



***New York / New Jersey
Banking, M&A and Capital Markets Environment***

**Stony Hill Inn – Hackensack, NJ
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Introduction – Banking Industry Overview

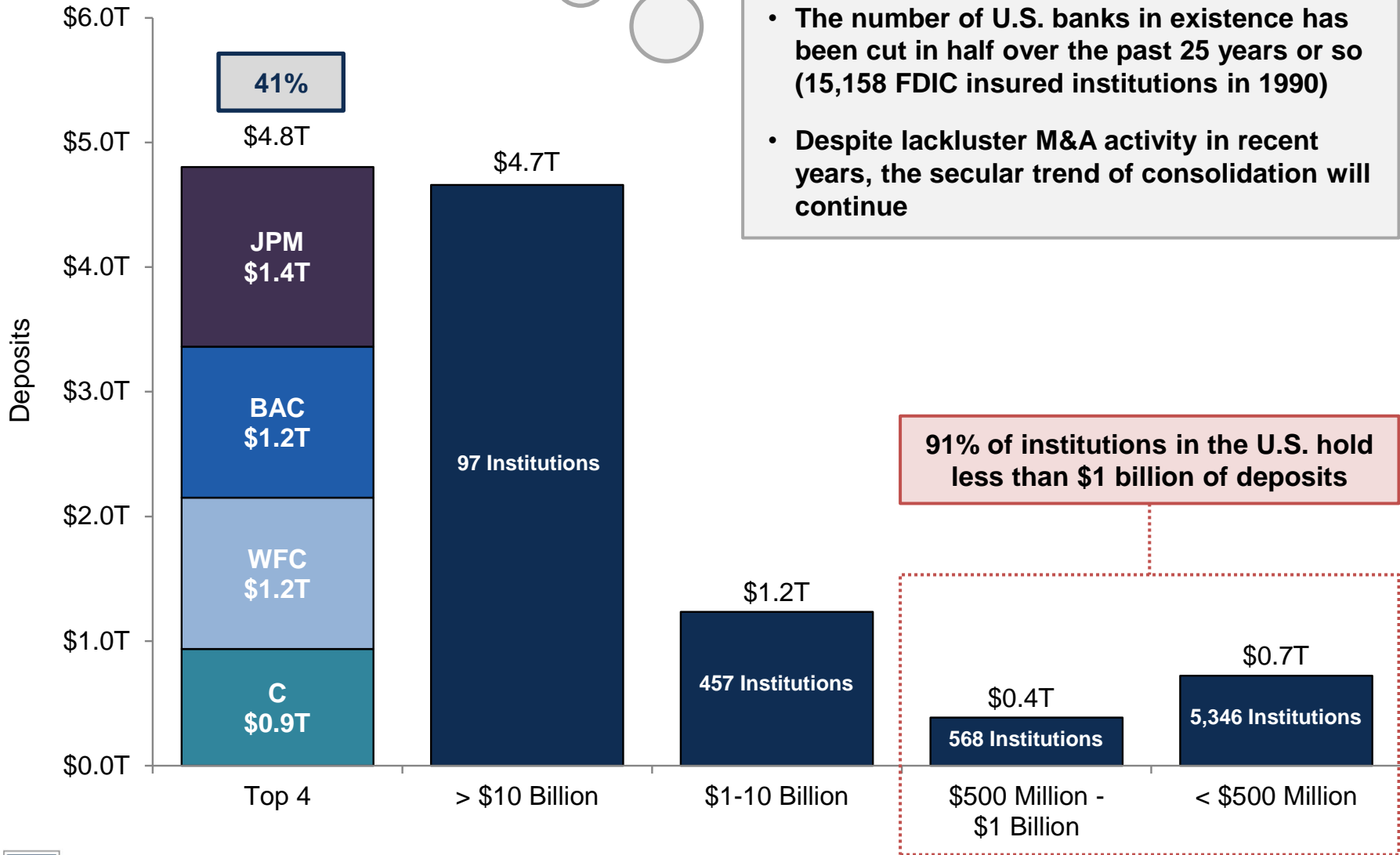


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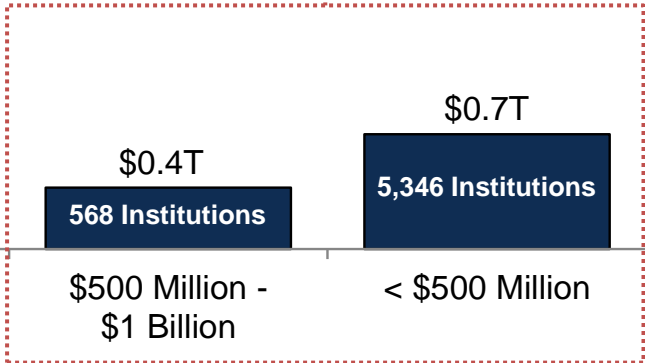
Snapshot of the U.S. Banking Industry

\$11.8 Trillion in Deposits (6,472 FDIC Insured Institutions)



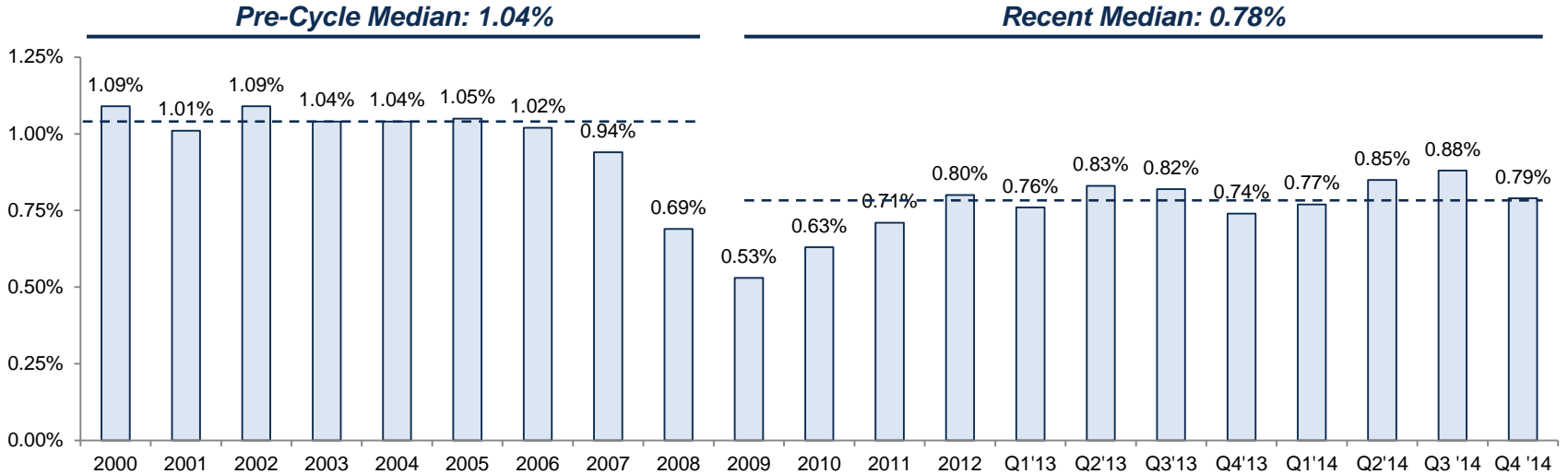
- The number of U.S. banks in existence has been cut in half over the past 25 years or so (15,158 FDIC insured institutions in 1990)
- Despite lackluster M&A activity in recent years, the secular trend of consolidation will continue

91% of institutions in the U.S. hold less than \$1 billion of deposits

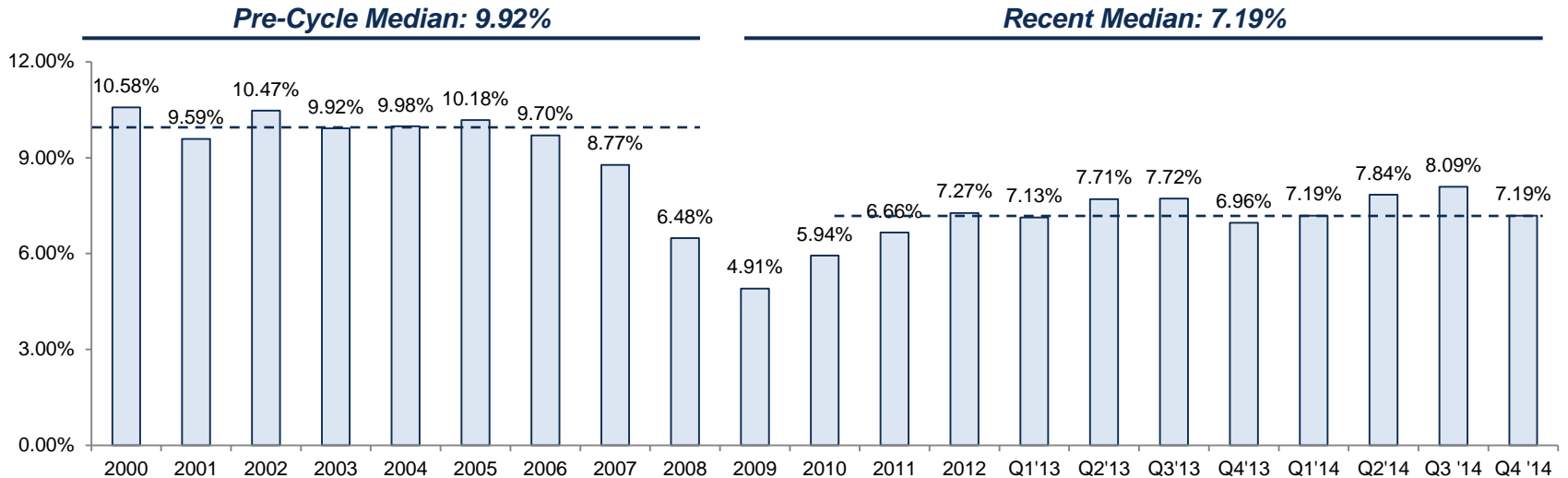


Industry Profitability Pre- and Post-Financial Crisis

ROAA (%)



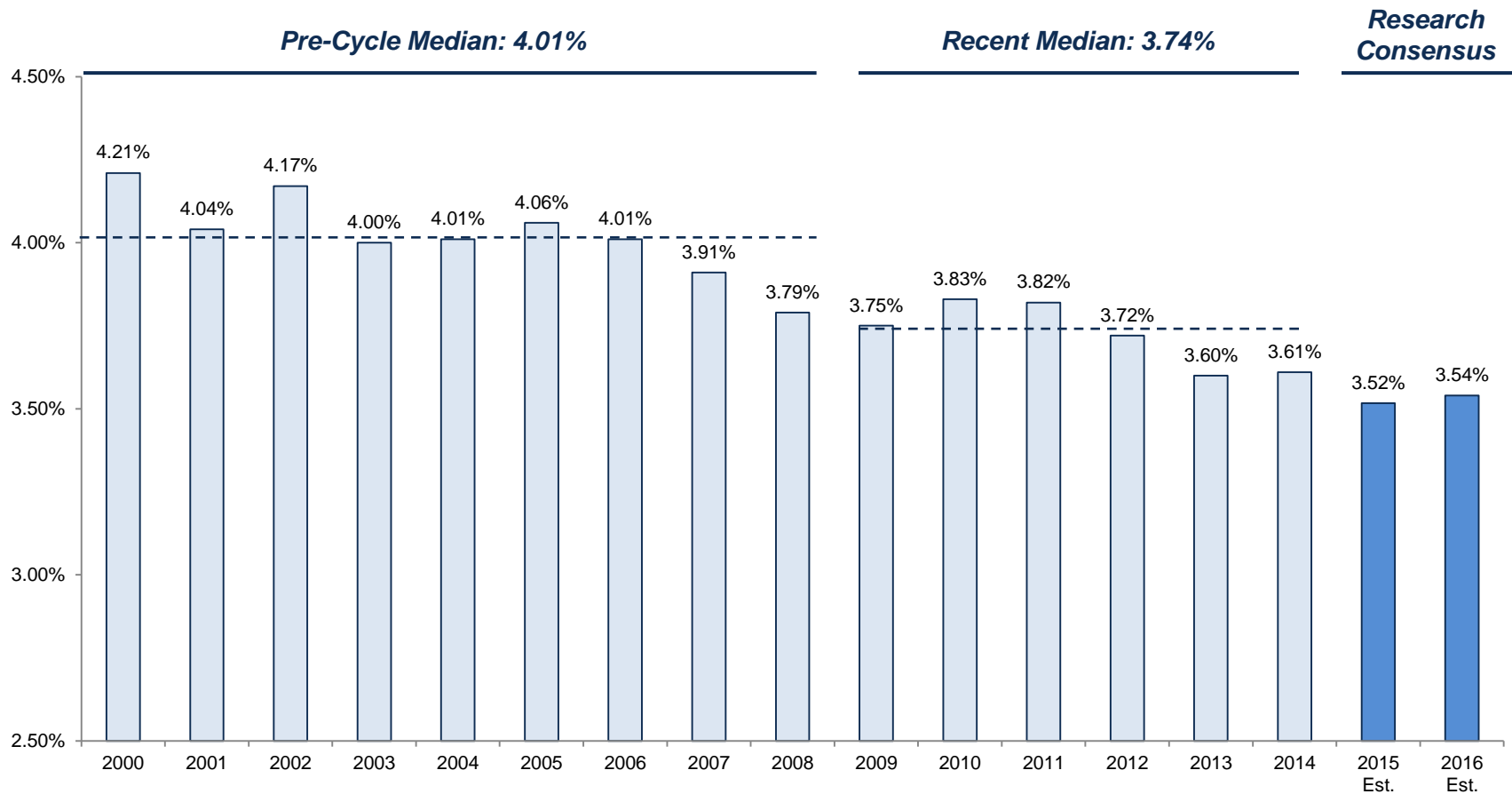
ROAE (%)



Source: SNL Financial; Data per regulatory filings
 Note: Includes all nationwide banks and thrifts

Margin Compression Pre- and Post-Financial Crisis

Net Interest Margin (%)



Source: SNL Financial; Data per regulatory filings
 Note: Includes all nationwide banks and thrifts

KBW Q4 Research Earnings Recap – “SMIDs”

Commentary

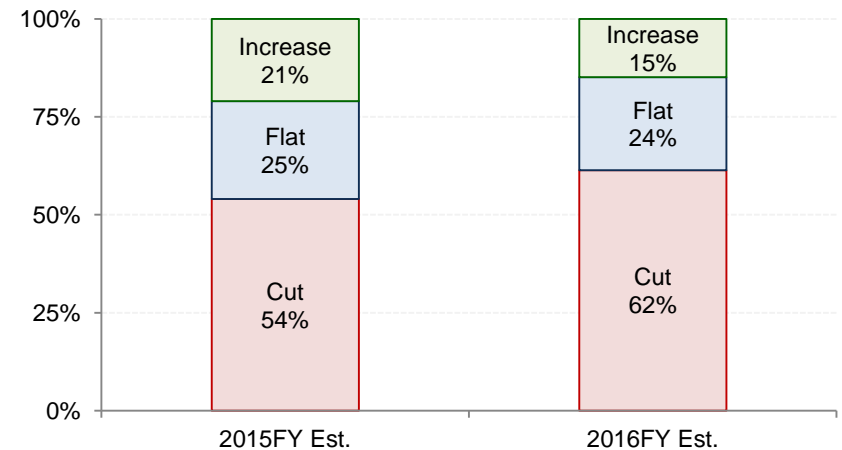
Pros:

- 46% of SMID banks beat consensus estimates while 34% missed
- Loan growth was solid
 - 9% q/q (ann.) and 12% y/y
- Operating revenues grew 6% y/y
- Operating EPS was up 12% y/y

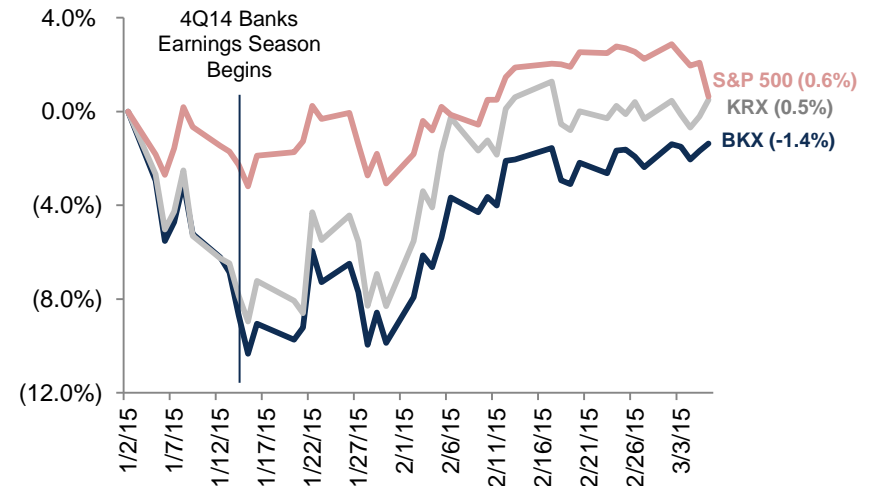
Cons:

- Modest NIM compression continued
 - 3 bps q/q and 7 bps y/y to 3.61%
 - Lower for longer rate scenario is new thesis
- Non-interest expenses were weaker than forecast
 - 5% y/y growth
- Historically low credit cost supported profitability
 - Over 20 straight quarters of improving credit quality
 - Provision / average loans was 0.12%
- 2015 and 2016 estimate reductions continued

Earnings Estimate Revisions Post Q4 Announcement

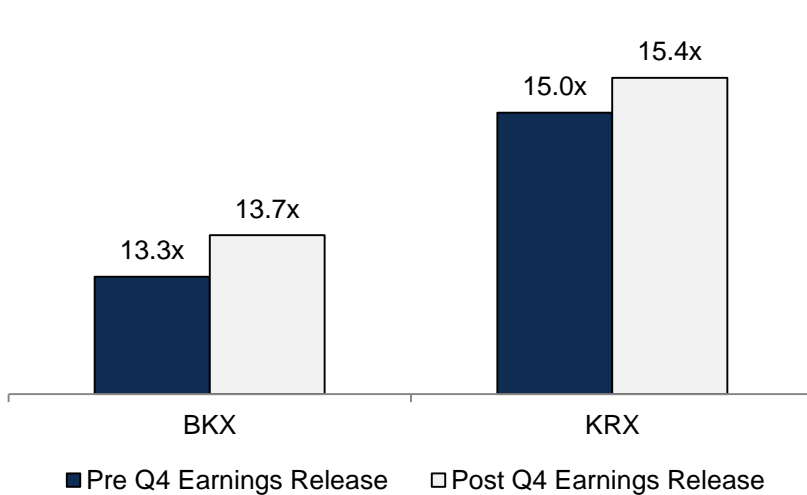


Stock Price Performance – Q4 Earnings Season

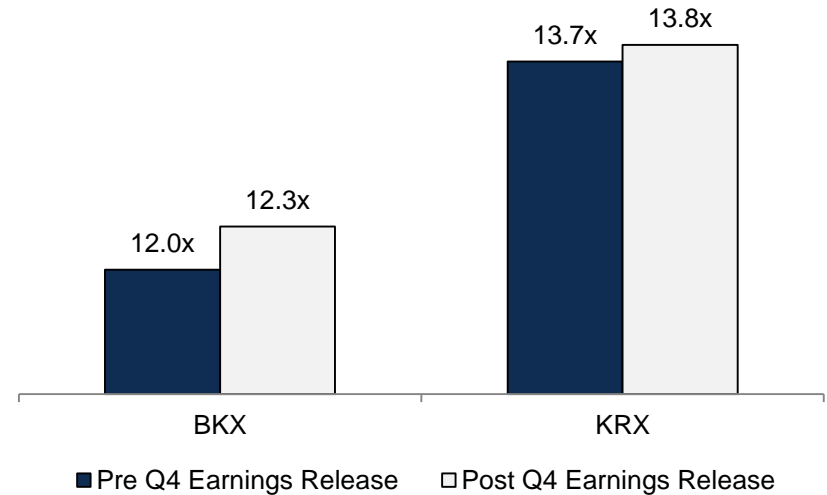


Valuation Update

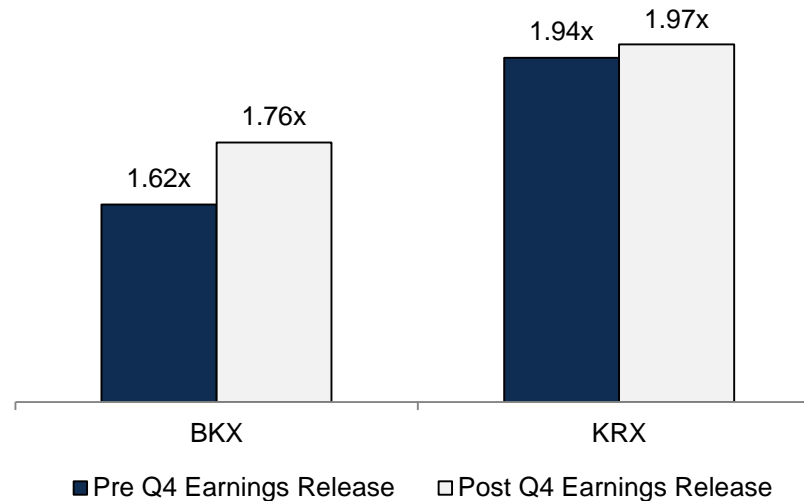
Price / 2015 Consensus EPS Estimates



Price / 2016 Consensus EPS Estimates



Price / Tangible Book Value⁽¹⁾



Source: SNL Financial; FactSet Research Systems

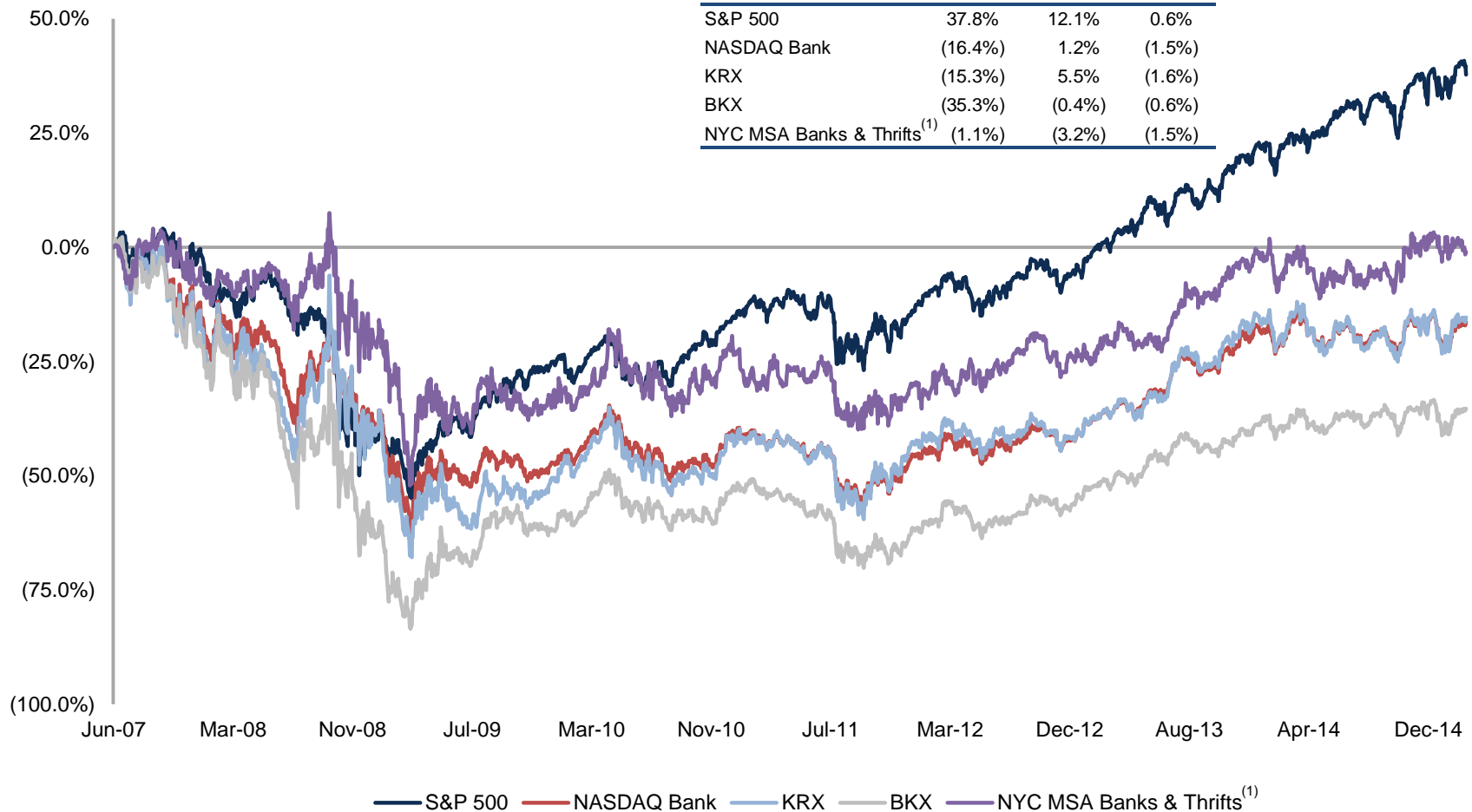
Note: Market data for pre Q4 earnings release medians as of 1/1/2015; Market data for post Q4 earnings release medians as of 3/6/2015

(1) Balance sheet data for pre Q4 earnings release medians as of 9/30/2014; Balance sheet data for post earnings release medians as of 12/31/2014

Relative Stock Price Performance – Banking Industry

Price Performance – Cycle to Date

Price Performance (%)			
Ticker	Since	Since	2015 YTD
	6/30/2007	1/1/2014	
S&P 500	37.8%	12.1%	0.6%
NASDAQ Bank	(16.4%)	1.2%	(1.5%)
KRX	(15.3%)	5.5%	(1.6%)
BKX	(35.3%)	(0.4%)	(0.6%)
NYC MSA Banks & Thrifts ⁽¹⁾	(1.1%)	(3.2%)	(1.5%)

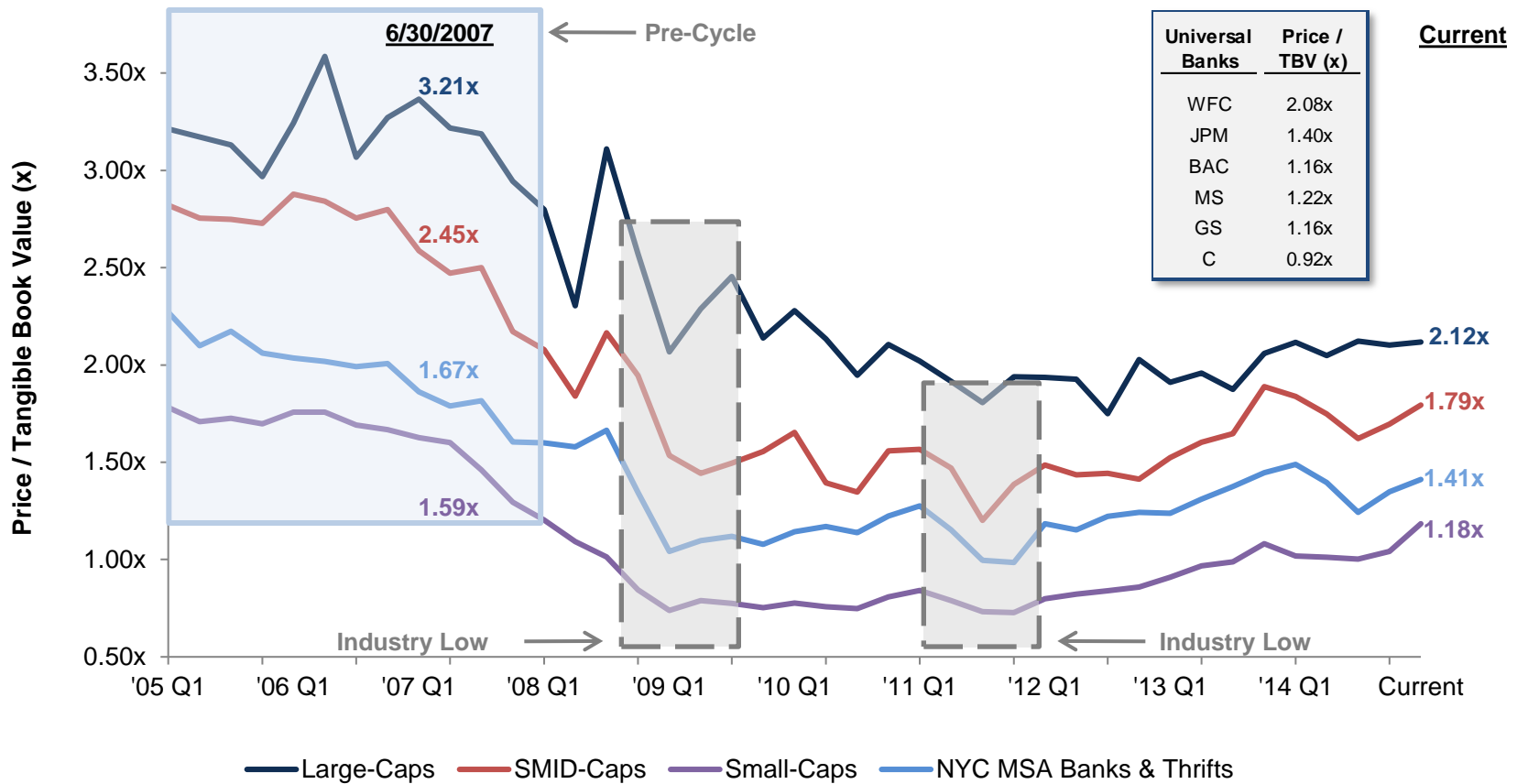


Source: SNL Financial; Market data as of 3/6/2015

(1) New York City MSA Banks & Thrifts includes all major exchange traded banks and thrifts with assets less than \$50 billion; Excludes merger targets and MHCs; New Jersey counties in the New York City MSA include Hudson, Union, Middlesex, Essex, Morris, Bergen, Monmouth, Passaic, Somerset, Ocean, Hunterdon and Sussex

Valuation Trends Through the Cycle by Market Cap

Price / Tangible Book Value (x)



Source: SNL Financial; Financial data as of or for the quarter ended 12/31/2014; Market data as of 3/6/2015

Large-Caps are banks greater than \$10 billion market capitalization

SMID-Caps are banks between \$500 million and \$10 billion market capitalization

Small-Caps are banks less than \$500 million market capitalization

New York City MSA Banks & Thrifts includes all major exchange traded banks and thrifts with assets less than \$50 billion; Excludes merger targets and MHCs



New York City MSA Banking Industry Overview

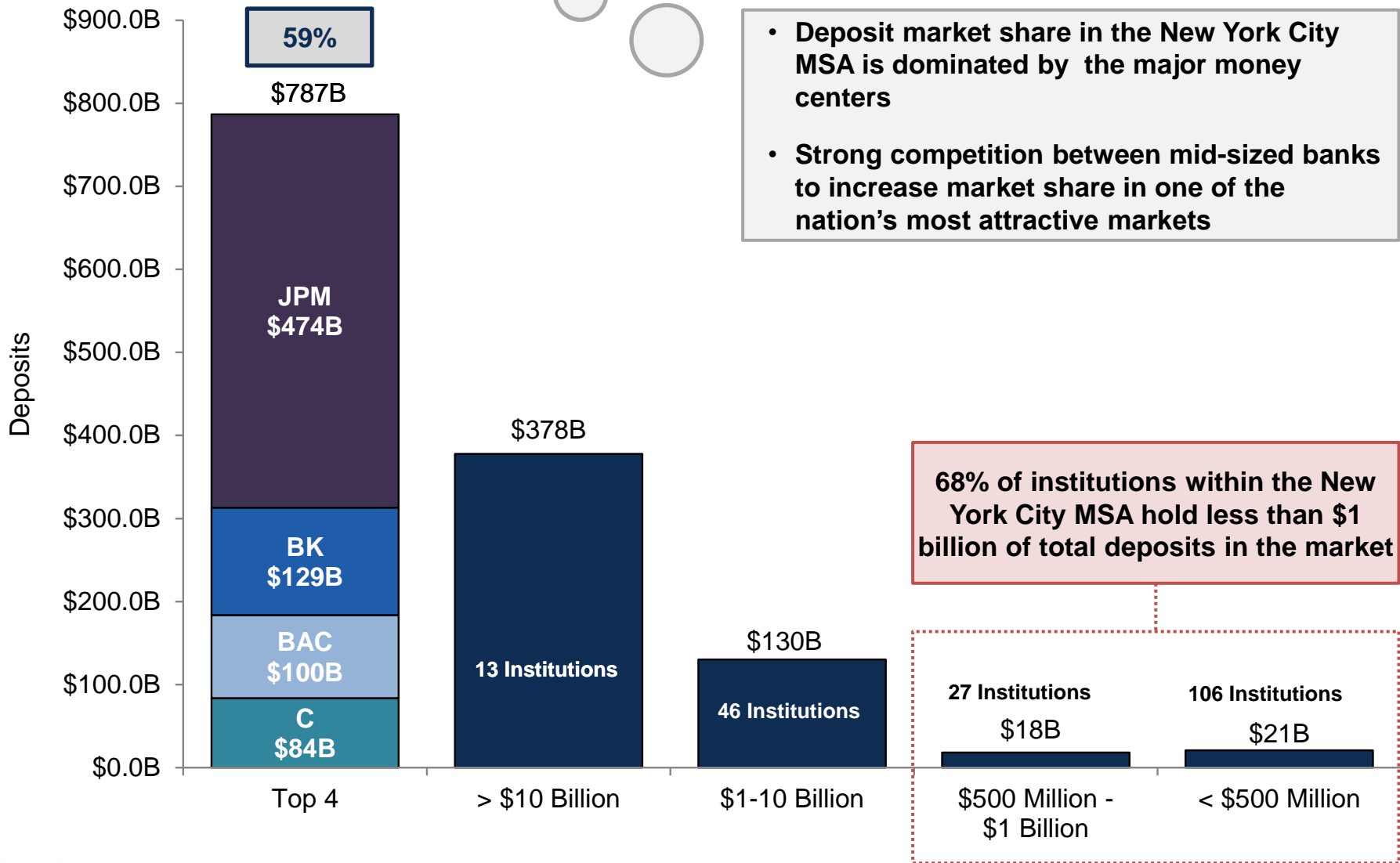


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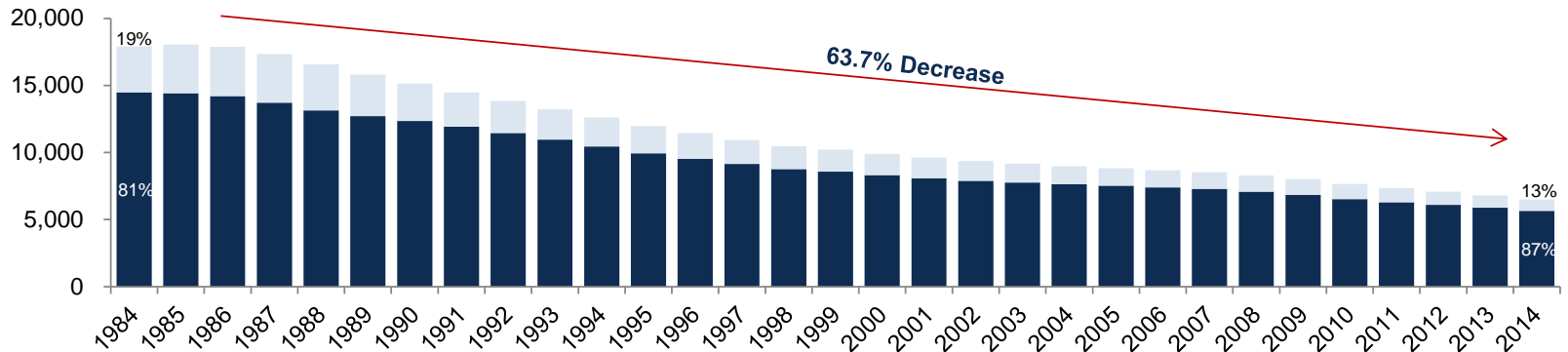
Snapshot of the New York City MSA Banking Industry

