







# STERLING NATIONAL BANK

## Corporate Profile

Sterling Bancorp (NYSE: STL) is a New York City-based financial corporation with assets exceeding \$2 billion. Since 1929, Sterling National Bank, the company's principal banking subsidiary, has successfully served the needs of businesses, professionals and individuals in the NY metropolitan area and beyond. Sterling is well-known for its high-touch, hands-on approach to customer service and a special focus on serving the business community.

Sterling offers clients a full range of depository and cash management services plus a broad portfolio of financing solutions—including working capital lines, accounts receivable and inventory financing, factoring, trade financing, payroll funding and processing, equipment financing, commercial and residential mortgages and mortgage warehouse lines of credit.

*On the cover: Brooklyn Bridge and Manhattan, photographed from the Manhattan Bridge.  
Pictured here is the Sterling National Bank branch located at 622 Third Avenue, New York, NY.*

*Opportunities. Solutions. Results.* The Success Cycle

Business is a constant flow. It all begins with an idea, a moment in time when a business owner identifies a viable opportunity. But turning that idea into a tangible, real world result requires a very special kind of financial resource—a banker that “gets it.”

Sterling understands that solutions drive every business equation. Solutions that lead to results. Results that spell success, through innovation, expansion, growth, or any number of variables. And the best part—results fuel more innovations that, with Sterling’s enterprising teamwork, generate even greater success. And on, and on, and on...



As a result of our actions in 2010, Sterling is better positioned than ever to serve our market, expand our franchise and enhance shareholder value.

## A Message to our valued Stakeholders

Sterling's commitment to financial strength, superior service and a well-defined growth strategy have led to an ever-increasing range of financial solutions for customers and have positioned the Company to capitalize on future opportunities.

We are pleased to report that 2010 was a year of significant progress for Sterling, as we successfully implemented initiatives to grow our market share, continued to deliver superior service, and enhanced our financial strength. By maintaining our traditional "high touch" approach and consistently meeting the credit needs of customers, we increased our business with existing clients and added new relationships. The Company pursued growth opportunities in a number of product areas, broadening our range of services and income sources. And we fortified our balance sheet, providing additional capital to support growth. As a result of these and other strategic actions, Sterling is even better positioned to serve our market, expand our franchise and enhance shareholder value.

### **Growing Financial Strength**

Our performance for the year was distinguished by solid growth in our business and a strengthened capital foundation. Loans increased by 10% versus the prior year, and we ended 2010 with \$1.3 billion of total loans in portfolio. Total deposits rose by 11%, to \$1.7 billion. Net income available to common shareholders for 2010 was \$4.4 million, or \$0.18 per diluted share. We reaffirmed Sterling's traditionally strong credit quality by taking decisive action to address certain loan categories that were most affected by the economic downturn.

We further enhanced our capital base with a stock offering in March 2010 that raised gross proceeds of \$69 million, followed by a \$39 million offering in March 2011. The offerings provide greater capacity to support future growth by adding to our already strong capital ratios. The fact that we completed two offerings a year apart reflects the efforts of the entire Sterling team to build a company worthy of investors' interest and support.

### **Expanding Customer Solutions**

Sterling remained focused on serving the needs of businesses and their owners, managers and employees, as well as individuals, in the New York metropolitan area marketplace and beyond. We are proud of our role in providing the financial resources to help our clients grow, prosper, create jobs and contribute to the area's economic health.

We continued to be a reliable source of credit at a time when some other lending institutions were unable to serve the market due to capital constraints, industry consolidation, or pressures related to the economic downturn. The fact that our diverse, resilient New York-metro marketplace weathered the recession better than the nation as a whole, along with our commitment to provide financial solutions to customers at a challenging time, allowed us to expand our business with existing clients and win a sizeable number of new relationships. Our ability to grow market share was due in part to the broad range of financial solutions that Sterling offers to customers. For example, we have seen strong demand for core commercial lending products such as middle market lending, asset-based financing, factoring, accounts receivable management, trade financing and payroll financing.

