



# ▶ QUARTERLY INVESTOR UPDATE

THIRD QUARTER FISCAL YEAR 2025



# FORWARD LOOKING STATEMENTS

This investor update contains “forward-looking statements” which are made in good faith by Pathward Financial, Inc. (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 address, among others, the following subjects: future operating results including our earnings per diluted share guidance, future effective tax rate, and related performance expectations; progress on key strategic initiatives; expected results of our partnerships; underwriting and monitoring processes; 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; technology; the Company’s planned restatement of its consolidated financial statements; and the anticipated effects of related changes in the Company’s accounting. 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 changes in international trade policies, tariffs and treaties affecting imports and exports, and their related impacts on macroeconomic conditions, customer behavior, funding costs and loan and securities portfolios; changes in tax laws; trade disputes, barriers to trade or the emergence of trade restrictions; 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 Pathward®, 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, and any related increases in compliance and other costs; changes in financial services laws and regulations, including laws and regulations relating to the tax refund 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, 2024 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. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in or referred to in this section. 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.

# TRUSTED PLATFORM THAT ENABLES OUR PARTNERS TO THRIVE



Optimized balance sheet with optimized asset mix



Technology to facilitate evolution and scalability



People and culture are important assets



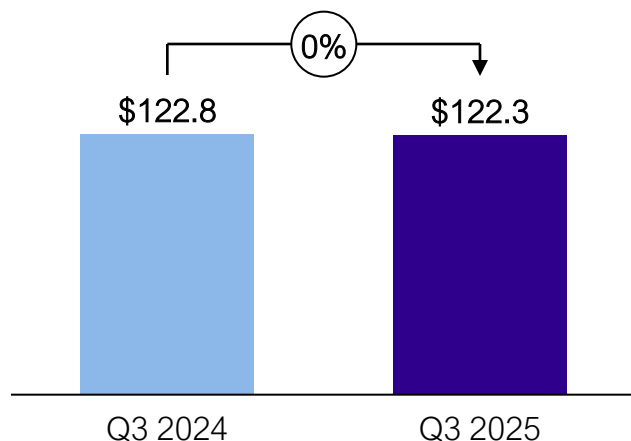
Mature risk and compliance framework



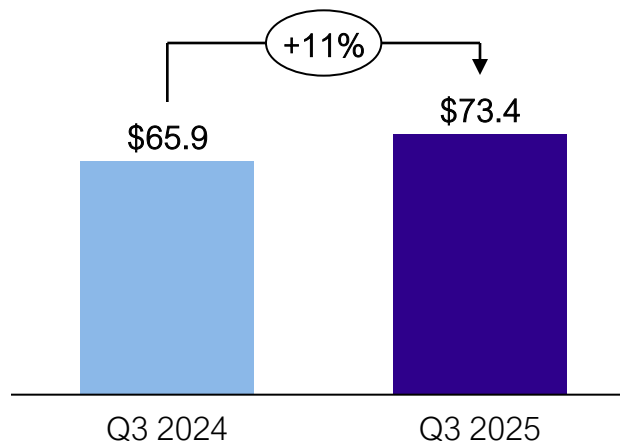
# STRATEGY DELIVERING SOLID RESULTS<sup>1</sup>

(\$ IN MILLIONS, EXCEPT PER SHARE DATA)

