

**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): June 21, 2023

HANOVER BANCORP, INC.
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation)

001-41384
(Commission File Number)

81-3324480
(IRS Employer Identification No.)

80 East Jericho Turnpike, Mineola, New York
(Address of principal executive offices)

11501
(Zip Code)

Registrant's telephone number, including area code: (516) 548-8500

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	Name of each exchange on which registered
Common stock	HNVR	NASDAQ

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 7.01 – REGULATION FD DISCLOSURE

On June 21, 2023, representatives of the Registrant will present to various investors the information about the Registrant described in the slides attached to this report as Exhibit 99.1, which are incorporated by reference herein.

The information in Item 7.01 of this report is being furnished, not filed, pursuant to Regulation FD. Accordingly, the information in Item 7.01 of this report will not be incorporated by reference into any registration statement filed by the Registrant under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Registrant that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Registrant.

ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS

(d)

Exhibit 99.1 [Investor Presentation](#)

Exhibit 104 Cover Page Interactive Data File (formatted as inline XBRL)

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.

HANOVER BANCORP, INC.

Date: June 21, 2023

By: /s/ Lance P. Burke
Lance P. Burke
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)



**Investor Presentation
June 2023**

Disclaimer

This presentation has been prepared by us solely for informational purposes based on our own information, as well as information from public and industry sources. This presentation does not constitute an offer to sell, nor a solicitation of an offer to buy, any securities by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. Neither the SEC nor any other regulatory agency has approved or disapproved of our securities or passed upon the accuracy or adequacy of this presentation. Any representation to the contrary is a criminal offense. Our Common Stock is not a deposit account of our bank subsidiary and is not insured by the FDIC or any other governmental agency.

Forward-Looking Statements

This presentation includes statements that are, or may be deemed, "forward-looking statements." In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should," "approximately," "potential," "projected," "pro forma" or, in each case, their negatives or other variations thereon or comparable terminology, although not all forward-looking statements contain these words. Any or all of the forward-looking statements herein made by us may turn out to be incorrect.

By their nature, forward-looking statements involve risks and uncertainties because they relate to future events, competitive dynamics, and banking, regulatory, and other developments, and depend on anticipated circumstances that may or may not occur (or may occur on longer or shorter timelines than anticipated). They can be affected by inaccurate assumptions that we might make, or by known or unknown risks and uncertainties, including those discussed in our Annual Report on Form 10-K under Item 1A - Risk Factors, as updated by our subsequent filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made. Although we believe that we have a reasonable basis for each forward-looking statement contained in this presentation, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition, and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this presentation.

In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this presentation, they may not be predictive of results or developments in future periods. Any forward-looking statements that we make in this presentation speak only as of the respective dates of such statements, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this presentation, except as required by law.

Non-GAAP Financial Measures

This presentation contains supplemental financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Our management uses these non-GAAP measures in its analysis of our performance. These measures should not be considered a substitute for GAAP basis measures nor should they be viewed as a substitute for operating results determined in accordance with GAAP. Management believes the presentation of tangible common equity ("TCE"), tangible book value ("TBV") per share, and return on average tangible common equity ("ROATCE"), non-GAAP financial measures that exclude the impact of intangible assets, provide useful supplemental information that is essential to a proper understanding of our financial condition and results. Non-GAAP measures are not formally defined under GAAP, and other entities may use calculation methods that differ from those used by us. As a complement to GAAP financial measures, our management believes these non-GAAP financial measures assist investors in comparing the financial condition and results of operations of financial institutions due to the industry prevalence of such non-GAAP measures. A reconciliation of our non-GAAP financial measures to the most directly comparable GAAP measures has been provided herein.

Overview of Hanover Bancorp, Inc.

Company Background & Financial Snapshot

- The bank was founded in 2009 and is headquartered in Mineola, NY
- The Bank was recapitalized in 2012 by a group led by our current Chairman and CEO Michael Puorro and current members of our Board of Directors
- Successfully completed IPO and NASDAQ listing in May 2022
- Provides differentiated consumer and commercial banking services to clients in western Long Island, the New York City boroughs and Freehold, NJ
 - Business banking center recently opened on May 22, 2023 in Hauppauge, NY
- Executed an organic strategy from 2012 – 2018, focused primarily on the non-qualified mortgage niche residential lending business
- Completed two successful M&A transactions, acquiring Chinatown Federal Savings Bank in 2019 and Savoy Bank in 2021
- Successful team of seasoned bankers and banking teams from local, regional and national financial institutions
- Demonstrated track record of profitability; Hanover is highly focused around an efficient operating platform and branch network.