One of our strategies has been to expand in areas that complement our product portfolio and business model. In particular, we have focused on products that help to diversify our earnings stream by providing additional sources of non-interest income. Early in 2010 we launched a new mortgage warehouse lending business to provide financing for residential loans originated by mortgage banking





Sterling National Bank Executive Team, pictured left to right: **Dale C. Fredston**, *Executive Vice President*; **Eliot S. Robinson**, *Executive Vice President*; **John W. Tietjen**, *Chief Financial Officer*; **Howard M. Applebaum**, *Executive Vice President*; **Louis J. Cappelli**, *Chairman*; **John C. Millman**, *President*; and **Michael Bizenov**, *Executive Vice President*.

firms. We saw an opportunity to fill the gap left by other lenders that exited this market, and we are well-positioned to grow our mortgage warehouse lending business even further when the housing market recovers. This new line of business is a natural extension of Sterling's core competencies, building on our expertise in both mortgage banking and asset-based lending.

### Focusing on Opportunities

In 2011 and beyond, we will continue to focus on capturing the many opportunities we see in our marketplace. We believe that many customers in our market, particularly small-to-midsized businesses, remain underserved by larger financial institutions and will be attracted to Sterling's brand of premier service and our breadth of financial solutions. Our ability to gain new client relationships will also be enhanced by the quality and commitment of our team of professionals at every level of our organization. We have demonstrated our ability to strategically expand our business in new areas such as mortgage warehouse lending, and we will maintain our successful efforts to serve attractive market niches, add high value products, and grow our revenue streams.

Sterling is well-positioned to seize upon these and other opportunities going forward. We have a solid capital foundation to support growth. Our business banking model and expertise represent unique competitive strengths. Our "staying power" and the fact that we remained a reliable source of credit during difficult economic times have earned the loyalty of existing and new clients alike. And we have a team of talented, capable and motivated individuals to take our business to the next level.

As always, we thank our clients and shareholders for their consistent support, our Board of Directors for sharing their sound guidance and experience, and our entire team for their skill and dedication. We look forward to continuing to build on our opportunities to achieve new milestones in customer service, profitable growth and shareholder value.

Louis J. Cappelli  
Chairman and Chief Executive Officer

John C. Millman  
President

## *A time of challenge. A time of opportunity.*

It's all how you look at it. Sterling National Bank knows that thriving businesses see opportunities where others see only challenges. Those are the kind of customers who turn to us, and the kind of business relationships we nurture.

At Sterling, we understand the entrepreneurial spirit. We know how to team up with our clients and provide them with the resources they need to realize their vision. During times of constricted cash flow we find ways to bridge the gap. And to ask the right questions: Can the right kind of loan maximize an idea, without jeopardizing the innovation that is so essential to moving ahead? Can a new way of funding payroll release enough financial pressure to enable a client to expand rather than contract? As the market shows signs of improvement, will a business have the resources in place to staff up appropriately or increase inventory, without missing a beat?

For over 80 years, through more peaks and valleys in the economy than most can remember, we have stayed the course by helping our clients stay the course—and make the most of the moment.



“I go to Sterling with opportunities, and they always come back with answers, ideas. Whether it's a purchase, export deal...they do more than just listen. Sterling always comes back with a proposal, with ways to help us succeed.”

Brett Levkoff and  
Andy Buchbinder  
*Bill Levkoff, Inc.*

Read more about their experience at:  
[sterlingnationalbank.com/stories](http://sterlingnationalbank.com/stories)



# opportunities



✓ By a variety of economic measures, the New York metropolitan area has been less affected by the downturn than other areas of the country. At Sterling, we believe our marketplace is resilient and well-positioned for success as we move through 2011; we feel *optimistic about the future*.

✓ Our clients appreciate and benefit from our experience with many diverse businesses. They *value our understanding* and rely on Sterling as a trusted advisor.

✓ Sterling has taken many steps to make capital available to our clients, and this makes us ready, willing, and able to help them *seize opportunities* as they arise.

