



Quarterly Investor Update

SECOND QUARTER
FISCAL YEAR 2023

FORWARD LOOKING STATEMENTS

This investor update contains “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,” or the negative of those terms, or other words of similar meaning or similar expressions.

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 address, among others, the following subjects: future operating results including our earnings per share guidance and related performance expectations; the impact of measures expected to increase efficiencies or reduce expenses; customer retention; loan and other product demand; expectations concerning acquisitions and divestitures; new products and services; credit quality; the level of net charge-offs and the adequacy of the allowance for loan and lease losses; technology; and the Company’s employees. 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 the ongoing COVID-19 pandemic and any governmental or societal responses thereto, or other unusual and infrequently occurring events, including the impact on financial markets from geopolitical conflicts such as the military conflict between Russia and Ukraine; our ability to achieve brand recognition for the Bank equal to or greater than we enjoyed for MetaBank; 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; 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 recent bank failures; inflation, market, and monetary fluctuations; 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 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 business, 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 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, 2022 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 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.

Pathward is at the Hub of the Financial Ecosystem

Banking as a Service (BaaS)



Generates low-cost funding via partner relationships



Earns recurring fee income

Powering
Financial
Inclusion for
All™

Commercial Finance



Utilizes low-cost deposits¹ to operate a **collateralized lending platform** providing high yielding assets

¹ See slide 22 (Low-cost Deposits) for additional detail on deposit costs.

BaaS Operates Through a Diverse Network of Partners and Four Solutions

- Issuing - one of the leading debit and prepaid card issuers in the country
- Tax - offer refund transfers and refund advances
- Payment - offer merchant acquiring and money movement, acting as the sponsor bank
- Credit - give partners the ability to offer lending solutions to a diverse credit pool



Recent Banking Industry Events May Provide Opportunities for Pathward

Deposits, on and off-balance sheet, totaled almost \$8 billion at quarter end

Companies are seeking a stable, established partner like Pathward

Ensure deals fit with Pathward's purpose, risk profile and return aspirations

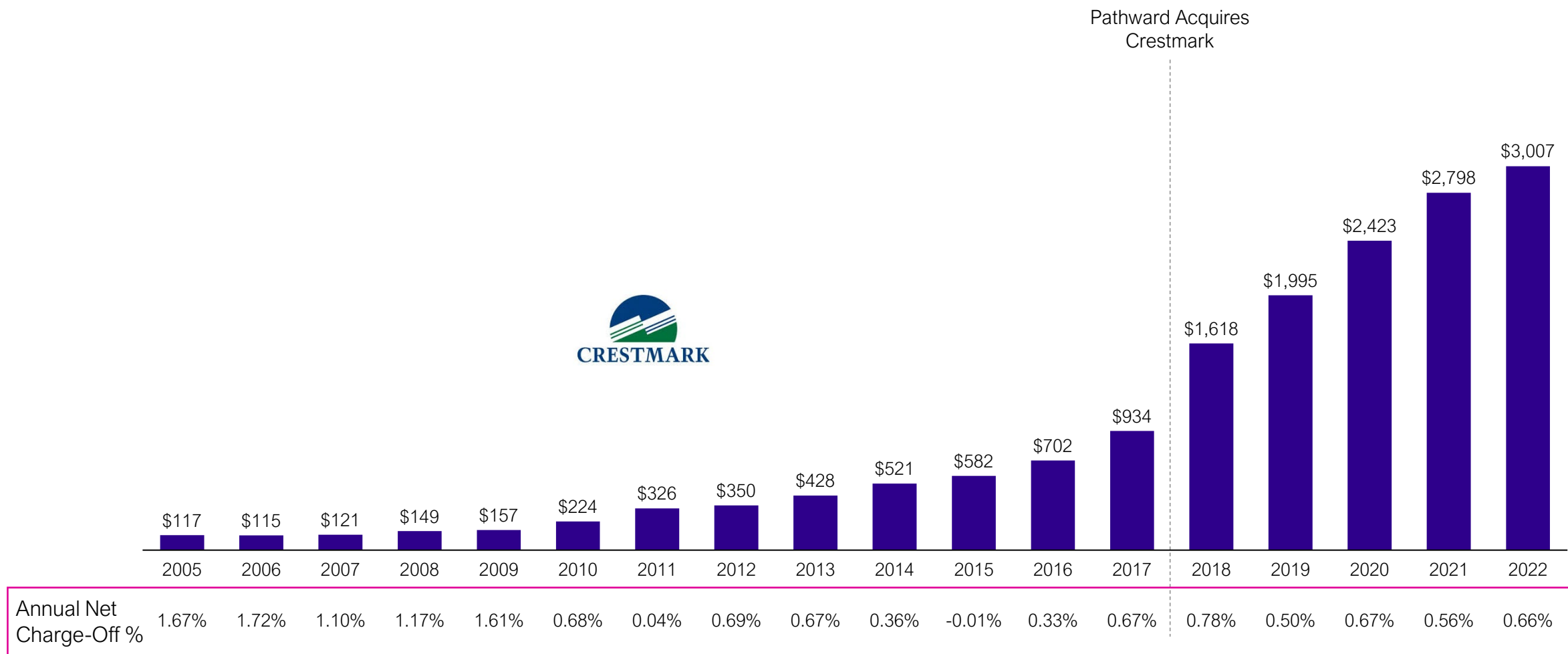
Commercial Finance Offers Financing Primarily to Small- and Medium-Sized Businesses



- Operate in a unique position between traditional banks and finance companies
- Portfolio is diversified and structured to provide opportunity regardless of the economic cycle
- Higher yields are primarily due to human capital and due diligence in underwriting process and throughout the life of the loan

Annual Net Charge-Off Rates Remain Stable Over Time

December 31st Commercial Finance Loan Balances (\$ in millions)



Total Loans and Leases Increased from Q1 2023



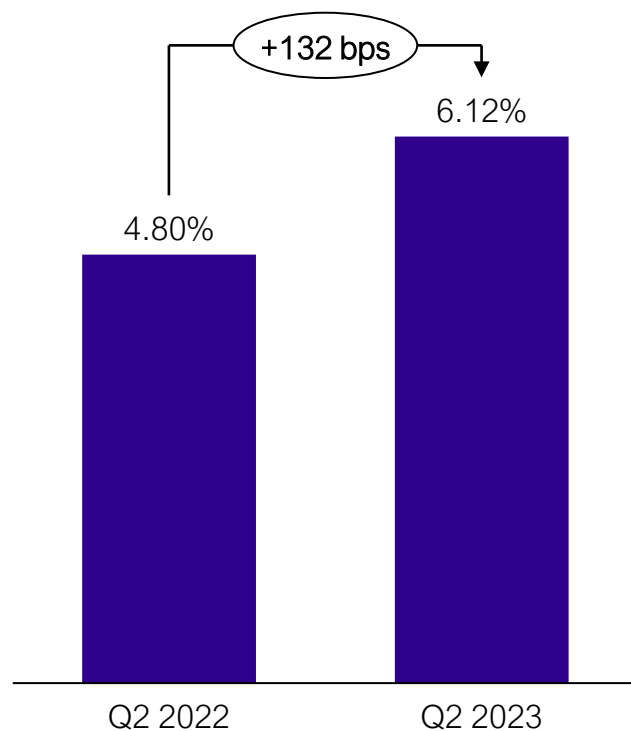
- Linked quarter increase driven by growth in Commercial Finance and Warehouse Finance
- Roughly flat to Q2 2022
- Credit quality remains strong
- Nonperforming loans and leases of 0.76% are lower than Q1 2023 by 40 basis points

