



▶ QUARTERLY INVESTOR UPDATE

THIRD QUARTER FISCAL YEAR 2024



FORWARD LOOKING STATEMENTS

This investor update and our comments during the investor conference call contain “forward-looking statements” which are made in good faith by Pathward Financial, Inc.TM (the “Company”) pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by words such as “may,” “hope,” “will,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” “continue,” “could,” “future,” “target,” or the negative of those terms, or other words of similar meaning or similar expressions. You should carefully read statements that contain these words because they discuss our future expectations or state other “forward-looking” information.

These forward-looking statements are based on information currently available to us and assumptions about future events, and include statements with respect to the Company’s beliefs, expectations, estimates, and intentions, which are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company’s control. Such risks, uncertainties and other factors may cause our actual growth, results of operations, financial condition, cash flows, performance and business prospects and opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Such statements include, without limitation, the statements on the slide entitled “Strong Results in Asset Optimization,” “Trusted Platform That Enables Our Partners to Thrive” and “Guidance,” and address, among others, the following subjects: future operating results including our earnings per diluted share guidance, annual effective tax rate, and related performance expectations; progress on key strategic initiatives; expected results of our partnerships; impacts of our improved data analytics, underwriting and monitoring processes; impacts of our implementation of a new technology system; our goals and possible future actions with respect to optimizing the balance sheet and growing earnings; expected nonperforming loan resolutions and net charge off rates; the performance of our securities portfolio; the impact of card balances related to government stimulus programs; customer retention; loan and other product demand; new products and services; credit quality; the level of net charge-offs and the adequacy of the allowance for credit losses; and technology. The following factors, among others, could cause the Company’s financial performance and results of operations to differ materially from the expectations, estimates, and intentions expressed in such forward-looking statements: maintaining our executive management team; expected growth opportunities may not be realized or may take longer to realize than expected; the potential adverse effects of unusual and infrequently occurring events, including the impact on financial markets from geopolitical conflicts such as the military conflicts in Ukraine and the Middle East, weather-related disasters, or public health events, such as pandemics and any governmental or societal responses thereto; our ability to successfully implement measures designed to reduce expenses and increase efficiencies; changes in trade, monetary, and fiscal policies and laws, including actual changes in interest rates and the Fed Funds rate, and their related impacts on macroeconomic conditions, customer behavior, funding costs and loan and securities portfolios; changes in tax laws; the strength of the United States’ economy, and the local economies in which the Company operates; adverse developments in the financial services industry generally such as bank failures, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer behavior; inflation, market, and monetary fluctuations; our liquidity and capital positions, including the sufficiency of our liquidity; the timely and efficient development of, new products and services offered by the Company or its strategic partners, as well as risks (including reputational and litigation) attendant thereto, and the perceived overall value and acceptance of these products and services by users; the ability of the Company’s subsidiary PathwardTM, N.A. (“Pathward”) to maintain its Durbin Amendment exemption; the risks of dealing with or utilizing third parties, including, in connection with the Company’s prepaid card and tax refund advance businesses, the risk of reduced volume of refund advance loans as a result of reduced customer demand for or usage of the Company’s strategic partners’ refund advance products; our relationship with, and any actions which may be initiated by, our regulators; changes in financial services laws and regulations, including laws and regulations relating to the tax refund industry and the insurance premium finance industry; technological changes, including, but not limited to, the protection of our electronic systems and information; the impact of acquisitions and divestitures; litigation risk; the growth of the Company’s business, as well as expenses related thereto; continued maintenance by Pathward of its status as a well-capitalized institution, changes in consumer borrowing, spending and saving habits; losses from fraudulent or illegal activity, technological risks and developments and cyber threats, attacks or events; the success of the Company at maintaining its high quality asset level and managing and collecting assets of borrowers in default should problem assets increase; and the other factors described under the caption “Risk Factors” and in other sections of the Company’s Annual Report on Form 10-K for the Company’s fiscal year ended September 30, 2023 and in other filings made by the Company with the Securities and Exchange Commission (“SEC”).

The foregoing list of factors is not exclusive. We caution you not to place undue reliance on these forward-looking statements. The forward-looking statements included herein speak only as of the date of this investor update. The Company expressly disclaims any intent or obligation to update, revise or clarify any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company or its subsidiaries, whether as a result of new information, changed circumstances or future events or for any other reason.

► Q3 FY 2024 HIGHLIGHTS



Net Income

\$41.8 million in net income; a decrease of 7% compared to Q3 FY 2023

Diluted Earnings Per Share

\$1.66 in diluted earnings per share; a decrease of 1% compared to Q3 FY 2023

Net Interest Margin

Net interest margin (“NIM”) of 6.56% compared to 6.18% in prior year period; Adjusted NIM¹, including contractual, rate-related processing expenses, of 4.92% compared to 4.88% in prior year period

Return Metrics²

FY 2024 nine months ended return on average assets (“ROAA”) of 2.33% compared to 2.46% in prior year period; FY 2024 nine months ended return on average tangible equity (“ROATE”) of 47.3% compared to 50.8% in prior year period

STRONG RESULTS IN ASSET OPTIMIZATION

- Robust pipeline in working capital and government guaranteed loans
- Continued focus on optimizing assets and underwriting loans that have the highest risk adjusted returns
- Implemented new technology system that will create efficiencies
- Solid originations in consumer lending

PATHWARD'S VALUE PROPOSITIONS MAKE US A TRUSTED PARTNER

- Experience
- Operational excellence
- Build strong partnerships
- Mature risk and compliance infrastructure



TRUSTED PLATFORM THAT ENABLES OUR PARTNERS TO THRIVE



Right sized balance sheet with optimized asset mix



Technology to facilitate evolution and scalability



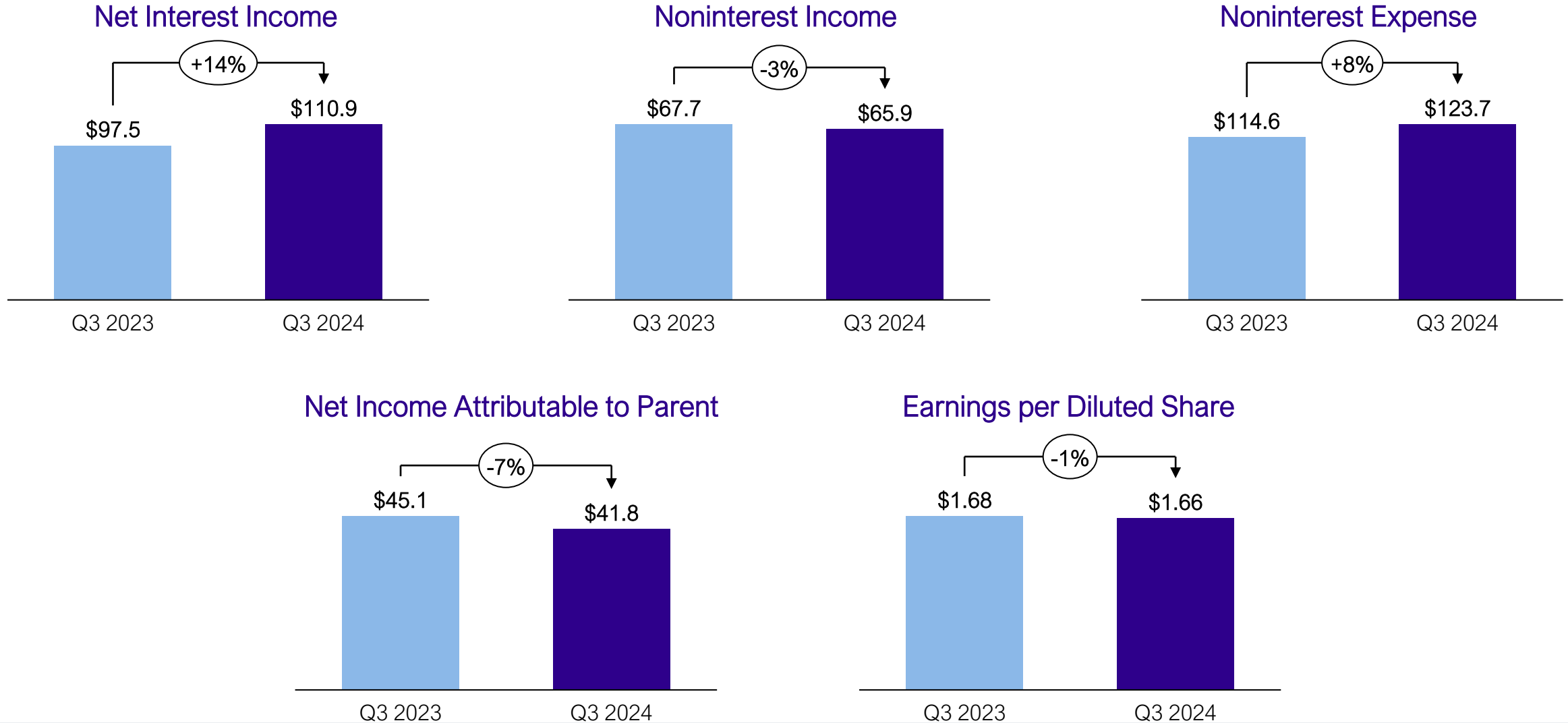
People and culture are important assets



Mature risk and compliance framework

NET INTEREST INCOME DRIVES GROWTH IN EPS

(\$ IN MILLIONS, EXCEPT PER SHARE DATA)

