



Q1 2013 Earnings Conference Call

January 24, 2013

Forward-Looking Statements and Associated Risk Factors

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 and regulatory oversight; 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 December 31, 2012. 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 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.



First Quarter Highlights

- Net income of \$7.0mm and earnings per share of \$0.16
 - Increase of 23% vs. Q1 2012
- Strong momentum as we continue the build-out of our diversified strategy
 - Growing presence in new markets
 - Strong commercial loan and deposit growth
 - Pipeline remains high and is driving diversification
 - Team-based approach is delivering results
- Continued improvement in operating efficiency
- Positive trends in asset quality
- Strong capital and liquidity position



Summary Financial Performance

(\$ in millions, except per share data)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Linked Q Δ
Selected Balance Sheet Data: ⁽¹⁾						
Total Assets	\$3,084	\$3,211	\$3,150	\$4,023	\$3,790	\$(233)
Net Loans	1,748	1,771	1,823	2,091	2,165	74
Securities	968	1,028	885	1,153	1,131	(22)
Deposits	2,136	2,369	2,332	3,111	2,904	(207)
Tangible Equity ⁽²⁾	273	275	280	321	324	3
Selected Profitability Data: ⁽¹⁾						
Net Interest Income	\$23.2	\$23.9	\$24.1	\$25.2	\$27.9	\$2.7
Provision	2.0	2.9	2.3	3.5	3.0	(0.5)
Non Interest Income (Excluding Security Gains/OTTI)	5.2	5.1	5.6	5.9	6.3	0.4
Non Interest Expense	20.7	21.3	21.2	28.8	22.5	(6.3)
Net Income	5.7	5.7	6.2	2.3	7.0	4.7
Securities Gains/Caps/OTTI	2.0	2.9	2.4	3.1	1.4	(1.7)
Key Performance Measures: ⁽¹⁾						
Diluted earnings per share	\$0.15	\$0.15	\$0.17	\$0.06	\$0.16	\$0.10
Net Interest Margin	3.54%	3.57%	3.59%	3.38%	3.37%	(1) bps
Efficiency Ratio ⁽³⁾	67.8%	67.9%	65.5%	72.0%	62.9%	(910) bps
ROAA	0.74%	0.73%	0.80%	0.26%	0.73%	47 bps
ROTE	8.53%	8.36%	9.01%	2.92%	8.71%	579 bps

(1) See earnings releases dated January 23, 2013.

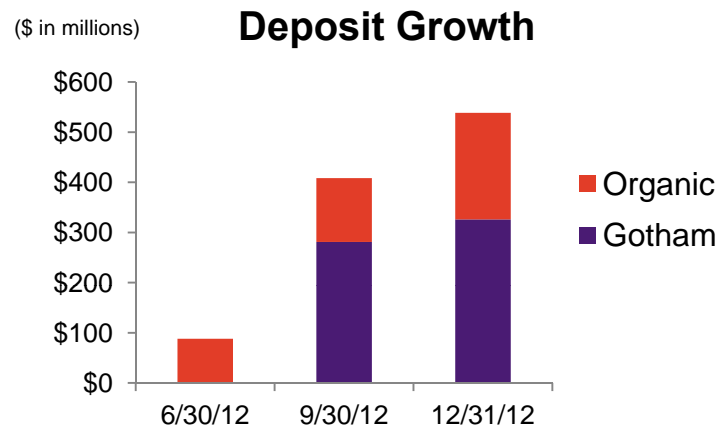
(2) Tangible equity is calculated as stockholders' equity less total intangible assets, other than servicing rights, a non-GAAP measure, See page 14 for a calculation of tangible equity.

(3) See Page 15 for the calculation of the efficiency ratio



Growing Presence in NYC Market

- NYC market is delivering growth
 - Total NYC assets: \$384mm (1)
 - Total NYC deposits: \$539mm (1)
- 17 total teams now onboard
 - One additional team hired in Q1 2013
 - Opened Melville financial center
- Gotham integration continues as planned
 - Retention of core customer relationships
 - Established platform for continued growth



(1) Data as of December 31, 2012.

