STERLING BANCORP

Quarter Ended September 30, 2015 Earnings Conference Call

October 27, 2015

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," "anticipated," "intend," "outlook," "estimate," "forecast," "project," "target," "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: the ability to effectively and efficiently integrate Hudson Valley Holding Corp. into Sterling Bancorp; fully realizing cost savings and other benefits; 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, 2015. 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 fiscal period, even though the new information was received by management subsequent to the date of this presentation.

September 2015 Quarter Highlights

Strong growth in revenues, higher profitability and momentum across all operating metrics

- Reported net income of $24.2 million and EPS of $0.19; core net income of $32.0 million and core diluted EPS of $0.25 excluding securities gains and termination of defined benefit pension plans (1)(3)
- Total revenue(2) of $109.4 million
- Total portfolio loans of $7.5 billion; growth of $290.0 million or 15.9% annualized Q-o-Q
- Total deposits of $8.8 billion; 92.7% represent core deposits, weighted average cost of deposits 0.24%
- Strong core operating and core profitability ratios(3)
  - † NIM: 3.76%; operating efficiency ratio: 49.0%; ROATE: 14.33%; ROATA: 1.21%
- Strong capital and liquidity position for continued opportunistic growth
- Integration of Hudson Valley Holding Corp. is on target
- Expansion into middle market healthcare and loan syndication business with new hires
- Announced dividend per share of $0.07 on October 26, 2015

(1) Excludes certain charges and gains required by GAAP. Refer to page 5 for a reconciliation of core net income and core diluted EPS.

(2) Total revenue is equal to net interest income plus non-interest income excluding securities gains and losses. Total revenue is a non-GAAP measure. Refer to page 15 for a reconciliation to GAAP.

(3) Refer to pages 13 through 16 for detail on core ratio calculations.

Summary of Financial Performance

($ in millions, except per share data)	Quarter Ended				
	9/30/2014	6/30/2015	9/30/2015	Linked Q Δ	YOY Δ
Selected Balance Sheet Data: (1)					
Total Assets	$7,337	$11,566	$11,597	0.3%	58.1%
Gross Portfolio Loans	4,760	7,236	7,526	4.0	58.1
Investment Securities	1,690	2,667	2,528	(5.2)	49.6
Core Deposits (2)(3)	4,777	8,153	8,158	0.1	70.8
Tangible Equity (4)	527	869	901	3.7	71.0
Selected Profitability Data: (1)					
Net Interest Income	$59.6	$63.6	$93.4	$29.8	$33.8
Provision for Loan Losses	5.4	3.1	5.0	1.9	(0.4)
Non-interest Income (Excluding Securities Gains)	12.3	13.2	16.1	2.9	3.8
Non-interest Expense	43.8	85.7	71.3	(14.4)	27.5
Net Income (Loss)	16.3	(7.6)	24.2	31.8	7.9
Securities Gains	0.0	0.7	2.7	2.0	2.7
Key Performance Measures: (1)					
Diluted Earnings per Share	$0.19	($0.08)	$0.19	$0.27	$—
Core Diluted Earnings per Share (4)	0.22	0.23	0.25	$0.02	$0.03
Net Interest Margin (tax-equivalent basis)(5)	3.77%	3.57%	3.76%	0.19%	(0.01%)
Non-interest Income to Total Revenue	17.0%	17.2%	14.7%	(2.50%)	(2.30%)
Core Operating Efficiency Ratio (4)	54.7%	52.6%	49.0%	(3.60%)	(5.70%)
Core ROATA (4)	1.06%	1.13%	1.21%	0.08%	0.15%
Core ROATE (4)	13.81%	13.27%	14.33%	1.06%	0.52%

(1) See earnings release dated October 26, 2015.
(2) Excludes certificates of deposit and wholesale deposits.
(3) See page 8 for details on core deposits.
(4) See pages 13 through 16 for a reconciliation of non-GAAP financial measures.
(5) Tax-equivalent adjustment represents interest income earned on municipal securities divided by the applicable Federal tax rate of 35%.

