

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): September 6, 2017



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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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 8.01

Other Events.

Exhibit 99.1: Presentation, September 2017, Raymond James U.S. Bank Conference Investor Conference

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, September 2017, Raymond James U.S. Bank Conference

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: September 6, 2017

By: /s/ William S. Burns

WILLIAM S. BURNS

Executive Vice President and
Chief Financial Officer



ConnectOneBank

a better place to be

**Raymond James
U.S. Bank Conference**

**September 2017
Chicago, IL**

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



\$4.7 Billion in Total Assets

\$3.8 billion in total loans*
\$3.4 billion in total deposits



NASDAQ: CNOB

- Market capitalization ~ \$750 million
- Current quarterly dividend \$0.075 / common share; approximately 1.2% yield



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"

*Total loans includes loans held-for-sale



JANUARY 2005

Founded as North Jersey Community Bank by Frank Sorrentino III, local businesses and civic leaders



OCTOBER 2009

Reached \$500 million in assets



FEBRUARY 2013

Rebranded to ConnectOne Bank



MARCH 2014

Opened Newark branch, the bank's first no-teller branch



JUNE 2015

Opened first New York City location



JANUARY 2016

Reached \$4 billion in assets



DECEMBER 2016

Successful capital raise
Common stock offering of \$40 Million



OCTOBER 2006

Achieved first profitable month



FEBRUARY 2013

Completed successful IPO

- First bank to go public since 2010
- First IPO by NJ based commercial bank in 10 years



JUNE 2013

Reached \$1 billion in assets



JULY 2014

Merged with Union Center National Bank; assets \$3.1 billion
- Deal closed on July 1st six months after deal announcement



JULY 2015

Launched ConnectOne University, an internal employee development & training program



JUNE 2016

Launched New Retail Concept in Union, NJ



JULY 2017

Announced partnership with Zelle

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 into New York Market

- Represents approximately 20% of our balance sheet
- 50% of growth in the 2nd quarter of 2017 driven by New York City business
- Demand for personalized client service amongst small to mid-size business owners
- More than 2 million small businesses in New York

Efficient Banking Model

Leveraging Technology



42%
Operating Efficiency Ratio¹⁾
Peer Median*: 65%

\$16.4 MM
Assets Per Employee
Peer Median*: \$6.2MM

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.

¹⁾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 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
- Platform will launch with 84+ million users
- Banks in Zelle network processed \$55 billion in P2P payments in 2016



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

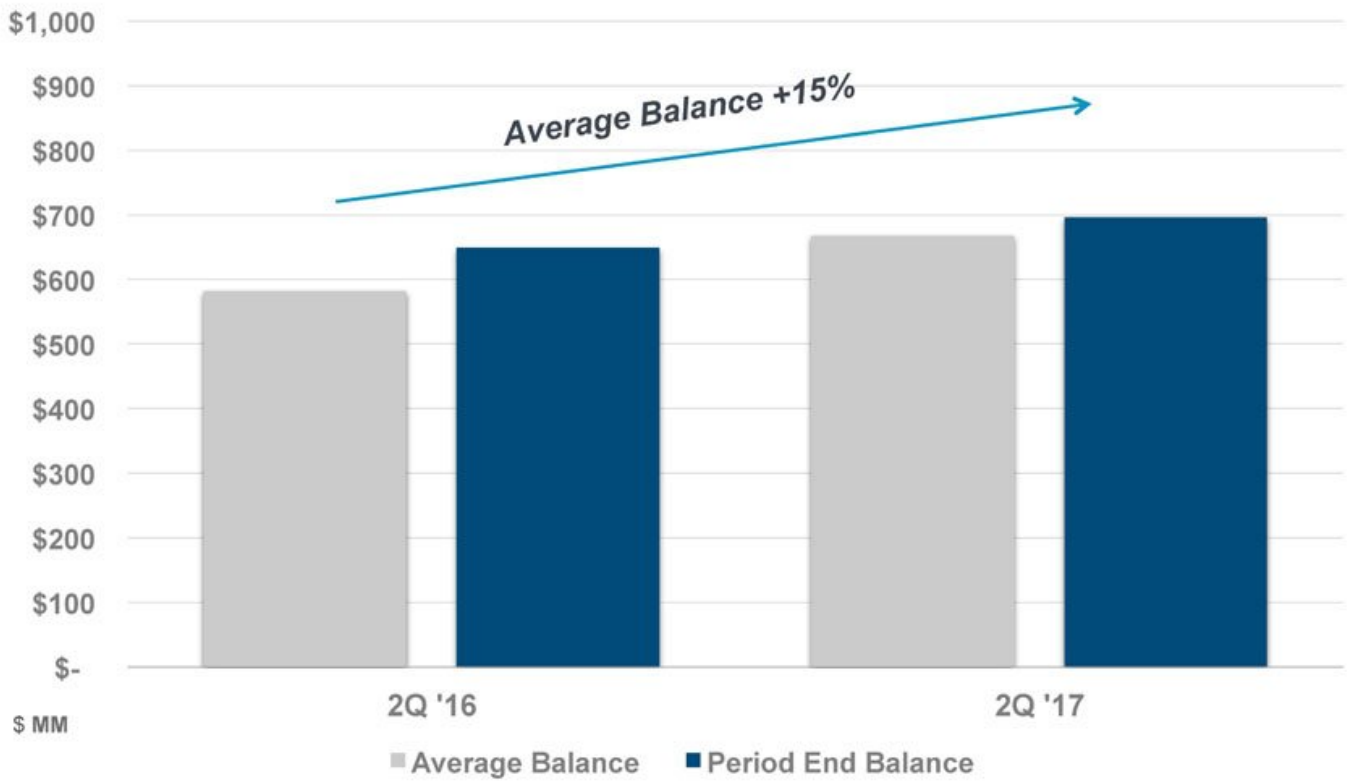
Building a Cash Management Enterprise

- Hiring seasoned specialists
- State of the art technology based products & services
- Focusing on niche markets

