

PEAPACK GLADSTONE FINANCIAL CORP
Form FWP
June 08, 2016

Filed Pursuant to Rule 433

Registration No. 333-198299

June 8, 2016

PEAPACK - GLADSTONE BANK NASDAQ: PGC June 2016 Subordinated Notes Offering

The foregoing contains forward - looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are not historical facts and include expressions about Management's view of future interest income and net loans, Management's confidence and strategies and Management's expectations about new and existing programs and products, relationships, opportunities and market conditions. These statements may be identified by such forward - looking terminology as "expect", "look", "believe", "anticipate", "may", "will", or similar statements or variations of such terms. Actual results may differ materially from such forward - looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward - looking statements include, among others, those risk factors identified in the Company's Form 10 - K for the year ended December 31, 2015, in addition to/which include the following : a) inability to successfully grow our business and implement our strategic plan, including an inability to generate revenues to offset the increased personnel and other costs related to the strategic plan; b) the impact of anticipated higher operating expenses in 2016 and beyond; c) inability to manage our growth; d) inability to successfully integrate our expanded employee base; e) a continued or unexpected decline in the economy, in particular in our New Jersey and New York market areas; f) declines in our net interest margin caused by the low interest rate environment and highly competitive market; g) declines in value in our investment portfolio; h) higher than expected increases in our allowance for loan losses; i) higher than expected increases in loan losses or in the level of nonperforming loans; j) unexpected changes in interest rates; k) a continued or unexpected decline in real estate values within our market areas; l) legislative and regulatory actions (including the impact of the Dodd - Frank Wall Street Reform and Consumer Protection Act, Basel III and related regulations) subject us to additional regulatory oversight which may result in increased compliance costs; m) successful cyberattacks against our IT infrastructure and that of our IT providers; n) higher than expected FDIC insurance premiums; o) adverse weather conditions; p) inability to successfully generate new business in new geographic markets; q) inability to execute upon new business initiatives; r) lack of liquidity to fund our various cash obligations; s) reduction in our lower - cost funding sources; t) our inability to adapt to technological changes; u) claims and litigation pertaining to fiduciary responsibility, environmental laws and other matters; and other unexpected material adverse changes in our operations or earnings. The Company assumes no responsibility to update such forward - looking statements in the future even if experience shows that the indicated results or events will not be realized. Although we believe that the expectations reflected in the forward - looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements . The Company has filed a shelf registration statement (File No. 333 - 198299) (including base prospectus) and related preliminary prospectus supplement dated June 8, 2016 with the Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, and related applicable preliminary prospectus supplement and any other documents that the Company has filed with the SEC for more information about the Company and the offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the Company, any underwriter or any dealer participating in the offerings will arrange to send you the prospectus and the related preliminary prospectus supplement if you request it by calling Sandler O'Neill + Partners, L.P. toll - free at 866 - 805 - 4128 . Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this free writing prospectus, or any related prospectus supplement or prospectus, is truthful or complete. Any representation to the contrary is a criminal offense . Forward - Looking Statements / Safe Harbor

2 Terms of Proposed Offering Issuer: Peapack - Gladstone Financial Corporation (“PGC”, or the “Company”) Security: Subordinated Notes due June 2026 Denominations: \$1,000 minimum denominations and \$1,000 integral multiples thereof Term: 10 Year NC 5 Year Fixed/Floating Rate Credit Rating: BBB - (Kroll Bond Rating Agency) Redemption: The notes will be redeemable by PGC beginning with the interest payment date of June 30, 2021 and on any interest payment date thereafter, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest. The notes may also be redeemed at any time, in whole, not in part, if (i) a change or prospective change in law occurs which could prevent PGC from deducting interest payable on the notes for U.S. federal income tax purposes, (ii) a subsequent event occurs which precludes the notes from being recognized as Tier 2 capital for regulatory capital purposes, or (iii) PGC is required to register as an investment company under the Investment Company Act of 1940, as amended Covenants: Consistent with regulatory requirements for Tier 2 capital treatment Use of Proceeds: Company will use the net proceeds from the sale of Subordinated Notes for general corporate purposes, potential strategic acquisitions and investments in the Bank as regulatory capital to fund future growth Sole Book - Running Manager : Sandler O’Neill + Partners, L.P. Co - Manager : Keefe, Bruyette & Woods, Inc.

