

STERLING BANCORP
Form DEF 14A
August 14, 2013

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

SCHEDULE 14A

(RULE 14a-101)

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
- Definitive Additional Materials
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STERLING BANCORP

(Exact Name of Registrant as Specified In Its Charter)

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(1) Amount Previously Paid:

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Proxy Statement

Prospectus

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholder:

On April 3, 2013, Sterling Bancorp, or Sterling, and Provident New York Bancorp, or Provident, entered into an Agreement and Plan of Merger (which we refer to as the "merger agreement") that provides for the combination of the two companies. Under the merger agreement, Sterling will merge with and into Provident, with Provident as the surviving corporation (which we refer to as the "merger"). Provident's certificate of incorporation will be amended at the effective time of the merger to change its name to "Sterling Bancorp". The merger will create a combined financial services firm specializing in serving small-to-middle market commercial and consumer clients in the greater New York metropolitan area.

In the merger, each share of Sterling common stock (except for specified shares of Sterling common stock held by Sterling or Provident) will be converted into the right to receive 1.2625 shares of Provident common stock (which we refer to as the "exchange ratio"). Although the number of shares of Provident common stock that Sterling shareholders will receive is fixed, the market value of the merger consideration will fluctuate with the market price of Provident common stock and will not be known at the time Sterling shareholders vote on the merger. Based on the closing price of Provident's common stock on the New York Stock Exchange, or NYSE, on April 3, 2013, the last trading day before public announcement of the merger, the 1.2625 exchange ratio represented approximately \$11.12 in value for each share of Sterling common stock. **We urge you to obtain current market quotations for Provident (trading symbol "PBNY") and Sterling (trading symbol "STL").**

Based on the current number of shares of Sterling common stock outstanding and reserved for issuance under employee benefit plans, Provident expects to issue approximately 39.2 million shares of common stock to Sterling shareholders in the aggregate upon completion of the merger. However, any increase or decrease in the number of shares of Sterling common stock outstanding that occurs for any reason prior to the completion of the merger would cause the actual number of shares issued upon completion of the merger to change.

Sterling will hold an annual meeting of its shareholders and Provident will hold a special meeting of its stockholders in connection with the merger. Sterling shareholders will be asked to vote to adopt the merger agreement and approve related matters, as well as to approve the other matters to be considered at the annual meeting as described in the attached proxy statement/prospectus. Provident stockholders will be asked to vote to adopt the merger agreement and approve related matters as described in the attached proxy statement/prospectus. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Provident common stock and the affirmative vote of the holders of two-thirds of the outstanding shares of Sterling common stock.

The annual meeting of Sterling shareholders will be held on Thursday, September 26, 2013 at 3 West 51st Street, New York, New York 10019, at 10:00 A.M. local time. The special meeting of Provident stockholders will be held on Thursday, September 26, 2013 at the Crowne Plaza Hotel, 3 Executive Boulevard, Suffern, New York 10901, at 11:00 A.M. local time.

Sterling's board of directors unanimously recommends that Sterling shareholders vote "FOR" the adoption of the merger agreement and "FOR" the other matters to be considered at the Sterling annual meeting.

Provident's board of directors unanimously recommends that Provident stockholders vote "FOR" the adoption of the merger agreement and "FOR" the other matters to be considered at the Provident special meeting.

This joint proxy statement/prospectus describes the annual meeting of Sterling, the special meeting of Provident, the merger, the documents related to the merger and other related matters. **Please carefully read this entire joint proxy statement/prospectus, including "Risk Factors," beginning on page 46, for a discussion of the risks relating to the proposed merger.** You also can obtain information about Provident and Sterling from documents that each has filed with the Securities and Exchange Commission.

Jack Kopnisky
President and Chief Executive Officer
Provident New York Bancorp

Louis J. Cappelli
Chairman and Chief Executive Officer
Sterling Bancorp

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Provident or Sterling, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is August 13, 2013, and it is first being mailed or otherwise delivered to the stockholders of Provident and Sterling on or about August 16, 2013.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of Provident New York Bancorp:

Provident New York Bancorp will hold a special meeting of stockholders at 11:00 A.M. local time, on Thursday, September 26, 2013, at the Crowne Plaza Hotel, 3 Executive Boulevard, Suffern, New York 10901 to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, dated as of April 3, 2013, by and between Sterling Bancorp and Provident New York Bancorp, pursuant to which Sterling will merge with and into Provident, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the "Provident merger proposal");

a proposal to adjourn the Provident special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Provident merger proposal (which we refer to as the "Provident adjournment proposal");

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Provident may receive in connection with the merger pursuant to existing agreements or arrangements with Provident (which we refer to as the "Provident compensation proposal");

a proposal to approve an amendment to the Provident 2012 Stock Incentive Plan to increase the maximum number of shares of Provident common stock that may be subject to certain awards under the plan, including for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (which we refer to as the "Code") (which proposal we refer to as the "Provident stock plan amendment proposal"); and

to transact such other business as may properly come before the meeting or any adjournment thereof.

We have fixed the close of business on August 12, 2013 as the record date for the special meeting. Only Provident common stockholders of record at that time are entitled to notice of, and to vote at, the Provident special meeting, or any adjournment or postponement of the Provident special meeting. Approval of the Provident merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of Provident common stock. The Provident adjournment proposal will be approved if a majority of the votes cast at the Provident special meeting are voted in favor of the adjournment proposal. The Provident compensation proposal will be approved if a majority of the votes cast at the Provident special meeting are voted in favor of the Provident compensation proposal. The Provident stock plan amendment proposal will be approved if a majority of the votes cast at the Provident special meeting are voted in favor of the Provident stock plan amendment proposal.

Provident's board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Provident and its stockholders, and unanimously recommends that Provident stockholders vote "FOR" the Provident merger proposal, "FOR" the Provident adjournment proposal, "FOR" the Provident compensation proposal and "FOR" the Provident stock plan amendment proposal.

Your vote is very important. We cannot complete the merger unless Provident's common stockholders adopt the merger agreement.

Regardless of whether you plan to attend the Provident special meeting, please vote as soon as possible. If you hold stock in your name as a stockholder of record of Provident, please complete, sign,

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date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

BY ORDER OF THE BOARD OF DIRECTORS,

Jack Kopnisky
President and Chief Executive Officer

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NOTICE OF 2013 ANNUAL MEETING OF SHAREHOLDERS

Time and Date

Thursday, September 26, 2013, at 10:00 A.M. Eastern Time

Place

3 West 51st Street, New York, New York 10019

Items of Business

1. Adoption of the Agreement and Plan of Merger, dated as of April 3, 2013, by and between Sterling Bancorp and Provident New York Bancorp, pursuant to which Sterling will merge with and into Provident, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the "Sterling merger proposal");
2. Approval of the adjournment of the Sterling annual meeting, if necessary or appropriate, to solicit additional proxies in favor of the Sterling merger proposal (which we refer to as the "Sterling adjournment proposal");
3. Advisory approval of the compensation that certain executive officers of Sterling may receive in connection with the merger pursuant to existing agreements or arrangements with Sterling (which we refer to as the "Sterling merger-related compensation proposal");
4. Election of eleven (11) directors to serve until the next annual meeting of Sterling shareholders and until their successors are elected;
5. Advisory approval of the compensation of Sterling's named executive officers (which we refer to as the "Sterling 2012 say-on-pay proposal");
6. Ratify the appointment of Crowe Horwath LLP as Sterling's independent registered public accounting firm for fiscal year 2013;
7. Approval of the proposed 2013 Equity Incentive Plan (which we refer to as the "2013 Sterling Plan"); and
8. Transaction of such other business as may properly come before the annual meeting or any adjournment thereof.

Additional Information

Additional information regarding the items of business to be acted on at the annual meeting is included in the accompanying joint proxy statement/prospectus.

Record Date

The close of business on August 12, 2013 has been fixed as the record date for the meeting. Only shareholders of record at that time are entitled to notice of, and to vote at, the annual meeting.

IMPORTANT

Sterling's board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Sterling and its shareholders, and unanimously recommends that Sterling shareholders vote "FOR" the Sterling merger proposal, "FOR" the Sterling adjournment proposal, "FOR" the Sterling merger-related compensation proposal and "FOR" the other matters to be considered at the Annual Meeting.

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Your vote is very important. We cannot complete the merger unless Sterling's shareholders adopt the merger agreement.

We urge you to sign, date, and send in the enclosed proxy at your earliest convenience, or to vote via the toll-free telephone number or via the Internet as instructed on the proxy card, whether or not you expect to be present at the meeting. Sending in your proxy or voting by telephone or on the Internet will not prevent you from voting your shares personally at the meeting, since you may revoke your proxy at any time before it is voted.

The enclosed joint proxy statement/prospectus provides a detailed description of the annual meeting, the merger, the documents related to the merger and other matters to be considered at the Sterling annual meeting. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

By Order of the Board of Directors

LOUIS J. CAPPELLI

Chairman and Chief Executive Officer

August 13, 2013

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Provident and Sterling from documents filed with the Securities and Exchange Commission, or the SEC, that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Provident and/or Sterling at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus, at no cost by contacting the appropriate company at the following address:

Provident New York Bancorp
400 Rella Blvd.
Montebello, New York 10901
Attention: Donna Peterson
Telephone: (845) 369-8474

Sterling Bancorp
650 Fifth Avenue
New York, New York 10019
Attention: Investor Relations
Telephone: (212) 757-3300

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of your meeting. This means that Provident stockholders requesting documents must do so by September 19, 2013, in order to receive them before the Provident special meeting, and Sterling shareholders requesting documents must do so by September 19, 2013, in order to receive them before the Sterling annual meeting.

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated August 13, 2013, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Sterling shareholders or Provident stockholders nor the issuance by Provident of shares of Provident common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Sterling has been provided by Sterling and information contained in this document regarding Provident has been provided by Provident.