Aerial view of New York City





View from Pier on Hudson River, Yonkers

- ✓ To provide solutions, we provide product. Lots of it. A depth and breadth of offerings spanning the *wide spectrum of financial solutions* that our customers seek. Why? Because taking advantage of opportunities—as they arise—means having everything in place and ready to go.
- ✓ Sterling knows that *there's no substitute for being there* when a client needs help. So, during business hours, a real, live person will pick up the phone. Voicemail does not cut it. People do.
- ✓ This kind of personal access has no limits at Sterling. In fact, every employee—right up to and including our Chairman and President, meet regularly and face to face with clients. Or, as we like to say “our doors are open all the way to the top.” That’s the *Sterling Difference*, and that’s how Sterling delivers results for our clients.



# solutions



"I walk the stores to look at our product, but it wasn't there because the supermarkets didn't have 'cutters.' I had the idea of cutting it, packing it, and even pricing it. My Sterling Relationship Manager, he walks the stores too. He got it. And helped me make it happen."

Albert Girgenti  
CEO & President, AVA Pork  
(AVA Companies)

Read more about Albert's experience at:  
[sterlingnationalbank.com/stories](http://sterlingnationalbank.com/stories)

## *The best solutions don't only solve a problem. They anticipate an opportunity.*

Sterling maximizes opportunities, and sets up results, by having the right products—and the right people—in place to make the most of each client's business.

The fact is, every client's business faces unique challenges. For one, geography and expansion may be the key factor, for another, seasonality pressures are foremost. Add to that the fact that each client has their own 'way' of tackling those challenges, and that's where Sterling's distinctive approach to relationship management comes in.

Each client has a team of dedicated banking professionals to ensure they are provided with consistent and immediately responsive service. Headed by a primary Sterling Relationship Manager, our clients benefit from all the depth of experience and breadth of product the bank offers.

Sterling's product diversity also means we have the flexibility to craft new solutions as our clients' needs change over time. We have many clients who literally "grew-up" with us, from the seed of a smart idea which we helped nurture; and still others whose partnership with Sterling has spanned generations, and decades.

But whether a client has been with Sterling a week—or a lifetime—they can expect the same level of service: Attentive. Knowledgeable. Responsive. (As in telephone calls that actually get answered personally—no voicemail!)



## Results that can be measured— one client success at a time.

That's the Sterling difference. As a matter of business, we help our clients realize results that include, and go beyond, the bottom line. Results that can lead to new markets. Results that can lead to technology that increases orders as it decreases waste. We define results as real differences that make real improvements in the way our clients operate, on a daily basis. Our experience shows that this kind of performance leads to ongoing efficiency, ongoing performance, ongoing innovation, and ongoing success.

The key is seeing the world through the same lens as our clients. As an example, it isn't enough to say that we have helped a company go 'green.' For a company with environmental and sustainable goals, we might well ask: Will these initiatives translate to a measurable difference? Will they be a springboard for expansion? Helping to grow a business requires a close, one-on-one banking relationship. And establishing those relationships is how Sterling has become a trusted resource by, and for, innovative, tough-minded businesses and individuals.

Because an idea is merely a good intention until the right resources are put in place to transform it into tangible results.

