



# Q4 and Full Year 2016 Earnings Conference Call

**January 25, 2017**

# 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: our ability to successfully implement strategic initiatives, to grow revenues faster than we grow expenses, and to integrate and fully realize cost savings and other benefits we estimate in connection with acquisitions; 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; including our ability to effectively deploy recently raised capital; customer disintermediation; and the success of Sterling Bancorp in managing those risks. Other factors that could cause Sterling Bancorp's actual results to differ from those indicated in forward-looking statements are included in the "Risk Factors" section of Sterling Bancorp's 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2016. While the Company is 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 period, even though the new information was received by management subsequent to the date of this presentation.*

# December 2016 Quarter Highlights

## Continued strong momentum highlighted by GAAP diluted EPS of \$0.31, adjusted diluted EPS<sup>(1)</sup> of \$0.30 and record loans and profitability

- Reported GAAP net income of \$41.0 million and diluted EPS of \$0.31; adjusted net income of \$40.0 million and adjusted diluted EPS of \$0.30<sup>(1)</sup>
- Total net revenue<sup>(2)</sup> of \$123.3 million; adjusted total net revenue<sup>(2)</sup> of \$125.0 million
- Total portfolio loans, gross of \$9.5 billion; growth of \$358.5 million or 15.6% annualized Q-o-Q
- Total deposits of \$10.1 billion; decreased \$129.0 million over the linked quarter due to seasonal flows in municipal deposits
  - † Total commercial and retail deposits grew \$105.8 million, or 9.3% annualized Q-o-Q
  - † Average deposits of \$10.2 billion and weighted average cost of 36 bps
- Positive momentum across all GAAP and adjusted operating and profitability ratios<sup>(1)</sup>
  - † NIM: 3.40%; reported efficiency ratio: 46.3%; reported ROATE: 15.7%; reported ROATA: 1.26%
  - † Tax equivalent NIM: 3.52%; adjusted efficiency ratio: 43.3%; adjusted ROATE: 15.3%; adjusted ROATA: 1.23%
- Net charge-offs were \$1.3 million, representing 6 bps of average loans annualized
- Completed common equity offering raising \$91.0 million in net proceeds
- Completed the sale of the trust division and realized a net gain on sale of \$2.3 million
- Declared dividend per share of \$0.07 on January 24, 2017

(1) Adjusted results exclude certain charges and gains. Refer to pages 15 through 20 for details on non-GAAP financial measures.

(2) Total net revenue is equal to net interest income and non-interest income. Adjusted total net revenue is equal to tax equivalent net interest income plus non-interest income, excluding securities gains and losses and net gain on sale of trust division. Adjusted total net revenue is a non-GAAP measure. Refer to page 17 for a reconciliation to GAAP total net revenue.

# Summary of Quarterly Financial Performance

(\$ in millions, except per share data)	Quarter Ended			Linked Q $\Delta$	YOY $\Delta$
	12/31/2015	9/30/2016	12/31/2016		
<b>Selected Balance Sheet Data: <sup>(1)</sup></b>					
Total Assets	\$11,956	\$13,617	\$14,178	4.1%	18.6%
Portfolio Loans	7,859	9,169	9,527	3.9%	21.2%
Investment Securities	2,644	2,798	3,069	9.7%	16.1%
Core Deposits <sup>(2)(3)</sup>	7,823	9,002	8,805	(2.2%)	12.6%
Tangible Equity <sup>(4)</sup>	917	999	1,092	9.3%	19.1%
<b>Selected Profitability Data: <sup>(1)</sup></b>					
Net Interest Income	\$95.4	\$103.1	\$107.2	\$4.1	\$11.8
Provision for Loan Losses	5.5	5.5	5.5	—	—
Non-interest Income (Excluding Securities Gains)	16.2	15.6	13.9	(1.7)	(2.3)
Non-interest Expense	57.4	62.3	57.1	(5.2)	(0.3)
Net Income	32.8	37.4	41.0	3.6	8.2
Securities (Losses) Gains	(0.1)	3.4	(0.1)	(3.5)	—
<b>Key Performance Measures: <sup>(1)</sup></b>					
GAAP Diluted Earnings per Share	\$0.25	\$0.29	\$0.31	\$0.02	\$0.06
Adjusted Diluted Earnings per Share <sup>(4)</sup>	0.26	0.29	0.30	0.01	0.04
Net Interest Margin (tax-equivalent basis) <sup>(5)</sup>	3.68%	3.53%	3.52%	(1) bps	(16) bps
Non-interest Income to Adjusted Total Net Revenue <sup>(6)</sup>	14.5	12.8	10.9	(190) bps	(360) bps
Adjusted Operating Efficiency Ratio <sup>(4)</sup>	47.6	45.8	43.3	(250) bps	(430) bps
Adjusted ROATA <sup>(4)</sup>	1.22	1.21	1.23	2 bps	1 bps
Adjusted ROATE <sup>(4)</sup>	14.6	15.3	15.3	0 bps	70 bps

(1) See earnings release dated January 24, 2017.

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

(3) See page 8 for details on core deposits.

(4) See pages 15 through 20 for a reconciliation of non-GAAP/adjusted financial measures.

(5) Tax-equivalent basis represents interest income earned on tax-exempt securities divided by the applicable Federal tax rate of 35%.

(6) Adjusted total revenue is equal to tax equivalent net interest income plus non-interest income, excluding securities gains and losses and net gain on sale of the trust division.

