



OptimumBank Holdings, Inc.

March 31, 2023

(NASDAQ: OPHC)

# Forward-Looking Statements

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This presentation contains forward-looking statements, which can be identified by the use of words such as “estimate,” “project,” “believe,” “intend,” “anticipate,” “plan,” “seek,” “expect” and words of similar meaning. These forward-looking statements include, but are not limited to: statements of our goals, intentions and expectations; statements regarding our business plans, prospects, growth and operating strategies; statements regarding the quality of our loan and investment portfolios; and estimates of our risks and future costs and benefits.

These forward-looking statements are based on current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: general economic conditions, either nationally or in our market areas, that are worse than expected; our ability to access cost-effective funding; competition among depository and other financial institutions; inflation and changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments; the rate of delinquencies and amounts of loans charged-off; fluctuations in real estate values and both residential and commercial real estate market conditions; adverse changes in the securities markets; changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements; our ability to enter new markets successfully and capitalize on growth opportunities; our ability to capitalize on strategic opportunities; our ability to successfully introduce new products and services, enter new markets, and capitalize on growth opportunities; our ability to successfully integrate into our operations any assets, liabilities, customers, systems and management personnel we may acquire and our ability to realize related revenue synergies and cost savings within expected time frames, and any goodwill charges related thereto; our ability to retain our existing customers; changes in consumer spending, borrowing and savings habits; changes in accounting policies and practices, as may be adopted by the bank regulatory agencies and the Financial Accounting Standards Board; changes in our organization, compensation and benefit plans; changes in the quality or composition of our loan or investment portfolios; a breach in security of our information systems, including the occurrence of a cyber incident or a deficiency in cyber security; technological changes that may be more difficult or expensive than expected; the failure to attract and retain skilled people; and the fiscal and monetary policies of the federal government and its agencies.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements.

# OptimumBank Holdings, Inc. Overview

*Holding Company for OptimumBank*



## \$622 Million in Total Assets

- 95.29% Loan / Deposit Ratio
- \$503 million Loan Portfolio



## NASDAQ: OPHC

- Common Shares Outstanding: 7,250,218
- Stock Price / Tangible Book Value: 0.34 <sup>(1)</sup>



## 3 Locations

- Headquarters in Fort Lauderdale, FL
- Deerfield Branch
- North Miami Branch<sup>(2)</sup>



