



Q4 and Full Year 2015 Earnings Conference Call

January 28, 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," "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 Annual Report on Form 10-K for the year ended December 31, 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 Annual Report on Form 10-K 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.

December 2015 Quarter Highlights

Higher profitability, strong momentum across all operating metrics and continued investment for future growth

- Reported net income of \$32.8 million and diluted EPS of \$0.25; core net income of \$33.5 million and diluted EPS of \$0.26⁽¹⁾
- Total revenue⁽²⁾ of \$111.6 million
- Total gross loans of \$7.9 billion; growth of \$333.7 million or 17.6% annualized Q-o-Q
- Total deposits of \$8.6 billion; average deposits of \$8.8 billion and weighted average cost of 26 bps
- Positive momentum across all core operating and profitability ratios ⁽¹⁾
 - † NIM: 3.68%; core efficiency ratio: 47.6%; core ROATE: 14.6%; core ROATA: 1.22%
- Net charge-offs of \$3.0 million representing 15 bps of average loans annualized
- Strong capital and liquidity position
- Integration of Hudson Valley Holding Corp. continues on target.
- Announced four new team hires and added capabilities across various business lines
- Declared dividend per share of \$0.07 on January 26, 2016

(1) Excludes certain charges and gains. Refer to pages 13 through 18 for detail on core ratio calculations.

(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.

Summary of Quarterly Financial Performance

(\$ in millions, except per share data)	Quarter Ended			Linked Q Δ	YOY Δ
	12/31/2014	9/30/2015	12/31/2015		
Selected Balance Sheet Data: ⁽¹⁾					
Total Assets	\$7,425	\$11,597	\$11,956	3.1%	61.0%
Gross Loans Held for Investment	4,816	7,526	7,859	4.4%	63.2%
Securities	1,713	2,528	2,644	4.6%	54.3%
Core Deposits ⁽²⁾⁽³⁾	4,656	8,136	7,823	(3.8%)	68.0%
Tangible Equity ⁽⁴⁾	543	901	917	1.8%	68.9%
Selected Profitability Data: ⁽¹⁾					
Net Interest Income	\$60.2	\$93.4	\$95.4	\$2.0	\$35.2
Provision for Loan Losses	3.0	5.0	5.5	0.5	2.5
Non-interest Income (Excluding Securities Gains)	14.0	16.1	16.2	0.1	2.2
Non-interest Expense	45.8	71.3	57.4	(13.9)	11.6
Net Income	17.0	24.2	32.8	8.6	15.8
Securities Gains	0.0	2.7	(0.1)	(2.8)	(0.1)
Key Performance Measures: ⁽¹⁾					
Diluted Earnings per Share	\$0.20	\$0.19	\$0.25	\$0.06	\$0.05
Core Diluted Earnings per Share ⁽⁴⁾	0.23	0.25	0.26	0.01	0.03
Net Interest Margin (tax-equivalent basis) ⁽⁵⁾	3.70%	3.76%	3.68%	(8) bps	(2) bps
Non-interest Income to Total Revenue	18.9%	14.7%	14.5%	(20) bps	(440) bps
Core Efficiency Ratio ⁽⁴⁾	54.0%	49.0%	47.6%	(140) bps	(640) bps
Core ROATA ⁽⁴⁾	1.13%	1.21%	1.22%	1 bps	9 bps
Core ROATE ⁽⁴⁾	14.4%	14.3%	14.6%	30 bps	20 bps

(1) See earnings release dated January 27, 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 13 through 18 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

