Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

## Part I Reporting Issuer

| | | | |
|---|---|---|---|
| 1 Issuer's name<br>Sterling Bancorp | | | 2 Issuer's employer identification number (EIN)<br>80-0091851 |
| 3 Name of contact for additional information<br>Benjamin C. Hirsh | 4 Telephone No. of contact<br>845-369-8382 | | 5 Email address of contact<br>bhirsh@snb.com |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact<br>400 Rella Boulevard, Suite 300 | | | 7 City, town, or post office, state, and Zip code of contact<br>Montebello, NY 10901 |
| 8 Date of action<br>October 2, 2017 | 9 Classification and description<br>See attachment | | |
| 10 CUSIP number<br>895917A209 | 11 Serial number(s) | 12 Ticker symbol<br>STLPRA | 13 Account number(s) |

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment

**Part II** **Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

The merger of Astoria Financial Corporation with and into Sterling Bancorp qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Other relevant Internal Revenue Code sections include 354, 356, 358, and 1001.

**18** Can any resulting loss be recognized? ▶ No loss can be recognized upon the exchange of Astoria Financial Corporation 6.50% non-cumulative Perpetual Preferred Stock Series C, par value $1.00 per share for shares of Sterling Bancorp 6.50% non-cumulative Perpetual Preferred Stock Series A, par value $0.01 per share. If a taxable loss is calculated on the deemed sale of a fractional share of Sterling Bancorp non-cumulative Perpetual Preferred Stock Series A deemed to have been received in the exchange, this loss can be recognized.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This transaction was completed on October 2, 2017. Consequently, the reportable tax year of the Astoria Financial Corporation shareholders for reporting the tax effect of the share exchange is the tax year that includes the October 2, 2017 date. This is the 2017 calendar year for those shareholders who report taxable income on the basis of a calendar year.

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Benjamin C Hirsh Date ▶ 11-9-17

Print your name ▶ Benjamin C. Hirsh Title ▶ SVP, Chief Accounting Officer

| **Paid Preparer Use Only** | Print/Type preparer's name | Preparer's signature | Date | Check ☐ if self-employed | PTIN |
|---|---|---|---|---|---|
| | James D. Slivanya, CPA | James D. Slivanya | 11/8/2017 | | P00638817 |
| | Firm's name ▶ Crowe Horwath LLP | | | Firm's EIN ▶ | 35-0921680 |
| | Firm's address ▶ 488 Madison Avenue - Floor 3, New York, NY 10022 | | | Phone no. | 212-572-5500 |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

**Sterling Bancorp**
**80-0091851**
**Attachment to Form 8937**

**Report of Organizational Actions Affecting Basis of Securities**

**Form 8937 Part I, Box 9**
The securities subject to reporting include all shares of Sterling Bancorp 6.50% non-cumulative Perpetual Preferred Series A, par value $0.01 stock ("STLPRA") issued in exchange for the outstanding Astoria Financial Corporation 6.50% non-cumulative Perpetual Preferred Series C, par value $1.00 stock ("AFCPRC") as a result of the merger of Astoria Financial Corporation ("AFC") with and into Sterling Bancorp ("Sterling") on October 2, 2017.

**Form 8937 Part II, Box 14**
The reportable organization action, effective October 2, 2017, is the merger of AFC with and into Sterling, with Sterling continuing as the surviving corporation.

As a result of the merger, each share of AFC AFCPRC was exchanged for 1.00 share of Sterling STLPRA. No fractional shares of Sterling STLPRA were issued in connection with the merger. To the extent that the exchange would have resulted in the issuance of a fractional share of Sterling STLPRA to an AFC AFCPRC shareholder, a cash payment equal to the market value equivalent of the fractional share was paid in lieu of issuing a fractional share of STLPRA.

**Form 8937 Part II, Box 15**
The merger of AFC with and into Sterling qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. As a result, no taxable gain or loss will be recognized by any AFC shareholder upon the exchange of their shares of AFC AFCPRC for shares of Sterling STLPRA.

For each identifiable block of AFC AFCPRC surrendered in the exchange having a common tax basis, the aggregate tax basis of the shares of Sterling STLPRA received in the exchange will be equal to the tax basis of the AFC AFCPRC surrendered in the exchange. The tax basis of each individual share of Sterling STLPRA within this identifiable block is determined by dividing this aggregate tax basis by the number of Sterling STLPRA (including any fractional share deemed to have been distributed in the exchange – see below) that comprise this identifiable block.

AFC AFCPRC shareholders who receive cash in lieu of a fractional share of Sterling STLPRA are, for purposes of determining the taxability of that cash, deemed to have received a fractional share in the exchange and then as having sold the fractional share for cash. These AFC AFCPRC shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the AFC AFCPRC shares deemed to have been exchanged for the fractional shares and the amount of cash received.

**Form 8937 Part II, Box 16**
Refer to the description of the basis calculation in Part II, Box 15 above.