



# Q4 and Full Year 2018 Earnings Conference Call

January 24, 2019

# Forward-Looking Statements and Associated Risk Factors

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*We make statements in this presentation 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 of 1995. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "outlook," "target," "estimate," "forecast," "project," "continue," "positions," "prospects," by future conditional verbs such as "will," "would," "should," "could," or "may," or by variations of such words or by similar expressions.*

*These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. In addition to factors previously disclosed in reports filed with the Securities and Exchange Commission, the following factors, among others, could cause our actual results to differ materially from those contemplated by such forward-looking statements: business disruption; a failure to grow revenues faster than we grow expenses; a deterioration in general economic conditions, either nationally, internationally, or in our market areas, including extended declines in the real estate market and constrained financial markets; inflation; the effects of, and changes in, trade; changes in asset quality and credit risk; introduction, withdrawal, success and timing of business initiatives; capital management activities; customer disintermediation; and our success in managing those risks. Other factors that could cause our actual results to differ from those indicated in forward-looking statements are included in the "Risk Factors" section of our filings with the Securities and Exchange Commission. The forward-looking statements speak only as of the date they are made and 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 information contained in this presentation should be considered to be an estimate pending the filing with the Securities and Exchange Commission of our Annual Report on Form 10-K for the year ended December 31, 2018. While we are not aware of any need to revise the results disclosed in this presentation, accounting literature may require information received by management between the date of this presentation and the filing of the Annual Report on Form 10-K 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.*

# Full Year and December 2018 Quarter Highlights

Record diluted earnings per share available to common stockholders of \$1.95 (as reported) and \$2.00 (as adjusted), representing growth of 236.2% and 42.9%, respectively, over a year ago

- Total assets of \$31.4 billion; total portfolio loans, gross of \$19.2 billion; total deposits of \$21.2 billion
- Net income available to common stockholders of \$439.3 million (as reported) and \$449.6 million (as adjusted)
- Total commercial loans of \$16.2 billion; growth of 11.1% from December 31, 2017
- Operating efficiency ratio of 42.8% (as reported) and 38.8% (as adjusted)
- Operating leverage ratio of 2.9x relative to full year 2017
- Tangible book value per common share<sup>(1)</sup> of \$11.78; growth of 11.9% over December 31, 2017
- Q4 2018 adjusted net income and diluted EPS available to common stockholders<sup>(1)</sup> of \$116.5 million and \$0.52; growth of 33.6% and 34.4% over same period a year ago
- Adjusted operating expenses were \$104.2 million<sup>(1)</sup>; represents an annualized run-rate of \$413.5 million
- Q4 2018 average total deposit growth of \$241.9 million; cost of total deposits of 0.77%
- Entered into agreement to sell \$1.6 billion of residential mortgage loans; anticipated closing date in Feb 2019
- Announced pending acquisition of \$504 million commercial loan portfolio; anticipated closing date in Feb 2019
- Repurchased 9,114,771 common shares at a weighted average cost of \$17.54 per share in Q4 2018
- Declared dividend per common share of \$0.07 on January 23, 2019

(1) Adjusted / non-GAAP results exclude certain charges and gains. Refer to pages 16 through 21 for details on Adjusted / non-GAAP financial measures.

# Summary of Quarterly Financial Performance

(\$ in millions, except per share data)	Quarter Ended			Linked Q $\Delta$	YOY $\Delta$
	12/31/2017	9/30/2018	12/31/2018		
<b>Selected Balance Sheet Data: <sup>(1)</sup></b>					
Total Assets	\$30,360	\$31,261	\$31,383	0.4%	3.4%
Total Portfolio Loans, Gross	20,009	20,533	19,219	(6.4%)	(3.9%)
Investment Securities	6,475	6,686	6,667	(0.3%)	3.0%
Average Total Interest Earning Assets	26,044	27,800	27,711	(0.3%)	6.4%
Core Deposits <sup>(2)(3)</sup>	19,388	20,448	19,999	(2.2%)	3.2%
Tangible Common Stockholders' Equity <sup>(4)</sup>	2,368	2,554	2,548	(0.2%)	7.6%
Tangible Book Value per Common Share <sup>(4)</sup>	10.53	11.33	11.78	4.0%	11.9%
<b>Selected Profitability Data: <sup>(1)</sup></b>					
Net Interest Income	\$234.0	\$243.9	\$242.9	(\$1.0)	\$8.9
Provision for Loan Losses	12.0	9.5	10.5	1.0	(1.5)
Adjusted Non-interest Income <sup>(5)</sup>	23.8	24.2	27.4	3.2	3.6
Non-interest Expense	250.7	111.8	109.9	(1.9)	(140.8)
Net (Loss) Income Available to Common Stockholders	(35.3)	117.7	112.5	(5.2)	147.8
<b>Key Performance Measures: <sup>(1)</sup></b>					
GAAP Diluted Earnings per Share	(\$0.16)	\$0.52	\$0.51	(\$0.01)	\$0.67
Adjusted Diluted EPS Available to Common <sup>(4)</sup>	0.39	0.51	0.52	0.01	0.13
Net Interest Margin (tax equivalent basis) <sup>(4)(6)</sup>	3.67%	3.54%	3.53%	(1) bps	(14) bps
Adjusted Operating Efficiency Ratio <sup>(4)</sup>	41.4	38.9	38.0	(90) bps	(340) bps
Adjusted ROATA <sup>(4)</sup>	1.25	1.55	1.58	3 bps	33 bps
Adjusted ROATCE <sup>(4)</sup>	14.49	18.09	18.17	8 bps	368 bps

(1) See earnings release dated January 23, 2019.

(2) Given the Company's greater proportion of certificates of deposit after completion of the merger with Astoria Financial Corporation, the Company modified its definition of core deposits to include certificates of deposit beginning in the first quarter of 2018. Core deposits include retail, commercial and municipal transaction, money market and savings accounts and certificates of deposit accounts and exclude brokered deposits, except for reciprocal Certificate of Deposit Account Registry balances.

(3) See page 11 for details on core deposits.

(4) See pages 16 through 21 for a reconciliation of non-GAAP / adjusted financial measures.

(5) Adjusted non-interest income excludes net gain or loss on sale of securities.

(6) Tax equivalent basis represents interest income earned on tax exempt securities divided by the applicable Federal tax rate of 35% in 2017 and 21% in 2018.