Balance Sheet at	
\$ in millions	3/31/2023
Total assets	\$2,072
Gross loans	1,787
Deposits	1,707
Tangible common equity	161
TCE / TA	7.8%
NPAs / Assets	0.53%

\$ in millions	Quarter Ended:	
	3/31/2023	6 Mo. Ended 3/31/2023
Net Income	\$3.2	\$8.5
Net interest margin	3.04%	3.26%
Efficiency ratio	67%	58%
ROAA	0.68%	0.92%
ROATCE	8.1%	10.8%

Source: S&P Global Market Intelligence; SEC Filings.
 Note: Hanover has a fiscal year ending September 30th.
 (1) Excluding PPP loans. (2) Opened in 2023, no deposits as of FDIC 6/30/2022 deposit data.

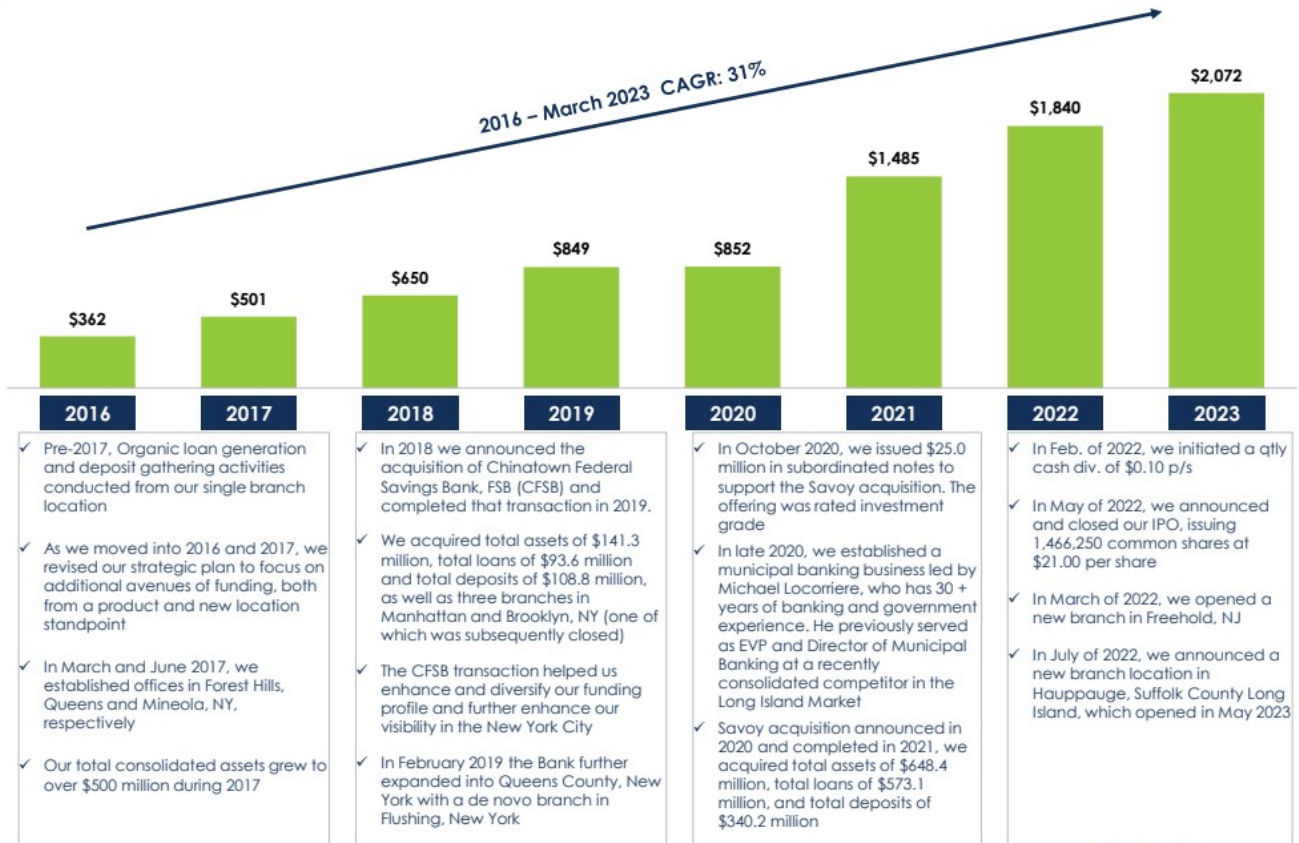
Key Metrics & Banking Footprint

3/31/23	3/31/23	3/31/23	3/31/23
\$2.1B	\$1.8B	\$1.7B	42%
TOTAL ASSETS	TOTAL NET LOANS	TOTAL DEPOSITS	LTM Loan Growth⁽¹⁾






#	Branch Name	Address	Deposits at 6/30/22 (\$M)
1	Headquarters & Mineola	80 East Jericho Turnpike, Mineola, NY	\$146
2	Garden City Park	2131 Jericho Turnpike, Garden City Park, NY	837
3	Flushing	138-29 39th Avenue, Flushing, NY	29
4	Forest Hills	71-15 Austin Street, Forest Hills, NY	35
5	Sunset Park	5512 8th Avenue, Brooklyn, NY	25
6	Bowery	109 Bowery, New York, NY	84
7	Midtown	600 5th Ave, 17th Floor, New York, NY	181
8	Freehold	4400 Route 9, Freehold, NJ	13
9	Hauppauge ⁽²⁾	410 Motor Parkway, Hauppauge, NY	--

Growth in Total Assets (\$mm)



Note: Total assets for 2016 – 2022 as of September 30th as Hanover has a fiscal year end of September 30th. 2023 is for the period ended 3/31/2023.

Hanover Executive Management Team

	Name	Position with Hanover	Age	Years of Banking Experience	Year Started at Hanover
	Michael P. Puorro	CEO & Chairman	64	30 +	2012
	McClelland Wilcox	President	51	20 +	2021
	Lance P. Burke	Exec. VP & Chief Financial Officer	44	20 +	2021
	Kevin Corbett	Exec. VP & Chief Credit Officer	63	35 +	2020
	Alice Rouse	Exec. VP & Chief Risk Officer	57	25 +	2017
	Michael Locorriere	Exec. VP & Chief Municipal Officer	54	20 +	2020
	Lisa A. Diorio	First Senior VP & Chief Accounting Officer	59	30+	2016