Reconciliation of GAAP Earnings to Core Earnings

($ in thousands, except per share data)	Quarter Ended 9/30/2014	6/30/2015	9/30/2015
Reported Earnings per Share	**$0.19**	**($0.08)**	**$0.19**
Reported Net Income (Loss)	**16,337**	**(7,646)**	**24,193**
Net Income Adjustments:			
Net gain on sale of securities	(33)	(697)	(2,726)
Merger-related expense	—	14,625	—
Defined benefit pension plan termination charge	—	—	13,384
Charge for asset write-downs, banking systems conversion, retention, severance and other	1,103	28,055	—
Amortization of non-compete agreements and acquired customer lists	1,497	991	961
Total Adjustments	**2,567**	**42,974**	**11,619**
Total Adjustments (after-tax)	**1,829**	**29,007**	**7,842**
Core Net Income	**18,166**	**21,361**	**32,035**
Core Diluted Earnings per Share	**$0.22**	**$0.23**	**$0.25**
Weighted average diluted shares outstanding	*83,883,461*	*91,950,776*	*130,192,937*
Core return on average tangible assets	*1.06%*	*1.13%*	*1.21%*
Core return on average tangible equity	*13.81%*	*13.27%*	*14.33%*
Core operating efficiency ratio	*54.7%*	*52.6%*	*49.0%*
Tangible book value per share	*$ 6.30*	*$ 6.70*	*$ 6.94*

Note: See pages 13 through 16 for a reconciliation of non-GAAP financial measures.

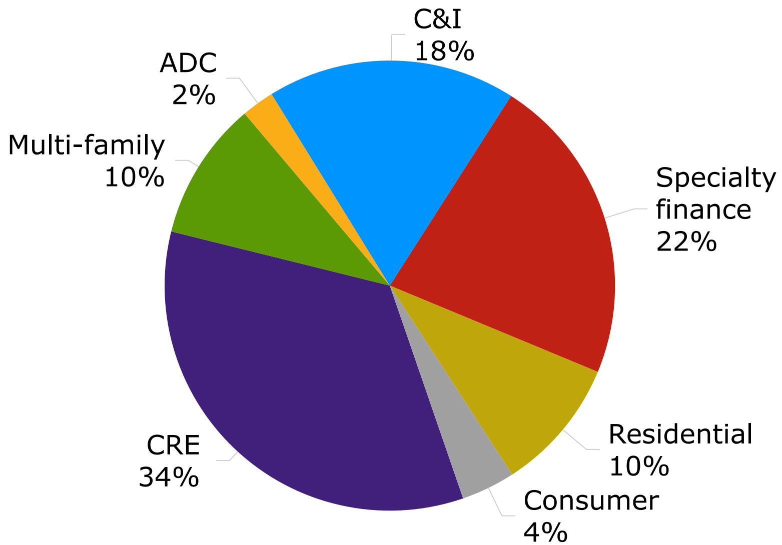
Financial Impact of Pension Plan Termination

($ in thousands, except per share data)	Preliminary 9/30/2015	Termination Adjustment	Actual 9/30/2015
Balance Sheet Impact:			
Reduction of prepaid pension plan asset (recorded in other assets)	$ 15,786	$ (4,068)	$ 11,718
Eliminate deferred tax asset (recorded in other assets)	3,959	(3,959)	—
Eliminate accumulated other comprehensive loss (“AOCI”) (recorded in stockholders’ equity)	(5,367)	5,367	—
Pension reversion asset (recorded in other assets)			**$ 11,718**
Income Statement Impact:			
Recognize AOCI through earnings			$ (7,936)
Reduction of prepaid pension plan asset			(4,068)
Impact of difference between the effective tax rate and marginal tax rate			(1,380)
Pre-tax impact			$ (13,384)
Income tax benefit (@ 32.5% effective tax rate)			4,350
After-tax impact on net income			**$ (9,034)**
Book Value and Book Value Per Share Impact:			
After-tax impact recorded in retained earnings			$ (9,034)
Increase in stockholders’ equity due to elimination of AOCI related to pension asset			5,367
Impact to book value			**$ (3,667)**
Shares outstanding at September 30, 2015			129,759,567
Impact to book value per share			**$ (0.03)**