# Reconciliation of GAAP Earnings to Adjusted Earnings

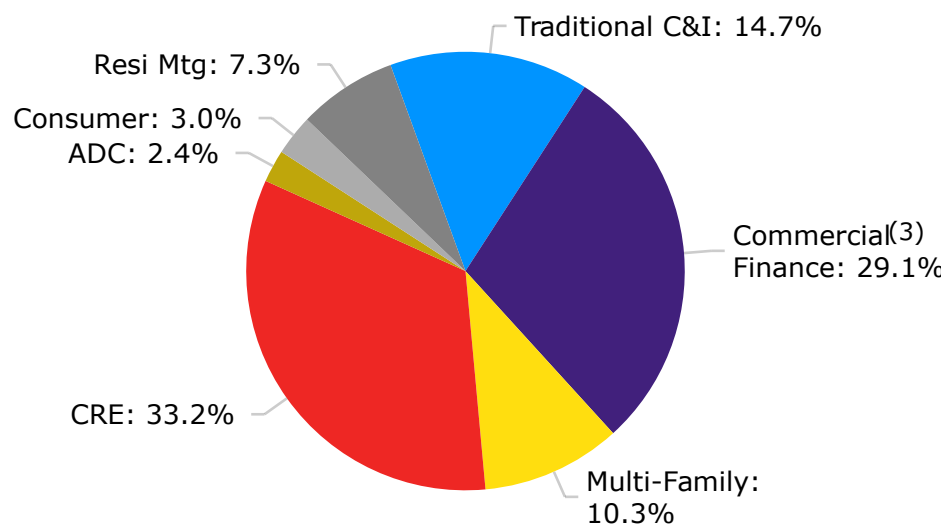
(\$ in thousands, except per share data)	Quarter Ended			Calendar year ended	
	12/31/2015	9/30/2016	12/31/2016	12/31/2015	12/31/2016
<b>Reported Diluted Earnings per Share</b>	\$ 0.25	\$ 0.29	\$ 0.31	\$ 0.60	\$ 1.07
<b>Reported Net Income</b>	\$ 32,791	\$ 37,422	\$ 40,996	\$ 66,114	\$ 139,972
Net Income Adjustments (pre-tax):					
Net loss (gain) on sale of securities	121	(3,433)	102	(4,837)	(7,522)
Net (gain) on sale of trust division	—	—	(2,255)	—	(2,255)
Merger-related expense	—	—	—	17,079	265
Loss on extinguishment of borrowings	—	1,013	—	—	9,729
Charge on benefit plan settlement	—	—	—	13,384	—
Charge for asset write-downs, retention and severance	—	2,000	—	29,046	4,485
Amortization of non-compete agreements	961	970	610	3,526	3,514
<b>Total Adjustments</b>	<b>1,082</b>	<b>550</b>	<b>(1,543)</b>	<b>58,198</b>	<b>8,216</b>
<b>Total Adjustments (after-tax)</b>	<b>734</b>	<b>371</b>	<b>(1,042)</b>	<b>39,284</b>	<b>5,546</b>
<b>Adjusted Net Income (non-GAAP)</b>	<b>\$ 33,525</b>	<b>\$ 37,793</b>	<b>\$ 39,954</b>	<b>\$ 105,398</b>	<b>\$ 145,518</b>
<b>Adjusted Diluted Earnings per Share (non-GAAP)</b>	<b>\$ 0.26</b>	<b>\$ 0.29</b>	<b>\$ 0.30</b>	<b>\$0.96</b>	<b>\$1.11</b>
<i>Weighted average diluted shares outstanding</i>	130,354,779	130,875,614	132,995,762	110,329,353	131,234,462
<i>Adjusted return on average tangible assets</i>	1.22%	1.21%	1.23%	1.17%	1.20%
<i>Adjusted return on average tangible equity</i>	14.6	15.3	15.3	13.9%	14.9%
<i>Adjusted efficiency ratio</i>	47.6	45.8	43.3	50.8%	46.2%
<i>Tangible book value per share</i>	\$ 7.05	\$ 7.64	\$ 8.08	\$ 7.05	\$ 8.08
<i>Effective tax rate</i>	32.5%	31.2%	32.5%	32.5%	32.5%

Note: See pages 15 through 20 for a reconciliation of non-GAAP financial measures.

# Strong Loan Growth - Organic and Acquired

- Annualized growth rate of 15.6%<sup>(1)</sup> in total portfolio loans
- Diversified loan portfolio with 89.7% consisting of commercial asset classes<sup>(2)</sup>
- Total commercial loans Y-o-Y growth rate of 24.8%

