

STERLING BANCORP
Form 10-Q
November 04, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2011

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
(State or other jurisdiction of incorporation or organization)

12-2565216
(I.R.S. Employer Identification)

650 Fifth Avenue, New York, N.Y.
(Address of principal executive offices)

10019-6108
(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.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (17 CFR § 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Edgar Filing: STERLING BANCORP - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company as defined in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer
Non-Accelerated Filer

Accelerated Filer
Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of October 31, 2011 there were 30,924,832 shares of common stock,
\$1.00 par value, outstanding.

	Page
PART I FINANCIAL INFORMATION	
Item 1.	Financial Statements
	<u>Consolidated Financial Statements (Unaudited)</u> 3
	<u>Notes to Consolidated Financial Statements (Unaudited)</u> 8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
	<u>Overview</u> 43
	<u>Income Statement Analysis</u> 44
	<u>Balance Sheet Analysis</u> 48
	<u>Capital</u> 55
	<u>Recently Issued Accounting Pronouncements</u> 56
	<u>Cautionary Statement Regarding Forward-Looking Statements</u> 56
	<u>Average Balance Sheets</u> 57
	<u>Rate/Volume Analysis</u> 59
	<u>Regulatory Capital and Ratios</u> 61
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
	<u>Asset/Liability Management</u> 62
	<u>Information Available on Our Web Site</u> 64
	<u>Interest Rate Sensitivity</u> 65
Item 4.	<u>Controls and Procedures</u> 66
<u>PART II OTHER INFORMATION</u>	
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 67
Item 6.	<u>Exhibits</u> 67
<u>SIGNATURES</u>	68
<u>EXHIBITS INDEX</u>	69
Exhibit 11	Statement Re: Computation of Per Share Earnings 70
Exhibit 31.1	Certification of the CEO pursuant to Exchange Act Rule 13a-14(a) 71
Exhibit 31.2	Certification of the CFO pursuant to Exchange Act Rule 13a-14(a) 72
Exhibit 32.1	Certification of the CEO required by Section 1350 of Chapter 63 of Title 18 of the U.S. Code 73
Exhibit 32.2	Certification of the CFO required by Section 1350 of Chapter 63 of Title 18 of the U.S. Code 74
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase.
101.LAB*	XBRL Taxonomy Extension Label Linkbase.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase.
101.DEF*	XBRL Taxonomy Definition Linkbase.

* As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)
(dollars in thousands, except per share data)

	September 30, 2011	December 31, 2010
ASSETS		
Cash and due from banks	\$ 32,418	\$ 26,824
Interest-bearing deposits with other banks	186,632	40,503
Securities available for sale (at estimated fair value; pledged: \$111,273 in 2011 and \$95,311 in 2010)	324,087	390,080
Securities held to maturity (pledged: \$270,482 in 2011 and \$212,606 in 2010) (estimated fair value: \$468,614 in 2011 and \$400,453 in 2010)	453,725	399,235
Total investment securities	777,812	789,315
Loans held for sale	22,874	32,049
Loans held in portfolio, net of unearned discounts	1,463,171	1,314,234
Less allowance for loan losses	19,547	18,238
Loans, net	1,443,624	1,295,996
Federal Reserve and Federal Home Loan Bank stock, at cost	8,502	9,365
Customers liability under acceptances	122	-
Goodwill	22,901	22,901
Premises and equipment, net	24,163	15,909
Other real estate	1,929	182
Accrued interest receivable	8,640	8,280
Cash surrender value of life insurance policies	53,000	51,512
Other assets	74,358	67,621
Total assets	\$ 2,656,975	\$ 2,360,457
LIABILITIES AND SHAREHOLDERS EQUITY		
Deposits		
Noninterest-bearing demand deposits	\$ 594,250	\$ 570,290
Savings, NOW and money market deposits	607,049	562,207
Time deposits	846,496	615,267
Total deposits	2,047,795	1,747,764
Securities sold under agreements to repurchase - customers	43,503	23,016
Securities sold under agreements to repurchase - dealers	5,000	5,000
Federal funds purchased	-	15,000
Commercial paper	14,685	14,388
Short-term borrowings - other	3,041	3,490
Advances - FHLB	123,095	144,173
Long-term borrowings - subordinated debentures	25,774	25,774
Total borrowings	215,098	230,841
Acceptances outstanding	122	-
Accrued interest payable	1,081	1,314
Due to factored clients	94,141	91,543
Accrued expenses and other liabilities	80,053	66,253
Total liabilities	2,438,290	2,137,715
Shareholders equity		
Preferred stock, Series A, \$5 par value; \$1,000 liquidation value. Authorized 644,389 shares; issued -0- and 42,000 shares, respectively	-	40,602
Common stock, \$1 par value. Authorized 50,000,000 shares; issued 35,225,110 and 31,138,545 shares, respectively	35,225	31,139
Warrants to purchase common stock	-	2,615
Capital surplus	270,762	236,437
Retained earnings	12,966	11,392
Accumulated other comprehensive loss	(13,688)	(12,887)

