



**STERLING
BANCORP**

Q2 2018 Earnings Conference Call

July 25, 2018

Forward-Looking Statements and Associated Risk Factors

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: difficulties and delays in integrating Astoria Financial Corporation's and Advantage Funding Management, Co., Inc.'s business or fully realizing cost savings and other benefits; 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 Quarterly Report on Form 10-Q for the six months ended June 30, 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 Quarterly Report on Form 10-Q 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.

June 2018 Quarter Highlights

Record results with earnings per share available to common stockholders of \$0.50 (as reported) and \$0.50 (as adjusted), representing growth of 61.3% and 51.5%, respectively, over a year ago

- Total assets of \$31.5 billion; total portfolio loans, gross of \$20.7 billion; and total deposits of \$21.0 billion at 6/30/2018
- Q2 2018 GAAP net income available to common stockholders of \$112.2 million; adjusted net income available to common stockholders⁽¹⁾ of \$112.9 million; growth of 164.7% and 154.2%, respectively, over a year ago
- Growth in adjusted diluted EPS available to common stockholders of 11.1% over the linked quarter
- Tangible book value per common share⁽¹⁾ was \$10.91 at 6/30/2018; increase of 26.1% over a year ago
- Quarterly total revenue⁽²⁾ of \$284.1 million; total revenue as adjusted⁽¹⁾⁽²⁾ of \$276.8 million
- Average deposits and mortgage escrow of \$20.8 billion; cost of total deposits of 55 basis points in Q2 2018
- Growth in average commercial loan balances of \$897.2 million over the linked quarter
- Integration of Astoria Financial Corporation (“Astoria”) is on-track; adjusted operating efficiency ratio⁽¹⁾ at record low of 38.3% and operating leverage of 2.9x relative to the same quarter a year ago
- Real estate consolidation strategy is underway; consolidated six financial centers in Q2 2018, one back office location, completed sale of Lake Success headquarters. Ten financial centers anticipated to close in second half of 2018
- Completed acquisition of Advantage Funding Management Co., Inc. (“Advantage”) in April 2018, including \$457.6 million loan portfolio
- Declared dividend per common share of \$0.07 on July 24, 2018; paid dividend on preferred shares on July 16, 2018

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

(2) Total revenue is equal to net interest income plus non-interest income. Total revenue as adjusted is equal to tax equivalent net interest income plus non-interest income, excluding securities gains and losses. Adjusted total revenue is a non-GAAP measure. Refer to page 18 for a reconciliation to GAAP total revenue.

Summary of Quarterly Financial Performance

(\$ in millions, except per share data)	Quarter Ended			Linked Q Δ	YOY Δ
	6/30/2017	3/31/2018	6/30/2018		
Selected Balance Sheet Data: ⁽¹⁾					
Total Assets	\$15,377	\$30,469	\$31,463	3.3%	104.6%
Total Portfolio Loans, Gross	10,232	19,939	20,674	3.7%	102.1%
Investment Securities	3,552	6,635	6,789	2.3%	91.1%
Average Total Interest Earning Assets	13,563	26,834	27,757	3.4%	104.7%
Core Deposits ⁽²⁾⁽³⁾	9,593	19,538	19,871	1.7%	107.1%
Tangible Common Stockholders' Equity ⁽⁴⁾	1,173	2,408	2,459	2.1%	109.7%
Tangible Book Value per Common Share ⁽⁴⁾	8.65	10.68	10.91	2.2%	26.1%
Selected Profitability Data: ⁽¹⁾					
Net Interest Income	\$113.3	\$234.4	\$246.2	\$11.8	\$132.9
Provision for Loan Losses	4.5	13.0	13.0	—	8.5
Adjusted non-interest Income ⁽⁵⁾	13.8	24.1	26.5	2.4	12.7
Non-interest Expense	59.7	111.7	124.9	13.2	65.2
Net Income Available to Common Stockholders	42.4	96.9	112.2	15.3	69.8
Key Performance Measures: ⁽¹⁾					
GAAP Diluted Earnings per Share	\$0.31	\$0.43	\$0.50	\$0.07	\$0.19
Adjusted Diluted EPS Available to Common ⁽⁴⁾	0.33	0.45	0.50	0.05	0.17
Net Interest Margin (tax equivalent basis) ⁽⁴⁾⁽⁶⁾	3.47%	3.60%	3.62%	2 bps	15 bps
Adjusted Operating Efficiency Ratio ⁽⁴⁾	42.0	40.3	38.3	(200) bps	(370) bps
Adjusted ROATA ⁽⁴⁾	1.28	1.45	1.55	10 bps	27 bps
Adjusted ROATCE ⁽⁴⁾	15.43	17.24	18.79	155 bps	336 bps

(1) See earnings release dated July 24, 2018.

(2) Given the Company's greater proportion of certificates of deposit after completion of the Astoria merger, 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 10 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 and gain on sale of Lake Success headquarters in Q2 2018.

