

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): March 13, 2018



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**CONNECTONE BANCORP, INC.**

(Exact name of Company as specified in its charter)

**New Jersey**  
(State or other jurisdiction  
of incorporation)

**001-11486**  
(Commission  
File Number)

**52-1273725**  
(IRS Employer  
Identification No)

**301 Sylvan Avenue**  
**Englewood Cliffs, New Jersey**  
(Address of principal executive offices)

**07632**  
(Zip Code)

Company's telephone number, including area code (201) 816-8900

- 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))

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.

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**Item 8.01**

**Other Events.**

[Exhibit 99.1:](#)

[Presentation, March 2018, Investor Presentation](#)

**Item 9.01**

**Financial Statements and Exhibits**

Exhibits.

The following is filed as an Exhibit to this Current Report on Form 8-K:

[99.1](#)

[Power Point Presentation, March 2018, Investor Presentation](#)

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**SIGNATURES**

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

**CONNECTONE BANCORP, INC.**

(Registrant)

Dated: March 13, 2018

By: /s/ William S. Burns

**WILLIAM S. BURNS**  
Executive Vice President and  
Chief Financial Officer



## Investor Presentation

March 2018

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## Forward Looking Statements

This presentation contains forward-looking statements. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of several factors more fully described under "Risk Factors" in our Annual Report on Form 10-K, Item 1A, filed with the Securities and Exchange Commission. Any or all of our forward-looking statements in this presentation may turn out to be inaccurate. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward looking statements including, but not limited to the risk factors described above and: (1) changes in general economic and financial market conditions; (2) changes in the regulatory environment; (3) economic conditions generally and in the financial services industry; (4) changes in the economy affecting real estate values; (5) our ability to achieve loan and deposit growth; (6) the completion of our future acquisitions or business combinations and our ability to integrate the acquired business into our business model; (7) projected population and income growth in our targeted market areas; and (8) volatility and direction of market interest rates and a weakening of the economy which could materially impact credit quality trends and the ability to generate loans. All forward-looking statements are necessarily only estimates of future results and actual results may differ materially from expectations. You are, therefore, cautioned not to place undue reliance on such statements which should be read in conjunction with the other cautionary statements that are included elsewhere in this presentation. Further, any forward-looking statement speaks only as of the date on which it is made and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

## Strategy & Vision

We position ourselves as “a better place to be” for clients, our communities, employees and shareholders through:



### High Quality Client Service Model

- Minimizes client turnover
  - “Sense of urgency” culture that differentiates us from our competitors



### Solid Asset Quality

We continue to maintain solid asset quality through a strong credit culture



### Opportunities in the Market

Capitalizing on banking consolidation in our region



### Investments in the Future

- Investments in scalable infrastructure & tech products for the “future of banking”
- Continuing to evolve the retail model coupling expert staff with technology

# ConnectOne Bancorp, Inc. Overview

## Holding Company for ConnectOne Bank



\$5.1 Billion in Total Assets

\$4.2 billion in total loans\*

\$3.8 billion in total deposits



NASDAQ: CNOB

- Market capitalization ~ \$1.0 billion
- Current quarterly dividend \$0.075 / common share;



Value Proposition

One of the largest New Jersey-based banking institutions with increased scale, technology and lending capabilities serving middle market commercial businesses



21 Locations

Bergen, Essex, Hudson, Mercer, Monmouth  
Morris & Union Counties (NJ) and Manhattan  
(NY)

- Strategically placed offices throughout the NJ/NY metro area
- Headquartered in Englewood Cliffs, NJ
- Retail locations serve as "business hubs"
- Recently announced expansion to Long Island

\*Total loans includes loans held-for-sale

# Key Dates



## Highly Attractive Operating Area

Strategically placed offices throughout the NJ/NY metro area

- ✓ Densely populated, lucrative markets
- ✓ The market we operate in accounts for approximately \$2 trillion of the \$18 trillion United States GDP
- ✓ New Jersey ranks amongst the highest in the nation by both median household income and per capita income, and the highest in population density. Bergen County ranks among the top in the state in relation to these demographics
- ✓ Market is largely dominated by the largest institutions in the country, leaving tremendous opportunity for banks catering to middle market businesses



## Expansion in the New York Market

- Represents approximately 20% of our balance sheet
- Long Island market is a natural expansion of our in-market focus
- Demand for personalized client service amongst small-to-midsize business owners
- More than 2 million small businesses in New York

# Efficient Banking Model

## Leveraging Technology

**38%**

Operating Efficiency Ratio<sup>1)</sup>

Peer Median\*: 63%



**\$16.9MM**

Assets Per Employee

Peer Median\*: \$6.4MM

### Locations serve as “business hubs” supporting clients beyond geographic footprint

Strategically placed offices in our affluent footprint allows for fewer locations by comparison. Technology offers ability to leverage offices to drive more business within our footprint.

- ✓ Embracing technology to support best in class efficiency metrics
- ✓ Investments in technology enhance our loan and deposit gathering abilities
- ✓ Efficient staffing – ConnectOne operates at one of the highest levels of assets per employee
- ✓ New Modern Office model utilizes technology to streamline transactional activity. Allows further expansion of sales model.

\*Peer group includes banks and thrifts between \$1.0B and \$7.5B in assets located in Northeast and Mid-Atlantic regions. Median reflects the most recent 5 quarters of reported results. Data sourced from SNL Financial.

<sup>1)</sup>Non-GAAP measure, see appendix for a reconciliation of GAAP and non-GAAP measures.

