



PEAPACK-GLADSTONE FINANCIAL CORPORATION



ANNUAL REPORT 2012

Peapack-Gladstone Financial Corporation, headquartered in Bedminster, New Jersey, is the holding company for Peapack-Gladstone Bank, which operates 23 branch offices throughout Hunterdon, Middlesex, Morris, Somerset and Union counties. The Bank's wealth management division, PGB Trust & Investments, operates at the Bank's corporate offices in Bedminster as well as three other locations in Clinton, Morristown, and Summit, New Jersey, and at the Bank's new subsidiary, PGB Trust & Investments of Delaware, in Greenville, Delaware.

Established in 1921, Peapack-Gladstone Bank is one of the premier community banks in the marketplace, serving the needs of a loyal and growing client base. The Bank provides an array of wealth management services as well as a complete range of commercial and retail banking services.

The Company's stock trades on the NASDAQ Global Select Market under the symbol PGC.

STRATEGIC VISION

A high-performing boutique bank, leaders in wealth, lending and deposit solutions, known nationally for unparalleled client service, integrity and trust.



FINANCIAL HIGHLIGHTS

(In Thousands, Except Per Share Data)

Selected Year-End Data:	2012	2011	2010
Pre-Tax Income	\$ 16,101	\$ 13,982	\$ 10,895
Net Income	9,696	12,168	7,664
Net Income Available to Common Shareholders	9,222	10,940	5,978
Total Assets	1,667,836	1,600,335	1,505,425
Total Deposits	1,516,427	1,443,892	1,351,546
Total Investment Securities	304,479	420,239	415,353
Total Loans	1,132,584	1,038,345	932,497
Total Shareholders' Equity	122,057	122,971	117,716
PGB Trust & Investments Assets under Administration (Market Value)	2,303,612	1,957,146	1,940,404
Per Common Share:			
Earnings-Basic	\$ 1.05	\$ 1.25	\$ 0.68
Earnings-Diluted	1.05	1.25	0.68
Book Value	13.87	12.47	11.03
Financial Ratios:			
Net Interest Margin	3.50 %	3.47 %	3.64 %
Return on Average Assets	0.61	0.79	0.52
Return on Average Common Equity	8.03	10.74	6.26
Regulatory Capital Ratios:			
Total Capital to Risk-Weighted Assets	13.08 %	13.76 %	14.16 %
Tier 1 Capital to Risk-Weighted Assets	11.83	12.51	12.91
Tier 1 Capital to Average Assets	7.27	7.73	7.96



For complete financial information, please see the Company's Annual Report on Form 10-K.

To Our Shareholders

Dear Shareholders and Friends,

2012 was an important year for our Company. The year was one of solid achievement, both strategically and financially.

EARNINGS

Despite the challenging interest rate environment, net interest income grew \$2.5 million or over 5 percent from 2011 to 2012. This contributed to pre-tax earnings growth of \$2.1 million or 15 percent in 2012.

BALANCE SHEET GROWTH AND MANAGEMENT

2012 total loan originations were a record \$397 million. Much of our longer duration residential mortgage loan originations were sold benefitting noninterest income, as well as benefitting our interest rate risk position.

Total loans grew \$94 million or over 9 percent in 2012. That growth was funded by core deposit growth and cash flows from the lower yielding investment portfolio.

The Company's Pooled Trust Preferred Securities portfolio was sold resulting in a gain on sale, a significant reduction in risk-weighted assets for regulatory capital purposes and the realization of a majority of the Company's deferred tax assets.

CAPITAL

The remaining TARP/CPP funds taken from the Treasury in January 2009 were fully repaid in January 2012, without diluting one single shareholder. As of December 31, 2012, our regulatory capital ratios were all above the levels to be considered well capitalized under regulatory guidelines applicable to Banks. Additionally, the Company's common equity ratio (common equity to total assets) at the end of 2012 was 7.32 percent, up from 6.81 percent at the end of 2011.

PGB TRUST & INVESTMENTS

PGB Trust & Investments, our wealth management division, posted strong performance once again, ending the year with \$2.3 billion of assets under administration. Gross fees for 2012 were \$12.3 million, up 15 percent from 2011's results.

In December, we announced that we had received approval to establish PGB Trust & Investments of Delaware, a subsidiary of Peapack-Gladstone Bank, located in Greenville, DE. PGB Trust & Investments of Delaware provides our clients the opportunity to realize the advantages of Delaware trusts, which offer significant income and estate tax benefits, as well as greater flexibility to establish multi-generational trusts. The subsidiary allows us to help our clients find the most efficient ways to protect and perpetuate their assets and maximize the amount they are able to pass onto their heirs. We encourage you to speak with our wealth management division to learn more.



