



# Earnings Conference Call

April 24, 2012

## Forward-Looking Statements and Associated Risk Factors

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*We make statements in this presentation, and we may from time to time make other statements, regarding our outlook or expectations for earnings, revenues, expenses and/or other matters regarding or affecting us that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as “believe”, “expect”, “anticipate”, “intend”, “outlook”, “estimate”, “forecast”, “project” and other similar words and expressions.*

*These statements are based on the current beliefs and expectations of management. Since these statements reflect the views of management concerning future events, these statements involve risks, uncertainties, and assumptions. These risks and uncertainties include among others: changes in market interest rates and general and regional economic conditions; changes in government regulations; changes in the value of goodwill and intangible assets; changes in the quality or composition of the loan and investment portfolios; potential breaches of information security, competition from banks and non-banking companies; and other factors discussed in the documents filed by us with the Securities and Exchange Commission from time to time. These factors should be considered in evaluating the forward-looking statements and undue reliance should not be placed on such statements. Actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance. We undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.*

*Financial statement information contained in this release should be considered to be an estimate pending the filing with the Securities and Exchange Commission of the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. While the Company is not aware of any need to revise the results disclosed in this presentation, accounting literature may require adverse information received by management between the date of this release and the filing of the 10-Q to be reflected in the results of the fiscal period, even though the new information was received by management subsequent to the date of this presentation.*



# Agenda

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- Second Quarter Results
- Strategic Initiative Activities
- Financial Review
- Summary



## Second Quarter Summary

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- Quarterly income of \$5.7 MM vs. earnings of \$3.6 MM last year and \$5.7 MM last quarter
- Diluted EPS of \$0.15 per share vs. EPS of \$0.10 per share last year and \$0.15 per share last quarter.
- Net Interest Margin of 3.57% vs. 3.54% for the linked quarter
- Commercial Loan Growth
  - Year over year growth of 16.3%
  - \$129.1 MM in originations for the quarter
  - Large increase in pipeline resulting from NYC Team Additions
- Deposit growth year over year increased 13.4%
- Credit metrics
  - Net Charge Offs are up to 0.74% vs. 0.71% last year
  - NPL increased by \$6.0MM from the linked quarter but substandard loans were down \$10 MM from last quarter



## Strategic Initiative Activities

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- Completed hiring of 5 NYC based teams and restructured the legacy market teams bringing the total teams to 13
- Historically high pipeline of commercial loans and deposits
- Gotham transaction approval is on track
- Efficiency ratio of 67.86% - improvement driven by 2.3% YOY reduction of costs and 6.2% YOY increase in net interest income