# new initiatives



## nCino

- Provides ConnectOne with one of the most efficient and streamlined deposit & loan operating systems in the industry
- Built on the Salesforce Platform
- Supports our best-in-class efficiency metrics and enhances our excellent reputation for "sense of urgency" with our clients
- Allows for streamlined workflow
  - Loan processing
  - Credit underwriting
  - Document preparation
  - CRM
- On average, nCino clients see:
  - 34% decrease in loan closing time
  - 15% decrease in operating cost
  - 19% increase in loan volume
  - 54% reduction in policy exceptions



## Zelle

- A consortium of the original top 30 banks in the country to provide real-time payments right from your mobile banking app
- ConnectOne's forward thinking has landed us a first-mover position in this space as Zelle is well positioned to disrupt the P2P market presently monopolized by Venmo
- More than 247 million payment processed in 2017



## Other Initiatives

- One of the first banks to go live on Oracle's Fusion Cloud based general ledger system
- Video ATM – will be piloting one machine
  - Potential to extend hours
- Online Account Opening
- New avenue to generate deposits
  - Expands footprint without the cost of brick and mortar locations

# Growing the Deposit Franchise

## Planning for Growth



Broadening focus on C&I by building niches to create multiple avenues to generate relationship deposits

### Specialized Focus on Independent Schools

- ~40% of New Jersey Independent Schools are our clients
- Opportunities for expansion into New York & Pennsylvania

### Municipal Deposits

- Competitive products and niche focus
- Amongst top 20 banks in New Jersey holding municipal deposits (based on deposit balance)
- More opportunities in both New Jersey & New York markets



Increasing ability to attract DDA deposits

### Escrow Division

- Attractive DDA capture

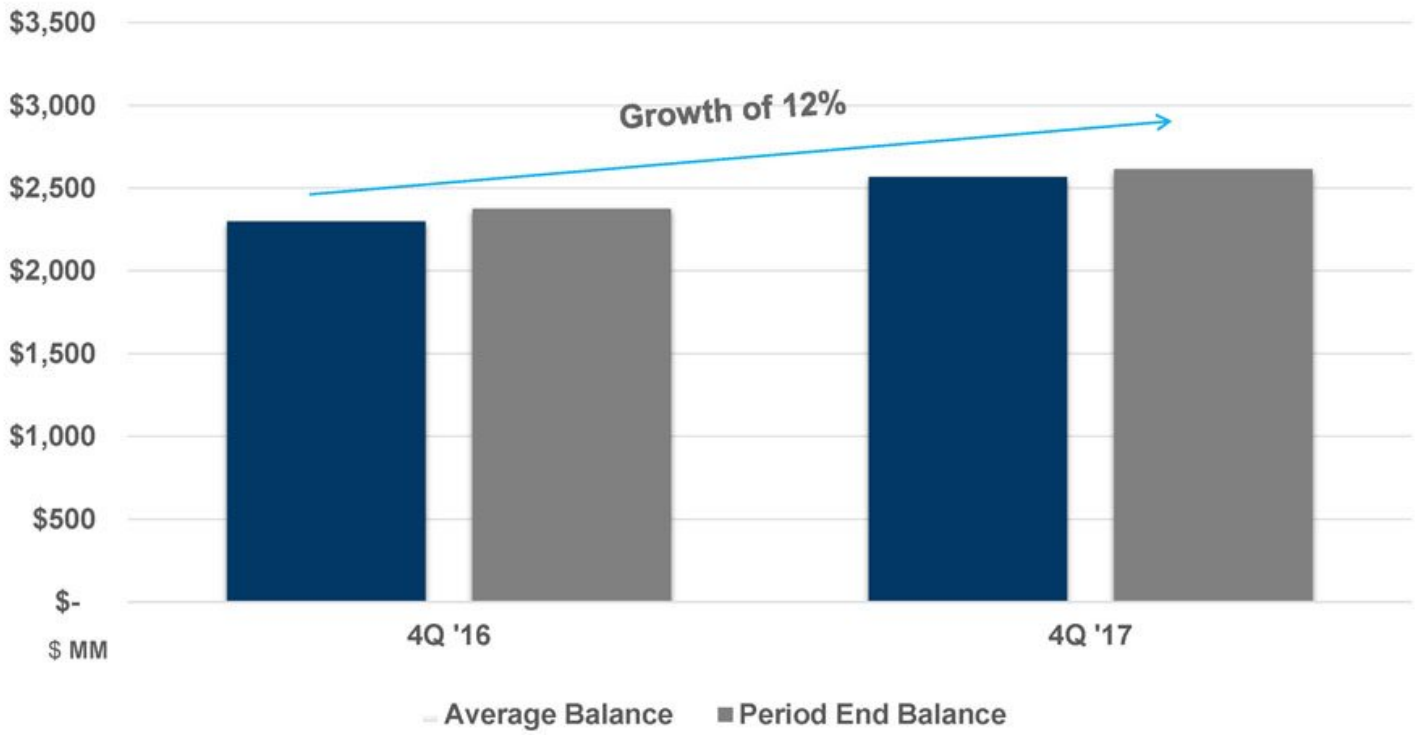
### Building a Cash Management Enterprise

- Hiring seasoned specialists
- State of the art technology based products & services
- Focusing on niche markets
- Expanding presence to further tap market

### Technology

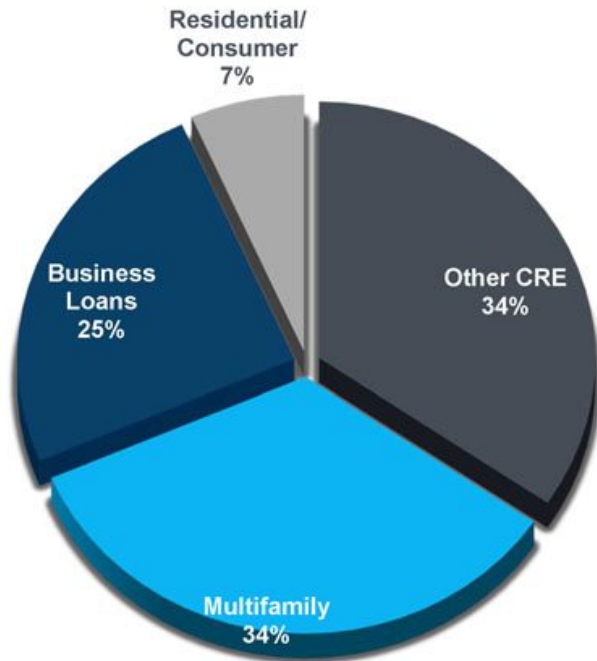
- Utilizing new technology and online tools as an avenue for deposit generation