## Value Proposition

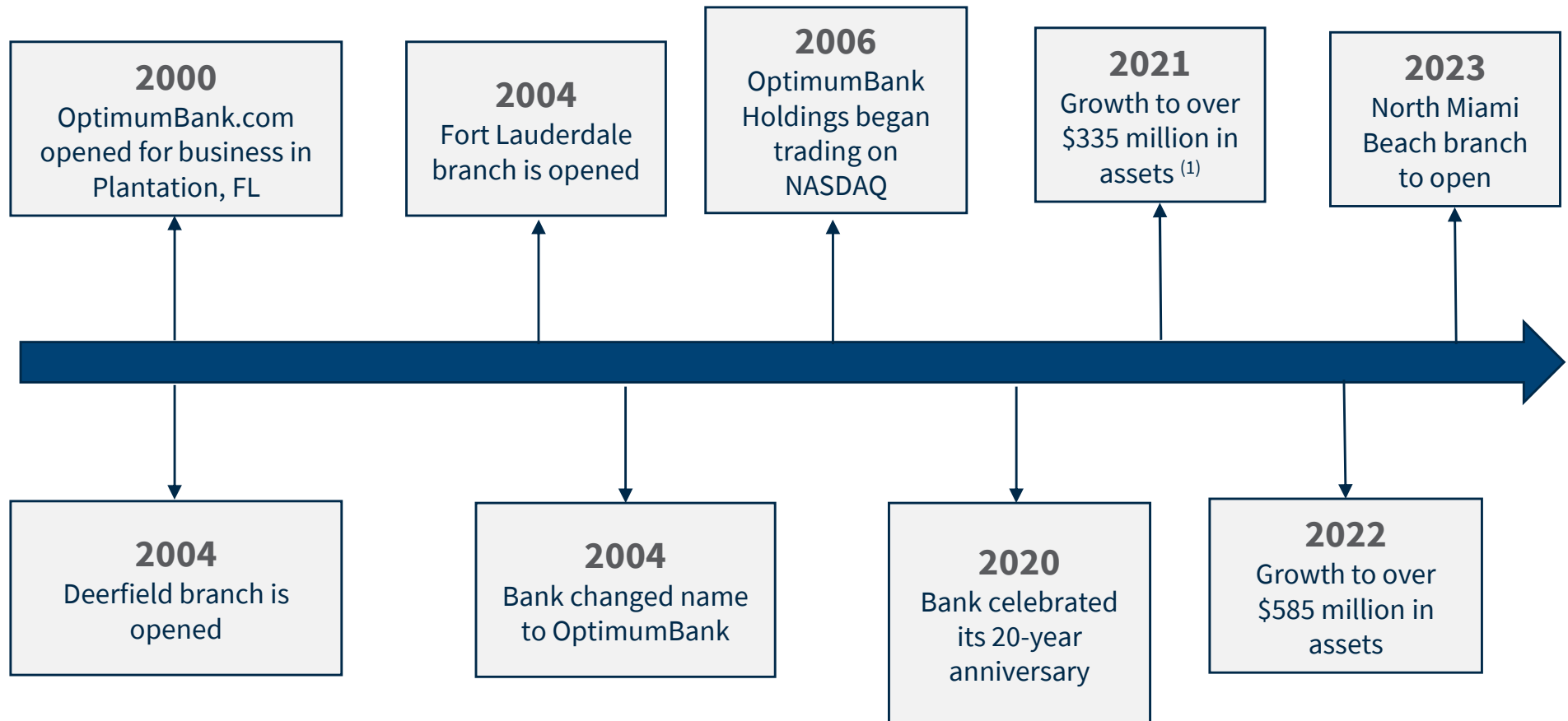
- Community banking at its best, where customers are a name, not a number
- Highly attractive core franchise

(1): Data as of March 31, 2023

(2): Branch scheduled to be open Q3 2023

# Business Evolution and Milestones

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# Leadership Team

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## *Experienced Team with Strong Ties to the Community*

### **Moishe Gubin**

*Chairman of the Board*

Mr. Moishe Gubin has served as a Director of the OptimumBank Holdings, Inc. (Company) and OptimumBank (Bank) since March 2010. Mr. Gubin is Chief Executive Officer of Strawberry Fields REIT, LLC, an owner of a portfolio of healthcare properties. From 2004 to 2014, Mr. Gubin was the Chief Financial Officer and manager of Infinity Healthcare Management, LLC, a company engaged in managing skilled nursing facilities and other health care facilities. Mr. Gubin graduated from Touro Liberal Arts and Science College, in New York, New York, with a BS in Accounting and Information Systems and a Minor in Jewish Studies. Mr. Gubin is the founder of the Midwest Torah Center Inc., a non-profit spiritual outreach center. He also attended Yeshiva Bais Israel where he received a BA in Talmudic Literature. Mr. Gubin has been a licensed Certified Public Accountant in the State of New York since 2010.

### **Timothy Terry**

*President, CEO*

Timothy Terry was appointed President and Chief Executive Officer of the Bank in February 2013 and was appointed as the Principal Executive Officer for the Company in 2016. Mr. Terry has been in banking for 35 years. Prior to joining OptimumBank, he served as President, CEO and Senior Loan Officer for Enterprise Bank of Florida in North Palm Beach, Florida, and held senior lending, branch administration & sales management positions at Palm Beach National Bank & Trust, Flagler National Bank of the Palm Beaches and Comerica Bank. Mr. Terry received his BBA degree in finance from Western Michigan University located in Kalamazoo, Michigan. He is also a graduate of the American Bankers Association Stonier Graduate School of Banking at the University of Delaware.

### **Elliot Nunez**

*EVP, CFO*

Elliot Nunez is currently serving as Chief Financial Officer of the Bank since February 2020. In this role he is involved in the bank's daily and long-term operations. He closely works with executive management and board of directors to position the bank for renewed growth amid a new and altered financial landscape. He is currently serving in the following committees: Audit, BSA/Compliance, ALCO, Operations, and IT/Security Committees. Mr. Nunez previously served as Chief Financial Officer for Brickell Bank and Mellon United National Bank. He was responsible for the overall direction, control, and management of the finance division. Mr. Nunez previously worked at KPMG LLP as a Senior Manager where he delivered assurance and advisory services to banking clients. Mr. Nunez is a licensed as both a Certified Public Accountant and a Chartered Global Management Accountant.