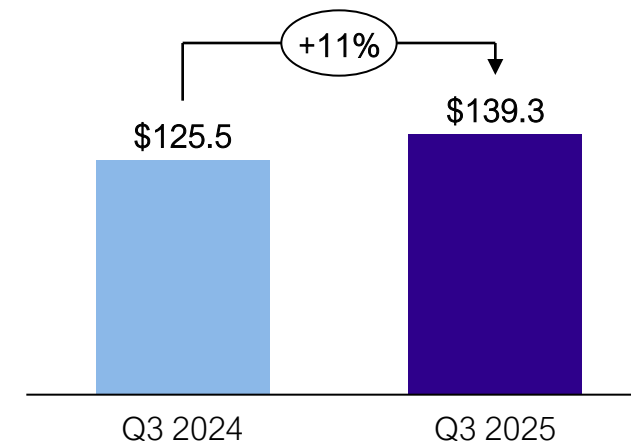
## Net Interest Income



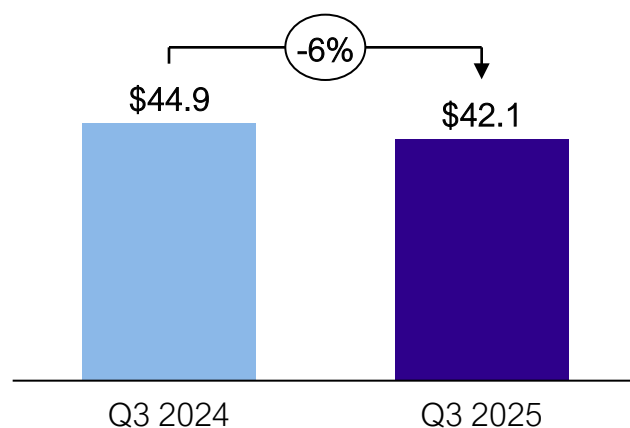
## Noninterest Income



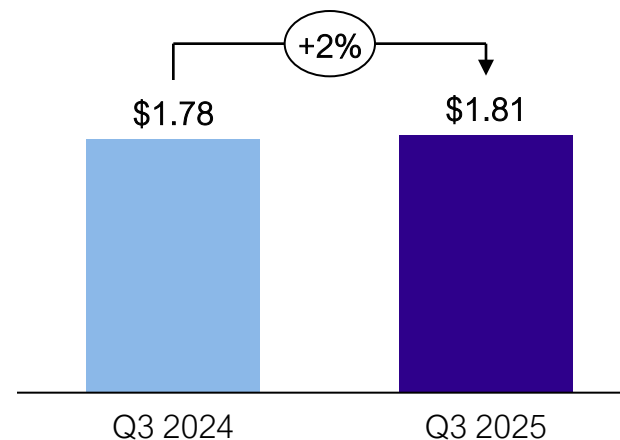
## Noninterest Expense



## Net Income Attributable to Parent



## Earnings per Diluted Share

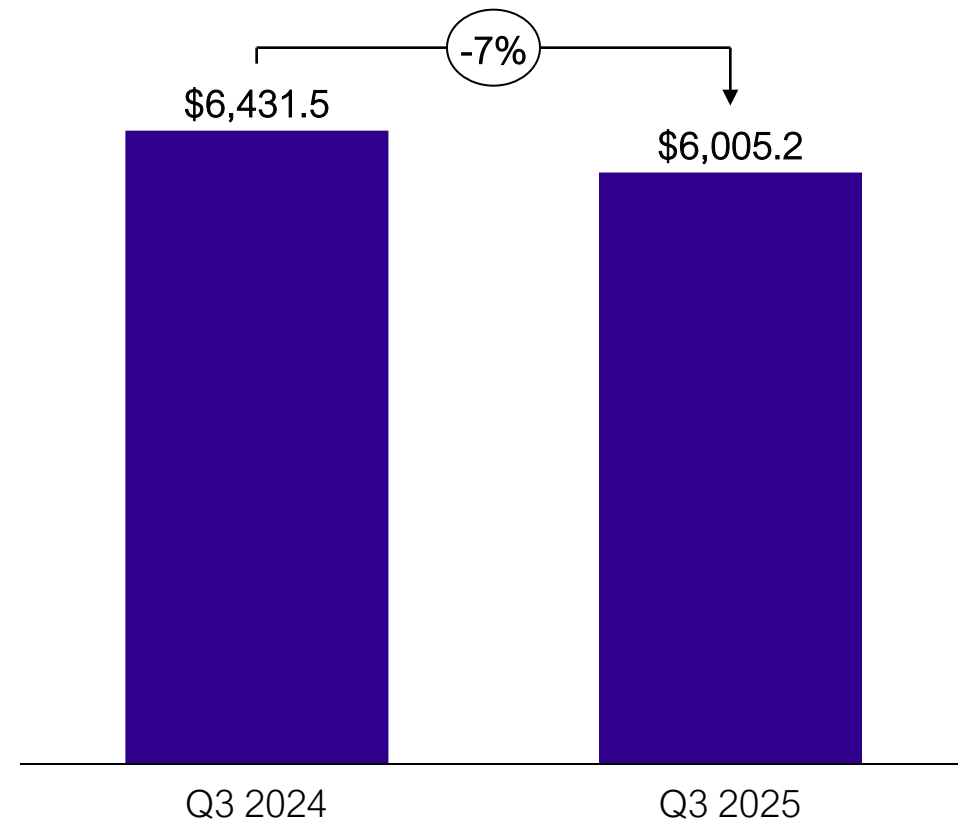


## DEPOSIT BASE SUPPORTS ASSET GROWTH

- Decrease in deposits at June 30, 2025 when compared to the prior year period was primarily due to a reduction in noninterest bearing and wholesale deposits.
- Average Q3 2025 off-balance sheet custodial deposits held in custody at program banks of \$732 million compared to \$645 million during the prior year period.
- \$431 million of off-balance sheet custodial deposits as of June 30, 2025, compared to \$353 million as of June 30, 2024.
- These off-balance sheet custodial deposits earn recordkeeping servicing fee income, typically reflective of the Effective Fed Funds Rate.

## DEPOSITS<sup>1</sup>

Period ending (\$ in millions)