## Core Deposit Growth



# Diversified Loan Portfolio

As of 12/31/17 - \$4.2 Billion\*



Type	Balance	Percentage
CRE - Retail	\$324	8%
CRE - Other / Misc	176	4%
CRE - Office	146	3%
CRE - Warehouse / Industrial	133	3%
CRE - Land Loan for Future Development	116	3%
CRE - Mixed Use	75	2%
CRE - Land Loan (Land Only - No Construction)	25	<1%
<b>Total CRE - Non-Owner Occupied</b>	<b>995</b>	<b>23%</b>
Construction - 1 to 4 Family (For Sale / Rental)	186	4%
Construction - 25 to 64 Units	81	2%
Construction - Retail	61	2%
Construction - 100 or More Units	43	1%
Construction - 10 to 24 Units	32	<1%
Construction - 64 to 99 Units	23	<1%
Construction - 5 to 9 Units	18	<1%
Construction - Mixed Use	16	<1%
Construction - Office	13	<1%
Construction - Warehouse / Industrial	7	<1%
Construction - 1 to 4 Family (Personal Use)	3	<1%
<b>Total Construction</b>	<b>483</b>	<b>11%</b>
<b>Total CRE - Other</b>	<b>\$1,478</b>	<b>35%</b>

Type	Balance	Percentage
Warehouse / Industrial	\$79	2%
OOD - Retail	77	2%
OOD - Office	58	<1%
OOD - Office / Warehouse or Mixed Use	56	<1%
OOD - Other	32	<1%
<b>Total CRE - Owner Occupied</b>	<b>302</b>	<b>7%</b>
C&I - Service	233	6%
Commercial - Schools	162	4%
C&I - Contractors	111	3%
C&I - Residential 1 to 4 Family	87	2%
C&I - Transportation	57	<1%
C&I - Distribution	37	<1%
C&I - Other	26	<1%
C&I - Manufacturing	5	<1%
<b>Total C&amp;I</b>	<b>718</b>	<b>17%</b>
<b>Total Business Loans</b>	<b>\$1,020</b>	<b>24%</b>

Multifamily - 25 to 64 units	\$491	12%
Multifamily - 10 to 24 unit	430	10%
Multifamily - 100 units or more	249	6%
Multifamily - 64 units to 99 units	137	3%
Multifamily - 5 to 9 units	120	3%
<b>Total Multifamily</b>	<b>\$1,427</b>	<b>34%</b>

Residential - 1st Lien	\$225	5%
Home Equity - 2nd Lien (LOC)	44	1%
Home Equity - 1st Lien (Fixed)	2	<1%
Home Equity - 2nd Lien (Fixed)	2	<1%
Consumer - Personal (Unsecured)	1	<1%
<b>Total Residential &amp; Consumer</b>	<b>\$274</b>	<b>7%</b>

\*Reflects total loans prior to adjusting for unearned net origination fees

# Loan Generation

01

Empowering our staff with the best possible tools and resources that enhance our excellent reputation for “sense of urgency” with our clients

02

Experienced CRE Lenders & Support Staff

- Focus towards owner-occupied lending

03

Developing C&I Capabilities

- Team of 15 lending officers
- Leveraging our market footprint
- Developing experts within market niches – Independent Schools Division

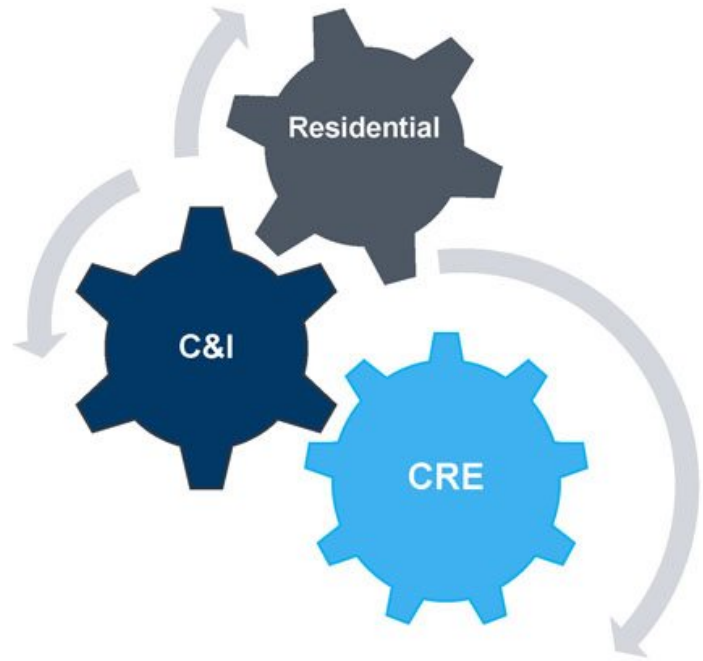
04

Building our Residential Mortgage Portfolio

- High net worth residential markets supported by strong NYC economy
- Leveraging our asset sensitive balance sheet