# Reconciliation of GAAP Earnings to Adjusted Earnings

- Results in 2018 were impacted by sales of securities, sale of Lake Success facility and charges incurred in the Advantage Acquisition and consolidation of financial centers

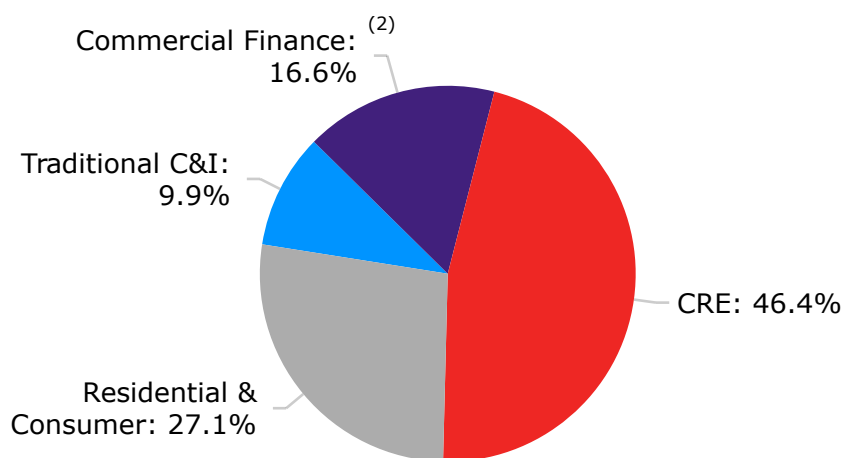
(\$ in thousands, except per share data)	Quarter Ended			Year Ended	
	12/31/2017	9/30/2018	12/31/2018	12/31/2017	12/31/2018
Reported (loss) income before income tax	\$ (4,960)	\$ 146,821	\$ 144,925	\$ 180,970	\$ 566,230
Adjustments to reported income (pre-tax):					
Net loss on sale of securities	70	56	4,886	344	10,788
Net loss (gain) on sale of fixed assets	—	—	—	1	(11,800)
Merger-related expense	30,230	—	—	39,232	—
Charge for asset write-downs, systems integration, retention and severance	104,506	—	—	105,110	13,132
(Gain) on extinguishment of debt	—	—	(172)	—	(172)
Amortization of non-compete agreements and acquired customer lists	333	295	295	1,410	1,177
<b>Total Adjusted pre-tax Income</b>	<b>130,179</b>	<b>147,172</b>	<b>149,934</b>	<b>327,067</b>	<b>579,355</b>
Income tax expense at adjusted effective tax rate	(41,006)	(30,906)	(31,486)	(103,026)	(121,732)
<b>Adjusted Net Income (non-GAAP)</b>	<b>89,173</b>	<b>116,266</b>	<b>118,448</b>	<b>224,041</b>	<b>457,623</b>
Preferred stock dividend	2,002	1,993	1,990	2,002	7,978
<b>Adjusted net income available to common stockholders (non-GAAP)</b>	<b>\$ 87,171</b>	<b>\$ 114,273</b>	<b>\$ 116,458</b>	<b>\$ 222,039</b>	<b>\$ 449,645</b>
<b>Adjusted Diluted EPS (non-GAAP)</b>	<b>\$ 0.39</b>	<b>\$ 0.51</b>	<b>\$ 0.52</b>	<b>\$ 1.40</b>	<b>\$ 2.00</b>
<b>GAAP Reported Diluted EPS</b>	<b>\$ (0.16)</b>	<b>\$ 0.52</b>	<b>\$ 0.51</b>	<b>\$ 0.58</b>	<b>\$ 1.95</b>
<i>Weighted average diluted shares outstanding</i>	224,055,991	225,622,895	222,769,369	158,124,270	224,816,996
<i>Adjusted return on average tangible assets</i>	1.25%	1.55%	1.58%	1.27%	1.55%
<i>Adjusted return on average tangible common equity</i>	14.5	18.1	18.2	15.2	18.3
<i>Adjusted operating efficiency ratio</i>	41.4	38.9	38.0	41.8	38.8
<i>Tangible book value per common share</i>	\$ 10.53	\$ 11.33	\$ 11.78	\$ 10.53	\$ 11.78
<i>Adjusted effective tax rate</i>	31.5%	21.0%	21.0%	31.5%	21.0%

Note: See pages 17 through 22 for a reconciliation of non-GAAP financial measures.

# Growth and Transition of Loan Portfolio in 2018

- Total average commercial loans were \$15.7 billion, or 77.2% of portfolio loans in Q4 2018 <sup>(1)</sup>
- Growth in average balance of commercial loans of \$216.7 million over linked quarter and \$1.8 billion over Q4 2017

## Loan Portfolio at 12/31/17

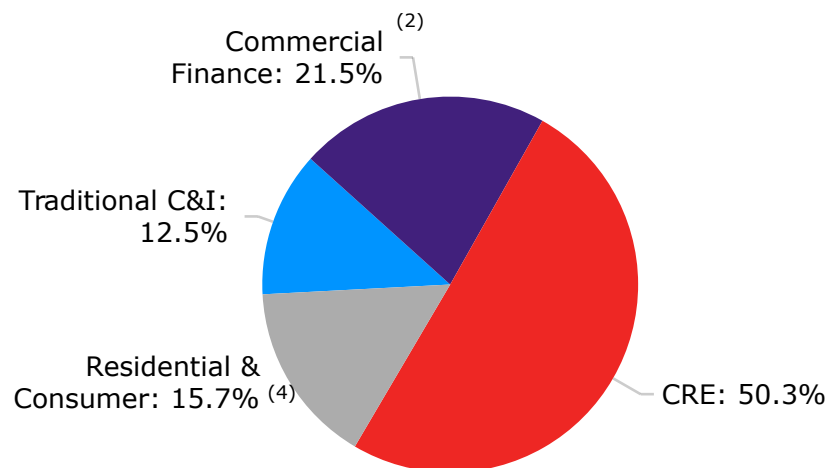


**Total Gross Portfolio Loans: \$20.0 bn**

**Yield on Loans: 4.77%<sup>(3)</sup>**

**Yield on Loans Excluding Accretion Income: 4.08%<sup>(3)</sup>**

## Loan Portfolio at 12/31/18



**Total Gross Portfolio Loans: \$19.2 bn<sup>(4)</sup>**

**Yield on Loans: 5.07%<sup>(3)</sup>**

**Yield on Loans Excluding Accretion Income: 4.54%<sup>(3)</sup>**

(1) Includes traditional C&I, commercial finance, commercial real estate ("CRE"), multi-family and acquisition development and construction ("ADC").

(2) Commercial finance loans include asset-based lending ("ABL"), payroll finance, warehouse lending, factored receivables, equipment finance and public sector loans.

(3) Represents loan portfolio yield for the three months ended December 31, 2017 and December 31, 2018. Yield on loans excluding accretion income excludes \$27.0 million of accretion income on acquired loans in Q4 2018 and \$33.7 million in Q4 2017.

