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# Investor Presentation

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September 30, 2021

Simone Lagomarsino  
President & Chief Executive Officer

Laura Tarantino  
Executive Vice President & Chief Financial Officer

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You're *worth* more here.®

# Forward-Looking Statement

This communication contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our results of operations, financial condition and financial performance. All statements contained in this communication that are not clearly historical in nature are forward-looking, and the words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "impact," "intend," "seek," "may," "outlook," "plan," "potential," "predict," "project," "should," "will," "would" and similar terms and phrases are generally intended to identify forward-looking statements. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Risk factors include, without limitation, the "Risk Factors" referenced in our Annual Report on Form 10-K for the year ended December 31, 2020 and other reports we file with the Securities and Exchange Commission ("SEC"). The risks and uncertainties listed from time to time in our reports and documents filed with the SEC include the following factors: challenges and uncertainties regarding the ongoing and dynamic nature of the COVID-19 pandemic, business and economic conditions generally and in the financial services industry, nationally and within our current and future geographic market areas; economic, market, operational, liquidity, credit and interest rate risks associated with our business; the occurrence of significant natural or man-made disasters, including fires, earthquakes, and terrorist acts; public health crisis and pandemics, including the COVID-19 pandemic, and their effects on the economic and business environments in which we operate, including on our credit quality and business operations, as well as the impact on general economic and financial market conditions; our management of risks inherent in our real estate loan portfolio, and the risk of a prolonged downturn in the real estate market; our ability to achieve organic loan and deposit growth and the composition of such growth; the fiscal position of the U.S federal government and the soundness of other financial institutions; changes in consumer spending and savings habits; technological and social media changes; the laws and regulations applicable to our business; increased competition in the financial services industry; changes in the level of our nonperforming assets and charge-offs; uncertainty regarding the future of LIBOR; our involvement from time to time in legal proceedings and examination and remedial actions by regulators; the composition of our management team and our ability to attract and retain key personnel; material weaknesses in our internal control over financial reporting; systems failures or interruptions involving our information technology and telecommunications systems; and potential exposure to fraud, negligence, computer theft and cyber-crime. Luther Burbank Corporation ("LBC", the "Company", "we", "us", or "our") can give no assurance that any goal or expectation set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements. These forward-looking statements are made as of the date of this communication, and the Company does not intend, and assumes no obligation, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by law.

# Use of Non-GAAP Financial Measures

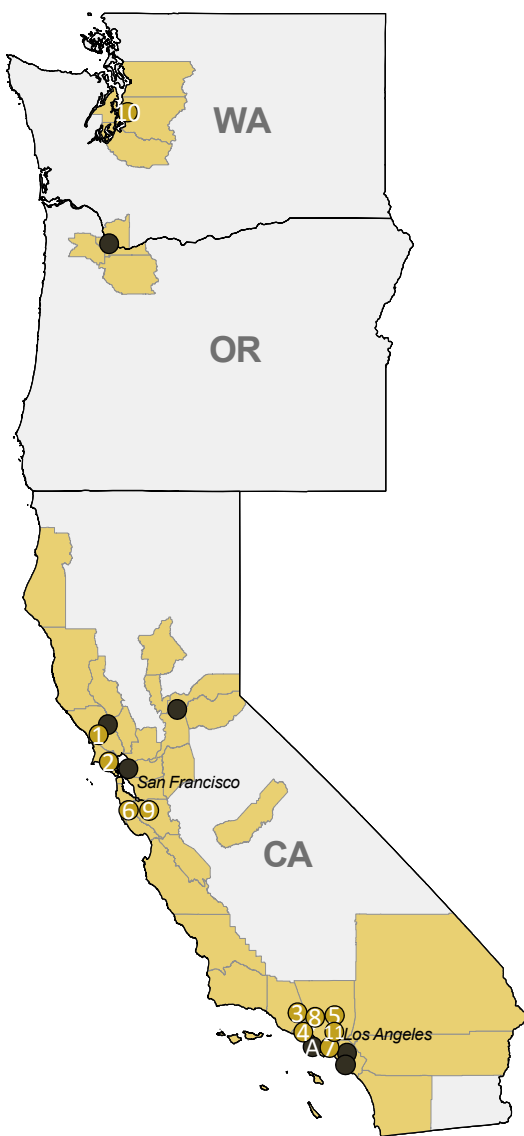
This investor presentation contains certain financial measures that are not measures recognized under U.S. generally accepted accounting principles (“GAAP”) and therefore, are considered non-GAAP financial measures. The Company’s management uses these non-GAAP financial measures in their analysis of the Company’s performance, financial condition and the efficiency of its operations. Management believes that these non-GAAP financial measures provide a greater understanding of ongoing operations and enhance comparability of results with prior periods as well as demonstrate the effects of significant changes in the current period. The Company’s management also believes that investors find these non-GAAP financial measures useful as they assist investors in understanding our underlying operating performance and the analysis of ongoing operating trends. However, the non-GAAP financial measures discussed herein should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the manner in which we calculate the non-GAAP financial measures discussed herein may differ from that of other companies reporting measures with similar names. You should understand how such other banking organizations calculate their similar financial measures or with names similar to the non-GAAP financial measures we have discussed herein when comparing such non-GAAP financial measures.

Below is a listing of the non-GAAP financial measures used in this investor presentation.

- Pro forma net income and efficiency ratio, for the year ended December 31, 2020, are provided to reverse the impact of a material non-recurring cost incurred in connection with the prepayment of long-term FHLB borrowings.
- Pro forma items include provision for income taxes, net income, return on average assets, return on average equity and earnings per share. Prior to January 1, 2018, these pro forma amounts are calculated by adding back our franchise S-Corporation tax to net income, and using a combined C-Corporation effective tax rate for Federal and California income taxes of 42.0%. This calculation reflects only the changes in our status as a S-Corporation and does not give effect to any other transaction.
- Efficiency ratio is defined as noninterest expenses divided by operating revenue, which is equal to net interest income plus noninterest income.
- Tangible book value and tangible stockholders’ equity to tangible assets are non-GAAP measures that exclude the impact of goodwill and are used by the Company’s management to evaluate capital adequacy. Because intangible assets such as goodwill vary extensively from company to company, we believe that the presentation of these non-GAAP financial measures allows investors to more easily compare the Company’s capital position to other companies.
- Tangible book value per share is defined as tangible stockholders' equity divided by period end shares outstanding.

A reconciliation to these non-GAAP financial measures to the most directly comparable GAAP measures are provided in the appendix to this investor presentation.

# Franchise Overview and Financial Highlights



## Our Small Network of Large Branches<sup>(1)</sup>

#	Branch Location	Date Established	Deposits (\$mm)
1	Santa Rosa	Oct. 1983	\$ 1,155.8
2	San Rafael	Sep. 1996*	587.9
3	Encino	Aug. 2007	498.1
4	Beverly Hills	Jul. 2010	387.9
5	Pasadena	May 2009	342.4
6	Los Altos	Aug. 2000	336.8
7	Long Beach	Jun. 2015	315.3
8	Toluca Lake	Jan. 2008	300.3
9	San Jose	Jun. 2012	141.7
10	Bellevue	Jun. 2018	123.9
11	El Segundo	Jan. 2020	64.3
	Specialty Deposits		1,198.1
	Wholesale Deposits		<u>134.7</u>
A	Corporate Office		1,332.8
	<b>Total Deposits</b>		<b>\$ 5,587.2</b>

- Branch (11)
- Loan Production Office (7)

\*\* Highlighted counties indicate primary lending markets

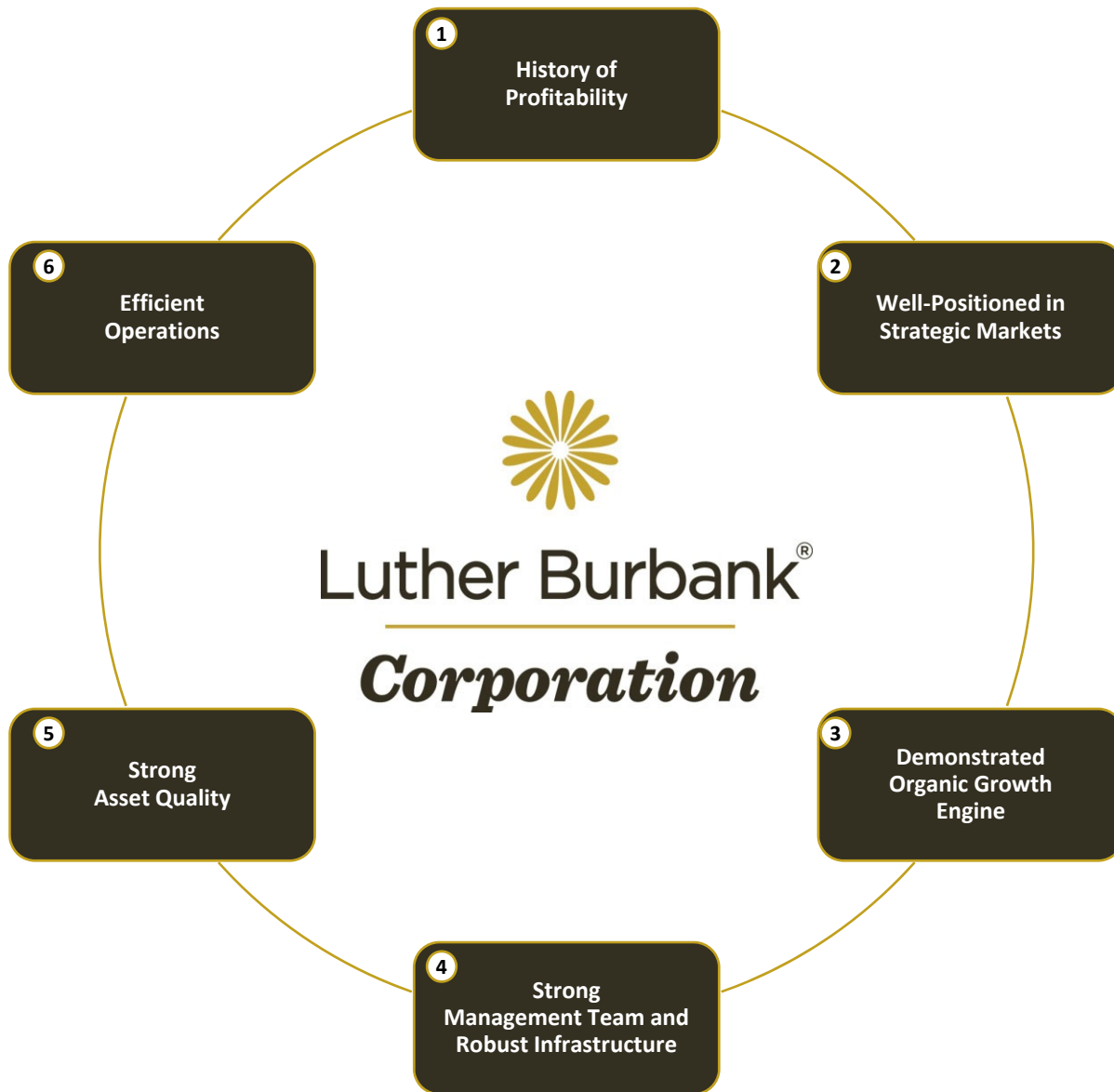
## Financial Highlights<sup>(1)</sup>

	Actual
Total Assets (\$mm)	\$7,221
Total Loans HFI(\$mm)	\$6,344
Total Deposits (\$mm)	\$5,587
Loans / Deposits	114%
Tangible Book Value Per Share	\$12.59
Tangible Common Equity / Tang. Assets	9.0%
Leverage Capital Ratio	9.6%
Total Risk-Based Capital Ratio	19.0%
Total CRE Loans <sup>(2)</sup> / Total Risk-Based Capital	593%
ROAA	1.20%
ROAE	13.48%
Net Interest Margin	2.34%
EPS - Fully Diluted	\$1.24
Efficiency Ratio	34.9%
Noninterest Expense / Avg. Assets	0.82%
NPAs / Assets	0.01%
ALLL / Loans HFI	0.59%
Full-Time Employees (FTE)	277

(1) Financial data as of or for the nine months ended 9/30/2021. See Non-GAAP Reconciliation in Appendix hereto.

(2) Includes multifamily residential, commercial real estate, and construction loans.

# Key Highlights



## 1. History of Profitability

- Recorded consecutive quarterly profits since our second quarter of operations
- Survived and prospered through numerous economic cycles during our more than 37-year history

## 2. Well-Positioned in Strategic Markets

- Western United States in supply-constrained markets with strong job growth and limited affordable housing
- Achieve deeper penetration of our lending and deposit gathering operations in our attractive core markets
- Expand into other major metropolitan markets that share key demographic characteristics with our core markets

## 3. Demonstrated Organic Growth Engine

- **Multifamily:** professional real estate investors focused on investing in stable, cash-flowing assets
- **Single Family:** primary residence, second home or investment property
- **Retail Deposits:** strong base built on a high level of service, competitive rates and our reputation for strength and security

## 4. Strong Management Team and Robust Infrastructure

- Led by President & CEO Simone Lagomarsino (30+ years of banking experience)
- Invested heavily in people and infrastructure over the last several years

## 5. Strong Asset Quality

- Our most important focus
- Strict, quality oriented underwriting and credit monitoring processes
- 0.01% NPAs / Total Assets

## 6. Efficient Operations

- Maintain a small network of large branches (\$387 million avg. branch size)
- 34.9% efficiency ratio, 0.82% noninterest expense / average assets and 277 FTEs

Note: Financial data as of or for the nine months ended 9/30/2021. See Non-GAAP Reconciliation in Appendix hereto.

# Top Multifamily Lenders in the United States

## Top 25 Banks and Thrifts by Multifamily Loans

<i>(Dollars in billions)</i>			As of June 30, 2021		Multifamily Loans Change Since (%)		Delinquency	
Rank	Institution Name	Headquarters	Total Assets	Multifamily Loans	March 31, 2021	June 30, 2020	% of Multifamily <sup>(1)</sup>	Change Since (bps) June 30, 2020
1.	JPMorgan Chase & Co.	New York, NY	3,684.3	72.50	0.2	(3.5)	0.41	26
2.	New York Community Bancorp, Inc.	Westbury, NY	57.5	32.57	1.1	3.0	0.05	3
3.	Wells Fargo & Co.	San Francisco, CA	1,946.0	16.98	11.3	15.5	0.79	61
4.	Signature Bank	New York, NY	97.2	15.47	(1.0)	1.7	0.18	(14)
5.	First Republic Bank	San Francisco, CA	161.6	14.80	4.7	12.2	0.02	2
6.	Capital One Financial Corporation	McLean, VA	423.4	11.16	(6.0)	(9.9)	1.31	34
7.	PNC Financial Services Group, Inc.	Pittsburgh, PA	554.8	8.69	28.1	36.7	0.89	59
8.	Citigroup Inc.	New York, NY	2,327.9	8.37	6.2	(0.6)	0.04	(173)
9.	Santander Holdings USA Inc.	Boston, MA	155.2	8.14	0.1	(4.9)	1.80	64
10.	Investors Bancorp Inc.	Short Hills, NJ	26.8	7.56	4.5	2.1	0.53	(69)
11.	MUFG Americas Holding Corp.	New York, NY	165.3	7.20	(0.4)	(4.0)	1.98	172
12.	Pacific Premier Bancorp, Inc.	Irvine, CA	20.5	5.24	3.4	0.2	0.00	(6)
13.	Valley National Bancorp	New York, NY	41.3	5.11	2.0	(2.6)	0.24	10
14.	TD Group US Holdings LLC	Wilmington, DE	514.2	4.92	1.5	5.8	0.42	14
15.	Bank of America Corp.	Charlotte, NC	3,029.9	4.86	1.3	(12.0)	0.14	9
16.	Truist Financial Corp.	Charlotte, NC	522.0	4.63	(4.8)	(16.5)	0.06	(3)
17.	M&T Bank Corporation	Buffalo, NY	150.6	4.32	(2.7)	(6.3)	0.60	14
<b>18.</b>	<b>Luther Burbank Corporation</b>	<b>Santa Rosa, CA</b>	<b>7.3</b>	<b>4.28</b>	<b>4.2</b>	<b>4.9</b>	<b>0.03</b>	<b>2</b>
19.	Sterling Bancorp	Pearl River, NY	29.1	4.28	(2.5)	(6.6)	0.31	(1)
20.	KeyCorp	Cleveland, OH	181.5	4.28	1.6	(4.4)	0.31	(29)
21.	U.S. Bancorp	Minneapolis, MN	558.9	4.09	4.3	4.4	0.37	6
22.	PacWest Bancorp	Beverly Hills, CA	34.9	3.93	11.9	11.9	0.00	0
23.	CIBC Bancorp USA Inc.	Chicago, IL	59.8	3.92	5.5	2.8	0.00	0
24.	Umpqua Holdings Corporation	Portland, OR	30.3	3.62	3.9	2.7	0.02	0
25.	Dime Community Bancshares Inc. <sup>(3)</sup>	Hauppauge, NY	12.7	3.51	(1.8)	316.0	3.53	353
<b>Banking Industry Aggregate<sup>(2)</sup></b>				<b>490.52</b>	<b>2.1</b>	<b>3.5</b>	<b>0.45</b>	<b>11</b>