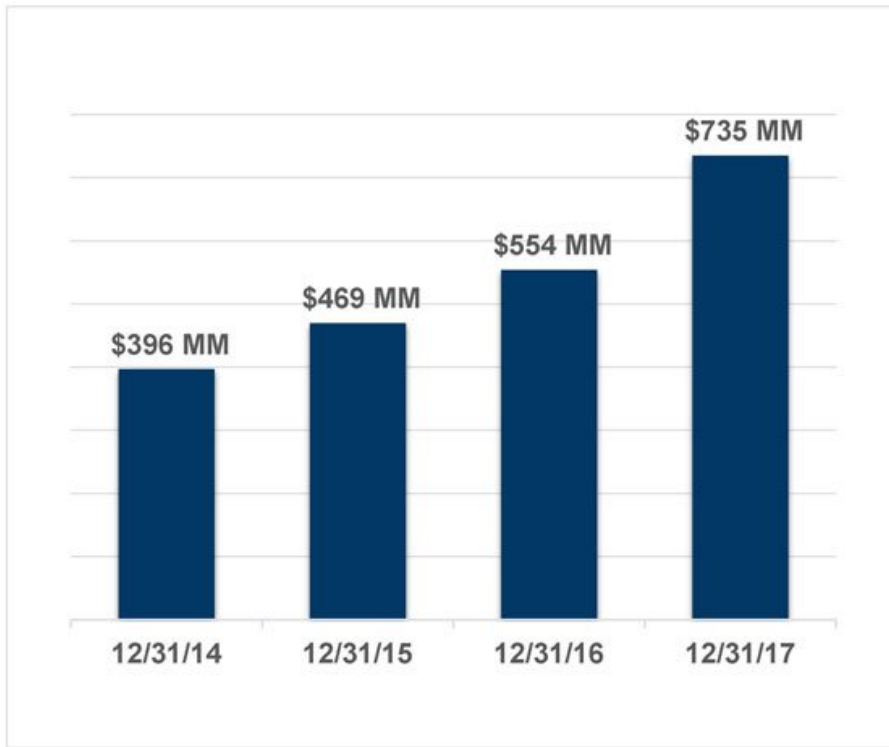
05

Small Business Lending Platform



# C&I

## C&I Loan Portfolio\*



\*Balances do not include taxi medallion loans

**25+**

**Team Members**

Key hires with focused C&I specialties

### Technology & Infrastructure

Improvements focus on keeping best in class service with the pace of work our clients are accustomed to at ConnectOne

### Niche Markets

Added capabilities to further serve our niche market segments

# Commitment to Strong Credit Quality

## Maintaining a strong credit culture

### Comprehensive underwriting standards and processes

- Disciplined LTV & DSC standards
- Loan origination process supported by specialized teams of credit analysts
- High quality direct commercial lending
- No reliance on participations or wholesale loan purchases
- Stay away from riskier lending
  - e.g indirect auto, 2<sup>nd</sup> lien positions, leasing or anything “sub-prime”



### Lending within geographic footprint

- NYC metro region economically strong and diverse



### Multi-faceted stress testing

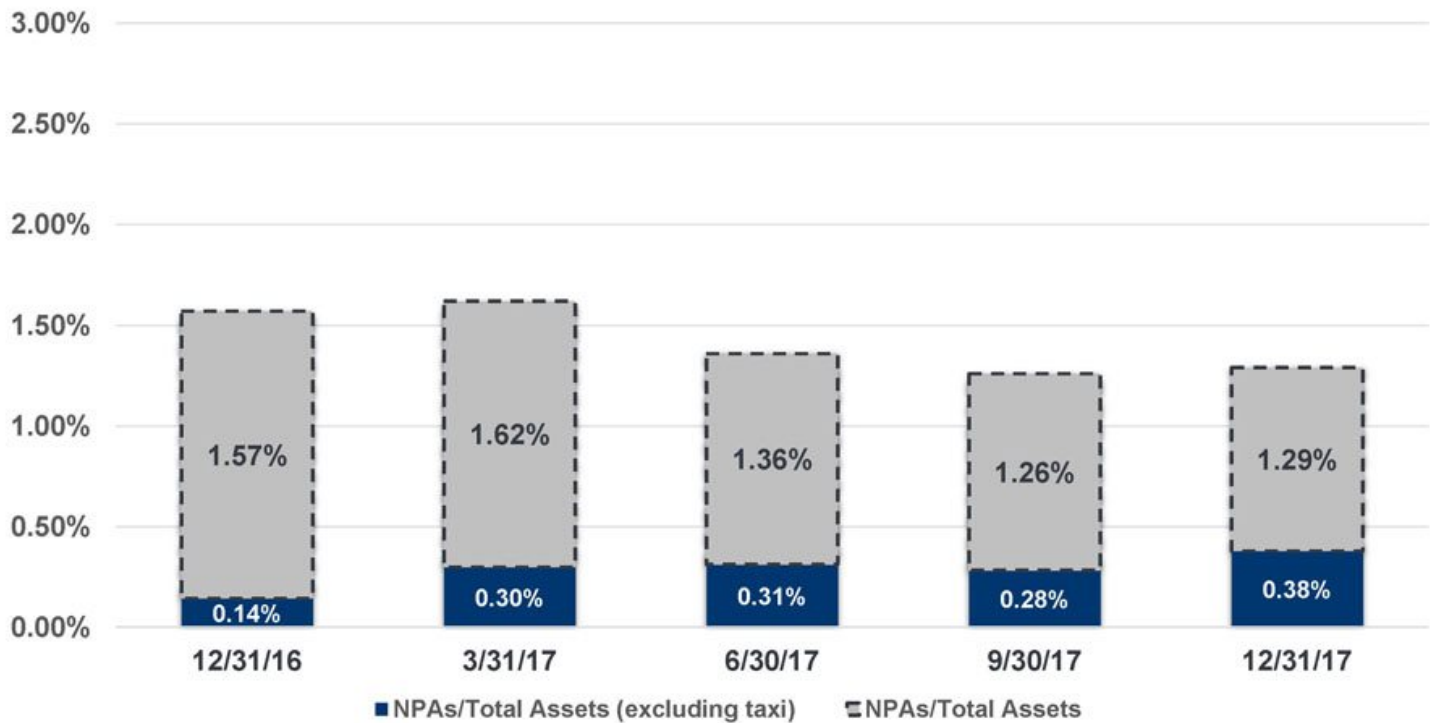
- Every loan tested during underwriting process
- Quarterly modeling performed in conjunction with ALCO processes
- Annual third-party testing conducted on approximately two-thirds of the portfolio



