



2014 Investor Day

November 19, 2014

Forward Looking Statements

The information presented herein contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving Sterling Bancorp ("Sterling" or "STL") expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Sterling and Hudson Valley, including future financial and operating results, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements.

In addition to factors previously disclosed in Sterling's reports filed with the Securities and Exchange Commission, the following factors among others, could cause actual results to differ materially from forward-looking statements: ability to obtain regulatory approvals and meet other closing conditions to the merger, including approval by Sterling and Hudson Valley shareholders, on the expected terms and schedule; delay in closing the merger; difficulties and delays in integrating the Sterling and Hudson Valley businesses or fully realizing cost savings and other benefits; business disruption following the proposed transaction; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; changes in Sterling's stock price before closing, including as a result of the financial performance of Hudson Valley prior to closing; the reaction to the transaction of the companies' customers, employees and counterparties; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

Additional Information About the Proposed Transaction and Where to Find It

Investors and security holders are urged to carefully review and consider each of Sterling Bancorp's and Hudson Valley Holding Corp.'s public filings with the SEC, including but not limited to their Annual Reports on Form 10-K, their proxy statements, their Current Reports on Form 8-K and their Quarterly Reports on Form 10-Q. The documents filed by Sterling Bancorp with the Securities and Exchange Commission (the "SEC") may be obtained free of charge at Sterling Bancorp's website at www.sterlingbancorp.com or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from Sterling Bancorp by requesting them in writing to Sterling Bancorp, 400 Rella Boulevard, Montebello, New York 10901 Attention: Investor Relations, or by telephone at (845) 369-8040.

The documents filed by Hudson Valley Holding Corp. with the SEC may be obtained free of charge at Hudson Valley Holding Corp.'s website at www.hudsonvalleybank.com or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from Hudson Valley Holding Corp. by requesting them in writing to Hudson Valley Holding Corp., c/o Hudson Valley Bank, 21 Scarsdale Road, Yonkers, New York 10707; Attention: Investor Relations, or by telephone at (914) 961-6100.

In connection with the proposed transaction, Sterling Bancorp intends to file a registration statement on Form S-4 with the SEC which will include a joint proxy statement of Hudson Valley Holding Corp. and Sterling Bancorp and a prospectus of Sterling Bancorp, and each party will file other documents regarding the proposed transaction with the SEC. Before making any voting or investment decision, investors and security holders of Hudson Valley Holding Corp. and Sterling Bancorp are urged to carefully read the entire registration statement and joint proxy statement/prospectus, when they become available, as well as any amendments or supplements to these documents and any other relevant documents filed with the SEC, because they will contain important information about the proposed transaction. A definitive joint proxy statement/prospectus will be sent to the stockholders of each institution seeking the required stockholder approvals. Investors and security holders will be able to obtain the registration statement and the joint proxy statement/prospectus free of charge from the SEC's website or from Sterling Bancorp or Hudson Valley Holding Corp. by writing to the addresses provided for each company set forth in the paragraphs above.

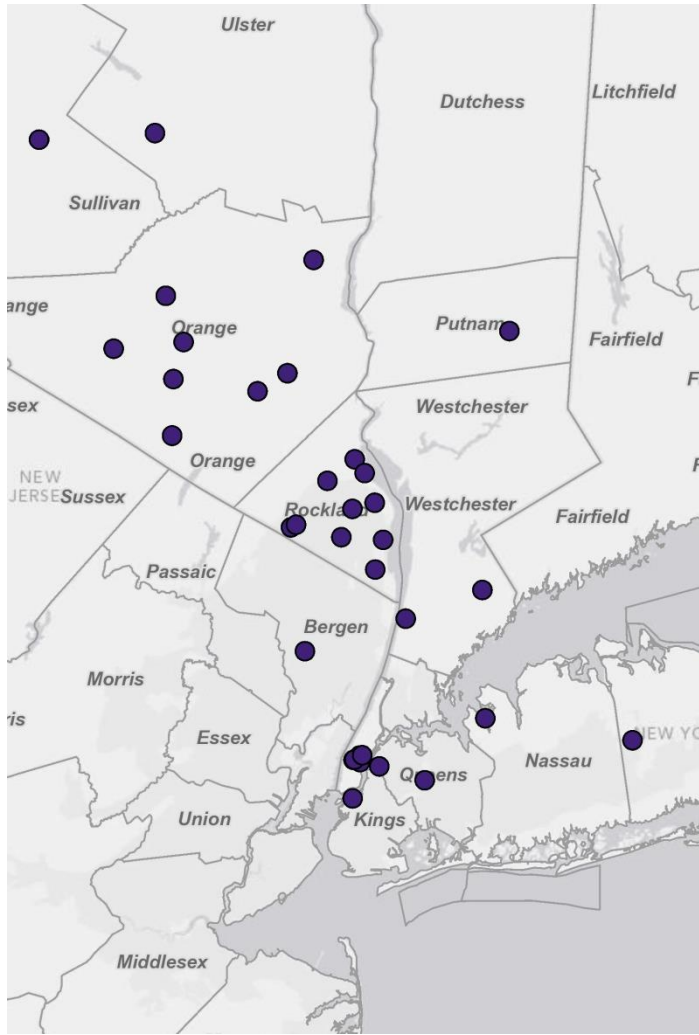
Sterling Bancorp, Hudson Valley Holding Corp., their directors, executive officers and certain other persons may be deemed participants in the solicitation of proxies from Sterling Bancorp and Hudson Valley Holding Corp. stockholders in connection with the proposed transaction. Information about the directors and executive officers of Sterling Bancorp and their ownership of Sterling Bancorp common stock is set forth in the definitive proxy statement for Sterling Bancorp's 2014 annual meeting of stockholders, as previously filed with the SEC on January 10, 2014. Information about the directors and executive officers of Hudson Valley Holding Corp. and their ownership of Hudson Valley Holding Corp. common stock is set forth in the definitive proxy statement for Hudson Valley Holding Corp.'s 2014 annual meeting of stockholders, as previously filed with the SEC on April 9, 2014. Stockholders may obtain additional information regarding the interests of such participants by reading the registration statement and the joint proxy statement/prospectus when they become available. Free copies of the registration statement and joint proxy statement/prospectus may be obtained as described in the paragraphs above.

Agenda

- Sterling Bancorp Today
- Strategic Platform and Objectives
- Strategic Initiatives: 2015 and Beyond
- Business Line Performance
- M&A Update
- Questions and Answers

Sterling Bancorp Today

Sterling Bancorp Today



- Leading regional bank providing services and solutions to business owners, their families and consumers in the Greater New York metropolitan region
- Successful track record of merger activity
 - Gotham Bank of New York
 - Legacy Sterling Bancorp
 - Hudson Valley Holding Corp. (announced 11/5/14)
- Positioned among top 10 regional banks in our market ⁽¹⁾
 - Total assets \$7.3 billion
 - Total loans \$4.8 billion
 - Total deposits \$5.3 billion
- Established infrastructure for profitable growth
 - Diversified businesses with differentiated distribution strategy
 - 21 commercial relationship teams
 - 32 financial centers

(1) Pro forma for pending acquisition of Hudson Valley Holding Corp.

On-Track to Becoming a High Performing Regional Bank

- Unique franchise serving the attractive Greater New York Metropolitan region
- Diverse product portfolio
- Differentiated team-based distribution model
- Strong momentum in core earning and profitability metrics
- Merger execution delivering on expectations
- Revenue growth opportunities are significant
- Sharp focus on achieving performance targets to deliver shareholder value
- Solid credit quality
- Strong capital foundation
- ***Execution is the key***

Reconciliation of GAAP Earnings to Core Earnings

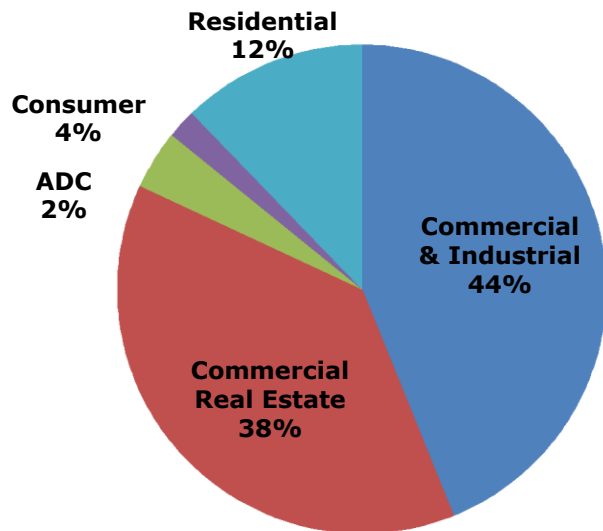
(\$ in thousands, except per share data)

Line Item	Quarter Ended		Fiscal Year Ended	
	9/30/2014	6/30/2014	9/30/2014	9/30/2013
Reported Diluted Earnings per Share	\$0.19	\$0.18	\$0.34	\$0.58
Reported Net Income	16,337	15,011	27,678	25,254
Net Income Adjustments:				
Net (Gain) on Sale of Securities	(33)	(1,193)	(641)	(7,359)
Merger-related Expense	-	-	9,455	2,772
Gain on Sale of Financial Center and Redemption of TRUPs	-	(1,637)	(1,637)	-
Charge for Asset Write-downs, Banking System Conversion, Retention and Severance	1,103	2,321	26,591	588
Amortization of Non-compete Agreements	1,497	1,497	5,489	-
Charge on Benefit Plan Attlement	-	-	4,095	-
Total Adjustments	2,567	988	43,352	(3,999)
Total Adjustments (After-tax)	1,829	704	30,164	(2,754)
Core Net Income	18,166	15,715	57,842	22,500
Core Diluted Earnings Per Share	\$0.22	\$0.19	\$0.72	\$0.51
<i>Weighted Average Diluted Shares Outstanding</i>	<i>83,883,461</i>	<i>83,806,135</i>	<i>80,534,043</i>	<i>43,783,053</i>
<i>Core Return on Average Tangible Assets (ROATA)</i>	<i>1.06%</i>	<i>0.95%</i>	<i>0.91%</i>	<i>0.62%</i>
<i>Core Return on Average Tangible Equity (ROATE)</i>	<i>13.80%</i>	<i>12.40%</i>	<i>11.80%</i>	<i>7.10%</i>
<i>Core Operating Efficiency Ration</i>	<i>54.70%</i>	<i>57.80%</i>	<i>59.40%</i>	<i>63.70%</i>

