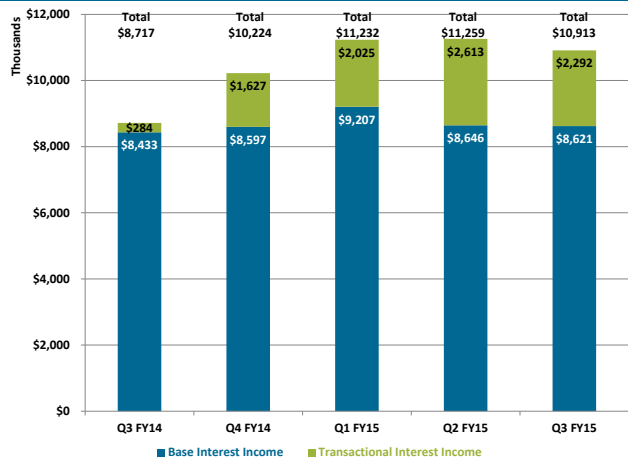
Deposit Mix By Trailing 5 Quarter Ends



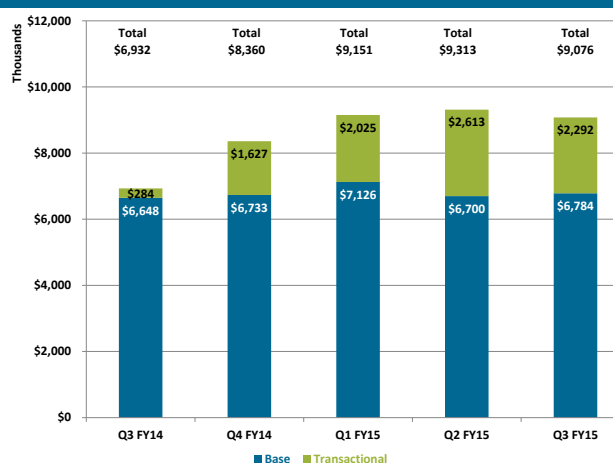
- \$92 million of deposit growth over the past twelve months
- \$23 million in deposit growth in current quarter
- ableBanking money market deposits increased by \$61 million over past 12 months; 91% of able growth has been in the money market product

Key Components of Core Earnings For Trailing 5 Quarters

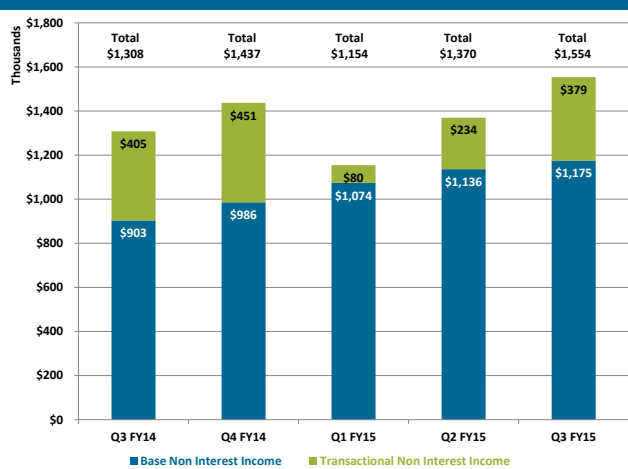
Interest Income



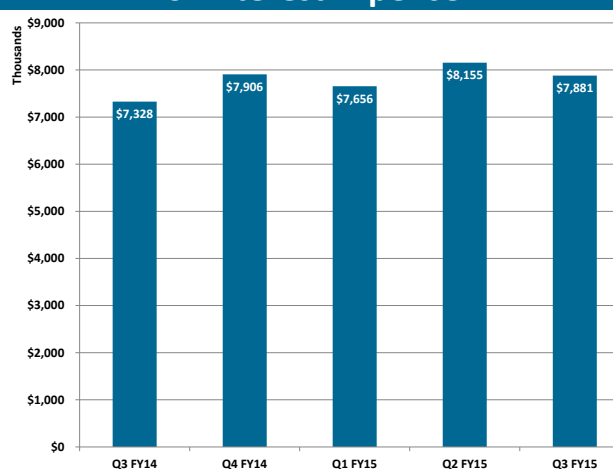
Net Interest Income After Loan Loss Provision