3 Investment Highlights People Market Growth and Profitability • Very talented team with ties to the market place • High levels of motivation and engagement • Act as a single team • We operate in three of the top ten most affluent counties nationwide • New York MSA offers considerable growth opportunity • Large and small banks underserving the wealth related needs in this market • Improved operating leverage is delivering positive earnings momentum • People , products, market - depth and superior delivery ensure future growth • Ample market opportunities • Nimble and flexible Unique Business Model • Holistic, advice - led approach • Private Banker acts as a lead point of contact • “Brand of One” • Sophisticated processes of Enterprise Risk, CRE, and balance sheet management • Excellent leadership team • Solid governance Serious Approach to Risk Management

4 Franchise Overview 1. Non - GAAP financial measure; refer to reconciliation on page 32 • Wealth led, relationship - based commercial bank headquartered in the “wealth belt” of New Jersey delivering private bank level service, with 94 years of business • Strong leadership team • Headquartered in Bedminster, NJ • Four Private Banking locations: Bedminster, Morristown, Princeton, Teaneck • 21 Branches in four affluent New Jersey counties: Somerset, Morris, Hunterdon, Union Overview Financial Highlights Branch Map (Dollars in millions) Year Ended Quarter Ended 12/31/2015 3/31/2016 Total Assets \$3,365 \$3,466 Net Loans (incl. HFS) \$2,971 \$3,042 Total Deposits \$2,935 \$3,044 Total Shareholders' Equity \$276 \$284 Tier 1 Leverage Ratio 8.10% 8.19% Tier 1 Risk-Based Capital Ratio 10.42% 10.56% Total Risk-Based Capital Ratio 11.40% 11.57% Tang. Common Equity / Tang. Assets¹ 8.10% 8.09%

5 Market Overview – The “Wealth Belt” 1. Rank reflects ranking amongst all New Jersey counties Note: Data is pro forma for pending acquisitions; weighted average is calculated as the sum of (percent of state/national franchise * demographic item) within each market; banks , thrifts , and savings banks included (retail branches only) Sources: SNL Financial, Nielsen (as of January 1, 2016) Population Household Income Median HHI Total Projected \$100K - \$199K > \$200K Projected Branches Population Change Change % of % of HHI Change in Market

2016	2010-2016	2016-2021	Number Total	Number Total	2016	2016-2021	NJ Market (County)	Total PGC (Actual) (%)											
(%) (Actual)	Market (Actual)	Market (\$)	(%)	Rank ¹	Markets with PGC Branches	Hunterdon, NJ	49	4 125,560 (2.17%)											
(0.29%)	15,925	34%	10,436	22%	\$113,676	9.41%	1	Morris, NJ 222 6 501,318 1.84% 1.64% 60,139 33% 34,846 19%											
\$102,857	7.81%	2	Somerset, NJ 130 10 335,308 3.67%	2.78%	37,751	31%	24,308	20%	\$102,212	7.68%	3	Union, NJ 195 1 558,637 4.13% 3.15% 44,463 23% 20,682 11% \$67,257 3.80%							
13	PGC Branch Markets	596	21	1,520,823	2.72%	2.29%	158,278	29%	90,272	16%	Weighted Avg.: PGC Branch Markets	2.69%	2.24%	\$101,778	7.69%				
Markets with PGC Private Banking Office Only	Bergen, NJ 464 - 943,331 4.22%	3.19%	98,444	28%	52,720	15%	\$86,188	6.61%	7	Mercer, NJ 145 - 372,996 1.77%	1.64%	33,480	25%	16,082	12%	\$73,343	7.67%		
11	Aggregate: State of NJ	3,072	21	8,985,147	2.20%	1.97%	835,595	25%	430,199	13%	\$72,173	5.02%	Aggregate: National	21	322,431,073	4.43%	3.69%	\$55,551	7.77%

6 The Peapack - Gladstone Private Banking Model • Full service banking with every conversation aimed at helping clients create , grow , protect & eventually transition their wealth. • Deep understanding of our clients needs, goals, and aspirations. It's about the client; not about us. Risk management tolerance, time horizon, and other traditional variables are all considered. • A Senior Private Banker leads a team to develop and deliver customized solutions. • As One Team , everyone in the Bank helps deliver an exceptional client experience. Core Principles – “Tried and True Since 1921” Value Centered Vision Statement A high - performing boutique bank, leaders in wealth, lending and deposit solutions, known nationally for our unparalleled client service, integrity and trust . • Professionalism • Clients First • Compete to Win • Invested in Our Community • One Team

7 Throughout all business lines, aim to provide unparalleled personalized, high - touch service to our clients. • Product lines and services: – Commercial lending: Working capital lines of credit, term loans for fixed asset acquisitions, commercial mortgages, multi - family mortgages and other forms of asset - based financing. Commercial banking clients include entrepreneurs, business owners, real estate investors and public and private companies which operate within a wide spectrum of industries. – Consumer banking services: Checking and savings accounts, money market and interest - bearing checking accounts, certificates of deposit and individual retirement accounts held in certificates of deposit. – Residential and construction mortgages. – Home equity lines of credit and other second mortgage loans. – Treasury management services. – Automated teller machines at 22 locations. – Internet banking, including online bill payment option. – Mobile telephone banking. • Private wealth management division is one of the largest New Jersey - based trust and investment businesses. – Headquartered in Bedminster, NJ with additional private banking locations in Morristown, Princeton and Teaneck, NJ, as well as at the Bank's subsidiary, PGB Trust & Investments of Delaware, in Greenville, DE. – Wealth management clients include individuals, families, foundations, endowments, trusts and estates. – Intend to grow this business further both in and around current market areas through: Delaware trust subsidiary, Existing wealth, loan and depository client base, and Our innovative private banking service model, which utilizes private bankers working together to provide fully integrated client solutions. Operating Strategy

