

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 10, 2020



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))

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	CNOB	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 8.01 Other Events**

Filed herewith as Exhibit 99.1 is an investor presentation prepared by the Registrant, which is incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
99.1	Investor Presentation
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

**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: June 10, 2020

By: /s/ William S. Burns

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

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## EXHIBIT INDEX

**Exhibit No.**

**Description**

[99.1](#)

[Investor Presentation](#)

104

Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

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**CNOB**

**Investor Presentation**

**June 2020**

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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 in our Annual Report on Form 10-K for the year ended December 31, 2019, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and our other subsequent filings 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) the adverse impact of the coronavirus pandemic on the economies of the United States and our trade area, our operations and results and those of our customers, (2) the impact of a slowing U.S. economy and increase unemployment on the performance of our loan and lease portfolio, the market value of our investment securities, the availability of sources of funding and demand for our products, (3) the effect of the current interest rate environment or changes in interest rates or in the level or composition of our assets or liabilities on our net interest income, net interest margin and our mortgage originations, mortgage servicing rights and mortgage loans held for sale; (4) changes in general economic and financial market conditions; (5) changes in the regulatory environment; (6) economic conditions generally and in the financial services industry; (7) changes in the economy affecting real estate values; (8) our ability to achieve loan and deposit growth; (9) the completion of our future acquisitions or business combinations and our ability to integrate the acquired business into our business model; (10) projected population and income growth in our targeted market areas; and (11) 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, except as required by law, on which the statement is made or to reflect the occurrence of unanticipated events.

## Terms of Proposed Subordinated Notes Offering

Issuer	■ ConnectOne Bancorp, Inc. (NASDAQ: CNOB)
Security	■ Holding company subordinated debt
Rating	■ BBB- by Kroll Bond Rating Agency
Structure	■ Fixed-to-floating rate (after 5 years based on SOFR)
Issuance Type	■ SEC registered
Term	■ 10 years
Call Date	■ Non-call for 5 years; Callable on any interest payment date at par thereafter
Use of Proceeds	■ General corporate purposes; Anticipated repayment of callable subordinated notes within one year
Joint Book-Running Managers	■ Keefe, Bruyette & Woods, A <i>Stifel Company</i> (billing and delivery)   Goldman Sachs & Co. LLC
Co-Manager	■ Stephens Inc.

# About ConnectOne Bancorp, Inc.

## Overview

- ConnectOne Bancorp, Inc. (NASDAQ: CNOB) is a high performing commercial bank serving the New York & New Jersey metropolitan market
- Headquartered in Englewood Cliffs, New Jersey
- Strong culture with a focus on people first and a sense of urgency in every business decision from top to bottom of the organization
- One of the most efficient banks in the U.S. driven by branch-light model (with fewer than 30 banking offices), use of technology, and operating philosophy
- Competing in market dominated by largest institutions leaving tremendous opportunity for banks catering to middle market businesses

**\$7.3B**

in assets  
March 31, 2020

**\$5.5B**

in deposits  
March 31, 2020

**\$635M**

market  
capitalization<sup>2</sup>

## Robust Core Earnings Profile

- Strong pre-provision net revenue ("PPNR"), low dividend payout ratio (17% 2019), and controlled growth strategy in volatile market conditions will support robust capital generation
- PPNR: Outperform relative to peers<sup>1</sup> (1.83% vs. 1.46% peers in 1Q20)
- Net interest margin: Consistently in-line with peers<sup>1</sup> (+13bps vs. peers in 1Q20) and positioned to strengthen in current rate environment
- Efficiency: Continues to outperform peers<sup>1</sup> with efficiency ratio in low-40%



Source: Company Filings, S&P Global Market Intelligence

<sup>1</sup> Peers include BOGE, BHLB, BMTC, BRKL, CUBI, EBTC, EGBN, FFIC, FJC, INDB, LBAI, OFCF, PSC, PROV, SASR, UVSP, and WASH

<sup>2</sup> As of 27-May-2020.

# Experienced Leadership

## Management Team with Over 20 Years of Experience On Average

**Frank Sorrentino III**  
*Chairman, President  
and CEO*



**Years of Experience**  
Founder of CNOB  
15 Years Industry  
**Prior Experience**

- President of FSS Construction

**Bill Burns**  
*Executive VP and Chief  
Financial Officer*



**Years of Experience**  
8 Years CNOB  
40 Years Industry  
**Prior Experience**

- Dime Savings Bank
- The Bank of New York

**Elizabeth Magennis**  
*Executive VP and Chief  
Lending Officer*



**Years of Experience**  
14 Years CNOB  
20 Years Industry  
**Prior Experience**

- Bergen Commercial Bank
- Sovereign Bank

**Christopher Ewing**  
*Executive VP and Chief  
Operations Officer*



**Years of Experience**  
5 Years CNOB  
35 Years Industry  
**Prior Experience**

- EagleBank
- Virginia Commerce

**Michael McGrover**  
*First Senior VP and  
Chief Credit Officer*



**Years of Experience**  
8 Years CNOB  
35 Years Industry  
**Prior Experience**

- Summit Bank
- PNC Bank

**Laura Criscione**  
*Executive VP and  
Chief Compliance Officer*



**Years of Experience**  
15 Years CNOB  
22 Years Industry  
**Prior Experience**

- Ridgewood Savings Bank
- NorCrown Bank

Source: Company Filings

# COVID-19 Impact Update

## Organization and People

- 90% of our staff are working from home
- Retail offices pivoted to a leaner contactless environment
- Temporarily closed certain branch locations and directing branch clients to drive-thru windows and online banking services
- In the spirit of showing our support for our teams during this crisis, we increased certain employee benefits to help address their needs
- Quickly transitioned and mobilized our team to be an early and active participant in the SBA's Paycheck Protection Program
- Technological capabilities and cloud-based infrastructure facilitated seamless transition to remote working environment
- Began pilot program starting in June for return to work

## Paycheck Protection Program ("PPP")

- ConnectOne was one of the first banks in the nation to close and fund a SBA PPP loan because we recognized the importance of the CARES program to our clients, their employees and our communities
- Through the initial funding round, we have assisted ~2,200 companies and their ~45,600+ workers
  - As of 31-May-2020, secured nearly \$470M in funding, representing ~2,200 loans
- Our FinTech subsidiary, BoeFly has benefitted substantially from PPP
  - BoeFly is an online marketplace matching small business owners with lenders, but does not bear any credit risk
  - BoeFly's client base (both business owners and lenders) have expanded significantly as a result of PPP
  - Well positioned to benefit from small business expansion as the recovery accelerates

Source: Company Information



# Franchise Overview and Investment Highlights

 ConnectOne Bancorp, Inc.