Noninterest Income



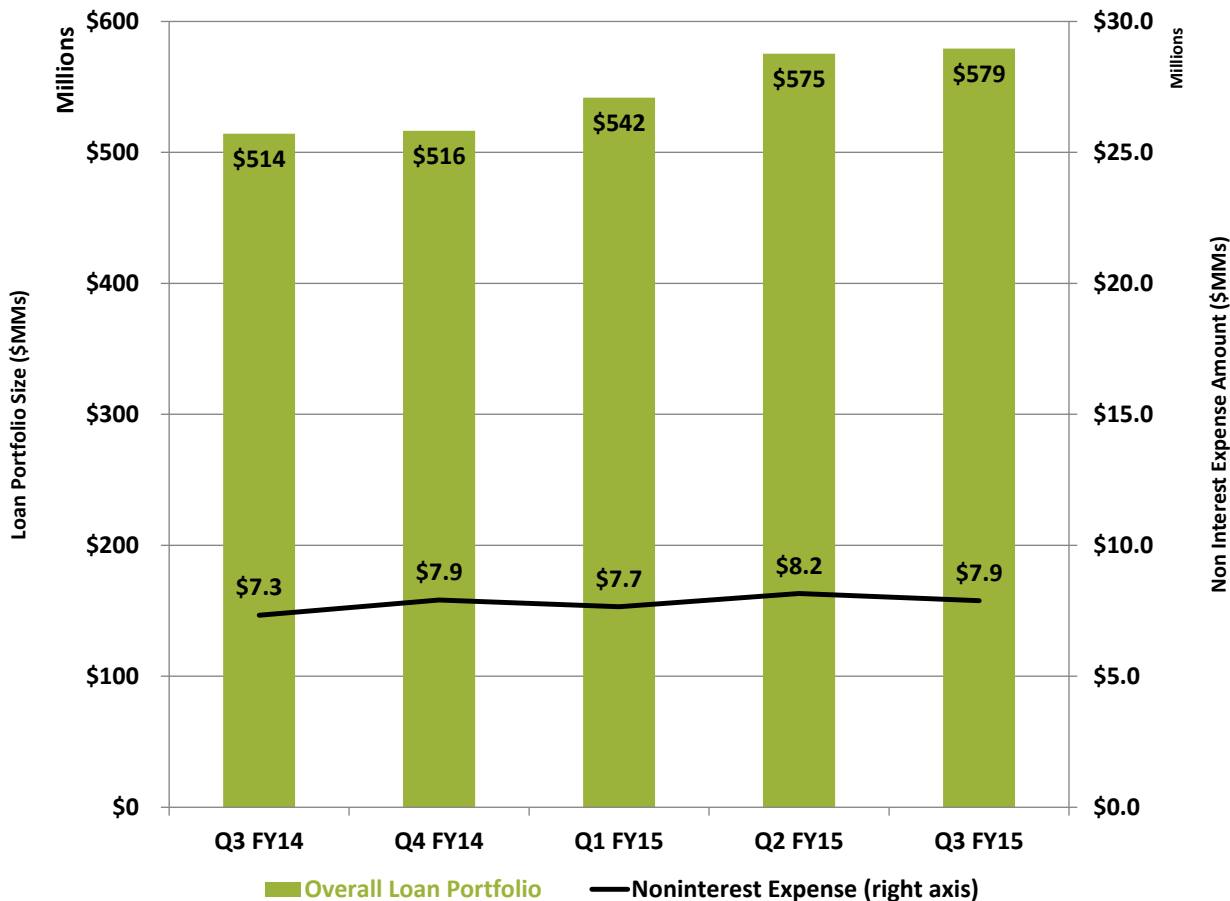
Noninterest Expense (1)



