UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 22, 2025

PATHWARD FINANCIAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**0-22140**	**42-1406262**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5501 South Broadband Lane, Sioux Falls, South Dakota 57108
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(877) 497-7497**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d- 2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	CASH	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On April 22, 2025, the Registrant issued a press release announcing its results of operations and financial condition as of and for the three and six months ended March 31, 2025. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated into this Item 2.02 by reference.

The information in this Item 2.02, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities thereof, nor shall it be deemed to be incorporated by reference in any filing under the Exchange Act or under the Securities Act of 1933, as amended (the "Securities Act"), except to the extent specifically provided in any such filing.

Item 7.01 Regulation FD Disclosure.

Information is being furnished herein in Exhibit 99.2 with respect to the Quarterly Investor Update slide presentation prepared for use in connection with the Company's conference call and earnings webcast for the second quarter of fiscal 2025. The Quarterly Investor Update slide presentation is dated April 22, 2025 and the Company does not undertake to update the materials after that date. This presentation is also available under the Presentations link in the Investor Relations - Events & Presentations section of the Company's website at https://pathwardfinancial.com.

The information in this Item 7.01, including Exhibit 99.2, shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities thereof, nor shall it be deemed to be incorporated by reference in any filing under the Exchange Act or under the Securities Act, except to the extent specifically provided in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
99.1	Press Release of Pathward Financial, Inc., dated April 22, 2025 regarding the results of operations and financial condition.
99.2	Quarterly Investor Update slide presentation for the Second Quarter of Fiscal Year 2025, dated April 22, 2025, prepared for use with the Press Release.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PATHWARD FINANCIAL, INC.

Date: April 22, 2025

By: /s/ Gregory A. Sigrist
Gregory A. Sigrist
Executive Vice President and Chief Financial Officer

Exhibit 99.1

PATHWARD FINANCIAL, INC. ANNOUNCES RESULTS FOR 2025 FISCAL SECOND QUARTER

Sioux Falls, S.D., April 22, 2025 - Pathward Financial, Inc. (“Pathward Financial” or the “Company”) (Nasdaq: CASH) reported net income of $74.3 million, or $3.11 per share, for the three months ended March 31, 2025, compared to net income of $65.3 million, or $2.56 per share, for the three months ended March 31, 2024.

CEO Brett Pharr said, “At the halfway point for the fiscal year, our businesses are healthy, and we are optimistic about the future. We have made significant progress toward our goals thanks in large part to the successful execution on our balance sheet strategy, which is allowing us to generate revenue above our asset size and means that we do not need to grow our balance sheet to grow revenues. This is evident in our financial performance during the quarter. We are also having a great tax season, which led the way to noninterest income growth for the quarter.”

Company Highlights and Business Developments

- On March 20, 2025, the Company's subsidiary Pathward®, N.A. announced it became Certified™ by Great Place to Work® for the third year in a row. Great Place to Work describes itself as the global authority on workplace culture, employee experience, and the leadership behaviors proven to deliver market-leading revenue, employee retention and increased innovation.

Financial Highlights for the 2025 Fiscal Second Quarter

- Total tax services product income, net of losses and direct product expenses, increased 29% to $47.6 million from $36.9 million, when comparing the first six months of fiscal 2025 to the same period of the prior fiscal year.
- Total revenue for the second quarter was $262.9 million, an increase of $15.6 million, or 6%, compared to the same quarter in fiscal 2024, driven by an increase in both net interest income and noninterest income.
- Net interest margin ("NIM") increased 27 basis points to 6.50% for the second quarter from 6.23% during the same period last year, primarily driven by increased yields and balances in the loan and lease portfolio and an improved earning asset mix from the continued balance sheet optimization. When including contractual, rate-related processing expenses associated with deposits on the Company's balance sheet, NIM would have been 5.09% in the fiscal 2025 second quarter compared to 4.76% during the fiscal 2024 second quarter. See non-GAAP reconciliation table below.
- Total gross loans and leases at March 31, 2025 increased $55.5 million to $4.46 billion compared to March 31, 2024 and decreased $97.8 million when compared to December 31, 2024. When excluding the insurance premium finance loans, which sold during the first quarter of fiscal 2025, of $522.9 million at March 31, 2024, total gross loans and leases at March 31, 2025 increased $578.4 million, or 15%, when compared to March 31, 2024.
- During the 2025 fiscal second quarter, the Company repurchased 575,804 shares of common stock at an average share price of $78.11. As of March 31, 2025, there were 5,722,336 shares available for repurchase under the current common stock share repurchase program.

Tax Season

For the six months ended March 31, 2025, total tax services product revenue was $85.0 million, an increase of 17% compared to the same period of the prior year. Total tax services product fee income increased by $9.5 million and net interest income on tax services loans increased $2.6 million, while total tax services product expense increased marginally when compared to the prior year.

Provision for credit losses for the tax services portfolio increased $0.9 million for the six months ended March 31, 2025 when compared to the same period of the prior year, primarily due to an increase in loan originations.

Total tax services product income, net of losses and direct product expenses, increased 29% to $47.6 million from $36.9 million, when comparing the first six months of fiscal 2025 to the same period of the prior fiscal year. This increase was primarily due to a 13% increase in independent tax office enrollments this tax season as compared to the prior year period.

For the 2025 tax season through March 31, 2025, Pathward originated $1.66 billion in refund advance loans compared to $1.56 billion during the 2024 tax season.

Net Interest Income

Net interest income for the second quarter of fiscal 2025 was $124.3 million, an increase of 5% from the same quarter in fiscal 2024. The increase was mainly attributable to increased yields and balances in the loan and lease portfolio and an improved earning asset mix, along with a reduction in funding costs.

The Company's average interest-earning assets for the second quarter of fiscal 2025 increased by $125.3 million to $7.76 billion compared to the same quarter in fiscal 2024, due to increases in average outstanding balances of interest earning cash and total loan and lease balances, partially offset by a decrease in total investment securities. The second quarter average outstanding balance of loans and leases increased $185.2 million compared to the same quarter of the prior fiscal year, primarily due to increases in the warehouse finance and tax services portfolios, partially offset by decreases in the consumer finance and commercial finance loan portfolios. The decrease in the average outstanding balance of commercial finance loans and leases was primarily driven by the sale of the insurance premium finance loans during the first quarter of fiscal year 2025.

Fiscal 2025 second quarter NIM increased to 6.50% from 6.23% in the second fiscal quarter of 2024. When including contractual, rate-related processing expenses associated with deposits on the Company's balance sheet, NIM would have been 5.09% in the second quarter compared to 4.76% during the fiscal 2024 second quarter. See non-GAAP reconciliation table below. The overall reported tax-equivalent yield ("TEY") on average interest-earning assets increased 12 basis points to 6.81% compared to the prior year quarter, driven by an improved earning asset mix. The yield on the loan and lease portfolio was 8.59% compared to 8.43% for the comparable period last year and the TEY on the securities portfolio was 3.11% compared to 3.20% over that same period.

The Company's cost of funds for all deposits and borrowings averaged 0.32% during the fiscal 2025 second quarter, as compared to 0.47% during the prior year quarter. The Company's overall cost of deposits was 0.23% in the fiscal second quarter of 2025, as compared to 0.38% during the prior year quarter. When including contractual, rate-related processing expenses associated with deposits on the Company's balance sheet, the Company's overall cost of deposits was 1.75% in the fiscal 2025 second quarter, as compared to 1.95% during the prior year quarter. See non-GAAP reconciliation table below.

Noninterest Income

Fiscal 2025 second quarter noninterest income increased 7% to $138.5 million, compared to $128.9 million for the same period of the prior year. The increase in noninterest income when comparing the current period to the same period of the prior year was primarily driven by secondary market revenue, refund advance and other tax product income, and refund transfer product fees, partially offset by a loss on sale of investment securities, a reduction in card and deposit fees, and a loss on sale of divestiture related to closing business activities from the insurance premium finance business sale that occurred during the first quarter of the fiscal year.

The period-over-period decrease in card and deposit fee income was primarily related to lower quarterly average deposit balances held at partner banks along with lower servicing fee income due to a reduction in rates following reductions in the Effective Federal Funds Rate ("EFFR"). Servicing fee income on custodial deposits totaled $6.5 million during the 2025 fiscal second quarter, compared to $10.4 million for the same period of the prior year. For the fiscal quarter ended December 31, 2024, servicing fee income on custodial deposits totaled $4.5 million.

Noninterest Expense

Noninterest expense increased 1% to $142.5 million for the fiscal 2025 second quarter, from $140.4 million for the same quarter last year. The increase was primarily attributable to increases in operating lease equipment depreciation expense, other expense, refund transfer product expense, card processing expense, and occupancy and equipment expense. This increase was partially offset primarily by reductions in compensation and benefits expense, refund advance product expense, and impairment expense.

Card processing expense is primarily driven by rate-related agreements with Partner Solutions relationships. The amount of expense paid under those agreements is based on an agreed upon rate index that varies depending on the deposit levels, floor rates, market conditions, and other performance conditions. Generally, this rate index is based on a percentage of the EFFR and reprices immediately upon a change in the EFFR. Approximately 62% of the deposit portfolio was subject to these rate-related processing expenses during the fiscal 2025 second quarter. For the fiscal quarter ended March 31, 2025, contractual, rate-related processing expenses were $28.4 million, as compared to $25.6 million for the fiscal quarter ended December 31, 2024, and $30.1 million for the fiscal quarter ended March 31, 2024.

Income Tax Expense

The Company recorded an income tax expense of $15.9 million, representing an effective tax rate of 17.6%, for the fiscal 2025 second quarter, compared to an income tax expense of $15.2 million, representing an effective tax rate of 18.9%, for the second quarter last fiscal year. The current quarter increase in income tax expense compared to the prior year quarter was primarily due to an increase in income.

The Company originated $1.9 million in renewable energy leases during the fiscal 2025 second quarter, resulting in $0.5 million in total net investment tax credits. During the second quarter of fiscal 2024, the Company originated $25.9 million in renewable energy leases resulting in $7.0 million in total net investment tax credits. For the six months ended March 31, 2025, the Company originated $11.2 million in renewable energy leases, compared to $38.1 million for the comparable prior year period. Investment tax credits related to renewable energy leases are recognized ratably based on income throughout each fiscal year.

Investments, Loans and Leases

(Dollars in thousands)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Total investments	**$ 1,442,855**	**$ 1,512,091**	**$ 1,774,313**	**$ 1,759,486**	**$ 1,814,140**
Loans held for sale					
Term lending	—	7,860	4,567	—	1,977
Lease financing	—	424	—	—	—
Insurance premium finance	—	—	594,359	—	—
SBA/USDA	15,188	21,786	65,734	7,030	7,372
Consumer finance	30,579	42,578	24,210	22,350	16,597
Total loans held for sale	**45,767**	**72,648**	**688,870**	**29,380**	**25,946**
Term lending	1,766,432	1,735,539	1,554,641	1,533,722	1,489,054
Asset-based lending	542,483	608,261	471,897	473,289	429,556
Factoring	224,520	364,477	362,295	350,740	336,442
Lease financing	134,856	138,305	152,174	155,044	168,616
Insurance premium finance	—	—	—	617,054	522,904
SBA/USDA	701,736	595,965	568,628	563,689	560,433
Other commercial finance	154,728	174,097	185,964	166,653	149,056
Commercial finance	**3,524,755**	**3,616,644**	**3,295,599**	**3,860,191**	**3,656,061**
Consumer finance	**246,202**	**280,001**	**248,800**	**253,358**	**267,031**
Tax services	**55,973**	**45,051**	**8,825**	**43,184**	**84,502**
Warehouse finance	**643,124**	**624,251**	**517,847**	**449,962**	**394,814**
Total loans and leases	**4,470,054**	**4,565,947**	**4,071,071**	**4,606,695**	**4,402,408**
Net deferred loan origination costs (fees)	(5,184)	(3,266)	4,124	5,857	6,977
Total gross loans and leases	**4,464,870**	**4,562,681**	**4,075,195**	**4,612,552**	**4,409,385**
Allowance for credit losses	(78,449)	(48,977)	(45,336)	(79,836)	(80,777)
Total loans and leases, net	**$ 4,386,421**	**$ 4,513,704**	**$ 4,029,859**	**$ 4,532,716**	**$ 4,328,608**

The Company's investment security balances at March 31, 2025 totaled $1.44 billion, as compared to $1.51 billion at December 31, 2024 and $1.81 billion at March 31, 2024. The sequential decrease was primarily related to the sale of $57.7 million of investment securities AFS during the second quarter of fiscal 2025. The year-over-year decrease was primarily related to the sale of investment securities AFS during both the second and first quarters of fiscal 2025.