(4) In Q4 2018, \$1.6 billion of residential mortgage loans were transferred from portfolio loans to loans held for sale.

# Diversification Across Asset Classes

- Strong momentum in all businesses; anticipate maintaining a similar mix and portfolio composition longer-term

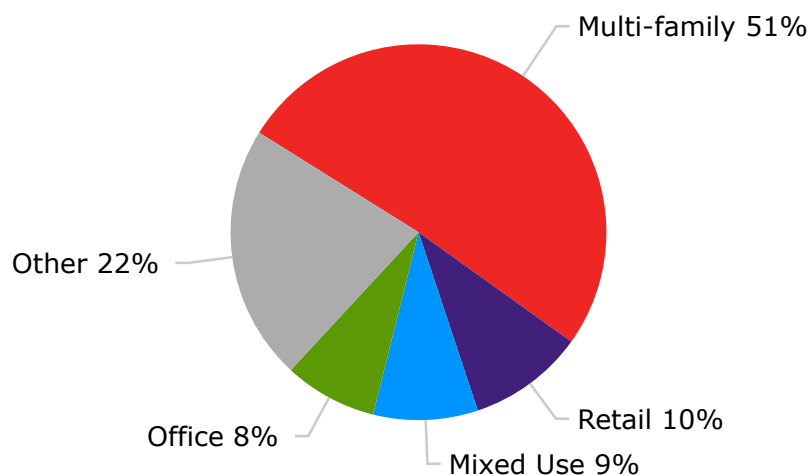
Asset Class	Loans O/S (in 000s)		Description	Industry Focus	Yield 12/31/18
	12/31/17	12/31/18			
Traditional C&I	\$1,979,448	\$2,396,182	<ul style="list-style-type: none"> <li>Fixed and floating rate loans</li> <li>Generally secured by assets - A/R, inventory, other liquid collateral</li> </ul>	Small to mid-sized businesses mainly in NY / NJ	5.71%
ABL	797,570	792,935	<ul style="list-style-type: none"> <li>Floating rate loans (1 to 3 year term)</li> <li>Secured by tangible business assets - A/R, inventory, machinery / equipment</li> </ul>	Wholesale, distributors, manufacturing, staffing business services	6.41
Payroll finance	268,609	227,452	<ul style="list-style-type: none"> <li>Fixed rate loans, turnover ~45 days; portion of revenue allocated to fees</li> <li>Secured by accounts receivable</li> </ul>	Staffing companies nationally	7.80
Warehouse lending	723,335	782,646	<ul style="list-style-type: none"> <li>Floating rate loans, turnover ~20 days</li> <li>Secured by conforming mortgage loans</li> </ul>	Independent mortgage banking companies nationally	5.10
Factored receivables	220,551	258,383	<ul style="list-style-type: none"> <li>Fixed rate advances, turnover ~30 days, some revenue allocated to fees</li> <li>Secured by A/R</li> </ul>	Wholesalers, distributors, garment	4.86
Equipment finance	679,541	1,215,042	<ul style="list-style-type: none"> <li>Fixed rate loans with duration ~3 years</li> <li>Secured by equipment; no residual risk</li> </ul>	Transportation, construction, business services, IT, other	5.51
Public sector finance	637,767	860,746	<ul style="list-style-type: none"> <li>Tax exempt fixed rate loans amortizing over 3 to 20 years</li> <li>Secured by GOs, revenue, equipment</li> </ul>	State, municipal and local governments nationally	3.97 <sup>(1)</sup>

<sup>(1)</sup> Yield on public sector finance loans is shown on a tax equivalent basis.

# Strong Collateral Position in Commercial Portfolio

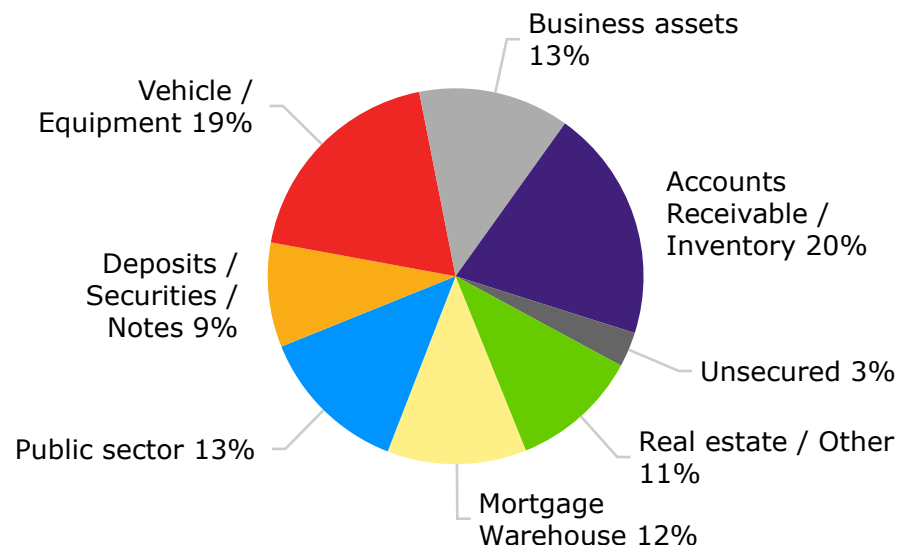
- CRE and multi-family portfolio supported by strong DSCR and low LTV position with diversified composition by real estate type
- Over 97% of C&I and commercial finance portfolio is secured by collateral; maximum advance rates of 85% on receivables and 50% on inventory and other assets

## CRE and Multi-Family



**Total CRE & Multi-family Loans: \$9.4 bn**  
**% Loan to Value: 47.0%**  
**DSCR: 1.64x**

## C&I and Commercial Finance



**Total C&I and Commercial Finance Loans: \$6.5 bn**  
**(97% of portfolio is secured)**

Note: Represents credit and collateral position data as of December 31, 2018.

