



**Fourth Quarter 2018  
Investor Presentation**



# Cautionary Statements

## **Forward-Looking Information**

This presentation may include forward-looking statements by the Company and our authorized officers pertaining to such matters as our goals, intentions, and expectations regarding revenues, earnings, loan production, asset quality, capital levels, and acquisitions, among other matters; our estimates of future costs and benefits of the actions we may take; our assessments of probable losses on loans; our assessments of interest rate and other market risks; and our ability to achieve our financial and other strategic goals.

Forward-looking statements are typically identified by such words as “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” and other similar words and expressions, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Additionally, forward-looking statements speak only as of the date they are made; the Company does not assume any duty, and does not undertake, to update our forward-looking statements. Furthermore, because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those anticipated in our statements, and our future performance could differ materially from our historical results.

Our forward-looking statements are subject to the following principal risks and uncertainties: general economic conditions and trends, either nationally or locally; conditions in the securities markets; changes in interest rates; changes in deposit flows, and in the demand for deposit, loan, and investment products and other financial services; changes in real estate values; changes in the quality or composition of our loan or investment portfolios; changes in competitive pressures among financial institutions or from non-financial institutions; our ability to obtain the necessary shareholder and regulatory approvals of any acquisitions we may propose, our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we may acquire into our operations, and our ability to realize related revenue synergies and cost savings within expected time frames; changes in legislation, regulations, and policies; and a variety of other matters which, by their nature, are subject to significant uncertainties and/or are beyond our control.

More information regarding some of these factors is provided in the Risk Factors section of our Form 10-K for the year ended December 31, 2018 and in other SEC reports we file. Our forward-looking statements may also be subject to other risks and uncertainties, including those we may discuss in this presentation, or in our SEC filings, which are accessible on our website and at the SEC’s website, [www.sec.gov](http://www.sec.gov).

## **Our Supplemental Use of Non-GAAP Financial Measures**

This presentation may contain certain non-GAAP financial measures which management believes to be useful to investors in understanding the Company’s performance and financial condition, and in comparing our performance and financial condition with those of other banks. Such non-GAAP financial measures are supplemental to, and are not to be considered in isolation or as a substitute for, measures calculated in accordance with GAAP.



# Key Investment Highlights

**1 Largest New York Metro Headquartered Regional Bank by Assets<sup>(a)</sup>**

**2 Leading Producer of Multi-Family Loans in New York City with an Expertise on the Non-Luxury / Rent-Regulated Segment**

**3 Proven Track Record of Superior Asset Quality**

**4 Consistent Profitability over Various Business Cycles due to Low Credit Cost and Highly Efficient Business Model**

**5 Strong Capital Position**

**6 Disciplined and Proven Management Team**

*(a) U.S. regional banks excludes foreign banks, U.S. banks with assets greater than \$250 billion, custodial banks, credit card banks and broker dealers. Ranking based on regulatory financial data as of December 31, 2018. New York City metro market is the New York-Newark-Jersey City MSA.*



## Overview: Who we are



We are a leading producer of multi-family loans in New York City. Our niche focuses on non-luxury apartment buildings that are rent-regulated featuring below-market rents.



Our expertise in this particular lending niche arises from:

- We have consistently been in this market for nearly 50 years
- Long standing relationships with our borrowers, who come to us for our service and execution capabilities
- Decades long relationships with the top commercial mortgage brokers in the NYC market



In addition, we originate commercial real estate loans, and to a much lesser extent, acquisition, development, and construction loans. We also originate commercial and industrial loans, including specialty finance loans.



We operate over 250 branches in five states with leading market share in many of the markets we operate in.



We are a conservative lender across all of our loan portfolios.



We maintain an efficient operation.



We complement our organic growth with accretive acquisitions.



# We rank among the largest U.S. bank holding companies...

<b>TOTAL ASSETS:</b>	<b>\$51.9 billion</b> , 77% of which are loans.
<b>TOTAL LOANS:</b>	<b>\$40.0 billion</b> including <b>\$29.9 billion</b> of multi-family loans.
<b>TOTAL DEPOSITS:</b>	<b>\$30.8 billion</b> , up 6% annualized
<b>TOTAL MARKET CAPITALIZATION:</b>	<b>\$4.5 billion at 12/31/2018</b>
<b>TOTAL RETURN AND DIVIDEND YIELD:</b>	From IPO to date, our total ROI is <b>3,135%</b> . <sup>(a)</sup> Our current dividend yield is 6.3%.

(a) Bloomberg

Note: All data as of December 31, 2018 unless otherwise noted.

Note: Except as otherwise indicated, all industry data was provided by S&P Global Market Intelligence as of 2/8/19.



... but without the risk other large banks have.

<b>RATIO</b>	<b>NYCB</b> <i>AT 12/31/18</i>	<b>SNL BANK &amp; THRIFT</b> <b>INDEX</b> <i>AT 12/31/18</i>	<b>PEERS</b> <i>AT 12/31/18</i>
NPLs/Total Loans	0.11%	0.85%	0.79%
NCOs/Average Loans	0.01	0.35	0.15
Cumulative losses <sup>(a)</sup>	102 bp	2,427 bp	1,172 bp
NPAs/Total Assets	0.11%	0.62%	0.61%
ALLL/NPLs	351.21	116.31	131.13



Our asset quality metrics compare very favorably to both the SNL Bank & Thrift Index and our regional bank peers.

(a) Since our IPO in 1993.



# Our Franchise: Over 250 Branches Across Five States...



**Metro New York**  
 141 branches  
 Total Deposits: \$18.9 bn

**New Jersey**  
 42 branches  
 Total deposits: \$4.4 bn

**Ohio**  
 28 branches  
 Total Deposits: \$2.2 bn

**Florida**  
 27 branches  
 Total Deposits: \$2.9 bn

**Arizona**  
 14 branches  
 Total Deposits: \$1.3 bn

➔ The combined GDP of the five states we operate in is equal to the fourth largest GDP in the world.

*Note: Data as of 12/31/2018 from S&P Global Market Intelligence*



# ...With Leading Deposit Market Share in the Attractive New York Metro Market.

***In the greater New York Metro market<sup>(a)</sup>, we rank #2 by deposit market share among U.S. regional banks<sup>(b)</sup> and #10 overall among all banks and thrifts.***

Our franchise focuses on serving the outer boroughs of New York and we have top market share among U.S. regional banks<sup>(b)</sup> in these counties.

- #1 in Queens, Nassau, and Richmond counties among U.S. regional banks<sup>(b)</sup> and #3 overall
- Top 5 in Suffolk, Kings and Bronx among U.S. regional banks<sup>(b)</sup>

## Queens Market Share

Company	2018 Deposits	Market Share
1. JP Morgan	\$ 16,130,779	24.5 %
2. Citigroup Inc.	\$ 8,527,000	13.0 %
<b>3. NYCB</b>	<b>\$ 7,573,190</b>	<b>11.5 %</b>
4. Capital One	\$ 5,236,003	8.0 %
5. TD Bank	\$ 4,391,414	6.7 %

## Nassau County Market Share

Company	2018 Deposits	Market Share
1. JP Morgan Chase	\$ 16,266,792	22.4 %
2. Citigroup Inc.	\$ 9,286,000	12.8 %
<b>3. NYCB</b>	<b>\$ 6,655,423</b>	<b>9.1 %</b>
4. Bank of America	\$ 6,331,527	8.7 %
5. Capital One	\$ 6,231,464	8.6 %

## Richmond County Market Share

Company	2018 Deposits	Market Share
1. JP Morgan Chase	\$ 2,570,669	19.3 %
2. Banco Santander	\$ 2,167,555	16.3 %
<b>3. NYCB</b>	<b>\$ 1,928,851</b>	<b>14.5 %</b>
4. Northfield Bancorp	\$ 1,456,403	10.9 %
5. Citigroup Inc.	\$ 1,397,000	10.5 %

Source: S&P Global Market Intelligence

Note: Market share defined as NYCB's deposits across its markets divided by total deposits in those markets held by U.S. regional banks. Deposit market share data as of 12/31/2018.

