



Third Quarter 2016 Earnings Conference Call

October 26, 2016

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: 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; 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 statement 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 Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2016. While the Company is not aware of any need to revise the results disclosed in this release, accounting literature may require information received by management between the date of this release 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.

September 2016 Quarter Highlights

Continued strong momentum highlighted by GAAP diluted and adjusted diluted EPS of \$0.29, record loan and deposit balances

- Reported GAAP net income of \$37.4 million and diluted EPS of \$0.29; adjusted net income of \$37.8 million and adjusted diluted EPS of \$0.29⁽¹⁾
- Total revenue⁽²⁾ of \$122.2 million; adjusted total revenue⁽²⁾ of \$122.4 million
- Total portfolio loans, gross of \$9.2 billion; growth of \$574.4 million or 26.7% annualized Q-o-Q
- Total deposits of \$10.2 billion; growth of \$411.7 million or 16.7% annualized Q-o-Q
 - † Average deposits of \$9.9 billion and weighted average cost of 37 bps
- Positive momentum across all GAAP and adjusted operating and profitability ratios ⁽¹⁾
 - † NIM: 3.41%; reported efficiency ratio: 51.0%; reported ROATE: 15.1%; reported ROATA: 1.20%
 - † Tax equivalent NIM: 3.53%; adjusted efficiency ratio: 45.8%; adjusted ROATE: 15.3%; adjusted ROATA: 1.21%
- Net charge-offs of \$2.0 million, representing 9 bps of average loans annualized
- Completed the acquisition of a ~\$170 million portfolio of U.S. restaurant franchise financing loans from GE Capital
- Completed the divestiture of residential mortgage originations business; closed one financial center and one back-office location
- Issued \$65 million of subordinated notes at SNB; redeemed \$23 million of senior notes due July 2018
- Declared dividend per share of \$0.07 on October 25, 2016

(1) Adjusted results exclude certain charges and gains. Refer to pages 13 through 16 for details on non-GAAP financial measures.

(2) Total revenue is equal to net interest income and non-interest income. Adjusted total revenue 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 15 for a reconciliation to GAAP.

Summary of Quarterly Financial Performance

(\$ in millions, except per share data)	Quarter Ended			Linked Q Δ	YOY Δ
	9/30/2015	6/30/2016	9/30/2016		
Selected Balance Sheet Data: ⁽¹⁾					
Total Assets	\$11,597	\$13,065	\$13,617	4.2%	17.4%
Portfolio loans	7,526	8,594	9,169	6.7%	21.8%
Investment securities	2,528	2,980	2,798	(6.1%)	10.7%
Core Deposits ⁽²⁾⁽³⁾	8,158	8,809	9,002	2.2%	10.3%
Tangible Equity ⁽⁴⁾	901	967	999	3.3%	10.9%
Selected Profitability Data: ⁽¹⁾					
Net Interest Income	\$93.4	\$100.4	\$103.1	\$2.7	\$9.7
Provision for Loan Losses	5.0	5.0	5.5	0.5	0.5
Non-interest Income (Excluding Securities Gains)	16.1	16.0	15.6	(0.4)	(0.5)
Non-interest Expense	71.3	59.6	62.3	2.7	(9.0)
Net Income	24.2	37.8	37.4	(0.4)	13.2
Securities Gains	2.7	4.5	3.4	(1.1)	0.7
Key Performance Measures: ⁽¹⁾					
GAAP Diluted Earnings per Share	\$0.19	\$0.29	\$0.29	\$—	\$0.10
Adjusted Diluted Earnings per Share ⁽⁴⁾	0.25	0.27	0.29	0.02	0.04
Net Interest Margin (tax-equivalent basis) ⁽⁵⁾	3.76%	3.60%	3.53%	(7) bps	(23) bps
Non-interest Income to Adjusted Total Revenue ⁽⁶⁾	14.7	13.4	12.8	(60) bps	(190) bps
Adjusted Operating Efficiency Ratio ⁽⁴⁾	49.0	47.2	45.8	(140) bps	(320) bps
Adjusted ROATA ⁽⁴⁾	1.21	1.19	1.21	2 bps	0 bps
Adjusted ROATE ⁽⁴⁾	14.3	15.1	15.3	20 bps	100 bps

(1) See earnings release dated October 25, 2016.