Total gross loans and leases totaled $4.46 billion at March 31, 2025, as compared to $4.56 billion at December 31, 2024 and $4.41 billion at March 31, 2024. The drivers for the sequential decrease were reductions in the commercial finance and consumer finance loan portfolios, partially offset by increases in the warehouse finance and the seasonal tax services portfolios. The year-over-year increase was due to an increase in the warehouse finance portfolio, partially offset by decreases in the commercial finance, tax services, and consumer finance loan portfolios. When excluding the insurance premium finance loans, which sold during the first quarter of fiscal 2025, of $522.9 million at March 31, 2024, total gross loans and leases at March 31, 2025 increased $578.4 million, or 15%, when compared to March 31, 2024.

Commercial finance loans, which comprised 79% of the Company's loan and lease portfolio, totaled $3.52 billion at March 31, 2025, reflecting a decrease of $91.9 million, or 3%, from December 31, 2024 and a decrease of $131.3 million, or 4%, from March 31, 2024. The sequential decrease was primarily driven by decreases of $140.0 million in factoring loans and $65.8 million in asset-based lending, partially offset by increases of $105.8 million in SBA/USDA and $30.9 million in term lending. The year-over-year decrease was primarily related to the sale of insurance premium finance loans during the first quarter of fiscal 2025 and a decrease of $111.9 million in factoring loans, partially offset by increases of $277.4 million in term lending, $141.3 million in SBA/USDA, and

$112.9 million in asset-based lending. When excluding the insurance premium finance loans of $522.9 million at March 31, 2024, commercial finance loans at March 31, 2025 increased by $391.6 million when compared to March 31, 2024.

Asset Quality

The Company's allowance for credit losses ("ACL") totaled $78.4 million at March 31, 2025, an increase compared to $49.0 million at December 31, 2024 and a decrease compared to $80.8 million at March 31, 2024. The increase in the ACL at March 31, 2025, when compared to December 31, 2024, was primarily due to a $33.0 million increase in the allowance related to the seasonal tax services portfolio, partially offset by a $3.7 million decrease in the allowance related to the commercial finance portfolio.

The $2.4 million year-over-year decrease in the ACL was primarily driven by a $5.4 million decrease in the allowance related to the commercial finance portfolio, partially offset by a $2.3 million increase in the allowance related to the tax services portfolio.

The following table presents the Company's ACL as a percentage of its total loans and leases.

	As of the Period Ended				
(Unaudited)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Commercial finance	1.10 %	1.18 %	1.29 %	1.17 %	1.21 %
Consumer finance	2.11 %	1.79 %	0.90 %	2.23 %	1.71 %
Tax services	60.35 %	1.75 %	0.02 %	66.35 %	37.31 %
Warehouse finance	0.10 %	0.10 %	0.10 %	0.10 %	0.10 %
Total loans and leases	1.75 %	1.07 %	1.11 %	1.73 %	1.83 %
Total loans and leases excluding tax services	1.01 %	1.07 %	1.12 %	1.12 %	1.14 %

The Company's ACL as a percentage of total loans and leases increased to 1.75% at March 31, 2025 from 1.07% at December 31, 2024. The increase in the total loans and leases coverage ratio was primarily driven by seasonality in both the tax services portfolio and consumer finance portfolio.

Activity in the allowance for credit losses for the periods presented was as follows.

(Unaudited)	Three Months Ended			Six Months Ended	
(Dollars in thousands)	March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
Beginning balance	$ 48,977	$ 45,336	$ 53,785	$ 45,336	$ 49,705
Provision (reversal of) - tax services loans	26,178	1,301	25,221	27,479	26,577
Provision (reversal of) - all other loans and leases	3,389	10,913	684	14,302	8,894
Charge-offs - tax services loans	—	(741)	—	(741)	(1,145)
Charge-offs - all other loans and leases	(8,114)	(8,935)	(5,492)	(17,050)	(11,218)
Recoveries - tax services loans	6,813	228	5,800	7,041	6,094
Recoveries - all other loans and leases	1,206	875	779	2,082	1,870
Ending balance	$ 78,449	$ 48,977	$ 80,777	$ 78,449	$ 80,777

The Company recognized a provision for credit losses of $29.9 million for the quarter ended March 31, 2025, compared to $26.1 million for the comparable period in the prior fiscal year. The period-over-period increase in provision for credit losses was primarily due to increases in provision for credit losses in the commercial finance portfolio of $2.8 million and the seasonal tax services portfolio of $1.0 million. The Company recognized net charge-offs of $0.1 million for the quarter ended March 31, 2025, compared to net recoveries of $1.1 million for the quarter ended March 31, 2024. Net charge-offs attributable to the commercial finance portfolio for the current quarter were $6.9 million while recoveries of $6.8 million were recognized in the tax services portfolio. Net charge-offs attributable to the commercial finance portfolio for the same quarter of the prior year were $4.7 million, while recoveries of $5.8 million were recognized in the tax services portfolio.

The Company's past due loans and leases were as follows for the periods presented.

As of March 31, 2025	Accruing and Nonaccruing Loans and Leases						Nonperforming Loans and Leases		
(Dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	> 89 Days Past Due	Total Past Due	Current	Total Loans and Leases Receivable	> 89 Days Past Due and Accruing	Nonaccrual Balance	Total
Loans held for sale	$ —	$ —	$ —	$ —	$ 45,767	$ 45,767	$ —	$ —	$ —
Commercial finance	41,161	14,933	18,273	74,367	3,450,388	3,524,755	1,359	36,049	37,408
Consumer finance	3,922	2,769	2,397	9,088	237,114	246,202	2,398	—	2,398
Tax services	1,036	—	—	1,036	54,937	55,973	—	—	—
Warehouse finance	—	—	—	—	643,124	643,124	—	—	—
Total loans and leases held for investment	46,119	17,702	20,670	84,491	4,385,563	4,470,054	3,757	36,049	39,806
Total loans and leases	$ 46,119	$ 17,702	$ 20,670	$ 84,491	$ 4,431,330	$ 4,515,821	$ 3,757	$ 36,049	$ 39,806

As of December 31, 2024	Accruing and Nonaccruing Loans and Leases						Nonperforming Loans and Leases		
(Dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	> 89 Days Past Due	Total Past Due	Current	Total Loans and Leases Receivable	> 89 Days Past Due and Accruing	Nonaccrual Balance	Total
Loans held for sale	$ —	$ —	$ —	$ —	$ 72,648	$ 72,648	$ —	$ —	$ —
Commercial finance	25,080	8,966	23,545	57,591	3,559,053	3,616,644	5,555	27,231	32,786
Consumer finance	4,502	2,936	2,423	9,861	270,140	280,001	2,423	—	2,423
Tax services	—	—	—	—	45,051	45,051	—	—	—
Warehouse finance	—	—	—	—	624,251	624,251	—	—	—
Total loans and leases held for investment	29,582	11,902	25,968	67,452	4,498,495	4,565,947	7,978	27,231	35,209
Total loans and leases	$ 29,582	$ 11,902	$ 25,968	$ 67,452	$ 4,571,143	$ 4,638,595	$ 7,978	$ 27,231	$ 35,209

The Company's nonperforming assets at March 31, 2025 were $41.6 million, representing 0.59% of total assets, compared to $37.5 million, or 0.49% of total assets at December 31, 2024 and $37.2 million, or 0.50% of total assets at March 31, 2024.

The increase in the nonperforming assets as a percentage of total assets at March 31, 2025 compared to December 31, 2024, was driven by an increase in nonperforming loans in the commercial finance portfolio, partially offset by a slight decrease in nonperforming loans in the consumer finance portfolio. When comparing the current period to the same period of the prior year, the increase was driven by an increase in nonperforming loans in the commercial finance portfolio, partially offset by a decrease in nonperforming loans in the consumer finance portfolio.

The Company's nonperforming loans and leases at March 31, 2025, were $39.8 million, representing 0.88% of total gross loans and leases, compared to $35.2 million, or 0.76% of total gross loans and leases at December 31, 2024 and $34.4 million, or 0.78% of total gross loans and leases at March 31, 2024.

Deposits, Borrowings and Other Liabilities

The average balance of total deposits and interest-bearing liabilities was $7.30 billion for the three-month period ended March 31, 2025, compared to $7.28 billion for the same period in the prior fiscal year. Total average deposits for the fiscal 2025 second quarter increased by $12.6 million to $7.18 billion compared to the same period in fiscal 2024. The increase in average deposits was primarily due to increases in noninterest bearing deposits and interest bearing checking, partially offset by a decrease in wholesale deposits.

Total end-of-period deposits decreased 9% to $5.82 billion at March 31, 2025, compared to $6.37 billion at March 31, 2024. The decrease in end-of-period deposits was primarily driven by decreases in noninterest-bearing deposits of $458.0 million, wholesale deposits of $100.9 million, and money market deposits of $10.0 million, partially offset by an increase in interest bearing checking deposits of $25.1 million.

As of March 31, 2025, the Company managed $1.12 billion of customer deposits at other banks in its capacity as custodian. These deposits provide the Company with the ability to earn servicing fee income, typically reflective of the EFFR. The sequential quarter increase in these customer deposits held at other banks reflects normal seasonal patterns during the second quarter of the fiscal year.

Regulatory Capital

The Company and its subsidiary Pathward®, N.A. (the "Bank") remained above the federal regulatory minimum capital requirements at March 31, 2025, and continued to be classified as well-capitalized, and in good standing with the regulatory agencies. Regulatory capital ratios of the Company and the Bank are stated in the table below. The decrease in Tier 1 leverage capital ratio for the period as compared to the sequential quarter is the result of higher quarterly average assets related to the Company's seasonal tax business. The Bank's Tier 1 leverage capital ratio using end of period assets of 10.49% better reflects the expected capital position of the Company post tax season. See non-GAAP reconciliation table below. Regulatory capital is not affected by the unrealized loss on accumulated other comprehensive income (“AOCI”). The securities portfolio is primarily comprised of amortizing securities that should provide consistent cash flow.

The tables below include certain non-GAAP financial measures that are used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies. Management reviews these measures along with other measures of capital as part of its financial analysis.