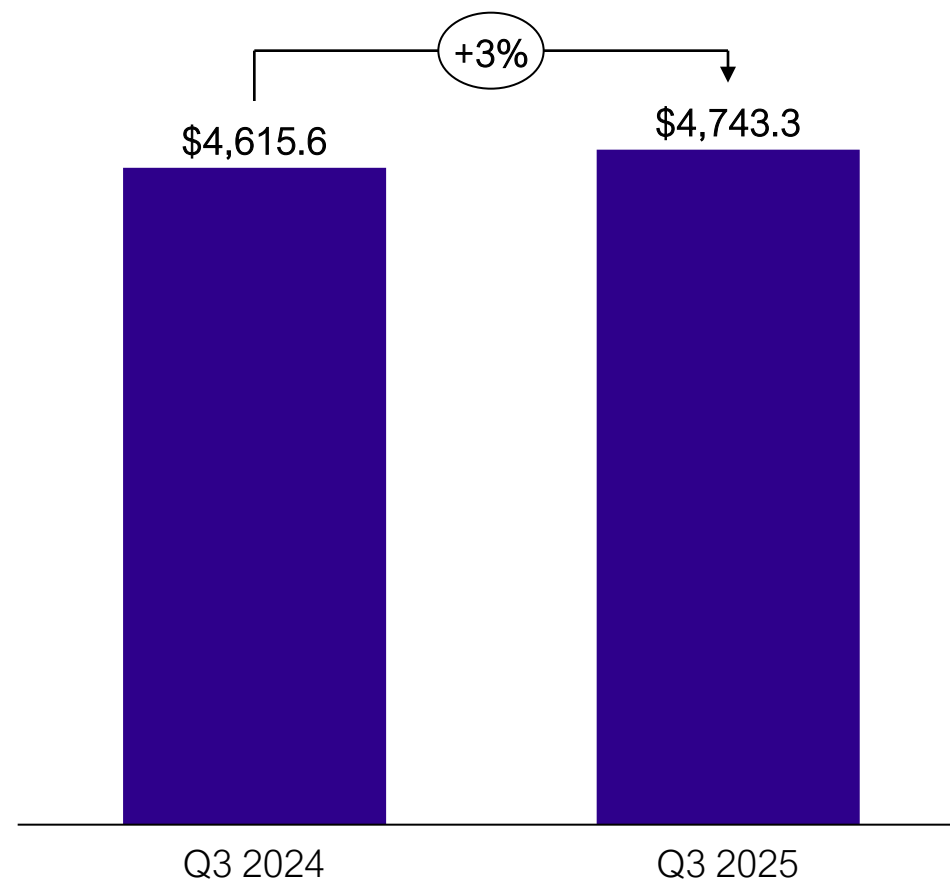


## TOTAL LOANS AND LEASES INCREASED FROM Q3 2024

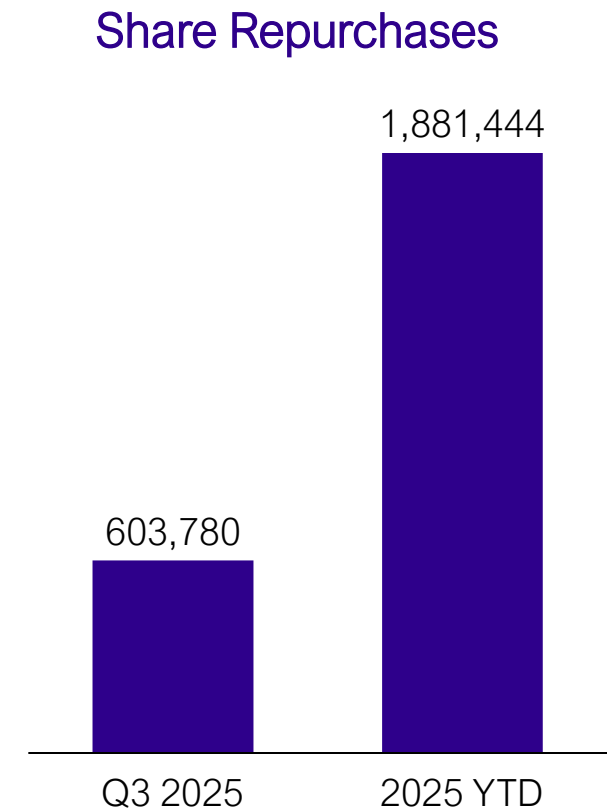
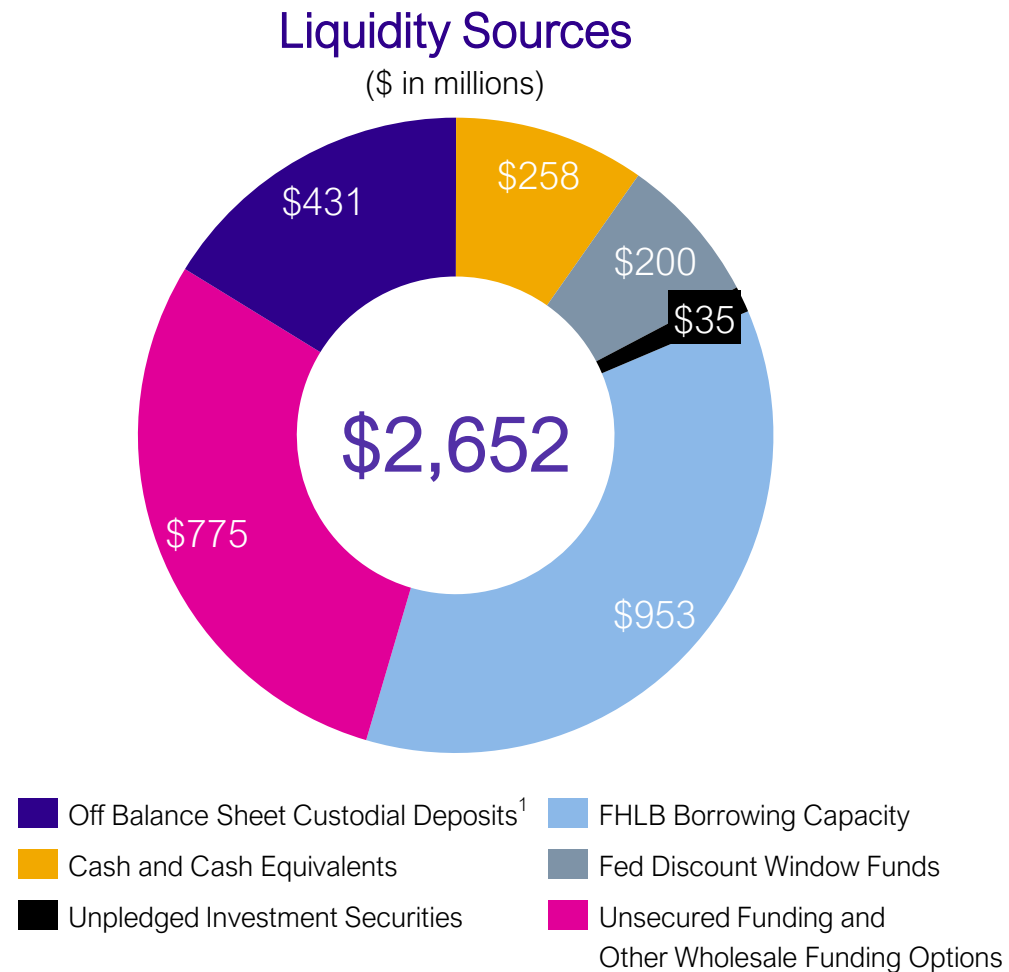
- Increase primarily driven by term lending, warehouse finance and asset-based lending.
- Growth was partially offset by the sale of insurance premium finance loans during Q1 2025.
- Nonperforming loans and leases of 1.49% compared to 0.96% at June 30, 2024.