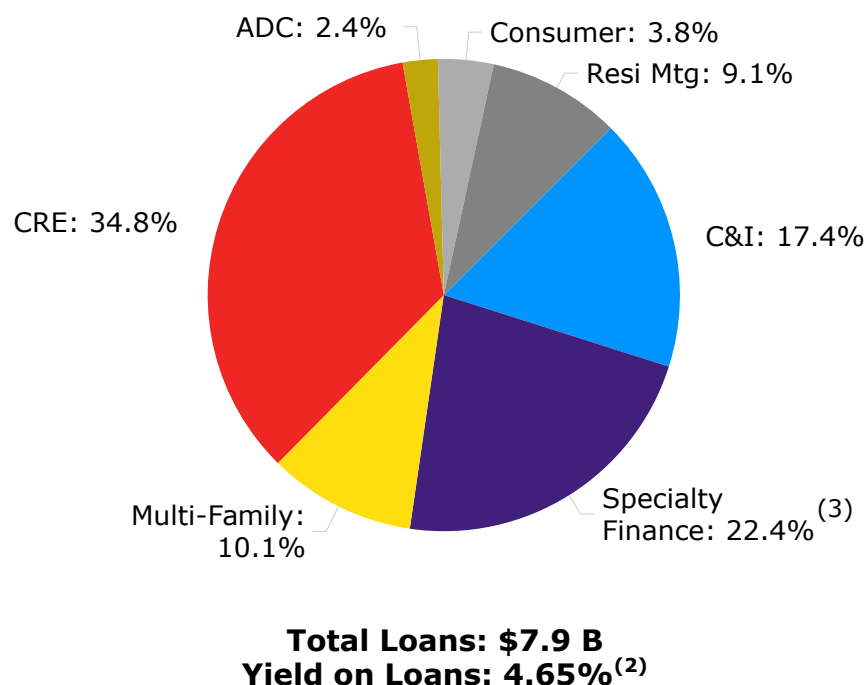
(\$ in thousands, except per share data)	Quarter Ended		Year Ended	
	12/31/2014	12/31/2015	12/31/2014	12/31/2015
Reported Diluted Earnings per Share	\$ 0.20	\$ 0.25	\$ 0.70	\$ 0.60
Reported Net Income	\$ 17,004	\$ 32,791	\$ 58,684	\$ 66,114
Net Income Adjustments:				
Net loss (gain) on sale of securities	43	121	(1,243)	(4,837)
Merger-related expense	502	—	890	17,079
Defined benefit pension plan termination charge	—	—	1,486	13,384
Charge for asset write-downs, banking systems conversion, retention and severance	2,493	—	6,595	29,046
Amortization of non-compete agreements	859	961	5,350	3,526
(Gain) on sale of other real estate, redemption of TRUPs	—	—	(1,637)	—
Total Adjustments	3,897	1,082	11,441	58,198
Total Adjustments (after-tax)	2,611	734	7,979	39,284
Core Net Income	19,615	33,525	66,663	105,398
Core Diluted Earnings per Share	\$ 0.23	\$ 0.26	\$ 0.79	\$ 0.96
<i>Weighted average diluted shares outstanding</i>	84,194,916	130,354,779	83,921,090	110,329,353
<i>Core return on average tangible assets</i>	1.13%	1.22%	1.00%	1.17%
<i>Core return on average tangible equity</i>	14.4%	14.6%	12.9%	13.9%
<i>Core operating efficiency ratio</i>	54.0%	47.6%	56.9%	50.8%
<i>Tangible book value per share</i>	\$ 6.47	\$ 7.05	\$ 6.47	\$ 7.05

Note: See pages 13 through 18 for a reconciliation of non-GAAP financial measures.