See "Where You Can Find More Information" for more details.

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QUESTIONS AND ANSWERS

The following are some questions that you may have about the merger and the Provident special meeting or the Sterling annual meeting, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the Provident special meeting or the Sterling annual meeting. Additional important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

Unless the context otherwise requires, references in this joint proxy statement/prospectus to "Provident" refer to Provident New York Bancorp, a Delaware corporation, and its affiliates, and references to "Sterling" refer to Sterling Bancorp, a New York corporation, and its affiliates.

Q: What is the merger?

A: Provident and Sterling have entered into an Agreement and Plan of Merger, dated as of April 3, 2013 (which we refer to as the "merger agreement"). The merger will create a combined financial services firm specializing in serving small-to-middle market commercial and consumer clients in the greater New York metropolitan area.

Under the merger agreement, Sterling will be merged with and into Provident, with Provident continuing as the surviving corporation. Provident's certificate of incorporation will be amended at the effective time of the merger to change its name to "Sterling Bancorp" and increase the number of authorized shares of Provident common stock. Immediately following the completion of the merger, Provident's wholly owned bank subsidiary, Provident Bank, will convert into a national bank, and Sterling National Bank, a wholly owned bank subsidiary of Sterling, will merge with and into Provident Bank (which we refer to as the "bank merger"). Provident Bank will be the surviving association in the bank merger and will change its name to "Sterling National Bank". A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

The merger cannot be completed unless, among other things, both Provident stockholders and Sterling shareholders approve their respective proposals to adopt the merger agreement.

Q: Why am I receiving this joint proxy statement/prospectus?

A: We are delivering this document to you because it is a joint proxy statement being used by both the Provident and Sterling boards of directors to solicit proxies of their respective shareholders in connection with approval of the merger and related matters.

In order to approve the merger and related matters, Provident has called a special meeting of its stockholders (which we refer to as the "Provident special meeting"). This document serves as proxy statement for the Provident special meeting and describes the proposals to be presented at the Provident special meeting.

Upon the announcement of the merger, Sterling made the decision to postpone its annual meeting to a later date and to combine the annual meeting with the meeting necessary to approve the merger. This is intended to reduce costs and create efficiencies by only having one meeting, where both the merger and the customary annual meeting matters will be presented.

Accordingly, at the Sterling annual meeting (which we refer to as the "Sterling annual meeting") in addition to the merger-related proposals described in this document, Sterling shareholders will be asked to, among other items, elect directors and ratify the accountants. Sterling shareholders will also have a say on pay vote on compensation of Sterling's named executive officers and be asked to approve a new stock incentive plan. Although Sterling and Provident expect the merger to

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close in the fourth calendar quarter of 2013, Sterling is presenting the annual meeting proposals for the period prior to the closing of the merger, or if the merger does not close, until the next annual meeting of Sterling shareholders.

Finally, this document is also a prospectus that is being delivered to Sterling shareholders because Provident is offering shares of its common stock to Sterling shareholders in connection with the merger.

This joint proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the meetings. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without attending your meeting. Your vote is important. We encourage you to submit your proxy as soon as possible.

Q:

In addition to the merger proposal, what else are Provident stockholders being asked to vote on?

A:

In addition to the merger proposal, Provident is soliciting proxies from its stockholders with respect to three additional proposals; completion of the merger is not conditioned upon approval of these proposals:

a proposal to adjourn the Provident special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Provident merger proposal;

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Provident may receive in connection with the merger pursuant to existing agreements or arrangements with Provident; and

a proposal to approve an amendment to the Provident 2012 Stock Incentive Plan including for purposes of Section 162(m) of the Code.

Q:

In addition to the merger proposal, what else are Sterling shareholders being asked to vote on?

A:

In addition to the merger proposal, Sterling is soliciting proxies from its shareholders with respect to six additional proposals; completion of the merger is not conditioned upon approval of these proposals:

a proposal to adjourn the Sterling annual meeting, if necessary or appropriate, to solicit additional proxies in favor of the Sterling merger proposal (which we refer to as the "Sterling adjournment proposal");

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Sterling may receive in connection with the merger pursuant to agreements or arrangements with Sterling (which we refer to as the "Sterling merger-related compensation proposal" and together with the Sterling merger proposal and the Sterling adjournment proposal, the "Sterling merger-related proposals");

a proposal to elect eleven (11) directors to serve on the board of directors of Sterling until the next meeting of shareholders and until their successors are elected;

a proposal to approve, on an advisory (non-binding) basis, the compensation of Sterling's named executive officers (which we refer to as the "Sterling 2012 say-on-pay proposal");

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a proposal to ratify the appointment of Crowe Horwath LLP as Sterling's independent registered accounting firm for calendar year 2013; and

a proposal to approve the proposed 2013 Sterling Plan (we refer to the last four proposals as the "Sterling annual meeting proposals").

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Q: What will Sterling shareholders receive in the merger?

A: If the merger is completed, Sterling shareholders will receive 1.2625 shares of Provident common stock, which we refer to as the "exchange ratio", for each share of Sterling common stock held immediately prior to the merger. Provident will not issue any fractional shares of Provident common stock in the merger. Sterling shareholders who would otherwise be entitled to a fractional share of Provident common stock upon the completion of the merger will instead receive an amount in cash based on the average closing-sale price per share of Provident common stock for the 5 trading days immediately preceding (but not including) the day on which the merger is completed (which we refer to as the "Provident closing share value").

Q: What will Provident stockholders receive in the merger?

A: If the merger is completed, Provident stockholders will not receive any merger consideration and will continue to hold the shares of Provident common stock that they currently hold. Following the merger, shares of Provident common stock will continue to be traded on the New York Stock Exchange but, because the name of the surviving corporation will be Sterling Bancorp, Provident expects to change its symbol to "STL".

Q: How will the merger affect Sterling equity awards?

A: The Sterling equity awards will be affected as follows:

Restricted Stock: Each award in respect of Sterling common stock subject to vesting, repurchase or other lapse restriction will be converted into a restricted stock award in respect of the number of shares of Provident common stock equal to the product of the number of shares of Sterling common stock subject to the Sterling restricted stock award and the exchange ratio, on the same terms and conditions as were applicable prior to the merger (taking into account any acceleration or vesting by reason of the consummation of the merger and its related transactions).

Stock Options: Each outstanding option to purchase shares of Sterling common stock will be converted into an option to purchase Provident common stock on the same terms and conditions as were applicable prior to the merger (taking into account any acceleration or vesting by reason of the consummation of the merger and its related transactions), except that (i) the number of shares of Provident common stock subject to the new option will be equal to the product of the number of shares of Sterling common stock subject to the existing option and the exchange ratio (rounding fractional shares down to the nearest whole share), and (ii) the exercise price per share of Provident common stock under the new option will be equal to the exercise price per share of Sterling common stock of the existing option divided by the exchange ratio (rounded up to the nearest whole cent).

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: Although the number of shares of Provident common stock that Sterling shareholders will receive is fixed, the value of the merger consideration will fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value for Provident common stock. Any fluctuation in the market price of Provident common stock after the date of this joint proxy statement/prospectus will change the value of the shares of Provident common stock that Sterling shareholders will receive.

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Q: How does Provident's board of directors recommend that I vote at the special meeting?

A: Provident's board of directors unanimously recommends that you vote "FOR" the Provident merger proposal, "FOR" the Provident adjournment proposal, "FOR" the Provident compensation proposal and "FOR" the Provident stock plan amendment proposal.

Q: How does Sterling's board of directors recommend that I vote at the annual meeting?

A: Sterling's board of directors unanimously recommends that you vote "FOR" the Sterling merger proposal, "FOR" the Sterling adjournment proposal, "FOR" the Sterling merger-related compensation proposal, "FOR" the election of eleven directors, "FOR" the Sterling 2012 say-on-pay proposal, "FOR" the ratification of Crowe Horwath LLP and "FOR" the approval of the proposed 2013 Sterling Plan.

Q: When and where are the meetings?

A: The Provident special meeting will be held at the Crowne Plaza Hotel, 3 Executive Boulevard, Suffern, New York 10901 on September 26, 2013, at 11:00 A.M. local time.

The Sterling annual meeting will be held at 3 West 51st Street, New York, New York 10019 on September 26, 2013, at 10:00 A.M. local time.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the special meeting or annual meeting, as applicable. If you hold your shares in your name as a stockholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Alternatively, you may vote through the internet or by telephone. Information and applicable deadlines for voting through the internet or by telephone are set forth in the enclosed proxy card instructions. If you hold your shares in "street name" through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. "Street name" stockholders who wish to vote in person at the special meeting or annual meeting will need to obtain a legal proxy from the institution that holds their shares.

Q: What constitutes a quorum for the Provident special meeting?

A: The presence at the Provident special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Provident common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. Abstentions will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q: What constitutes a quorum for the Sterling annual meeting?

A: The presence at the Sterling annual meeting, in person or by proxy, of holders of a majority of the outstanding shares of Sterling common stock entitled to vote at the annual meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

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Q: **What is the vote required to approve each proposal?**

A: *Provident merger proposal:*

Standard: Approval of the Provident merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of Provident common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you fail to vote, mark "ABSTAIN" on your proxy or fail to instruct your bank or broker with respect to the Provident merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Provident stock plan amendment proposal:

Standard: The Provident stock plan amendment proposal will be approved if a majority of the votes cast at the Provident special meeting are voted in favor of such proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card with respect to the Provident stock plan amendment proposal, it will have the same effect as a vote "AGAINST" the proposal. If you fail to submit a proxy card or vote in person at the Provident special meeting or fail to instruct your bank or broker how to vote with respect to the Provident stock plan amendment proposal, it will have no effect on such proposal.