(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

- Q2 2018 results included the net gain on sale of Lake Success and charges for the Advantage acquisition and consolidation of facilities
- Q2 2017 results includes Astoria merger-related expense and other real estate restructuring charges

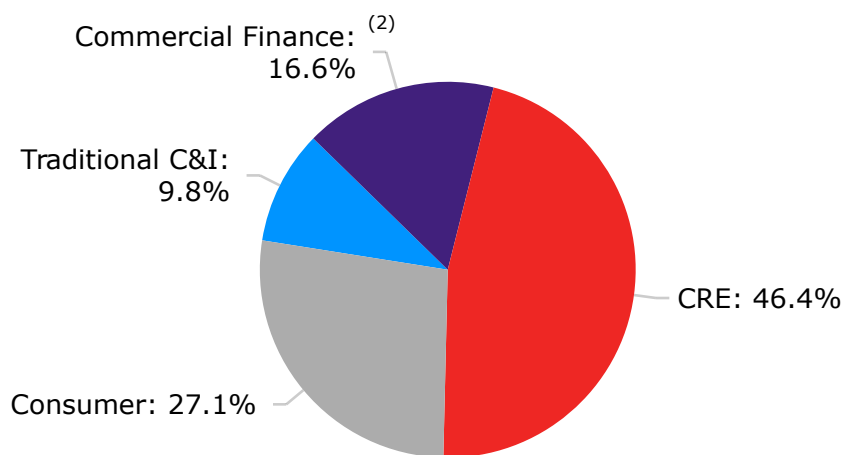
	Quarter Ended		
	6/30/2017	3/31/2018	6/30/2018
(\$ in thousands, except per share data)			
Reported income before income tax	\$ 62,719	\$ 128,328	\$ 146,156
Adjustments to reported income (pre-tax):			
Net loss on sale of securities	230	5,421	425
Net (gain) on sale of Lake Success facility	—	—	(11,797)
Merger-related expense	1,766	—	—
Charge for asset write-downs, systems integration, retention and severance	603	—	13,132
Amortization of non-compete agreements and acquired customer lists	354	295	295
Total Adjusted pre-tax Income	65,672	134,044	148,211
Income tax expense at adjusted effective tax rate	(21,279)	(31,165)	(33,347)
Adjusted Net Income (non-GAAP)	44,393	102,879	114,864
Preferred stock dividend	—	1,999	1,996
Adjusted net income available to common stockholders (non-GAAP)	\$ 44,393	\$ 100,880	\$ 112,868
Adjusted Diluted EPS (non-GAAP)	\$ 0.33	\$ 0.45	\$ 0.50
GAAP Reported Diluted EPS	\$ 0.31	\$ 0.43	\$ 0.50
<i>Weighted average diluted shares outstanding</i>	<i>135,922,897</i>	<i>225,264,147</i>	<i>225,621,856</i>
<i>Adjusted return on average tangible assets</i>	<i>1.28%</i>	<i>1.45%</i>	<i>1.55%</i>
<i>Adjusted return on average tangible common equity</i>	<i>15.4</i>	<i>17.2</i>	<i>18.8</i>
<i>Adjusted operating efficiency ratio</i>	<i>42.0</i>	<i>40.3</i>	<i>38.3</i>
<i>Tangible book value per common share</i>	<i>\$ 8.65</i>	<i>\$ 10.68</i>	<i>\$ 10.91</i>
<i>Adjusted effective tax rate</i>	<i>32.4%</i>	<i>23.2%</i>	<i>22.5%</i>

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

Strong Loan Growth and Continued Portfolio Transition

- Total average commercial loans were \$15.2 billion, or 74.7% of portfolio loans for Q2 2018 compared to \$14.3 billion, or 72.8% of portfolio loans for Q1 2018 ⁽¹⁾
- Growth in average balance of commercial loans of \$897.2 million over linked quarter
- Residential mortgage loans continue to run-off and decreased to 22.5% of portfolio

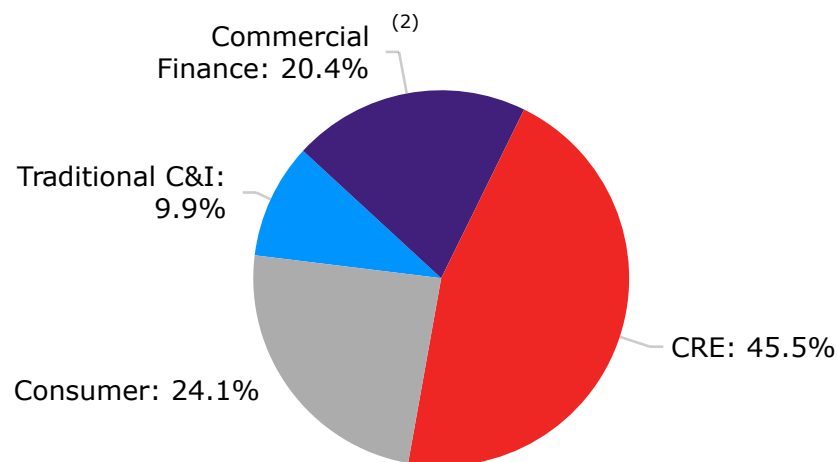
Loan Portfolio at 12/31/17



Total Gross Portfolio Loans: \$20.0 B
Yield on Loans: 4.77%⁽³⁾

Yield on Loans Excluding Accretion Income: 4.08%⁽³⁾

Loan Portfolio at 6/30/18



Total Gross Portfolio Loans: \$20.7 B
Yield on Loans: 5.01%⁽³⁾

Yield on Loans Excluding Accretion Income: 4.46%⁽³⁾

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

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

(3) Represents loan portfolio yield for the three months ended December 31, 2017 and June 30, 2018. Yield on loans excluding accretion income excludes \$28.0 million of accretion income on acquired loans in Q2 2018 and \$33.7 million in Q4 2017.