FRANK A. KISSEL
Chairman of the Board

Our wealth management division posted strong performance once again, ending the year with \$2.3 billion of assets under administration.

STRENGTHENING OUR INFRASTRUCTURE

The Company is well-positioned to meet the challenges of the future.

ASSET QUALITY

We made great strides in 2012. In comparing year end 2011 to year end 2012, we saw a \$17 million or 35 percent reduction in classified loans, including a \$7 million or 38 percent reduction in nonaccrual loans.

There is much more on this and all other financial aspects of the Company provided in the accompanying Annual Report on Form 10-K.

As you all know, in July, after almost 25 years as Chairman and Chief Executive Officer, I made the decision to step aside from the role of CEO. It has been my privilege to lead our Company for all these years, and I am very proud of the organization we have built and of all the people who have contributed to the effort. I am pleased to continue on as your Chairman as we move into the future with confidence and great strength.

Some of you have had the opportunity to meet our new CEO, Douglas L. Kennedy, who took the reins in October of 2012. I can promise you that he has tremendous energy and a vision for our Company that will ensure exceptional services for our clients and strong results for our investors. Together, we look forward to the challenges and opportunities ahead.

We also welcomed two new Board Members to our team in October, Edward A. Gramigna, Jr. and Beth Welsh, both of whom bring a tremendous amount of experience to our organization.

Lastly, we would be remiss if we did not thank Pamela Hill who retired from our Board in December after more than 20 years of dedicated service. Ms. Hill is the daughter of T. Leonard Hill, a former Chairman and longtime board member, and granddaughter of Garner F. Hill, a key founder of the Bank. Pam will be greatly missed.

The Company is well-positioned to meet the challenges of the future. We are distinguished by the breadth and depth of our talented professionals who work together rather than as individuals to provide responsive and value-added solutions and meet the multifaceted needs of our clients. We have the right approach, the right scope of services and the right people in place to build and retain lasting relationships.

As we look toward the year ahead, we remain committed to building future value. We thank each of you for your continued confidence and support.



FRANK A. KISSEL
Chairman of the Board

2012 was a very busy year at Peapack-Gladstone Bank



FROM THE DESK OF THE CHIEF EXECUTIVE OFFICER

Dear Fellow Shareholders,

Together, my leadership team and I have recently begun the process of charting our strategy for the future. We believe there are three major headwinds that must be addressed in order for us to succeed and provide ongoing shareholder value.

First, the current interest rate environment is continuing to put pressure on our interest margin. Approximately 75 percent of our revenue is derived from the spread we generate between the interest we pay for funds and the rate at which we lend or

invest. As you know, the amount we pay now for money is very low. We believe there is little room to reduce rates further. On the asset side, our clients continue to refinance loans at low rates. When rates eventually increase, a strategy to maintain our margin by lending money for longer periods of time would expose us to considerable risk. Instead, we will focus on decreasing the average maturity of our loans and build out a Commercial & Industrial (C&I) Lending business, both of which will better serve us.

Second, technology is transforming our industry. Traditional retail transaction volume has been declining for several years, and our clients are availing themselves of internet and digital channels. The adoption rate for digital has been brisk, and we plan to stay in step with changes as they emerge. Having said this, our long-established reputation as a Company that provides a high level of personal service will remain intact, and we will look for ways to more proactively enhance how we support our clients in person, as well as through these

alternative channels. We will make improvements to our Call Center, enhance the branch level account opening process, provide online "chat" support, and continue to explore what the "branch of the future" looks like.

The third headwind we face is the tsunami of increased regulations confronting our industry. We all understand the genesis of this regulation, and we accept that managing our business properly is non-negotiable. As a Company, we believe that we have invested sufficient resources to meet this challenge. In fact, beginning in 2013, we took steps to increase risk oversight by establishing a Risk Committee at the Board of Directors level and a Risk Committee within the Bank itself.



We have also recently hired a risk veteran to build out and head a newly-formed Enterprise Risk Management Division. We will invest more resources as needs arise and rely on this enhanced risk management team to lay the foundation for managing financial and nonfinancial risks company-wide. We believe this rigorous approach will help drive shareholder value over time.