(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 14 through 16 for a reconciliation of non-GAAP 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.

Reconciliation of GAAP Earnings to Adjusted Earnings

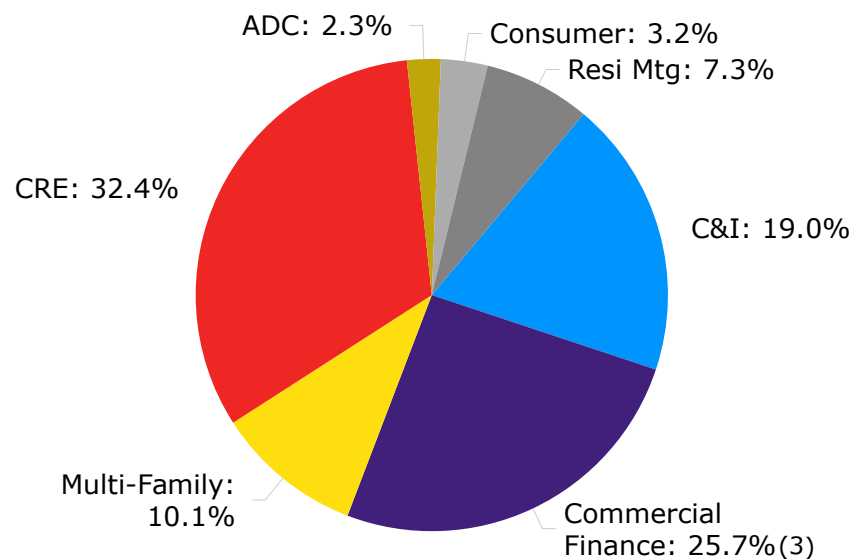
(\$ in thousands, except per share data)	Quarter Ended		
	9/30/2015	6/30/2016	9/30/2016
Reported Diluted Earnings per Share	\$ 0.19	\$ 0.29	\$ 0.29
Reported Net Income	\$ 24,193	\$ 37,770	\$ 37,422
Net Income Adjustments (pre-tax):			
Net (gain) on sale of securities	(2,726)	(4,474)	(3,433)
Charge on benefit plan settlement	13,384	—	—
Loss on extinguishment of senior notes	—	—	1,013
Charge for fixed asset impairments, retention and severance	—	—	2,000
Amortization of non-compete agreements	961	969	970
Total Adjustments	11,619	(3,505)	550
Total Adjustments (after-tax)	7,842	(2,356)	371
Adjusted Net Income (non-GAAP)	\$ 32,035	\$ 35,414	\$ 37,793
Adjusted Diluted Earnings per Share	\$ 0.25	\$ 0.27	\$ 0.29
<i>Weighted average diluted shares outstanding</i>	130,192,937	130,688,729	130,875,614
<i>Adjusted return on average tangible assets</i>	1.21%	1.19%	1.21%
<i>Adjusted return on average tangible equity</i>	14.3	15.1	15.3
<i>Adjusted operating efficiency ratio</i>	49.0	47.2	45.8
<i>Tangible book value per share</i>	\$ 6.94	\$ 7.40	\$ 7.64
<i>Effective tax rate</i>	32.5%	32.8%	31.2%

Note: See pages 14 through 16 for a reconciliation of non-GAAP financial measures.