Diversified Balance Sheet

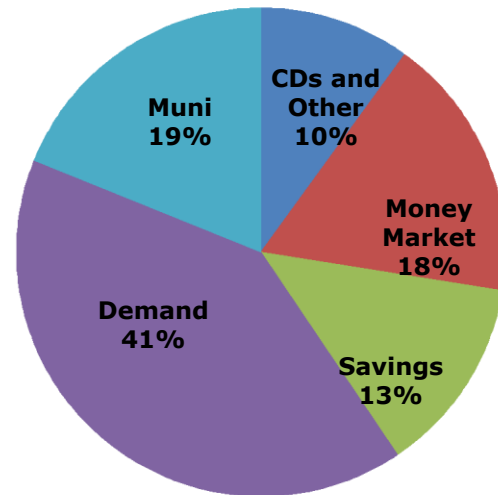
- Total loan growth of 17.7% ⁽¹⁾
- Commercial loan growth of 17.9% ⁽¹⁾
- Retail, commercial and municipal transaction, money market and savings deposit accounts represent 90.2% of total deposits

Loan Composition



Total Loans: \$4.8 B
Yield on Loans: 4.83%

Deposit Composition



Total Deposits: \$5.3 B
Cost of Deposits: 0.19%

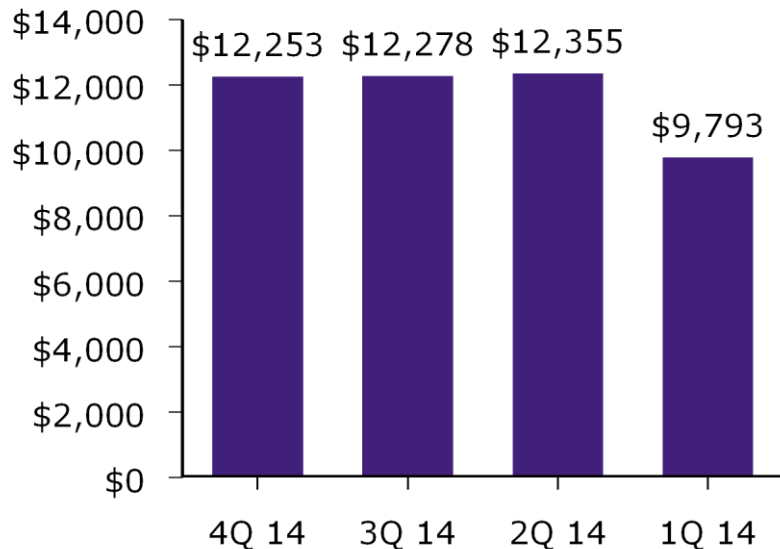
(1) Rates represent annualized growth rates for the period June 30, 2014 through September 30, 2014.

Strong Levels of Non-Interest Income

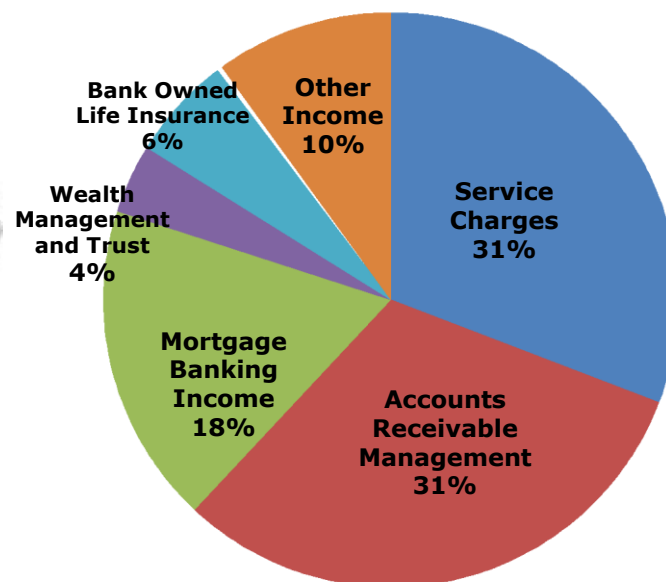
- Diversified mix of fee-based business including mortgage banking, payroll finance, factoring, wealth management and title insurance
- Total non-interest income to total revenue of 17.0% ⁽¹⁾

Fee Income ⁽¹⁾

(\$ in thousands)



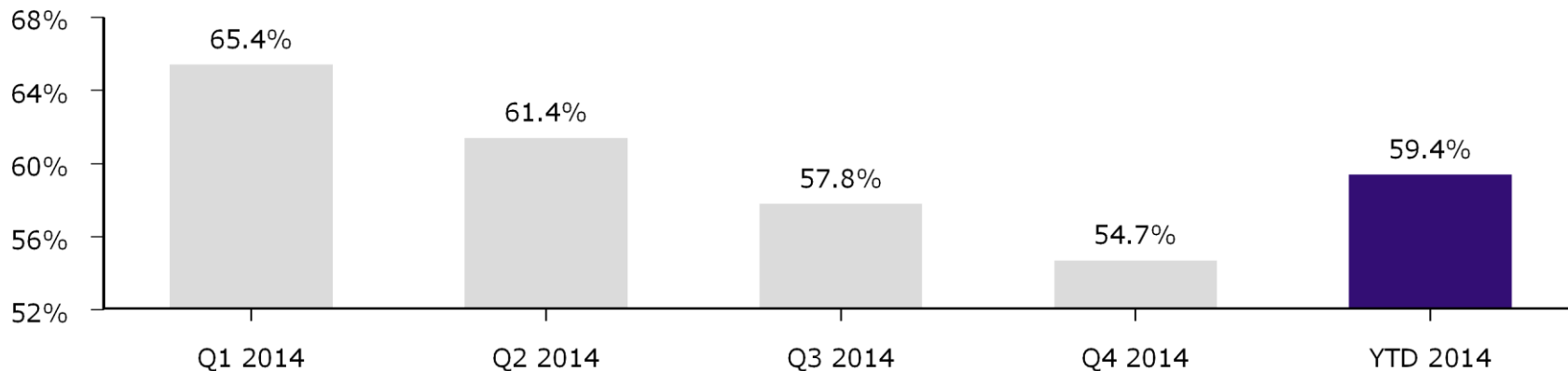
Non-Interest Composition



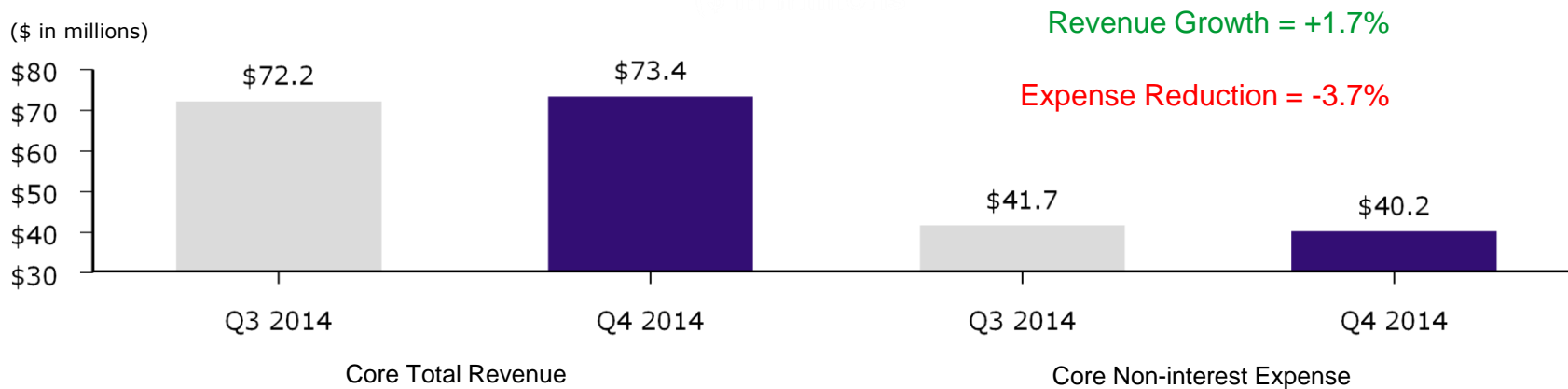
(1) Excludes net gains/(losses) on sale of securities.