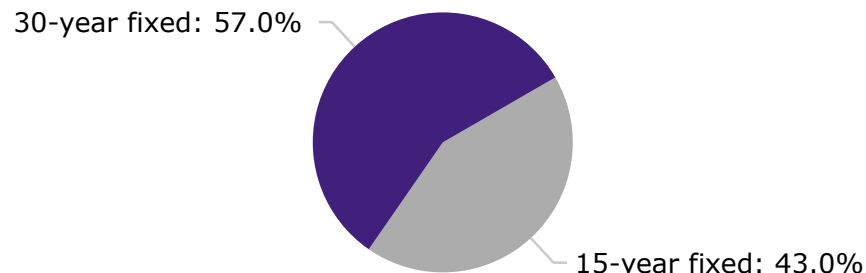


# Accelerating Balance Sheet Transition Through M&A

## Balance Sheet Actions

- Entered into agreement to sell \$1.6 billion in residential mortgage loans
  - \* Anticipated closing date in February 2019
- Entered into agreement to acquire \$504 million commercial loan portfolio and origination platform
  - \* Anticipated closing date in February 2019
  - \* 100% cash consideration
  - \* 10+ commercial bankers and business development officers will join Sterling
  - \* National focus with emphasis in the midwest and southwest
  - \* Business and portfolio to be fully integrated into Sterling ABL and Equipment Finance platforms

## Residential Mortgage Sale

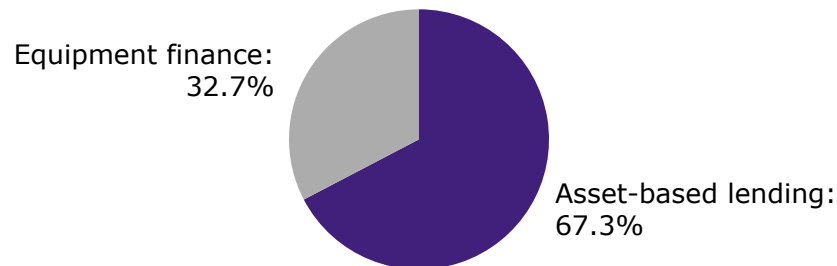


**Total Loans: \$1.6 bn**

**Yield with Accretion: 4.46%**

**Yield without Accretion: 3.61%**

## Commercial Loan Portfolio Acquisition



**Total Loans: \$504 mn**

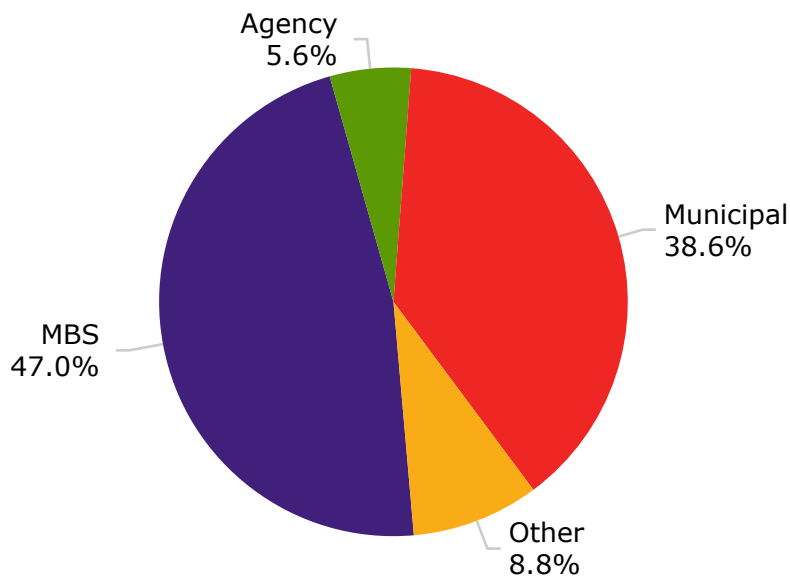
**Yield on loans: 5.5%**

**Floating / Fixed Percentage: 76% / 24%**

# Investment Securities Portfolio

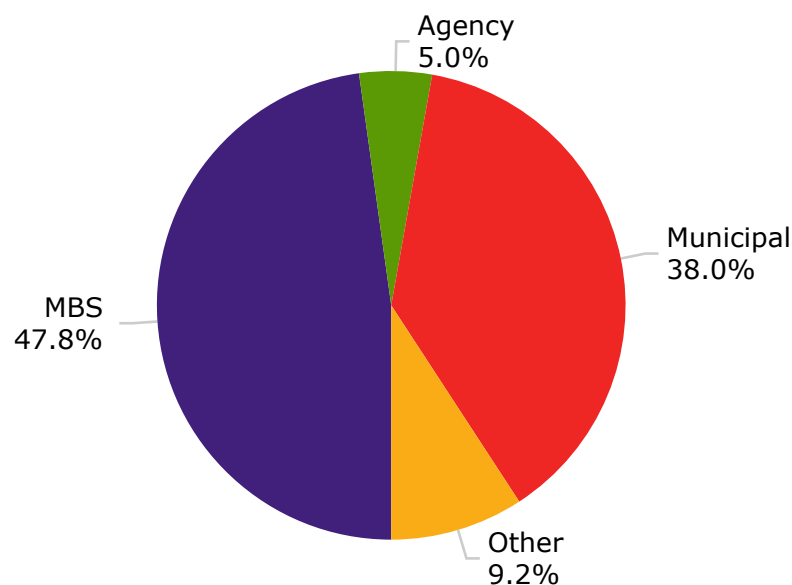
- Decrease of \$18.8 million (EOP balances); decrease of \$88.7 million (average balances) Q-o-Q
- Increased holdings of corporate securities in Q4 2018 given more attractive risk-adjusted returns relative to other asset classes; sold ~\$65 million of lower yielding agency and municipal securities
- Target securities as a % of total earning assets of 20 - 22%

## Quarter Ended 9/30/2018



**Total Portfolio: \$6.7 bn<sup>(1)</sup>**  
**% of Total Earning Assets: 24.1%<sup>(1)</sup>**  
**Tax Equivalent (TE) Yield on Securities: 2.87%**  
**Weighted Average Duration: 5.67<sup>(1)</sup>**

## Quarter Ended 12/31/2018



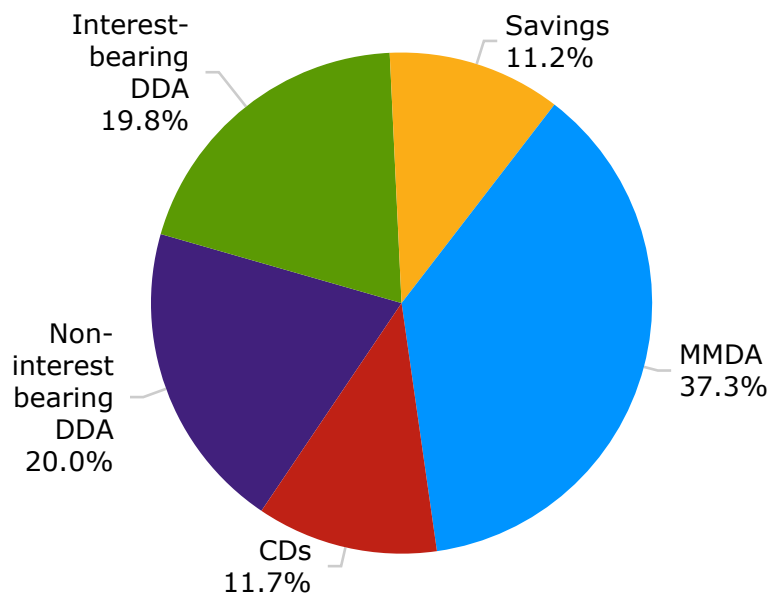
**Total Portfolio: \$6.7 bn<sup>(1)</sup>**  
**% of Total Earning Assets: 25.2%<sup>(1)</sup>**  
**TE Yield on Securities: 2.92%**  
**Weighted Average Duration: 5.41<sup>(1)</sup>**

(1) Represents end of period balance, percentage or duration.