Loan Portfolio Transition Will Benefit Loan Yields

- Traditional C&I and Commercial Finance loans grew \$846.1 million, or 16.9% in Q2 2018 and had a weighted average yield of 5.32% (excluding accretion income)
- Strategy is to continue to replace run-off of acquired multi-family and residential mortgage loans with commercial asset classes
- Augment organic loan growth with portfolio acquisitions in 2H 2018
- Estimated run-off of \$200 - \$250 million / quarter in residential mortgage portfolio

(\$ in millions) Line of Business	Loan Portfolio Balances		Growth		Yield on loans ⁽²⁾	
	12/31/17	6/30/18	Amount \$	Annualized %	With Accretion	Excluding Accretion
Commercial:						
Traditional C&I and Commercial Finance ⁽¹⁾	\$ 5,307	\$ 6,289	\$ 982	37.3%	5.35 %	5.32 %
Commercial Real Estate	4,139	4,226	87	4.2	4.68	4.48
Multi-Family	4,860	4,935	75	3.1	4.83	3.84
ADC	283	237	(46)	(32.8)	5.56	5.56
Total Commercial	14,588	15,686	1,098	15.2	5.00%	4.48%
Residential Mortgage	5,055	4,653	(402)	(16.0)	4.98	3.90
Other Consumer	366	336	(30)	(16.5)	5.96	5.33
Gross Portfolio Loans	\$ 20,009	\$ 20,674	\$ 665	6.7	5.01%	4.46%

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

(2) Yield on loans is for the three months ended June 30, 2018.

Diversified Growth in Commercial Lending

- Traditional C&I, warehouse lending, public sector finance and equipment finance have been the main drivers of growth YTD; anticipate maintaining a similar business mix longer-term

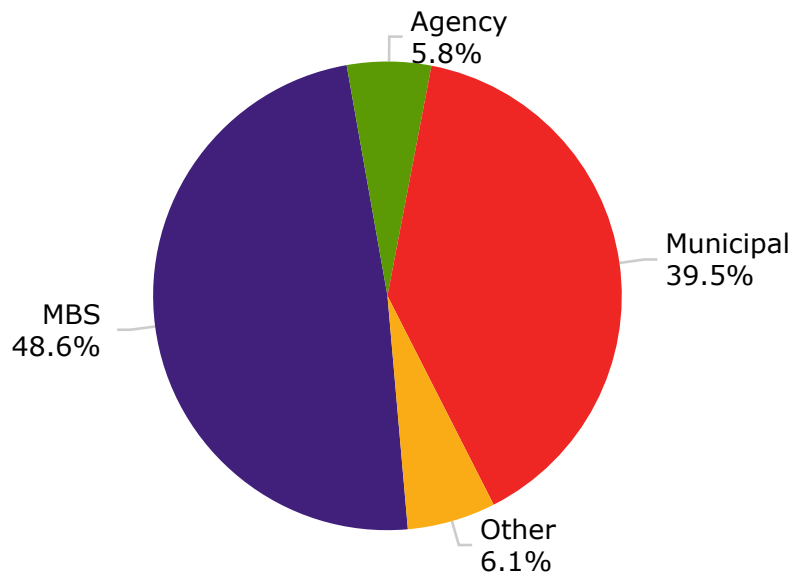
Asset Class	Loans O/S (in 000s)		Description	Industry Focus	Yield 6/30/18
	12/31/17	6/30/18			
Traditional C&I	\$1,979,448	\$2,065,144	<ul style="list-style-type: none"> Fixed and floating rate loans Generally secured by assets - A/R, inventory, other liquid collateral 	Small to mid-sized businesses mainly in NY / NJ	5.82%
ABL	797,570	790,177	<ul style="list-style-type: none"> Floating rate loans (1 to 3 year term) Secured by tangible business assets - A/R, inventory, machinery / equipment 	Wholesale, distributors, manufacturing, staffing business services	6.40
Payroll finance	268,609	230,153	<ul style="list-style-type: none"> Fixed rate loans, turnover ~45 days; portion of revenue allocated to fees Secured by accounts receivable 	Staffing companies nationally	7.39
Warehouse lending	723,335	1,032,563	<ul style="list-style-type: none"> Floating rate loans, turnover ~20 days Secured by conforming mortgage loans 	Independent mortgage banking companies nationally	4.54
Factored receivables	220,551	225,814	<ul style="list-style-type: none"> Fixed rate advances, turnover ~30 days, some revenue allocated to fees Secured by A/R 	Wholesalers, distributors, garment	4.65
Equipment finance	679,541	1,176,635	<ul style="list-style-type: none"> Fixed rate loans with duration ~3 years Secured by equipment; no residual risk 	Transportation, construction, business services, IT, other	5.34
Public sector finance	637,767	768,197	<ul style="list-style-type: none"> Tax exempt fixed rate loans amortizing over 3 to 20 years Secured by GOs, revenue, equipment 	State, municipal and loan governments nationally	3.87 ⁽¹⁾

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

Investment Securities Portfolio

- Increase of \$154.0 million (EOP balances) and \$149.4 million (average balances) Q-o-Q
- Increased holdings of corporate securities in Q2 2018 given more attractive risk adjusted returns relative to other asset classes
- Target securities as a % of total earning assets of 20 - 22%

