STERLING BANCORP
Form 10-Q
November 09, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
FORM 10-Q

(Mark One)

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2004

or

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to ____________________

Commission File Number: 1-5273-1

Sterling Bancorp
(Exact name of registrant as specified in its charter)

New York	13-2565216
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification)
650 Fifth Avenue, New York, N.Y.	10019-6108
(Address of principal executive offices)	(Zip Code)

212-757-3300
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

|X| Yes |_| No

Indicate by check mark whether the registrant is an accelerated filer as defined in Rule 12b-2 of the Exchange Act,

|X| Yes |_| No

As of October 31, 2004 there were 15,177,080 shares of common stock, $1.00 par value, outstanding.

STERLING BANCORP

STERLING BANCORP AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)

ASSETS	September 30, 2004	December 3 2003
Cash and due from banks	$ 53,264,489	$ 63,947
Interest-bearing deposits with other banks	2,669,514	1,656
Securities available for sale	160,946,796	195,477
Securities available for sale - pledged	121,490,565	117,250
Securities held to maturity	258,309,947	203,480
Securities held to maturity - pledged	129,372,694	166,910
Total investment securities	670,120,002	683,118
Loans held for sale	38,810,366	40,556
Loans held in portfolio, net of unearned discounts	968,073,110	900,556
Less allowance for loan losses	15,602,478	14,458
Loans, net	952,470,632	886,097
Customers' liability under acceptances	902,538	953
Excess cost over equity in net assets of the banking subsidiary	21,158,440	21,158
Premises and equipment, net	9,987,174	9,226
Other real estate	1,019,095	829
Accrued interest receivable	5,140,340	5,069
Bank owned life insurance	22,302,781	21,872
Other assets	32,033,865	24,260
	$ 1,809,879,236	$ 1,758,745
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Noninterest-bearing deposits	$ 424,534,758	$ 474,091
Interest-bearing deposits	874,834,879	737,648
Total deposits	1,299,369,637	1,211,740
Securities sold under agreements to repurchase - customers	103,595,822	42,490
Securities sold under agreements to repurchase - dealers	--	51,327
Federal funds purchased	--	10,000
Commercial paper	34,953,800	28,799
Other short-term borrowings	1,107,981	56,871
Acceptances outstanding	902,538	953
Accrued expenses and other liabilities	88,429,678	77,602
Long-term debt	135,774,000	135,774
Total liabilities	1,664,133,456	1,615,560
Shareholders' equity		
Preferred stock, $5 par value. Authorized		

644,389 shares; Series D issued 0 and 224,432 shares,respectively	--	2,244
Common stock, $1 par value. Authorized 50,000,000 and 20,000,000 shares, respectively; issued 16,795,983 and 16,244,549 shares, respectively	16,795,983	16,244
Capital surplus	145,428,914	142,393
Retained earnings	29,011,473	17,751
Accumulated other comprehensive loss, net of tax	(2,820,786)	(976
	188,415,584	177,657
Less		
Common shares in treasury at cost, 1,618,903 and 1,306,587 shares, respectively	42,297,109	33,577
Unearned compensation	372,695	894
Total shareholders' equity	145,745,780	143,185
	$ 1,809,879,236	$ 1,758,745

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ende September 30,	
	2004	2003	2004	
INTEREST INCOME				
Loans	$16,897,670	$15,877,296	$47,392,037	$46
Investment securities				
Available for sale	3,211,403	2,260,320	10,357,118	7
Held to maturity	4,624,665	4,201,130	14,008,129	14
Federal funds sold	72,779	5,282	128,915	
Deposits with other banks	5,902	8,516	13,078	
Total interest income	24,812,419	22,352,544	71,899,277	68
INTEREST EXPENSE				
Deposits	3,015,262	2,168,483	7,862,397	6
Securities sold under agreements to repurchase	325,203	339,686	1,006,563	1
Federal funds purchased	9,041	20,687	72,484	
Commercial paper	106,502	65,653	247,861	
Other short-term borrowings	33,970	85,754	239,541	
Long-term debt	1,559,688	1,605,309	4,679,063	4
Total interest expense	5,049,666	4,285,572	14,107,909	13
Net interest income	19,762,753	18,066,972	57,791,368	54

Provision for loan losses	2,338,500	2,172,500	7,235,500	6
Net interest income after provision for loan losses	17,424,253	15,894,472	50,555,868	48
NONINTEREST INCOME				
Factoring income	1,915,761	1,630,993	5,110,102	4
Mortgage banking income	3,846,269	3,974,329	11,392,079	10
Service charges on deposit accounts	1,258,129	1,192,668	3,480,649	3
Trade finance income	688,276	631,816	1,699,083	1
Trust fees	160,311	138,891	508,046	
Other service charges and fees	394,754	512,484	1,349,983	1
Bank owned life insurance income	498,530	252,241	975,264	
Securities gains	285,918	101,225	970,722	
Other income	126,880	300,626	638,309	
Total noninterest income	9,174,828	8,735,273	26,124,237	24
NONINTEREST EXPENSES				
Salaries and employee benefits	10,053,582	8,870,906	28,140,886	25
Occupancy expenses, net	1,336,548	1,100,625	3,647,442	3
Equipment expenses	755,738	680,052	2,169,997	2
Advertising and marketing	974,755	864,385	2,992,678	2
Professional fees	952,253	837,434	2,939,885	2
Data processing fees	272,292	255,157	860,235	
Stationery and printing	141,816	230,368	602,821	
Communications	363,698	381,503	1,161,891	1
Mortgage tax expense	131,247	321,407	493,628	
Other expenses	1,333,637	1,278,629	4,063,563	4
Total noninterest expenses	16,315,566	14,820,466	47,073,026	44
Income before income taxes	10,283,515	9,809,279	29,607,079	28
Provision for income taxes	3,545,581	3,694,566	9,689,037	11
Net income	$ 6,737,934	$ 6,114,713	$19,918,042	$17
Average number of common shares outstanding				
Basic	15,175,955	14,908,734	15,217,170	14
Diluted	15,866,897	15,786,843	15,966,159	15
Earnings per average common share				
Basic	$ 0.44	$ 0.41	$ 1.31	$
Diluted	0.43	0.39	1.25	
Dividends per common share	0.19	0.19	0.57	

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30, 2004	2003	Nine Mont Septemb 2004
Net Income	$ 6,737,934	$ 6,114,713	$ 19,918,042
Other comprehensive income, net of tax:			
Unrealized holding gains (losses) arising during the period	2,347,046	(19,418)	(1,206,796)
Reclassification adjustment for gains included in net income	(154,681)	(54,762)	(525,160)
Unrealized gains on supplemental pension	252,350	--	252,350
Minimum pension liability adjustment	--	--	(364,398)
Comprehensive income	$ 9,182,649	$ 6,040,533	$ 18,074,038

See Notes to Consolidated Financial Statements.

5

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

	Nine Months Ended September 30, 2004	2003
Preferred Stock		
Balance at January 1	$ 2,244,320	$ 2,322
Conversions of Series D shares	(2,244,320)	(61
Balance at September 30	$ --	$ 2,260
Common Stock		
Balance at January 1	$ 16,244,549	$ 16,107
Conversions of preferred shares into common shares	428,304	9
Options exercised	123,130	124
Balance at September 30	$ 16,795,983	$ 16,241
Capital Surplus		
Balance at January 1	$ 142,393,959	$ 140,512
Conversions of preferred shares into common shares	1,816,016	52

Options exercised	1,218,939	1,849
Stock splt paid - cash in lieu	--	(32
Balance at September 30	$ 145,428,914	$ 142,381
Retained Earnings		
Balance at January 1	$ 17,751,859	$ 3,783
Net Income	19,918,042	17,821
Cash dividends paid - common shares	(8,658,428)	(7,291
- preferred shares	--	(94,
Balance at September 30	$ 29,011,473	$ 14,218
Accumulated Other Comprehensive Income		
Balance at January 1	$ (976,782)	$ 1,330
Unrealized holding gains/(losses) arising during the period:		
Before tax	(2,230,677)	(796
Tax effect	1,023,881	365
Net of tax	(1,206,796)	(430
Reclassification adjustment for gains: included in net income:		
Before tax	(970,722)	(297
Tax effect	445,562	136
Net of tax	(525,160)	(160
Unrealized gains/(losses) in supplemental pension:		
Before tax	466,451	
Tax effect	(214,101)	
Net of tax	252,350	
Minimum pension liability adjustment:		
Before tax	(673,563)	
Tax effect	309,165	
Net of tax	(364,398)	
Balance at September 30	$ (2,820,786)	$ 738
Treasury Stock		
Balance at January 1	$ (33,577,847)	$ (32,400
Purchase of common shares	(8,310,004)	(256
Surrender of shares issued under incentive compensation plan	(409,258)	(920
Balance at September 30	$ (42,297,109)	$ (33,577
Unearned Compensation		
Balance at January 1	$ (894,976)	$ (1,873
Amortization of unearned compensation	522,281	557
Balance at September 30	$ (372,695)	$ (1,316