Core Operating Efficiency

Core Operating Efficiency Ratio



Core Operating Leverage



Asset Quality Performance

(\$ in millions)

Asset Quality Ratios and Balances	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13
Non-performing loans to total loans	1.07%	1.25%	1.42%	0.93%	1.12%	1.35%	1.42%
Net charge-offs to average loans	0.09%	0.15%	0.34%	0.14%	0.37%	0.54%	0.58%
Allowance for loan losses to:							
Total loans	0.85%	0.80%	0.75%	0.74%	1.20%	1.21%	1.25%
Allowance for loan losses to non-performing loans	79.7%	64.0%	53.1%	79.6%	107.3%	90.2%	88.1%
Non-performing assets to total assets	0.80%	0.85%	1.00%	0.75%	0.81%	0.94%	0.99%
Special Mention	\$39.6	\$41.8	\$40.0	\$38.8	\$13.5	\$24.3	\$41.8
Substandard / Doubtful	73.1	79.1	82.7	77.3	61.1	62.2	70.7
Total Criticized / Classified	112.7	120.9	122.7	116.1	74.6	86.5	112.5
Non-accrual and 90 days	51.0	56.8	60.3	38.4	26.9	31.5	31.3

Transformation of PBNY/STL

	Core Metrics	9/30/2011	9/30/2012	9/30/2013	9/30/2014
Organic and M&A Balance Sheet Growth	Total Assets (\$M)	\$3,137,402	\$4,022,982	\$4,049,172	\$7,337,387
	Total Loans (\$M)	1,703,799	2,119,472	2,412,898	4,760,438
	Total Deposits (\$M)	2,296,695	3,111,151	2,962,294	5,298,654
Rising Core Profitability	Total Revenue (\$M) ⁽¹⁾	115,712	121,697	135,637	270,252
	Net Income (\$M) ⁽¹⁾	7,879	16,431	22,500	57,842
	Diluted EPS ⁽¹⁾	0.21	0.43	0.51	0.72
	ROATA ⁽¹⁾	0.28%	0.54%	0.62%	0.91%
	ROATE ⁽¹⁾	3.00%	5.80%	7.05%	11.76%
	Net Interest Margin	3.57%	3.40%	3.23%	3.78%
Operating Efficiency Improvements	FTE #	513	493	477	864
	Operating Efficiency Ratio	72.1%	69.7%	63.7%	59.4%
Rising Valuation	Market Capitalization (\$MM)	\$ 220	\$415	\$ 482	\$1,069
	Stock Price (\$)	5.82	9.41	10.89	12.79

Note 1: Core net income and core diluted EPS exclude the impact of gain on sale of securities and restructuring charges/merger-related expenses.

Strategic Platform and Objectives

Our Mission and Objectives

Mission

To outperform every other bank in serving small to medium-sized businesses and their leaders in our markets by leveraging top-performing professionals delivering a unique client service experience with the most flexible range of financial solutions.

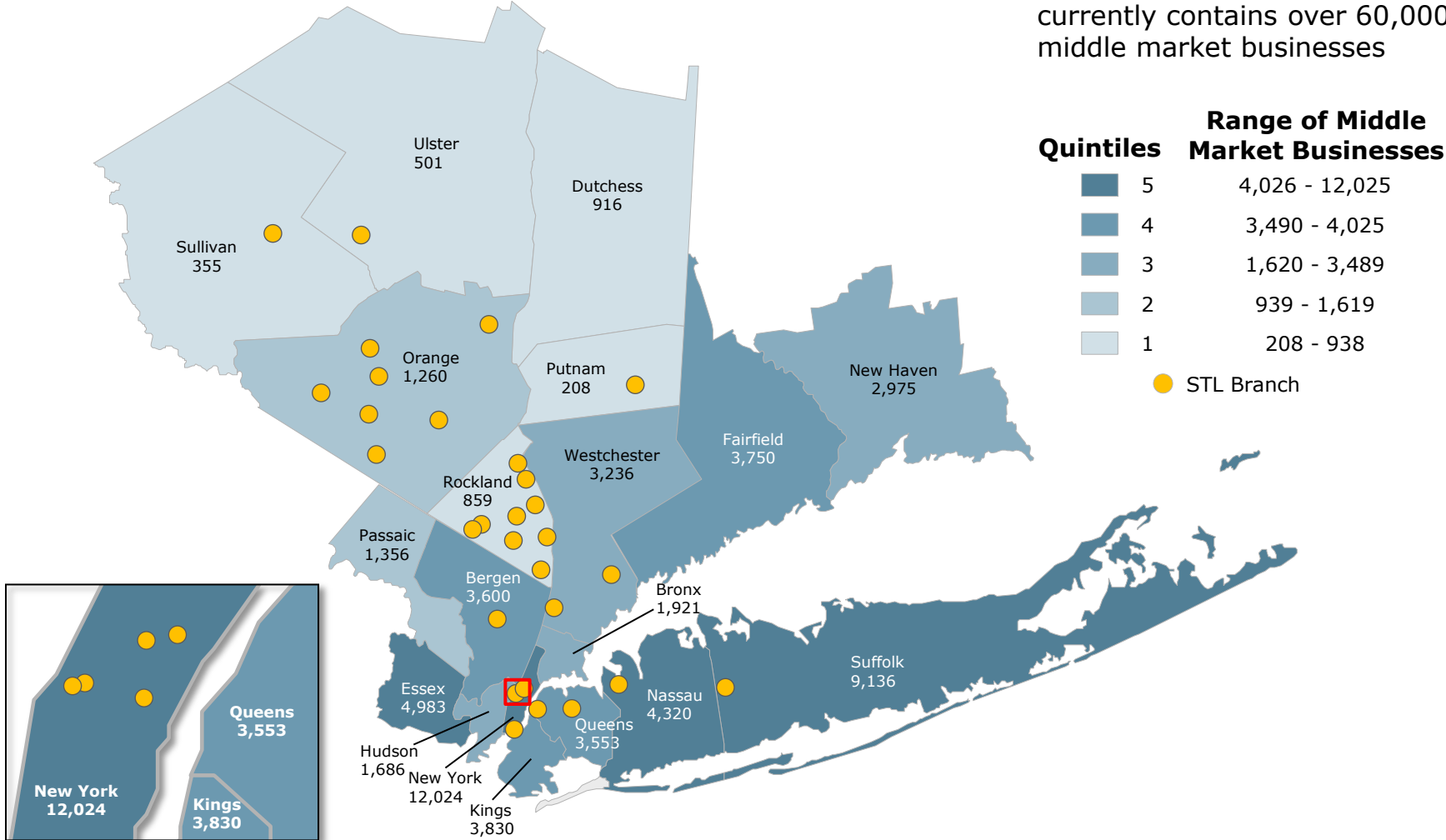
- Sharp focus on achieving performance targets to deliver shareholder value
 - Earnings growth of 10+%
 - Return on equity > 12%
 - Return on assets > 1%
 - Positive operating leverage with revenue growth of 2-3x expense growth
 - Efficiency ratio ~55%
- Create a mid-sized regional bank focused on the Greater New York metro area
- Drive significant, sustainable organic growth
- Establish a competitive advantage through:
 - Superior value proposition against specific target client segments
 - Highly efficient and effective operations

Our Strategic Principles

- Since 2012, our strategic principles have remained constant:
 1. Focus on select market segments where we can exploit a niche
 - Small and middle market businesses and affluent consumers
 - Greater New York metropolitan area
 2. Prioritize relationships over transactions
 3. Deploy a single point of contact delivery model in all delivery channels
 4. Partner and outsource wherever possible to capture operational economies or product expertise; own distribution / customer contact
 5. Drive a high performance, execution-driven corporate culture
 6. Maintain a robust risk management platform and controls
 7. Invest in technology to drive efficiencies, enhance service experience and manage risk

Focus on Select Market Segments

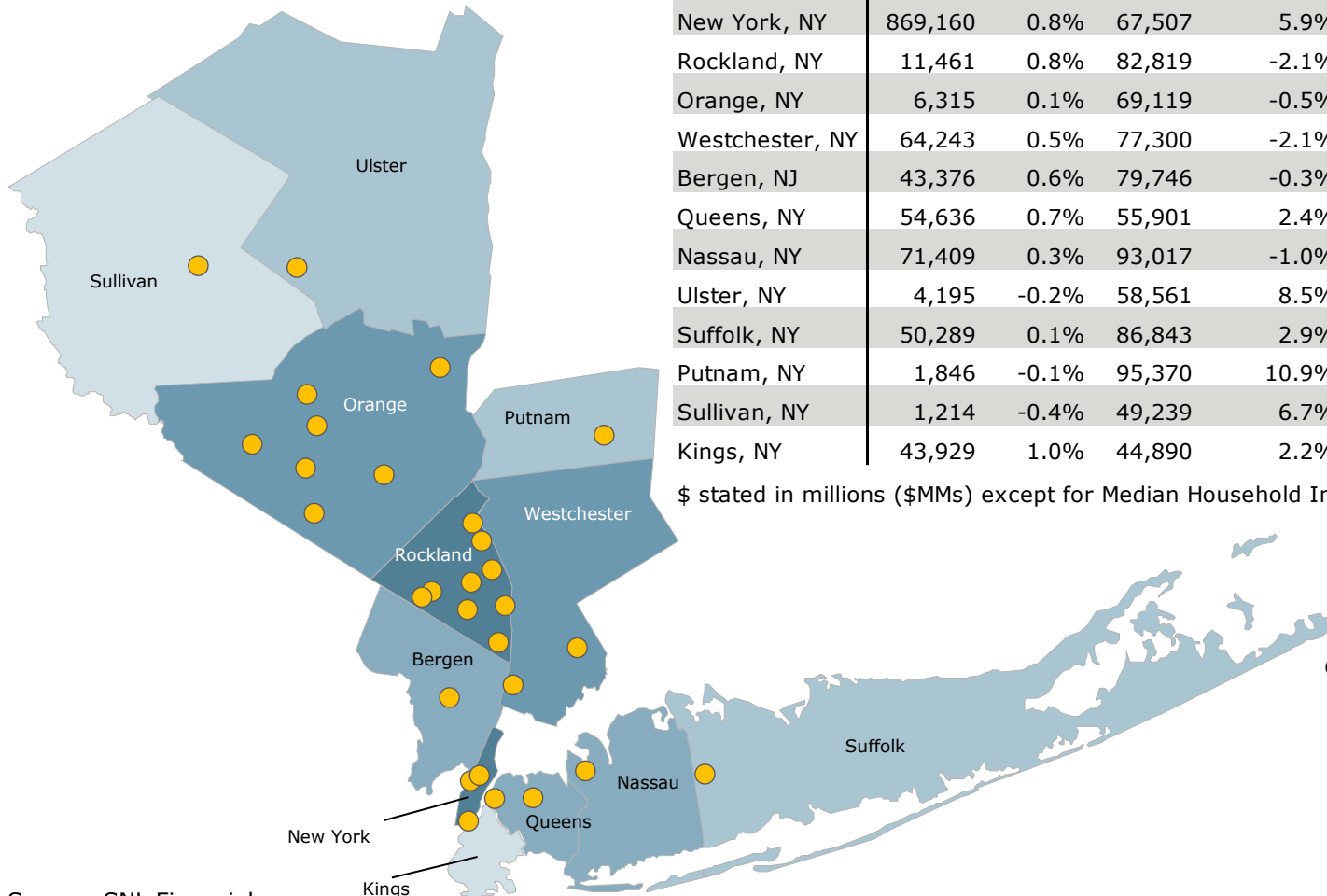
- Our immediate market footprint currently contains over 60,000 middle market businesses



Source: Oxxford Information Technology.