### Continued focus on loan monitoring

- Run by a team of portfolio managers and loan workout specialists

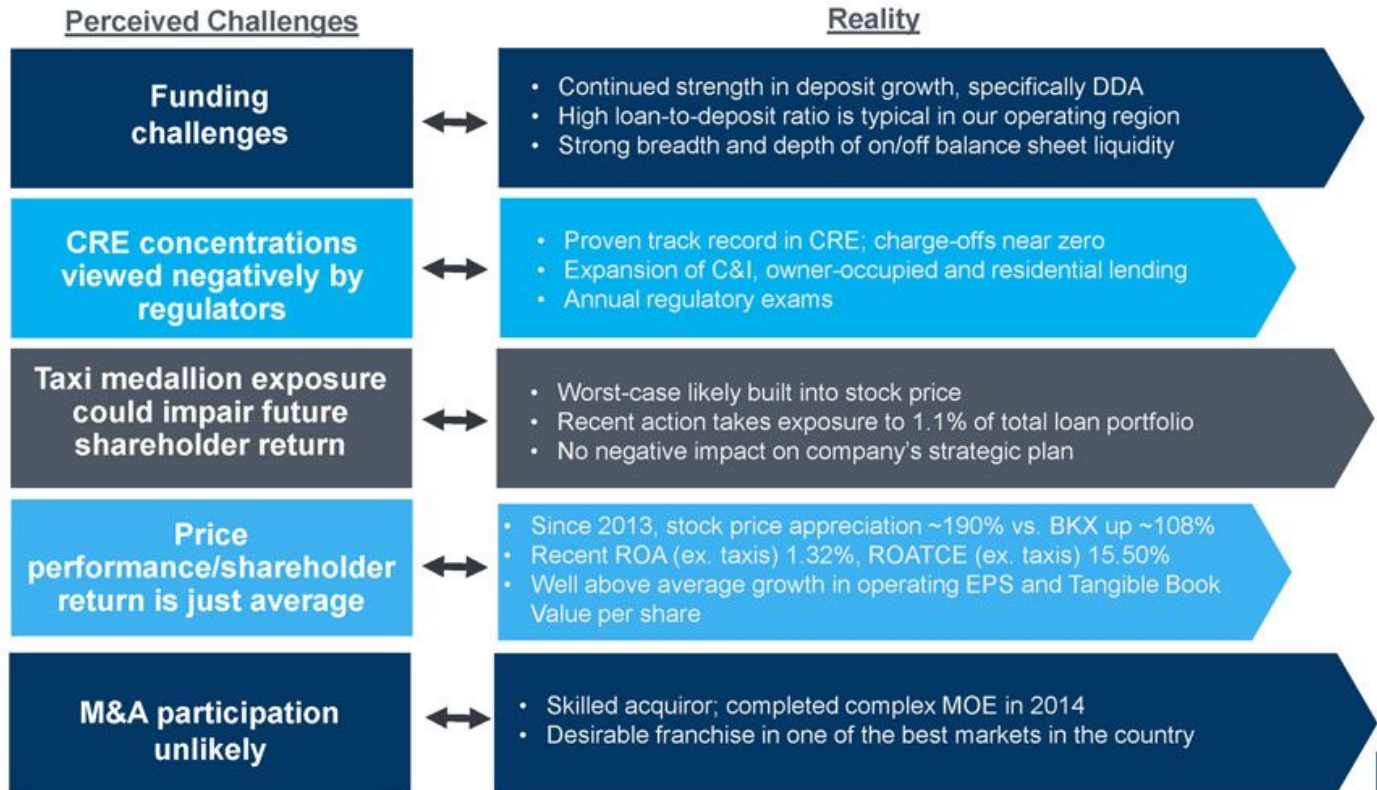
## Asset Quality Profile



- All NYC Taxi Medallions. Carrying value of \$46.7 million at December 31, 2017, representing an average of approximately \$343,000 per medallion.

# A Compelling Investment Opportunity

CNOB trades at an approximately 10% discount (\$3.00 per share) to median peer P/E ratio. Further, given our growth profile, we arguably should be trading above median.



## Client Testimonials

“ ConnectOne Bank was our recipe for success! Their responsive and creative management team offered us all the necessary ingredients to expand and serve our community of chefs, restaurants & food lovers.

Susan Ungaro  
President | James Beard Foundation



“ The responsiveness and general business acumen of the Executive Management and Client Service teams is unparalleled. I cant imagine a better bank to partner with to grow our firm.

Ken Hollenbeck  
Managing Partner | Scarini & Hollenbeck, LLC



“ The ConnectOne team responds to client needs with a sense of urgency. The ability to craft timely, custom solutions is extremely valuable in our line of business.

Bart Mongelli, ESQ  
DeCotiis, Fitzpatrick & Cole, LLP



“ They understand construction, from the Chairman to the lending team. This has allowed us to fast track our projects in order to meet the current strong market.

Joe Cotter  
Natural Resources





ConnectOne Bancorp, Inc.