Note: Throughout the presentation, unless otherwise specified, references to "Hanover" may be to either the holding company or the bank.

Creating a Differentiated Community Bank

Organic Growth

- Build the premier community bank franchise serving customers and small to mid-size business in the New York City metro area and Long Island
- Continue to penetrate the potential customer bases in multiple niche areas
- Continue to serve the local economies in our geographic footprint by capitalizing on a focus on personalized service, the ability to realize greater economies of scale than smaller community banks and ability to provide better and more responsive service than larger regional banks

Strategic Acquisitions

- Expanded commercial banking capabilities significantly, due to the Savoy acquisition, with a particular focus on small business clients and Small Business Administration (SBA) lending
- Leverage the Savoy acquisition and expand presence in the New York City market
- Continue to pursue prudent and commercially attractive acquisitions in both traditional banking and select non-bank targets

Diversifying Loan Portfolio through Niche Segments

- Focus on diversifying the loan portfolio through niche lending segments to generate appropriate risk-adjusted returns
- Focus our niche lending on: residential real estate, commercial real estate and multi-family
- Average loan-to-value of the mortgage underwriting portfolio at origination was 56%

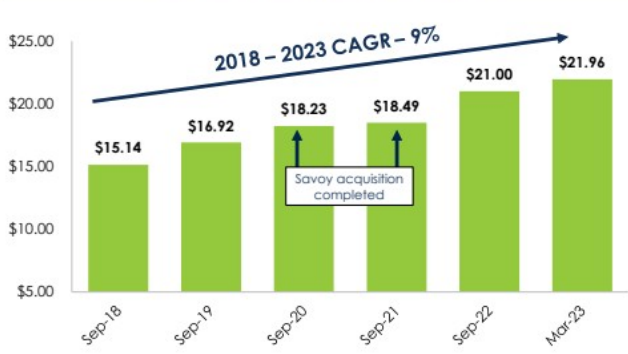
Complementing the Lending Efforts and Diversifying Funding

- The deposit and treasury management products and services complement the niche lending focus
- Established a municipal banking business in 2020 with potential to produce a significant level of deposits at cost effective rates with the effort led by Michael Locorriere
- Initiative is consistent with a branch-lite and highly efficient approach