OUR STRATEGIC VISION

“A high-performing boutique bank, leaders in wealth, lending and deposit solutions, known nationally for unparalleled client service, integrity and trust.”

We believe we are good; our vision now is to become great. Based on my short time at our Company, I already know this can be accomplished. We have the best people, period. This vision, which we have created as a team, will serve as a beacon for our Company's future growth.

During the fourth quarter, we took stock in what makes us special to our clients and communities. We believe our Company has a unique, competitive advantage and that our wealth business, which has been built over many years, is not easily replicated. Much of our competition lacks a wealth management capability. Those companies that do offer wealth management solutions often operate in silos with high minimum balance requirements. Our plan is to combine our wealth offering with our commercial lending efforts in an integrated way, which will provide a differentiated value proposition.

We believe we are good; our vision now is to become great.

I know that we can do this.

OUR STRATEGY

After an extensive assessment of our Company and the market, we developed and presented a comprehensive plan for our future to our Board of Directors. The plan is exciting. It promises a steady stream of increased revenue and profitability by focusing on great client service. Over 50 employees at all levels of the Company were enlisted to help draft the plan, which includes the following key elements:

- Enhanced risk management
- Expansion of our Multi-Family and Commercial Real Estate Lending business
- Expansion of our C&I business through Private Banking teams, who will lead with deposit gathering and wealth management
- Establishment of a sales force that supports our branches and will serve as a primary contact for clients.
- Growing our residential mortgage business

Our strategic plan - “Expanding Our Reach” - relies on organic growth rather than growth through acquisition as many of our competitors are actively pursuing. Ultimately, we believe that our strategy stays true to who we are.

I am also thankful for the confidence that you have given our company over the past several years and believe that our future holds great promise.

WHAT WE WANT TO ACCOMPLISH IN 2013

We started our work in the fourth quarter of 2012. To invest in our strategy, we took steps to take risk out of the balance sheet and eliminate \$1.4MM in annualized costs. We will make additional investments in 2013 that will support our future growth. Our goals include:

- Enhancing risk management
- Enhancing the client experience through innovative technology
- Expanding our Commercial Real Estate, Multi-Family and C&I Lending businesses
- Growing our Wealth Management business
- Establishing a robust sales culture

WHY YOU SHOULD WANT TO OWN OUR STOCK

We are implementing a very unique business model located in an enviable market. Our market share is small, but technology and people will enable us to grow. Based on our current revenue mix, we can easily justify a higher valuation in our share price, but the market has not yet bought in. Our strategy to invest in our product capabilities and recruit high-level talent will enable us to achieve future growth and visibly demonstrate our ability to deliver consistent profitability over time. We will accomplish this while managing risk and delivering growth, which will be sustainable in future years. We believe that this growth and our advantageous mix of spread and noninterest income will create a better valuation of our shares.

CLOSING

Over the past several months, I have witnessed how hard your Board of Directors works in providing governance. Know that the entire leadership team values and respects the counsel and guidance your Board provides, helping us to generate value for our shareholders. I am thankful for the confidence you have given our Company over the past several years and believe that our future holds great promise. In my role as CEO, I take the responsibility of communication seriously and commit to providing transparency. I will endeavor to continually share our progress as we execute our exciting plan – “Expanding Our Reach.”



DOUGLAS L. KENNEDY
Chief Executive Officer

A History of Success

Peapack-Gladstone Bank has been in the business of building relationships with clients and the communities it serves since 1921. We are positioned well for the future. Our core operating base is strong, and as we prepare to embark on a plan to grow our wealth management, commercial lending and retail business lines, we remain dedicated to maintaining and enhancing our high levels of client service. Our history is solid, built on long-term relationships and loyalty. Our future promises to be bright as we embrace our strategic vision: a high-performing boutique bank, leaders in wealth, lending and deposit solutions, known nationally for unparalleled client service, integrity and trust.

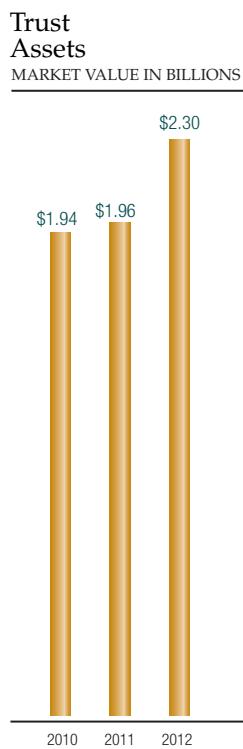
Wealth Management

PGB Trust & Investments, the wealth management division of Peapack-Gladstone Bank, is one of the largest New Jersey-based asset managers with \$2.3 billion of assets currently under administration. It is headquartered in Bedminster, with additional offices in Clinton, Morristown and Summit, NJ, as well as at the Bank's new subsidiary, PGB Trust & Investments of Delaware, in Greenville, DE. This division is known for its integrity, client service and broad range of fiduciary, investment management and tax services, designed specifically to meet the needs of high net-worth individuals, families, foundations and endowments.