(a) New York metro market is the New York-Newark-Jersey City MSA.

(b) Ranking shown based on deposit market share. U.S. regional banks excludes foreign banks and U.S. banks with assets over \$250 billion.



**4Q 2018**  
**PERFORMANCE**  
**HIGHLIGHTS**



# Income Statement Highlights

(dollars in thousands, except per share data)

	4Q 2018	FY 2018
<b>Strong Profitability Measures:</b>		
Net Income	\$101,739	\$422,417
Net income available to common shareholders	93,532	389,589
Diluted earnings per common share	\$0.19	\$0.79
Return on average assets	0.79%	0.84%
Return on average common stockholders' equity	5.99	6.20
Return on average tangible assets <sup>(a)</sup>	0.82	0.88
Return on average tangible common stockholders' equity <sup>(a)</sup>	9.82	10.14
Net interest margin	2.09	2.25
Efficiency ratio	49.92	48.70

(a) ROTA and ROTCE are non-GAAP financial measures. Please see page 37 for a discussion and reconciliation of these measures to our ROA and ROCE.



# Balance Sheet Highlights

## BALANCE SHEET

12/31/18

Loans, net / total assets	77.1%
Securities / total assets	10.9
Deposits / total assets	59.3
Wholesale borrowings / total assets	26.1

## ASSET QUALITY

At or for the Three Months Ended 12/31/18

Non-performing loans / total loans	0.11%
Non-performing assets / total assets	0.11
Net charge-offs / average loans (non-annualized)	0.01

## COMPANY CAPITAL

12/31/18

Common stockholders' equity / total assets	11.85%
Common equity tier 1 capital ratio	10.55
Tier 1 risk-based capital ratio	11.94
Total risk-based capital ratio	14.16
Leverage capital ratio	8.74

## BANK CAPITAL

12/31/18

Common equity tier 1 capital ratio	13.10%
Total risk-based capital ratio	13.54



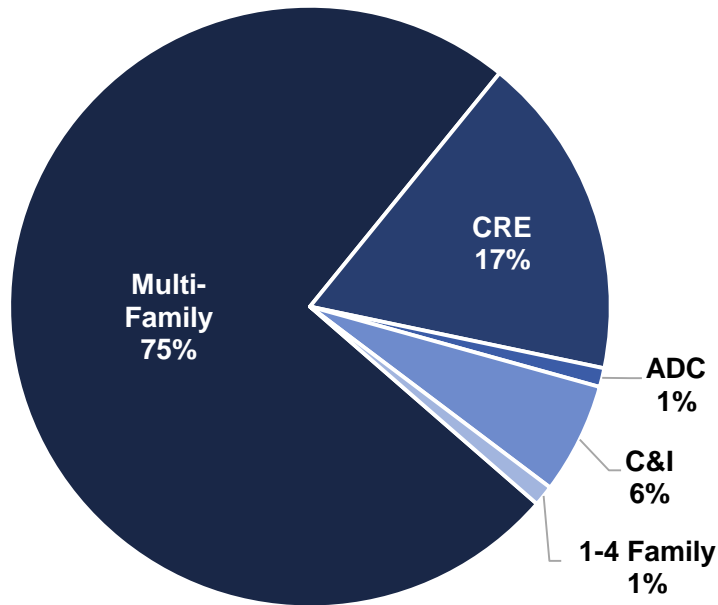
# A Strong Capital Position

<b>RATIO</b>	<b>NYCB</b>	<b>SNL BANK &amp; THRIFT INDEX</b>	<b>PEERS</b>
Tier 1 Risk-Based Capital	11.94%	12.26%	11.38%
Total Risk-Based Capital	14.16	13.91	13.39
Tier 1 Leverage	8.74	10.04	9.60
Common Equity Tier 1	10.55	11.80	11.14



# Loans – Our mix has not changed significantly since our IPO

## LOANS AT 12/31/18



TOTAL HFI LOANS: \$40.2 BN

## Highlights:

- Majority of portfolio focused on low-risk multi-family loans on non-luxury, rent-controlled buildings
  - Market leader in this asset class having developed strong expertise and industry relationships over the last five decades
- Consistent lending strategy that has not changed significantly since our IPO
- Average yield on all loans: 3.77%
- Low risk credit culture and business strategy has resulted in superior asset quality through past cycles
- Since 1993 losses have aggregated 17 bp on MF and 11 bp on CRE \*
- Primarily a fixed rate portfolio but weighted average life of less than 3 years

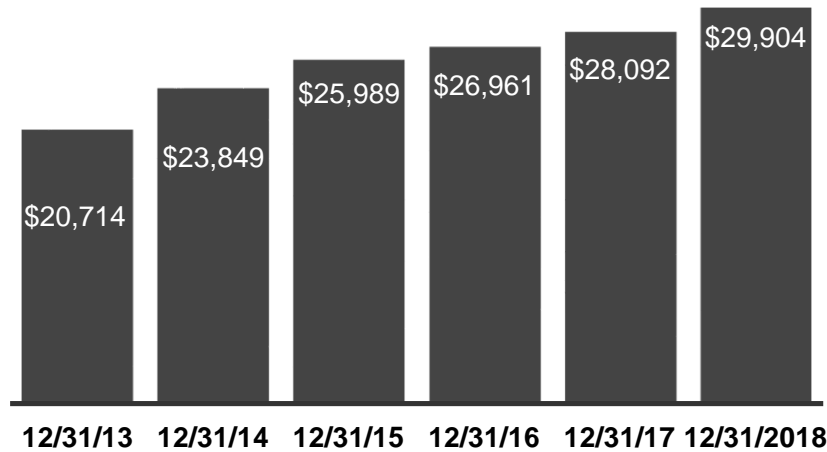
\* Of aggregate originations



# Leading Multi-Family, Rent-Regulated Lender in New York Metro Region.

## MULTI-FAMILY LOAN PORTFOLIO

(in millions)



*Multi-family loans have been our primary lending focus for the past five decades*

### MULTI-FAMILY PORTFOLIO STATISTICS AT OR FOR THE 3 MONTHS ENDED 12/31/18

- 74.5% of total loans (59.3% of originations)
- 77.4% of loans are in Metro New York
- Average principal balance = \$6.1 million
- Weighted average life = 2.6 years

Originations:	\$7,417	\$7,584	\$9,214	\$5,685	\$5,378	\$6,622
Net Charge-Offs (Recoveries):	\$11	\$0	\$(4)	\$0	\$0	\$0



# Best-in-Class Credit Underwriting

## CONSERVATIVE UNDERWRITING

- Conservative loan-to-value ratios
- Conservative debt service coverage ratios: 120% for multi-family loans and 130% for CRE loans
- Multi-family and CRE loans are based on the lower of economic or market value

## ACTIVE BOARD INVOLVEMENT

- The Mortgage Committee and the Credit Committee approve all mortgage loans >\$50 million and all “other C&I” loans >\$5 million; the Credit Committee also approves all specialty finance loans >\$15 million
- A member of the Mortgage or Credit Committee participates in inspections on multi-family loans in excess of \$7.5 million, and CRE and ADC loans in excess of \$4.0 million
- All loans of \$20 million or more originated by the Community Bank and all loans of \$10 million or more originated by the Commercial Bank are reported to the Board

## MULTIPLE APPRAISALS

- All properties are appraised by independent appraisers
- All independent appraisals are reviewed by in-house appraisal officers
- A second independent appraisal review is performed on loans that are large and complex



# Expertise in the Rent-Regulated Niche Has Distinguished Our Credit Performance from Others.



Of the loans in our portfolio that are collateralized by multi-family buildings in the five boroughs of New York City, most are collateralized by buildings with rent-regulated units featuring below-market rents