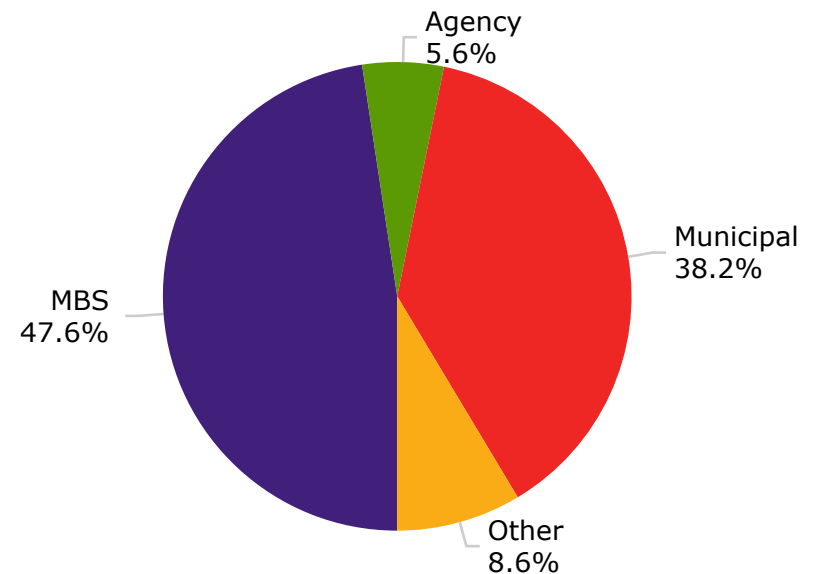
Quarter Ended 3/31/2018



Total Portfolio: \$6.6 billion⁽¹⁾
% of Total Earning Assets: 24.4%⁽¹⁾
Tax Equivalent (TE) Yield on Securities: 2.85%
Weighted Average Duration: 5.53⁽¹⁾

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

Quarter Ended 6/30/2018

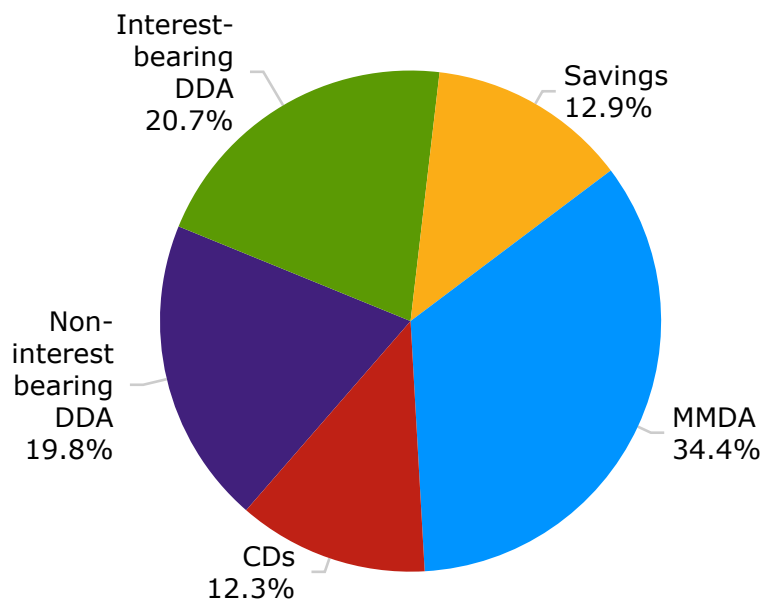


Total Portfolio: \$6.8 billion⁽¹⁾
% of Total Earning Assets: 24.2%⁽¹⁾
TE Yield on Securities: 2.88%
Weighted Average Duration: 5.67⁽¹⁾

Attractive Deposit Base to Support Further Growth

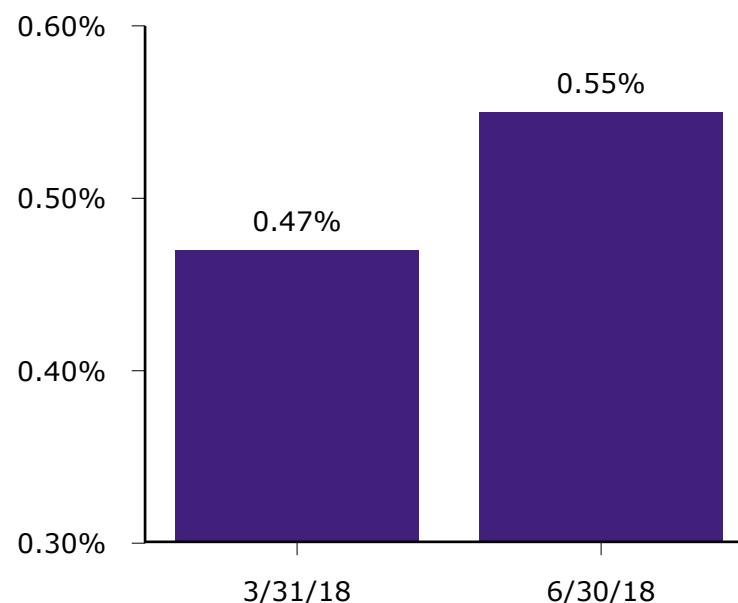
- 94.8% core deposits⁽¹⁾; total deposits had a cost of 55 basis points in Q2 2018⁽²⁾
- Retail and commercial⁽³⁾: 86.4%; municipal: 7.9%; wholesale and other⁽⁴⁾: 5.7%
- Loans to deposits ratio of 98.6% as of June 30, 2018, deposit beta of 20% YTD

Deposit Composition



Total Deposits: \$21.0B
Total Cost of Deposits: 0.55%⁽²⁾

Total Cost of Deposits⁽²⁾



(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.