\$1.3 Trillion in Deposits (196 Institutions)

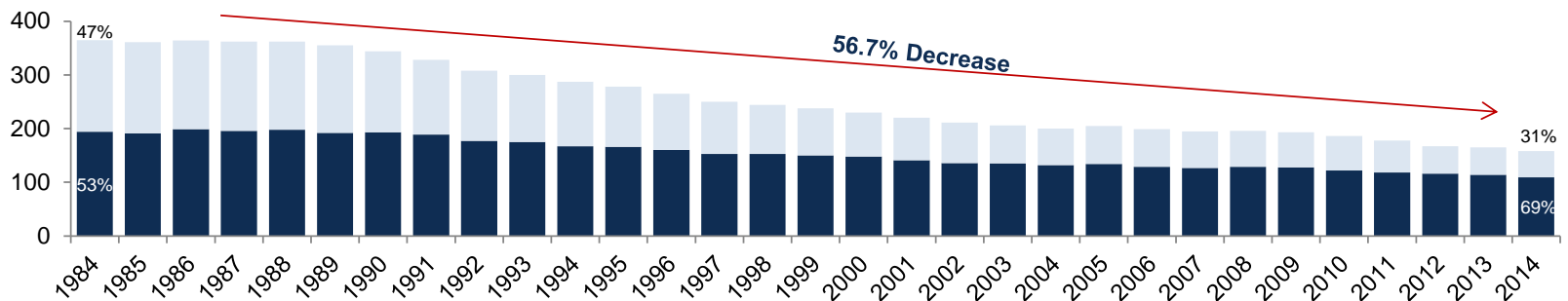


Banking Industry Consolidation

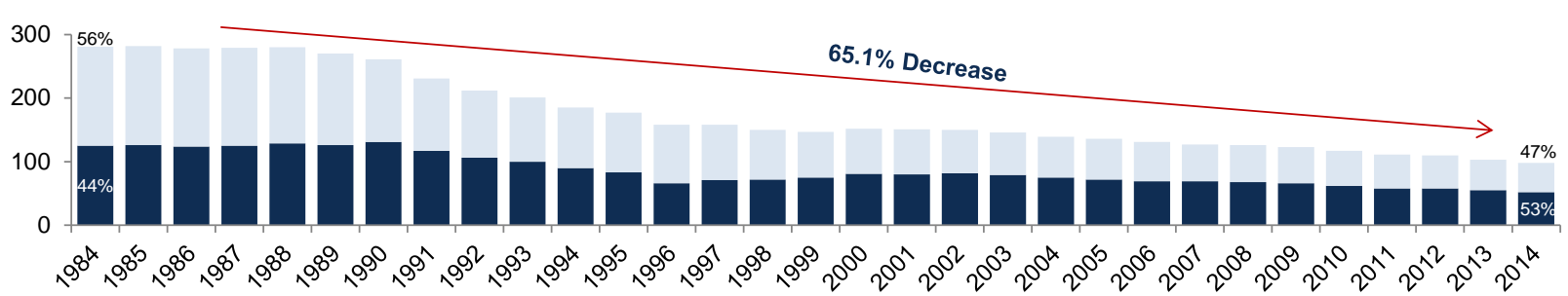
Nationwide



New York



New Jersey



■ Commercial Banks ■ Savings Institutions



Top New York City MSA Institutions – Then and Now

- The New York City MSA banking landscape has changed dramatically as super-regional banks, national banks and foreign banks have entered the market and larger local institutions have been acquired

2000 Deposit Market Share

Market Rank	NYC MSA		Market Presence		
	Inst. Rank	Institution (ST)	Branches	Deposits (\$MM)	Market Share
1	1	The Chase Manhattan Bank (NY)	386	\$98,467	19.8%
2	2	Citigroup Inc. (NY)	172	50,600	10.2
3		First Union National Bank (NC)	344	32,777	6.6
4	3	The Bank of New York (NY)	348	28,142	5.7
5	4	HSBC Bank USA (NY)	224	23,229	4.7
6	5	Fleet Bank, National Association (NJ)	322	20,622	4.2
7	6	Summit Bank (NJ)	272	17,575	3.5
8	7	The Dime Savings Bank of New York, FSB (NY)	127	13,485	2.7
9	8	GreenPoint Bank (NY)	73	11,595	2.3
10	9	Bankers Trust Company (NY)	4	11,385	2.3
11	10	European American Bank (NY)	98	10,857	2.2
12	11	Astoria Federal Savings and Loan Association (NY)	87	9,863	2.0
13		PNC Bank, National Association (PA)	176	8,834	1.8
14	12	North Fork Bank (NY)	155	8,790	1.8
15	13	Hudson City Savings Bank (NJ)	72	6,432	1.3
16	14	Merrill Lynch Bank and Trust Company (NJ)	1	5,907	1.2
17		Sovereign Bank (PA)	99	5,495	1.1
18	15	TD Waterhouse Bank, National Association (NJ)	2	5,169	1.0
19	16	Emigrant Savings Bank (NY)	36	5,111	1.0
20	17	Valley National Bank (NJ)	115	4,987	1.0
21	18	Apple Bank for Savings (NY)	45	4,952	1.0
22	19	Morgan Guaranty Trust Company of New York (NY)	2	4,624	0.9
23	20	Independence Community Bank (NY)	65	4,565	0.9
24	21	The Roslyn Savings Bank (NY)	26	4,021	0.8
25		Lehman Brothers Bank, FSB (DE)	1	3,026	0.6

Top 25 Institutions	3,252	\$400,510	80.7%
NYC MSA-Based Institutions in the Top 25 (21)	2,632	\$350,378	70.6%

2014 Deposit Market Share

Market Rank	NYC MSA		Market Presence		
	Inst. Rank	Institution (ST)	Branches	Deposits (\$MM)	Market Share
1	1	JPMorgan Chase & Co. (NY)	966	\$473,658	35.5%
2	2	Bank of New York Mellon Corp. (NY)	4	129,497	9.7
3		Bank of America Corp. (NC)	448	99,885	7.5
4	3	Citigroup Inc. (NY)	288	83,720	6.3
5	4	HSBC Bank USA (NY)	158	75,369	5.7
6		Wells Fargo & Co. (CA)	326	50,496	3.8
7		Toronto-Dominion Bank	420	49,177	3.7
8		Capital One Financial Corp. (VA)	319	48,462	3.6
9	5	M&T Bank Corp. (NY)	177	24,854	1.9
10	6	New York Community Bancorp (NY)	205	21,565	1.6
11		Bank of China	2	20,202	1.5
12	7	Signature Bank (NY)	29	19,759	1.5
13		PNC Bank, National Association (PA)	238	18,616	1.4
14		Banco Santander	196	16,838	1.3
15	8	Valley National Bank (NJ)	205	11,356	0.9
16	9	Investors Bancorp Inc (NJ)	110	10,610	0.8
17	10	Apple Bank for Savings (NY)	77	10,433	0.8
18	11	Astoria Financial Corp. (NY)	87	9,851	0.7
19	12	Sterling Bancorp (NY)	58	7,906	0.6
20		First Republic Bank (CA)	9	6,207	0.5
21		Bank of Baroda	1	6,205	0.5
22		State Bank of India	1	5,620	0.4
23	13	Provident Financial Services (NJ)	83	5,387	0.4
24		Israel Discount Bank Ltd.	4	5,014	0.4
25	14	New York Private Bk & Tr Corp. (NY)	6	4,696	0.4

Top 25 Institutions	4,417	\$1,215,382	91.1%
NYC MSA-Based Institutions in the Top 25 (14)	2,453	\$888,660	66.6%

 - Institutions headquartered in New York City MSA



New York City MSA Market Share Migration

- Deposits have largely been moving toward money-center banks, reducing market share for community banks and regional banks

Market Deposit Sizing Tiers ⁽¹⁾	2000			2014			Change Between 2000 and 2014		
	# of Companies ⁽²⁾	Total Deposits (\$B)	Market Share (%)	# of Companies ⁽²⁾	Total Deposits (\$B)	Market Share (%)	# of Companies ⁽²⁾	Total Deposits (\$B)	Market Share (%)
Top (\$20B+)	6	\$253.8	51.1%	11	\$1,076.9	80.7%	5	\$823.0	29.6%
Regional (\$5B-\$20B)	13	\$120.5	24.3%	13	\$133.8	10.0%	0	\$13.3	(14.2%)
Middle (\$1B-\$5B)	35	\$76.7	15.4%	39	\$84.2	6.3%	4	\$7.6	(9.1%)
Community (<\$1B)	227	\$45.7	9.2%	133	\$39.1	2.9%	(94)	(\$6.6)	(6.3%)
Total	281	\$496.7		196	\$1,334.0		(85)	\$837.3	

Source: Deposit rankings for 2000 per FDIC, data as of 6/30/2000; Deposit rankings for 2014 per SNL, data as of 6/30/2014

(1) Market sizing tiers defined as "Top" for institutions with total deposits in New York City MSA greater than \$20 billion; "Regional" for institutions with total deposits in New York City MSA between \$5 billion and \$20 billion; "Middle" for institutions with total deposits in New York City MSA between \$1 billion and \$5 billion; and "Community" for institutions with total deposits in New York City MSA less than or equal to \$1 billion

(2) Number of companies includes any institution with deposits in the New York City MSA, not just those headquartered in the New York City MSA



New York City MSA Banking Industry Operating Trends

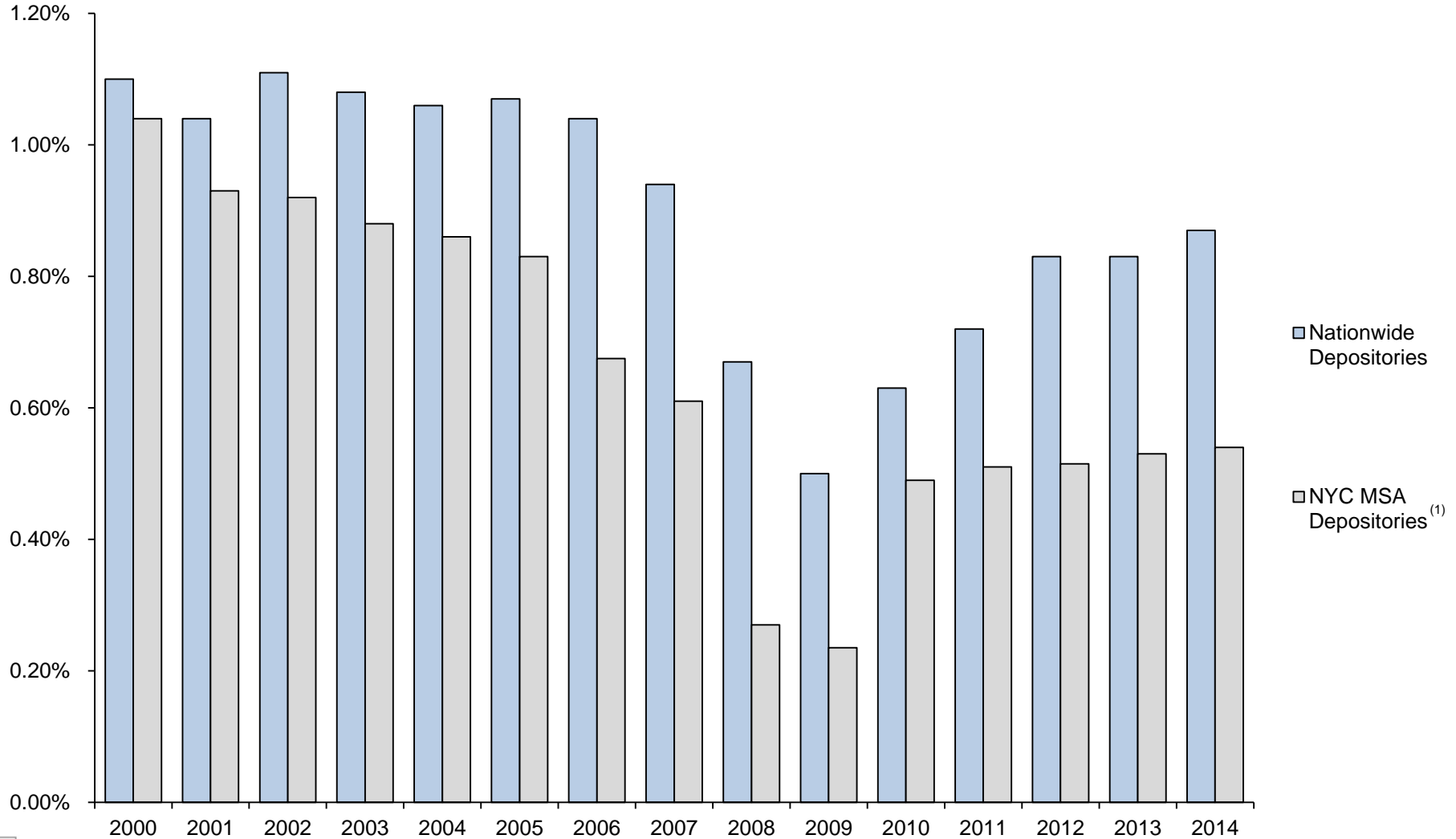


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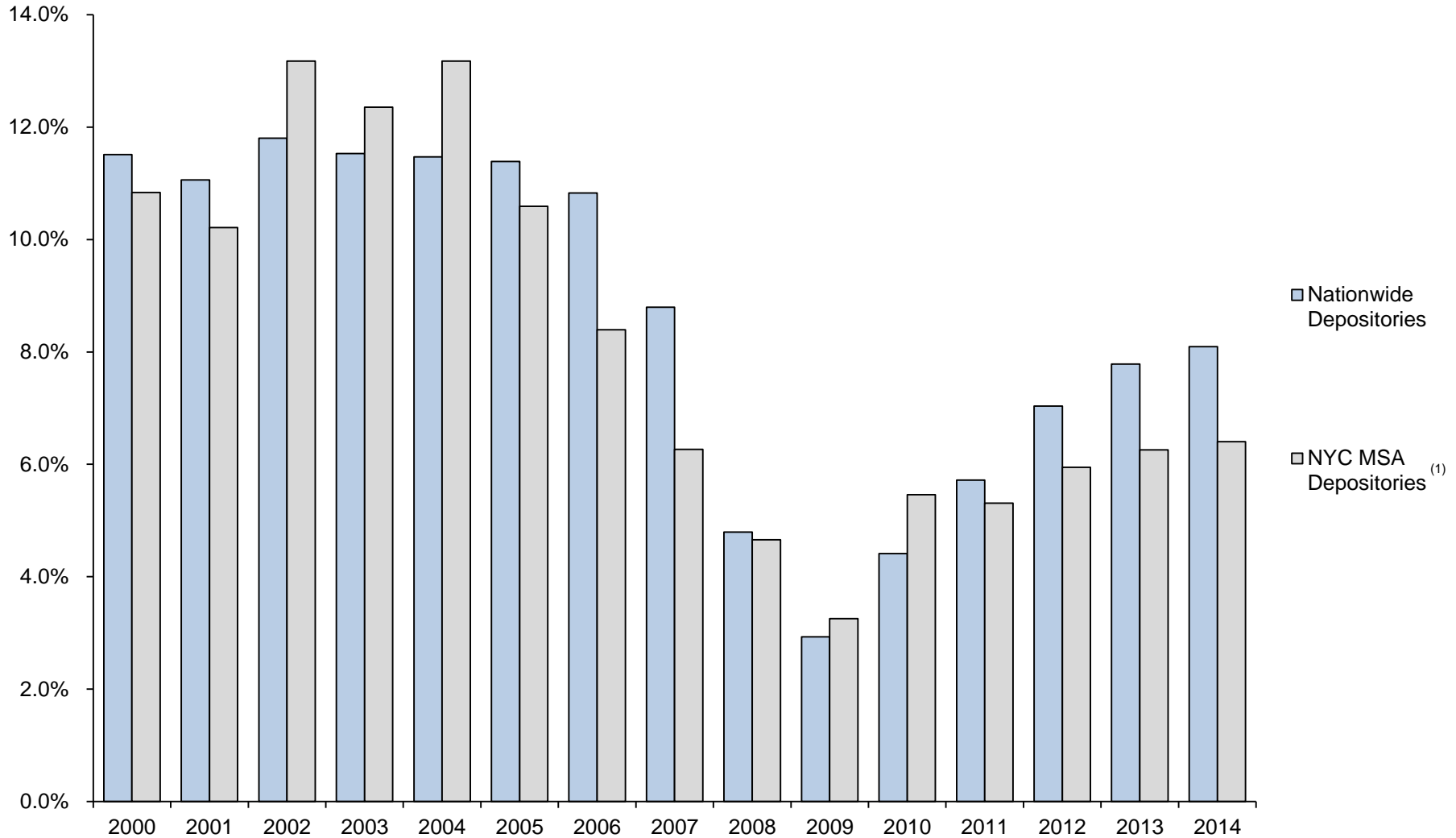
Banking Industry Operating Trends: NYC MSA Banks Continue to Face Profitability Pressures