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## Franchise Overview and Investment Highlights

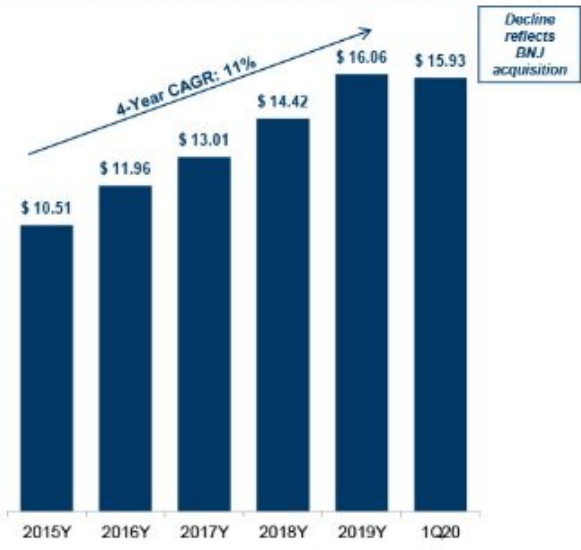
- 1 Robust Profitability and Capital Generation
- 2 Solid Capital Base with Significant Cushion Above Well Capitalized Levels
- 3 Stable Core Net Interest Margin
- 4 Quality Deposit Franchise with Branch-Light Distribution Model
- 5 Best-In-Class Efficiency
- 6 Strong Liquidity Profile
- 7 High Quality Asset Composition and Reserves
- 8 Strong Underwriting Culture
- 9 Diversified and Granular Loan Portfolio

# 1 Robust Profitability and Capital Generation

Pre-Provision Net Revenue<sup>1</sup> / Average Assets



Tangible Book Value per Share Growth



Source: Company Filings, S&P Global Market Intelligence  
 Note: Please refer to Non-GAAP reconciliation in Appendix. 1Q20 represents 31-Mar-2020.  
 1 Excludes merger expenses, nonrecurring items and securities gains.  
 2 Peers include BOGE, BHLB, BMTG, BRKL, CUBI, EBTC, EGBN, FFIC, FJG, INDB, LBAI, OFCF, PGC, PROV, SASR, UVSP, and WASH.

2

## Solid Capital Base with Significant Cushion Above Well Capitalized Levels



Source: Company Filings

Note: Well capitalized minimums not applicable to Holding Company. 1Q20 represents 31-Mar-2020

<sup>1</sup> Assumes offering of \$50M and 0% risk-weighting of proceeds. Illustrative pro forma capital shown prior to any potential redemption of callable subordinated notes outstanding.

### 3 Stable Core Net Interest Margin

Stable Core NIM Well Positioned for Current Rate Environment



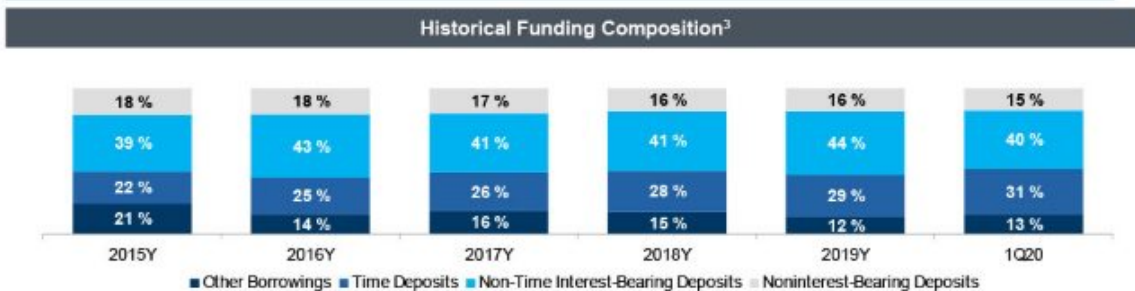
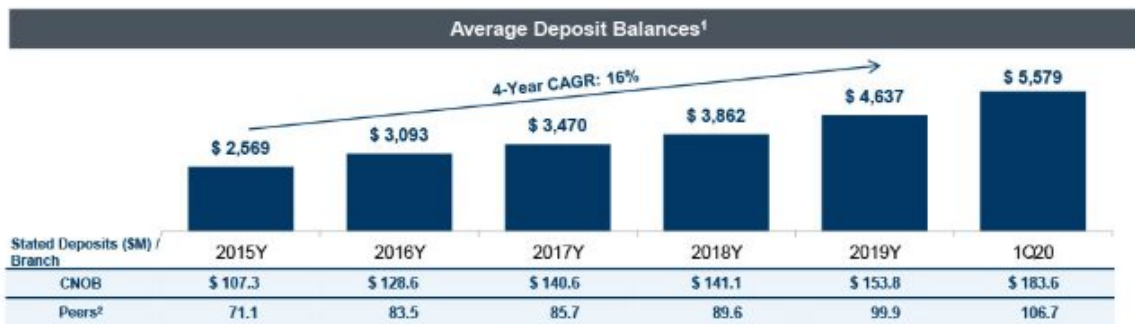
Source: Company Filings, S&P Global Market Intelligence

Note: Please refer to Non-GAAP reconciliation in Appendix. 1Q20 represents 31-Mar-2020.

<sup>1</sup> Peers include BDOJ, BHLB, BMTG, BOKF, CUBI, EBTC, EGBN, FPIC, FJG, INDI, LBAI, OFCF, PGG, PRGM, SASR, UVSP, and WASH.

## 4 Quality Deposit Franchise with Branch-Light Distribution Model

(\$ in millions)



Source: Company Filings, S&P Global Market Intelligence

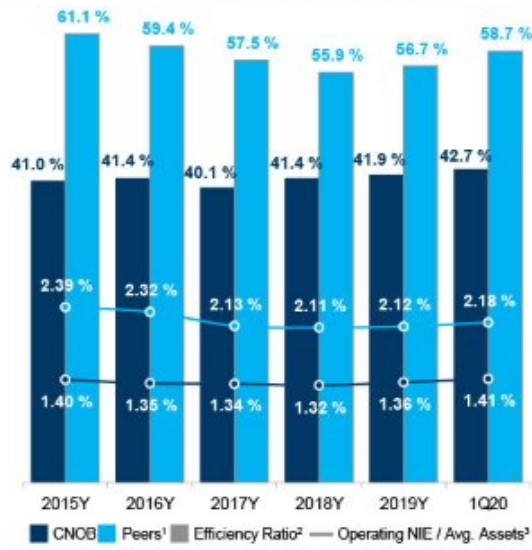
<sup>1</sup> Reflects full year averages for 2015 – 2019. Quarter to date average for 1Q20. 1Q20 represents 31-Mar-2020.