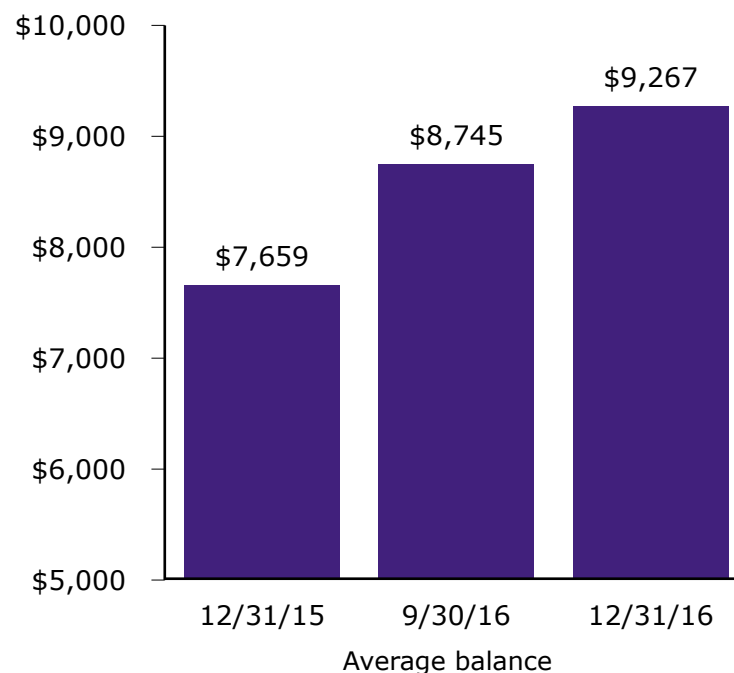
## Loan Composition



**Total Portfolio Loans: \$9.5 B**  
**Yield on Loans: 4.57%<sup>(4)</sup>**

## Portfolio Loan Balances

(\$ in millions)



(1) Represents annualized growth rates for the period beginning September 30, 2016 through December 31, 2016.

(2) Commercial loans include traditional C&I, commercial finance, CRE, multifamily and ADC. See page 7.

(3) Includes asset-based lending, payroll finance, warehouse lending, factored receivables, equipment financing and public sector finance loans.

(4) Represents loan portfolio yield for the three months ended December 31, 2016.

# Strong Performance Across Business Lines

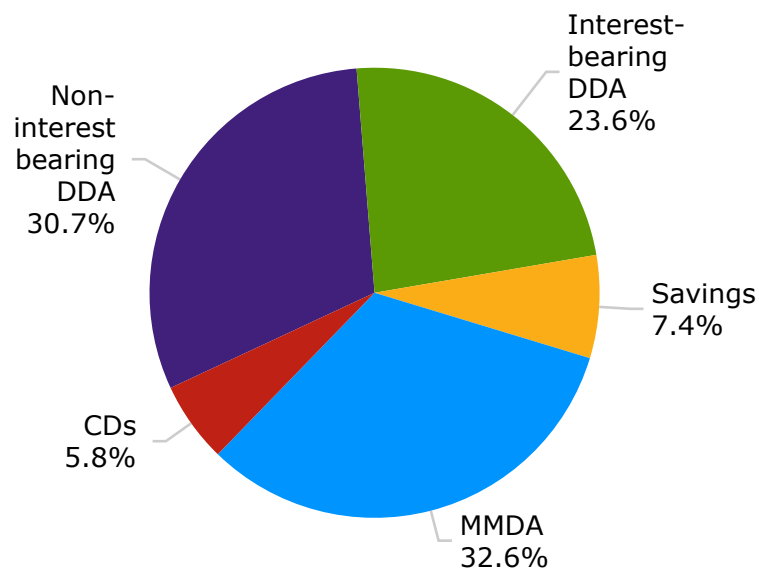
(\$ in millions)					
Line of Business	12/31/15	9/30/16	12/31/2016	Linked Q Δ	YOY Δ
<b>Commercial &amp; Industrial:</b>					
Traditional C&I	\$ 1,190	\$ 1,419	\$ 1,405	\$ (14)	\$ 215
ABL	310	684	742	58	432
Payroll Finance	222	224	256	32	34
Warehouse Lending	388	586	617	31	229
Factored Receivables	208	250	214	(36)	6
Equipment Financing	631	609	589	(20)	(42)
Public Sector Finance	182	326	349	23	167
<b>Total Commercial &amp; Industrial</b>	<b>3,131</b>	<b>4,098</b>	<b>4,172</b>	<b>74</b>	<b>1,041</b>
<b>Commercial Real Estate:</b>					
Commercial Real Estate	2,733	2,970	3,163	193	430
Multi-Family	796	925	981	56	185
ADC	186	212	230	18	44
<b>Total Commercial Real Estate</b>	<b>3,715</b>	<b>4,107</b>	<b>4,374</b>	<b>267</b>	<b>659</b>
<b>Total Commercial</b>	<b>6,846</b>	<b>8,205</b>	<b>8,546</b>	<b>341</b>	<b>1,700</b>
<b>Consumer:</b>					
Residential Mortgage	713	672	697	25	(16)
Other Consumer	300	292	284	(8)	(16)
<b>Total Consumer</b>	<b>1,013</b>	<b>964</b>	<b>981</b>	<b>17</b>	<b>(32)</b>
<b>Total Portfolio Loans</b>	<b>\$ 7,859</b>	<b>\$ 9,169</b>	<b>\$ 9,527</b>	<b>\$ 358</b>	<b>\$ 1,668</b>

Note: In the first quarter of 2016, we acquired \$320.4 million of asset-based lending loans in the acquisition of NewStar Business Credit LLC. In the second quarter of 2016, we sold \$43.4 million of residential mortgage loans acquired in the Hudson Valley Bank Merger. In the third quarter of 2016, we acquired \$162.0 million of franchise finance loans from GE Capital, which are included in traditional C&I loans above.