Strong Loan Growth Across All Asset Classes

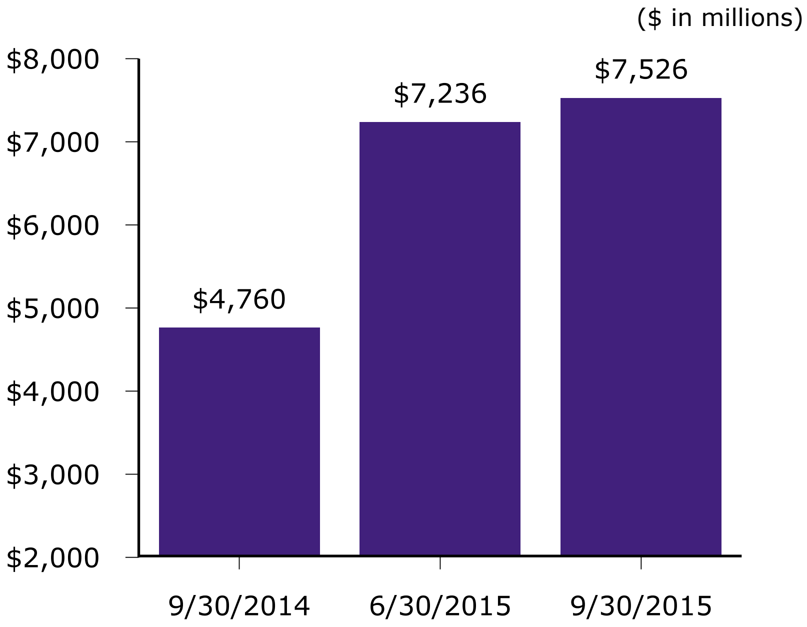
- Annualized growth rate: 15.9% total portfolio loans; 19.1% commercial loans[1]
- Diversified loan portfolio with 84.2% consisting of commercial asset classes[1]
- Continued focus on specialty finance business lines; growth rate of 36.4% Y-o-Y [2]

Loan Composition



Total Portfolio Loans: $7.5 B
Yield on Loans: 4.75%[3]

Loan Growth

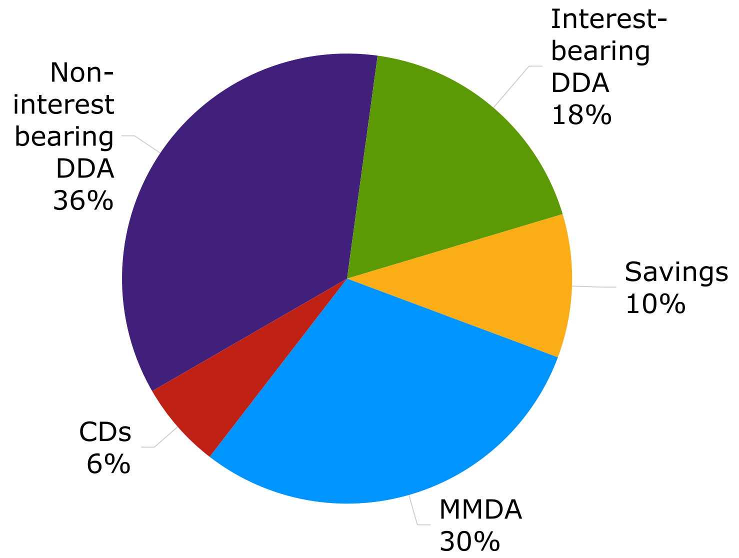


(1) Includes CRE, multi-family, C&I and specialty finance loans; excludes ADC loans.
(2) Includes asset based lending, payroll finance, factoring, warehouse lending, and equipment finance.
(3) Represents loan portfolio yield for the three months ended September 30, 2015.