<sup>2</sup> Peers include SDGE, BHLB, BMTG, BRKL, CUBI, EBTC, EGBN, FFC, FUC, INDB, LBA, OFCF, PGC, PROV, SASR, UVSP, and WASH.

<sup>3</sup> Numbers may not sum to 100% due to rounding.

## 5 Best-In-Class Efficiency

Historical Operating Performance



Source: Company Filings, S&P Global Market Intelligence

Note: Please refer to Non-GAAP reconciliation in Appendix. 1Q20 represents 31-Mar-2020.

1 Peers include BDO, BNY, CITI, CUBI, EBTG, EFIN, FIC, FNC, INDI, LBAI, OFCF, PGG, PROV, SASR, UVP, and WASH.

2 CNOB disclosed Operating Efficiency Ratio.

3 1Q20 Operating NIE annualized.

Locations utilize technology to serve as "business hubs" supporting clients beyond geographic footprint



**\$18.2M**  
Assets Per Employee

Reflects structural uniqueness of ConnectOne

Peer<sup>1</sup> Median as of 1Q20: \$9.7M

Investments in digital banking and FinTech solutions allow ConnectOne to scale efficiently

## 6 Strong Liquidity Profile

(\$ in millions)



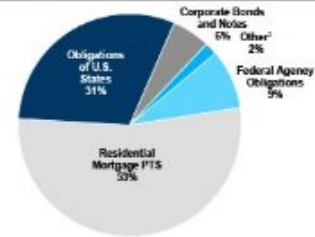
Source: Company Filings

Note: Numbers may not sum to 100% due to rounding. 1Q20 represents 31-Mar-2020

<sup>1</sup> Liquid assets represent cash and due from banks, interest-bearing deposits with banks and unencumbered investment securities.

<sup>2</sup> Other includes Commercial Mortgage Pass-Through Securities, Asset-Backed Securities, Certificate of Deposit, and Other Securities.

### Securities Portfolio as of 31-Mar-2020



Total AFS Securities: \$446.7M

### Cash, Securities and Total Available Credit Build-Up

	Mar. 31, 2020
Cash and Cash Equivalents	\$ 283
Unencumbered Securities	337
<b>Total Cash and Unencumbered Securities</b>	<b>\$ 620</b>
FHLB Capacity	\$ 2,150
FHLB Borrowings, Net	(727)
Letters of Credit	(480)
<b>Remaining FHLB Capacity</b>	<b>\$ 943</b>
Correspondent Bank Capacity	26
FHLB Credit Facility	5
<b>Total Available and Unused Liquidity</b>	<b>\$ 973</b>
<b>Total</b>	<b>\$ 1,593</b>

## 7 High Quality Asset Composition and Reserves

### Additional Detail

#### Current Expected Credit Losses ("CECL")

- Opted to maintain Incurred Loss Method under the CARES Act and stand ready to implement at any point in time
- 1Q20 provision (\$16.0M pre-tax) considers COVID-19 estimated impacts

#### Taxi Medallion Portfolio

- Included in commercial loans are loans secured by New York City taxi medallions
- \$24.6M carrying value as of 31-Mar-2020

### Net Charge-Offs



Source: Company Filings

Note: Please refer to Non-GAAP reconciliation in Appendix. 1Q20 represents 31-Mar-2020.

† Nonaccretable purchase accounting marks included in numerator and denominator.

### Loan Loss Reserves / Loans Receivable



### Nonperforming Assets



## 8 Strong Underwriting Culture

### Comprehensive Underwriting

- Disciplined LTV and DSC standards
- Loan origination process supported by specialized teams of credit analysts
- High-quality direct commercial lending platform with little or no reliance on participants or wholesale purchases
- Prudent growth

### Underwriting Process

- Lending authority for commercial loans is tiered by dollar amount and / or collateral category (e.g., unsecured, cash secured, UCC1 secured, and real estate secured)
- Lending authority is limited to aggregation of debt to single borrower / group of related borrowers



### Multi-Faceted Stress Testing

- Every loan tested during underwriting process
- Quarterly modeling performed in conjunction with ALCO processes
- Semi-annual third-party review conducted on approximately two-thirds of the portfolio
- Current capital position (including PPNR) in excess of \$300M+ available to absorb losses over the duration of the crisis
  - Compares to total cumulative losses since CNOB began business 15 years ago of \$11M (\$81M including tax)

### Continued Focus on Loan Monitoring

- Team of portfolio managers and loan workout specialists

### Proactive Workout Process

- Reflective of philosophy to aggressively address impaired assets in a timely fashion

# 9 Diversified and Granular Loan Portfolio

(\$ in millions)

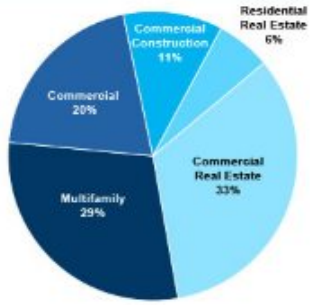
Select Loan Portfolio Details as of 31-Dec-2019				\$M	% of Total	Underwriting Standards
Segment Details						
Construction				\$621	12%	<ul style="list-style-type: none"> <li>Project feasibility</li> <li>Developers background and expertise</li> <li>Strict loan to cost advances</li> <li>Rental fallback</li> <li>Plan and cost review</li> <li>Interest reserve</li> <li>Personal guarantees with reliance on liquidity</li> <li>Bank engineer oversight and inspection</li> </ul>
Non-owner Occupied CRE				\$1,102	21%	<ul style="list-style-type: none"> <li>Principals well known in investment real estate industry with history of low vacancy projects</li> <li>Property well positioned for the rental market</li> <li>Breakeven analysis on interest rate, vacancy and cap rate</li> <li>Personal guarantees with reliance on liquidity</li> </ul>
	Business Loans					
<p>Other (e.g. 1-4 Family and Consumer): \$320 6%</p> <p>Total Loans: \$5,147 100%</p>						

Source: Company Filings, Regulatory Filings, and Company Designations  
 Note: Numbers may not sum to 100% due to rounding.