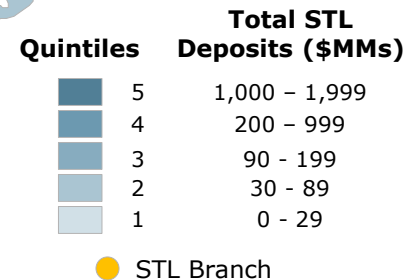
Focus on Select Market Segments (cont.)

- Large, addressable target market for deposits in our immediate footprint



County Demographics	County				STL			
	Total Deposits	Pop. CAGR (%)	Median HHI (\$)	Median HHI CAGR (%)	STL FCs	STL Deposits	Avg FC	Mkt Share
New York, NY	869,160	0.8%	67,507	5.9%	5	1,957	391	0.2%
Rockland, NY	11,461	0.8%	82,819	-2.1%	9	1,670	186	14.6%
Orange, NY	6,315	0.1%	69,119	-0.5%	7	669	96	10.6%
Westchester, NY	64,243	0.5%	77,300	-2.1%	2	208	104	0.3%
Bergen, NJ	43,376	0.6%	79,746	-0.3%	1	153	153	0.4%
Queens, NY	54,636	0.7%	55,901	2.4%	2	118	59	0.2%
Nassau, NY	71,409	0.3%	93,017	-1.0%	1	90	90	0.1%
Ulster, NY	4,195	-0.2%	58,561	8.5%	1	50	50	1.2%
Suffolk, NY	50,289	0.1%	86,843	2.9%	1	46	46	0.1%
Putnam, NY	1,846	-0.1%	95,370	10.9%	1	30	30	1.6%
Sullivan, NY	1,214	-0.4%	49,239	6.7%	1	27	27	2.2%
Kings, NY	43,929	1.0%	44,890	2.2%	1	0	0	0.0%

\$ stated in millions (\$MMs) except for Median Household Income (HHI)



Source: SNL Financial

Prioritize Relationships Over Transactions

- Deploy a single point of contact model through our commercial teams and financial centers
- Realize potential return on relationship focused on balanced loan and deposit growth initiatives
- Value relationship expansion and long-term profitability over single transaction
- Balanced loan and deposit relationships will generate higher ROEs over time

Transaction Driven

\$10MM Commercial Real Estate Loan

- Risk rating of 4
- Loan spread of 1.73%

No deposits

Resulting ROE for a single transaction:

~15%

Relationship Driven

\$10MM Commercial Real Estate Loan

- Risk rating of 4
- Loan spread of 1.73%

+\$2.5MM in DDA
+\$5.0MM in MMA } 75% deposits/loans

Resulting ROE for the relationship:

18 - 20%

Source: Represents estimated return on equity calculations and parameters used by Sterling Bancorp to analyze relationship profitability.

Partner and Outsource Where Appropriate

- Partnering and outsource opportunities used to complement internal capabilities and drive specific benefits:
 - Extend expertise beyond in-house capabilities
 - Gain operational efficiencies, particularly in scale-sensitive functions
 - Provide independent evaluations and best practices
- Strategic focus of Sterling is on retaining maximum control of delivery and client experience
- Multiple dimensions of potential third-party relationships
 - Products
 - Technology
 - Operations and customer service
 - Risk assessment
- Key focus area: IT network security, help desk, data center and call center

Drive High Performance, Execution-Driven Culture

**Above and beyond is
standard procedure here.**

Core Values

High Achievement ■ Accountability ■ Initiative ■ Collaboration ■
Integrity

- Recruit and develop talent exhibiting core values
- Provide clear message regarding goals and objectives for the Company, business units and individuals
- Balanced scorecards deployed across the entire enterprise
- Performance measured on both results and evaluation of adherence to core competencies
 - All employees eligible for incentive compensation
- Decision making in all business units driven by data and analytics
 - Invest in data and reporting technologies as well as analytic talent

Maintain a Robust Risk Management Capability

- Actively measure and manage across all dimensions of risk
- Executive level focus and strong Board level reporting and accountability
- Risk measures and accountability embedded in business units with centralized monitoring and oversight
- Deploy contemporary and best practices in risk management practices
- Resource risk functions appropriately for growth and complexity of Sterling
 - Experienced risk analysts and managers
 - Deploy technology to enhance effectiveness and efficiency

Selectively Invest in Technology

- Deploy technology to enhance business operations
 - Client service experience
 - Efficiencies and productivity
 - Management information
 - Risk management
- Extensively utilize third-party providers for licensed software and hosted services; limit proprietary and custom development
- Maintain a high availability environment to support strong business continuity and disaster recovery capabilities
- Consolidate on a single core system provider augmented with highly integrated non-core solutions
- Build a strong data management and governance capability
- Ensure close collaboration between IT and risk functions for strong information security and vendor management

Strategic Initiatives: 2015 and Beyond

Key Initiatives For 2015 and Beyond

- Successful merger and integration of Hudson Valley
- Continued deployment of Commercial Banking Team Strategy
- Further diversify business mix through organic growth and opportunistic M&A
- Leverage mortgage banking business as key component of private banking / wealth management initiative
- Optimize retail banking network
 - Continued reduction of square footage and # of locations through ongoing facilities consolidation
- Utilize outsourcing to manage and variabilize operating expense base

Commercial Banking Team Strategy

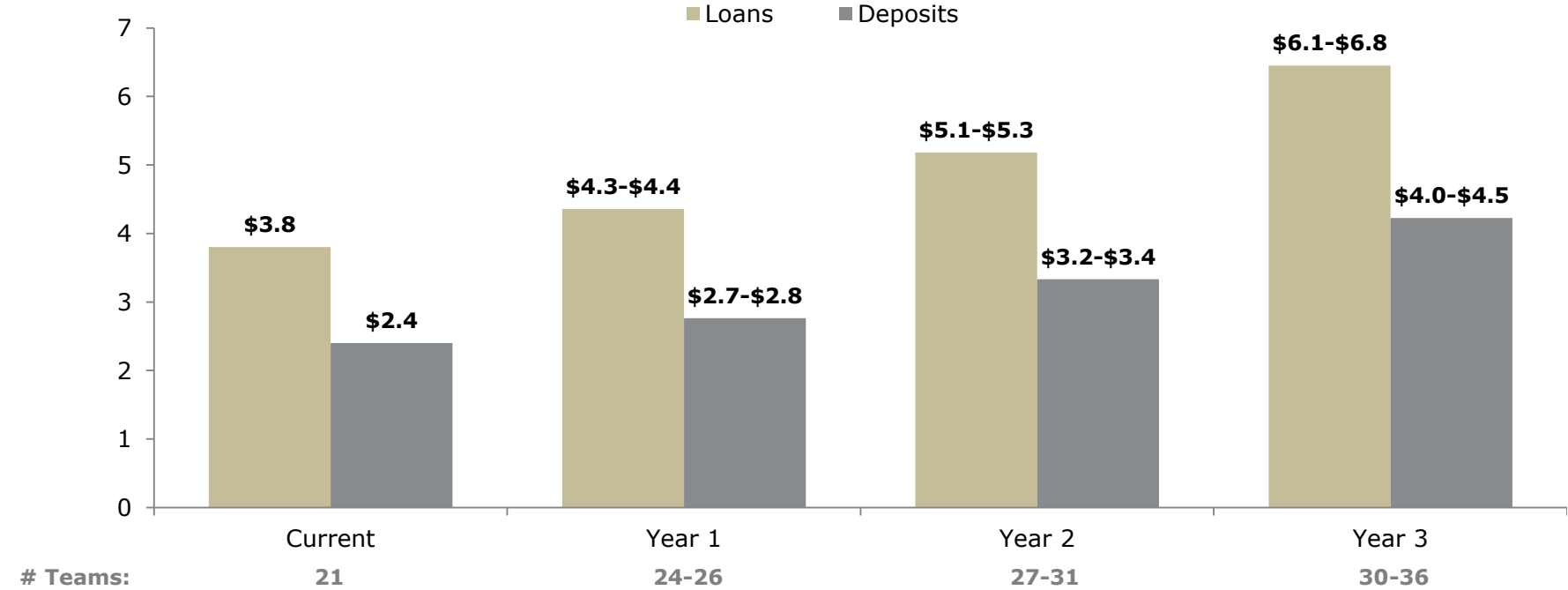
- Continue to upgrade performance of teams to realize their full potential
- Target of \$200MM in average loan balances with 75% deposits to loans ratio steady state per team
- Expand number and scope of commercial teams:
 - Hire 3-5 new commercial banking teams annually
 - One or more new teams in expanded trade area. Targeting potential expansion into Albany and Connecticut near-term; Southern New Jersey, Boston, Philadelphia longer-term
- Increase deposit gathering capabilities:
 - Improved cash management product, sales and service
 - Ensure team structure delivers more balanced deposit / loan book
 - Leverage Private Banking program: target 20% of commercial deposits coming from personal accounts
- Increase inter-team cross-selling and collaboration with specialty finance businesses

Evolving Commercial Banking Team Strategy

- Long-term target of \$200mm in average loan balance with a 75% deposits to loans ratio steady-state.
- Target on-boarding of 3-5 Commercial Teams per annum in specified forecasted periods.