Strong Loan Growth - Organic and Acquired

- Annualized growth rate: 27.5% total portfolio loans; 44.7% total commercial loans⁽¹⁾
- Diversified loan portfolio with 89.5% consisting of commercial asset classes
- Commercial finance⁽³⁾ business lines Y-o-Y growth rate of 40.7%

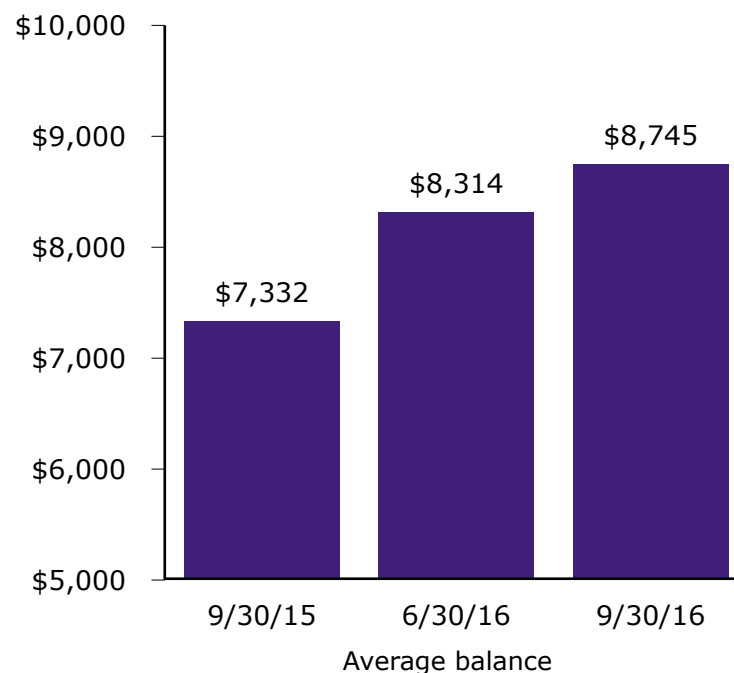
Loan Composition



Total Portfolio Loans: \$9.2 B
Yield on Loans: 4.57%⁽²⁾

Loan Balances

(\$ in millions)



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

(2) Represents loan portfolio yield for the three months ended September 30, 2016.

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

Strong Organic Performance Across Business Lines

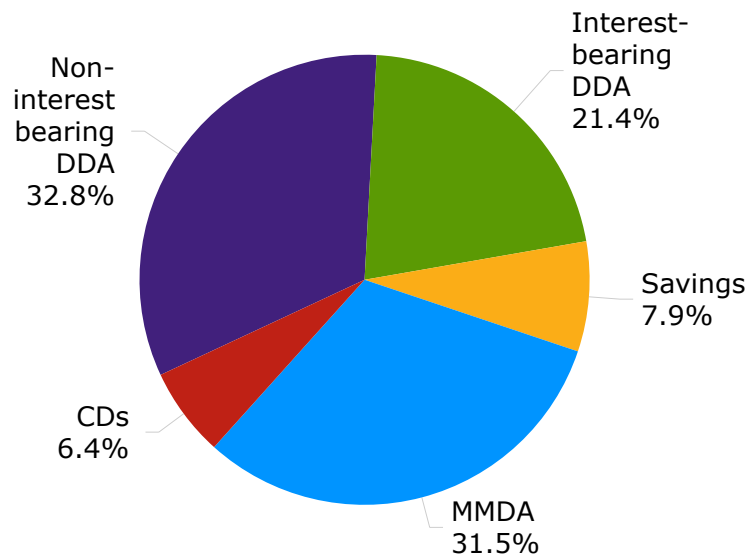
(\$ in millions) Line of Business	9/30/2015	6/30/2016	9/30/2016	Linked Q Δ	YOY Δ
Commercial:					
C&I	\$ 1,343	\$ 1,519	\$ 1,745	\$ 226	\$ 402
ABL	309	642	684	42	375
Payroll Finance	194	211	224	13	30
Warehouse Lending	319	430	586	156	267
Factored Receivables	253	201	250	49	(3)
Equipment Financing	597	636	609	(27)	12
Total Commercial	3,015	3,639	4,098	459	1,083
Commercial Real Estate:					
Commercial Real Estate	2,570	2,869	2,970	101	400
Multi-Family	751	914	925	11	174
ADC	177	208	212	4	35
Total Commercial Real Estate	3,498	3,991	4,107	116	609
Consumer:					
Residential Mortgage	722	673	672	(1)	(50)
Other Consumer	291	291	292	1	1
Total Consumer	1,013	964	964	—	(49)
Total Portfolio Loans	\$ 7,526	\$ 8,594	\$ 9,169	\$ 575	\$ 1,643

Note: On March 31, 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 HVB Merger. On September 9, 2016, we acquired \$169.8 million of franchise finance loans from GE Capital, which are included in C&I loans above.