Technology

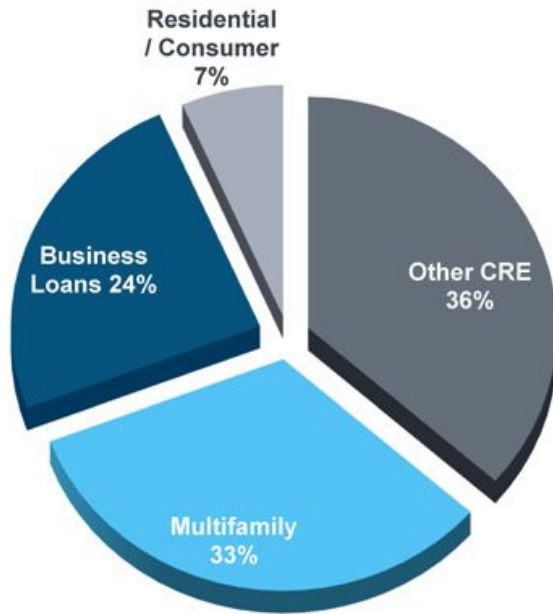
- Utilizing new technology and online tools as an avenue for deposit generation

Noninterest-bearing Deposit Trend



Diversified Loan Portfolio

As of 6/30/17 - \$3.8 Billion*



Type	Balance	%
CRE - Retail	\$ 309	8%
CRE - Office	161	4%
CRE - Other / Misc	133	4%
CRE - Warehouse / Industrial	126	3%
CRE - Land Loan for Future Development	116	3%
CRE - Mixed Use	71	2%
CRE - Land Loan (Land Only - No Construction)	26	<1%
Total CRE - Non-Owner Occupied	942	25%
Construction - 1 to 4 Family (For Sale / Rental)	133	3%
Construction - 25 to 64 Units	76	2%
Construction - Retail	62	2%
Construction - 100 or More Units	60	2%
Construction - 10 to 24 Units	46	1%
Construction - 64 to 99 Units	36	<1%
Construction - Mixed Use	14	<1%
Construction - 5 to 9 Units	11	<1%
Construction - Office	8	<1%
Construction - Warehouse / Industrial	4	<1%
Construction - 1 to 4 Family (Personal Use)	3	<1%
Total Construction	453	12%
Total CRE - Other	\$ 1,395	36%

Multifamily - 25 to 64 units	\$ 433	11%
Multifamily - 10 to 24 unit	386	10%
Multifamily - 100 units or more	188	5%
Multifamily - 64 units to 99 units	146	4%
Multifamily - 5 to 9 units	100	3%
Total Multifamily	\$ 1,253	33%

Type	Balance	%
OOO - Retail	\$ 83	2%
OOO - Warehouse / Industrial	77	2%
OOO - Office / Warehouse or Mixed Use	68	2%
OOO - Office	65	2%
OOO - Other	37	<1%
Total CRE- Owner Occupied	330	9%
C&I - Service	190	5%
Commercial - Schools	131	3%
C&I - Contactors	78	2%
C&I - Transportation	64	2%
C&I - Residential 1 to 4 Family	58	2%
C&I - Distribution	35	<1%
C&I - Other	23	<1%
C&I - Manufacturing	5	<1%
Total C&I	594	16%
Total Business Loans	\$ 914	24%

Residential - 1st Lien	\$ 202	5%
Home Equity - 2nd Lien (LOC)	45	1%
Home Equity - 1st Lien (Fixed)	3	<1%
Home Equity - 2nd Lien (Fixed)	2	<1%
Consumer - Personal (Unsecured)	1	<1%
Total Residential & Consumer	\$ 253	7%

*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 10+ lending officers
- Leveraging our market footprint
- Developing experts within market niches – Independent Schools Division