# Attractive Deposit Base That is Growing

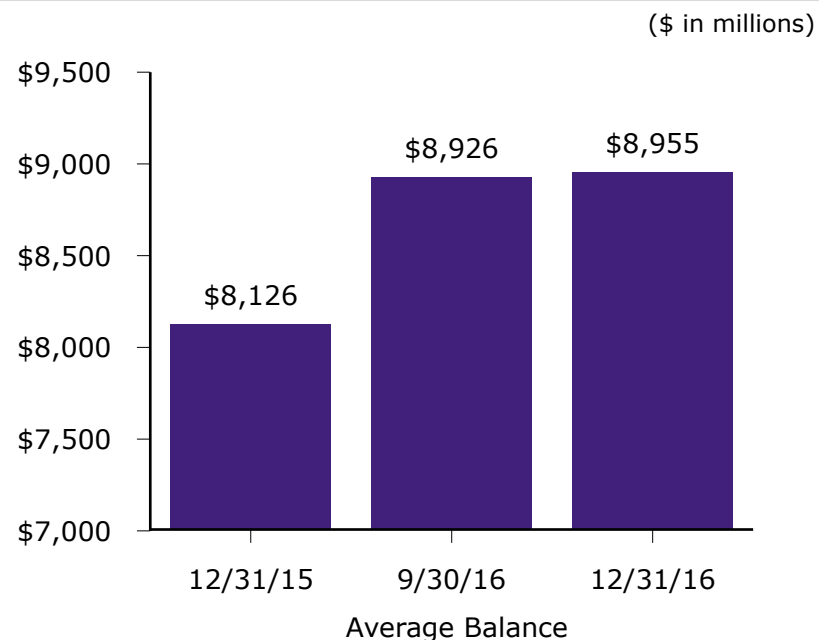
- 87.5% core deposits<sup>(1)</sup> with weighted average cost of total deposits of 36 basis points<sup>(2)</sup>
- Retail and commercial: 73.6%; municipal: 12.4%; wholesale and other<sup>(3)</sup>: 14.0%
- Loans to deposits ratio of 94.6% as of December 31, 2016

## Deposit Composition



**Total Deposits: \$10.2B**  
**Total Cost of Deposits: 0.36%**<sup>(2)</sup>

## Core Deposit Balances<sup>(1)</sup>



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

(2) Represents total cost of deposits for the three months ended December 31, 2016.

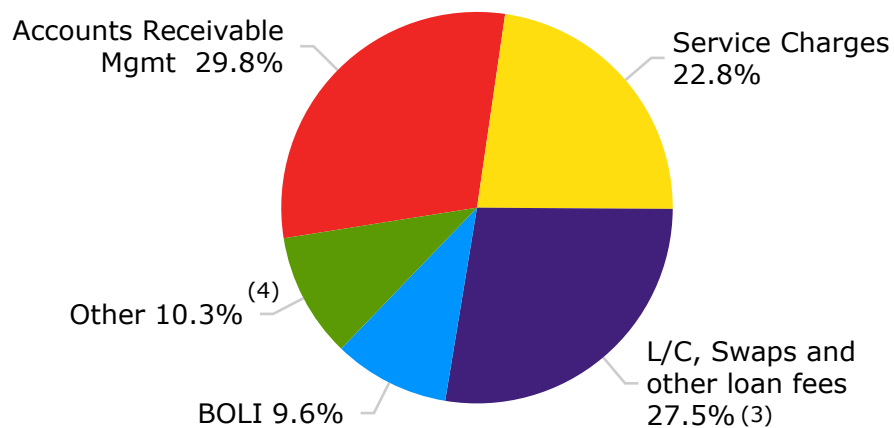
(3) Wholesale and other deposits include one-way brokered deposits and certificate of deposit accounts.



# Diversified Non-Interest Income

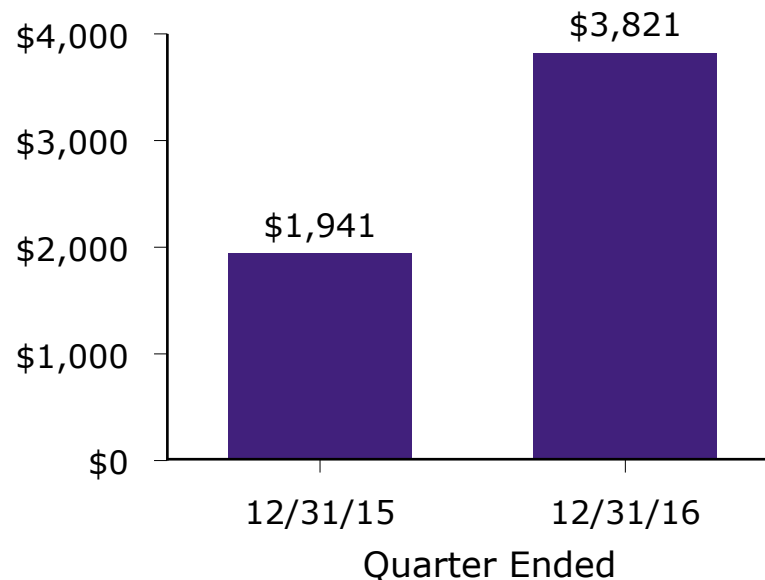
- Adjusted total fee income<sup>(1)</sup> of \$13.9 million; represents 10.9% of adjusted total net revenue<sup>(2)</sup>
- New products are starting to deliver results - swaps, cash management, loan syndications and public sector finance

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



## Letter of credit commissions, SWAP fees, other loan fees and income<sup>(3)</sup>

(\$ in thousands)



**Adjusted Total Fee Income Q3 2016: \$13.9 M<sup>(1)</sup>**  
**% of Total Net Revenue: 10.9%**

(1) Excludes net gains (losses) on sale of securities and net gain on sale of trust division.