Source: S&P Global Market Intelligence

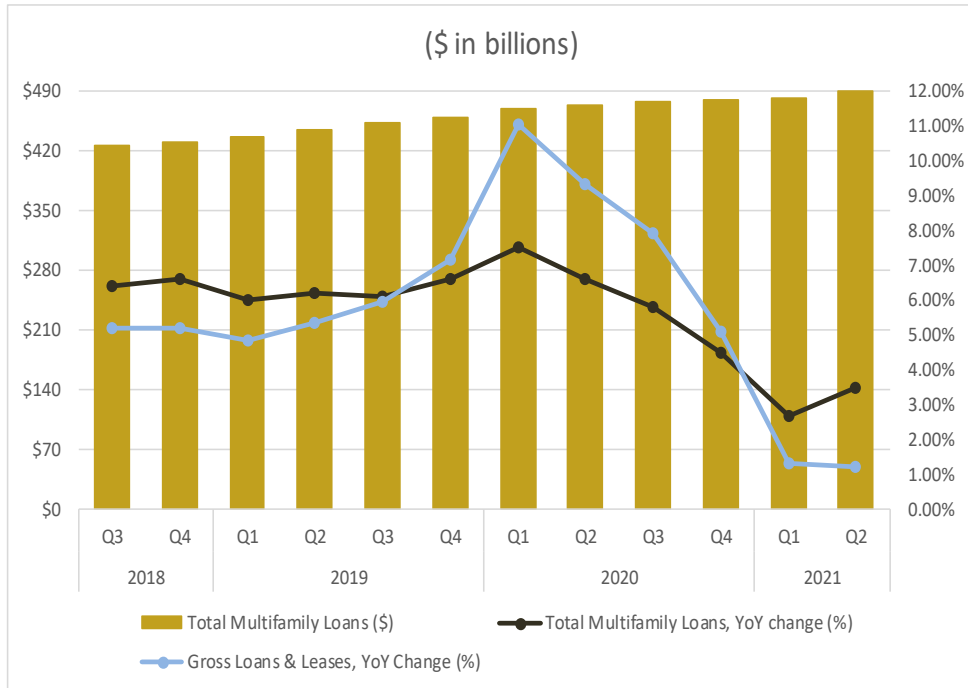
(1) Represents delinquent multifamily loans as a percentage of total multifamily loans as June 30, 2021. Delinquent loans include 30+ days past due and nonaccrual loans.

(2) Includes all U.S. commercial banks, savings banks and savings and loan associations.

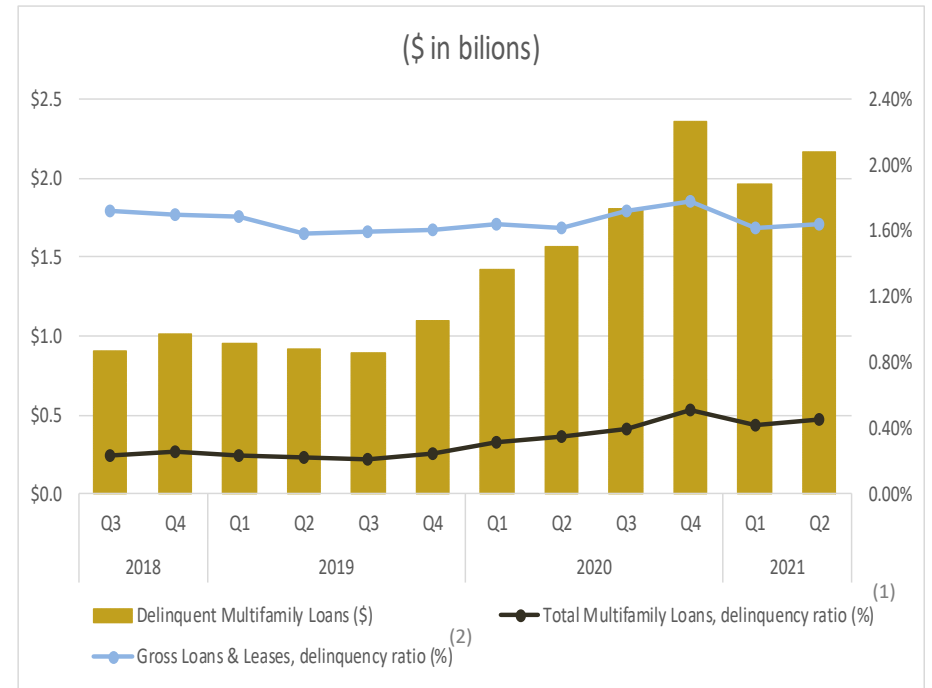
(3) Dime Community Bancshares Inc. completed a merger with Bridge Bancorp Inc. on February 1, 2021. Historical data is for Dime Community.

# Multifamily Loans - Industry Trends

## Multifamily Loan Growth



## Multifamily Loan Delinquencies



Source: S&P Global Market Intelligence

Analysis includes all U.S. commercial banks, savings banks and savings and loan associations.

(1) Represents nonaccrual and past due multifamily loans as a percentage of total multifamily loans.

(2) Represents nonaccrual and past due gross loans and leases as a percentage of gross loans and leases.

# Luther Burbank Peer Group

➤ Includes all major exchange-traded banks and thrifts nationwide as of and for the quarter ended June 30, 2021 with:

- ✓ Total assets > \$1 billion    ✓ Gross loans / assets > 65%    ✓ Multifamily loans / total loans > 30%    ✓ MFR + SFR + CRE / total loans > 75%

General Information					Profitability							Capital & Balance Sheet Ratios				Asset Quality <sup>(1)</sup>			Bal. Sheet Growth <sup>(2)</sup>	
Institution Name	Ticker	State	Total Assets (\$bn)	Multifamily Loans (\$bn)	ROAA (%)	ROAE (%)	NIM (%)	Yield on Loans (%)	Cost of Deposits (%)	NIE / Avg. Assets (%)	Eff. Ratio (%)	TCE / TA (%)	Leverage Ratio (%)	Total Capital Ratio (%)	Loans / Deposits (%)	LLR / Loans (%)	NPA / + OREO (%)	NCO / Avg. Loans (%)	Gross Loans CAGR (%)	Total Deposits CAGR (%)
<b>Luther Burbank Corporation</b>	<b>LBC</b>	<b>CA</b>	<b>7.3</b>	<b>4.3</b>	<b>1.19</b>	<b>13.32</b>	<b>2.34</b>	<b>3.42</b>	<b>0.74</b>	<b>0.78</b>	<b>33.5</b>	<b>8.8</b>	<b>9.7</b>	<b>18.3</b>	<b>118</b>	<b>0.64</b>	<b>0.03</b>	<b>0.00</b>	<b>7.3</b>	<b>9.3</b>
<b>Peer Group:</b>																				
1. Bridgewater Bancshares, Inc.	BWB	MN	3.2	0.8	1.43	15.36	3.48	4.54	0.74	1.50	NA	9.1	9.1	13.5	94	1.46	0.04	0.00	20.6	22.4
2. Dime Community Bancshares, Inc.	DCOM	NY	12.7	3.5	1.61	17.22	3.11	3.63	0.20	1.72	47.5	7.4	8.2	14.5	86	0.97	0.49	0.04	38.0	40.9
3. First Foundation Inc.	FFWM	TX	7.9	3.3	1.36	11.46	3.29	4.02	0.34	1.86	49.1	8.2	8.3	12.2	84	0.37	0.32	0.01	13.8	23.0
4. Flushing Financial Corporation	FFIC	NY	8.2	2.5	0.93	11.95	3.20	4.12	0.40	1.62	57.9	7.8	8.5	13.0	105	0.64	0.49	0.05	7.7	11.2
5. HomeStreet, Inc.	HMST	WA	7.2	2.0	1.60	16.94	3.46	4.08	0.24	2.86	60.2	9.5	9.8	13.6	92	1.06	1.24	0.00	2.8	7.3
6. Investors Bancorp, Inc.	ISBC	NJ	26.8	7.6	1.22	11.42	3.08	NA	0.44	1.66	51.9	10.2	10.6	14.5	108	1.26	0.42	(0.02)	1.8	3.3
7. Kearny Financial Corp.	KRNY	NJ	7.3	2.0	1.01	7.01	2.95	4.03	0.41	1.75	60.7	11.7	11.8	19.7	87	1.19	1.77	0.05	11.8	18.4
8. Malaga Bank, FSB		CA	1.4	1.1	1.47	11.68	2.94	3.87	0.41	0.87	29.4	12.4	12.7	21.9	131	0.30	0.00	0.00	7.6	6.4
9. New York Community Bancorp, Inc.	NYCB	NY	57.5	32.6	1.04	8.82	2.49	3.58	0.38	0.96	40.2	7.2	8.3	13.1	127	0.46	0.13	(0.06)	3.7	4.7
10. Northfield Bancorp, Inc. (Staten Island, NFBK		NJ	5.4	2.5	1.43	10.50	2.97	4.02	0.19	1.44	NA	13.2	12.8	NA	91	1.03	0.40	0.00	5.7	11.2
11. Pacific Premier Bancorp, Inc.	PPBI	CA	20.5	5.2	1.90	14.02	3.45	4.61	0.13	1.86	49.0	9.4	9.8	15.6	78	1.71	0.25	0.03	25.1	34.1
12. Provident Savings Bank, F.S.B.		CA	1.2	0.5	1.18	11.79	2.62	3.75	0.17	1.61	54.8	10.3	10.2	19.8	90	0.88	1.87	0.00	-4.0	0.8
13. Waterstone Financial, Inc.	WSBF	WI	2.2	0.6	3.24	16.45	2.95	4.08	0.40	7.66	NA	19.6	19.5	28.0	130	1.06	0.48	(0.09)	3.9	7.0
<b>Average:</b>					<b>1.49</b>	<b>12.66</b>	<b>3.08</b>	<b>4.03</b>	<b>0.34</b>	<b>2.11</b>	<b>50.1</b>	<b>10.5</b>	<b>10.7</b>	<b>16.6</b>	<b>100</b>	<b>0.95</b>	<b>0.61</b>	<b>0.00</b>	<b>10.6</b>	<b>14.7</b>
<b>Median:</b>					<b>1.43</b>	<b>11.79</b>	<b>3.08</b>	<b>4.03</b>	<b>0.38</b>	<b>1.66</b>	<b>50.5</b>	<b>9.5</b>	<b>9.8</b>	<b>14.5</b>	<b>92</b>	<b>1.03</b>	<b>0.42</b>	<b>0.00</b>	<b>7.6</b>	<b>11.2</b>

Source: S&P Global Market Intelligence. GAAP data when available, otherwise FR Y-9C's and bank call reports as of or for the three months ended 6/30/2021. Note that SNL earnings ratios may differ from Company as SNL annualizes one quarter rather than using data for 12 months.

(1) Nonperforming assets ("NPA") includes performing troubled debt restructurings.

(2) Compound annual growth rate ("CAGR") from 12/31/2017 to 6/30/2021 and reflects the impact from mergers and acquisitions.



# Our Lending Business

## Multifamily Residential Loans

### Markets:

- High barrier to entry for new development; little land to develop
- Limited supply of new housing
- High variance between cost to own and rent

### Deals:

- Stabilized and seasoned assets
- Older, smaller properties with rents at/below market levels, catering to lower and middle income renters

### Sponsors:

- Experienced real estate professionals who desire regular income/cash flow streams and are focused on building wealth steadily over time

## Single Family Residential Loans

### Occupancy Types:

- Both owner-occupied and investor owned

### Broker Network:

- Primarily third party mortgage brokers

### Originations:

- Portfolio lender
- Purchase and refinance transactions

### Underwriting Focus:

- Debt ratios
- Loan to value
- Credit scores
- Borrower's liquidity and cash reserves

## Multifamily Portfolio Highlights

- \$1.6 million average loan balance
- 14.3 average units
- 57% average loan to value ratio
- 1.50x average debt service coverage ratio

## Single Family Portfolio Highlights

- \$849 thousand average loan balance
- 62% average loan to value ratio
- 758 average credit score

**0.01% NPAs / Assets**

**0.01% NPLs / Loans**

Note: Data as of 9/30/2021.

# Our Lending Products

## Multifamily / Commercial Real Estate Lending

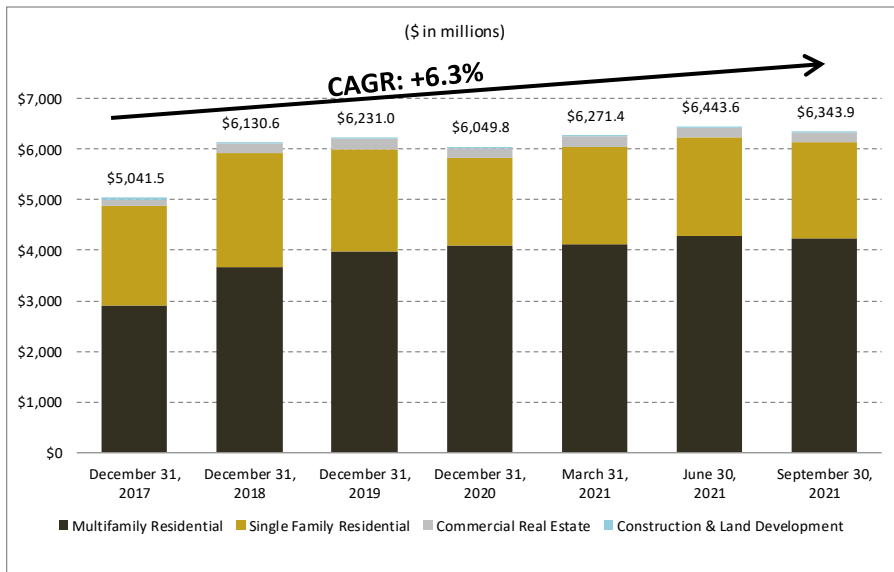
- **First Mortgages**
- **Hybrid Structures**
  - 25- or 30-year amortization
  - 10-, 25- or 30-year maturities
  - 3-, 5-, 7- or 10-year fixed rate periods
- **Interest Only Option**
  - Lower loan-to-value ratios
  - Underwrite at amortizing payment
- **Investor-Owner Purchase or Refinance**
- **Lines of Credit**
  - Real estate secured only/specific business purpose/fully adjustable/short term

