



Financial Report as of December 31, 2018

Apple Bank for Savings marked its 27th consecutive year of solidly profitable performance in 2018, reflecting a long history of conservative financial management. Apple's balance sheet is comprised primarily of high-quality loans and securities, and its capital ratios remain strong. 71% of Apple Bank's loan portfolio is comprised of well-secured mortgage loans on multi-family, commercial, and residential properties in New York City and its suburbs, and government-guaranteed commercial loans. The Bank's careful attention to credit quality has allowed it to remain solidly profitable.

Highlights as of December 31, 2018 include:

- Net income of \$100.9 million for the year ended 12/31/18
- Deposits of \$12.5 billion
- Non-performing loans of only \$0.9 million in a loan portfolio of \$10.5 billion
- Loan loss reserves cover non-performing loans by 39.6X
- Total shareholders' equity and capital and reserves of \$1.2 billion
- Capital ratios that are in excess of all regulatory requirements.

Apple Bank, the second largest state-chartered savings bank in New York, traces its New York origins back to 1863. It operates from 79 full-service branch locations in the greater New York area, including Manhattan, Brooklyn, the Bronx, Queens, Staten Island, Long Island, Westchester and Rockland.

Financial Data as of December 31, 2018

Capital Ratios			
	Apple Bank 12/31/18	Regulatory Minimum for "Well Capitalized" Designation	Apple Financial Holdings* 12/31/18
Tier 1 leverage ratio	7.27%	5.00%	7.28%
Tier 1 risk based ratio	13.27%	8.00%	13.28%
Total risk based ratio	13.81%	10.00%	13.82%
Common equity tier 1 capital ratio	13.27%	6.50%	11.37%
Capital conservation buffer	5.81%	2.50%	5.82%

Consolidated Statement of Condition	(Amounts in Thousands)
Assets	
Cash on hand & due from banks	\$ 867,584
Investment Securities	2,493,142
Loans (net of reserves)	10,446,646
Other assets	499,866
Total Assets	\$ 14,307,238

Liabilities and Equity	
Deposits	\$ 12,464,381
Other Liabilities	647,014
Stockholders' Equity	1,195,843
Total Liabilities and Equity	\$ 14,307,238



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Consolidated Statement of Operations 12/31/2018	(Amounts in Thousands)
Revenues	\$ 340,728
Expenses	(201,203)
Net Income Before Taxes	139,525
Net Income	\$ 100,901

Changes in Equity Capital as of December 31, 2018	
Beginning Stockholders' Equity	\$ 1,127,864
2018 Net Income	100,901
Cash Dividends Paid	(7,600)
Changes in Other Comprehensive Income	(25,322)
Ending Stockholders' Equity	\$ 1,195,843

Changes in Loan Loss Reserves as of December 31, 2018	
Beginning Loan Loss Reserves	\$ 28,256
Provision for Loan Loss	7,173
Recoveries	1,332
Charge-offs	(29)
Ending Loan Loss Reserves	\$ 36,732

I hereby attest that the above information is true and complete.

Louis A. Rawden
Senior Vice President
Chief Financial Officer

*Apple Financial Holdings is the holding company that owns 100% of Apple Bank.

Disclaimer required by Part 350.4 (d) of the FDIC Rules and Regulations: This statement has not been reviewed, or confirmed for accuracy or relevance, by the Federal Deposit Insurance Corporation.