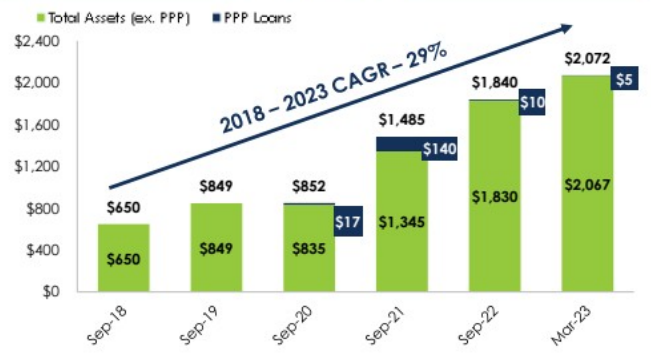
Focus on Delivering Shareholder Value

Robust TBV Per Share & Balance Sheet Growth

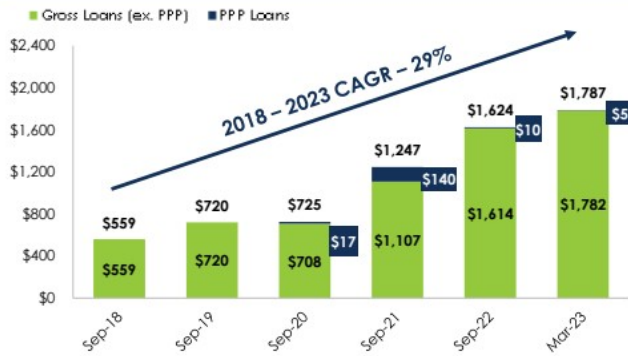
Tangible Book Value per Share



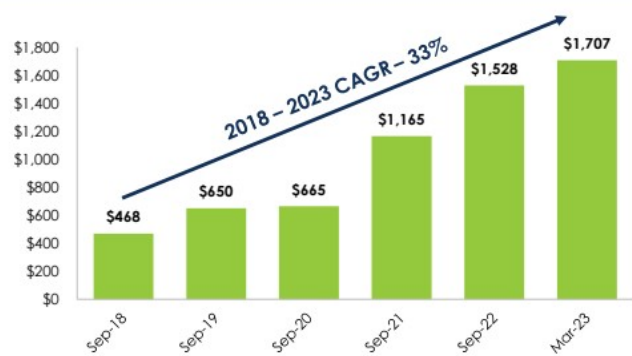
Total Assets (\$mm)



Total Loans (\$mm)



Total Deposits (\$mm)



Note: Hanover has a fiscal year ending September 30th. Dollars in millions. Note: CAGR calculated from September 2018 through March 31, 2023.

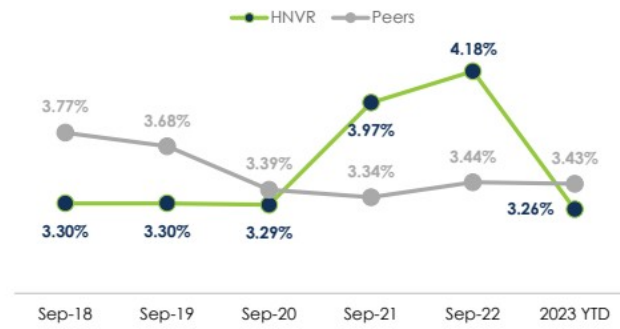
Strong and Efficient Profitability

Success Maintaining Strong Profitability Metrics Across a Branch-lite Operating Model

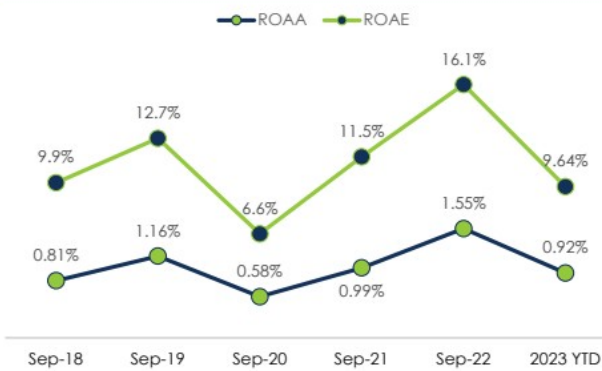
Net Income (\$M)



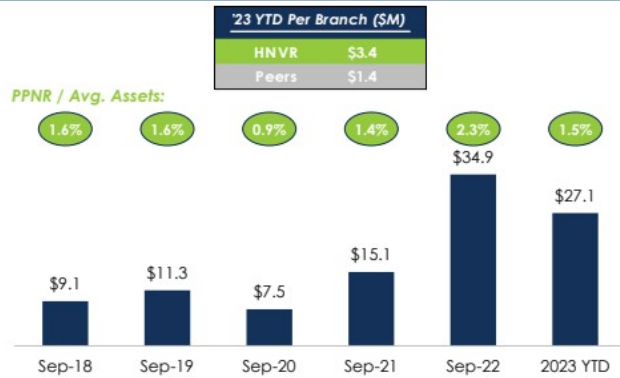
Net Interest Margin (%)



ROAA and ROAE (%)



Pre-Provision Net Revenue (\$M)



Source: S&P Global Market Intelligence; SEC Filings. Note: 2023 YTD = Annualized data for the 6 month period ended 3/31/2023. Note: Hanover has a fiscal year ending September 30th. Peers include major exchange-traded banks and thrifts with most recent quarter total assets between \$1 and \$3 billion, excluding merger targets and mutuals. Pre-provision net revenue is a non-GAAP measure.