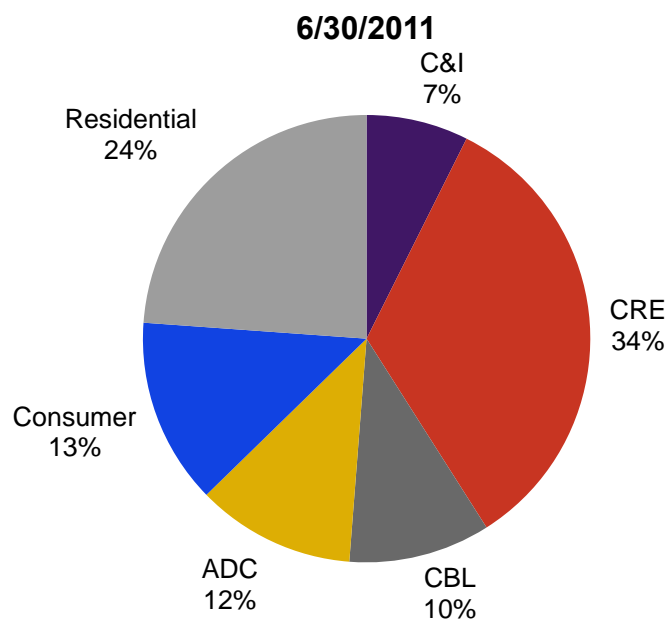


Strong Pipeline of New Business

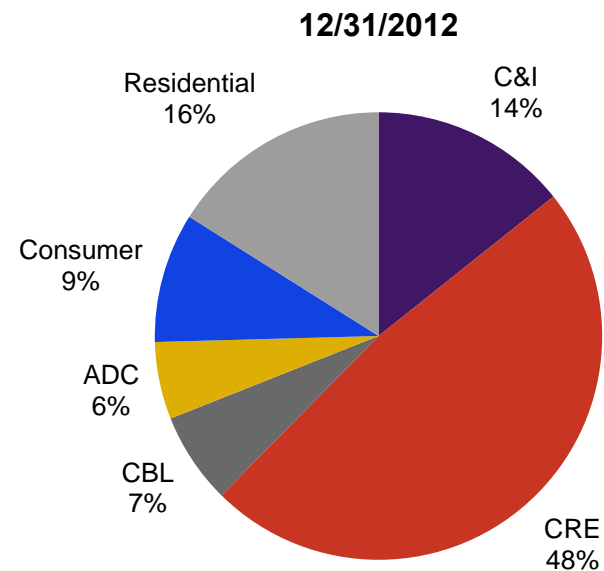
Originations

Volume (\$ in millions)	1Q12	4Q12	1Q13	% LINKED	YOY
Total Commercial	\$186.6	\$162.2	\$230.5	42%	23%
Total Consumer	45.0	43.5	60.6	39%	35%
Total Originations	231.6	205.7	291.1	42%	26%