Provident adjournment proposal and Provident compensation proposal:

Standard: The Provident adjournment proposal and the Provident compensation proposal will each be approved if a majority of the votes cast at the Provident special meeting are voted in favor of such proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Provident special meeting or fail to instruct your bank or broker how to vote with respect to the Provident adjournment proposal or the Provident compensation proposal, it will have no effect on such proposals.

Q: **What is the vote required to approve each proposal at the Sterling annual meeting?**

Sterling merger proposal:

Standard: The affirmative vote of two-thirds of the outstanding shares of Sterling common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Sterling adjournment proposal and Sterling merger-related compensation proposal:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on such proposals.

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Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling adjournment proposal or the Sterling merger-related compensation proposal, it will have no effect on such proposals.

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Election of Sterling directors:

Standard: A plurality of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the proposal to elect the eleven directors, it will have no effect on such proposal.

Sterling 2012 say-on-pay proposal:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on such proposals.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling 2012 say-on-pay proposal, it will have no effect on such proposals.

Ratification of the appointment of Crowe Horwath LLP:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card or fail to submit a proxy card or vote in person at the Sterling annual meeting with respect to the proposal, it will have no effect on such proposal. Pursuant to NYSE rules, brokers that have not received voting instructions from their customers 10 days before the meeting date may vote their customers' shares in the brokers' discretion for the ratification of the appointment of Crowe Horwath LLP. This is known as broker-discretionary voting.

Approval of the 2013 Sterling Plan:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy with respect to the 2013 Sterling Plan, it will have the same effect as a vote "AGAINST" the proposal. If you fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the 2013 Sterling Plan, it will have no effect on such proposal.

Q:

What impact will my vote have on the amounts that certain executive officers of Provident may receive in connection with the merger?

A:

Certain of Provident's executive officers are entitled, pursuant to the terms of certain compensation arrangements with Provident, to receive certain payments in connection with the merger. If the merger is completed, Provident is contractually obligated to make these payments to these executives under certain circumstances. Accordingly, even if the Provident stockholders vote not to approve these payments, the compensation will be payable, subject to the terms and conditions of the arrangements. Provident is seeking your approval of these payments, on an advisory (non-binding) basis, in order to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and related SEC rules.

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Q: What impact will my vote have on the amounts that certain executive officers of Sterling may receive in connection with the merger?

A: Certain of Sterling's executive officers are entitled, pursuant to the terms of their compensation arrangements, to receive certain payments in connection with the merger. If the merger is completed, Sterling is contractually obligated to make these payments to these executives under certain circumstances. Accordingly, even if the Sterling shareholders vote not to approve these payments, the compensation will be payable, subject to the terms and conditions of the arrangements. Sterling is seeking your approval of these payments, on an advisory (non-binding) basis, in order to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and related SEC rules.

Q: Why is my vote important?

A: If you do not vote, it will be more difficult for Provident or Sterling to obtain the necessary quorum to hold their special or annual meeting, as applicable. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote "AGAINST" adoption of the merger agreement. The merger agreement must be adopted by the affirmative vote of at least a majority of the outstanding shares of Provident common stock entitled to vote on the merger agreement and by the affirmative vote of at least two-thirds of the outstanding shares of Sterling common stock entitled to vote on the merger agreement. The Provident board of directors and the Sterling board of directors unanimously recommend that you vote "FOR" the Provident merger proposal and the Sterling merger proposal, respectively.

Q: If my shares of common stock are held in "street name" by my bank or broker, will my bank or broker automatically vote my shares for me?

Provident stockholders: No. Your bank or broker cannot vote your shares without instructions from you. You should instruct your bank or broker how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

Sterling shareholders: No, with one exception: your bank or broker cannot vote your shares without instructions from you except with respect to the ratification of Crowe Horwath LLP. You should instruct your bank or broker how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

Q: How do I vote if I own shares through the Provident Employee Stock Ownership Plan or Provident 401(k) Plan?

A: If you are a participant in the Provident Employee Stock Ownership Plan (which we refer to as the "Provident ESOP") or hold common stock through the Provident Bank 401(k) Plan (which we refer to as the "Provident 401(k) Plan"), you will receive information about how to vote confidentially. Under the terms of the Provident ESOP and the Provident 401(k) Plan, all shares held by the plans are voted by the respective trustees, but each participant in either plan may direct the trustees on how to vote the shares of common stock allocated to his or her account. Unallocated shares and allocated shares for which no timely voting instructions are received will be voted by each trustee on each proposal in the same proportion as shares for which it has received timely voting instructions. The deadline for returning your voting instruction forms is 5:00 P.M. Eastern Time on September 20, 2013.

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Q: How do I vote if I own shares through the Sterling 401(k) Plan?

A: Sterling National Bank, as the trustee of the Fund established under the Sterling 401(k) Plan, holds in trust shares of common stock of Sterling Bancorp. Pursuant to the Sterling 401(k) Plan, the trustee votes the shares allocated to participants in accordance with their instructions. The trustee also votes the combined fractional shares allocated to all participants' accounts, to the extent possible, to reflect the direction of the participants. When no voting instructions have been received, the trustee will vote the shares allocated to your account in the same proportion as the shares for which the trustee received voting instructions.

Q: Can I attend the meeting and vote my shares in person?

A: Yes. All stockholders of Provident and Sterling, including stockholders of record and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend their respective meetings. Holders of record of Provident and Sterling common stock can vote in person at the Provident special meeting and Sterling annual meeting, respectively. If you are not a stockholder of record, you must obtain a proxy card, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the meetings. If you plan to attend your meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Provident and Sterling reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Provident special meeting or Sterling annual meeting is prohibited without Provident's or Sterling's express written consent, respectively.

Q: Can I change my vote?

A: *Provident stockholders:* Yes. If you are a holder of record of Provident common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Provident's corporate secretary, (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting, or (4) voting by telephone or the internet at a later time. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Provident after the vote will not affect the vote. Provident's corporate secretary's mailing address is: Corporate Secretary, Provident New York Bancorp, 400 Rella Blvd., Montebello, New York 10901. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

Sterling shareholders: Yes. If you are a holder of record of Sterling common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Sterling's corporate secretary, (3) attending the annual meeting in person, notifying the corporate secretary and voting by ballot at the annual meeting, or (4) voting by telephone or the internet at a later time. Attendance at the annual meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by Sterling after the vote will not affect the vote. Sterling's corporate secretary's mailing address is: Corporate Secretary, Sterling Bancorp, 650 Fifth Avenue, New York, New York 10019. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

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Q: Will Provident be required to submit the proposal to adopt the merger agreement to its stockholders even if Provident's board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the Provident special meeting, Provident is required to submit the proposal to adopt the merger agreement to its stockholders even if Provident's board of directors has withdrawn or modified its recommendation.

Q: Will Sterling be required to submit the proposal to adopt the merger agreement to its shareholders even if Sterling's board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the Sterling annual meeting, Sterling is required to submit the proposal to adopt the merger agreement to its shareholders even if Sterling's board of directors has withdrawn or modified its recommendation.

Q: What are the U.S. federal income tax consequences of the merger to Sterling shareholders?

A: The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and holders of Sterling common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Sterling common stock for shares of Provident common stock in the merger, except with respect to any cash received instead of fractional shares of Provident common stock.

For further information, see "Material U.S. Federal Income Tax Consequences of the Merger."

The U.S. federal income tax consequences described above may not apply to all holders of Sterling common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q: Are Sterling shareholders entitled to dissenters' rights?

A: No, Sterling shareholders are not expected to be entitled to dissenters' rights. For further information, see "The Merger Dissenters' Rights in the Merger."

Q: If I am a Sterling shareholder, should I send in my Sterling stock certificates now?

A: No. Please do not send in your Sterling stock certificates with your proxy. After the merger, an exchange agent will send you instructions for exchanging Sterling stock certificates for the merger consideration. See "The Merger Agreement Conversion of Shares; Exchange of Certificates."

Q: What should I do if I hold my shares of Sterling common stock in book-entry form?

A: You are not required to take any special additional actions if your shares of Sterling common stock are held in book-entry form. After the completion of the merger, shares of Sterling common stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of Provident common stock in book-entry form and any cash to be paid in exchange for fractional shares in the merger.

Q: Whom may I contact if I cannot locate my Sterling stock certificate(s)?

A:

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If you are unable to locate your original Sterling stock certificate(s), you should contact Computershare, Sterling's transfer agent, at (800) 359-8248.

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Q: What should I do if I receive more than one set of voting materials?

A: Provident stockholders and Sterling shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of Provident and/or Sterling common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Provident common stock or Sterling common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both Provident common stock and Sterling common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of Provident common stock and/or Sterling common stock that you own.

Q: When do you expect to complete the merger?

A: Provident and Sterling expect to complete the merger in the fourth calendar quarter of 2013. However, neither Provident nor Sterling can assure you of when or if the merger will be completed. Provident and Sterling must first obtain the approval of Provident stockholders and Sterling shareholders for the merger, as well as obtain necessary regulatory approvals and satisfy certain other closing conditions.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of Sterling common stock will not receive any consideration for their shares in connection with the merger. Instead, Sterling will remain an independent public company and its common stock will continue to be listed and traded on the New York Stock Exchange. In addition, if the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by either Provident or Sterling. See "The Merger Agreement Termination Fee" beginning on page 145 for a complete discussion of the circumstances under which termination fees will be required to be paid.

Q: Whom should I call with questions?

A: *Provident stockholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Provident common stock, please contact Donna Peterson ((845) 369-8474), or Provident's proxy solicitor, Eagle Rock Proxy Advisors, at 12 Commerce Drive, Cranford, New Jersey 07016, or toll-free at (855) 253-1574.

Sterling shareholders: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Sterling common stock, please contact Sterling's proxy solicitor, Georgeson Inc., at the following address or phone number: 480 Washington Blvd., 26th Floor, Jersey City, New Jersey 07310 or Toll-free: (800) 509-0957; (800) 223-2064 (Banks and Brokerage Firms).