3-Year Growth in Loans: \$2.3bn - \$3bn
3-Year Growth in Deposits: \$1.6bn - \$2.1bn




Commercial Teams - Loan & Deposit Growth



Transform Our Retail Delivery System

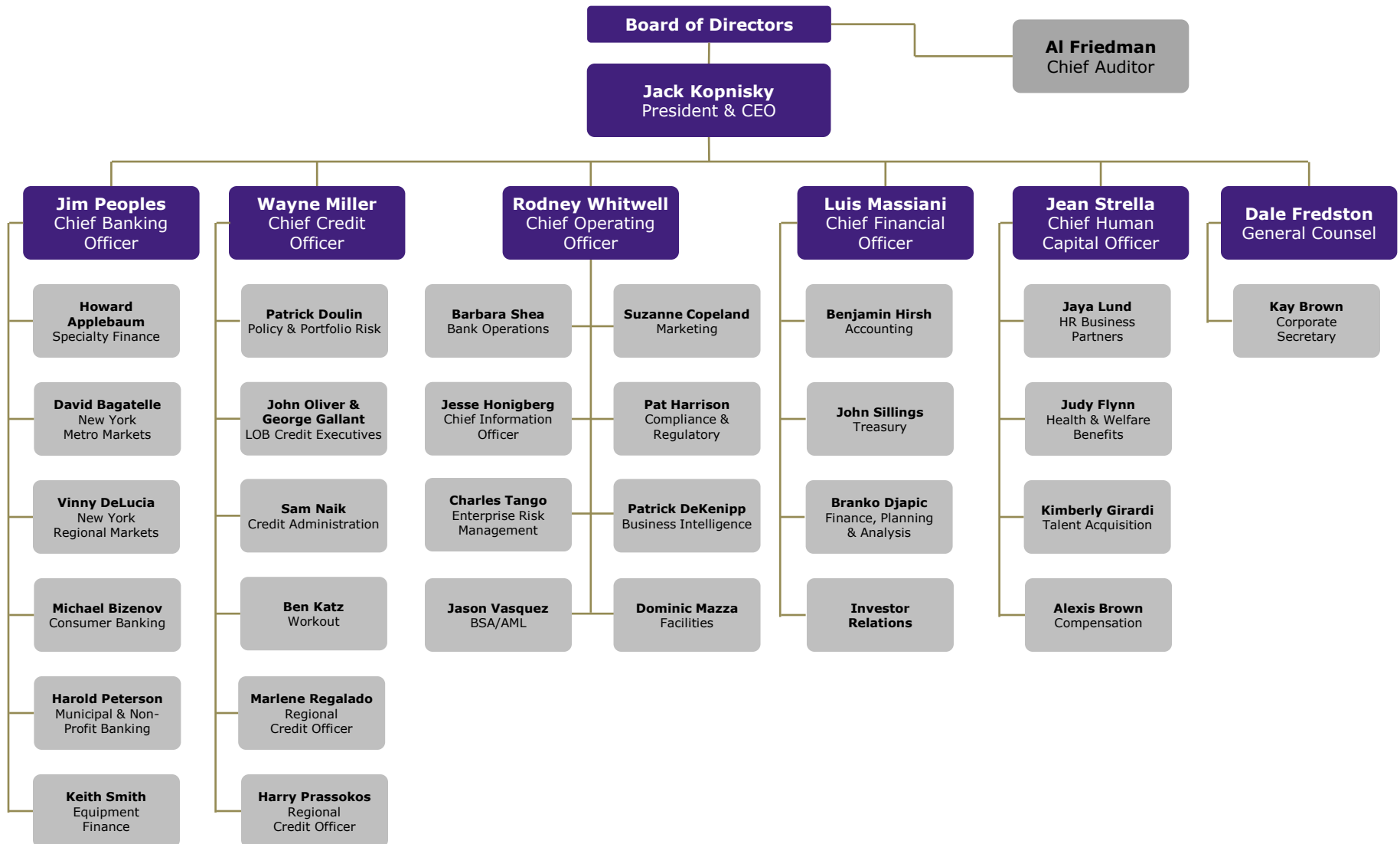
- Changing consumer banking patterns allow us to continue consolidating our financial centers
 - Explore exit of locations that have low growth potential or can be served through other existing locations
- Create a single point of contact – team based structure
- Transition to a universal banker model
- Build a deposit and fee based solution set focused on the small business professionals and emerging affluent segment
- Systemize delivery and processing of small business lending
- Expand mobile banking to meet and exceed client needs

Strategic Initiatives will Drive Long-Term Value Creation

		Target Range
1. Loan growth		10 - 15%
2. Core Deposit growth		10 - 15%
3. Non-interest income to Total Revenue		>20%
4. Total revenue growth		10 - 12%
5. Non-interest expense growth		2 - 4%
6. Earnings per share growth		10%+
7. ROA		1%+
8. ROE		12%+

Overview of Business Lines

Strong, Proven Management Team



Broad Array of Client Solutions

Lending

Commercial Lending

Commercial & Residential Real Estate Lending

ABL / Accounts Receivable Management

Equipment Finance

Healthcare and Municipal

Warehouse Lending

Fee-Based

Depository & Cash Management

Wealth Management

Payroll Finance

Factoring & Trade Finance

Mortgage Banking

Title Insurance

Origination Capabilities Across Broad Asset Classes

(\$ in millions)

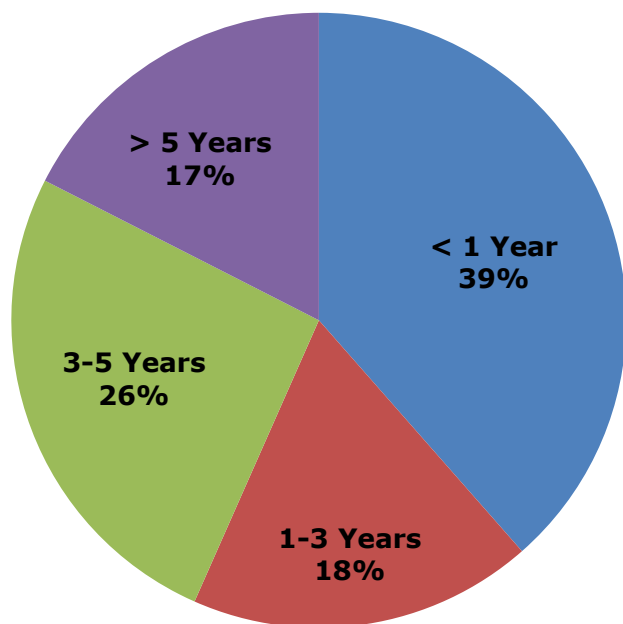
Key Drivers	Line of Business	9/30/2014	6/30/2014	10/31/2013 ⁽¹⁾
Commercial:				
<ul style="list-style-type: none"> • Shorter Maturity • Floating Rate • Average O/S Balance 	Commercial & Industrial	\$1,165	\$1,145	\$1,001
	Warehouse Lending	192	213	176
<ul style="list-style-type: none"> • Sales Volume • Shorter Maturity • Significant Fee Income 	Factoring	181	144	166
	Payroll Finance	145	129	119
<ul style="list-style-type: none"> • Fully Amortizing / No Residuals 	Equipment Finance	393	375	249
	Total Commercial	2,076	2,006	1,711
Commercial Real Estate:				
<ul style="list-style-type: none"> • Longer Maturity 	Commercial Real Estate	1,449	1,384	1,252
<ul style="list-style-type: none"> • Fixed and Floating Rate 	Multi-Family	369	338	309
<ul style="list-style-type: none"> • Title Insurance Income 	Acquisition, Development & Construction	92	102	103
	Total Commercial Real Estate	1,910	1,824	1,664
Consumer:				
<ul style="list-style-type: none"> • Fixed and Floating Rate 	Residential Mortgage / Mortgage Banking	570	528	520
<ul style="list-style-type: none"> • Gain on Sale Income 	Other Consumer	204	201	208
	Total Consumer	774	729	728
	Total Loans	\$4,760	\$4,559	\$4,103

(1) Represents the effective date of the merger with legacy Sterling Bancorp.

Loan Diversity Provides Balance Sheet Flexibility

Loan Portfolio / Maturity Profile

- Approximately 57% or \$2.7B of the loan portfolio reprices within 3 years



Total Loans: \$4.8B

Yield on Loans: 4.83%

Strong Asset Sensitivity Position ⁽¹⁾

- The table below represents the impact of a parallel and instantaneous shift/increase in interest rates of 0, 100, and 200 basis points
- The company is well positioned for a potential rising rate environment

(\$ in thousands)

Change in Interest Rates:	Estimate NII	\$ ▲	% ▲
Up 200	268,343	20,538	8.29%
Up 100	257,611	9,806	3.96%
No Change	247,805	NA	NA

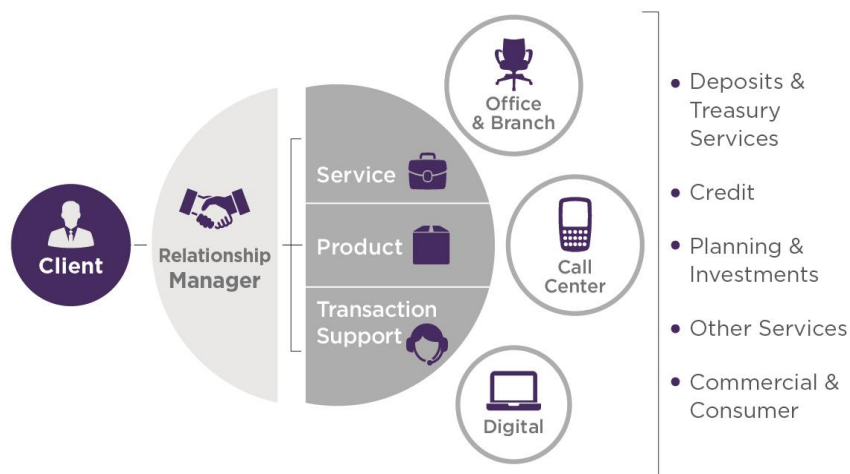
(1) Please refer to Sterling Bancorp's SEC 10-Q and 10-K filings for additional information on Market and Interest Rate sensitivity