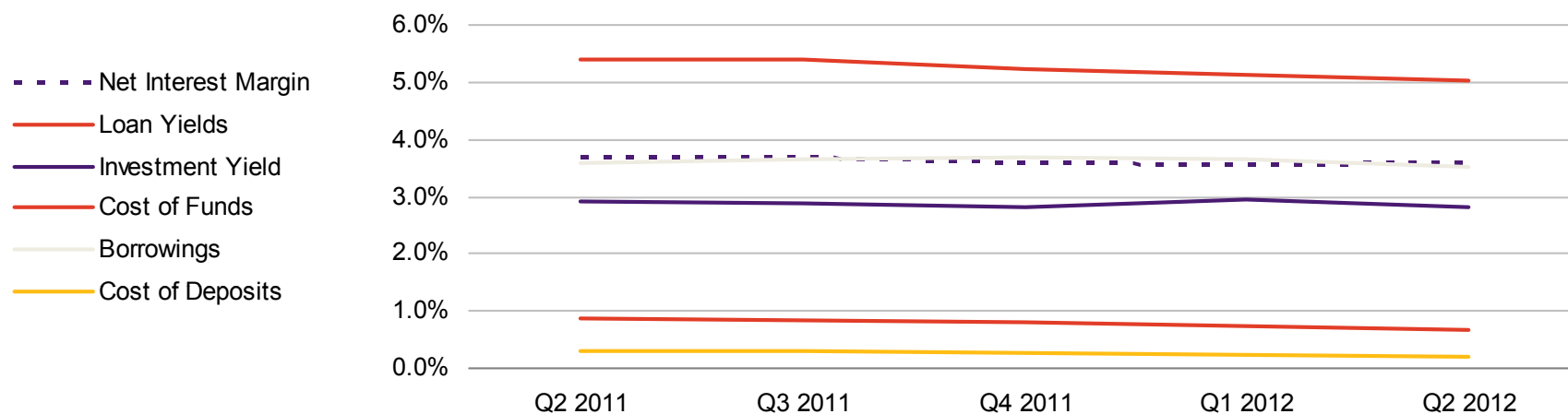
# Financial Performance

<i>(\$ in millions, except share data)</i>	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Linked Q $\Delta$
<b>Selected Financial Condition Data <sup>(1)</sup>:</b>						
Total Assets	\$ 2,919.3	\$ 2,976.1	\$ 3,137.4	\$ 3,084.2	\$ 3,210.9	\$126.7
Net Loans	1,654.7	1,655.9	1,675.9	1,747.6	1,771.3	23.7
Securities	861.2	945.2	849.9	967.5	1,027.5	60.0
Deposits	2,089.9	2,098.1	2,296.7	2,135.6	2367.0	231.4
Borrowings	379.4	401.8	375.0	468.5	313.8	(154.7)
Equity	420.3	429.0	431.1	437.7	439.7	2.0
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Diluted earnings per share	\$0.10	\$0.05	(\$0.01)	\$0.15	\$0.15	\$0.00
Net Income	3.6	1.9	(0.5)	5.7	5.7	0.0
Security Gains/Caps/Credit Losses	0.7	0.3	4.1	1.9	2.9	1.0
Net Interest Income	22.5	22.8	22.8	23.2	23.9	0.7
Provision	2.1	3.6	8.8	2.0	2.9	0.9
Non Interest Income	5.0	5.0	5.0	5.2	5.1	(0.1)
Non Interest Expense	21.5	21.2	20.9	20.1	21.0	0.9
ROA	0.49%	0.27%	(0.07%)	0.74%	0.73%	(1 bps )
ROE	3.45%	1.83%	(0.45%)	5.26%	5.22%	(4 bps)
ROTE	5.66%	2.98%	(0.73%)	8.53%	8.30%	(23 bps)

(1) See earnings releases dated April 23, 2012



# Net Interest Margin Component Yields



Loan Yields	5.40%	5.41%	5.22%	5.13%	5.03%
Investment Yield	2.91%	2.87%	2.81%	2.96%	2.81%
<b>Deposit Cost</b>	<b>0.31%</b>	<b>0.29%</b>	<b>0.26%</b>	<b>0.23%</b>	<b>0.21%</b>
Borrowings	3.58%	3.67%	3.69%	3.65%	3.52%
Cost of Funds	0.86%	0.83%	0.79%	0.75%	0.68%
Net Interest Margin	3.68%	3.70%	3.58%	3.54%	3.57%



# Loan Balance Sheet and Originations

(\$ in millions)

