



PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sterling National Bank
Charter Number 25075

400 Rella Boulevard
Montebello, NY 10901-4243

Office of the Comptroller of the Currency

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Edison, NJ 08837

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of Sterling National Bank with respect to the Lending, Investment, and Service Tests:

Performance Levels	Sterling National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

*The Lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors considered in this rating include:

- The level of SNB’s lending overall is good, but with significantly poorer performance in the State of New York rating area;
- SNB’s distribution of loans by the income level of the geography is good;
- SNB’s distribution of loans by the income level of the borrower is adequate;
- SNB had a relatively high level of community development loans that exhibit good responsiveness to community needs;
- SNB had a significant level of qualified investments that demonstrate good responsiveness to community needs;
- SNB’s retail banking services are reasonably accessible in its AAs; and,
- SNB had a relatively high level of community development services.

Lending, Investment, and Service activities were assessed for the New York-Newark-Jersey City, NY-NJ-PA Multistate Metropolitan Statistical Area (MMSA) and the State of New York, but the minimal bank presence and activity in the state limited the influence of state activity on the Bank’s overall CRA rating.

Community Reinvestment Act Plan

During the evaluation period SNB committed to a CRA Plan as a condition of its approval to acquire Hudson Valley Bank, N.A. in June 2015. The CRA Plan covers years 2016 to 2018. The current CRA evaluation period includes one year of performance under the Plan. There are no ratings assigned to Plan performance. Rather, the Plan is intended to enhance SNB’s CRA performance within the AAs, as discussed throughout this Evaluation. Consideration was given to whether Plan performance had a positive, neutral or negative impact on the Lending, Investment or Service Test ratings. For 2016, the first

year of Plan performance, SNB met or exceeded the Plan goals for home mortgage and small business lending, as well as met or exceeded the Plan goals for qualified investments and CD services for the multistate metropolitan statistical area. This performance had an overall positive impact on the Bank's overall CRA performance. Performance in the Kingston MSA and non-MSA Sullivan County needs to improve with respect to Plan goals and overall CRA performance. However, there are performance context issues that affect SNB's ability to lend in Sullivan county, including low median income when compared to the State of New York, elevated poverty levels, and high residential vacancy rates. SNB continues to monitor and report performance to the Plan and is working to meet the committed goals within its AAs.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Sterling National Bank (SNB) is headquartered in Montebello, Rockland County, New York and has total assets of \$13.5 billion as of September 30, 2016. SNB is an interstate Bank with a total of 38 branches in the MMSA and two branches located in two counties outside of the MMSA in the State of New York.

SNB is a subsidiary of Sterling Bancorp. In 2013, Provident New York Bancorp (PBNY) a savings and loan holding company, acquired Sterling Bancorp and its subsidiary SNB. At that time, SNB was a \$2.7 billion financial institution. Upon completion of that transaction, PBNY officially changed its name to Sterling National Bank. Since then, SNB continues to grow through acquisitions. In June 2015, SNB acquired Hudson Valley Bank, N.A., with \$3.1 billion in assets and expanding SNB's branch network in Westchester County, NY. Sterling Bancorp has total assets of \$13.6 billion as of September 30, 2016, the majority of which represents the investment in SNB.

SNB's primary business is lending and deposit services to small and middle market businesses in its AAs. Business loan products include warehouse lending, asset-based lending, payroll finance, equipment finance and healthcare lending. In August 2016 the Bank sold its residential mortgage division to Freedom Mortgage, but continues to make residential mortgages on a limited basis and through its affordable mortgage product.

As of September 30, 2016 total net loans were \$9.1 billion, and total deposits were \$10.2 billion. Net loans and leases represented 67.7 percent of total assets. Real estate loans are the largest portion of the loan portfolio at 57.4 percent; commercial real estate loans represent 45.5 percent of the portfolio while one-to-four family residential real estate loans comprise 11.9 percent. Commercial and industrial loans represent 34.0 percent of the loan portfolio. Consumer loans are very limited at 0.2 percent of the loan portfolio and all other loans are 8.4 percent. Net Tier 1 Capital was \$1.08 billion.

SNB's last Public Evaluation (PE) dated January 21, 2014 was conducted by the OCC and the overall rating was Satisfactory. There are no legal, financial or other factors impeding the Bank's ability to help meet the credit needs in its AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Bank's CRA performance was evaluated using Large Bank Examination Procedures that include the Lending, Investment, and Service tests. Lending Test performance included small loans to businesses, home mortgage loans, and community development loans. Qualified investments and community development services were also evaluated.

The evaluation period for the Lending Test, with the exception of community development loans, is January 1, 2014 through December 31, 2016. The evaluation period for community development loans, the Investment Test, and the Service Test is January 21, 2014 to January 21, 2017. In addition, for community development activity, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which these instruments are routinely provided by private investors.

Data Integrity

This evaluation is based on accurate data. We tested the accuracy of the Bank's HMDA and loans to small businesses data prior to the beginning of the CRA examination. We determined that the HMDA data was reliable. However, we found errors in the data relating to small business lending, which management subsequently corrected. The corrected CRA data was used in this performance evaluation. We verified that community development loans, investments, and services submitted by Bank management met the regulatory definition for community development. We excluded any items submitted by the Bank that did not meet the definition or purpose of community development.

Selection of Areas for Full-Scope Review

There are two rating areas, the New York-Newark-Jersey City, NY-NJ-PA Multistate Metropolitan Statistical Area #35620 (MMSA) and the State of New York. The Bank's MMSA AA includes the following portions of the MMSA: New York-Jersey City-White Plains NY-NJ Metropolitan Division (MD) #35614, Nassau County-Suffolk County NY MD #35004, and Dutchess County-Putnam County NY MD #20524. Within the New York-Jersey City-White Plains, NY-NJ MD, SNB's AA only includes the counties where the Bank has branch offices. The New York State AAs, which are not part of the MMSA and are rated under the state, include the Kingston, NY Metropolitan Statistical Area (MSA) #28740 and the non-MSA Sullivan County, NY.