# Appendix

## Performance Trends

### Adjusted Diluted EPS\*



\*Non-GAAP measure which excludes securities gains and charges related to the Bank's taxi medallion portfolio. See appendix for a reconciliation of GAAP and non-GAAP measures.

## Performance Trends (cont.)

### Tangible Book Value Per Share\*



\* Non-GAAP measure, see appendix for a reconciliation of GAAP and non-GAAP measures.

## Performance Trends (cont.)

### Adjusted\* Return on Equity

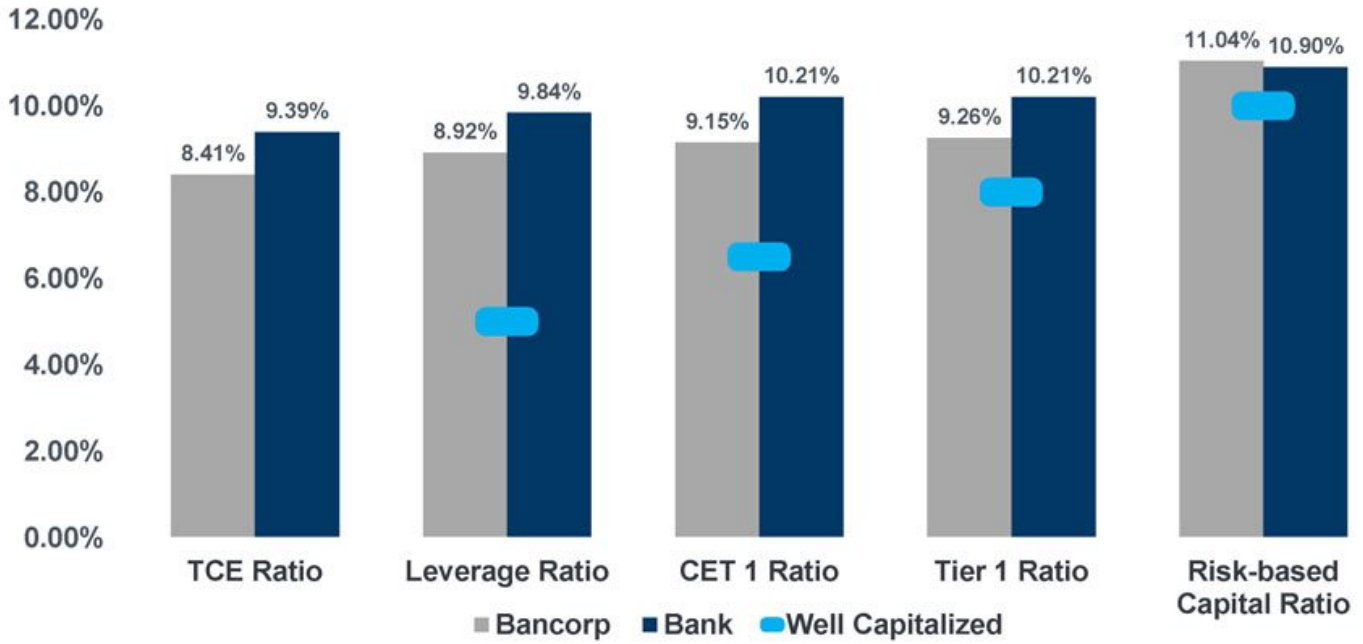


\*Non-GAAP measure which excludes securities gains and charges related to the Bank's taxi medallion portfolio. See appendix for a reconciliation of GAAP and non-GAAP measures.

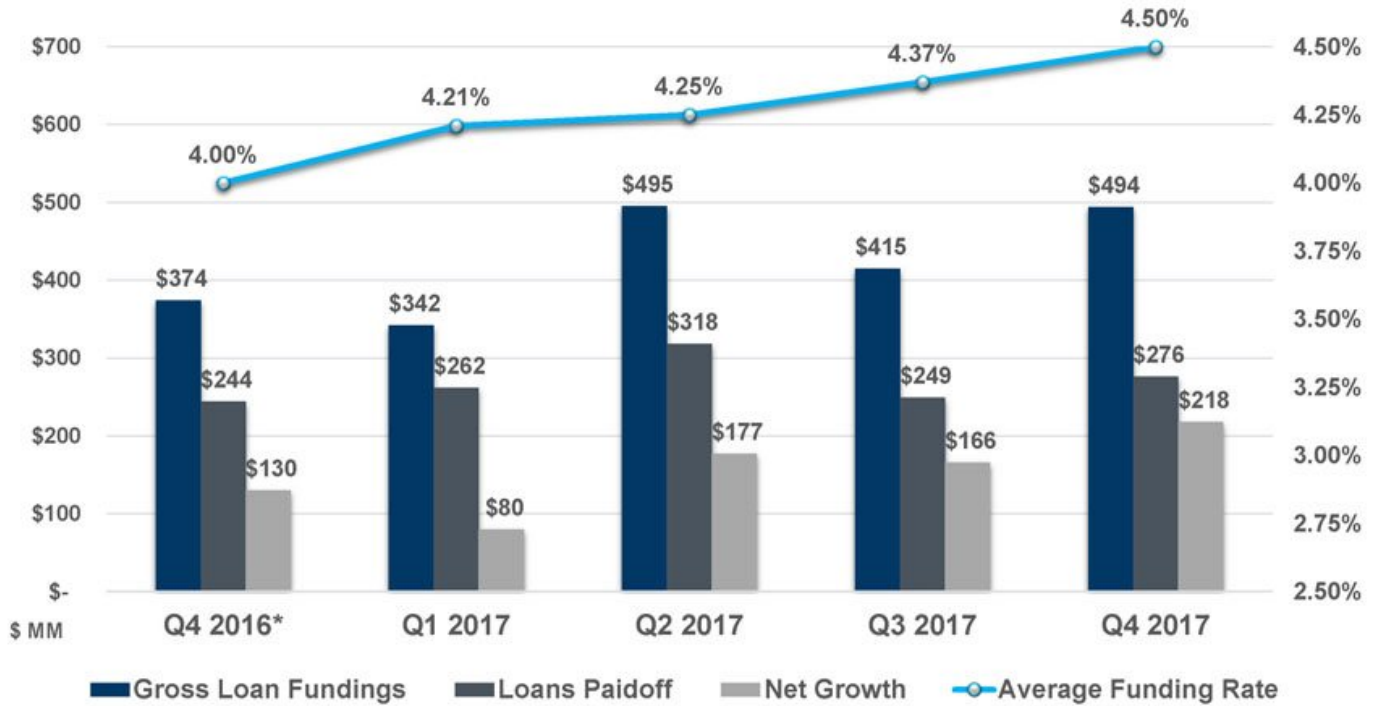
1) Peer group includes banks and thrifts between \$1.0B and \$7.5B in assets located in Northeast and Mid-Atlantic regions. Median reflects the most recent 5 quarters of reported results. Data sourced from SNL Financial.

