



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Sterling Bancorp/Sterling National Bank

Person to be contacted regarding this report:	John W. Tietjen
UST Sequence Number:	299
CPP Funds Received:	42,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 23, 2008
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	1039454
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	New York
State:	New York

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Loans held in our loan portfolio, excluding lease financing receivables, increased approximately \$71 million or 7.6%.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Commercial and industrial lending increased approximately \$54 million, factored receivables increased approximately \$51 million.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Increased the allowance for loan losses by approximately \$4 million.
<input checked="" type="checkbox"/>	Reduce borrowings	Total deposits and borrowings decreased approximately \$29 million.
<input checked="" type="checkbox"/>	Increase charge-offs	Loan charge-offs, net of recoveries, increased approximately \$17 million.
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	Included in the approximate \$51 million increase in factored receivables noted above is \$39 million of factored receivables related to customer accounts purchased from DCD Capital in April 2009.
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The entire \$42 million was held by Sterling Bancorp in an account with the bank during the period December 23, 2008 through December 31, 2009. In January 2010 and February 2010 a total of \$24.5 million was contributed by Sterling Bancorp to Sterling National Bank as common equity.

What actions were you able to avoid because of the capital infusion of CPP funds?

We did not need to avoid any actions.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Other than as provided above, no actions were taken.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

Other than as provided above, no actions were undertaken.