Balances	2Q11	1Q12	2Q12	% LINKED	YOY
C&I	122.7	126.4	127.0	0.5%	4%
<b>CRE</b>	<b>540.4</b>	<b>709.3</b>	<b>765.1</b>	<b>8%</b>	<b>42%</b>
<b>ADC</b>	<b>205.6</b>	<b>167.9</b>	<b>163.8</b>	<b>(2%)</b>	<b>(20%)</b>
CBL	184.4	173.2	170.8	(1%)	(7%)
<b>Total Commercial</b>	<b>1,053.1</b>	<b>1,176.8</b>	<b>1,226.7</b>	<b>4%</b>	<b>16%</b>
<b>Total Commercial Excluding ADC</b>	<b>847.5</b>	<b>1,008.9</b>	<b>1,062.9</b>	<b>5%</b>	<b>25%</b>
Consumer	227.4	219.9	215.4	(2%)	(5%)
Residential	401.3	379.2	357.0	(6%)	(11%)
<b>Total Consumer</b>	<b>1,681.8</b>	<b>1,775.9</b>	<b>1,799.1</b>	<b>1%</b>	<b>7%</b>
Originations	2Q11	1Q12	2Q12	% LINKED	YOY
Total Commercial	87.6	186.7	129.1	(31%)	47%
Total Consumer	29.8	44.9	37.5	(17%)	26%
Total Bank	117.4	231.6	166.6	(28%)	42%

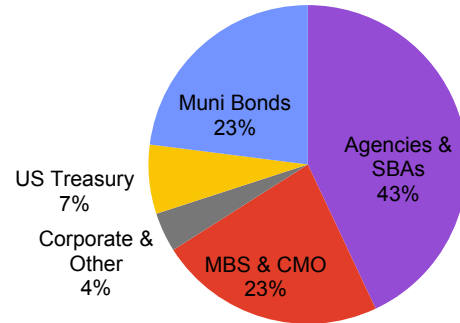
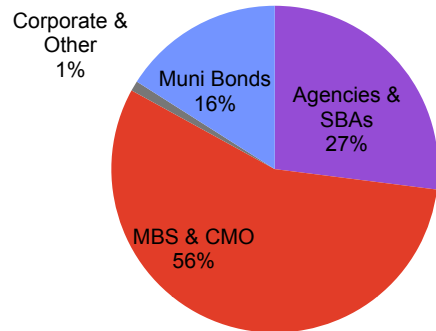




