



Quarter Ended June 30, 2015 Earnings Conference Call

July 28, 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 six months ended June 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.

June 2015 Quarter Highlights

Strong core profitability, organic loan and deposit growth and positive operating leverage

- Reported net loss of \$7.6 million and EPS of \$0.08; core net income of \$21.4 million and core diluted EPS of \$0.23 excluding merger-related and other charges ⁽¹⁾
- Total revenue⁽²⁾ of \$76.7 million
- Core revenue growth of 8.4% versus core operating expense decline of 1.2% Y-o-Y⁽²⁾⁽³⁾
- Total portfolio loans of \$7.2 billion; organic growth of \$860.9 million or 18.9% Y-o-Y
- Total deposits of \$8.8 billion; organic growth of \$608.6 million or 11.9% Y-o-Y
- Strong core operating and core profitability ratios⁽³⁾
 - † NIM: 3.57%; operating efficiency ratio: 52.6%; ROATE: 13.27%; ROATA: 1.13%
- Strong capital and liquidity position for continued opportunistic growth
- Successful completion of acquisition of Hudson Valley Holding Corp.
- Announced dividend per share of \$0.07 on 7/27/2015

(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.

(3) Refer to pages 15 through 18 for detail on core ratio calculations.

Summary of Financial Performance

(\$ in millions, except per share data)	Quarter Ended			Linked Q Δ	YOY Δ
	6/30/2014	3/31/2015	6/30/2015		
Selected Balance Sheet Data: ⁽¹⁾					
Total Assets	\$7,251	\$7,728	\$11,566	49.7%	59.5%
Gross Portfolio Loans	4,559	4,816	7,236	50.2	58.7
Investment Securities	1,731	1,800	2,667	48.2	54.1
Core Deposits ⁽²⁾⁽³⁾	4,458	4,954	8,153	64.6	82.9
Tangible Equity ⁽⁴⁾	518	628	869	38.4	67.8
Selected Profitability Data: ⁽¹⁾					
Net Interest Income	\$58.5	\$58.9	\$63.6	\$4.7	\$5.1
Provision for Loan Losses	6.0	2.1	3.1	1.0	(2.9)
Non-interest Income (Excluding Securities Gains)	12.3	12.5	13.2	0.7	0.9
Non-interest Expense	44.9	45.9	85.7	39.8	40.8
Net Income (Loss)	15.0	16.8	(7.6)	(24.4)	(22.6)
Securities Gains	1.2	1.5	0.7	(0.8)	(0.5)
Key Performance Measures: ⁽¹⁾					
Diluted Earnings per Share	\$0.18	\$0.19	(\$0.08)	(\$0.27)	(\$0.26)
Core Diluted Earnings per Share ⁽⁴⁾	0.19	0.21	0.23	\$0.02	\$0.04
Net Interest Margin (tax-equivalent basis) ⁽⁵⁾	3.84%	3.64%	3.57%	(0.07%)	(0.27%)
Non-interest Income to Total Revenue	17.4%	17.5%	17.2%	(0.30%)	(0.20%)
Core Operating Efficiency Ratio ⁽⁴⁾	57.8%	56.4%	52.6%	(3.80%)	(5.20%)
Core ROATA ⁽⁴⁾	0.95%	1.07%	1.13%	0.06%	0.18%
Core ROATE ⁽⁴⁾	12.42%	12.66%	13.27%	0.61%	0.85%

(1) See earnings release dated July 27, 2015.

(2) Excludes certificates of deposit and wholesale deposits.

(3) See page 9 for details on core deposits.