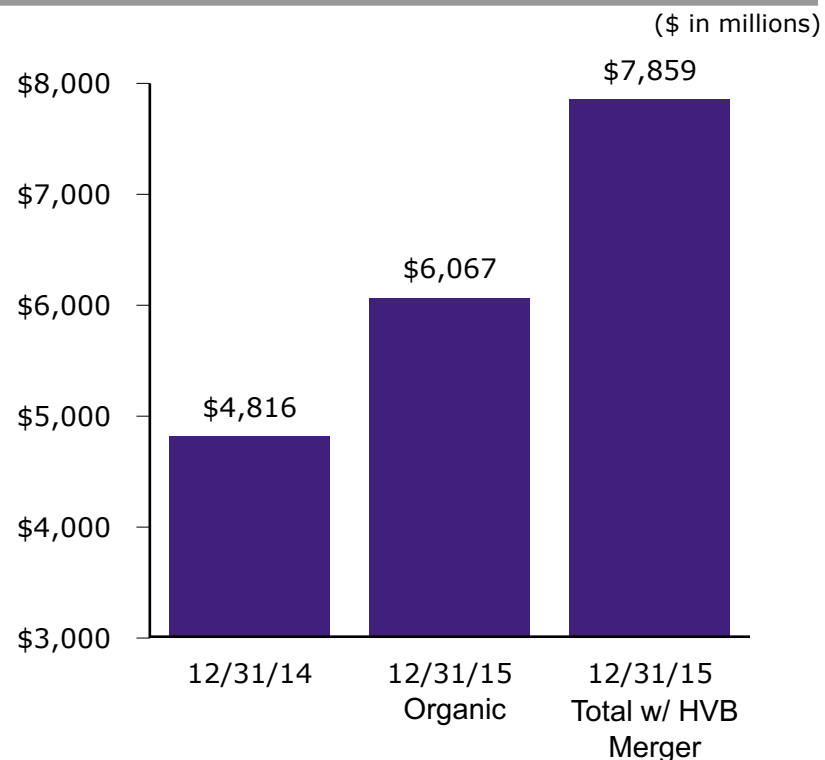
Strong Loan Growth Across Commercial Asset Classes

- Annualized growth rate: 17.6% total portfolio loans; 20.4% total commercial loans⁽¹⁾
- Diversified loan portfolio with 87.1% consisting of commercial asset classes
- Specialty finance⁽³⁾ business lines Y-o-Y growth rate of 43.2%

Loan Composition



Loan Balances



(1) Rates represent annualized growth rates for the period September 30, 2015 through December 31, 2015.

(2) Represents loan portfolio yield for the three months ended December 31, 2015.

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

Origination Capabilities Across Broad Asset Classes

(\$ in millions)

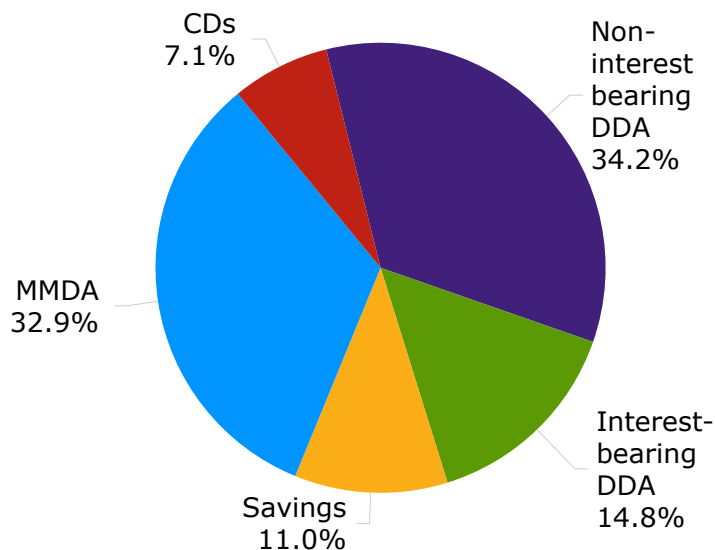
Line of Business	12/31/2014	12/31/2015 Organic	12/31/15 HVB Merger	YOY Growth Organic	YOY Growth HVB Merger
Commercial:					
C&I	\$ 1,245	\$ 1,419	\$ 1,682	14.0 %	35.1 %
Payroll Finance	154	222	222	44.2	44.2
Warehouse Lending	174	388	388	123.0	123.0
Factored Receivables	162	208	208	28.4	28.4
Equipment Financing	411	560	631	36.3	53.5
Total Commercial	2,146	2,797	3,131	30.3	45.9
Commercial Real Estate:					
Commercial Real Estate	1,458	2,012	2,733	38.0	87.4
Multi-Family	385	466	796	21.0	106.8
ADC	97	114	186	17.5	91.8
Total Commercial Real Estate	1,940	2,592	3,715	33.6	91.5
Consumer:					
Residential Mortgage	530	485	713	(8.5)	34.5
Other Consumer	200	196	300	(2.0)	50.0
Total Consumer	730	681	1,013	(6.7)	38.8
Total Portfolio Loans	\$ 4,816	\$ 6,070	\$ 7,859	26.0%	63.2%

Note: Organic loan balances exclude the fair value of loans acquired from Hudson Valley.