- Base net interest income after provision in Q3 FY15 increased \$0.1 million (2%) over Q3 FY14
- Noninterest expense in Q3 FY15 decreased \$0.3 million (3.4%) from Q2 FY15

(1) Excludes: (a) \$53K of severance and \$135K of core conversion expense incurred in Q3 FY14 and (b) \$652K of severance and \$94K of core conversion expense incurred in Q4 FY14

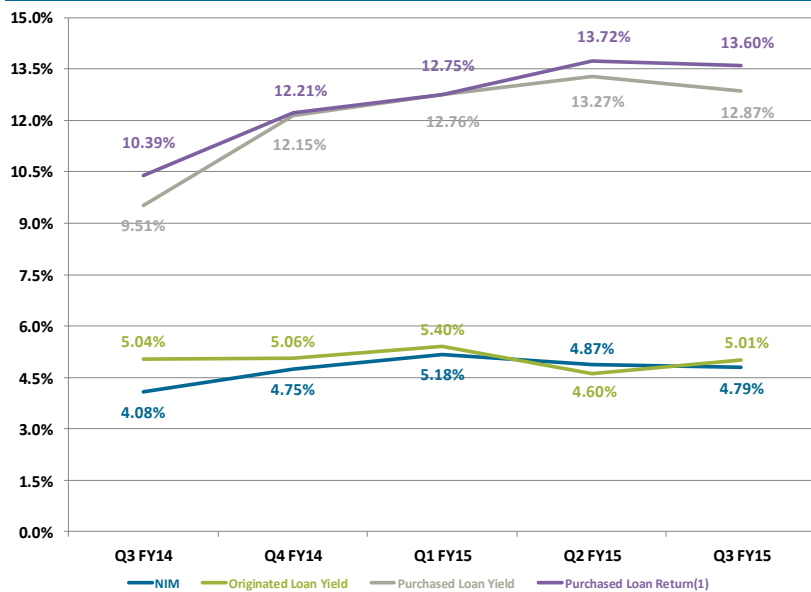
Noninterest Expense For Trailing 5 Quarters Compared To Loan Portfolio At Trailing 5 Quarter Ends



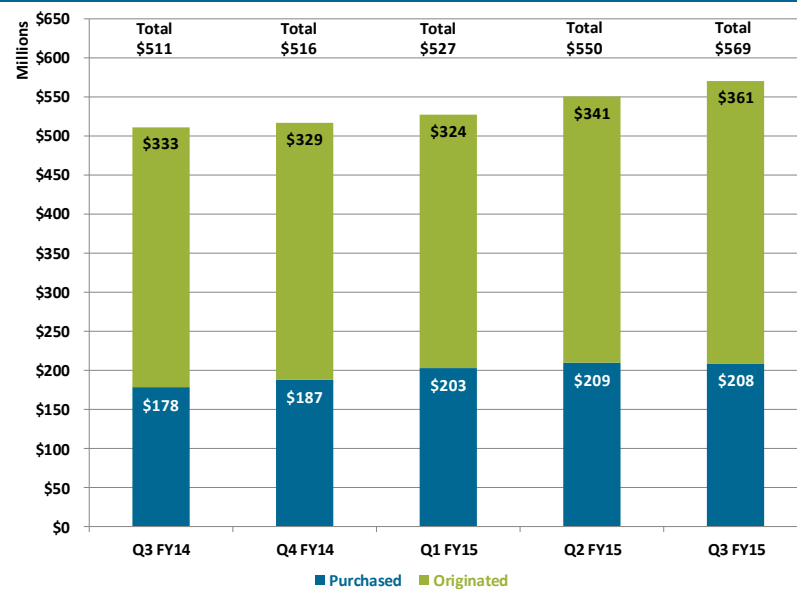
- Noninterest expense excludes non-core items
- Overall bank loan portfolio has grown by \$65 million over past twelve months

