



STERLING BANCORP

STERLING NATIONAL BANK

Keefe, Bruyette & Woods, Inc.
10th Annual Community Bank Investor Conference

July 28, 2009



Safe Harbor Statement

Certain statements in this presentation, including statements concerning the Company's growth strategy and future growth opportunities, and other statements regarding matters that are not historical facts, constitute "forward-looking statements" within the meaning of the Securities Exchange Act of 1934. These statements are not historical facts but instead are subject to numerous assumptions, risks and uncertainties and represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Any forward-looking statements we may make speak only as of the date on which such statements are made. The Company's actual results and financial position may differ materially from the anticipated results and financial condition indicated in or implied by these forward-looking statements. For a discussion of some of the risks and important factors that could affect the Company's future results and financial condition, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Statements and Factors that Could Affect Future Results" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.



Sterling At a Glance

- ▶ Founded in 1929
- ▶ 80-year track record of service and growth
- ▶ Built to serve small and midsized businesses and their owners, managers and employees
- ▶ Unparalleled expertise in the special needs of the NY-area market
- ▶ Total assets over \$2 billion
- ▶ 13 bank offices



Our Market Opportunity

- ▶ Money center and large regional banks continue to under-serve Sterling's customer base
- ▶ Liquidity issues at a major asset-based lender are creating a financing void for small to mid-sized businesses
- ▶ Merger and consolidation activity has increased customer displacement
- ▶ The financial service needs of small/mid-sized businesses require personalized attention, flexibility and customized solutions... ***Sterling Solutions***



Sterling: Positioned for Opportunity

- ▶ Sharply focused business bank model
- ▶ “Sweet spot” in specialized solutions, such as asset-based financing, for small to midsize businesses
- ▶ Strong capital base
- ▶ Track record of profitability and growth
- ▶ Stable, cost-effective funding from core deposits
- ▶ Proven, capable management team
- ▶ Actively pursuing strategic growth initiatives



Capitalizing on Our Opportunity

Recent Transaction (April 2009)

- ▶ Acquired DCD Capital/DCD Trade Finance – with a focus on factoring, import trade finance, accounts receivable management
- ▶ Rebranded as Sterling Trade Capital

Benefits to Sterling

- ▶ Strong fit with our established, 80 year-old factoring business
- ▶ Broadens customer base and potential market, especially with businesses importing products from Southeast Asia
- ▶ Adds established professional team, solid customer base
- ▶ Significantly expands Sterling's factoring and import trade financing volume, driving fee-generation



Business Bank Model





Business Bank Model

- ▶ Committed to businesses and their owners, managers and employees
- ▶ Full portfolio of financial products – delivered with the personal attention of a community bank
- ▶ Relationship managers provide financial solutions from a broad portfolio of services
- ▶ Sophisticated technology supports personal service
- ▶ Compete on service – not on price
- ▶ Exceptional access to senior decision-makers

Our Doors are Open – All the Way to the Top!



Sterling's Customer Profile

- ▶ Privately owned, entrepreneurial firms
- ▶ Manufacturers and distributors
- ▶ Wholesalers
- ▶ Service companies
- ▶ Professionals firms
- ▶ Others