Total Shareholders' Equity		
Balance at January 1	$ 143,185,082	$ 129,780
Net changes during the period	2,560,698	11,164
Balance at September 30	$ 145,745,780	$ 140,945

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30, 2004	2003
Operating Activities		
Net Income	$ 19,918,042	$ 17,821,13
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for loan losses	7,235,500	6,136,30
Depreciation and amortization of premises and equipment	1,318,157	1,272,48
Securities gains	(970,722)	(297,58
Income from bank owned life insurance	(975,264)	(790,22
Deferred income tax benefit	(447,226)	(262,89
Net change in loans held for sale	1,746,014	(24,662,60
Amortization of unearned compensation	522,281	557,01
Amortization of premiums on securities	1,198,486	1,905,33
Accretion of discounts on securities	(394,808)	(968,10
Increase in accrued interest receivable	(70,917)	(701,00
Increase (decrease) in accrued expenses and other liabilities	10,826,791	1,887,84
Increase in other assets	(5,857,132)	(4,708,66
Other, net	23,444	(884,85
Net cash provided by (used in) operating activities	34,072,646	(3,695,82
Investing Activities		
Purchase of premises and equipment	(2,079,148)	(1,120,05
(Increase) Decrease in interest-bearing deposits with other banks	(1,013,176)	425,80
Decrease in Federal funds sold	--	5,000,00
Net increase in loans held in portfolio	(73,608,868)	(90,713,49
Increase in other real estate	(189,239)	(200,91
Proceeds from prepayments, redemptions or maturities of securities - held to maturity	105,510,986	214,664,36
Purchases of securities - held to maturity	(123,394,828)	(155,024,44
Proceeds from sales of securities - available for sale	73,254,718	9,767,42
Proceeds from prepayments, redemptions or maturities of securities - available for sale	84,957,982	308,043,03
Purchases of securities - available for sale	(130,365,143)	(373,835,78
Net cash used in investing activities	(66,926,716)	(82,994,08

Financing Activities		
Decrease in noninterest-bearing deposits	(49,557,132)	(1,619,33
Increase in interest-bearing deposits	137,185,949	49,791,04
Decrease in Federal funds purchased	(10,000,000)	-
Net increase in securities sold under agreements to repurchase	9,777,016	42,700,89
Decrease in commercial paper and other short-term borrowings	(49,608,633)	(10,448,29
Purchase of treasury stock	(8,310,004)	(256,00
Proceeds from exercise of stock options	1,342,069	1,973,76
Cash dividends paid on common and preferred stock	(8,658,428)	(7,386,02
Cash paid in lieu of fractional shares in connection with stock split		(32,35
Net cash provided by financing activities	22,170,837	74,723,68
Net increase (decrease) in cash and due from banks	(10,683,233)	(11,966,21
Cash and due from banks - beginning of period	63,947,722	58,173,56
Cash and due from banks - end of period	$ 53,264,489	$ 46,207,35
Supplemental disclosures:		
Interest paid	$ 13,800,992	$ 12,080,99
Income taxes paid	10,869,100	9,886,19

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

1. The consolidated financial statements include the accounts of Sterling Bancorp ("the parent company") and its subsidiaries, principally Sterling National Bank and its subsidiaries ("the bank"), after elimination of material intercompany transactions. The term "the Company" refers to Sterling Bancorp and its subsidiaries. The consolidated financial statements as of and for the interim periods ended September 30, 2004 and 2003 are unaudited; however, in the opinion of management, all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of such periods have been made. Certain reclassifications have been made to prior period amounts to conform to the current presentation. The interim consolidated financial statements should be read in conjunction with the Company's annual report on Form 10-K for the year ended December 31, 2003. The Company effected a five-for-four stock split on September 10,2003 and paid stock dividends as follows: 20% on December 9, 2002; 10% on December 10, 2001; 10% on December 11, 2000; and 5% on December 14, 1999. Fractional shares were cashed-out and payments were made to shareholders in lieu of fractional shares. All capital and share amounts as well as basic and diluted average number of shares outstanding and earnings per average common share information for all prior reporting periods have been restated to reflect the effect of the stock split and stock dividends.

2. At September 30, 2004, the Company has a stock-based employee compensation

plan, which is described more fully in Note 15 to the consolidated financial statements in the Company's annual report on Form 10-K for the year ended December 31, 2003. The Company accounts for this plan under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 148, the following table illustrates the effect on net income and earnings per average common share if the Company had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," to the stock-based employee compensation plans.

Three Months Ended September 30,	2004	2003
Net income available for common shareholders	$6,737,934	$6,083,586
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(136,389)	(311,674)
Pro forma, net income	$6,601,545	$5,771,912
Earnings per average common share:		
Basic- as reported	$ 0.44	$ 0.41
Basic- pro forma	0.43	0.39
Diluted- as reported	0.43	0.39
Diluted- pro forma	0.42	0.37

STERLING BANCORP AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

Nine Months Ended September 30,	2004	2003
Net income available for common shareholders	$19,918,042	$17,726,867
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(396,588)	(898,330)
Pro forma, net income	$19,521,454	$16,828,537

Earnings per average common share:

Basic- as reported	$ 1.31	$ 1.19
Basic- pro forma	1.28	1.13
Diluted- as reported	1.25	1.13
Diluted- pro forma	1.22	1.07

3. The major components of domestic loans held for sale and loans held in portfolio are as follows:

	September 30, 2004	September 30, 2003
Loans held for sale		
Real estate-mortgage	$ 38,810,366	$ 79,347,587
Loans held in portfolio		
Commercial and industrial	$585,288,435	$545,054,019
Lease financing	181,671,932	161,508,913
Real estate-mortgage	206,546,866	153,802,839
Real estate-construction	2,329,491	2,380,603
Installment	15,270,005	13,977,231
Loans to depository institutions	--	20,000,000
Loans, gross	991,106,729	896,723,605
Less unearned discounts	23,033,619	19,944,510
Loans, net of unearned discounts	$968,073,110	$876,779,095

4. SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," established standards for the way that public business enterprises report and disclose selected information about operating segments in interim financial statements provided to stockholders. In order to comply with SFAS No. 131, the Company has determined that it has three reportable operating segments: corporate lending, real estate lending and company-wide treasury.

The Company provides a broad range of financial products and services, including commercial loans, asset-based financing, factoring and accounts receivable management services, trade financing, equipment leasing, corporate and consumer deposit services, commercial and residential mortgage lending and brokerage, trust and estate administration and investment management services. The Company's primary source of

earnings is net interest income, which represents the difference between interest earned on interest-earning assets and the interest incurred on interest-bearing liabilities. The Company's 2004 year-to-date average interest-earning assets were 55.8% loans (corporate lending was 72.5% and real estate lending was 24.6% of total loans, respectively) and 43.1% investment securities and money market investments. There are no industry concentrations exceeding 10% of loans, gross, in the corporate loan portfolio. Approximately 66% of loans are to borrowers located in the metropolitan New York area.

The following tables provide certain information regarding the Company's operating segments for the three-and nine-month periods ended September 30, 2004 and 2003:

	Corporate Lending	Real Estate Lending	Company Treas
Three Months Ended September 30, 2004			
Net interest income	$ 9,186,653	$ 4,125,387	$ 5,9
Noninterest income	3,587,898	3,929,044	8
Depreciation and amortization	80,415	102,964	
Segment income before taxes	4,523,469	4,109,381	7,5
Segment assets	703,541,000	286,075,699	779,2
Three Months Ended September 30, 2003			
Net interest income	$ 8,678,941	$ 4,574,622	$ 4,3
Noninterest income	3,285,616	4,038,713	4
Depreciation and amortization	65,875	81,167	
Segment income before taxes	4,440,415	3,446,438	5,4
Segment assets	703,324,770	240,461,682	681,5
Nine Months Ended September 30, 2004			
Net interest income	$ 26,222,249	$ 11,788,083	$ 18,4
Noninterest income	9,762,453	11,606,416	2,0
Depreciation and amortization	221,579	302,679	
Segment income before taxes	11,415,455	12,201,185	22,7
Segment assets	703,541,000	286,075,699	779,2
Nine Months Ended September 30, 2003			
Net interest income	$ 25,443,875	$ 12,502,274	$ 15,7
Noninterest income	9,313,652	11,105,877	1,2
Depreciation and amortization	154,512	235,559	
Segment income before taxes	13,086,427	10,762,855	18,3
Segment assets	703,324,770	240,461,682	681,5

10

The following table sets forth reconciliations of net interest income, noninterest income, profits and assets of reportable operating segments to the Company's consolidated totals:

	Three Months Ended September 30,		N
	2004	2003	
Net interest income:			
Total for reportable operating segments	$ 19,270,772	$ 17,635,181	$
Other [1]	491,981	431,791	

Consolidated net interest income	$ 19,762,753	$ 18,066,972	$
Noninterest income:			
Total for reportable operating segments	$ 8,338,939	$ 7,752,424	$
Other [1]	835,889	982,849	
Consolidated noninterest income	$ 9,174,828	$ 8,735,273	$
Income before taxes:			
Total for reportable operating segments	$ 16,183,069	$ 13,333,776	$
Other [1]	(5,899,554)	(3,524,497)	(
Consolidated income before income taxes	$ 10,283,515	$ 9,809,279	$
Assets:			
Total for reportable operating segments	$ 1,768,907,046	$ 1,625,375,421	$ 1,7
Other [1]	40,972,190	31,492,344	
Consolidated assets	$ 1,809,879,236	$ 1,656,867,765	$ 1,8

[1] Represents operations not considered to be a reportable segment and/or general operating expenses of the Company.