In determining delineated AAs for full-scope review, the entire portion of the MMSA in which the Bank had branches received a full-scope review. For this evaluation, SNB has offices in the New York and New Jersey portions of the MMSA, which therefore received a full-scope review. In the second rating area, the State of New York, the non-MSA Sullivan County NY was evaluated using full scope procedures, and Kingston NY MSA was evaluated using limited scope procedures. The selection of full-scope AAs was based, in part, on the level of deposits and lending activity within each AA. Refer to the "Scope" section under Rating Area for additional details regarding how the full scope areas were selected within the rating areas. All AAs meet the requirements of the CRA regulation and do not arbitrarily exclude low- and moderate-income geographies.

Ratings

The Bank's overall rating is a blend of the MMSA and State of New York ratings. The Bank's performance in the MMSA received the greatest consideration in the overall rating due to very limited bank presence and activity in the state outside of the MMSA. In the State of New York, loan originations during the evaluation period lacked sufficient volume for meaningful analysis, except for small business lending in Sullivan County. The MMSA and state ratings are based primarily on those areas that received full-scope reviews. Market share reflects a single year (2015) of performance that may not be demonstrative of performance over the entire review period. As a result, market share is emphasized somewhat less in conclusions than distributions, subject to performance context factors. Refer to the "Scope" section under each Rating Area for details regarding how the areas were considered in arriving at the MMSA and state ratings.

Other

Community credit needs in the AA were assessed, in part, by conducting community contacts. During this evaluation, one affordable housing organization was contacted to discuss community credit needs. In

addition, we reviewed comments made through community contacts completed during the evaluation period in connection with CRA examinations of other financial institutions operating in the same AA. The community contacts provided an assessment of the community's needs, and opportunities in which financial institutions may participate.

There is a critical need in the rating areas for new units of affordable housing; the demand for housing that is accessible to low- or moderate-income persons exceeds the supply of housing units. Banks can assist in meeting the need by supporting housing initiatives, including the financing of affordable housing developments, providing grants to housing organizations for financial education programs and providing technical assistance to community organizations. Refer to the Market Profile in Appendix C for more discussion of credit needs in the AAs selected for full scope review.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

The OCC will consider any evidence of discriminatory or other illegal credit practices relative to this institution that other regulators may provide to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information provided concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Multistate Metropolitan Area Rating

New York-Newark-Jersey City NY-NJ-PA MMSA

CRA rating for the New York-Newark-Jersey City

NY-NJ-PA MMSA¹:	Satisfactory
The lending test is rated:	High Satisfactory
The investment test is rated:	High Satisfactory
The service test is rated:	High Satisfactory

The major factors considered in this rating include:

- SNB has a good level of lending within the MMSA;
- SNB’s distribution of loans by the income level of the geography reflects good penetration in the MMSA;
- SNB’s distribution of loans by the income level of the borrower reflects adequate penetration in the MMSA;
- SNB had a good level of community development loans that exhibited good responsiveness to the needs of the MMSA, and had a positive impact on Lending Test performance in the MMSA;
- SNB had a relatively high level of qualified investments that demonstrate good responsiveness to community development needs in the AA;
- SNB’s retail banking services are reasonably accessible in its AAs; and,
- SNB had a good level of community development services in the MMSA that had a positive impact on Service Test conclusions.

Description of Institution’s Operations in New York-Newark-Jersey City NY-NJ-PA MMSA

The majority of the Bank’s branches are located in the MMSA AA (refer to Table 15). Within the MMSA, there is one branch office in New Jersey in Bergen County and the remaining MMSA branches in the State of New York in Bronx County, Kings County, New York County, Orange County, Queens County, Rockland County and Westchester County, NY. Of these New York branches, the majority are in Westchester County in the New York-Jersey City-White Plains MD, as a result of the 2015 Hudson Valley Bank, N.A. acquisition discussed in the Description of the Institution. However, the majority of the Bank’s deposits are in neighboring Rockland County (also in the New York-Jersey City-White Plains MD) from the legacy SNB branch network and customer base.

Scope of Evaluation in New York-Newark-Jersey City NY-NJ-PA MMSA

In evaluating the SNB’s operations in the MMSA, all lending, investments and services in the portions of the MMSA where the Bank has branch offices were included. This includes the New York-Jersey City-White Plains MD, Nassau County-Suffolk County MD and Dutchess County-Putnam County MD. Also considered was activity within the broader statewide/regional area that included portions of the MMSA

¹ This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

served by the Bank. Activity in the New York-Jersey City-White Plains MD was given the greatest consideration in arriving at the overall conclusions for the MMSA, as the majority of branches, deposits and lending activity occurred within this AA.

Refer to the market profile for the MMSA in Appendix C for demographics and other performance context information for AAs that received full-scope reviews.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN New York-Newark-Jersey City NY-NJ-PA MMSA

LENDING TEST

The Bank's performance under the lending test in the MMSA is rated High Satisfactory. SNB has a good distribution of loans by the income geography, an adequate distribution of loans by the income of the borrower and a relatively high level of community development loans that exhibit good responsiveness to the needs of the AA.

Lending Activity

Refer to Table 1, NY-NJ Multistate MSA, in appendix D for the facts and data used to evaluate the bank's lending activity.

SNB has a good level of lending within the MMSA during the evaluation period relative to its size and resources. The level of home mortgage lending is good and the level of small business lending is good.