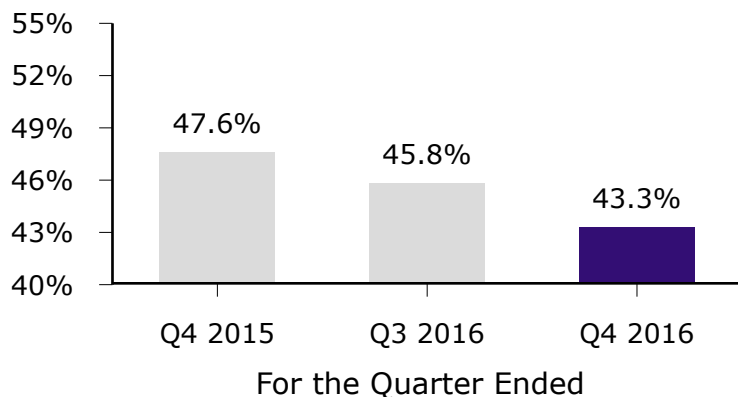
(2) Adjusted total net revenue is a non-GAAP/adjusted measure. Refer to page 17 for a reconciliation to GAAP.

(3) Includes loan swap fees, letter of credit fees, gain on sale of loans and loan syndication/participations.

(4) Other includes mortgage banking revenues, wealth management and miscellaneous other non-interest income.

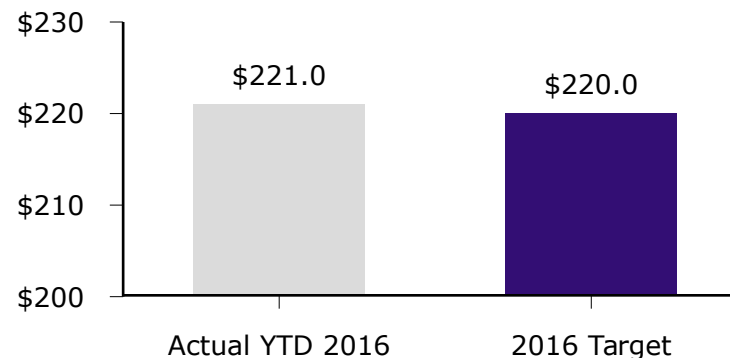
# Continued Momentum in Adjusted Operating Efficiency Gains

## Adjusted Operating Efficiency Ratio



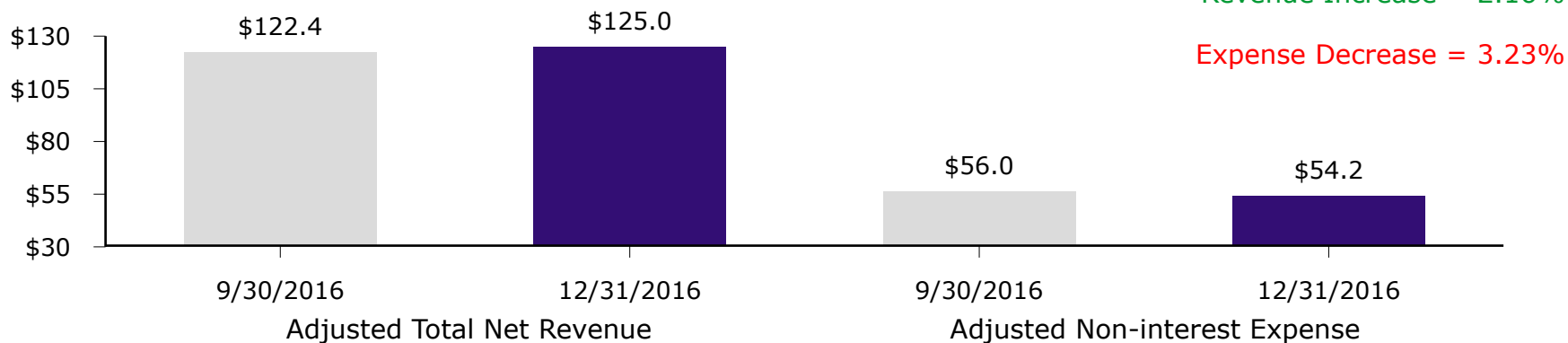
## Adjusted Operating Expenses Annualized

(\$ in millions)



## Adjusted Operating Leverage - Quarter Ended

(\$ in millions)



Note: See pages 15 through 20 for a reconciliation of non-GAAP/adjusted financial measures.