Attractive Deposit Base

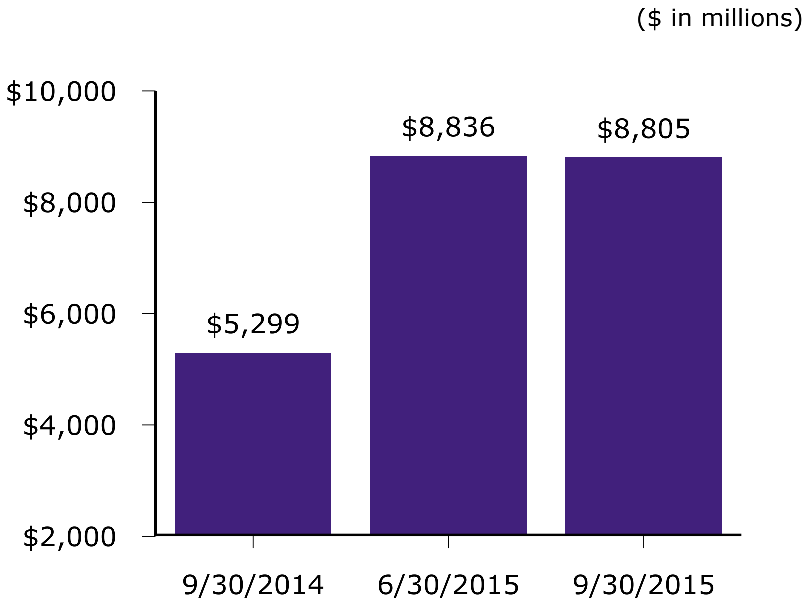
- 92.7% core deposits with weighted average cost of 24 basis points [(1)]
- Retail and commercial: 77.3%; municipal: 15.3%; wholesale and other: 7.4%
- Loans to deposits ratio of 85.5%

Deposit Composition



Total Deposits: $8.8 B

Deposit Growth



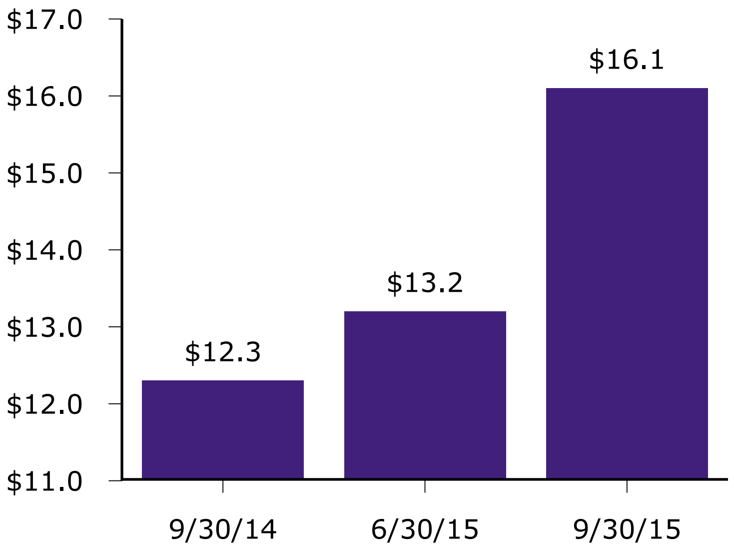
(1) Represents total cost of deposits for the three months ended September 30, 2015.

Diversified Non-Interest Income

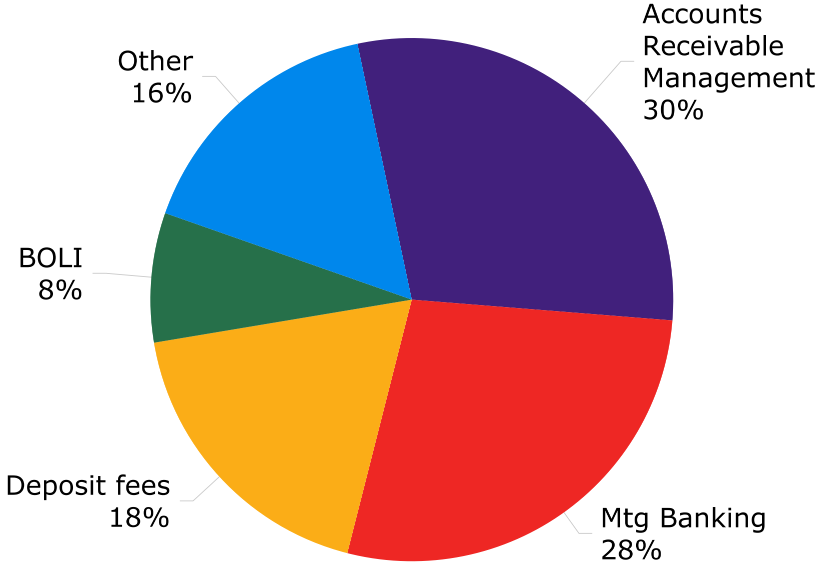
- Diversified mix of fee business including payroll finance, factoring and mortgage banking
- Total non-interest income to total revenue of 14.7%[(1)]
- Damian and FCC acquisitions accelerating growth in AR management as anticipated; Y-o-Y revenue growth of 24.8%