As of June 30, 2016, the FDIC Deposit Market Share Report shows that SNB reported \$9.7 billion deposits in the MMSA AA, representing 99.0 percent of bank deposits. SNB ranks 21st out of 213 financial institutions for deposits with a 0.59 percent market share. Deposit market share is dominated by large, national and regional banks, namely JPMorgan Chase Bank, N.A, and Bank of America, N.A., that rank first and second. The ten largest banks in the market represent a combined 76.6 percent of deposit market share.

The analysis of mortgage lending activity is based on the number of HMDA loans reported in 2015, the most current peer lending data is available. There were 736 mortgage lenders in the AA for the 2015 HMDA reporting year. The top ten mortgage lenders represented 45.7 percent of all home mortgages reported. The top three mortgage lenders are large national banks—Wells Fargo Bank, N.A, JPMorgan Chase Bank, N.A and Citibank, N.A. SNB ranked 30th for all home mortgages in the AA for 2015 with 1,066 mortgage loans originated or purchased and an overall market share of 0.63 percent.

For home purchase loans in the AA, SNB ranked 21st out of 678 mortgage lenders with 0.81 percent of the market. For home refinance loans, SNB ranked 51st out of 393 lenders with a 0.38 percent market share. For home improvement loans, SNB has a market share of 0.43 percent (by number) and ranks 45th out of 297 HMDA lenders reporting refinance loans in the AA.

The analysis of small business lending activity is based on the number of loans reported in 2015. There were 260 small business lenders in the AA for the 2015 reporting year. The top ten mortgage lenders represented 95.3 percent of all small loans to businesses reported. SNB ranked 42nd for all small loans to businesses in the AA for 2015 with 44 loans originated or purchased and an overall market share of 0.02

percent. The market for small loans to businesses is dominated by large financial institutions and small business credit card lenders. The top three small business lenders are American Express, F.S.B, JPMorgan Chase Bank, N.A. and Capital One Bank, N.A.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

The geographic distribution of home mortgage loans in the MMSA is good. Home purchase and home refinance loans each reflects good penetration of LMI geographies. Home improvement lending reflects adequate penetration, and multifamily lending reflects good penetration in LMI geographies.

Refer to Tables 2, 3, 4 and 5, NY-NJ Multistate MSA, in Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

Home Purchase Loans

The geographic distribution of home purchase loans reflects good penetration within the MMSA. SNB's home purchase lending in low-income census tracts exceeds the demographic comparator of owner-occupied units in those tracts. The Bank's market share of home purchase loans in low-income geographies meets its market share of all home purchase loans in the MMSA.

SNB's home purchase lending in moderate-income census tracts exceeds the demographic comparator of owner-occupied units in those tracts. The Bank's market share of home purchase loans in moderate-income geographies exceeds its market share of all home purchase loans in the MMSA.

Home Improvement Loans

The geographic distribution of home improvement loans reflects adequate penetration within the MMSA. SNB's home improvement lending in low-income census tracts is below the demographic comparator of owner-occupied units in those tracts. The Bank's market share of home improvement loans in low-income geographies is too small to be reflected in the table, which compares unfavorably to its market share of all home improvement loans in the MMSA.

SNB's home improvement lending in moderate-income census tracts is near the demographic comparator of owner-occupied units in those tracts. The Bank's market share of home improvement loans in moderate-income geographies exceeds its market share of all home improvement loans in the MMSA.

Home Refinance Loans

The geographic distribution of home refinance loans reflects excellent penetration within the MMSA. SNB's home refinance lending in low-income census tracts exceeds the demographic comparator of owner-occupied units in those tracts. The Bank's market share of home refinance loans in low-income geographies also exceeds its market share of all home refinance loans in the MMSA.

SNB's home refinance lending in moderate-income census tracts is near, but below, the demographic comparator of owner-occupied units in those tracts. The Bank's market share of home refinance loans in moderate-income geographies exceeds its market share of all home refinance loans in the MMSA.

Multifamily Loans

The geographic distribution of multifamily loans reflects good penetration within the MMSA. SNB's multifamily lending in low-income census tracts exceeds the demographic comparator of multifamily housing units in those tracts. The Bank's market share of multifamily loans in low-income geographies also exceeds its market share of multifamily loans in the MMSA.

SNB's multifamily loans in moderate-income census tracts is below the demographic comparator of multifamily housing units in those tracts; however, the Bank's market share of multifamily loans meets its market share of multifamily loans in the MMSA.

Small Loans to Businesses

The geographic distribution of small loans to businesses reflects good penetration within the MMSA. Refer to Table 6, NY-NJ Multistate MSA, in Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's origination/purchase of small loans to businesses.

SNB's small business lending in low-income census tracts is near the demographic comparator of small businesses located in those tracts. The Bank's market share of small loans to businesses in low-income geographies exceeds its market share of all small loans to businesses in the MMSA.

SNB's small business lending in moderate-income census tracts is below the demographic comparator of small businesses located in those tracts, however, the Bank's market share of small loans to businesses in moderate-income geographies meets its market share of all small loans to businesses in the MMSA.

Lending Gap Analysis

The lending distribution in the AA was evaluated to determine if any unexplained, conspicuous gaps existed. Maps and reports on HMDA and CRA loan data were compared to the geographies where loans were originated to the geographies in the AA. We also considered competition, market conditions, and demographic information. No unexplained, conspicuous gaps were identified.

Inside/Outside Ratio

This analysis is performed at the Bank level rather than state or AA levels. During the evaluation period, a substantial majority of the Bank's loans were originated and purchased within its rating areas. A substantial majority of the number and dollar volume of loans were in the AAs. Specifically, 85.5 percent of loans by number and 85.0 percent by dollar volume were within the Bank's overall AAs. By product, 84.2 percent by number and 84.4 percent by dollar of home mortgage loan originations and purchases were within the Bank's AAs. For small loans to businesses, 91.5 percent by number and 89.0 percent by dollar were originated or purchased within the Bank's AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Distribution of Loans by Income Level of the Borrower

The distribution of loans reflects adequate penetration among borrowers of different income levels and businesses of different sizes. Home mortgage loan borrower distribution is adequate. For home mortgage loan borrower distribution, greater consideration was given to home purchase loan activity as SNB had a higher volume of this mortgage product compared to home improvement or home refinance loans. Small business borrower distribution is adequate.