8 Experienced Management Team Douglas L. Kennedy President & Chief Executive Officer 38 years experience; Before joining in 2012, he served as President of the NJ Market for Capital One Bank. He has held key executive level positions and had great success building formidable regional and national specialty banking business at Fleet Bank, Summit Bancorp and Bank of America. He is a current Member of the NJ Chamber of Commerce Board of Directors, Montclair State University Board of Trustees, and Sacred Heart University Board of Trustees. He has served as President of NJ After 3 and as a Board Member of the NJ Bankers Association. John P. Babcock Senior EVP & President of Wealth Management 35 years experience; Prior to joining, he was the managing director in charge of the Northeast Mid - Atlantic region for the HSBC Private Bank and, prior to that, he was the New York Metro Market Executive for U.S. Trust - the largest of U.S. Trust's 53 markets in the U.S. In these and previous roles over the last 34 years, he has led commercial and wealth management/private bank businesses in New York City and regional markets through mergers, expansions, rapid growth and periods of significant organizational change. Jeffrey J. Carfora, CPA Senior EVP & Chief Financial Officer 36 years experience; Joining as Executive Vice President and CFO in March 2009, he was promoted to Senior Executive Vice President in August 2013. Previously, he was affiliated with Penn Federal Savings Bank, where he joined as CFO and was later promoted to COO, Carteret Bank, and Marine Midland Bank. He began his career in 1980 with PriceWaterhouseCoopers . Finn M. W. Caspersen, Jr. Senior EVP, Chief Operating Officer & General Counsel 21 years experience; Before joining in 2004, he worked as a corporate lawyer at Hale and Dorr, as an investment banker at Merrill Lynch and privately in venture capital. He has served as trustee of Cardigan Mountain School, Pomfret School, the Somerset Hills YMCA, the Willowood Arboretum and the NJ Chapter of the Nature Conservancy. He was a two - term elected member of the Bedminster Township Committee and has also served on the Bedminster Environmental Commission and the Bedminster Land Use Board.

9 Balance sheet risk management includes stress testing : • Capital – Stressed semi - annually (top down) using multiple scenarios, including some with DFST assumptions. – Quarterly stress testing (top down/bottom up) beginning for Q1 2016. Ten stress scenarios. • Liquidity – \$78 million in cash and cash equivalents. – \$ 214 million of unencumbered securities. – Additional borrowing capacity \$935 million available at the FHLB. – Quarterly stress testing. • Interest Rate – In an immediate and sustained 200 basis point increase in market rates at March 31, 2016, modeling results show that net interest income for year 1 would increase approximately 3%, when compared to a flat interest rate scenario. In year 2, this sensitivity improves to an expected increase in net interest income of approximately 8%. – Quarterly stress testing. Capital, Liquidity, & Interest Rate Risk Management

10 Consistent Asset Growth \$1,600 \$1,668 \$1,967 \$2,702 \$3,365 \$3,466 \$0 \$500 \$1,000 \$1,500 \$2,000 \$2,500
\$3,000 \$3,500 \$4,000 2011 2012 2013 2014 2015 Q1 2016 (Dollars in Millions) Year Over Year +25%

11 Steady Earnings Results (Net Income to Common Shareholders) 1. Reflects reported net income as per 10 - K; includes \$ 2.50 million of pre - tax non - recurring charges related to the closure of two branch offices; excluding these charges, net income would have been \$21.53 million 2. Reflects reported net income as per 10 - Q; includes \$1.30 million of pre - tax charges related to increased FDIC premiums and increased risk management related expenses; excluding these charges, net income for the quarter would have been \$6.30 million \$10.94 \$9.22 \$9.26 \$14.89 \$19.97 \$5.49 \$0.00 \$5.00 \$10.00 \$15.00 \$20.00 \$25.00 2011 2012 2013 2014 2015¹ Q1 2016² (Dollars in Millions) Year Over Year +34%

12 Profitability Trends 1. Includes \$2.50 million of non - recurring charges related to the closure of two branch offices; excluding these charges , ROAA = 0.69%, ROAE = 8.31%, and Efficiency Ratio = 61.7% 2. Includes \$1.30 million of charges related to increased FDIC premiums and increased risk management related expenses ; excluding these charges , ROAA = 0.73%, ROAE = 8.99%, and Efficiency Ratio = 60.8% 3. Efficiency Ratio calculated by dividing total noninterest expenses, excluding ORE provision, as determined under GAAP, by net interest income and total non interest income as determined under GAAP, but excluding net gains/(losses) on loans held for sale at lower of cost or fair value and excluding net gains on securities Note: Profitability ratios for Q1 2016 reflect annualized calculations ROACE ROAA Efficiency Ratio³ Net Interest Margin (FTE) 0.79% 0.61% 0.54% 0.63% 0.64% 0.64% 0.40% 0.45% 0.50% 0.55% 0.60% 0.65% 0.70% 0.75% 0.80% 2011 2012 2013 2014 2015¹ Q1 2016² 3.47% 3.50% 3.26% 3.01% 2.80% 2.82% 0.00% 0.50% 1.00% 1.50% 2.00% 2.50% 3.00% 3.50% 4.00% 2011 2012 2013 2014 2015 Q1 2016 10.74% 8.03% 7.37% 7.96% 7.71% 7.83% 5.00% 6.00% 7.00% 8.00% 9.00% 10.00% 11.00% 2011 2012 2013 2014 2015¹ Q1 2016² 68.7% 70.2% 76.6% 67.5% 63.8% 65.2% 50.0% 55.0% 60.0% 65.0% 70.0% 75.0% 80.0% 2011 2012 2013 2014 2015¹ Q1 2016²