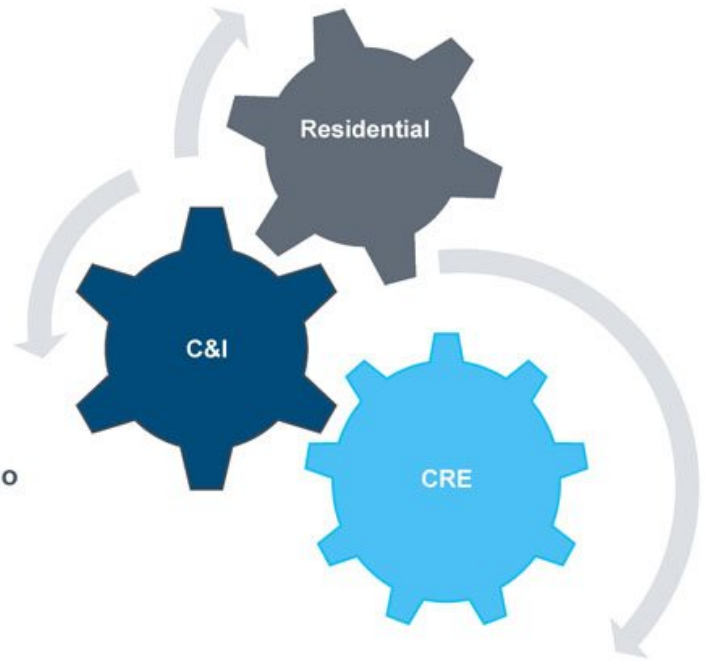
04

Building our Residential Mortgage Portfolio

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

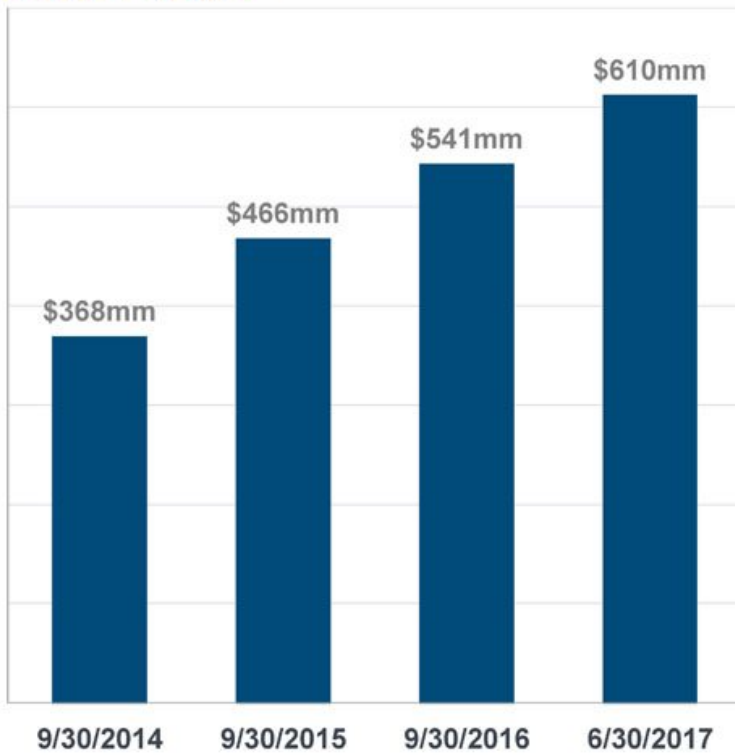
05

Small Business Lending Platform



C&I

C&I Loan Portfolio*



*Balances do not include taxi medallion loans

20+

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, 2nd lien positions, leasing or anything “sub-prime”