Home Mortgage Loans

Refer to Tables 8, 9, and 10, NY-NJ Multistate MSA, in Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans in the MMSA is adequate. Home purchase, home refinance and home improvement lending all reflect adequate distribution to LMI borrowers. In our conclusions, we considered the high cost of housing relative to the low- and moderate-income ranges, where the median values are 14 and 8 times income, respectively.

The Bank's home mortgage lending to LMI borrowers in the AA increased over the evaluation period, with 2016 home purchase loans to LMI borrowers being significantly higher than 2014. In its progress toward implementing the CRA Plan, Bank staff met with local community organizations to discuss ways to increase LMI home mortgage lending. This performance trend and the Bank's responsiveness were given consideration in the overall conclusion on home mortgage lending to LMI borrowers, supporting the adequate rating for borrower distribution of home mortgage loans.

Home Purchase Loans

The borrower distribution of home purchase loans reflects adequate penetration within the MMSA. SNB's home purchase lending to low-income borrowers is significantly below the demographic comparator of low-income families in the AA. The Bank's market share of home purchase loans to low-income borrowers is also well below its market share of all home purchase loans in the MMSA. However, the median housing value to low-income significantly limits home purchase opportunities to low-income borrowers.

SNB's home purchase lending to moderate-income borrowers is below the demographic comparator of moderate-income families in the AA. The Bank's market share of home purchase loans to moderate-income borrowers is also below its market share of all home purchase loans in the MMSA. However, the median housing value to moderate-income limits home purchase opportunities to moderate-income borrowers.

Home Improvement Loans

The borrower distribution of home improvement loans reflects adequate distribution within the MMSA. SNB's home improvement lending to low-income borrowers is well below the demographic comparator of low-income families in the AA. The Bank's market share of home improvement loans to low-income borrowers is also well below its market share of all home improvement loans in the MMSA.

SNB's home improvement lending to moderate-income borrowers exceeds the demographic comparator of moderate-income families in the AA. The Bank's market share of home improvement loans to moderate-income borrowers is below its market share of all home improvement loans in the MMSA.

Home Refinance Loans

The borrower distribution of home refinance loans reflects adequate penetration within the MMSA. SNB's home refinance lending to low-income borrowers is well below the demographic comparator of low-income families in the AA, however, the Bank's market share of home refinance loans to low-income borrowers meets its market share of all home refinance loans in the MMSA.

SNB's home refinance lending to moderate-income borrowers is near the demographic comparator of moderate-income families in the AA. The Bank's market share of home refinance loans to moderate-income borrowers exceeds its overall market share of all home refinance loans in the MMSA.

Small Loans to Businesses

The borrower distribution of small loans to businesses reflects poor penetration within the AA. Refer to Table 10, NY-NJ Multistate MSA, in Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's origination/purchase of small loans to businesses.

SNB's percentage of small loans (with original amounts of \$1 million or less) made to small businesses (annual revenues of \$1 million or less) is lower than the percentage of small businesses located in the AA. The Bank's market share of small loans to small businesses is very low, as is the overall market share of small loans to businesses. SNB does provide small loans to businesses, with 55.7 percent of business loans reported having original amounts of \$250 thousand or less.

Community Development Lending

SNB made a good level of community development loans. Refer to Table 1, NY-NJ Multistate MSA, in Appendix D for the facts and data used to evaluate the Bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that qualify as community development loans. However, Table 5 does not separately list community development loans. Refer to the market profile in Appendix C for a discussion of AA needs and available community development opportunities.

Community development lending had a positive impact on the Lending Test and overall performance in the MMSA. The Bank's community development lending exhibited a good level of responsiveness to the credit needs in the AA.

During the evaluation period, SNB originated or participated in community development loans totaling \$276.5 million to 46 entities in the AA. CD loans include the following:

- Loans for affordable housing, including a \$36MM loan to finance the development of 165 units of affordable rental housing units in Kings County and a \$2.5 million loan to a community development financial institution (CDFI) in New York County that provides assistance and counseling to LMI homeowners and first-time homebuyers.

- Loans that provided needed healthcare services to LMI individuals, including a \$3 million loan for a nursing care facility in Westchester County that serves LMI seniors and a \$985 thousand loan for a community health center in Orange County.
- Loans that revitalized or stabilized LMI areas or designated disaster areas, including a \$15 million loan to a Kings County business after Hurricane Sandy that allowed the business to continue operations and retain over 125 jobs; and, a \$2.6 million loan to develop a retail pharmacy in a low-income area of Kings County.

Activities in the Broader Statewide or Regional Area

Community Development (CD) activities include loans made within the broader statewide area that includes the Bank's AAs, but were not made directly in the AAs. During the evaluation period, four CD loans totaling \$13.8 million were made for affordable housing or community services in areas that are part of the greater MMSA, but outside of the counties that encompass the Bank's AA. CD loans totaling \$8.7 million were made in Middlesex and Passaic County (part of the New York-Jersey City-White Plains, NY-NJ MD). CD loans totaling \$5.1 million were made in Essex and Union County (part of the Newark, N.J.-PA. MD). These CD loans had a positive impact on the rating as they helped to meet CD needs within the broader MMSA.