***Companies with Credit Needs of up to \$20 Million
Represent a Large, Underserved Market***



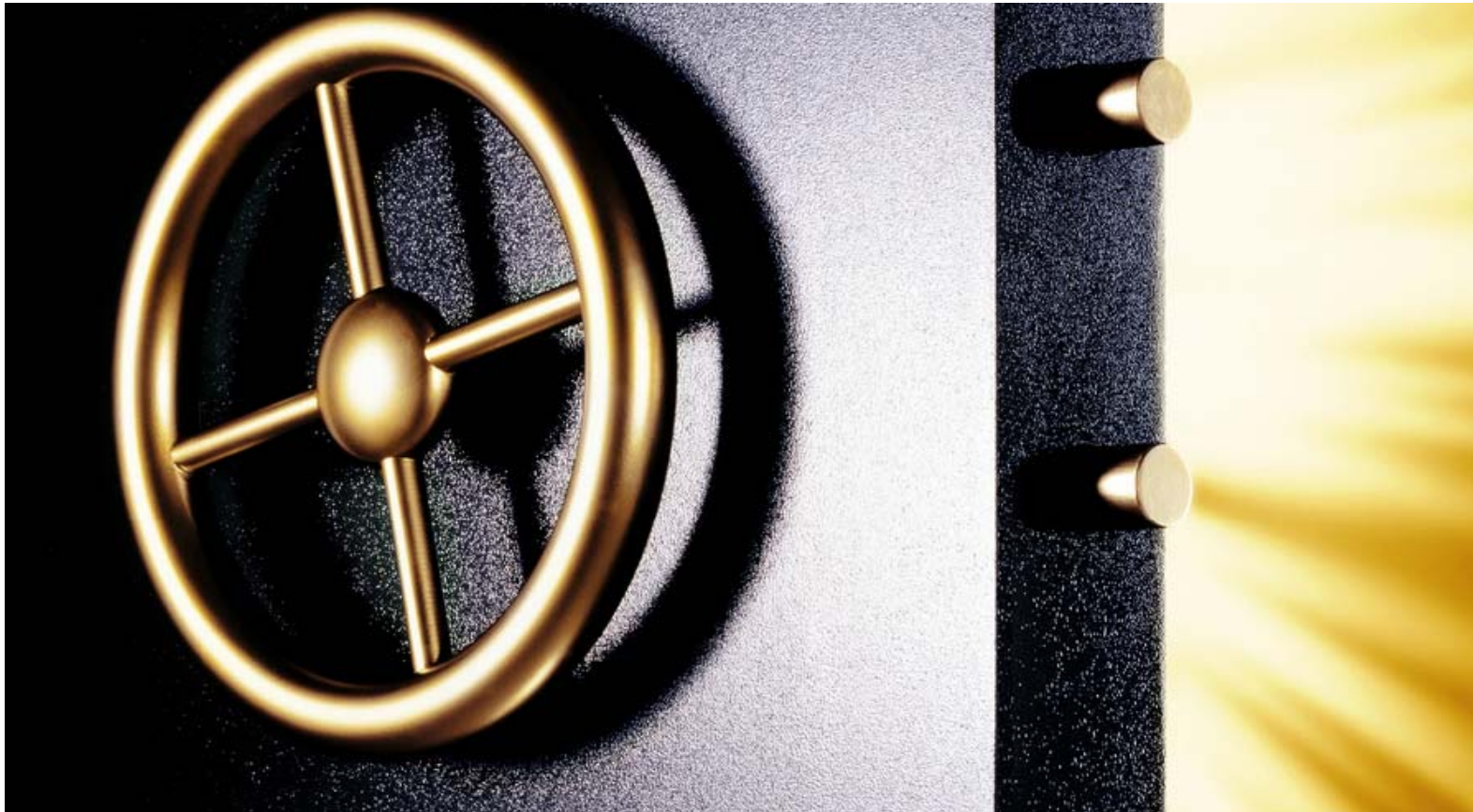
Broad Portfolio of Products

- ▶ Asset-based financing
- ▶ Working capital lines
- ▶ Factoring, accounts receivable financing and management
- ▶ Import trade financing
- ▶ Equipment leasing and financing
- ▶ Commercial and residential mortgages
- ▶ Full range of depository products
- ▶ Cash management services
- ▶ Trust and estate administration
- ▶ Custodial account services

...and More!



Strong Capital Base





Strong Capital Base

(As of March 31, 2009)

	<u>Sterling</u>	<u>Well-Capitalized Requirement</u>
Tier 1 Risk-Based	12.16%	6.00%
Total Risk Based	13.33%	10.00%
Leverage	8.59%	5.00%



Track Record of Profitability & Growth





Recent Financial Highlights*

Pre-tax income before loan loss provision and securities gains

Up 8.5%

Net interest margin
4.50% (tax equivalent)

Up 11 basis points

Loans held in portfolio averaged \$1.15 billion

Up 6.1%

Demand deposits were \$484 million

35% of total deposits

* For the quarter ended March 31, 2009; comparisons are vs. year-ago period.