As of the Periods Indicated	March 31, 2025[1]	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Company					
Tier 1 leverage capital ratio	8.53 %	9.15 %	9.26 %	9.13 %	7.75 %
Common equity Tier 1 capital ratio	13.98 %	12.53 %	12.61 %	12.44 %	12.30 %
Tier 1 capital ratio	14.25 %	12.79 %	12.86 %	12.70 %	12.56 %
Total capital ratio	15.90 %	14.11 %	14.08 %	14.33 %	14.21 %
Bank					
Tier 1 leverage ratio	8.73 %	9.42 %	9.44 %	9.36 %	7.92 %
Common equity Tier 1 capital ratio	14.59 %	13.16 %	13.12 %	13.02 %	12.83 %
Tier 1 capital ratio	14.59 %	13.16 %	13.12 %	13.02 %	12.83 %
Total capital ratio	15.84 %	14.10 %	13.97 %	14.27 %	14.09 %

[1] March 31, 2025 percentages are preliminary pending completion and filing of the Company's regulatory reports. Regulatory capital ratios for periods presented reflect the Company's election of the five-year CECL transition for regulatory capital purposes.

The following table provides the non-GAAP financial measures used to compute certain of the ratios included in the table above, as well as a reconciliation of such non-GAAP financial measures to the most directly comparable financial measure in accordance with GAAP:

As of the Periods Indicated	**Standardized Approach**[1]				
(Dollars in thousands)	**March 31, 2025**	**December 31, 2024**	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**
Total stockholders' equity	$ 832,232	$ 776,430	$ 839,605	$ 765,248	$ 739,462
Adjustments:					
LESS: Goodwill, net of associated deferred tax liabilities	285,865	286,171	296,105	296,496	296,889
LESS: Certain other intangible assets	16,363	16,951	18,018	18,315	19,146
LESS: Net deferred tax assets from operating loss and tax credit carry-forwards	3,410	12,298	13,253	11,880	15,862
LESS: Net unrealized (losses) on available for sale securities	(163,206)	(187,834)	(152,328)	(206,584)	(205,460)
LESS: Noncontrolling interest	(658)	(756)	(277)	(506)	(420)
ADD: Adoption of Accounting Standards Update 2016-13	672	672	1,345	1,345	1,345
Common Equity Tier 1[1]	691,130	650,272	666,179	646,992	614,790
Long-term borrowings and other instruments qualifying as Tier 1	13,661	13,661	13,661	13,661	13,661
Tier 1 minority interest not included in common equity Tier 1 capital	(381)	(462)	(150)	(374)	(311)
Total Tier 1 capital	704,410	663,471	679,690	660,279	628,140
Allowance for credit losses	61,994	48,818	44,687	65,182	62,715
Subordinated debentures, net of issuance costs	19,744	19,719	19,693	19,668	19,642
Total capital	$ 786,148	$ 732,008	$ 744,070	$ 745,129	$ 710,497

[1] Capital ratios were determined using the Basel III capital rules that became effective on January 1, 2015. Basel III revised the definition of capital, increased minimum capital ratios, and introduced a minimum CET1 ratio; those changes were fully phased in through the end of calendar year 2021.

Conference Call

The Company will host a conference call and earnings webcast with a corresponding presentation at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) on Tuesday, April 22, 2025. The live webcast of the call can be accessed from Pathward's Investor Relations website at www.pathwardfinancial.com. Telephone participants may access the conference call by dialing 1-833-470-1428 approximately 10 minutes prior to start time and reference access code 162083.

The Quarterly Investor Update slide presentation prepared for use in connection with the Company's conference call and earnings webcast is available under the Presentations link in the Investor Relations - Events & Presentations section of the Company's website at www.pathwardfinancial.com. A webcast replay will also be archived at www.pathwardfinancial.com for one year.

About Pathward Financial, Inc.

Pathward Financial, Inc. (Nasdaq: CASH) is a U.S.-based financial holding company driven by its purpose to power financial inclusion for all. Through our subsidiary, Pathward®, N.A., we strive to increase financial availability, choice, and opportunity across our Partner Solutions and Commercial Finance business lines. These strategic business lines provide support to individuals and businesses. Learn more at www.pathwardfinancial.com.

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Forward-Looking Statements

The Company and the Bank may from time to time make written or oral “forward-looking statements,” including statements contained in this press release, the Company’s filings with the Securities and Exchange Commission ("SEC"), the Company’s reports to stockholders, and in other communications by the Company and the Bank, which are made in good faith by 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; 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; 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 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 Bank's ability 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 Bank'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 the Bank 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; and 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.

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 in this press release speak only as of the date hereof. 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 or referred to in this section. Additional discussions of factors affecting the Company’s business and prospects are reflected 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 the Company's other filings made with the SEC. 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.

Condensed Consolidated Statements of Financial Condition (Unaudited)

(Dollars in Thousands, Except Share Data)	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
ASSETS					
Cash and cash equivalents	$ 254,249	$ 597,396	$ 158,337	$ 298,926	$ 347,888
Securities available for sale, at fair value	1,411,520	1,480,090	1,741,221	1,725,460	1,779,458
Securities held to maturity, at amortized cost	31,335	32,001	33,092	34,026	34,682
Federal Reserve Bank and Federal Home Loan Bank Stock, at cost	24,276	24,454	36,014	24,449	25,844
Loans held for sale	45,767	72,648	688,870	29,380	25,946
Loans and leases	4,464,870	4,562,681	4,075,195	4,612,552	4,409,385
Allowance for credit losses	(78,449)	(48,977)	(45,336)	(79,836)	(80,777)
Accrued interest receivable	37,081	35,279	31,385	31,755	30,294
Premises, furniture, and equipment, net	39,542	38,263	39,055	36,953	37,266
Rental equipment, net	202,194	206,754	205,339	209,544	215,885
Goodwill and intangible assets	311,992	313,074	326,094	327,018	328,001
Other assets	268,636	308,679	260,070	280,053	283,245
Total assets	$ 7,013,013	$ 7,622,342	$ 7,549,336	$ 7,530,280	$ 7,437,117
LIABILITIES AND STOCKHOLDERS' EQUITY					
LIABILITIES					
Deposits	5,819,209	6,518,953	5,875,085	6,431,516	6,368,344
Short-term borrowings	—	—	377,000	—	31,000
Long-term borrowings	33,405	33,380	33,354	33,329	33,373
Accrued expenses and other liabilities	328,167	293,579	424,292	300,187	264,938
Total liabilities	6,180,781	6,845,912	6,709,731	6,765,032	6,697,655
STOCKHOLDERS' EQUITY					
Preferred stock	—	—	—	—	—
Common stock, $.01 par value	236	241	248	251	254
Common stock, Nonvoting, $.01 par value	—	—	—	—	—
Additional paid-in capital	643,887	640,422	638,803	636,284	634,415
Retained earnings	359,960	332,322	354,474	343,392	317,964
Accumulated other comprehensive loss	(166,311)	(190,917)	(153,394)	(207,992)	(206,570)
Treasury stock, at cost	(4,882)	(4,882)	(249)	(6,181)	(6,181)
Total equity attributable to parent	832,890	777,186	839,882	765,754	739,882
Noncontrolling interest	(658)	(756)	(277)	(506)	(420)
Total stockholders' equity	832,232	776,430	839,605	765,248	739,462
Total liabilities and stockholders' equity	$ 7,013,013	$ 7,622,342	$ 7,549,336	$ 7,530,280	$ 7,437,117

Condensed Consolidated Statements of Operations (Unaudited)

(Dollars in thousands, except per share data)	Three Months Ended March 31, 2025	Three Months Ended December 31, 2024	Three Months Ended March 31, 2024	Six Months Ended March 31, 2025	Six Months Ended March 31, 2024
Interest and dividend income:					
Loans and leases, including fees	$ 107,818	$ 102,731	$ 102,750	$ 210,549	$ 197,713
Mortgage-backed securities	8,580	8,986	9,998	17,566	20,047
Other investments	13,669	7,522	14,013	21,191	24,899
	130,067	119,239	126,761	249,306	242,659
Interest expense:					
Deposits	4,086	775	6,685	4,861	10,211
FHLB advances and other borrowings	1,640	2,331	1,775	3,971	4,111
	5,726	3,106	8,460	8,832	14,322
Net interest income	124,341	116,133	118,301	240,474	228,337
Provision for credit loss	29,905	12,032	26,052	41,937	35,942
Net interest income after provision for credit loss	94,436	104,101	92,249	198,537	192,395
Noninterest income:					
Refund transfer product fees	32,663	410	28,942	33,073	29,364
Refund advance and other tax fee income	48,585	524	43,200	49,109	43,311
Card and deposit fees	30,793	29,066	35,344	59,859	66,094
Rental income	13,200	13,708	13,720	26,908	27,179
(Loss) on sale of securities	(7,228)	(15,671)	—	(22,899)	—
Gain (loss) on divestitures	(1,360)	16,404	—	15,044	—
Secondary market revenue	15,378	4,378	1,401	19,756	1,370
Gain on sale of other	627	987	294	1,614	3,165
Other income	5,866	7,572	6,044	13,438	11,223
Total noninterest income	138,524	57,378	128,945	195,902	181,706
Noninterest expense:					
Compensation and benefits	51,905	49,292	54,073	101,197	100,725
Refund transfer product expense	8,475	108	7,366	8,583	7,558
Refund advance expense	1,265	34	1,846	1,299	1,876
Card processing	36,238	33,314	35,163	69,552	69,747
Occupancy and equipment expense	10,307	9,706	9,293	20,013	18,141
Operating lease equipment depreciation	11,780	11,426	10,424	23,206	20,847
Legal and consulting	5,878	5,225	6,141	11,103	11,033
Intangible amortization	1,082	812	1,240	1,894	2,224
Impairment expense	1,514	—	2,013	1,514	2,013
Other expense	14,076	13,642	12,872	27,718	25,541
Total noninterest expense	142,520	123,559	140,431	266,079	259,705
Income before income tax expense	90,440	37,920	80,763	128,360	114,396
Income tax expense	15,937	6,294	15,246	22,231	20,965
Net income before noncontrolling interest	74,503	31,626	65,517	106,129	93,431
Net income attributable to noncontrolling interest	237	199	249	436	506
Net income attributable to parent	$ 74,266	$ 31,427	$ 65,268	$ 105,693	$ 92,925
Less: Allocation of Earnings to participating securities[(1)]	261	130	524	404	744
Net income attributable to common shareholders[(1)]	74,005	31,297	64,744	105,289	92,181
Earnings per common share:					
Basic	$ 3.13	$ 1.29	$ 2.56	$ 4.40	$ 3.61
Diluted	$ 3.11	$ 1.29	$ 2.56	$ 4.38	$ 3.61
Shares used in computing earnings per common share:					
Basic	23,657,145	24,221,697	25,281,743	23,941,980	25,529,186
Diluted	23,776,023	24,280,371	25,311,144	24,039,020	25,555,656

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

Average Balances, Interest Rates and Yields

The following table presents, for the periods indicated, the total dollar amount of interest income from average interest-earning assets and the resulting yields, as well as the interest expense on average interest-bearing liabilities, expressed both in dollars and in rates. Only the yield/rate reflects tax-equivalent adjustments. Nonaccruing loans and leases have been included in the table as loans carrying a zero yield.