Rent-regulated buildings are more likely to retain their tenants – and, therefore, their revenue stream – in downward credit cycles



Average rent growth and net operating income (“NOI”) growth have been positive since 1990, regardless of the interest rate and economic environment

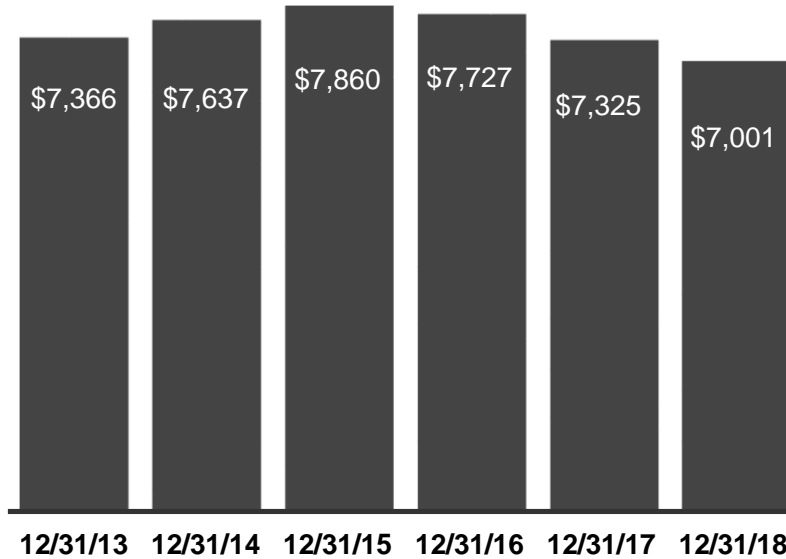




# Commercial real estate is a logical extension of our multi-family niche.

## COMMERCIAL REAL ESTATE LOAN PORTFOLIO

(in millions)



Originations:	\$2,168	\$1,661	\$1,842	\$1,180	\$1,039	\$967
Net Charge-Offs (Recoveries):	\$0	\$1	\$(1)	\$(1)	\$0	\$3

### CRE PORTFOLIO STATISTICS AT OR FOR THE 3 MONTHS ENDED 12/31/18

- 17.5% of total loans (10.8% of originations)
- 86.2% of loans in Metro New York
- Average principal balance = \$6.1 million
- Weighted average life = 2.7 years

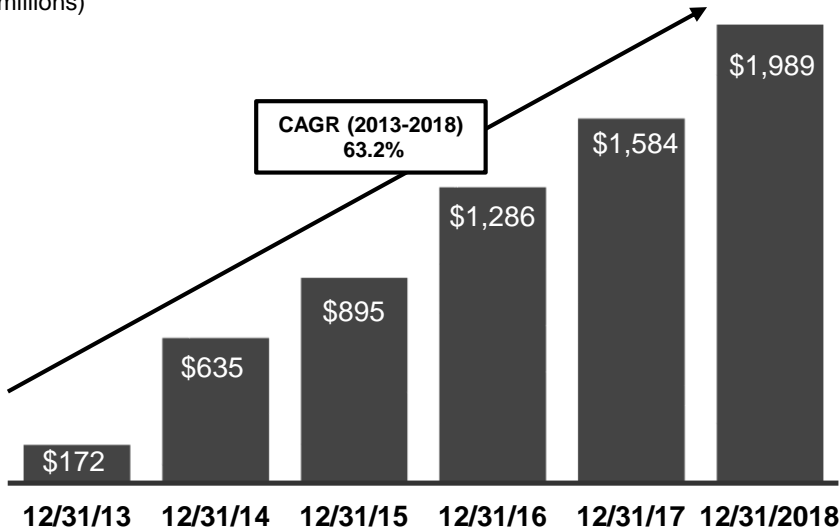


# Our specialty finance business is another high-quality lending niche.

- Six industry veterans with nearly 150 years of combined experience
- The team has been working together for over 25 years, mostly at larger regional banks in the northeast
- Extensive experience in senior secured lending, transaction structuring, credit, capital markets, and risk mgmt.
- Excellent track record on credit losses over the past 25 years of originations

## SPECIALTY FINANCE LOAN AND LEASE PORTFOLIO

(in millions)



Originations:	\$258	\$848	\$1,068	\$1,266	\$1,784	\$1,917
Net charge-Offs:	\$0	\$0	\$0	\$0	\$0	\$0

### LOAN TYPES

- Syndicated asset-based (ABLs) and dealer floor-plan (DFPLs) loans
- Equipment loan and lease financing (EF)

### CLIENT CHARACTERISTICS

- Large corporate obligors; mostly publicly traded
- Investment grade or near-investment grade ratings
- Participants in stable, nationwide industries

### PRICING

- Floating rates tied to LIBOR (ABLs and DFPLs)
- Fixed rates at a spread over treasuries (EF)

### RISK-AVERSE CREDIT & UNDERWRITING STANDARDS

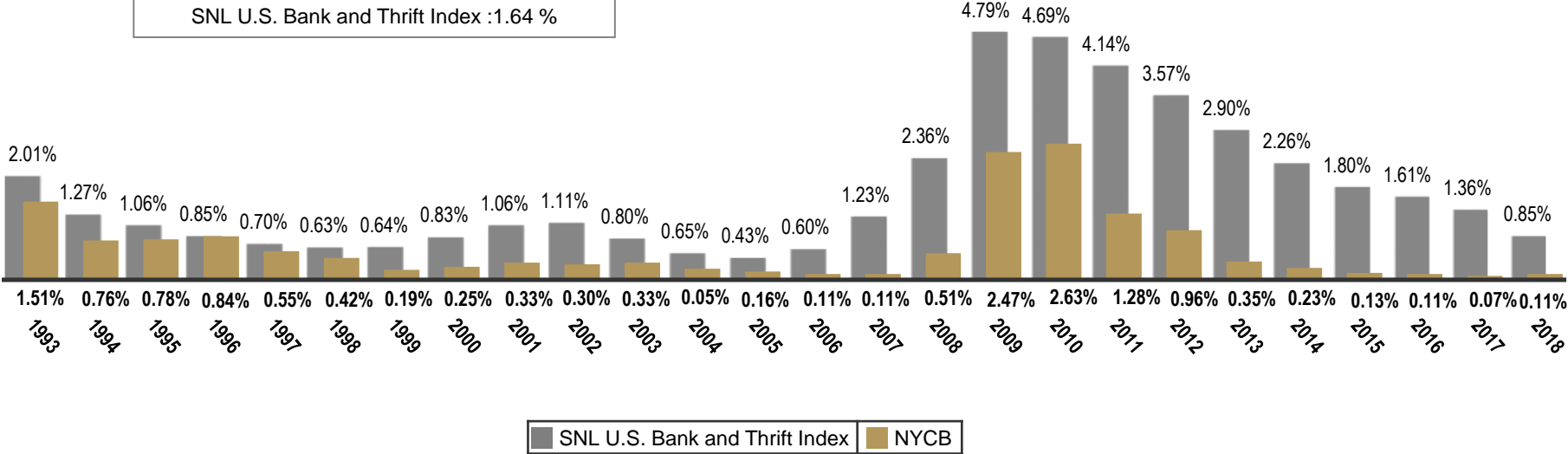
- We require a perfected first-security interest in or outright ownership of the underlying collateral
- Loans are structured as senior debt or as non-cancellable leases
- Transactions are re-underwritten in-house
- Underlying documentation reviewed by counsel