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SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. See "Where You Can Find More Information" on page 224. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

In the Merger, Sterling Common Shareholders Will Receive Shares of Provident Common Stock (page 132)

Provident and Sterling are proposing a strategic merger. If the merger is completed, Sterling common shareholders will receive 1.2625 shares of Provident common stock for each share of Sterling common stock they hold immediately prior to the merger. Provident will not issue any fractional shares of Provident common stock in the merger. Sterling shareholders who would otherwise be entitled to a fraction of a share of Provident common stock upon the completion of the merger will instead receive, for the fraction of a share, an amount in cash based on the Provident closing share value. *For example, if you hold 100 shares of Sterling common stock, you will receive 126 shares of Provident common stock and a cash payment instead of the 0.25 shares of Provident common stock that you otherwise would have received (100 shares × 1.2625 = 126.25 shares).*

Provident common stock is listed on the New York Stock Exchange under the symbol "PBNY", and Sterling common stock is listed on the New York Stock Exchange under the symbol "STL". The following table shows the closing sale prices of Provident common stock and Sterling common stock as reported on the New York Stock Exchange on April 3, 2013, the last full trading day before the public announcement of the merger agreement, and on August 12, 2013, the last practicable trading day before the date of this joint proxy statement/prospectus. This table also shows the implied value of the merger consideration payable for each share of Sterling common stock, which we calculated by multiplying the closing price of Provident common stock on those dates by the exchange ratio of 1.2625.

	Provident Common Stock	Sterling Common Stock	Implied Value of One Share of Sterling Common Stock
April 3, 2013	\$ 8.81	\$ 10.00	\$ 11.12
August 12, 2013	\$ 11.22	\$ 14.00	\$ 14.17

The merger agreement governs the merger. The merger agreement is included in this joint proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this joint proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.

Provident's Board of Directors Unanimously Recommends that Provident Stockholders Vote "FOR" the Adoption of the Merger Agreement and the Other Proposals Presented at the Provident Special Meeting (page 104)

Provident's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Provident and its stockholders and has unanimously approved the merger agreement. Provident's board of directors unanimously recommends that Provident stockholders vote "FOR" the adoption of the merger agreement and "FOR" the other proposals presented at the Provident special meeting. For the factors considered by Provident's board of directors in reaching its decision to approve the merger agreement, see "The Merger Provident's Reasons for the Merger; Recommendation of Provident's Board of Directors."

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Sterling's Board of Directors Unanimously Recommends that Sterling Shareholders Vote "FOR" the Adoption of the Merger Agreement and the Other Proposals Presented at the Sterling Annual Meeting (page 83)

Sterling's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Sterling and its shareholders and has unanimously approved the merger agreement. Sterling's board of directors unanimously recommends that Sterling shareholders vote "FOR" the adoption of the merger agreement and "FOR" the other proposals presented at the Sterling annual meeting. For the factors considered by Sterling's board of directors in reaching its decision to approve the merger agreement, see "The Merger Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors".

Opinion of Sterling's Financial Advisors (pages 86 and 93 and Annexes B and C)

Opinion of J.P. Morgan

In connection with its consideration of the merger, on April 3, 2013, the Sterling board of directors received from J.P. Morgan Securities LLC, one of Sterling's financial advisors (which we refer to as "J.P. Morgan"), its oral opinion, which opinion was confirmed by delivery of a written opinion, dated April 3, 2013, to the effect that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth in its opinion, the exchange ratio in the merger was fair, from a financial point of view, to the holders of Sterling common stock. The full text of J.P. Morgan's written opinion is attached as Annex B to this joint proxy statement/prospectus. You should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in rendering its opinion. **J.P. Morgan's written opinion is addressed to the Sterling board of directors, is directed only to the exchange ratio in the merger and does not constitute a recommendation to any Sterling shareholder as to how such shareholder should vote with respect to the merger or any other matter.**

Opinion of KBW

In deciding to approve the merger, Sterling's board considered the opinion of Keefe, Bruyette & Woods, Inc. (which we refer to as "KBW"). KBW, which served as financial advisor to Sterling's board, delivered its opinion dated April 3, 2013 that the exchange ratio in the proposed merger with Provident was fair, from a financial point of view, to the shareholders of Sterling. KBW's written opinion to the Sterling board is attached as Annex C to this document. You should read the opinion carefully to understand the procedures followed, assumptions made, matters considered, qualifications and limitations on the review conducted by KBW. **KBW's opinion is directed to the Sterling board and addresses only the fairness, from a financial point of view, of the exchange ratio to the holders of Sterling common stock. It does not constitute a recommendation to any Sterling shareholder as to how the shareholder should vote at the Sterling annual meeting on the merger or any related matter.**

For further information, see "The Merger Opinion of J.P. Morgan" and "The Merger Opinion of Keefe, Bruyette & Woods".

Opinion of Provident's Financial Advisors (pages 105 and 112 and Annexes D and E)

Opinion of BofA Merrill Lynch

In connection with the merger, Merrill Lynch, Pierce, Fenner & Smith Incorporated (which we refer to as "BofA Merrill Lynch"), Provident's financial advisor, delivered to Provident's board of directors a written opinion, dated April 3, 2013, as to the fairness to Provident, from a financial point of view and as of the date of the opinion, of the exchange ratio provided for in the merger. The full text of the written opinion, dated April 3, 2013, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex D to this joint proxy statement/prospectus and is incorporated by

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reference herein in its entirety. **BofA Merrill Lynch provided its opinion to Provident's board of directors (in its capacity as such) for the benefit and use of Provident's board of directors in connection with and for purposes of its evaluation of the exchange ratio provided for in the merger from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the merger and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to Provident or in which Provident might engage or as to the underlying business decision of Provident to proceed with or effect the merger. BofA Merrill Lynch's opinion does not address any other aspect of the merger and does not constitute a recommendation to any shareholder or stockholder as to how to vote or act in connection with the proposed merger or any related matter.**

Opinion of Credit Suisse

In connection with the merger, Provident's financial advisor, Credit Suisse Securities (USA) LLC (which we refer to as "Credit Suisse"), delivered an opinion, dated April 3, 2013, to the Provident board of directors as to the fairness, from a financial point of view and as of the date of such opinion, to Provident of the exchange ratio provided for in the merger. The full text of Credit Suisse's written opinion is attached to this joint proxy statement/prospectus as Annex E and sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken.

Credit Suisse's opinion was provided to the Provident board of directors (in its capacity as such) in connection with its evaluation of the exchange ratio provided for in the merger and did not address any other aspect of the proposed merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to Provident or the underlying business decision of Provident to proceed with the merger. The opinion does not constitute advice or a recommendation to any shareholder or stockholder as to how such shareholder or stockholder should vote or act on any matter relating to the proposed merger.

For further information, see "The Merger Opinion of BofA Merrill Lynch" and "The Merger Opinion of Credit Suisse".

What Holders of Sterling Stock Options and Other Equity-Based Awards Will Receive (page 133)

Stock Options. At the effective time of the merger, each outstanding option to purchase shares of Sterling common stock will be converted into an option to purchase Provident common stock on the same terms and conditions as were applicable prior to the merger (taking into account any acceleration or vesting by reason of the consummation of the merger and its related transactions), except that (i) the number of shares of Provident common stock subject to the new option will be equal to the product of the number of shares of Sterling common stock subject to the existing option and the exchange ratio (rounding fractional shares down to the nearest whole share), and (ii) the exercise price per share of Provident common stock under the new option will be equal to the exercise price per share of Sterling common stock of the existing option divided by the exchange ratio (rounded up to the nearest whole cent).

Restricted Stock. At the effective time of the merger, each award in respect of Sterling common stock subject to vesting, repurchase or other lapse restriction will be converted into a restricted stock award in respect of the number of shares of Provident common stock equal to the product of the number of shares of Sterling common stock subject to the Sterling restricted stock award and the exchange ratio, on the same terms and conditions as were applicable prior to the merger (taking into account any acceleration or vesting by reason of the consummation of the merger and its related transactions).

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Provident Will Hold its Special Meeting on September 26, 2013 (page 60)

The special meeting of Provident stockholders will be held on September 26, 2013, at 11:00 A.M. local time, at the Crowne Plaza Hotel, 3 Executive Boulevard, Suffern, New York 10901. At the special meeting, Provident stockholders will be asked to:

approve the Provident merger proposal;

approve the Provident adjournment proposal;

approve the Provident compensation proposal; and

approve the Provident stock plan amendment proposal.

Only holders of record at the close of business on August 12, 2013 will be entitled to vote at the special meeting. Each share of Provident common stock is entitled to one vote on each proposal to be considered at the Provident special meeting. As of the record date, there were 44,352,546 shares of Provident common stock entitled to vote at the special meeting. As of the record date, the directors and executive officers of Provident and their affiliates beneficially owned and were entitled to vote approximately 3,548,696 shares of Provident common stock representing approximately 8% of the shares of Provident common stock outstanding on that date.

To approve the Provident merger proposal, a majority of the shares of Provident common stock outstanding and entitled to vote thereon must be voted in favor of such proposal. The Provident adjournment proposal, the Provident compensation proposal and the Provident stock plan amendment proposal will each be approved if a majority of the votes cast at the Provident special meeting are voted in favor of such proposal. If you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the Provident special meeting or fail to instruct your bank or broker how to vote with respect to the Provident merger proposal, it will have the same effect as a vote "AGAINST" the proposal. If you mark "ABSTAIN" on your proxy card with respect to the Provident stock plan amendment proposal, it will have the same effect as a vote "AGAINST" the proposal. If, however, you fail to submit a proxy card or vote in person at the Provident special meeting or fail to instruct your bank or broker how to vote with respect to the Provident stock plan amendment proposal, it will have no effect on such proposal. If you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the Provident special meeting or fail to instruct your bank or broker how to vote with respect to the Provident adjournment proposal or the Provident compensation proposal, it will have no effect on the proposal.