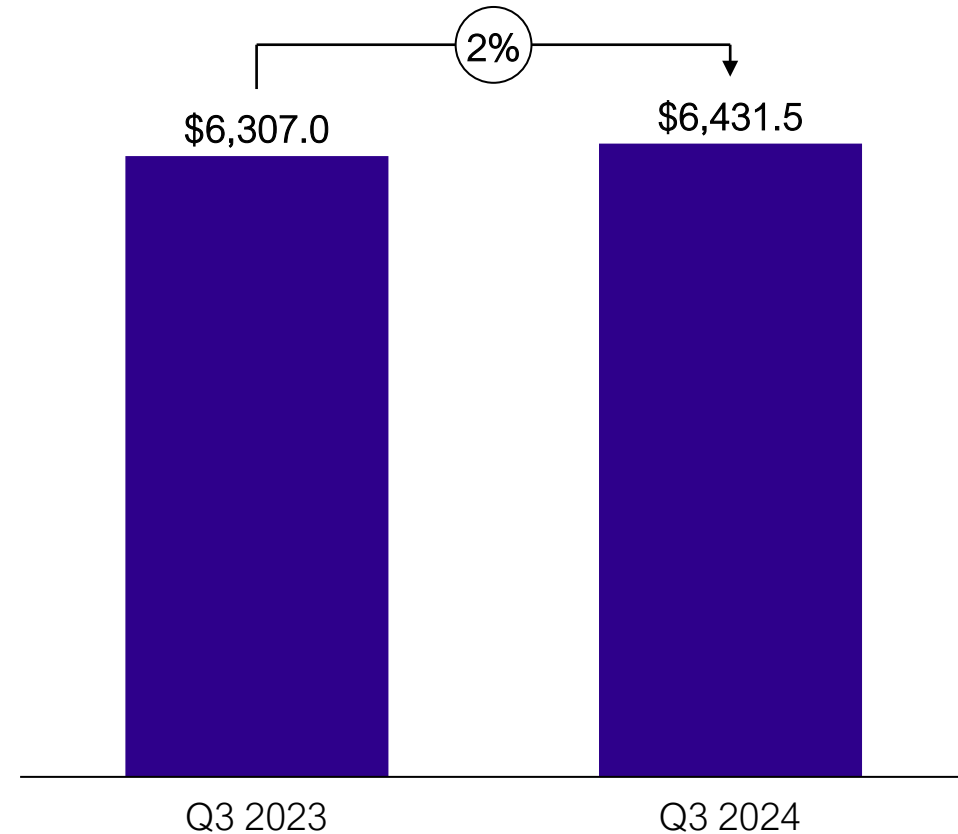


DEPOSIT BASE HIGHER TO SUPPORT ASSET GROWTH

- Average Q3FY24 off-balance sheet custodial deposits held in custody at program banks of \$645 million compared to \$1.18 billion during the prior year period.
- \$353 million of off-balance sheet custodial deposits as of June 30, 2024, as compared to \$781 million as of June 30, 2023.
- These off-balance sheet custodial deposits earn recordkeeping servicing fee income, typically reflective of the Effective Fed Funds Rate.
- Continue to return unclaimed EIP balances to the U.S. Treasury.

DEPOSITS¹

Period ending (\$ in millions)

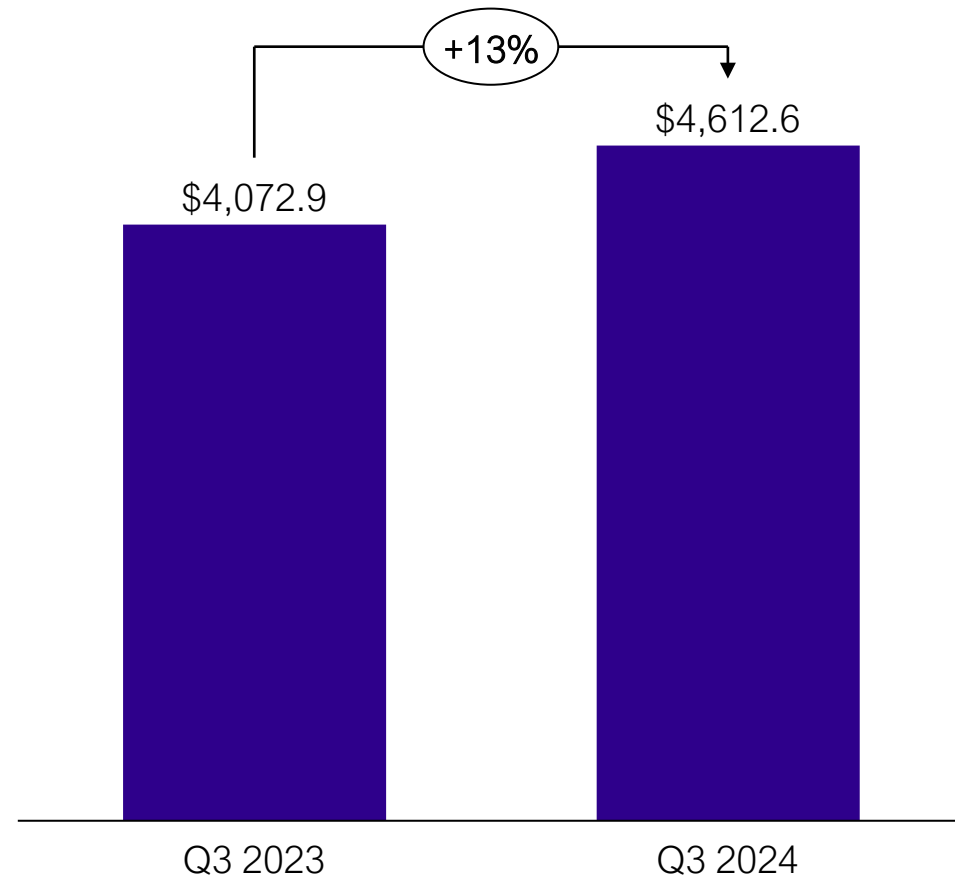


TOTAL LOANS AND LEASES INCREASED FROM Q3 2023

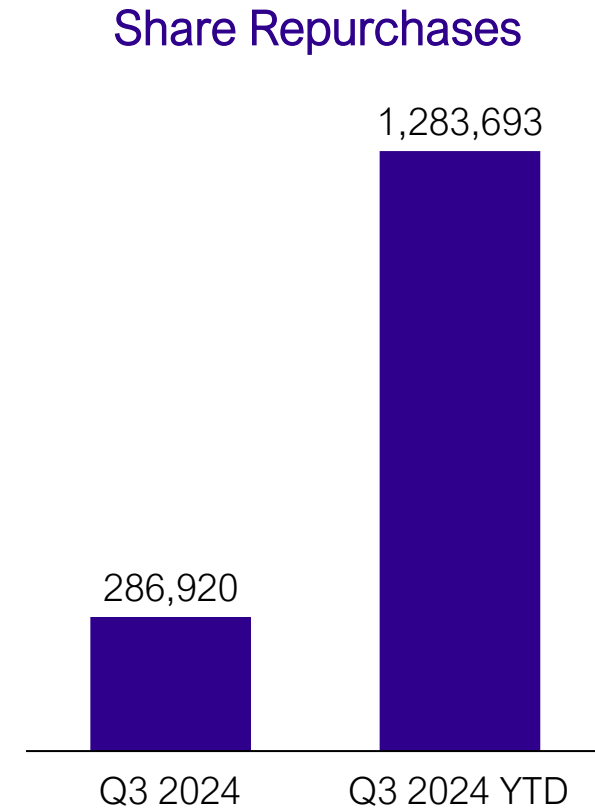
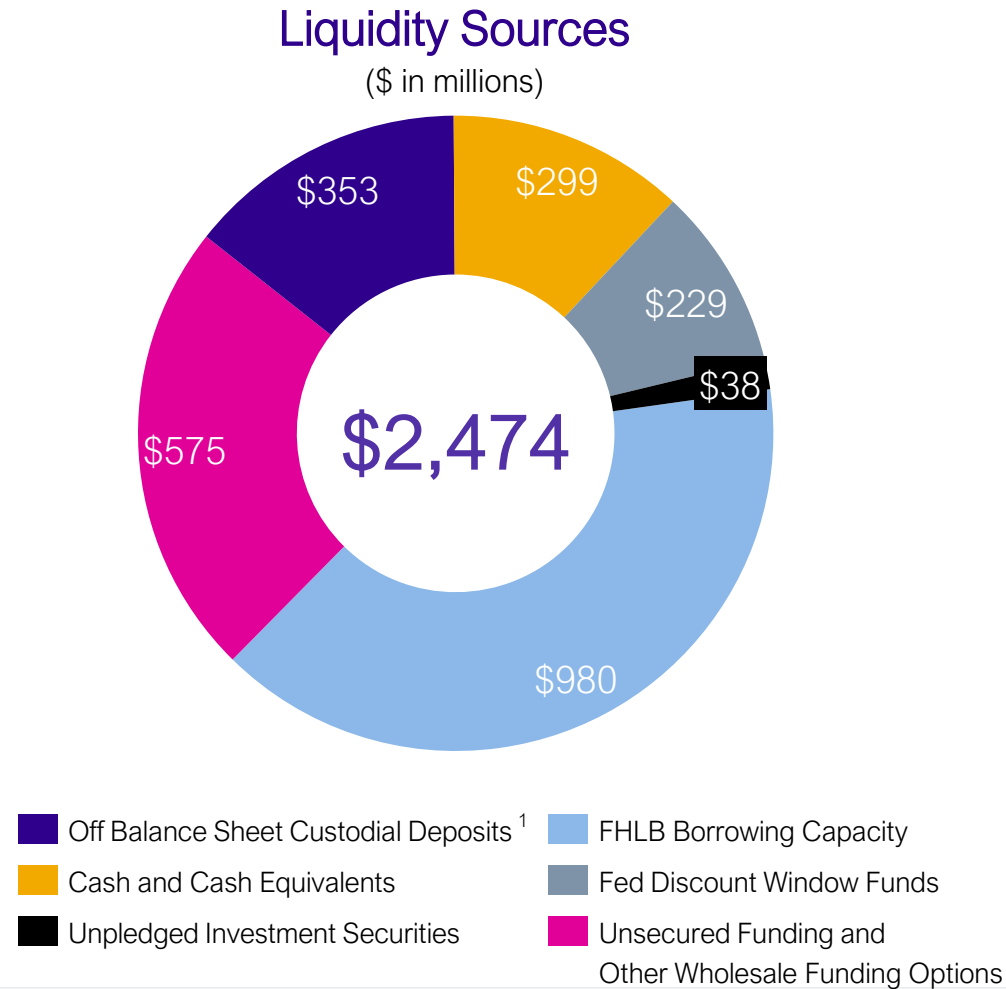
- Growth primarily driven by SBA/USDA, renewable energy and working capital
- Nonperforming loans and leases of 0.96% compared to 0.93% at June 30, 2023
- Annualized adjusted net charge-off rate of 0.63% for 3Q24¹