Product Innovation and Flexibility

SNB made limited use of innovative and/or flexible lending practices during the evaluation period. However, new products were introduced to increase the Bank's responsiveness to the credit needs of LMI persons in the AA. During 2016, the Bank approved and launched a proprietary affordable mortgage product, Sterling Start, in an effort to address the pressing demand for homeownership within LMI communities. The Sterling Start mortgage product offers eligible first-time homebuyers discounted rates and terms. In addition, eligible first-time homebuyers could benefit from Bank-provided closing cost or settlement cost assistance. Also during 2016, SNB introduced a loan program targeted to specific LMI co-op developments in the AA. The program will offer mortgages and refinance opportunities to eligible co-op borrowers in the New York metro market, specifically Bronx County, NY.

INVESTMENT TEST

The Bank's performance under the Investment Test in the MMSA is rated High Satisfactory. The Bank's performance in the MMSA is good. SNB has a significant level of qualified investments, occasionally in a leadership position. The majority of SNB's qualified investments are those routinely provided by private investors. In its progress toward implementing the CRA Plan, Bank management increased its purchases of responsive investments during the evaluation period, notably in 2015 and 2016.

Refer to Table 14, NY-NJ Multistate MSA, in Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

Current period qualified investments in the MMSA total \$124.4 million, the majority of which (86 percent) are mortgage-backed securities where the underlying home mortgages are primarily to LMI borrowers.

The remaining qualified investments show an excellent level of responsiveness to AA housing needs and included the following;

- In 2015 SNB made a \$4MM investment in a low-income housing tax credit fund that financed 33 new units of affordable housing within the AA.
- In 2016 SNB invested \$5.7MM in New York State Housing Finance bonds that funded loans for the construction and rehabilitation of LMI multifamily rental developments in the AA.
- In 2016 SNB invested \$1.7MM in New York City Housing Development Corporation bonds to finance affordable housing development within the AA.

Qualified investments also include \$714 thousand in grants to 54 community organizations whose mission meets a community development purpose. These grants supported programs that include LMI youth development, elderly nutrition and affordable housing.

SERVICE TEST

The Bank's performance in the MMSA is rated High Satisfactory. Retail banking services are reasonably accessible to all portions of the AA. The Bank provides a good level of community development services.

Retail Banking Services

Refer to Table 15, NY-NJ Multistate MSA, Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch opening and closings.

SNB's delivery systems are reasonably accessible to the geographies and individuals of different income levels in its AA. There are thirty-eight branches in the MMSA, with thirty-five branches in the New York-Jersey City-White Plains MD, two branches in the Nassau County-Suffolk County MD; and one branch in the Dutchess County-Putnam County MD. Within the MMSA, there are twenty-five branches in upper-income geographies, nine branches in middle-income geographies, three branches in moderate-income geographies, and one branch in a low-income geography.

The majority of Bank branches fall into upper-income geographies, at 65.8 percent. Middle- and moderate-income geographies contain 23.7 and 7.9 percent of branches, respectively. Low-income geographies contain 2.6 percent of branches. The distribution within LMI geographies is below the population in LMI geographies. However, the Bank's branch network covers a wide geographic area within the MMSA relative to its size and include some counties where there is only one branch.

SNB's record of openings and closings of branches has not adversely affected the Bank's delivery systems, particularly for low- and moderate- income geographies. During the evaluation period, there were no branch openings. Within the MMSA, there were twenty-two closings in upper-income geographies, five closings in middle-income geographies, and six closings in moderate-income geographies. Branch closing activity was related to branch consolidations resulting from acquisitions and mergers.

SNB services do not vary in such a way that inconveniences low- and moderate-income geographies. The Bank has one branch in a low-income geography, which offers the same services as the Bank's other branches including a 24-hour ATM, full service financial center, and safe deposit box. The Bank has ATMs at all other branch locations.

The Bank offers traditional banking products and services throughout the MMSA including online, mobile and telephone banking. SNB's product offerings include commercial loans, loans to municipalities, residential mortgage loans, private banking, and wealth management services.

Community Development Services

The Bank provides a good level of community development services in the MMSA. In the Bank's progress toward implementing the CRA plan, there was a significant increase in CD service activity in 2016. The Bank demonstrated good responsiveness in its CD service activities. These activities had a positive impact on our overall Service Test conclusions.

SNB staff members serve in governance positions on the Board of Directors of twenty-four community development organizations including LMI healthcare organizations and CDFIs. SNB also provided other CD services to 40 community organizations with an emphasis on financial education instruction. Bank staff provided over 200 hours of community development services each year for 2014 and 2015, and over 500 hours of community development services in 2016. CD service activities included a significant level of youth financial education targeted to LMI students. SNB staff supported Junior Achievement of New York by teaching financial education and serving on the Board of Directors. Community development services also supported programs that provide food to LMI populations and organizations serving low- and moderate-income communities in first-time homeownership counseling, small business education, and consumer credit counseling. The Bank also sponsored three Federal Home Loan Bank of New York, Affordable Housing Program (AHP) applications during the evaluation period for community organizations in the AA.

State Rating

State of New York

CRA Rating for New York State²:	Needs to Improve
The lending test is rated:	Needs to Improve
The investment test is rated:	Low Satisfactory
The service test is rated:	Low Satisfactory

The major factors considered in this rating include:

- SNB's lending levels, limited reflect poor responsiveness to AA credit needs;
- SNB's distribution of loans by the income level of the geography reflects poor penetration;
- SNB's distribution of loans by the income level of the borrower reflects poor penetration;
- SNB made a good level of community development loans, but with neutral impact on Lending Test conclusions;
- SNB's qualified investments were adequate, considering a LIHTC commitment made during the evaluation period;
- SNB's retail banking services are adequate; and,
- SNB's provision of community development services is poor.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Based on the full-scope review, the Bank's performance under the lending test in the Sullivan County AA is rated Needs to Improve. SNB has a poor distribution of loans by geography and by the income of the borrower based on small business loans. Evaluation of HMDA loans is meaningless given the volume originated. SNB has an adequate level of community development loans with adequate responsiveness to the needs of the AA.