Balance Sheet Liquidity

As of March 31, 2023, we are well-capitalized, highly liquid and looking forward to realizing strong returns on the forward-thinking investments we have made in the expansion of our core banking teams and exploration of new initiatives in recent quarters. These critical, scalable opportunities will drive our growth, maximizing our appeal to retail and commercial customers seeking relationship banking with superior service.

Securities Portfolio Composition

Securities portfolio of \$16.1 million as of March 31, 2023

- AFS securities / fair value
 - o \$11.6 mm corporate bonds
 - o \$0.2 mm in residential MBS
- HTM securities / amort. cost
 - o \$1.7 mm residential MBS \$2.6 mm in commercial MBS

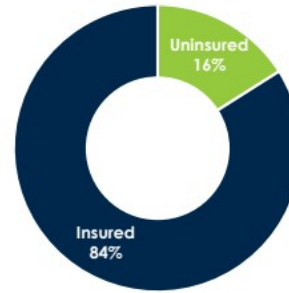
At March 31, 2023, accumulated other comprehensive income included an unrealized loss on AFS securities of \$1.2 million

- Representing only 0.6% of tangible common equity (ex. AOCI) for the same period



High Level of Insured Deposits

Insured deposits, including municipal deposits that are fully collateralized, accounted for approximately 84% of total deposits at March 31, 2023



Commitment To Growing Municipal Deposit Balances

(Total State & Political Deposits since March 2021)



Investment Highlights

High Degree of Franchise Scarcity Value

- Recent market consolidation has resulted in a lack of sub-\$5 billion asset sized banks in the Long Island and Greater New York City Metro Area.
- Since June 2020, there have been 16 bank transactions in the tri-state area, 11 of which involved targets with total assets less than \$5 billion.

Niche Lending & Funding Expertise Drives Pricing Power

- Since 2014, the residential mortgage operation has been highly focused on non-conforming lending in New York City. With the addition of Savoy, the Company has acquired a niche in SBA and small business commercial banking platform.
- Hanover's municipal deposit banking business is differentiated in that it is focused on long-term relationships that typically have less pricing volatility, particularly in rising rate environments.

Efficient, Profitable and Scalable Business Model

- Demonstrated track record of profitability and investing in the business. Hanover is highly focused around profitability and a highly efficient operating platform and branch network.
- The Company's level of assets, loans, deposits and revenue relative to the number of branch offices is well above peers. Management believes a continued focus on operating efficiently will result in above average levels of profitability over the long-term.

Disciplined Underwriting and High Quality Balance Sheet

- Since 2016, Hanover has incurred \$1.4 million in cumulative net charge-off's, representing 17 basis points of average loans over that time period.
- Total non-accrual loans at March 31, 2023 were \$10.3 million, or 0.58% of total loans.
- Hanover's reserves represent 0.95% of Hanover originated loans at March 31, 2023.

Demonstrated Ability to Integrate M&A Transactions

- Hanover's executive team, which is led by Chairman and CEO Michael Puorro, has significant experience with M&A transactions and post-closing integration efforts.
- In August 2019, the Company closed the CFSB acquisition and has successfully grown the former CFSB deposit franchise.
- In May 2021, the Company closed the Savoy merger, an approximately \$650 million total asset single branch commercial bank located in NYC. The transaction significantly diversified revenue and lending mix while boosting profitability and leveraging Savoy's expertise in commercial and SBA lending.

Source: S&P Global Market Intelligence; SEC Filings.

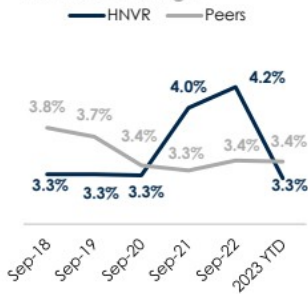
Note: All figures presented on a fiscal year basis; Hanover has a fiscal year ending September 30th. Data as of 3/31/2023.

Niche Lending & Branch-Lite Model Drives Outsized Margins

Niche Lending & Funding Expertise Drives Pricing Power

- ✓ A number of our business segments are focused on providing specialized lending and deposit products to specific customer groups within our markets.
- ✓ We are focused on providing expertise and excellent service in the chosen segments in which we operate.
- ✓ Since 2014 our residential mortgage operation has been highly focused on non-conforming lending in New York City.
- ✓ With Savoy, we acquired a niche SBA and small business commercial banking business.
- ✓ Our municipal deposit banking business is differentiated in that we are focused on long-term relationships and our customers are not transactional in nature.
- ✓ We consistently achieve a higher yield on loans than peers.
- ✓ Low deposit cost coupled with SBA lending growth drives Net Interest Margin Expansion.
- ✓ This has led us historically to surpassing peers in Net Interest Margin performance.