Our wealth management business differentiates us from our competition and adds significant value. We will grow this business further both in and around our market areas assisted by our new Delaware Trust subsidiary; through our existing wealth, loan and depository client base; and through our innovative Private Banking platform, which utilizes teams of Private Bankers working together to provide fully integrated client solutions. Throughout the wealth management division and all other business lines, we will continue to provide the unparalleled personalized, high-touch service our valued clients have come to expect.

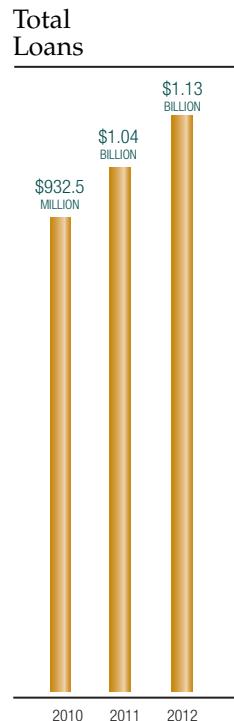


**Private Banking Platform:
Working together to provide
fully integrated client solutions.**



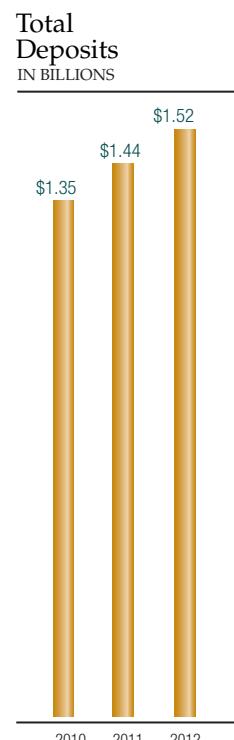
Commercial Lending

We have been helping businesses emerge, expand and evolve for many years. We plan to continue this by moving more aggressively and growing our multi-family and other commercial real estate lending businesses, and introducing a comprehensive Commercial & Industrial (C&I) Lending program designed to service individuals, professional service firms, foundations, and privately owned businesses. This C&I Lending program, similar to our wealth management business, will be fully integrated into our Private Banking platform with a C&I Lending Private Banker, a Wealth Advisor Private Banker and a Deposit Private Banker who will work together to provide high-touch “white-glove” client service.



Retail Banking - Deposits

We see a lot of opportunity for growth in our core markets. We have recently introduced the concept of high-touch concierge-style banking to support the affluent segment of our branch network. Much like the Private Banking platform, this team is intimately knowledgeable of all Bank products and services and serves as the primary contact for clients seeking wealth, lending and deposit solutions. The structure of this team will enable our existing branch network to maintain its primary objective of providing unique and unparalleled client service. Additionally, it is our expectation that our new Private Banking platform will contribute significantly to our retail deposit growth, not only through stand-alone deposit relationships, but through comprehensive new relationships associated with C&I Lending.



Retail Banking - PGB Mortgage

Over the course of 2013 and beyond, we plan to aggressively grow our residential mortgage division. To that end, we have recently begun a rebranding effort to more effectively position this line of business, creating an opportunity for us to move into contiguous markets and expand our lending reach into northern New Jersey and beyond. PGB Mortgage opens the door for us to more easily and proactively reinvest in communities with the greatest need and joins PGB Trust & Investments as an extension of the Peapack-Gladstone Bank brand that has been a well-respected and integral part of the communities we serve for more than 90 years.

**Reinvesting
In Our
Communities
with PGB
Mortgage.**



PORTRAITS IN CLIENT LOYALTY

VAN DOREN OIL

"We have been a loyal client of Peapack-Gladstone Bank for over 35 years. I can remember how the quaint Pottersville Branch had just one employee and used to close for lunch breaks back in the 1970s. The friendly, courteous staff and great customer service are just two of the reasons we bank here and will continue to do so for many years to come."

Vanessa Van Doren, Van Doren Oil Co.