## Single Family Residential Lending

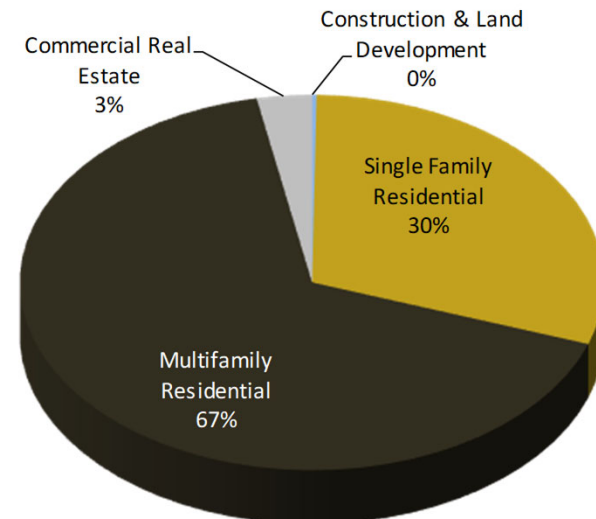
- **First Mortgages**
- **Hybrid Structures**
  - 30- or 40-year amortization
  - 30- or 40-year maturities
  - 3-, 5-, 7- or 10-year fixed rate periods
- **Full Documentation**
- **Interest Only**
- **Purchase or Refinance Transactions**
- **Primary Residence, Second Home or Investor programs**
- **Low- and Moderate-income lending program**
  - 30-year fixed mortgages and forgivable second mortgages

# Loan Portfolio

## Historical Loan Growth

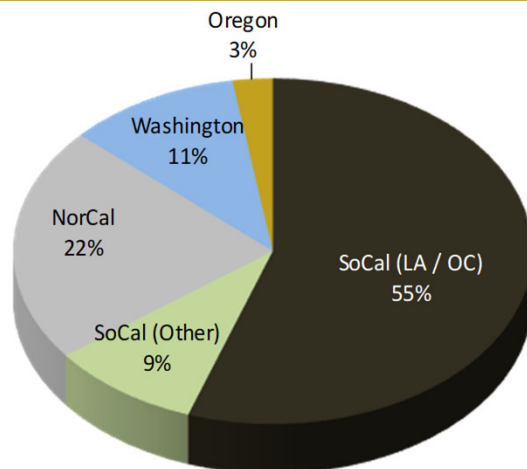


## Loan Portfolio Composition <sup>(1)</sup>

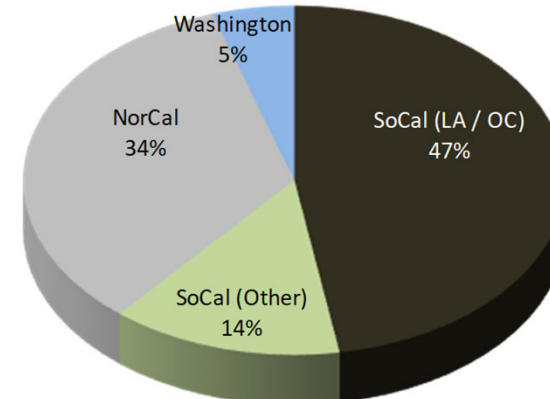


**3.46% yield on loans; 3.73% weighted average coupon**

## Multifamily Loans by Lending Area <sup>(1)</sup>



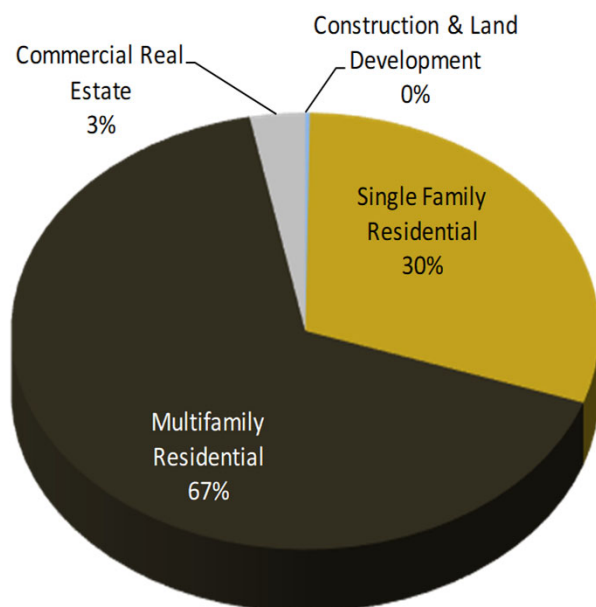
## Single Family Loans by Lending Area <sup>(1)</sup>



(1) As of or for the nine months ended 9/30/2021.

# Commercial Real Estate Loan Detail

## Loan Portfolio Composition <sup>(1)</sup>

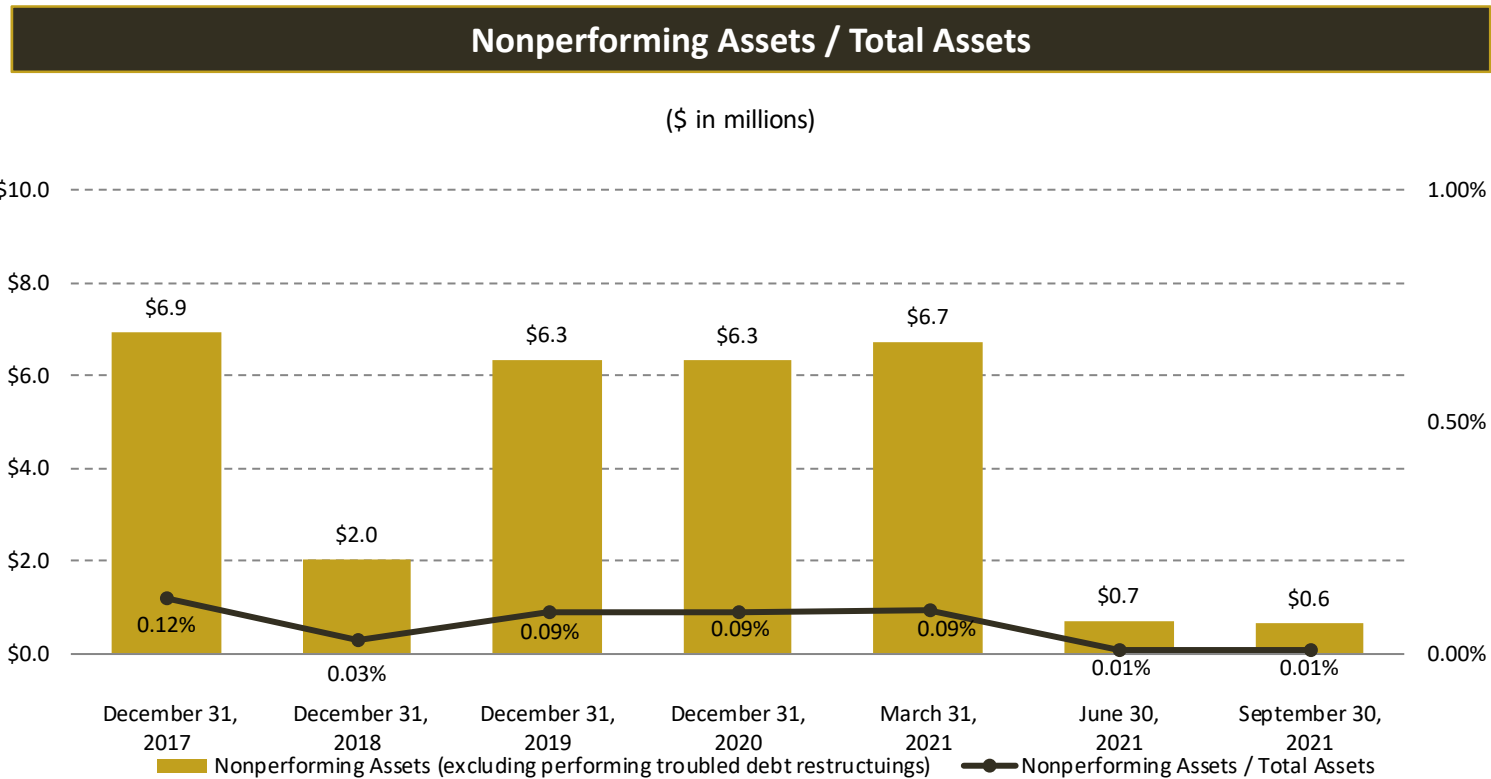


(\$ in 000's)	Count	Balance	Weighted Avg. LTV <sup>(2)</sup>	% of Total Loans
<b>Multifamily Real Estate</b>	<b>2,625</b>	<b>\$ 4,226,685</b>	<b>56.7%</b>	<b>66.6%</b>
<b>Single Family Real Estate</b>	<b>2,247</b>	<b>1,908,297</b>	<b>62.3%</b>	<b>30.1%</b>
<b>Commercial Real Estate Type:</b>				
Strip Retail	22	47,009	50.4%	0.7%
Mid Rise Office	7	38,698	64.1%	0.6%
Low Rise Office	12	23,017	54.2%	0.4%
Medical Office	6	19,434	59.9%	0.3%
Anchored Retail	3	12,047	52.4%	0.2%
Multi-Tenant Industrial	7	10,730	47.6%	0.2%
More than 50% commercial	11	10,620	46.5%	0.2%
Shopping Center	4	8,645	49.8%	0.1%
Unanchored Retail	7	8,364	43.7%	0.1%
Shadow Retail	4	6,884	60.1%	0.1%
Flex Industrial	2	2,448	63.1%	0.0%
Warehouse	3	2,431	45.5%	0.0%
Restaurant	2	1,504	33.7%	0.0%
Light Manufacturing	1	1,309	48.3%	0.0%
Other	1	84	16.0%	0.0%
<b>Commercial Real Estate</b>	<b>92</b>	<b>193,224</b>	<b>54.3%</b>	<b>3.0%</b>
<b>Construction &amp; Land Development</b>	<b>7</b>	<b>15,655</b>	<b>62.2%</b>	<b>0.3%</b>
<b>Total</b>	<b>4,971</b>	<b>\$ 6,343,861</b>	<b>58.3%</b>	<b>100.0%</b>

(1) As of 9/30/2021.

(2) Construction and land development LTV is calculated based on an "as completed" property value.

# Asset Quality



## Culture

- Risk management is a core competency of our business
- Extensive expertise among our lending and credit administration staff and executive officers
- Credit decisions are made efficiently and consistent with our underwriting standards



## Approach

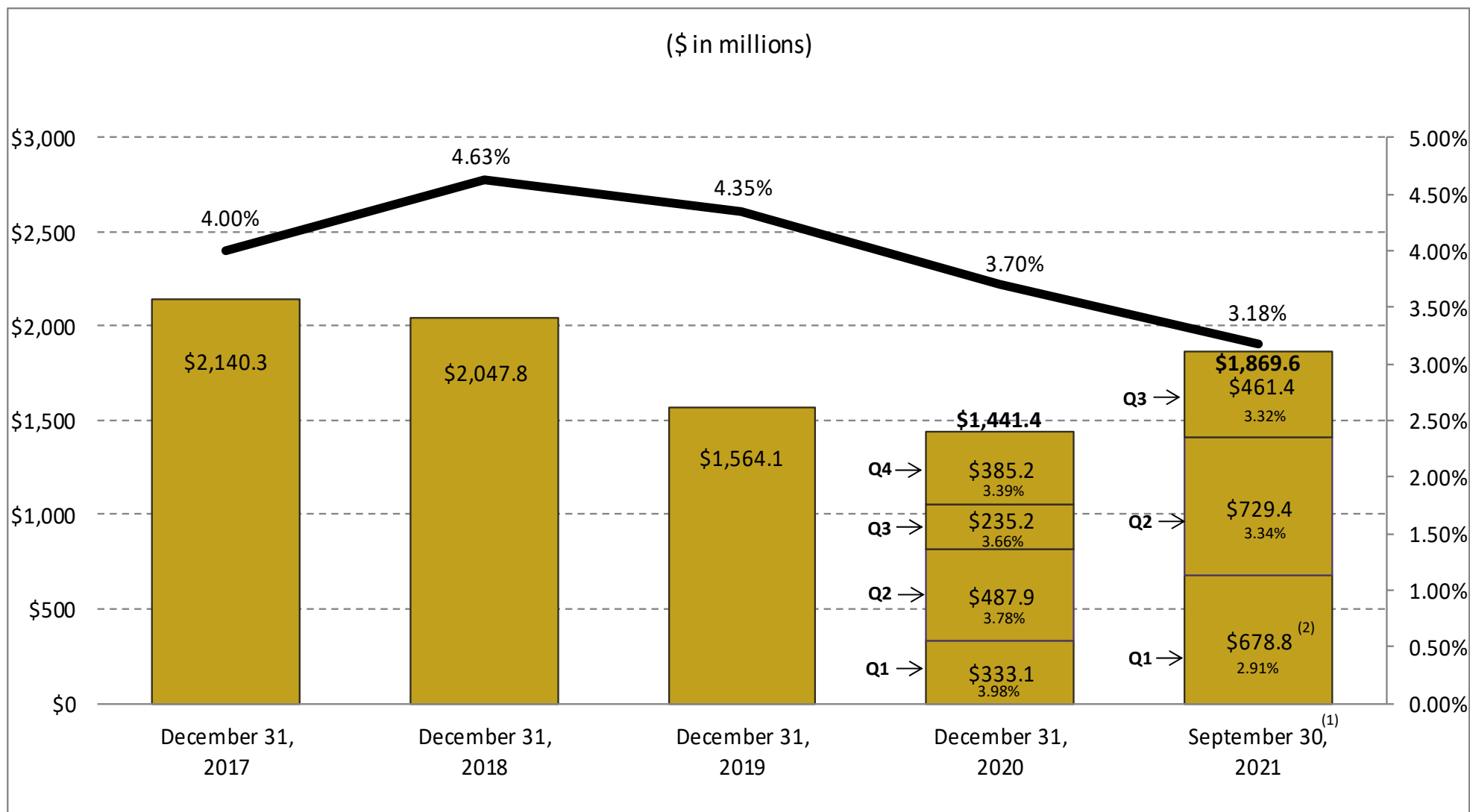
- Continuous evaluation of risk and return
- Strict separation between business development and credit decisions
- Vigilant response to adverse economic conditions and specific problem credits
- Strict, quality oriented underwriting and credit monitoring processes



## Results

- 9/30/2021 NPAs / Total Assets of 0.01%; NPLs / Total Loans of 0.01%
- NPAs and loans 90+ days past due to total assets have been at low levels since 2014
- No foreclosures since 2015