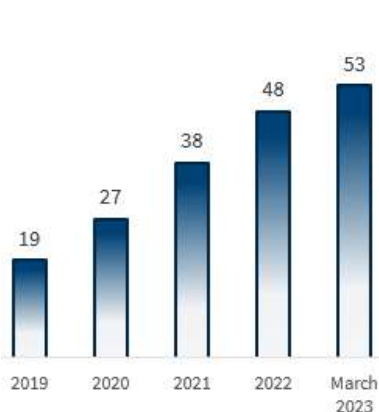
### **Melissa Zureich**

*SVP, Chief Credit Officer*

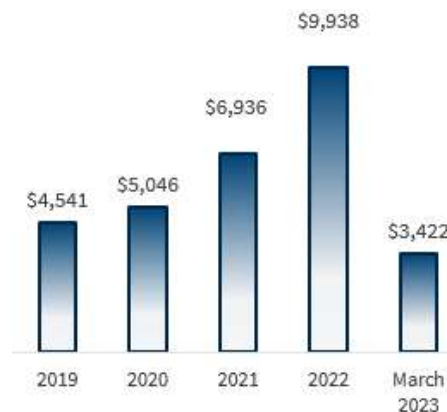
Melissa Zureich joined the OptimumBank leadership team as Chief Credit Officer in May 2022. In this role she provides leadership relative to all aspects of Credit Administration with her primary focus on credit policy, loan asset quality, loan underwriting and loan operations. Ms. Zureich brings a broad range of financial services experience to this role having served as Chief Credit Officer for three banks over the past 20 years in Ohio, Colorado, and Florida. Prior to joining OptimumBank, Ms. Zureich was the Director of Credit Administration at BayFirst Financial. In this role she gained significant experience in managing the credit administration function for a diverse and rapidly growing SBA portfolio. Ms. Zureich is a graduate of the Graduate School of Banking at Colorado, and she obtained her MBA from The Ohio State University.

# Our History, Transformation and Significant Growth and Expansion

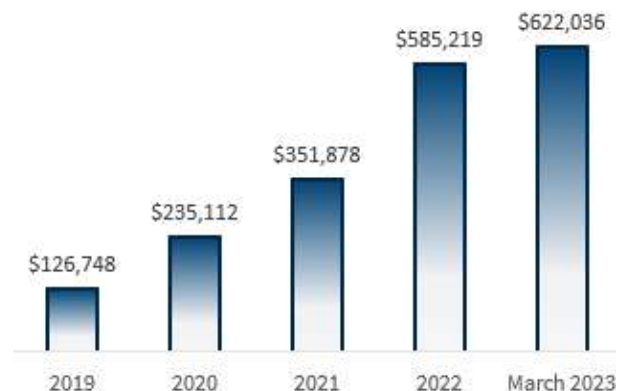
Employee Count



Noninterest Expense (\$000)



Total Assets (\$000)

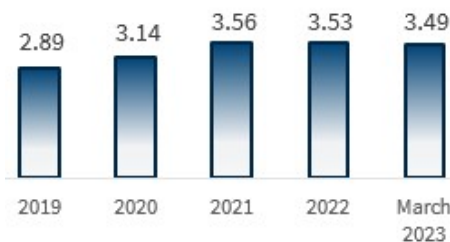


## Expansion of Franchise Footprint

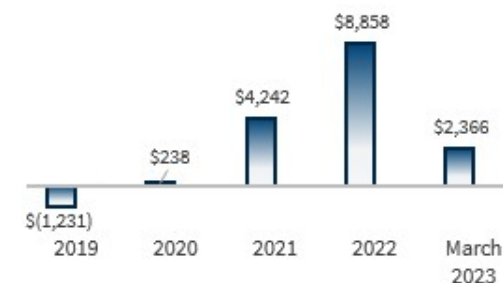
- ➔ 2000: First branch was opened in Plantation
- ➔ 2004: Deerfield branch was opened
- ➔ 2004: Fort Lauderdale branch was opened
- ➔ 2021: Plantation branch closed
- ➔ 2022: Growth to over \$585 million in assets <sup>(1)</sup>
- ➔ 2023: North Miami Beach branch is due to open