5. On December 31, 2003, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 46R ("FIN 46R") "Consolidation of Variable Interest Entities," which clarified certain provisions of a previously released interpretation. Under the provisions of FIN 46R, Sterling deconsolidated the issuer trust and accounts for its investment in the trust as an asset, its junior subordinated debentures as long-term debt and the interest paid on those debentures as interest expense. As a result of the adoption of FIN 46R, the Company's prior period presentations have been restated to conform to the current presentation. Based on proposed Federal Reserve guidance, the Company does not expect the change in accounting treatment to affect the Tier I regulatory classification of the Company's outstanding trust preferred securities.

11

STERLING BANCORP AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

6. The following information is provided in connection with the sales of available for sale securities:

Three Months Ended September 30,	2004	2003
Proceeds	$26,149,573	$ 1,297,334

Gross Gains	285,918	101,225
Gross Losses	--	--

Nine Months Ended September 30,	2004	2003
Proceeds	$73,254,718	$ 9,767,421
Gross Gains	970,722	297,583
Gross Losses	--	--

7. In February 2004, 224,432 Series D preferred shares were converted into 428,304 common shares.

8. The following tables set forth the disclosures required for net periodic benefit cost and net benefit cost:

	Three Months Ended September 30,		Nine Months Ended
	2004	2003	2004
COMPONENTS OF NET PERIODIC COST			
Service Cost	$ 388,090	$ 356,971	$ 1,191,131
Interest Cost	492,931	566,594	1,507,418
Expected return on plan assets	(417,379)	(419,825)	(1,292,898)
Amortization of prior service cost	19,331	19,331	57,993
Recognized actuarial loss	216,556	261,705	643,647
Net periodic benefit cost	699,529	784,776	2,107,291
Settlement gain	--	--	(1,331,190)
Net benefit cost	$ 699,529	$ 784,776	$ 776,101

The Company contributed $1,322,088 as of September 30, 2004.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following commentary presents management's discussion and analysis of the financial condition and results of operations of Sterling Bancorp ("the parent company"), a financial holding company under the Gramm-Leach-Bliley Act of 1999, and its subsidiaries, principally Sterling National Bank ("the bank"). Throughout this discussion and analysis, the term "the Company" refers to Sterling Bancorp and its subsidiaries. This discussion and analysis should be read in conjunction with the consolidated financial statements and supplemental data contained elsewhere in this quarterly report and the Company's annual report on Form 10-K for the year ended December 31, 2003. Certain reclassifications have been made to prior years' financial data to conform to current financial statement presentations.

OVERVIEW

The Company provides a broad range of financial products and services, including business and consumer loans, commercial and residential mortgage lending and brokerage, asset-based financing, factoring/accounts receivable management services, deposit services, trade financing, equipment leasing, trust and estate administration, and investment management services. The Company has operations in New York, Virginia and North Carolina and conducts business throughout the United States. The economic conditions in these areas and throughout the United States have a significant impact on loan demand, the ability of borrowers to repay these loans and the value of any collateral securing these loans.

For the three months ended September 30, 2004, the bank's average earning assets represented approximately 96.7% of the Company's average earning assets. Loans represented 56.0% and investment securities represented 42.6% of the bank's average earning assets for the third quarter of 2004.

For the nine months ended September 30, 2004, the bank's average earning assets represented approximately 97.2% of the Company's average earning assets. Loans represented 54.6% and investment securities represented 44.3% of the bank's average earning assets for the first nine months of 2004.

The Company's primary source of earnings is net interest income, and its principal market risk exposure is interest rate risk. The Company is not able to predict market interest rate fluctuations, and its asset-liability management strategy may not prevent interest rate changes from having a material adverse effect on the Company's results of operations and financial condition.

Although management endeavors to minimize the credit risk inherent in the Company's loan portfolio, it must necessarily make various assumptions and judgments about the collectibility of the loan portfolio based on its

experience and evaluation of economic conditions. If such assumptions or judgments prove to be incorrect, the current allowance for loan losses may not be sufficient to cover loan losses and additions to the allowance may be necessary, which would have a negative impact on net income.

There is intense competition in all areas in which the Company conducts its business. The Company competes with banks and other financial institutions, including savings and loan associations, savings banks, finance companies and credit unions. Many of these competitors have substantially greater resources and lending limits and provide a wider array of banking services. To a limited extent, the Company also competes with other providers of financial services, such as money market mutual funds, brokerage firms, consumer finance companies and insurance companies. Competition is based on a number of factors, including prices, interest rates, service, availability of products, and geographic location.

The Company regularly evaluates acquisition opportunities and conducts due diligence activities in connection with possible acquisitions. As a result, acquisition discussions, and in some cases negotiations, regularly take place and future acquisitions could occur.

INCOME STATEMENT ANALYSIS

Net interest income, which represents the difference between interest earned on interest-earning assets and interest incurred on interest-bearing liabilities, is the Company's primary source of earnings. Net interest income can be affected by changes in market interest rates as well as the level and composition of assets, liabilities and shareholders' equity. Net interest spread is the difference between the average rate earned, on a tax-equivalent basis, on interest-earning assets and the average rate paid on interest-bearing liabilities. The net yield on interest-earning assets ("net interest margin") is calculated by dividing tax equivalent net interest income by average interest-earnings assets. Generally, the net interest margin will exceed the net interest spread because a portion of interest-earning assets are funded by various noninterest-bearing sources, principally noninterest-bearing deposits and shareholders' equity. The increases (decreases) in the components of interest income and interest expense, expressed in terms of fluctuation in average volume and rate, are provided in the Rate/Volume Analysis shown on pages 26 and 27. Information as to the components of interest income and interest expense and average rates is provided in the Average Balance Sheets shown on pages 24 and 25.

Comparisons of the Three Months Ended September 30, 2004 and 2003

The Company reported net income for the three months ended September 30, 2004 of $6.7 million, representing $0.43 per share, calculated on a diluted basis, compared to $6.1 million, or $0.39 per share calculated on a diluted basis, for the third quarter of 2003. This increase reflects continued growth in both net interest income and noninterest income and a lower provision for income taxes, which more than offset increases in the provision for loan losses and noninterest expenses.

Net Interest Income

Net interest income on a tax-equivalent basis, increased to $20.0 million for the third quarter of 2004 from $18.3 million for the corresponding 2003 period, due to higher average earning assets outstanding coupled with lower average cost of funding partially offset by a lower yield on earning assets and higher average interest-bearing deposit balances. The net interest margin, on a tax equivalent basis, was 4.84% for the third quarter of 2004 compared to 5.02% for 2003. The decrease in the net interest margin was primarily the result of the impact of changes in the mix of earning assets, partially offset by the impact of the higher interest rate environment in the third quarter of 2004.

Total interest income, on a tax-equivalent basis, aggregated $25.0 million for the third quarter of 2004, up from $22.6 million for the corresponding 2003 period. The tax-equivalent yield on interest-earning assets was 6.11% for the third quarter of 2004 compared to 6.22% for the 2003 period.

Interest earned on the loan portfolio increased to $16.9 million for the third quarter of 2004, from $15.9 million for the third quarter of 2003. Average loan balances, which represented 57.4% of average earning assets for the third quarter of 2004, amounted to $951.9 million, an increase of $56.9 million from an average of $895.0 million (61.3% of average earning assets) in the corresponding prior year period. The increase in the average loans (across virtually all segments of the Company's loan portfolio), primarily due to the Company's business development activities and the ongoing consolidation of banks in the Company's marketing area, accounted for the increase in interest earned on loans. The increase in the yield on the loan portfolio to 7.31% for the third quarter of 2004 from 7.18% for the third quarter of 2003 was primarily attributable to the mix of outstanding balances on average among the components of the loan portfolio and the higher interest rate environment in 2004.