# Our asset quality in *any* credit cycle has consistently been better than our industry peers...

## NON-PERFORMING LOANS<sup>(a)(b)</sup> / TOTAL LOANS<sup>(a)</sup>

**Average NPLs/Total Loans**  
 NYCB: 0.55 %  
 SNL U.S. Bank and Thrift Index :1.64 %



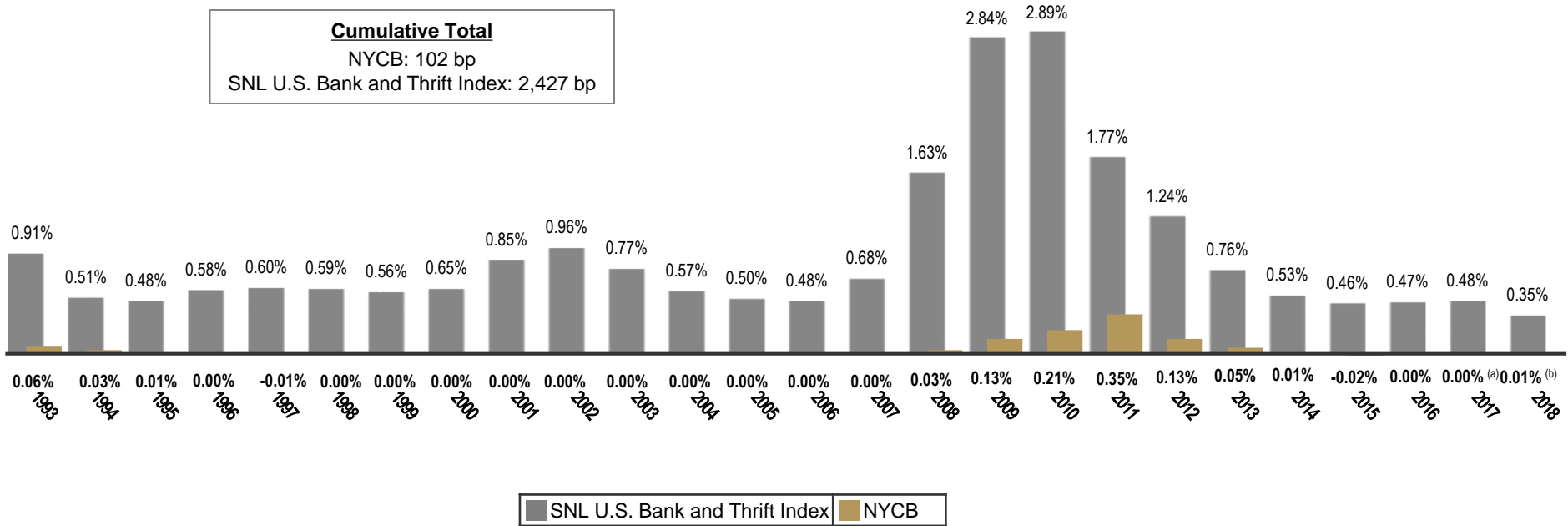
(a) Non-performing loans and total loans exclude covered loans and non-covered purchased credit-impaired ("PCI") loans.  
 (b) Non-performing loans are defined as non-accrual loans and loans 90 days or more past due but still accruing interest. Our non-performing loans at 12/31/16, 12/31/17, and 12/31/18 exclude taxi medallion-related loans.



... and very few of our non-performing loans have resulted in actual losses.

### NET CHARGE-OFFS / AVERAGE LOANS

**Cumulative Total**  
 NYCB: 102 bp  
 SNL U.S. Bank and Thrift Index: 2,427 bp

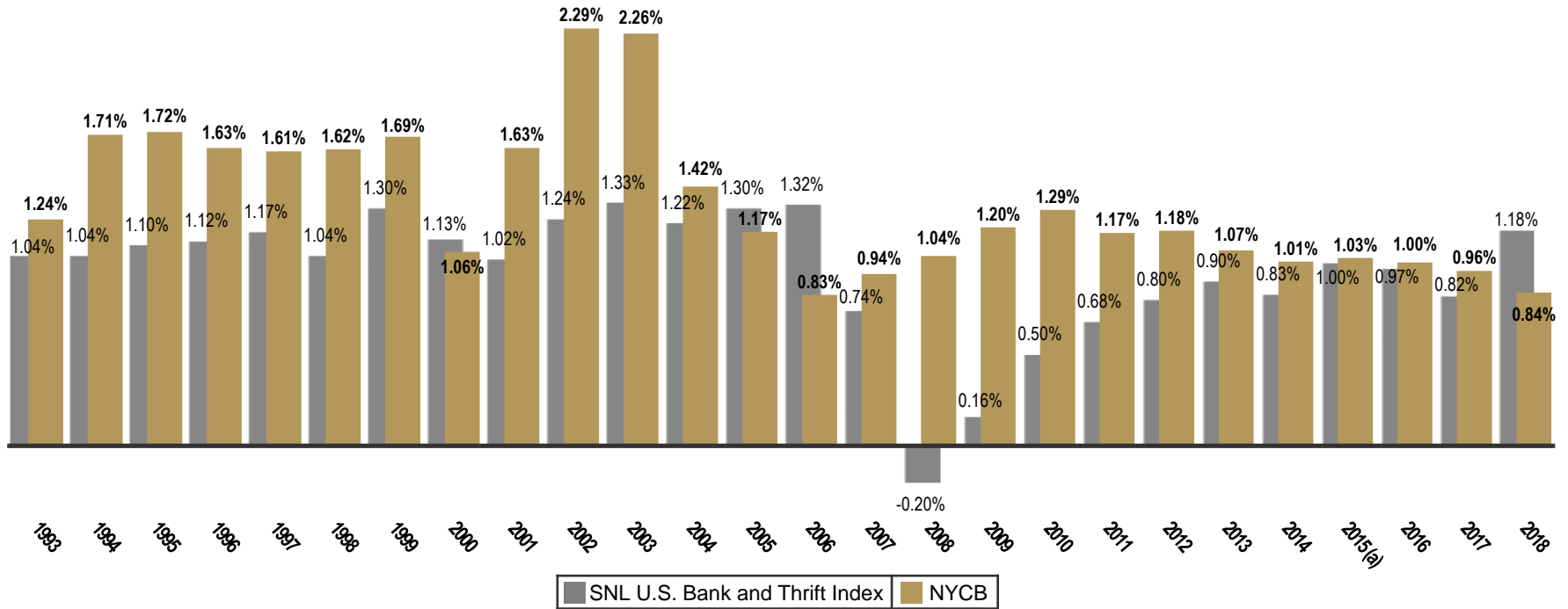


(a) The calculation of our net charge-offs to average loans for 2017 excludes charge-offs of \$59.6 million on taxi medallion-related loans.  
 (b) The calculation of our net charge-offs to average loans for 2018 excluded charge-offs of \$12.8 million on taxi medallion-related loans.



# Consistent Profitability over Various Business Cycles due to Low Credit Cost and Highly Efficient Business Model.

RETURN ON AVERAGE ASSETS SINCE IPO

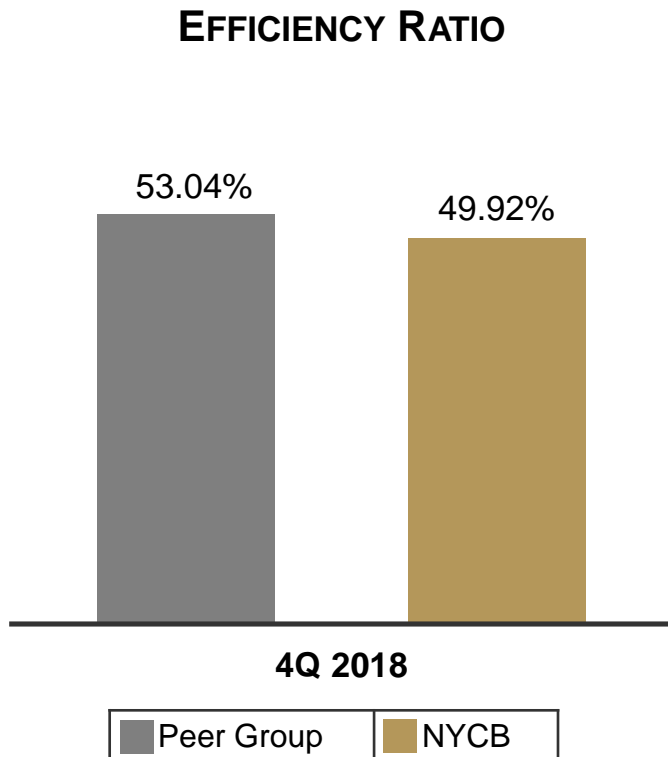


Source: S&P Global Market Intelligence.