## Profitability Improvement

Net Interest Margin (%)



Pre-Tax, Pre-Provision Core



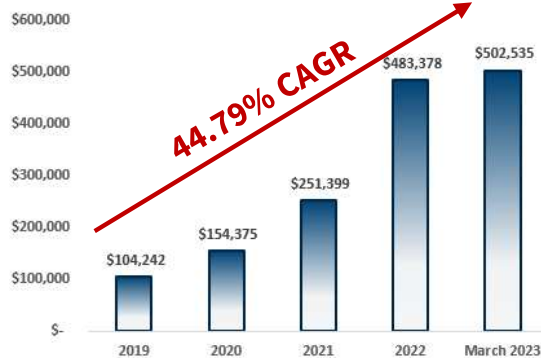
(1) Data as of March 31, 2023

# Growth and Momentum Across All Areas

## Lending

### Gross Loans

\$ in thousands



## Deposits

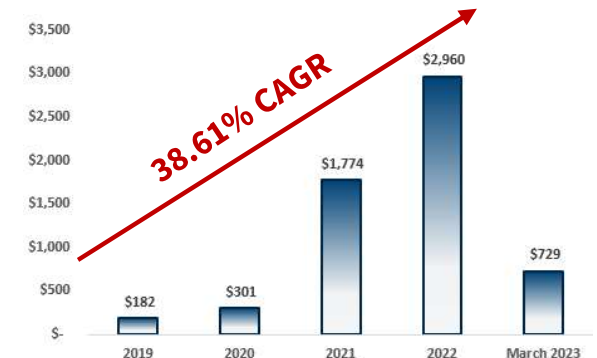
### Total Deposits

\$ in thousands

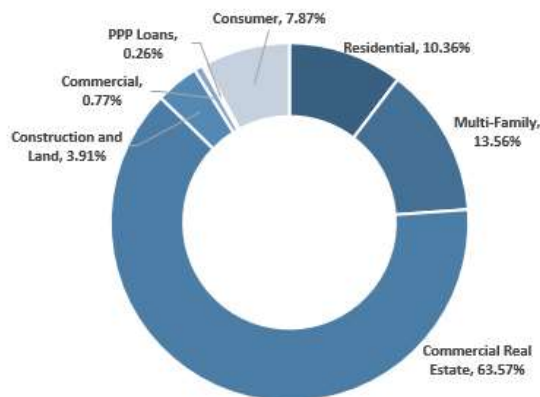


## Fee Income

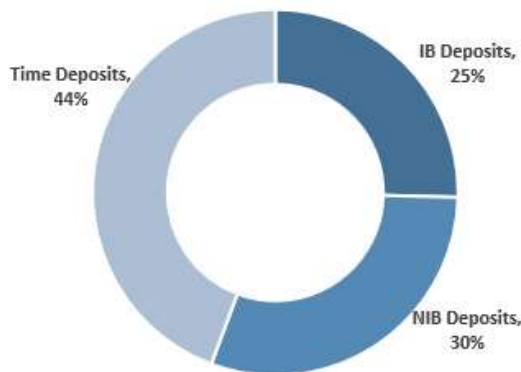
\$ in thousands



## Composition



**Yield on Loans:** 5.42%



**Cost of IB Deposits:** 2.74%



Note: Data as of March 31, 2023

# Leading Core Deposit Franchise

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\$527,387,000

• Total Deposits

\$159,784,000

• Noninterest Bearing Deposits

2.74%

• Cost of Total Bearing Deposits

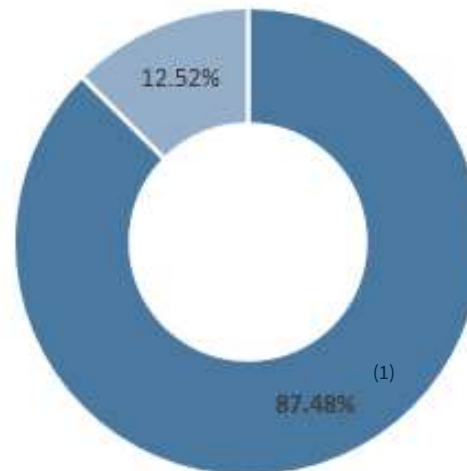
## Areas of Focus

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- Keys to Success
  - ✓ Dedicated Deposit Relationship managers
  - ✓ Merchant Cash Advance Industry