TOTAL LOANS AND LEASES

Period ending (\$ in millions)



STRONG BALANCE SHEET ALLOWS FOR RETURN OF CAPITAL TO SHAREHOLDERS



GUIDANCE

Fiscal 2024

Fiscal 2025

\$6.40 - \$6.60 EPS



\$7.00 - \$7.50 EPS

Earning asset yields increase



25 bps rate cut in Sept 2024

Effective tax rate 14-18%



Effective tax rate 18-22%

Core card fee income to follow historical seasonal patterns



Includes expected share repurchases

¹ Information on this slide is presented as of July 24, 2024, reflects the Company's updated financial outlook, certain of the Company's financial targets, and key assumptions, and will not be updated or affirmed unless and until the Company publicly announces such an update or affirmation. The guidance for fiscal 2024 and fiscal 2025, the Company's financial targets and key economic assumptions contain forward-looking statements and actual results or conditions may differ materially. See the information set forth below the heading "Forward Looking Statements" on slide 2 of this presentation.

▶ Q&A



INVESTMENT HIGHLIGHTS

1

RECORD OF STRONG EARNINGS GROWTH AND **PROFITABILITY** ABOVE BANKING INDUSTRY AVERAGES

2

EXCESS CAPITAL GENERATING BUSINESS ENABLES ONGOING RETURN OF **VALUE** TO SHAREHOLDERS

3

EXPERIENCED **LEADER** IN FAST-GROWING BANKING AS A SERVICE (BAAS) SECTOR, WITH DIVERSIFIED PORTFOLIO OF HIGH-QUALITY FINANCIAL PARTNERS

4

RESILIENT COMMERCIAL FINANCE LOAN PORTFOLIO PRODUCES ATTRACTIVE RETURNS THROUGHOUT ECONOMIC CYCLES

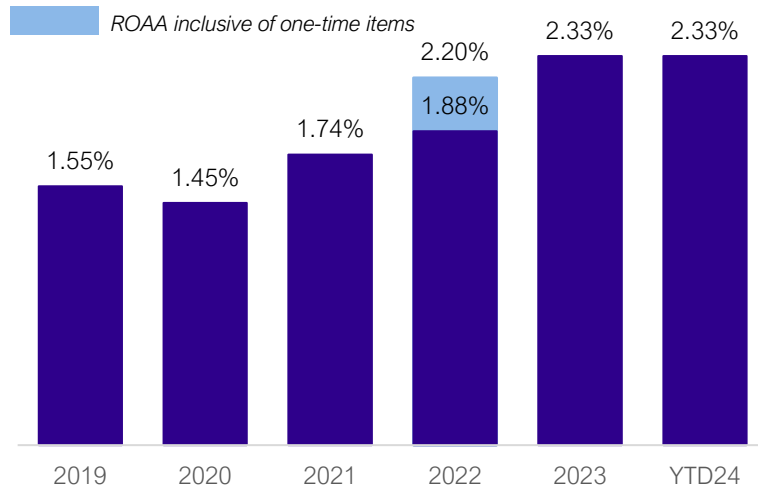
5

HIGHLY ADVANTAGEOUS NATIONAL BANK CHARTER, WITH WELL-DEVELOPED **RISK MITIGATION** AND COMPLIANCE CAPABILITIES

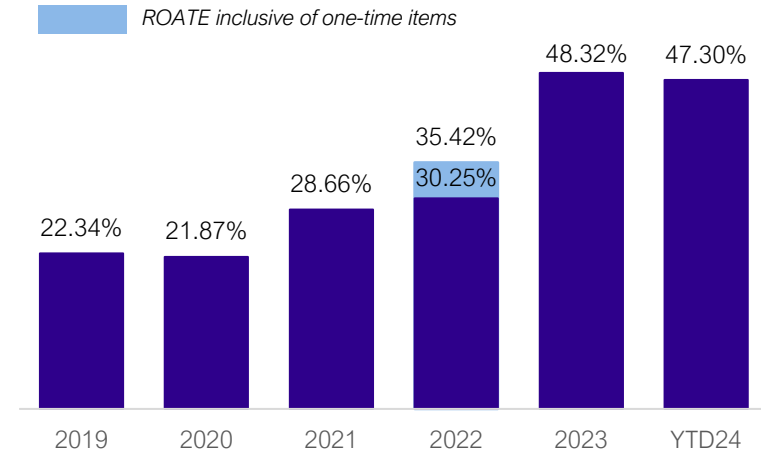


RECORD OF STRONG EARNINGS GROWTH & PROFITABILITY¹

Return on Average Assets²

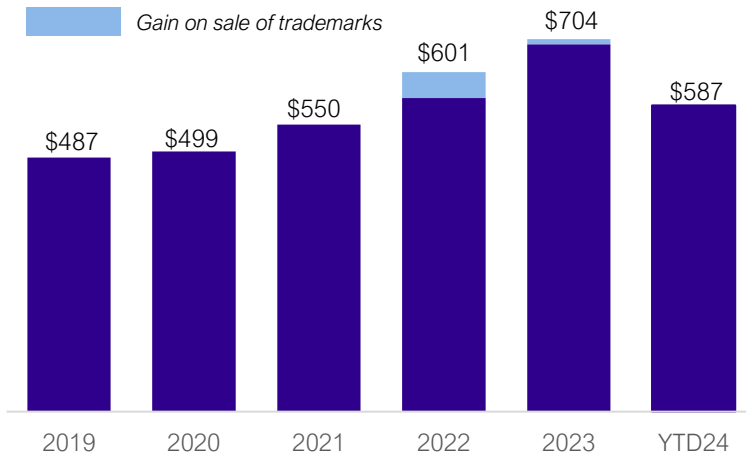


Return on Average Tangible Equity²

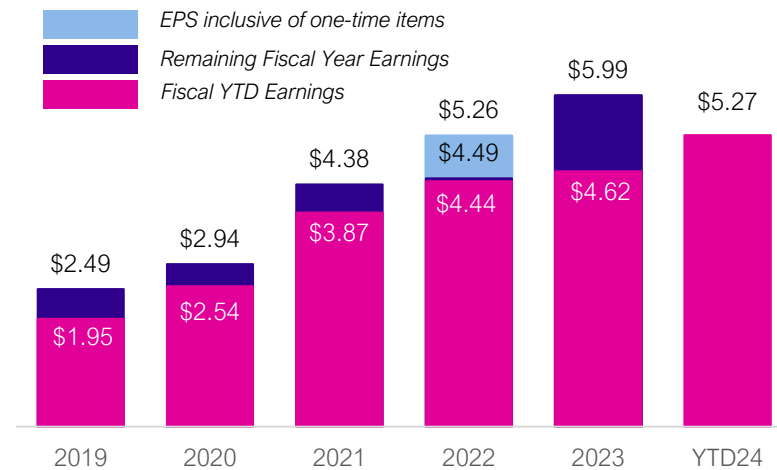


Total Revenue³

(\$ in millions)



Earnings Per Common Share



TRACK RECORD OF STRONG EARNINGS GROWTH AND RIGHT-SIZED BALANCE SHEET ENABLES ONGOING RETURN OF CAPITAL

Capital Returned to Shareholders

RETURN OF CAPITAL TO SHAREHOLDERS

- Pathward's track record of profitability, combined with its commitment to maintaining the size of its balance sheet, enables the return of the majority of earnings through repurchases and dividends.
- Targeting regulatory capital leverage ratio above 8% and total risk weighted capital ratio above 12%.
- Paid dividend every quarter dating back to 1994.
- Executed \$15.0 million of share repurchases in 3Q24.