Loan Composition



Total Loans \$1,685 mm



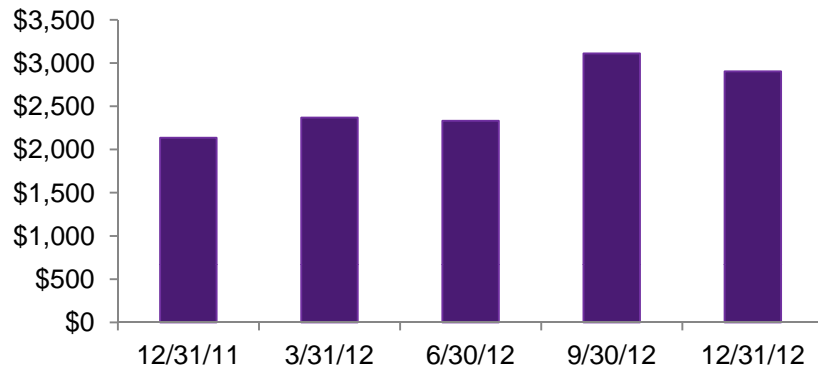
Total Loans \$2,193 mm



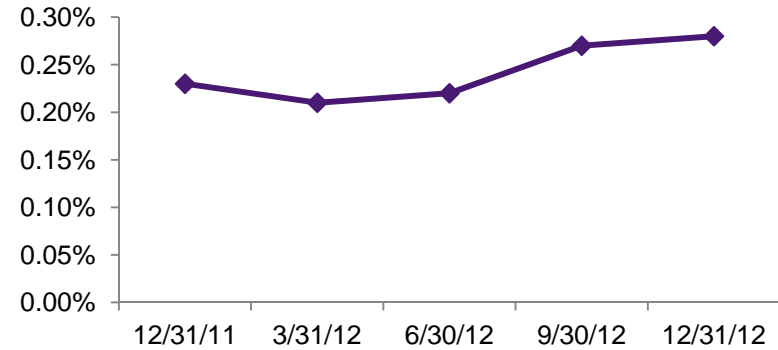
Low Cost, Diversified Deposit Base

Total Deposits

(\$ in millions)

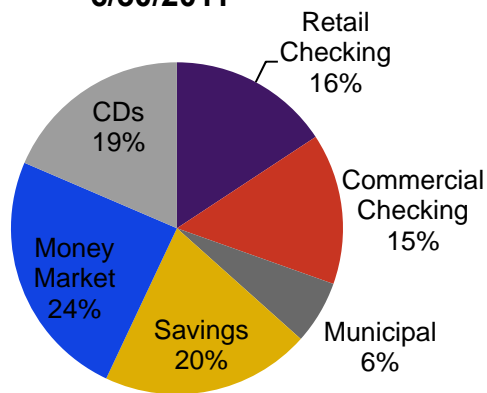


Deposit Cost



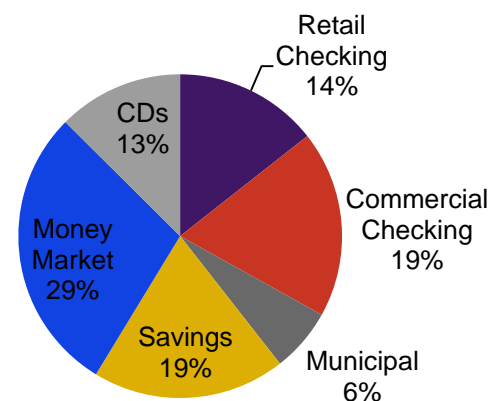
Deposit Composition

6/30/2011



Total Deposits \$2,098mm

12/31/2012



Total Deposits \$2,904mm



Operating Efficiency is Improving

- Strong revenue momentum

	6/30/11	6/30/12	9/30/12	12/31/12	Δ Since 6/11
Core Revenues	\$28,750	\$30,521	\$31,882	\$34,972	21.6%

- Holding the line on expenses

	6/30/11	6/30/12	9/30/12	12/31/12	Δ Since 6/11
Operating Expenses	\$20,409	\$20,000	\$22,949	\$22,000	7.8%

- Resulting in increased operating efficiency

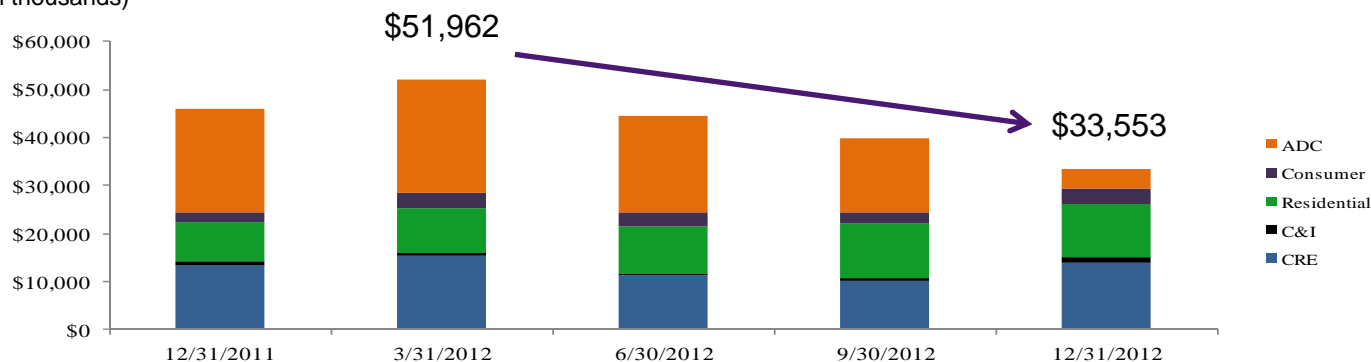
	6/30/11	6/30/12	9/30/12	12/31/12	Δ Since 6/11
Efficiency Ratio	71.0%	65.5%	72.0%	62.9%	(810) bps