(4) See pages 15 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

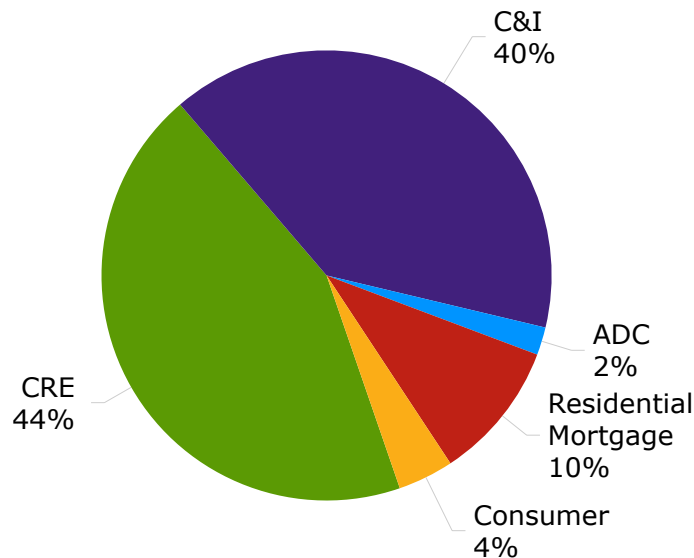
	Quarter Ended		
	6/30/2014	3/31/2015	6/30/2015
(\$ in thousands, except per share data)			
Reported Earnings per Share	\$0.18	\$0.19	(\$0.08)
Reported Net Income (Loss)	15,011	16,778	(7,646)
Net Income Adjustments:			
Net gain on sale of securities	(1,193)	(1,534)	(697)
Merger-related expense	—	2,455	14,625
Gain on sale of financial center and redemption of TRUPs	(1,637)	—	—
Charge for asset write-downs, banking systems conversion, retention, severance and other	2,321	971	28,055
Amortization of non-compete agreements and acquired customer lists	1,497	660	991
Total Adjustments	988	2,552	42,974
Total Adjustments (after-tax)	704	1,723	29,007
Core Net Income	15,715	18,501	21,361
Core Diluted Earnings per Share	\$0.19	\$0.21	\$0.23
<i>Weighted average diluted shares outstanding</i>	<i>83,806,135</i>	<i>88,252,768</i>	<i>91,950,776</i>
<i>Core return on average tangible assets</i>	<i>0.95%</i>	<i>1.07%</i>	<i>1.13%</i>
<i>Core return on average tangible equity</i>	<i>12.42%</i>	<i>12.66%</i>	<i>13.27%</i>
<i>Core operating efficiency ratio</i>	<i>57.8%</i>	<i>56.4%</i>	<i>52.6%</i>
<i>Tangible book value per share</i>	<i>\$ 6.20</i>	<i>\$ 6.89</i>	<i>\$ 6.70</i>

Note: See pages 15 through 18 for a reconciliation of non-GAAP financial measures.

Diversified Balance Sheet

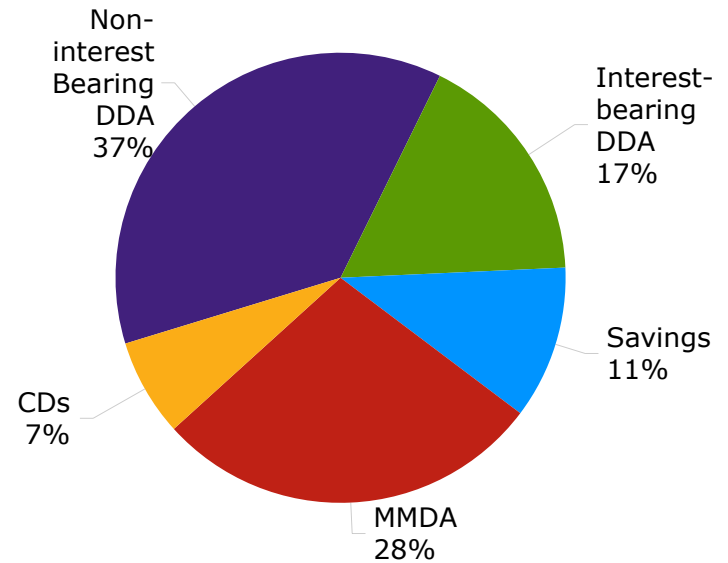
- Loans to deposits ratio of 81.9% as of June 30, 2015
- Diversified loan portfolio with 83.5% consisting of commercial asset classes
- Attractive deposit base with 92.3% core deposits