Attractive Deposit Base That is Growing

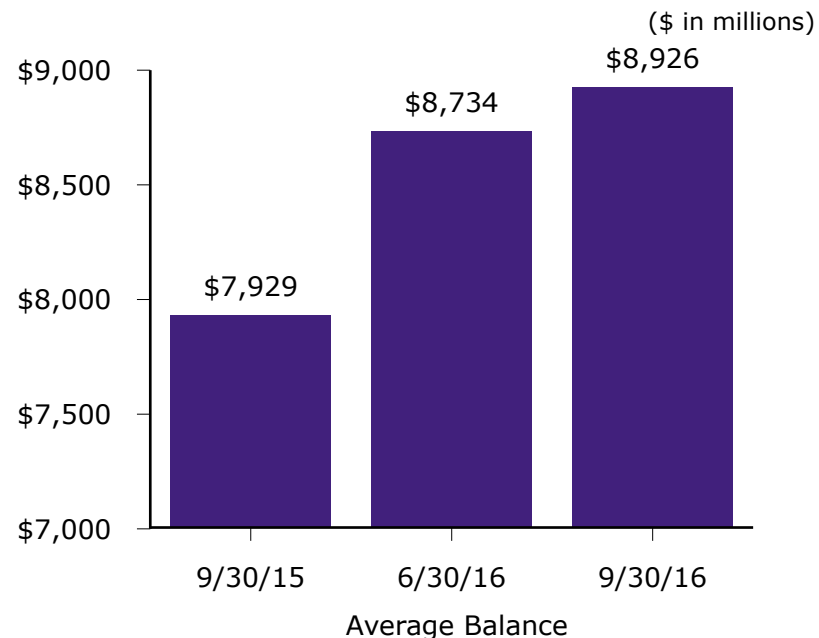
- 88.3% core deposits⁽¹⁾ with weighted average cost of total deposits of 37 basis points⁽²⁾
- Retail and commercial: 71.6%; municipal: 15.1%; wholesale and other⁽³⁾: 13.3%
- Loans to deposits ratio of 89.9% as of September 30, 2016

Deposit Composition



Total Deposits: \$10.2B
Total Cost of Deposits: 0.37%⁽²⁾

Core Deposit Balances⁽¹⁾



(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 September 30, 2016.

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

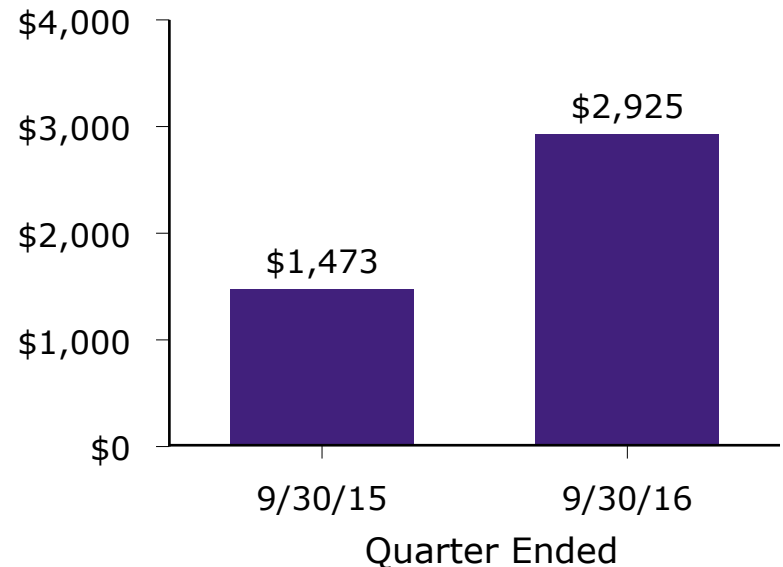
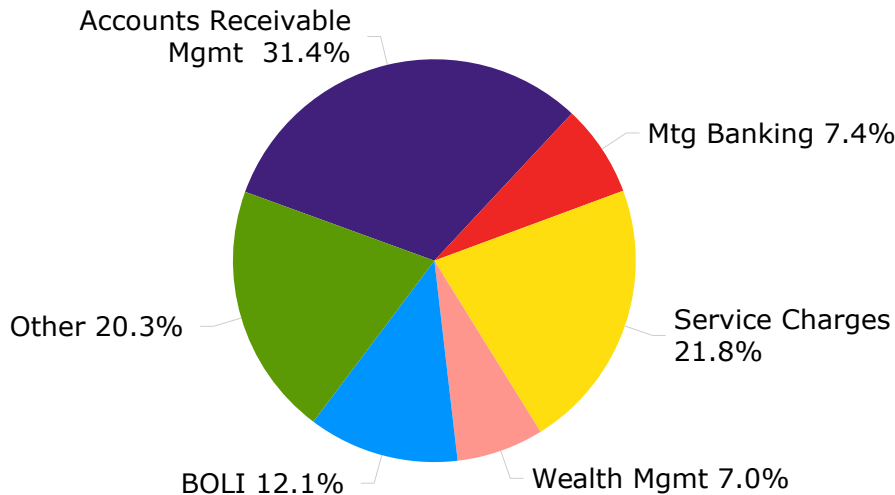
Diversified Non-Interest Income