(a) The 2015 amount reflects the \$546.8 million after-tax impact of the debt repositioning charge recorded as interest expense and non-interest expense, combined.



# Highly Efficient Operator with Effective Business Model.



## LOW COST, EFFICIENT BUSINESS MODEL

- Multi-family and CRE lending are both broker-driven, with the borrower paying fees to the mortgage brokerage firm
- Products and services are typically developed by third-party providers; their sales are a complementary source of revenues

## FUTURE COST REDUCTION OPPORTUNITIES

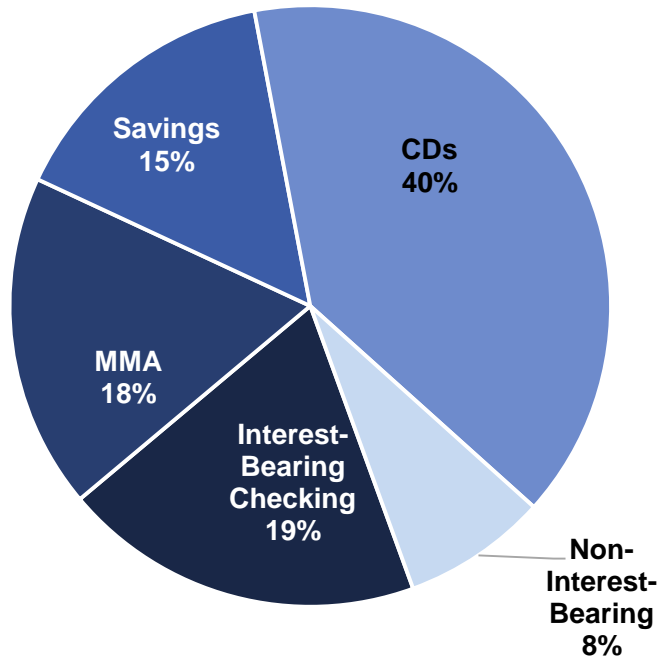
- Going forward, our cost structure should continue to benefit from additional cost reduction opportunities in 2019
  - Includes compliance cost savings due to regulatory reform and the SIFI threshold being raised to \$250bn
  - Regulatory reform also allows us greater flexibility in our corporate structure



# Deposit Composition

## DEPOSITS

AT 12/31/18



TOTAL DEPOSITS: \$30.8 BN

## Highlights:

- Deposits generated through retail and commercial channels
- Presence in several large markets – Metro New York, New Jersey, Ohio, Florida, and Arizona
- Steadily growing the deposit base
  - Deposit growth of \$1.7 billion or 6% year-over-year
- Average cost of interest-bearing deposits is 1.66%
- Average deposits per branch of \$133 million\*

\* Does not include 21 In-Store Branches.



# Focusing on what we can control – Three levers for future earnings growth

## LEVER # 1 - LOAN GROWTH

- Total YTD loans grew \$1.8 billion or 5%. We expect this to continue in 2019.

## LEVER # 2 - SIGNIFICANT REINVESTMENT OPPORTUNITIES

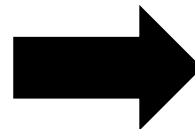
- We have \$1.5 billion of cash earning 2.24%.
- \$14.4 billion of loans with average coupon of 3.37% contractually maturing or reaching their option re-pricing date over the next 3 years.
- Over the next 18 months we could potentially see \$8.7-\$12.0 billion of loans refinancing before their contractual maturity dates, depending on CPR speeds.
- Current interest rates on our traditional 5 year multi-family product are about 4.375%, compared to an existing coupon of 3.51%

## LEVER # 3 - FURTHER IMPROVEMENTS IN OPERATING EXPENSES

- We exceeded our annual cost savings of \$100 million.
- In 2019 we anticipate additional cost save opportunities bringing our overall operating expense base to the low \$500 million level.

### GROWTH LEVERS

- Continued strong originations
- Reinvestment of cash
- Lower operating expenses



### RESULTS

- Mid-single digit loan growth
- Higher loan yields
- Lower efficiency ratio
- Higher operating leverage



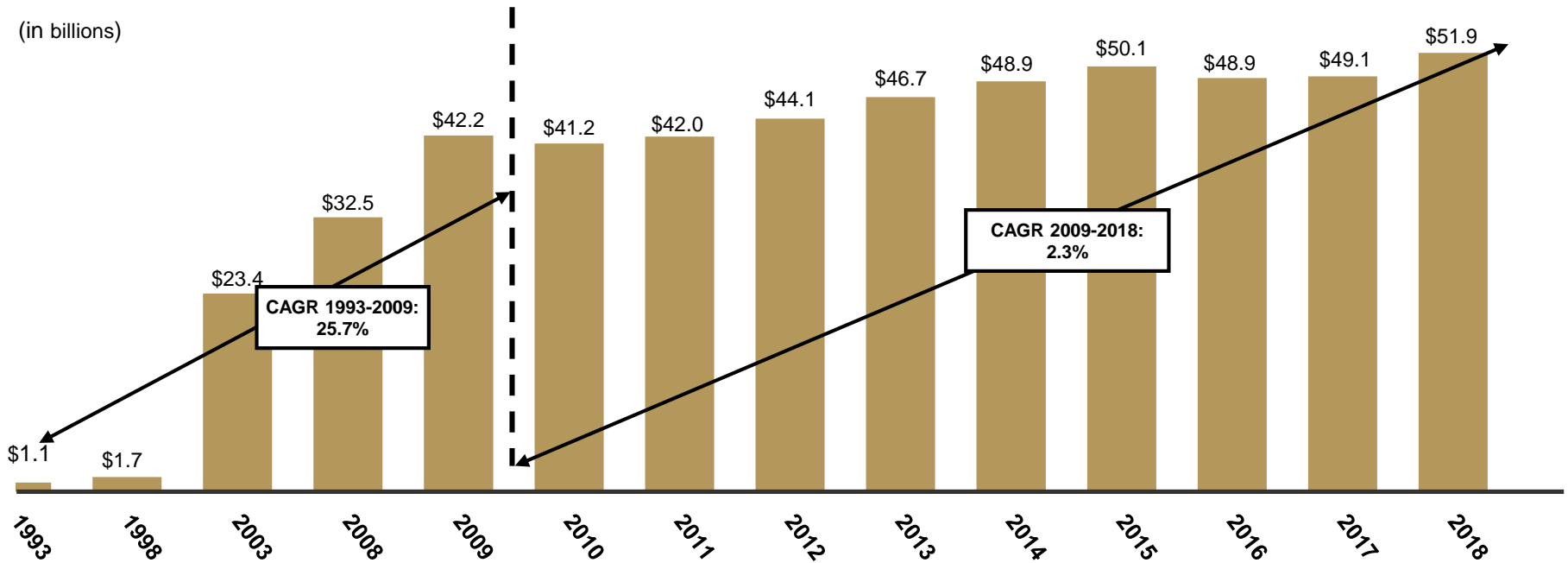


# Lever # 1 – Back in growth mode

Asset growth prior to and since Dodd-Frank was enacted

**DODD-FRANK ENACTED**

(in billions)