Attractive Deposit Base

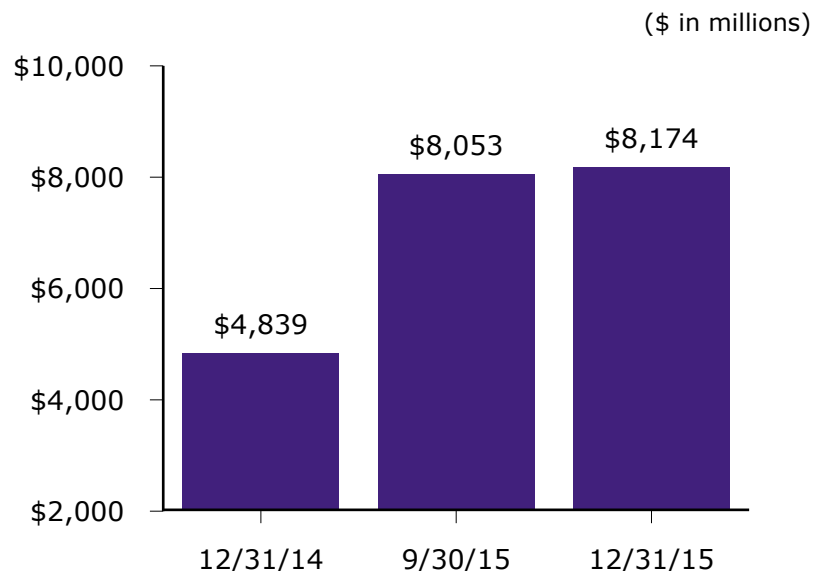
- 91.2% core deposits⁽¹⁾ with weighted average cost of 26 basis points⁽²⁾
- Retail and commercial: 76.1%; municipal: 13.3%; wholesale and other⁽³⁾: 10.6%
- Average demand, savings and MM deposits grew \$122.8 million in Q4 2015
- Loans to deposits ratio of 91.6% as of 12/31/2015

Deposit Composition



Total Deposits: \$8.6B
Total Cost of Deposits: 0.26%⁽²⁾

Average 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.

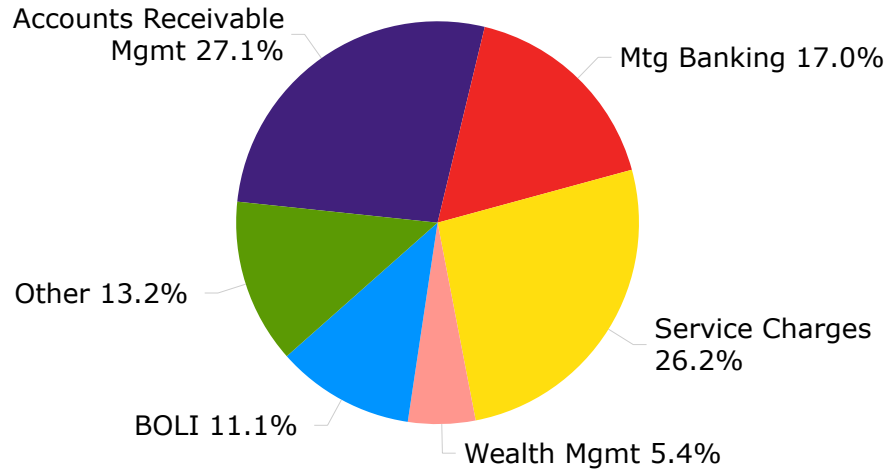
(2) Represents total cost of deposits for the three months ended December 31, 2015.