Second Quarter Results Driven by NIM Expansion and Growth in Noninterest Income

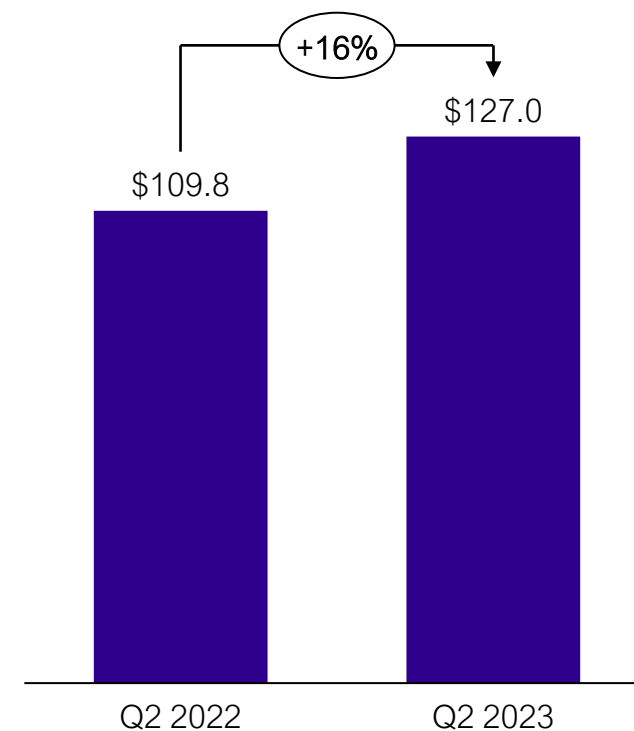
Net Interest Income
(\$ in millions)



Total Net Interest Margin



Noninterest Income
(\$ in millions)



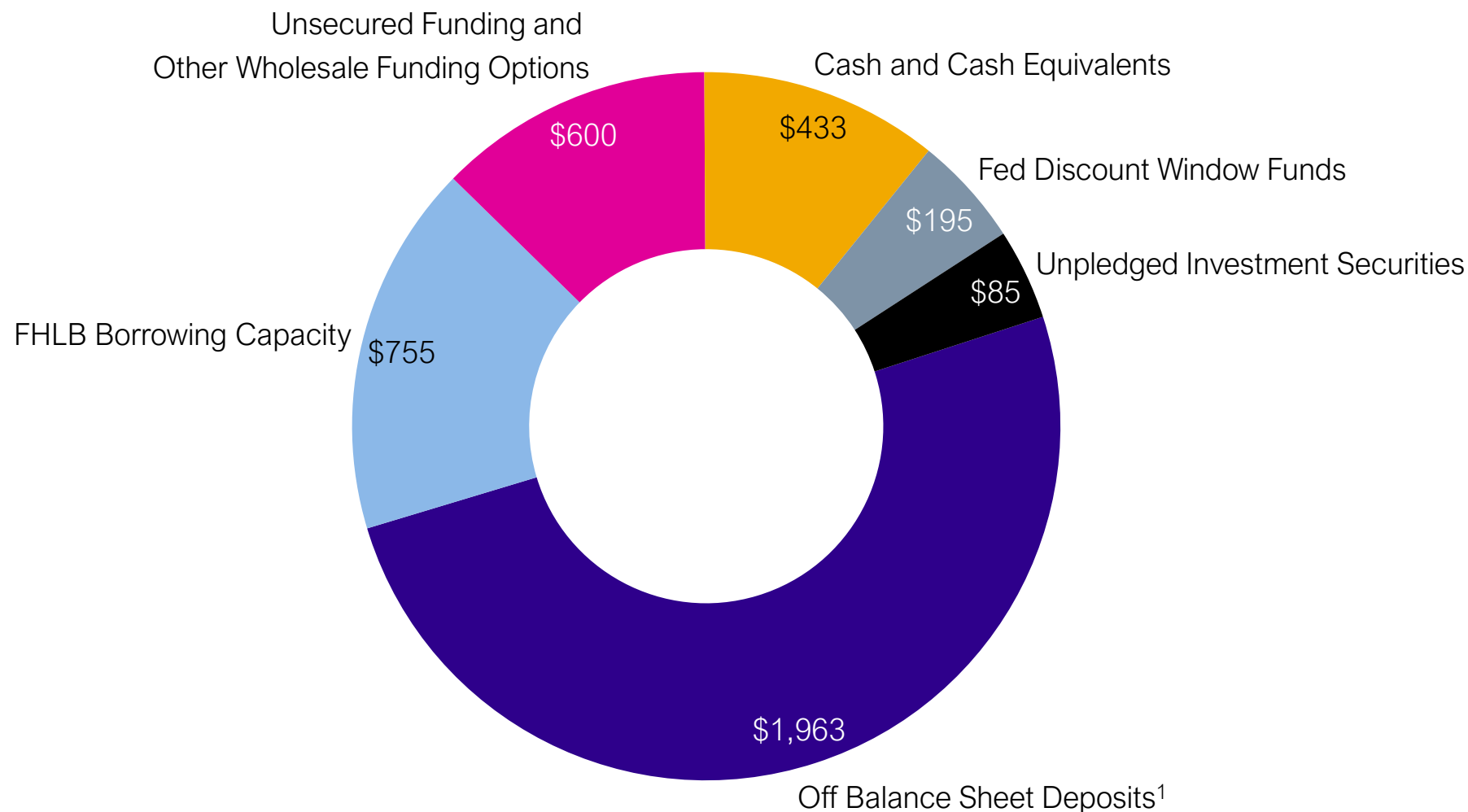
Total Deposit Base Remains Strong

\$7.9B in Total Deposits¹



Pathward's Balance Sheet is Strong With Over \$4 Billion in Available Liquidity

(\$ in millions)



Reaffirming Fiscal Year 2023 Earnings Guidance

<i>(Earnings per share amounts)</i>	Guidance
Diluted earnings per share - GAAP	\$5.55 - \$5.95
Less: Net FY2023 Q1 extraordinary items, net of tax ¹	\$0.15
Diluted earnings per share - Adjusted	\$5.40 - \$5.80

¹ Includes gain on sale of trademarks and rebranding-related expenses.

Guidance includes the following assumptions:

- Impact from EIP deposit balance decline in Fiscal Year 2023
- Federal Funds Target Rate remains at 5% in second half of Fiscal Year 2023
- Tax rate in the range of 12-15% for Fiscal Year 2023



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

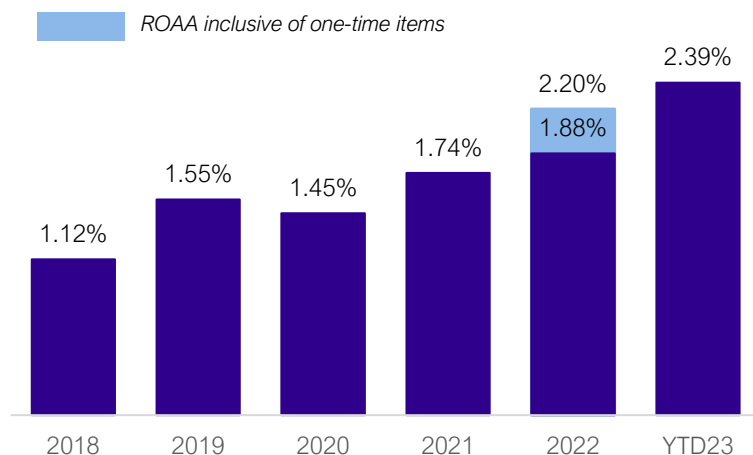
Resilient Commercial Finance loan portfolio produces attractive returns throughout economic cycles

5

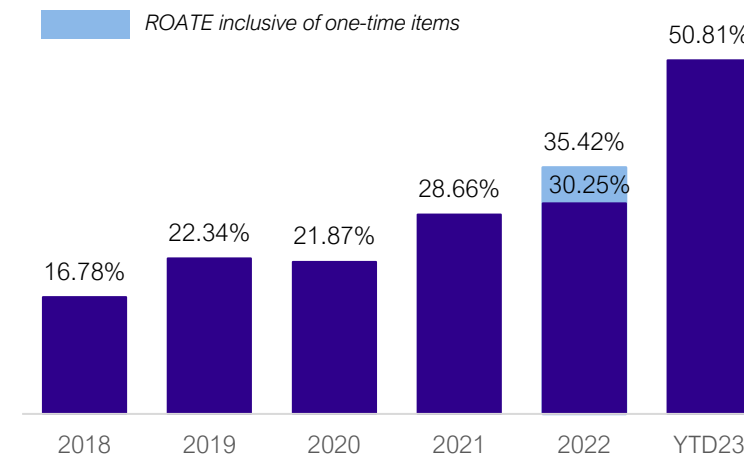
Highly advantageous national bank charter, with well-developed **risk mitigation** and compliance capabilities