# Capital Strength

At December 31, 2017



# Loan Funding Metrics



\*Excludes impact of \$36.5 million tax medallion charge-off for the quarter ended December 31, 2016.

# Appendix

## Reconciliation of GAAP and non-GAAP measures

	Three Months Ended				
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016
	(dollars in thousands, except for per share data)				
<b>Reconciliation of GAAP Earnings to Earnings Excluding the Following Items:</b>					
Net income (loss) available to common stockholders	\$ 10,580	\$ 13,077	\$ 7,683	\$ 11,880	\$ (2,024)
Deferred tax asset valuation charge	5,574	-	-	-	-
Net gains on sales of securities (after taxes)	-	-	-	(1,093)	-
Provision related to taxi medallion loans (after taxes)	-	-	-	-	14,196
Increase in valuation allowance, loans held-for-sale (after taxes)	182	1,776	5,719	1,538	-
<b>Net income available to common stockholders-adjusted</b>	<b>\$ 16,336</b>	<b>\$ 14,853</b>	<b>\$ 13,402</b>	<b>\$ 12,325</b>	<b>\$ 12,172</b>
Weighted average diluted shares outstanding	32,252,759	32,182,016	32,255,770	32,192,643	30,729,359
Diluted EPS (GAAP)	\$ 0.33	\$ 0.41	\$ 0.24	\$ 0.37	\$ (0.07)
Diluted EPS-adjusted (non-GAAP) (1)	0.51	0.46	0.42	0.38	0.40
<b>Return on Assets Measures</b>					
<b>Net income available to common stockholders-adjusted</b>	<b>\$ 16,336</b>	<b>\$ 14,853</b>	<b>\$ 13,402</b>	<b>\$ 12,325</b>	<b>\$ 12,172</b>
Average assets	\$ 4,917,032	\$ 4,714,012	\$ 4,495,573	\$ 4,382,314	\$ 4,349,961
Less: average intangible assets	(148,383)	(148,553)	(148,737)	(148,930)	(149,123)
Average tangible assets	<b>\$ 4,768,649</b>	<b>\$ 4,565,459</b>	<b>\$ 4,346,836</b>	<b>\$ 4,233,384</b>	<b>\$ 4,200,838</b>
Return on avg. assets (GAAP)	0.85 %	1.10 %	0.69 %	1.10 %	(0.19) %
Return on avg. assets-adjusted (non-GAAP) (2)	1.32	1.25	1.20	1.14	1.11
Return on avg. tangible assets (non-GAAP) (3)	0.89	1.15	0.72	1.15	(0.18)
Return on avg. tangible assets-adjusted (non-GAAP) (4)	1.37	1.30	1.25	1.19	1.16

# Appendix

## Reconciliation of GAAP and non-GAAP measures (cont.)

	Three Months Ended				
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016
(dollars in thousands)					
<b>Return on Equity Measures</b>					
Net income available to common stockholders-adjusted	\$ 16,336	\$ 14,853	\$ 13,402	\$ 12,325	\$ 12,172
Average common equity	\$ 567,308	\$ 556,620	\$ 549,748	\$ 539,544	\$ 511,663
Less: average intangible assets	(148,383)	(148,553)	(148,737)	(148,930)	(149,123)
Average tangible common equity	\$ 418,925	\$ 408,067	\$ 401,011	\$ 390,614	\$ 362,540
Return on avg. common equity (GAAP)	7.40 %	9.32 %	5.61 %	8.93 %	(1.57) %
Return on avg. common equity-adjusted (non-GAAP) (5)	11.42	10.59	9.78	9.26	9.46
Return on avg. tangible common equity (non-GAAP) (6)	10.11	12.81	7.80	12.45	(2.10)
Return on avg. tangible common equity-adjusted (non-GAAP) (7)	15.57	14.54	13.52	12.91	13.48
<b>Efficiency Measures</b>					
Total noninterest expenses	\$ 16,566	\$ 18,641	\$ 25,303	\$ 18,249	\$ 15,252
Increase in valuation allowance, loans held-for-sale	(267)	(3,000)	(9,725)	(2,600)	-
Foreclosed property expense	(32)	(46)	(71)	(100)	(81)
Operating noninterest expense	\$ 16,267	\$ 15,595	\$ 15,507	\$ 15,549	\$ 15,171
Net interest income (tax equivalent basis)	\$ 40,744	\$ 37,929	\$ 35,839	\$ 33,956	\$ 34,120
Noninterest income	2,024	1,756	1,422	3,002	1,573
Net gains on sales of investment securities	-	-	-	(1,596)	-
Operating revenue	\$ 42,768	\$ 39,685	\$ 37,261	\$ 35,362	\$ 35,693
Operating efficiency ratio (non-GAAP) (8)	38.0 %	39.3 %	41.6 %	44.0 %	42.5 %