- Adjusted total fee income⁽¹⁾ of \$15.6 million; represents 12.8% of adjusted total revenue
- New products are starting to deliver results - swaps, cash management, loan syndications and public sector finance

Non-Interest Income Composition⁽¹⁾

Letter of credit commissions, SWAP fees, other loan fees and income⁽²⁾

(\$ in thousands)



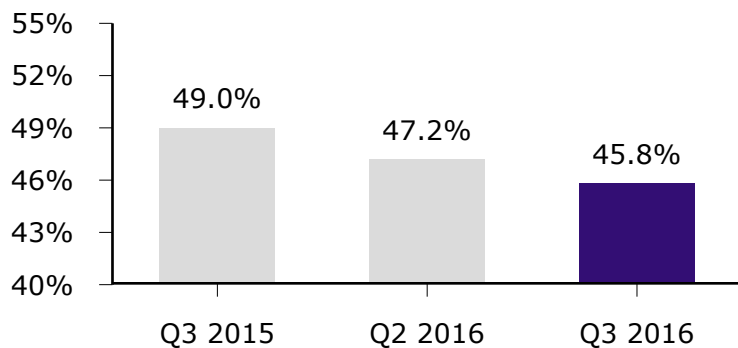
Adjusted Total Fee Income Q3 2016: \$15.6 M⁽¹⁾
% of Total Revenue: 12.8%

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

(2) Loan swap fees were \$619 thousand vs. \$82 thousand in the year earlier period. Other commissions and loan fee income was \$2.3 million in Q3 2016 and increased \$915 thousand between the periods. This was due mainly to the acquisition of NewStar Business Credit LLC, public sector finance and organic growth.