"Long-term relationships between two parties say a lot about a business. At Van Doren Oil, we pride ourselves on the friendships we've created with our customers throughout the years, and we appreciate a loyal business partnership like the one we have with Peapack-Gladstone Bank."

Jack Van Doren, Van Doren Oil Co.



Van Doren Oil Co. was established in 1939 by Ben Van Doren and continues operations today with second and third generation family members and over 30 valued employees. From its humble beginnings with just a single delivery truck to a current heating oil storage capacity of one million gallons, it is one of the largest inland storage facilities in New Jersey, able to provide customers in Hunterdon, Somerset and parts of Warren and Morris counties with a reliable source of home heating oil in the event of service disruptions. This could not have been more evident than during Hurricane Sandy (October 2012) when Van Doren Oil Co. helped keep many generators running, including Peapack-Gladstone Bank's, so our clients could continue banking and secure the money they needed to survive the crisis.

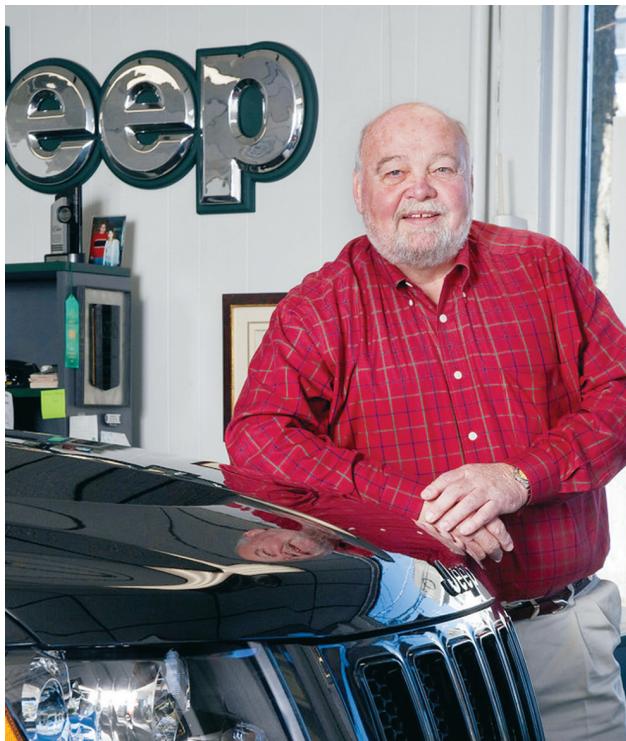


JAMES F. HURLEY INSURANCE AGENCY CORPORATION

“Not only are we clients of Peapack-Gladstone Bank and PGB Trust & Investments, we are partners in business. The personal service the Bank provides is unique, and that makes all the difference in our relationship.”

Candyce J. Forster, EVP Commercial Lines Manager, Nancy L. Peterson, VP Accounting/Systems Manager, and R. Craig Sutherland, President

The James F. Hurley Insurance Agency Corporation has been serving NJ residents and businesses for more than five decades. The professionals at Hurley are dedicated to providing the kind of personalized service that ensures a fast, knowledgeable response when it's needed most. Peapack-Gladstone Bank appreciates that commitment and is driven by the same core values – providing personalized service along with unmatched responsiveness and flexibility. Partnering with businesses like the James F. Hurley Insurance Agency Corporation allows Peapack-Gladstone Bank the opportunity to create valuable relationships based on common goals.



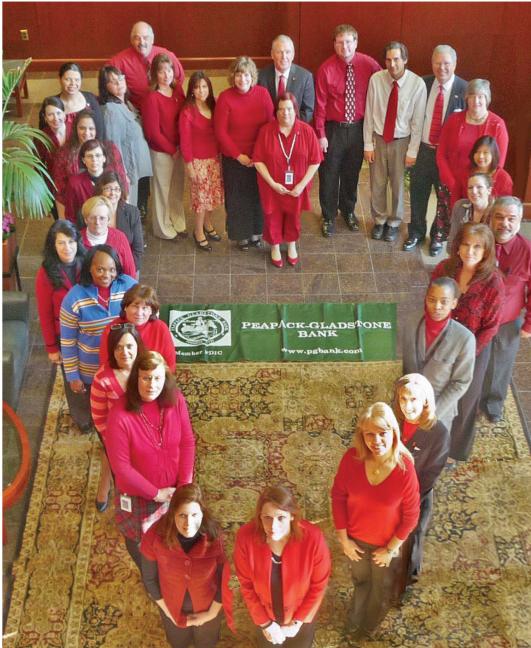
TEAM WELSH JEEP/CHRYSLER

“Whenever we go to the bank, they somehow always seem to be able to work out whatever we need...no matter how complicated.”

