

## CAPITAL MARKETS ANNOUNCEMENT

**Peapack-Gladstone Financial Corporation (NASDAQ: PGC; Bedminster, NJ) Closes Offering of \$35 Million of Subordinated Notes due 2027**

Sandler O'Neill + Partners, L.P. served as sole book-running manager for this offering.

The 4.75% coupon is the lowest coupon on record for any BBB- Kroll-rated subordinated note offering.<sup>1</sup>

This transaction is the 129<sup>th</sup> subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner, or initial purchaser. Since May 20, 2016, Sandler O'Neill has raised approximately \$4.3 billion for its clients, capturing a 67.3% market share of announced transactions.<sup>1</sup>

**About the Offering:**

BEDMINSTER, NJ, December 12, 2017 -- Peapack-Gladstone Financial Corporation (Nasdaq Global Select Market: PGC) (the "Company"), the parent corporation of Peapack-Gladstone Bank (the "Bank"), today announced that it closed on its issuance of \$35 million in aggregate principal amount of its Fixed-to-Floating Subordinated Notes due December 15, 2027 (the "Notes"). The Notes will initially bear a fixed interest rate of 4.75% per year. Commencing on December 15, 2022, the interest rate on the Notes will reset on a quarterly basis to the three-month LIBOR rate plus a spread of 254 basis points, payable quarterly in arrears.

The Company plans to use the net proceeds from the sale of the Notes for general corporate purposes, including investment in the Bank as regulatory capital to fund future growth and potential strategic acquisitions.

*This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.*

**About the Company:**

Peapack-Gladstone Financial Corporation is a New Jersey bank holding company with total assets of \$4.18 billion as of September 30, 2017. Founded in 1921, Peapack-Gladstone Bank is a commercial bank that provides innovative private banking services to businesses, non-profits and consumers, which help them to establish, maintain and expand their legacy. Through its private banking locations in Bedminster, Morristown, Princeton and Teaneck, its Private Wealth Management Division, and its branch network and online platforms, Peapack-Gladstone Bank offers an unparalleled commitment to client service.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt or senior note offerings for Community Banks reported by Bloomberg; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.

(2) Financial data is not pro forma for the subordinated notes offering.

December 12, 2017

4.75% Fixed-to-Floating Rate  
Subordinated Notes due 2027

**\$35 Million**

PEAPACK-GLADSTONE  
FINANCIAL CORPORATION

Sole Book-Running Manager  
SANDLER O'NEILL + PARTNERS

**Financial Highlights as of September 30, 2017<sup>2</sup>***(Dollars in millions)*

Total Assets	\$4,176
Net Loans (incl. HFS)	\$3,634
Total Deposits	\$3,663
Total Equity	\$380
Tang. Common Equity / Tang. Assets	8.77%
LTM ROAA	0.84%
LTM ROAE	9.79%

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