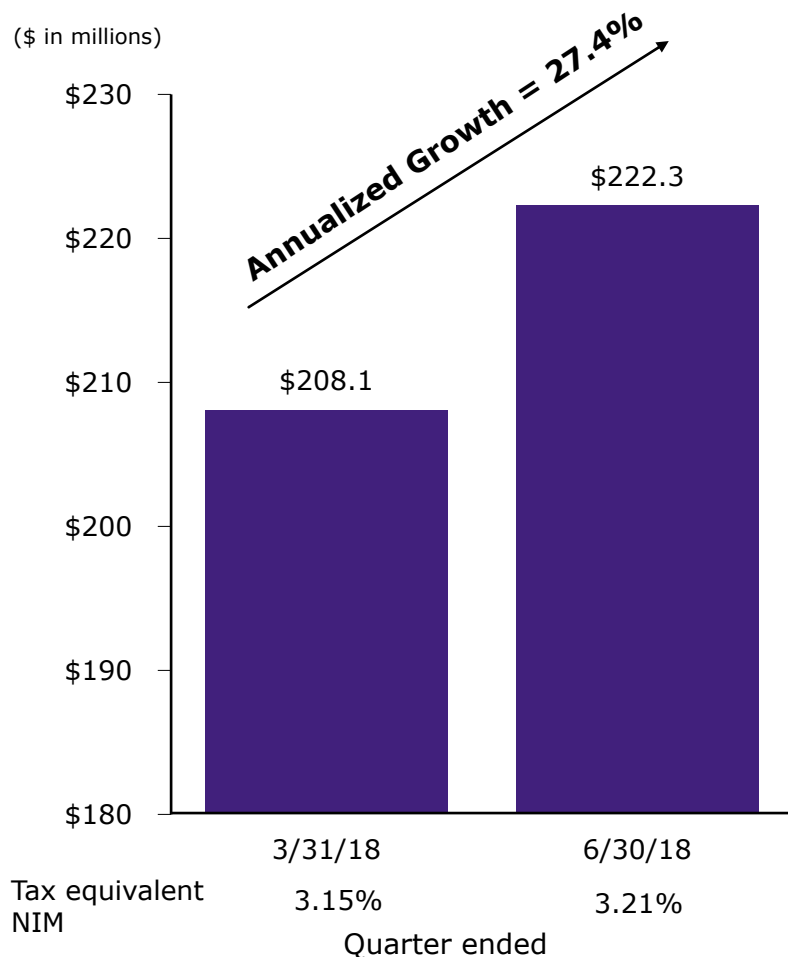
(2) Represents total cost of deposits for the three months ended March 31, 2018 and June 30, 2018.

(3) Retail and commercial includes \$2.5 billion of certificates of deposit.

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

Strong Momentum in Net Interest Income

Net Interest Income Excluding Accretion



NIM Outlook

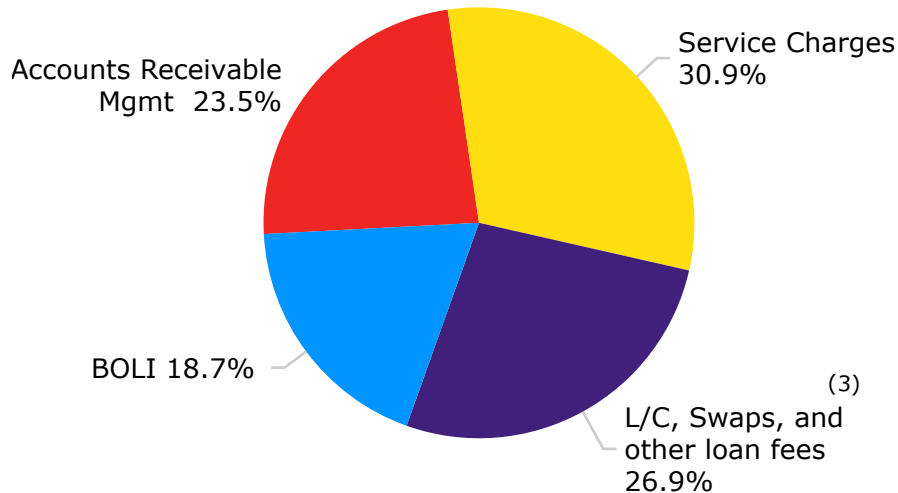
- Tailwinds:
 - * Balance sheet transition as commercial lending continues to grow and off-sets resi & MF run-off
 - * Repricing of floating rate loans
 - * Significant acquisition opportunities
 - * Stable cost of deposits across core commercial and consumer clients
- Headwinds:
 - * Competitive environment in NYC market
 - * Higher balance commercial and municipal deposits will pressure funding costs
 - * Beta of ~30% anticipated in 2H 2018
 - * New origination yields for CRE and MF loans have improved, but do not yet meet our hurdle rates
- Maintain full year margin guidance of 3.15% to 3.20% (excluding accretion income)

Note: net interest income and net interest margin information above is adjusted to exclude accretion income on acquired loans of \$28.0 million in Q2 2018 and \$30.3 million in Q1 2018.

Diversified Non-Interest Income

- Adjusted non-interest income⁽¹⁾ of \$26.5 million; represents 9.2% of adjusted total net revenue⁽²⁾
- New products are delivering results - swaps, cash management, loan syndications and public sector finance

Non-Interest Income Composition⁽¹⁾



Adjusted Non-Interest Income Q2 2018: \$26.5 M⁽¹⁾
% of Total Adjusted Net Revenue: 9.2%

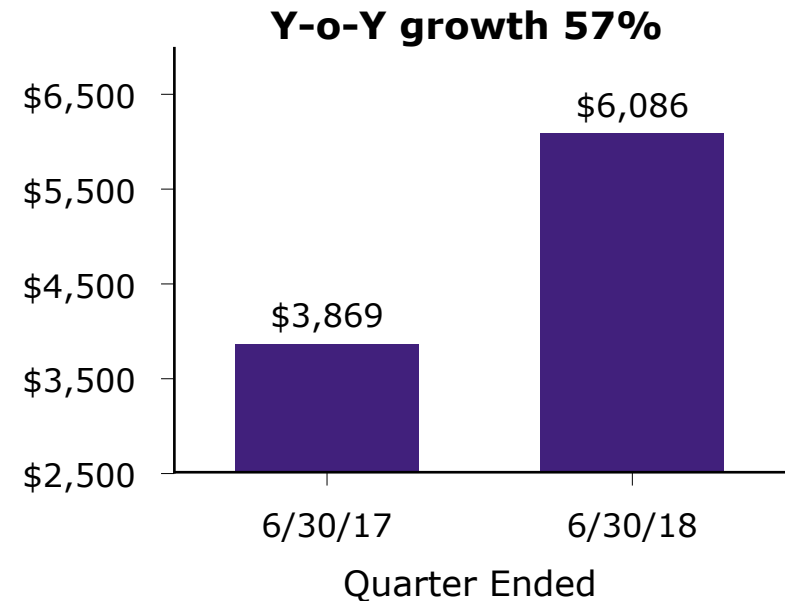
(1) Excludes net (losses) gains on sale of securities.