\$605.0M

TOTAL SHARE REPURCHASES
2Q19 TO 3Q24

\$34.5M

TOTAL DIVIDENDS PAID
2Q19 TO 3Q24

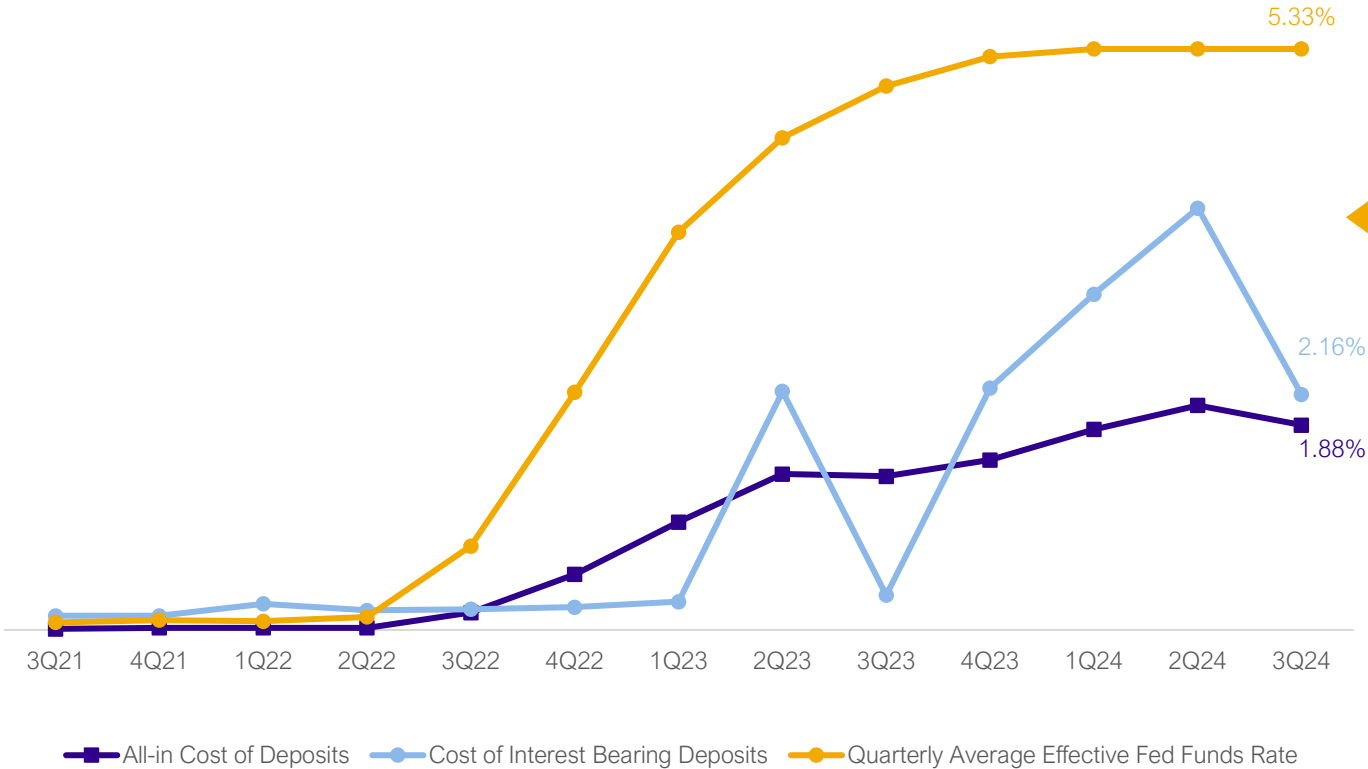
Note: Repurchased common shares include shares withheld to cover income taxes owed by participants related to share-based incentive plans.

2024 TAX SEASON UPDATE

- Total tax product revenue increased 3% through the nine months ended June 30, 2024 compared to the same period of the prior year.
- Refund Advance originations of \$1.56 billion in the 2024 tax season through June 30, 2024 compared to \$1.46 billion in the 2023 tax season.
- Decreases in provision from improving data analytics, underwriting and monitoring.

TAX SERVICES ECONOMICS (\$ in millions)	Nine Months Ended		
	June 30, 2023	June 30, 2024	% Change
Net interest income (expense)	2.89	0.28	(90)%
Refund Advance product income	37.69	43.24	15%
Refund Transfer product income	39.15	38.48	(2)%
Total revenue	79.73	82.00	3%
Total expense	11.56	11.62	0%
Provision for credit losses	32.83	23.29	(29)%
Net income, pre-tax	35.34	47.09	33%
Total Refund Advance originations	\$ 1,459	\$ 1,559	7%
Approximate loss rate ¹ (9 months)	2.27%	1.49%	(34)%

COST OF DEPOSITS



COST OF DEPOSITS

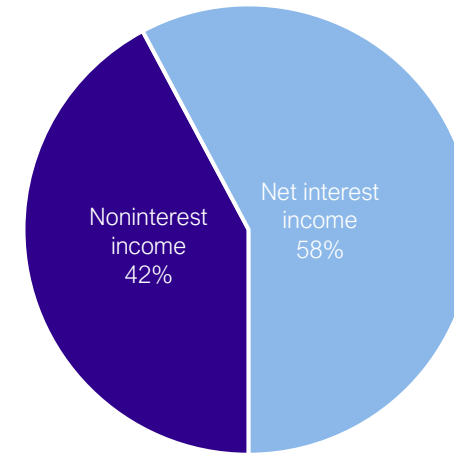
- During the 2024 fiscal third quarter, approximately 57% of the deposit balances were subject to variable card processing expenses, derived from contractual agreements with certain BaaS partners tied to a rate index, typically the Effective Fed Funds Rate.
- These costs reprice immediately upon a change in the applicable rate index, leading to an instant cost change as compared to the earning-asset yields that will generally experience a lag in repricing.
- As of June 30, 2024, Pathward also managed \$353 million in off-balance sheet custodial deposits and earned \$8.6 million of recordkeeping servicing fee income during the fiscal third quarter. That income is also typically reflective of the Effective Fed Funds Rate.

Note: All-in Cost of Deposits represents cost of total deposits with the additional incorporation of the Company's noninterest variable card processing expenses impacted by interest rates.

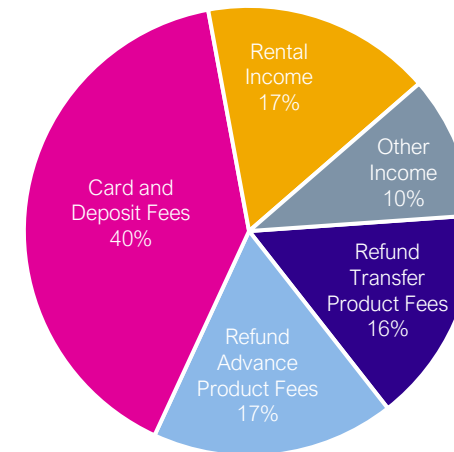
DIVERSIFIED NONINTEREST INCOME STREAMS

- Noninterest income represents 42% of fiscal year-to-date total revenue.
- Majority of noninterest income fees are generated by the Company's BaaS business line. Other major items include leasing rental income and other loan & lease fees.
- Pathward's large fee income base provides stability through interest rate and credit cycles, while propelling continued revenue growth.
- The majority of Pathward's tax season revenue is recorded as noninterest income during the second quarter of each fiscal year.