Edgar Filing: STERLING BANCORP - Form 10-Q

Common shares in treasury at cost, 4,300,278 and 4,297,782 shares, respectively	(86,580)	(86,556)
Total shareholders' equity	218,685	222,742
Total liabilities and shareholders' equity	\$ 2,656,975	\$ 2,360,457

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Operations
(Unaudited)
(dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
INTEREST INCOME				
Loans	\$ 19,121	\$ 18,275	\$ 53,776	\$ 51,907
Investment securities				
Available for sale	2,597	2,985	7,704	9,315
Held to maturity	3,351	3,320	10,230	11,622
FRB and FHLB stock	75	112	241	296
Deposits with other banks	35	10	92	53
Total interest income	25,179	24,702	72,043	73,193
INTEREST EXPENSE				
Deposits				
Savings, NOW and money market	752	746	2,152	2,536
Time	1,470	1,545	4,212	4,857
Short-term borrowings	79	142	244	331
Advances - FHLB	483	871	1,647	2,591
Long-term borrowings - subordinated debentures	523	523	1,570	1,570
Total interest expense	3,307	3,827	9,825	11,885
Net interest income	21,872	20,875	62,218	61,308
Provision for loan losses	3,000	14,000	9,000	25,500
Net interest income after provision for loan losses	18,872	6,875	53,218	35,808
NONINTEREST INCOME				
Accounts receivable management/factoring commissions and other fees	6,574	6,454	18,041	17,527
Mortgage banking income	1,493	2,458	5,268	5,631
Service charges on deposit accounts	1,445	1,606	4,248	4,627
Securities gains	420	1,171	1,529	3,419
Other income	1,527	1,369	4,683	4,317
Total noninterest income	11,459	13,058	33,769	35,521
NONINTEREST EXPENSE				
Salaries and employee benefits	14,433	13,523	43,158	40,346
Occupancy and equipment expenses, net	3,069	3,375	9,857	8,967
Deposit insurance	374	1,033	2,204	2,557
Professional fees	1,741	1,540	3,448	3,913
Other expenses	4,153	4,282	11,002	11,445
Total noninterest expenses	23,770	23,753	69,669	67,228
Income (Loss) before income taxes	6,561	(3,820)	17,318	4,101
Provision (Benefit) for income taxes	2,191	(1,146)	5,060	1,230
Net income (loss)	4,370	(2,674)	12,258	2,871
Dividends on preferred shares and accretion	-	654	833	1,934
Accelerated accretion from redemption of preferred shares	-	-	1,241	-
Net income (loss) available to common shareholders	\$ 4,370	\$ (3,328)	\$ 10,184	\$ 937
Average number of common shares outstanding				
Basic	30,789,539	26,757,035	29,375,816	23,729,461
Diluted	30,789,539	26,757,035	29,375,816	23,732,888

Edgar Filing: STERLING BANCORP - Form 10-Q

Net income (loss) available to common shareholders, per
average common share

Basic	\$	0.14	\$	(0.12)	\$	0.35	\$	0.04
Diluted		0.14		(0.12)		0.35		0.04
Dividends per common share		0.09		0.09		0.27		0.27

See Notes to Consolidated Financial Statements.