Continued Momentum in Adjusted Operating Efficiency Gains

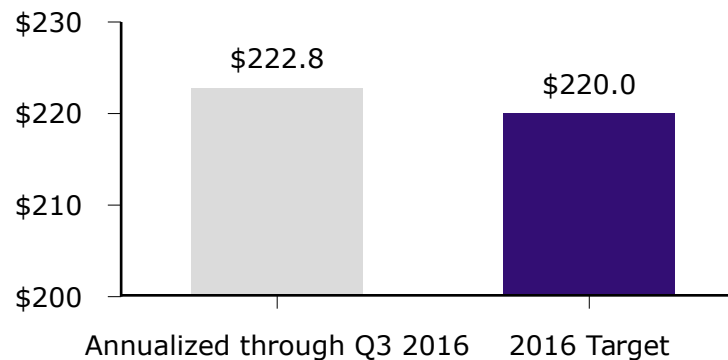
Adjusted Operating Efficiency Ratio



For the Quarter Ended

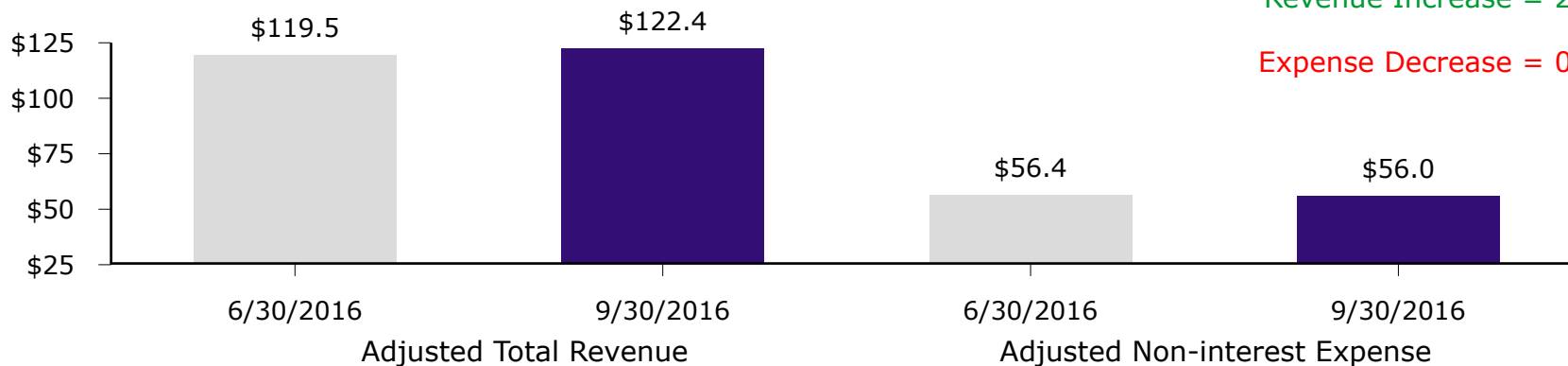
Adjusted Operating Expenses Annualized

(\$ in millions)



Adjusted Operating Leverage

(\$ in millions)



Note: See pages 14 through 16 for a reconciliation of non-GAAP financial measures.

Strong Asset Quality and Capital Ratios

(\$ in millions)

Ratios and Balances	As of or for the quarter ended				
	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16
Asset Quality Data:					
Non-performing loans to total loans	0.90%	0.84%	1.03%	0.93%	0.88%
Net charge-offs to average loans (annualized)	0.09%	0.15%	0.06%	0.10%	0.09%
Allowance for loan losses to:					
Total loans	0.63%	0.64%	0.64%	0.65%	0.65%
Non-performing loans	70.4%	75.5%	62.0%	70.2%	73.3%
Total valuation balances recorded against portfolio loans to adjusted gross portfolio loans ⁽¹⁾	1.28%	1.16%	1.17%	1.11%	1.10%
Non-performing assets to total assets	0.69%	0.68%	0.78%	0.74%	0.72%
Special Mention	\$91.1	\$68.0	\$101.6	\$103.7	\$101.8
Substandard	120.7	129.7	131.9	125.6	112.6
Doubtful	0.2	0.7	0.6	0.3	0.9
Total Criticized / Classified	212.0	198.4	234.1	229.6	215.3
Loans 30 to 89 days past due	30.9	68.0	19.2	18.8	17.7
Non-accrual and 90 days past due & still accruing	67.7	66.4	85.4	79.6	81.1
Capital Ratio Data:					
Tangible Equity to Tangible Assets	8.30%	8.18%	7.66%	7.86%	7.78%
Tier 1 Leverage Ratio (STL)	9.12%	9.03%	8.60%	8.36%	8.31%
Tier 1 Leverage Ratio (SNB)	9.80%	9.65%	9.16%	8.84%	8.72%

(1) See a reconciliation of this non-GAAP financial measure on page 16.