## TOTAL LOANS AND LEASES

Period ending (\$ in millions)



# STRONG BALANCE SHEET ALLOWS FOR RETURN OF CAPITAL TO SHAREHOLDERS



# PRELIMINARY FISCAL YEAR GUIDANCE<sup>1</sup>

## Fiscal Year 2025

- \$7.50- \$7.80 EPS
- Assumes one rate cut in fiscal Q4 2025
- Effective tax rate of 16% to 20%
- Includes expected share repurchases

## Fiscal Year 2026

- \$8.25- \$8.75 EPS
- Assumes no rate cuts during the year
- Effective tax rate of 18% to 22%
- Includes expected share repurchases

<sup>1</sup> Information on this slide is presented as of July 28, 2025, 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 2025 and 2026, 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. These ranges are preliminary and pending the outcome of the previously disclosed restatement. The Company's actual results may differ materially from these preliminary financial guidance ranges.



# ► Q&A



# APPENDIX - BALANCE SHEET<sup>1</sup>

## Assets

For the quarter ended

(\$ in thousands)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Cash and cash equivalents	\$375,580	\$671,630	\$347,888	\$298,926	\$158,337	\$597,396	\$254,249	\$258,343
Securities available for sale, at fair value	1,804,228	1,850,581	1,779,458	1,725,460	1,741,221	1,480,090	1,411,520	1,367,340
Securities held to maturity, at amortized cost	36,591	35,440	34,682	34,026	33,092	32,001	31,335	30,273
Federal Reserve Bank and Federal Home Loan Bank Stocks, at cost	28,210	23,694	25,844	24,449	36,014	24,454	24,276	29,451
Loans held for sale	77,779	69,518	25,946	29,380	691,688	72,648	45,767	49,767
Loans and leases	4,369,826	4,429,316	4,412,000	4,615,605	4,075,195	4,562,681	4,464,870	4,743,324
Allowance for credit losses	(96,855)	(91,041)	(111,282)	(106,764)	(71,765)	(74,338)	(102,890)	(105,995)
Accrued interest receivable	23,282	27,080	30,294	31,755	31,385	35,279	37,081	39,996
Premises, furniture, and equipment, net	39,160	38,270	37,266	36,953	39,055	38,263	39,542	39,799
Rental equipment, net	211,750	228,916	215,885	209,544	205,339	206,754	202,194	181,370
Goodwill and intangible assets	330,225	329,241	328,001	327,018	326,094	313,074	311,992	311,193
Other assets	303,625	289,865	290,828	286,677	266,362	314,958	274,642	284,756
<b>Total assets</b>	<b>\$7,503,401</b>	<b>\$7,902,510</b>	<b>\$7,416,810</b>	<b>\$7,513,029</b>	<b>\$7,532,017</b>	<b>\$7,603,260</b>	<b>\$6,994,578</b>	<b>\$7,229,617</b>