Total Fee Income [(1)]

($ in millions)



Fee Income Composition

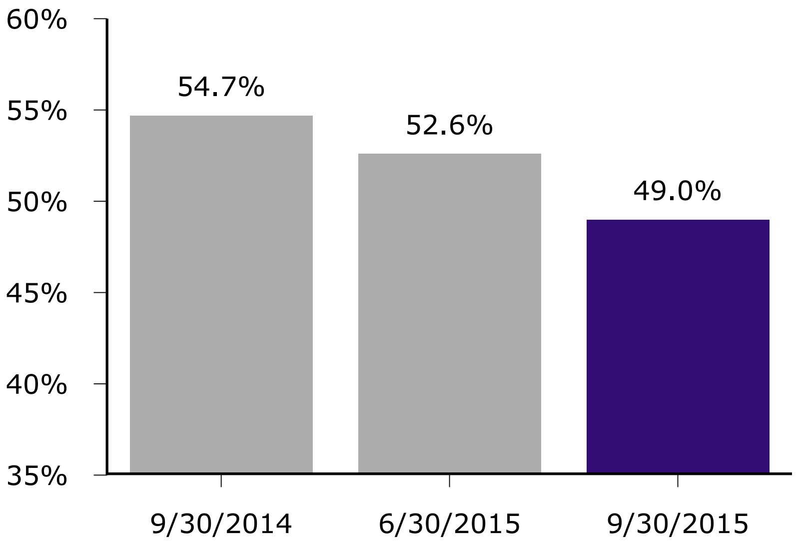


(1) Excludes net gains on sale of securities.

Significant Momentum in Core Operating Efficiency Gains

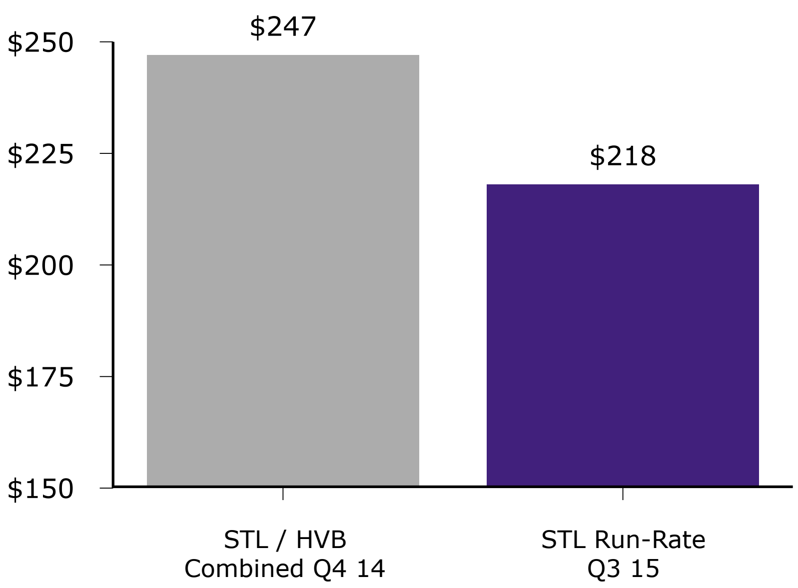
- Hudson Valley Merger integration is on-track
- Core operating efficiency ratio of 49.0%; represents improvement of 570 bps Y-o-Y
- Long-term non-interest expense target of $230 - $235 million (including amortization of intangibles)

Core Operating Efficiency Ratio



Annualized Operating Expenses

($ in millions)



Note: See pages 13 through 16 for a reconciliation of non-GAAP financial measures.