Interest earned on the securities portfolio, on a tax-equivalent basis, increased to $8.0 million for the third quarter of 2004 from $6.7 million in the prior year period. Average outstandings increased to $682.7 million (41.2% of average earning assets for the third quarter of 2004) from $558.6 million (38.3% of average earning assets) in the prior year period. The average life of the securities portfolio was approximately 4.2 years at September 30, 2004 compared to 2.8 years at September 30, 2003, reflecting the impact of purchases made primarily in the fourth quarter of 2003 and the first and second quarters of 2004. The decrease in yields on the securities portfolio reflects the impact of purchases made during the lower rate environment on average in the first and second quarters of 2004 and of the principal prepayments primarily in the fourth quarter of 2003 and the second quarter of 2004.

Total interest expense increased to $5.1 million for the third quarter of 2004, from $4.3 million in the prior year period. The increase was primarily due to higher average balances for interest-bearing deposits coupled with higher rates paid for those balances.

Interest expense on deposits increased to $3.0 million for the third quarter of 2004 from $2.2 million for the 2003 period due to an increase in average balance coupled with an increase in the cost of those funds. Average interest- bearing deposit balances increased to $853.3 million for the third quarter of 2004 from $681.6 million in the corresponding 2003 period primarily as a result of branching initiatives and other business development activities. Average rate paid on interest-bearing deposits was 1.41%, 15 basis points higher than the prior year period. The increase in average cost of deposits reflects the higher interest rate environment in 2004.

Provision for Loan Losses

Based on management's continuing evaluation of the loan portfolio (discussed under "Asset Quality" below), the provision for loan losses for the third quarter of 2004 was $2.3 million compared to $2.2 million for the prior year period. Factors affecting the level of provision for loan losses included the growth in the loan portfolios, changes in general economic conditions and the amount of nonaccrural loans.

Noninterest Income

Noninterest income increased to $9.2 million for the third quarter of 2004 from $8.7 million in the third quarter of 2003, primarily due to increased income from factoring activities, from bank owned life insurance and from gains on sales of available for sale securities. Partially offsetting these increases were lower revenues from fees various other services.

Noninterest Expenses

Noninterest expenses increased $1.5 million for the third quarter of 2004 when compared to the third quarter of 2003. The increase was primarily due to investments in the Sterling franchise, including the new branches, with higher expenses related to salaries and employee benefits, occupancy and professional fees.

Provision for Income Taxes

The provision for income taxes was $3.5 million for the third quarter of 2004, virtually unchanged from $3.7 million in the corresponding 2003 period.

Comparisons of the Nine Months Ended September 30, 2004 and 2003

The Company reported net income for the nine months ended September 30, 2004 of $19.9 million, representing $1.25 per share, calculated on a diluted basis, compared to $17.8 million, or $1.13 per share calculated on a diluted basis, for the first nine months of 2003. This increase reflects continued growth in both net interest income and noninterest income and a lower provision for income taxes, which more than offset increases in the provision for loan losses and noninterest expenses.

Net Interest Income

Net interest income on a tax-equivalent basis increased to $58.4 million for the first nine months of 2004 from $55.6 million for the corresponding 2003 period, due to higher average earning assets outstanding coupled with lower average cost of funding partially offset by a lower yield on earning assets and higher average

interest-bearing deposit balances. The net interest margin, on a tax-equivalent basis, was 4.92% for the first nine months of 2004 compared to 5.36% for 2003. The decrease in the net interest margin was primarily the result of changes in the mix of earning assets.

Total interest income, on a tax-equivalent basis, aggregated $72.5 million for the first nine months of 2004, up from $68.8 million for the 2003 period. The tax-equivalent yield on interest-earning assets was 6.13% for the first nine months of 2004 compared to 6.64% for the corresponding 2003 period.

Interest earned on the loan portfolio amounted to $47.4 million for the first nine months of 2004, up $1.4 million from a year ago. Average loan balances amounted to $905.4 million, an increase of $61.1 million from an average of $844.3 million in the prior year period. The increase in the average loans (across virtually all segments of the Company's loan portfolio), primarily due to the Company's business development activities and the ongoing consolidation of banks in the Company's marketing area, accounted for the increase in interest earned on loans. The decrease in the yield on the loan portfolio to 7.38% for the first nine months of 2004 from 7.68% for the first nine months of 2003 was primarily attributable to changes in the mix of outstanding balances on average among the components of the loan portfolio.

Interest earned on the securities portfolio, on a tax-equivalent basis, increased to $25.0 million for the first nine months of 2004 from $22.7 million in the corresponding prior year period. Average outstandings increased to $698.3 million from $573.4 in the prior year period. The average life of the securities portfolio was approximately 4.2 years at September 30, 2004 compared to 2.8 years at September 30, 2003, reflecting the impact of purchases made primarily in the fourth quarter of 2003 and the first and second quarters of 2004. The decrease in yields on the securities portfolio reflects the impact of purchases made during the lower rate environment on average in the first and second quarters of the 2004 period and of the principal prepayments primarily in the fourth quarter of 2003 and the second quarter of 2004.

Total interest expense increased to $14.1 million for the first nine months of 2004 from $13.2 million for the corresponding 2003 period, primarily due to higher average balances for interest-bearing deposits.

Interest expense on deposits increased to $7.9 million for the first nine months of 2004 from $6.7 million for the 2003 period, primarily due to an increase in average balances. Average interest-bearing deposit balances increased to $815.3 million for the first nine months of 2004 from $671.2 in the first nine months of 2003 period, primarily as a result of branching initiatives and other business development activities. Average rate paid on interest-bearing deposits was 1.29%, which was 4 basis points lower than the prior year period.

Provision for Loan Losses

Based on management's continuing evaluation of the loan portfolio (discussed under "Asset Quality" below), the provision for loan losses for the first nine months of 2004 increased to $7.2 million from $6.1 million for the prior year period. Factors 1 affecting the level of provision for loan losses included the growth in the loan

portfolios, changes in general economic conditions and the amount of nonaccrural loans.

Noninterest Income

Noninterest income increased to $26.1 million for the first nine months of 2004 from $24.3 million in the corresponding 2003 period, primarily due to increased income from mortgage banking, principally the result of a change in the mix of loans sold due to a broader array of loan products and an increased focus on higher margin mortgage loans, and from factoring activities, from bank owned life insurance and from gains on sales of available for sale securities. Partially offsetting these increases were lower revenues from fees for deposit and various other services.

Noninterest Expenses

Noninterest expenses increased $2.8 million for the first nine months of 2004 when compared to the corresponding 2003 period. The increase was primarily due to investments in the Sterling franchise, including the new branches, with higher expenses related to salaries and employee benefits, advertising and marketing, and professional fees. These higher expenses were partially offset by a $1.3 million reduction in employee benefit costs in the first quarter of 2004 as a result of an executive relinquishing his right to receive pension payments in exchange for a life insurance policy.

Provision for Income Taxes

The provision for income taxes decreased to $9.7 million for the first nine months of 2004 from $ 11.0 million in the first nine months of 2003. The lower provision for taxes in the 2004 period was due to the resolution, during the second quarter of 2004, of certain state tax issues for tax years 1999-2001.

BALANCE SHEET ANALYSIS

Securities

The Company's securities portfolios are comprised of principally U.S. government and U.S. government corporation and agency guaranteed mortgage-backed securities along with other debt and equity securities. At September 30, 2004, the Company's portfolio of securities totaled $670.1 million, of which U.S. government corporation and agency guaranteed mortgage-backed securities and collateralized mortgage obligations having an average life of approximately 4.4 years amounted to $575.0 million. The Company has the intent and ability to hold to maturity securities classified as "held to maturity." These securities are carried at cost, adjusted for amortization of premiums and accretion of discounts. The gross unrealized gains and losses on "held to maturity" securities were $5.2 million and $2.4 million, respectively. Securities classified as "available for sale" may be sold in the future, prior to maturity. These securities are carried at market value. Net aggregate unrealized gains or losses on these securities are included in a valuation allowance account and are shown net of taxes, as a component of shareholders' equity. "Available for sale" securities included gross unrealized gains of $3.3 million and gross unrealized losses of $2.7 million. Given the generally high credit quality of the portfolio, management expects to realize all of its investment upon the maturity of such instruments and thus believes that any market value impairment is temporary.