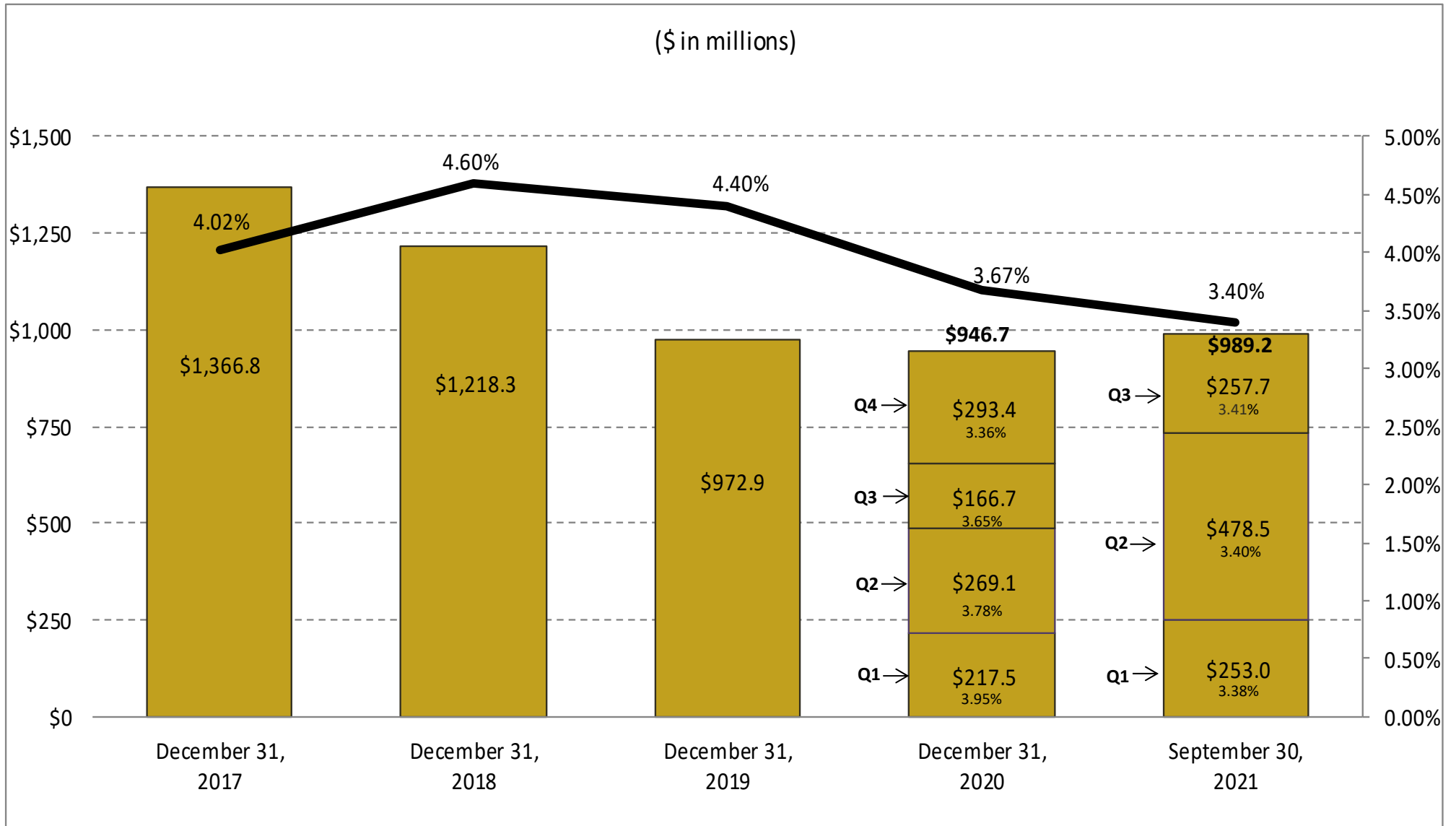
# Loan Origination Volume and WAC



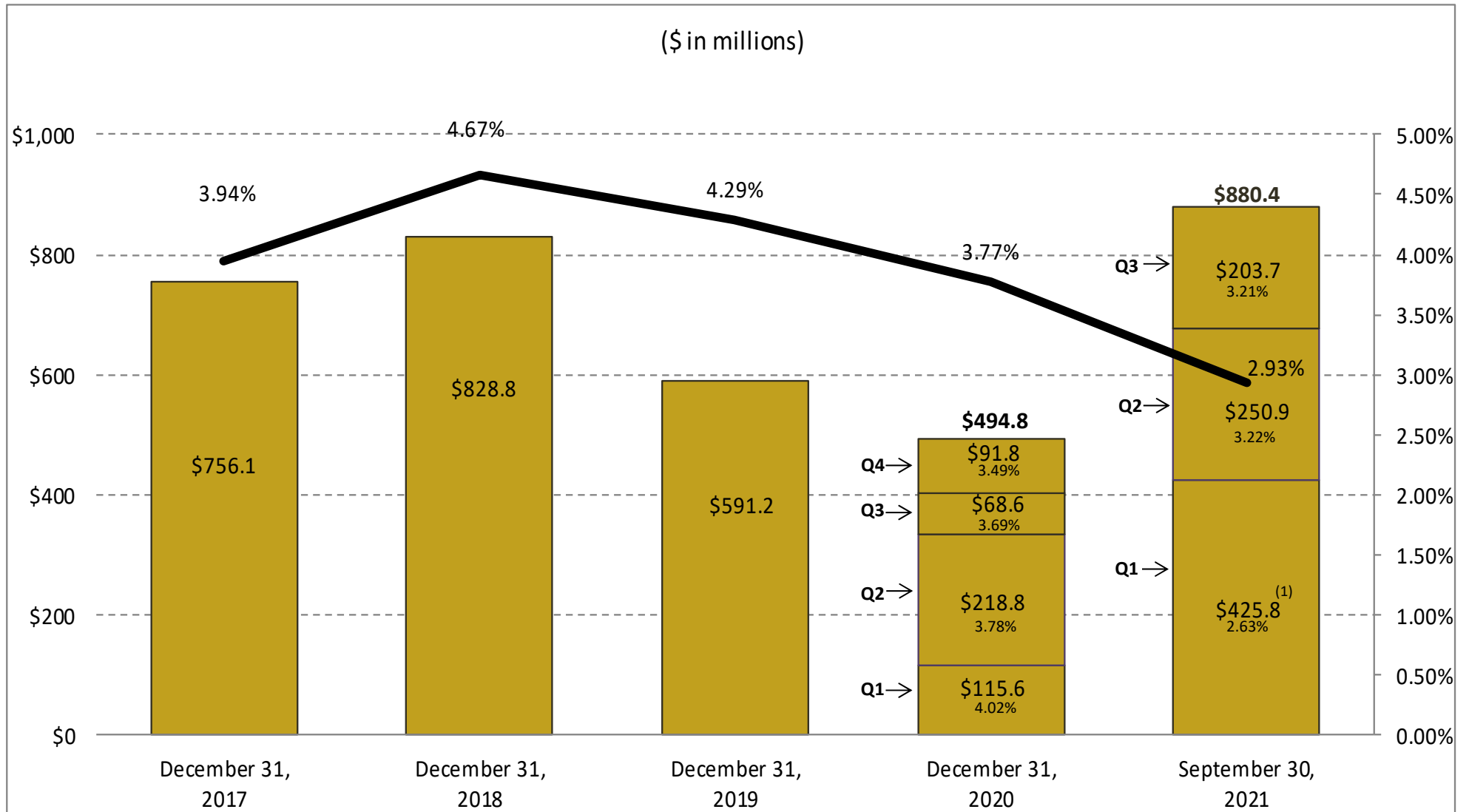
(1) Total loan pipeline at September 30, 2021 is \$336.7 million (\$282.0 million CRE at 3.488% weighted average coupon (“WAC”) and \$54.7 million SFR at 3.246% WAC). A portion of our pipeline will ultimately not fund and loans without rate locks are subject to ongoing rate adjustments.

(2) Q1 2021 originations include a \$287.8 million SFR fixed rate loan pool purchase with a WAC of 2.31%. Excluding the loan pool purchase, Q1 2021 originations would have been \$391.0 million with a WAC of 3.35%.

# CRE Loan Origination Volume and WAC



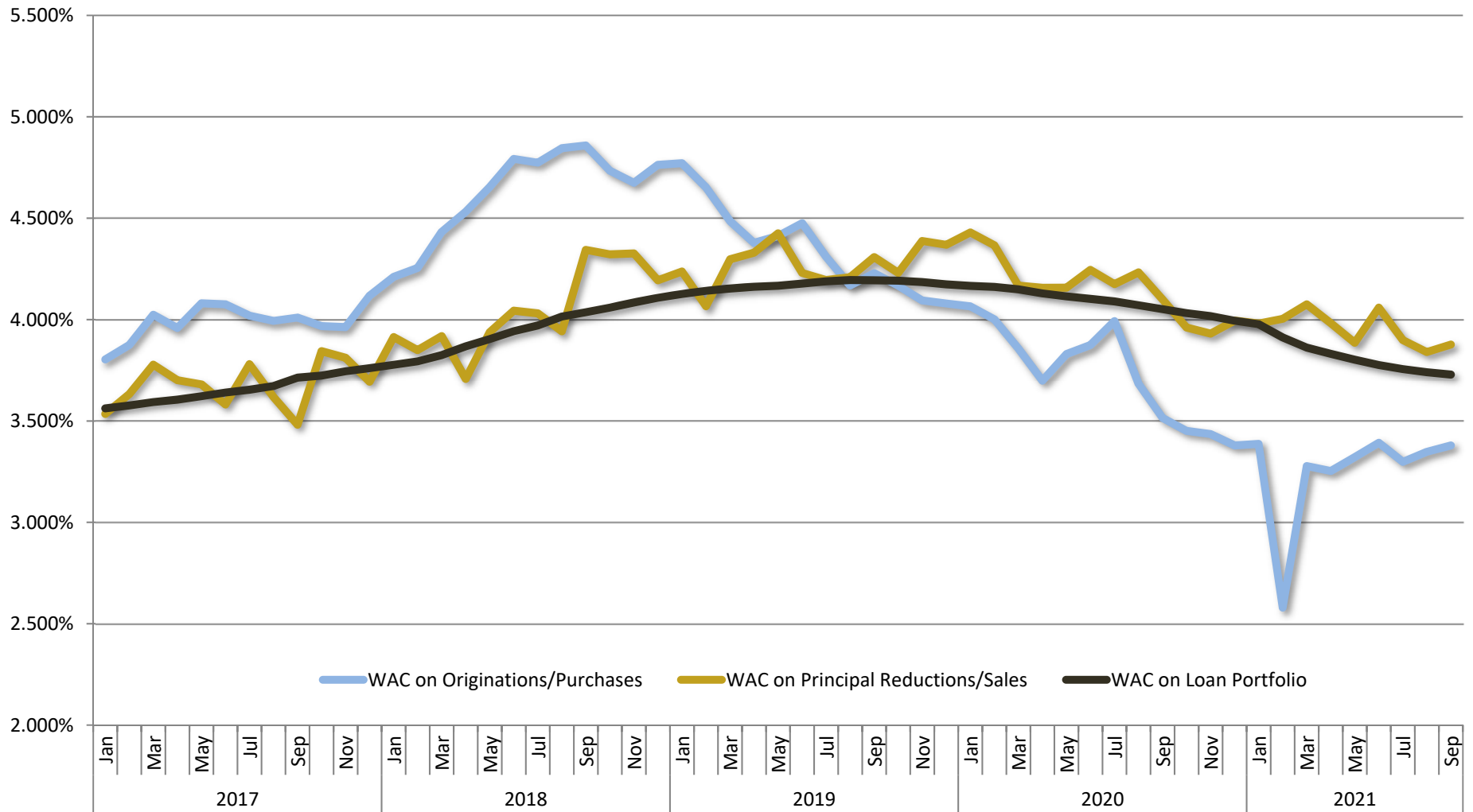
# SFR Loan Origination Volume and WAC



(1) Q1 2021 originations include a \$287.8 million SFR fixed rate loan pool purchase with a WAC of 2.31%. Excluding the loan pool purchase, Q1 2021 SFR originations would have been \$138.1 million with a WAC of 3.30%.

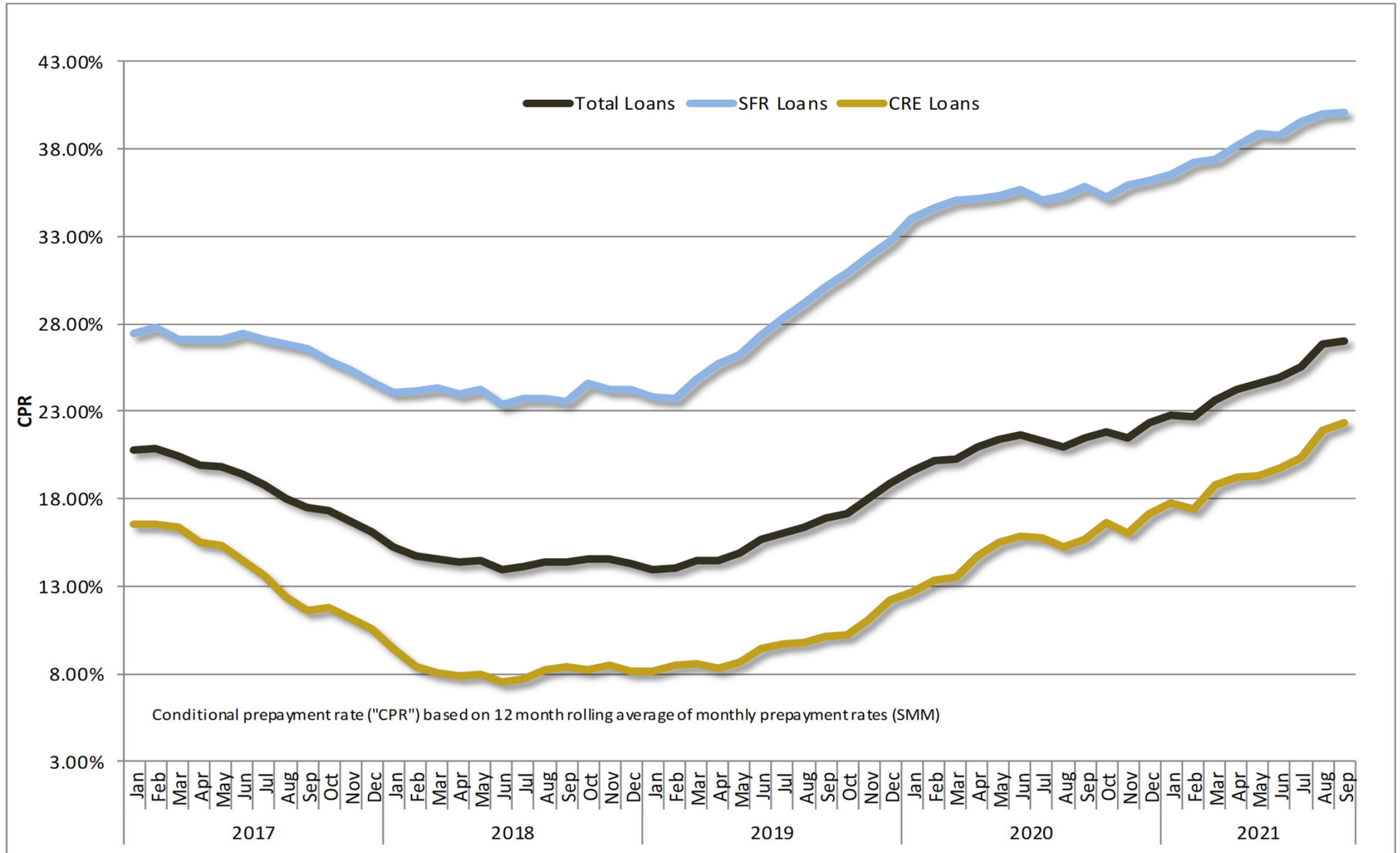


# Loan Portfolio WAC



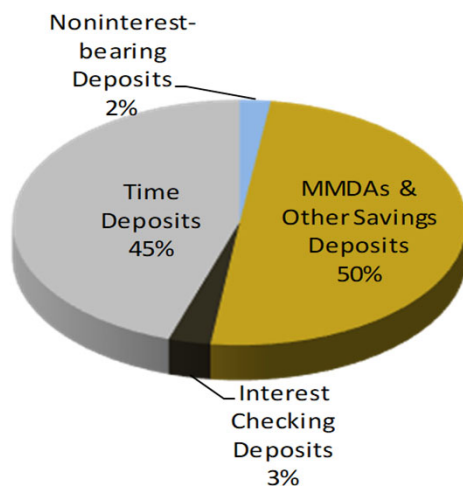
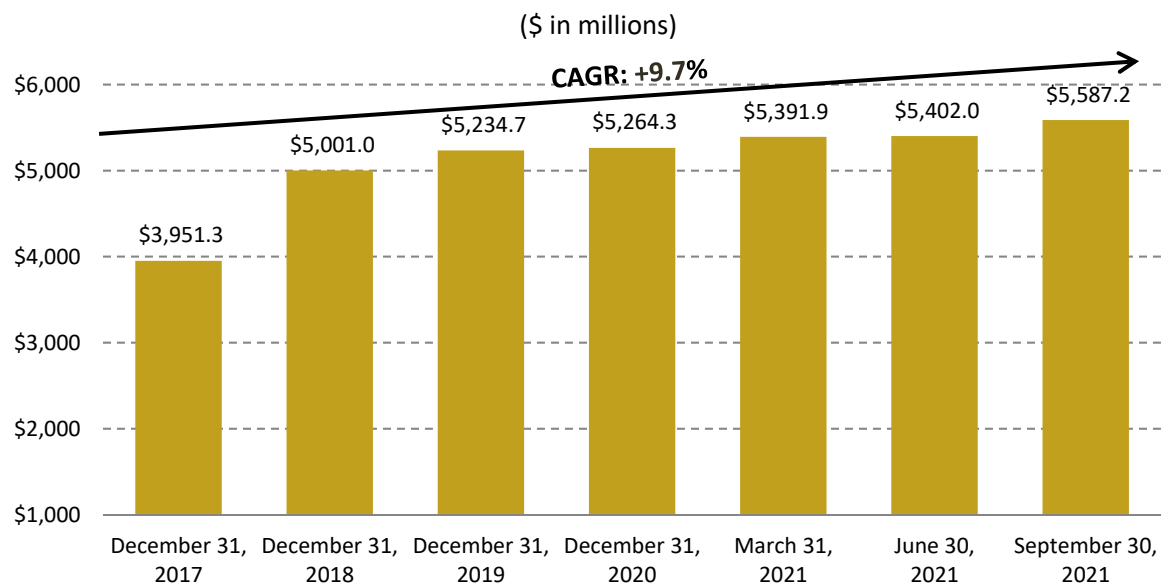
- At September 30, 2021, loans representing 74% of the loan portfolio, or \$4.7 billion in aggregate outstanding principal balance, are at their floors.
- February 2021 originations include a \$287.8 million SFR fixed rate loan pool purchase with a WAC of 2.31%. Excluding the impact of the loan pool purchase, the WAC for originations would have been 3.43% in February 2021.