Asset Quality Performance

($ in millions)

	For the Quarter Ended				
Ratios and Balances	**9/30/14**	**12/31/14**	**3/31/15**	**6/30/15**	**9/30/15**
Non-performing loans to total loans	1.07%	0.97%	0.94%	0.95%	0.90%
Net charge-offs to average loans	0.09%	0.10%	0.13%	0.13%	0.09%
Allowance for loan losses to:					
Total loans	0.85%	0.88%	0.87%	0.61%	0.63%
Allowance for loan losses to non-performing loans	79.7%	90.8%	92.3%	64.2%	70.4%
Non-performing assets to total assets	0.80%	0.71%	0.71%	0.68%	0.69%
Special Mention	$39.6	$31.3	$26.1	$65.4	$91.1
Substandard / Doubtful	73.1	74.9	74.3	126.0	120.8
Total Criticized / Classified	112.7	106.2	100.4	191.4	211.9
Non-accrual and 90 days delinquent still accruing	51.0	46.6	46.4	69.0	67.7

Third Quarter 2015 Summary

- Strong core profitability, growth in revenues and strong momentum in operating leverage
- Hudson Valley Merger integration process well underway
- Operating efficiencies continue to be realized
- Revenue growth opportunities are significant
- Enhanced deposit base provides additional opportunities for growth
- Continued investment in commercial banking, specialty finance, and fee-based businesses
- Strong capital and ample liquidity for organic growth
- Strong credit quality
- Execution is the key

Adjusted Information (non-GAAP information)

- In this presentation, we have referred to adjusted results to help illustrate the impact of certain types of items, such as the following:
  - † The impact of merger-related expenses and charges for asset write-downs, retention and severance, termination of defined benefit pension plan, banking systems conversion and amortization of non-compete agreements to our results from operations.
  - † 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.

  We believe this additional information and reconciliations we provide may be useful to investors, analysts, regulators, and others as they evaluate the impact of these respective items on our results for the periods presented due to the extent to which the items may not be indicative of our ongoing operations. This information supplements our results as reported in accordance with GAAP, and should not be viewed in isolation from, or as a substitute for, our GAAP results.

Non-GAAP to GAAP Reconciliation

($ in thousands, except share and per share data)	As of and for the quarter ended				
	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
The following table shows the reconciliation of stockholders' equity to tangible equity and the tangible equity ratio:					
Total assets	$ 7,337,387	$ 7,424,822	$ 7,727,515	$ 11,566,382	$ 11,597,393
Goodwill and other intangibles	(434,204)	(432,258)	(452,698)	(753,899)	(751,529)
Tangible assets	6,903,183	6,992,564	7,274,817	10,812,483	10,845,864
Stockholders' equity	961,138	975,200	1,080,543	1,623,110	1,652,204
Goodwill and other intangibles	(434,204)	(432,258)	(452,698)	(753,899)	(751,529)
Tangible stockholders' equity	526,934	542,942	627,845	869,211	900,675
Common stock outstanding at period end	83,628,267	83,927,572	91,121,531	129,709,834	129,769,569
Tangible equity as % of tangible assets	7.63 %	7.76%	8.63%	8.04%	8.30%
Tangible book value per share	$ 6.30	$ 6.47	$ 6.89	$ 6.70	$ 6.94
The following table shows the reconciliation of return on average tangible equity and core return on average tangible equity:					
Average stockholders' equity	$ 956,166	$ 973,089	$ 1,031,809	$ 1,100,897	$ 1,639,458
Average goodwill and other intangibles	(434,141)	(433,396)	(438,970)	(455,320)	(752,701)
Average tangible stockholders' equity	522,025	539,693	592,839	645,577	886,757
Net income (loss)	16,337	17,004	16,778	(7,646)	24,193
Net income (loss), if annualized	64,815	67,462	68,044	(30,668)	95,983
Return on average tangible equity	12.42 %	12.50 %	11.48 %	(4.75)%	10.82 %
Core net income (see reconciliation on page 15)	$ 18,166	$ 19,615	$ 18,501	$ 21,361	$ 32,035
Annualized core net income	72,072	77,820	75,032	85,679	127,095
Core return on average tangible equity	13.81 %	14.42 %	12.66%	13.27%	14.33%