STERLING BANCORP AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income (loss)	\$ 4,370	\$ (2,674)	\$ 12,258	\$ 2,871
Other comprehensive (loss) income, net of tax:				
Unrealized (losses) gains on securities available for sale and other investments arising during the year	(2,566)	921	(1,258)	3,081
Reclassification adjustment for securities gains included in net income	(229)	(638)	(835)	(1,866)
Reclassification adjustment for amortization of:				
Prior service cost	9	9	26	27
Net actuarial losses	487	354	1,266	1,191
Other comprehensive (loss) income	(2,299)	646	(801)	2,433
Comprehensive income (loss)	\$ 2,071	\$ (2,028)	\$ 11,457	\$ 5,304

See Notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2011	2010
Preferred Stock		
Balance at January 1,	\$ 40,602	\$ 40,113
Discount accretion	156	359
Redemption	(42,000)	-
Accelerated accretion	1,242	-
Balance at September 30,	\$ -	\$ 40,472
Common Stock		
Balance at January 1,	\$ 31,139	\$ 22,227
Common shares issued	4,025	8,625
Restricted shares issued	61	84
Common shares issued under stock incentive plan	-	203
Balance at September 30,	\$ 35,225	\$ 31,139
Warrants to Purchase Common Stock		
Balance at January 1,	\$ 2,615	\$ 2,615
Repurchase of warrants	(2,615)	-
Balance at September 30,	\$ -	\$ 2,615
Capital Surplus		
Balance at January 1,	\$ 236,437	\$ 178,734
Common shares issued	32,429	56,256
Restricted shares issued	(61)	(84)
Repurchase of warrants	1,670	-
Common shares issued under stock incentive plan and related tax benefits	-	1,274
Stock option compensation and restricted stock expense	287	188
Balance at September 30,	\$ 270,762	\$ 236,368
Retained Earnings		
Balance at January 1,	\$ 11,392	\$ 15,828
Net income	12,258	2,871
Cash dividends paid - preferred shares	(945)	(1,575)
Cash dividends paid - common shares	(8,341)	(6,459)
Discount accretion on series A preferred stock	(156)	(359)
Accelerated accretion - preferred shares	(1,242)	-
Balance at September 30,	\$ 12,966	\$ 10,306
Accumulated Other Comprehensive Loss		
Balance at January 1,	\$ (12,887)	\$ (12,399)
Other comprehensive income, net of tax	(801)	2,433
Balance at September 30,	\$ (13,688)	\$ (9,966)
Treasury Stock		
Balance at January 1,	\$ (86,556)	\$ (85,168)
Surrender of shares issued under stock incentive plan	(24)	(1,388)
Balance at September 30,	\$ (86,580)	\$ (86,556)
Total Shareholders' Equity		
Balance at January 1,	\$ 222,742	\$ 161,950
Net changes during the period	(4,057)	62,428
Balance at September 30,	\$ 218,685	\$ 224,378

See Notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2011	2010
Operating Activities		
Net Income	\$ 12,258	\$ 2,871
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	9,000	25,500
Depreciation and amortization of premises and equipment	2,364	1,171
Securities gains	(1,529)	(3,419)
Income from life insurance policies, net	(433)	(757)
Deferred income tax (benefit) provision	(1,350)	361
Proceeds from sale of loans	282,492	330,050
Gains on sales of loans, net	(5,271)	(5,645)
Originations of loans held for sale	(269,050)	(325,826)
Amortization of premiums on securities	7,271	4,793
Accretion of discounts on securities	(310)	(446)
Increase in accrued interest receivable	(360)	(215)
(Decrease) Increase in accrued interest payable	(233)	348
Increase in due to factored clients	2,598	10,453
Increase in accrued expenses and other liabilities	6,282	5,057
Increase in other assets	(5,663)	(8,517)
Loss on other real estate owned	-	17
Net cash provided by operating activities	38,066	35,796
Investing Activities		
Purchase of premises and equipment	(10,618)	(7,238)
Net (increase) decrease in interest-bearing deposits with other banks	(146,129)	17,658
Net increase in loans held in portfolio	(111,810)	(80,961)
Net increase in short-term factored receivables	(45,861)	(46,279)
Proceeds from sale of other real estate	301	1,157
Proceeds from prepayments, redemptions or maturities of securities - held to maturity	36,806	48,597
Purchases of securities - held to maturity	(278,744)	(122,185)
Proceeds from calls of securities - held to maturity	197,500	132,380
Proceeds from prepayments, redemptions or maturities of securities - available for sale	215,263	170,701
Purchases of securities - available for sale	(377,655)	(645,514)
Proceeds from calls/sales of securities - available for sale	219,101	400,719
Proceeds from redemptions or maturities of FHLB & FRB stock	1,073	961
Purchases of FHLB & FRB stock	(210)	(1,860)
Net cash used in investing activities	(300,983)	(131,864)
Financing Activities		
Net increase (decrease) in noninterest-bearing demand deposits	23,960	(6,704)
Net increase (decrease) in savings, NOW and money market deposits	44,842	(36,753)
Net increase in time deposits	231,229	108,403
Net (decrease) increase in Federal funds purchased	(15,000)	19,000
Net increase in securities sold under agreements to repurchase	20,487	5,036
Net decrease in commercial paper and other short-term borrowings	(152)	(52,340)
(Decrease) Increase in long-term borrowings	(21,078)	14,528
Proceeds from exercise of stock options	-	333
Proceeds from issuance of common stock	36,454	64,881
Cash dividends paid on preferred stock	(945)	(1,575)
Cash dividends paid on common stock	(8,341)	(6,459)
Net repayment redemption of preferred stock and common stock warrants	(42,945)	-
Net cash provided by financing activities	268,511	108,350
Net increase in cash and due from banks	5,594	12,282

Edgar Filing: STERLING BANCORP - Form 10-Q

Cash and due from banks - beginning of period		26,824		24,911
Cash and due from banks - end of period	\$	32,418	\$	37,193
Supplemental disclosures:				
Interest paid	\$	10,058	\$	11,537
Income taxes paid		3,753		3,716
Loans held for sale transferred to portfolio		1,004		1,264
Loans transferred to other real estate		2,048		533
Due to brokers on purchases of securities - HTM		10,000		10,300
<i>See Notes to Consolidated Financial Statements.</i>				

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

Note 1. Significant Accounting Policies

Nature of Operations. Sterling Bancorp (the parent company) is a financial holding company, pursuant to an election made under the Gramm-Leach-Bliley Act of 1999. Throughout the notes, the term the Company refers to Sterling Bancorp and its subsidiaries and the term the bank refers to Sterling National Bank and its subsidiaries. The Company provides a full range of financial products and services, including business and consumer loans, commercial and residential mortgage lending and brokerage, mortgage warehouse lending, asset-based financing, factoring/accounts receivable management services, trade financing, equipment financing and deposit services. The Company has operations principally in New York and conducts business throughout the United States.

The Company's financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) which principally consist of the Financial Accounting Standards Board Accounting Standards Codification (FASB Codification). FASB Codification Topic 105: *Generally Accepted Accounting Principles* establishes the FASB codification as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative guidance for SEC registrants. All guidance contained in the FASB Codification carries an equal level of authority. All non-grandfathered, non-SEC accounting literature not included in the FASB Codification is superseded and deemed non-authoritative.