# Strong Asset Quality and Capital Ratios

(\$ in millions)

Ratios and Balances	As of or for the quarter ended				
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Asset Quality Data:					
Non-performing loans to total loans	0.84%	1.03%	0.93%	0.88%	0.83%
Net charge-offs to average loans (annualized)	0.15	0.06	0.10	0.09	0.06
Allowance for loan losses to:					
Total loans	0.64%	0.64%	0.65%	0.65%	0.67%
Non-performing loans	75.5	62.0	70.2	73.3	80.7
Total valuation balances recorded against portfolio loans to adjusted gross portfolio loans <sup>(1)</sup>	1.16	1.17	1.11	1.10	1.05
Non-performing assets to total assets	0.68	0.78	0.74	0.72	0.65
Special Mention	\$ 68.0	\$ 101.6	\$ 103.7	\$ 101.8	\$ 104.6
Substandard	129.7	131.9	125.6	112.6	95.2
Doubtful	0.7	0.6	0.3	0.9	0.5
Total Criticized / Classified	198.4	234.0	229.6	215.3	200.3
Loans 30 to 89 days past due	68.0	19.2	18.7	17.7	15.1
Non-accrual and 90 days past due & still accruing	66.4	85.4	79.6	81.1	78.9
Capital Ratio Data:					
Tangible Equity to Tangible Assets	8.18%	7.66%	7.86%	7.78%	8.14%
Tier 1 Leverage Ratio (STL)	9.03	8.60	8.36	8.31	8.95
Tier 1 Leverage Ratio (SNB)	9.65	9.16	8.84	8.72	9.08

(1) See a reconciliation of this non-GAAP financial measure on page 17.

# Outlook and Objectives for 2017

- Continue building a high performing regional bank focused on the Greater New York metro market
- Deliver growth in loans and deposits while managing expenses to improve operating leverage and drive rising profitability
- Continued investment in risk management and ERM capabilities

Metric	Target Range	Analysis
Loan growth	10 - 15%	<ul style="list-style-type: none"> <li>▪ Grow loans \$1.0 - \$1.5bn through combination of organic growth and opportunistic portfolio acquisitions</li> </ul>
Loans to deposits ratio	90 - 95%	<ul style="list-style-type: none"> <li>▪ Focus deposit growth on commercial teams and clients to match loan growth and maintain current funding profile</li> </ul>
NIM (excluding accretable yield)	3.40 - 3.45%	<ul style="list-style-type: none"> <li>▪ Shift to higher end of prior guidance; assumes no further rate hikes but well positioned if rates increase</li> <li>▪ Competitive dynamic in origination yields still uncertain</li> </ul>
Fee income	\$55 - \$60mm	<ul style="list-style-type: none"> <li>▪ Slight decrease from 2016; need to replace lost revenue from mortgage and trust sales</li> <li>▪ Swaps, cash mgmt and syndications are making progress</li> </ul>
Operating expenses (excluding amortization of intangibles)	\$220 - \$225mm	<ul style="list-style-type: none"> <li>▪ Flat relative to 2016; continued focus on rationalization of financial centers</li> <li>▪ Redeploy savings from divestitures and branch consolidations into new team hires and commercial finance businesses</li> </ul>
Effective tax rate	32 - 33%	<ul style="list-style-type: none"> <li>▪ Assumes no change to current tax law; material decrease likely if significant changes to federal tax rates enacted</li> </ul>

# December 2016 Summary

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- Strong momentum in GAAP and adjusted earnings and profitability metrics
- Delivered on all strategic actions outlined for 2016
- Operating efficiencies continue to be realized through multiple strategies
- Revenue growth opportunities are significant
- Continued investment in commercial banking, specialty finance, and fee-based businesses
- De-emphasizing businesses that are not in-line with our commercial banking strategy
- Focus on deposit growth opportunities to allow continued consolidation of financial centers
- Strategic actions position us for continued high performance
- Strong credit quality
- Execution is the key

# Five Year Evolution of Sterling Bancorp

- Successful transformation from thrift business model to diversified commercial bank
- Focus on executing commercial team strategy and generating higher levels of productivity
- Building a larger, more diversified and more profitable company

Metric	Twelve Months Ended		Change \$	Change %
	9/30/11	12/31/16		
<i>Balance Sheet Growth:</i>				
Total assets	\$ 3,150	\$ 14,178	\$ 11,028	350 %
Total loans	1,851	9,527	7,676	415 %
Total deposits	2,332	10,068	7,736	332 %
<i>Improving Efficiency and Rising Profitability:</i>				
Net Income, as adjusted	7.9	145.5	137.6	1,742 %
Diluted EPS, as adjusted	0.21	1.11	0.90	429 %
ROATA, as adjusted	0.28%	1.23%	0.95 %	339 %
ROATE, as adjusted	3.00%	14.90%	11.90 %	397 %
Efficiency ratio, as adjusted	76.3%	46.2%	(30.1)%	(39)%
<i>Shareholder Impact:</i>				
Market capitalization	\$ 220	\$ 3,165	\$ 2,945	1,339 %
Stock price	5.82	23.40	17.58	302 %

Note: Adjusted results exclude certain charges and gains. Refer to pages 15 through 19 for details on non-GAAP financial measures.

# 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, the net gain on the sale of the trust division, merger-related expenses and charge for asset write-downs, retention and severance, pension plan settlement, extinguishment of borrowings and amortization of non-compete agreements to our net income.
  - † Our tangible equity (common stockholders' equity, less intangible assets, other than servicing rights).
  - † The impact of securities gains and losses, the net gain on the sale of the trust division, non-taxable income, merger expenses, charges for asset write-downs, banking systems conversions, retention and severance and changes in intangible asset amortization on our efficiency ratio (which is non-interest expense divided by total net revenue).