Lending within geographic footprint

- NYC metro region economically strong and diverse

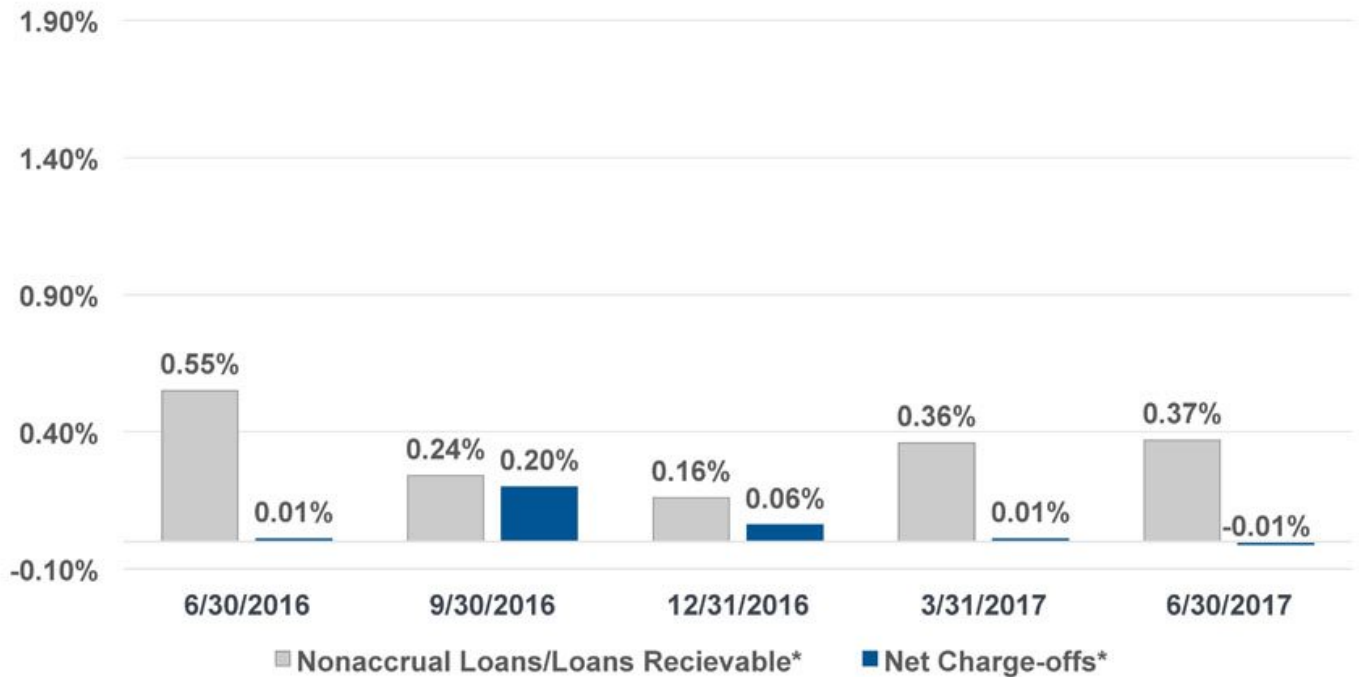
Multifaceted stress testing

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

Continued focus on loan monitoring

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

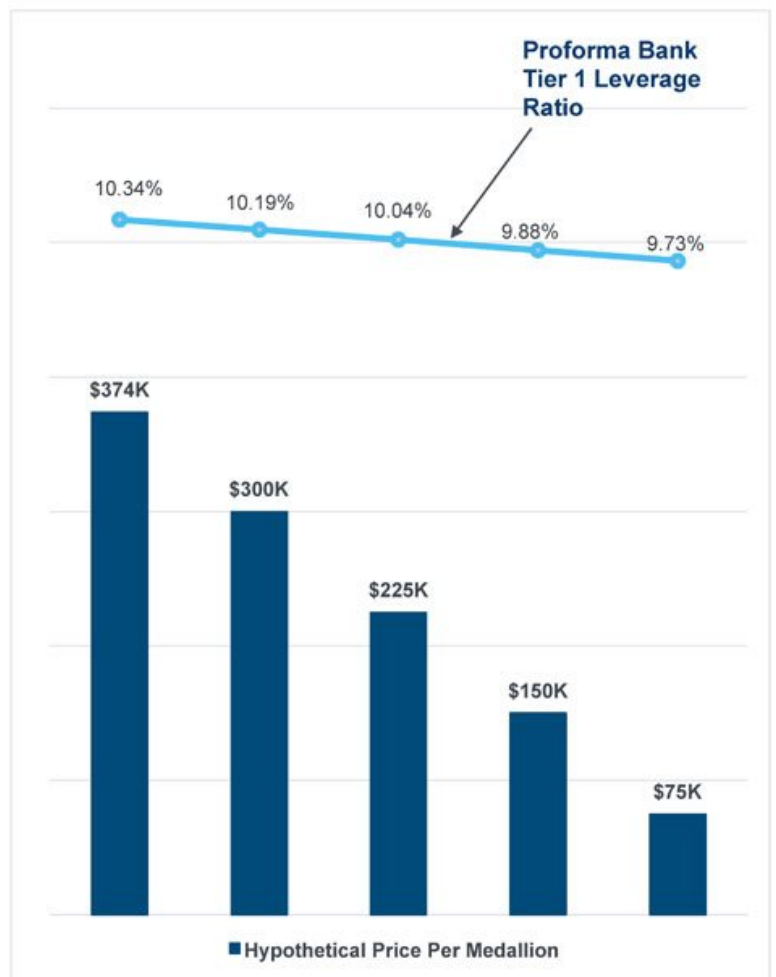
Commitment to Strong Credit Quality (continued)



*Non-GAAP measure which excludes taxi medallion loans. See appendix for a reconciliation of GAAP and non-GAAP measures.