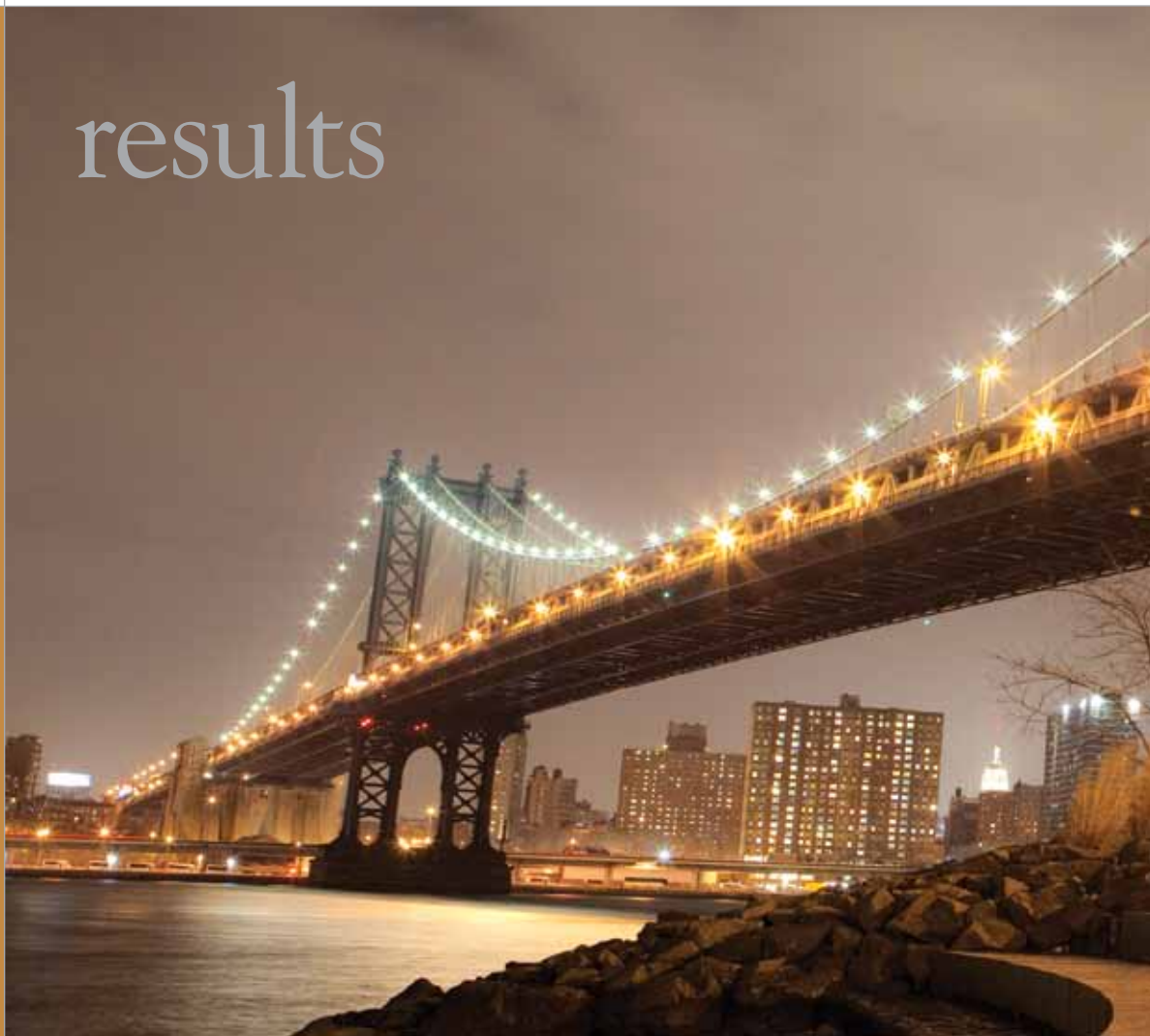


"Sterling helped me with an issue of getting bonding, right away. My company was growing, where other banks were slow, with Sterling, as long as I was creditworthy, it was not an issue. From the 'get-go' they treated me like I was important—and the results show it."

Ellen H. Aschendorf  
*Egg Electric*

Read more about Ellen's experience at:  
[sterlingnationalbank.com/stories](http://sterlingnationalbank.com/stories)

# results





✓ Investing in *enhanced productivity* has delivered ongoing results for many of the businesses we support. Whether it's upgrading technology, streamlining manufacturing processes, or reducing waste—these are innovative ways to return more to the bottom line and feed growth.

✓ Expanding into new markets has become an increasingly appealing business strategy for many of our customers. Not only can this represent a cost-effective way to grow quickly, whether by augmenting product or service offerings, acquiring talent, or shoring up unfilled capacity, the investment in a business today can add *additional profit for years to come*.

✓ In today's market, business results are often measured by more than merely a year-to-year sales number. Adjusting operations to better manage or reduce inventory, or, for example, finding ways to incentivize customers for prompt payment are just a couple of innovative results we have implemented with our clients *to set the stage for ongoing success*.



## Board of Directors

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### Hon. Robert Abrams

Member, Stroock & Stroock & Lavan LLP; former Attorney General of the State of New York

### Joseph M. Adamko

Former Managing Director, Manufacturers Hanover Trust Company (now J.P. Morgan Chase & Co.)