Loan Composition



Total Portfolio Loans: \$7.2 B
Yield on Loans: 4.54%⁽¹⁾

Deposit Composition



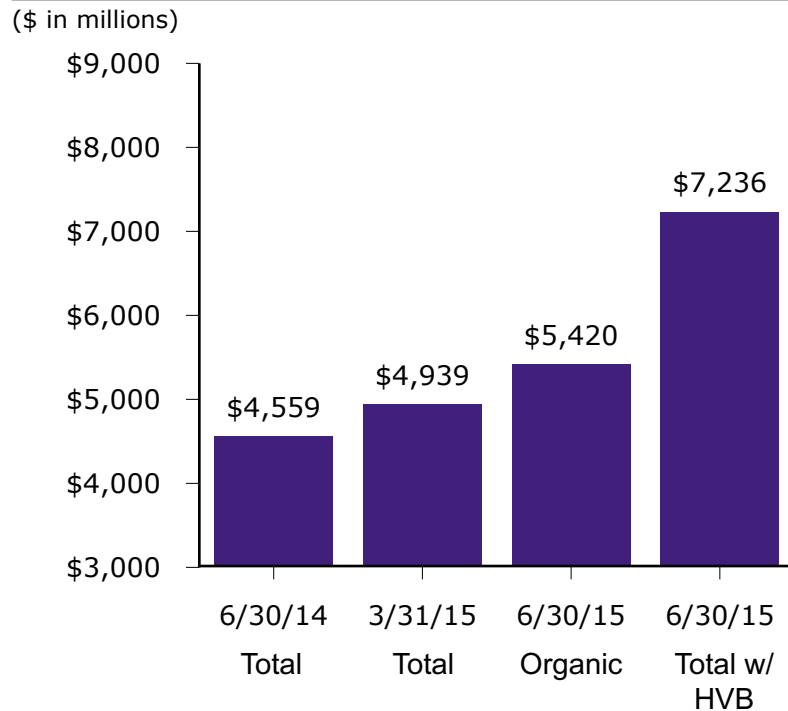
Total Deposits: \$8.8 B
Cost of Deposits: 0.24%⁽¹⁾

(1) Represents combined loan portfolio yield and total cost of deposits as of June 30, 2015 inclusive of balances acquired from HVB. Excludes HVB merger purchase accounting adjustments.

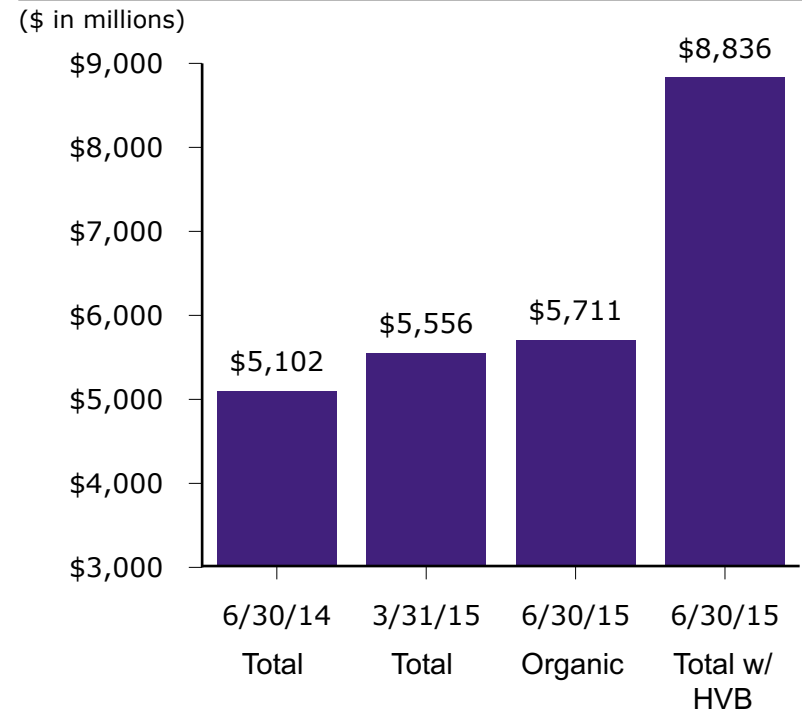
Strong Organic Growth in Loans and Deposits

