



Financial Report as of December 31, 2019

Apple Bank for Savings marked its 28th consecutive year of solidly profitable performance in 2019, 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. 73% 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, 2019 include:

- Net income of \$111.3 million for the year ended 12/31/19
- Deposits of \$13.5 billion
- Non-performing loans of only \$1.3 million in a loan portfolio of \$10.1 billion
- Loan loss reserves cover non-performing loans by 25.1X
- Total shareholders' equity and capital and reserves of \$1.3 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, 2019

Capital Ratios			
	Apple Bank 12/31/19	Regulatory Minimum for "Well Capitalized" Designation	Apple Financial Holdings* 12/31/19
Tier 1 leverage ratio	7.28%	5.00%	7.29%
Tier 1 risk based ratio	13.77%	8.00%	13.78%
Total risk based ratio	14.22%	10.00%	14.24%
Common equity tier 1 capital ratio	13.77%	6.50%	11.99%
Capital conservation buffer	6.22%	2.50%	6.24%

Consolidated Statement of Condition	(Amounts in Thousands)
Assets	
Cash on hand & due from banks	\$ 977,445
Investment Securities	4,016,880
Loans (net of reserves)	10,055,160
Other assets	758,686
Total Assets	\$ 15,808,171

Liabilities and Equity	
Deposits	\$ 13,466,100
Other Liabilities	1,022,596
Stockholders' Equity	1,319,475
Total Liabilities and Equity	\$ 15,808,171

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Consolidated Statement of Operations 12/31/2019	(Amounts in Thousands)
Revenues	\$ 346,306
Expenses	(194,575)
Net Income Before Taxes	151,731
Net Income	\$ 111,306

Changes in Equity Capital as of December 31, 2019	
Beginning Stockholders' Equity	\$ 1,195,843
2018 Net Income	111,306
Cash Dividends Paid	(7,600)
Changes in Other Comprehensive Income	19,926
Ending Stockholders' Equity	\$ 1,319,475

Changes in Loan Loss Reserves as of December 31, 2019	
Beginning Loan Loss Reserves	\$ 36,732
Provision for Loan Loss	(3,853)
Recoveries	390
Charge-offs	(23)
Ending Loan Loss Reserves	\$ 33,246

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.