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				
	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
<b>The following table shows the reconciliation of stockholders' equity to tangible equity and the tangible equity ratio:</b>					
Total assets	\$ 11,955,952	\$ 12,865,356	\$ 13,065,248	\$ 13,617,228	\$ 14,178,447
Goodwill and other intangibles	(748,066)	(772,390)	(769,125)	(765,858)	(762,953)
Tangible assets	11,207,886	12,092,966	12,296,123	12,851,370	13,415,494
Stockholders' equity	1,665,073	1,698,133	1,735,994	1,765,160	1,855,183
Goodwill and other intangibles	(748,066)	(772,390)	(769,125)	(765,858)	(762,953)
Tangible stockholders' equity	\$ 917,007	\$ 925,743	\$ 966,869	\$ 999,302	\$ 1,092,230
Common stock outstanding at period end	130,006,926	130,548,989	130,620,463	130,853,673	135,257,570
Stockholders' equity as a % of total assets	13.93%	13.20%	13.29%	12.96%	13.08%
Book value per share	\$ 12.81	\$ 13.01	\$ 13.29	\$ 13.49	\$ 13.72
Tangible equity as a % of tangible assets	8.18%	7.66%	7.86%	7.78%	8.14%
Tangible book value per share	\$ 7.05	\$ 7.09	\$ 7.40	\$ 7.64	\$ 8.08

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

Average stockholders' equity	\$ 1,661,282	\$ 1,686,274	\$ 1,711,902	\$ 1,751,414	\$ 1,805,790
Average goodwill and other intangibles	(750,334)	(747,412)	(770,931)	(767,753)	(764,543)
Average tangible stockholders' equity	\$ 910,948	\$ 938,862	\$ 940,971	\$ 983,661	\$ 1,041,247
Net income	32,791	23,766	37,770	37,422	40,996
Net income, if annualized	130,095	95,586	151,910	148,874	163,093
Return on average tangible equity	14.28%	10.18%	16.14%	15.13%	15.66%
Adjusted net income (see reconciliation on page 17)	\$ 33,525	\$ 32,159	\$ 35,414	\$ 37,793	\$ 39,954
Annualized adjusted net income	133,007	129,343	142,434	150,350	158,947
Adjusted return on average tangible equity	14.60%	13.78%	15.14%	15.28%	15.27%



# Quarterly Non-GAAP/Adjusted to GAAP Reconciliation

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

	As of or for the quarter ended				
	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
<b>The following table shows the reconciliation of the reported operating efficiency ratio and the adjusted operating efficiency ratio:</b>					
Net interest income	\$ 95,421	\$ 93,510	\$ 100,380	\$ 103,130	\$ 107,248
Non-interest income	16,081	15,430	20,442	19,039	16,057
Total net revenue	111,502	108,940	120,822	122,169	123,305
Tax equivalent adjustment on securities interest income	1,690	2,091	3,162	3,635	3,860
Net loss (gain) on sale of securities	121	283	(4,474)	(3,433)	102
Net (gain) on sale of trust division	—	—	—	—	(2,255)
Adjusted total net revenue	113,313	111,314	119,510	122,371	125,012
Non-interest expense	57,419	68,931	59,640	62,256	57,072
Merger-related expense	—	(265)	—	—	—
Charge for asset write-downs, retention, severance	—	(2,485)	—	(2,000)	—
Loss on extinguishment of borrowings	—	(8,716)	—	(1,013)	—
Amortization of intangible assets	(3,431)	(3,053)	(3,241)	(3,241)	(2,881)
Adjusted non-interest expense	\$ 53,988	\$ 54,412	\$ 56,399	\$ 56,002	\$ 54,191
Reported efficiency ratio	51.5%	63.3%	49.4%	51.0%	46.3%
Adjusted efficiency ratio	47.6	48.9	47.2	45.8	43.3

**The following table shows the reconciliation GAAP net income and earnings per share to adjusted net income and adjusted diluted earnings per share:**

Income before income tax expense	\$ 48,583	\$ 36,009	\$ 56,182	\$ 54,413	\$ 60,733
Income tax expense	15,792	12,243	18,412	16,991	19,737
Net income (GAAP)	32,791	23,766	37,770	37,422	40,996
Adjustments:					
Net loss (gain) on sale of securities	121	283	(4,474)	(3,433)	102
Net (gain) on sale of trust division	—	—	—	—	(2,255)
Merger-related expense	—	265	—	—	—
Charge for asset write-downs, retention and severance	—	2,485	—	2,000	—
Loss on extinguishment of borrowings	—	8,716	—	1,013	—
Amortization of non-compete agreements	961	968	969	970	610
Total adjustments	1,082	12,717	(3,505)	550	(1,543)
Income tax (benefit) expense	(348)	(4,324)	1,149	(179)	501
Total adjustments net of taxes	734	8,393	(2,356)	371	(1,042)
Adjusted net income (non-GAAP)	\$ 33,525	\$ 32,159	\$ 35,414	\$ 37,793	\$ 39,954
Weighted average diluted shares	130,354,779	130,500,975	130,688,729	130,875,614	132,995,762
Diluted EPS as reported (GAAP)	\$ 0.25	\$ 0.18	\$ 0.29	\$ 0.29	\$ 0.31
Adjusted diluted EPS (non-GAAP)	0.26	0.25	0.27	0.29	0.30