# Attractive Deposit Base to Support Further Growth

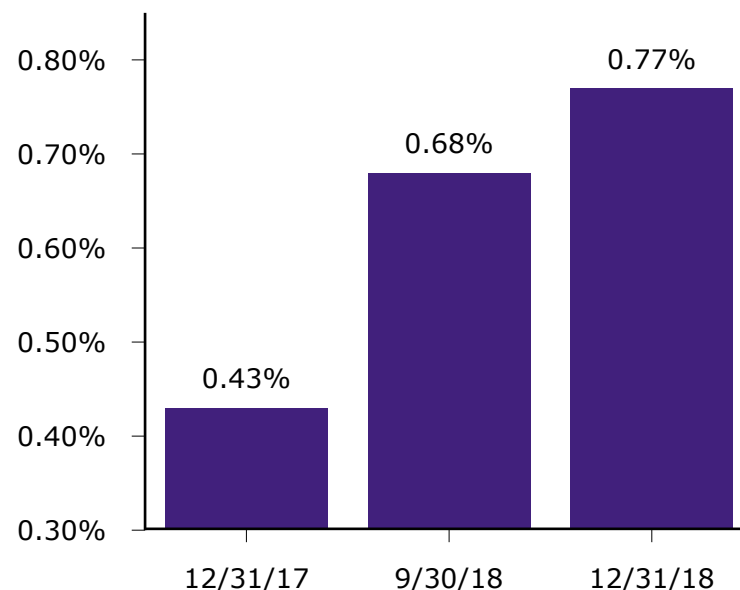
- 94.3% core deposits<sup>(1)</sup>; total deposits beta of 27.2% since Q4 2017<sup>(2)</sup>
- Retail and commercial<sup>(3)</sup>: 85.6%; municipal: 8.2%; wholesale and other<sup>(4)</sup>: 6.2%
- Loans to deposits ratio of 90.6% as of December 31, 2018

## Deposit Composition



**Total Deposits: \$21.2B**  
**Total Cost of Deposits: 0.77%<sup>(2)</sup>**

## Total Cost of Deposits<sup>(2)</sup>



(1) Core deposits include retail, commercial and municipal transaction, money market, savings accounts and certificates of deposit accounts and exclude wholesale and brokered deposits, except for reciprocal CDARs.

(2) Represents the change in the cost of total deposits as of Q4 2018 relative to the change in the Federal Funds rate since Q4 2017.

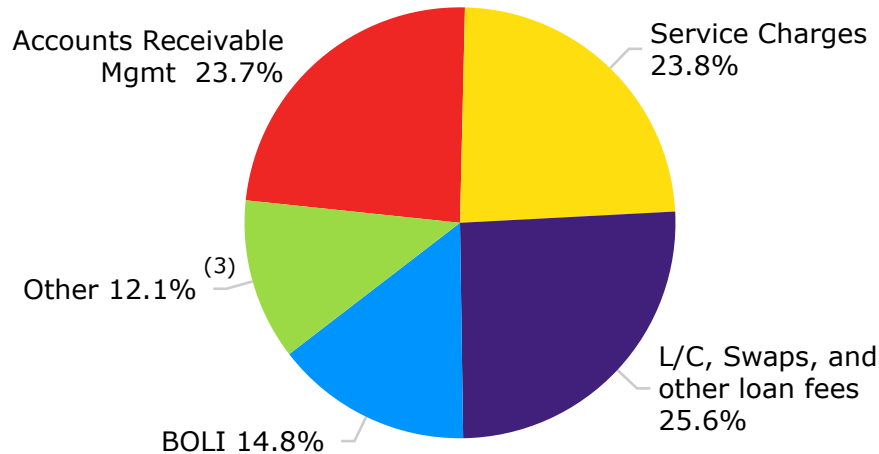
(3) Retail and commercial includes \$2.4 billion of certificates of deposit.

(4) Wholesale and other deposits include one-way brokered deposits and other wholesale deposits.

# Diversified Non-Interest Income

- Adjusted non-interest income<sup>(1)</sup> of \$27.4 million; represents 10.0% of adjusted total net revenue<sup>(2)</sup>
- New products are delivering results - swaps, cash management, loan syndications and public sector finance

## Non-Interest Income Composition<sup>(1)</sup>



**Adjusted Non-Interest Income Q4 2018: \$27.4mm<sup>(1)</sup>**  
**% of Total Adjusted Net Revenue: 10.0%**

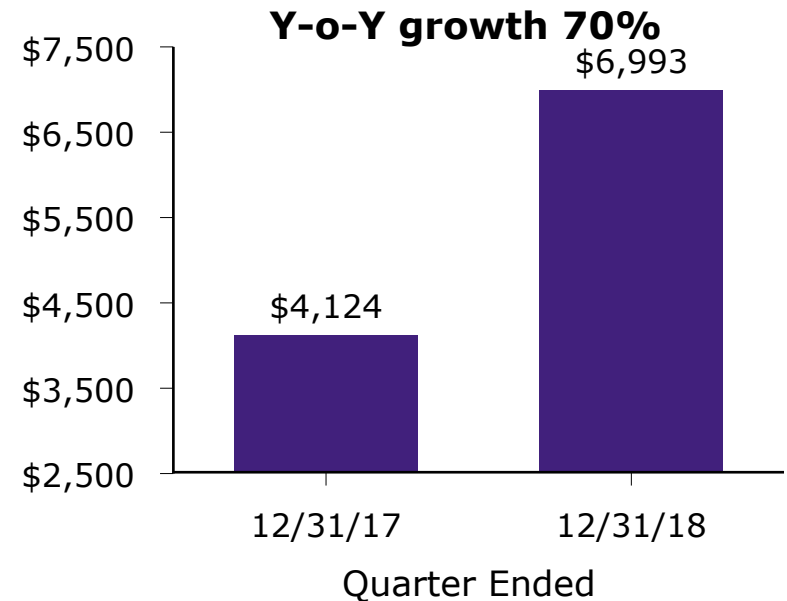
(1) Excludes net (losses) gains on sale of securities.