ROAA (%)



Banking Industry Operating Trends: NYC MSA Banks Continue to Face Profitability Pressures

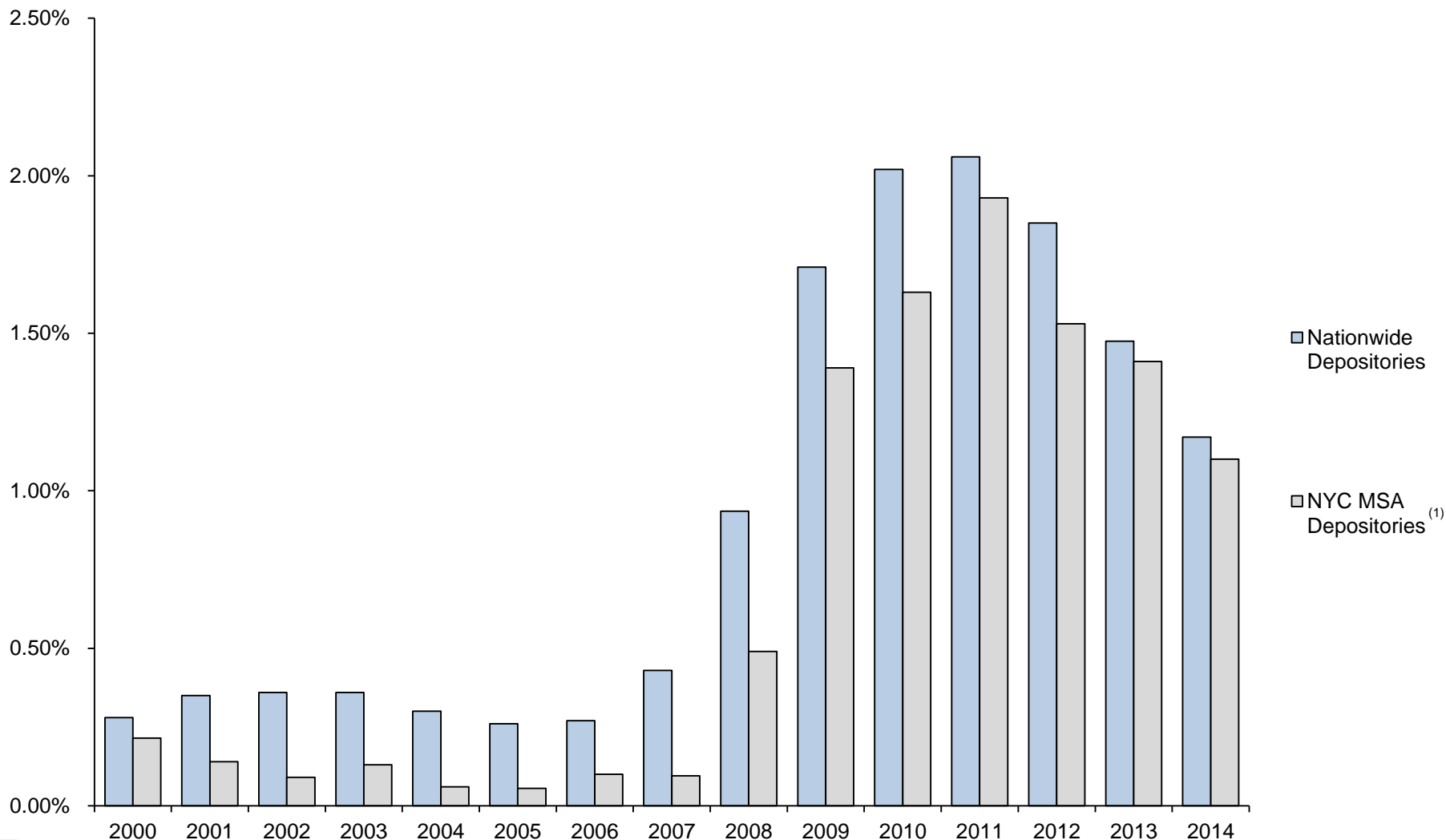
ROAE (%)



Source: SNL Financial; Nationwide Depositories and New York City MSA Depositories reflect regulatory reported financials for all depositories with less than \$50 billion of assets
 (1) New Jersey counties in the New York City MSA include Hudson, Union, Middlesex, Essex, Morris, Bergen, Monmouth, Passaic, Somerset, Ocean, Hunterdon and Sussex

Banking Industry Operating Trends: Asset Quality Has Stabilized but Remains a Persistent Problem

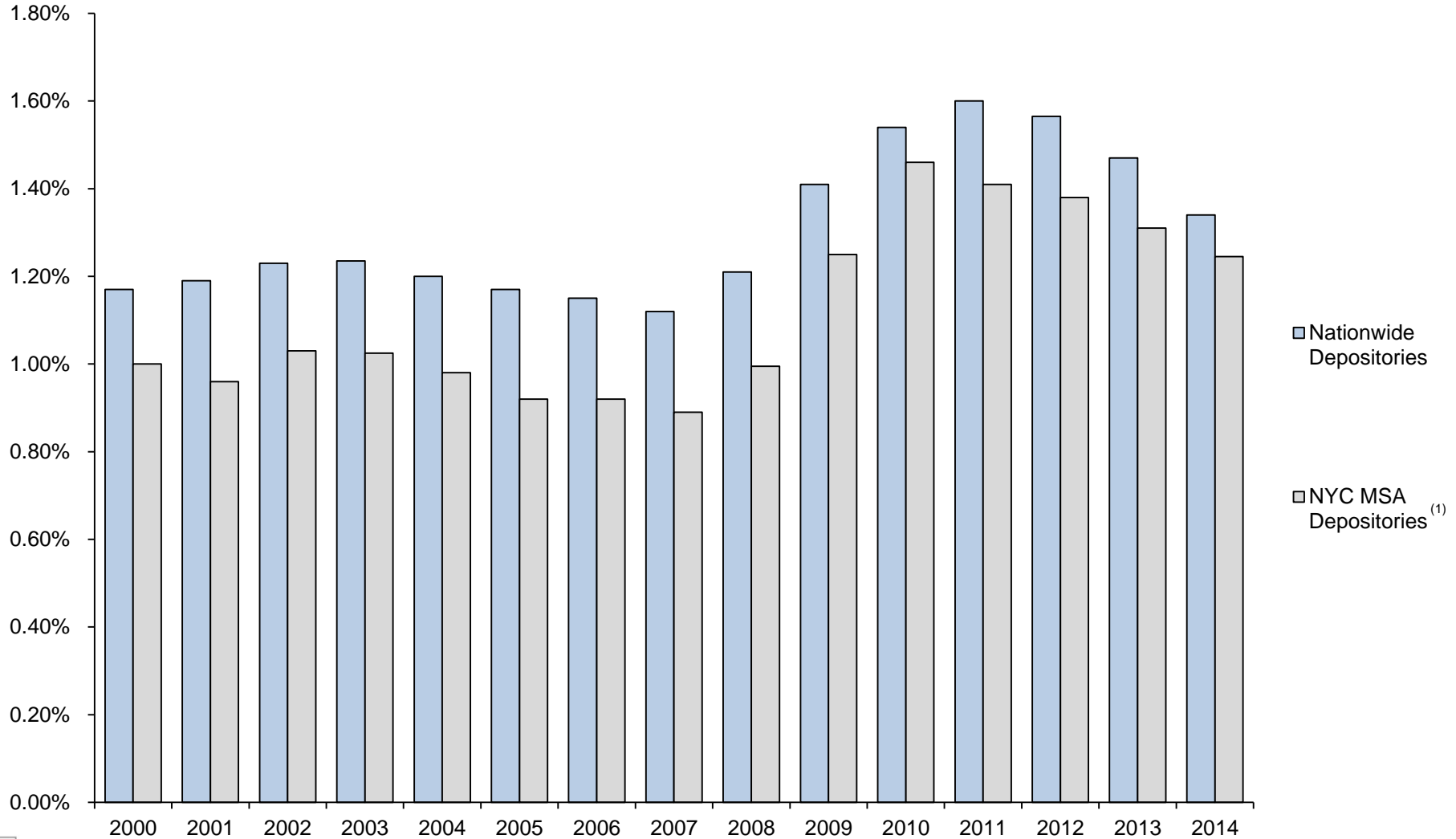
NPAs / Assets (%)



Source: SNL Financial; Nationwide Depositories and New York City MSA Depositories reflect regulatory reported financials for all depositories with less than \$50 billion of assets
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Banking Industry Operating Trends: Reserve Coverage Reflects Lingering Impact of Great Recession

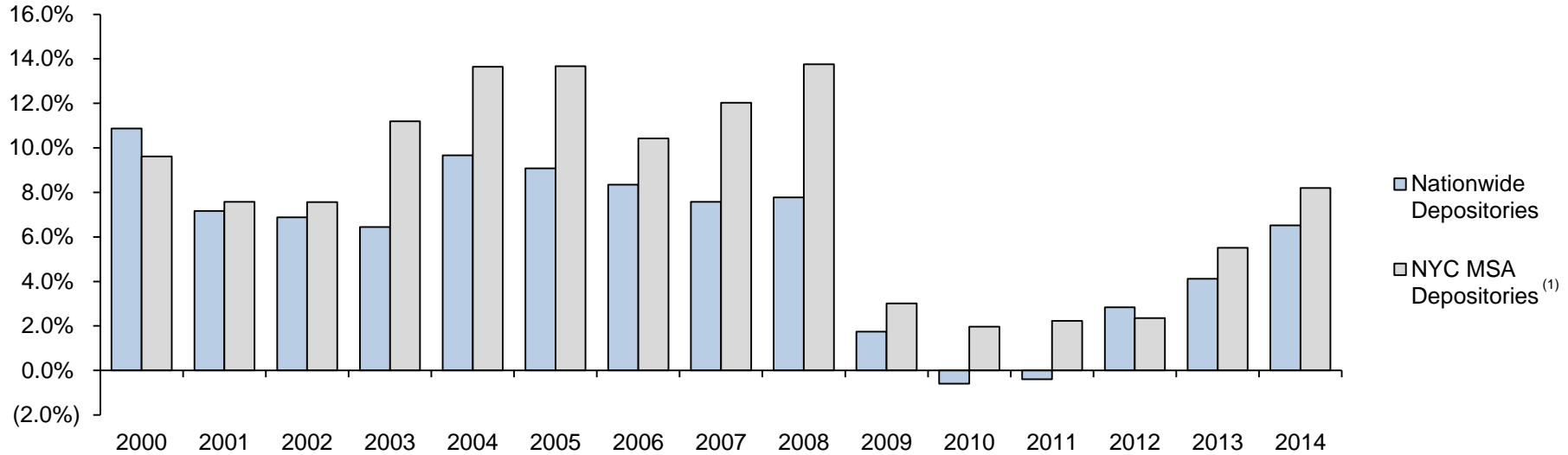
Reserves / Gross Loans (%)



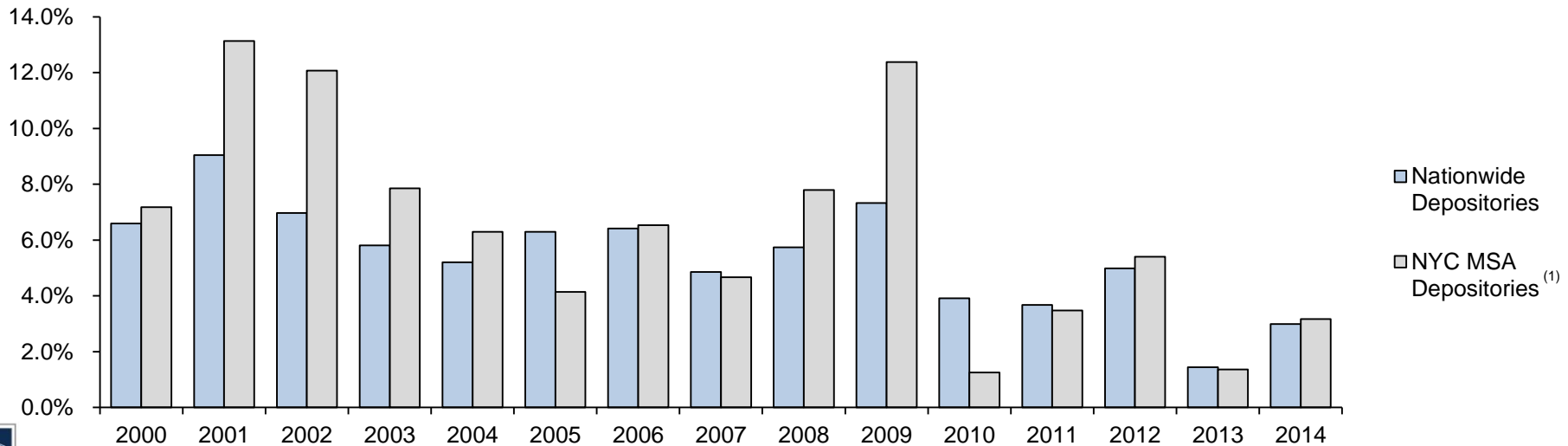
Banking Industry Operating Trends:

Loan Growth Improving / Deposit Growth Remains Muted

Loan Growth Rate (%)



Deposit Growth Rate (%)



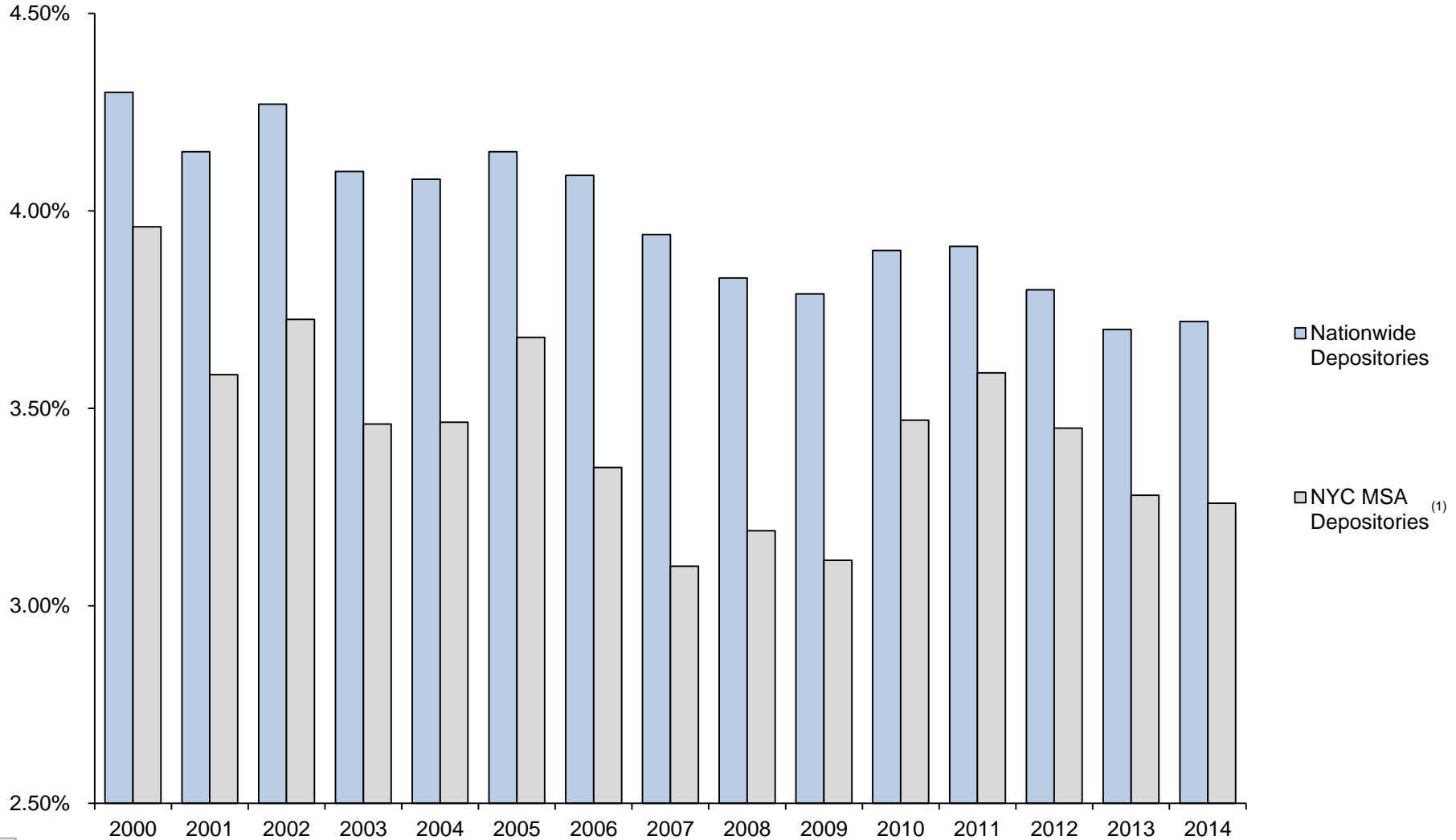
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Banking Industry Operating Trends:

Margin Pressure Continues to Hinder Top Line Revenue Growth

Net Interest Margin (%)



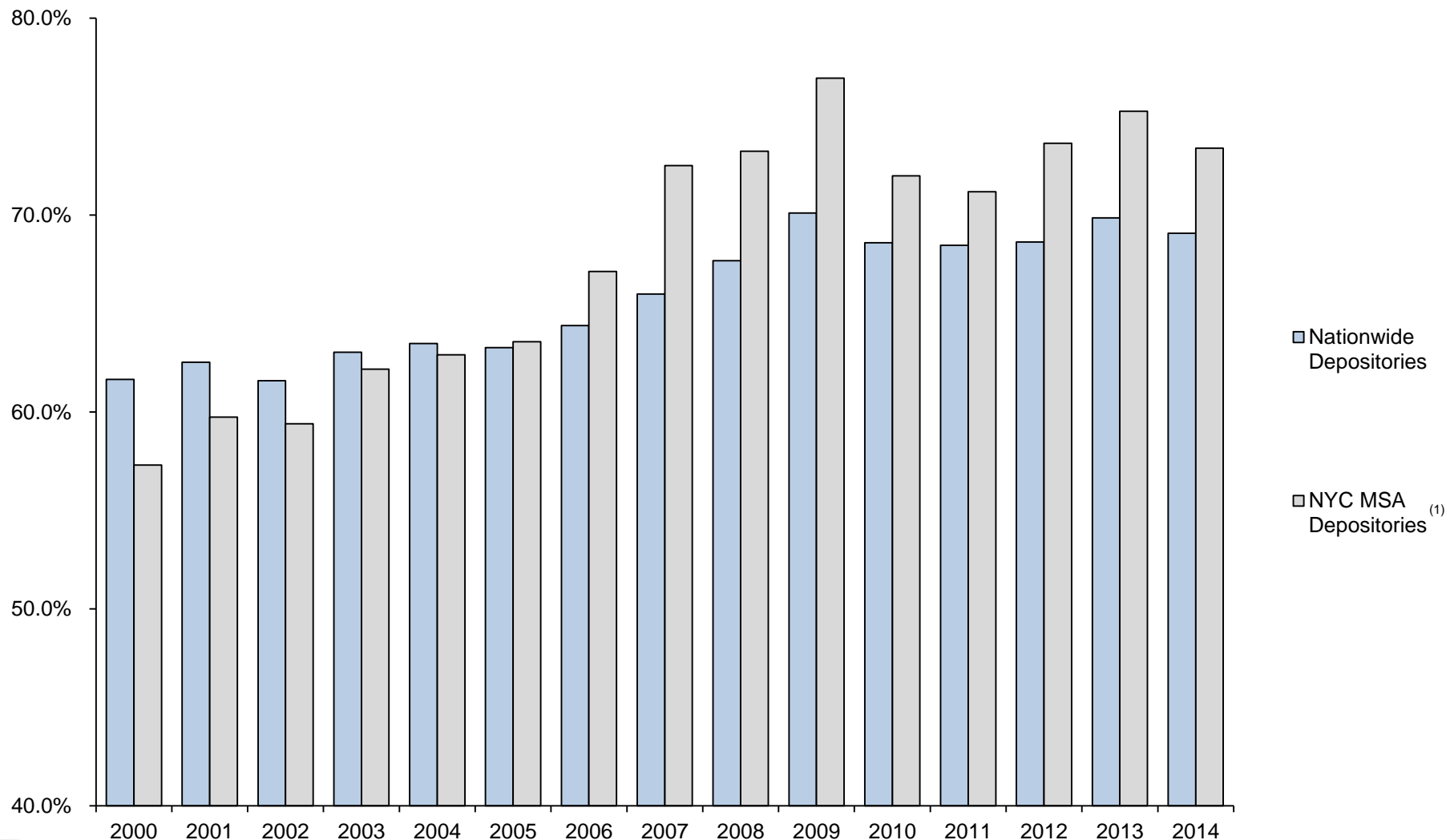
Source: SNL Financial; Nationwide Depositories and New York City MSA Depositories reflect regulatory reported financials for all depositories with less than \$50 billion of assets

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Banking Industry Operating Trends:

The Combined Effects of Weak Revenues and High Expenses are Reflected in High Efficiency Ratios

Efficiency Ratio (%)



Source: SNL Financial; Nationwide Depositories and New York City MSA Depositories reflect regulatory reported financials for all depositories with less than \$50 billion of assets

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New York City MSA Banking Industry Valuation Trends

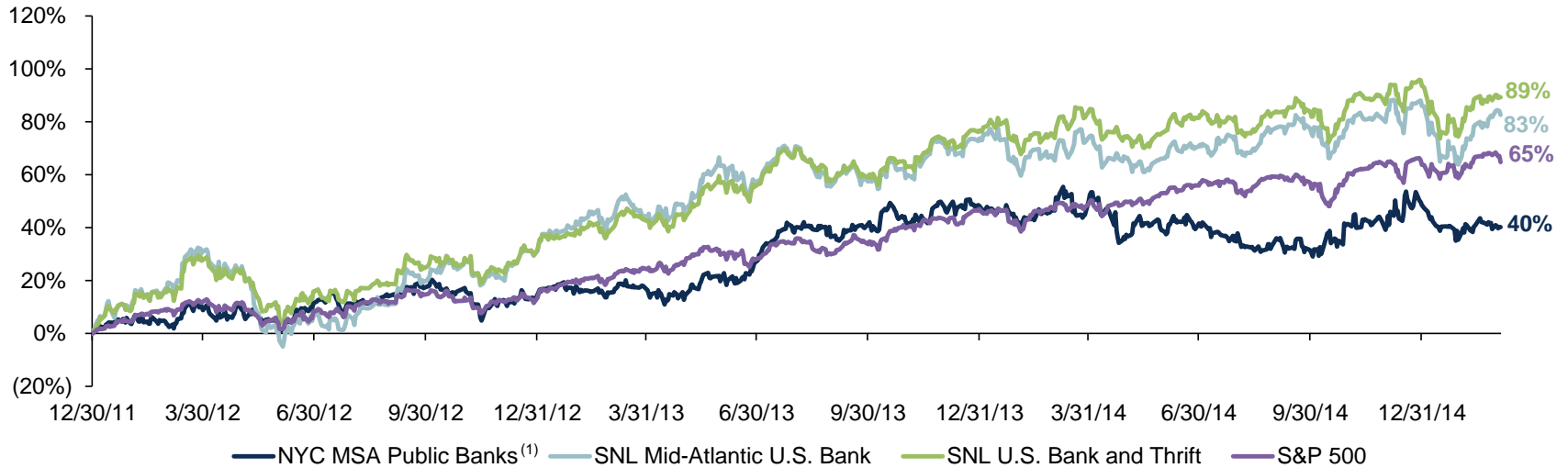


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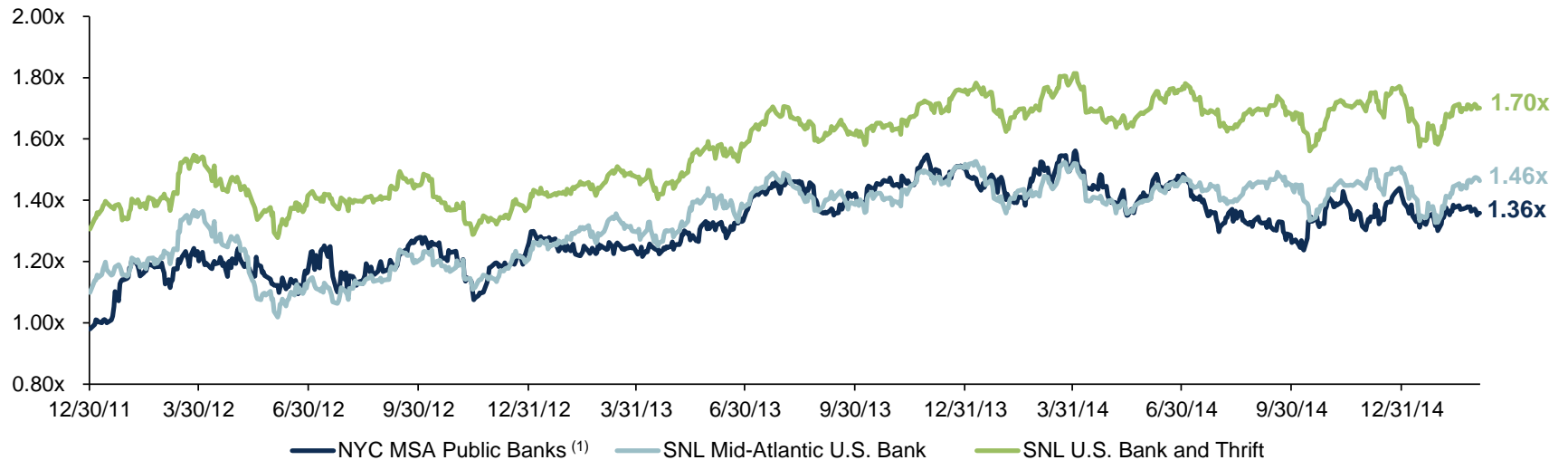
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Market Performance Since 2012

Price Performance Since 2012



Price / Tangible Book Value Since 2012

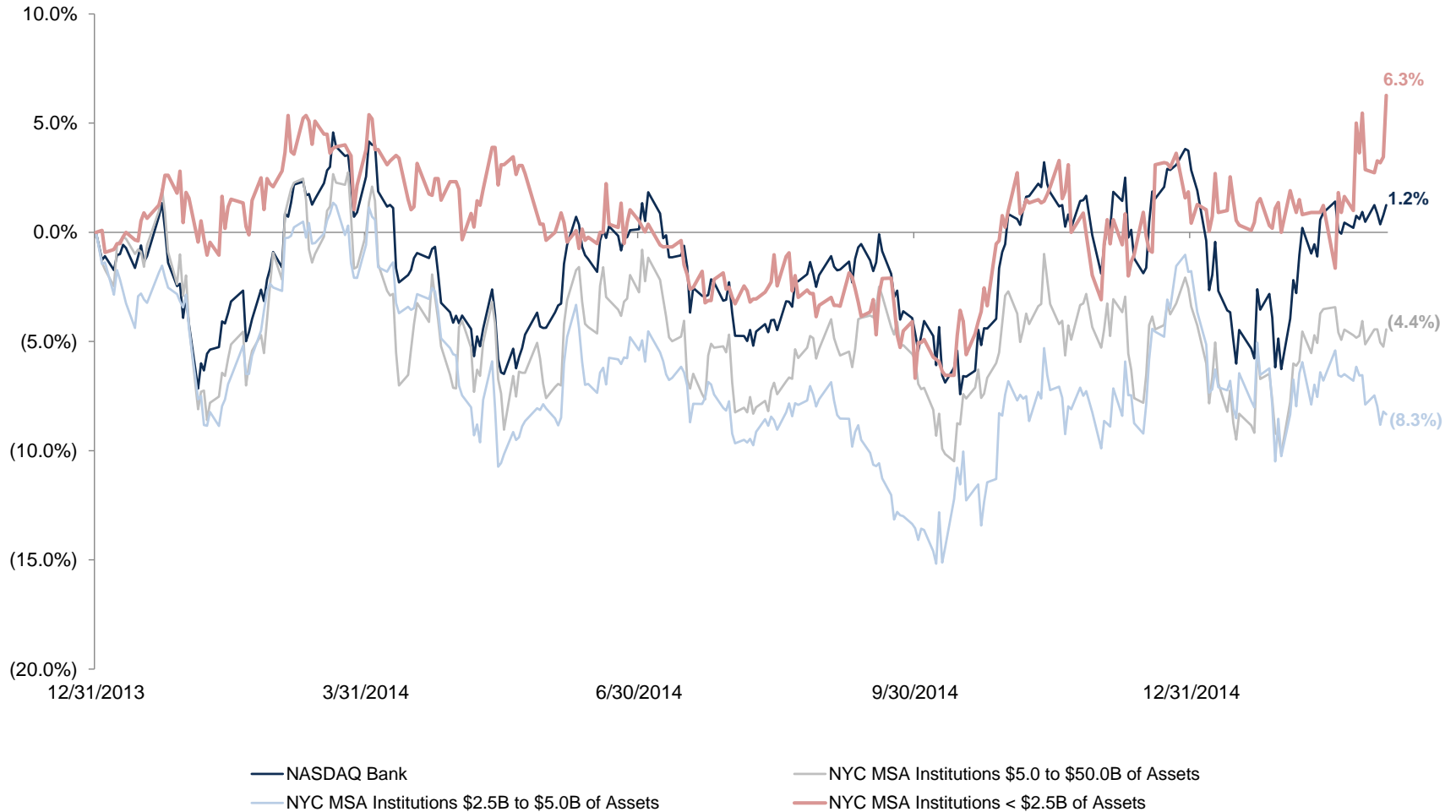


Source: SNL Financial; Market data as of 3/6/2015

(1) Reflects major exchange traded banks and thrifts headquartered in the New York City MSA with assets less than \$50 billion; Excludes merger targets and MHCs

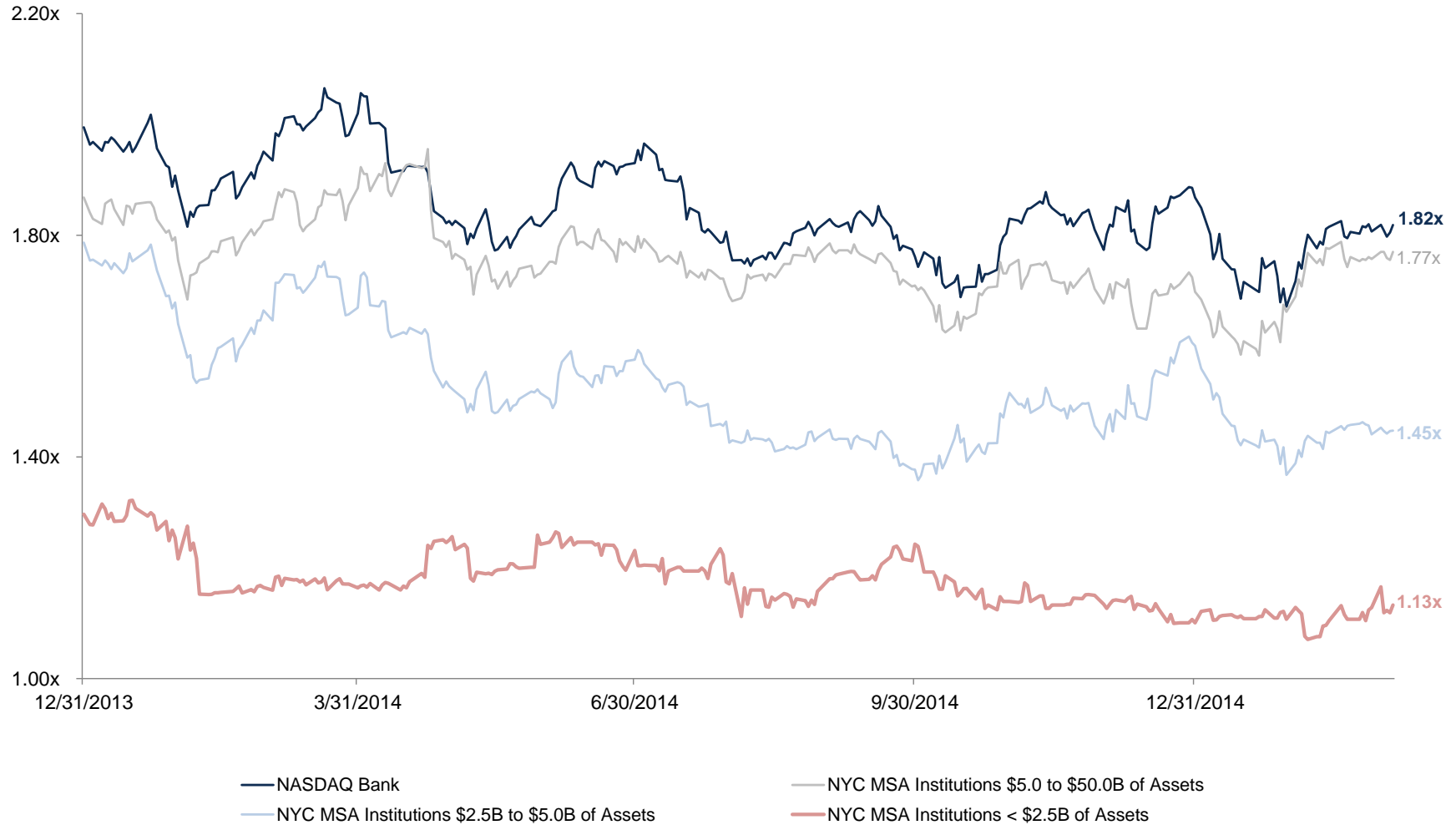
New York City MSA Banks – Recent Price Performance