Constant Tracking and Benchmarking Performance

(\$ in thousands)							
Business Unit	Loan Portfolio		Annualized Growth %	Deposit Portfolio		Annualized Growth %	Annualized Fee Income
	9/30/2014	10/31/2013		9/30/2014	10/31/2013		
Commercial Banking							
Subtotal New York Regional	\$754,448	\$678,831	12%	\$443,066	\$395,476	13%	\$1,333
Subtotal New York Metro	1,921,738	1,567,599	25%	1,765,636	1,411,570	27%	3,857
Total Relationship Teams	2,676,186	2,246,430	21%	2,208,702	1,807,046	24%	5,190
Consumer Banking							
Financial Centers	488,512	549,581	-12%	1,711,061	2,230,123	-25%	9,371
Mortgage Warehouse Lending	192,008	168,353	15%	13,548	17,530	-25%	0
Residential Mortgage Division	218,851	76,134	204%	64,008	55,974	16%	8,434
Total Consumer Banking	899,370	794,069	14%	1,788,617	2,303,627	-24%	17,805
Municipal & Non-Profit Banking							
Total Municipal & Non-Profit	0	337	NM	992,702	779,488	30%	-7
Specialty Finance							
Payroll Finance	141,677	119,631	20%	17,078	22,436	-26%	6,223
Asset Based Finance	288,796	270,694	7%	51,823	57,358	-11%	954
Factoring & Trade Finance	181,691	166,002	10%	73,412	51,561	46%	8,899
Total Specialty Finance	612,165	556,327	11%	142,313	131,355	9%	16,077
Equipment Finance							
Total Equipment Finance	401,187	260,448	59%	5,681	5,283	8%	199
Corporate & Other							
Total Corporate & Other	171,529	276,705	-41%	160,639	47,176	262%	9,917
Total Portfolio	\$4,760,438	\$4,134,316	17%	\$5,298,654	\$5,073,974	5%	\$49,181

Focus on Relationship Team Delivery Model

TEAM-BASED DELIVERY MODEL



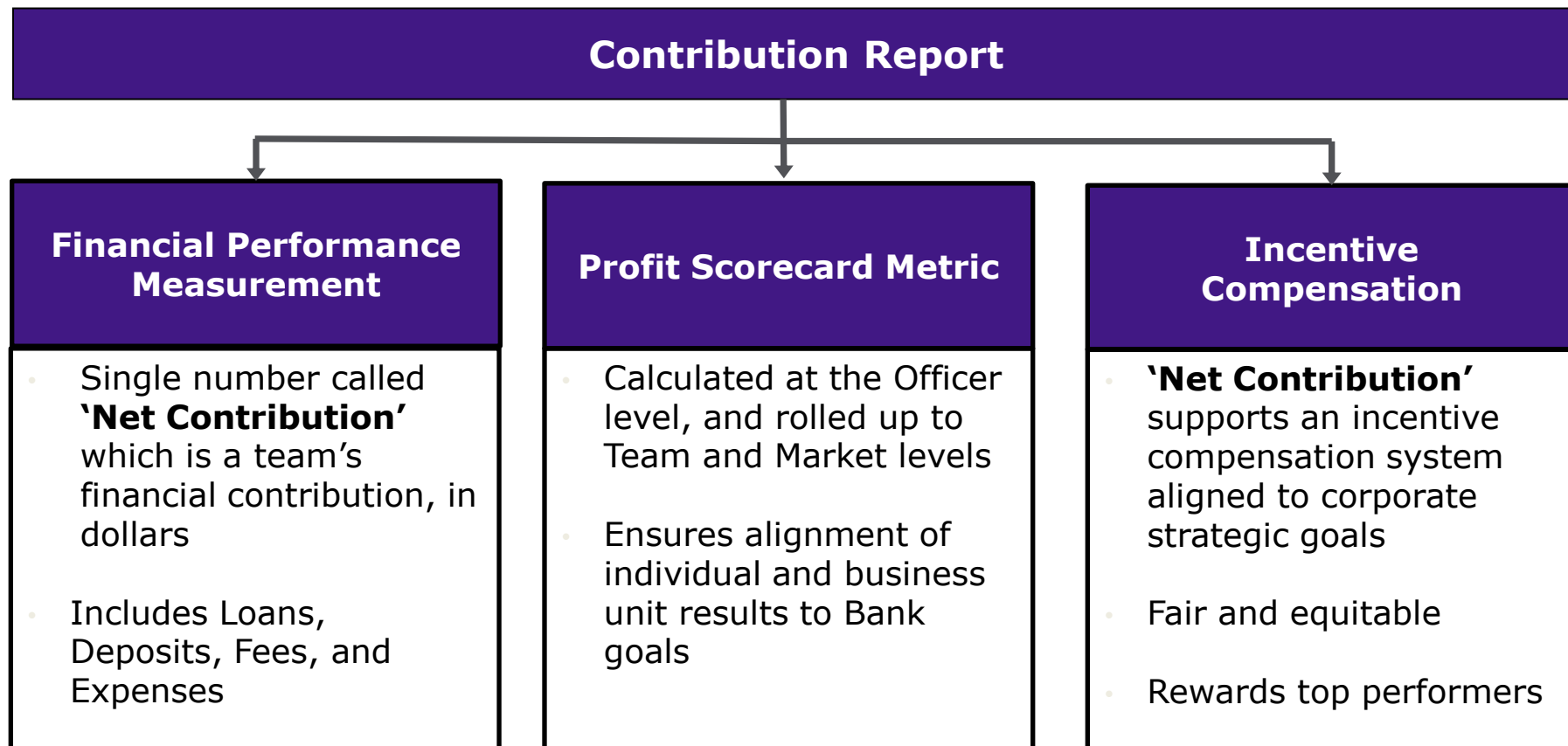
Teams deployed
as of 9/30/2014

- Relationship; not just a transaction
- Teams deliver all products and services as a single point of contact
 - Delivers enhanced client experience
 - Eliminates organizational silos
 - Relationship manager drives client relationship
- Teams are typically less than 10 FTE and supported by select product specialists
- Performance measurement is based on team-specific P&L (“Contribution Report”)
 - Risk-adjusted to reflect true profitability, not just volume
- Staff and support functions (including credit) centrally organized
 - Teams do not have credit authority

Contribution Report Overview

- Our strategy focuses on transforming the Company into a high performing regional bank that delivers above peer levels of growth and profitability while maintaining strong risk management systems and controls
- A key component of this strategy is the contribution reporting model, which measures the profitability and performance of every revenue generating unit of the Company
 - Creates a “level playing field” across commercial and consumer businesses
 - Adjusts for credit, interest rate risk and return on capital
 - Allows management to track business unit P&L performance
- Contribution model serves as the primary incentive plan for commercial banking teams, financial centers and specialty lines of business
 - Directly tied to compensation outcome
 - Conservative system of checks and balances (Treasury and Credit decisions are independent)
- Constant performance measurement and benchmarking

Contribution Report Overview (cont.)



Net Contribution Components

Loan Contribution	+	Deposit	+	Fee Income	-	Expense
Average Loan Balance -----		Average Deposit Balance		+ Loan Fees		Direct Expense
Net Loan Balance		x Deposit Credit Rate -----		+ Bank Service Fees		+ Indirect
x Interest Rate -----		Deposit Credit		+Wealth Management		Expense
Gross Interest Income		<Interest Expense> -----		Fee Income		-----
<Cost of Funds> -----		Deposit Contribution		+Other -----		Total Expense
Net Interest Income				Fee Income		
<Risk Adjustment Factor> -----						
Risk Adjusted Income						
<Loan Capital Charge> -----						
Loan Contribution						

Merger & Acquisition Update Hudson Valley Holding Corp.

Hudson Valley Transaction Highlights

Strategic Rationale

- Creates a \$10B+ premier commercial banking franchise focused on the small-to-middle market business segment in the New York metropolitan area
- Enhances scale - creates the #10 deposit rank among regional banks in the New York MSA
- Leverage Sterling's commercial lending expertise with Hudson Valley's differentiated deposit products
 - Diversified commercial loan origination capabilities
 - Combined company has "best-in-class" deposit mix and funding cost
- Strong pro forma funding and liquidity profile
 - Significant excess liquidity increases lending opportunities
 - Strengthens asset sensitivity position
- Provides scalable presence in attractive Westchester market

Financial Impact

- Tangible book value dilution of ~1% earned back within 1.2 years
- Accretive to 2015E EPS and ~7% accretive to 2016E EPS
- IRR of ~19%
- Significant value creation opportunity for shareholders via redeployment of low cost excess liquidity

Transaction Overview

Consideration

- Fixed exchange ratio of 1.92 Sterling shares for each Hudson Valley share
- 100% stock
- Aggregate deal value of ~\$539 million based on STL closing price of \$13.99 on November 4, 2014 ⁽¹⁾

Pro Forma Ownership

- 68.5% Sterling / 31.5% Hudson Valley

Bank Merger

- Hudson Valley Bank to merge into Sterling National Bank

Name

- Sterling Bancorp and Sterling National Bank

Principal Offices

- Potential move of principal executive offices to Westchester County will be considered

Management and Board Composition

- Jack Kopnisky, President & CEO; Luis Massiani, CFO; engagement of combined STL and HVB executives
- Combined board will include 4 current Hudson Valley board members

Required Approvals

- Approval of Sterling Bancorp and Hudson Valley Holding Corp. shareholders
- Customary regulatory approvals