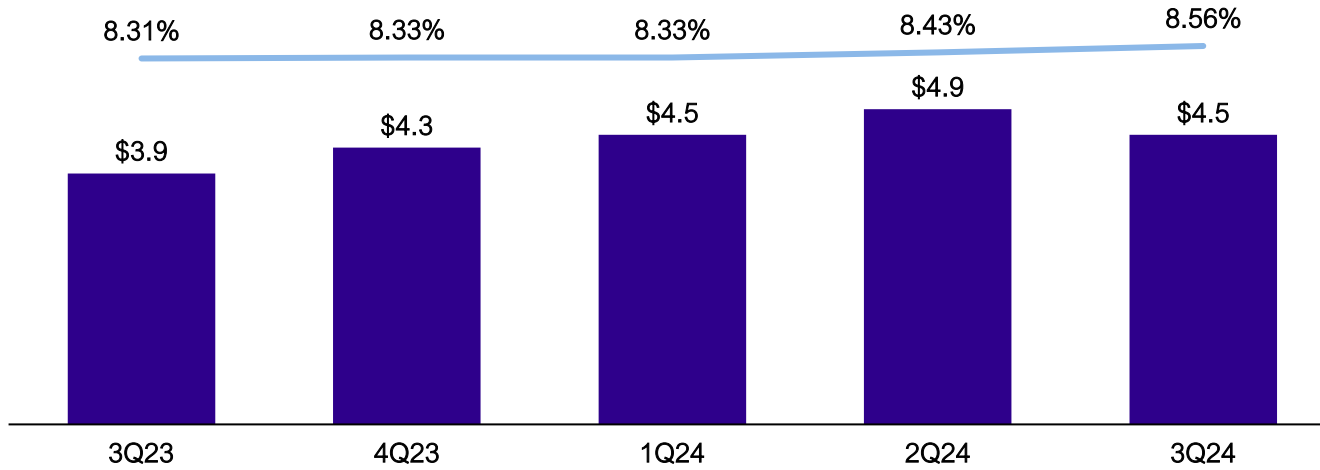
FYTD 2024 REVENUE BREAKDOWN



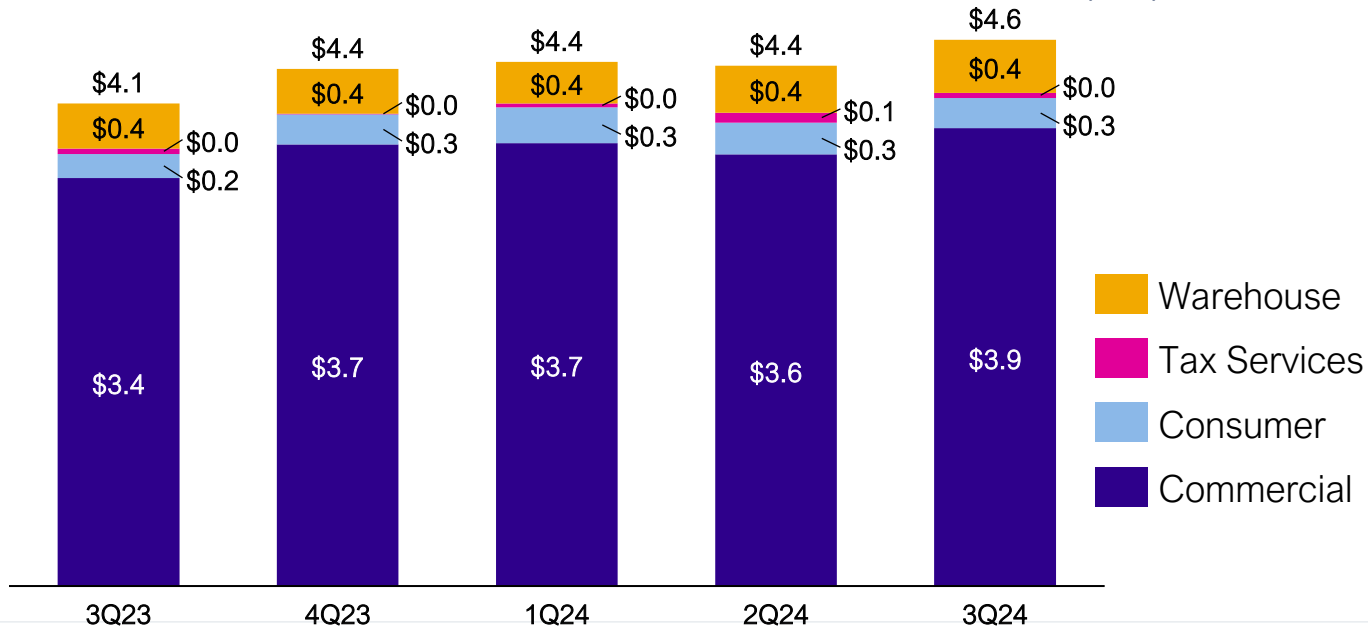
FYTD 2024 NONINTEREST INCOME BREAKDOWN



AVERAGE LOANS AND YIELDS (\$B)



PERIOD END PORTFOLIO COMPOSITION (\$B)



LOAN PORTFOLIO

- Remain focused on smart growth in the Commercial Finance loan portfolio. Commercial Finance balances grew \$419 million, or 12%, from the third quarter of the prior year.
- 3Q24 yields elevated by continued optimization of the balance sheet.
- \$1.8 billion securities portfolio provides cash flow for future commercial finance loan growth.

EQUIPMENT FINANCE

COMMERCIAL FINANCE

- Loan and lease financing to provide access to needed equipment
- Focus on equipment critical to business operations
- Borrowers are investment grade companies
- Primarily fixed rate loans and leases
- Flexibility to sell direct originations to secondary market

7.16%
Q3 2024 Quarterly Yield¹

18%
Of Loan Portfolio

(\$ in millions)

Business Line	Balance Sheet Category	3Q23	2Q24	3Q24
Large ticket	Lease financing	\$187.8	\$160.4	\$148.3
	Term lending	526.3	554.9	541.0
Small ticket	Lease financing	8.3	3.8	3.1
	Term lending	205.9	155.1	138.4
TOTAL		\$928.3	\$874.2	\$830.8

WORKING CAPITAL FINANCE

COMMERCIAL FINANCE

- Provides working capital for companies to meet short-term operational requirements
- Primarily variable rate loans with majority of floors at or above 6%
- Bank typically has dominion of funds
- Heavily collateral-managed
- Historically excels during economic downturns

13.24%
Q3 2024 Quarterly Yield

18%
Of Loan Portfolio

(\$ in millions)

Business Line	Balance Sheet Category	3Q23	2Q24	3Q24
Working Capital	Asset-based lending	\$373.2	\$429.6	\$473.3
	Factoring	351.1	336.4	350.7
TOTAL		\$724.3	\$766.0	\$824.0

INSURANCE PREMIUM FINANCE

COMMERCIAL FINANCE

- Typically, short-term financing to facilitate the purchase of property, casualty, and liability insurance policies
- Insurance premium loans have an average term of 10 months
- Fixed rate loans
- Usually collateralized by insurance premiums
- Very low historical loss rate

8.59%
Q3 2024 Quarterly Yield

13%
Of Loan Portfolio

(\$ in millions)

Business Line	Balance Sheet Category	3Q23	2Q24	3Q24
Insurance Premium Finance	Insurance premium finance	\$666.3	\$522.9	\$617.1
TOTAL		\$666.3	\$522.9	\$617.1

STRUCTURED FINANCE COMMERCIAL FINANCE

- Funding small and midsize businesses, including rural borrowers
- SBA, USDA, and conventional loans with fixed or variable interest rates
- Debt refinance, leveraged acquisitions, and alternative energy project finance
- SBA and USDA guarantees can be sold on the secondary market

6.36%
Q3 2024 Quarterly Yield

30%
Of Loan Portfolio

(\$ in millions)

Business Line	Balance Sheet Category	3Q23	2Q24	3Q24
Guaranteed portion of US govt SBA/USDA loans	SBA/USDA	\$253.3	\$357.3	\$357.0
Unguaranteed portion of US govt SBA/USDA loans	SBA/USDA	169.1	203.1	206.7
Renewable energy debt financing ¹ (term lending only)	Term lending	290.6	484.4	593.7
Other	Term lending	231.0	294.7	260.6
TOTAL		\$944.0	\$1,339.5	\$1,418.0

¹Total renewable energy debt financing outstanding was \$1.11 billion as of 3Q24. The majority of these balances are in the term lending and SBA/USDA balance sheet categories.

CONSUMER

- Consumer credit programs with marketplace lenders offer Pathward a risk adjusted return
- Protected by certain layers of credit support and balance sheet flexibility
- Programs are offered to strategic partners with payments distribution potential
- Agreements typically provide for “excess spread” build-up and protection through a priority of payment within a waterfall

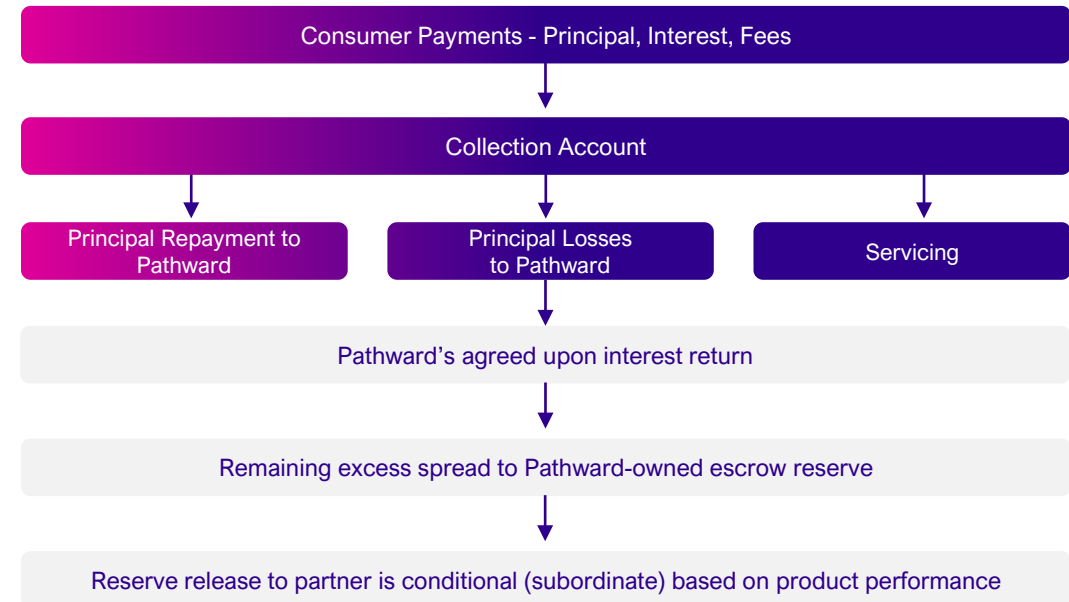
9.64%
Q3 2024 Quarterly Yield

6%
Of Loan Portfolio

(\$ in millions)

Business Line	Balance Sheet Category	3Q23	2Q24	3Q24
Consumer	Consumer finance	\$200.1	\$267.0	\$253.3
TOTAL		\$200.1	\$267.0	\$253.3