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

Diversified Non-Interest Income

- Total fee income⁽¹⁾ of \$16.2 million; growth of 15.7% over same quarter a year ago
- New products for 2016: swaps, cash management and loan syndications

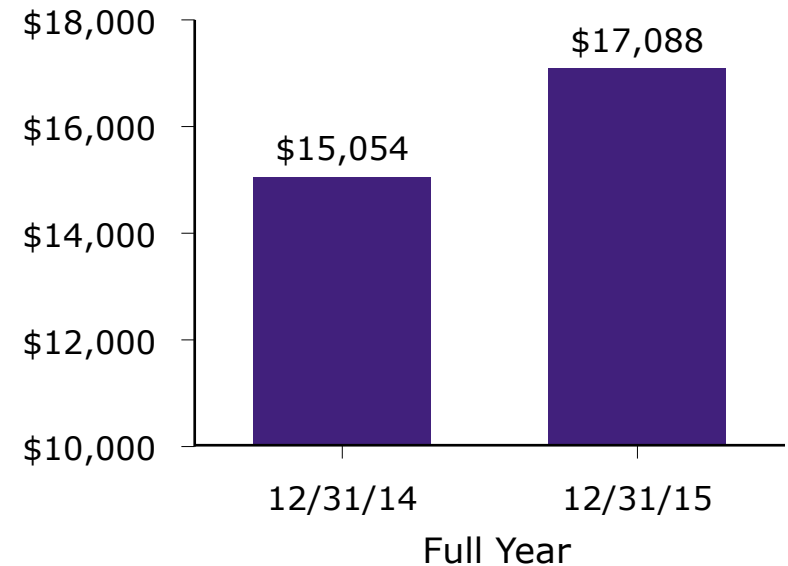
Non-Interest Income Composition⁽¹⁾



Total Fee Income Q4 2015: \$16.2 M⁽¹⁾
% of Total Revenue: 14.5%

Accounts Receivable Management Fees⁽²⁾

(\$ in thousands)

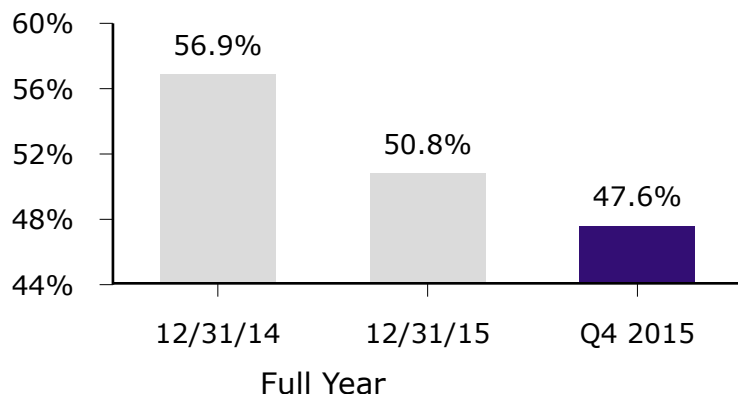


(1) Excludes net gains/(losses) on sale of securities.

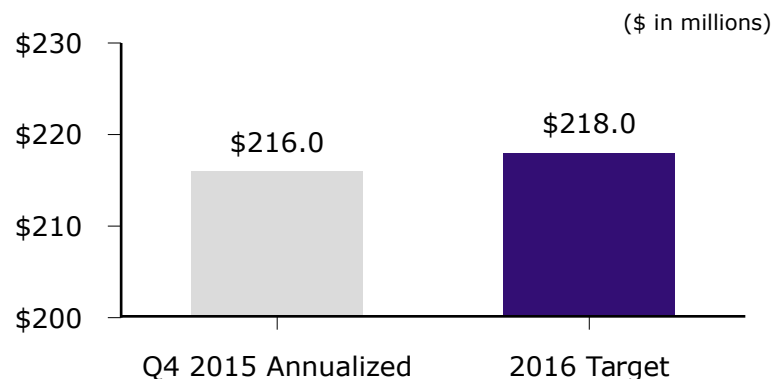
(2) Accounts receivable management fees represents fees generated in our factoring and payroll finance businesses which are typically based on a percentage of the factored sales volume and outsourcing support services provided to clients.