(2) Adjusted total net revenue is a non-GAAP / adjusted measure. Refer to page 18 for a reconciliation to GAAP.

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

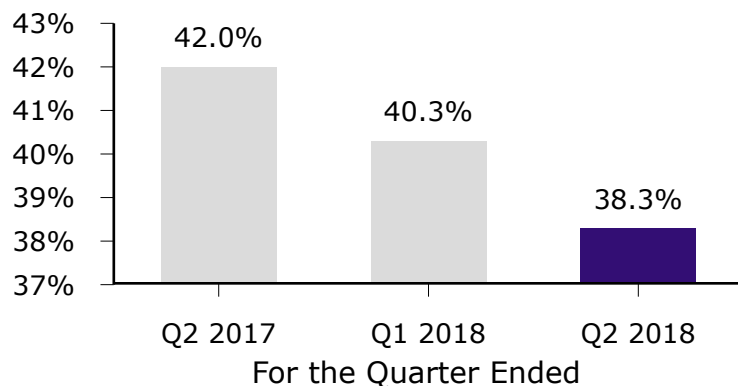
Letter of credit commissions, SWAP fees and other loan fees

(\$ in thousands)

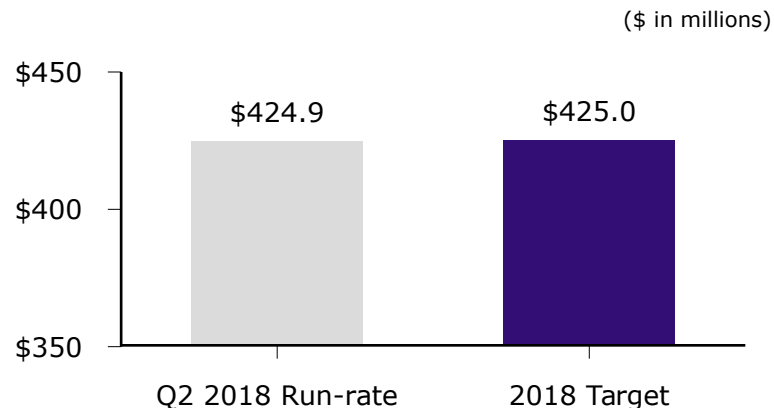


Significant Positive Operating Leverage Driving Results

Adjusted Operating Efficiency Ratio



Adjusted Operating Expenses Annualized

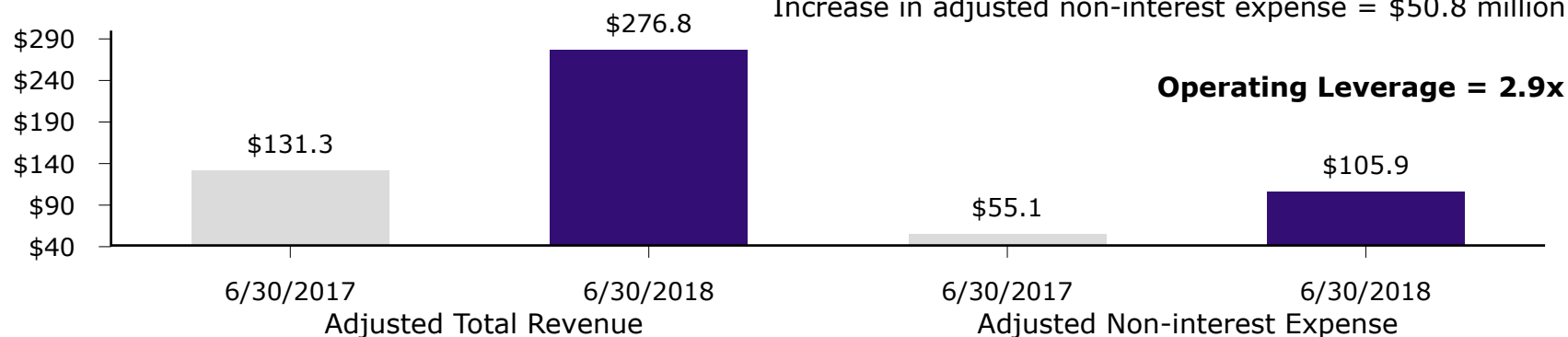


Adjusted Operating Leverage - Quarter Ended

(\$ in millions)

Increase in adjusted total revenue = \$145.5 million

Increase in adjusted non-interest expense = \$50.8 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				
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
Ratios and Balances					
Asset Quality Data:					
Non-performing loans to total loans	0.70%	0.66%	0.94%	0.91%	0.92%
Net charge-offs to average loans (annualized)	0.05	0.12	0.13	0.18	0.18
Allowance for loan losses to:					
Total loans	0.69	0.69	0.39	0.41	0.42
Non-performing loans	98.3	103.9	41.6	45.1	45.0
Non-performing assets to total assets	0.53	0.48	0.71	0.68	0.67
Special Mention Loans	\$ 103.0	\$ 118.0	\$ 136.6	\$ 101.9	\$ 119.7
Substandard Loans	97.5	104.2	232.5	245.9	251.8
Doubtful Loans	0.9	0.8	0.8	1.0	0.9
Total Criticized / Classified	201.4	223.0	369.8	348.8	372.4
Loans 30 to 89 days past due	15.1	21.5	53.5	59.8	73.4
Non-accrual and 90 days past due & still accruing	71.4	69.5	187.2	182.0	191.0
Capital Ratio Data:					
Tangible Equity to Tangible Assets (STL)	8.02%	7.58%	8.27%	8.38%	8.28%
Tier 1 Leverage Ratio (STL)	8.72	8.42	9.39	9.39	9.32
Tier 1 Leverage Ratio (SNB)	8.89	8.54	10.10	10.00	9.84