Lending Activity

Refer to Table 1, State of New York, in Appendix D for the facts and data used to evaluate the Bank's lending activity.

Lending levels reflect poor responsiveness to AA credit needs, relative to the Bank's size and resources. The levels of home mortgage and small business lending are poor. The bank made one home mortgage loan.

For deposit activity, public data shows that SNB reported \$44.8 million deposits in Sullivan County³, representing 0.45 percent of bank deposits. SNB ranks 8 out of 11 financial institutions for deposits in

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

³ FDIC Share of Deposits Reports, June 30, 2016

Sullivan County with a 3.46 percent market share. Deposit market share in the AA is dominated by two large community banks, Jeff Bank and Catskill Hudson Bank. These two banks have 19 offices in the AA and represent 54.7 percent of the deposit market share.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans reflects poor penetration throughout the Sullivan County AA.

Small Loans to Businesses

The geographic distribution of small loans to businesses in the Sullivan County AA is poor. Refer to Table 6, State of New York, in Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses reflects poor penetration within the AA. There were no low-income geographies within the AA. However, SNB's lending to small businesses in moderate-income census tracts is lower than the percent of small businesses located in moderate-income census tracts. There was no reported market share for the Bank's small loans to business in moderate-income geographies in the AA.

Distribution of Loans by Income Level of the Borrower

The distribution of loans by borrower income reflects poor penetration in the Sullivan County AA.

Small Loans to Businesses

The borrower distribution of small loans to businesses in the Sullivan County AA is poor. Refer to Table 11, State of New York, in Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses reflects poor penetration within the AA. SNB's lending to small businesses is lower than the percent of small businesses in AA. There was no reported market share for the Bank's small loans to businesses in the AA.

Community Development Lending

SNB made a good level of community development loans, considering the volume of deposits in the AA. Refer to Table 1 Lending Volume, State of New York, in Appendix D for the facts and data used to evaluate the Bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. However, Table 5 does not separately list CD loans.

Although good, community development lending had a neutral impact on the Lending Test conclusions and overall performance in the Sullivan County AA, because of the poor lending performance overall. During the evaluation period, SNB originated two community development loans totaling \$5.6 million to two CD service organizations in the AA that exhibited an adequate level of responsiveness to the needs in

the AA. CD loans included one to an organization that provides healthcare services to disabled LMI persons in the AA and the other loan to a faith-based youth community services organization.

Conclusions for Areas Receiving Limited-Scope Reviews

There was insufficient lending for a meaningful analysis.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope review, the Bank's performance under the investment test in the Sullivan County AA is rated Low Satisfactory. Refer to Table 14, State of New York, in Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

Although SNB made no qualified investments (including grants or donations) in the AA during the evaluation period, the Bank does have a pending commitment to invest \$6 million in a LIHTC project for the preservation of existing affordable housing in the AA.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the Bank's performance under the investment test in the Kingston MSA is weaker than the Bank's overall Low Satisfactory performance under the investment test in the Sullivan County AA. There were no investments in the Kingston MSA during the evaluation period.

Refer to the Table 14, State of New York, in Appendix D for the facts and data that support these conclusions.

SERVICE TEST

The Bank's performance under the service test in the State of New York is rated Low Satisfactory. Retail banking services are adequate, while community development services are poor.

Conclusions for Areas Receiving Full-Scope Reviews

Based on the full scope review, the Bank's performance in the Sullivan County Non-MSA is adequate.

Retail Banking Services

Refer to Table 15, State of New York, in Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch opening and closings for Sterling's portion of the Sullivan County non-MSA.

Delivery systems are reasonably accessible to essentially all portions of the Bank's Sullivan County AA. Within the Sullivan County non-MSA, the Bank has one branch, which is located in a moderate-income tract. There was one branch closure during the assessment period in a middle-income geography.

The Bank's delivery systems are generally accessible to all portions of this non-MSA. Services generally do not vary in a way that inconveniences customers in this MSA. This branch offers twenty-four hour ATM service, a full-service financial center, safety deposit box service, and a drive-up window.

Community Development Services

During the assessment period, SNB staff did not provide any community development service activities with organizations in Sullivan County. This exhibited a poor level of responsiveness. Community contacts indicated there is a need for CD services in the AA, particularly financial education for individuals and small business owners. However, the bank operates a single branch, with limited staff, in the AA.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the Bank's performance under the service test in the Kingston MSA is consistent with the Bank's overall Low Satisfactory performance under the service test in Sullivan County. Performance for retail banking services and community development services are consistent with performance in the Sullivan County AA. Refer to Table 15, State of New York, in Appendix D for the facts and data that support these conclusions.

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS Sterling National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Sterling National Bank	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
New York-Newark-Jersey City, N.Y.-N.J.-PA MMSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
New York State	Needs to Improve	Low Satisfactory	Low Satisfactory	Needs to Improve

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

NY-NJ-PA MMSA 35620

DEMOGRAPHIC INFORMATION FOR FULL SCOPE AREA: NY-NJ-PA MMSA 35620						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	3,211	11.21	23.82	34.04	28.56	2.37
Population by Geography	13,097,700	12.66	25.16	32.25	29.72	0.22
Owner-Occupied Housing by Geography	2,262,162	2.36	14.11	39.97	43.56	0.00
Business by Geography	889,926	6.74	17.65	31.19	42.66	1.75
Farms by Geography	11,242	2.20	13.46	39.30	44.77	0.28
Family Distribution by Income Level	3,078,699	25.56	16.50	18.00	39.94	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,294,869	21.80	34.20	30.44	13.55	0.01
Median Family Income		73,376	Median Housing Value		514,309	
FFIEC Adjusted Median Family Income for 2016		77,411	Unemployment Rate (2010		4.1%	
Households Below Poverty Level		14%	US Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

According to the Bureau of Labor Statistics (BLS), the unemployment rate of the AA portion of the MMSA decreased during the assessment period. The average unemployment rate fell from 6.4 percent at December 2014, to 5.3 percent at December 2015, to 4.1 percent at December 2016.

