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EDITED TRANSCRIPT

STL - Sterling Bancorp Annual Shareholders Meeting

EVENT DATE/TIME: MAY 22, 2018 / 3:00PM GMT



MAY 22, 2018 / 3:00PM, STL - Sterling Bancorp Annual Shareholders Meeting

CORPORATE PARTICIPANTS

Jack L. Kopnisky *Sterling Bancorp - President, CEO & Director*

Richard L. O'Toole *Sterling Bancorp - Chairman of the Board*

PRESENTATION

Operator

Good morning. Welcome to the Sterling Bancorp Annual Meeting of Stockholders. I would now like to turn the conference over to Richard O'Toole. Please go ahead.

Richard L. O'Toole - *Sterling Bancorp - Chairman of the Board*

Thank you. The meeting will please come to order. Good morning. I'm Richard O'Toole, Chairman of the Board of Directors of Sterling Bancorp. It is my pleasure to welcome you to the Annual Meeting of Stockholders.

I would like to introduce the other directors of the company who are here at this meeting. Jack Kopnisky, Director, President and Chief Executive Officer, is here; as well as Directors John Cahill, Jim Deutsch, Navy Djonovic, Ferdie Ferrer, Bob Giambrone, Jim Landy, Bob Lazar, Pat Nazemetz, Ralph Palleschi, Burt Steinberg and Bill Whiston.

Also participating in this meeting is Luis Massiani, Senior Executive Vice President and Chief Financial Officer, as well as representatives from our auditors, Crowe Horwath.

We will vote in a few moments. If any stockholder has not delivered their proxy, you can vote now by utilizing the prompt in the bottom right-hand corner of your computer screen.

Richard L. O'Toole - *Sterling Bancorp - Chairman of the Board*

The Board of Directors has previously appointed Broadridge Financial Solutions, Inc. to act as Inspector of Elections at this Annual Meeting and to count and examine all voting. [Tracy Oaks] of Broadridge Financial is with us today. She has executed an oath of office, which will be filed with the minutes of this meeting.

The company has delivered to the Inspector of Elections a list of the stockholders entitled to vote at this Annual Meeting as of the close of business on March 28, 2018, the record date of the meeting. A copy of this list is available for inspection by stockholders upon request.

We have previously received confirmation that on or about April 23, 2018, proxy materials mailed to each stockholder of record. A copy of the affidavit of mailing will be attached to the minutes of this meeting and retained as part of the permanent records.

The Corporate Secretary has previously delivered to the Inspector all proxies that had been received. The Corporate Secretary reports that there are 225,469,061 outstanding shares entitled to vote at this Annual Meeting, of which, 169,101,796 represent a majority and a quorum.

At the opening of this meeting, there were present in person or by proxy 209,863,854 shares representing 93.07% of the shares outstanding and entitled to vote and constituting a quorum. Accordingly, I declare that this meeting has been legally called and convened.

No stockholder proposals were filed with the company's Secretary in advance of this Annual Meeting as provided in the bylaws. Therefore, the business of this meeting is limited to the matters set forth in the notice of meeting. There will be an opportunity for questions after the voting is concluded during the question-and-answer period. You may submit your questions by typing them in where indicated on the virtual meeting site.



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If you have already voted by proxy, you need not vote at the Annual Meeting although you are welcome to do so, if you wish.

The polls are now open. The business of this meeting is set forth in the notice of meeting and includes: Proposal #1, which is the election of directors for a 1-year term; Proposal #2, the approval by affirmative vote have been amended to the company's Amended and Restated Certificate of Incorporation to eliminate the provisions requiring [callers] and a super majority vote to remove directors; Proposal #3, the approval by nonbinding vote on the compensation of the named executive officers; and Proposal #4, the ratification of the appointment of Crowe Horwath LLC (sic) [Crowe Horwath LLP] as the independent registered public accounting firm for the company for the fiscal year ending December 31, 2018.