## Composition by Geography

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■ Ft Lauderdale ■ Deerfield

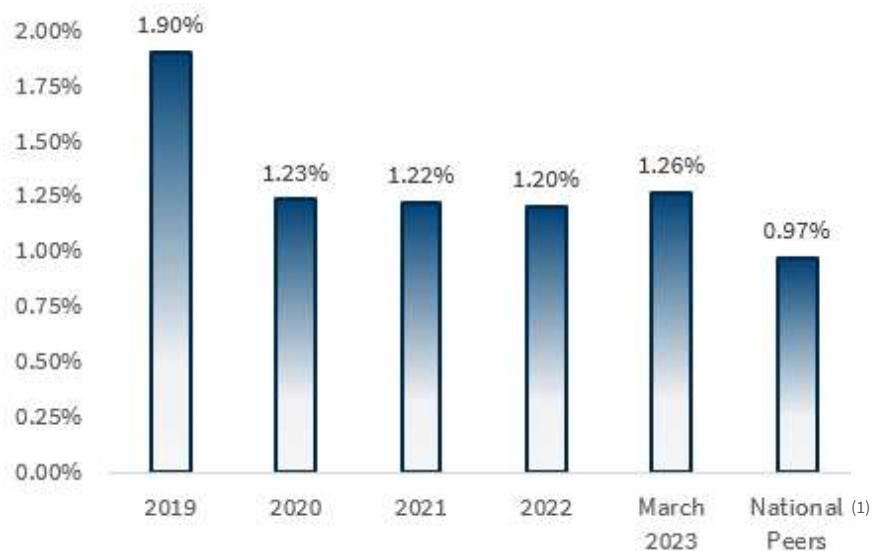
Source: SOD filing

(1) Including activity left from Plantation/ Branch 001

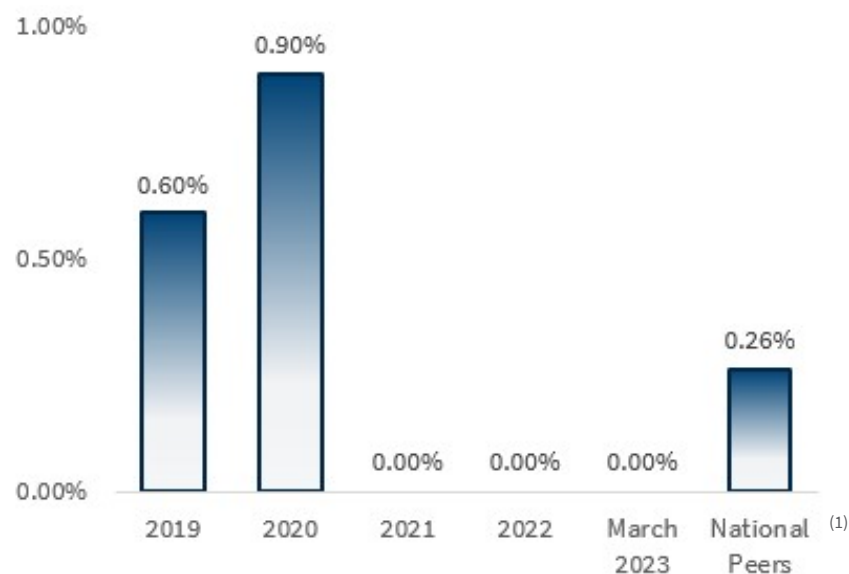
(2) Data as of March 31, 2023

# Credit Trends

## Reserves / Loans (ex. PPP) (%)



## Non-Performing Assets / Total Assets (%)

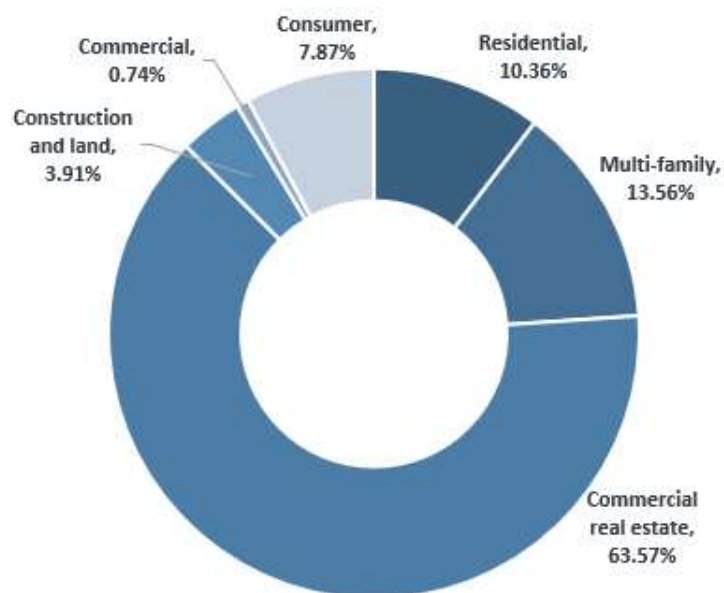


Source: S&P Capital IQ Pro.

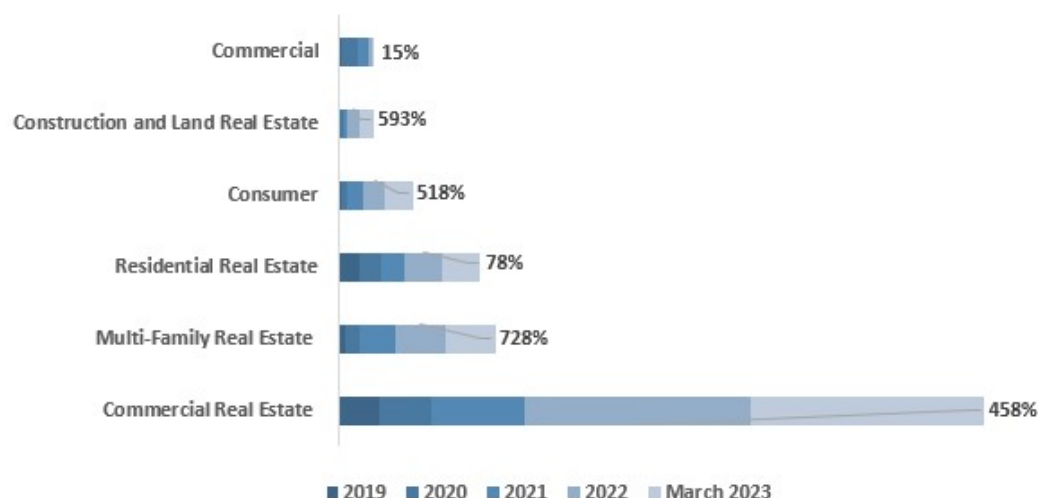
(1) Peers consist of publicly traded (NYSE and NASDAQ) U.S. banks and thrifts with most recent quarter total assets under \$1 billion, excluding merger targets.

# Loan Deferral Detail

## Industry Classification Breakdown



## Loan Growth by Loan Portfolio (2019-March 2023)



## Loan Deferral Status

All loans that received short term COVID-19 deferrals have reverted back to their pre-modification terms and are being paid.

Loan Growth (\$000)	2019	2020	2021	2022	March 2023
Commercial Real Estate	\$ 55,652	\$ 71,714	\$ 129,468	\$ 310,695	\$ 319,446
Multi-Family Real Estate	\$ 8,396	\$ 20,637	\$ 48,592	\$ 69,555	\$ 68,126
Residential Real Estate	\$ 28,266	\$ 30,254	\$ 32,583	\$ 50,354	\$ 52,087
Consumer	\$ 4,903	\$ 5,715	\$ 22,827	\$ 30,323	\$ 39,527
Construction and Land Real Estate	\$ 2,496	\$ 4,750	\$ 3,772	\$ 17,286	\$ 19,629
Commercial	\$ 4,476	\$ 21,849	\$ 14,157	\$ 5,165	\$ 3,720