Taxi Medallion Portfolio

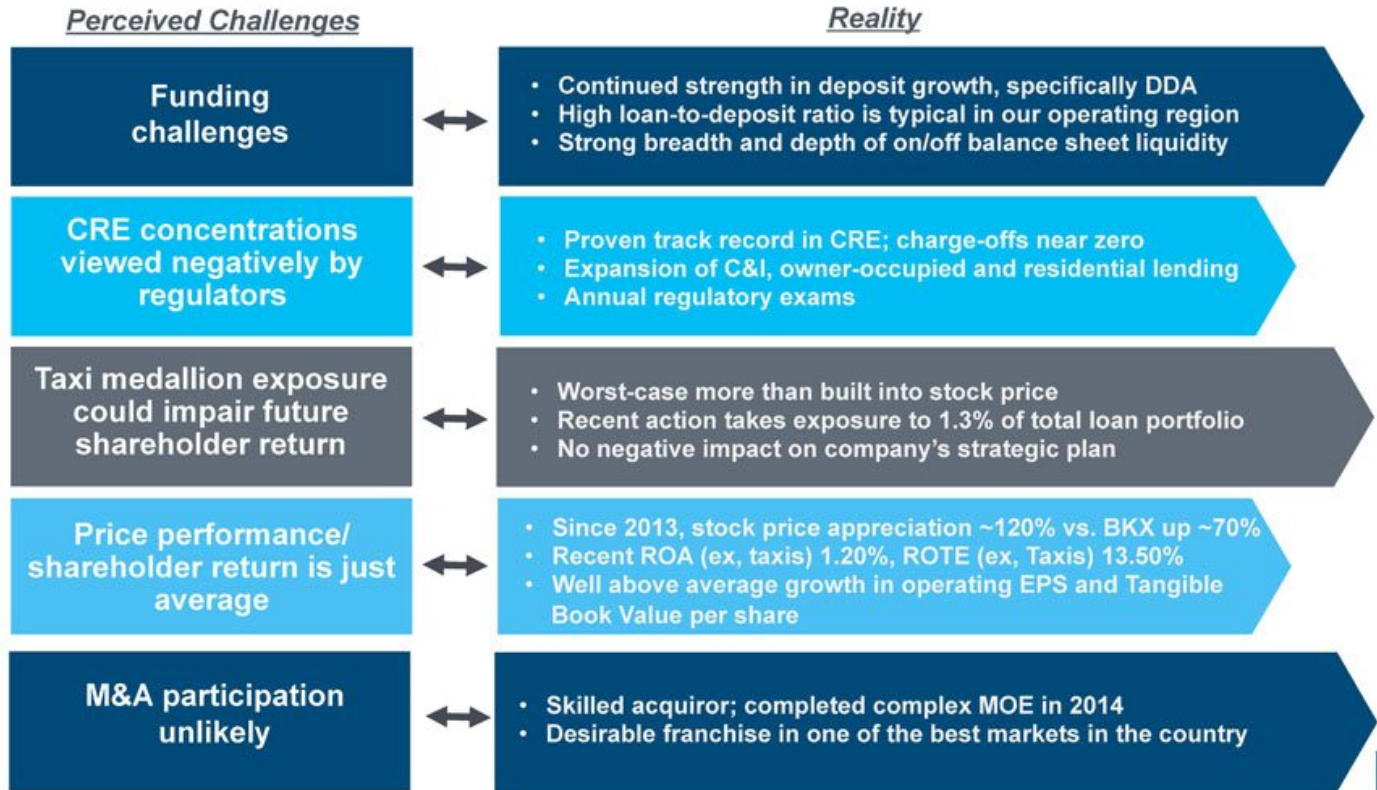
- \$50.9 million at June 30, 2017, net of valuation allowance, or approximately \$374,000 per medallion
- We have reduced our exposure to 1.3% of total loans and 11.3% of Bank's Tier 1 capital, thus virtually no impact on our pursuit of strategic plans and goals
- Recent cash flow approximates an annualized 6% of carrying balance and is being applied to principal, thereby reducing exposure even further
- While our preference is to liquidate the entire portfolio we are not required to and would not liquidate the asset at poor valuation
- At this portfolio's current level, regardless of final resolution, we foresee no negative impact on our strategic plans



*Assumes a 35% tax rate

A Compelling Investment Opportunity

CNOB trades at an approximately 18% discount (\$5 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