Continued Improvement in Asset Quality

Non-Accrual and Past Due 90 Days

(\$ in thousands)



Asset Quality Ratios

	1Q12	2Q12	3Q12	4Q12	1Q13
Non-performing loans to total loans	2.59%	2.89%	2.40%	1.88%	1.53%
Net charge-offs to average loans (1)	0.37%	0.74%	0.55%	0.57%	0.58%
Allowance for loan loss to total loans	1.59%	1.54%	1.49%	1.33%	1.28%
Allowance for loan losses to total loans excluding Gotham (2)	N/A	N/A	N/A	1.47%	1.41%
Allowance for loan losses to non-performing	62%	54%	62%	71%	84%
Non-performing assets to total assets	1.67%	1.80%	1.64%	1.15%	1.07%
Special Mention (MM)	\$18.4	\$37.4	\$37.6	\$42.4	\$29.8
Substandard/Doubtful (MM)	\$99.4	\$89.1	\$88.4	\$88.7	\$83.1

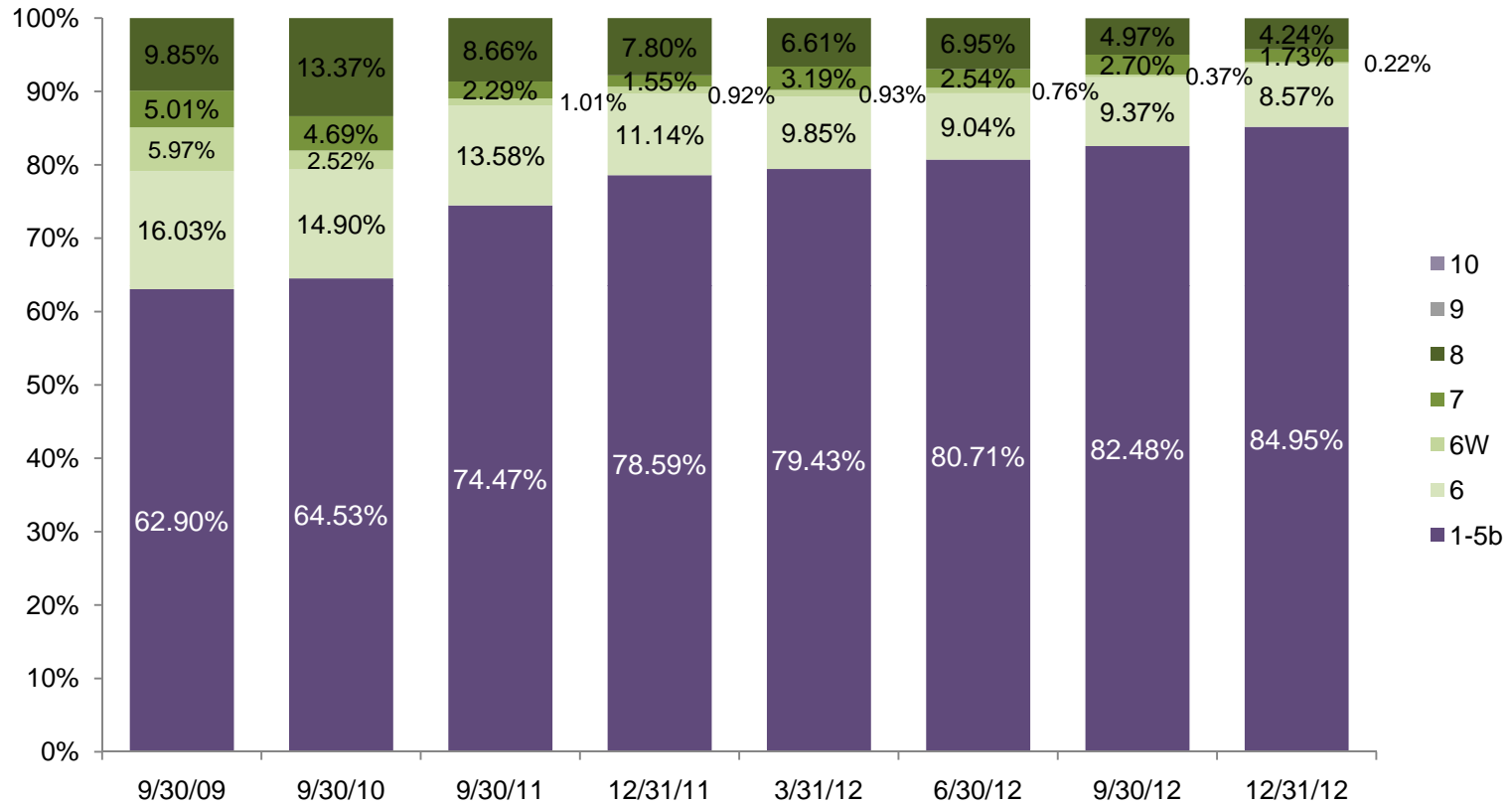
(1) Annualized.