# Investment Portfolio

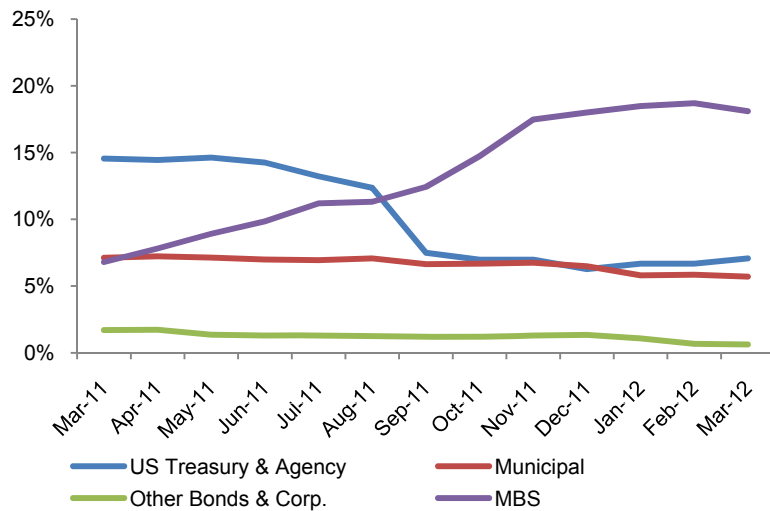
Current Month - March, 2012

Prior Year - March, 2011

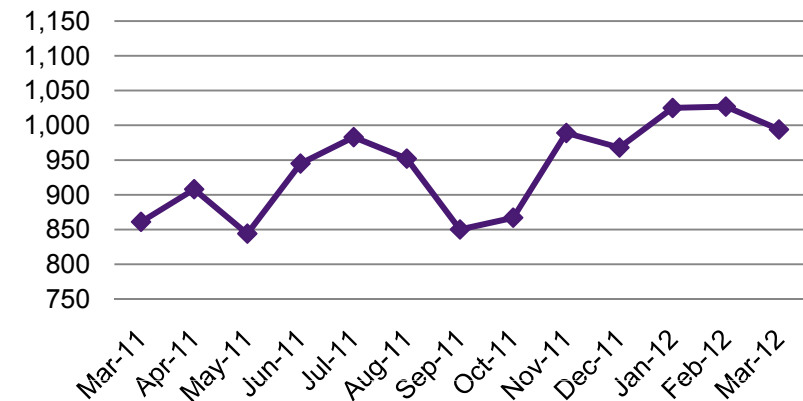


Change in Investment Portfolio		
Category	Quarterly Δ	Annual Δ
Total Investment Portfolio	↑ \$63.4MM	↑ \$128.7MM
Agencies & SBAs	↑ \$81.3MM	↓ -\$103.6MM
MBS & CMO	↑ \$15.6MM	↑ \$362MM
Corporate & Other	↓ -\$16.9MM	↓ -\$37.7MM
U.S. Treasuries	-	↓ -\$55.9MM
Municipal Bonds	↓ -\$16.6MM	↓ -\$36.1MM

Δ Investments (% of Assets)

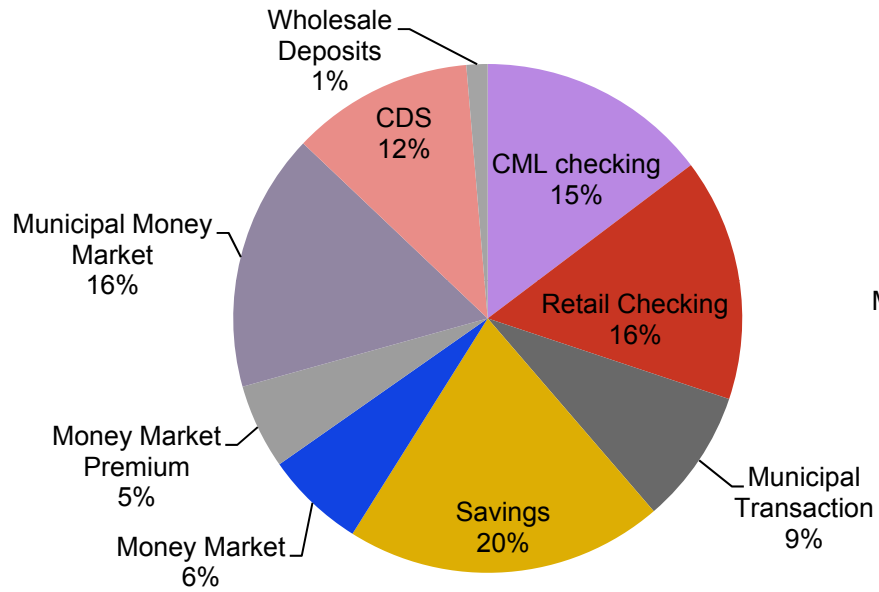


Investment Portfolio (Millions)