13 Delivering Positive Operating Leverage & Improved Profitability 1. Revenue defined as net interest income plus all other income 2. Includes \$2.50 million of non - recurring charges related to the closure of two branch offices; excluding these charges, net income would have been \$21.53 million and net income/period end FTE would have been approximately \$68 thousand \$225 \$290 \$342 \$100 \$150 \$200 \$250 \$300 \$350 \$400 2013 2014 2015 \$28 \$49 \$63 \$0 \$10 \$20 \$30 \$40 \$50 \$60 \$70 2013 2014 2015² Year Over Year +29% Year Over Year +18% Net Income / Period End FTE Revenue¹ / Period End FTE (Dollars in Thousands) (Dollars in Thousands)

14 • Successful integration of Wealth Management Consultants (NJ), LLC in May 2015. Excellent client retention. Slightly accretive to earnings in 2015; expect realization of more synergies in 2016 and 2017. • Stage set for continued strategic acquisitions. • Relationship - based residential lending offering positions as a lead product for wealth. • Over \$ 400 million of new AUA inflows in 2015, not including WMC. • Total inflows were partially offset by negative market action in the second half of the year and normal closed/disbursed outflows. • New institutional focus started in 2015. Expect positive contribution to AUA and revenues in 2016 and beyond. • Approximately \$ 175 million of wealth - related new business in deposits, mortgages, and secured lending in 2015. Wealth Management Division – 2015’s Accomplishments

Year	2012	2013	2014	2015 Q1	2016
Assets Under Admin	\$12.28	\$13.84	\$15.24	\$17.04	\$4.30
Fee Income	\$4.00	\$6.00	\$8.00	\$10.00	\$12.00
Year Over Year	+12%	\$2.30	\$2.69	\$2.99	\$3.32
		\$3.31	\$2.00	\$2.25	\$2.50
		\$2.75	\$3.00	\$3.25	\$3.50

2012 2013 2014 2015 Q1 2016 (Dollars in Millions) Year Over Year +11%

15 Wealth Management Provides an Enviably Revenue¹ Mix 1. Revenue equals net interest income before provision for loan losses plus all other income, as detailed in non-GAAP financial measures reconciliation on page 31

78.1%	15.7%	5.2%	0.5%	0.5%
For the Year Ended December 31, 2015	78.9%	14.5%	5.5%	0.8%
0.3%	For the Quarter Ended March 31, 2016	Net Int. Inc. before Provision	Wealth Fee Income	Fees & Other Income
Gain on Sale of Loans	Gain on Sale of Securities	Net Int. Inc. before Provision	Wealth Fee Income	Fees & Other Income
Gain on Sale of Securities				

16 • Plan to invest \$2 million in 2016 to enhance analytics and risk management practices. • 65,000+ data points collected and loaded to a data warehouse; now have considerable insights to portfolio and a better understanding of the risks associated with it. • Greatly enhanced Board and Management oversight, including quarterly reporting on exposure versus risk appetite limits and triggers that are revalidated quarterly through rigorous analytics. • Quarterly market analysis for various property types and geographies, including presentations to Management and the Board by a third party real estate expert to ensure there is an understanding of the macro economic factors that may affect future asset quality in the areas that the Bank lends. • Portfolio stress testing performed (top down/bottom up) by an independent third party to estimate potential impact of changing market conditions on asset quality, earnings, and capital, and forecasted over two years. • Quarterly stress testing through ten different stress scenarios, including three derived from Dodd - Frank guidance. • Third party credit review firm used to monitor and evaluate overall asset quality measures to ensure an effective risk rating system and adequate reserve for loan losses maintained. • Ongoing third party loan participations/sales to validate underwriting guidelines and pricing . Enhanced CRE Risk Management

17 Strong Credit Metrics 1. Texas Ratio defined as nonaccrual loans plus other real estate owned and loans 90+ day past due as a percentage of the sum of tangible common equity and loan loss reserves 2. NCOs/average loans for Q1 2016 reflects quarterly ratio, not an annualized value Note: Total loans excludes loans held for sale 21.66% 11.34% 4.62% 3.13% 2.45% 2.65% 0.00% 5.00% 10.00% 15.00% 20.00% 25.00% 2011 2012 2013 2014 2015 Q1 2016 Texas Ratio¹ 1.85% 1.04% 0.42% 0.30% 0.23% 0.24% 0.86% 0.80% 0.06% 0.04% 0.03% 0.01% 1.12% 0.33% 0.19% 0.08% 0.07% 0.05% 0.00% 0.20% 0.40% 0.60% 0.80% 1.00% 1.20% 1.40% 1.60% 1.80% 2.00% 2011 2012 2013 2014 2015 Q1 2016² Nonperforming Loans / Loans NCOs / Avg. Loans 30-89 PD Loans / Loans