Continued Momentum in Core Operating Efficiency Gains

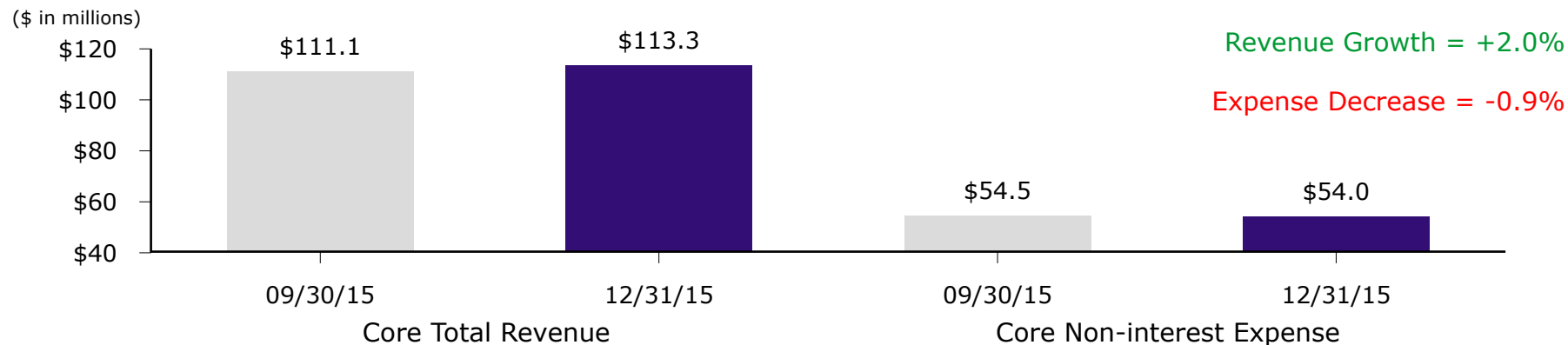
Core Operating Efficiency Ratio



Core Operating Expenses



Core Operating Leverage



Note: See pages 13 through 18 for a reconciliation of non-GAAP financial measures.

Continued Strong Asset Quality Performance

(\$ in millions)	As of or for the quarter ended				
	12/31/14	3/31/15	6/30/15	9/30/15	12/31/15
Ratios and Balances					
Non-performing loans to total loans	0.97%	0.94%	0.95%	0.90%	0.84%
Net charge-offs to average loans	0.10%	0.13%	0.13%	0.09%	0.15%
Allowance for loan losses to:					
Total loans	0.88%	0.87%	0.61%	0.63%	0.64%
Allowance for loan losses to non-performing loans	90.8%	92.3%	64.2%	70.4%	75.5%
Non-performing assets to total assets	0.71%	0.71%	0.68%	0.69%	0.68%
Special Mention	\$31.3	\$26.1	\$65.4	\$91.1	\$68.0
Substandard / Doubtful	74.9	74.3	126.0	120.8	130.4
Total Criticized / Classified	106.2	100.4	191.4	211.9	198.4
Non-accrual and 90 days	46.6	46.4	69.0	67.7	66.4

December 2015 Summary

- Strong momentum in core earnings and profitability metrics
- Merger integration on-track
- Operating efficiencies continue to be realized
- Revenue growth opportunities are significant
- Continued investment in commercial banking, specialty finance, and fee-based businesses
- Focus on accelerating core deposit growth opportunities
- 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 charge for asset write-downs, retention and severance, settlement of pension plan, 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, 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 of 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				
	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015
The following table shows the reconciliation of stockholders' equity to tangible equity and the tangible equity ratio:					
Total assets	\$ 7,424,822	\$ 7,727,515	\$ 11,566,382	\$ 11,597,393	\$ 11,955,952
Goodwill and other intangibles	(432,258)	(452,698)	(753,899)	(751,529)	(748,066)
Tangible assets	6,992,564	7,274,817	10,812,483	10,845,864	11,207,886
Stockholders' equity	975,200	1,080,543	1,623,110	1,652,204	1,665,073
Goodwill and other intangibles	(432,258)	(452,698)	(753,899)	(751,529)	(748,066)
Tangible stockholders' equity	\$ 542,942	\$ 627,845	\$ 869,211	\$ 900,675	\$ 917,007
Common stock outstanding at period end	83,927,572	91,121,531	129,709,834	129,769,569	130,006,926
Tangible equity as % of tangible assets	7.76%	8.63%	8.04%	8.30%	8.18%
Tangible book value per share	\$ 6.47	\$ 6.89	\$ 6.70	\$ 6.94	\$ 7.05