Record of Strong Earnings Growth and Profitability¹

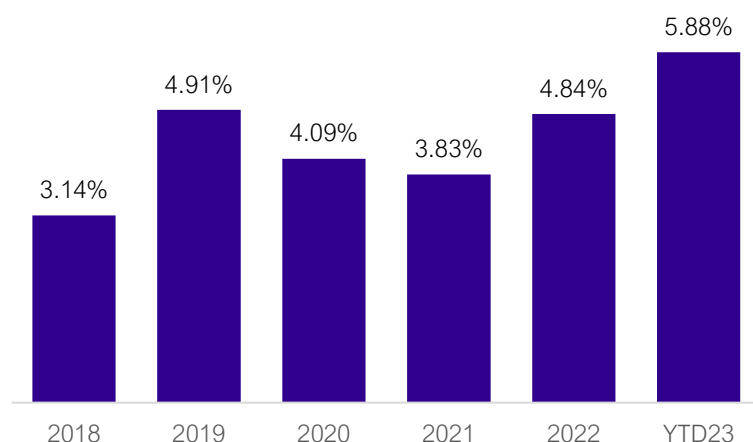
Return on Average Assets²



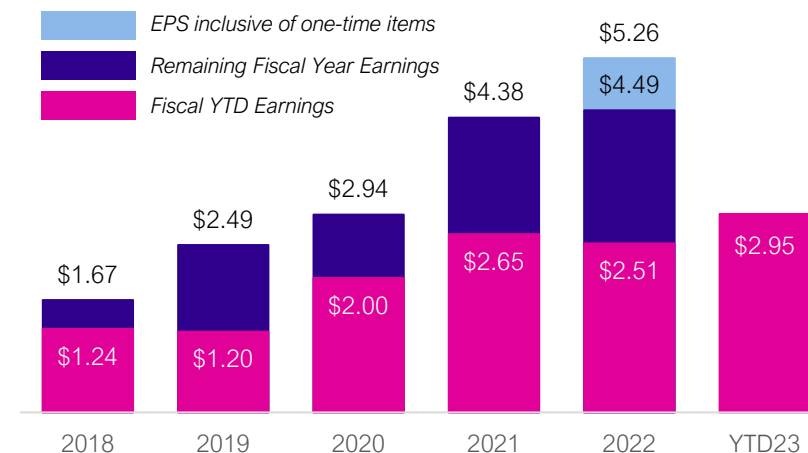
Return on Average Tangible Equity²



Net Interest Margin



Earnings Per Common Share



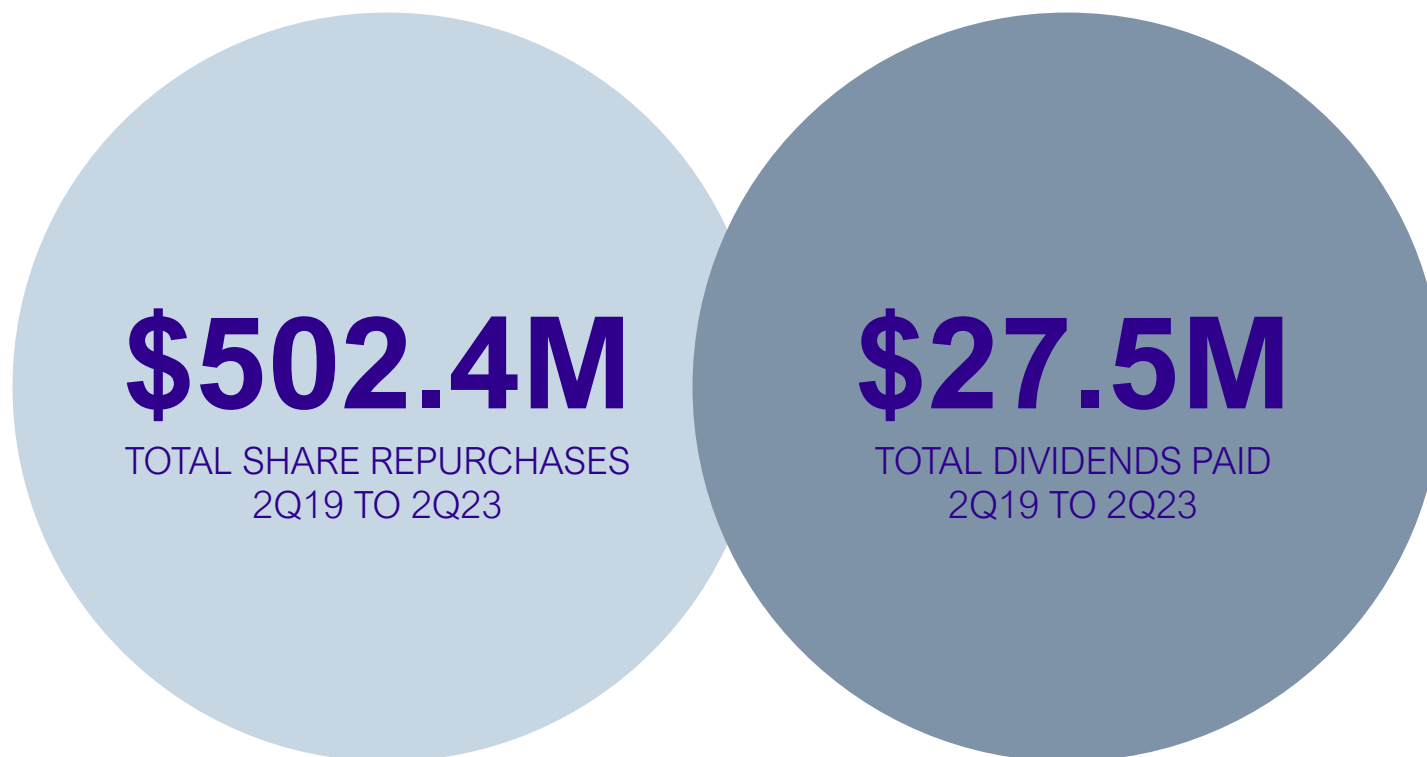
Return of Capital to Shareholders

HIGHLIGHTS

- 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 \$54.7 million of share repurchases in 2Q23.

Track Record of Strong Earnings Growth and Right-Sized Balance Sheet Enables Ongoing Return of Capital

Capital Returned to Shareholders



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

Continued Progress on Key Strategic Initiatives



OPTIMIZE INTEREST-EARNING PORTFOLIO, TO EMPHASIZE HIGHER-RETURN ASSETS

- Improved yield on earning assets to 6.34% for 2Q23 as compared to 4.89% for 2Q22.
- Grew commercial finance loans by \$218 million, or 7%, from March 31, 2022.
- \$1.9 billion securities portfolio provides cash flow for future commercial finance loan growth.



OPTIMIZE DEPOSIT MIX, TO MAINTAIN A STABLE, LOW-COST DEPOSIT BASE

- Low-cost of deposits² driven by high levels of noninterest deposits (96% of total deposits).
- Achieved 0.21% cost of funds from all deposits and borrowings and total cost of deposits of 0.13% for 2Q23².
- \$1.96 billion of off-balance sheet customer deposits in custody of program banks.
- Prioritizing stable BaaS deposits, which can generate higher levels of fee income.



TARGET OF 2X OPERATING LEVERAGE

- Efficiency ratio of 68.81% compared to 59.83% as of March 31, 2022.¹
- Ongoing initiatives to drive long-term simplification and optimize existing business platforms through the establishment of a business transformation office.

¹ Adjusted efficiency ratio (excluding the gain on sale of trademarks and rebranding expenses) for the twelve months ended March 31, 2023 was 67.65%. See appendix for Non-GAAP financial measures reconciliations.

² See slide 22 (Low-cost Deposits) for additional detail on deposit costs.