Targeted Closing

- Second quarter 2015

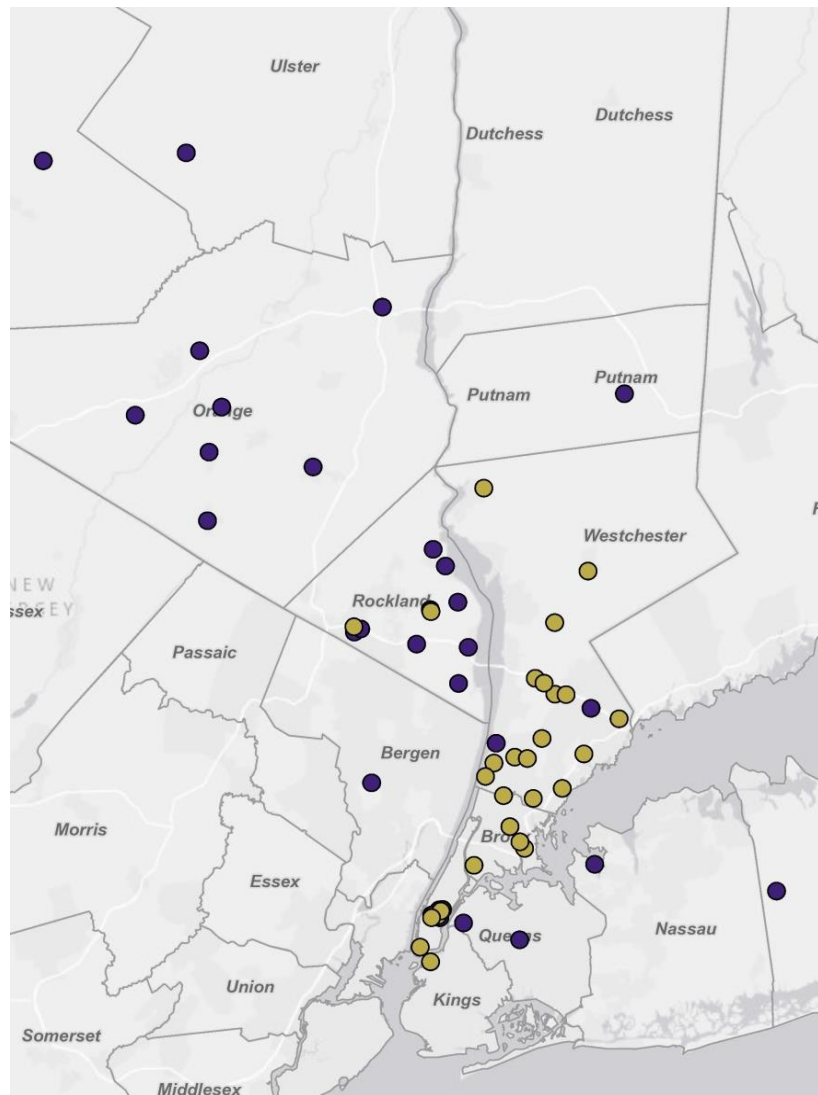
(1) Aggregate deal value includes cash out of restricted stock units and stock options outstanding at close.

Combined Franchise

		STL	HVB	Combined
		9/30/2014	9/30/2014	
(\$ in MM)				
Balance Sheet	Assets	\$7,337	\$3,120	\$10,457
	Gross Loans Including Held For Sale	4,760	1,828	6,589
	Deposits	5,299	2,769	8,067
	Cash and Securities	1,934	1,204	3,138
Franchise	Number of Branches	32	28	60
	Deposits / Branch	\$166	\$99	\$134
Balance Sheet Ratios	Core Deposits / Total Deposits	90.17%	95.97%	92.16%
	C & I Loans / Total Loans	43.62%	17.41%	36.35%
	CRE Loans / Total Loans	38.18%	52.89%	42.26%
	Net Charge-Offs / Average Loans	0.09%	0.05%	0.08%
	Reserves / Gross Loans	0.85%	1.52%	1.04%
	Tangible Common Equity / Tangible Assets (Hold Co.)	7.63%	9.17%	7.65%
	Loans / Deposits	89.8%	66.0%	81.7%
Core Operating Ratios	Yield on Earning Assets	4.24%	3.25%	3.86%
	Cost of Deposits	0.19%	0.17%	0.18%
	Net Interest Margin	3.77%	3.12%	3.50%
	Fee Income Ratio	17.00%	14.55%	16.32%
	Efficiency Ratio	54.70%	79.44%	~50% ⁽¹⁾
	ROATA	1.06%	0.41%	1.2%+ ⁽¹⁾
	ROATCE	13.81%	4.47%	14%+ ⁽¹⁾

(1) Represents long-term targets upon full realization of cost savings and deployment of excess liquidity.

Strategic Extension of Deposit Footprint



Source: SNL Financial

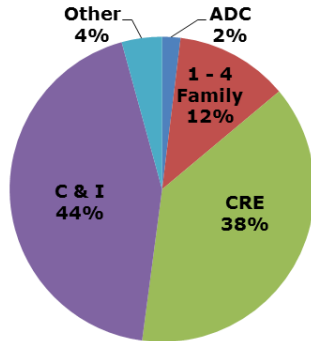
Regional Banks in New York MSA

Rank	Bank	Deposits	Market Share	Branches
1	M&T Bank	\$24,854	1.72%	176
2	New York Community	21,559	1.49	202
3	Signature Bank	19,759	1.37	27
4	PNC Financial	18,581	1.28	236
5	Banco Santander	16,838	1.16	197
6	Valley National Bancorp	11,356	0.78	206
7	Investors Bancorp	10,610	0.73	101
8	Apple Financial	10,433	0.72	77
9	Astoria Financial	9,851	0.68	85
	Pro Forma STL / HVB	7,802	0.54	58
10	First Republic Bank	6,207	0.43	8
11	Provident Financial	5,302	0.37	82
12	Israel Discount Bank	5,014	0.35	4
13	Sterling Bancorp	4,941	0.34	30
14	New York Pvt. B&T	4,696	0.32	5
15	Ridgewood Savings	3,990	0.28	37
16	SNBNY Holdings Ltd.	3,743	0.26	1
17	Flushing Financial	3,258	0.23	18
18	Mizuho Financial Group	3,221	0.22	3
19	People's United	3,041	0.21	93
20	Hudson Valley	2,861	0.2	28

Pro Forma Loan and Deposit Composition

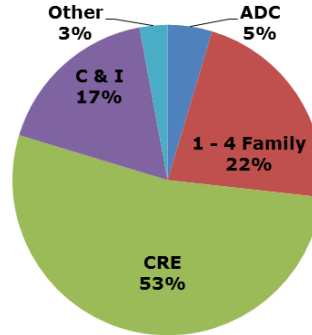
Loan Portfolio

STL



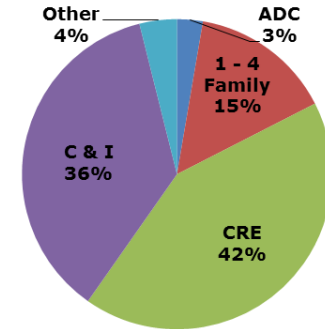
Yield: 4.83%
Total: \$4.8B

HVB



Yield: 4.59%
Total: \$1.8B

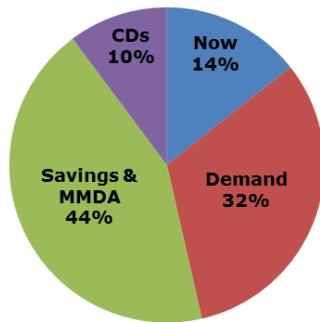
Pro Forma



Yield: 4.78%
Total: \$6.6B

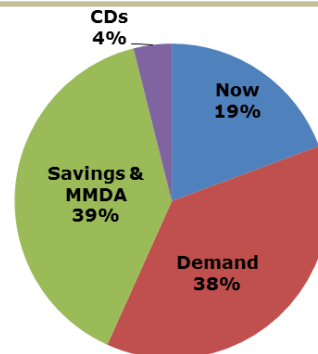
Deposit Portfolio

STL



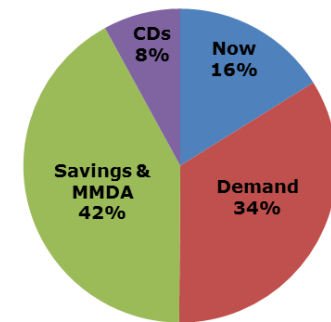
Cost: 0.19%
Total: \$5.3B

HVB



Cost: 0.17%
Total: \$2.8B

Pro Forma



Cost: 0.18%
Total: \$8.1B

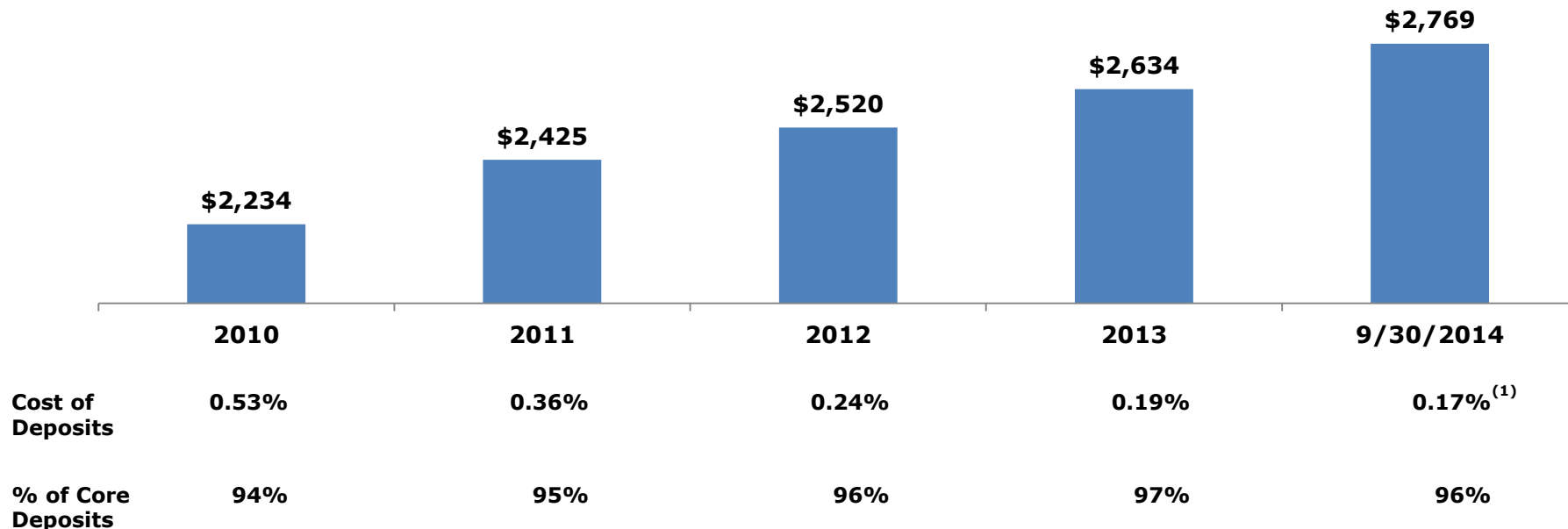
Superior Deposit Franchise with Excess Liquidity