- Total portfolio loans of \$7.2 billion; organic growth of \$480.6 million
 - † Annualized organic growth of 18.9% Y-o-Y and 38.9% over linked quarter
- Total deposits of \$8.8 billion; organic growth of \$155.1 million
 - † Annualized organic growth of 11.9% Y-o-Y and 11.2% over linked quarter

Total Portfolio Loans



Total Deposits



Origination Capabilities Across Broad Asset Classes

(\$ in millions)

Line of Business	6/30/2014	6/30/2015 Organic	6/30/15 Combined	YOY Growth Organic	YOY Growth Combined
Commercial:					
C&I	\$ 1,145	\$ 1,307	\$ 1,573	14.1 %	37.4 %
Payroll Finance	129	167	167	29.5	29.5
Warehouse Lending	213	357	357	67.6	67.6
Factored Receivables	144	205	205	42.4	42.4
Equipment Financing	375	509	582	35.7	55.2
Total Commercial	2,006	2,545	2,884	26.9	43.8
Commercial Real Estate:					
Commercial Real Estate	1,384	1,648	2,379	19.1	71.9
Multi-Family	338	448	782	32.5	131.4
ADC	102	97	170	(4.9)	66.7
Total Commercial Real Estate	1,824	2,193	3,331	20.2	82.6
Consumer:					
Residential Mortgage	528	485	726	(8.1)	37.5
Other Consumer	201	196	295	(2.5)	46.8
Total Consumer	729	681	1,021	(6.6)	40.1
Total Portfolio Loans	\$ 4,559	\$ 5,419	\$ 7,236	18.9%	58.7%

Attractive Deposit Base

(\$ in millions)

Deposits by BusinessType	6/30/2014	6/30/15 Organic	6/30/2015 Combined	YOY Growth Organic	YOY Growth Combined
Commercial and retail					
Demand deposits	\$ 1,615	\$ 1,783	\$ 2,975	10.4 %	84.2 %
Interest bearing demand	468	656	1,356	40.2	189.7
Savings	592	891	985	50.5	66.4
Money market	985	964	1,631	(2.1)	65.6
Total commercial and retail	3,660	4,294	6,947	17.3	89.8
Municipal ⁽¹⁾	798	939	1,206	17.7	51.1
Core deposits	4,458	5,233	8,153	17.4	82.9
<i>% of Total</i>	87.4%	91.6%	92.3%		
Other deposits					
Certificates of deposit	392	232	336	(40.8)	(14.3)
Wholesale and brokered deposits	252	246	347	(2.4)	37.7
Total deposits	\$ 5,102	\$ 5,711	\$ 8,836	11.9%	73.2%

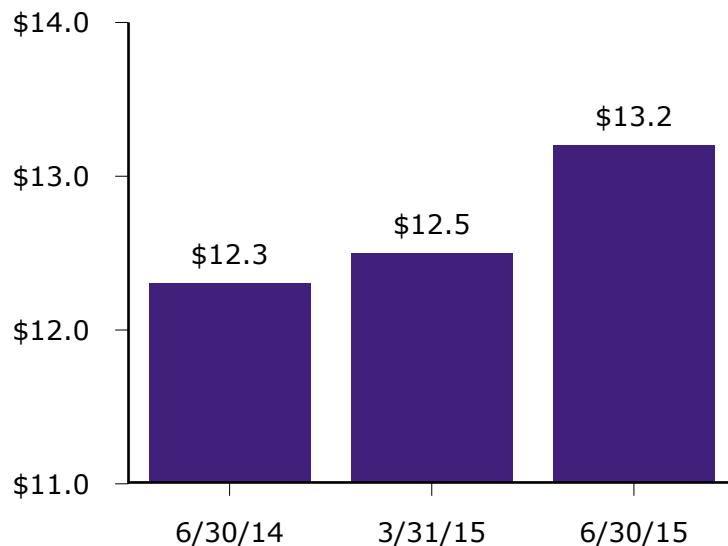
(1) Represents all municipal deposits; includes demand and money market deposit balances.

