

PEAPACK GLADSTONE FINANCIAL CORP

Form 424B2

June 08, 2016

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(2)**

**Registration No. 333-198299**

**Subject to Completion. Dated June 8, 2016.**

**PRELIMINARY PROSPECTUS SUPPLEMENT  
(To Prospectus dated August 22, 2014)**

**\$**

**% Fixed-to-Floating Subordinated Notes due ,  
20**

We are offering \$ aggregate principal amount of our % Fixed-to-Floating Subordinated Notes due 20 , which we refer to as the Notes. The Notes will bear interest at a rate of % per annum, from and including , 2016, to but excluding , 20 . From and including , 20 through maturity or earlier redemption, the interest rate shall reset quarterly to an interest rate per annum equal to the then current three-month LIBOR rate plus basis points, payable quarterly in arrears. We will pay interest on the Notes on each and , commencing on , 2016 through , 20 , and thereafter on each , , and . The Notes will mature on , 20 .

Subject to the prior approval of the Board of Governors of the Federal Reserve System, to the extent that such approval is required, we may, at our option, beginning , 20 and on any scheduled interest payment date thereafter, redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to, but excluding, the date of redemption (an Optional Redemption ). Other than in the case of an Optional Redemption, subject to the prior approval of the Federal Reserve Board, to the extent that such approval is required, the Notes will not be redeemable prior to maturity unless certain events occur as described under Description of Notes in this prospectus supplement. There is no sinking fund for the Notes.

The Notes will be unsecured and subordinated in right of payment to the payment of our existing and future senior indebtedness, including all of our general creditors, and they will be structurally subordinated to all of our subsidiaries existing and future indebtedness and other obligations, including the bank deposits of our subsidiary bank. In the event of our bankruptcy or insolvency, the holders of the Notes will not be entitled to receive any payment with respect to the Notes until all holders of senior indebtedness are paid in full. The Notes are obligations of Peapack-Gladstone Financial Corporation only and are not obligations of, and are not guaranteed by, any of our subsidiaries, including our bank subsidiary, Peapack-Gladstone Bank (the Bank ).

There is no public trading market for the Notes and we do not intend to list the Notes on any securities exchange or to

have the Notes quoted on a quotation system.

	Price to Public <sup>(1)</sup>	Underwriting Discounts	Proceeds to Us (Before Expenses)
	%	%	%
Per Note due 20			
Total	\$	\$	\$

(1) Plus accrued interest, if any, from the original issue date.

**Investing in the Notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

**The Notes will not be savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The Notes are not guaranteed under the FDIC's Temporary Liquidity Guarantee Program.**

The underwriters expect to deliver the Notes to purchasers in book-entry form through the facilities of The Depository Trust Company, on or about \_\_\_\_\_, 2016.

*Book-Running Manager*

**Sandler O'Neill + Partners, L.P.**

*Co-Manager*

**Keefe, Bruyette & Woods**  
*A Stifel Company*

**Prospectus Supplement dated \_\_\_\_\_, 2016**

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**You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with different information. If you receive any other information, you should not rely on it.**

**We are not making an offer of the Notes covered by this prospectus supplement in any jurisdiction where the offer is not permitted.**

**You should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus or any free writing prospectus prepared by us is accurate as of any date other than the respective dates thereof.**

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## **ABOUT THIS PROSPECTUS SUPPLEMENT**

References in this prospectus supplement and the accompanying prospectus to Peapack, we, us and our are to Peapack-Gladstone Financial Corporation.

We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. The information contained in this prospectus supplement is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement or of any sale of the securities offered pursuant to this prospectus supplement.

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters. The prospectus supplement also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which describes more general information about us, some of which may not apply to the offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described below under the heading **Where You Can Find More Information** . Generally, when we refer to the prospectus, we are referring to both parts of this document combined.

We are offering to sell, and seeking offers to buy, the Notes only in jurisdictions where offers and sales are permitted. The distribution of this prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any Notes offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

When acquiring any securities discussed in this prospectus, you should rely only on the information provided in this prospectus, including the information incorporated by reference. Neither we nor any underwriters or agents have authorized anyone to provide you with different information. You should not assume that the information in this prospectus or any document incorporated by reference is accurate or complete at any date other than the date mentioned on the cover page of these documents.