## 9 Diversified and Granular Loan Portfolio

(\$ in millions)

Loan Composition as of 31-Mar-2020



- Lending within geographic footprint
  - NY / NJ metro market economically strong and diverse
- Average loan size: ~\$1.1M
- No single borrower exposure greater than 1.3% of total loan portfolio
- ~99+% of portfolio through relationship lending

Source: Company Filings

Note: 1Q20 represents 31-Mar-2020

1 Gross loans receivable including held-for-sale

2 GHB closed on 02-Jan-2019 and BNJ closed on 02-Jan-2020.

Historical Loan Balances<sup>1</sup>



Bank Acquired



Loans Acquired at Close <sup>2</sup>	\$ 363	\$ 775
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## 9 Additional Detail on COVID-19 Loan Exposure

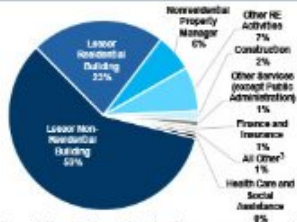
(\$ in millions)

### Potential Exposures

#### Directly Exposed Industries<sup>1</sup>

Industry	Balance	% Total Loans	Deferrals			
			Approved or Booked		Under Review	
			#	\$	#	\$
Hotels	\$ 74	1.2 %	7	\$ 21	2	\$ 20
Retail Trade	74	1.2	4	3	0	0
Restaurants	54	0.9	9	19	3	4
Taxi	28	0.4	0	0	59	21
<b>Total</b>	<b>\$ 228</b>	<b>3.8 %</b>	<b>20</b>	<b>\$ 43</b>	<b>64</b>	<b>\$ 45</b>

#### Indirectly Exposed Property Types: Retail CRE Composition<sup>1</sup>



CRE Retail Excluding Hotels, Rests. and Retail Trade: \$352.8M

Source: Company Information and Company Designations

Note: Balances do not include purchase accounting, premiums, and deferred fees. Numbers may not sum to 100% due to rounding.

<sup>1</sup> Balances as of 31-Mar-2020.

<sup>2</sup> Balances as of 28-May-2020.

<sup>3</sup> All Other includes: Lessors of Real Estate, Other Real Estate Activities, Transportation and Warehousing, and Professional, Scientific, and Technical Services.

### Loan Deferral Activity

#### Deferrals by Loan Type<sup>2</sup>

TYPE	Approved or Booked			Under Review			Total Deferrals		
	#	\$	% of Loans	#	\$	% of Loans	#	\$	% of Loans
Commercial Real Estate	126	\$ 255	4.4 %	145	\$ 301	5.0 %	277	\$ 557	9.4 %
Multifamily	28	75	1.3	40	152	2.2	75	210	3.5
1-4 Family Residential	115	88	1.5	35	34	0.6	154	122	2.0
Construction & Development	2	4	0.1	20	77	1.2	22	81	1.3
Commercial & Industrial	25	5	0.2	117	51	0.9	142	51	1.0
Other	2	0	0.0	9	0	0.0	2	0	0.0
<b>Total</b>	<b>388</b>	<b>\$ 445</b>	<b>7.8 %</b>	<b>388</b>	<b>\$ 556</b>	<b>9.8 %</b>	<b>872</b>	<b>\$ 1,000</b>	<b>17.2 %</b>

#### Commentary

- CNOB did not grant blanket deferrals
- Deferrals are being approved for three months and will be re-evaluated for an additional three month period
- Due to the composition of the portfolio loan categories most focused on are: CRE Retail and Multifamily

## Strategy & Vision

ConnectOne believes it remains well-positioned to execute:

- **Achieving Prudent Growth**
- **Increasing & Expanding Commercial Client Relationships**
- **Enhancing Our Presence in the New York & New Jersey Metro Market**
- **Further Improving Best-in-Class Efficiency**
- **Sustaining Robust Profitability & Strong Capital Foundation**
- **Continuing Branch Rationalization & Transformation Strategy**
- **Ongoing Enhancement to Digital Channels**





# Appendix

# Overview of Results – Q1 2020 Income Statement

(\$ in thousands, except per share data)

Commentary	
<b>Net Interest Income</b>	<ul style="list-style-type: none"> <li>Margin expansion driven by additional purchase accounting accretion</li> <li>Core margin contraction by 6 bps driven primarily by excess liquidity on the balance sheet</li> <li>Eliminated additional negative drag attributable to Bank of New Jersey balance sheet through repositioning</li> </ul>
<b>Noninterest Income</b>	<ul style="list-style-type: none"> <li>Increased noninterest income driven by sale of commercial loans</li> <li>Increased BOLI income and entered into new contracts prior to rate contraction</li> <li>Recognized synergies from Bank of New Jersey and BoeFly</li> </ul>
<b>Noninterest Expense</b>	<ul style="list-style-type: none"> <li>1Q20 reflects -\$1M in cost savings</li> </ul>

Historical Income Statement			
	For the quarters ended		
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2019
Interest Income	\$ 78,714	\$ 88,008	\$ 85,209
Interest Expense	21,433	20,577	20,257
<b>Net Interest Income</b>	<b>55,281</b>	<b>47,431</b>	<b>44,952</b>
Provision for Loan Losses	10,000	500	4,500
Noninterest Income	2,854	2,240	1,738
Noninterest Expense	26,056	22,197	28,062
Income before income tax expense	7,077	20,980	14,128
Income Tax Expense	1,047	8,197	2,493
<b>Net Income</b>	<b>\$ 5,930</b>	<b>\$ 20,783</b>	<b>\$ 11,635</b>
Memo:			
Diluted Earnings per Share	\$ 0.15	\$ 0.50	\$ 0.33
Return on Average Assets	0.34 %	1.35 %	0.80 %
PPNR/ Average Assets <sup>1</sup>	1.8	1.9	1.8
Return on Average Tangible Common Equity	4.1	14.8	0.3
Net Interest Margin	3.41	3.35	3.34
Adjusted Net Interest Margin <sup>2</sup>	3.20	3.28	3.25
Operating Efficiency Ratio <sup>3</sup>	42.7	41.8	42.7

Source: Company Filings

Note: Please refer to Non-GAAP reconciliation in Appendix.

<sup>1</sup> Pre-tax, pre-provision and pre-merger charges

<sup>2</sup> Adjusted net interest margin excludes impact of purchase accounting fair value marks

<sup>3</sup> Operating noninterest expense divided by operating revenue.