Relative Price Performance Since 2014



New York City MSA Banks – Recent Valuation

Price / Tangible Book Since 2014

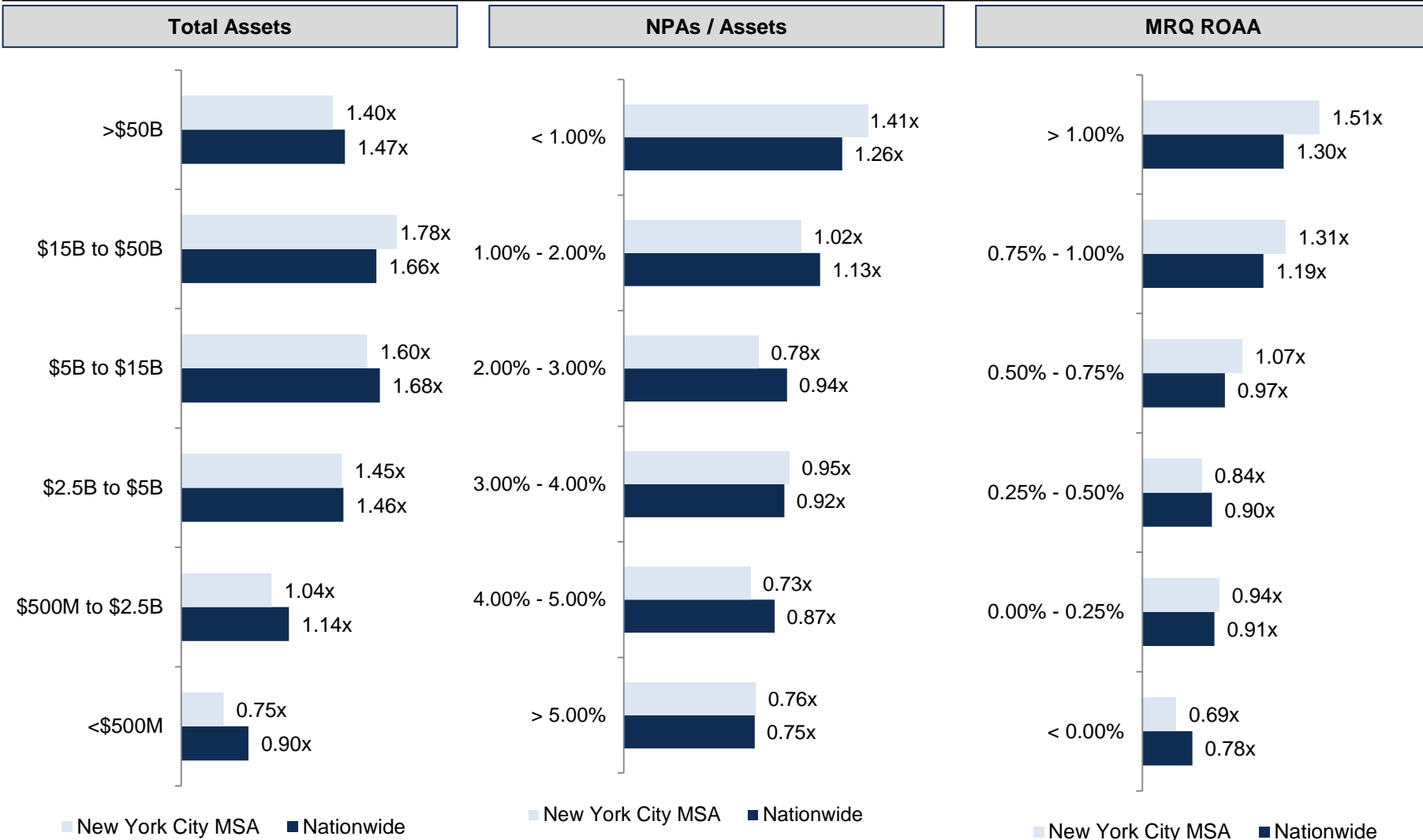


Source: SNL Financial; Market data as of 3/6/2015

Note: New York City MSA institutions consist of major exchange traded banks and thrifts headquartered in the New York City MSA with assets less than \$50 billion; Excludes merger targets and MHCs

Investors Value Balance Sheet Size, Strength and Profitability

Price / Tangible Book Value Stratification



New York City MSA Bank M&A and Capital Offering Trends

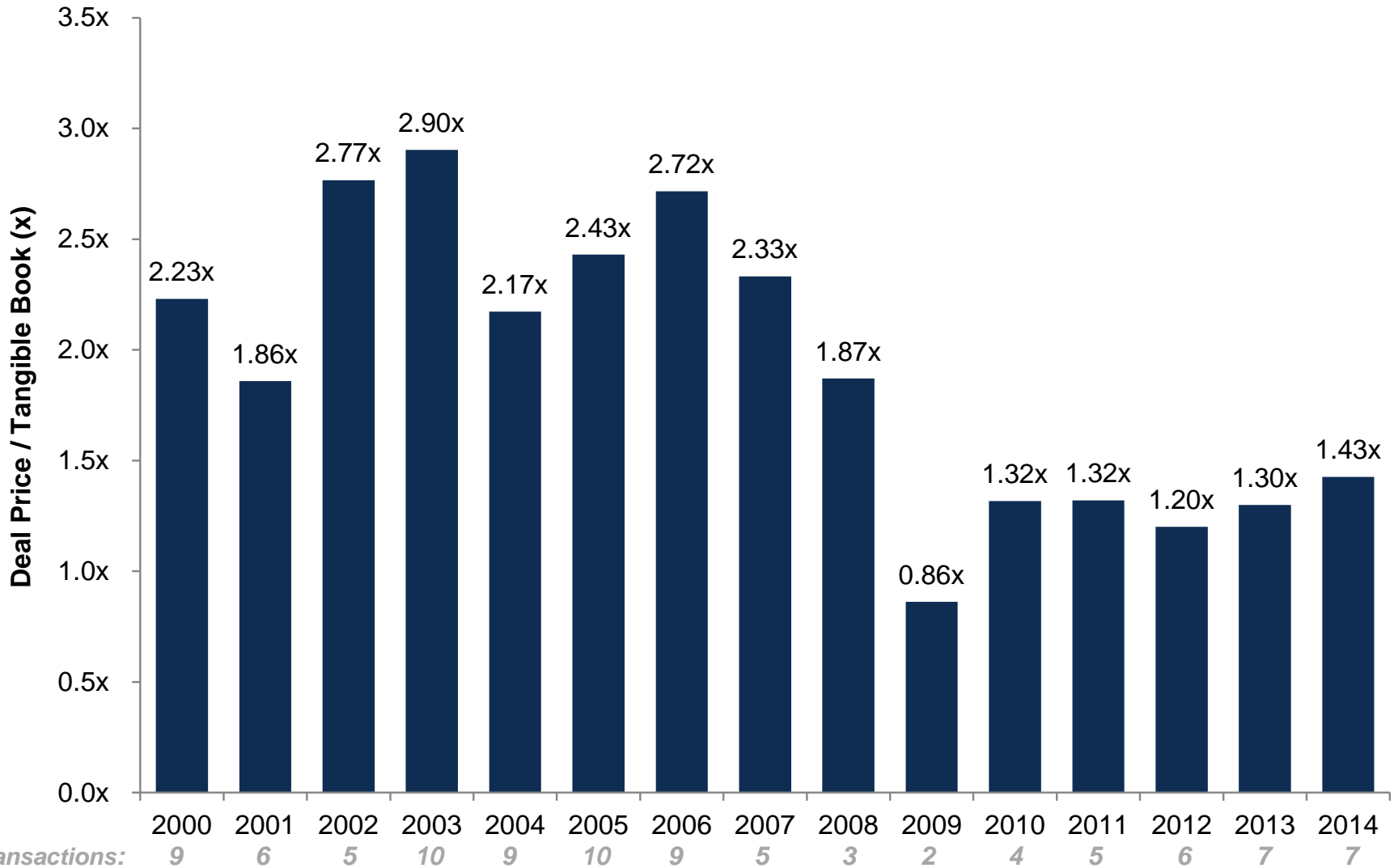


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New York City MSA Bank and Thrift M&A Valuation

Median Deal Price / Tangible Book for New York City MSA Bank and Thrift Transactions Since 2000



Transactions:



Source: SNL Financial
 Note: Excludes transactions with no reported deal value and transactions in which buyer is not a depository

New York City MSA Bank and Thrift M&A Overview

Transactions Since 2012 In Which the Target Was Headquartered In New York City MSA

General Information				Transaction Values & Multiples						Target Financial Information			
Buyer	Seller	Annuc. Date	Stock Consid. (%)	Deal Value (\$mm)	Price / TBV (x)	Core Deposit Prem. (%)	Price / LTM EPS (x)	Cost Save Ratio (%)	1 Day Market Prem. (%)	Total Assets (\$mm)	TCE/ TA (%)	NPAs / Assets (%)	ROA (%)
Bridge Bancorp, Inc.	Community National Bank	12/15/14	100	141	1.75	9.5	31.3	35.0	15.8	945	8.10	0.85	0.53
Sterling Bancorp	Hudson Valley Holding Corp.	11/05/14	100	539	1.85	9.3	NM	40.0	18.4	3,120	9.17	1.52	0.32
Putnam County Savings Bank	CMS Bancorp, Inc.	09/25/14	0	25	1.11	1.7	40.2	NA	15.5	273	8.17	1.83	0.26
Bank of the Ozarks, Inc.	Intervest Bancshares Corporation	07/31/14	100	229	1.11	2.8	13.7	NA	27.4	1,572	13.14	3.36	1.21
Salisbury Bancorp, Inc.	Riverside Bank	03/19/14	100	27	1.09	1.4	15.1	14.0	NA	221	11.34	1.06	0.83
Center Bancorp, Inc.	ConnectOne Bancorp, Inc.	01/21/14	100	243	1.79	15.1	21.8	NA	14.5	1,243	10.45	1.08	0.96
Wilshire Bancorp, Inc.	BankAsiana	06/10/13	0	31	1.37	7.8	14.2	50.0	NA	207	11.45	1.23	0.84
Haven Bancorp, MHC	Hilltop Community Bancorp, Inc.	06/05/13	0	27	1.30	5.1	29.4	NA	51.9	168	12.37	1.65	0.43
Provident New York Bancorp	Sterling Bancorp	04/04/13	100	344	1.68	8.1	17.1	NA	11.2	2,751	7.50	0.49	0.78
Lakeland Bancorp, Inc.	Somerset Hills Bancorp	01/29/13	90	66	1.52	7.9	18.8	31.0	29.7	369	11.34	0.29	0.95
M&T Bank Corporation	Hudson City Bancorp, Inc.	08/27/12	60	3,813	0.84	(3.6)	NM	24.0	12.1	43,590	10.38	2.50	0.66
Investors Bancorp, Inc. (MHC)	Marathon Banking Corporation	06/14/12	0	135	1.51	7.4	23.8	30.0	NM	902	10.14	0.79	0.72
Provident New York Bancorp	Gotham Bank of New York	01/18/12	0	41	1.28	4.1	16.8	40.0	NA	420	7.51	0.25	0.83
Average:					1.42	6.8	22.2		21.8		10.40	1.25	0.75
Median:					1.44	7.6	20.3		15.8		10.41	1.07	0.80

Transactions Since 2012 by NYC MSA Buyers In Which the Target Was Headquartered Outside NYC MSA

General Information				Transaction Values & Multiples						Target Financial Information			
Buyer	Seller	Annuc. Date	Stock Consid. (%)	Deal Value (\$mm)	Price / TBV (x)	Core Deposit Prem. (%)	Price / LTM EPS (x)	Cost Save Ratio (%)	1 Day Market Prem. (%)	Total Assets (\$mm)	TCE/ TA (%)	NPAs / Assets (%)	ROA (%)
Provident Financial Services, Inc.	Team Capital Bank	12/20/13	63	124	1.91	9.7	19.2	25.0	NA	949	6.88	0.86	0.72
Average:					1.85	10.6	27.6		18.8		8.46	1.28	0.67
Median:					1.85	10.6	27.6		18.8		8.46	1.28	0.67



Source: SNL Financial

Note: Includes transactions with deal values greater than \$25 million since 1/1/2012; Excludes transactions where deal value was not disclosed or where the target was a MHC

Sterling Bancorp To Merge With Provident New York Bancorp

Target:

Sterling Bancorp (NYSE: STL) - New York, NY



Assets:	\$2.8 billion
Gross Loans:	1.8
Deposits:	2.3
Market Cap:	310 million

Acquiror:

Provident New York Bancorp (NYSE: PBNY) - Montebello, NY



Assets:	\$3.8 billion
Gross Loans:	2.2
Deposits:	2.9
Market Cap:	391 million

Transaction Information:

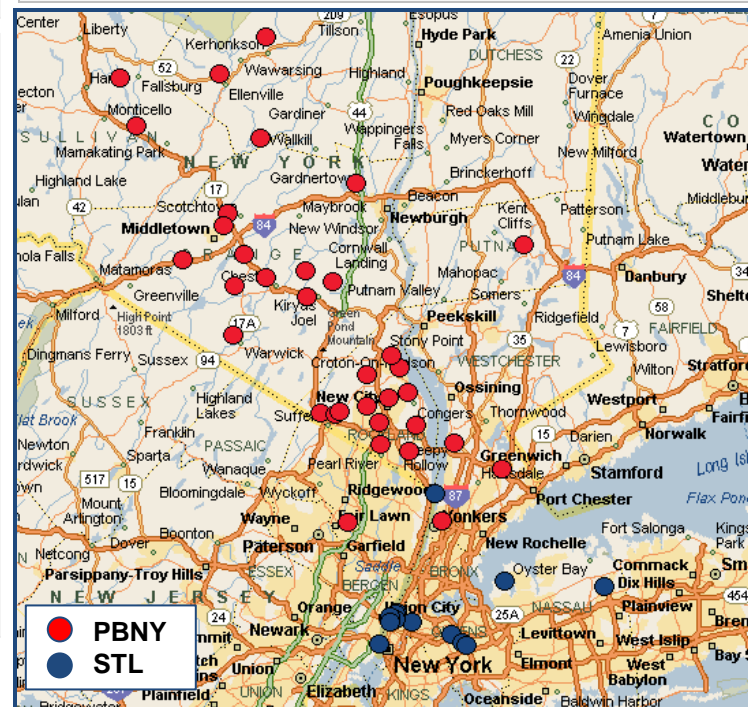
Date Announced:	4/4/13
Total Deal Value: ⁽¹⁾	\$344 million
Exchange Ratio:	1.2625 x
Deal Value Per Share:	\$11.12
Consideration Structure:	100 % stock

Deal Multiples: ⁽¹⁾

Price / Book Value:	1.51 x
Price / Tangible Book Value:	1.68
Market Premium: ⁽²⁾	11.2 %
Price / 2013 EPS: ⁽³⁾	15.4 x

Transaction Highlights:

- Sterling Bancorp shareholders will receive a fixed ratio of 1.2625 shares of Provident New York Bancorp common stock for each share of Sterling Bancorp common stock
- Provident New York Bancorp shareholders will own approximately 53% of stock in the combined company; Sterling Bancorp shareholders will own approximately 47%
- Combined, the companies had annualized pro forma revenue of \$257 million and \$41 million in net income for the 2012 calendar year, and upon completion of the merger will have nearly \$7 billion in assets
- The merger is expected to generate approximately \$34 million in fully phased-in annual cost savings or approximately 18% of the expected combined expense total and is expected to be accretive to Provident New York Bancorp's earnings per share in 2014
- Provident New York Bancorp's Jack Kopinsky to serve as CEO of the combined company with Luis Massiani serve as CFO. Sterling Bancorp's Louis J. Cappelli to serve as Chairman
- The Board of Directors of the combined company will be comprised of seven directors from Provident and six directors from Sterling
- The transaction is expected to close in the fourth quarter of 2013
- KBW served as financial advisor to Sterling Bancorp in the transaction



Source: SNL Financial and Company filings

(1) Based upon PBNY's stock price of \$8.81 as of 4/3/13 and a fixed exchange ratio of 1.2625

(2) Based upon STL's stock price of \$10.00 as of 4/3/13

(3) Based upon STL's mean consensus 2013 EPS estimate of \$0.72

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Center Bancorp, Inc. and ConnectOne Bancorp, Inc. to Merge

Legal & Accounting Acquiror:

Center Bancorp, Inc. (CNBC) - Union, NJ



Center Bancorp, Inc.