18

The following table presents information regarding securities available for sale:

September 30, 2004	Gross Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
U.S. Treasury securities	$ 2,488,090	$ --	$ (1,059)	$ 2,487,
Obligations of U.S. government corporations and agencies--mortgage-backed securities	149,099,649	1,499,379	(605,420)	149,993,
Obligations of U.S. government corporations and agencies--collateralized mortgage obligations	50,300,775	--	(1,906,729)	48,394,
Obligations of state and political institutions	29,074,083	1,331,349	--	30,405,
Trust preferred securities	3,220,732	442,315	--	3,663,
Other debt securities	39,994,461	--	(141,336)	39,853,
Federal Reserve Bank and other equity securities	7,623,241	17,831	--	7,641,
Total	$281,801,031	$ 3,290,874	$ (2,654,544)	$282,437,

The following table presents information regarding securities held to maturity:

September 30, 2004	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estima Mark Valu
Obligations of U.S. government corporations and				

agencies -- mortgage-backed securities	$306,779,884	$ 5,066,482	$ (905,293)	$310,94
Obligations of U.S. government corporations and agencies--collateralized mortgage obligations	69,641,819	138,245	(1,507,360)	68,27
Debt securities issued by Foreign governments	1,250,000	--	--	1,25
Other debt securities	10,010,938	--	(12,500)	9,99
Total	$387,682,641	$ 5,204,727	$ (2,425,153)	$390,46

19

Loan Portfolio

A management objective is to maintain the quality of the loan portfolio. The Company seeks to achieve this objective by maintaining rigorous underwriting standards coupled with regular evaluation of the creditworthiness of and the designation of lending limits for each borrower. The portfolio strategies include seeking industry and loan size diversification in order to minimize credit exposure and the origination of loans in markets with which the Company is familiar.

The Company's commercial and industrial loan portfolio represents approximately 58% of all loans. Loans in this category are typically made to small and medium-sized businesses and range between $100,000 and $15 million. Sources of repayment are from the borrower's operating profits, cash flows and liquidation of pledged collateral. Based on underwriting standards, loans may be secured in whole or in part by collateral such as liquid assets, accounts receivable, equipment, inventory, and real property. The Company's real estate loan portfolio, which represents approximately 24% of all loans, is secured by mortgages on real property located principally in the states of New York, North Carolina, Georgia and Virginia. The Company's leasing portfolio, which consists of finance leases for various types of business equipment, represents approximately 16% of all loans. The collateral securing any loan may vary in value based on market conditions.

The following table sets forth the composition of the Company's loans held for sale and loans held in portfolio:

	September 30,			
	2004		2003	
	($ in thousands)			
	Balances	% of Gross	Balances	% of Gross
Domestic				
Commercial and industrial	$ 584,754	58.1%	$ 544,409	56.9%
Equipment lease financing	159,175	15.8	142,223	14.9
Real estate - mortgage	245,357	24.4	235,526	24.6
Real estate - construction	2,329	0.2	--	--

Installment - individuals	15,268	1.5	13,969	1.5
Loans to depository institutions	--	--	20,000	2.1
Loans, net of unearned discounts	$1,006,883	100.0%	$ 956,127	100.0%

Asset Quality

Intrinsic to the lending process is the possibility of loss. In times of economic slowdown, the risk of loss inherent in the Company's portfolio of loans may be increased. While management endeavors to minimize this risk, it recognizes that loan losses will occur and that the amount of these losses will fluctuate depending on the risk characteristics of the loan portfolio which in turn depend on current and expected economic conditions, the financial condition of borrowers, the realization of collateral, and the credit management process.

Management views the allowance for loan losses as a critical accounting policy due to its subjectivity. The allowance for loan losses is maintained through the provision for loan losses, which is a charge to operating earnings. The adequacy

of the provision and the resulting allowance for loan losses is determined by a management evaluation process of the loan portfolio, including identification and review of individual problem situations that may affect the borrower's ability to repay, review of overall portfolio quality through an analysis of current charge-offs, delinquency and nonperforming loan data, estimates of the value of any underlying collateral, an assessment of current and expected economic conditions and changes in the size and character of the loan portfolio. Other data utilized by management in determining the adequacy of the allowance for loan losses includes, but is not limited to, the results of regulatory reviews, the amount of, trend of and/or borrower characteristics on loans that are identified as requiring special attention as part of the credit review process, and peer group comparisons. The impact of this other data might result in an allowance which will be greater than that indicated by the evaluation process previously described. The allowance reflects management's evaluation both of loans presenting identified loss potential and of the risk inherent in various components of the loan portfolio, including loans identified as impaired as required by SFAS No. 114. Thus, an increase in the size of the portfolio or in any of its components could necessitate an increase in the allowance even though there may not be a decline in credit quality or an increase in potential problem loans. A significant change in any of the evaluation factors described above could result in future additions to the allowance. At September 30, 2004, the ratio of the allowance to loans held in portfolio, net of unearned discounts, was 1.61% and the allowance was $15.6 million. At such date, the Company's nonaccrual loans amounted to $3.0 million; $921 thousand of such loans was judged to be impaired within the scope of SFAS No. 114. Based on the foregoing, as well as management's judgment as to the current risks inherent in loans held in portfolio, the Company's allowance for loan losses was deemed adequate to absorb all reasonably anticipated losses on specifically known and other possible credit risks associated with the portfolio as of September 30, 2004. Net losses within loans held in portfolio are not statistically predictable and changes in conditions in the next twelve months could result in future provisions for loan losses varying from the level taken in the first nine months of 2004. Potential problem loans, which are loans that are currently performing under present loan repayment terms but where known information about possible credit problems of borrowers causes management to have serious doubts as to the ability of the borrowers to continue to comply with the present repayment terms, aggregated $0.6 million at September 30, 2004.

Deposits

A significant source of funds for the Company continues to be deposits, consisting of demand (noninterest-bearing), NOW, savings, money market and time deposits (principally certificates of deposit).

The following table provides certain information with respect to the Company's deposits:

	September 30,			
	2004		2003	
	($ in thousands)			
	Balances	% of Total	Balances	% of Total
Domestic				
Demand	$ 424,534	32.6%	$ 399,975	36.5%
NOW	111,868	8.6	116,601	10.6
Savings	29,488	2.3	27,264	2.5
Money market	226,655	17.4	175,345	16.0
Time deposits	503,824	38.8	373,121	34.1
Total domestic deposits	1,296,369	99.7	1,092,306	99.7
Foreign				
Time deposits	3,000	0.3	3,000	0.3
Total deposits	$1,299,369	100.0%	$1,095,306	100.0%

Fluctuations of balances in total or among categories at any date may occur based on the Company's mix of assets and liabilities as well as on customers' balance sheet strategies. Historically, however, average balances for deposits have been relatively stable. Information regarding these average balances is presented on pages 24 and 25.

The Company does not have any off-balance sheet arrangements that are reasonably likely to have a material current or future effect on the Company's financial condition, revenues, expenses, results of operations, liquidity or regulatory capital.

CAPITAL

The Company and the bank are subject to risk-based capital regulations which quantitatively measure capital against risk-weighted assets, including certain off-balance sheet items. These regulations define the elements of the Tier 1 and Tier 2 components of Total Capital and establish minimum ratios of 4% for Tier 1 capital and 8% for Total Capital for capital adequacy purposes. Supplementing these regulations is a leverage requirement. This requirement establishes a minimum leverage ratio (at least 3% to 5%) which is calculated by dividing Tier 1 capital by adjusted quarterly average assets (after deducting goodwill). Information regarding the Company's and the bank's risk-based capital is presented on page 28. In addition, the bank is subject to the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") which imposes a number of mandatory supervisory measures. Among other matters, five capital categories, ranging from "well capitalized" to "critically under capitalized", are used by regulatory agencies

to determine a bank's deposit insurance premium, approval of applications authorizing institutions to increase their asset size or otherwise expand business activities or acquire other institutions. Under FDICIA, a "well capitalized" bank must maintain minimum leverage, Tier 1 and Total Capital ratios of 5%, 6% and 10%, respectively. The Federal Reserve Board applies comparable tests for holding companies such as the Company. At September 30, 2004, the Company and the bank exceeded the requirements for "well capitalized" institutions.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this quarterly report, including but not limited to, statements concerning future results of operations or financial position, borrowing capacity and future liquidity, future investment results, future credit exposure, future loan losses and plans and objectives for future operations, and other statements contained herein regarding matters that are not historical facts, are "forward-looking statements" as defined in the Securities Exchange Act of 1934. These statements are not historical facts but instead are subject to numerous assumptions, risks and uncertainties, and represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Any forward-looking statements we may make speak only as of the date on which such statements are made. Our actual results and financial position may differ materially from the anticipated results and financial condition indicated in or implied by these forward-looking statements.

Factors that could cause our actual results to differ materially from those in the forward-looking statements include, but are not limited to, the following: inflation, interest rates, market and monetary fluctuations; geopolitical development including acts of war and terrorism and their impact on economic conditions; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; changes particularly declines, in general economic conditions and in the local economies in which the Company operates; the financial condition of the Company's borrowers; competitive pressures on loan and deposit pricing and demand; changes in technology and their impact on the marketing of new products and services and the acceptance of these products and services by new and existing customers; the willingness of customers to substitute competitors' products and services for the Company's products and services; the impact of changes in the financial services' laws and regulations (including laws concerning taxes, banking, securities and insurance); changes in accounting principles, policies and guidelines; the success of the Company at managing the risks involved in the foregoing as well as other risks and uncertainties detailed from time to time in press releases and other public filings. The foregoing list of important factors is not exclusive, and we will not update any forward-looking statement, whether written or oral, that may be made from time to time.