### Louis J. Cappelli

Chairman and Chief Executive Officer of the Company; Chairman of Sterling National Bank

### Hon. Fernando Ferrer

Partner, Mercury Public Affairs, LLC; Co-Chairman, IGR Group; former Bronx Borough President

### Dr. Allan F. Hershfield

President, Resources for the 21st Century; former President of Fashion Institute of Technology

### Henry J. Humphreys

Sovereign Military Order of Malta: Counselor-Permanent Observer (Mission to the United Nations); former Chancellor and Chief Operating Officer (American Association)

### Robert W. Lazar

Senior Advisor, Teal, Becker & Chiaramonte, CPA's, PC; and Chair, University at Albany School of Business Advisory Board, former Senior Advisor, Independent Bankers Association of New York State, and former President/Chief Executive Officer of New York Business Development Corporation

### Carolyn Joy Lee

Partner at Jones Day; former Chair of the Tax Section of the New York State Bar Association; former Chair of the State and Local Tax Committee of the New York City Bar

### John C. Millman

President of the Company; President and Chief Executive Officer of Sterling National Bank

### Hon. Eugene T. Rossides

Former Assistant Secretary, United States Treasury Department; Retired Senior Partner, Rogers & Wells LLP (now Clifford Chance US LLP)

Honorary Director

**Walter Feldesman**

## Sterling National Bank Offices

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650 Fifth Avenue  
New York, NY 10019-6108  
(212) 757-3300

500 Seventh Avenue  
New York, NY 10018-4502  
(212) 575-4410

108-01 Queens Boulevard  
Forest Hills, NY 11375-4840  
(718) 275-6500

89-04 Sutphin Boulevard  
Jamaica, NY 11435-3720  
(718) 725-0325

425 Park Avenue  
New York, NY 10022-3506  
(212) 935-1440

512 Seventh Avenue  
New York, NY 10018-4603  
(212) 354-2265

138-21 Queens Boulevard  
Briarwood, NY 11435-2694  
(718) 657-2660

98 Cuttermill Road  
Great Neck, NY 11021-3006  
(516) 466-4554

622 Third Avenue  
New York, NY 10017-6722  
(212) 490-9800

42 Broadway, 4th Floor  
New York, NY 10004-1617  
(212) 356-6501

30-30 47th Avenue  
Long Island City, NY 11101-3450  
(718) 383-6012

177 Crossways Park Drive  
Woodbury, NY 11797-2016  
(516) 682-8410

1 Executive Boulevard  
Yonkers, NY 10701-6822  
(914) 964-5252

[www.sterlingnationalbank.com](http://www.sterlingnationalbank.com)



## Sterling Bancorp Officers

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Senior Vice President and  
Controller

**Debra A. Ashton**  
Corporate Secretary

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Goldstein LLP

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**Neil J. Bressler, CPA**  
Managing Partner  
Skwiersky, Alpert &  
Bressler LLP

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Galaxy Systems, Inc.

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Louis C. Ciliberti  
& Associates, Ltd.

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Penmark Realty Corp.

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Partner  
Abrams Garfinkel  
Margolis & Bergson, LLP

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Getzel, Schiff & Ross, LLP

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**Steven Weinstein**  
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Access Staffing, LLC

**Bruce Weksler**  
President  
Bruce Supply Corp.

**Michael G. Zapson, Esq.**  
Managing Attorney  
Davidoff Malito & Hutcher LLP

## Shareholder Information

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### Annual Meeting

The Annual Meeting of Shareholders of Sterling Bancorp will be held at 10:00 a.m., Thursday, May 5, 2011 at The University Club, One West 54th Street, New York, NY 10019.

### Independent Registered Public Accounting Firm

Crowe Horwath LLP

### Counsel

Sullivan & Cromwell LLP

### Common Share Listing

New York Stock Exchange Symbol: STL

### Transfer Agent/Registrar

BNY Mellon  
P.O. Box 358015, Pittsburgh, PA 15252-8015 or  
480 Washington Boulevard, Jersey City, NJ 07310-1900  
(800) 359-8248  
TDD for Hearing Impaired: 800-231-5469  
Foreign Shareowners: 201-680-6578  
TDD Foreign Shareowners: 201-680-6610  
Web Site Address: [www.bnymellon.com/shareowner/equityaccess](http://www.bnymellon.com/shareowner/equityaccess)