Median household income in this MMSA is \$68,743, roughly ten percent higher than in New York State as a whole. However, household income levels are somewhat disparate, with 38 percent of households earning less than \$50,000, and 11 percent of households earning more than \$200,000. 14.1 percent of the population falls at or below the federal poverty income level of \$24,300 for 2016. One in five children (20 percent) under the age of 18 are in poverty. The largest demographic in poverty is females, aged 25-34. The most common industries in this region are Healthcare and Social Assistance; Retail Trade; and Educational Services.

Housing vacancy rates in this MMSA are lower than New York State and the entire U.S., at 9.7 percent, versus 11.9 percent and 12.3 percent, respectively. Roughly half of housing units are renter-occupied (49.2 percent), compared to just 37 percent for the entire U.S. The average cost of owner-occupied housing units in this MSA is high at \$414,000, more than double the average cost of owner-occupied housing in the entire U.S., \$194,500. Over one quarter of owner-occupied housing in this MSA costs between \$500,000 and \$1 million.

Non-MSA NY SULLIVAN COUNTY

Demographic Information for Full Scope Area: Non-MSA NY Sullivan County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	10	0.00	30.00	30.00	40.00	0.00
Population by Geography	41,082	0.00	28.89	26.50	44.61	0.00
Owner-Occupied Housing by Geography	9,372	0.00	17.20	27.97	54.83	0.00
Business by Geography	1,847	0.00	40.44	26.75	32.81	0.00
Farms by Geography	65	0.00	16.92	24.62	58.46	0.00
Family Distribution by Income Level	9,692	22.00	17.86	17.86	42.28	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,863	0.00	39.45	25.91	34.64	0.00
Median Family Income		54,386	Median Housing Value		180,142	
FFIEC Adjusted Median Family Income for 2016		60,000	Unemployment Rate		4.90%	
Households Below Poverty Level		16%	(2010 US Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

According to the Bureau of Labor Statistics (BLS), the unemployment rate of Sullivan County, NY is 4.9% through December 2016. The average unemployment rate continues to decline from 6.1 percent at December 2014 to 4.9 percent at December 2015 and held steady at that rate through December 2016.

The median household income is slightly below both the median household income for New York State and the entire U.S. at \$51,761. Nearly half (49 percent) of households have an income less than \$50,000. Just 4 percent of households in this county earn over \$200,000. Individuals living at or below the federal poverty level account for 17.9 percent of the population, with nearly one in every three (32 percent) children under the age of 18 in poverty.

The majority of housing structures are owner-occupied, at 68 percent. The vacancy rate is much higher than both the rate in New York State and the entire U.S. (42.9 percent, compared to 11.9 percent and 12.3 percent, respectively). The median value of owner-occupied housing units is \$168,500, about 57.4 percent of the median housing cost in New York State.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For

borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/AA.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 1. Lending Volume

LENDING VOLUME												
Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016												
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
NY-NJ-PA MMSA 35620	100.00	2,821	1,321,318	639	216,924	1	300	46	276,506	3,506	1,814,221	100.00
Broader Statewide Area								4	13,800	4	13,800	

LENDING VOLUME												
Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016												
Assessment Area (2016):	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
NonMSA NY Sullivan County	69.44	1	39	24	9,304	0	0	2	5,600	27	14,943	50.12
Limited Review:												
Kingston NY MSA 28740 Ulster County	30.56	5	839	6	886	0	0	0	0	11	1,725	49.88

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 21, 2014 to January 21, 2017.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
NY-NJ-PA MMSA 35620	2,103	100.00	2.36	3.52	14.11	18.93	39.97	34.38	43.56	43.18	0.80	0.82	0.94	0.75	0.81

Geographic Distribution: HOME PURCHASE Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
NonMSA NY Sullivan County	1	16.67	0.00	0.00	17.20	100.00	27.97	0.00	54.83	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Kingston NY MSA 28740 Ulster County	5	83.33	0.00	0.00	14.29	20.00	64.17	60.00	21.54	20.00	0.00	0.00	0.00	0.00	0.00

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NY-NJ-PA MMSA 35620	115	100.00	2.36	0.87	14.11	13.04	39.97	32.17	43.56	53.91	0.46	0.00	0.73	0.25	0.61

Geographic Distribution: HOME IMPROVEMENT Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA NY Sullivan County	0	0.00	0.00	0.00	17.20	0.00	27.97	0.00	54.83	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Kingston NY MSA 28740 Ulster County	0	0.00	0.00	0.00	14.29	0.00	64.17	0.00	21.54	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:																	
NY-NJ-PA MMSA 35620	568	100.00	2.36	3.52	14.11	12.32	39.97	30.11	43.56	54.05	0.39	0.50	0.49	0.27	0.44		

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:																	
NonMSA NY Sullivan County	0	0.00	0.00	0.00	17.20	0.00	27.97	0.00	54.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:																	
Kingston NY MSA 28740 Ulster County	0	0.00	0.00	0.00	14.29	0.00	64.17	0.00	21.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *					
	#	% of Total **	% of MF Units ***	% BANK Loans ****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
NY-NJ-PA MMSA 35620	31	100.00	19.60	22.58	29.08	22.58	20.13	9.68	31.19	45.16	0.46	0.74	0.49	0.24	0.45	

Geographic Distribution: MULTIFAMILY Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *					
	#	% of Total **	% of MF Units ***	% BANK Loans ****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
NonMSA NY Sullivan County	0	0.00	0.00	0.00	59.44	0.00	22.85	0.00	17.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:																
Kingston NY MSA 28740 Ulster County	0	0.00	0.00	0.00	59.24	0.00	25.63	0.00	15.14	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2015 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multifamily Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NY-NJ-PA MMSA 35620	637	100.00	6.74	6.91	17.65	14.13	31.19	22.45	42.66	56.51	0.09	0.11	0.07	0.07	0.12

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA NY Sullivan County	24	80.00	0.00	0.00	40.44	25.00	26.75	70.83	32.81	4.17	0.99	0.00	0.00	1.98	0.37
Limited Review:															
Kingston NY MSA 28740 Ulster County	6	20.00	0.00	0.00	18.52	33.33	57.13	50.00	24.35	16.67	0.19	0.00	0.80	0.09	0.19

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2016).