# APPENDIX - BALANCE SHEET (CONTINUED)<sup>1</sup>

## Liabilities and Stockholders' Equity

## For the quarter ended

(\$ in thousands)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Deposits	\$6,589,182	\$6,936,055	\$6,368,344	\$6,431,516	\$5,875,085	\$6,518,953	\$5,819,209	\$6,005,246
Short-term borrowings	13,000	-	31,000	-	377,000	-	-	115,000
Long-term borrowings	33,873	33,614	33,373	33,329	33,354	33,380	33,405	33,431
Accrued expenses and other liabilities	248,999	228,594	265,016	300,287	424,389	293,598	328,186	258,079
<b>Total liabilities</b>	<b>6,885,054</b>	<b>7,198,263</b>	<b>6,697,733</b>	<b>6,765,132</b>	<b>6,709,828</b>	<b>6,845,931</b>	<b>6,180,800</b>	<b>6,411,756</b>
Preferred stock	-	-	-	-	-	-	-	-
Common stock, \$.01 par value	262	260	254	251	248	241	236	230
Common stock, Nonvoting, \$.01 par value	-	-	-	-	-	-	-	-
Additional paid-in capital	628,500	629,737	634,415	636,284	638,803	640,422	643,887	646,044
Retained earnings	246,377	268,428	297,579	326,041	337,058	313,221	341,506	337,034
Accumulated other comprehensive loss	(255,443)	(188,433)	(206,570)	(207,992)	(153,394)	(190,917)	(166,311)	(159,709)
Treasury stock, at cost	(344)	(5,235)	(6,181)	(6,181)	(249)	(4,882)	(4,882)	(4,882)
<b>Total equity attributable to parent</b>	<b>619,352</b>	<b>704,757</b>	<b>719,497</b>	<b>748,403</b>	<b>822,466</b>	<b>758,085</b>	<b>814,436</b>	<b>818,717</b>
Noncontrolling interest	(1,005)	(510)	(420)	(506)	(277)	(756)	(658)	(856)
<b>Total stockholders' equity</b>	<b>618,347</b>	<b>704,247</b>	<b>719,077</b>	<b>747,897</b>	<b>822,189</b>	<b>757,329</b>	<b>813,778</b>	<b>817,861</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$7,503,401</b>	<b>\$7,902,510</b>	<b>\$7,416,810</b>	<b>\$7,513,029</b>	<b>\$7,532,017</b>	<b>\$7,603,260</b>	<b>\$6,994,578</b>	<b>\$7,229,617</b>