Summary Financial Results

Second Quarter Ended March 31, 2023

INCOME STATEMENT

(\$ in thousands, except per share data)

	2Q22	1Q23	2Q23
Net interest income	83,800	84,057	101,406
Provision for credit losses	32,302	9,776	36,763
Total noninterest income	109,766	65,777	127,038
Total noninterest expense	103,160	105,059	127,136
Net income before taxes	58,104	34,999	64,544
Income tax expense (benefit)	8,002	6,577	9,176
Net income before non-controlling interest	50,102	28,422	55,368
Net income (loss) attributable to non-controlling interest	851	580	597
Net income attributable to parent	49,251	27,842	54,771
Less: Allocation of earnings to participating securities ¹	815	402	839
Net income attributable to common shareholders ¹	48,436	27,440	53,932
Earnings per share, diluted	\$1.66	\$0.98	\$1.99
Average diluted shares	29,224,362	28,086,823	27,169,569

¹ Amounts presented are used in the two-class earnings per common share calculation.

Revenue of \$228.4 million, an 18% increase compared to \$193.6 million for the same quarter in fiscal 2022.

- Second quarter 2023 includes a \$2.0 million loss on the disposal of solar mobile generators.
- Net interest income increased \$17.6 million compared to the prior year due to increased yields and an improved earning asset mix.
- Card and deposit fee income increased \$15.6 million, which included \$18.2 million from servicing fee income on off-balance sheet deposits.
- Total tax product fee income increased \$1.1 million year-over-year.

Noninterest expense of \$127.1 million, an increase of 23% compared to \$103.2 million for the fiscal 2022 second quarter.

- The increase in expense was primarily driven by contractual card processing expenses and operating lease equipment depreciation.
- Card processing expenses related to structured agreements with BaaS partners were \$20.4 million for the quarter, as compared to \$0.2 million in the prior year.
- Second quarter 2023 expenses included \$4.8 million of accelerated depreciation associated with one company with which had three legacy solar transactions that turned out to be fraudulent as well as a \$0.5 million venture capital impairment.

Balance Sheet Highlights

Second Quarter Ended March 31, 2023

BALANCE SHEET

(\$ in thousands)

	PERIOD ENDING		
	2Q22	1Q23	2Q23
Cash and cash equivalents	237,680	369,169	432,598
Investments	2,090,765	1,888,343	1,864,276
Loans held for sale	31,410	17,148	24,780
Loans and leases (HFI)	3,730,190	3,509,730	3,725,616
Allowance for credit losses	(88,552)	(52,592)	(84,304)
Other assets	885,746	927,427	905,290
Total assets	6,887,239	6,659,225	6,868,256
Total deposits	5,829,886	5,789,132	5,902,696
Total borrowings	91,386	34,977	77,543
Other liabilities	202,561	175,983	214,773
Total liabilities	6,123,833	6,000,092	6,195,012
Total stockholders' equity	763,406	659,133	673,244
Total liabilities and stockholders' equity	6,887,239	6,659,225	6,868,256
Loans (HFI) / Deposits	64%	61%	63%
Net Interest Margin	4.80%	5.62%	6.12%
Return on Average Assets	2.49%	1.71%	2.99%
Return on Average Equity	24.16%	17.18%	32.68%

2023 Tax Season Update

Refund advances (“RAs”) and refund transfers (“RTs”) leverage Banking as a Service (“BaaS”) infrastructure and are core to Pathward’s purpose, allowing consumers quicker access to their money.

- Total tax product revenue is up slightly through the six months ended March 31, 2023.
- RA originations of \$1.46 billion compared to \$1.83 billion in the 2022 tax season.
 - Customer appetite for refund advances returned in 2023 after having been tempered in the 2022 tax season by remaining government stimulus funds.
 - Approximate average loan size of \$1,382 compared to \$1,263 in 2022.
- Provision for tax services products increased from the prior year’s tax season primarily due to a shift in mix in Refund Advances from partnership channels to independent tax providers.

TAX SERVICES ECONOMICS (\$ in millions)	Three Months Ended			Six Months Ended		
	March 31, 2023	March 31, 2022	% Change	March 31, 2023	March 31, 2022	% Change
Net interest income (expense)	2.81	1.22	131%	2.86	2.36	21%
RA product income	37.99	39.30	(3)%	38.61	40.53	(5)%
RT product income	30.21	27.80	9%	30.88	28.38	9%
Total revenue	71.01	68.32	4%	72.35	71.27	2%
Total expense	9.47	8.26	15%	9.60	8.58	12%
Provision for credit losses	31.42	28.97	8%	33.06	28.26	17%
Net income, pre-tax	30.12	31.08	(3)%	29.69	34.43	(14)%
Total refund advance originations				\$ 1,459	\$ 1,834	(20)%
Approximate loss rate ¹ (6 months)				2.27%	1.68%	35%

¹ Approximate loss rate calculated by taking provision for loan & lease losses divided by total refund advance originations. It also includes recoveries from prior tax season, except for an exclusion of a large recovery in FY22 from the FY21 season.

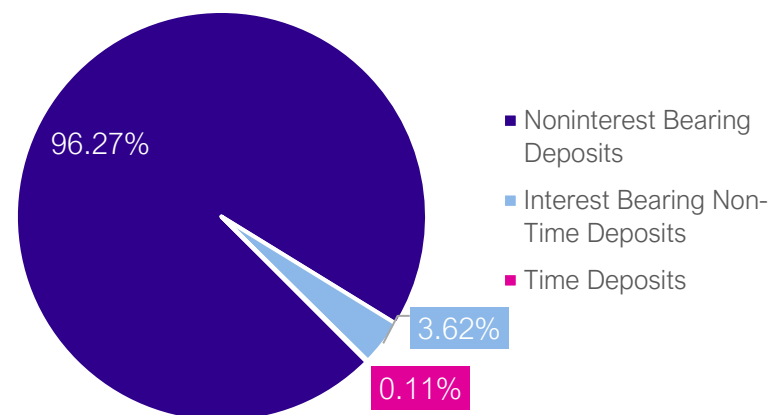
Tax season at Pathward ramps up during the first fiscal quarter, peaks during the second fiscal quarter, and wraps up during the third fiscal quarter. As a result, performance for the six months ended March 31 is a better reflection on the overall performance for tax season as it alleviates timing differences between quarters.

Low-cost Deposits

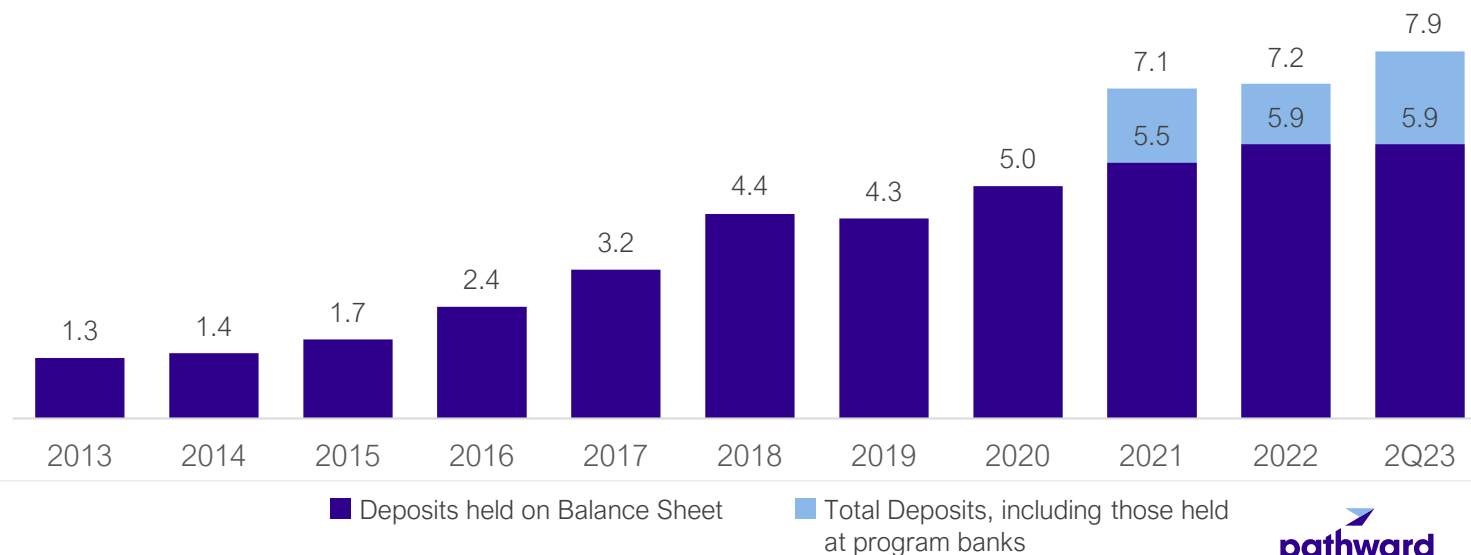
HIGHLIGHTS

- ➔ Pathward's BaaS business generates fee income and low-cost deposits leading to high levels of noninterest-bearing deposits (96% of total deposits).
- ➔ The BaaS business' ability to attract and maintain these low-cost deposits provides a powerful competitive advantage.
- ➔ Noninterest-bearing deposits as a percentage of total deposits has increased every year since 2018, from 54% in 4Q18 to 96% as of 2Q23.
- ➔ \$1.96 billion of off-balance sheet customer deposits currently held in custody at program banks. These off-balance sheet deposits earn recordkeeping service fee income, typically reflective of the Effective Fed Funds Rate.
- ➔ 2Q23 deposits elevated due to seasonal tax activity.