Three Months Ended March 31,	**2025**			**2024**		
(Dollars in thousands)	**Average Outstanding Balance**	**Interest Earned / Paid**	**Yield / Rate[1]**	**Average Outstanding Balance**	**Interest Earned / Paid**	**Yield / Rate[1]**
Interest-earning assets:						
Cash and fed funds sold	$ 926,841	$ 9,088	3.98 %	$ 616,288	$ 7,422	4.84 %
Mortgage-backed securities	1,240,243	8,580	2.81 %	1,464,530	9,998	2.75 %
Tax-exempt investment securities	116,976	797	3.50 %	132,733	932	3.57 %
Asset-backed securities	180,750	2,228	5.00 %	237,421	3,368	5.71 %
Other investment securities	207,973	1,556	3.03 %	281,695	2,291	3.27 %
Total investments	1,745,942	13,161	3.11 %	2,116,379	16,589	3.20 %
Commercial finance	3,597,280	73,053	8.24 %	3,650,845	74,330	8.19 %
Consumer finance	295,099	8,039	11.05 %	351,459	9,144	10.46 %
Tax services	557,229	11,913	8.67 %	493,168	9,014	7.35 %
Warehouse finance	638,747	14,813	9.41 %	407,703	10,262	10.12 %
Total loans and leases	5,088,355	107,818	8.59 %	4,903,175	102,750	8.43 %
Total interest-earning assets	**$ 7,761,138**	**$ 130,067**	**6.81 %**	**$ 7,635,842**	**$ 126,761**	**6.69 %**
Noninterest-earning assets	630,782			600,354		
Total assets	**$ 8,391,920**			**$ 8,236,196**		
Interest-bearing liabilities:						
Interest-bearing checking	$ 2,462	$ —	0.04 %	$ 266	$ —	0.31 %
Savings	53,120	3	0.02 %	59,914	5	0.04 %
Money markets	179,591	270	0.61 %	190,143	598	1.26 %
Time deposits	4,213	3	0.25 %	5,027	4	0.29 %
Wholesale deposits	349,706	3,810	4.42 %	439,785	6,078	5.56 %
Total interest-bearing deposits (a)	589,092	4,086	2.81 %	695,135	6,685	3.87 %
Overnight fed funds purchased	88,522	1,004	4.60 %	79,484	1,107	5.60 %
Subordinated debentures	19,728	355	7.29 %	19,625	355	7.27 %
Other borrowings	13,661	281	8.34 %	13,901	313	9.07 %
Total borrowings	121,911	1,640	5.45 %	113,010	1,775	6.32 %
Total interest-bearing liabilities	**711,003**	**5,726**	**3.27 %**	**808,145**	**8,460**	**4.21 %**
Noninterest-bearing deposits (b)	6,592,216	—	— %	6,473,538	—	— %
Total deposits and interest-bearing liabilities	**$ 7,303,219**	**$ 5,726**	**0.32 %**	**$ 7,281,683**	**$ 8,460**	**0.47 %**
Other noninterest-bearing liabilities	294,121			223,560		
Total liabilities	**7,597,340**			**7,505,243**		
Shareholders' equity	794,580			730,953		
Total liabilities and shareholders' equity	**$ 8,391,920**			**$ 8,236,196**		
Net interest income and net interest rate spread including noninterest-bearing deposits		**$ 124,341**	**6.49 %**		**$ 118,301**	**6.22 %**
Net interest margin			**6.50 %**			**6.23 %**
Tax-equivalent effect			**0.01 %**			**0.01 %**
Net interest margin, tax-equivalent[2]			**6.51 %**			**6.24 %**
Total cost of deposits (a+b)	**7,181,308**	**4,086**	**0.23 %**	**7,168,673**	**6,685**	**0.38 %**

[1] Tax rate used to arrive at the TEY for the three months ended March 31, 2025 and 2024 was 21%.

[2] Net interest margin expressed on a fully-taxable-equivalent basis ("net interest margin, tax-equivalent") is a non-GAAP financial measure. The tax-equivalent adjustment to net interest income recognizes the estimated income tax savings when comparing taxable and tax-exempt assets and adjusting for federal and state exemption of interest income. The Company believes that it is a standard practice in the banking industry to present net interest margin expressed on a fully taxable equivalent basis and, accordingly, believes the presentation of this non-GAAP financial measure may be useful for peer comparison purposes.

Selected Financial Information

As of and For the Three Months Ended	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Equity to total assets	11.87 %	10.19 %	11.12 %	10.16 %	9.94 %
Book value per common share outstanding	$ 35.33	$ 32.19	$ 33.79	$ 30.51	$ 29.14
Tangible book value per common share outstanding	$ 22.08	$ 19.21	$ 20.67	$ 17.47	$ 16.21
Common shares outstanding	23,558,939	24,119,416	24,847,353	25,085,230	25,377,986
Nonperforming assets to total assets	0.59 %	0.49 %	0.57 %	0.61 %	0.50 %
Nonperforming loans and leases to total loans and leases	0.88 %	0.76 %	0.87 %	0.96 %	0.78 %
Net interest margin	6.50 %	6.84 %	6.66 %	6.56 %	6.23 %
Net interest margin, tax-equivalent	6.51 %	6.85 %	6.67 %	6.57 %	6.24 %
Return on average assets	3.59 %	1.69 %	1.79 %	2.28 %	3.17 %
Return on average equity	37.91 %	15.51 %	16.80 %	22.62 %	35.72 %
Return on average tangible equity	62.50 %	25.65 %	28.40 %	40.59 %	64.92 %
Full-time equivalent employees	1,155	1,170	1,241	1,232	1,204

Non-GAAP Reconciliations

Net Interest Margin and Cost of Deposits	At and For the Three Months Ended		
(Dollars in thousands)	March 31, 2025	December 31, 2024	March 31, 2024
Average interest earning assets	$ 7,761,138	$ 6,735,958	$ 7,635,842
Net interest income	$ 124,341	$ 116,133	$ 118,301
Net interest margin	6.50 %	6.84 %	6.23 %
Quarterly average total deposits	$ 7,181,308	$ 6,081,235	$ 7,168,673
Deposit interest expense	$ 4,086	$ 775	$ 6,685
Cost of deposits	0.23 %	0.05 %	0.38 %
Adjusted Net Interest Margin with contractual, rate-related card expenses associated with deposits on the Company's balance sheet			
Average interest earning assets	$ 7,761,138	$ 6,735,958	$ 7,635,842
Net interest income	124,341	116,133	118,301
Less: Contractual, rate-related processing expense	26,852	24,241	28,024
Adjusted net interest income	$ 97,489	$ 91,892	$ 90,277
Adjusted net interest margin	5.09 %	5.41 %	4.76 %
Average total deposits	$ 7,181,308	$ 6,081,235	$ 7,168,673
Deposit interest expense	4,086	775	6,685
Add: Contractual, rate-related processing expense	26,852	24,241	28,024
Adjusted deposit expense	$ 30,938	$ 25,016	$ 34,709
Adjusted cost of deposits	1.75 %	1.63 %	1.95 %

Pathward, N.A. Period-end Tier 1 Leverage

(Dollars in thousands)		March 31, 2025
Total stockholders' equity	$	861,879
Adjustments:		
Less: Goodwill, net of associated deferred tax liabilities		285,865
Less: Certain other intangible assets		16,363
Less: Net deferred tax assets from operating loss and tax credit carry-forwards		3,410
Less: Net unrealized gains (losses) on available for sale securities		(163,206)
Less: Noncontrolling interest		(658)
Add: Adoption of Accounting Standards Update 2016-13		672
Common Equity Tier 1		720,777
Tier 1 minority interest not included in common equity Tier 1 capital		—
Total Tier 1 capital	$	720,777
Total Assets (Quarter Average)	$	8,391,490
Add: Available for sale securities amortized cost		223,365
Add: Deferred tax		(55,372)
Add: Adoption of Accounting Standards Updated 2016-13		672
Less: Deductions from CET1		305,638
Adjusted total assets	$	8,254,517
Pathward, N.A. Regulatory Tier 1 Leverage		**8.73 %**
Total Assets (Period End)	$	7,011,075
Add: Available for sale securities amortized cost		217,000
Add: Deferred tax		(53,794)
Add: Adoption of Accounting Standards Updated 2016-13		672
Less: Deductions from CET1		305,638
Adjusted total assets	$	6,869,315
Pathward, N.A. Period-end Tier 1 Leverage		**10.49 %**

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THE PATHWARD STORY

UPDATED APRIL 22, 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; 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 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.

AT PATHWARD®, LEADING THE WAY TO FINANCIAL ACCESS IS THE HEART OF OUR BUSINESS.

- *Since our founding, we have worked to advance financial inclusion. We seek out diverse partners, including fintechs, affinity groups, government agencies, and other banks and work with them to identify markets where people and businesses are underserved.*

  Our national bank charter, coordination with regulators, and deep understanding of risk mitigation and compliance allow us to guide our partners and deliver financial products, services and funding to the people and businesses who need them the most.

  We are powering financial inclusion.

BUILDING A DIVERSIFIED COMPANY DEDICATED TO FINANCIAL EMPOWERMENT FOR INDIVIDUALS AND BUSINESSES

1954
Founded as a savings and loan bank

1993
Listed on Nasdaq: CASH

2004
Created Prepaid Card Sponsorship business - now Partner Solutions

Dramatic growth in deposits from Payments business heavily invested in securities, treasuries, and bond portfolio.

2014
Acquired AFS/IBEX, an insurance premium finance company

2015 / 2016
Entered Tax Services business by acquiring Refund Advantage, SCS, and EPS

2018
Acquired Crestmark Bancorp, a commercial lending company

2020
Completed sale of Retail Bank division to focus on national banking operations and payments

Developed a governance structure that aligns with key sustainability efforts

Converted to National Bank Charter

2021
Sold Meta trademarks and began rebranding initiative

2022
Completed rebranding as Pathward Financial

2024
Completed sale of Insurance Premium Finance business line to focus on higher return on asset verticals

Note: Timeline and years presented are on a calendar year basis.

RESILIENT BUSINESS MODEL WITH DIVERSIFIED REVENUE

CONSUMER

Issuing
Fee income and stable deposits

Acquiring
Fee income

Digital Payments
Fee income

Financial Institution Solutions
Fee income and stable deposits

Credit Solutions
Fee income and interest income

Professional Tax Solutions
Fee income and interest income

COMMERCIAL & WAREHOUSE

Working Capital
Interest income

Equipment Finance
Interest income

Structured Finance
Fee income and interest income

Warehouse Finance
Fee income and interest income

CONSUMER COLLABORATES WITH PARTNERS TO PROVIDE INNOVATIVE PARTNER SOLUTIONS

A leading debit and prepaid card issuer sponsoring partner programs

Enable partners to move money quickly, efficiently and at a large scale across multiple payment rails

Enable partners' lending solutions to serve diverse credit needs

Accepting and processing merchant payments with our partners

Partner with financial institutions to offer additional financial services

Partner with a network of tax preparers offering a variety of products

COMMERCIAL AND WAREHOUSE LENDS ACROSS VARIOUS SOLUTIONS

Working Capital Finance	Equipment Finance	Structured Finance	Warehouse Finance
Ready cash for liquidity needs to new or growing companies in cyclical or seasonal industries	Providing access to equipment financing, through loans and leases, without sacrificing cash flows	Assisting small and mid-sized businesses and rural borrowers with primarily SBA and USDA lending to fund growth, expansion and refinancing	Asset-backed warehouse lines of credit used to support strategic initiatives

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 PAYMENTS SECTOR, WITH DIVERSIFIED PORTFOLIO OF HIGH-QUALITY FINANCIAL PARTNERS
4. RESILIENT COMMERCIAL FINANCE LOAN PORTFOLIO PRODUCES ATTRACTIVE RETURNS THROUGHOUT ECONOMIC CYCLES
5. MATURE RISK MITIGATION AND COMPLIANCE CAPABILITIES WITH HIGHLY ADVANTAGEOUS NATIONAL BANK CHARTER