18 Organic Gross Loan Growth Note: Gross loans include loans held for sale \$1,041 \$1,153 \$1,576 \$2,251 \$2,997
\$3,069 \$0 \$500 \$1,000 \$1,500 \$2,000 \$2,500 \$3,000 \$3,500 2011 2012 2013 2014 2015 Q1 2016 (Dollars in
Millions) 1-4 Family Multifamily CRE Construction & Development Consumer Commercial & Industrial Other Year
Over Year +33%

19 Loan Composition & Yield 1 - 4 Family 15.4% Multifamily 49.8% CRE 13.5% Consumer 3.2% Commercial & Industrial 18.1% As of March 31, 2016 1-4 Family Multifamily CRE Consumer Commercial & Industrial Gross Loans: \$3,069 million MRQ Yield on Loans: 3.52%

20 Geographically diversified portfolio – as of March 31, 2016: • New York – 49%; Top Markets – Bronx and Brooklyn • New Jersey – 42%; Top Markets – Hudson, Essex, & Morris/Somerset/Union Counties • Pennsylvania – 9 %; Top Markets – Suburban Philadelphia and Bucks County As of March 31, 2016: • Current balance : \$ 1.5 billion • Active loan participations sold and loan sales • To date , \$300 million of participations sold – All participations are originated by PGC • Number of multifamily loans in portfolio : 552 • Average loan size : \$2.8 million • Weighted average LTV: approximately 65 % • Weighted average DSCR (after underwriting stress): approximately 1.5x • No nonaccruals; no 30 day delinquencies • Generally all “workforce housing” – average rent just over \$1,000 • New data warehouse captures 63 data points per loan Multifamily Portfolio Overview

21 Historical Credit Metrics & Performance 1. Nonperforming loans defined as nonaccrual loans plus loans 90+ days past due 2. Nonperforming assets defined as nonaccrual loans, loans 90+ days past due, and real estate owned 3. NCOs/average loans for Q1 2016 reflects quarterly ratio, not an annualized value Note: Total loans exclude loans held for sale NPAs² / Assets NPLs¹ / Loans NCOs / Average Loans LLR / Gross Loans 1.85% 1.04% 0.42% 0.30% 0.23% 0.24% 0.00% 0.50% 1.00% 1.50% 2.00% 2011 2012 2013 2014 2015 Q1 2016 1.65% 0.91% 0.44% 0.30% 0.22% 0.23% 0.00% 0.50% 1.00% 1.50% 2.00% 2011 2012 2013 2014 2015 Q1 2016 1.27% 1.12% 0.98% 0.87% 0.89% 0.90% 0.75% 1.00% 1.25% 1.50% 2011 2012 2013 2014 2015 Q1 2016 0.86% 0.80% 0.06% 0.04% 0.03% 0.01% 0.00% 0.25% 0.50% 0.75% 1.00% 2011 2012 2013 2014 2015 Q1 2016³

22 Securities Portfolio Detail Agency - related mortgage - backed securities - residential 78.0% State and political subdivisions 12.3% U.S. government - sponsored entities 3.7% SBA pool securities 3.5% Single - issuer trust preferred security 1.1% CRA investment 1.4% As of March 31, 2016 (Dollars in Thousands) Gross Amortized Unrealized Fair Cost Gain/(Loss) Value Agency-related mortgage-backed securities - residential \$164,981 \$2,006 \$166,987 State and political subdivisions 25,904 409 26,313 U.S. government-sponsored entities 7,986 17 8,003 SBA pool securities 7,504 (95) 7,409 Single-issuer trust preferred security 2,999 (641) 2,358 CRA investment 3,000 (20) 2,980 Total \$212,374 \$1,676 \$214,050 Portfolio Highlights (as of 3/31/2016) Detail Value Book Value \$212 Million Weighted Coupon 2.40% Weighted Book Yield (Tax Equivalent) 1.87% Weighted Average Maturity 4.1 years

23 Consistent Deposit Growth 1. Jumbo time deposits defined as time deposits with balances greater than \$100,000
\$1,444 \$1,516 \$1,647 \$2,299 \$2,935 \$3,044 \$0 \$500 \$1,000 \$1,500 \$2,000 \$2,500 \$3,000 \$3,500 2011 2012 2013
2014 2015 Q1 2016 (Dollars in Millions) Noninterest-bearing Demand Interest-bearing Demand Savings & MMDA
Time Jumbo Time¹ Year Over Year +28%

24 Low - Cost Core Deposit Base 1. Jumbo time deposits defined as time deposits with balances greater than \$ 100,000 Noninterest - bearing Demand 15.0% Interest - bearing Demand 36.3% Savings & MMDA 30.9% Time 5.5% Jumbo Time¹ 12.3% As of March 31, 2016 Noninterest-bearing Demand Interest-bearing Demand Savings & MMDA Time Jumbo Time¹ Total Deposits: \$3,044 million MRQ Cost of Int. - bearing Deposits: 0.61% MRQ Cost of Total Deposits : 0.52%