Sterling Will Hold its Annual Meeting on September 26, 2013 (page 53)

The annual meeting of Sterling shareholders will be held on September 26, 2013, at 10:00 A.M. local time, at 3 West 51st Street, New York, New York 10019. At the annual meeting, Sterling shareholders will be asked to:

approve the Sterling merger proposal;

approve the Sterling adjournment proposal;

approve the Sterling merger-related compensation proposal;

elect eleven (11) directors to serve until the next meeting of shareholders and until their successors are elected (or if earlier, the consummation of the merger);

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approve the Sterling 2012 say-on-pay proposal;

ratify the appointment of Crowe Horwath LLP; and

approve the proposed 2013 Sterling Plan.

Only holders of record at the close of business on August 12 will be entitled to vote at the annual meeting. Each share of Sterling common stock is entitled to one vote on each proposal to be

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considered at the Sterling annual meeting. As of the record date, there were 30,954,105 shares of Sterling common stock entitled to vote at the annual meeting. As of the record date, the directors and executive officers of Sterling and their affiliates beneficially owned and were entitled to vote approximately 1,888,775 shares of Sterling common stock representing approximately 6.10% of the shares of Sterling common stock outstanding on that date.

Required Vote; Treatment of Abstentions and Failure to Vote

Sterling merger proposal:

Standard: The affirmative vote of two-thirds of the outstanding shares of Sterling common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Sterling adjournment proposal and Sterling merger-related compensation proposal:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on such proposals.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling adjournment proposal or the Sterling merger-related compensation proposal, it will have no effect on such proposals.

Election of Sterling directors:

Standard: A plurality of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the proposal to elect the eleven directors, it will have no effect on such proposal.

Sterling 2012 say-on-pay proposal:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on such proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling 2012 say-on-pay proposal, it will have no effect on such proposal.

Ratification of the appointment of Crowe Horwath LLP:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

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Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card or fail to submit a proxy card or vote in person at the Sterling annual meeting with respect to the proposal, it will have no effect on such proposal. Pursuant to NYSE rules, brokers that have not received voting instructions from their customers 10 days before the meeting date may vote their

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customers' shares in the brokers' discretion for the ratification of the appointment of Crowe Horwath LLP. This is known as broker-discretionary voting.

Approval of the 2013 Sterling Plan:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy with respect to the 2013 Sterling Plan, it will have the same effect as a vote "AGAINST" the proposal. If you fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the 2013 Sterling Plan, it will have no effect on such proposal.

The Merger Will Be Tax-Free to Holders of Sterling Common Stock as to the Shares of Provident Common Stock They Receive (page 148)

The merger will be treated as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to the respective obligations of each of Provident and Sterling to complete the merger that it receives a legal opinion to that effect. Subject to the limitations and qualifications described in "Material U.S. Federal Income Tax Consequences of the Merger," the merger generally will be tax-free to a holder of Sterling common stock for U.S. federal income tax purposes as to the shares of Provident common stock he or she receives in the merger, except for any gain or loss that may result from the receipt of cash instead of fractional shares of Provident common stock that such holder of Sterling common stock would otherwise be entitled to receive.

For further information, see "Material U.S. Federal Income Tax Consequences of the Merger."

The U.S. federal income tax consequences described above may not apply to all holders of Sterling common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Provident's Officers and Directors Have Financial Interests in the Merger that Differ from Your Interests (page 118)

Provident stockholders should be aware that some of Provident's executive officers (one of whom is also a director) have interests in the merger and have arrangements that are different from, or in addition to, those of Provident stockholders generally. Provident's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that Provident stockholders vote in favor of adopting the merger agreement.

These interests include the following:

Provident has entered into an amendment to the employment agreement with Jack Kopnisky, which will be effective upon and subject to the occurrence of the effective time of the merger.

Provident has entered into a retention award letter with Daniel Rothstein, which will entitle him to a payment of \$289,900 upon the completion of the merger, subject to his continued employment with Provident through such completion.

For a more complete description of these interests, see "The Merger Interests of Provident's Directors and Executive Officers in the Merger".

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Sterling's Officers and Directors Have Financial Interests in the Merger that Differ from Your Interests (page 119)

Sterling shareholders should be aware that some of Sterling's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Sterling shareholders generally. Sterling's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that Sterling shareholders vote in favor of adopting the merger agreement.

These interests include the following:

The terms of the restricted stock and stock option awards held by Sterling directors and officers provide for accelerated vesting of the awards upon a change in control such as the merger. The value of the acceleration of equity awards to Sterling's executive officers in the aggregate would be \$312,458 and to Sterling's non-employee directors in the aggregate would be \$223,800, based on a per share price of Sterling common stock of \$11.19, the average closing price per share over the first five business days following announcement of the merger agreement.

Sterling previously entered into an employment agreement, a change of control severance agreement or a change of control severance and retention agreement with several of its officers, which entitle each of them to certain payments and benefits upon a termination in connection with a change in control such as the merger. In connection with the merger, Louis J. Cappelli, John C. Millman, John W. Tietjen and Howard M. Applebaum entered into agreements with Provident that, upon the closing of the merger, will supersede the Sterling agreements and provide certain retention and/or severance benefits to such individuals. The agreements with Provident provide for an initial payment from Provident in satisfaction of any obligations owed to the officer under his existing Sterling arrangement, which would equal \$5,000,000 for Mr. Cappelli, \$3,600,000 for Mr. Millman, \$800,000 for Mr. Tietjen and \$675,000 for Mr. Applebaum. Additionally, the agreement with Mr. Millman provides for health benefits for two years following the closing of the merger with a value equal to \$24,360 and the agreement with Mr. Applebaum provides an incremental value to the Sterling SERP equal to \$327,000. The Sterling agreement with Mr. Robinson provides for severance on certain qualifying terminations equal to \$317,433.

Six current Sterling directors, including Messrs. Cappelli and Millman, will serve on the board of the combined company.

For a more complete description of these interests, see "The Merger Interests of Sterling's Directors and Executive Officers in the Merger."

Sterling Shareholders Are NOT Expected To Be Entitled To Assert Dissenters' Rights (page 128)

Under the New York Business Corporation Law (which we refer to as the "NYBCL"), which is the law under which Sterling is incorporated, the holders of Sterling common stock will not be entitled to any appraisal rights or dissenters' rights in connection with the merger if, on the record date for the Sterling annual meeting, their shares are listed on a national securities exchange. Sterling common stock is currently listed on the New York Stock Exchange, a national securities exchange, and is expected to continue to be so listed on the record date for the Sterling annual meeting. For more information, see "The Merger Dissenters' Rights in the Merger."

Conditions that Must Be Satisfied or Waived for the Merger To Occur (page 143)

Currently, Sterling and Provident expect to complete the merger in the fourth calendar quarter of 2013. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally

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permissible, waived. These conditions include (1) adoption of the merger agreement by Sterling's shareholders and by Provident's stockholders, (2) authorization for listing on the New York Stock Exchange of the shares of Provident common stock to be issued in the merger, (3) the receipt of required regulatory approvals, including the approval of the Board of Governors of the Federal Reserve System (which we refer to as the "Federal Reserve Board") and the Office of the Comptroller of the Currency, (4) effectiveness of the registration statement of which this joint proxy statement/prospectus is a part, (5) the absence of any order, injunction or other legal restraint preventing the completion of the merger or making the completion of the merger illegal, (6) subject to the materiality standards provided in the merger agreement, the accuracy of the representations and warranties of Provident and Sterling, (7) performance in all material respects by each of Provident and Sterling of its obligations under the merger agreement and (8) receipt by each of Provident and Sterling of an opinion from its counsel as to certain tax matters.

Neither Sterling nor Provident can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination of the Merger Agreement (page 144)

The merger agreement can be terminated at any time prior to completion of the merger in the following circumstances:

by mutual consent of Provident and Sterling, if the board of directors of each so determines by a vote of a majority of the members of its entire board;

by either the board of directors of Provident or the board of directors of Sterling if any governmental entity that must grant a requisite regulatory approval has denied approval of the merger and such denial has become final and nonappealable or any governmental entity of competent jurisdiction has issued a final nonappealable order permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by the merger agreement, unless the failure to obtain a requisite regulatory approval is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;

by either the board of directors of Provident or the board of directors of Sterling if the merger has not been completed on or before the first anniversary of the date of the merger agreement (which we refer to as the "termination date"), unless the failure of the merger to be completed by such date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;

by either the board of directors of Provident or the board of directors of Sterling (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement) if there is a breach of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of the other party which either individually or in the aggregate would constitute, if occurring or continuing on the date the merger is completed, the failure of a closing condition of the terminating party and which is not cured within 45 days following written notice to the party committing such breach, or by its nature or timing cannot be cured during such period (or such fewer days as remain prior to the termination date);

by Sterling, if the board of directors of Provident (1) fails to recommend in this joint proxy statement/prospectus that the stockholders of Provident adopt the merger agreement, or withdraws, modifies or qualifies such recommendation in a manner adverse to Sterling, or resolves to do so, or fails to reaffirm such recommendation within two business days after Sterling requests in writing that such action be taken, or fails to recommend against acceptance of a tender offer or exchange offer for outstanding Provident common stock that has been

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publicly disclosed (other than by Sterling or an affiliate of Sterling) within ten business days after the commencement of such tender or exchange offer, (2) (A) recommends or endorses an acquisition proposal, or (B) fails to issue a press release announcing its opposition to such acquisition proposal within ten business days after an acquisition proposal is publicly announced, or (3) materially breaches certain obligations, including with respect to the non-solicitation of acquisition proposals or calling a meeting of its stockholders and recommending that they adopt the merger agreement; or

by Provident, if the board of directors of Sterling (1) fails to recommend in this joint proxy statement/prospectus that the shareholders of Sterling adopt the merger agreement, or withdraws, modifies or qualifies such recommendation in a manner adverse to Provident, or resolves to do so, or fails to reaffirm such recommendation within two business days after Provident requests in writing that such action be taken, or fails to recommend against acceptance of a tender offer or exchange offer for outstanding Sterling common stock that has been publicly disclosed (other than by Provident or an affiliate of Provident) within ten business days after the commencement of such tender or exchange offer, (2) (A) recommends or endorses an acquisition proposal, or (B) fails to issue a press release announcing its opposition to such acquisition proposal within ten business days after an acquisition proposal is publicly announced, or (3) materially breaches certain obligations, including with respect to the non-solicitation of acquisition proposals or calling a meeting of its shareholders and recommending that they adopt the merger agreement.