# Overview of Results – Q1 2020 Balance Sheet

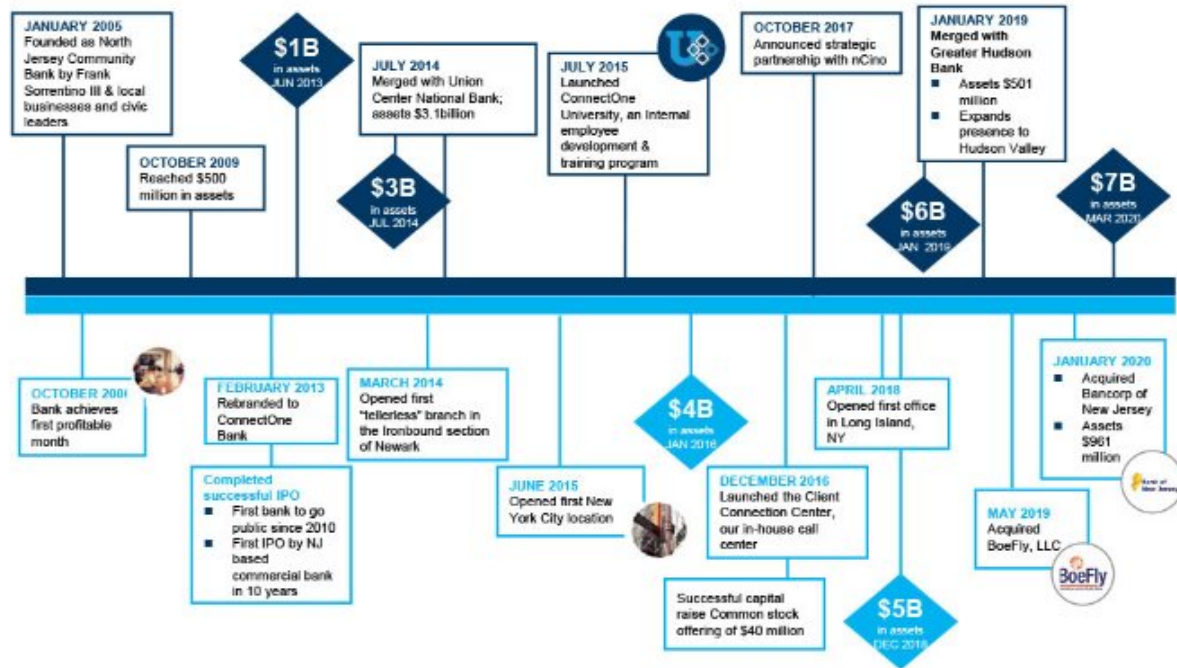
(\$ in thousands, except per share data)

Commentary	
<b>Loans</b>	<ul style="list-style-type: none"> <li>Point-to-point annualized after adjusting for the acquisition was in the high single digits sequentially</li> <li>As of 31-May-2020, CNOB has closed or approved with the SBA approximately 2,200 PPP loans representing \$470M in funding</li> </ul>
<b>Deposits</b>	<ul style="list-style-type: none"> <li>Average deposit growth followed similar trend to loan growth</li> </ul>
<b>Asset Quality</b>	<ul style="list-style-type: none"> <li>Loan loss allowance includes estimated potential impact of COVID-19</li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>Internal stress testing indicates an ability to weather substantial stress over a prolonged period of time</li> <li>2019: Repurchased 540,018 shares at an average price of \$24.89 per share                             <ul style="list-style-type: none"> <li>— 659,982 shares remaining for repurchase under current plan as of 31-Dec-2019</li> </ul> </li> <li>Suspended share repurchase program in mid-March</li> </ul>

Source: Company Filings

Historical Balance Sheet			
	For the periods ended:		
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2019
<b>Assets</b>			
Total Cash and Securities	\$ 742,810	\$ 617,369	\$ 700,661
Gross Loans	8,041,735	5,148,777	4,973,019
Loan Loss Reserve	(54,169)	(38,293)	(38,858)
Goodwill and Core Deposit Intangibles	221,263	188,034	182,747
Other Assets	327,588	280,145	240,417
<b>Total Assets</b>	<b>\$ 7,279,327</b>	<b>\$ 6,174,832</b>	<b>\$ 6,048,976</b>
<b>Liabilities</b>			
Total deposits	\$ 5,508,182	\$ 4,787,542	\$ 4,583,988
Borrowings	720,856	500,293	603,412
Subordinated debentures, net	128,067	128,885	128,838
Other liabilities	60,602	45,122	40,533
<b>Liabilities</b>	<b>\$ 6,425,617</b>	<b>\$ 5,442,842</b>	<b>\$ 5,366,881</b>
<b>Shareholders' Equity</b>			
Total Common Equity	\$ 853,710	\$ 731,190	\$ 682,395
<b>Shareholders' Equity</b>	<b>\$ 853,710</b>	<b>\$ 731,190</b>	<b>\$ 682,395</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 7,279,327</b>	<b>\$ 6,174,832</b>	<b>\$ 6,048,976</b>
<b>Memo:</b>			
Loan Growth QoQ	17.4 %	3.5 %	0.5 %
Loan Growth YoY	21.5	13.3	17.1
Deposit Growth QoQ	15.8	3.8	12.9
Deposit Growth YoY	10.0	10.5	22.5
ALL / Loans Receivable	0.8	0.7	0.7
Tangible Book Value per Share	\$ 15.03	\$ 10.00	\$ 14.00

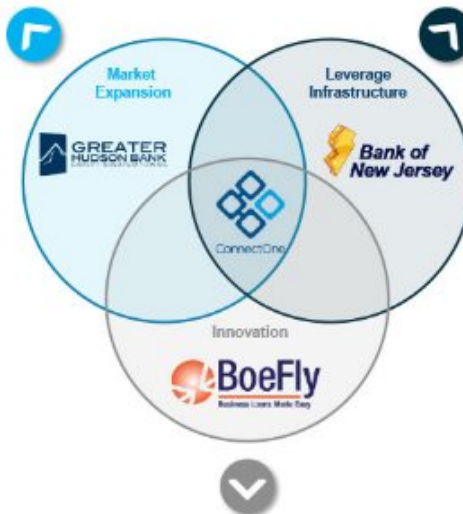
# History of ConnectOne Bancorp, Inc.