25 Capital Structure & Pro Forma Ratios 1. Assumes \$40 million subordinated debt raise with 80% of gross proceeds downstreamed to the Bank, 1.5% placement agent fee, \$300,000 in additional expenses and 20% risk-weighting on new assets Note: PGC intends to retain a portion of the gross proceeds at the Holding Company to service the subordinated debt for three years and downstream the remaining capital to the Bank; 6.0% interest payments on \$40 million equals \$2.4 million in annual interest payments; three years of interest payments totals \$7.2 million, or approximately 20% of the \$39.1 million net proceeds, leaving 80% to be downstreamed to the Bank Holding Company Bank 8.09% 8.19% 10.56% 11.57% 8.00% 8.10% 10.52% 13.00% TCE / TA Leverage Ratio Tier 1 Ratio Total Capital Ratio March 31, 2016 Actual Capital Ratios Pro Forma For Proposed Offering¹ 8.04% 8.14% 10.48% 11.50% 8.88% 8.98% 11.65% 12.66% TCE / TA Leverage Ratio Tier 1 Ratio Total Capital Ratio

26 Interest Coverage 1. PGC intends to retain a portion of the gross proceeds at the Holding Company to service the subordinated debt for three years and downstream the remaining capital to the Bank; 6.0% interest payments on \$40 million equals \$2.4 million in annual interest payments; three years of interest payments totals \$7.2 million, or approximately 20% of the \$39.1 million net proceeds, leaving 80% to be downstreamed to the Bank (Dollars in Thousands) Assumptions Subordinated Debt Issuance Amount \$40,000 % of Subordinated Debt Downstreamed to Bank 80%¹ Gross Spread 1.50% Additional Expenses \$300 Net Proceeds \$39,100 Interest Rate 6.0% For the Year Ended December 31, Q1 2016 2013 2014 2015 Q1 2016 Pro Forma Bank-Level Equity \$165,874 \$232,461 \$273,580 \$281,561 \$281,561 Consolidated Equity 170,657 242,267 275,676 283,505 283,505 Double Leverage Ratio 97.20% 95.95% 99.24% 99.31% 99.31% Proposed Subordinated Debt Offering Downstreamed to Bank \$31,900 313,461 Pro Forma Double Leverage Ratio 110.57% Interest Coverage Total Deposit Interest \$3,253 \$5,665 \$12,585 \$3,887 \$3,887 Other Borrowing Interest 1,024 2,016 2,105 601 601 Subordinated Debt Interest - 6.0% -- -- -- -- 600 Total Interest Expense 4,277 7,681 14,690 4,488 5,088 Pre-tax Income 14,763 24,286 32,140 8,767 8,167 Interest Coverage (including deposit expense; including subordinated debt offering) 4.5x 4.2x 3.2x 3.0x 2.6x Interest Coverage (excluding deposit expense; including subordinated debt offering) 15.4x 13.0x 16.3x 15.6x 7.8x Pro Forma Bank-Level Equity Assuming 80% Downstreamed to Bank

27 Appendix P EAPACK - G LADSTONE B ANK

28 Other Key Management Team Members Anthony V. Bilotta , Jr. Executive Vice President, Head of Retail Banking 30 years experience; Prior to joining, he served as SVP and Director of Retail Banking & Corporate Marketing at Oritani Bank, and prior to that, he was EVP, Director of Retail Banking at New York Community Bank (former Penn Federal Savings Bank). He held similar impressive roles at PNC Bank and TD Banknorth , N.A. (former Hudson United Bank). Lisa P. Chalkan Executive Vice President, Chief Credit Officer 29 years experience; Before joining, she held executive positions as SVP, Head of Commercial Credit Policy, Director of Loan Administration/Commercial Banking, and Manager of Middle Market Underwriting at Capital One N.A., and also held key roles at Fleet Boston Financial/Bank of America and HSBC Bank USA/HSBC Securities, Inc. She is a key contributor to the Board of Trustees of the Union County Economic Development Corporation, serving as Secretary of the Board, and past honoree as a Woman of Influence in Finance by the Women's Fund of NJ. Vincent A. Spero Executive Vice President, Commercial Private Banking (Real Estate) 25 years experience; Joining June of 2008 as SVP and Senior Commercial Lender, he was appointed EVP and Chief Lending Officer of Peapack - Gladstone Bank in 2009. Prior to joining, he had held senior level positions at both Lakeland Bank and Commerce Bank. Eric H. Waser Executive Vice President, Commercial Private Banking 25 years experience; Before joining, he served as Managing Director for Citibank's East Business Banking Division, and prior to that, was the SVP, CFO and COO at Clean Venture, Inc., one of the largest private environmental remediation company's in the US. He also served as President of Mid Atlantic Corporate Banking, CEO - NJ and Managing Director at Sovereign Bank and EVP at Fleet Boston Financial/Nat West Bank.