Assets:	\$1,678 million
Gross Loans:	961
Deposits:	1,342
Market Cap:	287

Legal & Accounting Acquiree:

ConnectOne Bancorp, Inc. (CNOB) - Englewood Cliffs, NJ



ConnectOne Bancorp Inc.

Assets:	\$1,243 million
Gross Loans:	1,152
Deposits:	966
Market Cap:	203

Transaction Highlights:

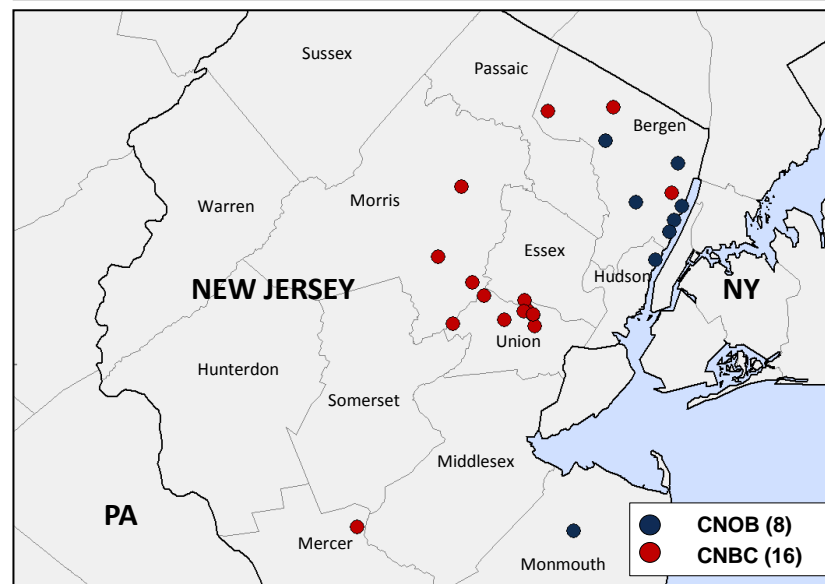
- CNBC will acquire 100% of the outstanding shares of CNOB. ConnectOne shareholders will receive a fixed exchange ratio of 2.6 shares of Center common stock for each share of ConnectOne common stock. Upon closing, Center shareholders will own approximately 54% of the combined company, while ConnectOne shareholders will own approximately 46%
- The parties expect the merger to generate fully phased-in annual cost savings of approximately \$7 million, or 14% of the expected combined expense base. The parties expect the merger to be accretive to earnings per share in 2015, with minimal dilution to tangible book value per share and a short earnback period
- The pro forma company leadership will be assembled from both organizations with CNOB's Frank Sorrentino serving as Chairman, CEO and President, CNOB's William S. Burns serving as CFO and CNBC's Anthony Weagley serving as COO
- The new Board of Directors will be comprised of 12 members: 6 members from the current Center Board and 6 members from the current ConnectOne Board
- The combined company will retain the ConnectOne name and will be headquartered in Englewood Cliffs, NJ
- The transaction is expected to close late 'Q2 or early 'Q3 2014
- KBW advised Center Bancorp, Inc. in the transaction

Transaction Information:

Date Announced:	1/21/2014
Fully Diluted Deal Value:	\$242.9 million
Deal Value per Share ⁽¹⁾ :	\$45.60
Consideration Structure:	100% Stock

Multiples:

Price / Tangible Book Value ⁽²⁾ :	1.79 x
Price / 2014 EPS Est. ⁽³⁾ :	17.4
Core Deposit Premium ⁽⁴⁾ :	15.1 %
1 Day Market Premium ⁽⁵⁾ :	14.5



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Source: SNL Financial and press release and investor presentation filed on 1/21/2014

(1) ConnectOne value per share based on Center's closing price of \$17.54 as of 1/17/2014

(2) ConnectOne tangible book value per share as of 12/31/2013

(3) Estimates per First Call consensus estimates

(4) Equal to deal value minus target's tangible common equity as a percentage of core deposits; Core deposits defined as total deposits less jumbo time deposits (greater than \$100,000)

(5) Based on ConnectOne's stock price of \$39.83 on 1/17/2014



Valley National Bancorp Acquires 1st United Bancorp, Inc.

Acquiror:

Valley National Bancorp (NYSE: VLY) - Wayne, NJ



Assets:	\$16,344 million
Gross Loans:	11,695
Deposits:	11,268
Market Cap ⁽¹⁾ :	1,956

Acquiree:

1st United Bancorp, Inc. (NASDAQ: FUBC) - Boca Raton, FL



Assets:	\$1,738 million
Gross Loans:	1,159
Deposits:	1,429
Market Cap ⁽²⁾ :	252

Transaction Highlights:

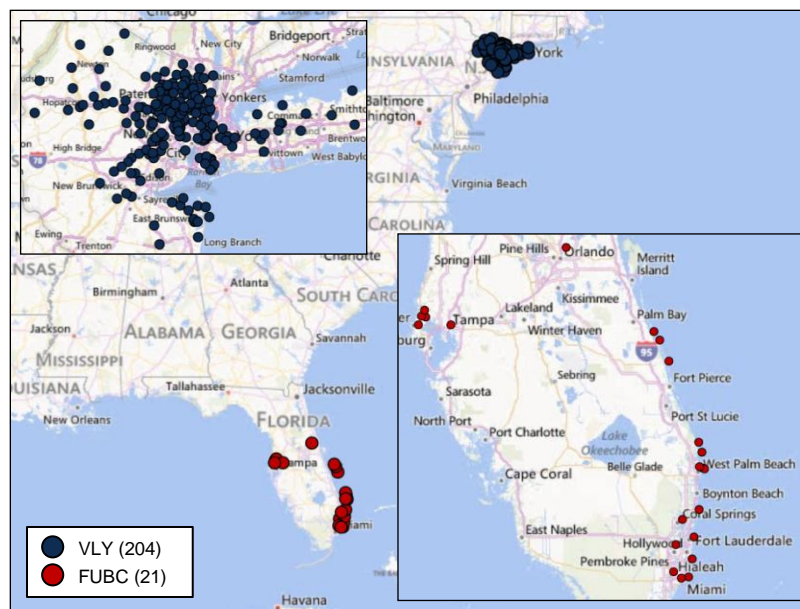
- Each 1st United shareholder will receive 0.89 shares of Valley National Bancorp common stock for each share of 1st United common stock (subject to a price collar as described in the merger agreement)
- Upon closing, 1st United shareholders are expected to own approximately 13% of the pro forma company
- The combined company is anticipated to have approximately \$18.1 billion in assets, \$12.9 billion in loans, \$12.7 billion in deposits and 225 branches covering north and central NJ, NY (including Manhattan, Brooklyn, Queens and Long Island), and southeast and central Florida
- Valley management expects the transaction to be accretive to earnings in 2015 and approximately 2.7% dilutive to VLY tangible book value per share with a TBV earnback of approximately 4.25 years
- Rudy Schupp, current 1st United CEO, is expected to lead Valley's Florida Operation
- The transaction is expected to close in the 4th Quarter of 2014
- KBW advised 1st United in the transaction

Transaction Information:

Date Announced:	5/8/2014
Consideration Structure:	100% stock
Fully Diluted Deal Value ⁽³⁾ :	\$311 million
Deal Value per Share ⁽³⁾ :	\$8.69

Multiples:

1 Day Market Premium ⁽²⁾ :	18.8 %
Price / Tangible Book Value ⁽⁴⁾ :	1.79 x
Price / 2015 EPS Est. ⁽⁵⁾ :	18.1 x
Core Deposit Premium ⁽⁶⁾ :	11.4 %



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Source: SNL Financial, press release and investor presentation filed on 5/8/2014; financial data for the quarter ended 3/31/2014

- (1) Based on VLY closing price of \$9.76 as of 5/7/2014
- (2) Based on FUBC closing price of \$7.31 as of 5/7/2014
- (3) Based on VLY closing price of \$9.76 as of 5/7/2014. Includes the cash consideration that will be paid to FUBC stock option holders
- (4) FUBC tangible book value per share as reported for the period ended 3/31/2014
- (5) Based on mean First Call consensus estimate of \$0.48 per share
- (6) Calculated as the premium paid to tangible book value as a percent of total deposits less CDs >\$100k



Sterling Bancorp Acquires Hudson Valley Holding Corp.

Acquiror:

Sterling Bancorp (NYSE: STL) - Montebello, NY



Assets:	\$7,337 million
Gross Loans:	4,778
Deposits:	5,299
Market Cap ⁽¹⁾ :	1,170

Acquiree:

Hudson Valley Holding Corp. (NYSE: HVB) - Yonkers, NY



Assets:	\$3,120 million
Gross Loans:	1,828
Deposits:	2,769
Market Cap ⁽²⁾ :	453

Transaction Information:

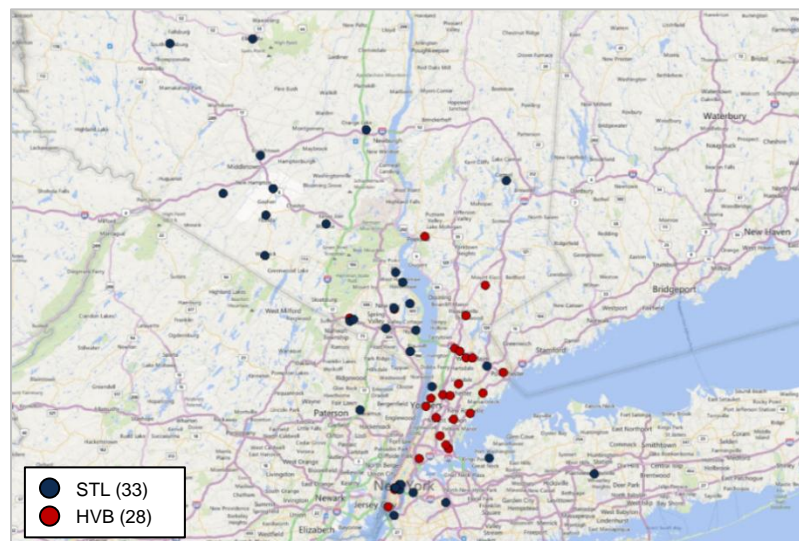
Date Announced:	11/5/2014
Consideration Structure:	100% Stock
Fully Diluted Deal Value ⁽¹⁾ :	\$539.0 million
Deal Value per Share ⁽¹⁾ :	\$26.86

Multiples:

1-Day Market Premium ⁽²⁾	18.4 %
20-Day Average Stock Price Premium ⁽³⁾	31.1 %
Price / Tangible Book Value ⁽⁴⁾ :	1.85 x
Price / LTM EPS ⁽⁴⁾ :	NM
Price / 2015 EPS ⁽⁵⁾ :	34.9 x
Price / 2016 EPS ⁽⁵⁾ :	24.4 x
Core Deposit Premium ⁽⁶⁾ :	9.3 %

Transaction Highlights:

- The combined company will continue to operate under the Sterling Bancorp name with a footprint spanning through New York City, the Hudson Valley, Long Island and New Jersey
- The consolidated assets of the combined company will be approximately \$10.5 billion, and Hudson Valley expects that its stockholders will own approximately 31% of the combined company
- Sterling will appoint four directors from the Hudson Valley board to join the board of the combined company
- Sterling will consider the potential move of principal executive headquarters to Yonkers, NY
- Sterling expects the merger to generate approximately \$34 million in fully phased-in annual cost savings
- Sterling expects the merger to be accretive to earnings in 2015 and 7% accretive to 2016 earnings
- Sterling expects 1% tangible book dilution and approximately 1.2 year tangible book value earnback
- Sterling believes it will remain well capitalized, expecting pro forma TCE / TA of 7.9% and a total risk-based capital ratio of 11.4%
- The transaction is expected to close by 2Q 2015
- KBW advised Hudson Valley Holding Corp. in the transaction



● STL (33)
● HVB (28)

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Source: SNL Financial and press release filed on 11/05/2014; financial data for the quarter ended 9/30/2014

(1) Based on STL closing price of \$13.99 as of 11/04/2014

(2) Based on HVB closing price of \$22.68 as of 11/04/2014

(3) Based on 20 day trailing average price of Hudson Valley as of 11/04/2014

(4) Hudson Valley tangible book value per share and LTM EPS per SNL Financial as of 9/30/2014; pro forma for A.R. Schmeidler & Co., Inc. divestiture

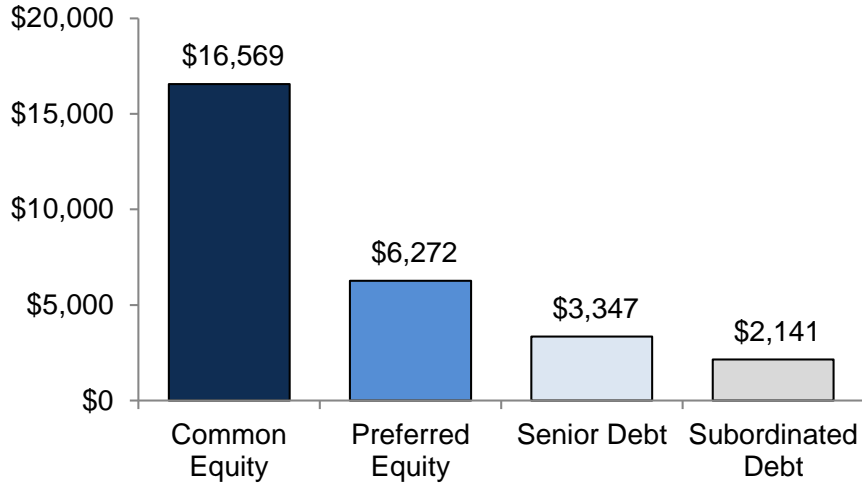
(5) 2015 and 2016 EPS per First Call consensus estimates

(6) Calculated as the premium paid to tangible book value as a percent of total deposits less CDs >\$100,000; pro forma for A.R. Schmeidler & Co., Inc. divestiture

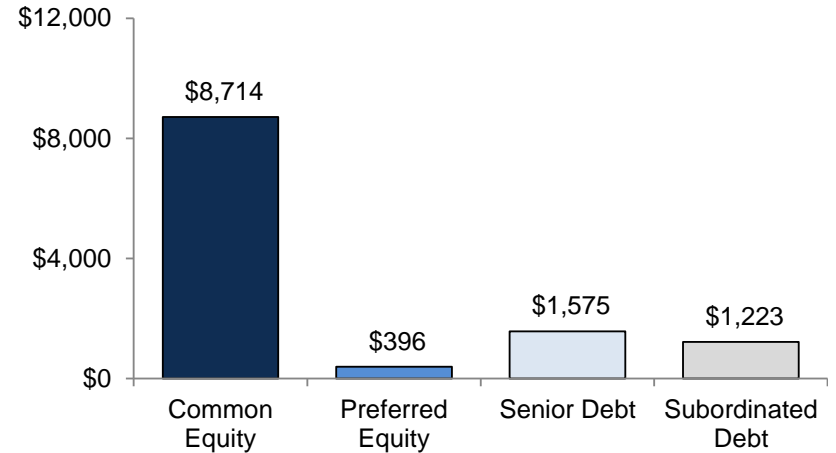


Capital Raises Among Depositories With Assets < \$50 Billion

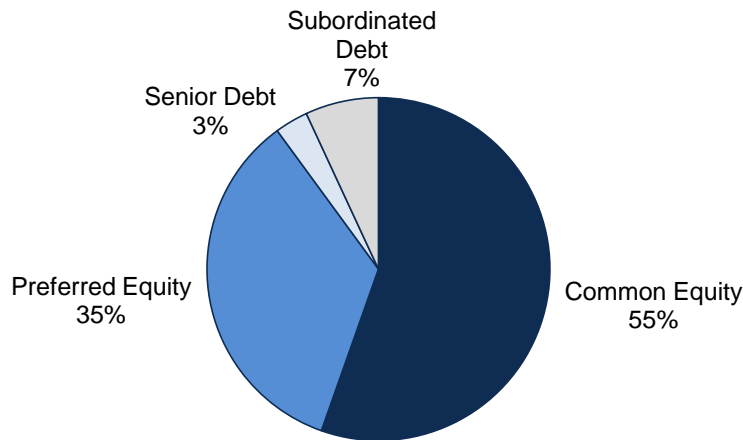
Capital Raises 2012 - 2014 (\$mm)