Source: Company Filings

# Disciplined Expansion Through M&A with Demonstrated Expertise as a Skilled Acquiror

- Completed transaction on January 2, 2019 and integrated systems less than 30 days after closing
- Value-add transaction; many benefits realized
  - Loan-to-deposit ratio improved
  - CRE concentration reduced
  - Net interest margin widened
  - Upward trajectory of TBV per share continued



- Completed In-Market Acquisition of \$1B commercial Bank on January 2, 2020
- Enhances Scale and Future Growth Opportunities
  - Further leverages CNOB's leading technology infrastructure
  - Higher legal lending limit
  - Provides expanded technology offerings and broader product suite to BKJ clients
- Financially Attractive
  - ~5% accretive to earnings in first year of fully phased in cost savings
  - Tangible book value dilution eamback of ~3.5 years
  - Geographic overlap provides meaningful cost savings
  - IRR over 25%

*BoeFly is a Boston/New York City based Fin Tech company. With dynamic patented technology, BoeFly is an online marketplace matching small business owners with lenders, but does not bear any credit risk*

- BoeFly operates as an independent subsidiary
- ConnectOne is now one of many partners in the BoeFly network of lenders
- Builds fee revenue & allows ConnectOne to jumpstart recently established SBA division
- Established digital loan origination platform

Source: Company Filings

# Historical Interest Coverage & Double Leverage

(\$ in millions)

	For the Years Ended,				For the Quarter Ended,			
	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019	31-Mar-2020	Pro Forma for \$50M Offering <sup>1</sup> 31-Mar-2020		
Equity Investment in Bank Subsidiary	\$ 580	\$ 614	\$ 693	\$ 811	\$ 935	\$ 935		
Consolidated Equity	\$ 531	\$ 595	\$ 614	\$ 731	\$ 854	\$ 854		
<b>Double Leverage Ratio</b>	<b>109%</b>	<b>109%</b>	<b>113%</b>	<b>111%</b>	<b>109%</b>	<b>109%</b>		
<b>Interest Coverage</b>								
<b>Earnings:</b>								
					PPNR <sup>2</sup>	FF.PPNR <sup>2</sup>		
Income From Continuing Operations Before Taxes	\$ 42.9	\$ 60.5	\$ 71.1	\$ 94.0	\$ 7.1	\$ 32.4	\$ 6.4	\$ 31.7
(+) Interest Expense: Debt	12.4	12.0	19.0	10.5	4.2	4.2	4.9	4.9
Earnings (Before Debt Interest)	55.3	81.1	90.1	113.6	11.3	36.6	11.3	36.6
(+) Interest Expense: Deposits	18.7	23.7	39.9	65.8	17.2	17.2	17.2	17.2
Earnings (Before Debt & Deposit Interest)	\$ 74.0	\$ 104.8	\$ 130.1	\$ 179.2	\$ 28.5	\$ 53.8	\$ 28.5	\$ 53.8
<b>Interest Expense:</b>								
Interest Expense, Excluding Interest on Deposits	\$ 12.4	\$ 12.6	\$ 19.0	\$ 19.6	\$ 4.2	\$ 4.2	\$ 4.9	\$ 4.9
Interest on Deposits	18.7	23.7	39.9	65.8	17.2	17.2	17.2	17.2
Total Interest Expense, Debt and Deposits	\$ 31.1	\$ 36.3	\$ 58.9	\$ 85.2	\$ 21.4	\$ 21.4	\$ 22.1	\$ 22.1
Interest Coverage (Excluding Deposit Interest Expense) - A / C	4.4x	6.4x	4.7x	5.8x	2.7x	8.7x	2.3x	7.5x
Interest Coverage (Including Deposit Interest Expense) - B / D	2.4x	2.9x	2.2x	2.1x	1.3x	2.9x	1.3x	2.4x

Source: S&P Global Market Intelligence

<sup>1</sup> Assumes offering of \$50M and interest rate of 5.75% or \$2.9M annually or \$0.7M quarterly. Pro forma shown prior to any potential redemption of callable subordinated notes outstanding.

<sup>2</sup> Excludes merger expenses, nonrecurring items and securities gains.

## Schedule of Parent Company Debt Outstanding

(\$ in thousands)

Parent Company Debt Obligations as of 31-Mar-2020					
Name	Date Issued	Maturity	Optional Redemption Date	Total Debt Outstanding	Coupon Structure
<b>Subsidiary Trust Preferred</b>					
Center Bancorp Statutory Trust II	12/19/2003	1/23/2034	1/23/2009 <sup>1</sup>	\$5,000	3-month USD LIBOR + 285 bps
<b>Trust Preferred Total</b>				<b>\$5,000</b>	
<b>Subordinated Debt</b>					
CNOB Subordinated Notes	6/30/2015	7/1/2025	7/1/2020 <sup>1</sup>	\$50,000	5.75% Fixed rate through 6/30/2020 3-month USD LIBOR + 393 bps thereafter
CNOB Subordinated Notes	1/11/2018	2/1/2028	2/1/2023 <sup>1</sup>	75,000	5.20% Fixed rate through 1/31/2023 3-month USD LIBOR + 284 bps thereafter
<b>Subordinated Debt Total</b>				<b>\$125,000</b>	
<b>Total Subordinated Debt and TruPS</b>				<b>\$130,000</b>	

Source: Company Filings, S&P Global Market Intelligence  
<sup>1</sup> Callable on every interest payment date thereafter.

# Credit Ratings Profile

## Kroll Ratings

	Rating	Outlook
<b>ConnectOne Bancorp, Inc.</b>		
Senior Unsecured Debt	BBB	Stable
Subordinated Debt <sup>1</sup>	BBB-	Stable
Short-Term Debt	K3	N/A
<b>ConnectOne Bank</b>		
Deposit	BBB+	Stable
Senior Unsecured Debt	BBB+	Stable
Subordinated Debt	BBB	Stable
Short-Term Deposit	K2	N/A
Short-Term Debt	K2	N/A

Source: Kroll Bond Rating Agency as of 01-Aug-2019  
1 Rating affirmed as of 27-May-2020.

# Reconciliation of GAAP and Non-GAAP Measures

(\$ in thousands, except per share data)