29 Historical Income Statement (As Reported) 1. See non - GAAP reconciliation on page 31 for values, as adjusted (Dollars in Thousands, Except Per Share Amounts) Year Ended December 31, Quarter Ended 2011 2012 2013 2014 2015 March 31, 2016 Summary Income Statement Interest Income \$56,051 \$56,090 \$57,053 \$75,575 \$99,142 \$27,898 Interest Expense 7,136 4,687 4,277 7,681 14,690 4,488 Net Interest Income 48,915 51,403 52,776 67,894 84,452 23,410 Provision for Loan Losses 7,250 8,275 3,425 4,875 7,100 1,700 Total Noninterest Income, Excl. Securities Gains 15,679 17,493 19,755 20,547 23,187 6,162 Gain on Securities Sales 1,037 3,810 840 260 527 101 Total Noninterest Expense 44,399 48,330 55,183 59,540 68,926¹ 19,206¹ Net Income before Taxes 13,982 16,101 14,763 24,286 32,140 8,767 Provision for Taxes 1,814 6,405 5,502 9,396 12,168 3,278 Net Income \$12,168 \$9,696 \$9,261 \$14,890 \$19,972¹ \$5,489¹ Preferred Dividends 1,228 474 0 0 0 0 Net Income Avail to Common \$10,940 \$9,222 \$9,261 \$14,890 \$19,972 \$5,489 Earnings Per Share (Diluted) \$1.25 \$1.05 \$1.01 \$1.22 \$1.29¹ \$0.34¹ Interest Coverage Total Interest Expense \$7,136 \$4,687 \$4,277 \$7,681 \$14,690 \$4,488 Pre-Tax Income 13,982 16,101 14,763 24,286 32,140 8,767 Interest Expense + Pre-Tax Income \$21,118 \$20,788 \$19,040 \$31,967 \$46,830 \$13,255 Interest Coverage 3.0x 4.4x 4.5x 4.2x 3.2x 3.0x

30 Historical Balance Sheet (Dollars in Thousands, Except Per Share Amounts) Year Ended December 31, Quarter Ended 2011 2012 2013 2014 2015 March 31, 2016 Cash and Cash Equivalents \$ 43,053 \$ 119,228 \$ 35,147 \$ 31,207 \$ 70,160 \$ 77,919 Total Securities 424,808 309,118 278,479 344,245 209,614 227,304 Total Cash & Securities 467,861 428,346 313,626 375,452 279,774 305,223 Gross Loans Held for Investment 1,038,345 1,132,584 1,574,201 2,250,267 2,913,242 3,027,701 Less: Loan Loss Reserve 13,223 12,735 15,373 19,480 25,856 27,321 Loans Held for Sale 2,841 20,210 2,001 839 83,758 41,603 Total Net Loans 1,027,963 1,140,059 1,560,829 2,231,626 2,971,144 3,041,983 Total OREO 7,137 3,496 1,941 1,324 563 861 Goodwill 563 563 563 563 1,573 1,573 Core Deposit Intangibles 0 0 0 0 1,708 1,691 Fixed Assets 31,941 30,030 28,990 32,258 30,246 29,609 Bank-owned Life Insurance 27,296 31,088 31,882 32,634 42,885 43,101 Other Assets 37,574 34,254 29,117 28,540 36,766 41,956 Total Assets \$1,600,335 \$1,667,836 \$1,966,948 \$2,702,397 \$3,364,659 \$3,465,997 Total Deposits \$1,443,892 \$1,516,427 \$1,647,250 \$2,298,693 \$2,935,470 \$3,043,578 FHLB Borrowings 17,680 12,218 129,592 138,292 124,392 104,792 Other Senior Debt 9,178 8,971 8,754 10,712 10,222 10,092 Total Debt 26,858 21,189 138,346 149,004 134,614 114,884 Total Other Liabilities 6,614 8,163 10,695 12,433 18,899 24,030 Total Liabilities \$1,477,364 \$1,545,779 \$1,796,291 \$2,460,130 \$3,088,983 \$3,182,492 Total Preferred Equity 13,979 0 0 0 0 0 Common Equity 108,992 122,057 170,657 242,267 275,676 283,505 Total Equity \$122,971 \$122,057 \$170,657 \$242,267 \$275,676 \$283,505 Total Liabilities and Shareholder Equity \$1,600,335 \$1,667,836 \$1,966,948 \$2,702,397 \$3,364,659 \$3,465,997 Book Value Per Share \$12.47 \$13.90 \$14.79 \$16.36 \$17.61 \$17.71 Tangible Book Value Per Share \$12.40 \$13.81 \$14.75 \$16.32 \$17.40 \$17.51

