

FOR IMMEDIATE RELEASE

John Tietjen
Chief Financial Officer
Sterling Bancorp
john.tietjen@sterlingbancorp.com
212.757.8035

Edward Nebb
Investor Relations
Comm-Counsellors, LLC
enebb@optonline.net
203.972.8350

**STERLING BANCORP COMPLETES SALE OF \$42 MILLION IN
SENIOR PREFERRED SHARES UNDER
U.S. TREASURY CAPITAL PURCHASE PROGRAM**

New York, NY, December 23, 2008 – Sterling Bancorp (NYSE: STL), the parent company of New York City-based Sterling National Bank, today announced that it has completed the sale of 42,000 non-voting senior preferred shares of Sterling Bancorp totaling \$42 million to the U.S. Treasury under the Capital Purchase Program. The proceeds of the sale will further increase Sterling’s capital ratios, which exceeded the regulatory requirements for “well-capitalized” institutions prior to the sale.

“We are pleased to be participating in the Capital Purchase Program, which is available only to selected, financially sound institutions. Our decision to add to Sterling’s already solid capital base reflects our commitment to maintaining a strong balance sheet. At the same time, the additional resources will enhance our ability to serve our customers and community, continue to grow our lending and other banking businesses, and expand our capacity to pursue attractive opportunities in the future,” said Louis J. Cappelli, Sterling’s Chairman and Chief Executive Officer.

In conjunction with the purchase of Sterling’s senior preferred shares, the Treasury Department also received warrants to purchase up to 516,817 Sterling common shares, at an exercise price of \$12.19 per share, for an aggregate purchase price of \$6.3 million in cash upon exercise of the warrants in full.

Sterling also noted, as previously announced, that it continues to participate in the FDIC’s expanded deposit insurance program, which provides 100% insurance coverage for noninterest-bearing transaction accounts through December 31, 2009. Mr. Cappelli stated, “Our earlier decision to extend our involvement in the enhanced FDIC insurance program signifies our desire to provide deposit customers with an additional measure of security.”

About Sterling Bancorp

Sterling Bancorp (NYSE: STL) is a New York-based banking and financial services company that serves the needs of businesses, professionals and individuals. With assets exceeding \$2.1 billion, Sterling offers a broad array of products and services, combined with a unique high-touch approach to customer service. The Company's principal banking subsidiary, Sterling National Bank, with offices in New York City and Queens, Nassau and Westchester counties, was founded in 1929.

Known for its focus on business customers, Sterling offers such services as working capital lines, asset-based financing, factoring and accounts receivable management, payroll funding and processing, equipment leasing and financing, commercial and residential mortgages, international trade financing, cash management, a wide array of deposit products, trust and estate administration, and investment management services.

Certain statements in this press release, including but not limited to, statements as to future liquidity, future interest rate risk and operating expenses, statements concerning future results of operations, financial position or dividends, and plans and objectives for future operations, statements concerning the Company's belief that participation in the Treasury program will further increase Sterling's capital ratios, and that the additional resources will enhance its ability to serve its customers and community, continue to grow its lending and other banking businesses, and expand its capacity to pursue attractive opportunities in the future, and other statements regarding matters that are not historical facts, are "forward-looking statements" as defined in 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 the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside its control. Any forward-looking statements the Company 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, 2007.

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