Net Interest Margin



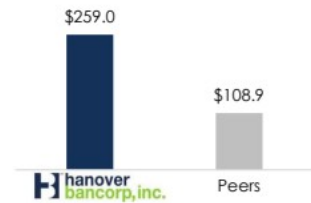
Yield on Loans



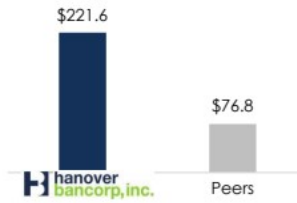
Efficient, Profitable and Scalable Business Model

For the six months ended March 31, 2023; profitability data annualized

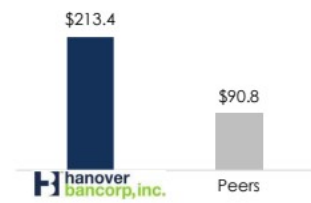
Total Assets per Office



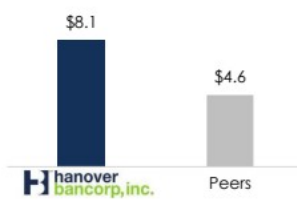
Total Net Loans per Office



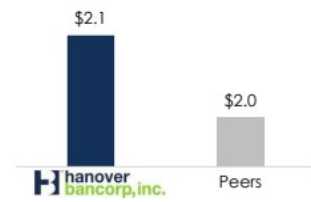
Total Deposits per Office



Revenue per Office



Net Income per Office



Source: S&P Global Market Intelligence; SEC Filings. 2023 YTD = Annualized data for the 6 month period ended 3/31/2023.

Note: Hanover has a fiscal year ending September 30th. Peers include major exchange-traded banks and thrifts with most recent quarter total assets between \$1 and \$3 billion, excluding merger targets and mutuals. Per branch metrics exclude the recently opened Hauppauge branch for a total of 8 HNVR branches.

Niche Lending Segments

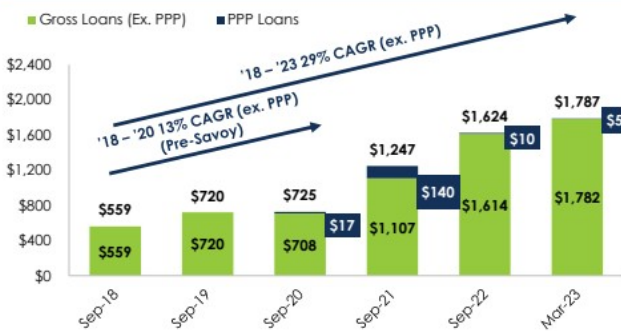
- **Lending Activity: Loans totaled \$1.79 billion, a net increase of \$40.6M (+9.3% annualized)**

- Company's current loan pipeline ~\$191M, ~84% being niche-residential, conventional C&I and SBA and USDA lending opportunities.
- Loans secured by office space accounted for ~3.0% of the total loan portfolio (<1% is located in Manhattan).

- **Realizing Strategic Opportunities:**

- SBA & USDA Banking Team Expansion
- Recently Opened Hauppauge Business Banking Center
 - o The nexus of C&I banking initiative going forward

Total Loan Growth (\$mm)



Note: All figures presented on a fiscal year basis; Hanover has a fiscal year ending September 30th.

1

Residential Real Estate

- ✓ Initiated our residential lending platform in 2013 with a focus on the boroughs of New York City
- ✓ We originate mainly non-qualified, alternative documentation single-family residential mortgage loans through broker referrals, our branch network and retail channels.
- ✓ We offer multiple products including those designed specifically for two- to four-family units

Dollars in 000s	For the years ended September 30,					6 Mo Ended,
Residential RE	2018	2019	2020	2021	2022	3/31/2023
Loans originated	\$268,283	\$334,099	\$76,031	\$104,567	\$166,222	\$99,650
Loans sold	134,464	194,978	39,982	36,375	19,441	-

2

Commercial Real Estate (including Multi-family)

- ✓ CRE lending is an area of expertise for us, with the Savoy acquisition re-enforcing what we believe was an already strong CRE lending foothold in New York City
- ✓ We maintain a loan-to-value policy limit of 75% for commercial real estate loans

3

Commercial and Industrial

- ✓ We provide a mix of variable and fixed rate commercial and industrial loans which are typically made to small and medium sized businesses
- ✓ Prior to the acquisition of Savoy, we had a very limited portfolio of commercial and industrial loans
- ✓ Strategic initiative to build out the C&I business includes the opening of the Freehold branch and expansion into Hauppauge while simultaneously hiring a specialized C&I team