# APPENDIX – INCOME STATEMENT<sup>1</sup>

## For the quarter ended

(\$ in thousands)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Interest and dividend income:								
Loans and leases, including fees	\$99,309	\$103,854	\$113,083	\$107,762	\$113,885	\$113,082	\$119,755	\$108,766
Mortgage-backed securities	10,225	10,049	9,998	9,748	9,607	8,986	8,580	8,337
Other investments	9,332	10,886	14,013	8,323	7,851	7,522	13,669	6,488
	118,866	124,789	137,094	125,833	131,343	129,590	142,004	123,591
Interest expense:								
Deposits	1,954	3,526	6,685	1,689	1,119	775	4,086	286
FHLB advances and other borrowings	2,754	2,336	1,775	1,394	2,709	2,331	1,640	992
	4,708	5,862	8,460	3,083	3,828	3,106	5,726	1,278
<b>Net interest income</b>	114,158	118,927	128,634	122,750	127,515	126,484	136,278	122,313
Provision for credit loss	28,008	7,757	29,744	11,926	8,673	18,661	35,266	9,278
<b>Net interest income after provision for credit loss</b>	86,150	111,170	98,890	110,824	118,842	107,823	101,012	113,035
Noninterest income:								
Refund transfer product fees	308	422	28,942	9,111	1,703	410	32,663	9,846
Refund advance and other tax fee income	(252)	111	43,200	(67)	229	524	48,585	307
Card and deposit fees	31,233	30,750	35,344	33,408	26,441	29,066	30,793	37,342
Rental Income	14,562	13,459	13,720	13,779	13,199	13,708	13,200	12,913
(Loss) on sale of securities	-	-	-	-	-	(15,671)	(7,228)	-
Gain (loss) on divestitures	-	-	-	-	-	16,404	(1,360)	-
Secondary market revenue	205	(31)	1,401	1,721	2,829	4,378	15,378	7,144
Gain on sale of other	1,801	2,871	294	2,954	629	987	627	394
Other income	8,194	5,179	6,044	4,968	6,975	7,572	5,866	5,496
<b>Total noninterest income</b>	\$56,051	\$52,761	\$128,945	\$65,874	\$52,005	\$57,378	\$138,524	\$73,442



# APPENDIX – INCOME STATEMENT (CONTINUED)<sup>1</sup>

	For the quarter ended							
(\$ in thousands)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Noninterest expense:								
Compensation and benefits	\$46,352	\$46,652	\$54,073	\$48,449	\$52,298	\$49,292	\$51,905	\$48,558
Refund transfer product expense	28	192	7,366	2,136	168	108	8,475	2,818
Refund advance expense	(6)	30	1,846	47	20	34	1,265	(74)
Card processing	29,549	34,584	35,163	34,314	33,877	33,314	36,238	36,198
Occupancy and equipment expense	9,274	8,848	9,293	9,070	9,376	9,706	10,307	10,633
Operating lease equipment depreciation	10,846	10,423	10,424	10,465	10,445	11,426	11,780	11,569
Legal and consulting	7,633	4,892	6,141	5,410	8,414	5,225	5,878	11,094
Intangible amortization	1,110	984	1,240	983	924	812	1,082	799
Impairment expense	-	-	2,013	999	-	-	1,514	1,076
Other expense	16,451	14,472	13,182	13,641	17,836	17,879	19,733	16,651
<b>Total noninterest expense</b>	<b>121,237</b>	<b>121,077</b>	<b>140,741</b>	<b>125,514</b>	<b>133,358</b>	<b>127,796</b>	<b>148,177</b>	<b>139,322</b>
<b>Income before income tax expense</b>	<b>20,964</b>	<b>42,854</b>	<b>87,094</b>	<b>51,184</b>	<b>37,489</b>	<b>37,405</b>	<b>91,359</b>	<b>47,155</b>
Income tax expense (benefit)	(4,821)	7,697	16,926	6,103	3,382	6,231	16,209	4,813
<b>Net income before noncontrolling interest</b>	<b>25,785</b>	<b>35,157</b>	<b>70,168</b>	<b>45,081</b>	<b>34,107</b>	<b>31,174</b>	<b>75,150</b>	<b>42,342</b>
Net income attributable to noncontrolling interest	507	257	249	212	575	199	237	214
<b>Net income attributable to parent</b>	<b>\$25,278</b>	<b>\$34,900</b>	<b>\$69,919</b>	<b>\$44,869</b>	<b>\$33,532</b>	<b>\$30,975</b>	<b>\$74,913</b>	<b>\$42,128</b>