(2) Adjusted total net revenue is a non-GAAP / adjusted measure. Refer to page 19 for a reconciliation to GAAP.

(3) Other includes wealth management, interchange revenue, and other miscellaneous revenue.

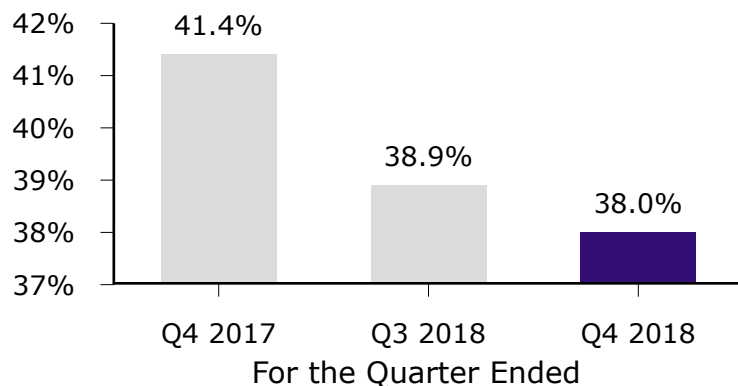
## Letter of credit commissions, SWAP fees and other loan fees

(\$ in thousands)



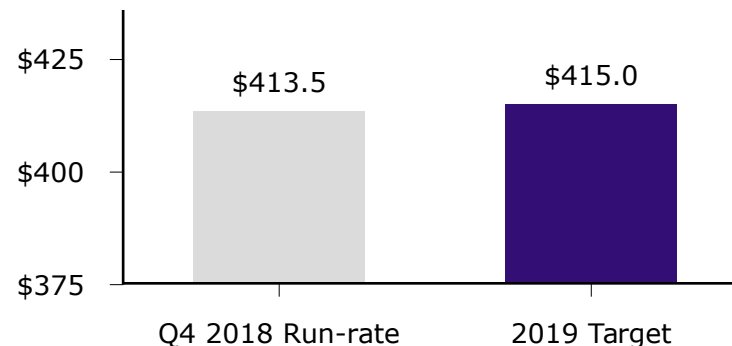
# Significant Positive Operating Leverage

## Adjusted Operating Efficiency Ratio



## Adjusted Operating Expenses Annualized

(\$ in millions)

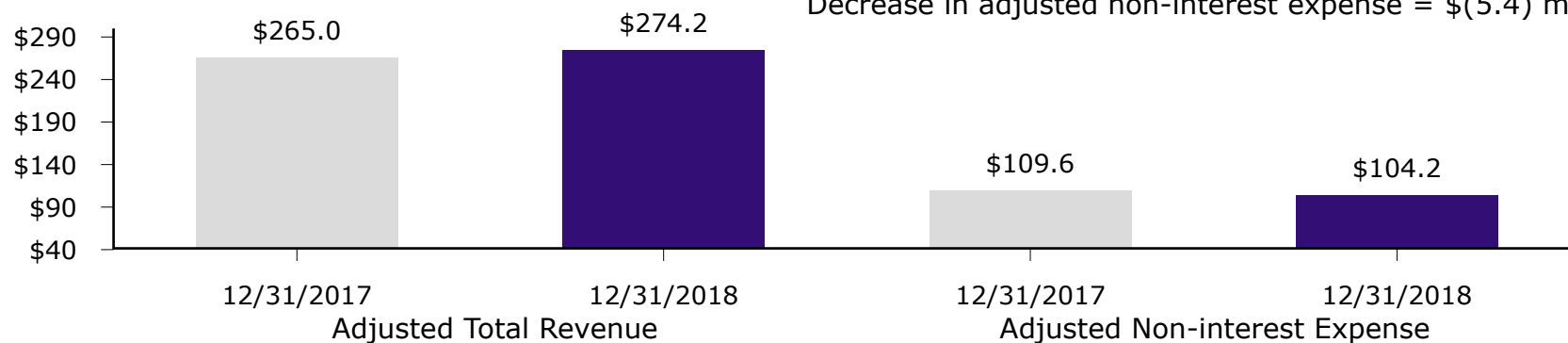


## Adjusted Operating Leverage - Quarter Ended

(\$ in millions)

Increase in adjusted total revenue = \$9.2 million

Decrease in adjusted non-interest expense = \$(5.4) million



Note: See pages 16 through 21 for a reconciliation of non-GAAP / adjusted financial measures.

# Strong Asset Quality and Capital Ratios

(\$ in millions)	As of or for the quarter ended				
	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
<b>Ratios and Balances</b>					
Asset Quality Data:					
Non-performing loans to total loans	0.94%	0.91%	0.92%	0.90%	0.88%
Net charge-offs to average loans (annualized)	0.13	0.18	0.18	0.08	0.12
Allowance for loan losses to:					
Total loans	0.39	0.41	0.42	0.44	0.50
Non-performing loans	41.6	45.1	45.0	49.3	56.7
Non-performing assets to total assets	0.71	0.68	0.67	0.67	0.60
Special Mention Loans	\$ 136.6	\$ 101.9	\$ 119.7	\$ 88.5	\$ 113.2
Substandard Loans	232.5	245.9	251.8	280.4	266.0
Doubtful Loans	0.8	1.0	0.9	2.2	0.1
Total Criticized / Classified	369.8	348.8	372.4	371.0	379.3
Loans 30 to 89 days past due	53.5	59.8	73.4	50.1	97.2
Non-accrual and 90 days past due & still accruing	187.2	182.0	191.0	185.2	168.8
Capital Ratio Data:					
Tangible Equity to Tangible Assets (STL)	8.27%	8.38%	8.28%	8.65%	8.60%
Tier 1 Leverage Ratio (STL)	9.39	9.39	9.32	9.68	9.50
Tier 1 Leverage Ratio (SNB)	10.10	10.00	9.84	10.10	9.94