Loan Performance & Average Loan Balance For Trailing 5 Quarters

Loan Performance

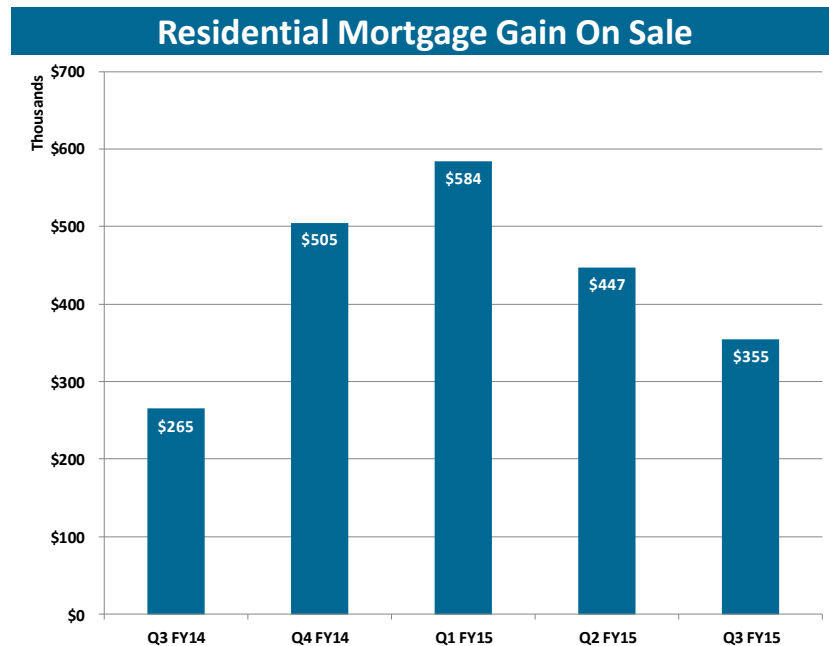
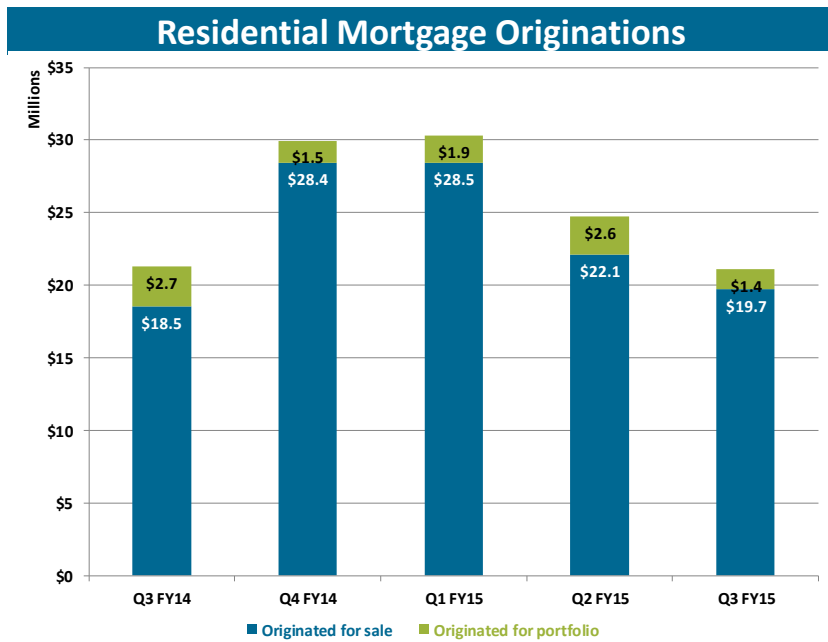