If there is anyone who did not vote by proxy and who wishes to vote, please do so now.

(Voting)

Richard L. O'Toole - Sterling Bancorp - Chairman of the Board

The polls are now declared closed. All ballots and proxies will be tabulated by the Inspector of Election. While the Inspector completes her count, President and CEO, Jack Kopnisky; and CFO, Luis Massiani, will report on the business of the company followed by a question-and-answer session.

I am pleased to introduce Jack Kopnisky.

Jack L. Kopnisky - Sterling Bancorp - President, CEO & Director

Thanks, Richard. There is a presentation on the website, if you care to follow.

So good morning, everyone, and thank you for joining us to present the company's performance for the year ended 12/31/2017 and the first quarter of 2018. 2017 was another strong year in the evolution of Sterling Bancorp. We continue to position the company to demonstrate high levels of performance since September of 2011 when the majority of the current leadership team came to the initial bank, Provident Bank of New York. We have grown assets from \$3.1 billion to more than \$30 billion.

On an adjusted basis, earnings have grown from \$9.4 million to \$220 million, resulting in a 68.5% compound annual growth rate.

Our EPS or earnings per share have grown from \$0.25 to \$1.40 per share or a 32.5% compound annual growth rate. At year-end 2017, our return on average tangible assets was 127 basis points and return on average tangible equity was 15.17%.

Our efficiency ratio was 41.8% as we continue to consistently grow revenues at 2x to 3x the level of expenses. Through the end of the year, our stock value has increased over 320%. We have continue to grow both organically using our effective team-based model that focuses on select market segments and through acquisition opportunities in the market.

Since 2011, we have acquired 4 banks with our most recent acquisition being Astoria Bancorp, along with 7 commercial finance businesses or portfolios. The combination of our business mix and our ability to acquire effectively integrate companies have created a terrific platform for growth.

The first quarter of 2018 saw a continued progress with adjusted earnings of \$101 million, an increase of 143% over the previous year and an earnings per share of \$0.45, an increase of 45% over prior period. Adjusted return on average tangible assets was 145 basis points and adjusted return on average tangible equity was 17.24%, while the efficiency ratio improved to 40.3%.

In April, we completed the acquisition of Advantage Funding, a transportation equipment finance company. We are excited for the opportunities to grow in our markets. We also will continue to evolve and reinvent our company as we progress this model.

Finally, thanks for the support of our shareholders, our board, our clients and our terrific colleagues.

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Now let's open the line for questions, operator.

Unidentified Company Representative

There are no shareholder questions at this time.

Jack L. Kopnisky - *Sterling Bancorp - President, CEO & Director*

Thanks. Richard?

Richard L. O'Toole - *Sterling Bancorp - Chairman of the Board*

Thank you, Jack. The Inspector has completed her count and provided me with her report of the Inspector of Elections. The report confirms that a quorum has been in attendance at the Annual Meeting for all purposes. Also reported in the Inspector's report for the directors have been elected by more than their requisite votes to serve for a term of 1 year. The affirmative vote for the amendment to the company's Certificate of Incorporation and all other matters have been approved by more than the requisite vote. The certificate and report of the Inspector of Election will be attached to the minutes of the Annual Meeting. The precise vote on each matter will be included in Form 8-K that the company will file with the SEC.

There being no further business to come before the Annual Meeting, a motion to adjourn is in order.

Unidentified Participant

Motion to adjourn.

Richard L. O'Toole - *Sterling Bancorp - Chairman of the Board*

Do I hear a second?

Unidentified Participant

Second.

Richard L. O'Toole - *Sterling Bancorp - Chairman of the Board*

Those in favor, signify by saying aye?

(Voting)

Richard L. O'Toole - *Sterling Bancorp - Chairman of the Board*

Those who oppose, say no.

The motion is carried and the Annual Meeting is adjourned. Thank you for your attendance and your continued support of Sterling Bancorp.



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Operator

The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.

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