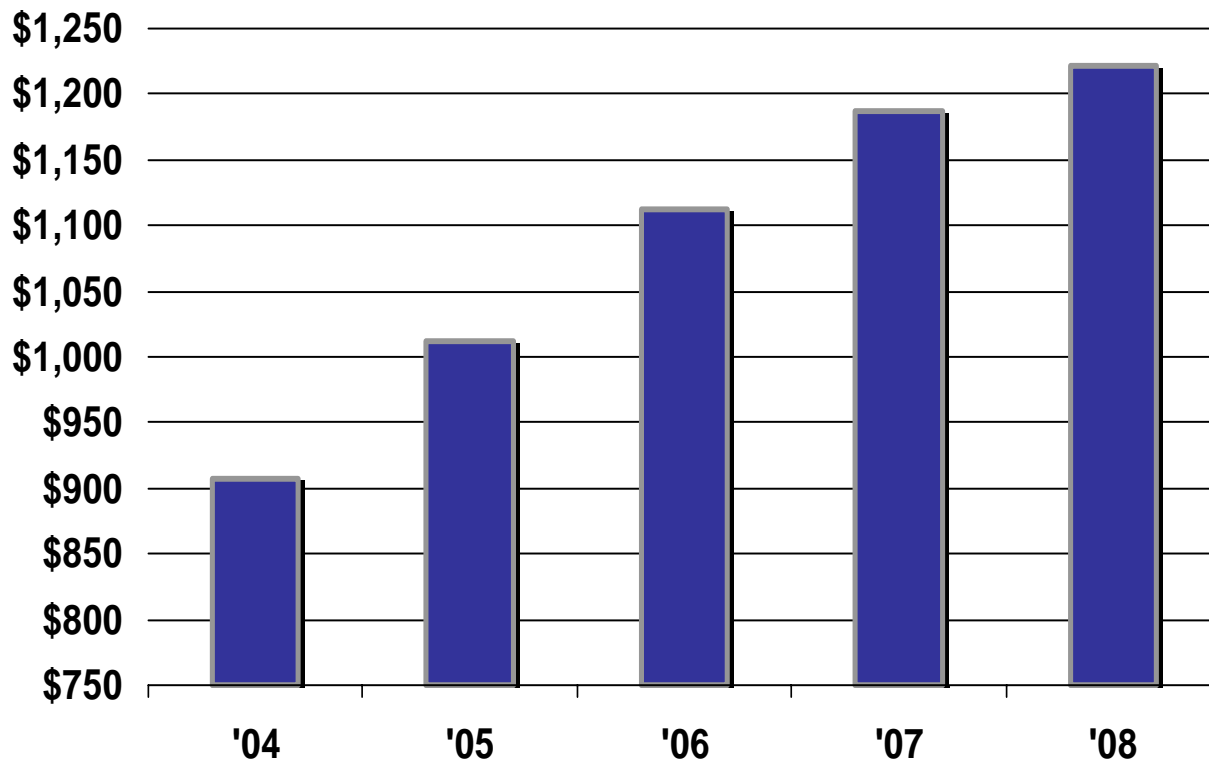
First Quarter 2009 Overview

	<u>Quarter Ended</u>	
	<u>3/31/09</u>	<u>3/31/08</u>
Net interest income	\$21,372	\$19,835
Provision for loan losses	6,200	1,950
Noninterest income	10,798	8,672
Noninterest expenses	<u>20,052</u>	<u>20,166</u>
Income before income taxes	5,918	6,391
Provision for income taxes	<u>2,306</u>	<u>2,389</u>
Net income	<u>3,612</u>	<u>4,002</u>
Dividends on preferred shares & accretion	<u>842</u>	<u>---</u>
Net Income avail. to common shareholders	2,770	4,002