Waterfall



WAREHOUSE

- Asset-backed warehouse lines of credit used to support strategic initiatives
- Lines are primarily secured by consumer receivables, whereby Pathward is in a senior, secured position as the first out participant
- Have never had a charge off or loss
- Agreements trigger waterfall protection for the “First Out” participant

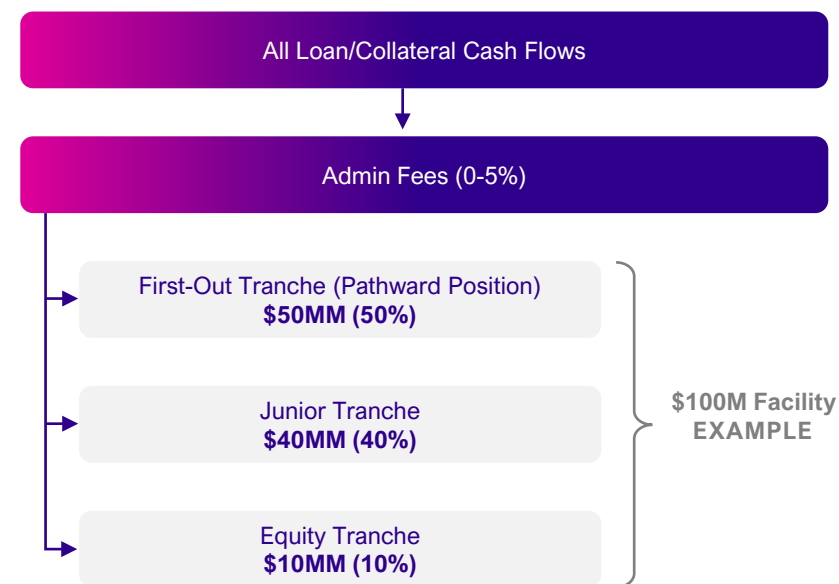
10.47%
Q3 2024 Quarterly Yield

10%
Of Loan Portfolio

(\$ in millions)

Business Line	Balance Sheet Category	3Q23	2Q24	3Q24
Warehouse	Warehouse finance	\$380.4	\$394.8	\$450.0
TOTAL		\$380.4	\$394.8	\$450.0

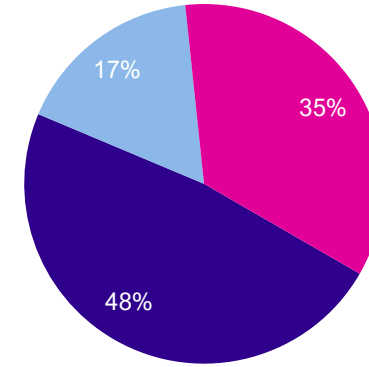
Waterfall



LOAN PORTFOLIO INTEREST RATE SENSITIVITY

- As of June 30, 2024, \$2.2B, or 48% of loans and leases contained floating or variable interest rates. Of these, \$1.3B are tied to Fed Funds or Prime, with the remaining tied to either SOFR or the CMT.
- As of June 30, 2024, all variable loans with floors were at or above their floors.

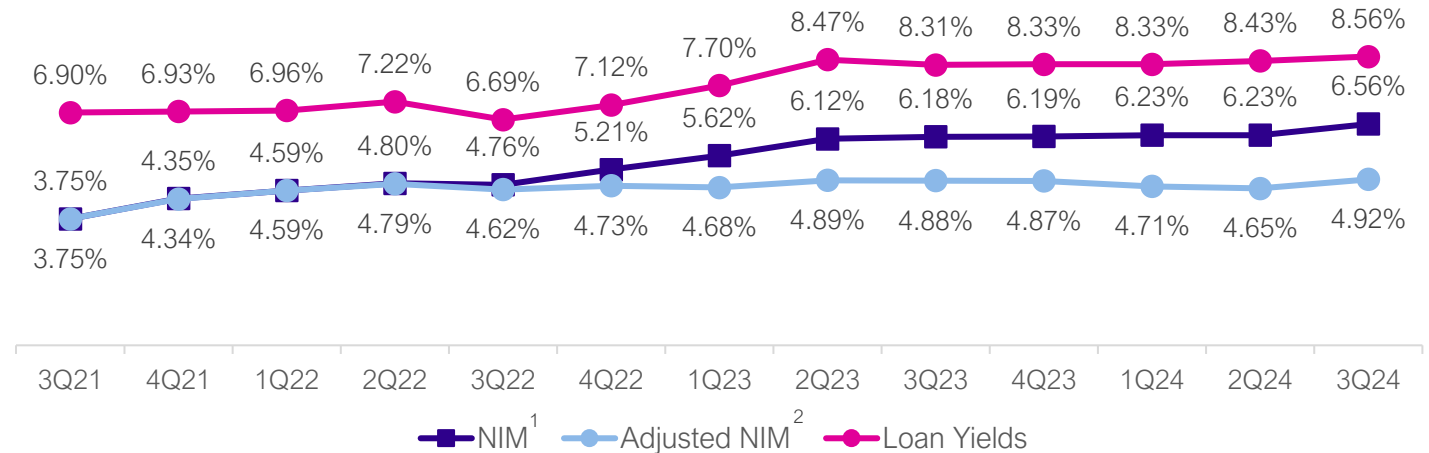
TOTAL LOAN AND LEASE PORTFOLIO PRICING ATTRIBUTES¹



- Fixed Rate > 1 Year
- Fixed Rate < 1 Year
- Floating or Variable

¹ Fixed rate loans and leases are shown for contractual periods.

NET INTEREST MARGIN AND LOAN YIELDS

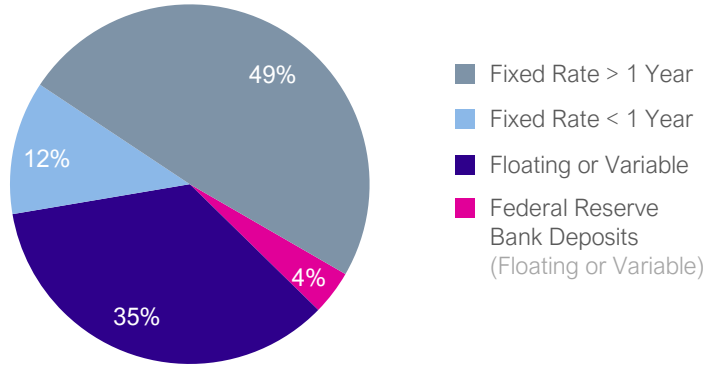


¹ Declines in NIM in FY21 associated with elevated cash balances from government stimulus programs.

² Adjusted NIM includes contractual card processing expenses associated with higher interest rates. See appendix for Non-GAAP financial measures reconciliation.

INTEREST RATE RISK MANAGEMENT JUNE 30, 2024

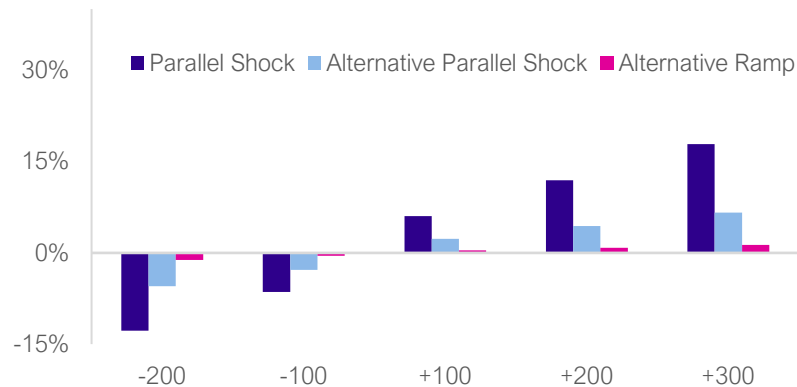
Earning Asset Pricing Attributes¹



¹ Fixed rate securities, loans and leases are shown for contractual periods.

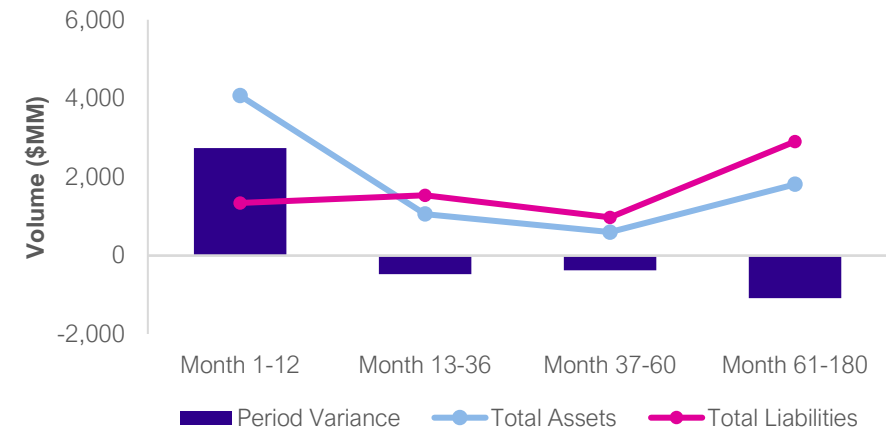
- Data presented on this page is reflective of the Company's asset mix at a point in time and calculated for regulatory purposes. Future rate changes would impact a multitude of variables beyond the Company's control, and as a result, the data presented is not intended to be used for forward-looking modeling purposes.
- Interest rate risk modeling shows asset sensitive balance sheet; net interest income graph shows impact of an instantaneous, parallel rate shock and alternative views of a gradual parallel ramp and a parallel rate shock.
- Management employs rigorous modeling techniques under a variety of yield curve shapes, twists and ramps.