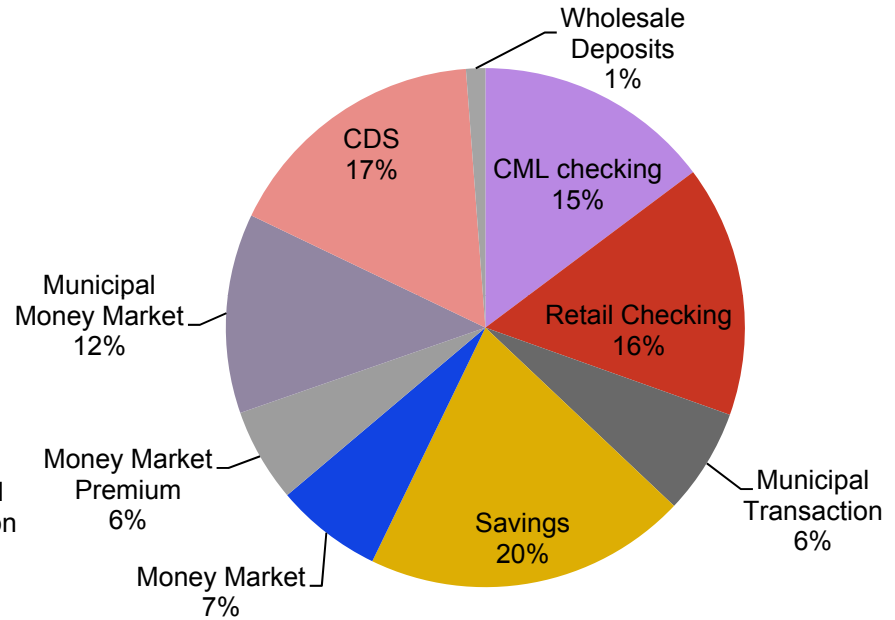


# Deposit Slide

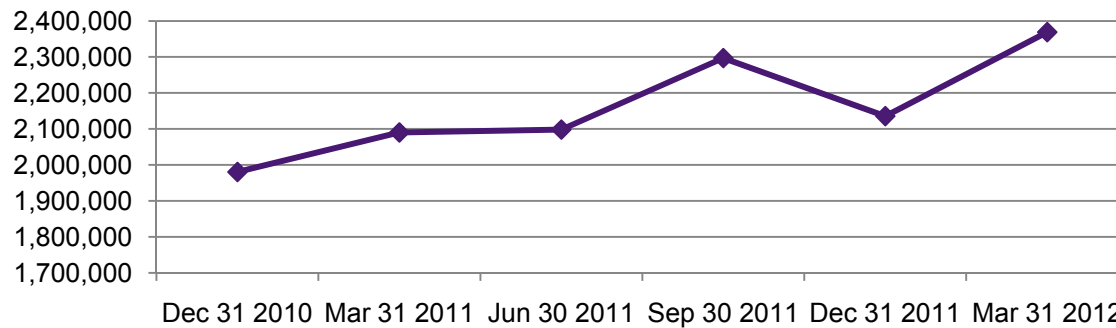
**March 31, 2012**  
**Total Deposits \$2,368,988**