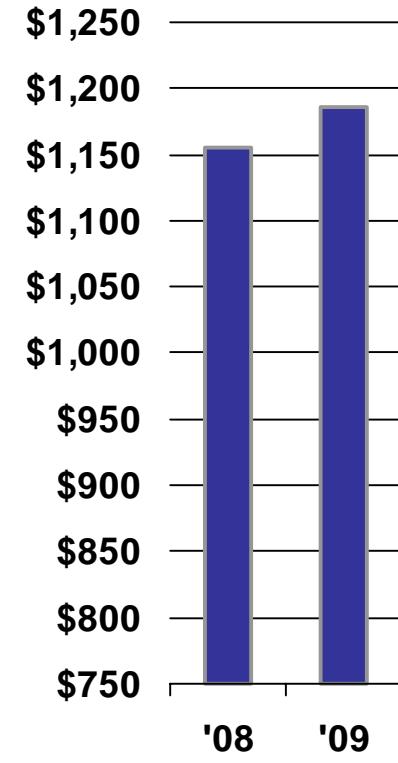


Loan Portfolio Growth

(dollars in millions)



At December 31,

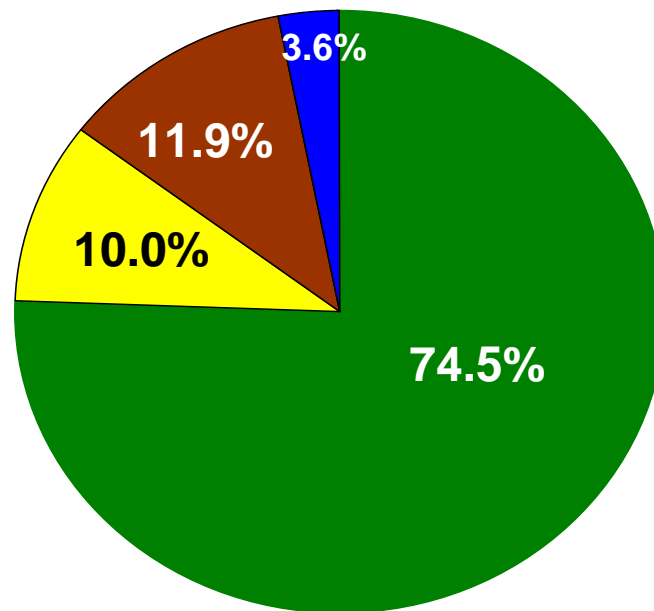


At March 31,



Loan Portfolio Composition

At March 31, 2009 (% of loans held in portfolio, \$ in millions)



■ Commercial & Industrial and Leasing	\$ 909.3
■ Commercial Mortgages	121.4
■ Residential Mortgages	145.4
■ Other	44.0



Asset Quality Overview

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q1 2008</u>
Net charge-offs	\$5.00 million	\$1.92 million	\$1.50 million
Nonaccrual loans	\$16.19 million	\$7.34 million	\$6.50 million
Other real estate owned	\$1.42 million	\$1.54 million	\$2.19 million
Nonaccrual loans/loans	1.32%	0.59%	0.55%
Nonperforming assets/assets	0.83%	0.40%	0.41%
Allowance for loan losses/loans	1.45%	1.31%	1.31%



Non-Performing Asset Analysis

	<u>Quarter Ended</u>	
	<u>3/31/09</u>	<u>3/31/08</u>
Nonaccrual loans		
Commercial and industrial	\$ 1,390	\$ 465
Lease financing	11,480	2,835
Factored receivables	---	---
Commercial real estate	---	---
Real estate-residential mortgage	3,297	3,156
Installment-individuals	<u>21</u>	<u>44</u>
Total nonaccrual loans	16,188	6,500
Other real estate owned	<u>1,423</u>	<u>2,186</u>
Total non-performing assets	<u>\$17,611</u>	<u>\$ 8,686</u>