Termination Fee (page 145)

If the merger agreement is terminated under certain circumstances, including circumstances involving alternative acquisition proposals and changes in the recommendation of Sterling's or Provident's respective boards of directors, Sterling or Provident may be required to pay to the other party a termination fee equal to \$13.25 million (or a portion thereof). These termination fees could discourage other companies from seeking to acquire or merge with Sterling or Provident.

Amendment to Provident's Certificate of Incorporation (page 127 and Annex F)

In connection with the merger, Provident's certificate of incorporation will be amended at the effective time of the merger to change the name of the surviving corporation to "Sterling Bancorp" and to increase the number of authorized shares of common stock from 75,000,000 to 190,000,000, which amendment we refer to as the "certificate amendment".

Amendment to Provident's Bylaws (page 127 and Annex G)

On April 3, 2013, the board of directors of Provident adopted a resolution amending Provident's bylaws, effective as of the effective time of the merger. Under the bylaw amendment, upon the completion of the merger, Jack Kopnisky, the current President and Chief Executive Officer of Provident, will serve as President and Chief Executive Officer of the combined company, and Louis J. Cappelli, the current Chairman and Chief Executive Officer of Sterling, will serve as Chairman of the board of directors of the combined company. The bylaw amendment provides that the Chairman will, when present, preside at all meetings of the stockholders of the combined company and of the board of directors, will have duties and powers commonly incident to a Chairman position, and will not, by reason of such office, be considered an executive officer of the combined company. The bylaw amendment provides that the removal of either Jack Kopnisky or Louis J. Cappelli from, or the failure to appoint or re-elect them to, their respective positions, and any amendment to or termination of Jack Kopnisky's employment agreement or Louis J. Cappelli's Service and Covenant Agreement, prior to the three year anniversary of the completion of the merger, as well as any determination not to nominate either of them as a director of the combined company prior to such three year anniversary, will require the affirmative vote of at least 75% of the full board of directors.

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The bylaw amendment also provides, among other things, that, upon the completion of the merger, the board of directors of the combined company will be comprised of thirteen directors, of which seven will be former members of the board of directors of Provident (which we refer to as the "former Provident directors"), including Jack Kopnisky, and of which six will be former members of the board of directors of Sterling (which we refer to as the "former Sterling directors"), including Louis J. Cappelli and John Millman, Sterling's current President.

Certain provisions of the bylaw amendment, including those concerning the composition of the board of directors of the combined company and the Chairman and President Chief Executive Officer positions of the combined company, require an affirmative vote of at least 75% of the full board of directors to modify, amend or repeal.

Employment and Services Agreements (pages 118 and 119)

Simultaneous with the execution of the merger agreement, Provident entered into an amendment to the employment agreement with Jack Kopnisky and employment agreements or agreements for services with certain key individuals of Sterling, including Louis J. Cappelli and John Millman, in each case, to be effective as of and subject to the occurrence of the effective time of the merger. These agreements set forth the terms and conditions of each such individual's employment or other relationship with Provident following the effective time of the merger and, when effective, supersede and replace any prior employment, retention, change of control or other similar agreement with such individual.

For more detail on the terms of these employment agreements or agreements for services, see "The Merger Interests of Provident's Directors and Officers in the Merger" and "The Merger Interests of Sterling's Directors and Officers in the Merger".

Regulatory Approvals Required for the Merger (page 129)

Subject to the terms of the merger agreement, both Sterling and Provident have agreed to use their reasonable best efforts to obtain all regulatory approvals necessary or advisable to complete the transactions contemplated by the merger agreement. These approvals include approvals from, among others, the Federal Reserve Board and the Office of the Comptroller of the Currency. Provident and Sterling have filed applications and notifications to obtain the required regulatory approvals.

Although neither Sterling nor Provident knows of any reason why it cannot obtain these regulatory approvals in a timely manner, Sterling and Provident cannot be certain when or if they will be obtained.

The Rights of Sterling Shareholders Will Change as a Result of the Merger (page 153)

The rights of Sterling shareholders will change as a result of the merger due to differences in Provident's and Sterling's governing documents and states of incorporation. The rights of Sterling shareholders are governed by New York law and by Sterling's certificate of incorporation and bylaws, each as amended to date. Upon the completion of the merger, Sterling shareholders will become stockholders of Provident, as the continuing legal entity in the merger, and the rights of Sterling shareholders will therefore be governed by Delaware law and Provident's certificate of incorporation and bylaws.

See "Comparison of Stockholders' Rights" for a description of the material differences in stockholders' rights under each of the Provident and Sterling governing documents.

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Information About the Companies (page 224)

Provident New York Bancorp

Provident New York Bancorp is a Delaware corporation that owns all of the outstanding shares of common stock of Provident Bank. At March 31, 2013, Provident had, on a consolidated basis, assets of \$3.71 billion, deposits of \$2.80 billion and stockholders' equity of \$494.7 million. Provident Bank, an independent, full-service bank founded in 1895, is headquartered in Montebello, New York and is the principal bank subsidiary of Provident. With \$3.71 billion in assets and 485 full-time equivalent employees, Provident Bank accounts for substantially all of Provident's consolidated assets and net income. Provident Bank is a growing financial services firm that specializes in the delivery of service and solutions to business owners, their families, and consumers in communities within the greater New York City area through teams of dedicated and experienced relationship managers.

Provident's stock is traded on the New York Stock Exchange under the symbol "PBNY".

Provident's principal office is located at 400 Rella Blvd., Montebello, New York 10901, and its telephone number at that location is (845) 369-8040. Additional information about Provident and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information," beginning on page 224.

Sterling Bancorp

Sterling Bancorp, a New York corporation, is a New York City-based financial corporation with assets of \$2.8 billion as of March 31, 2013. Since 1929, Sterling National Bank, Sterling's principal banking subsidiary, has served the needs of businesses, professionals and individuals in the New York metropolitan area and beyond. Sterling provides clients with a full range of depository and cash management services and a broad portfolio of financing solutions including working capital lines, accounts receivable and inventory financing, factoring, trade financing, payroll funding and processing, equipment financing, commercial and residential mortgages and mortgage warehouse lines of credit.

Sterling's stock is traded on the New York Stock Exchange under the symbol "STL".

Sterling's principal office is located at 650 Fifth Avenue, New York, New York, 10019, and its telephone number at that location is (212) 757-3300. Additional information about Sterling and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information," beginning on page 224.

Litigation Relating to the Merger (page 131)

In connection with the merger, purported Sterling shareholders have filed putative shareholder class action lawsuits against Sterling, the members of the Sterling board of directors and Provident. Among other remedies, the plaintiffs seek to enjoin the merger. The outcome of any such litigation is uncertain. If the cases are not resolved, these lawsuits could prevent or delay completion of the merger and result in substantial costs to Provident and Sterling, including any costs associated with the indemnification of directors and officers. Plaintiffs may file additional lawsuits against Provident, Sterling and/or the directors and officers of either company in connection with the merger. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect Sterling and Provident's business, financial condition, results of operations and cash flows. See "The Merger Litigation Relating to the Merger" beginning on page 131.

Risk Factors (page 46)

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors described under "Risk Factors."

Table of Contents**RECENT DEVELOPMENTS***Provident*

The following presents a summary of the results of Provident for the three and nine months ended June 30, 2013 and 2012.

	Three months ended June 30 (unaudited)		Nine months ended June 30 (unaudited)	
	2013	2012	2013	2012
Net interest income	\$ 28,317	\$ 24,082	\$ 84,059	\$ 71,225
Provision for loan losses	3,900	2,312	9,450	7,112
Net interest income after provision	24,417	21,770	74,609	64,113
Non-interest income	6,581	7,979	21,092	23,126
Non-interest expense	21,789	21,162	67,674	63,173
Income before income taxes	9,209	8,587	28,027	24,066
Provision for income taxes	2,833	2,378	8,102	6,439
Net income	\$ 6,376	\$ 6,209	\$ 19,925	\$ 17,627
Weighted average shares basic	43,801,867	37,302,693	43,766,402	37,278,507
Weighted average shares diluted	43,906,158	37,330,467	43,850,601	37,292,366
Earnings basic	\$ 0.15	\$ 0.17	\$ 0.46	\$ 0.47
Earnings diluted	0.15	0.17	0.45	0.47
Dividends Declared	0.06	0.06	0.18	0.18

Highlights as of and for the nine months ended June 30, 2013 included the following:

Net income of \$19.9 million, which represents an increase of 13.0% compared to the nine months ended June 30, 2012.

Taxable equivalent net interest margin was 3.46% for the third quarter of fiscal 2013 and 3.59% in the third quarter of fiscal 2012.

Loan origination volume of \$892.0 million for the nine months ended June 30, 2013, which represents an increase of 47.7% over the same period a year ago.

Total loans reached \$2.3 billion, representing growth of \$217.1 million, or 13.7% annualized, compared to September 30, 2012.

Commercial & industrial and commercial real estate loans increased \$247.6 million, or 23.3% annualized compared to September 30, 2012.