Basis of Presentation. The consolidated financial statements include the accounts of Sterling Bancorp and its subsidiaries, principally the bank, after elimination of intercompany transactions. The consolidated financial statements as of and for the interim periods ended September 30, 2011 and 2010 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 the prior year's consolidated financial statements to conform to the current presentation. Throughout the notes, dollar amounts presented in tables are in thousands, except per share data. 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, 2010 (the 2010 Form 10-K).

Use of Estimates. The preparation of financial statements in accordance with U.S. GAAP requires management to make assumptions and estimates which impact the amounts reported in those statements and are, by their nature, subject to change in the future as additional information becomes available or as circumstances vary. Actual results could differ from management's current estimates as a result of changing conditions and future events. The current economic environment has increased the degree of uncertainty inherent in these significant estimates. Several accounting estimates are particularly critical and are susceptible to significant near-term change, including the allowance for loan losses and asset impairment judgments, such as other-than-temporary declines in the value of securities and the accounting for income taxes. The judgments used by management in applying these critical accounting policies may be affected by a further and prolonged deterioration in the economic environment, which may result in changes to future financial results. For example, subsequent evaluations of the loan portfolio, in light of the factors then prevailing, may result in significant changes in the allowance for loan losses in future periods, and the inability to collect outstanding principal may result in increased loan losses. The Company evaluates subsequent events through the date that the financial statements are issued.

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

Note 2. Investment Securities

The following tables present information regarding securities available for sale:

September 30, 2011	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Obligations of U.S. government corporations and government sponsored enterprises				
Residential mortgage-backed securities				
CMOs (Federal Home Loan Mortgage Corporation)	\$ 28,736	\$ 455	\$ -	\$ 29,191
CMOs (Government National Mortgage Association)	6,086	11	-	6,097
Federal National Mortgage Association	9,825	247	-	10,072
Federal Home Loan Mortgage Corporation	39	2	1	40
Government National Mortgage Association	100	1	-	101
Total residential mortgage-backed securities	44,786	716	1	45,501
Agency notes				
Federal Home Loan Bank	10,000	12	-	10,012
Federal Home Loan Mortgage Corporation	9,995	15	-	10,010
Total obligations of U.S. government corporations and government sponsored enterprises	64,781	743	1	65,523
Obligations of state and political institutions-New York				
Bank Qualified	21,523	1,213	-	22,736
Single-issuer, trust preferred securities	27,897	176	1,435	26,638
Corporate debt securities	208,741	40	4,708	204,073
Other securities	5,039	78	-	5,117
Total	\$ 327,981	\$ 2,250	\$ 6,144	\$ 324,087

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

December 31, 2010	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Obligations of U.S. government corporations and government sponsored enterprises				
Residential mortgage-backed securities				
CMOs (Federal Home Loan Mortgage Corporation)	\$ 36,026	\$ 64	\$ 372	\$ 35,718
CMOs (Government National Mortgage Association)	7,218	72	-	7,290
Federal National Mortgage Association	8,750	84	13	8,821
Federal Home Loan Mortgage Corporation	44	2	1	45
Government National Mortgage Association	110	-	1	109
Total residential mortgage-backed securities	52,148	222	387	51,983
Agency notes				
Federal National Mortgage Association	30,087	77	-	30,164
Federal Home Loan Bank	10,000	-	59	9,941
Federal Home Loan Mortgage Corporation	49,964	132	110	49,986
Federal Farm Credit Bank	10,000	31	-	10,031
Total obligations of U.S. government corporations and government sponsored enterprises	152,199	462	556	152,105
Obligations of state and political institutions-New York				
Bank Qualified	39,967	780	703	40,044
Single-issuer, trust preferred securities	3,879	79	25	3,933
Corporate debt securities	189,091	278	311	189,058
Other securities	5,039	1	100	4,940
Total	\$ 390,175	\$ 1,600	\$ 1,695	\$ 390,080