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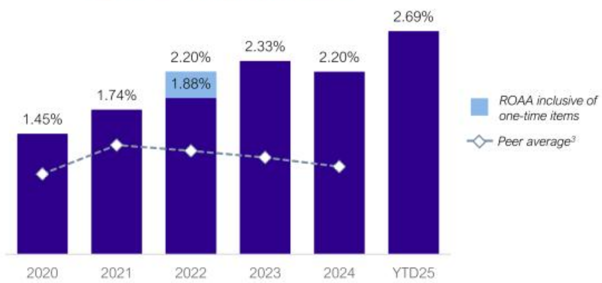
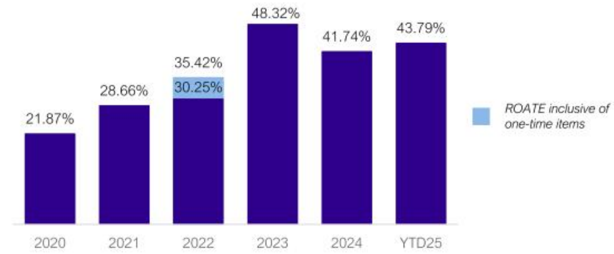
RECORD OF STRONG EARNINGS GROWTH & PROFITABILITY[1]

Return on Average Assets

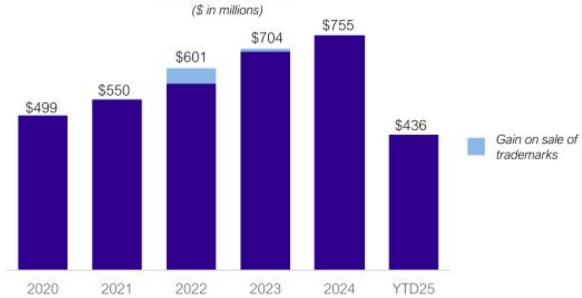


Return on Average Tangible Equity

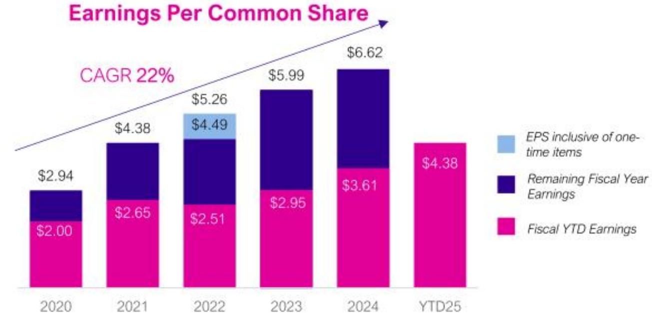


Total Revenue[2]

($ in millions)



Earnings Per Common Share



[1]FY20-FY21 display GAAP earnings; FY22 reflects GAAP and adjusted earnings. FY23-FY25 display GAAP earnings as the net adjustments for the periods are insignificant. See appendix for non-GAAP reconciliations

[2]FY22 and FY23 includes $50.0 million and $10.0 million gain on sale of trademarks, respectively

[3]Peer data includes commercial insured banks with assets between $3-10 billion. Return on average assets information gathered from the Federal Financial Institutions Examination Council database.

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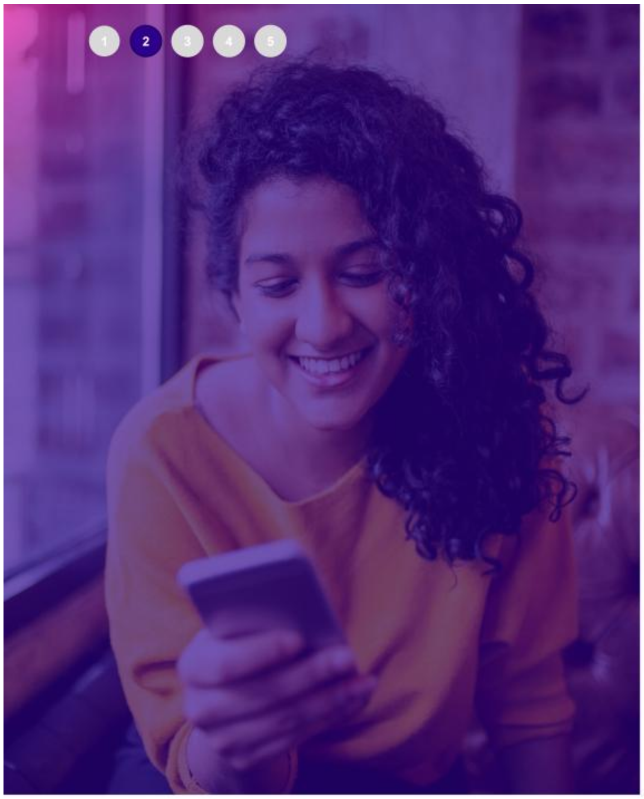


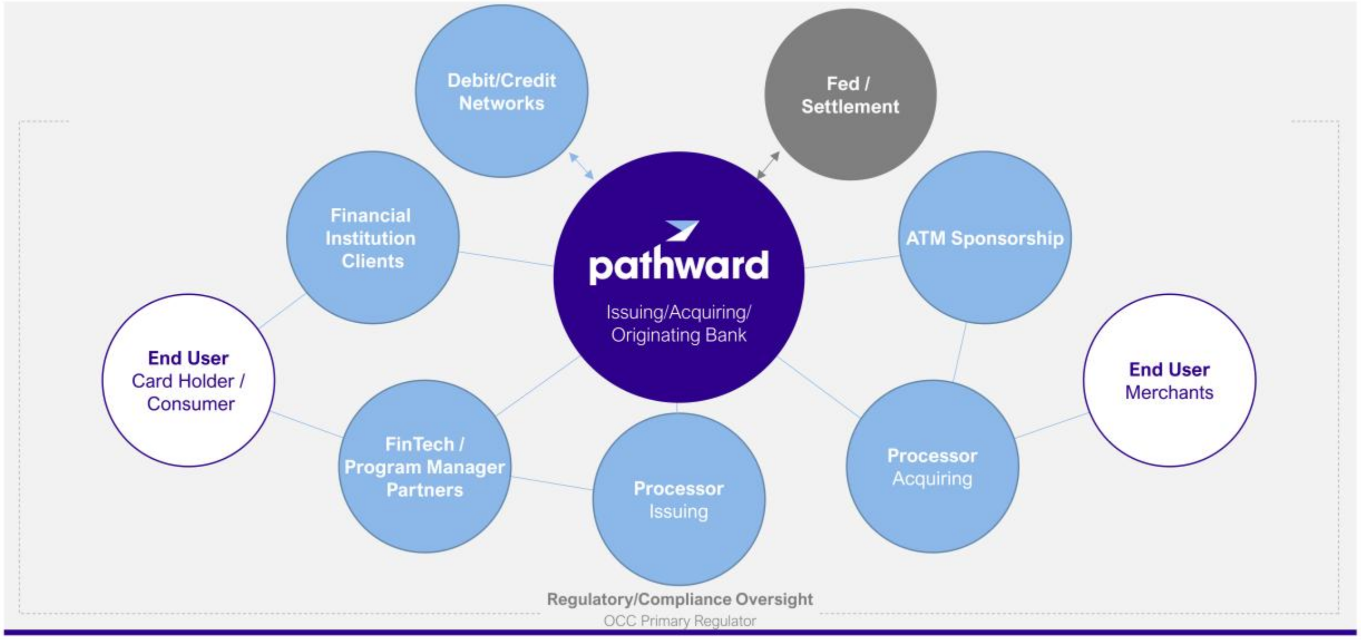
TRACK RECORD OF STRONG EARNINGS GROWTH AND RIGHT-SIZED BALANCE SHEET ENABLES ONGOING RETURN OF CAPITAL

$716.9M
TOTAL SHARE REPURCHASES
2Q19 TO 2Q25

$38.2M
TOTAL DIVIDENDS PAID
2Q19 TO 2Q25

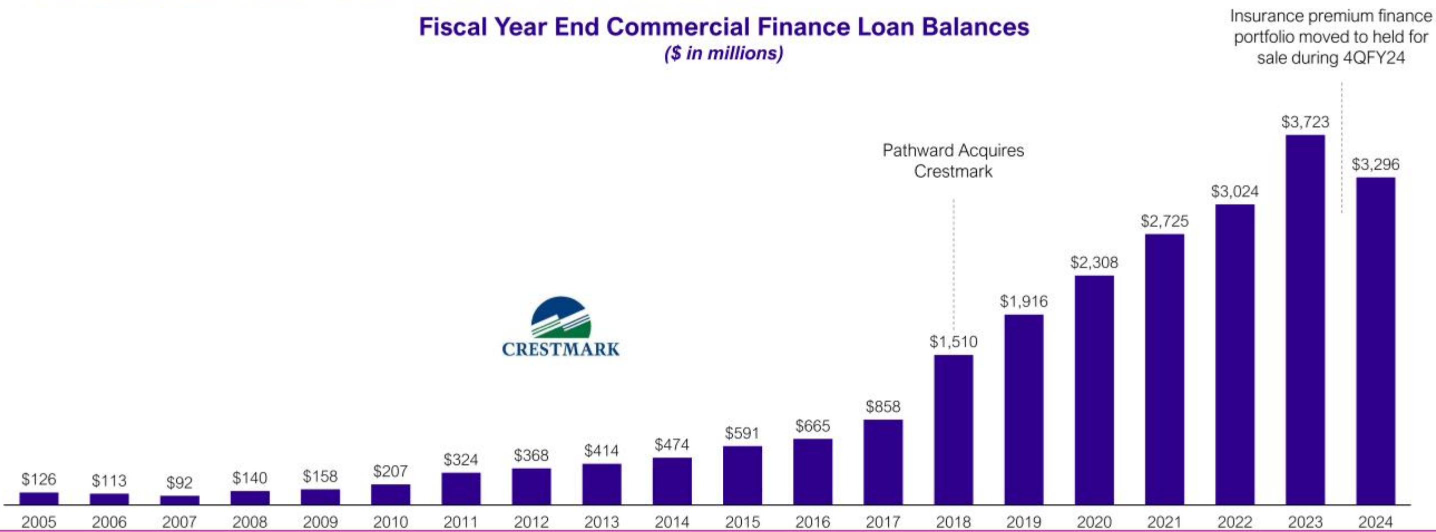
Note: Repurchased common shares include shares withheld to cover income taxes owed by participants related to share-based incentive plans.

PATHWARD SERVES AS A HUB OF THE PAYMENTS ECOSYSTEM



COMMERCIAL FINANCE PORTFOLIO PRODUCES STABLE ANNUAL NET CHARGE-OFF RATES

Fiscal Year End Commercial Finance Loan Balances
($ in millions)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fiscal Year NCO%	1.67%	1.72%	1.10%	1.17%	1.61%	0.68%	0.04%	0.69%	0.67%	0.36%	-0.01%	0.33%	0.67%	0.78%	0.50%	0.67%	0.56%	0.66%	0.49%	0.52%

MATURE RISK MITIGATION AND COMPLIANCE CAPABILITIES

Enterprise Risk Management

Our Enterprise Risk Management (ERM) program applies corporate governance to risk-taking activities. The ERM program sets strategy across the enterprise and works closely with the lines of business to ensure that risks are appropriately identified and managed.

Third-Party Risk Management

Just as Pathward's ERM program oversees our own actions, our Third-Party Risk Management program ensures that our third-party relationships are controlled and mitigated. Our policy and strategy encourage us to protect our company from risk, monitor third-party activities, and report risk events.

Business Continuity Management

Business Continuity Management (BCM) sets standards and testing to ensure our company remains resilient in case of disaster. Our standards comply with Federal Financial Institutions Examination Council (FFIEC) and Office of the Comptroller of the Currency (OCC) guidance.

Bank Secrecy Act / Anti-Money Laundering

To protect our customers, partners and company from the risks of fraud, money laundering, terrorist financing and other illicit activity, Pathward's compliance programs are designed to keep us compliant with all federal programs and sanctions.