Diversified Non-Interest Income

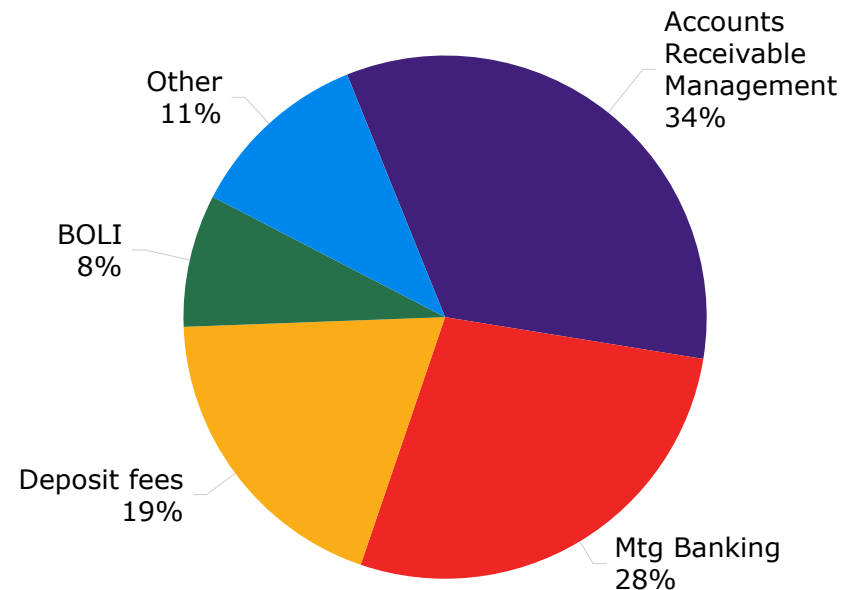
- Diversified mix of fee business including mortgage banking, payroll finance and factoring
- Total non-interest income to total revenue of 17.2%⁽¹⁾
- Damian and FCC acquisitions accelerating growth in AR management; 22.8% Y-o-Y

Total Fee Income ⁽¹⁾

(\$ in millions)