# Appendix

## Reconciliation of GAAP and non-GAAP measures (cont.)

	As of				
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016
<b>Capital Ratios and Book Value per Share</b>					
(dollars in thousands, except for per share data)					
Common equity	\$ 565,437	\$ 557,691	\$ 546,173	\$ 540,277	\$ 531,032
Less: intangible assets	(148,273)	(148,442)	(148,611)	(148,804)	(148,997)
Tangible common equity	<u>\$ 417,164</u>	<u>\$ 409,249</u>	<u>\$ 397,562</u>	<u>\$ 391,473</u>	<u>\$ 382,035</u>
Total assets	\$ 5,108,442	\$ 4,844,755	\$ 4,681,280	\$ 4,460,816	\$ 4,426,348
Less: intangible assets	(148,273)	(148,442)	(148,611)	(148,804)	(148,997)
Tangible assets	<u>\$ 4,960,169</u>	<u>\$ 4,696,313</u>	<u>\$ 4,532,669</u>	<u>\$ 4,312,012</u>	<u>\$ 4,277,351</u>
Common shares outstanding	32,071,860	32,015,317	32,015,317	32,004,471	31,944,403
Common equity ratio (GAAP)	11.07 %	11.51 %	11.67 %	12.11 %	12.00 %
Tangible common equity ratio (non-GAAP) (9)	8.41	8.71	8.77	9.08	8.93
Regulatory capital ratios (Bancorp):					
Leverage ratio	8.92 %	9.13 %	9.33 %	9.44 %	9.29 %
Common equity tier 1 risk-based ratio	9.15	9.40	9.48	9.79	9.74
Risk-based tier 1 capital ratio	9.26	9.52	9.60	9.92	9.87
Risk-based total capital ratio	11.04	11.34	11.46	11.83	11.78
Regulatory capital ratios (Bank):					
Leverage ratio	9.84 %	10.11 %	10.34 %	10.50 %	10.34 %
Common equity tier 1 risk-based ratio	10.21	10.54	10.64	11.03	10.98
Risk-based tier 1 capital ratio	10.21	10.54	10.64	11.03	10.98
Risk-based total capital ratio	10.90	11.22	11.32	11.70	11.63
Book value per share (GAAP)	\$ 17.63	\$ 17.42	\$ 17.06	\$ 16.88	\$ 16.62
Tangible book value per share (non-GAAP) (10)	13.01	12.78	12.42	12.23	11.96

# Appendix

## Reconciliation of GAAP and non-GAAP measures (cont.)

	As of				
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016
	(dollars in thousands)				
<b>Asset Quality</b>					
Nonaccrual taxi medallion loans	\$ 46,765	\$ 47,430	\$ 48,884	\$ 59,054	\$ 63,044
Nonaccrual loans (excluding taxi medallion loans)	18,848	13,755	14,055	12,790	5,734
Other real estate owned	538	-	580	580	626
Total nonperforming assets	<u>\$ 66,151</u>	<u>\$ 61,185</u>	<u>\$ 63,519</u>	<u>\$ 72,424</u>	<u>\$ 69,404</u>
Performing troubled debt restructurings	\$ 14,920	\$ 12,749	\$ 10,221	\$ 10,005	\$ 13,338
Allowance for loan losses ("ALLL")	\$ 31,748	\$ 29,870	\$ 28,401	\$ 26,901	\$ 25,744
Nonaccrual loans (excluding taxi medallion loans) as a % of loans receivable (excluding taxi medallion loans)	0.46 %	0.35 %	0.37 %	0.36 %	0.16 %
Nonaccrual loans as a % of loans receivable	1.57	1.57	1.67	2.01	1.98
Nonperforming assets as a % of total assets	1.29	1.26	1.36	1.62	1.57
Nonperforming assets (excluding taxi medallion loans) as a % of total assets	0.38	0.28	0.31	0.30	0.14
ALLL as a % of loans receivable	0.76	0.77	0.76	0.75	0.74
ALLL as a % of nonaccrual loans	48.4	48.8	45.1	37.4	37.4
ALLL (excluding taxi medallion loans specific reserves) as a % of nonaccrual loans (excluding taxi medallion loans)	168.4	217.2	202.1	210.3	449.0
Loans receivable	\$ 4,171,456	\$ 3,889,289	\$ 3,761,572	\$ 3,571,663	\$ 3,475,832
Less: taxi medallion loans	(46,765)	-	-	-	-
Loans receivable (excluding taxi medallion loans)	<u>\$ 4,124,691</u>	<u>\$ 3,889,289</u>	<u>\$ 3,761,572</u>	<u>\$ 3,571,663</u>	<u>\$ 3,475,832</u>
Loans held-for-sale, taxi medallion loans	\$ -	\$ 47,430	\$ 50,891	\$ 61,319	\$ 65,596

# Appendix

## Reconciliation of GAAP and non-GAAP measures (cont.)

- (1) Adjusted net income available to common stockholders divided by weighted average diluted shares outstanding.
- (2) Adjusted net income available to common stockholders divided by average assets.
- (3) Net income available to common stockholders excluding amortization of intangible assets divided by average tangible assets.
- (4) Adjusted net income available to common stockholders excluding amortization of intangible assets divided by average tangible assets.
- (5) Adjusted net income available to common stockholders divided by average common equity.
- (6) Net income available to common stockholders excluding amortization of intangibles assets divided by average tangible common equity.
- (7) Adjusted net income available to common stockholders divided by average tangible common equity.
- (8) Operating noninterest expense divided by operating revenue.
- (9) Tangible common equity divided by tangible assets.
- (10) Tangible common equity divided by common shares outstanding at period-end.