To the extent the information set forth in this prospectus supplement differs from the information set forth in the accompanying prospectus or any document incorporated by reference filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement.

Currency amounts in this prospectus supplement are stated in U.S. dollars.

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## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. Our SEC filings are available over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at [www.pgbank.com](http://www.pgbank.com). Except as specifically incorporated by reference in this prospectus supplement, information on those websites is not part of this prospectus supplement. You may also read and copy any document we file by visiting the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room.

The SEC allows us to incorporate by reference the information we file with them, which means:

incorporated documents are considered part of this prospectus supplement;  
we can disclose important information to you by referring you to those documents; and  
information that we file with the SEC will automatically update and supersede this prospectus supplement and earlier information incorporated by reference.

In the case of a conflict or inconsistency between information contained in this prospectus supplement and information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

We incorporate by reference the following documents that we have filed with the SEC:

Annual Report on Form 10-K for the year ended December 31, 2015 (including portions of our Proxy Statement for our 2016 Annual Meeting of Shareholders filed on March 17, 2016 with the SEC to the extent specifically incorporated by reference in such Form 10-K);

Quarterly Report on Form 10-Q for the quarter ended March 31, 2016;

Current Reports on Form 8-K filed on the following dates: January 29, 2016, February 2, 2016 (two reports), April 25, 2016, April 26, 2016 and April 29, 2016 (unless stated otherwise in the applicable report, information furnished under Item 2.02 or 7.01 of our Current Reports on Form 8-K is not incorporated herein by reference); and

The description of our common stock which is contained in our Registration Statement on Form 10 including any amendment or report filed for the purpose of updating such description.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus supplement (other than, in each case, documents or information deemed to have been furnished, and not filed in accordance with the SEC rules) until this offering is completed:

reports filed under Sections 13(a) and (c) of the Exchange Act;  
any document filed under Section 14 of the Exchange Act; and  
any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus supplement and accompanying prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement is accurate as of the date of this prospectus supplement only. Our business, financial condition and results of operation may have changed since that date.



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To receive a free copy of any of the documents incorporated by reference in this prospectus supplement (other than exhibits, unless they are specifically incorporated by reference in the documents), call or write our Shareholder Relations Department, as follows:

Peapack-Gladstone Financial Corporation  
500 Hills Drive, Suite 300  
Bedminster, New Jersey 07921  
Attention: Jeffrey J. Carfora  
Telephone: (908) 234-0700

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains and incorporates by reference certain forward-looking statements regarding our financial condition, results of operations and business. These statements are not historical facts and include expressions about management's confidence and strategies and management's expectations about new and existing programs and products, acquisitions, relationships, opportunities, taxation, technology, market conditions and economic expectations.

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, the following:

- 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;
- the impact of anticipated higher operating expenses in 2016 and beyond;
- inability to manage our growth;
- inability to successfully integrate our expanded employee base;
- a continued or unexpected decline in the economy, in particular in our New Jersey and New York market areas;
- declines in our net interest margin caused by the low interest rate environment and highly competitive market;
- declines in value in our investment portfolio;
- higher than expected increases in our allowance for loan losses;
- higher than expected increases in loan losses or in the level of nonperforming loans;
- unexpected changes in interest rates;
- a continued or unexpected decline in real estate values within our market areas;
- 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;
- successful cyber attacks against our IT infrastructure and that of our IT providers;
- higher than expected FDIC insurance premiums;
- adverse weather conditions;
- inability to successfully generate new business in new geographic markets;
- inability to execute upon new business initiatives;
- lack of liquidity to fund our various cash obligations;
- reduction in our lower-cost funding sources;
- our inability to adapt to technological changes;
- claims and litigation pertaining to fiduciary responsibility, environmental laws and other matters; and
- other unexpected material adverse changes in our operations or earnings.

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We assume 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, we cannot guarantee future results, levels of activity, performance, or achievements. When considering these forward-looking statements, you should keep in mind these risks, uncertainties and other cautionary statements made in this prospectus supplement and the accompanying prospectus. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. You should refer to our periodic and current reports filed with the SEC for specific risks that could cause actual results to be significantly different from those expressed or implied by these forward-looking statements. See [Where You Can Find More Information](#) above and [Risk Factors](#) below.