	As of or For the Quarters Ended,			As of or For the Years Ended December 31,				
	31-Mar-2019	31-Dec-2019	31-Mar-2020	31-Dec-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019
<b>Reconciliation of GAAP Earnings to Earnings Excluding the Following Items:</b>								
Net Income	\$ 11,835	\$ 20,793	\$ 6,030	\$ 41,311	\$ 31,082	\$ 43,220	\$ 60,352	\$ 73,395
Income Tax Expense	2,493	6,197	1,047	19,926	11,776	25,294	10,782	20,631
Merger Charges	7,562	671	9,494	-	-	-	1,335	8,955
Loss on Extinguishment of Debt	-	-	-	2,397	-	-	-	1,047
FDIC Small Bank Credit (Income)	-	-	-	-	-	-	-	(1,310)
Insurance Company Recovery	-	-	-	(2,224)	-	-	-	-
Securities and Equity Securities (Gains) / Losses	(111)	48	(207)	(3,931)	(4,234)	(1,596)	286	(14)
Valuation Allowance for Tax Modification Losses Held-for-Sale	-	-	-	-	-	15,592	-	-
Provision for Loan Losses	4,500	500	16,000	12,805	38,700	6,000	21,100	8,100
<b>Pre-Provision Net Revenue</b>	<b>\$ 26,079</b>	<b>\$ 28,397</b>	<b>\$ 32,364</b>	<b>\$ 70,084</b>	<b>\$ 77,324</b>	<b>\$ 88,510</b>	<b>\$ 93,835</b>	<b>\$ 110,804</b>
<b>Average Assets</b>	<b>\$ 5,909,061</b>	<b>\$ 6,084,607</b>	<b>\$ 7,106,027</b>	<b>\$ 3,661,306</b>	<b>\$ 4,236,758</b>	<b>\$ 4,629,380</b>	<b>\$ 5,159,567</b>	<b>\$ 6,014,535</b>
<b>Return on Average Assets</b>	<b>0.80%</b>	<b>1.36%</b>	<b>0.34%</b>	<b>1.13%</b>	<b>0.73%</b>	<b>0.93%</b>	<b>1.17%</b>	<b>1.22%</b>
<b>PPNR / Average Assets</b>	<b>1.79%</b>	<b>1.85%</b>	<b>1.83%</b>	<b>1.91%</b>	<b>1.83%</b>	<b>1.91%</b>	<b>1.82%</b>	<b>1.84%</b>
<b>Book Value per Share:</b>								
Common Equity	\$ 682,395	\$ 731,190	\$ 853,710	\$ 466,094	\$ 531,032	\$ 585,437	\$ 613,927	\$ 731,190
Less: Intangible Assets	(162,747)	(168,034)	(221,263)	(149,817)	(148,997)	(148,273)	(147,646)	(168,034)
<b>Tangible Common Equity</b>	<b>\$ 519,648</b>	<b>\$ 563,156</b>	<b>\$ 632,447</b>	<b>\$ 316,277</b>	<b>\$ 382,035</b>	<b>\$ 417,164</b>	<b>\$ 466,281</b>	<b>\$ 563,156</b>
Common Shares Outstanding	35,443,933	35,072,066	39,704,921	30,085,663	31,948,307	32,071,860	32,328,542	35,072,066
<b>Tangible Book Value per Share (Non-GAAP)<sup>†</sup></b>	<b>\$ 14.66</b>	<b>\$ 16.06</b>	<b>\$ 15.93</b>	<b>\$ 10.51</b>	<b>\$ 11.96</b>	<b>\$ 13.01</b>	<b>\$ 14.42</b>	<b>\$ 16.06</b>

Source: Company Filings

## Reconciliation of GAAP and Non-GAAP Measures, Continued

(\$ in thousands)

	For the Quarter Ended,	As of or For the Years Ended December 31,				
	31-Mar-2020	31-Dec-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019
<b>Net Loan Charge-Off (Recoveries) Detail</b>						
Charge-offs	\$ 127	\$ 538	\$ 39,573	\$ 239	\$ 18,011	\$ 5,076
Recoveries	(3)	(345)	(45)	(243)	(117)	(315)
<b>Net Loan Charge-offs (recoveries)</b>	<b>\$ 124</b>	<b>\$ 193</b>	<b>\$ 39,528</b>	<b>\$(4)</b>	<b>\$ 17,894</b>	<b>\$ 4,761</b>
<b>Net Tax Charge-offs</b>						
Net Tax Charge-offs	-	-	\$ 36,750	-	\$ 17,000	\$ 1,000
<b>Net Loan Charge-offs (Excluding Tax) Net Charge-offs</b>	<b>\$ 124</b>	<b>\$ 193</b>	<b>\$ 2,778</b>	<b>\$(4)</b>	<b>\$ 894</b>	<b>\$ 3,761</b>
<b>Average Loans - Including Loans Held-for-Sale</b>						
Average Loans - Including Loans Held-for-Sale	\$ 5,922,814	\$ 2,793,952	\$ 3,355,452	\$ 3,811,922	\$ 4,330,874	\$ 5,049,458
<b>Net Loan Charge-offs (Recoveries) as a % of Average Loans Receivable (Annualized)</b>	<b>0.01%</b>	<b>0.01%</b>	<b>1.18%</b>	<b>(0.00)%</b>	<b>0.41%</b>	<b>0.09%</b>
<b>Net Loan Charge-offs (Excluding Tax) Net Charge-offs as a % of Average Loans Receivable (Annualized)</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.08%</b>	<b>(0.00)%</b>	<b>0.02%</b>	<b>0.07%</b>
<b>Asset Quality</b>						
Nonaccrual Tax Medallion Loans	\$ 23,024	-	-	\$ 46,765	\$ 28,043	\$ 23,431
Nonaccrual Tax Medallion Loans Held-For-Sale	-	-	\$ 63,044	-	-	-
Nonaccrual Loans (Excluding Tax Medallion Loans)	39,349	\$ 20,737	5,734	18,848	23,812	26,050
Other Real Estate Owned	-	2,549	626	538	-	-
<b>Total Nonperforming Assets</b>	<b>\$ 62,373</b>	<b>\$ 23,286</b>	<b>\$ 69,404</b>	<b>\$ 66,151</b>	<b>\$ 51,855</b>	<b>\$ 49,481</b>
<b>Total Assets</b>						
Total Assets	\$ 7,279,327	\$ 4,015,909	\$ 4,426,348	\$ 5,108,442	\$ 5,462,092	\$ 6,174,032
<b>Nonperforming Assets as a % of Total Assets</b>	<b>0.86%</b>	<b>0.58%</b>	<b>1.57%</b>	<b>1.29%</b>	<b>0.95%</b>	<b>0.80%</b>
<b>Nonperforming Assets Excluding Nonaccrual Tax Medallion Loans as a % of Total Assets</b>	<b>0.54%</b>	<b>0.58%</b>	<b>0.14%</b>	<b>0.38%</b>	<b>0.44%</b>	<b>0.42%</b>

Source: Company Filings

## Reconciliation of GAAP and Non-GAAP Measures, Continued

(\$ in thousands)