# Go-Forward Focus

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## Strategic

- ✓ Continue executing strategic plan
- ✓ Further hiring to support lending capabilities
- ✓ Further build out and integration of fee based income business
- ✓ Evaluate opportunistic M&A opportunities

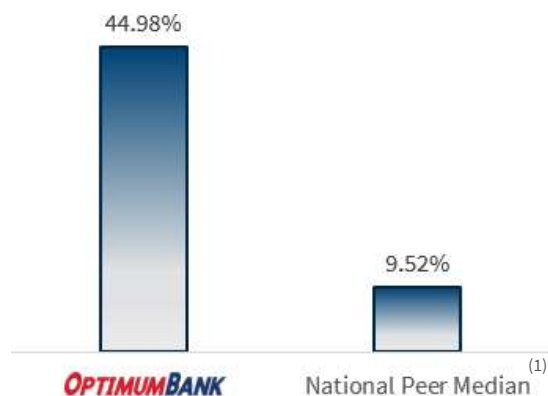
## Financial Outlook

- ✓ Utilize excess liquidity for near-term loan growth and target long-term overall balance sheet growth
- ✓ Continued increase in Loan-to-Deposit ratio
- ✓ Focus on maintaining Net Interest Margin
- ✓ Long-term profitability targets:
  - 1.00% Return on Average Assets (NI)
  - 9.43% Return on Average Equity (NI)

# Compelling Investment Opportunity

## Balance Sheet Growth Rates

2019 – 31-Mar-23 Loan Growth CAGR



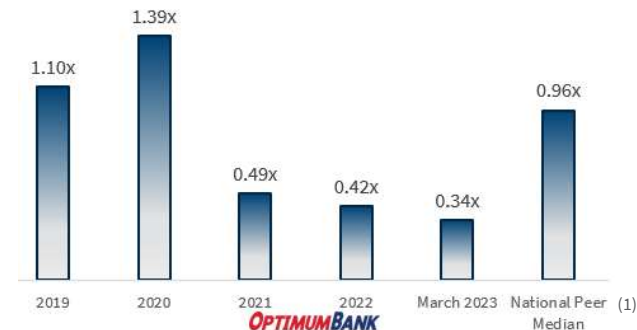
## Per Share Growth Rates

Tangible Book Value Per Share



## OptimumBank vs. Broader Bank Universe

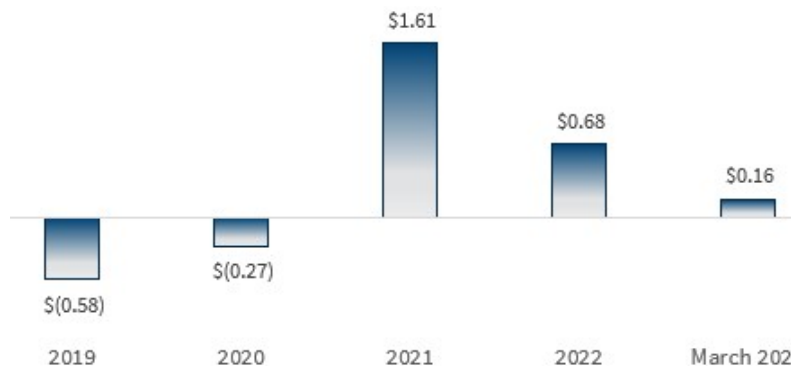
Price / Tangible Book Value (x)



2019 – March 2023 Deposit Growth CAGR



Earnings Per Share



Source: S&P Capital IQ Pro.

(1) Peers consist of publicly traded (NYSE and NASDAQ) U.S. banks and thrifts with most recent quarter total assets under \$1 billion, excluding merger targets.

# Contact Information

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## Corporate Headquarters

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### **OptimumBank Holdings, Inc.**

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## Company Contacts

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*Chairman of the Board & Director*

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### **Timothy Terry**

*President, Chief Executive Officer*

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### **Elliot Nunez**

*Executive Vice President & Chief Financial Officer*

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### **Melissa Zureich**

*Senior Vice President & Chief Credit Officer*

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