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QUARTERLY INVESTOR UPDATE
SECOND QUARTER FISCAL YEAR 2025

Q2 FY 2025 HIGHLIGHTS

Net Income

$74.3 million in net income; an increase of 14% compared to Q2 FY 2024

Diluted Earnings Per Share

$3.11 in diluted earnings per share; an increase of 21% compared to Q2 FY 2024

Net Interest Margin

Net interest margin ("NIM") of 6.50% compared to 6.23% in prior year period; Adjusted NIM[1], including contractual, rate-related processing expenses associated with deposits on the Company's balance sheet, of 5.09% compared to 4.76% in prior year period

Return Metrics[2]

FY 2025 six months ended return on average assets ("ROAA") of 2.69% compared to 2.35% in prior year period; FY 2025 six months ended return on average tangible equity ("ROATE") of 43.79% compared to 51.09% in prior year period

[1] See slide 43 for reconciliation to most directly comparable GAAP measure.
[2] ROAA and ROATE are annualized for periods presented.

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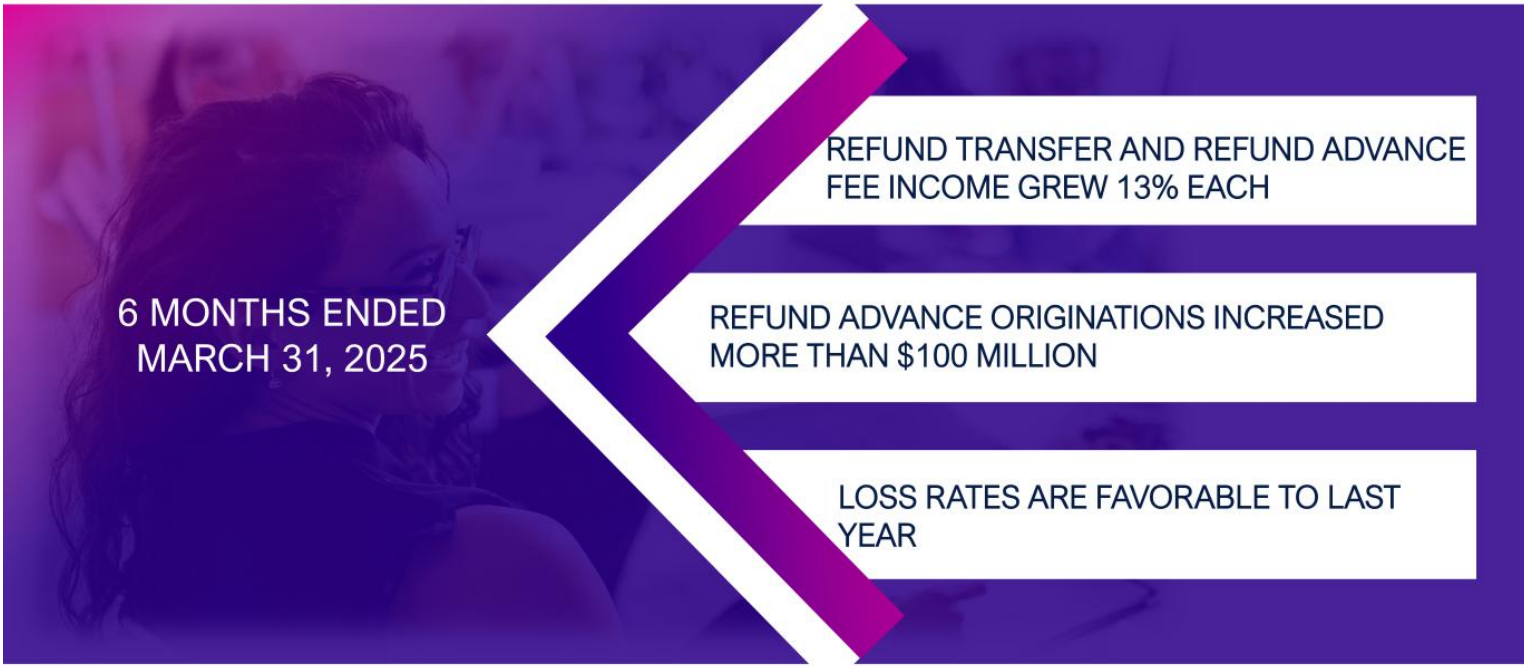
TAX SERVICES PRE-TAX INCOME INCREASED 29% IN FIRST SIX MONTHS OF FISCAL 2025 VS 2024



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STRONG RESULTS FROM OPTIMIZED BALANCE SHEET

- Strong renewable energy loan growth
- Robust structured finance pipeline
- Accelerated our optimization strategy

PARTNER SOLUTIONS CONTINUES TO PERFORM WELL

- Pipeline continues to be strong
- Working to provide new and existing clients with the best solutions and capabilities
- Credit Solutions continues to be an area of growth, signing a new contract after quarter end

TRUSTED PLATFORM THAT ENABLES OUR PARTNERS TO THRIVE

Optimized balance sheet with optimized asset mix

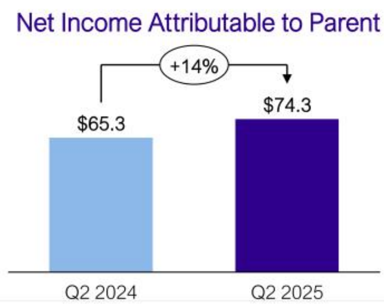
Technology to facilitate evolution and scalability

People and culture are important assets

Mature risk and compliance framework

REVENUE GROWTH DELIVERING SOLID RESULTS

($ IN MILLIONS, EXCEPT PER SHARE DATA)



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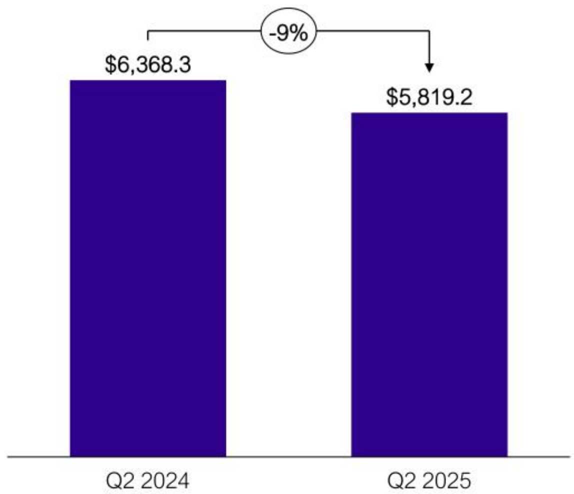
DEPOSIT BASE SUPPORTS ASSET GROWTH

- Decrease in deposits at March 31, 2025 when compared to the prior year period was primarily due to a reduction in noninterest bearing and wholesale deposits.
- Average Q2 2025 off-balance sheet custodial deposits held in custody at program banks of $606 million compared to $783 million during the prior year period.
- $1.1 billion of off-balance sheet custodial deposits as of March 31, 2025, compared to $1.2 billion as of March 31, 2024.
- These off-balance sheet custodial deposits earn recordkeeping servicing fee income, typically reflective of the Effective Fed Funds Rate.

DEPOSITS[1]

Period ending ($ in millions)



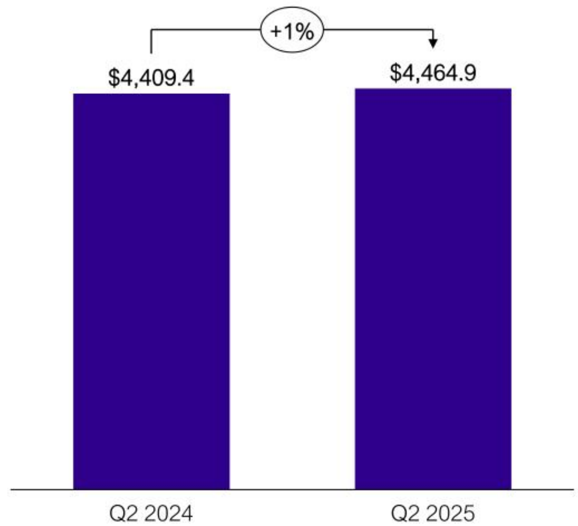
[1] Does not include off-balance sheet custodial deposits

TOTAL LOANS AND LEASES INCREASED FROM Q2 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 Q1FY25.
- Nonperforming loans and leases of 0.88% compared to 0.78% at March 31, 2024.
- Annualized adjusted net charge-off rate of 0.61% for 2Q25[1].

TOTAL LOANS AND LEASES

Period ending ($ in millions)



[1] See slide 42 for reconciliation to most directly comparable GAAP measure.

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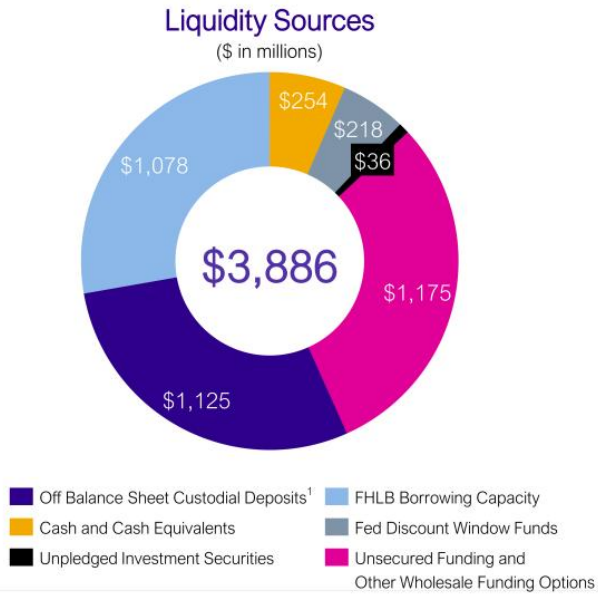
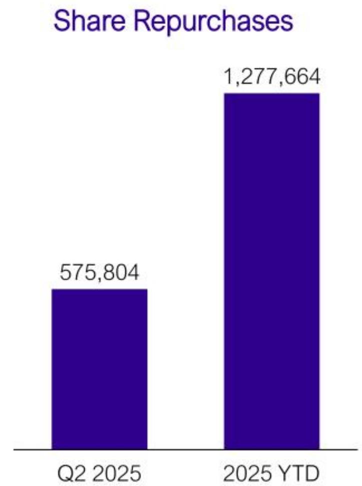
STRONG BALANCE SHEET ALLOWS FOR RETURN OF CAPITAL TO SHAREHOLDERS





[1]These off balance sheet custodial deposits can be brought back on balance sheet, as needed, as they are immediately callable.

FISCAL YEAR 2025 GUIDANCE[1]

$7.40- $7.80 EPS

Assumes no additional rate cuts

Effective tax rate 17-21%

Includes expected share repurchases

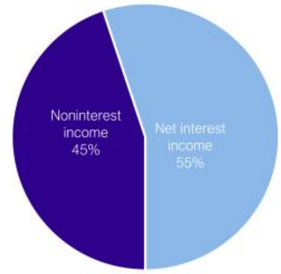
[1] Information on this slide is presented as of April 22, 2025, reflects the Company's updated financial outlook, certain of the Company's financial targets, and key assumptions, and will not be updated or affirmed unless and until the Company publicly announces such an update or affirmation. The guidance for fiscal 2025, 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

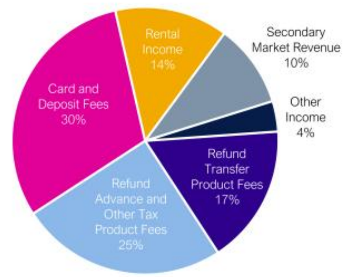
DIVERSIFIED NONINTEREST INCOME STREAMS

- Noninterest income represents 45% of year-to-date total revenue.
- Majority of noninterest income fees are generated by the Company's Partner Solutions business lines. Other major items include leasing rental income and secondary market revenue.
- 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.