STERLING BANCORP AND SUBSIDIARIES
Average Balance Sheets [1]
Three Months Ended September 30,

(dollars in thousands)

	2004			
ASSETS	Average Balance	Interest	Average Rate	Average Balance
Interest-bearing deposits with other banks	$ 3,799	$ 6	0.62%	$ 4,244
Securities available for sale	266,551	2,886	4.33	171,712
Securities held to maturity	386,851	4,625	4.78	355,463
Securities tax-exempt [2]	29,267	528	7.18	31,404
Federal funds sold	19,620	73	1.45	2,065
Loans, net of unearned discounts [3]	951,941	16,898	7.31	895,036
TOTAL INTEREST-EARNING ASSETS	1,658,029	25,016	6.11%	1,459,924
Cash and due from banks	53,476			60,229
Allowance for loan losses	(16,158)			(15,004)
Goodwill	21,158			21,158
Other assets	70,050			63,256
TOTAL ASSETS	$ 1,786,555			$ 1,589,563
LIABILITIES AND SHAREHOLDERS' EQUITY				
Interest-bearing deposits				
Domestic				
Savings	$ 29,991	28	0.37%	$ 27,561
NOW	133,357	162	0.48	125,470
Money market	217,612	348	0.64	169,220
Time	469,319	2,469	2.09	356,358
Foreign				
Time	3,000	8	1.10	3,000
Total interest-bearing deposits	853,279	3,015	1.41	681,609
Borrowings				
Securities sold under agreements to repurchase - customers	90,654	272	1.19	77,980
Securities sold under agreements to repurchase - dealers	14,910	54	1.43	35,266
Federal funds purchased	2,500	9	1.44	7,228
Commercial paper	34,394	107	1.23	24,285
Other short-term debt	6,293	34	2.15	31,114
Long-term debt	135,774	1,559	4.59	140,774
Total borrowings	284,525	2,035	2.86	316,647

TOTAL INTEREST-BEARING LIABILITIES	1,137,804	5,050	1.77%	998,256
Noninterest-bearing deposits	424,974			377,624
Other liabilities	83,603			77,606
Total liabilities	1,646,381			1,453,486
Shareholders' equity	140,174			136,077
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,786,555			$ 1,589,563
Net interest income/spread		19,966	4.34%	
Net yield on interest-earning assets (margin)			4.84%	
Less: Tax equivalent adjustment		202		
Net interest income		$ 19,764		

[1] The average balances of assets, liabilities and shareholders' equity are computed on the basis of daily averages. Average rates are presented on a tax-equivalent basis. Certain reclassifications have been made to amounts for prior periods to conform to the current presentation.

[2] Interest on tax-exempt securities is presented on a tax equivalent basis.

[3] Includes loans held for sale and loans held in portfolio; all loans are domestic. Nonaccrual loans are included in amounts outstanding and income has been included to the extent earned.

STERLING BANCORP AND SUBSIDIARIES
Average Balance Sheets [1]
Nine Months Ended September 30,

(dollars in thousands)

	2004			
ASSETS	Average Balance	Interest	Average Rate	Av Ba
Interest-bearing deposits with other banks	$ 3,151	$ 13	0.55%	$
Securities available for sale	282,504	9,364	4.37	
Securities held to maturity	385,548	14,008	4.84	
Securities tax-exempt [2]	30,217	1,619	7.16	
Federal funds sold	14,361	129	1.18	
Loans, net of unearned discounts [3]	905,402	47,392	7.38	

TOTAL INTEREST-EARNING ASSETS	1,621,183	72,525	6.13%	1,
Cash and due from banks	59,477			
Allowance for loan losses	(15,694)			
Goodwill	21,158			
Other assets	70,370			
TOTAL ASSETS	$ 1,756,494			$ 1,
LIABILITIES AND SHAREHOLDERS' EQUITY				
Interest-bearing deposits				
Domestic				
Savings	$ 31,851	93	0.39%	$
NOW	134,237	463	0.46	
Money market	210,257	909	0.58	
Time	435,991	6,373	1.95	
Foreign				
Time	3,000	24	1.09	
Total interest-bearing deposits	815,336	7,862	1.29	
Borrowings				
Securities sold under agreements to repurchase - customers	81,625	702	1.15	
Securities sold under agreements to repurchase - dealers	34,018	305	1.20	
Federal funds purchased	8,580	72	1.11	
Commercial paper	28,733	248	1.15	
Other short-term debt	16,603	240	1.93	
Long-term debt	135,774	4,679	4.59	
Total borrowings	305,333	6,246	2.73	
TOTAL INTEREST-BEARING LIABILITIES	1,120,669	14,108	1.68%	
Noninterest-bearing deposits	411,916			
Other liabilities	81,928			
Total liabilities	1,614,513			1,
Shareholders' equity	141,981			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,756,494			$ 1,
Net interest income/spread		58,417	4.45%	
Net yield on interest-earning assets (margin)			4.92%	
Less: Tax equivalent adjustment		626		
Net interest income		$ 57,791		

[1] The average balances of assets, liabilities and shareholders' equity are computed on the basis of daily averages. Average rates are presented on a tax-equivalent basis. Certain reclassifications have been made to amounts for prior periods to conform to the current presentation.

[2] Interest on tax-exempt securities is presented on a tax equivalent basis.

[3] Includes loans held for sale and loans held in portfolio; all loans are domestic. Nonaccrual loans are included in amounts outstanding and income has been included to the extent earned.

25

STERLING BANCORP AND SUBSIDIARIES
Rate/Volume Analysis [1]

(in thousands)

	Increase/(Decrease) Three Months Ended September 30, 2004 to September 30, 2003		
	Volume	Rate	Net [2]
INTEREST INCOME			
Interest-bearing deposits with other banks	$ (1)	$ (2)	$ (3)
Securities available for sale	1,079	(110)	969
Securities held to maturity	378	46	424
Securities tax-exempt	(40)	(15)	(55)
Total investment securities	1,417	(79)	1,338
Federal funds sold	65	3	68
Loans, net of unearned discounts [3]	795	226	1,021
TOTAL INTEREST INCOME	$ 2,276	$ 148	$ 2,424
INTEREST EXPENSE			
Interest-bearing deposits			
Domestic			
Savings	$ 2	$ 2	$ 4
NOW	10	11	21
Money market	62	97	159
Time	592	74	666
Foreign			
Time	--	(3)	(3)
Total interest-bearing deposits	666	181	847

Borrowings			
Securities sold under agreements to repurchase - customers	39	(2)	37
Securities sold under agreements to repurchase - dealers	(69)	19	(50)
Federal funds purchased	(16)	4	(12)
Commercial paper	30	11	41
Other short-term debt	(98)	47	(51)
Long-term debt	(57)	11	(46)
Total borrowings	(171)	90	(81)
TOTAL INTEREST EXPENSE	$ 495	$ 271	$ 766
NET INTEREST INCOME	$ 1,781	$ (123)	$ 1,658

[1] This table is presented on a tax-equivalent basis.

[2] Changes in interest income and interest expense due to a combination of both volume and rate have been allocated to the change due to volume and the change due to rate in proportion to the relationship of the change due solely to each.

[3] Includes loans held for sale and loans held in portfolio; all loans are domestic. Nonaccrual loans are included in amounts outstanding and income has been included to the extent earned.

26

STERLING BANCORP AND SUBSIDIARIES
Rate/Volume Analysis [1]

(in thousands)

	Increase/(Decrease) Nine Months Ended September 30, 2004 to September 30, 2003		
	Volume	Rate	Net [2]
INTEREST INCOME			
Interest-bearing deposits with other banks	$ (3)	$ (5)	$ (8)
Securities available for sale	4,121	(867)	3,254
Securities held to maturity	303	(1,125)	(822)
Securities tax-exempt	(111)	(64)	(175)
Total investment securities	4,313	(2,056)	2,257

Federal funds sold	84	--	84
Loans, net of unearned discounts [3]	3,416	(2,042)	1,374
TOTAL INTEREST INCOME	$ 7,810	$ (4,103)	$ 3,707
INTEREST EXPENSE			
Interest-bearing deposits			
Domestic			
Savings	$ 14	$ 7	$ 21
NOW	54	(29)	25
Money market	196	148	344
Time	1,115	(313)	802
Foreign			
Time	--	(9)	(9)
Total interest-bearing deposits	1,379	(196)	1,183
Borrowings			
Securities sold under agreements to repurchase - customers	113	(50)	63
Securities sold under agreements to repurchase - dealers	(56)	(23)	(79)
Federal funds purchased	21	(5)	16
Commercial paper	53	3	56
Other short-term debt	(204)	28	(176)
Long-term debt	(166)	30	(136)
Total borrowings	(239)	(17)	(256)
TOTAL INTEREST EXPENSE	$ 1,140	$ (213)	$ 927
NET INTEREST INCOME	$ 6,670	$ (3,890)	$ 2,780

[1] This table is presented on a tax-equivalent basis.