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms** *	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sterling-Portion NY-NJ MSA 35620	1	100.00	2.20	0.00	13.46	0.00	39.30	0.00	44.77	100.00	0.68	0.00	0.00	0.00	1.27

Geographic Distribution: SMALL LOANS TO FARMS Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms** *	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA NY Sullivan County	0	0.00	0.00	0.00	16.92	0.00	24.62	0.00	58.46	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Kingston NY MSA 28740 Ulster County	0	0.00	0.00	0.00	8.09	0.00	59.56	0.00	32.35	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2016).

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans*** *	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid
Full Review:																
NY-NJ-PA MMSA 35620	2,106	100.00	25.56	1.62	16.50	11.17	18.00	17.14	39.94	70.07	0.93	0.21	0.52	0.78	1.10	

Borrower Distribution: HOME PURCHASE Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans*** *	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid
Full Review:																
NonMSA NY Sullivan County	1	16.67	22.00	0.00	17.86	0.00	17.86	100.00	42.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:																
Kingston NY MSA 28740 Ulster County	5	83.33	21.82	20.00	16.74	0.00	22.06	40.00	39.38	40.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2015 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2010 Census information.

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans*** *	% Families ⁴	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NY-NJ-PA MMSA 35620	115	100.00	25.56	1.75	16.50	25.44	18.00	13.16	39.94	59.65	0.48	0.00	0.36	0.23	0.64

Borrower Distribution: HOME IMPROVEMENT Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families ⁵	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA NY Sullivan County	0	0.00	22.00	0.00	17.86	0.00	17.86	0.00	42.28	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Kingston NY MSA 28740 Ulster County	0	0.00	21.82	0.00	16.74	0.00	22.06	0.00	39.38	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2015 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.9% of loans originated and purchased by bank.

⁴ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total **	% Families ***	% BANK Loans ****	% Families **	% BANK Loans ****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NY-NJ-PA MMSA 35620	569	100.00	25.56	3.39	16.50	15.33	18.00	16.04	39.94	65.24	0.48	0.47	0.52	0.50	0.47

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total **	% Families ***	% BANK Loans ****	% Families 6	% BANK Loans ****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
NonMSA NY Sullivan County	0	0.00	22.00	0.00	17.86	0.00	17.86	0.00	42.28	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Kingston NY MSA 28740 Ulster County	0	0.00	21.82	0.00	16.74	0.00	22.06	0.00	39.38	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2015 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 1.4% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2010 Census information.

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses** *	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
NY-NJ-PA MMSA 35620	639	100.00	85.82	42.41	31.92	23.79	44.29	0.09	0.02

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses** *	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
NonMSA NY Sullivan County	24	80.00	82.84	12.50	12.50	29.17	58.33	0.99	0.00
Limited Review:									
Kingston NY MSA 28740 Ulster County	6	20.00	89.09	83.33	66.67	16.67	16.67	0.19	0.07

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2016).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 9.70% of small loans to businesses originated and purchased by the bank.

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Sterling-Portion NY-NJ MSA 35620	1	100.00	95.56	0.00	0.00	0.00	100.00	0.68	0.00

Borrower Distribution: SMALL LOANS TO FARMS Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016									
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
NonMSA NY Sullivan Co	0	0.00	96.32	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:									
Kingston NY MSA 28740 Ulster County	0	0.00	96.92	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2015 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2016).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Institution ID: STERLING NATIONAL BANK (1000025075) (Included)

Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																			
Assessment Area:	Geographic Distribution										Borrower Distribution								
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds*	% of BANK Loans	
Full Review:																			
N/A																			

* Consumer Loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.
 ** Percentage of households is based on 2010 Census Information.

Institution ID: STERLING NATIONAL BANK (10000025075) (Included)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
		Geography: NY-NJ MULTISTATE MSA		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
NY-NJ-PA MMSA 35620	8	22,447	98	124,420.54	146,868	106	100	0	0

QUALIFIED INVESTMENTS									
		Geography: STATE OF NEW YORK		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016					
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
NonMSA NY Sullivan County	0	0	0	0	0	0	0.00	0	0
Limited Review:									
Kingston NY MSA 28740 Ulster County	0	0	0	0	0	0	0.00	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: STERLING NATIONAL BANK (1000025075) (Included)

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: NY-NJ MULTISTATE MSA Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
NY-NJ-PA MMSA 35620	100.0	38	95	2.6	7.9	23.7	65.8	0	33*	0	-6	-5	-22	12.66	25.16	32.25	29.72

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: STATE OF NEW YORK Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
NonMSA NY Sullivan County	50.12	1	2.5	0.00	100	0.00	0.00	0	1	0	0	-1	0	0.00	28.89	26.50	44.61
Limited Review:																	
Kingston NY MSA 28740 Ulster County	49.88	1	2.5	0.00	100	0.00	0.00	0	0	0	0	0	0	0.00	16.54	65.10	18.35

*Note that the closed branch located at 1412 Broadway, New York, did not have a designated income tract.