	For the Quarter Ended,	As of or For the Years Ended December 31,				
	31-Mar-2020	31-Dec-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019
<b>Allowance for Loan Losses</b>						
Allowance for Loan Losses ("ALLL")	\$ 54,169	\$ 26,572	\$ 25,744	\$ 31,748	\$ 34,954	\$ 38,293
Plus: Nonaccretable Loan Discount	9,831	4,796	4,548	4,312	4,312	8,381
<b>ALLL Including Nonaccretable Discount</b>	<b>\$ 64,000</b>	<b>\$ 31,368</b>	<b>\$ 30,292</b>	<b>\$ 36,060</b>	<b>\$ 39,266</b>	<b>\$ 46,674</b>
<b>Loans Receivable</b>						
Loans Receivable	\$ 6,009,310	\$ 3,099,007	\$ 3,475,832	\$ 4,171,456	\$ 4,541,092	\$ 5,113,527
Plus: Nonaccretable Loan Discount	9,831	4,796	4,548	4,312	4,312	8,381
<b>Loans Receivable Including Nonaccretable Discount</b>	<b>\$ 6,019,141</b>	<b>\$ 3,103,803</b>	<b>\$ 3,480,380</b>	<b>\$ 4,175,768</b>	<b>\$ 4,545,404</b>	<b>\$ 5,121,908</b>
<b>ALLL as a % of Loans Receivable</b>	<b>0.90%</b>	<b>0.86%</b>	<b>0.74%</b>	<b>0.76%</b>	<b>0.77%</b>	<b>0.75%</b>
<b>ALLL Including Nonaccretable as a % of Loans Receivable Including Nonaccretable</b>	<b>1.06%</b>	<b>1.01%</b>	<b>0.87%</b>	<b>0.86%</b>	<b>0.86%</b>	<b>0.91%</b>

Source: Company Filings

# Reconciliation of GAAP and Non-GAAP Measures, Continued

(\$ in thousands)

	As of or For the Quarters Ended,			As of or For the Years Ended December 31,				
	31-Mar-2019	31-Dec-2019	31-Mar-2020	31-Dec-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019
<b>Efficiency Measures</b>								
Total Noninterest Expenses	\$ 28,062	\$ 22,197	\$ 35,058	\$ 54,484	\$ 58,507	\$ 78,759	\$ 70,454	\$ 92,228
Amortization of Core Deposit Intangibles	(364)	(340)	(852)	(917)	(820)	(724)	(627)	(1,408)
Merger Expenses	(7,562)	(871)	(9,494)	-	-	-	(1,335)	(8,955)
FDIC Small Bank Assessment Credit	-	-	-	-	-	-	-	1,310
Loss on Extinguishment of Debt	-	-	-	(2,397)	-	-	-	(1,047)
Valuation Allowance of Tax Medallion Loans Held-for-Sale	-	-	-	-	-	(15,582)	-	-
Foreclosed Property Expense	1	8	10	(74)	(340)	(248)	(266)	(81)
<b>Operating Noninterest Expense</b>	<b>\$ 20,137</b>	<b>\$ 20,994</b>	<b>\$ 24,922</b>	<b>\$ 51,096</b>	<b>\$ 57,347</b>	<b>\$ 62,195</b>	<b>\$ 68,226</b>	<b>\$ 82,047</b>
Net Interest Income (Tax Equivalent Basis)	\$ 45,523	\$ 47,929	\$ 55,781	\$ 119,706	\$ 132,978	\$ 148,481	\$ 159,140	\$ 187,964
Noninterest Income	1,738	2,246	2,854	11,173	9,920	8,204	5,473	8,035
Insurance Company Recovery	-	-	-	(2,224)	-	-	-	-
Net (Gains) Losses on Equity Securities	(103)	46	(178)	-	-	-	266	(294)
Net Losses (Gains) on Sales of Securities	(8)	-	(29)	(3,031)	(4,234)	(1,506)	-	280
<b>Operating Revenue</b>	<b>\$ 47,150</b>	<b>\$ 50,221</b>	<b>\$ 58,428</b>	<b>\$ 124,724</b>	<b>\$ 138,664</b>	<b>\$ 155,089</b>	<b>\$ 164,879</b>	<b>\$ 195,985</b>
Average Assets	\$ 5,909,061	\$ 6,084,607	\$ 7,106,027	\$ 3,661,306	\$ 4,236,758	\$ 4,629,380	\$ 5,159,567	\$ 6,014,535
Operating Efficiency Ratio (Non-GAAP) <sup>2</sup>	42.7%	41.8%	42.7%	41.0%	41.4%	40.1%	41.4%	41.9%
NIE Avg. Assets	1.38%	1.37%	1.41%	1.40%	1.35%	1.34%	1.32%	1.36%

Source: Company Filings

## Reconciliation of GAAP and Non-GAAP Measures, Continued

(\$ in thousands)

	As of or For the Quarters Ended,		
	31-Mar-2019	31-Dec-2019	31-Mar-2020
<b>Return on Equity Measures</b>			
Net Income	\$ 11,635	\$ 20,783	\$ 6,030
Amortization of Core Deposit Intangible - After-Tax	255	238	461
<b>Net Income Adjusted for Intangible Expenses</b>	<b>\$ 11,890</b>	<b>\$ 21,021</b>	<b>\$ 6,491</b>
Average Common Equity	\$ 680,168	\$ 732,173	\$ 864,241
Less: Average Intangible Assets	(162,814)	(168,257)	(221,075)
<b>Average Tangible Common Equity</b>	<b>\$ 517,354</b>	<b>\$ 563,916</b>	<b>\$ 643,166</b>
<b>Return on Average Common Equity (GAAP)</b>	<b>6.9%</b>	<b>11.3%</b>	<b>2.8%</b>
<b>Return on Average Tangible Common Equity (Non-GAAP)<sup>2</sup></b>	<b>9.3%</b>	<b>14.8%</b>	<b>4.1%</b>
<b>Net Interest Margin</b>			
Net Interest Income (Tax Equivalent Basis)	\$ 45,523	\$ 47,929	\$ 55,781
Impact of Purchase Accounting Fair Value Marks	(1,233)	(1,455)	(3,457)
<b>Adjusted Net Interest Income (Tax Equivalent Basis)</b>	<b>\$ 44,290</b>	<b>\$ 46,474</b>	<b>\$ 52,324</b>
Average Interest-Earning Assets	\$ 5,522,934	\$ 5,663,538	\$ 6,584,508
<b>Net Interest Margin (GAAP)</b>	<b>3.34%</b>	<b>3.36%</b>	<b>3.41%</b>
<b>Adjusted Net Interest Margin (Non-GAAP)<sup>4</sup></b>	<b>3.25%</b>	<b>3.26%</b>	<b>3.20%</b>

Source: Company Filings

## Reconciliation of GAAP and Non-GAAP Measures, Continued

<sup>1</sup> Tangible common equity divided by common shares outstanding at period-end.

<sup>2</sup> Operating noninterest expense divided by operating revenue.

<sup>3</sup> Earnings available to common stockholders excluding amortization of intangible assets divided by average tangible common equity.

<sup>4</sup> Adjusted net interest margin excludes impact of purchase accounting fair value marks.