[2] Changes in interest income and interest expense due to a combination of both volume and rate have been allocated to the change due to volume and the change due to rate in proportion to the relationship of the change due solely to each. The effect of the extra day in 2004 has been included in the change in volume.

[3] Includes loans held for sale and loans held in portfolio; all loans are domestic. Nonaccrual loans are included in amounts outstanding and income has been included to the extent earned.

STERLING BANCORP AND SUBSIDIARIES
Regulatory Capital and Ratios

Ratios and Minimums
(dollars in thousands)

As of September 30, 2004	Actual Amount	Actual Ratio	For Capital Adequacy Minimum Amount	For Capital Adequacy Minimum Rati
Total Capital(to Risk Weighted Assets):				
The Company	$166,929	14.38%	$ 92,839	8.0
The bank	135,324	12.32	87,879	8.0
Tier 1 Capital(to Risk Weighted Assets):				
The Company	152,409	13.13	46,420	4.0
The bank	121,572	11.07	43,939	4.0
Tier 1 Leverage Capital(to Average Assets):				
The Company	152,409	8.63	70,616	4.0
The bank	121,572	7.13	68,172	4.0
As of December 31, 2003				
Total Capital(to Risk Weighted Assets):				
The Company	$161,593	14.88%	$ 86,898	8.0
The bank	123,092	11.85	83,130	8.0
Tier 1 Capital(to Risk Weighted Assets):				
The Company	148,004	13.63	43,449	4.0
The bank	110,086	10.59	41,565	4.0
Tier 1 Leverage Capital(to Average Assets):				
The Company	148,004	8.87	66,741	4.0
The bank	110,086	6.76	65,112	4.0

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ASSET/LIABILITY MANAGEMENT

The Company's primary earnings source is its net interest income; therefore the Company devotes significant time and has invested in resources to assist in the management of interest rate risk and asset quality. The Company's net interest income is affected by changes in market interest rates, and by the level and composition of interest-earning assets and interest-bearing liabilities. The Company's objectives in its asset/liability management are to utilize its capital effectively, to provide adequate liquidity and to enhance net interest income, without taking undue risks or subjecting the Company to excessive interest rate fluctuations.

The Company takes a coordinated approach to the management of its liquidity, capital and interest rate risk. This risk management process is governed by policies and limits established by senior management which are reviewed and approved by the Asset/Liability Committee. This committee, which is comprised of members of senior management, meets to review, among other things, economic conditions, interest rates, yield curve, cash flow projections, expected customer actions, liquidity levels, capital ratios and repricing characteristics of assets, liabilities and financial instruments.

Market Risk

Market risk is the risk of loss in a financial instrument arising from adverse changes in market indices such as interest rates, foreign exchange rates and equity prices. The Company's principal market risk exposure is interest rate risk, with no material impact on earnings from changes in foreign exchange rates or equity prices.

Interest rate risk is the exposure to changes in market interest rates. Interest rate sensitivity is the relationship between market interest rates and net interest income due to the repricing characteristics of assets and liabilities. The Company monitors the interest rate sensitivity of its balance sheet positions by examining its near-term sensitivity and its longer-term gap position. In its management of interest rate risk, the Company utilizes several financial and statistical tools, including traditional gap analysis and sophisticated income simulation models.

A traditional gap analysis is prepared based on the maturity and repricing characteristics of interest-earning assets and interest-bearing liabilities for selected time periods. The mismatch between repricings or maturities within a time period is commonly referred to as the "gap" for that period. A positive gap (asset sensitive) where interest rate sensitive assets exceed interest rate sensitive liabilities generally will result in the net interest margin increasing in a rising rate environment and decreasing in a falling rate environment. A negative gap (liability sensitive) will generally have the opposite result on the net interest margin. However, the traditional gap analysis does not assess the relative sensitivity of assets and liabilities to changes in interest rates and other factors that could have an impact on interest rate sensitivity or net interest income. The Company utilizes the gap analysis to complement its income simulations modeling, primarily focusing on the longer-term structure of the balance sheet.

The Company's balance sheet structure is primarily short-term in nature, with a substantial portion of assets and liabilities repricing or maturing within one year. The Company's gap analysis at September 30, 2004, presented on page 33, indicates that net interest income would increase during periods of rising interest rates and decrease during periods of falling interest rates, but, as mentioned above, gap analysis may not be an accurate predictor of net interest income.

As part of its interest rate risk strategy, the Company may use financial instrument derivatives to hedge the interest rate sensitivity of assets with the corresponding amortization reflected in the yield of the related balance sheet assets being hedged. The Company has written policy guidelines, approved by the Board of Directors, governing the use of financial instruments, including approved counterparties, risk limits and appropriate internal control procedures. The credit risk of derivatives arises principally from the potential for a counterparty to fail to meet its obligation to settle a contract on a timely basis.

The Company utilizes income simulation models to complement its traditional gap analysis. While the Asset/Liability Committee routinely monitors simulated net interest income sensitivity over a rolling two-year horizon, it also utilizes additional tools to monitor potential longer-term interest rate risk.

The income simulation models measure the Company's net interest income volatility or sensitivity to interest rate changes utilizing statistical techniques that allow the Company to consider various factors which impact net interest income. These factors include actual maturities, estimated cash flows, repricing characteristics, deposits growth/retention and, most importantly, the relative sensitivity of the Company's assets and liabilities to changes in market interest rates. This relative sensitivity is important to consider as the Company's core deposit base has not been subject to the same degree of interest rate sensitivity as its assets. The core deposit costs are internally managed and tend to exhibit less sensitivity to changes in interest rates than the Company's adjustable rate assets whose yields are based on external indices and generally change in concert with market interest rates.

The Company's interest rate sensitivity is determined by identifying the probable impact of changes in market interest rates on the yields on the Company's assets and the rates that would be paid on its liabilities. This modeling technique involves a degree of estimation based on certain assumptions that management believes to be reasonable. Utilizing this process, management projects the impact of changes in interest rates on net interest margin. The Company has established certain policy limits for the potential volatility of its net interest margin assuming certain levels of changes in market interest rates with the objective of maintaining a stable net interest margin under various probable rate scenarios. Management generally has maintained a risk position well within the policy limits. As of September 30, 2004, the model indicated the impact of a 200 basis point parallel and pro rata rise in rates over 12 months would approximate a 3.0% ($2.4 million) increase in net interest income, while the impact of a 200 basis point decline in rates over the same period would approximate a 5.2% ($4.2 million) decline from an unchanged rate environment.

The preceding sensitivity analysis does not represent a Company forecast and should not be relied upon as being indicative of expected operating results. These hypothetical estimates are based upon numerous assumptions including: the nature and timing of interest rate levels including yield curve shape, pre-payments on loans and securities, deposit decay rates, pricing decisions on loans and deposits, reinvestment/replacement of asset and liability cash flows, and others. While assumptions are developed based upon current economic and local market conditions, the Company cannot provide any assurances as to the predictive nature of these assumptions, including how customers preferences or competitor influences might change.

Also, as market conditions vary from those assumed in the sensitivity analysis, actual results will also differ due to: pre-payment/refinancing levels likely deviating from those assumed, the varying impact of interest rate change caps or floors on adjustable rate assets, the potential effect of changing debt service levels on customers with adjustable rate loans, depositor early withdrawals and product preference changes, and other variables. Furthermore, the sensitivity analysis does not reflect actions that the Asset/Liability Committee might take in responding to or anticipating changes in interest rates.

Liquidity Risk

Liquidity is the ability to meet cash needs arising from changes in various categories of assets and liabilities. Liquidity is constantly monitored and managed at both the parent company and the bank levels. Liquid Assets consist of cash and due from banks, interest-bearing deposits in banks and Federal funds sold and securities available for sale. Primary funding sources include core deposits, capital market funds and other money market sources. Core deposits included domestic noninterest-bearing and interest-bearing retail deposits, which historically have been relatively stable. The parent company and the bank believe that they have significant unused borrowing capacity. Contingency plans exist which we believe could be implemented on a timely basis to mitigate the impact of any dramatic change in market conditions.

While the parent company generates income from its own operations, it also depends for its cash requirements on funds maintained or generated by its subsidiaries, principally the bank. Such sources have been adequate to meet the parent company's cash requirements throughout its history.

Various legal restrictions limit the extent to which the bank can supply funds to the parent company and its nonbank subsidiaries. All national banks are limited in the payment of dividends without the approval of the Comptroller of the Currency to an amount not to exceed the net profits as defined, for the year to date combined with its retained net profits for the preceding two calendar years.

At September 30, 2004, the parent company's short-term debt, consisting principally of commercial paper used to finance ongoing current business activities, was approximately $35.0 million. The parent company had cash, interest-bearing deposits with banks and other current assets aggregating $34.8 million. The parent company also has back-up credit lines with banks of $24.0 million. Since 1979, the parent company has had no need to use the available back-up lines of credit.