The allowance for loan losses to non-performing loans increased to 90.2% at June 30, 2013 from 71.0% at September 30, 2012.

Non-performing loans decreased from \$39.8 million at September 30, 2012, to \$31.5 million at June 30, 2013.

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Deposits declined \$371.9 million at June 30, 2013 compared to September 30, 2012, due to a decline in municipal deposits given elevated levels of municipal deposits at the Company's fiscal year end as a result of seasonal factors.

Return on average assets was 0.70% for the nine months ended June 30, 2013 compared to 0.76% for the nine months ended June 30, 2012.

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On July 2, 2013, Provident issued \$100 million of 5.50% Senior Notes due 2018. We anticipate approximately \$70 million of the proceeds will be contributed to Provident Bank as equity to support the activities and planned growth of the Bank on a standalone basis and a combined basis once the merger with Sterling Bancorp is completed.

Sterling

The following presents a summary of the results of Sterling for the three and six months ended June 30, 2013 and 2012.

	Three months ended June 30 (unaudited)		Six months ended June 30 (unaudited)	
	2013	2012	2013	2012
Net interest income	\$ 24,423	\$ 22,902	\$ 48,531	\$ 45,309
Provision for loan losses	1,500	2,750	3,500	5,750
Net interest income after provision	22,923	20,152	45,031	39,559
Non-interest income	9,836	10,475	20,511	20,761
Non-interest expense	25,806	23,626	50,645	46,670
Income before income taxes	6,953	7,001	14,897	13,650
Provision for income taxes	2,429	2,128	5,129	4,175
Net income	\$ 4,524	\$ 4,873	\$ 9,768	\$ 9,475
Weighted average shares basic	30,902,957	30,818,709	30,882,237	30,805,484
Weighted average shares diluted	30,902,957	30,818,709	30,882,237	30,805,484
Earnings basic	\$ 0.15	\$ 0.16	\$ 0.32	\$ 0.31
Earnings diluted	0.15	0.16	0.32	0.31
Dividends Declared	0.09	0.09	0.18	0.18

The key highlights as of and for the quarter and the six months ended June 30, 2013 included the following:

Net income of \$9.8 million, which represents an increase of 3.1% compared to the six months ended June 30, 2012.

Net interest income of \$48.5 million increased 7.1% as compared to the six months ended June 30, 2012.

Taxable equivalent net interest margin was 4.10% for the second quarter ended June 30, 2013, compared to 4.04% for the year ago period.

Loans, net of unearned discount, were \$1.8 billion, and increased more than 12% on a year-over-year basis.

Total deposits rose to \$2.2 billion, an increase of 10% from June 30, 2012.

Demand deposits increased 20% to approximately \$941 million, representing 42% of total deposits.

The ratio of non-performing assets to total assets decreased to 0.24% from 0.28% at June 30, 2012.

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Non-accrual loans were \$5.2 million and the allowance to nonaccrual loans was 433%.

Return on average assets was 0.67% and return on average equity was 7.81% for the quarter ended June 30, 2013.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PROVIDENT**

The following selected consolidated financial information for the fiscal years ended September 30, 2008 through September 30, 2012 is derived from audited financial statements of Provident. The financial information as of and for the six months ended March 31, 2013 and 2012 is derived from unaudited financial statements and, in the opinion of Provident's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates. The results of operations for the six months ended March 31, 2013 are not necessarily indicative of the results that may be expected for the entire fiscal year ending September 30, 2013. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with Provident's consolidated financial statements and related notes thereto included in Provident's Annual Report on Form 10-K for the fiscal year ended September 30, 2012, and in Provident's Quarterly Report on Form 10-Q for the six months ended March 31, 2013, which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

(Dollars in thousands, except per share data)	As of and for the six months ended March 31, (unaudited)		As of and for the year ended September 30,				
	2013	2012	2012	2011	2010	2009	2008
Selected Financial Condition Data:							
Total assets	\$ 3,710,440	\$ 3,210,871	\$ 4,022,982	\$ 3,137,402	\$ 3,021,025	\$ 3,021,893	\$ 2,984,371
Securities available for sale	945,678	852,717	1,010,872	739,844	901,012	832,583	791,688
Securities held to maturity	183,535	174,824	142,376	110,040	33,848	44,614	43,013
Loans, gross(1)	2,204,555	1,799,112	2,119,472	1,703,799	1,701,541	1,703,257	1,731,553
Deposits	2,799,658	2,368,988	3,111,151	2,296,695	2,142,702	2,082,282	1,989,197
Borrowings	367,967	313,849	345,176	323,522	363,751	430,628	566,008
Equity	494,711	439,699	491,122	431,134	430,955	427,456	399,158
Selected Operating Data:							
Interest and dividend income	\$ 65,565	\$ 56,579	\$ 115,037	\$ 112,614	\$ 119,774	\$ 131,590	\$ 148,982
Interest expense	9,823	9,436	18,573	21,324	26,440	37,720	53,642
Net interest income	55,742	47,143	96,464	91,290	93,334	93,870	95,340
Provision for loan losses	5,550	4,800	10,612	16,584	10,000	17,600	7,200
Net interest income after provision for loan losses	50,192	42,343	85,852	74,706	83,334	76,270	88,140
Non-interest income	14,511	15,147	32,152	29,951	27,201	39,953	21,042
Non-interest expense	45,885	42,011	91,957	90,111	83,170	80,187	75,500
Income before income tax expense	18,818	15,479	26,047	14,546	27,365	36,036	33,682
Income tax expense	5,269	4,061	6,159	2,807	6,873	10,175	9,904
Net income	13,549	11,418	19,888	11,739	20,492	25,861	23,778
Performance Ratios:							
Return on assets (ratio of net income to average total assets)	0.72%	0.74%	0.62%	0.40%	0.70%	0.89%	0.84%
Return on equity (ratio of net income to average equity)	5.52%	5.25%	4.45%	2.75%	4.82%	6.22%	5.88%
Net interest margin(2)	3.39%	3.56%	3.51%	3.65%	3.78%	3.81%	3.96%
Efficiency ratio(3)	63.8%	67.8%	68.3%	71.0%	69.0%	65.1%	61.2%

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(Dollars in thousands, except per share data)	As of and for the six months ended March 31, (unaudited)		As of and for the year ended September 30,				
	2013	2012	2012	2011	2010	2009	2008
Per Share Related Data:							
Basic and diluted earnings per share	\$ 0.31	\$ 0.31	\$ 0.52	\$ 0.31	\$ 0.54	\$ 0.67	\$ 0.61
Dividends per share	0.12	0.12	0.24	0.24	0.24	0.24	0.24
Book value per share(4)	11.15	11.60	11.12	11.39	11.26	10.81	10.03
Dividend payout ratio(5)	38.7%	38.7%	46.2%	77.4%	44.4%	35.8%	39.3%
Asset Quality Ratios:							
Non-performing assets to total assets(1)	0.99%	1.80%	1.15%	1.46%	1.02%	0.93%	0.57%
Non-performing loans to total loans(1)	1.42%	2.89%	1.88%	2.38%	1.58%	1.55%	0.97%
Allowance for loan losses to non-performing loans	88.1%	53.5%	71.0%	68.8%	114.9%	113.5%	136.9%
Allowance for loan losses to total loans	1.25%	1.54%	1.47%	1.64%	1.81%	1.76%	1.33%
Capital Ratios:							
Equity to total assets at end of period	13.3%	13.7%	12.2%	13.7%	14.3%	14.2%	13.4%
Tier 1 leverage ratio (Provident Bank only)	8.62%	8.32%	7.49%	8.14%	8.43%	8.64%	8.01%

- (1) Excludes loans held for sale.
- (2) The net interest margin represents net interest income as a percent of average interest-earning assets for the period. Net interest income is commonly presented on a tax-equivalent basis. This is to the extent that some component of the institution's net interest income will be exempt from taxation (*e.g.*, was received as a result of its holdings of state or municipal obligations), an amount equal to the tax benefit derived from that component is added back to the net interest income total. This adjustment is considered helpful in comparing one financial institution's net interest income (pre-tax) to that of another institution, as each will have a different proportion of tax-exempt items in their portfolios. Moreover, net interest income is itself a component of a second financial measure commonly used by financial institutions, net interest margin, which is the ratio of net interest income to average earning assets. For purposes of this measure as well, tax-equivalent net interest income is generally used by financial institutions, again to provide a better basis of comparison from institution to institution. Provident follows these practices.
- (3) The efficiency ratio represents non-interest expense divided by the sum of net interest income and non-interest income. As in the case of net interest income, generally, net interest income as utilized in calculating the efficiency ratio is typically expressed on a tax-equivalent basis. Moreover, most financial institutions, in calculating the efficiency ratio, also adjust both non-interest expense and non-interest income to exclude from these items (as calculated under generally accepted accounting principles) certain component elements, such as non-recurring charges, other real estate expense and amortization of intangibles (deducted from non-interest expense) and securities transactions and other non-recurring items (excluded from non-interest income). Provident follows these practices.
- (4) Book value per share is based on total stockholders' equity and 44,353,276; 37,899,007; 44,173,470; 37,864,008; 38,262,288; 39,547,207; and 39,815,213 outstanding common shares at March 31, 2013 and 2012, September 30, 2012, 2011, 2010, 2009 and 2008, respectively. For this purpose, common shares include unallocated employee stock ownership plan shares but exclude treasury shares.
- (5) The dividend payout ratio represents dividends per share divided by basic earnings per share.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF STERLING**

The following selected consolidated financial information for the calendar years ended December 31, 2008 through December 31, 2012 is derived from audited financial statements of Sterling. The financial information as of and for the three months ended March 31, 2013 and 2012 are derived from unaudited financial statements and, in the opinion of Sterling's management, reflects all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of this data for those dates. The results of operations for the three months ended March 31, 2013 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2013. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with Sterling's consolidated financial statements and related notes thereto included in Sterling's Annual Report on Form 10-K for the year ended December 31, 2012, and in Sterling's Quarterly Report on Form 10-Q for the three months ended March 31, 2013, which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