12-Month Interest Rate Sensitivity from Base Net Interest Income



Parallel Shock is a statutory required calculation of the impact of an immediate change in rates, assuming other variables remain unchanged. Ramp reflects additional modeling of more gradual increases in interest rates. The Alternative scenarios mirror the Parallel Shock and Ramp with the additional incorporation of the Company's card fee income and card processing expenses impacted by interest rates.

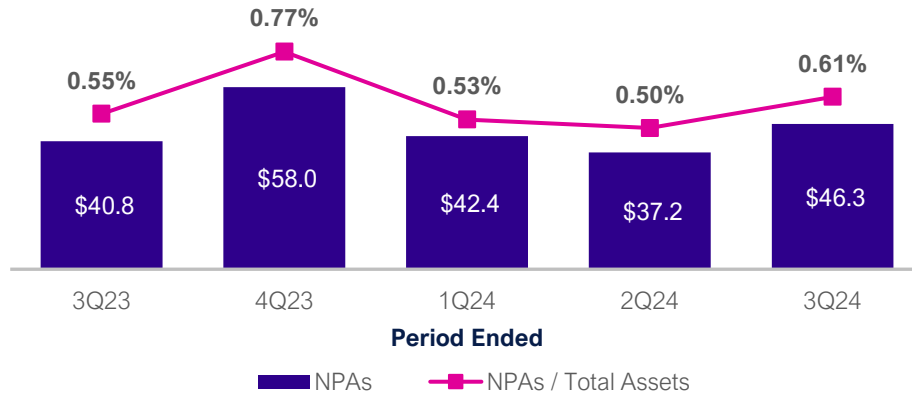
Asset/Liability Gap Analysis



ASSET QUALITY

Nonperforming Assets (“NPAs”)

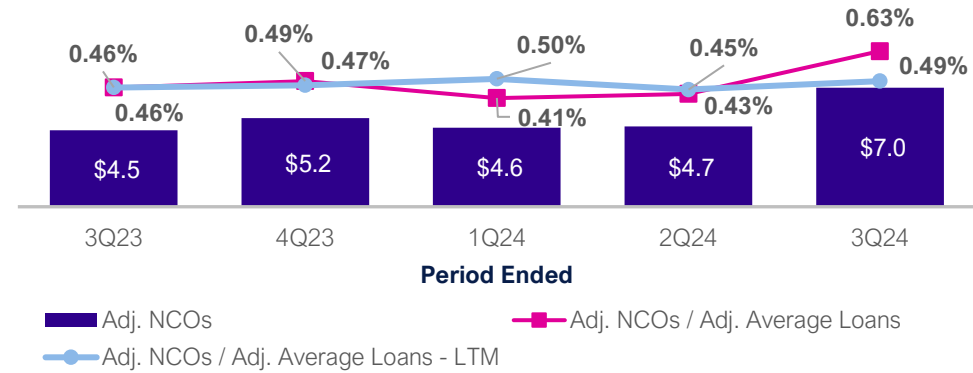
(\$ in millions)



Adjusted Net Charge-Offs (“NCOs”)¹

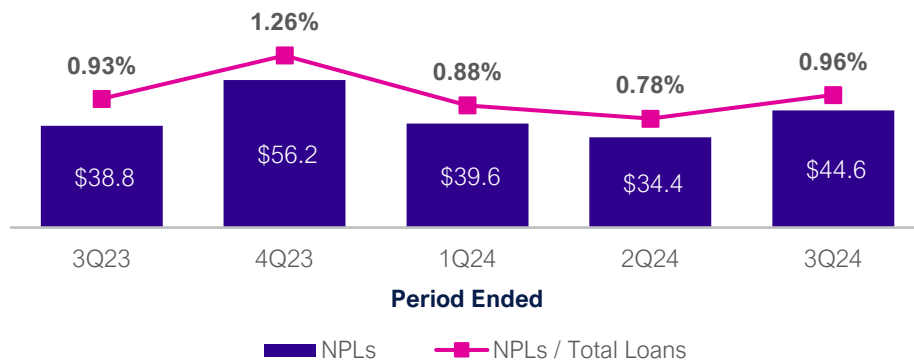
Excludes Tax Services NCOs and Related Seasonal Average Loans

(\$ in millions)



Nonperforming Loans (“NPLs”)

(\$ in millions)



KEY CREDIT METRICS

- Annualized adjusted net charge-offs¹:
 - 0.63% of average loans in 3Q24
 - 0.49% of average loans over last 12 months
- Allowance for credit loss (“ACL”) of \$79.8 million as of June 30, 2024.
- ACL as a % of total loans and leases was 1.73% for 3Q24, a 28 bps decrease from the prior year.
- The increase in NPAs / NPLs compared to the sequential quarter was primarily driven by an increase in nonperforming loans in the commercial finance and consumer finance portfolios.

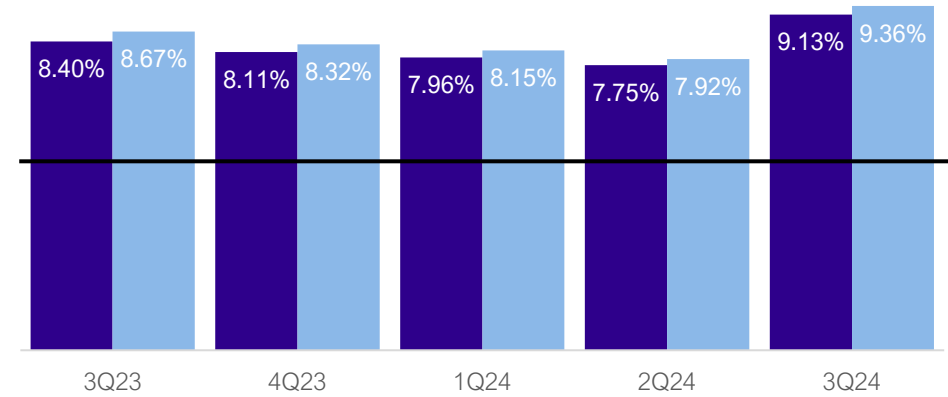
¹ See appendix for Non-GAAP financial measures reconciliation. Tax services NCOs and related seasonal average loans are excluded to adjust for the cyclical activity related to the overall economics of the tax services business line.

CAPITAL AND SOURCES OF LIQUIDITY

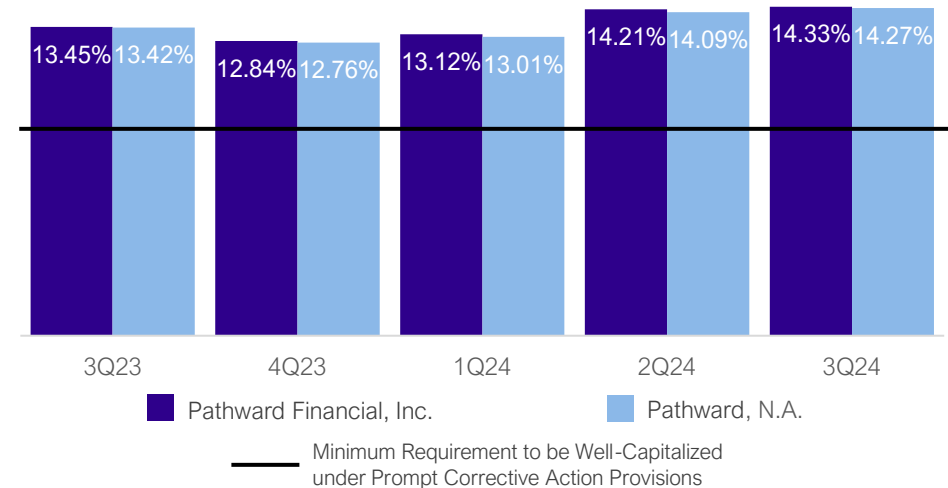
Regulatory Capital as of June 30, 2024

At June 30, 2024 ¹	Pathward Financial, Inc.	Pathward, N.A.
Tier 1 Leverage	9.13%	9.36%
Common Equity Tier 1	12.44%	13.02%
Tier 1 Capital	12.70%	13.02%
Total Capital	14.33%	14.27%

Tier 1 Leverage Ratio



Total Capital Ratio



Primary & Secondary Liquidity Sources (\$ in millions)	
Cash and Cash Equivalents	\$299
Unpledged Investment Securities	\$38
FHLB Borrowing Capacity	\$980
Funds Available through Fed Discount Window	\$229
Unsecured Funding Providers	\$575
Deposit Balances Held at Other Banks	\$353
Total Liquidity	\$2,474

¹Regulatory capital reflects the Company's election of the five-year CECL transition for regulatory capital purposes. Amounts are preliminary pending completion and filing of the Company's regulatory reports.