**March 31, 2011**  
**Total Deposits 2,089,904**

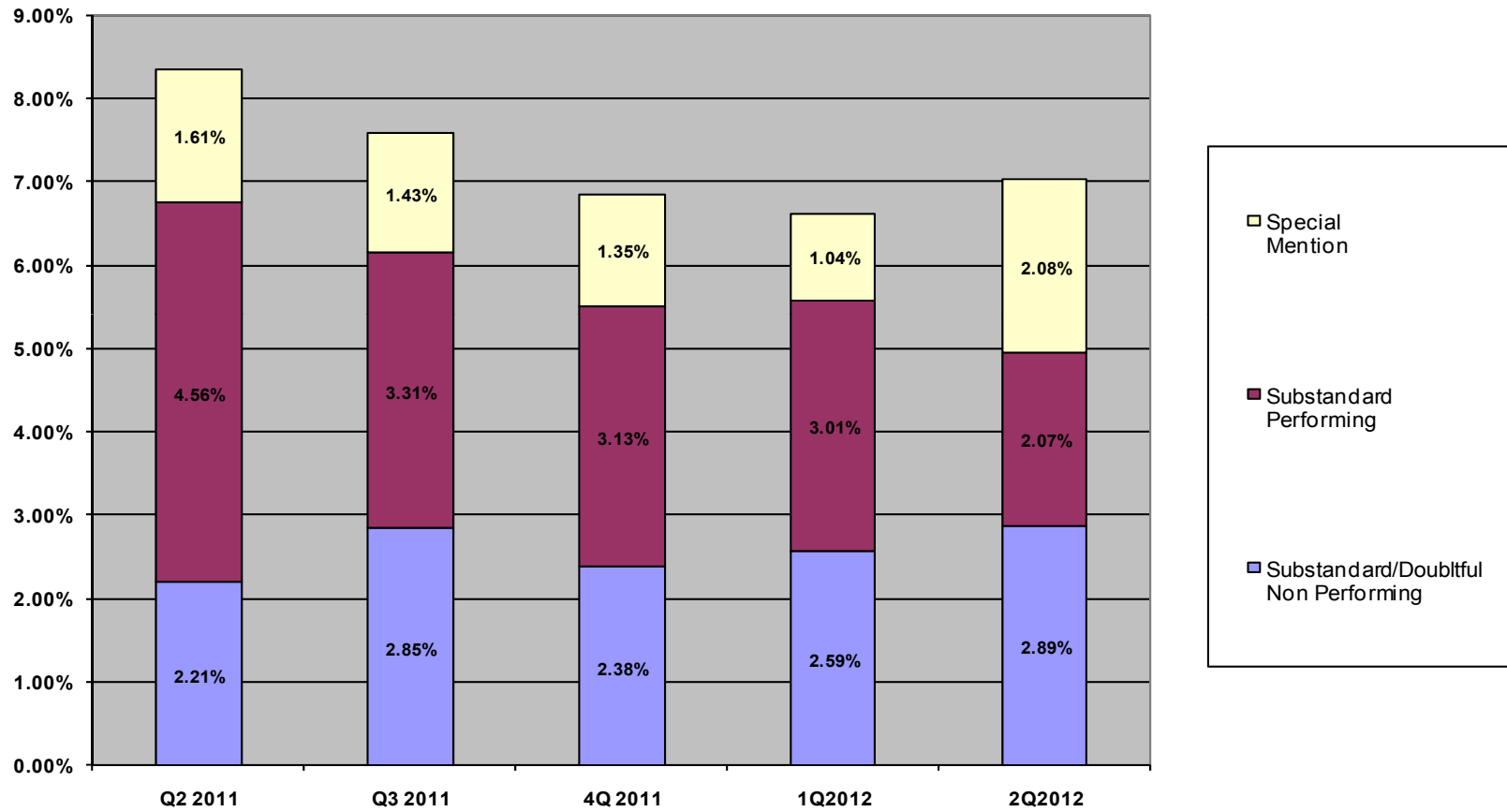


**Total Deposits**



# Criticized/Classified Loans (% of