### Form 10-K and Other Shareholder Information

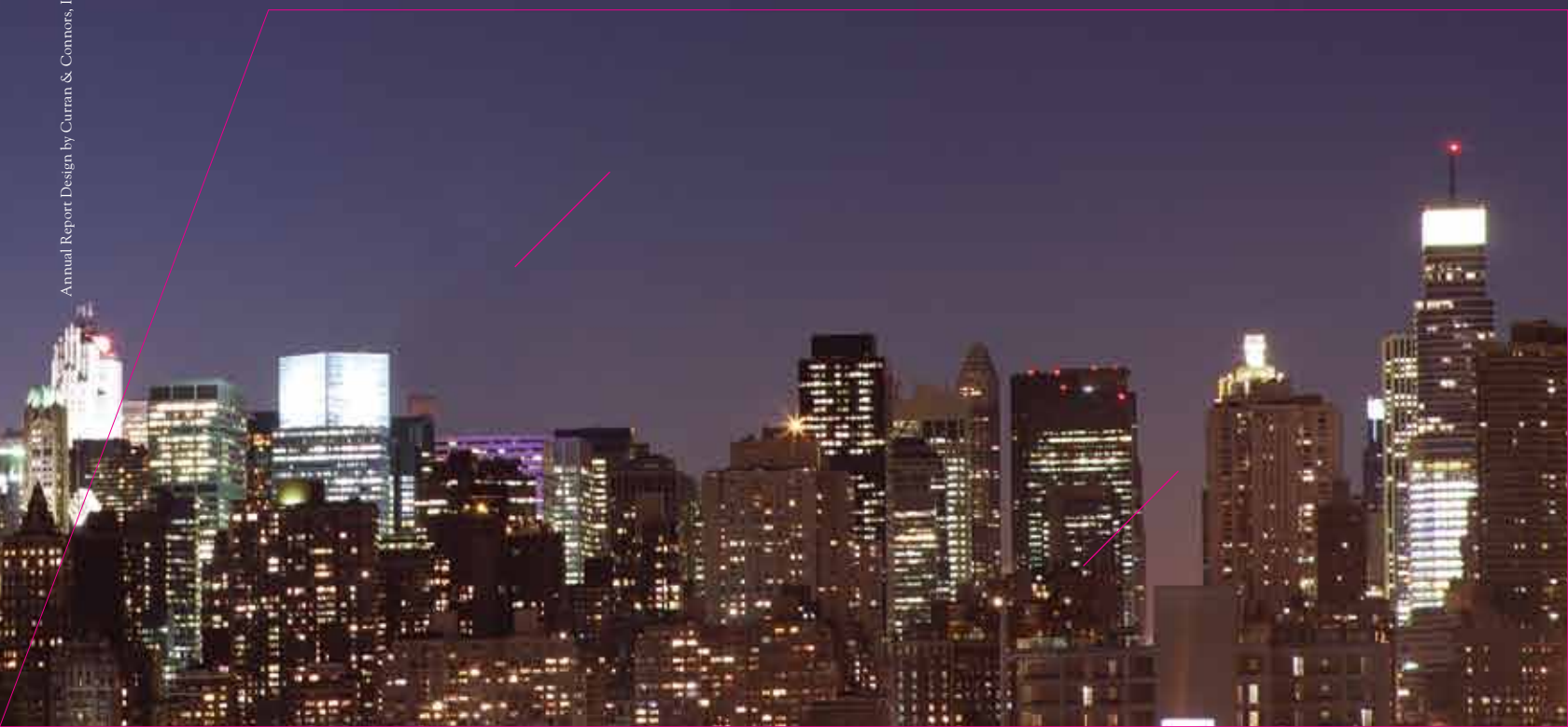
Sterling Bancorp's Annual Report to the Securities and Exchange Commission, Form 10-K, and other shareholder information can be viewed at the company's Investor Relations website, [www.sterlingbancorp.com](http://www.sterlingbancorp.com); shareholders may also elect email notification of press releases, document filings and other related information.

Printed materials may be obtained by contacting John W. Tietjen or Debra A. Ashton at 650 Fifth Avenue, New York, NY 10019-6108, or by calling (212) 757-3300.





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