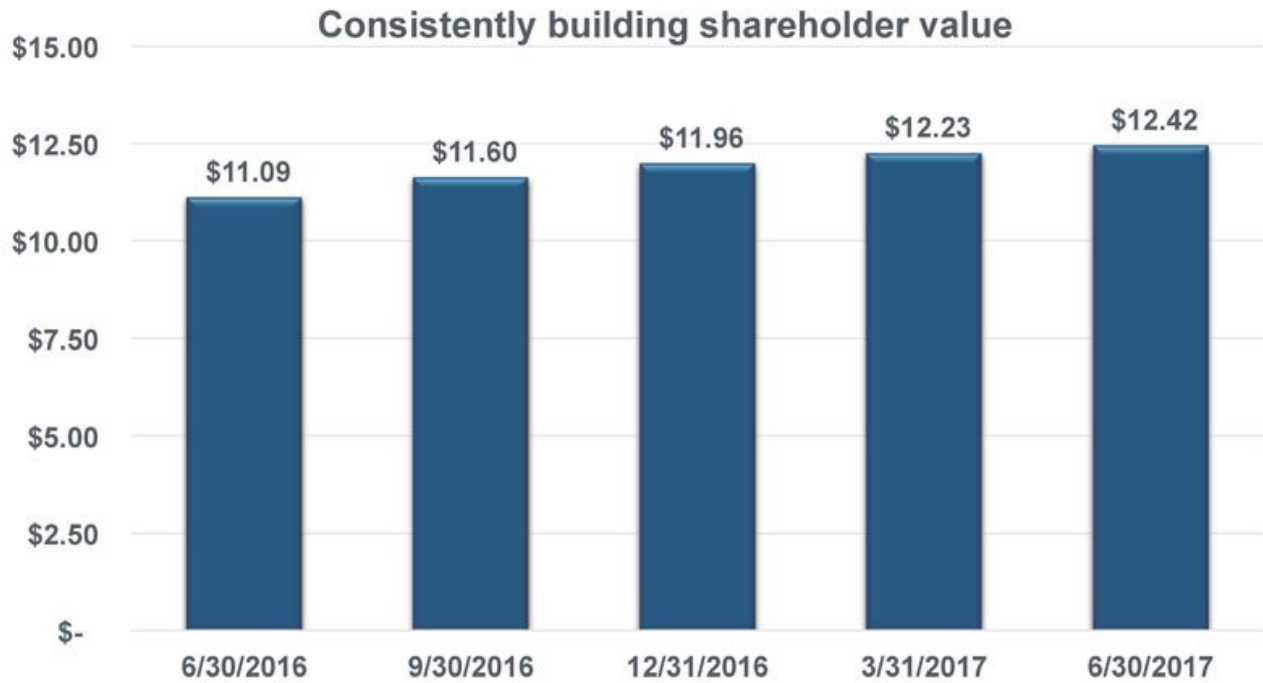
Adjusted Diluted EPS*



*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

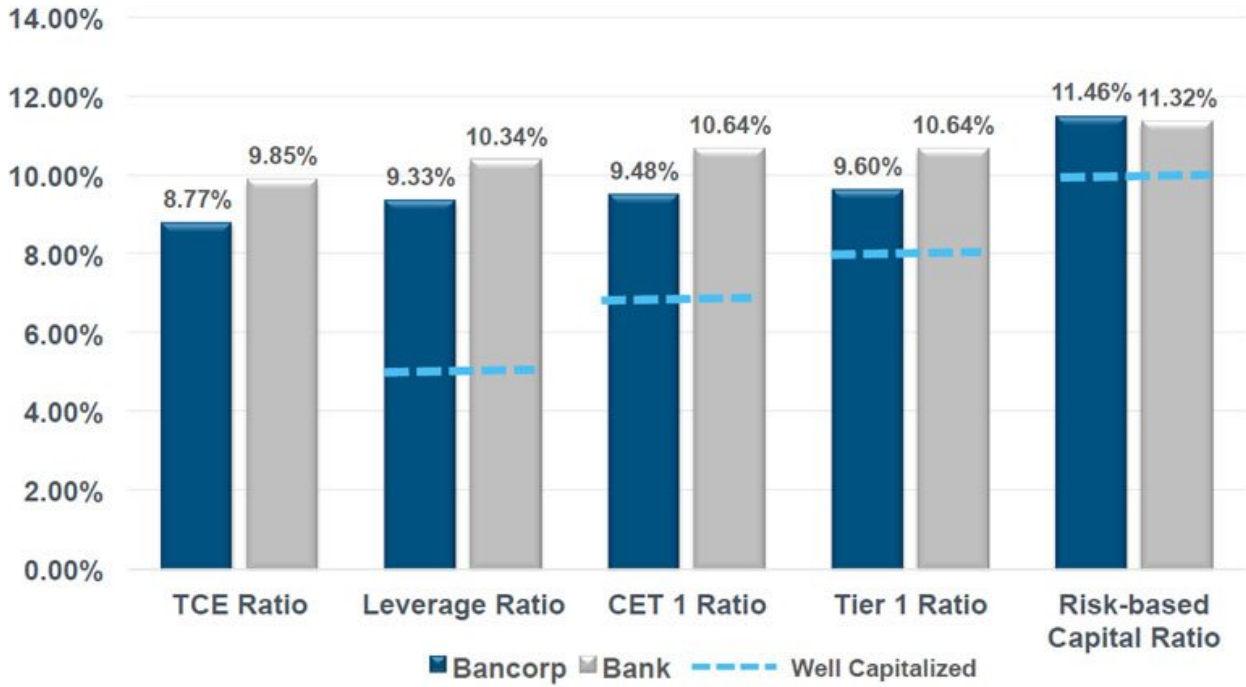


*Non-GAAP measure which excludes securities gains and charges related to the Bank's taxi medallion portfolio. See appendix for a reconciliation of GAAP and non-GAAP measures.

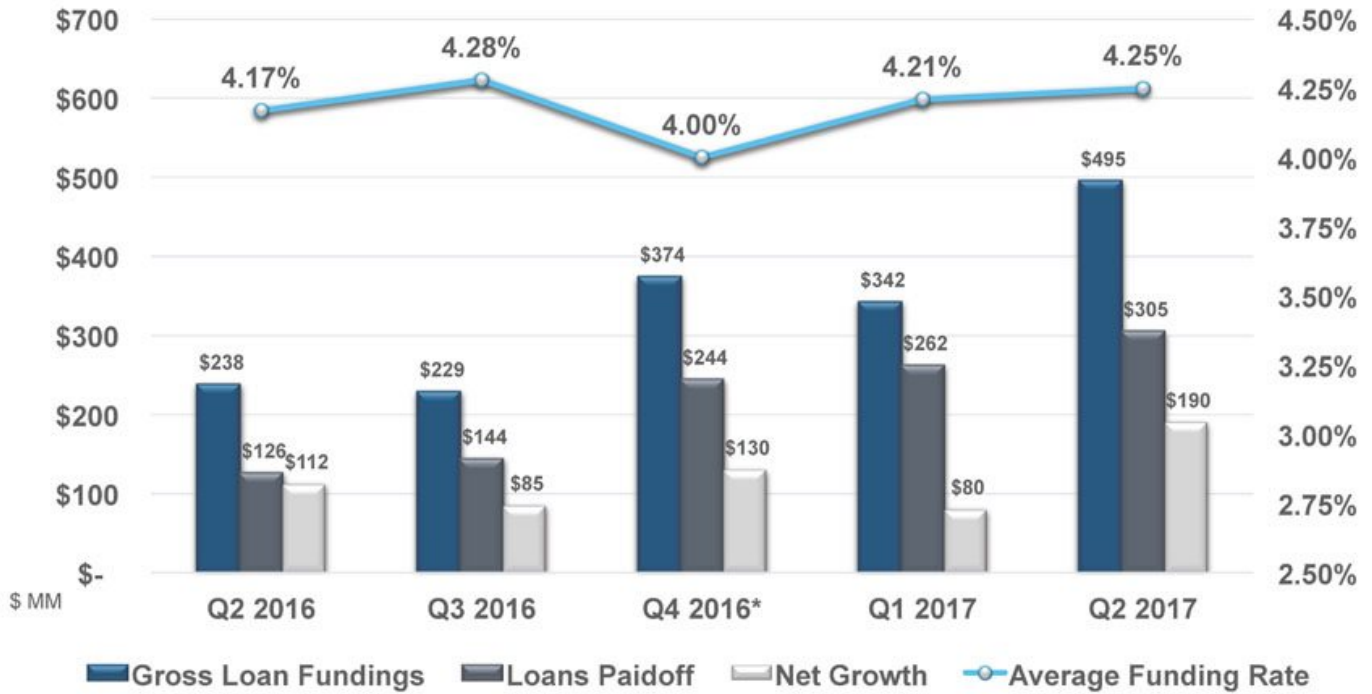
1) Peer group includes banks and thrifts between \$1.0B and \$7.5B in assets located in Northeast and Mid-Atlantic regions. Median reflects the most recent 5 quarters of reported results. Data sourced from SNL Financial.