Growing Core Deposit Franchise

Diversifying our Deposit Composition

As of September 30, 2012



As of March 31, 2023



- Hired a Chief Municipal Officer and supporting personnel to initiate our municipal banking business, which has grown municipal deposit balances from \$74.3 million at December 31, 2020 to \$449.7 million at March 31, 2023, at a weighted average rate of 3.59%;
- Implemented a core processor IT conversion that resulted in a platform with a comprehensive suite of commercial deposit account capabilities; and
- Reduced wholesale funding levels (defined as Federal Home Loan Bank ("FHLB") borrowings, brokered deposits and Qwick Rate accounts).

Deposit Growth (\$mm)



Noninterest-Bearing Deposit Growth (\$mm)



Asset Quality Managed Through Disciplined Policies and Procedures

Credit Philosophy

- Management utilized strong local community ties along with their experience with both federal and New York bank regulatory agencies to create a bank that emphasizes strong credit quality.
- Total loans having credit risk ratings of Special Mention or Substandard were \$25.2 million at March 31, 2023 versus \$32.6 million at September 30, 2022.
- Total non-accrual loans at March 31, 2023 were \$10.3 million, or 0.58% of total loans and Management believes all of the Company's non-accrual loans are well collateralized and no specific reserves have been taken with regard to these loans.

Credit Underwriting and Administration

- The Company has been prudently working with borrowers negatively impacted by the COVID-19 pandemic while managing credit risks and recognizing an appropriate allowance for loan losses.
- Net charge-offs of \$397K or 0.02% of average loans for the 6 months ended 3/31/2023; included in this are two purchased credit impaired loans acquired in the Savoy Bank acquisition totaling \$407 thousand.
- Allowance for loan losses of \$14.9 million or 0.95% of Hanover originated loans at 3/31/2023, which management has determined to be adequate based on an extensive review of multiple credit and economic factors.

Nonperforming Assets / Total Assets



Net Charge-off's / Average Loans



Note: Annual data represents 9/30 fiscal year end data. 2023 YTD = Annualized data for the 6 month period ended 3/31/2023.

Hanover bancorp, inc.

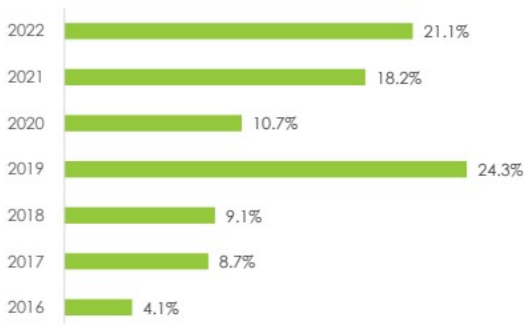
Appendix



Significant Consolidation of NYC Metro Community Banks Provides Growth Opportunities

% of Banks Acquired in NYC⁽¹⁾

Approximately 55% of banks⁽¹⁾ in NYC MSA were consolidated in the last 5 years



Long Island Significantly Consolidated



Top 20 NYC MSA Banks in 2016⁽²⁾

Acquired		Institutions ranked by asset size	
Rank	Institution	2016 Deposits (\$mm)	2016 Deposits (\$mm)
1	kearny	\$2,695	11 Blue Foundry Bank
2	ConnectOne	\$3,344	12 PCSB
3	BRIDGE BANCORP, INC.	\$2,026	13 Metropolitan Commercial Bank
4	amalgamated FINANCIAL CORP.	\$3,009	14 METRO COMMERCIAL BANK
5	PEAPACK-GLADSTONE BANK	\$3,412	15 UNITY BANCORP INC
6	Northfield Bancorp	\$2,714	16 1ST COMMERCIAL BANK
7	ORITANI FINANCIAL CORP.	\$2,260	17 TWO RIVER BANCORP
8	1NFirst of Long Island Corporation	\$2,609	18 First Commerce Bank
9	SUFFOLK BANCORP	\$1,638	19 SB One Bancorp
10	BCB Bank	\$1,392	20 Bank of New Jersey

Source: SEC Filings; S&P Global Market Intelligence. Note: Dollars in millions.

(1) Banks in the NYC MSA acquired in a given year as a percentage of the number of institutions with total assets less than \$5 billion as of December 31st of the prior year.

(2) Institutions ranked by asset size. Includes banks with total assets less than \$5 billion as of 12/31/2016.