September 2016 Summary

- Strong momentum in GAAP and adjusted earnings and profitability metrics
- On track to deliver 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

Adjusted Information (non-GAAP financial 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 impact of merger-related expenses and charge for asset write-downs, retention and severance, pension plan settlement, extinguishment of banking systems conversion 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, non-taxable income, merger expenses, 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.

Non-GAAP to GAAP Reconciliation

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

	As of or for the quarter ended				
	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
The following table shows the reconciliation of stockholders' equity to tangible equity and the tangible equity ratio:					
Total assets	\$ 11,597,393	\$ 11,955,952	\$ 12,865,356	\$ 13,065,248	\$ 13,617,228
Goodwill and other intangibles	(751,529)	(748,066)	(772,390)	(769,125)	(765,858)
Tangible assets	10,845,864	11,207,886	12,092,966	12,296,123	12,851,370
Stockholders' equity	1,652,204	1,665,073	1,698,133	1,735,994	1,765,160
Goodwill and other intangibles	(751,529)	(748,066)	(772,390)	(769,125)	(765,858)
Tangible stockholders' equity	\$ 900,675	\$ 917,007	\$ 925,743	\$ 966,869	\$ 999,302
Common stock outstanding at period end	129,769,569	130,006,926	130,548,989	130,620,463	130,853,673
Stockholders' equity as a % of total assets	14.25%	13.93%	13.20%	13.29%	12.96%
Book value per share	\$ 12.73	\$ 12.81	\$ 13.01	\$ 13.29	\$ 13.49
Tangible equity as a % of tangible assets	8.30%	8.18%	7.66%	7.86%	7.78%
Tangible book value per share	\$ 6.94	\$ 7.05	\$ 7.09	\$ 7.40	\$ 7.64

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

Average stockholders' equity	\$ 1,639,458	\$ 1,661,282	\$ 1,686,274	\$ 1,711,902	\$ 1,751,414
Average goodwill and other intangibles	(752,701)	(750,334)	(747,412)	(770,931)	(767,753)
Average tangible stockholders' equity	\$ 886,757	\$ 910,948	\$ 938,862	\$ 940,971	\$ 983,661
Net income	24,193	32,791	23,766	37,770	37,422
Net income, if annualized	95,983	130,095	95,586	151,910	148,874
Return on average tangible equity	10.82%	14.28%	10.18%	16.14%	15.13%
Adjusted net income (see reconciliation on page 15)	\$ 32,035	\$ 33,525	\$ 32,159	\$ 35,414	\$ 37,793
Annualized adjusted net income	127,095	133,007	129,343	142,434	150,350
Adjusted return on average tangible equity	14.33%	14.60%	13.78%	15.14%	15.28%

Non-GAAP to GAAP Reconciliation

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

	As of or for the quarter ended				
	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
The following table shows the reconciliation of the reported operating efficiency ratio and the adjusted operating efficiency ratio:					
Net interest income	\$ 93,354	\$ 95,421	\$ 93,510	\$ 100,380	\$ 103,130
Non-interest income	18,802	16,081	15,430	20,442	19,039
Total net revenue	112,156	111,502	108,940	120,822	122,169
Tax equivalent adjustment on securities interest income	1,707	1,692	2,091	3,161	3,635
Net (gain) loss on sale of securities	(2,726)	121	283	(4,474)	(3,433)
Adjusted total revenue	111,137	113,315	111,314	119,509	122,371
Non-interest expense	71,315	57,419	68,931	59,640	62,256
Merger-related expense	—	—	(265)	—	—
Charge for asset write-downs, banking systems conversion, retention, severance	—	—	(2,485)	—	(2,000)
Charge on benefit plan settlement	(13,384)	—	—	—	—
Loss on extinguishment of borrowings	—	—	(8,716)	—	(1,013)
Amortization of intangible assets	(3,431)	(3,431)	(3,053)	(3,241)	(3,241)
Adjusted non-interest expense	\$ 54,500	\$ 53,988	\$ 54,412	\$ 56,399	\$ 56,002
Reported operating efficiency ratio	63.6%	51.5%	63.3%	49.4%	51.0%
Adjusted operating efficiency ratio	49.0	47.6	48.9	47.2	45.8