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

The following tables present information regarding securities held to maturity:

September 30, 2011	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Obligations of U.S. government corporations and government sponsored enterprises				
Residential mortgage-backed securities				
CMOs (Federal National Mortgage Association)	\$ 4,700	\$ 243	\$ -	\$ 4,943
CMOs (Federal Home Loan Mortgage Corporation)	7,844	409	-	8,253
Federal National Mortgage Association	53,199	3,944	-	57,143
Federal Home Loan Mortgage Corporation	27,918	1,905	-	29,823
Government National Mortgage Association	4,324	601	-	4,925
Total residential mortgage-backed securities	97,985	7,102	-	105,087
Agency notes				
Federal National Mortgage Association	89,983	222	133	90,072
Federal Home Loan Bank	59,994	35	7	60,022
Federal Home Loan Mortgage Corporation	69,998	30	11	70,017
Total obligations of U.S. government corporations and government sponsored enterprises	317,960	7,389	151	325,198
Obligations of state and political institutions-New York				
Bank Qualified	135,765	7,661	10	143,416
Total	\$ 453,725	\$ 15,050	\$ 161	\$ 468,614

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

December 31, 2010	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Obligations of U.S. government corporations and government sponsored enterprises				
Residential mortgage-backed securities				
CMOs (Federal National Mortgage Association)	\$ 7,504	\$ 349	\$ -	\$ 7,853
CMOs (Federal Home Loan Mortgage Corporation)	11,704	572	-	12,276
Federal National Mortgage Association	70,001	4,292	-	74,293
Federal Home Loan Mortgage Corporation	40,583	1,931	-	42,514
Government National Mortgage Association	4,943	605	-	5,548
Total residential mortgage-backed securities	134,735	7,749	-	142,484
Agency notes				
Federal National Mortgage Association	84,969	5	1,405	83,569
Federal Home Loan Bank	14,991	-	222	14,769
Federal Home Loan Mortgage Corporation	42,493	4	608	41,889
Federal Farm Credit Bank	5,078	-	42	5,036
Total obligations of U.S. government corporations and government sponsored enterprises	282,266	7,758	2,277	287,747
Obligations of state and political institutions-New York				
Bank Qualified	116,969	118	4,381	112,706
Total	\$ 399,235	\$ 7,876	\$ 6,658	\$ 400,453

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

The following tables present information regarding securities available for sale with temporary unrealized losses for the periods indicated:

September 30, 2011	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Obligations of U.S. government corporations and government sponsored enterprises						
Federal Home Loan Mortgage Corporation	\$ -	\$ -	\$ 23	\$ 1	\$ 23	\$ 1
Total obligations of U.S. government corporations and government sponsored enterprises	-	-	23	1	23	1
Obligations of state and political institutions-New York Bank Qualified	-	-	-	-	-	-
Single-issuer, trust preferred securities	19,387	1,349	416	86	19,803	1,435
Corporate debt securities	183,630	4,663	3,955	45	187,585	4,708
Total	\$ 203,017	\$ 6,012	\$ 4,394	\$ 132	\$ 207,411	\$ 6,144

December 31, 2010

Obligations of U.S. government corporations and government sponsored enterprises						
Residential mortgage-backed securities CMOs (Federal Home Loan Mortgage Corporation)	\$ 30,494	\$ 372	\$ -	\$ -	\$ 30,494	\$ 372
Federal National Mortgage Association	7,269	13	-	-	7,269	13
Federal Home Loan Mortgage Corporation	28	1	-	-	28	1
Government National Mortgage Association	110	1	-	-	110	1
Total residential mortgage-backed securities	37,901	387	-	-	37,901	387
Agency notes						
Federal Home Loan Bank						