

Astoria Financial Corporation (NYSE: AF; Lake Success, NY) has agreed to merge with Sterling Bancorp (NYSE: STL; Montebello, NY)

Deal Value: Approximately \$2.2 Billion

Sandler O'Neill served as financial advisor and provided a fairness opinion to Astoria Financial Corporation in this transaction. This transaction represents Sandler O'Neill's 112th bank or thrift transaction nationwide since January 1, 2015, representing \$35.4 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 7 of the 10 largest bank or thrift deals by deal value, representing \$19.9 billion in aggregate transaction value.¹

MONTEBELLO and LAKE SUCCESS, NY – March 7, 2017 – Sterling Bancorp (NYSE: STL; “Sterling”) and Astoria Financial Corporation (NYSE: AF; “Astoria”) announced today that they have entered into a definitive merger agreement in a stock-for-stock transaction valued at approximately \$2.2 billion, based on the closing price of Sterling Bancorp common stock on March 6, 2017.

The merger agreement calls for a fixed exchange of 0.875 shares of Sterling common stock for each share of Astoria common stock. The resulting purchase price of \$21.92 per Astoria share represents an 18.6% premium to Astoria’s share price as of the close of business on March 6, 2017. Upon closing, Sterling stockholders will own approximately 60% of the combined company and Astoria stockholders will own approximately 40%.

The resulting institution, to be known as Sterling Bancorp, will be the sixth largest regional bank in the New York City area in terms of deposits. Upon completion of the merger, the resulting company will have approximately \$29 billion in assets, \$20 billion in loans and \$19 billion in deposits, with a diversified commercial lending focus, solid capital foundation, and broad footprint in a dynamic and growing marketplace.

On a pro forma basis, the transaction is expected to be ~12% accretive to Sterling Bancorp’s tangible book value per share at closing, and assuming a transaction close in the fourth quarter of 2017, is expected to be ~9% accretive to earnings per share in 2018, exclusive of the restructuring charge, and ~16% accretive to earnings per share in 2019. The integration of the two companies is expected to generate approximately \$100 million in fully phased-in annual net cost savings, which is equal to about 35% of Astoria’s non-interest expenses.

“By joining forces, Astoria and Sterling will create one of the leading banking enterprises in the NYC metropolitan area and will be well positioned to deliver performance and value for our customers, shareholders, employees and communities,” said Jack L. Kopnisky, President and CEO of Sterling. “We are excited about the opportunity to bring together two companies with extremely complementary strengths, providing a platform to extend Sterling’s business banking solutions across a substantially larger market area, while introducing Astoria’s retail products to a wider financial center network. Our goal is to build on these strengths to provide exceptional solutions to our combined customer base, while driving best-in-class financial performance by taking advantage of our enhanced scale, opportunities for growth and operating efficiency.”

Monte N. Redman, President and Chief Executive Officer of Astoria, commented “We are very pleased to be merging with Sterling Bancorp. Astoria Bank’s strong presence in attractive markets should provide Sterling with an ideal platform from which to continue executing on their differentiated, team-based commercial relationship model. Combining our significant strengths will create a strong regional bank that will provide exceptional value for our investors while maintaining our strong commitment to our customers and the communities we serve.”

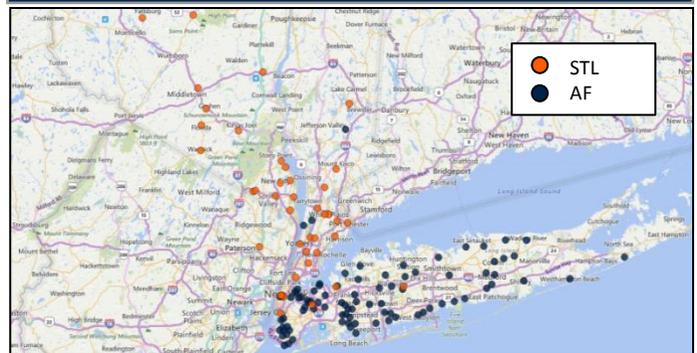
Financial Highlights

(Dollars in millions)

	STL	AF
Total Assets	\$14,178	\$14,559
Total Net Loans	\$9,505	\$10,343
Total Deposits	\$10,068	\$8,877
Total Equity	\$1,855	\$1,714
TCE / TA	8.14%	9.73%

1) Excludes terminated transactions and self-advisory roles
 Note: Financial data as of December 31, 2016
 Source: SNL Financial

Pro Forma Branch Map



Sandler O'Neill Contacts:

Jimmy Dunne III Senior Managing Principal (212) 466-7819	Bill Hickey Principal, Co-Head of Investment Banking (212) 466-7704	Robert Albertson Principal, Head of Strategy (212) 466-7946	Tom Gallagher Managing Director (212) 466-8069	Matthew Murray Vice President (212) 466-7726	Stephen Schroder Analyst (212) 466-7948	Andrew McAlpine Analyst (212) 466-7716
--	---	---	--	--	---	--