June 2018 Summary

- Strong momentum in adjusted revenue, earnings and profitability metrics
- Operating efficiencies continue to be realized through multiple strategies
- Revenue growth opportunities are significant
- Continued investment in commercial banking, commercial finance, and fee-based businesses
- Focus on deposit growth opportunities to allow continued consolidation of financial centers
- Strong credit quality
- Advantage acquisition is being integrated into our equipment finance business, which has nearly \$1.2 billion in loans and leases outstanding
- Strong balance sheet with robust capital and liquidity
- Strategic actions position us for continued high performance
- Execution is the key

Adjusted Information (non-GAAP financial information)

- 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 and charge for asset write-downs, systems integration, retention and severance, loss on extinguishment of borrowings 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				
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
The following table shows the reconciliation of stockholders' equity to tangible common equity and the tangible common equity ratio:					
Total assets	\$ 15,376,676	\$ 16,780,097	\$ 30,359,541	\$ 30,468,780	\$ 31,463,077
Goodwill and other intangibles	(758,484)	(756,290)	(1,733,082)	(1,727,030)	(1,754,418)
Tangible assets	14,618,192	16,023,807	28,626,459	28,741,750	29,708,659
Common stockholders' equity	1,931,383	1,971,480	4,240,178	4,273,755	4,352,735
Preferred stock	—	—	(139,220)	(139,025)	(138,828)
Goodwill and other intangibles	(758,484)	(756,290)	(1,733,082)	(1,727,030)	(1,754,418)
Tangible common stockholders' equity	\$ 1,172,899	\$ 1,215,190	\$ 2,367,876	\$ 2,407,700	\$ 2,459,489
Common stock outstanding at period end	135,658,226	135,807,544	224,782,694	225,466,266	225,470,254
Common stockholders' equity as a % of total assets	12.56%	11.75%	13.51%	13.57%	13.39%
Book value per common share	\$ 14.24	\$ 14.52	\$ 18.24	\$ 18.34	\$ 18.69
Tangible common equity as a % of tangible assets	8.02%	7.58%	8.27%	8.38%	8.28%
Tangible book value per common share	\$ 8.65	\$ 8.95	\$ 10.53	\$ 10.68	\$ 10.91

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

Average stockholders' equity	\$ 1,913,933	\$ 1,955,252	\$ 4,235,739	\$ 4,243,897	\$ 4,305,928
Average preferred stock	—	—	(139,343)	(139,151)	(138,958)
Average goodwill and other intangibles	(759,847)	(757,498)	(1,710,151)	(1,730,952)	(1,757,296)
Average tangible common stockholders' equity	\$ 1,154,086	\$ 1,197,754	\$ 2,386,245	\$ 2,373,794	\$ 2,409,674
Net income (loss) available to common	42,400	44,852	(35,281)	96,873	112,245
Net income (loss) available to common, if annualized	170,066	177,945	(139,974)	392,874	450,213
Reported return on average tangible common equity	14.74%	14.86%	(5.87)%	16.55 %	18.68 %
Adjusted net income available to common (see reconciliation on page 18)	\$ 44,393	\$ 47,865	\$ 87,171	\$ 100,880	\$ 112,868
Annualized adjusted net income available to common	178,060	189,899	345,841	409,124	452,712
Adjusted return on average tangible common equity	15.43%	15.85%	14.49%	17.24%	18.79 %

Quarterly Non-GAAP/Adjusted to GAAP Reconciliation

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

	As of or for the quarter ended				
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
The following table shows the reconciliation of the reported operating efficiency ratio and the adjusted operating efficiency ratio:					
Net interest income	\$ 113,258	\$ 120,073	\$ 234,024	\$ 234,370	\$ 246,216
Non-interest income	13,618	13,988	23,762	18,707	37,868
Total net revenue	126,876	134,061	257,786	253,077	284,084
Tax equivalent adjustment on securities	4,195	4,599	7,158	4,070	4,094
Net loss on sale of securities	230	21	70	5,421	425
Net (gain) on sale of Lake Success facility	—	—	—	—	(11,797)
Adjusted total net revenue	131,301	138,681	265,014	262,568	276,806
Non-interest expense	59,657	62,617	250,746	111,749	124,928
Merger-related expense	(1,766)	(4,109)	(30,230)	—	—
Charge for asset write-downs, systems integration, retention and severance	(603)	—	(104,506)	—	(13,132)
Amortization of intangible assets	(2,187)	(2,166)	(6,426)	(6,052)	(5,865)
Adjusted non-interest expense	\$ 55,101	\$ 56,342	\$ 109,584	\$ 105,697	\$ 105,931
Reported operating efficiency ratio	47.0%	46.7%	97.3%	44.2%	44.0%
Adjusted operating efficiency ratio	42.0	40.6	41.4	40.3	38.3
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:					
Income (loss) before income tax expense	\$ 62,719	\$ 66,444	\$ (4,960)	\$ 128,328	\$ 146,156
Income tax expense	20,319	21,592	28,319	29,456	31,915
Net income (loss) (GAAP)	42,400	44,852	(33,279)	98,872	114,241
Adjustments:					
Net loss on sale of securities	230	21	70	5,421	425
Net (gain) on sale of Lake Success facility	—	—	—	—	(11,797)
Merger-related expense	1,766	4,109	30,230	—	—
Charge for asset write-downs, systems integration, retention and severance	603	—	104,506	—	13,132
Amortization of non-compete agreements and acquired customer list intangible assets	354	333	333	295	295
Total pre-tax adjustments	2,953	4,463	135,139	5,716	2,055
Adjusted pre-tax income	65,672	70,907	130,179	134,044	148,211
Adjusted income tax expense	(21,279)	(23,042)	(41,006)	(31,165)	(33,347)
Adjusted net income (non-GAAP)	44,393	47,865	89,173	102,879	114,864
Preferred stock dividend	—	—	2,002	1,999	1,996
Adjusted net income available to common stockholders (non-GAAP)	\$ 44,393	\$ 47,865	\$ 87,171	\$ 100,880	\$ 112,868
Weighted average diluted shares	135,922,897	135,950,160	224,055,991	225,264,147	225,621,856
Reported diluted EPS (GAAP)	\$ 0.31	\$ 0.33	\$ (0.16)	\$ 0.43	\$ 0.50
Adjusted diluted EPS (non-GAAP)	0.33	0.35	0.39	0.45	0.50