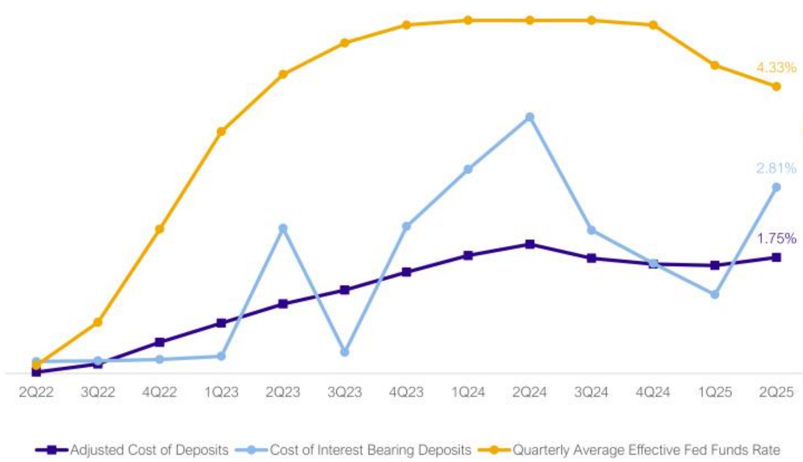
FYTD 2025 REVENUE BREAKDOWN



FYTD 2025 NONINTEREST INCOME BREAKDOWN



COST OF DEPOSITS



Note: Adjusted 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 associated with deposits on the Company's balance sheet.

COST OF DEPOSITS

- During the 2025 fiscal second quarter, approximately 62% of the deposit balances were subject to variable card processing expenses, derived from contractual agreements with certain Partner Solutions relationships 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 March 31, 2025, Pathward also managed $1.1 billion in off-balance sheet custodial deposits and earned $6.5 million of recordkeeping servicing fee income during the fiscal second quarter. That income is also typically reflective of the Effective Fed Funds Rate.

2025 TAX SEASON UPDATE

- Total tax product revenue increased 17% through the six months ended March 31, 2025 compared to the same period of the prior year.
- Refund Advance originations of $1.66 billion in the 2025 tax season through March 31, 2025 compared to $1.56 billion in the 2024 tax season.
- The decrease in approximate loss rate was due to improved data analytics, underwriting and monitoring.

TAX SERVICES ECONOMICS	Six Months Ended		
($ in millions)	March 31, 2024	March 31, 2025	% Change
Net interest income (expense)	0.22	2.78	1,162%
Refund Advance product income	43.31	49.11	13%
Refund Transfer product income	29.36	33.07	13%
Total revenue	**72.89**	**84.96**	**17%**
Total expense	9.43	9.88	5%
Provision for credit losses	26.58	27.48	3%
Net income, pre-tax	**36.88**	**47.60**	**29%**
Total refund advance originations	$ 1,559	$ 1,664	7%
Approximate loss rate[1] (6 months)	1.70%	1.66%	(2)%

[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.*

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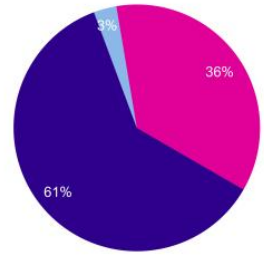
LOAN PORTFOLIO INTEREST RATE SENSITIVITY

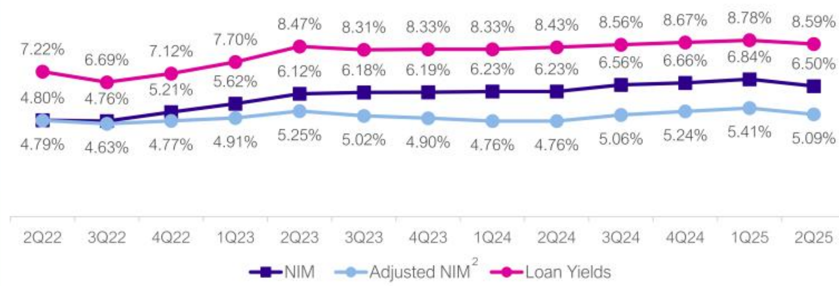
- As of March 31, 2025, $2.7B, or 61% of loans and leases contained floating or variable interest rates. Of these, $1.5B are tied to Fed Funds or Prime, with the remaining tied to either SOFR or the CMT.
- As of March 31, 2025, 97% of variable loans with floors were at or above their floors.
- Remain focused on smart growth in the Commercial Finance loan portfolio.
- 2Q25 yields increased compared to prior year period by continued optimization of the balance sheet.
- $1.4 billion securities portfolio provides cash flow for future commercial finance loan growth.

TOTAL LOAN AND LEASE PORTFOLIO PRICING ATTRIBUTES[1]



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

NET INTEREST MARGIN AND LOAN YIELDS



[2] Adjusted NIM includes contractual card processing expenses associated with deposits on the Company's balance sheet and which have higher interest rates. See appendix for Non-GAAP financial measures reconciliation.

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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

7.64%
Q2 2025 Quarterly Yield[1]

16%
Of Loan Portfolio

($ in millions)

Business Line	Balance Sheet Category	2Q24	1Q25	2Q25
Large ticket	Lease financing	$160.4	$133.5	$131.1
	Term lending	554.9	530.1	497.1
Small ticket	Lease financing	3.8	1.5	1.0
	Term lending	155.1	103.2	87.2
	TOTAL	**$874.2**	**$768.3**	**$716.4**

[1]*Interest income does not include any potential gain(loss) on sale of equipment that was previously on a lease.*

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

11.77%
Q2 2025 Quarterly Yield

17%
Of Loan Portfolio

($ in millions)

Business Line	Balance Sheet Category	2Q24	1Q25	2Q25
Working Capital	Asset-based lending	$429.6	$608.3	$542.5
	Factoring	336.4	364.5	224.5
	TOTAL	**$766.0**	**$972.8**	**$767.0**

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STRUCTURED FINANCE

COMMERCIAL FINANCE

- Funding small and midsized 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

6.94%
Q2 2025 Quarterly Yield[1]

41%
Of Loan Portfolio

($ in millions)

Business Line	Balance Sheet Category	2Q24	1Q25	2Q25
Guaranteed portion of US govt SBA/USDA loans	SBA/USDA	$357.3	$364.7	$445.1
Unguaranteed portion of US govt SBA/USDA loans	SBA/USDA	203.1	231.3	256.6
Renewable energy debt financing[2] (term lending only)	Term lending	484.4	802.9	879.2
Other	Term lending	294.7	299.3	303.0
	TOTAL	**$1,339.5**	**$1,698.2**	**$1,883.9**

[1]Interest income does not include any gain(loss) on sale of loans.

[2]Total renewable energy debt financing outstanding was $1.49 billion as of 2Q25. The majority of these balances are in the term lending and SBA/USDA balance sheet categories.

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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

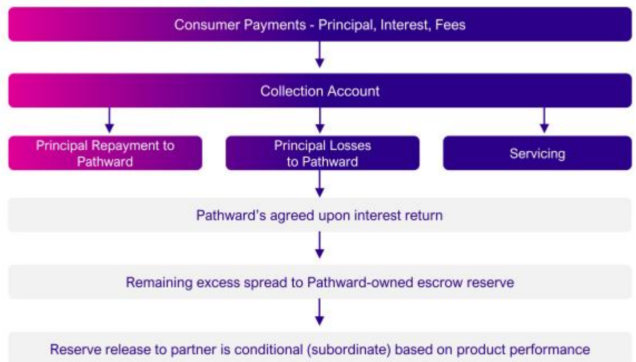
11.05%
Q2 2025 Quarterly Yield

7%
Of Loan Portfolio

($ in millions)

Business Line	Balance Sheet Category	2Q24	1Q25	2Q25
Consumer	Consumer finance	$267.0	$280.0	$246.2
	TOTAL	**$267.0**	**$280.0**	**$246.2**

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

9.41%
Q2 2025 Quarterly Yield

14%
Of Loan Portfolio

($ in millions)

Business Line	Balance Sheet Category	2Q24	1Q25	2Q25
Warehouse	Warehouse finance	$394.8	$624.3	$643.1
	TOTAL	**$394.8**	**$624.3**	**$643.1**

Waterfall

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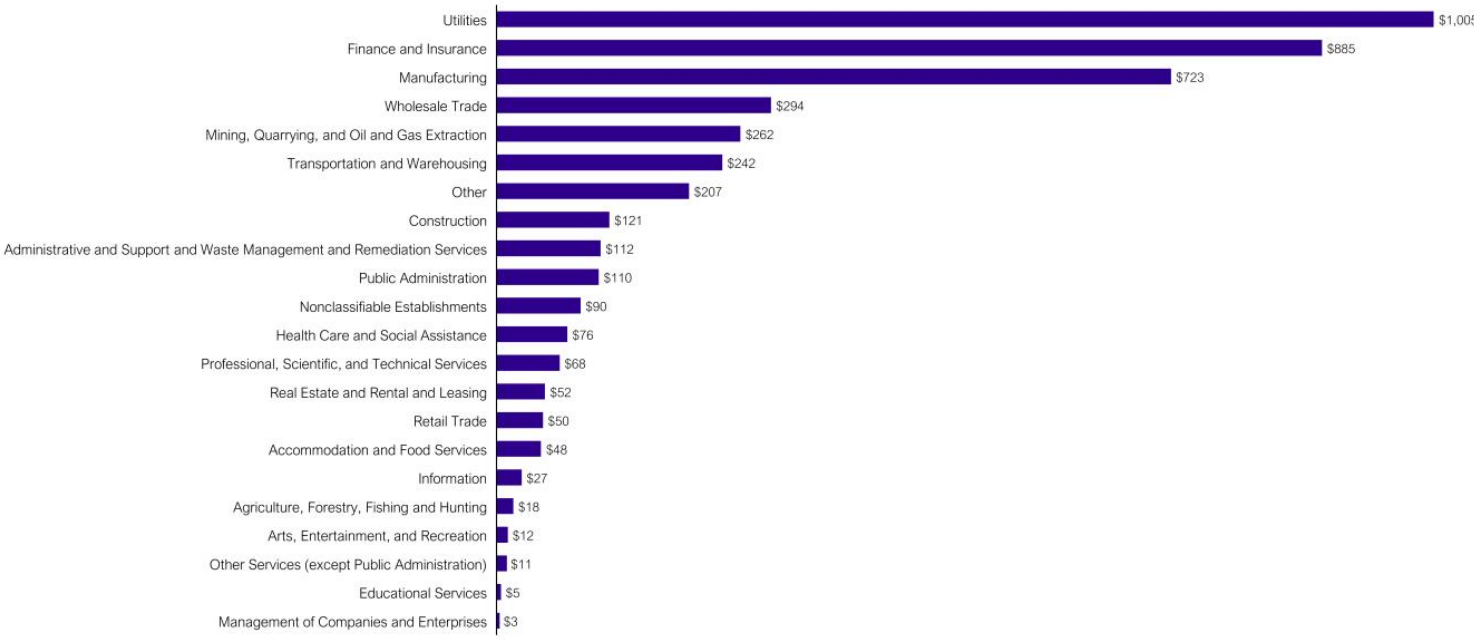
LOAN AND LEASE CONCENTRATIONS BY INDUSTRY[1]

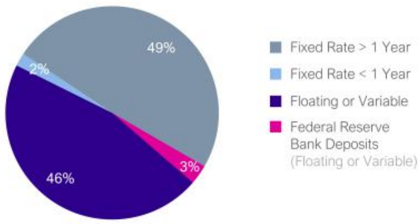
($ in millions)



[1] *Distribution by NAICS codes; excludes tax services, consumer finance and certain joint ventures; calculated based on aggregate principal amount of commercial finance loans and leases; includes operating lease rental equipment of $202.2M*

INTEREST RATE RISK MANAGEMENT MARCH 31, 2025

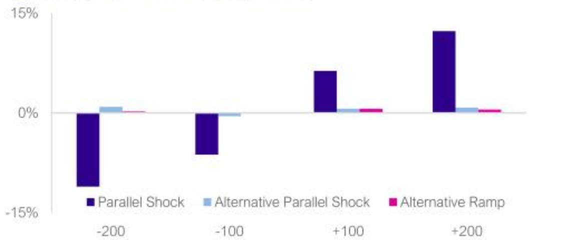
Earning Asset Pricing Attributes[1]



[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)

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-offs[1]:
  - 0.61% of average loans in 2Q25
  - 0.64% of average loans over last 12 months
- Allowance for credit loss ("ACL") of $78.4 million as of March 31, 2025.
- ACL as a % of total loans and leases was 1.75% for 2Q25, an 8 bps decrease from the prior year.
- The increase in NPAs / NPLs compared to the sequential quarter was driven by an increase in nonperforming loans in the commercial finance portfolio, partially offset by a decrease in the consumer finance portfolio.