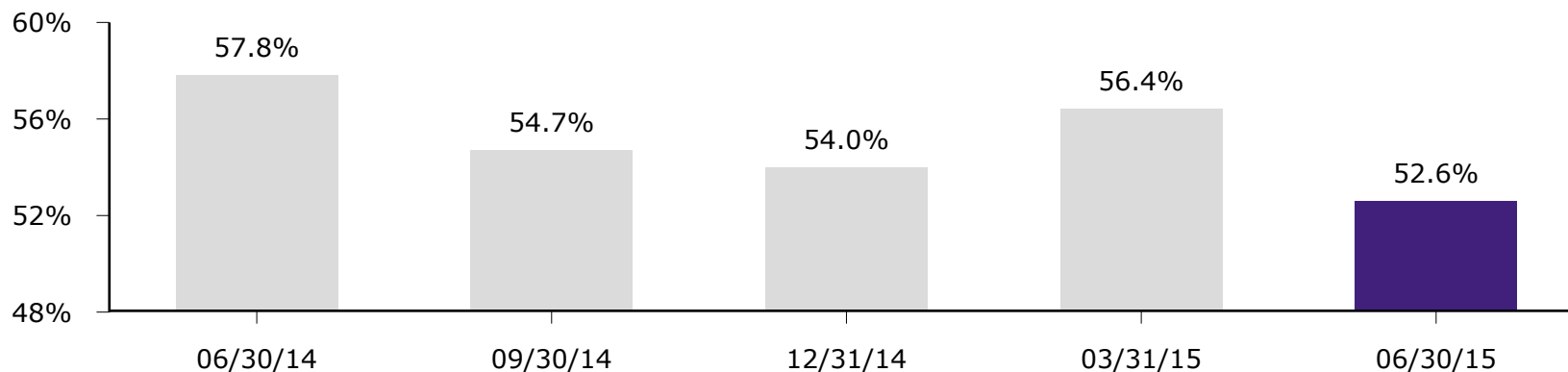
Fee Income Composition



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

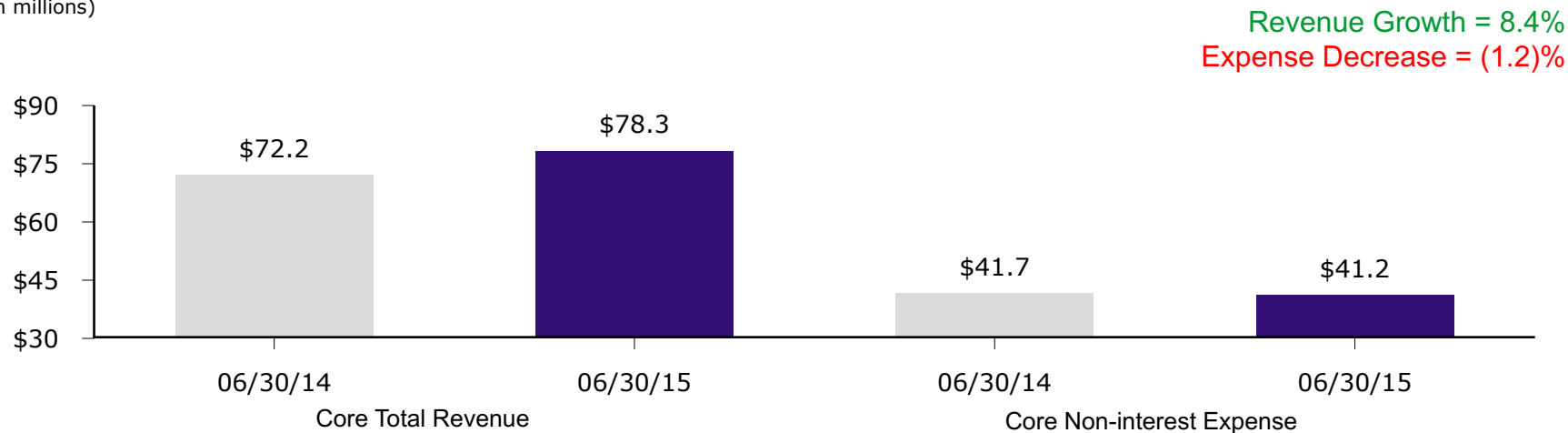
Core Operating Efficiency

Core Operating Efficiency Ratio



Core Operating Leverage

(\$ in millions)