Peter Welsh, Dealer Principal, 3rd Generation

Team Welsh Jeep/Chrysler, established in 1909, began as a livery stable in bucolic Far Hills, New Jersey. In 1916, the livery stable was transformed into an automobile dealership selling Model T Fords. Today, the fourth generation of Welshes runs the oldest Jeep dealership in the state. The Welsh family chose Peapack-Gladstone Bank long ago because of the Bank's personal service and attention. Peapack-Gladstone Bank is proud to share its 92 year history with the Welsh family, one of several multi-generation corporate relationships.

A STRONG BANK, A SUCCESSFUL COMMUNITY



AHA National Wear Red Day

Each year Peapack-Gladstone Bank participates in the American Heart Association's "National Wear Red Day." The Bank and its employees "wear red" and donate money to promote awareness of the number one killer of women – heart disease and stroke. Our clients have jumped onboard with donations as well and helped position Peapack-Gladstone Bank as one of the largest fundraisers in the State. The Bank has been recognized by the American Heart Association for its efforts, and in 2012 was named the #1 fundraiser in the New Jersey Banking/Financial Team category and the #18 fundraiser overall for statewide initiatives.



Peapack-Gladstone Bank Joins United Way Holiday Gift Drive

During the 2012 holiday season, Peapack-Gladstone Bank teamed up with the United Way of Northern New Jersey to collect new toys, clothing and books at its Somerset County branches for distribution to local needy families. For those lacking financial resources, purchasing holiday gifts may not be easy. Items distributed by the United Way of Northern New Jersey are often the only presents low-income residents receive during this time of year. Volunteers are essential to the success of any program, so when the time came to sort through the hundreds of collected items, Peapack-Gladstone Bank employees stepped up. On December 11, the Peapack-Gladstone Bank Gifts of the Season Holiday Team assisted at the United Way's consolidation warehouse sorting and tagging donations for distribution. We are dedicated to supporting the communities in which we do business and look forward to supporting those individuals and organizations that form the fabric of our communities in 2013.

PROVIDING SUPPORT WHEN IT WAS NEEDED MOST



Peapack-Gladstone Bank and Its Clients Provide Aid to St. Hubert's Animal Welfare Center

In the fall of 2012, Peapack-Gladstone Bank's Four Paws Pet Supply Drive to benefit St. Hubert's Animal Welfare Center in North Branch and Madison ended just before Hurricane Sandy hit the east coast. The culmination of this initiative could not have been timelier and allowed the Bank to support St. Hubert's efforts to provide assistance to hundreds of New Jersey's displaced pets and pet owners most impacted by the storm. The Bank along with its clients donated countless items including 250 pounds of dry dog food, 150 pounds of dry cat food, 23 cases of canned food as well as boxes of blankets, toys, cat litter and cleaning products. St. Hubert's packed our donations and transported them to pet owners, animals in shelters and foster care facilities throughout our storm-damaged State. Peapack-Gladstone Bank is proud to partner with clients like St. Hubert's Animal Welfare Center to ensure our communities survive and thrive.



Employees take Hurricane Sandy Personally

Hurricane Sandy affected many of our clients and as a Bank, we felt it was our duty to get back in business quickly, helping our clients survive the crisis without having to worry about underwriting its costs. Our employees, who are deeply vested in their communities, also took it upon themselves to physically assist clients in need. Consider Tracey Goodroad, our longtime Pottersville Branch Manager, known in the community as a caring individual. When Tracey realized that one of her regular clients, an elderly woman, had not visited the branch since the storm, she worried for her safety. Tracey drove to her home and found the woman without heat or power. Determined to help, she tried to persuade her client to make alternate arrangements, and when that wasn't possible, she began arranging for a generator to be delivered to the cold home. Fortunately, power was restored that same afternoon and the generator was not needed, but it is stories like this that illustrate our employee dedication and commitment to providing support – no matter what kind – when it is needed most.