Hudson Valley Has a Stable Base of Low Cost Deposits

(\$ in MMs)

Loans/Deposits at 9/30/2014 = 66%

Excess Liquidity at 92.5% Loans/Deposits Target = \$733mm



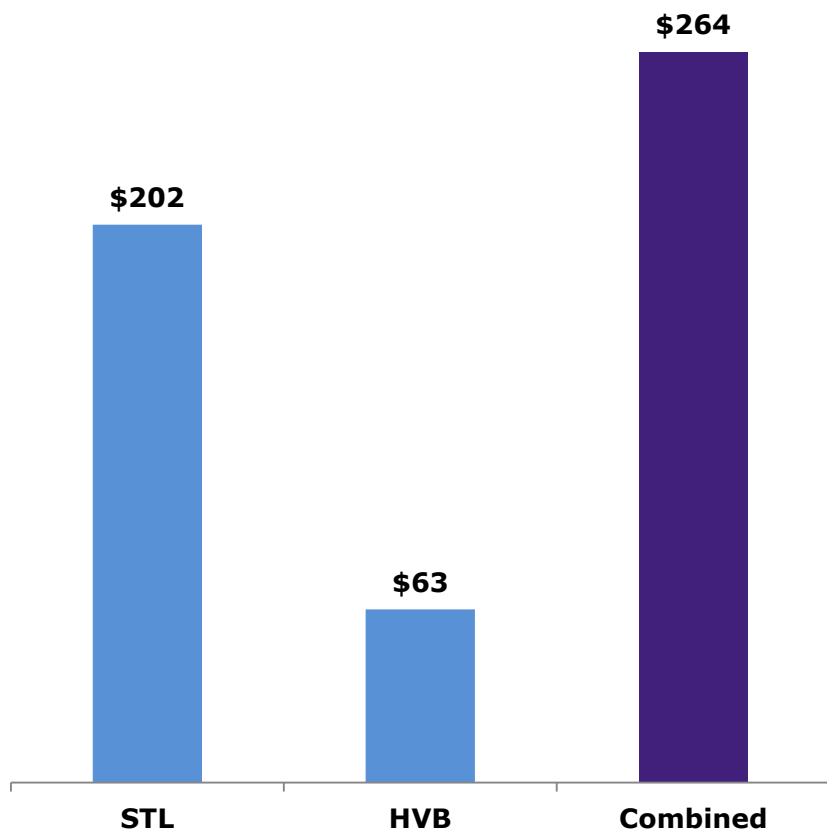
(1) For the nine months ended 9/30/2014.

Significant Liquidity Deployment Opportunity

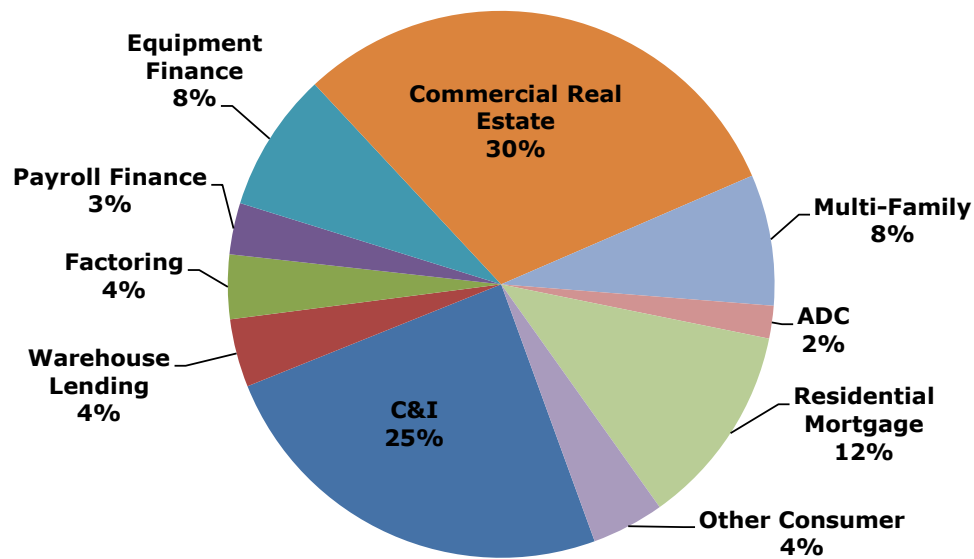
(\$ in MMs)

Proven Loan Origination Capabilities

Average Net Loan Growth (Last 4 Quarters)



Sterling's Diverse Product Capabilities



Total Loans: \$4.8B
Yield on Loans: 4.83%

Compelling Cost Savings Opportunity

- Expected cost savings of \$34mm upon full phase-in in 2016
- Approximately 40% of Hudson Valley's expense base
- Anticipated consolidation of 7 branches and 3 additional locations
- Additional \$8mm of expense savings expected due to anticipated divestiture of A.R. Schmeidler & Co. ("ARS") investment manager and broker-dealer
 - Net effect of divestiture is expected to be neutral to earnings and slightly accretive to tangible book value
- Includes impact of estimated \$7.5mm of incremental run-rate expenses due to reaching \$10bn asset size

Cost Savings Details

(\$ in MMs)

Estimated Cost Savings	Approximate Amount
Compensation & Benefits	\$23
Technology & Communications	5
Occupancy & Office Operations	3
Retirement Plans / Other Compensation	2
Professional Fees	1
Estimated Cost Savings	\$34
Anticipated Disposition of ARS	8
Estimated Cost Savings Including Disposition of ARS	\$42

Due Diligence & Credit Review

- **Credit risk due diligence on Hudson Valley portfolio**

- Review process conducted mainly by senior credit executives of Sterling with geographic and functional area expertise (CRE, C&I, ABL, Equipment Finance)
- Portfolio review of >70% of outstanding commercial loans
- Review concluded that a 2.73% mark is appropriate

- **Operational due diligence on Hudson Valley**

- High quality operations with effective risk management and controls
- HVB management has made a significant investment in upgrading risk management capabilities in recent years
- Validation of projected operational efficiencies upon completion of the merger

Transaction Assumptions

Consideration

- Fixed exchange ratio of 1.92 Sterling shares for each Hudson Valley share
- 100% stock
- Aggregate deal value of ~\$539 million based on STL closing price of \$13.99 on November 4, 2014 ⁽¹⁾

Earnings Estimates

- Sterling: 2015E - \$0.96; 2016E - \$1.11 (based on calendar year)⁽²⁾
- Hudson Valley: 2015E - \$0.78; 2016E - \$1.10

Cost Savings

- Approximately \$42mm annualized (pre-tax) including disposition of ARS
- Phased in 75% in 2015E and 100% in 2016E

Incremental Costs

- \$7.5mm annual run-rate due to reaching \$10bn+ asset size (includes Durbin Amendment costs)
- Loss of ~\$8mm of ARS revenue following disposition (earnings neutral due to reduction in operating expenses)

Merger Related Costs

- Approximately \$45mm (pre-tax)

Purchase Accounting Adjustments

- \$50mm credit mark on loans (2.73% of total loans)
- Other net purchase accounting adjustments of \$19.4mm

Excess Liquidity Deployment

- Deployment of Hudson Valley excess liquidity to target ~90% - 95% average loans / deposits in 2016
- Incremental yield pick-up of 2.5%

Core Deposit Intangible

- 1% of core deposits (excludes jumbo time deposits) amortized on SYD basis over 10-year period

Anticipated Dividend

- Anticipated quarterly dividend of \$0.07 per share to stay unchanged, subject to Board approval

Note: Earnings estimates based on IBES median consensus estimates as of October 31, 2014.

(1) Aggregate deal value includes cash out of restricted stock units and stock options outstanding at close.

(2) Sterling estimates shown on a calendar year basis; Q4 2016 estimated EPS assumes Q3 2016 median EPS consensus estimate remains constant.

Pro Forma Financial Impact

Transaction Accretion and Returns

2015E EPS Accretion	Accretive
2016E EPS Accretion	~7%
IRR	~19%
Tangible Book Value Earn-back Period⁽¹⁾	~1.2 years
Tangible Book Value Dilution (at close)	~1%

Expected Capital Position⁽²⁾

	<u>Sterling</u>	<u>Hudson Valley</u>	<u>Pro Forma</u>
TCE / TA	7.9%	9.2%	7.9%
Tier 1 Leverage Ratio	8.3%	8.9%	8.0%
Tier 1 Risk-based Ratio	10.6%	14.1%	10.9%
Total Risk-based Capital Ratio	11.4%	15.4%	11.4%

(1) Based on tangible book value earn-back using "cross-over" method.

(2) Capitalization data estimated as of June 30, 2015.



**STERLING
BANCORP**