# Quarterly Non-GAAP/Adjusted to GAAP Reconciliation

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

	For the quarter ended				
	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
<b>The following table shows the reconciliation of reported return on tangible assets and adjusted return on tangible assets:</b>					
Average assets	\$ 11,622,621	\$ 12,001,370	\$ 12,700,038	\$ 13,148,201	\$ 13,671,676
Average goodwill and other intangibles	(750,334)	(747,412)	(770,931)	(767,753)	(764,543)
Average tangible assets	10,872,287	11,253,958	11,929,107	12,380,448	12,907,133
Net income	32,791	23,766	37,770	37,422	40,996
Net income, if annualized	130,095	95,586	151,910	148,874	163,093
Return on average tangible assets	1.20%	0.85%	1.27%	1.20%	1.26%
Adjusted net income (see reconciliation on page 17)	\$ 33,525	\$ 32,159	\$ 35,414	\$ 37,793	\$ 39,954
Annualized adjusted net income	133,007	129,343	142,434	150,350	158,947
Adjusted return on average tangible assets	1.22%	1.15%	1.19%	1.21%	1.23%

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

	For the quarter ended				
	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
<b>The following table shows a reconciliation of the allowance for loan losses and remaining purchase accounting adjustments to portfolio loans<sup>6</sup>:</b>					
Allowance for loan losses	\$ 50,145	\$ 53,014	\$ 55,865	\$ 59,405	\$ 63,622
Remaining purchase accounting adjustments:					
Acquired performing loans	24,766	27,340	23,802	26,003	22,199
Purchased credit impaired loans	16,617	16,862	15,955	15,513	14,813
Total remaining purchase accounting adjustments	41,383	44,202	39,757	41,516	37,012
Total valuation balances recorded against portfolio loans	\$ 91,528	\$ 97,216	\$ 95,622	\$ 100,921	\$ 100,634
Total portfolio loans, gross	\$ 7,859,360	\$ 8,286,163	\$ 8,594,295	\$ 9,168,741	\$ 9,527,230
Remaining purchase accounting adjustments:					
Acquired performing loans	24,766	27,340	23,802	26,003	22,199
Purchased credit impaired loans	16,617	16,862	15,955	15,513	14,813
Adjusted portfolio loans, gross	\$ 7,900,743	\$ 8,330,365	\$ 8,634,052	\$ 9,210,257	\$ 9,564,242
Allowance for loan losses to total portfolio loans, gross	0.64%	0.64%	0.65%	0.65%	0.67%
Total valuation balances recorded against portfolio loans to adjusted gross portfolio loans	1.16	1.17	1.11	1.10	1.05

# Annual Non-GAAP/Adjusted to GAAP Reconciliation

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

	For the year ended	
	12/31/2015	12/31/2016
<b>The following table shows the reconciliation of reported net income (GAAP) and earnings per share (GAAP) to adjusted net income (non-GAAP) and adjusted diluted earnings per share (non-GAAP)<sup>2</sup>:</b>		
Income before income tax expense	\$ 97,949	\$ 207,354
Income tax expense	31,835	67,382
Net income (GAAP)	66,114	139,972
Adjustments:		
Net (gain) on sale of securities	(4,837)	(7,522)
Net (gain) on sale of trust division	—	(2,255)
Merger-related expense	17,079	265
Charge for asset write-downs, retention and severance	29,046	4,485
Loss on extinguishment of borrowings	—	9,729
Charge on benefit plan settlement	13,384	—
Amortization of non-compete agreements and customer list intangible assets	3,526	3,514
Total adjustments	58,198	8,216
Income tax (benefit)	(18,914)	(2,670)
Total adjustments net of taxes	39,284	5,546
Adjusted net income (non-GAAP)	\$ 105,398	\$ 145,518
Weighted average diluted shares	110,329,353	131,234,462
Diluted EPS as reported (GAAP)	\$ 0.60	\$ 1.07
Adjusted diluted EPS (non-GAAP)	0.96	1.11

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

Average stockholders' equity	\$ 1,360,859	\$ 1,739,073
Average goodwill and other intangibles	(600,605)	(762,679)
Average tangible stockholders' equity	760,254	976,394
Net income	66,114	139,972
Reported return on average tangible equity	8.70%	14.34%
Adjusted net income (See reconciliation above.)	\$ 105,398	\$ 145,518
Adjusted return on average tangible equity	13.86%	14.90%

# Annual Non-GAAP/Adjusted to GAAP Reconciliation

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

	For the year ended	
	12/31/2015	12/31/2016
<b>The following table shows the reconciliation of reported return on tangible assets and adjusted return on tangible assets:</b>		
Average assets	\$ 9,604,256	\$ 12,883,226
Average goodwill and other intangibles	(600,605)	(762,679)
Average tangible assets	9,003,651	12,120,547
Net income	66,114	139,972
Return on average tangible assets	0.73%	1.15%
Adjusted net income (see reconciliation on page 19)	\$ 105,398	\$ 145,518
Adjusted return on average tangible assets	1.17%	1.20%

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

Net interest income	\$ 311,216	\$ 404,269
Non-interest income	62,751	70,987
Total net revenue	373,967	475,256
Tax equivalent adjustment on securities	6,503	12,745
Net (gain) on sale of securities	(4,837)	(7,522)
Net (gain) on sale of trust division	—	(2,255)
Adjusted total revenue	375,633	478,224
Non-interest expense	260,318	247,902
Merger-related expense	(17,079)	(265)
Charge for asset write-downs, banking systems conversion, retention, severance	(29,046)	(4,485)
Loss on extinguishment of borrowings	—	(9,729)
Charge on benefit plan settlement	(13,384)	—
Amortization of intangible assets	(10,043)	(12,416)
Adjusted non-interest expense	190,766	221,007
Reported efficiency ratio	69.6%	52.2%
Adjusted efficiency ratio	50.8%	46.2%



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