APPENDIX

NON-GAAP RECONCILIATION

Adjusted Net Income and Adjusted Earnings Per Share

	<u>For the year ended</u>
	2022
<i>(\$ in thousands, except share and per share data)</i>	
Net income – GAAP ^a	156,386
Less: Gain on sale of trademarks	50,000
Add: Rebranding expenses	13,148
Add: Separation related expenses	5,109
Add: Income tax effect	8,936
Adjusted net income ^b	133,579
Less: Allocation of earnings to participating securities ¹	2,191
Adjusted net income attributable to common shareholders	131,388
Adjusted earnings per common share, diluted	\$4.49
Average diluted shares	29,232,247
Adjusted Return on Average Assets and Adjusted Return on Average Tangible Equity	
Average assets ^c	7,103,874
Return on average assets (a / c)	2.20%
Adjusted return on average assets (b / c)	1.88%
Average equity ^d	780,705
Less: Average goodwill and intangible assets	339,179
Average tangible equity ^e	441,526
Return on average tangible equity (a / e)	35.42%
Adjusted return on average tangible equity (b / e)	30.25%

NON-GAAP RECONCILIATION

Adjusted Annualized NCOs and Adjusted Average Loans and Leases

(\$ in thousands)	For the quarter ended				
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Net charge-offs	4,218	41,280	5,486	(1,087)	6,582
Less: Tax services net charge-offs (recoveries)	(266)	36,075	851	(5,800)	(410)
Adjusted net charge-offs	4,484	5,205	4,635	4,713	6,992
Quarterly average loans and leases	3,919,225	4,288,067	4,535,826	4,903,175	4,506,674
Less: Quarterly average tax services loans	52,477	44,192	28,050	493,168	56,836
Adjusted quarterly average loans and leases	3,866,748	4,243,875	4,507,776	4,410,007	4,449,838
Annualized NCOs/average loans and leases	0.43%	3.85%	0.48%	-0.09%	0.58%
Adjusted annualized NCOs/adjusted average loans and leases ¹	0.46%	0.49%	0.41%	0.43%	0.63%

(\$ in thousands)	For the last twelve months ended				
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Net charge-offs	39,054	53,690	55,959	49,897	52,261
Less: Tax services net charge-offs (recoveries)	22,298	35,779	35,597	30,860	30,716
Adjusted net charge-offs	16,756	17,911	20,362	19,037	21,545
Average loans and leases	3,769,235	3,936,582	4,189,308	4,411,573	4,558,436
Less: average tax services loans	140,463	142,640	143,345	154,472	155,561
Adjusted average loans and leases	3,628,772	3,793,943	4,045,963	4,257,104	4,402,874
NCOs/average loans and leases	1.04%	1.36%	1.34%	1.13%	1.15%
Adjusted NCOs/adjusted average loans and leases ¹	0.46%	0.47%	0.50%	0.45%	0.49%

NON-GAAP RECONCILIATION

Efficiency Ratio

(\$ in thousands)	For the last twelve months ended				
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Noninterest expense – GAAP	449,803	464,975	479,190	492,485	501,586
Net interest income	362,687	387,861	413,840	430,736	444,130
Noninterest income	304,004	316,599	303,583	305,490	303,628
Total Revenue: GAAP	666,691	704,460	717,423	736,226	747,758
Efficiency ratio, LTM	67.47%	66.00%	66.79%	66.89%	67.08%

Adjusted Efficiency Ratio

(\$ in thousands)	For the last twelve months ended				
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Noninterest expense – GAAP	449,803	464,975	479,190	492,485	501,586
Less: Rebranding expenses	10,636	3,737	-	-	-
Adjusted noninterest expense	439,167	461,238	479,190	492,485	501,586
Net interest income	362,687	387,861	413,840	430,736	444,130
Noninterest income	304,004	316,599	303,583	305,490	303,628
Less: Gain on sale of trademarks	10,000	10,000	-	-	-
Total Adjusted Revenue:	656,691	694,460	717,423	736,226	747,758
Adjusted Efficiency ratio, LTM	66.88%	66.42%	66.79%	66.89%	67.08%

NON-GAAP RECONCILIATION

Net Interest Margin and Cost of Deposits

For the quarter ended

(\$ in thousands)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Average interest earning assets	7,316,820	6,438,572	6,183,646	7,082,417	6,082,329	6,073,822	5,934,431	6,717,918	6,326,750	6,724,185	7,031,922	7,635,842	6,801,888
Net interest income	68,475	70,667	71,613	83,800	72,151	79,760	84,057	101,405	97,465	104,934	110,036	118,301	110,859
Net interest margin	3.75%	4.35%	4.59%	4.80%	4.76%	5.21%	5.62%	6.12%	6.18%	6.19%	6.23%	6.23%	6.56%
Average total deposits	6,981,439	6,076,868	5,921,384	6,679,422	5,741,072	5,765,048	5,636,658	6,386,592	5,895,242	6,204,934	6,558,189	7,168,673	6,260,990
Deposit interest expense	188	164	141	165	94	99	142	2,096	164	1,954	3,526	6,685	1,689
Cost of deposits	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.13%	0.01%	0.12%	0.21%	0.38%	0.11%

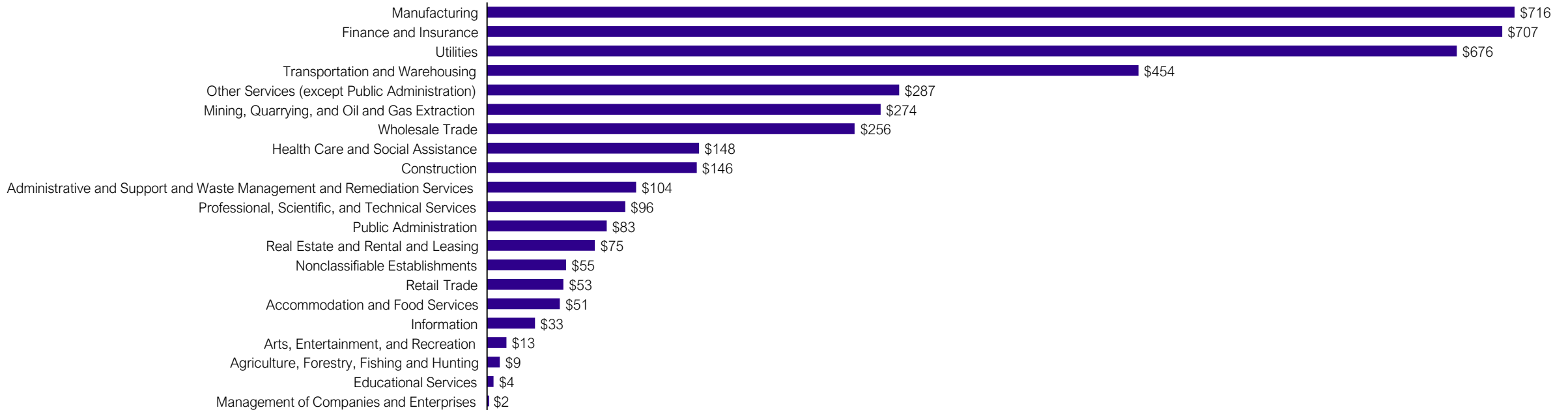
Adjusted Net Interest Margin and Adjusted Cost of Deposits

For the quarter ended

(\$ in thousands)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Average interest earning assets	7,316,820	6,438,572	6,183,646	7,082,417	6,082,329	6,073,822	5,934,431	6,717,918	6,326,750	6,724,185	7,031,922	7,635,842	6,801,888
Net interest income	68,475	70,667	71,613	83,800	72,151	79,760	84,057	101,405	97,465	104,934	110,036	118,301	110,859
Less: Contractual, rate-related processing expense	46	205	128	217	2,158	7,372	13,985	20,369	20,528	22,473	26,793	30,094	27,595
Adjusted net interest income	68,429	70,462	71,485	83,583	69,993	72,388	70,072	81,036	76,937	82,461	83,243	88,207	83,264
Adjusted net interest margin	3.75%	4.34%	4.59%	4.79%	4.62%	4.73%	4.68%	4.89%	4.88%	4.87%	4.71%	4.65%	4.92%
Average total deposits	6,981,439	6,076,868	5,921,384	6,679,422	5,741,072	5,765,048	5,636,658	6,386,592	5,895,242	6,204,934	6,558,189	7,168,673	6,260,990
Deposit interest expense	188	164	141	165	94	99	142	2,096	164	1,954	3,526	6,685	1,689
Add: Contractual, rate-related processing expense	46	205	128	217	2,158	7,372	13,985	20,369	20,528	22,473	26,793	30,094	27,595
Adjusted deposit expense	234	369	269	382	2,252	7,471	14,127	22,465	20,692	24,427	30,319	36,779	29,284
Adjusted cost of deposits	0.01%	0.02%	0.02%	0.02%	0.16%	0.52%	1.00%	1.43%	1.41%	1.56%	1.84%	2.06%	1.88%

COMMERCIAL FINANCE CONCENTRATIONS BY INDUSTRY¹

\$ in millions



MANUFACTURING

- 38% Asset-Based lending
- 38% Term lending
- 10% Factoring
- 7% Rental equipment, net
- 7% Other

TRANSPORTATION & WAREHOUSING

- 45% Term lending
- 31% Factoring
- 12% Insurance premium finance
- 5% Rental equipment, net
- 7% Other

UTILITIES

- 48% SBA/USDA
- 47% Term lending
- 5% Rental equipment, net

¹ Distribution by NAICS codes; excludes certain joint ventures; calculated based on aggregate principal amount of commercial finance loans and leases; includes operating lease rental equipment of \$209.5M