# Outlook for 2019

Metric	Target Range	Analysis
Loan growth	\$1.5 - \$2.0 billion	<ul style="list-style-type: none"> <li>Organic &amp; purchased commercial loan growth offset by run-off in residential loans</li> <li>Starting point of \$19.1 billion post-resi sale</li> </ul>
Loans to deposits ratio	90 - 95%	<ul style="list-style-type: none"> <li>On target post resi loan sale</li> <li>Focus on deposit segments that can grow efficiently</li> </ul>
Net interest margin (excluding accretable yield)	3.25 - 3.35%	<ul style="list-style-type: none"> <li>Continued balance sheet transition anticipated to sustain and increase NIM</li> <li>\$60 - \$65mm in accretion income estimated in 2019</li> </ul>
Fee income	\$110 - \$120 mm	<ul style="list-style-type: none"> <li>Annual run-rate of \$109 million YTD Q4 2018</li> <li>Cash management, syndications and loan swaps will continue to be main drivers of growth</li> </ul>
Operating expenses (excluding amortization of intangibles)	~\$415mm	<ul style="list-style-type: none"> <li>Ongoing consolidation of financial centers and other locations</li> <li>Target operating leverage of 2-3x</li> </ul>
Excess tangible equity / capital position	8.25% TCE ratio	<ul style="list-style-type: none"> <li>Anticipate completing remaining repurchase authority of 11 million shares in 1H 2019</li> </ul>
Effective tax rate (ETR)	23-25%	<ul style="list-style-type: none"> <li>Higher estimated ETR for 2019 given revenue growth and composition</li> </ul>

# Adjusted Information (non-GAAP financial information)

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- In this presentation, we have referred to non-GAAP/adjusted results to help illustrate the impact of certain types of items, such as the following:
  - † The impact of the securities gains and losses, non-taxable income, merger-related expenses, charges for asset write-downs, systems integration, retention and severance, gain on extinguishment of borrowings, gains on sale of certain real properties and amortization of non-compete agreements and acquired customer list intangible assets to our net income.
  - † Our tangible common equity (common stockholders' equity, less intangible assets, other than servicing rights).

These measures are used by management and the Board of Directors on a regular basis, in addition to our GAAP results, to facilitate the assessment of our financial performance and to assess our performance compared to our budgets and strategic plans. These non-GAAP financial measures complement our GAAP reporting and are presented below to provide investors, analysts, regulators and others information and reconciliations that we use to manage and evaluate our business each period.

This information supplements our results as reported in accordance with GAAP, and should not be viewed in isolation from, or as a substitute for, our GAAP results.



# Quarterly Non-GAAP/Adjusted to GAAP Reconciliation

(\$ in thousands except share and per share data)

	As of or for the quarter ended				
	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
<b>The following table shows the reconciliation of stockholders' equity to tangible common equity and the tangible common equity ratio:</b>					
Total assets	\$ 30,359,541	\$ 30,468,780	\$ 31,463,077	\$ 31,261,265	\$ 31,383,307
Goodwill and other intangibles	(1,733,082)	(1,727,030)	(1,754,418)	(1,745,181)	(1,742,578)
Tangible assets	28,626,459	28,741,750	29,708,659	29,516,084	29,640,729
Stockholders' equity	4,240,178	4,273,755	4,352,735	4,438,303	4,428,853
Preferred stock	(139,220)	(139,025)	(138,828)	(138,627)	(138,423)
Goodwill and other intangibles	(1,733,082)	(1,727,030)	(1,754,418)	(1,745,181)	(1,742,578)
Tangible common stockholders' equity	\$ 2,367,876	\$ 2,407,700	\$ 2,459,489	\$ 2,554,495	\$ 2,547,852
Common stock outstanding at period end	224,782,694	225,466,266	225,470,254	225,446,089	216,227,852
Common stockholders' equity as a % of total assets	13.51 %	13.57%	13.39%	13.75%	13.67%
Book value per common share	\$ 18.24	\$ 18.34	\$ 18.69	\$ 19.07	\$ 19.84
Tangible common equity as a % of tangible assets	8.27 %	8.38%	8.28%	8.65%	8.60%
Tangible book value per common share	\$ 10.53	\$ 10.68	\$ 10.91	\$ 11.33	\$ 11.78
<b>The following table shows the reconciliation of reported return on average tangible common equity and adjusted return on average tangible common equity:</b>					
Average stockholders' equity	\$ 4,235,739	\$ 4,243,897	\$ 4,305,928	\$ 4,397,823	\$ 4,426,118
Average preferred stock	(139,343)	(139,151)	(138,958)	(138,692)	(138,523)
Average goodwill and other intangibles	(1,710,151)	(1,730,952)	(1,757,296)	(1,752,933)	(1,745,339)
Average tangible common stockholders' equity	\$ 2,386,245	\$ 2,373,794	\$ 2,409,674	\$ 2,506,198	\$ 2,542,256
Net (loss) income available to common stockholders	(35,281)	96,873	112,245	117,657	112,501
Net (loss) income available to common stockholders, if annualized	(139,974)	392,874	450,213	466,791	446,335
Reported return on average tangible common equity	(5.87)%	16.55%	18.68%	18.63%	17.56%
Adjusted net income available to common (see reconciliation on page 18)	\$ 87,171	\$ 100,880	\$ 112,868	\$ 114,273	\$ 116,458
Annualized adjusted net income available to common	345,840	409,124	452,712	453,366	462,034
Adjusted return on average tangible common equity	14.49 %	17.24%	18.79%	18.09%	18.17%

# Quarterly Non-GAAP/Adjusted to GAAP Reconciliation

(\$ in thousands except share and per share data)

	For the quarter ended				
	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
<b>The following table shows the reconciliation of reported net income (GAAP) and earnings per share to adjusted net income (non-GAAP) and adjusted diluted earnings per share:</b>					
(Loss) before income tax expense	\$ (4,960)	\$ 128,328	\$ 146,156	\$ 146,821	\$ 144,925
Income tax expense	28,319	29,456	31,915	27,171	30,434
Net (loss) income (GAAP)	(33,279)	98,872	114,241	119,650	114,491
Adjustments:					
Net loss on sale of securities	70	5,421	425	56	4,886
Net (gain) on sale of fixed assets	—	—	(11,797)	—	—
Merger-related expense	30,230	—	—	—	—
(Gain) on extinguishment of borrowings	—	—	—	—	(172)
Charge for asset write-downs, systems integration, retention and severance	104,506	—	13,132	—	—
Amortization of non-compete agreements and acquired customer list intangible assets	333	295	295	295	295
Total pre-tax adjustments	135,139	5,716	2,055	351	5,009
Adjusted pre-tax income	130,179	134,044	148,211	147,172	149,934
Adjusted income tax expense	(41,006)	(31,165)	(33,347)	(30,906)	(31,486)
Adjusted net income (non-GAAP)	89,173	102,879	114,864	116,266	118,448
Preferred stock dividend	2,002	1,999	1,996	1,993	1,990
Adjusted net income available to common stockholders (non-GAAP)	\$ 87,171	\$ 100,880	\$ 112,868	\$ 114,273	\$ 116,458
Weighted average diluted shares	224,055,991	225,264,147	225,621,856	225,622,895	222,769,369
Reported diluted EPS (GAAP)	\$ (0.16)	\$ 0.43	\$ 0.50	\$ 0.52	\$ 0.51
Adjusted diluted EPS (non-GAAP)	0.39	0.45	0.50	0.51	0.52