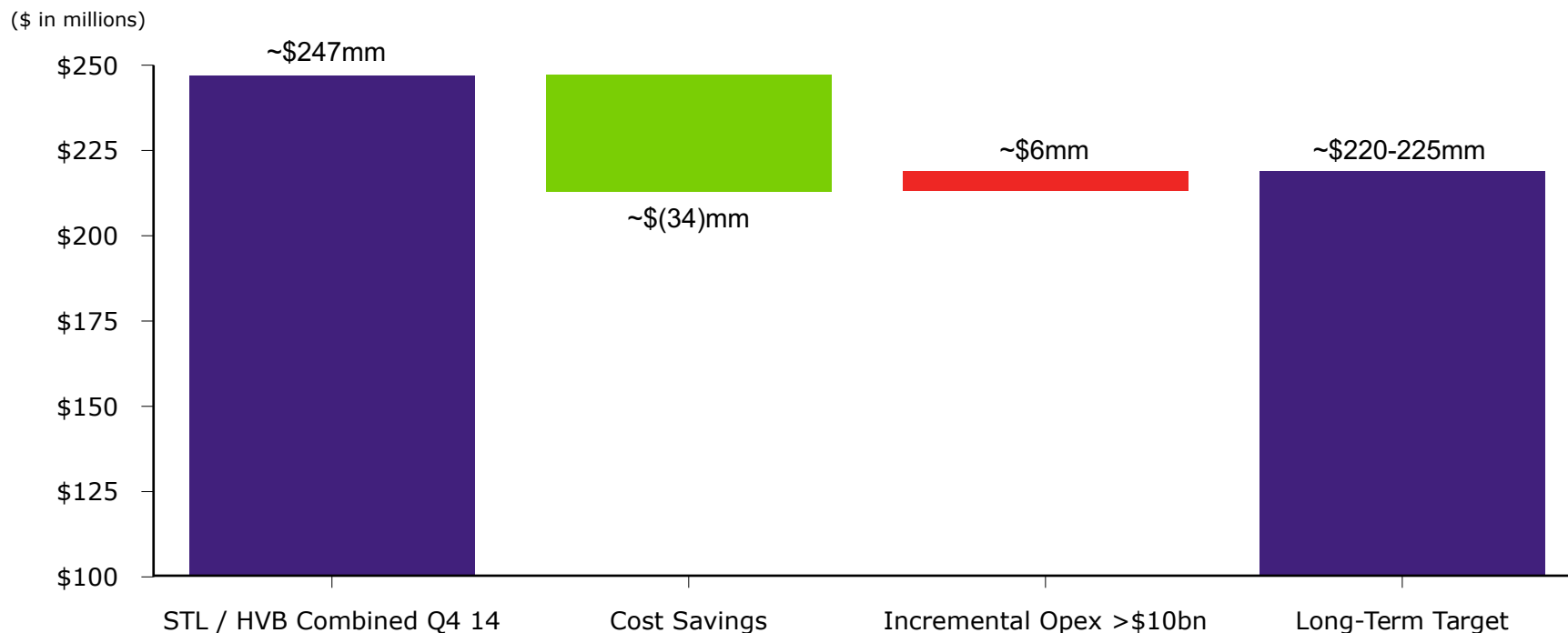


Note: See pages 15 through 18 for a reconciliation of non-GAAP financial measures.

Long-Term Target Operating Expenses

- Includes impact of full realization of cost savings from HVB merger
- Includes impact of incremental operating expenses due to exceeding \$10 billion in assets
- Including impact of non-cash amortization expense, long-term total non-interest expense target of \$230-\$235 million

Long-term Estimated Annual Operating Expenses



Note: Long-term target for operating expenses is a management estimate.

Asset Quality Performance

(\$ in millions)

Ratios and Balances	Quarter Ended				
	6/14	9/14	12/14	3/15	6/15
Non-performing loans to total loans	1.25%	1.07%	0.97%	0.94%	0.95%
Net charge-offs to average loans	0.15%	0.09%	0.10%	0.13%	0.13%
Allowance for loan losses to:					
Total loans	0.80%	0.85%	0.88%	0.87%	0.61%
Allowance for loan losses to non-performing loans	64.0%	79.7%	90.8%	92.3%	64.2%
Non-performing assets to total assets	0.85%	0.80%	0.71%	0.71%	0.68%
Special Mention	\$41.8	\$39.6	\$31.3	\$26.1	\$65.4
Substandard / Doubtful	79.1	73.1	74.9	74.3	126.0
Total Criticized / Classified	120.9	112.7	106.2	100.4	191.4
Non-accrual and 90 days delinquent still accruing	56.0	51.0	46.6	46.4	69.0

(1) See pages 15 through 18 for a reconciliation of non-GAAP financial measures.

Second Quarter 2015 Summary

- Strong core profitability, organic loan and deposit growth and 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, 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, 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				
	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
The following table shows the reconciliation of stockholders' equity to tangible equity and the tangible equity ratio:					
Total assets	\$ 7,250,729	\$ 7,337,387	\$ 7,424,822	\$ 7,727,515	\$ 11,566,382
Goodwill and other intangibles	(435,185)	(434,204)	(432,258)	(452,698)	(753,899)
Tangible assets	6,815,544	6,903,183	6,992,564	7,274,817	10,812,483
Stockholders' equity	953,433	961,138	975,200	1,080,543	1,623,110
Goodwill and other intangibles	(435,185)	(434,204)	(432,258)	(452,698)	(753,899)
Tangible stockholders' equity	518,248	526,934	542,942	627,845	869,211
Common stock outstanding at period end	83,600,529	83,628,267	83,927,572	91,121,531	129,709,834
Tangible equity as % of tangible assets	7.60%	7.63%	7.76%	8.63%	8.04%
Tangible book value per share	\$ 6.20	\$ 6.30	\$ 6.47	\$ 6.89	\$ 6.70