CONSOLIDATED STATEMENTS OF CONDITION

(In Thousands, Except Share Data)	December 31,	
	2012	2011
ASSETS		
Cash and Due from Banks	\$ 6,733	\$ 7,097
Federal Funds Sold	100	100
Interest-Earning Deposits	112,395	35,856
Total Cash and Cash Equivalents	119,228	43,053
Investment Securities Held to Maturity (Fair Value of \$99,427 in 2011)	-	100,719
Securities Available for Sale	304,479	319,520
FHLB and FRB Stock, at cost	4,639	4,569
Loans Held for Sale, at fair value	6,461	2,841
Loans Held for Sale, at lower of cost or fair value	13,749	-
Loans	1,132,584	1,038,345
Less: Allowance for Loan Losses	12,735	13,223
Net Loans	1,119,849	1,025,122
Premises and Equipment	30,030	31,941
Other Real Estate Owned	3,496	7,137
Accrued Interest Receivable	3,864	4,078
Bank Owned Life Insurance	31,088	27,296
Deferred Tax Assets, net	9,478	26,731
Other Assets	21,475	7,328
Total Assets	\$ 1,667,836	\$ 1,600,335
LIABILITIES		
Deposits:		
Noninterest-Bearing Demand Deposits	\$ 298,095	\$ 297,459
Interest-Bearing Deposits:		
Checking	346,877	341,180
Savings	109,686	92,322
Money Market Accounts	583,197	516,920
Certificates of Deposit \$100,000 and over	68,741	71,783
Certificates of Deposit less than \$100,000	109,831	124,228
Total Deposits	1,516,427	1,443,892
Federal Home Loan Bank Advances	12,218	17,680
Capital Lease Obligation	8,971	9,178
Accrued Expenses and Other Liabilities	8,163	6,614
Total Liabilities	1,545,779	1,477,364
SHAREHOLDERS' EQUITY		
Preferred Stock (No Par Value; Authorized 500,000 Shares; No Shares Issued at December 31, 2012 and 14,341 Shares Issued at December 31, 2011; Liquidation Preference of \$1,000 Per Share)	-	13,979
Common Stock (No Par Value; Stated Value \$0.83 Per Share; Authorized 21,000,000 Shares; Issued Shares, 9,325,977 at December 31, 2012 and 9,240,889 at December 31, 2011; Outstanding Shares, 8,917,799 at December 31, 2012 and 8,832,711 at December 31, 2011)	7,755	7,685
Surplus	97,675	96,323
Treasury Stock at Cost (408,178 Shares at December 31, 2012 and 2011)	(8,988)	(8,988)
Retained Earnings	21,316	13,868
Accumulated Other Comprehensive Income, Net	4,299	104
Total Shareholders' Equity	122,057	122,971
Total Liabilities and Shareholders' Equity	\$ 1,667,836	\$ 1,600,335

For complete financial information, please see the Company's Annual Report on Form 10-K.

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
(In Thousands, Except Per Share Data)	2012	2011	2010
INTEREST INCOME			
Loans, including fees	\$ 48,010	\$ 46,628	\$ 50,455
Loans Held for Sale	123	56	N/A
Investment Securities Held to Maturity:			
Taxable	1,648	2,066	2,037
Tax-Exempt	187	354	467
Securities Available for Sale:			
Taxable	5,385	6,285	7,278
Tax-Exempt	639	518	535
Interest-Earning Deposits	98	144	150
Total Interest Income	56,090	56,051	60,922
INTEREST EXPENSE			
Checking Accounts	379	1,045	1,586
Savings and Money Market Accounts	1,092	2,215	3,908
Certificates of Deposit over \$100,000	900	1,060	1,620
Other Certificates of Deposit	1,337	1,755	2,666
Overnight and Short-term Borrowings	39	3	-
Federal Home Loan Bank Advances	509	739	1,046
Capital Lease Obligation	431	319	206
Total Interest Expense	4,687	7,136	11,032
Net Interest Income Before Provision for Loan Losses	51,403	48,915	49,890
Provision for Loan Losses	8,275	7,250	10,000
Net Interest Income After Provision for Loan Losses	43,128	41,665	39,890
OTHER INCOME			
Trust Fees	12,282	10,686	9,901
Service Charges and Fees	2,756	2,908	2,798
Bank Owned Life Insurance	1,064	1,427	863
Gain on Loans Sold	1,195	502	1,041
Other Income	196	156	329
Other-Than-Temporary Impairment Loss:			
Total Impairment Charges on Securities	-	-	(941)
Loss Recognized in Other Comprehensive Income	-	-	-
Net Impairment Loss Recognized in Earnings	-	-	(941)
Securities Gains, Net	3,810	1,037	124
Total Other Income	21,303	16,716	14,115
OPERATING EXPENSES			
Salaries and Employee Benefits	27,595	23,230	22,529
Premises and Equipment	9,467	9,371	9,624
Other Operating Expenses	11,268	11,798	10,957
Total Operating Expenses	48,330	44,399	43,110
Income Before Income Tax Expense	16,101	13,982	10,895
Income Tax Expense	6,405	1,814	3,231
Net Income	9,696	12,168	7,664
Dividends on Preferred Stock and Accretion	474	1,228	1,686
Net Income Available to Common Shareholders	\$ 9,222	\$ 10,940	\$ 5,978
EARNINGS PER COMMON SHARE			
Basic	\$ 1.05	\$ 1.25	\$ 0.68
Diluted	1.05	1.25	0.68