Deposit Breakdown



End of Period Deposits (\$B)

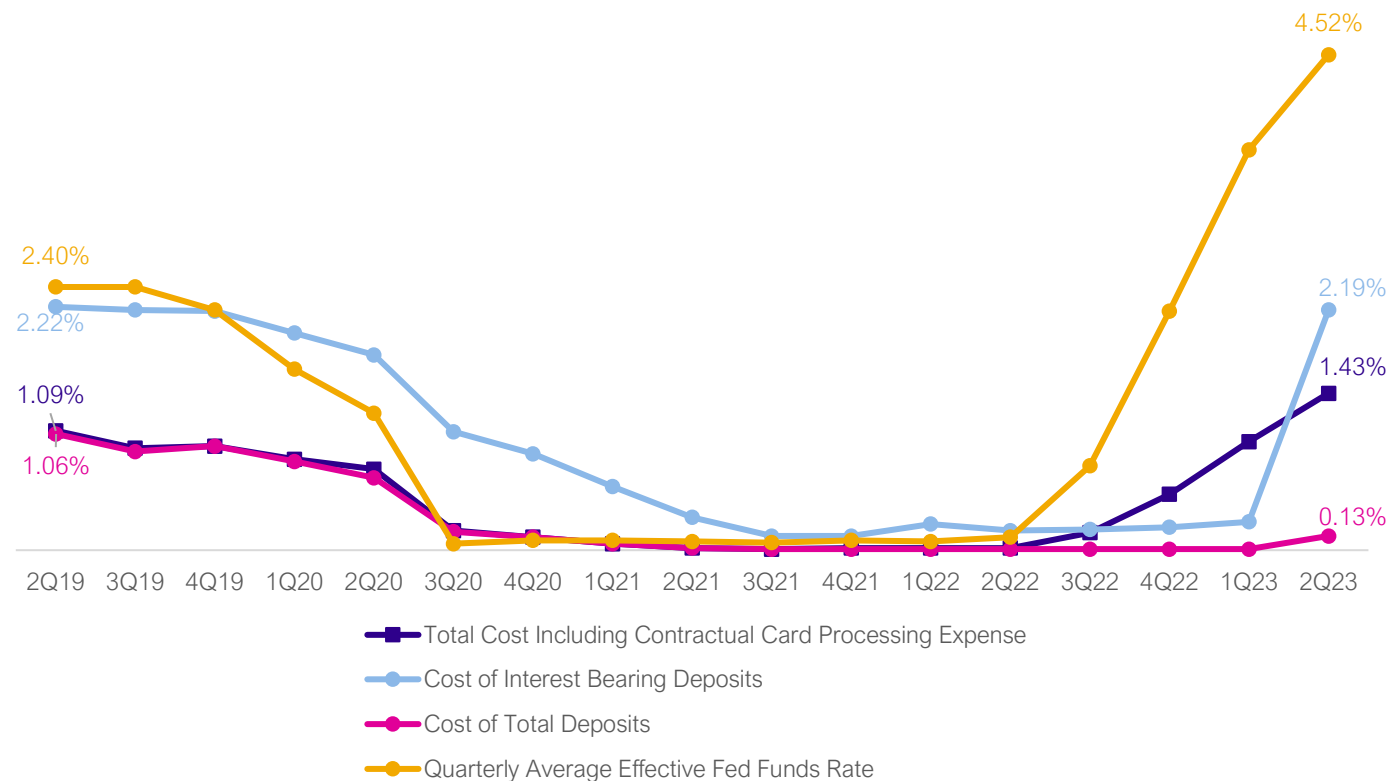


Low-cost Deposits

HIGHLIGHTS

- ➔ Pathward is benefitting from the deposit optimization strategy that included transitioning away from higher cost interest-bearing wholesale deposits in favor of growing BaaS deposits.
- ➔ As of March 31, 2023, approximately 47% 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 increase as compared to the earning-asset yields that will generally experience more of a lag in repricing.
- ➔ As of March 31, 2023, Pathward also managed \$1.96 billion in off-balance sheet deposits that earned \$18.2 million of fee income during the fiscal second quarter. That income is also reflective of the Effective Fed Funds Rate.

Cost of Deposits

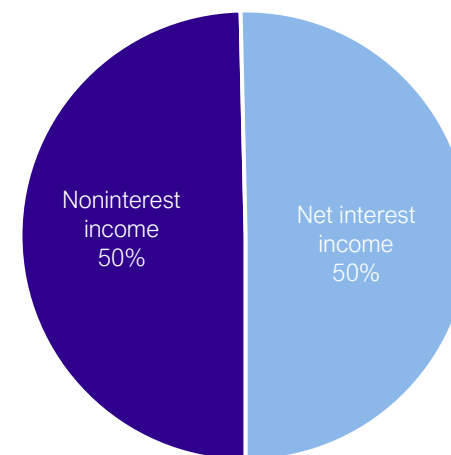


Diversified Noninterest Income Streams

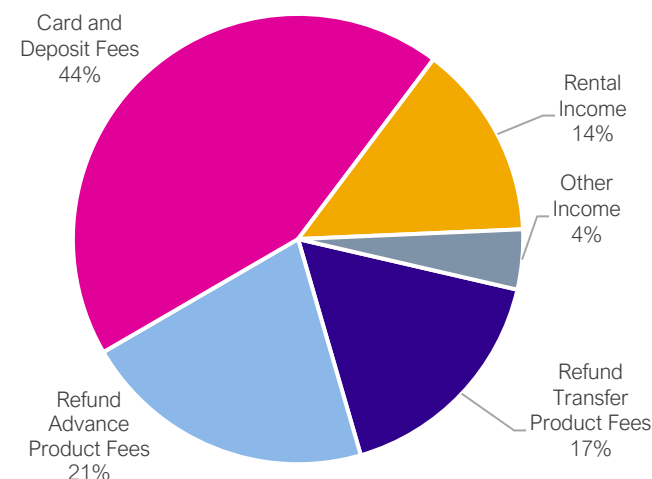
HIGHLIGHTS

- ➔ Noninterest income represents 50% 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.
- ➔ In the first quarter of Fiscal Year 2023, the Company recognized \$10 million of fee income associated with the sale of the Meta trademarks.
- ➔ The majority of Pathward's tax season revenue comes during the second quarter of each fiscal year.

FYTD 2023 Revenue Breakdown¹



FYTD 2023 Noninterest Income Breakdown¹



¹ Excludes gain on sale of trademarks.