## Lever # 2 - Loan Re-pricing Opportunities



Over the next 3 years, approximately \$14.4 billion of MF and CRE loans with an average coupon of 3.37%, are reaching their contractual maturity date or their option re-pricing date. If the borrower does not refinance or pay us off, before the contractual maturity or option re-pricing date, they will have 2 options:

1. Convert to variable rate loan at Prime plus 275-300 bps
2. Convert to fixed rate loan indexed to 5 year FHLB plus 275-300 bps, and a 1.00% fee to exercise this option

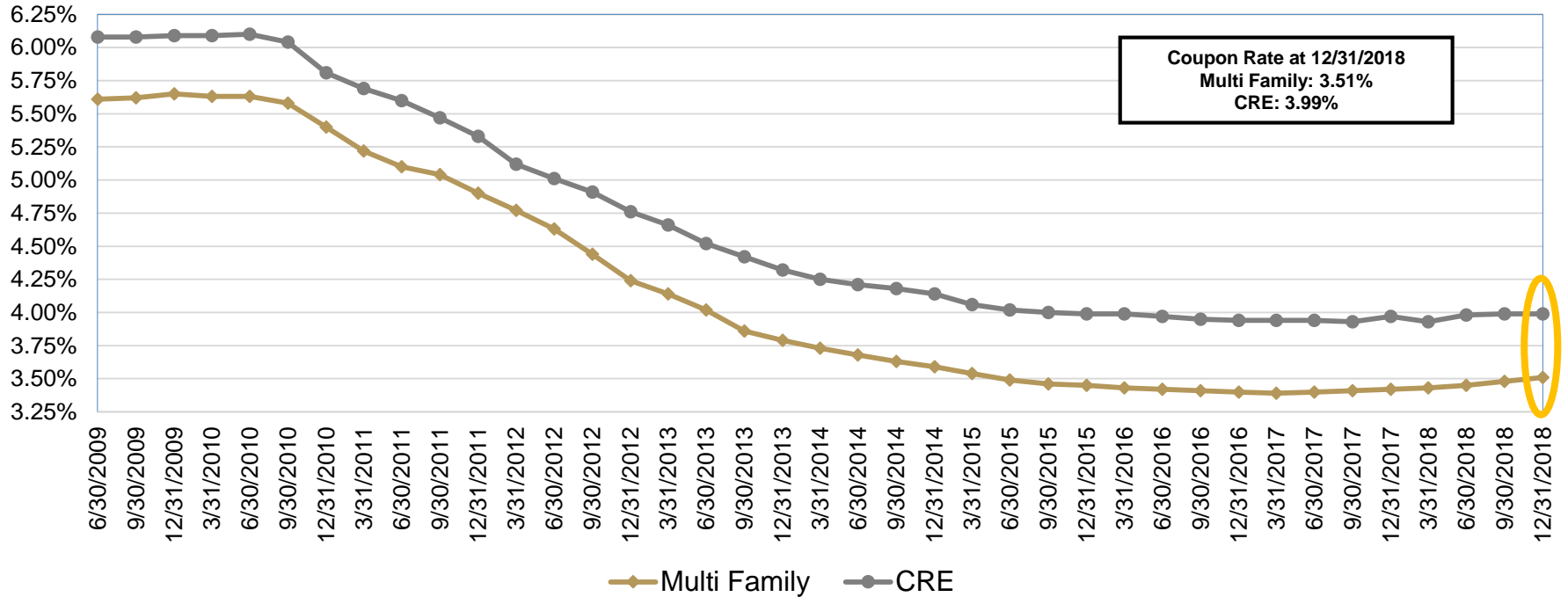


Separately, over the next 18 months, based on current CPR speeds \$8.7 billion in MF and CRE loans could refinance before their contractual maturity dates; if CPR speeds double this amount could increase to approximately \$12.0 billion.



# Lever # 2 - Portfolio coupons may have bottomed

## HISTORICAL WEIGHTED AVERAGE PORTFOLIO COUPONS



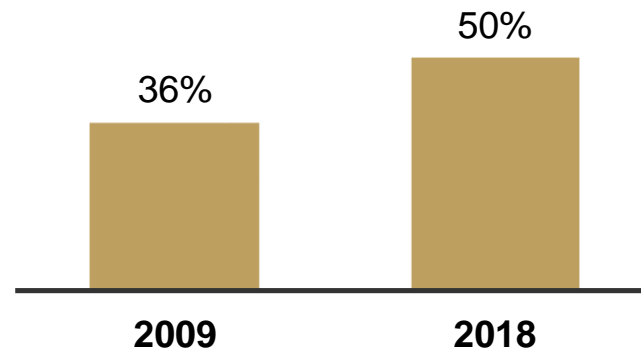


## Lever # 3 – Lower operating expenses

Our efficiency ratio has increased significantly since the enactment of Dodd-Frank.

- We expect additional cost savings in 2019 on top of the cost savings we realized in 2018.

### NYCB EFFICIENCY RATIO PRIOR TO AND SINCE DODD-FRANK



- We have already expended significant costs to prepare for SIFI; with the threshold being raised to \$250 billion in assets and the elimination of many regulatory requirements, the risk of higher SIFI-related expenses is eliminated.



# We are a main beneficiary of the recently enacted regulatory relief legislation



The Economic Growth Regulatory Relief, and Consumer Protection Act (S.2155) was signed into law in late May. A key element of the new law is increasing the asset threshold to be considered a SIFI to \$250 billion from \$50 billion.



What regulatory relief means for us:

- DFAST no longer required
- Immediate exemption from LCR requirements
- Not subject to resolution planning (“living wills”)
- Exempt from CCAR requirements

Results:

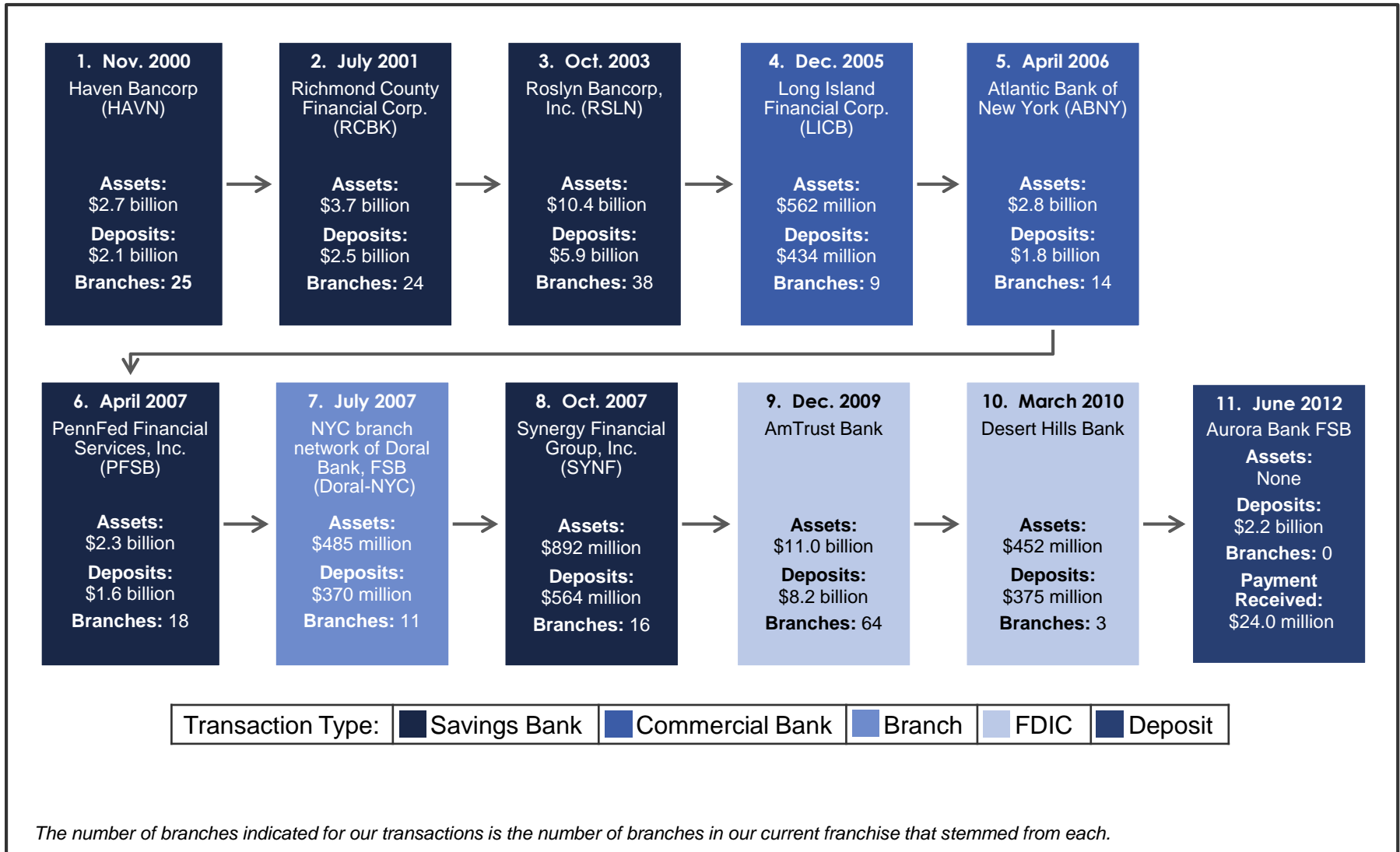
- Greater flexibility with our corporate structure;
- Further reduces our operating expenses due to lower regulatory compliance costs.