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	\$ 35,841	\$ 48,583	\$ 36,009	\$ 56,182	\$ 54,413
Income tax expense	11,648	15,792	12,243	18,412	16,991
Net income (GAAP)	24,193	32,791	23,766	37,770	37,422
Adjustments:					
Net (gain) loss on sale of securities	(2,726)	121	283	(4,474)	(3,433)
Merger-related expense	—	—	265	—	—
Charge for asset write-downs, banking systems conversion, retention, severance	—	—	2,485	—	2,000
Charge on benefit plan settlement	13,384	—	—	—	—
Loss on extinguishment of FHLB borrowings	—	—	8,716	—	1,013
Amortization of non-compete agreements	961	961	968	969	970
Total adjustments	11,619	1,082	12,717	(3,505)	550
Income tax (benefit) expense	(3,777)	(348)	(4,324)	1,149	(179)
Total adjustments net of taxes	7,842	734	8,393	(2,356)	371
Adjusted net income (non-GAAP)	\$ 32,035	\$ 33,525	\$ 32,159	\$ 35,414	\$ 37,793
Weighted average diluted shares	130,192,937	130,354,779	130,500,975	130,688,729	130,875,614
Diluted EPS as reported (GAAP)	\$ 0.19	\$ 0.25	\$ 0.18	\$ 0.29	\$ 0.29
Adjusted diluted EPS (non-GAAP)	0.25	0.26	0.25	0.27	0.29

Non-GAAP to GAAP Reconciliation

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

	For the quarter ended				
	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
The following table shows the reconciliation of reported return on tangible assets and adjusted return on tangible assets:					
Average assets	\$ 11,242,870	\$ 11,622,621	\$ 12,001,370	\$ 12,700,038	\$ 13,148,201
Average goodwill and other intangibles	(752,701)	(750,334)	(747,412)	(770,931)	(767,753)
Average tangible assets	10,490,169	10,872,287	11,253,958	11,929,107	12,380,448
Net income	24,193	32,791	23,766	37,770	37,422
Net income, if annualized	95,983	130,095	95,586	151,910	148,874
Return on average tangible assets	0.91%	1.20%	0.85%	1.27%	1.20%
Adjusted net income (see reconciliation on page 15)	\$ 32,035	\$ 33,525	\$ 32,159	\$ 35,414	\$ 37,793
Annualized adjusted net income	127,095	133,007	129,343	142,434	150,350
Adjusted return on average tangible assets	1.21%	1.22%	1.15%	1.19%	1.21%

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

	For the quarter ended				
	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
The following table shows a reconciliation of the allowance for loan losses and remaining purchase accounting adjustments to portfolio loans⁶:					
Allowance for loan losses	\$ 47,611	\$ 50,145	\$ 53,014	\$ 55,865	\$ 59,405
Remaining purchase accounting adjustments:					
Acquired performing loans	31,364	24,766	27,340	23,802	26,003
Purchased credit impaired loans	17,783	16,617	16,862	15,955	15,513
Total remaining purchase accounting adjustments	49,147	41,383	44,202	39,757	41,516
Total valuation balances recorded against portfolio loans	\$ 96,758	\$ 91,528	\$ 97,216	\$ 95,622	\$ 100,921
Total portfolio loans, gross	\$ 7,525,632	\$ 7,859,360	\$ 8,286,163	\$ 8,594,295	\$ 9,168,741
Remaining purchase accounting adjustments:					
Acquired performing loans	31,364	24,766	27,340	23,802	26,003
Purchased credit impaired loans	17,783	16,617	16,862	15,955	15,513
Adjusted portfolio loans, gross	\$ 7,574,779	\$ 7,900,743	\$ 8,330,365	\$ 8,634,052	\$ 9,210,257
Allowance for loan losses to total portfolio loans, gross	0.63%	0.64%	0.64%	0.65%	0.65%
Total valuation balances recorded against portfolio loans to adjusted gross portfolio loans	1.28	1.16	1.17	1.11	1.10



**STERLING
BANCORP**