Overview of Loan Portfolio

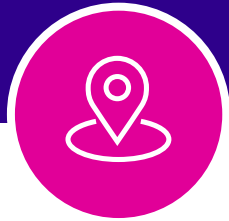
(\$ in millions)		Business Line	Balance Sheet Category	2Q22	1Q23	2Q23	MRQ Yield	% of Total
Commercial Finance	Structured Finance							
		Guaranteed portion of US govt SBA/USDA loans	SBA/USDA	61.7	196.0	243.6		
		Unguaranteed portion of US govt SBA/USDA loans	SBA/USDA	109.5	152.3	157.3		
		Paycheck Protection Program (PPP) loans	SBA/USDA	43.0	8.8	4.7		
		Renewable energy debt financing ¹ (term lending only)	Term lending	273.7	114.7	132.4		
		Other	Term lending	310.0	365.5	378.1		
		TOTAL		797.9	837.3	916.1	5.82%	25%
	Equipment Finance							
	Large ticket	Lease financing		205.8	170.1	153.6		
		Term lending		261.4	444.4	501.9		
	Small ticket	Lease financing		18.6	12.0	10.1		
		Term lending		265.9	235.5	223.1		
	Other	Lease financing		11.0	7.7	7.0		
		TOTAL		762.7	869.7	895.7	6.73%	24%
	Working Capital							
		Asset-based lending		382.4	359.5	378.0		
		Factoring		394.9	338.6	338.9		
		TOTAL		777.3	698.1	716.9	13.32%	19%
	Specialty Finance							
		Insurance premium finance		403.7	437.0	437.7		
		Other commercial finance		173.3	164.7	166.4		
		TOTAL		577.0	601.7	604.1	7.32%	16%
Consumer Lending	Consumer credit programs	Consumer credit programs		171.8	130.8	120.7		
	Private student loans	Other consumer finance		87.1	-	-		
	Other consumer lending	Other consumer finance		24.8	56.2	27.9		
		TOTAL		283.7	187.0	148.6	13.60%	4%
Tax Services	Tax preparer loans	Tax services		5.9	30.4	0.6		
	Refund advance loans	Tax services		80.1	-	60.9		
		TOTAL		86.0	30.4	61.5	9.54%	2%
Corporate		Warehouse finance		441.5	279.9	377.0		
		TOTAL		441.5	279.9	377.0	7.90%	10%
Total Lending Portfolio (HFI)				3,726.1	3,504.1	3,719.9	8.47%	100%

Commercial Finance Attributes by Asset Class



WORKING CAPITAL FINANCE

- Provides working capital for new or growing 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



EQUIPMENT FINANCE

- Loan and lease financing to provide access to needed equipment
- Typically secured with mission-critical equipment
- Borrowers range from start-up companies to investment grade companies
- Primarily fixed rate loans and leases
- Flexibility to sell direct originations to secondary market



STRUCTURED FINANCE

- Funding to small and midsize businesses and rural borrowers to fund growth, expansion, and restructuring
- 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



INSURANCE PREMIUM FINANCE

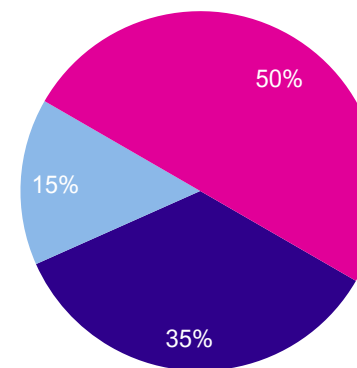
- Short-term financing to facilitate the purchase of property, casualty, and liability insurance premiums
- Average term of 10 months
- Fixed rate loans
- Collateralized by insurance premiums
- Very low historical loss rate

Loan Portfolio Interest Rate Sensitivity

HIGHLIGHTS

- ➔ As of March 31, 2023, \$1.3B, or 35% of loans and leases contained floating or variable interest rates. Of these, \$0.8B are tied to Fed Funds or Prime, with the remaining tied to either LIBOR, SOFR or the CMT.
- ➔ As of March 31, 2023, all variable loans with floors were at or above their floors.
- ➔ Due to the recent sharp rise in interest rates, asset mix changes and overall market conditions, a continued lag is expected before new and existing loans fully reprice.

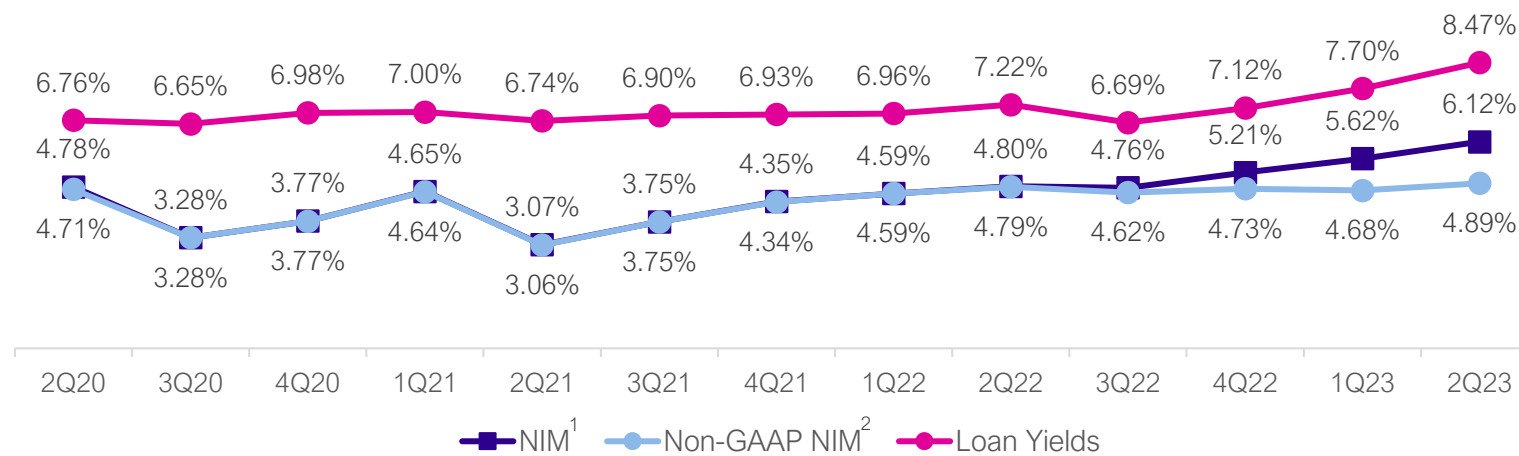
Total Loan and Lease Portfolio Pricing Attributes¹



- 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

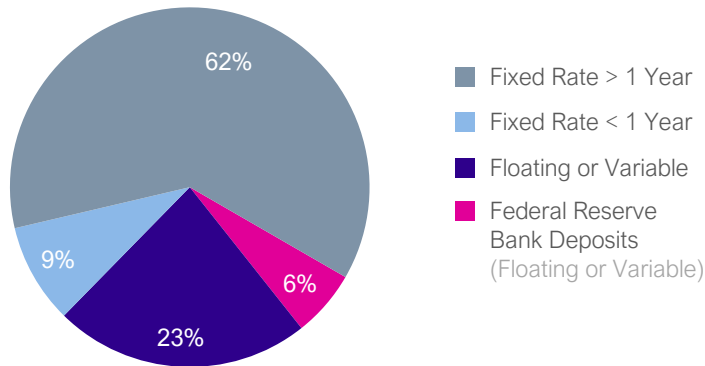


¹ Declines in NIM in FY20 and FY21 associated with elevated cash balances from government stimulus programs

² Non-GAAP NIM includes contractual card processing expenses associated with higher interest rates