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

CAPITAL AND SOURCES OF LIQUIDITY

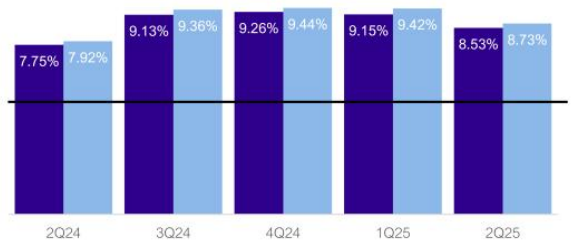
Regulatory Capital as of March 31, 2025

At March 31, 2025[1]	Pathward Financial, Inc.	Pathward, N.A.
Tier 1 Leverage	8.53%	8.73%
Common Equity Tier 1	13.98%	14.59%
Tier 1 Capital	14.25%	14.59%
Total Capital	15.90%	15.84%

Primary & Secondary Liquidity Sources ($ in millions)	
Cash and Cash Equivalents	$254
Unpledged Investment Securities	$36
FHLB Borrowing Capacity	$1,078
Funds Available through Fed Discount Window	$218
Unsecured Funding Providers	$1,175
Deposit Balances Held at Other Banks	$1,125
Total Liquidity	$3,886

[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..

Tier 1 Leverage Ratio



Total Capital Ratio

pathward

APPENDIX

EFFICIENCY RATIO

Efficiency Ratio

($ in thousands)	For the last twelve months ended Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025
Noninterest expense – GAAP	492,485	501,586	513,253	517,538	519,627
Net interest income	430,736	444,130	455,118	461,215	467,255
Noninterest income	305,490	303,628	299,587	304,204	313,783
Total Revenue: GAAP	**736,226**	**747,758**	**754,705**	**765,419**	**781,038**
Efficiency ratio, LTM	66.89%	67.08%	68.01%	67.61%	66.53%

NON-GAAP RECONCILIATION

Adjusted Net Income and Adjusted Earnings Per Share

($ in thousands, except share and per share data)	For the year ended 2022
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%**

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

NON-GAAP RECONCILIATION

Adjusted Annualized NCOs and Adjusted Average Loans and Leases

	For the quarter ended				
($ in thousands)	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025
Net charge-offs	(1,087)	6,582	35,626	8,573	95
Less: Tax services net charge-offs (recoveries)	(5,800)	(410)	28,354	513	(6,813)
Adjusted net charge-offs	4,713	6,992	7,272	8,060	6,908
Quarterly average loans and leases	4,903,175	4,506,674	4,694,512	4,643,461	5,088,356
Less: Quarterly average tax services loans	493,168	56,836	39,437	36,785	557,229
Adjusted quarterly average loans and leases	4,410,007	4,449,838	4,655,075	4,606,676	4,531,127
Annualized NCOs/average loans and leases	-0.09%	0.58%	3.04%	0.74%	0.01%
Adjusted annualized NCOs/adjusted average loans and leases[1]	0.43%	0.63%	0.62%	0.70%	0.61%

	For the last twelve months ended				
($ in thousands)	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025
Net charge-offs	49,897	52,261	46,607	49,694	50,876
Less: Tax services net charge-offs (recoveries)	30,860	30,716	22,995	22,657	21,644
Adjusted net charge-offs	19,037	21,545	23,612	27,037	29,232
Average loans and leases	4,411,573	4,558,436	4,660,047	4,686,956	4,733,251
Less: Average tax services loans	154,472	155,561	154,373	156,556	172,572
Adjusted Average loans and leases	4,257,104	4,402,874	4,505,674	4,530,400	4,560,679
NCOs/average loans and leases	1.13%	1.15%	1.00%	1.06%	1.07%
Adjusted NCOs/adjusted average loans and leases[1]	0.45%	0.49%	0.52%	0.60%	0.64%

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

NON-GAAP RECONCILIATION

Net Interest Margin and Cost of Deposits

For the quarter ended

($ in thousands)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Average interest earning assets	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	6,925,315	6,735,958	7,761,138
Net interest income	83,800	72,151	79,760	84,057	101,405	97,465	104,934	110,036	118,301	110,859	115,922	116,133	124,341
Net interest margin	4.80%	4.76%	5.21%	5.62%	6.12%	6.18%	6.19%	6.23%	6.23%	6.56%	6.66%	6.84%	6.50%
Average total deposits	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	6,199,271	6,081,235	7,181,308
Deposit interest expense	165	94	99	142	2,096	164	1,954	3,526	6,685	1,689	1,119	775	4,086
Cost of deposits	0.01%	0.01%	0.01%	0.01%	0.13%	0.01%	0.12%	0.21%	0.38%	0.11%	0.07%	0.05%	0.23%

Adjusted Net Interest Margin With Contractual, Rate-Related Card Expenses Associated With Deposits on the Company's Balance Sheet

For the quarter ended

($ in thousands)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Average interest earning assets	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	6,925,315	6,735,958	7,761,138
Net interest income	83,800	72,151	79,760	84,057	101,405	97,465	104,934	110,036	118,301	110,859	115,922	116,133	124,341
Less: Contractual, rate-related processing expense	183	1,966	6,698	10,660	14,415	18,358	21,929	25,891	28,024	25,320	24.631	24,241	26,852
Adjusted net interest income	83, 617	70,185	73,062	73,397	86,990	79,107	83,005	84,145	90,277	85,539	91,291	91,892	97,489
Adjusted net interest margin	4.79%	4.63%	4.77%	4.91%	5.25%	5.02%	4.90%	4.76%	4.76%	5.06%	5.24%	5.41%	5.09%
Average total deposits	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	6,199,271	6,081,235	7,181,308
Deposit interest expense	165	94	99	142	2,096	164	1,954	3,526	6,685	1,689	1,119	775	4,086
Add: Contractual, rate-related processing expense	183	1,966	6,698	10,660	14,415	18,358	21,929	25,891	28,024	25,320	24,631	24,241	26,852
Adjusted deposit expense	348	2,060	6,797	10,802	16,511	18,522	23,883	29,417	34,709	27,009	25,750	25,016	30,938
Adjusted cost of deposits	0.02%	0.14%	0.47%	0.76%	1.05%	1.26%	1.53%	1.78%	1.95%	1.74%	1.65%	1.63%	1.75%

DEFINITIONS

Industry Terms

Banking-as-a-Service (BaaS):
Providing financial services and solutions to third parties to offer through their distribution channels.

Push-to-debit:
The ability to move money directly to an end user. At Pathward, our push-to-debit capabilities are called "Faster Payments".

Types of Payment Cards

Debit Card:
A type of payment card typically tied to funds held in a deposit account.

Credit Card:
A type of payment card typically attached to a line of credit that a user can make purchases against.

Prepaid Card:
A type of payment card that holds a finite amount of funds and is not directly tied to a bank account or line of credit.

Virtual Card:
A digital counterpart to a payment card, generated with a unique card number to settle a particular transaction by an authorized user. These are often used for one-time, business-to-business payments.

Payment Players

Acquiring Bank:
An acquiring bank provides merchant accounts that allow a business to accept card payments and works in conjunction with the acquirer processor. In some cases, the acquiring bank and acquirer processor are a single entity.

Acquiring Processors:
Acquiring processors connect directly with merchants, the network and the acquiring bank, or via a payment gateway, to facilitate payment acceptance at the merchant. They provide the technical capabilities to create the system of record to communicate with authorization and settlement entities. In some cases, the acquiring bank and acquirer processor are a single entity.

Issuing Bank:
The issuing bank enters a relationship with the cardholder, program manager, and enables cards on a given network. The issuing bank fills three primary roles in payment processing: it is a "network sponsor," which means it can issue cards on a given payments network; it is a holder of funds (for example, for gift cards, deposit accounts and other non-credit cards); and it is a "settlement point," managing a consumer's account and paying out to the merchant's account after a purchase.

Issuing Processor:
Connects directly with the networks and issuing bank to provide the system of record, authorize transactions and communicate with settlement entities.

Fintech:
Fintech refers to the integration of technology into offerings by financial services companies in order to improve use and delivery to consumers.

Merchant:
A merchant simply refers to any business that accepts card-based payments either via a physical swipe (at the point-of-sale) or virtually online.

Program Manager:
Businesses that manage various elements of a card program on behalf of the issuing bank. The Program Manager is responsible for defining the program, operating the program, and managing its profitability. The program manager typically is responsible for establishing relationships with processors, banks, payment networks, and distributors and for establishing account(s) at banks.

Commercial Lending Terms

Asset-Based Lending:
Asset-Based Lending (ABL) refers to business loans that are secured based on assets as collateral, generally accounts receivable, inventory, equipment or other balance sheet assets.

Accounts Receivable:
Accounts Receivable (A/R) financing refers to financing based on the value of a company's accounts receivable (their invoices for goods or services) to another company. It is a subset of asset-based lending and is also known as factoring.

Equipment Financing:
Equipment Financing refers to a loan used to purchase business equipment. The financing is provided through leases such as $1 Buyout, Fair Market Value (FMV), or through term loans. Leases may appear in Loans & Leases or Rental Equipment.

Factoring:
Factoring refers to financing based on the purchase of a company's accounts receivables, their invoices for goods or services. It is a subset of asset-based lending and is also known as accounts receivable financing.

Insurance Premium Finance:
Insurance Premium Finance refers to short-term collateralized financing to facilitate the purchases of property, casualty, and liability insurance premiums for the commercial market.

Government Guaranteed Lending:
A government guaranteed loan is a loan guaranteed by a government agency and financed through a lending financial entity. Government guaranteed loans include SBA loans and USDA loans.

SBA Loan:
An SBA loan refers to financing that is guaranteed by the Small Business Administration (SBA) and provided by a lending financial institution. SBA loans, such as an SBA 7(a) loan, may be easier for a small business to obtain because of the reduced risk for the lender. Lenders must meet sufficient requirements to be eligible as a lending entity.

Term Loan:
A Term loan is a loan for a specific amount that has a specified interest rate and regular payment schedule to be repaid over a set period of time.

USDA Loan:
A USDA loan refers to financing guaranteed by the U.S. Department of Agriculture (USDA) as part of the Rural Development program and provided by a lending financial institution. USDA business loans, such as the USDA Business & Industry (B & I) loan, may be easier for a business to obtain because of the reduced risk for the lender. Lenders must meet sufficient requirements to be eligible as a lending entity.

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