Quarterly Non-GAAP/Adjusted to GAAP Reconciliation

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

	For the quarter ended				
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
The following table shows the reconciliation of reported return on average tangible assets and adjusted return on average tangible assets:					
Average assets	\$ 14,704,793	\$ 15,661,514	\$ 29,277,502	\$ 30,018,289	\$ 30,994,904
Average goodwill and other intangibles	(759,847)	(757,498)	(1,710,151)	(1,730,952)	(1,757,296)
Average tangible assets	13,944,946	14,904,016	27,567,351	28,287,337	29,237,608
Net income (loss) available to common stockholders	42,400	44,852	(35,281)	96,873	112,245
Net income (loss) available to common stockholders, if annualized	170,066	177,945	(139,974)	392,874	450,213
Reported return on average tangible assets	1.22%	1.19%	(0.51)%	1.39%	1.54 %
Adjusted net income available to common stockholders (see reconciliation on page 18)	\$ 44,393	\$ 47,865	\$ 87,171	\$ 100,880	\$ 112,868
Annualized adjusted net income available to common stockholders	178,060	189,899	345,841	409,124	452,712
Adjusted return on average tangible assets	1.28%	1.27%	1.25%	1.45%	1.55 %

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 ²:

	For the six months ended	
	6/30/2017	6/30/2018
Income before income tax expense	\$ 119,495	\$ 274,484
Income tax expense	38,028	61,371
Net income (GAAP)	81,467	213,113
Adjustments:		
Net loss on sale of securities	253	5,846
Net (gain) on sale of Lake Success facility	—	(11,797)
Merger-related expense	4,893	—
Charge for asset write-downs, systems integration, retention and severance	603	13,132
Amortization of non-compete agreements and acquired customer list intangible assets	750	589
Total pre-tax adjustments	6,499	7,770
Adjusted pre-tax income	125,994	282,254
Adjusted income tax expense	(40,140)	(63,508)
Adjusted net income (non-GAAP)	\$ 85,854	\$ 218,746
Preferred stock dividend	—	3,995
Adjusted net income available to common stockholders (non-GAAP)	\$ 85,854	\$ 214,751
Weighted average diluted shares	135,867,861	225,444,579
Reported diluted EPS (GAAP)	\$ 0.60	\$ 0.93
Adjusted diluted EPS (non-GAAP)	0.63	0.95

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

Average stockholders' equity	\$ 1,891,633	\$ 4,275,097
Average preferred stock	—	(139,054)
Average goodwill and other intangibles	(760,955)	(1,744,197)
Average tangible common stockholders' equity	1,130,678	2,391,846
Net income available to common stockholders	\$ 81,467	\$ 209,118
	164,284	421,702
Reported return on average tangible common equity	14.53%	17.63%
Adjusted net income available to common stockholders (see reconciliation above)	\$ 85,854	\$ 214,751
	173,131	433,061
Adjusted return on average tangible common equity	15.31%	18.11%

Year to date Non-GAAP to GAAP Reconciliation

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

For the six months ended	
6/30/2017	6/30/2018

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

Average assets	\$ 14,366,494	\$ 30,370,252
Average goodwill and other intangibles	(760,955)	(1,744,197)
Average tangible assets	13,605,539	28,626,055
Net income available to common stockholders	81,467	209,118
	164,284	421,702
Reported return on average tangible assets	1.21%	1.47%
Adjusted net income available to common stockholders (see reconciliation on slide 13)	\$ 85,854	\$ 214,751
	173,131	433,061
Adjusted return on average tangible assets	1.27%	1.51%

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

Net interest income	\$ 222,048	\$ 480,584
Non-interest income	26,454	56,575
Total net revenues	248,502	537,159
Tax equivalent adjustment on securities	8,297	8,165
Net loss on sale of securities	253	5,846
Net (gain) on sale of Lake Success facility	—	(11,797)
Adjusted total net revenue	257,052	539,373
Non-interest expense	120,007	236,675
Merger-related expense	(4,893)	—
Charge for asset write-downs, systems integration, retention and severance	(603)	(13,132)
Amortization of intangible assets	(4,416)	(11,917)
Adjusted non-interest expense	\$ 110,095	\$ 211,626
Reported operating efficiency ratio	48.3%	44.1%
Adjusted operating efficiency ratio	42.8%	39.2%



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