Interest Rate Risk Management March 31, 2023

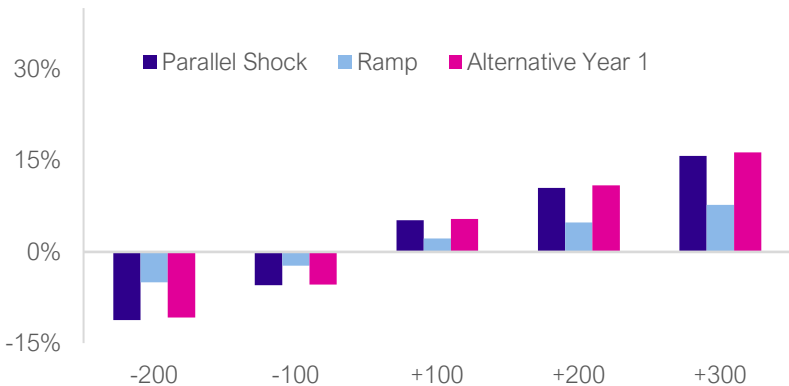
Earning Asset Pricing Attributes¹



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

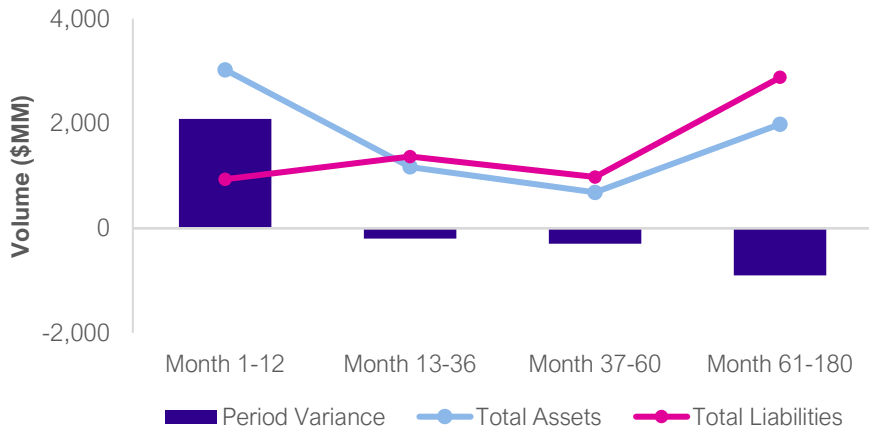
- Data presented on this page is reflective of the company's asset mix at a point in time and calculated for regulatory purposes. Future rate changes would impact a multitude of variables beyond the company's control, and as a result, the data presented is not intended to be used for forward-looking modeling purposes.
- Management's focus is on selectively adding duration to improve yield and protect margin against falling rates.
- Interest rate risk modeling shows asset sensitive balance sheet; net interest income graph shows impact of an instantaneous, parallel rate shock, a gradual parallel ramp, and an alternative view.
- 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 statutorily required calculation of the impact of an immediate rise in rates, assuming other variables remain unchanged. Ramp reflects additional modeling of more gradual increases in interest rates. Alternative Year 1 mirrors the Parallel Shock scenario with the additional incorporation of the company's card fee income and card processing expenses impacted by interest rates.

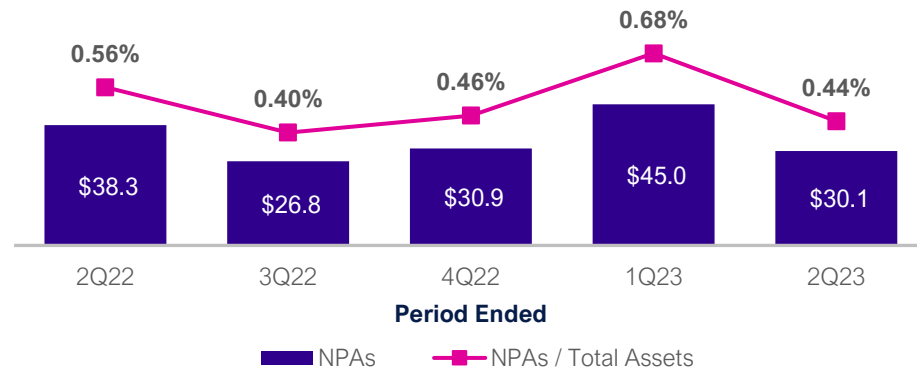
Asset/Liability Gap Analysis



Asset Quality

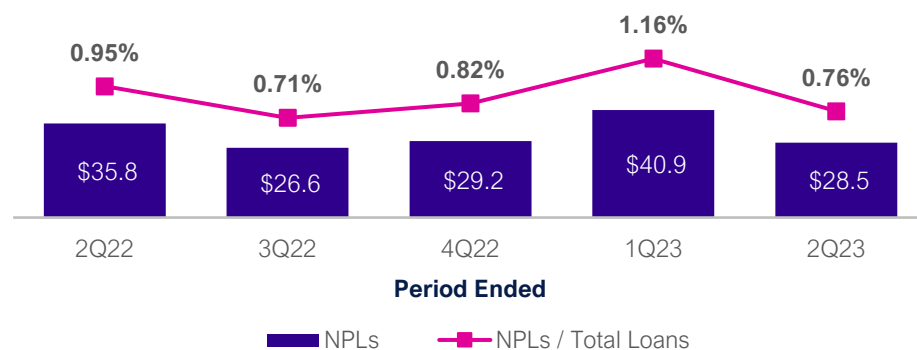
Nonperforming Assets (“NPAs”)

(\$ in millions)



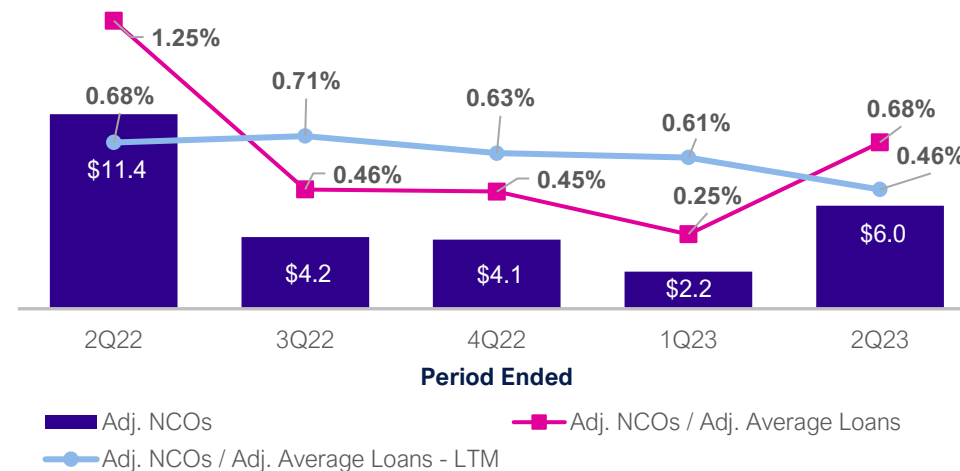
Nonperforming Loans (“NPLs”)

(\$ in millions)



Adjusted Net Charge-Offs (“NCOs”)¹

Excludes Tax Services NCOs and Related Seasonal Average Loans
(\$ in millions)



KEY CREDIT METRICS

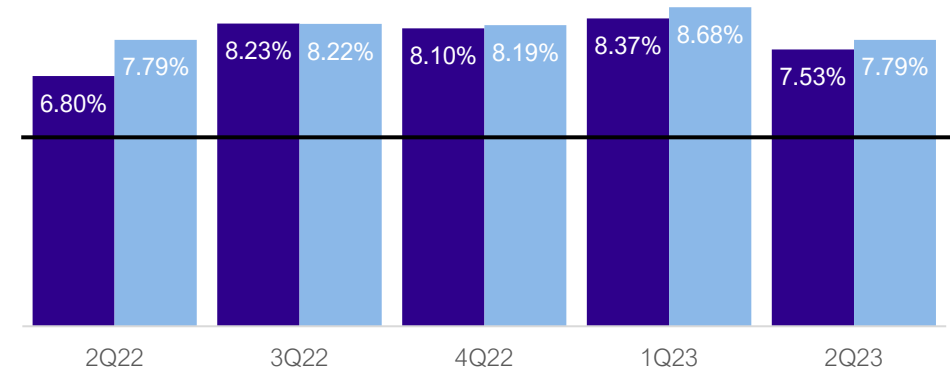
- Annualized adjusted net charge-offs¹:
 - 0.68% of average loans in 2Q23
 - 0.46% of average loans over last 12 months
- Allowance for credit loss of \$84.3 million, or 2.27% of total loans and leases, an 11bps decrease from the prior year.
- The decrease in NPAs / NPLs was driven by a reduction in nonperforming commercial finance loans. Consumer finance increased slightly 2Q23 as compared to 1Q23.