# **OUR BUSINESS MODEL**

**Growth through  
Acquisitions**



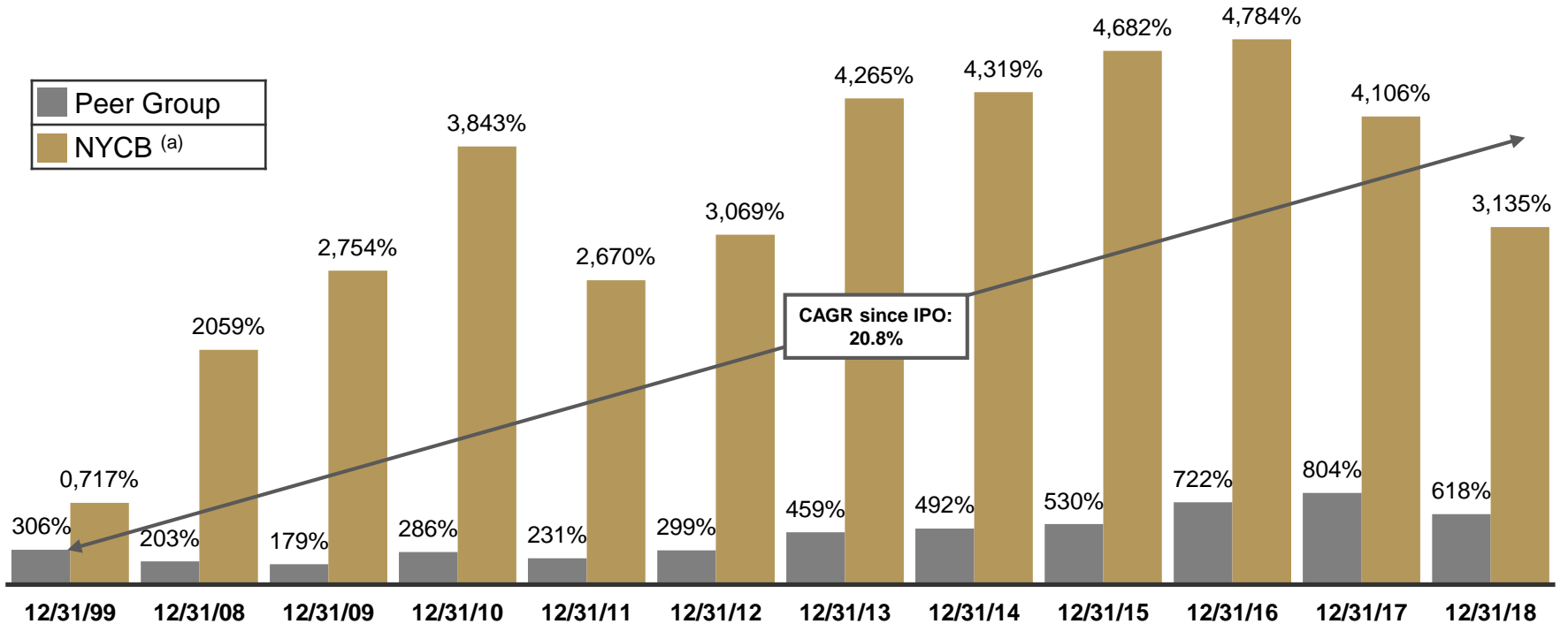
# A history of accretive transactions which have added to our franchise value.





# Our business model is designed to deliver long-term shareholder value.

## TOTAL RETURN ON INVESTMENT



CAGR since IPO:  
20.8%



As a result of nine stock splits between 1994 and 2004, our charter shareholders have 2,700 shares of NYCB stock for each 100 shares originally purchased.

(a) Bloomberg





## For More Information

**VISIT OUR WEBSITE:**

[ir.myNYCB.com](http://ir.myNYCB.com)

**E-MAIL REQUESTS TO:**

[ir@myNYCB.com](mailto:ir@myNYCB.com)

**CALL INVESTOR RELATIONS AT:**

(516) 683-4420

**WRITE TO:**

Investor Relations  
New York Community Bancorp, Inc.  
615 Merrick Avenue  
Westbury, NY 11590

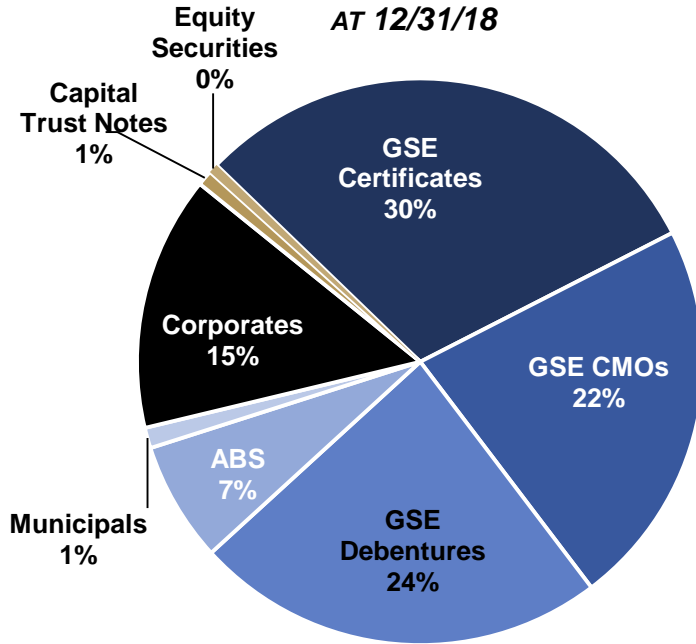
# APPENDIX



# Securities and Funding Composition

## SECURITIES

AT 12/31/18

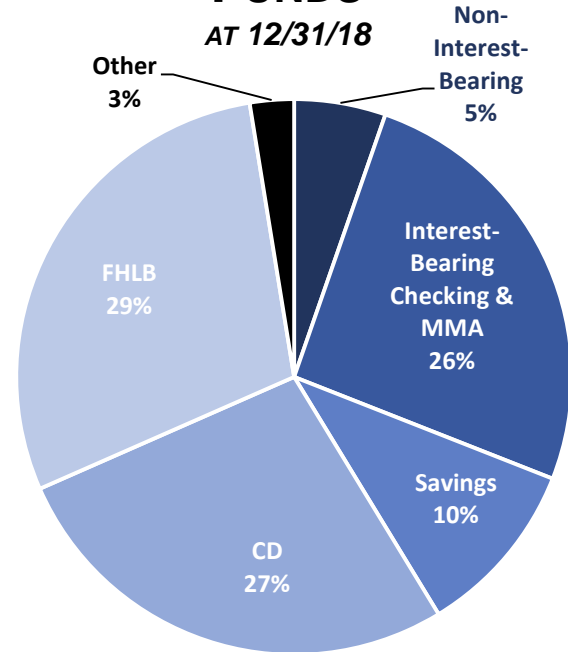


TOTAL SECURITIES: \$5.6 BN

- Entire portfolio is available for sale
- Consists primarily of GSE-related securities
- Overall yield is 3.88%
- 33.0% is variable rate