# Loan Prepayment Speeds



# Deposit Composition

## Historical Deposit Growth & Portfolio Composition



0.72% cost of interest-bearing deposits <sup>(1)</sup>

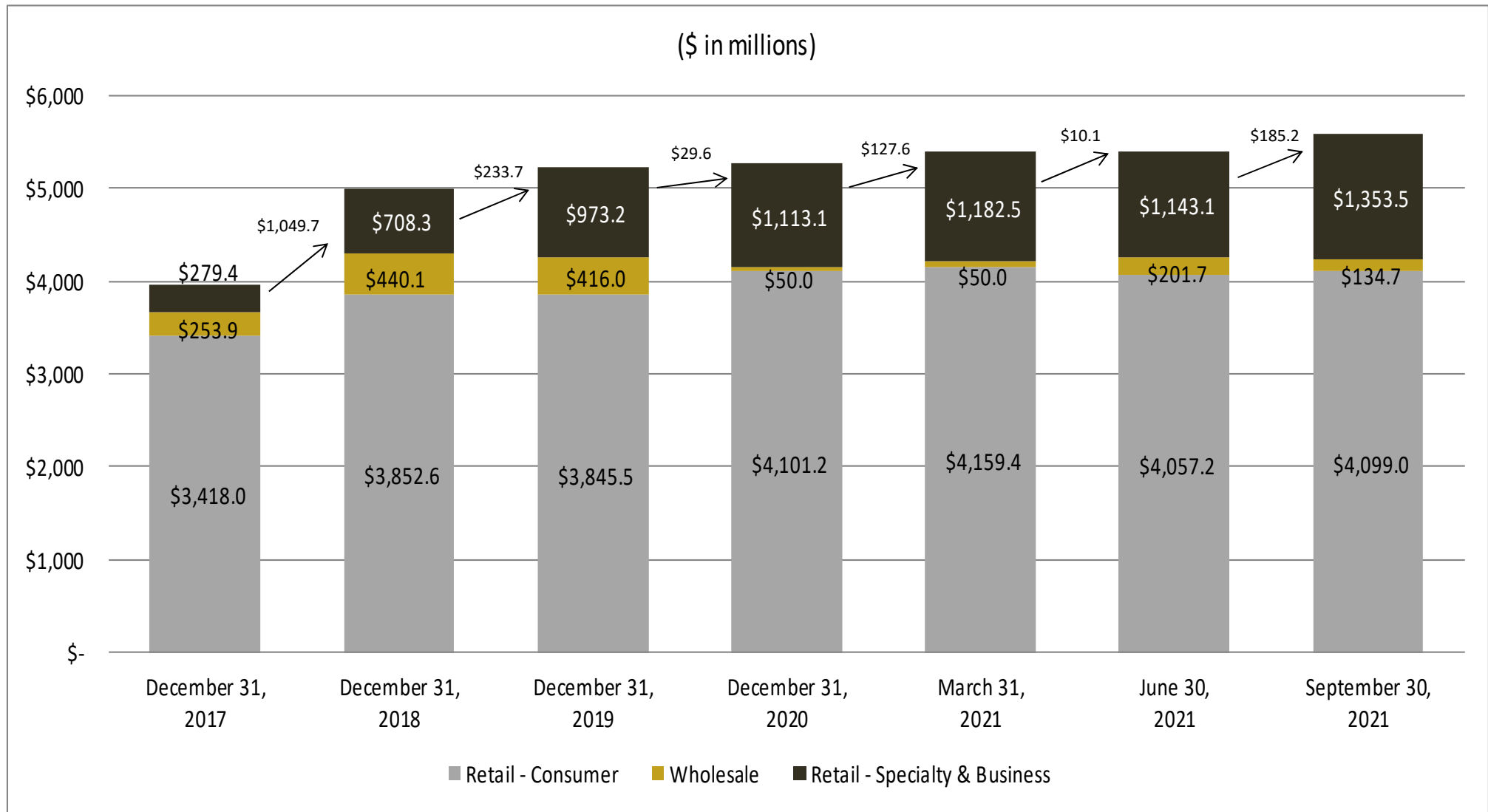
## Deposit Breakdown by Branch (\$ in millions) <sup>(1)</sup>

Branch Location	Consumer	Specialty/ Business	Wholesale	Total Deposits
Santa Rosa	\$ 1,069.5	\$ 86.3	\$ 0.0	\$ 1,155.8
San Rafael	524.8	63.1	0.0	587.9
Encino	492.3	5.8	0.0	498.1
Beverly Hills	379.3	8.6	0.0	387.9
Pasadena	339.5	2.9	0.0	342.4
Los Altos	329.9	6.9	0.0	336.8
Long Beach	308.4	6.9	0.0	315.3
Toluca Lake	285.4	14.9	0.0	300.3
San Jose	140.0	1.7	0.0	141.7
Bellevue	123.5	0.4	0.0	123.9
El Segundo	57.3	7.0	0.0	64.3
Corporate Office	49.1	1,149.0	134.7	1,332.8
<b>Total Deposits</b>	<b>\$ 4,099.0</b>	<b>\$ 1,353.5</b>	<b>\$ 134.7</b>	<b>\$ 5,587.2</b>

(1) As of or for the nine months ended 9/30/2021.

# Deposit Growth/Balance

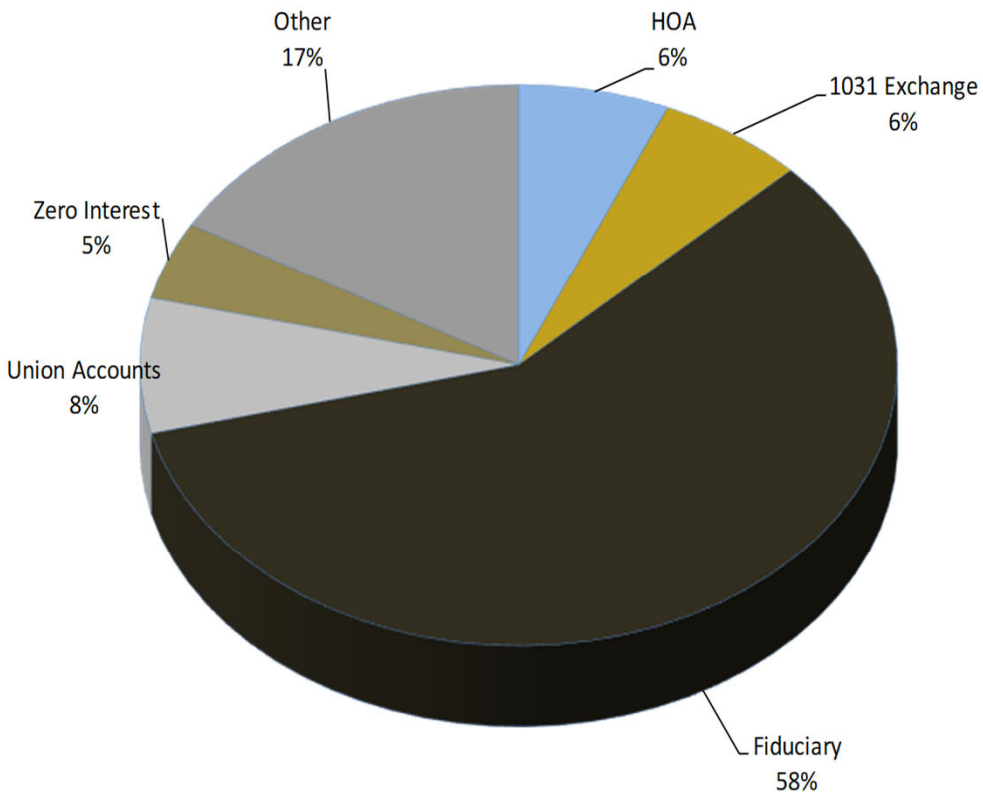
## Growth Trend



# Specialty & Business Deposit Composition

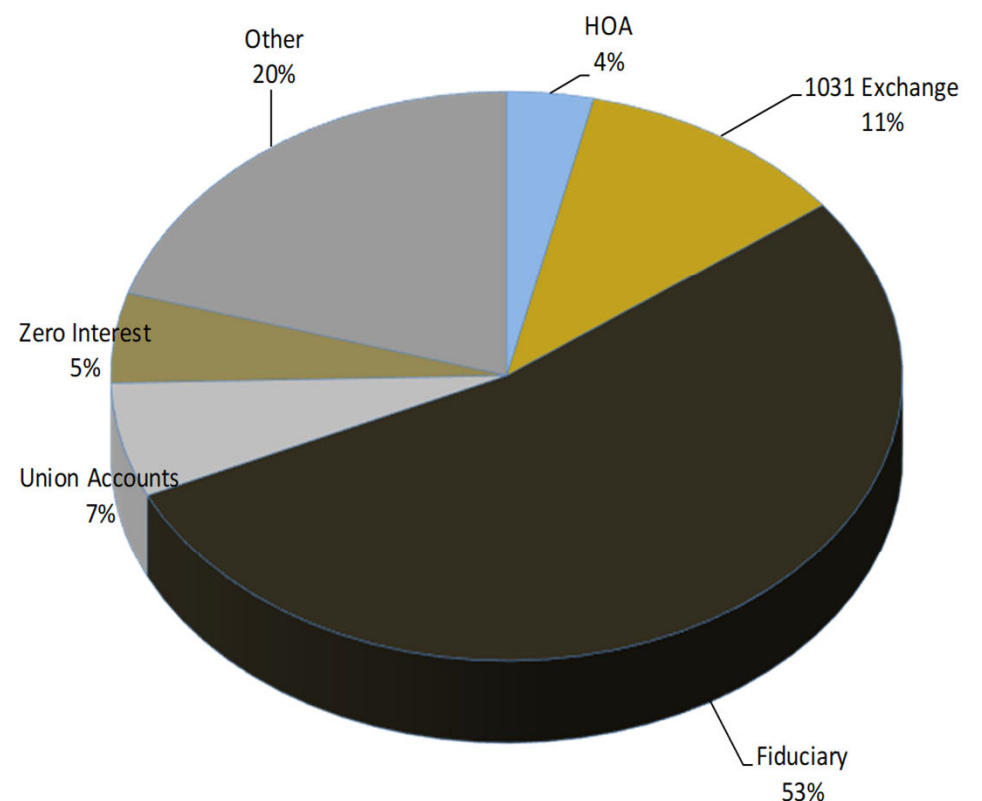
## By Vertical

December 31, 2020



Total Specialty & Business Deposits of \$1.1 billion

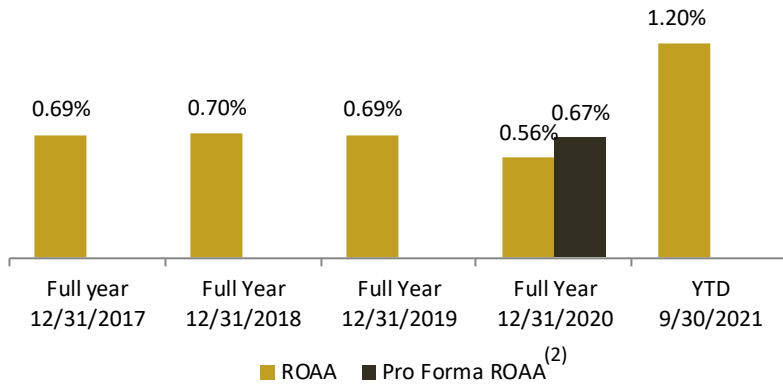
September 30, 2021



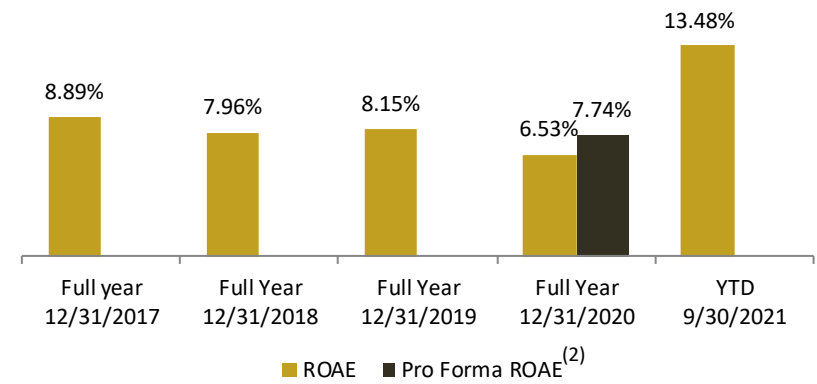
Total Specialty & Business Deposits of \$1.4 billion

# Efficient Operations Result in Consistent Profitability

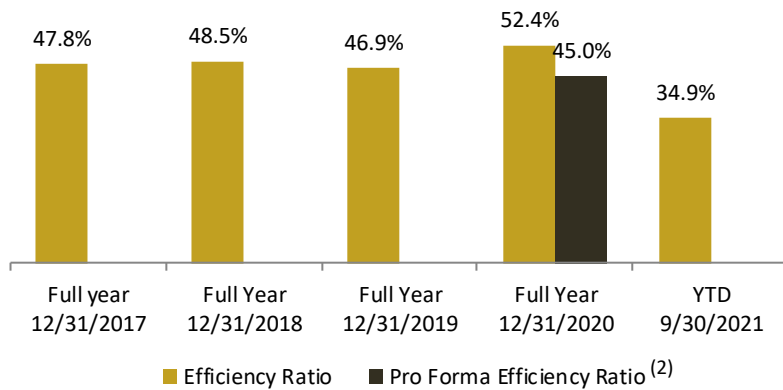
## Return on Average Assets<sup>(1)</sup>



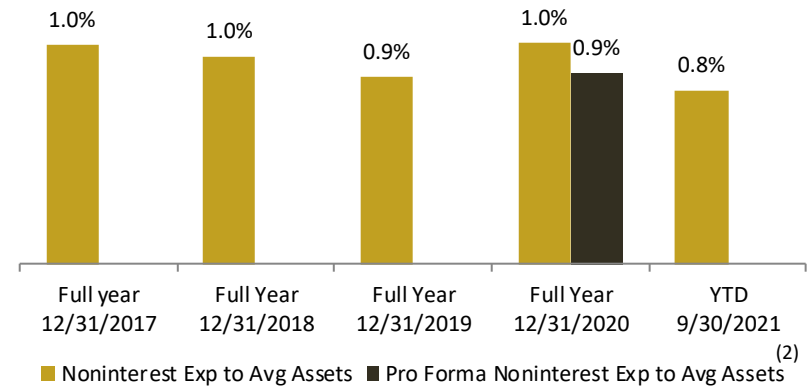
## Return on Average Equity<sup>(1)</sup>



## Efficiency Ratio<sup>(3)</sup>



## Noninterest Expense to Average Assets



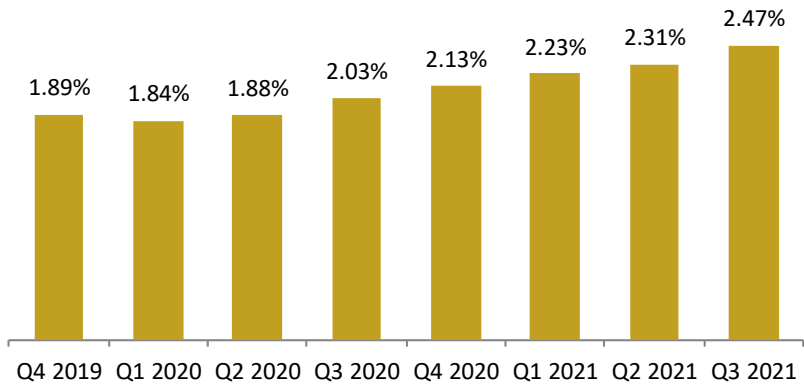
(1) For 2017, net income adjusted for C-Corp status assumes 42% tax rate. See Non-GAAP Reconciliation in Appendix hereto.