Non-GAAP to GAAP Reconciliation

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

	For the quarter ended				
	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
The following table shows the reconciliation of the core operating efficiency ratio:					
Net interest income	$ 59,633	$ 60,237	$ 58,867	$ 63,574	$ 93,354
Non-interest income	12,286	13,957	14,010	13,857	18,802
Total net revenue	71,919	74,194	72,877	77,431	112,156
Tax equivalent adjustment on securities interest income	1,543	1,546	1,544	1,562	1,707
Net (gain) loss on sale of securities	(33)	43	(1,534)	(697)	(2,726)
Core total revenue	73,429	75,783	72,887	78,296	111,137
Non-interest expense	43,780	45,814	45,921	85,659	71,315
Merger-related expense	—	(502)	(2,455)	(14,625)	—
Charge for asset write-downs, banking systems conversion, retention, severance	(1,103)	(2,493)	(971)	(28,055)	—
Defined benefit pension plan termination charge	—	—	—	—	(13,384)
Amortization of intangible assets	(2,511)	(1,873)	(1,399)	(1,780)	(3,431)
Core non-interest expense	40,166	40,946	41,096	41,199	54,500
Core operating efficiency ratio	54.7%	54.0%	56.4%	52.6%	49.0%

The following table shows the reconciliation of core net income and core earnings per share:

	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
Income before income tax expense	$ 22,789	$ 25,380	$ 24,856	$ (11,328)	$ 35,841
Income tax expense	6,452	8,376	8,078	(3,682)	11,648
Net income (loss)	16,337	17,004	16,778	(7,646)	24,193
Net (gain) loss on sale of securities	(33)	43	(1,534)	(697)	(2,726)
Merger-related expense	—	502	2,455	14,625	—
Charge for asset write-downs, banking systems conversion, retention, severance	1,103	2,493	971	28,055	—
Defined benefit pension plan termination charge	—	—	—	—	13,384
Amortization of non-compete agreements and acquired customer lists	1,497	859	660	991	961
Total charges	2,567	3,897	2,552	42,974	11,619
Income tax (benefit)	(738)	(1,286)	(829)	(13,967)	(3,777)
Total non-core charges net of taxes	1,829	2,611	1,723	29,007	7,842
Core net income	$ 18,166	$ 19,615	$ 18,501	$ 21,361	$ 32,035
Weighted average diluted shares	83,883,461	84,194,916	88,252,768	91,950,776	130,192,937
Diluted EPS as reported	$ 0.19	$ 0.20	$ 0.19	$ (0.08)	$ 0.19
Core diluted EPS (excluding total charges)	0.22	0.23	0.21	0.23	0.25

Non-GAAP to GAAP Reconcilement

($ in thousands, except share and per share data)	For the quarter ended				
	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
The following table shows the reconciliation of return on tangible assets and core return on tangible assets:					
Average assets	$ 7,217,649	$ 7,340,332	$ 7,438,314	$ 8,049,220	$ 11,242,870
Average goodwill and other intangibles	(434,141)	(433,396)	(438,970)	(455,320)	(752,701)
Average tangible assets	6,783,508	6,906,936	6,999,344	7,593,900	10,490,169
Net income (loss)	16,337	17,004	16,778	(7,646)	24,193
Net income (loss), if annualized	64,815	67,462	68,044	(30,668)	95,983
Return on average tangible assets	0.96%	0.98%	0.97%	(0.40)%	0.91%
Core net income (see reconciliation on page 15)	$ 18,166	$ 19,615	$ 18,501	$ 21,361	$ 32,035
Annualized core net income	72,072	77,820	75,032	85,679	127,095
Core return on average tangible assets	1.06%	1.13%	1.07%	1.13 %	1.21%

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