Total Loan Portfolio)

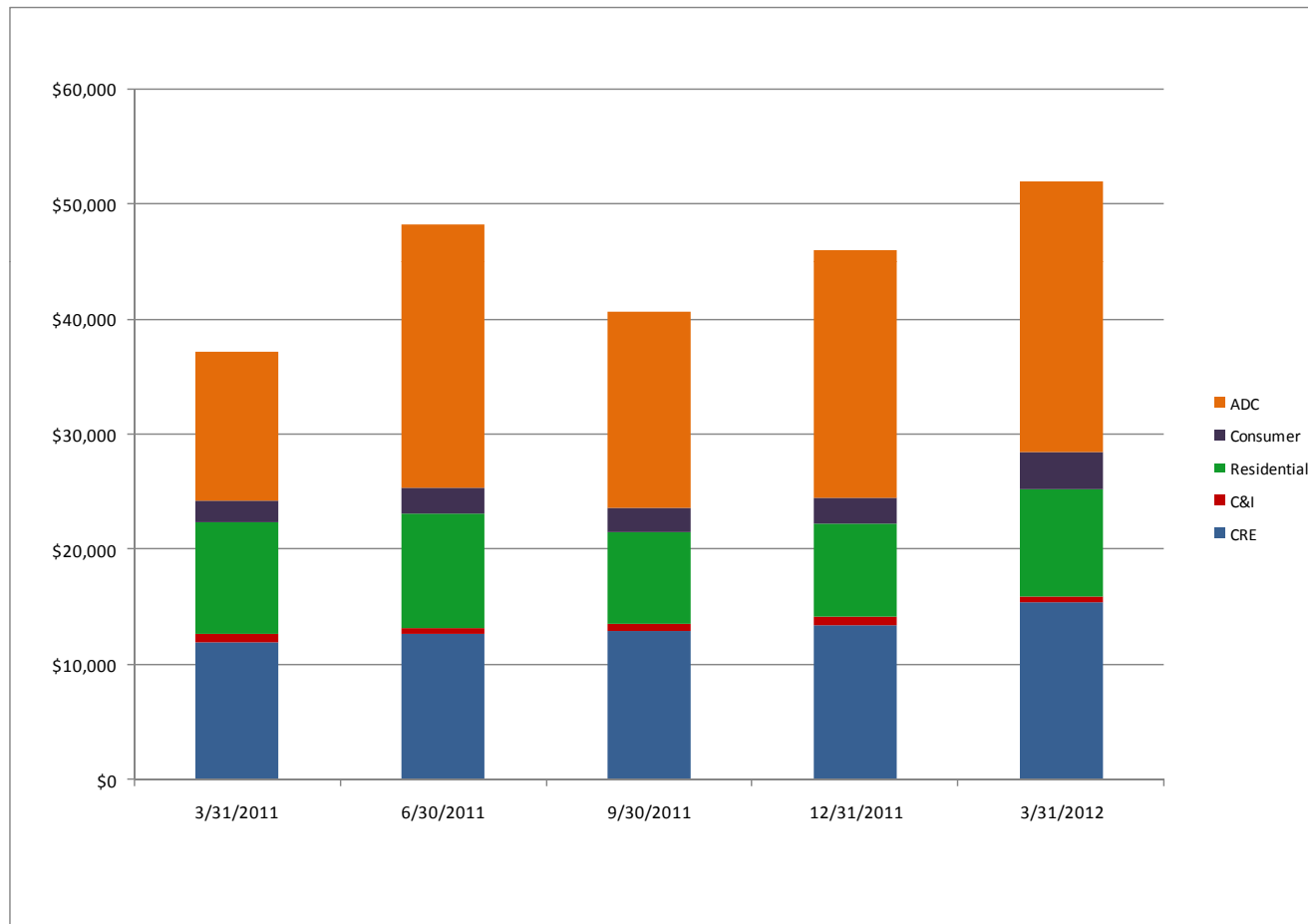
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# Non-Performing Loan Trend by Category