31

The following table sets forth information regarding the Company's obligations and commitments to make future payments under contract as of September 30, 2004:

	Payments Due by Period			
Contractual Obligations	Total	Less than 1 Year	1-3 Years	4-5 Years
		(in thousands)		
Long-Term Debt	$ 110,000	$ --	$ --	$ 10,00
Operating Leases	30,242	3,522	6,670	6,51
Total Contractual Cash Obligations	$ 140,242	$ 3,522	$ 6,670	$ 16,51

The following table sets forth information regarding the Company's obligations under other commercial commitments as of September 30, 2004:

	Amount of Commitment Expiration Per Period			
Other Commercial Commitments	Total Amount Committed	Less than 1 Year	1-3 Years	4-5 Years
		(in thousands)		
Residential loans	$ 69,175	$ 69,175	$ --	$ -
Standby Letters of Credit	31,483	29,520	1,963	-

Other Commercial Commitments	46,610	32,325	11,484	2,72
Total Commercial Commitments	$ 147,268	$ 131,020	$ 13,447	$ 2,72

INFORMATION AVAILABLE ON OUR WEB SITE

Our Internet address is www.sterlingbancorp.com and the investor relations section of our web site is located at www.sterlingbancorp.com/ir/investor.cfm. We make available free of charge, on or through the investor relations section of our web site, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

Also posted on our web site, and available in print upon request of any shareholder to our Investor Relations Department, are the charters for our Board of Directors' Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, our Corporate Governance Guidelines, our Method for Interested Persons to Communicate with Non-Management Directors and a Code of Business Conduct and Ethics governing our directors, officers and employees. Within the time period required by the Securities and Exchange Commission and the New York Stock Exchange, we will post on our web site any amendment to the Code of Business Conduct and Ethics and any waiver applicable to our senior financial officers, as defined in the Code, or our executive officers or directors. In addition, information concerning purchases and sales of our equity securities by our executive officers and directors is posted on our web site.

32

STERLING BANCORP AND SUBSIDIARIES
Interest Rate Sensitivity

To mitigate the vulnerability of earnings to changes in interest rates, the Company manages the repricing characteristics of assets and liabilities in an attempt to control net interest rate sensitivity. Management attempts to confine significant rate sensitivity gaps predominantly to repricing intervals of a year or less so that adjustments can be made quickly. Assets and liabilities with predetermined repricing dates are classified based on the earliest repricing period. Amounts are presented in thousands.

	Repricing Date			
	3 Months or Less	More than 3 Months to 1 Year	More than 1 Year to 5 Years	Over 5 Years
ASSETS				
Interest-bearing deposits with other banks	$ 2,670	$ --	$ --	$ -
Investment securities	16,500	7,582	82,098	556,29
Loans, net of unearned discounts				
Commercial and industrial	577,019	1,088	7,173	

Loans to depository institutions	--	--	--	-
Lease financing	1,212	16,289	154,045	10,12
Real estate	98,694	9,966	105,857	33,17
Installment	13,108	82	2,052	2
Noninterest-earning assets and allowance for loan losses	--	--	--	-
Total Assets	709,203	35,007	351,225	599,63
LIABILITIES AND SHAREHOLDERS' EQUITY				
Interest-bearing deposits				
Savings [1]	--	--	29,488	-
NOW [1]	--	--	111,868	-
Money market [1]	185,045	--	41,610	-
Time - domestic	194,096	170,298	139,320	11
- foreign	1,355	1,645	--	-
Securities sold u/a/r - cust	98,483	5,113	--	-
Securities sold u/a/r - deal	--	--	--	-
Federal funds purchased	--	--	--	-
Commercial paper	34,954	--	--	-
Other short-term borrowings	1,108	--	--	-
Long-term borrowings - FHLB	--	--	10,000	100,00
Noninterest-bearing liabilities and shareholders' equity	--	--	--	-
Total Liabilities and Shareholders' Equity	515,041	177,056	332,286	100,11
Net Interest Rate Sensitivity Gap	$ 194,162	$ (142,049)	$ 18,939	$ 499,52
Cumulative Gap September 30, 2004	$ 194,162	$ 52,113	$ 71,052	$ 570,57
Cumulative Gap September 30, 2003	$ 259,449	$ 129,985	$ 107,689	$ 543,38
Cumulative Gap December 31, 2003	$ 230,662	$ 77,756	$ 46,397	$ 595,45

[1] Historically, balances in non-maturity deposit accounts have remained relatively stable despite changes in levels of interest rates. Balances are shown in repricing periods based on management's historical repricing practices and run-off experience.

33

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as of the end of the period covered by this report. No changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The following exhibits are filed as part of this report:

3.(i) Restated Certificate of Incorporation filed with the State of New York Department of State, October 28, 2004

3.(ii) The By-Laws as in effect on August 5, 2004 (Filed as Exhibit 3(ii)(A) to the Registrant's Form 10-Q for the quarter ended June 30, 2004 and incorporated herein by reference)

10. Sterling Bancorp Stock Incentive Plan (Amended and Restated as of May 20, 2004.)
Form of Award Letter for Non-Employee Directors
Form of Award Letter for Officers

11. Statement Re: Computation of Per Share Earnings

31. Certifications of the CEO and CFO pursuant to Exchange Act Rule 13a-14(a)

32. Certifications of the CEO and CFO required by Section 1350 of Chapter 63 of Title 18 of the U.S. Code

(b) Reports on Form 8-K:

In a report on Form 8-K dated July 16,2004 and filed on July 19, 2004, the Company reported under Items 9 and 12 "Results of Operations and Financial Condition and Regulation FD Disclosure", the press release announcing a conference call on July 20, 2004 to discuss the results of operations for the second quarter ended June 30, 2004.

In a report on Form 8-K dated July 20, 2004 and filed on July 21, 2004, the Company reported, under Items 9 and 12 "Results of Operations and Financial Condition and Regulation FD Disclosure", the press release announcing the results of operations for the quarter and six months ended June 30,2004.

In a report on Form 8-K dated July 21, 2004 and filed on July 22, 2004, the Company reported, under Item 7 "Financial Statements, Pro Forma Information and Exhibits" and under Item 9 "Regulation FD Disclosure", the press release announcing a presentation on July 27, 2004 by John C. Millman, President of Sterling Bancorp, as part of the Keefe, Bruyette & Woods, Inc. Fifth Annual Investor Conference.

In a report on Form 8-K dated August 19, 2004 and filed on August 20, 2004, the Company reported under Item 5. "Other Events" and under Item 7 "Financial Statements, Pro Forma Financial Information and Exhibits", the press release announcing the declaration of a quarterly cash dividend of $0.19 payable September 30, 2004 to shareholders of record on September 15, 2004.

In a report on Form 8-K dated September 20, 2004 and filed on September 21, 2004, the Company reported, under Item 7 "Financial Statements, Pro Forma Information and Exhibits" and under Item 9 "Regulation FD Disclosure", the press release announcing a presentation on September 23, 2004 by John C. Millman, President of Sterling Bancorp and Michael Bizenov, President of Sterling National Mortgage Company Inc., as part of the LI Invest First Annual Investor Conference.

In a report on Form 8-K/A dated September 20, 2004 and filed on September 21, 2004, the Company reported, under Item 7.01 "Regulation FD Disclosure" and Item 9.01 "Financial Statements, Pro Forma Information and Exhibits", the press release announcing a presentation on September 23, 2004 by John C. Millman, President of Sterling Bancorp and Michael Bizenov, President of Sterling National Mortgage Company Inc., as part of the LI Invest First Annual Investor Conference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STERLING BANCORP
(Registrant)

Date 11/9/04 /s/ Louis J. Cappelli

Louis J. Cappelli
Chairman and
Chief Executive Officer

Date 11/9/04 /s/ John W. Tietjen

John W. Tietjen
Executive Vice President, Treasurer
and Chief Financial Officer

STERLING BANCORP AND SUBSIDIARIES

EXHIBIT INDEX

Exhibit Number	Description	Incorporated Herein By Reference To	Filed Herewith	Sequ P
3(i)	Restated Certificate of Incorporation filed with the State of New York Department of State, October 28, 2004		X	
3(ii)	The By-Laws as in effect on August 5, 2004 (Filed as Exhibit 3(ii)(A) to the Registrant's Form 10-Q for the quarter ended June 30, 2004 and incorporated herein by reference)			
10	Sterling Bancorp Stock Incentive Plan (Amended And Restated as of May 20, 2004).		X	
	Form of Award Letter for Non-Employee Directors			
	Form of Award Letter for Officers			
11	Statement re: Computation of Per Share Earnings		X	
31	Certifications of the CEO and CFO pursuant to Exchange Act Rule 13a-14(a)		X	
32	Certifications of the CEO and CFO required by Section 1350 of Chapter 63 of Title 18 of the U.S. Code		X	