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

Average stockholders' equity	\$ 973,089	\$ 1,031,809	\$ 1,100,897	\$ 1,639,458	\$ 1,661,282
Average goodwill and other intangibles	(433,396)	(438,970)	(455,320)	(752,701)	(750,334)
Average tangible stockholders' equity	539,693	592,839	645,577	886,757	910,948
Net income (loss)	17,004	16,778	(7,646)	24,193	32,791
Net income (loss), if annualized	67,462	68,044	(30,668)	95,983	130,095
Return on average tangible equity	12.50%	11.48%	(4.75)%	10.82%	14.28%
Core net income (see reconciliation on page 15)	\$ 19,615	\$ 18,501	\$ 21,361	\$ 32,035	\$ 33,525
Annualized core net income	77,820	75,032	85,679	127,095	133,007
Core return on average tangible equity	14.42%	12.66%	13.27%	14.33%	14.60%

Non-GAAP to GAAP Reconciliation

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

	As of or for the quarter ended				
	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015
The following table shows the reconciliation of the core operating efficiency ratio:					
Net interest income	\$ 60,237	\$ 58,867	\$ 63,574	\$ 93,354	\$ 95,421
Non-interest income	13,957	14,010	13,857	18,802	16,081
Total net revenue	74,194	72,877	77,431	112,156	111,502
Tax equivalent adjustment on securities interest income	1,546	1,544	1,562	1,707	1,692
Net (gain) loss on sale of securities	43	(1,534)	(697)	(2,726)	121
Core total revenue	75,783	72,887	78,296	111,137	113,315
Non-interest expense	45,814	45,921	85,659	71,315	57,419
Merger-related expense	(502)	(2,455)	(14,625)	—	—
Charge for asset write-downs, banking systems conversion, retention, severance	(2,493)	(971)	(28,055)	—	—
Charge on benefit plan settlement	—	—	—	(13,384)	—
Amortization of intangible assets	(1,873)	(1,399)	(1,780)	(3,431)	(3,431)
Core non-interest expense	40,946	41,096	41,199	54,500	53,988
Core operating efficiency ratio	54.0%	56.4%	52.6%	49.0%	47.6%

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

Income (loss) before income tax expense	\$ 25,380	\$ 24,856	\$ (11,328)	\$ 35,841	\$ 48,583
Income tax expense (benefit)	8,376	8,078	(3,682)	11,648	15,792
Net income (loss)	17,004	16,778	(7,646)	24,193	32,791
Net (gain) loss on sale of securities	43	(1,534)	(697)	(2,726)	121
Merger-related expense	502	2,455	14,625	—	—
Charge for asset write-downs, banking systems conversion, retention, severance	2,493	971	28,055	—	—
Charge on benefit plan settlement	—	—	—	13,384	—
Amortization of non-compete agreements	859	660	991	961	961
Total charges	3,897	2,552	42,974	11,619	1,082
Income tax (benefit)	(1,286)	(829)	(13,967)	(3,777)	(348)
Total non-core charges net of taxes	2,611	1,723	29,007	7,842	734
Core net income	\$ 19,615	\$ 18,501	\$ 21,361	\$ 32,035	\$ 33,525
Weighted average diluted shares	84,194,916	88,252,768	91,950,776	130,192,937	130,354,779
Diluted EPS as reported	\$ 0.20	\$ 0.19	\$ (0.08)	\$ 0.19	\$ 0.25
Core diluted EPS (excluding total charges)	0.23	0.21	0.23	0.25	0.26