(2) Pro forma financial highlights adjusted for the impact of a \$10.4 million non-recurring cost incurred in connection with the prepayment of \$150 million of long-term FHLB borrowings in late December 2020. See Non-GAAP Reconciliation in Appendix hereto.

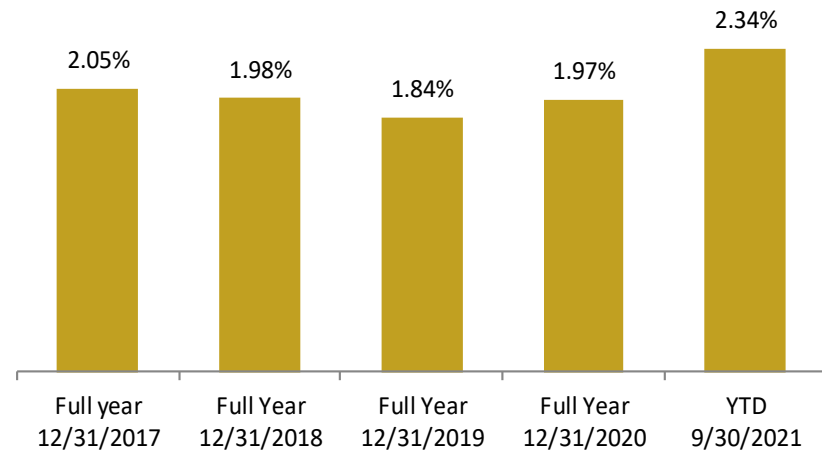
(3) See Non-GAAP Reconciliation in Appendix hereto.

# Net Interest Margin

Quarterly Net Interest Margin



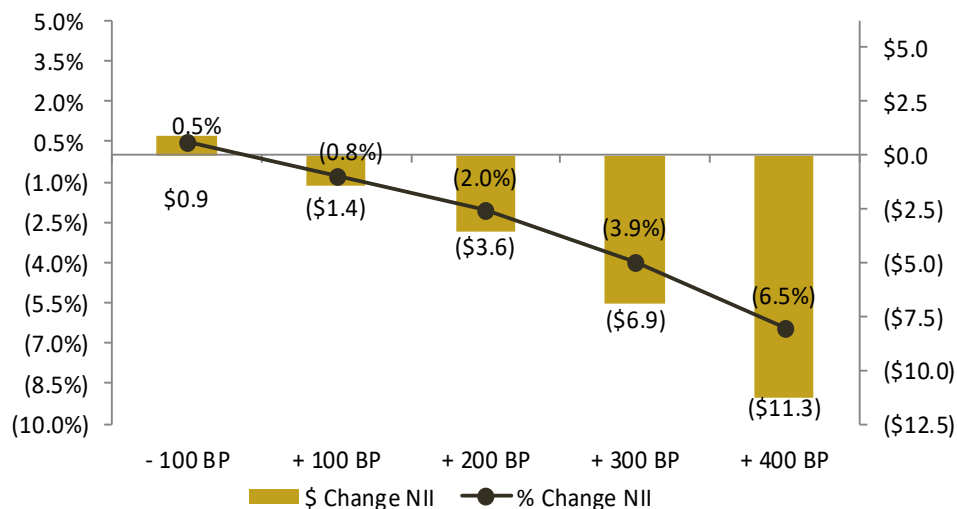
Net Interest Margin



# Interest Rate Risk Analysis

On a quarterly basis, the Company measures and reports Net Interest Income at Risk (“NII”) and the Economic Value of Equity (“EVE”) to isolate the change in income and equity related solely to interest-earning assets and interest-bearing liabilities. Both models measure instantaneous *parallel shifts* in market interest rates, implied by the forward yield curve.

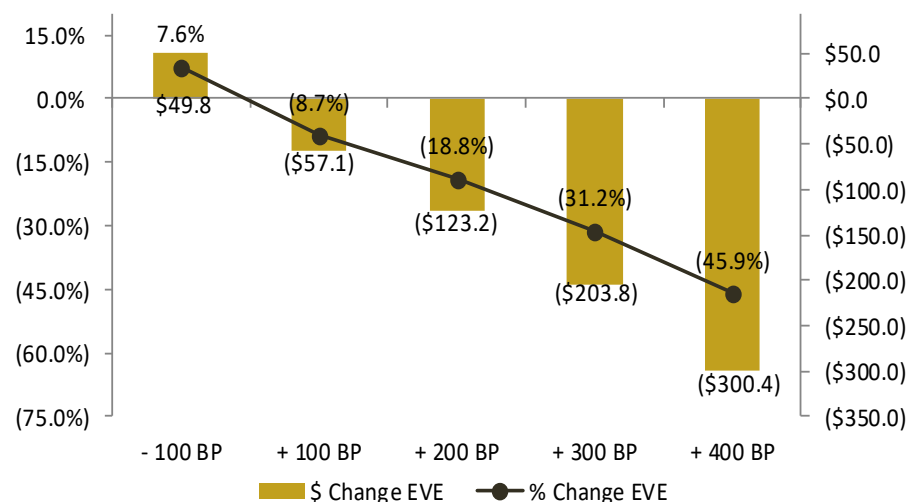
**NII Impact (\$ in millions)**



Interest Rate Risk to Earnings (NII)  
September 30, 2021

Change in Interest Rates (basis points)	\$ Change NII	% Change NII
+ 400 BP	(11.3)	(6.5%)
+ 300 BP	(6.9)	(3.9%)
+ 200 BP	(3.6)	(2.0%)
+ 100 BP	(1.4)	(0.8%)
- 100 BP	0.9	0.5%

**EVE Impact (\$ in millions)**

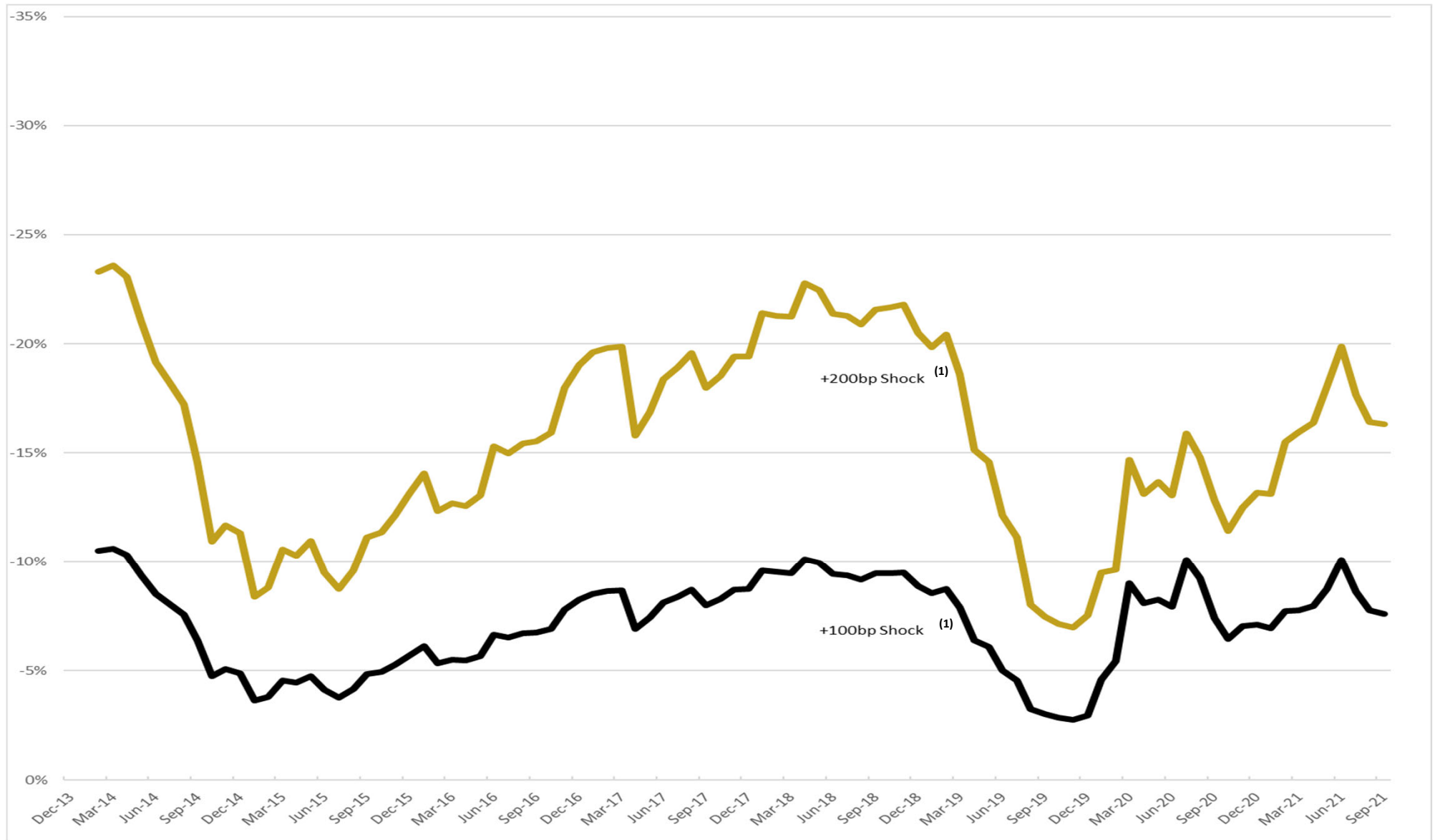


Interest Rate Risk to Capital (EVE)  
September 30, 2021

Change in Interest Rates (basis points)	\$ Change EVE	% Change EVE
+ 400 BP	(300.4)	(45.9%)
+ 300 BP	(203.8)	(31.2%)
+ 200 BP	(123.2)	(18.8%)
+ 100 BP	(57.1)	(8.7%)
- 100 BP	49.8	7.6%

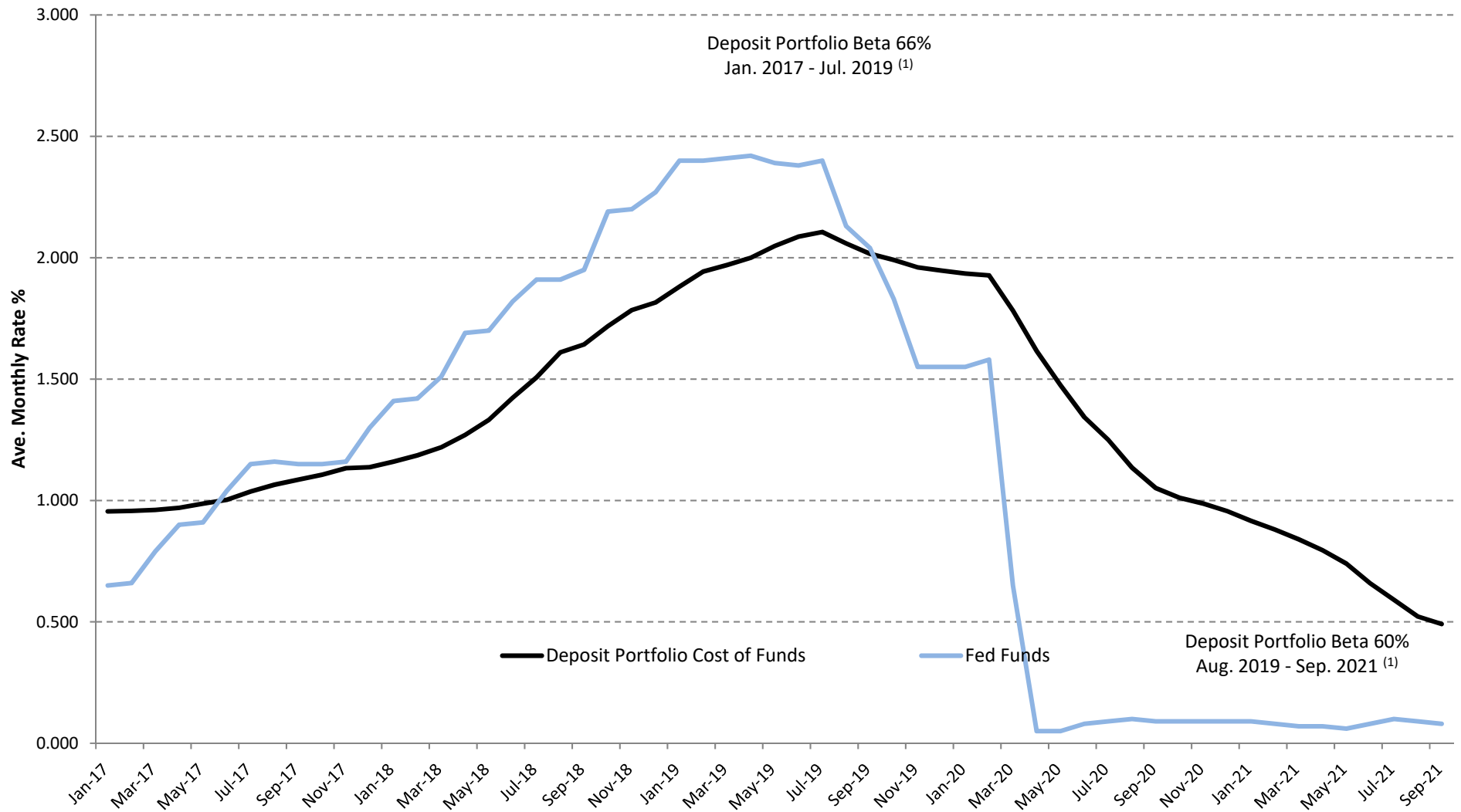


# Economic Value of Equity Trend



(1) For Luther Burbank Savings

# Deposits - Cost of Funds Comparison



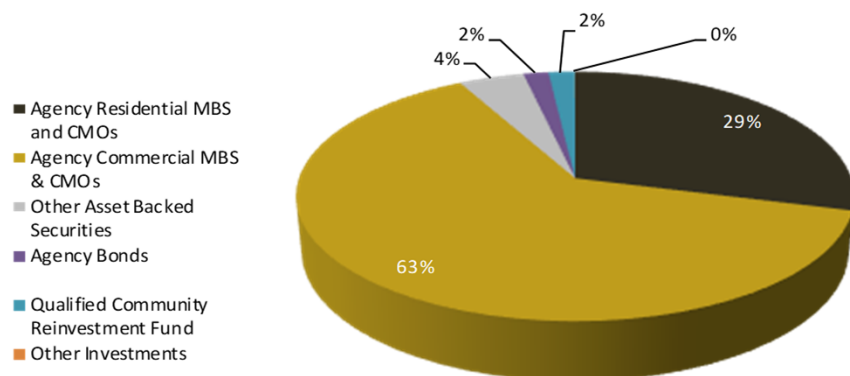
(1) Beta is calculated using an average Fed Funds Rate.