For complete financial information, please see the Company's Annual Report on Form 10-K.

PRODUCTS

Wealth Management Services through PGB Trust & Investments*

Cash Management	Investment Management
Charitable Trusts and Private Foundations	Reporting
Custody	Tax Preparation
Estate Administration	The Delaware Advantage through PGB Trust & Investments of Delaware
Estate and Trust Administration	Trust Establishment
Financial Planning	Wealth Management
Individual Retirement Planning	

*Securities and mutual funds are not FDIC insured, are not obligations of or guaranteed by Peapack-Gladstone Bank, and may involve investment risk, including possible loss of principal. Information provided for educational purposes only. This should not be relied upon as tax and/or investment advice. We encourage you to consult your personal legal, tax or financial advisors for information specific to your situation.

Commercial Banking

Commercial Lending	Direct Deposit
Commercial Revolving Lines of Credit	Electronic Deposit and Debit Origination
Commercial Mortgages	Electronic Statements
Commercial Fixed-Rate Term Loans	Free Small Business Checking
Commercial Letters of Credit	Interest-Bearing Business Checking
Mixed-Use Building Lending	Escrow Management (IOLTA)
Multi-Family Lending	Merchant Services
Small Business Administration and New Jersey Economic Development Authority Lending	Mobile Banking
Small Business Fixed-Rate Term Loans	Money Market Accounts
Small Business Lines of Credit	Online Account Opening
Small Business Vehicle Loans	Online Check Reorder
Access 24 Phone Banking	Online Interbank Transfers
ATM Banking	PGB Mobile Deposit
Automated Clearing House (ACH)	PGB NetAccess Internet Banking
Business Debit Card	PGB Remote Deposit
Cash Management Services	Small Business Online Bill Pay
Certificates of Deposit	Statement Savings Accounts
Customer Payment Portal	Wire Transfer Services

Member FDIC



PRODUCTS

Retail Banking

Access 24 Phone Banking
ATM Banking
Chairman's Club Checking
Certificates of Deposit
Certificate of Deposit Account Registry Service ® (CDARS)
Coin Machines
Direct Deposit
Electronic Statements
Free Personal Checking
Holiday Club Accounts
Interest-Bearing Personal Checking
IRA Certificates of Deposit
IRA Savings
Mobile Banking
Money Market Accounts
New Jersey Consumer Checking
Night Deposit
Online Account Opening
Online Check Reorder
Online Interbank Transfers
PGB Mobile Deposit
PGB NetAccess Internet Banking and Bill Pay
Personal Debit Card
Pony Club Savings Accounts
Safe Deposit Boxes
Sensible Savings Accounts
Statement Savings Accounts
Vacation Club Accounts

Consumer Lending

Home Equity Fixed-Term Loans
Home Equity Lines of Credit
Overdraft Lines of Credit
Secured Loans
Unsecured Loans
Vehicle Loans

Mortgage Lending through PGB Mortgage

Adjustable-Rate Mortgages
Construction-Permanent Mortgages
Fixed-Rate Mortgages
Interest-Only Mortgages
Jumbo Mortgages
Low- and Moderate-Income Programs

Brokerage Services through PGB Financial Services**

Annuities
Brokerage
College Planning
Investment Review
Income Tax Reduction Strategies
Long-Term Care
Mutual Funds
Retirement Accounts
Retirement Planning
Tax Advantage Accounts

**Securities and insurance products offered through LPL Financial and its affiliates Member FINRA/SIPC.

Not FDIC Insured	No Bank Guarantee
May Lose Value	Not A Deposit
Not Insured by any Federal Government Agency	

Member FDIC



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Participation in our Dividend Reinvestment Plan (DRP) is a convenient and easy way
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Annual Meeting

The Annual Meeting of Shareholders of Peapack-Gladstone Financial Corporation
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