Capital Strength

At June 30, 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

	As of				
	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
<i>(dollars in thousands, except share data)</i>					
Reconciliation of GAAP Earnings to Earnings excluding Net Securities					
Gains and Expenses Related to the Taxi Medallion Portfolio					
Net income (loss) available to common stockholders	\$ 7,683	\$ 11,880	\$ (2,024)	\$ 11,856	\$ 10,859
Net gains on sales of securities (after taxes)	-	(1,093)	-	(2,643)	(66)
Provision related to taxi medallion loans (after taxes)	-	-	14,196	2,958	1,035
Increase in valuation allowance, loans held-for-sale (after taxes)	5,719	1,538	-	-	-
Net income available to common stockholders-adjusted	\$ 13,402	\$ 12,325	\$ 12,172	\$ 12,171	\$ 11,828
Weighted average diluted shares outstanding	32,255,770	32,192,643	30,729,359	30,401,684	30,340,376
Diluted EPS (GAAP)	\$ 0.24	\$ 0.37	\$ (0.07)	\$ 0.39	\$ 0.36
Diluted EPS-adjusted (Non-GAAP) ⁽¹⁾	0.42	0.38	0.40	0.40	0.39

Appendix

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

	As of				
	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
(dollars in thousands, except share data)					
<u>Return on Assets Measures</u>					
Net income available to common stockholders-adjusted	\$ 13,402	\$ 12,325	\$ 12,172	\$ 12,171	\$ 11,828
Average assets	\$ 4,495,573	\$ 4,382,314	\$ 4,349,961	\$ 4,344,796	\$ 4,212,307
Less: average intangible assets	(148,737)	(148,930)	(149,123)	(149,317)	(149,525)
Average tangible assets	<u>\$ 4,346,836</u>	<u>\$ 4,233,384</u>	<u>\$ 4,200,838</u>	<u>\$ 4,195,479</u>	<u>\$ 4,062,782</u>
Return on avg. assets (GAAP)	0.69%	1.10%	-0.19%	1.09%	1.04%
Return on avg. assets-adjusted (non-GAAP) ⁽²⁾	1.20%	1.14%	1.11%	1.11%	1.13%
Return on avg. tangible assets (non-GAAP) ⁽³⁾	0.72%	1.15%	-0.18%	1.14%	1.09%
Return on avg. tangible assets-adjusted (non-GAAP) ⁽⁴⁾	1.25%	1.19%	1.16%	1.16%	1.18%
<u>Return on Equity Measures</u>					
Net income available to common stockholders-adjusted	\$ 13,402	\$ 12,325	\$ 12,172	\$ 12,171	\$ 11,828
Average common equity	\$ 549,748	\$ 539,544	\$ 511,663	\$ 495,141	\$ 483,519
Less: average intangible assets	(148,737)	(148,930)	(149,123)	(149,317)	(149,525)
Average tangible common equity	<u>\$ 401,011</u>	<u>\$ 390,614</u>	<u>\$ 362,540</u>	<u>\$ 345,824</u>	<u>\$ 333,994</u>
Return on avg. common equity (GAAP)	5.61%	8.93%	-1.57%	9.53%	9.03%
Return on avg. common equity-adjusted (non-GAAP) ⁽⁵⁾	9.78%	9.26%	9.46%	9.78%	9.84%
Return on avg. tangible common equity (non-GAAP) ⁽⁶⁾	7.80%	12.45%	-2.10%	13.77%	13.23%
Return on avg. tangible common equity-adjusted (non-GAAP) ⁽⁷⁾	13.52%	12.91%	13.48%	14.13%	14.24%