# Liquidity Management

## Liquidity Position

(Dollars in thousands)	As of 9/30/2021	% of Assets
Unrestricted Cash & Cash Equivalents	\$ 131,749	1.8%
Unencumbered Liquid Securities	664,614	9.2%
Unutilized Brokered Deposit Capacity <sup>(1)</sup>	703,379	9.7%
Unutilized FHLB Borrowing Capacity <sup>(2)(3)</sup>	996,873	13.8%
Unutilized FRB Borrowing Capacity <sup>(2)</sup>	208,590	2.9%
Commercial Lines of Credit	50,000	0.7%
<b>Total Liquidity</b>	<b>\$ 2,755,205</b>	<b>38.2%</b>
Total Assets	\$ 7,220,786	

## Securities Portfolio <sup>(4)</sup>



## Other Borrowings

Type	Amount Outstanding 9/30/2021	Cost of Borrowings <sup>(5)</sup>
FHLB Advances	\$752 million	1.67%
Senior Notes	\$95 million	6.66%
Trust Preferred	\$62 million	1.65%

(1) Capacity based on internal guidelines.

(2) Capacity based on pledged loan collateral specific to lending bank.

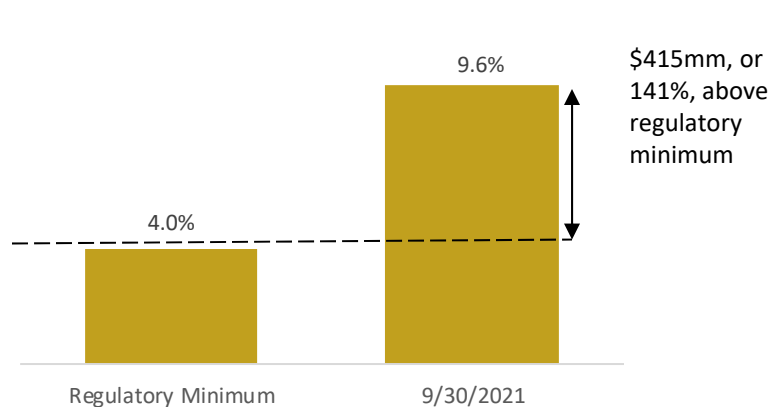
(3) Availability to borrow from the FHLB is permitted up to 40% of Luther Burbank Savings' (the "Bank") assets or \$2.9 billion. At September 30, 2021, we had \$752 million and \$62.6 million in outstanding advances and letters of credit with the FHLB, respectively.

(4) As of 9/30/2021, the securities portfolio had a net unrealized gain position of \$3.7 million.

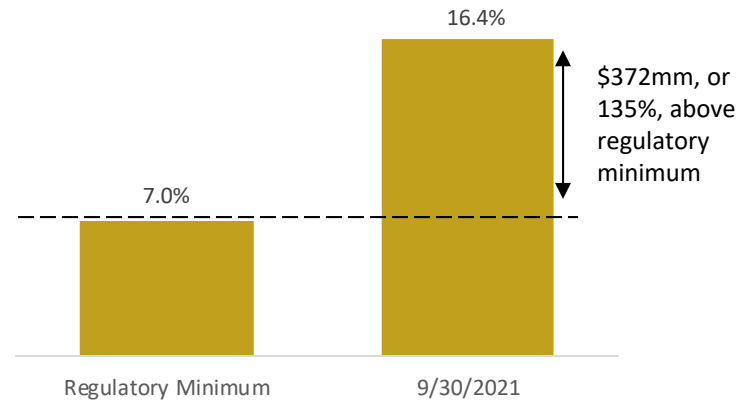
(5) For the nine months ended 9/30/2021.

# Capital Management

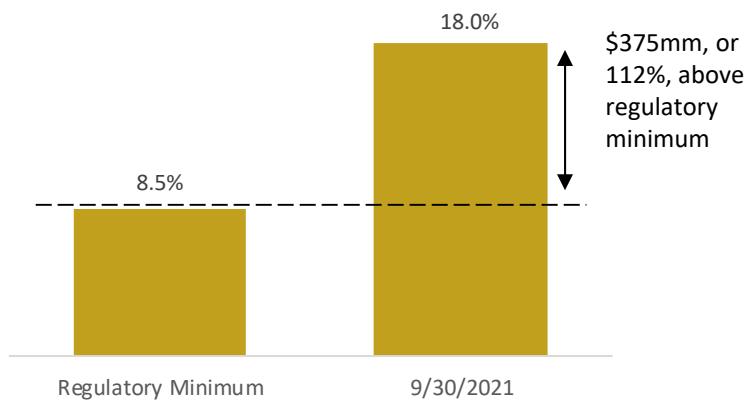
## Tier 1 Leverage Ratio



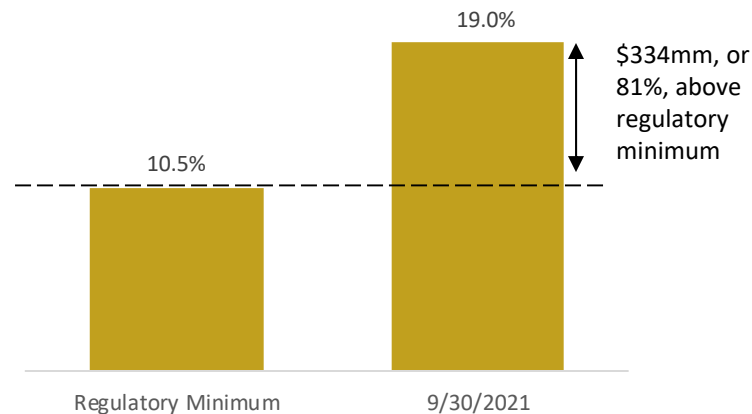
## Common Equity Tier 1 Risk-Based Ratio



## Tier 1 Risk-Based Capital Ratio



## Total Risk-Based Capital Ratio



- After returning excess capital to shareholders over the past few years, our capital ratios continue to be well above regulatory minimums.
- Returned \$21.0 million to shareholders during the nine months ended September 30, 2021.
  - Net share repurchases of \$8.8 million.
  - Common stock dividends totaling \$12.2 million.

# Executive Management

**Simone Lagomarsino.** Ms. Lagomarsino serves as President and Chief Executive Officer (“CEO”) of the Company and the Bank. Ms. Lagomarsino has served on our Board of Directors since November 30, 2018. Prior to joining the Company, Ms. Lagomarsino was President and CEO of the Western Bankers Association and a director of Pacific Premier Bancorp. (NASDAQ: PPBI). From 2011 to 2017, she served as CEO of Heritage Oaks Bank, and President and CEO and a director of Heritage Oaks Bancorp. Ms. Lagomarsino also previously held executive positions with Hawthorne Financial Corporation, Ventura County National Bank, and Kinecta Federal Credit Union. In addition to her role at the Company, Ms. Lagomarsino serves on the board of directors of the Federal Home Loan Bank of San Francisco and Hannon Armstrong Sustainable Infrastructure Capital, Inc. (NYSE: HASI).

**Laura Tarantino.** Ms. Tarantino serves as Chief Financial Officer of the Company and Bank, a position she has held since 2006. In this role, she oversees all aspects of financial reporting including strategic planning, asset/liability management, taxation and regulatory filings. She also serves on the Company's Executive Committee. Ms. Tarantino has over 28 years of experience with the Bank, having joined as Controller in 1992. She previously served as Audit Manager for KPMG LLP, San Francisco, specializing in the financial services industry. In addition to her role at the Company, Ms. Tarantino has served as an audit committee member for the Santa Rosa Council on Aging since 2012. Ms. Tarantino is a CPA (inactive) and holds a B.S. in Business Administration - Finance & Accounting with summa cum laude honors from San Francisco State University.

**Bill Fanter.** Mr. Fanter serves the Company as Head of Retail Banking. In this role he is responsible for expanding the Bank’s deposit offerings and creating greater access to its products and services, including consumer deposit generation across traditional branch and online banking platforms. He is also a member of the Company's Executive Committee. Prior to joining the Company in 2020, Mr. Fanter served as Executive Vice President, Head of Retail Banking at Opus Bank from 2019 and previous to that, as Senior Vice President, Consumer and Business Banking Market Executive at U.S. Bank from 2003-2019. His background also includes positions as Director of Automation Services at Kirchman Corporation and several roles culminating with Senior Vice President, Chief Operating Officer at GreatBanc, Inc.

# Executive Management - Continued

**Tammy Mahoney.** Ms. Mahoney joined the Company in 2016 and serves as the Chief Risk Officer. In her role, Ms. Mahoney oversees the Company's compliance, internal audit, independent loan review and risk management functions, including information security and privacy; she is also a member of its Executive Committee. Prior to joining the Bank, Ms. Mahoney served as Senior Vice President of Enterprise Risk and Compliance at Opus Bank from 2011 through 2015; previous to that as Director, Risk Advisory Services at KPMG LLP from 1995 to 2004; and as Associate National Bank Examiner with the Office of the Comptroller of the Currency. In addition to her role at the Company, Ms. Mahoney serves as a member of the Legal Services Trust Fund Commission, State Bar of California. She is also a member of the American Bankers Association (“ABA”) Foundation’s Senior Protection Task Force. She is an ABA Certified Enterprise Risk Professional, ABA Certified Regulatory Compliance Manager and an Institute of Internal Auditors Certified Internal Auditor, and maintains an ISACA Cybersecurity Fundamentals Certificate; Ms. Mahoney holds a B.S. in Business Administration - Finance from San Diego State University.

**Parham Medhat.** Mr. Medhat serves the Company as Chief Operations and Technology Officer. In this role he is responsible for deposit operations, information technology, project management and marketing; he is also a member of the Company’s Executive Committee. Prior to joining the Bank in 2019, Mr. Medhat served as Executive Vice President, Chief Operating Officer at CTBC from 2014 to 2019; previous to that as Senior Vice President, Director of Bank Operations at Opus Bank; and in several roles over thirteen years at CapitalSource Bank. Mr. Medhat holds a M.A. in Educational–Instructional Technology from California State University, Dominguez Hills and a B.A. in Industrial/Organizational Psychology from California State University, Long Beach.

**Liana Prieto.** Ms. Prieto serves as General Counsel and Corporate Secretary of the Company and Bank. In this role she is responsible for leading a team of legal, human resources, Bank Secrecy Act, fair and responsible banking and third party risk management professionals. She is also a member of the Company's Executive Committee. Prior to joining the Bank in 2014, Ms. Prieto served as Associate and then Counsel at Buckley LLP from 2009 to 2014, and as a trial attorney in the Enforcement & Compliance Division of the Office of the Comptroller of the Currency. In addition to her role at the Company, Ms. Prieto has served in leadership and advisory roles on the Banking Law Committee of the American Bar Association's Business Law Section and the American Association of Bank Directors. She also serves on the Board of Directors of Long Beach Local, a non-profit that supports sustainable urban agriculture. Ms. Prieto holds a J.D. from Fordham University School of Law and a B.A. from Georgetown University.

**Alex Stefani.** Mr. Stefani serves the Company as Chief Credit Officer. In this role, he oversees Luther Burbank’s appraisal, underwriting, credit administration and special assets activities; he is also a member of the Company’s Executive Committee. Mr. Stefani joined the Bank in 2004 and has held several positions including loan underwriter, loan officer, and underwriting manager before being promoted to Director of Income Property Lending in 2017, a position he held until accepting his current role in 2021. Mr. Stefani holds a M.A. in Political Science from San Francisco State University and a B.A. in Political Science from Sonoma State University.

# Board of Directors

**Victor S. Trione.** Mr. Trione serves as Chair of the Board of Directors of the Company and the Bank, a position he has held since founding the Bank in 1983. In addition to serving as our Chair, Mr. Trione is President of Vimark, Inc., a real estate development and vineyard management company, and co-proprietor of Trione Winery. Mr. Trione also serves in the following roles: Director and Chair of the Executive Committee of Empire College; Advisory Board member of the Stanford Institute for Economic Policy Research; Board of Overseers of Stanford University's Hoover Institution; and, trustee of the U.S. Navy Memorial Foundation.

**Renu Agrawal.** Ms. Agrawal joined the Board of Directors in December 2020 and serves on the Audit and Risk Committee. Ms. Agrawal most recently served as Executive Vice President and Chief Operating Officer for Wells Fargo's Financial Institutions Group. Prior to that, she oversaw Well's Fargo International Treasury Management business and played a leadership role in the Wells Fargo-Wachovia merger. Earlier, Ms. Agrawal was Chief Operating Officer at ValleyCrest Companies and Quisic Corporation. She began her career as a scientist at Polaroid and also worked at McKinsey & Company. Ms. Agrawal is a founding member of Neythri, a global community of South Asian professional women committed to helping each other succeed. In 2018, she received the National Asian Pacific American Corporate Achievement Award. Ms. Agrawal holds a M.B.A. from MIT Sloan School of Management and a Ph.D. in Materials Science and Engineering from MIT. She graduated with a B.Tech in Metallurgy from IIT, Kanpur.

**John C. Erickson.** Mr. Erickson serves on the Audit and Risk Committee and on the Compensation Committee. Mr. Erickson has served on our Board of Directors since 2017. Mr. Erickson has more than 35 years of financial services experience, including over 30 years at Union Bank N.A. He served in many executive roles across that institution, culminating in two vice chairman positions (Chief Risk Officer and Chief Corporate Banking Officer) between 2007 and 2014. As Chief Corporate Banking Officer, he oversaw commercial banking, real estate, global treasury management, wealth management and global capital markets. He was a director of Zions Bancorporation (NASDAQ: ZION) from 2014 to 2016, and chair of that board's Risk Committee, as well as a member of the Audit Committee. He also served as President, Consumer Banking and President, California, for CIT Group, Inc. (NYSE: CIT) in 2016. He joined the board of directors of Bank of Hawaii Corporation (NYSE: BOH) in January 2019, and serves as a member of its Audit and Risk Committee and Nominating and Governance Committee. Mr. Erickson qualifies as an "audit committee financial expert" as defined in SEC rules.

**Jack Krouskup.** Mr. Krouskup serves on the Audit and Risk Committee and on the Governance and Nominating Committee. Mr. Krouskup has served on our Board of Directors since 2012. He is a certified public accountant (inactive) with more than 35 years of experience serving customers in a variety of industries. At Deloitte, he served as partner-in-charge of the company's Northern California Financial Services practice and also served on Deloitte's Financial Services Advisory Committee. Mr. Krouskup has years of boardroom experience representing Deloitte with numerous global and highly complex organizations. Consequently, he has an extensive corporate governance background and deep familiarity with board and audit committee best practices. Mr. Krouskup retired from Deloitte in 2011. He currently serves on the Board of Trustees of the University of California, Santa Barbara, Alumni Association. Mr. Krouskup qualifies as an "audit committee financial expert" as defined in SEC rules.

# Board of Directors - Continued

**Anita Gentle Newcomb.** Mrs. Newcomb serves as Chair of the Audit and Risk Committee. Ms. Newcomb has served on our Board of Directors since 2014. Her experience spans over three decades in the financial services industry as a commercial banker, investment banker, and strategic consultant. She has advised numerous banks and financial services companies on a wide range of corporate development initiatives, from strategic planning, consumer and business banking strategy, and corporate governance best practices, to mutual conversions and valuing and structuring acquisitions. Most recently, Ms. Newcomb was president of A.G. Newcomb & Co., a financial services consultancy, she founded and managed from 1999 to 2019. She also served on the board of the Federal Reserve Bank of Richmond-Baltimore Branch from 2010 through 2015. She is also a certified public accountant (inactive). Ms. Newcomb qualifies as an "audit committee financial expert" as defined in SEC rules.

**Bradley M. Shuster.** Mr. Shuster serves as Chair of the Compensation Committee and also serves on the Governance and Nominating Committee. Mr. Shuster has served on our Board of Directors since 1999. Mr. Shuster has served as Executive Chairman and Chairman of the Board of NMI Holdings, Inc. (NASDAQ: NMIH) since January 2019. Mr. Shuster founded National MI and served as Chairman and Chief Executive Officer of the company from 2012 to 2018. Prior to founding National MI, he was a senior executive of The PMI Group, Inc. (NYSE: PMI), where he served as Chief Executive Officer of PMI Capital Corporation. Before joining PMI in 1995, Mr. Shuster was a partner at Deloitte, where he served as partner-in-charge of Deloitte's Northern California Insurance and Mortgage Banking practices. Mr. Shuster has received both CPA and CFA certifications. He is a member of the board of directors of McGrath Rentcorp (NASDAQ: MGRC), and serves as a member of its Audit and Governance Committees.