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## SUMMARY

*The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement or the accompanying prospectus. Because this is a summary, it may not contain all of the information that is important to you. You should read this entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors and the documents incorporated by reference herein, including our financial statements and the notes to those financial statements contained in such documents, before making an investment decision.*

### About Peapack

Peapack-Gladstone Financial Corporation is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. The Company was organized under the laws of New Jersey in August 1997, by the Board of Directors of Peapack-Gladstone Bank (the Bank), its principal subsidiary, to become a holding company for the Bank. The Bank is a state chartered commercial bank founded in 1921 under the laws of the State of New Jersey. The Bank is a member of the Federal Reserve System. The Bank provides innovative private banking services to businesses, non-profits and consumers through its private banking locations in Bedminster, Morristown, Princeton and Teaneck, New Jersey, its wealth management division and its branch network in Somerset, Morris, Hunterdon and Union Counties.

Our private wealth management division is one of the largest New Jersey-based trust and investment businesses with \$3.31 billion of assets under administration as of March 31, 2016. It is headquartered in Bedminster, New Jersey with additional private banking locations in Morristown, Princeton and Teaneck, New Jersey, as well as at the Bank's subsidiary, PGB Trust & Investments of Delaware, in Greenville, Delaware. Our wealth management clients include individuals, families, foundations, endowments, trusts and estates. Our commercial loan clients are business people, including business owners, professionals, retailers and real estate investors. Most forms of commercial lending are offered, including working capital lines of credit, term loans for fixed asset acquisitions, commercial mortgages, multi-family mortgages and other forms of asset-based financing. Treasury management services are also offered.

In addition to commercial banking activities, we offer a wide range of consumer banking services, including: checking and savings accounts, money market and interest-bearing checking accounts, certificates of deposit, and individual retirement accounts held in certificates of deposit. We also offer residential and construction mortgages, home equity lines of credit and other second mortgage loans. Automated teller machines are available at 22 locations. Internet banking, including an online bill payment option and mobile phone banking, is available to customers.

We believe our wealth management business differentiates us from our competition and adds significant value. We intend to grow this business further both in and around our market areas through our Delaware trust subsidiary; through our existing wealth, loan and depository client base; and through our innovative private banking service model, which utilizes 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.

Our principal executive offices are located at 500 Hills Drive, Suite 300, Bedminster, New Jersey 07921, and our telephone number is (908) 234-0700. Our website is [www.pgbank.com](http://www.pgbank.com). Information on or accessible through our website shall not be deemed part of this prospectus supplement or the accompanying prospectus.



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The following table sets forth summary financial data of the Company as of and for the three months ended March 31, 2016 and 2015 and as of and for each of the five years ended December 31, 2015, 2014, 2013, 2012 and 2011. The data for the Company as of March 31, 2016 and 2015 and for the three months ended March 31, 2016 and 2015 were derived from the Company's unaudited consolidated financial statements. The data for the Company as of and for each of the five years ended December 31, 2015, 2014, 2013, 2012 and 2011 were derived from the Company's audited consolidated financial statements. You should read the selected financial data in conjunction with the Company's unaudited consolidated financial statements as of March 31, 2016 and for the three months ended March 31, 2016 and 2015 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, which is incorporated herein by reference, as well as the Company's audited consolidated financial statements as of and for each of the five years ended December 31, 2015, 2014, 2013, 2012 and 2011 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2015, which is also incorporated herein by reference.

The consolidated financial statements as of and for the three months ended March 31, 2016 and 2015 are unaudited and include adjustments management considers necessary for a fair presentation under generally accepted accounting principles. The results of operations for any interim period are not necessarily indicative of results for the full year.