Non-GAAP to GAAP Reconciliation

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

	For the quarter ended				
	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015
The following table shows the reconciliation of return on tangible assets and core return on tangible assets:					
Average assets	\$ 7,340,332	\$ 7,438,314	\$ 8,049,220	\$ 11,242,870	\$ 11,622,621
Average goodwill and other intangibles	(433,396)	(438,970)	(455,320)	(752,701)	(750,334)
Average tangible assets	6,906,936	6,999,344	7,593,900	10,490,169	10,872,287
Net income (loss)	17,004	16,778	(7,646)	24,193	32,791
Net income (loss), if annualized	67,462	68,044	(30,668)	95,983	130,095
Return on average tangible assets	0.98%	0.97%	(0.40)%	0.91%	1.20%
Core net income (see reconciliation on page 15)	\$ 19,615	\$ 18,501	\$ 21,361	\$ 32,035	\$ 33,525
Annualized core net income	77,820	75,032	85,679	127,095	133,007
Core return on average tangible assets	1.13%	1.07%	1.13 %	1.21%	1.22%

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

	For the year ended	
	12/31/2014	12/31/2015
Average stockholders' equity	\$ 952,126	\$ 1,360,858
Average goodwill and other intangibles	(435,967)	(600,605)
Average tangible stockholders' equity	516,159	760,253
Net income	\$ 58,684	\$ 66,114
Return on average tangible equity	11.37%	8.70%
Core net income (see reconciliation on page 18)	\$ 66,663	\$ 105,398
Core return on average tangible equity	12.92%	13.86%

Non-GAAP to GAAP Reconciliation

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

The following table shows the reconciliation of return on tangible assets and core return on tangible assets:

	For the year ended	
	12/31/2014	12/31/2015
Average assets	\$ 7,090,442	\$ 9,604,256
Average goodwill and other intangibles	(435,967)	(600,605)
Average tangible assets	6,654,475	9,003,651
Net income	58,684	66,114
Return on average tangible assets	0.88%	0.73%
Core net income (see reconciliation on page 17)	\$ 66,663	\$ 105,398
Core return on average tangible assets	1.00%	1.17%

The following table shows the reconciliation of the core operating efficiency ratio:

Net interest income	\$ 232,349	\$ 311,216
non-interest income	52,179	62,751
Total net revenues	284,528	373,967
Tax equivalent adjustment on securities	6,010	6,503
(Gain) on sale of securities	(1,243)	(4,837)
Core total revenue	289,295	375,633
Non-interest expense	181,268	260,318
Merger-related expense	(890)	(17,079)
Charge for asset write-downs, banking systems conversion, retention, severance	(6,595)	(29,046)
Gain on sale of real estate and TRUPs redemption	1,637	—
Charge on benefit plan settlement	(1,486)	(13,384)
Amortization of intangible assets	(9,406)	(10,041)
Core non-interest expense	164,528	190,768
Core operating efficiency ratio	56.9%	50.8%

Non-GAAP to GAAP Reconciliation

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

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

	For the year ended	
	12/31/2014	12/31/2015
Income before income tax expense	\$ 84,160	\$ 97,949
Income tax expense	25,476	31,835
Net income	58,684	66,114
Net (gain) on sale of securities	(1,243)	(4,837)
Gain on sale of financial center and redemption of TRUPs	890	17,079
Merger-related expense	6,595	29,046
Charge for asset write-downs, banking system conversion, retention and severance	(1,637)	—
Charge on benefit plan settlement	1,486	13,384
Amortization of non-compete agreements	5,350	3,526
Total charges (gains)	11,441	58,198
Income tax (benefit)	(3,462)	(18,914)
Total non-core charges (gains) net of taxes	7,979	39,284
Core net income	\$ 66,663	\$ 105,398
Weighted average diluted shares	83,921,090	110,329,353
Diluted EPS as reported	\$ 0.70	\$ 0.60
Diluted EPS (excluding total charges)	0.79	0.96



**STERLING
BANCORP**