(2) This non-GAAP measure presents the allowance to total loans excluding acquired Gotham loans, which were recorded at fair value and carry no allowance for loan losses at either date. See Page 15 for a reconciliation of these amounts to our GAAP measures.



Positive Trends in Risk Ratings

12/31/12 Risk Rating Report
 All Source Risk Rating % Comparisons
 Commercial Loans - Excluding Business Banking Loans



	9/30/09	9/30/10	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12
Portfolio Avg RR	5.723	5.755	5.504	5.458	5.459	5.464	5.342	5.309
Performing Avg RR	5.383	5.317	5.223	5.213	5.219	5.226	5.155	5.170
Total of RR 1-5B	62.90%	64.53%	74.47%	78.59%	79.43%	80.71%	82.48%	84.95%



Strong Capital and Liquidity Position

- Tier 1 Leverage ratio of approximately 8.2%
 - Increased 72 bps due to retained earnings and reduction in total assets
- Total risk based capital of approximately 13.5%
 - An increase from 13.3% at September 30, 2012
- Reflects low overall risk weighting of the securities portfolio
- Our liquidity remains strong
 - Cash and available for sale securities represented \$1.2 billion at December 31, 2012
 - Cash declined between September and December due to planned withdrawals of municipal deposits



First Quarter Summary

- Strong Core Earnings Growth
- Solid Commercial Loan and Deposit Growth — Pipelines Continue to Grow
- Significantly Improved Credit Quality
- Strong Capital Ratios and Liquidity
- Market Opportunities are Significant
- Strategy is working — ***Execution is the Key***



Adjusted Information (non-GAAP information)

- In this presentation, we have referred to adjusted results to help illustrate the impact of certain types of items, such as the following:
 - The allowance for loan losses to the total loan portfolio and the allowance for loan losses to the total loan portfolio less Gotham acquired loans, which were recorded at fair value at acquisition and carry no allowance.
 - Our tangible equity (common stockholders' equity, less intangible assets, other than servicing rights).
 - The impact of securities gains, non-taxable income, merger expenses, intangible asset amortization and foreclosed property expense on our efficiency ratio.
- We believe this additional information and reconciliations we provide may be useful to investors, analysts, regulators and others as they evaluate the impact of these respective items on our results for the periods presented due to the extent to which the items may not be indicative of our ongoing operations. 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.