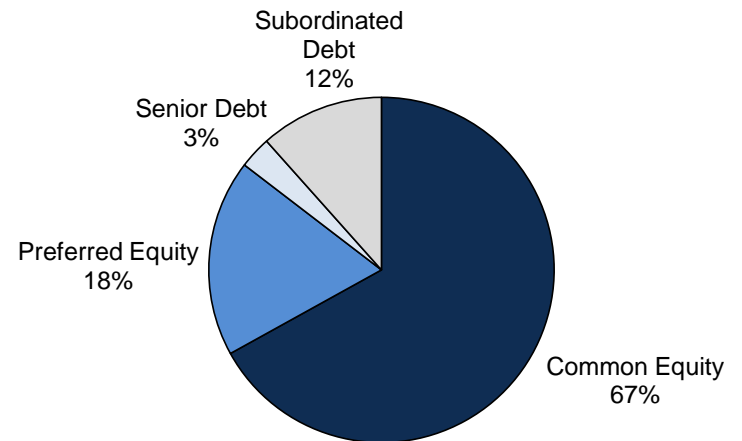
Capital Raises 2014 (\$mm)



Number of Deals 2012 - 2014

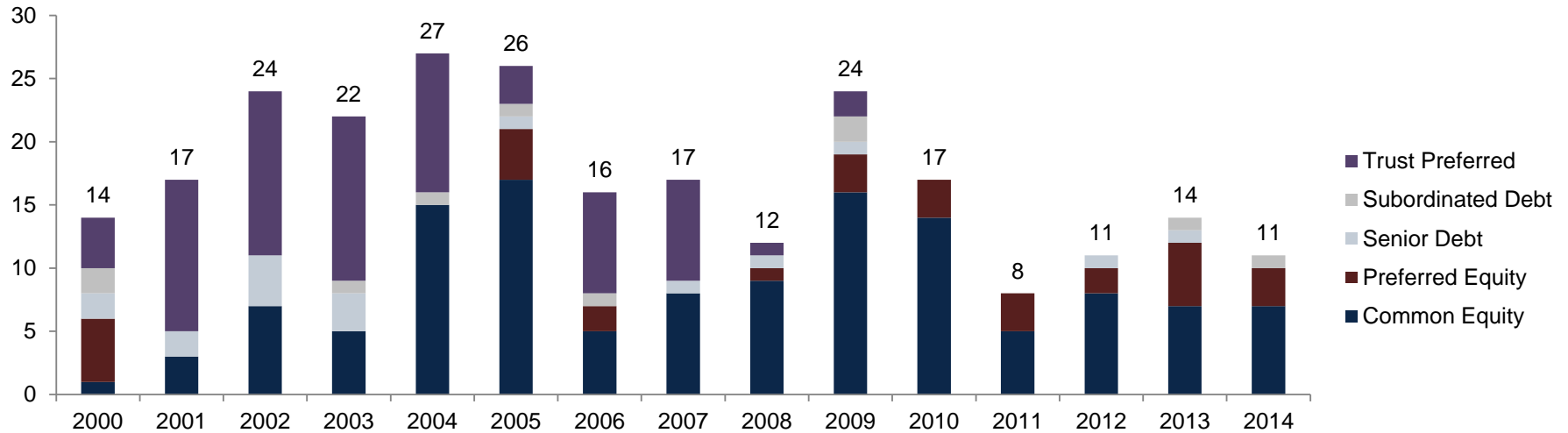


Number of Deals 2014

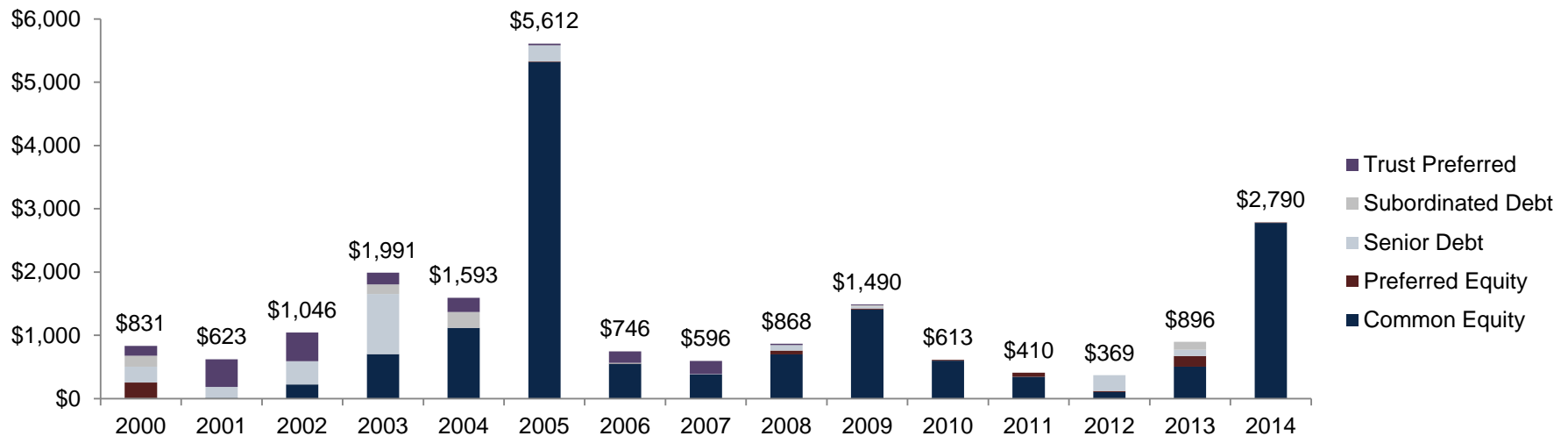


New York City MSA Capital Offerings

Number of Capital Offerings Since 2000 by Institutions in the NYC MSA



Capital Raised in Offerings by Institutions in the NYC MSA Since 2000 (\$ Millions)



ConnectOne Bancorp, Inc. – Initial Public Offering

Transaction Overview

\$51,520,000



Initial Public Offering
Sole Bookrunning
Manager
February 2013

- Stifel served as sole book-running manager for ConnectOne Bancorp, Inc.'s (NASDAQ: CNOB) \$52.5 million initial public offering
- On February 11, 2013, CNOB announced it priced 1,600,000 shares at \$28.00 per share, above the midpoint of the offering range of \$26.00 - \$29.00
- The transaction was significantly oversubscribed both from institutional and retail demand
- On February 15, 2013, the underwriters exercised their overallotment option to purchase an additional 240,000 shares
- Net proceeds will support continued organic growth and provide flexibility to explore strategic opportunities
- Transaction represents the first “traditional bank” IPO marketed and priced under the JOBS Act

Company Description

- \$920 million commercial bank headquartered in Englewood Cliffs, NJ with seven additional branches as of November 30, 2012
- Promotes a high-service banking model catered to small to medium-sized businesses, professional entities and individuals and offers a broad range of commercial and consumer banking services
- Qualifies as an emerging growth company (“EGC”) under the JOBS Act and elected for EGC treatment

Financial Summary (11/30/12)

Total Assets (\$000s)	\$919,897
Total Equity	\$71,639
YTD ROAA	1.02%
YTD ROAE	14.51%
NPAs / Assets ⁽¹⁾	0.93%
TCE Ratio Pre / Post Offering ⁽²⁾	7.8% / 12.3%

Transaction Timeline

- **Nov. 21:** CNOB confidentially filed its S-1 registration statement with the SEC pursuant to the JOBS Act
- **Jan. 7-8:** The Company conducted “test the waters” roadshow meetings with select institutional investors pursuant to the JOBS Act
- **Jan. 11:** The Company publicly filed its S-1
- **Feb. 1-8:** The Company conducted a 6-day marketing campaign that included one-on-one meetings, conference calls, group presentations and lunches
- **Feb. 11:** The offering was priced at \$28.00 per share
- **Feb. 12:** The Company's stock began trading on the NASDAQ, closing at \$29.65 (a 5.9% gain)
- **Feb. 15:** The offering closed
- **Feb. 18:** The underwriters exercised the 15% overallotment
- **Feb. 21:** The overallotment portion of the offering closed

Offering Summary (2)

Common Shares Offered	1,840,000
Offer Price Per Common Share	\$28.00
Amount Sold (\$MM)	\$52.5
Pro Forma Shares Outstanding	4,992,951
Pro Forma Market Cap (\$MM)	\$139.8
Offer Price / Tang. Book Value	124%
Offer Price / Pro Forma TBV	118%
Day 1 Post-IPO Price Change	5.9%
Day 1 Post-IPO Trading Volume	882,909
5 Day Post-IPO Price Change	5.9%
5 Day Post-IPO Average Trading Volume	220,068

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Source: Company filings

(1) NPAs are defined as nonaccrual loans and OREO

(2) Includes overallotment



Valley National Bancorp – Subordinated Notes

Transaction Overview

\$125,000,000



Subordinated Notes
Joint Bookrunning
Manager
September 2013

- On September 24th, Wayne, NJ based Valley National Bancorp filed a prospectus supplement announcing plans for an offering of \$125.0 million in subordinated notes.
- The offering commenced Tuesday, September 24th and priced the same day
- The offering priced at an coupon of 5.125% and a YTM of 5.157%
- The anticipated use of net proceeds from the offering together with other available funds to redeem \$131.3 million outstanding aggregate principal amount of 7.75% Junior Subordinated Debentures issued to VNB Capital Trust I, a Delaware statutory trust.

Key Offering Statistics:

Offering Size (\$mm)	\$125.0
Coupon	5.125%
Maturity	9/27/2023
Issue Price to Investors	99.752%
Yield to Maturity	5.157%
Rating (M / S&P)	NR / BBB (expected)
Redemption	N/C Life
Coupon Payments	9/27, 3/27 beginning 3/27/14

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Company Description

- Valley National Bancorp is a regional bank holding company headquartered in Wayne, New Jersey with approximately \$16 billion in assets. Its principal subsidiary, Valley National Bank, currently operates 206 branches in 145 communities serving 16 counties throughout northern and central New Jersey, Manhattan, Brooklyn, Queens and Long Island.
- Valley National Bank is one of the largest commercial banks headquartered in New Jersey and is committed to providing the most convenient service, the latest in product innovations and an experienced and knowledgeable staff with a high priority on friendly customer service 24 hours a day, 7 days a week. The Bank provides a full range of commercial, retail and wealth management financial services products.

Financial Summary

Balance Sheet (\$mm)	Assets	15,977.2	Pro Forma ¹
	Total Net Loans	10,814.5	
	Deposits	11,242.6	
	Tangible Common Equity	1,081.1	
Capital (%)	TCE Ratio	6.96%	6.82%
	Leverage Ratio	8.15%	7.25%
	Tier 1 Ratio	11.00%	9.78%
	Total RBC Ratio	12.40%	12.27%
Asset Quality (%)	NPAs / Assets	1.97%	
	Reserves / NPAs	37.2%	
Performance (%)	MRQ ROAA	0.85%	
	MRQ ROAE	8.96%	

Source: SNL Financial as of 6/30/2013.

1. Pro forma for \$125.0 million subordinated note offering, and announced redemption of \$131.3 million of Junior Subordinated Debentures issued to VNB Capital Trust I (7.75%) TruPs

Investors Bancorp, Inc. – 2nd Step Conversion

Transaction Overview

\$2,195,806,950



2nd Step Conversion

Subscription Manager
& Joint Bookrunner

Pending

- KBW served as selling and conversion agent during the subscription offering and as a joint bookrunner in the firm commitment offering for Investors Bancorp, Inc.'s (NASDAQ: ISBC) \$2.2 billion 2nd step offering
 - \$1,340mm in subscription + ESOP
 - \$856mm in firm commitment
- On May 1, 2014, ISBC announced it priced 219,580,695 shares at \$10.00 per share
- Joint Bookrunners: RBC (27.5%), KBW (24%), Sandler O'Neill (20%); Joint lead managers: Barclays (7%), DB (7%), JPM (7%); Co-Managers: Sterne Agee (4%), Boenning (3.5%)

- ISBC intends to use net proceeds primarily to enhance the Company's capital position, to improve trading liquidity of the Company's common stock and to transition the bank to a more familiar and flexible holding company structure. The Company may also use net proceeds to pay dividends, repurchase shares of common stock, organic growth, acquisitions and repayment of maturing short-term borrowings and investment in short-dated securities

2nd Step Offering Process

- Dec. 20:** The Company filed initial S-1 with the SEC in connection with the conversion of ISBC from a mutual holding company to a stock holding company
- Feb. 11:** The Company filed an amended S-1 for an increase in shares offered
- March 21:** The Company mailed offering and proxy solicitation materials to depositors and certain former depositors eligible to purchase shares in the subscription offering
- March 21 – April 11:** Subscription offering to eligible depositors
- April 17:** The Company increased the max purchase limitations for its 2nd step offering to 800K shares for individuals and 5mm shares for groups
- April 21 – April 30:** Firm commitment underwritten public offering portion of the 2nd step conversion to sell shares not already sold in subscription offering
- May 1:** The offering was priced at \$10.00 per share

Company Description

- Founded in 1926, ISBC is a \$16.4 billion bank holding company headquartered in Short Hills, NJ with 132 branches concentrated in demographically attractive markets throughout New Jersey and the New York City and Philadelphia MSAs
- Completed a minority stock offering of ~38% of the company in October of 2005, raising \$516 million in gross proceeds and transforming ISBC into a high performing commercial bank from a wholesale thrift
- ISBC's community involvement and engaged employee base helps to differentiate the Company from other banks, particularly their large counterparts

Financial Summary (3/31/14)

Total Assets (\$000s)	\$16,426,309
Total Equity (\$000s)	\$1,395,757
MRQ ROAA	0.85%
MRQ ROAE	9.98%
NPAs / Assets	0.88%
TCE Ratio Pre / Post Offering	7.88% / 17.89%

Offering Range

	Point in Range				
	Minimum of Range	Midpoint of Range	Actual	Maximum of Range	Adj. Maximum of Range
Shares Sold in Offering (MHC Shares)	170,000,000	200,000,000	219,580,695	230,000,000	264,500,000
Public Shares (Exchanged Shares)	105,592,049	124,225,940	137,621,083	142,859,831	164,288,806
Shares Issued to Charitable Foundation	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Pro Forma Shares Outstanding	276,592,049	325,225,940	358,201,777	373,859,831	429,788,806
Price Per Share	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Gross Proceeds (\$mm)	1,700.0	2,000.0	2,196	2,300.0	2,645.0
Exchange Ratio	1.9733x	2.3215x	2.5500x	2.6698x	3.0702x
Pro Forma Stockholder's Equity (\$mm)	2,895.1	3,166.5	3,401.5	3,437.8	3,749.9
Price / Pro Forma Tangible Book Value Ratio	0.99x	1.06x	1.08x	1.12x	1.18x
Price / Pro Forma Earnings	23.8x	28.6x	29.4x	32.3x	37.0x
Pro Forma Tangible Equity / Tangible Assets	16.13%	17.42%	17.89%	18.68%	20.07%

Source: Company filings and SNL Financial

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Sterling Bancorp – Follow-On Offering

Transaction Overview

\$78,000,000



Follow-on Offering
Joint Bookrunning
Manager
February 2015

- KBW served as a **joint active bookrunner** for Sterling Bancorp's (NYSE: STL) \$78 million follow-on offering
- On February 5, 2015 post-close, STL priced 6,000,000 shares at \$13.00 per share
- STL plans to use the proceeds of the sale for general corporate purposes, including funding of acquisitions of commercial lending businesses

Company Description

- STL is a bank holding company and financial holding company with a principal banking subsidiary, Sterling National Bank
- At December 31, 2014, STL had, on a consolidated basis and pro forma for its pending acquisition of Hudson Valley Holding Corp., \$10.8 billion in assets, \$8.0 billion in deposits, stockholders' equity of \$1.5 billion, 60 branches, and 122.5 million shares of common stock outstanding

Financial Summary (12/31/14)

Total Assets ⁽¹⁾ (\$M)	\$10,809
Total Equity ⁽¹⁾ (\$M)	\$1,521
MRQ ROAA	1.1%
MRQ ROATCE	13.5%
TCE Pre / Post Offering ⁽¹⁾	8.1% / 8.9%
NPAs / Assets	0.9%

Transaction Timeline and After-Market Performance

- February 4:** STL filed a preliminary prospectus and Form S-3 with the SEC
- February 4 (post-close):** STL publicly announced the base offering of 6.0 million common shares
- February 5:** Management conducted a series of one-on-one investor conference calls and a national call for accounts
- February 5 (post-close):** STL publicly announced the pricing of 6.0 million shares at \$13.00 per share
- February 6:** Shares of Sterling closed at \$13.78 for an offer to one day performance of 6.0%

Offering Summary

Amount Sold (\$M)	\$78
Base Shares Offered (100% Primary)	6,000,000
Pro Forma Shares Outstanding (000) ⁽¹⁾	128,486
% of Pre-Offer Shares ⁽¹⁾	4.9%
Offer Price Per Common Share (\$)	\$13.00
File to Offer Discount ⁽²⁾	(3.6%)
Pro Forma Market Cap (\$M) ⁽¹⁾	\$1,732
Offer Price / TBV ⁽¹⁾	1.94x
Offer Price / PF TBV ⁽¹⁾	1.86x

Source: SNL Financial and STL's public filings

(1) On a pro forma basis for the pending merger of Sterling Bancorp and Hudson Valley Holding Corp. without giving consideration to any estimated post-merger consolidation impact

(2) Based on STL's closing price of \$13.48 prior to announcement and filing on 2/4/2015

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