New York MSA – A Leading U.S. Banking Market

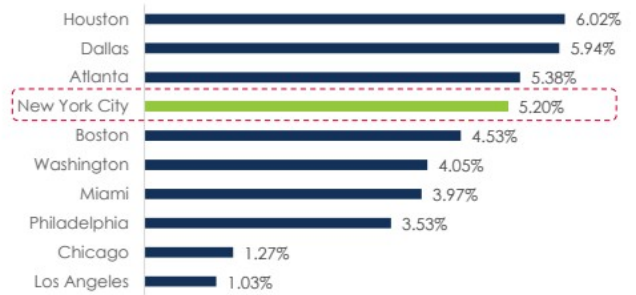
Most Populated MSA

Population (mm)



4th Fastest Growing MSA ⁽¹⁾

Projected Population Growth ('22-'27)



4th Most Small Businesses by State

Small Businesses (mm)



Largest Deposit Market (MSA)

Deposits (\$bn)



Source: S&P Global Market Intelligence; SEC Filings; US Census. Note: Small Business data as of 2018.
 (1) Ranking amongst ten largest populated MSAs of 2022.

Non-GAAP Reconciliation Tangible Book Value per Common Share

Non-GAAP Reconciliation Table	As of	As of September 30,				
	3/31/2023	2022	2021	2020	2019	2018
Book value per Common Share	\$24.62	\$23.69	\$22.02	\$18.69	\$17.28	\$15.14
Less: Goodwill and Other Intangible Assets	(\$2.66)	(\$2.69)	(\$3.53)	(\$0.46)	(\$0.36)	\$0.00
Tangible Book Value per Common Share	\$21.96	\$21.00	\$18.49	\$18.23	\$16.92	\$15.14
Common Stockholders' Equity	\$180,522	\$172,584	\$122,529	\$78,043	\$71,950	\$54,230
Less: Goodwill and Other Intangible Assets	(19,530)	(19,567)	(19,648)	(1,923)	(1,508)	0
Tangible Common Stockholders' Equity	\$160,992	\$153,017	\$102,881	\$76,120	\$70,442	\$54,230
Total Assets	2,071,720	1,840,058	1,484,641	851,606	848,836	649,963
Less: Goodwill and Other Intangible Assets	(19,530)	(19,567)	(19,648)	(1,923)	(1,508)	0
Tangible Assets	2,052,190	1,820,491	1,464,993	849,683	847,328	649,963
Tangible Common Equity ratio	7.84%	8.41%	7.02%	8.96%	8.31%	8.34%

Note: All figures presented on a fiscal year basis; Hanover has a fiscal year ending September 30th.

Non-GAAP Reconciliation

ROATCE / Pre-Provision Net Revenue/Average Assets

Non-GAAP Reconciliation Table ROATCE / Pre-Provision Net Revenue/Average Assets	As of or For the Three Months Ended	As of or For the Six Months Ended	As of or For the Years Ended September 30,				
	March 31, 2023	March 31, 2023	2022	2021	2020	2019	2018
			(dollars in thousands)				
Net Income	\$3,209	\$8,547	\$23,556	\$10,851	\$4,974	\$8,085	\$4,601
Average Common Stockholders' Equity	\$179,910	\$177,894	\$145,977	\$94,072	\$74,976	\$63,588	\$46,545
Less: Average Goodwill and Other Intangible Assets	(19,541)	(19,551)	(19,608)	(7,672)	(1,549)	(492)	-
Average Tangible Common Stockholders' Equity	<u>\$160,369</u>	<u>\$158,343</u>	<u>\$126,369</u>	<u>\$86,400</u>	<u>\$73,427</u>	<u>\$63,096</u>	<u>\$46,545</u>
Return on Average Common Stockholders' Equity	7.24%	9.64%	16.14%	11.53%	6.63%	12.71%	9.89%
Return on Average Tangible Common Stockholders' Equity	8.12%	10.83%	18.64%	12.56%	6.77%	12.81%	9.89%
Net Interest Income		\$29,188	\$61,254	\$41,708	\$27,122	\$22,421	\$18,221
Non-Interest Income		3,167	8,872	3,349	1,364	4,770	2,733
Non-Interest Expense		(18,838)	(35,181)	(30,005)	(21,022)	(15,887)	(11,880)
Pre-Provision Net Revenue		\$13,517	\$34,945	\$15,052	\$7,464	\$11,304	\$9,074
Pre-Provision Net Revenue (annualized)		\$27,108	\$34,945	\$15,052	\$7,464	\$11,304	\$9,074
Average Assets		\$1,858,540	\$1,522,374	\$1,092,934	\$852,054	\$697,866	\$567,220
Pre-Provision Net Revenue/Average Assets		1.46%	2.30%	1.38%	0.88%	1.62%	1.60%