	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
	<i>(dollars in thousands)</i>						
Summary Earnings:							
Interest Income	\$27,898	\$22,361	\$99,142	\$75,575	\$57,053	\$56,090	\$56,051
Interest Expense	4,488	2,778	14,690	7,681	4,277	4,687	7,136
Net Interest Income	23,410	19,583	84,452	67,894	52,776	51,403	48,915
Provision for Loan Losses	1,700	1,350	7,100	4,875	3,425	8,275	7,250
Net Interest Income After Provision For Loan Losses	21,710	18,233	77,352	63,019	49,351	43,128	41,665
Other Income, Exclusive of Securities Gains, Net	6,162	5,614	23,187	20,547	19,755	17,493	15,679
Securities Gains, Net	101	268	527	260	840	3,810	1,037
Other Expenses	19,206	15,768	68,926	59,540	55,183	48,330	44,399
Income Before Income Tax Expense	8,767	8,347	32,140	24,286	14,763	16,101	13,982
Income Tax Expense	3,278	3,339	12,168	9,396	5,502	6,405	1,814
Net Income	5,489	5,008	19,972	14,890	9,261	9,696	12,168
Dividends on Preferred Stock and Accretion						474	1,228
Net Income Available to Common Shareholders	5,489	5,008	19,972	14,890	9,261	9,222	10,940



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	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,					
	2016	2015	2015	2014	2013	2012	2011	
<i>(dollars in thousands except per share data)</i>								
<b>Share Data:</b>								
Earnings Per Share-Basic	\$0.35	\$0.34	\$1.31	\$1.23	\$1.02	\$1.05	\$1.25	
Earnings Per Share-Diluted	0.34	0.33	1.29	1.22	1.01	1.05	1.25	
Cash Dividends Declared	0.05	0.05	0.20	0.20	0.20	0.20	0.20	
Book Value End-of-Period	17.71	16.61	17.61	16.36	14.79	13.90	12.47	
Basic Weighted Average Shares Outstanding	15,858,278	14,909,722	15,187,637	12,065,615	9,094,111	8,780,973	8,741,209	
Common Stock Equivalents (Dilutive)	158,694	160,630	247,359	106,492	82,688	47,501	1,061	
<b>Balance Sheet Data (Period End):</b>								
Total Assets	\$3,465,997	\$2,879,457	\$3,364,659	\$2,702,397	\$1,966,948	\$1,667,836	\$1,600,335	
Investment Securities Held to Maturity							100,719	
Securities Available for Sale	214,050	276,119	195,630	332,652	268,447	304,479	319,520	
State and FRB Stock, at Cost	13,254	10,598	13,984	11,593	10,032	4,639	4,569	
Total Loans (excluding loans held for sale)	3,027,701	2,442,300	2,913,242	2,250,267	1,574,201	1,132,584	1,038,345	
Provision for Loan Losses	27,321	20,816	25,856	19,480	15,373	12,735	13,233	
Total Deposits	3,043,578	2,522,332	2,935,470	2,298,693	1,647,250	1,516,427	1,443,892	
Total Shareholders' Equity	283,505	249,353	275,676	242,267	170,657	122,057	122,971	
Health Division Assets Under Administration (Market Value)	3,307,799	3,053,110	3,321,624	2,986,623	2,690,601	2,303,397	1,957,146	
<b>Cash Dividends:</b>								
Common	803	757	3,100	2,414	1,802	1,774	1,765	
Preferred						112	823	
<b>Selected Performance Ratios:</b>								
Return on Average Total Assets	0.64	% 0.71	% 0.64	% 0.63	% 0.54	% 0.61	% 0.79	
Return on Average Common Shareholders' Equity	7.83	% 8.13	% 7.71	% 7.96	% 7.37	% 8.03	% 10.74	
Dividend Payout Ratio	14.63	% 15.12	% 15.52	% 16.21	% 19.46	% 19.24	% 16.13	
Average Equity to Average Assets Ratio	8.11	% 8.75	% 8.30	% 7.94	% 7.26	% 7.25	% 7.64	

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Net Interest Margin	2.82	%	2.88	%	2.80	%	3.01	%	3.26	%	3.50	%	3.47
Non-Interest Expenses to Average Assets	2.22	%	2.24	%	2.21	%	2.53	%	3.19	%	3.04	%	2.90
Non-Interest Income to Average Assets	0.72	%	0.84	%	0.76	%	0.88	%	1.19	%	1.34	%	1.09