Appendix

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

(dollars in thousands, except share data)	As of				
	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Efficiency Measures					
Total noninterest expenses	\$ 25,303	\$ 18,249	\$ 15,252	\$ 14,551	\$ 14,352
Increase in valuation allowance, loans held-for-sale	(9,725)	(2,600)	-	-	-
Foreclosed property expense	(71)	(100)	(81)	(37)	10
Operating noninterest expense	<u>\$ 15,507</u>	<u>\$ 15,549</u>	<u>\$ 15,171</u>	<u>\$ 14,514</u>	<u>\$ 14,362</u>
Net interest income (tax equivalent basis)	\$ 35,839	\$ 33,956	\$ 34,120	\$ 33,762	\$ 33,112
Noninterest income	1,422	3,002	1,573	5,576	1,570
Net gains on sales of investment securities	-	(1,596)	-	(4,131)	(103)
Operating revenue	<u>\$ 37,261</u>	<u>\$ 35,362</u>	<u>\$ 35,693</u>	<u>\$ 35,207</u>	<u>\$ 34,579</u>
Operating efficiency ratio (non-GAAP) ⁽⁸⁾	41.6%	44.0%	42.5%	41.2%	41.5%
Net Interest Margin					
Average interest-earning assets	<u>\$ 4,168,344</u>	<u>\$ 4,053,324</u>	<u>\$ 4,038,030</u>	<u>\$ 4,041,020</u>	<u>\$ 3,912,802</u>
Net interest income (tax equivalent basis)	\$ 35,839	\$ 33,956	\$ 34,120	\$ 33,762	\$ 33,112
Impact of purchase accounting fair value marks	(316)	(649)	(960)	(1,045)	(1,245)
Adjusted net interest income	<u>\$ 35,523</u>	<u>\$ 33,307</u>	<u>\$ 33,160</u>	<u>\$ 32,717</u>	<u>\$ 31,867</u>
Net interest margin (GAAP)	3.45%	3.40%	3.36%	3.32%	3.40%
Adjusted net interest margin (non-GAAP) ⁽⁹⁾	3.42%	3.33%	3.27%	3.22%	3.28%

Appendix

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

	As of				
	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
(dollars in thousands, except share data)					
<u>Capital Ratios and Book Value per Share</u>					
Common equity	\$ 546,173	\$ 540,277	\$ 531,032	\$ 499,588	\$ 484,414
Less: intangible assets	(148,611)	(148,804)	(148,997)	(149,190)	(149,383)
Tangible common equity	<u>\$ 397,562</u>	<u>\$ 391,473</u>	<u>\$ 382,035</u>	<u>\$ 350,398</u>	<u>\$ 335,031</u>
Total assets	\$ 4,681,280	\$ 4,460,816	\$ 4,426,348	\$ 4,327,804	\$ 4,262,914
Less: intangible assets	(148,611)	(148,804)	(148,997)	(149,190)	(149,383)
Tangible assets	<u>\$ 4,532,669</u>	<u>\$ 4,312,012</u>	<u>\$ 4,277,351</u>	<u>\$ 4,178,614</u>	<u>\$ 4,113,531</u>
Common shares outstanding	32,015,317	32,004,471	31,944,403	30,197,318	30,197,318
Common equity ratio (GAAP)	11.67%	12.11%	12.00%	11.54%	11.36%
Tangible common equity ratio (non-GAAP) ⁽¹⁰⁾	8.77%	9.08%	8.93%	8.39%	8.14%
Book value per share (GAAP)	\$ 17.06	\$ 16.88	\$ 16.62	\$ 16.54	\$ 16.04
Tangible book value per share (non-GAAP) ⁽¹¹⁾	12.42	12.23	11.96	11.60	11.09

Appendix

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

	Three Months Ended				
	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
<u>NCO Detail</u>					
Net loan charge-offs:					
Charge-offs	\$ 10	\$ 72	\$ 37,074	\$ 1,910	\$ 77
Recoveries	(60)	(129)	(2)	(12)	(16)
Net loan charge-offs	\$ (50)	\$ (57)	\$ 37,072	\$ 1,898	\$ 61
as a % of average total loans (annualized)	-0.01%	-0.01%	4.23%	0.22%	0.01%
Net loan charge-offs (excluding taxis):					
Charge-offs (excluding taxis)	\$ 10	\$ 71	\$ 540	\$ 1,694	\$ 77
Recoveries (excluding taxis)	(60)	(5)	(2)	(12)	(16)
Net loan charge-offs (excluding taxis)	\$ (50)	\$ 66	\$ 538	\$ 1,682	\$ 61
as a % of average total loans (annualized)	-0.01%	0.01%	0.06%	0.20%	0.01%
Nonaccrual loans (excluding taxis)	14,055	12,790	5,734	7,856	18,029
Nonaccrual loans (excluding taxis) as a % of loans receivable	0.37%	0.36%	0.16%	0.24%	0.55%
Loans receivable (excluding taxis)	\$ 3,761,572	\$ 3,571,663	\$ 3,475,832	\$ 3,342,525	\$ 3,272,502

Appendix

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

- ⁽¹⁾ Represents adjusted earnings available to common stockholders divided by weighted average diluted shares outstanding.
- ⁽²⁾ Adjusted net income divided by average assets.
- ⁽³⁾ Net income excluding amortization of intangible assets divided by average tangible assets.
- ⁽⁴⁾ Adjusted net income excluding amortization of intangible assets divided by average tangible assets.
- ⁽⁵⁾ Adjusted earnings available to common stockholders divided by average common equity.
- ⁽⁶⁾ Earnings available to common stockholders excluding amortization of intangibles assets divided by average tangible common equity.
- ⁽⁷⁾ Adjusted earnings available to common stockholders divided by average tangible common equity.
- ⁽⁸⁾ Operating noninterest expense divided by operating revenue.
- ⁽⁹⁾ Adjusted net interest income excluding amortization of intangibles assets divided by average interest-earning assets.
- ⁽¹⁰⁾ Tangible common equity divided by tangible assets.
- ⁽¹¹⁾ Tangible common equity divided by common shares outstanding at period-end.