31 We believe that these non - GAAP financial measures provide information that is important to investors and that is useful in understanding our financial position, results and ratios. Our management internally assesses our performance based, in part, on these measures. However, these non - GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. 1. The quarter ended December 31, 2015 included \$2.5 million of pre - tax charges related to the closure of two branch offices 2. The quarter ended March 31 , 2016 included \$1.3 million of pre - tax charges related to increased FDIC premiums and increased risk management related expenses 3. Efficiency Ratio calculated by dividing total noninterest expenses, excluding ORE provision, as determined under GAAP, by net interest income and total noninterest income as determined under GAAP, but excluding net gains/(losses) on loans held for sale at lower of cost or fair value and excluding net gains on securities

Non - GAAP Financial Measures Reconciliation (Dollars in Thousands, Except Per Share Data) Year Ended December 31, 2015 Quarter Ended March 31, 2016 As Reported Adjustments¹ Adjusted As Reported Adjustments² Adjusted Net Interest Income Before Provision \$84,452 \$84,452 \$23,410 \$23,410 Provision for Loan Losses 7,100 7,100 1,700 1,700 Net Interest Income After Provision 77,352 0 77,352 21,710 0 21,710 Other Income Wealth Management Fee Income 17,039 17,039 4,295 4,295 Service Charges and Fees 3,323 3,323 807 807 Bank Owned Life Insurance 1,297 1,297 342 342 Gain on Loans Held for Sale at Fair Value (Mortgage Banking) 528 528 121 121 Gain/(Loss) on Loans Held for Sale, at Lower Cost or Fair Value 0 0 124 124 Other Income 1,000 1,000 473 473 Securities Gains, Net 527 527 101 101 Total Other Income 23,714 0 23,714 6,263 0 6,263 Other Expenses Salaries and Employee Benefits 40,278 (40) 40,238 10,908 10,908 Premises and Equipment 11,569 (723) 10,846 2,864 2,864 FDIC Insurance Expense 2,154 2,154 1,559 (950) 609 Other Expenses 14,925 (1,734) 13,191 3,875 (350) 3,525 Total Operating Expenses 68,926 (2,497) 66,429 19,206 (1,300) 17,906 Income Before Taxes 32,140 (2,497) 34,637 8,767 (1,300) 10,067 Income Tax Expense/(Benefit) 12,168 (944) 13,112 3,278 (486) 3,764 Net Income \$19,972 (\$1,553) \$21,525 \$5,489 (\$814) \$6,303 Diluted Weighted Avg. Common Shares Outstanding 15,434,996 15,434,996 16,016,972 16,016,972 Earnings Per Share (Diluted) \$1.29 \$1.39 \$0.34 \$0.39 Total Revenue (Net Interest Income + Other Income) \$108,166 \$108,166 \$29,673 \$29,673 Return on Average Assets (ROAA) 0.64% 0.69% 0.64% 0.73% Return on Average Equity (ROAE) 7.71% 8.31% 7.83% 8.99% Net Interest Margin (Taxable Equivalent Basis) 2.80% 2.80% 2.82% 2.82% Operating Expenses/Average Assets Annualized 2.21% 2.13% 2.22% 2.07% Efficiency Ratio³ 63.80% 61.71% 65.22% 60.81%

32 We believe that these non - GAAP financial measures provide information that is important to investors and that is useful in understanding our financial position, results and ratios. Our management internally assesses our performance based, in part, on these measures. However, these non - GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. Non - GAAP Financial Measures Reconciliation (continued) (Dollars in Thousands, Except Per Share Data) As Reported for the: Year Ended December 31, Quarter Ended 2011

	2012	2013	2014	2015	March 31, 2016	Total Assets												
						\$1,600,335	\$1,667,836	\$1,966,948	\$2,702,397	\$3,364,659								
	\$3,465,997					Less: Goodwill	563	563	563	563	1,573	1,573						
						Less: Other Intangible Assets, net	0	0	0	0	1,708	1,691						
	Tangible Assets	\$1,599,772	\$1,667,273	\$1,966,385	\$2,701,834	\$3,361,378	\$3,462,733											
	Total Shareholder's Equity	\$122,971	\$122,057	\$170,657	\$242,267	\$275,676	\$283,505											
						Less: Goodwill	563	563	563	563	1,573	1,573						
						Less: Other Intangible Assets, net	0	0	0	0	1,708	1,691						
						Less: Preferred Stock	13,979	0	0	0	0	0						
	Tangible Common Equity	\$108,429	\$121,494	\$170,094	\$241,704	\$272,395	\$280,241											
	Tangible Common Equity / Tangible Assets	6.78%	7.29%	8.65%	8.95%	8.10%	8.09%											
	Equity / Assets	7.68%	7.32%	8.68%	8.96%	8.19%	8.18%											

33 Peapack - Gladstone Financial Corporation 500 Hills Drive, Suite 300 P.O. Box 700 Bedminster, New Jersey 07921 (908) 234 - 0700 www.pgbank.com Douglas L. Kennedy President & Chief Executive Officer (908) 719 - 6554 dkennedy@pgbank.com Jeffrey J. Carfora Senior EVP & Chief Financial Officer (908) 719 - 4308 jcarfora@pgbank.com Finn M.W. Caspersen, Jr. Senior EVP, Chief Operating Officer & General Counsel (908) 719 - 6559 caspersen@pgbank.com Contact Information Contacts Corporate Headquarters