Average Loan Balance For Trailing 5 Quarters⁽²⁾



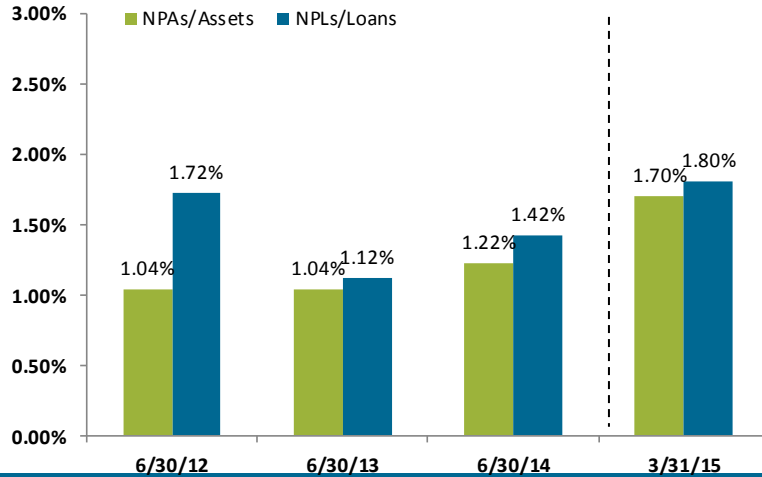
- Q3 FY15 yield for LASG originations (excluding securities) was 5.7% on an average balance of \$75.5 million
- Quarterly purchased loan returns can vary due to the transactional nature of the business
- Q3 FY15 NIM increased 71 basis points over the same quarter one year ago

Residential Mortgage Originations & Gain On Sale By Trailing 5 Quarters

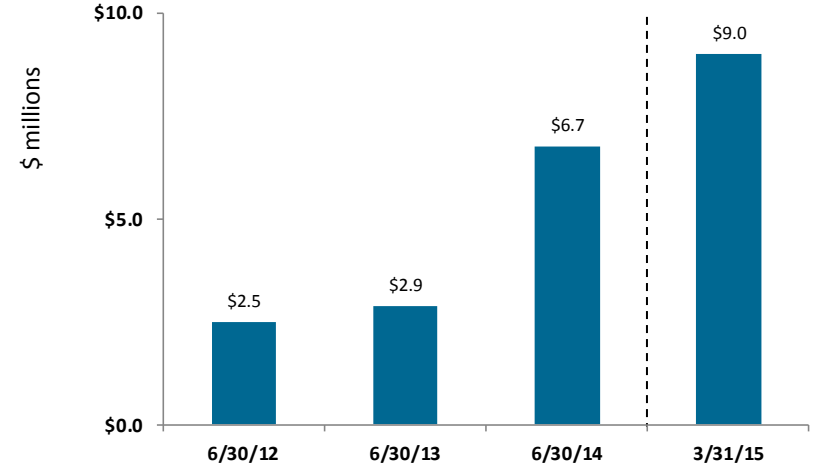


Asset Quality Metrics

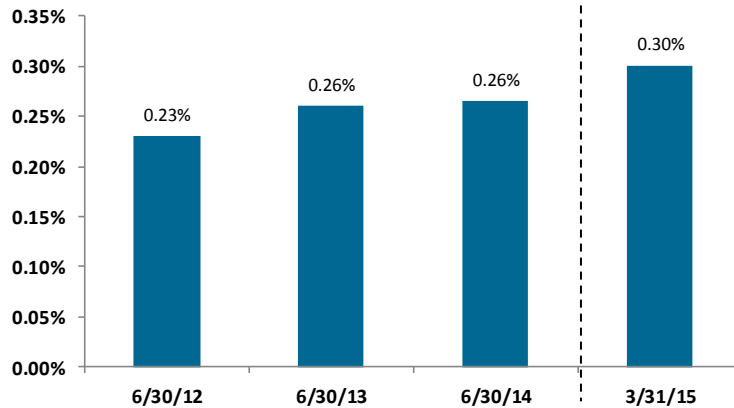
NPAs / Total Assets & NPLs / Total Loans



Classified Commercial Loans⁽¹⁾



Allowance for Loan Losses / Gross Loans



NCOs / Average Loans⁽²⁾