Non-GAAP to GAAP Reconciliation

Non GAAP Financial Measures

(in thousands except share and per share data)

As of and for the Quarter Ended

	12/31/12	9/30/12	6/30/12	3/31/12	12/31/11
The Company provides supplemental reporting of non-GAAP measures as management believes this information is useful to investors.					
The following table shows the reconciliation of stockholders' equity to tangible equity and the tangible equity ratio:					
Total assets	\$ 3,789,514	\$ 4,022,982	\$ 3,150,040	\$ 3,210,871	\$ 3,084,166
Goodwill and other amortizable intangibles	(170,173)	(170,411)	(164,579)	(164,862)	(165,167)
Tangible assets	3,619,341	3,852,571	2,985,461	3,046,009	2,918,999
Stockholders' equity	493,883	491,122	444,670	439,699	437,682
Goodwill and other amortizable intangibles	(170,173)	(170,411)	(164,579)	(164,862)	(165,167)
Tangible stockholders' equity	323,710	320,711	280,091	274,837	272,515
Shares of common stock outstanding at period end	44,348,787	44,173,470	37,899,007	37,899,007	37,883,008
Tangible capital as a % of tangible assets	8.94%	8.32%	9.38%	9.02%	9.34%
Tangible book value per share	\$ 7.30	\$ 7.26	\$ 7.39	\$ 7.25	\$ 7.19

The Company believes that tangible equity is useful as a tool to help assess a company's capital position.

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

Average stockholders' equity	\$ 492,506	\$ 475,652	\$ 441,956	\$ 439,384	\$ 431,129
Average goodwill and other amortizable intangibles	(172,723)	(167,623)	(164,751)	(165,045)	(165,360)
Average tangible stockholders' equity	319,783	308,029	277,205	274,339	265,769
Net income	7,020	2,261	6,209	5,701	5,717
Net income, if annualized	27,851	8,995	24,972	22,929	22,682
Return on average tangible equity	8.71%	2.92%	9.01%	8.36%	8.53%

The Company believes that the return on average tangible stockholders' equity is useful as a tool to help measure and assess a company's use of equity.



Non-GAAP to GAAP Reconciliation

Non GAAP Financial Measures

(in thousands except share and per share data)

	As of and for the Quarter Ended				
	12/31/12	9/30/12	6/30/12	3/31/12	12/31/11
The following table shows the reconciliation of the operating efficiency ratio:					
Net interest income	\$ 27,923	\$ 25,239	\$ 24,082	\$ 23,905	\$ 23,238
Non-interest income	7,659	9,026	7,979	7,971	7,176
Total net revenues	35,582	34,265	32,061	31,876	30,414
Tax equivalent adjustment on securities interest income	785	830	852	861	955
Net gain on sales of securities	(1,416)	(3,152)	(2,412)	(2,899)	(1,989)
Other than temporary loss on securities	25	3	6	-	38
Other, (other gains and fair value loss on interest rate caps)	(4)	(64)	14	40	3
Core total revenues	34,972	31,882	30,521	29,878	29,421
Non-interest expense	22,546	28,784	21,162	21,290	20,721
Merger related expense	-	(4,928)	(451)	(299)	(247)
Foreclosed property expense	(285)	(573)	(428)	(412)	(205)
Amortization of intangible assets	(261)	(334)	(283)	(305)	(323)
Core non-interest expense	22,000	22,949	20,000	20,274	19,946
Core efficiency ratio	62.9%	72.0%	65.5%	67.9%	67.8%

The core efficiency ratio reflects total revenues inclusive of the tax equivalent adjustment on municipal securities and excludes securities gains, than temporary impairments and the other adjustments shown above. Core non-interest expense is adjusted to exclude the effect of foreclosed property expense and amortization of intangible assets. The Company believes this non-GAAP information provides useful information to users to assess the Company's core operations.

The following table shows the reconciliation of the allowance for loan losses to total loans and to total loans excluding Gotham loans:

Total loans	\$ 2,193,129	\$ 2,119,472	\$ 1,851,027	\$ 1,799,112	\$ 1,775,893
Gotham loans	194,518	201,794	-	-	-
Total loans, excluding Gotham loans	1,998,611	1,917,678	1,851,027	1,799,112	1,775,893
Allowance for loan losses	28,114	28,282	27,587	27,787	28,245
Allowance for loan losses to total loans	1.28%	1.33%	1.49%	1.54%	1.59%
Allowance for loan losses to total loans, excluding Gotham loa	1.41%	1.47%	NA	NA	NA

As required by GAAP on acquisition date, the Company recorded acquired loans at fair value which includes expected credit losses.

These loans contain no allowance for loan losses for the periods reflected above.