**The following table shows the reconciliation of reported return on average tangible assets and adjusted return on average tangible assets:**

Average assets	\$ 29,277,502	\$ 30,018,289	\$ 30,994,904	\$ 31,036,026	\$ 30,925,281
Average goodwill and other intangibles	(1,710,151)	(1,730,952)	(1,757,296)	(1,752,933)	(1,745,339)
Average tangible assets	27,567,351	28,287,337	29,237,608	29,283,093	29,179,942
Net (loss) income available to common stockholders	(35,281)	96,873	112,245	117,657	112,501
Net (loss) income available to common stockholders, if annualized	(139,974)	392,874	450,213	466,791	446,335
Reported return on average tangible assets	(0.51)%	1.39%	1.54%	1.59%	1.53%
Adjusted net income available to common stockholders (see reconciliation above)	\$ 87,171	\$ 100,880	\$ 112,868	\$ 114,273	\$ 116,458
Adjusted net income available to common stockholders, if annualized	345,840	409,124	452,712	453,366	462,034
Adjusted return on average tangible assets	1.25 %	1.45%	1.55%	1.55%	1.58%

# Quarterly Non-GAAP/Adjusted to GAAP Reconciliation

(\$ in thousands except share and per share data)

	As of or for the quarter ended				
	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
<b>The following table shows the reconciliation of the reported operating efficiency ratio and the adjusted operating efficiency ratio:</b>					
Net interest income	\$ 234,024	\$ 234,370	\$ 246,216	\$ 243,949	\$ 242,871
Non-interest income	23,762	18,707	37,868	24,145	22,475
Total revenue	257,786	253,077	284,084	268,094	265,346
Tax equivalent adjustment on securities	7,158	4,070	4,094	4,052	4,015
Net loss on sale of securities	70	5,421	425	56	4,886
Net (gain) on sale of fixed assets	—	—	(11,797)	—	—
(Gain) on extinguishment of borrowings	—	—	—	—	(172)
Adjusted total net revenue	265,014	262,568	276,806	272,202	274,247
Non-interest expense	250,746	111,749	124,928	111,773	109,921
Merger-related expense	(30,230)	—	—	—	—
Charge for asset write-downs, systems integration, retention and severance	(104,506)	—	(13,132)	—	—
Amortization of intangible assets	(6,426)	(6,052)	(5,865)	(5,865)	(5,865)
Adjusted non-interest expense	\$ 109,584	\$ 105,697	\$ 105,931	\$ 105,908	\$ 104,228
Reported operating efficiency ratio	97.3%	44.2%	44.0%	41.7%	41.4%
Adjusted operating efficiency ratio	41.4	40.3	38.3	38.9	38.0

# Year to date Non-GAAP to GAAP Reconciliation

(\$ in thousands except share and per share data)

**The following table shows the reconciliation of reported net income (GAAP) and earnings per share to adjusted net income available to common stockholders (non-GAAP) and adjusted diluted earnings per share <sup>3</sup>:**

	For the year ended	
	12/31/2017	12/31/2018
Income before income tax expense	\$ 180,970	\$ 566,230
Income tax expense	87,939	118,976
Net income (GAAP)	93,031	447,254
Adjustments:		
Net loss on sale of securities	344	10,788
Net loss (gain) on sale of fixed assets	1	(11,800)
(Gain) on extinguishment of borrowings	—	(172)
Merger-related expense	39,232	—
Charge for asset write-downs, systems integration, retention and severance	105,110	13,132
Amortization of non-compete agreements and acquired customer list intangible assets	1,410	1,177
Total pre-tax adjustments	146,097	13,125
Adjusted pre-tax income	327,067	579,355
Adjusted income tax expense	(103,026)	(121,732)
Adjusted net income (non-GAAP)	\$ 224,041	\$ 457,623
Preferred stock dividend	2,002	7,978
Adjusted net income available to common stockholders (non-GAAP)	\$ 222,039	\$ 449,645
Weighted average diluted shares	158,124,270	224,816,996
Reported diluted EPS (GAAP)	\$ 0.58	\$ 1.95
Adjusted diluted EPS (non-GAAP)	1.40	2.00
<b>The following table shows the reconciliation of reported return on average tangible common equity and adjusted return on average tangible common equity:</b>		
Average stockholders' equity	\$ 2,498,512	\$ 4,344,096
Average preferred stock	(35,122)	(138,829)
Average goodwill and other intangibles	(999,333)	(1,746,687)
Average tangible common stockholders' equity	1,464,057	2,458,580
Net income available to common stockholders	\$ 91,029	\$ 439,276
Reported return on average tangible common equity	6.22%	17.87%
Adjusted net income available to common stockholders (see reconciliation above)	\$ 222,039	\$ 449,645
Adjusted return on average tangible common equity	15.17%	18.29%

# Year to date Non-GAAP to GAAP Reconciliation

(\$ in thousands except share and per share data)

	For the year ended	
	12/31/2017	12/31/2018
<b>The following table shows the reconciliation of reported return on average tangible assets and adjusted return on average tangible assets:</b>		
Average assets	\$ 18,451,301	\$ 30,746,916
Average goodwill and other intangibles	(999,333)	(1,746,687)
Average tangible assets	17,451,968	29,000,229
Net income available to common stockholders	91,030	439,276
Reported return on average tangible assets	0.52%	1.51%
Adjusted net income available to common stockholders (see reconciliation on slide 20)	\$ 222,039	\$ 449,645
Adjusted return on average tangible assets	1.27%	1.55%

**The following table shows the reconciliation of the reported operating efficiency ratio and adjusted operating efficiency ratio:**

Net interest income	\$ 576,143	\$ 967,403
Non-interest income	64,202	103,197
Total revenues	640,345	1,070,600
Tax equivalent adjustment on securities	20,054	16,231
Net loss on sale of securities	344	10,788
Net loss (gain) on sale of fixed assets	1	(11,800)
Adjusted total net revenue	660,744	1,085,819
Non-interest expense	433,375	458,370
Merger-related expense	(39,232)	—
Charge for asset write-downs, systems integration, retention and severance	(105,110)	(13,132)
Gain on extinguishment of borrowings	—	172
Amortization of intangible assets	(13,008)	(23,646)
Adjusted non-interest expense	\$ 276,025	\$ 421,764
Reported operating efficiency ratio	67.7%	42.8%
Adjusted operating efficiency ratio	41.8%	38.8%



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