**Thomas C. Wajnert.** Mr. Wajnert serves as our Lead Independent Director, Chair of the Governance and Nominating Committee, and a member of the Compensation Committee. Mr. Wajnert has served on our Board of Directors since 2013. He launched his career in 1968 with US Leasing, a NYSE-listed company. For over 40 years, Mr. Wajnert has navigated the changing currents of the equipment leasing industry and built an impressive list of accomplishments, including serving as Chief Executive Officer and Chair of AT&T Capital Corporation, an international, full-service equipment leasing and commercial finance company, from 1984 to 1996. Mr. Wajnert also has extensive public company board experience at Reynolds American as Chair, and at Solera, UDR, Inc., NYFIX, and JLG Industries as a director. Mr. Wajnert also serves on the board of International Finance Group, one of the largest privately owned P&C insurance companies in the U.S., and for many years served as a Trustee of Wharton's Center for Financial Institutions.



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# Appendix

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# Balance Sheet (\$ in 000's)

	As of	
	September 30, 2021 <sup>(1)</sup>	December 31, 2020
<b>ASSETS</b>		
Cash, cash equivalents and restricted cash	\$ 132,039	\$ 178,861
Available for sale investment securities, at fair value	652,810	593,734
Held to maturity investment securities, at amortized cost (fair value of \$4,377 and \$7,870 at September 30, 2021 and December 31, 2020, respectively)	4,155	7,467
Equity securities, at fair value	11,804	12,037
Loans receivable, net of allowance for loan losses of \$37,335 and \$46,214 at September 30, 2021 and December 31, 2020, respectively	6,306,526	6,003,602
Accrued interest receivable	18,889	18,795
Federal Home Loan Bank ("FHLB") stock, at cost	23,411	25,122
Premises and equipment, net	16,449	18,226
Goodwill	3,297	3,297
Prepaid expenses and other assets	51,406	44,963
<b>Total assets</b>	<b>\$ 7,220,786</b>	<b>\$ 6,906,104</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Deposits	\$ 5,587,156	\$ 5,264,329
Federal Home Loan Bank advances	751,647	806,747
Junior subordinated deferrable interest debentures	61,857	61,857
Senior debt		
\$95,000 face amount, 6.5% interest rate, due September 30, 2024 (less debt issuance costs of \$369 and \$461 at September 30, 2021 and December 31, 2020, respectively)	94,631	94,539
Accrued interest payable	177	1,388
Other liabilities and accrued expenses	71,382	63,553
<b>Total liabilities</b>	<b>6,566,850</b>	<b>6,292,413</b>
<b>Stockholders' equity:</b>		
Common stock, no par value; 100,000,000 shares authorized; 51,682,604 and 52,220,266 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	406,331	414,120
Retained earnings	244,972	192,834
Accumulated other comprehensive income, net of taxes	2,633	6,737
<b>Total stockholders' equity</b>	<b>653,936</b>	<b>613,691</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 7,220,786</b>	<b>\$ 6,906,104</b>

(1) Unaudited

# Income Statement (\$ in 000's, except per share data)

	For the Three Months Ended September 30, <sup>(1)</sup>		For the Nine Months Ended September 30, <sup>(1)</sup>	
	2021	2020	2021	2020
Interest and fee income:				
Loans	\$ 55,757	\$ 56,766	\$ 164,006	\$ 175,661
Investment securities	2,213	2,167	6,287	7,787
Cash, cash equivalents and restricted cash	78	83	162	454
<b>Total interest and fee income</b>	<b>58,048</b>	<b>59,016</b>	<b>170,455</b>	<b>183,902</b>
Interest expense:				
Deposits	7,535	15,744	28,890	60,146
FHLB advances	3,573	5,307	11,345	16,550
Junior subordinated deferrable interest debentures	250	279	763	1,104
Senior debt	1,574	1,574	4,723	4,727
<b>Total interest expense</b>	<b>12,932</b>	<b>22,904</b>	<b>45,721</b>	<b>82,527</b>
Net interest income before provision for loan losses	45,116	36,112	124,734	101,375
(Reversal of) provision for loan losses	(4,000)	-	(9,000)	10,550
Net interest income after provision for loan losses	49,116	36,112	133,734	90,825
Noninterest income:				
FHLB dividends	407	368	1,145	1,277
Other income	24	219	105	779
<b>Total noninterest income</b>	<b>431</b>	<b>587</b>	<b>1,250</b>	<b>2,056</b>
Noninterest expense:				
Compensation and related benefits	9,596	11,408	28,617	32,913
Deposit insurance premium	492	482	1,431	1,429
Professional and regulatory fees	445	431	1,543	1,316
Occupancy	1,263	1,156	3,735	3,397
Depreciation and amortization	625	673	1,958	2,029
Data processing	883	999	2,729	3,004
Marketing	380	306	907	1,511
Other expenses	951	919	2,999	2,982
<b>Total noninterest expense</b>	<b>14,635</b>	<b>16,374</b>	<b>43,919</b>	<b>48,581</b>
Income before provision for income taxes	34,912	20,325	91,065	44,300
Provision for income taxes	10,169	6,008	26,695	13,089
<b>Net income</b>	<b>\$ 24,743</b>	<b>\$ 14,317</b>	<b>\$ 64,370</b>	<b>\$ 31,211</b>
Basic earnings per common share	\$ 0.48	\$ 0.28	\$ 1.25	\$ 0.58
Diluted earnings per common share	\$ 0.48	\$ 0.27	\$ 1.24	\$ 0.58
Dividends per common share	\$ 0.12	\$ 0.06	\$ 0.24	\$ 0.17
Weighted average common shares outstanding - basic	51,333,283	52,001,097	51,680,782	53,359,460
Weighted average common shares outstanding - diluted	51,544,913	52,157,203	51,834,762	53,477,769

(1) Unaudited

# Net Interest Margin (\$ in 000's)

	For the Nine Months Ended			For the Three Months Ended			For the Three Months Ended		
	September 30, 2021			September 30, 2021			June 30, 2021		
	Average	Interest	Average	Average	Interest	Average	Average	Interest	Average
	Balance	Inc / Exp	Yield/Rate <sup>(5)</sup>	Balance	Inc / Exp	Yield/Rate <sup>(5)</sup>	Balance	Inc / Exp	Yield/Rate <sup>(5)</sup>
<b>Interest-Earning Assets</b>									
Multifamily residential	\$ 4,198,616	\$ 115,542	3.67%	\$ 4,283,490	\$ 40,041	3.74%	\$ 4,187,976	\$ 37,946	3.62%
Single family residential	1,903,550	40,787	2.86%	1,948,208	13,213	2.71%	1,937,209	13,715	2.83%
Commercial real estate	198,073	6,750	4.54%	193,849	2,213	4.57%	197,669	2,222	4.50%
Construction, land and NM	19,730	927	6.28%	16,337	290	7.04%	20,763	308	5.95%
Total loans <sup>(1)</sup>	6,319,969	164,006	3.46%	6,441,884	55,757	3.46%	6,343,617	54,191	3.42%
Securities available-for-sale/ equity	640,077	6,234	1.30%	667,352	2,182	1.31%	644,282	2,081	1.29%
Securities held-to-maturity <sup>(2)</sup>	5,266	53	1.34%	4,213	31	2.94%	5,053	10	0.79%
Cash, cash equivalents and restricted cash	148,630	162	0.15%	196,116	78	0.16%	96,326	34	0.14%
<b>Total interest-earning assets</b>	<b>7,113,942</b>	<b>170,455</b>	<b>3.19%</b>	<b>7,309,565</b>	<b>58,048</b>	<b>3.18%</b>	<b>7,089,278</b>	<b>56,316</b>	<b>3.18%</b>
Noninterest-earning assets	64,614			69,430			65,253		
<b>Total assets</b>	<b>\$ 7,178,556</b>			<b>\$ 7,378,995</b>			<b>\$ 7,154,531</b>		
<b>Interest-Bearing Liabilities</b>									
Interest-bearing demand deposits	\$ 155,568	263	0.22%	\$ 159,417	93	0.23%	\$ 152,830	62	0.16%
Money market demand accounts	2,301,417	8,711	0.50%	2,643,545	3,021	0.45%	2,225,482	2,769	0.49%
Time deposits - Retail	2,735,453	19,685	0.95%	2,460,373	4,359	0.69%	2,759,216	6,867	0.98%
Total interest-bearing deposits - Retail	5,192,438	28,659	0.73%	5,263,335	7,473	0.56%	5,137,528	9,698	0.75%
Time deposits - Wholesale	113,678	231	0.27%	198,559	62	0.12%	90,842	51	0.23%
Total interest-bearing deposits	5,306,116	28,890	0.72%	5,461,894	7,535	0.54%	5,228,370	9,749	0.74%
FHLB advances	907,998	11,345	1.67%	923,523	3,573	1.53%	960,689	3,839	1.60%
Senior debt	94,581	4,723	6.66%	94,611	1,574	6.65%	94,581	1,574	6.66%
Junior subordinated debentures	61,857	763	1.65%	61,857	250	1.60%	61,857	255	1.65%
<b>Total interest-bearing liabilities</b>	<b>6,370,552</b>	<b>45,721</b>	<b>0.95%</b>	<b>6,541,885</b>	<b>12,932</b>	<b>0.78%</b>	<b>6,345,497</b>	<b>15,417</b>	<b>0.97%</b>
Noninterest-bearing demand deposits	107,789			122,851			110,525		
Noninterest-bearing liabilities	63,745			64,943			61,619		
<b>Total liabilities</b>	<b>6,542,086</b>			<b>6,729,679</b>			<b>6,517,641</b>		
Total stockholders' equity	636,470			649,316			636,890		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 7,178,556</b>			<b>\$ 7,378,995</b>			<b>\$ 7,154,531</b>		
<b>Net interest spread<sup>(3)</sup></b>			<b>2.24%</b>			<b>2.40%</b>			<b>2.21%</b>
<b>Net interest income/margin<sup>(4)</sup></b>		<b>\$ 124,734</b>	<b>2.34%</b>		<b>\$ 45,116</b>	<b>2.47%</b>		<b>\$ 40,899</b>	<b>2.31%</b>

(1) Non-accrual loans are included in total loan balances. No adjustment has been made for these loans in the calculation of yields. Interest income on loans includes amortization of deferred loan costs, net.

(2) Securities held to maturity include municipal securities. Yields are not calculated on a tax equivalent basis.

(3) Net interest spread is the average yield on total interest-earning assets minus the average rate on total interest-bearing liabilities.

(4) Net interest margin is net interest income divided by total average interest-earning assets.

(5) Yields shown are annualized.

# Non-GAAP Reconciliation (\$ in 000's, except per share data)

	As of or For the Nine Months Ended September 30, 2021	As of or For the Years Ended December 31,			
		2020	2019	2018	2017
<b>Tangible stockholders' equity</b>					
Total assets	\$ 7,220,786	\$ 6,906,104	\$ 7,045,828	\$ 6,937,212	\$ 5,704,380
Less: Goodwill	(3,297)	(3,297)	(3,297)	(3,297)	(3,297)
Less: Total liabilities	(6,566,850)	(6,292,413)	(6,431,364)	(6,356,067)	(5,154,635)
Tangible stockholders' equity	<u>\$ 650,639</u>	<u>\$ 610,394</u>	<u>\$ 611,167</u>	<u>\$ 577,848</u>	<u>\$ 546,448</u>
<b>Tangible assets</b>					
Total assets	\$ 7,220,786	\$ 6,906,104	\$ 7,045,828	\$ 6,937,212	\$ 5,704,380
Less: Goodwill	(3,297)	(3,297)	(3,297)	(3,297)	(3,297)
Tangible assets	<u>\$ 7,217,489</u>	<u>\$ 6,902,807</u>	<u>\$ 7,042,531</u>	<u>\$ 6,933,915</u>	<u>\$ 5,701,083</u>
<b>Tangible stockholders' equity to tangible assets</b>					
Tangible book value (numerator)	\$ 650,639	\$ 610,394	\$ 611,167	\$ 577,848	\$ 546,448
Tangible assets (denominator)	7,217,489	6,902,807	7,042,531	6,933,915	5,701,083
Tangible stockholders' equity to tangible assets	<u>9.0%</u>	<u>8.8%</u>	<u>8.7%</u>	<u>8.3%</u>	<u>9.6%</u>
<b>Efficiency ratio</b>					
Noninterest expense (numerator)	\$ 43,919	\$ 73,934	\$ 62,386	\$ 62,687	\$ 56,544
Net interest income	\$ 124,734	\$ 138,623	\$ 128,407	\$ 125,087	\$ 110,895
Noninterest income	1,250	2,520	4,675	4,131	7,508
Operating revenue (denominator)	\$ 125,984	\$ 141,143	\$ 133,082	\$ 129,218	\$ 118,403
Efficiency ratio	<u>34.9%</u>	<u>52.4%</u>	<u>46.9%</u>	<u>48.5%</u>	<u>47.8%</u>
<b>Tangible book value per share</b>					
Tangible stockholders' equity (numerator)	\$ 650,639				
Period end shares outstanding (denominator)	51,682,604				
Tangible book value per share	<u>\$ 12.59</u>				
<b>Pro forma items <sup>(1)</sup></b>					
Net income before income taxes				\$ 65,231	
Effective tax rate				42%	
Pro forma provision for income taxes				<u>\$ 27,397</u>	
Net income before income taxes				\$ 65,231	
Pro forma provision for income taxes				<u>27,397</u>	
Pro forma net income				<u>\$ 37,834</u>	
Pro forma net income (numerator)				\$ 37,834	
Average assets (denominator)				5,485,832	
Pro forma return on average assets				<u>0.69%</u>	
Average stockholders' equity (denominator)				\$ 425,698	
Pro forma return on average stockholders' equity				<u>8.89%</u>	

(1) For 2017, we calculate our pro forma net income, earnings per share, return on average assets, return on average equity and return on average tangible equity by adding back our franchise S-Corporation tax to net income, and using a combined C-Corporation effective tax rate for Federal and California income taxes of 42%. This calculation reflects only the change in our status as an S-Corporation and does not give effect to any other transaction.

# Non-GAAP Reconciliation (\$ in 000's, except per share data)

	<b>As of or For the Year Ended December 31, 2020</b>
<b>Pro forma items continued <sup>(1)</sup></b>	
Net income	\$ 39,912
Add: Non-recurring noninterest expense item, net taxes	<u>7,352</u>
Pro forma net income	<u>\$ 47,264</u>
Pro forma net income (numerator)	\$ 47,264
Average assets (denominator)	<u>7,092,407</u>
Pro forma return on average assets	<u>0.67%</u>
Pro forma net income (numerator)	\$ 47,264
Average stockholders' equity (denominator)	<u>610,770</u>
Pro forma return on average stockholders' equity	<u>7.74%</u>
Pro forma net income (numerator)	\$ 47,264
Fully dilutive shares (denominator)	<u>53,146,298</u>
Pro forma earnings per share	<u>\$ 0.89</u>
Noninterest expense	\$ 73,934
Less: Non-recurring noninterest expense item, before income taxes	<u>(10,443)</u>
Pro forma noninterest expense (numerator)	<u>\$ 63,491</u>
Operating revenue (denominator)	\$ 141,143
Pro forma efficiency ratio	<u>45.0%</u>
Pro forma noninterest expense (numerator)	\$ 63,491
Average assets (denominator)	<u>7,092,407</u>
Pro forma noninterest expense to average assets	<u>0.90%</u>

(1) For the year ended December 31, 2020, our pro forma amounts above are adjusted to reverse the impact of a non-recurring cost incurred in connection with the early paydown of \$150 million of long-term FHLB borrowings in late December 2020.