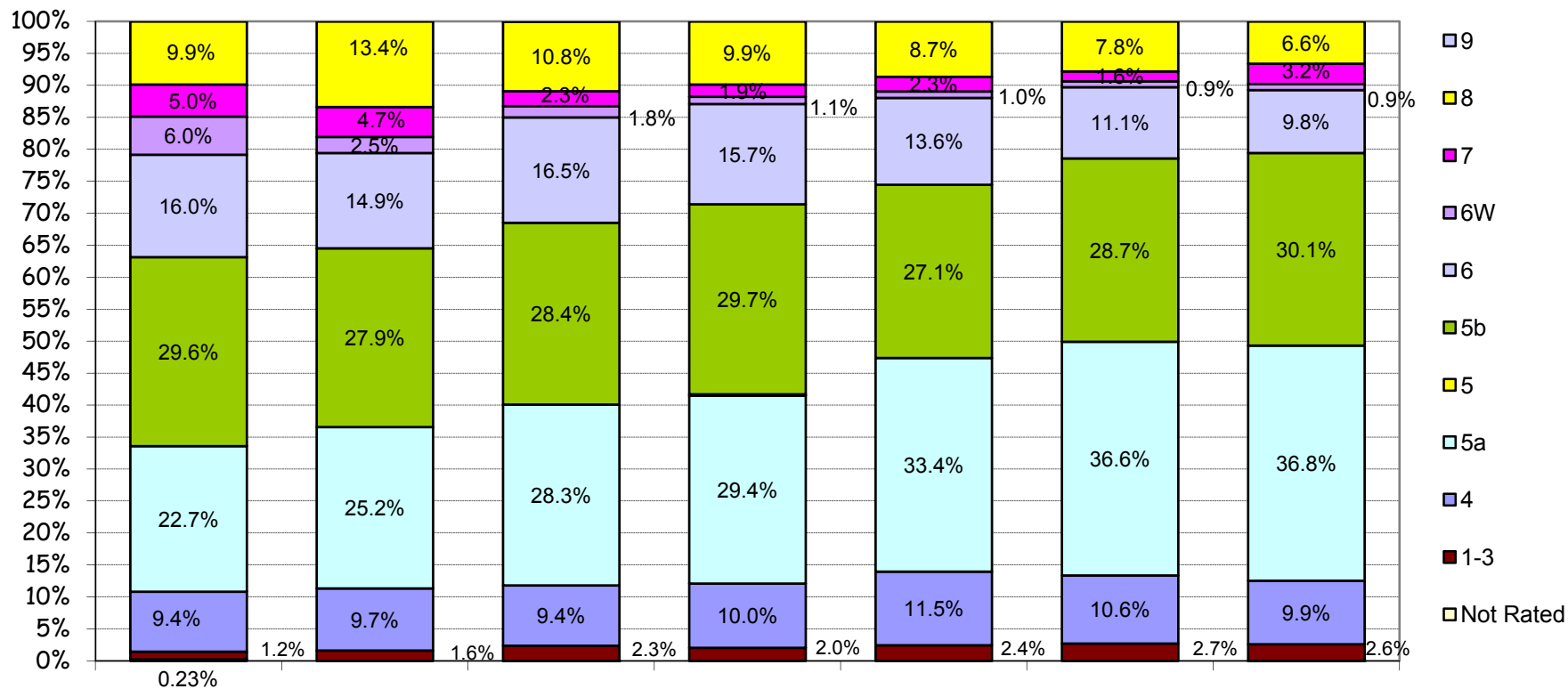
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## Non-Accrual and Past Due 90 Days



# Risk Rating

## 03/31/12 Risk Rating Report All Source Risk Rating % Comparisons Commercial Loans - Excluding CBL Loans



	09/30/09	09/30/10	03/31/11	06/30/11	09/30/11	12/31/11	03/31/12
Portfolio Avg RR	5.723	5.755	5.637	5.589	5.504	5.458	5.459
Performing Avg RR	5.383	5.317	5.303	5.288	5.223	5.213	5.219
Total of RR 1 - 5B	62.90%	64.53%	68.47%	71.41%	74.47%	78.59%	79.43%



# Credit Quality

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	Year Ended 9/30/09	Year Ended 9/30/10	Year Ended 9/30/11	2Q11	1Q12	2Q12	Peer As Of 12/31/11 1-5B MidAtlantic Banks*
Non-performing loans to total loans	1.55%	1.58%	2.38%	2.21%	2.59%	2.89%	2.76%
Net charge-offs to average loans (1)	0.62%	0.57%	2.41%	0.71%	0.37%	0.74%	0.68%
Loan loss reserve to total loans	1.76%	1.81%	1.64%	1.79%	1.59%	1.54%	1.50%
Loan loss reserve to non-performing loans	114%	115%	69%	81%	62%	53%	54%
Non-performing assets to total assets	0.93%	1.02%	1.46%	1.46%	1.67%	1.80%	2.10%
Special Mention (MM)	\$36.9	\$37.9	\$23.0	\$27.1	\$18.4	\$37.4	
Substandard/Doubtful (MM)	\$89.9	\$132.1	\$94.0	\$113.9	\$99.3	\$89.1	

\* Source: SNL  
(1) Annualized



## Second Quarter Summary

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- Second quarter results were driven by strong commercial loan growth, solid deposit growth and a stable margin
- Continue to focus on credit metric improvement specifically with ADC resolution
- On track in the execution of our strategic initiatives
- Strong opportunities for profitable growth exist in the marketplace