## FUNDS

AT 12/31/18



TOTAL FUNDS: \$45.0 BN

- 1.84% cost of funds
- Significant capacity given eligibility of multi-family loans



# Experienced Management Team

JOSEPH R. FICALORA	ROBERT WANN	THOMAS R. CANGEMI	JOHN J. PINTO	JAMES J. CARPENTER
<b>President &amp; Chief Executive Officer</b>	<b>Senior Executive Vice President &amp; Chief Operating Officer</b>	<b>Senior Executive Vice President &amp; Chief Financial Officer</b>	<b>Executive Vice President &amp; Chief Accounting Officer</b>	<b>Senior Executive Vice President &amp; Chief Lending Officer</b>
<ul style="list-style-type: none"> <li>■ 50+ years of experience with NYCB; 53 years of banking experience</li> <li>■ Under Mr. Ficalora's leadership, the Company has evolved from a mutual savings bank with seven branches in Queens and Nassau Counties to a publicly traded multi-bank holding company with 252 branch offices serving consumers and businesses throughout Metro New York, New Jersey, Florida, Ohio, and Arizona</li> <li>■ Chairman of the American Bankers Council of the American Bankers Association</li> <li>■ Former Vice Chairman of the Federal Home Loan Bank of NY</li> </ul>	<ul style="list-style-type: none"> <li>■ 36 years of experience with NYCB; 36 years of banking experience</li> <li>■ Mr. Wann joined the Company in 1982</li> <li>■ Named Comptroller in 1989</li> <li>■ Appointed Chief Financial Officer in 1991</li> <li>■ Mr. Wann has been Chief Operating Officer since October 31, 2003</li> </ul>	<ul style="list-style-type: none"> <li>■ 17 years of experience with NYCB; 27 years of banking experience</li> <li>■ Mr. Cangemi has been Senior Executive Vice President and Chief Financial Officer of New York Community Bancorp, Inc. since April 5, 2005.</li> <li>■ Joined the Company on July 31, 2001 as Executive Vice President and Director of the Capital Markets Group, and was named Senior Executive Vice President on October 31, 2003</li> <li>■ Previously, member of the SEC Professional Practices Group of KPMG servicing financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>■ 17 years of experience with NYCB; 25 years of banking experience</li> <li>■ Mr. Pinto has been Executive Vice President and Chief Accounting Officer of the Company since April 5, 2005.</li> <li>■ Mr. Pinto joined the Company on July 31, 2001 in connection with the Richmond County merger, and served as Senior Vice President, and more recently First Senior Vice President, in the Capital Markets Group</li> <li>■ From 1993 to 1997, was a member the financial services group at Ernst &amp; Young providing auditing and consulting services to financial institutions in the Northeast</li> </ul>	<ul style="list-style-type: none"> <li>■ 17 years of experience with NYCB; 30 years of banking experience</li> <li>■ Mr. Carpenter has been Senior Executive Vice President and Chief Lending Officer of the Company since January 1, 2006</li> <li>■ Previously served as Executive Vice President and Chief Lending Officer, Executive Vice President and Assistant Chief Lending Officer and Senior Vice President and Mortgage Lending Officer</li> <li>■ Joined the Company on November 30, 2000 in connection with its acquisition of Haven Bancorp, Inc..</li> </ul>



# Reconciliations of GAAP and Non-GAAP Measures

While average stockholders' equity, average assets, return on average assets, and return on average stockholders' equity are financial measures that are recorded in accordance with U.S. generally accepted accounting principles ("GAAP"), average tangible stockholders' equity, average tangible assets, return on average tangible assets, and return on average tangible stockholders' equity are not. Nevertheless, it is management's belief that these non-GAAP measures should be disclosed in our SEC filings, earnings releases, and other investor communications, for the following reasons:

1. Average tangible stockholders' equity is an important indication of the Company's ability to grow organically and through business combinations, as well as our ability to pay dividends and to engage in various capital management strategies.
2. Returns on average tangible assets and average tangible stockholders' equity are among the profitability measures considered by current and prospective investors, both independent of, and in comparison with, our peers.

We calculate average tangible stockholders' equity by subtracting from average stockholders' equity the sum of our average goodwill and core deposit intangibles ("CDI"), and calculate average tangible assets by subtracting the same sum from our average assets.

Average tangible stockholders' equity, average tangible assets, and the related non-GAAP profitability measures should not be considered in isolation or as a substitute for average stockholders' equity, average assets, or any other profitability or capital measure calculated in accordance with GAAP. Moreover, the manner in which we calculate these non-GAAP measures may differ from that of other companies reporting non-GAAP measures with similar names.

The following table presents reconciliations of our average common stockholders' equity and average tangible common stockholders' equity, our average assets and average tangible assets, and the related GAAP and non-GAAP profitability measures at or for the three and twelve months ended December 31, 2018:

(dollars in thousands)	<b>For the Three Months Ended December 31, 2018</b>	<b>For the Twelve Months Ended December 31, 2018</b>
Average common stockholders' equity	\$ 6,244,977	\$ 6,280,081
Less: Average goodwill and core deposit intangibles	(2,436,131)	(2,436,131)
Average tangible common stockholders' equity	<u>\$ 3,808,846</u>	<u>\$ 3,843,950</u>
Average assets	\$51,779,002	\$50,213,340
Less: Average goodwill and core deposit intangibles	(2,436,131)	(2,436,131)
Average tangible assets	<u>\$49,342,871</u>	<u>\$47,777,209</u>
Net income available to common shareholders <sup>(1)</sup>	\$95,532	\$389,589
Add back: Amortization of core deposit intangibles, net of tax	--	--
Adjusted net income <sup>(2)</sup>	<u>\$95,532</u>	<u>\$389,589</u>
<b>GAAP:</b>		
Return on average assets	0.79%	0.84%
Return on average common stockholders' equity	5.99	6.20
<b>Non-GAAP:</b>		
Return on average tangible assets	0.82	0.88
Return on average tangible common stockholders' equity	9.82	10.14

(1) To calculate our returns on average assets and average common stockholders' equity for a period, we divide the net income available to common shareholders generated during that period by the average assets and the average common stockholders' equity recorded during that time.

(2) To calculate our returns on average tangible assets and average tangible common stockholders' equity for a period, we adjust the net income available to common shareholders generated during that period by adding back the amortization of CDI, net of tax, and then divide that adjusted net income by the average tangible assets and the average tangible common stockholders' equity recorded during that time.



# Peer Group

PEER	TICKER
Bank OZK	OZK
BankUnited, Inc.	BKU
Comerica Incorporated	CMA
F.N.B. Corporation	FNB
Fifth Third Bancorp	FITB
Huntington Bancshares Incorporated	HBAN
Investors Bancorp, Inc.	ISBC
M&T Bank Corporation	MTB
People's United Financial, Inc.	PBCT
Signature Bank	SBNY
Sterling Bancorp	STL
Synovus Financial Corp.	SNV
Valley National Bancorp	VLV
Webster Financial Corporation	WBS
Zions Bancorporation	ZION