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

Average stockholders' equity	\$ 944,476	\$ 956,166	\$ 973,089	\$ 1,031,809	\$ 1,100,897
Average goodwill and other intangibles	(436,805)	(434,141)	(433,396)	(438,970)	(455,320)
Average tangible stockholders' equity	507,671	522,025	539,693	592,839	645,577
Net income (loss)	15,011	16,337	17,004	16,778	(7,646)
Net income (loss), if annualized	60,209	64,815	67,462	68,044	(30,668)
Return on average tangible equity	11.86%	12.42%	12.50%	11.48%	(4.75)%
Core net income (see reconciliation on page 17)	\$ 15,715	\$ 18,166	\$ 19,615	\$ 18,501	\$ 21,361
Annualized core net income	63,033	72,072	77,820	75,032	85,679
Core return on average tangible equity	12.42%	13.81%	14.42%	12.66%	13.27%

Non-GAAP to GAAP Reconciliation

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

	For the quarter ended				
	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
The following table shows the reconciliation of the core operating efficiency ratio:					
Net interest income	\$ 58,451	\$ 59,633	\$ 60,237	\$ 58,867	\$ 63,574
Non-interest income	13,471	12,286	13,957	14,010	13,857
Total net revenue	71,922	71,919	74,194	72,877	77,431
Tax equivalent adjustment on securities interest income	1,481	1,543	1,546	1,544	1,562
Net (gain) loss on sale of securities	(1,193)	(33)	43	(1,534)	(697)
Core total revenue	72,210	73,429	75,783	72,887	78,296
Non-interest expense	44,904	43,780	45,814	45,921	85,659
Merger-related expense	—	—	(502)	(2,455)	(14,625)
Charge for asset write-downs, banking systems conversion, retention, severance	(2,321)	(1,103)	(2,493)	(971)	(28,055)
Gain on sale of financial center and redemption of TRUPs	1,637	—	—	—	—
Amortization of intangible assets	(2,511)	(2,511)	(1,873)	(1,399)	(1,780)
Core non-interest expense	41,709	40,166	40,946	41,096	41,199
Core operating efficiency ratio	57.8%	54.7%	54.0%	56.4%	52.6%

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

Income before income tax expense	\$ 21,068	\$ 22,789	\$ 25,380	\$ 24,856	\$ (11,328)
Income tax expense	6,057	6,452	8,376	8,078	(3,682)
Net income (loss)	15,011	16,337	17,004	16,778	(7,646)
Net (gain) loss on sale of securities	(1,193)	(33)	43	(1,534)	(697)
Merger-related expense	—	—	502	2,455	14,625
Charge for asset write-downs, banking systems conversion, retention, severance	2,321	1,103	2,493	971	28,055
Gain on sale of financial center and redemption of TRUPs	(1,637)	—	—	—	—
Amortization of non-compete agreements and acquired customer lists	1,497	1,497	859	660	991
Total charges	988	2,567	3,897	2,552	42,974
Income tax (benefit)	(284)	(738)	(1,286)	(829)	(13,967)
Total non-core charges net of taxes	704	1,829	2,611	1,723	29,007
Core net income	\$ 15,715	\$ 18,166	\$ 19,615	\$ 18,501	\$ 21,361
Weighted average diluted shares	83,806,135	83,883,461	84,194,916	88,252,768	91,950,776
Diluted EPS as reported	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.19	\$ (0.08)
Core diluted EPS (excluding total charges)	0.19	0.22	0.23	0.21	0.23

Non-GAAP to GAAP Reconciliation

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

	For the quarter ended				
	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
The following table shows the reconciliation of return on tangible assets and core return on tangible assets:					
Average assets	\$ 7,048,328	\$ 7,217,649	\$ 7,340,332	\$ 7,438,314	\$ 8,049,220
Average goodwill and other intangibles	(436,805)	(434,141)	(433,396)	(438,970)	(455,320)
Average tangible assets	6,611,523	6,783,508	6,906,936	6,999,344	7,593,900
Net income (loss)	15,011	16,337	17,004	16,778	(7,646)
Net income (loss), if annualized	60,209	64,815	67,462	68,044	(30,668)
Return on average tangible assets	0.91%	0.96%	0.98%	0.97%	(0.40)%
Core net income (see reconciliation on page 17)	\$ 15,715	\$ 18,166	\$ 19,615	\$ 18,501	\$ 21,361
Annualized core net income	63,033	72,072	77,820	75,032	85,679
Core return on average tangible assets	0.95%	1.06%	1.13%	1.07%	1.13 %



**STERLING
BANCORP**