Capital and Sources of Liquidity

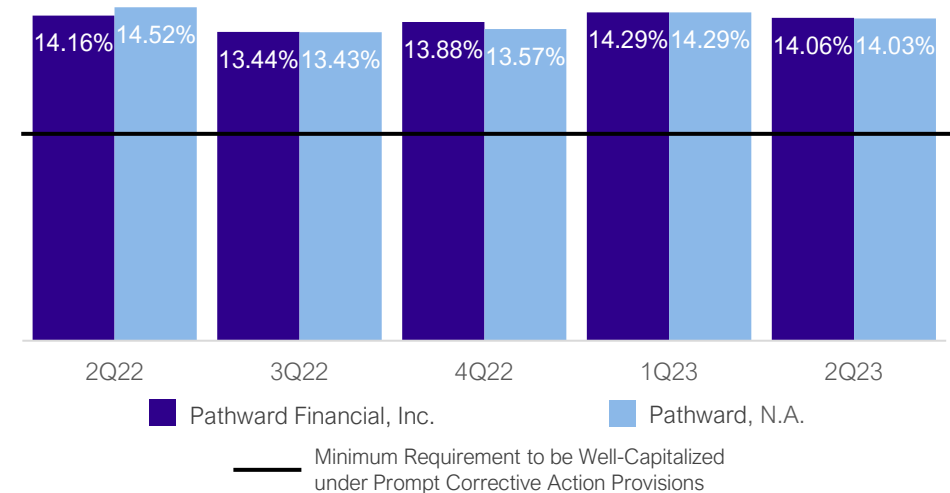
Regulatory Capital as of March 31, 2023

At March 31, 2023 ¹	Pathward Financial, Inc.	Pathward, N.A.
Tier 1 Leverage	7.53%	7.79%
Common Equity Tier 1	12.05%	12.77%
Tier 1 Capital	12.35%	12.77%
Total Capital	14.06%	14.03%

Tier 1 Leverage Ratio



Total Capital Ratio



Primary & Secondary Liquidity Sources (\$ in millions)	
Cash and Cash Equivalents	\$433
Unpledged Investment Securities	\$85
FHLB Borrowing Capacity	\$755
Funds Available through Fed Discount Window	\$195
Unsecured Funding Providers	\$600
Deposit Balances Held at Other Banks	\$1,963
Total Liquidity	\$4,031

¹ Regulatory 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

	For the quarter ended		
	2 Q 22	1 Q 23	2 Q 23
<i>(\$ in thousands, except per share data)</i>			
Net income - GAAP	49,251	27,842	54,771
Less: Gain on sale of trademarks	-	10,000	-
Less: Loss on disposal of certain solar mobile generators	-	-	(1,993)
Add: Accelerated depreciation on certain solar mobile generators	-	-	4,822
Add: Rebranding expenses	2,819	3,737	-
Add: Separation related expenses	878	11	-
Add: Impairment on Venture Capital investments	-	-	500
Add: Income tax effect	(930)	1,575	(1,829)
Adjusted net income	52,018	23,165	60,257
Less: Allocation of earnings to participating securities ¹	861	335	923
Adjusted net income attributable to common shareholders	51,157	22,830	59,334
Adjusted earnings per common share, diluted	\$1.75	\$0.81	\$2.18
Average diluted shares	29,224,362	28,086,823	27,169,569

¹ Amounts presented are used in the two-class earnings per common share calculation.

Non-GAAP Reconciliation

Adjusted Annualized NCOs and Adjusted Loans and Leases

	For the quarter ended				
(\$ in thousands)	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	March 31, 2023
Net charge-offs	11,226	12,198	26,664	3,217	4,975
Less: Tax services net charge-offs (recoveries)	(183)	7,992	22,594	1,033	(1,064)
Adjusted net charge-offs	11,409	4,206	4,050	2,184	6,039
Quarterly average loans and leases	4,244,644	3,747,631	3,618,678	3,524,924	4,014,112
Less: Quarterly average tax services loans	594,166	62,934	35,484	25,231	448,659
Adjusted Quarterly average loans and leases	3,650,478	3,684,697	3,583,194	3,499,693	3,565,453
Annualized NCOs/average loans and leases	1.06%	1.30%	2.95%	0.37%	0.50%
Adjusted annualized NCOs/adjusted average loans and leases ¹	1.25%	0.46%	0.45%	0.25%	0.68%

¹ Tax services NCOs and average loans are excluded to adjust for the cyclical activity related to the overall economics of the Company's tax services business line.

Non-GAAP Reconciliation

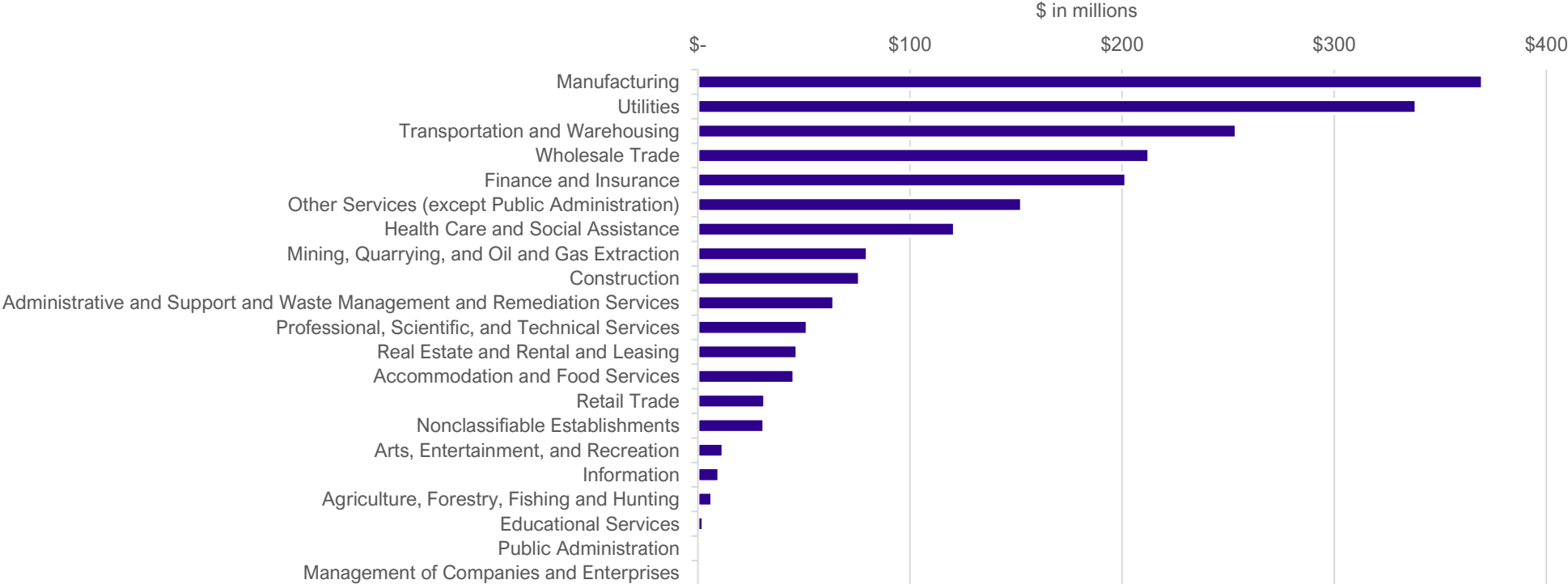
Efficiency Ratio

	For the last twelve months ended				
(\$ in thousands)	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
Noninterest expense – GAAP	360,733	375,860	385,275	407,899	431,875
Net interest income	294,555	298,231	307,324	319,768	337,373
Noninterest income	308,352	299,893	293,807	272,993	290,265
Total Revenue: GAAP	602,907	598,124	601,131	592,761	627,638
Efficiency ratio, LTM	59.83%	62.84%	64.09%	68.81%	68.81%

Adjusted Efficiency Ratio

	For the last twelve months ended				
(\$ in thousands)	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
Noninterest expense – GAAP	360,733	375,860	385,275	407,899	431,875
Less: Rebranding expenses	2,822	6,249	13,148	16,883	14,063
Adjusted noninterest expense	357,911	369,611	372,127	391,016	417,812
Net interest income	294,555	298,231	307,324	319,768	337,373
Noninterest income	308,352	299,893	293,807	272,993	290,265
Less: Gain on sale of trademarks	50,000	50,000	50,000	10,000	10,000
Total Adjusted Revenue:	552,907	548,124	551,131	582,761	617,638
Efficiency ratio, LTM	64.73%	67.43%	67.52%	67.10%	67.65%

Commercial Finance Concentrations by Industry¹



MANUFACTURING

51%	Asset-based lending
15%	Factoring
13%	Term lending
11%	Lease financing
10%	Other

TRANSPORTATION & WAREHOUSING

56%	Factoring
20%	Insurance premium finance
15%	Term Lending
9%	Other

UTILITIES

54%	SBA/USDA
39%	Term lending
5%	Rental equipment, net
2%	Other

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 \$210.8M