Stable, Cost-Effective Funding





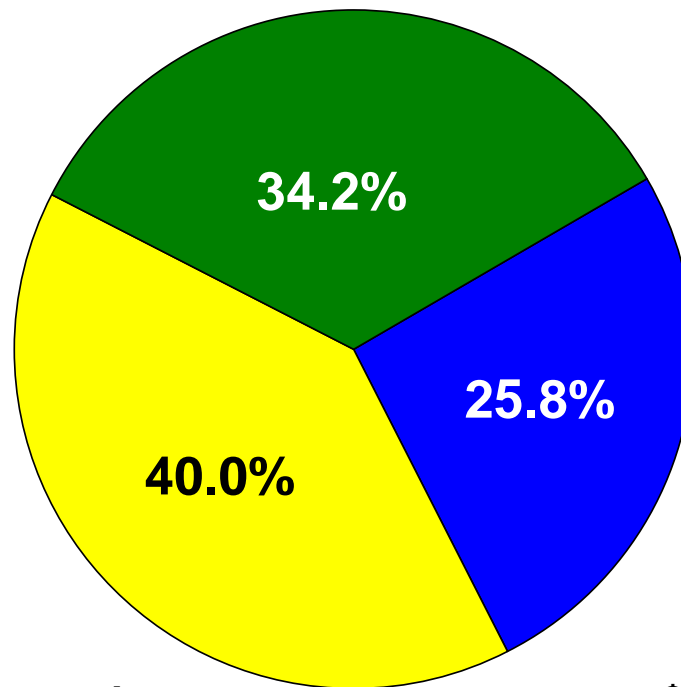
Stable, Cost-Effective Funding




- ▶ Demand deposits are traditionally a high percentage of total deposits
- ▶ DDA required as part of all lending relationships
- ▶ Aggressive cross-selling effort – significant percentage of deposits generated by lending units
- ▶ Cost-effective funding contributed to a 4.50% NIM (tax equivalent) for Q1 2009



Deposit Composition

March 31, 2009 (% of total deposits; dollars in millions)



 Demand	\$ 484.2
 Savings, NOW & Money Market	565.8
 CDs & Customer Repos	366.0



Proven, Capable Management Team





Proven, Capable Management Team

- ▶ Experience... balanced with fresh ideas
 - 21% of our senior executives have 15 or more years of experience with Sterling
 - 30% have been with Sterling less than 5 years
- ▶ Hands-on approach
 - Senior management meets daily
- ▶ Aligned with shareholders' interests
 - Directors and executive officers own approximately 10% of STL common stock



Strategic Growth Opportunities





Strategic Growth Initiatives

- ▶ Pursuing quality borrower relationships as constrained competitors pull back
- ▶ Strengthening sales and marketing resources to build the pipeline
- ▶ Acquired DCD business to expand factoring and import trade financing volume, and drive fee-generation
- ▶ Added key executives to grow Professional Banking team
- ▶ Maintaining sharp focus on asset quality



Sterling: Seizing upon Opportunity

What Credit Crunch?

\$4.6 Million Line of credit to fund telecom growth [APPROVED]	\$8.8 Million First mortgage for downtown NYC building [APPROVED]	\$1.3 Million Term and revolving loan to purchase a medical group [APPROVED]
\$3.8 Million Revolving credit facility to support import and distribution needs [APPROVED]	\$3.8 Million Line of credit for execution of development stages [APPROVED]	\$18.8 Million Working capital line for specialty retailers of a service industry [APPROVED]
\$1.8 Million Purchase of land for future health care facility [APPROVED]	\$4.8 Million Line of credit and loans financing for IT systems and software purchases [APPROVED]	\$3.8 Million Working capital advance high interest [APPROVED]

At Sterling National Bank, we continue to provide financing for growing businesses, and so our direct access to experienced professionals, the flexibility to customize solutions, and a level of service that will really serve you.

Just make one call to Sterling – The Business Bank – at 212.757.1100. We'll connect you with a banker best suited to address your specific needs – bankers like Jeffrey P'Blag, John LaLota, Jr. or Kenneth Cohen – who can tell you more about the Sterling difference.

STERLING NATIONAL BANK
www.SterlingNationalBank.com • 212.757.1100

Member FDIC

The Business Bank

Think Business Credit Has Dried Up?

Not at Sterling!

FINANCING
See details inside.

Quick, pick a banker

"PLEASE ENTER YOUR 16-DIGIT ACCOUNT NUMBER"

"HOW CAN I HELP YOU?"



Switch to Sterling – the bank that puts your business first.

For 80 years, Sterling National Bank has attracted business clients by following one simple rule: when your business succeeds, so do we. We have the products you need. And the service you deserve. If switching banks has been on your mind, call Sterling today.

STERLING NATIONAL BANK
The Business Bank

212.757.1100

www.sterlingnationalbank.com

Member FDIC