(Dollars in thousands except per share data)	As of and for the three months ended March 31, (unaudited)		As of and for the year ended December 31,(1)				
	2013	2012	2012	2011	2010	2009	2008
SUMMARY OF OPERATIONS							
Total interest income	\$ 26,701	\$ 25,220	\$ 104,895	\$ 99,665	\$ 100,252	\$ 107,261	\$ 119,092
Total interest expense	2,593	2,813	10,981	12,987	15,583	19,295	33,388
Net interest income	24,108	22,407	93,914	86,678	84,669	87,966	85,704
Provision for loan losses	2,000	3,000	10,250	12,000	28,500	27,900	8,325
Net securities gains	132	879	1,813	2,491	3,928	5,561	0
Other-than-temporary losses	0	0	0	0	0	0	(1,684)
Noninterest income, excluding net securities gains and other-than-temporary losses	10,543	9,407	38,960	38,407	39,899	36,407	33,361
Noninterest expenses	24,839	23,044	95,884	93,784	90,812	87,704	83,874
Income before taxes	7,944	6,649	28,553	21,792	9,184	14,330	25,182
Provision for income taxes	2,700	2,047	8,537	4,196	2,158	4,908	9,176
Net income	5,244	4,602	20,016	17,596	7,026	9,422	16,006
Dividends on preferred shares and accretion	0	0	0	2,074	2,589	2,773	102
Net income available to common shareholders	5,244	4,602	20,016	15,522	4,437	6,649	15,904
Net income available to common shareholders							
Per average common share basic	0.17	0.15	0.65	0.51	0.18	0.37	0.89
Per average common share diluted	0.17	0.15	0.65	0.51	0.18	0.37	0.88
Dividends per common share	0.09	0.09	0.36	0.36	0.36	0.56	0.76
BALANCE SHEETS							
Interest-bearing deposits with other banks	165,988	26,938	112,886	126,448	40,503	36,958	13,949
Investment securities	665,061	802,386	683,245	677,871	789,315	737,065	793,924
Loans held for sale	75,857	27,864	121,237	43,372	32,049	33,889	23,403
Loans held in portfolio, net of unearned discounts	1,680,389	1,452,675	1,649,753	1,473,309	1,314,234	1,195,415	1,184,585
Total assets	2,772,485	2,498,644	2,750,842	2,493,297	2,360,457	2,165,609	2,179,101

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(Dollars in thousands except per share data)	As of and for the three months ended March 31, (unaudited)			As of and for the year ended December 31,(1)			
	2013	2012	2012	2011	2010	2009	2008
Noninterest-bearing demand deposits	897,112	815,513	924,351	765,800	570,290	546,337	464,585
Savings, NOW and money market deposits	793,364	644,392	701,692	565,423	562,207	592,015	564,205
Time deposits	590,679	528,382	642,041	657,848	615,267	442,315	329,034
Short-term borrowings	54,812	76,492	48,295	65,798	60,894	131,854	363,404
Advances FHLB/long-term borrowings	126,668	148,142	127,039	148,507	169,947	155,774	175,774
Shareholders' equity	231,992	225,324	228,090	220,821	222,742	161,950	160,480
AVERAGE BALANCE SHEETS							
Interest-bearing deposits with other banks	90,981	77,072	58,836	93,561	31,960	36,804	5,727
Investment securities	728,907	764,266	755,399	850,997	768,184	719,485	744,169
Loans held for sale	106,865	36,701	49,358	27,954	35,354	41,225	23,286
Loans held in portfolio, net of unearned discounts	1,616,084	1,405,266	1,534,478	1,351,407	1,227,049	1,154,041	1,120,362
Total assets	2,733,412	2,460,106	2,576,815	2,508,184	2,244,569	2,114,221	2,066,628
Noninterest-bearing demand deposits	897,416	759,002	782,771	596,608	489,184	441,087	427,105
Savings, NOW and money market deposits	759,560	621,527	653,292	596,007	564,061	562,780	522,807
Time deposits	594,883	588,641	645,745	729,053	559,203	375,742	451,031
Short-term borrowings	49,305	61,826	66,874	77,143	112,207	271,075	279,840
Advances FHLB/long-term borrowings	126,793	148,266	139,067	155,332	158,351	174,981	163,479
Shareholders' equity	229,246	221,684	227,619	224,820	213,153	158,225	119,791
RATIOS							
Return on average total assets	0.78%	0.75%	0.78%	0.70%	0.31%	0.45%	0.77%
Return on average shareholders' equity	9.28	8.35	8.79	7.83	3.30	5.95	13.36
Dividend payout ratio	53.10	60.45	55.62	63.21	126.29	107.52	85.43
Average shareholders' equity to average total assets	8.39	9.01	8.83	8.96	9.50	7.48	5.80
Net interest margin (tax-equivalent basis)	4.02	4.07	4.17	4.01	4.40	4.70	4.65
Loans/assets(2)	63.35	59.25	64.38	60.83	57.03	56.77	55.44
Net charge-offs/loans(3)	0.38	0.79	0.47	0.69	2.25	1.95	0.54
Nonperforming loans/loans(2)	0.30	0.43	0.33	0.42	0.49	1.46	0.61
Allowance/loans(3)	1.34	1.38	1.35	1.36	1.39	1.66	1.35
Allowance/nonaccrual loans	430.76	313.55	377.36	315.02	274.50	110.54	218.00

- (1) Certain reclassifications have been made to prior years' financial data to conform to current financial statement presentations.
- (2) In this calculation, the term "loans" means loans held for sale and loans held in portfolio.
- (3) In this calculation, the term "loans" means loans held in portfolio.

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**ADJUSTED UNAUDITED STERLING INFORMATION
(TO ACCOUNT FOR DIFFERING FISCAL YEAR ENDS)**

Provident's fiscal year end is September 30 and Sterling's is December 31. In order to provide holders with comparable information, for purposes of the unaudited pro forma information, we have computed certain financial information for Sterling as if Sterling's year end was September 30. This information is unaudited and derived from Sterling's audited financial statements as of December 31, 2012 and its unaudited financial statements as of September 30, 2011, September 30, 2012 and March 31, 2013. Management of Provident and Sterling believe this presentation provides holders with better information given the presentation of comparable results for equal six month periods.

Unaudited Pro Forma Income Statement of Sterling for the Six Months Ended March 31, 2013

The table below contains the pro forma income statement of Sterling for the six months ended March 31, 2013. This information was derived as follows:

1. For each line item, the information for the nine months ended September 30, 2012 (from Sterling's Quarterly Report on Form 10-Q for the nine months ended September 30, 2012) was subtracted from the information for the twelve months ended December 31, 2012 (from Sterling's Annual Report on Form 10-K for the year ended December 31, 2012). This produces the information for the three months ended December 31, 2012.
2. The information for the three months ended December 31, 2012 was then added to the information for the three months ended March 31, 2013 (from Sterling's Quarterly Report on Form 10-Q for the three months ended March 31, 2013) to derive information for the six months ended March 31, 2013.

Sterling Bancorp					
Pro forma income statement for the six months ended March 31, 2013					
	Twelve months ended December 31, 2012(1)	Nine months ended September 30, 2012(2)	Three months ended December 31, 2012(3)	Three months ended March 31, 2013(4)	Six months ended March 31, 2013(5)
(Dollars in thousands except per share amounts)					
Interest income					
Loans	\$ 83,982	\$ 61,224	\$ 22,758	\$ 22,242	\$ 45,000
Investment securities	20,368	15,810	4,558	4,341	8,899
Other earning assets	545	379	166	118	284
Total interest income	104,895	77,413	27,482	26,701	54,183
Interest expense					
Deposits	6,737	5,059	1,678	1,636	3,314
Borrowings	4,244	3,253	991	957	1,948
Total interest expense	10,981	8,312	2,669	2,593	5,262
Net interest income	93,914	69,101	24,813	24,108	48,921
Provision for loan losses	10,250	7,750	2,500	2,000	4,500
Net interest income after provision	83,664	61,351	22,313	22,108	44,421
Noninterest income					
Accounts receivable management	19,131	15,184	3,947	3,475	7,422

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Mortgage banking	10,275	7,298	2,977	4,399	7,376
Service Charges	5,301	4,472	829	1,295	2,124
Securities gains, net	1,813	1,490	323	132	455
Other	4,253	3,192	1,061	1,374	2,435
Total noninterest income	40,773	31,636	9,137	10,675	19,812

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Sterling Bancorp					
Pro forma income statement for the six months ended March 31, 2013					
(Dollars in thousands except per share amounts)	Twelve months ended	Nine months ended	Three months ended	Three months ended	Six months ended
	December 31, 2012(1)	September 30, 2012(2)	December 31, 2012(3)	March 31, 2013(4)	March 31, 2013(5)
Noninterest expense					
Salaries	60,432	44,834	15,598	16,114	31,712
Occupancy and equipment	13,689	10,045	3,644	3,439	7,083
Deposit insurance	2,229	1,668	561	586	1,147
Professional fees	4,841	3,494	1,347	1,186	2,533
Other	14,693	11,474	3,219	3,514	6,733
Total noninterest expenses	95,884	71,515	24,369	24,839	49,208
Income before income taxes	28,553	21,472	7,081	7,944	15,025
Provision for income taxes	8,537	6,656	1,881	2,700	4,581
Net income	\$ 20,016	\$ 14,816	\$ 5,200	\$ 5,244	\$ 10,444
Weighted average shares basic	30,828,293	30,818,531	30,857,367	30,861,286	30,859,305
Weighted average shares diluted	30,828,293	30,818,531	30,857,367	30,861,286	30,859,305
Earnings basic	\$ 0.65	\$ 0.48	\$ 0.17	\$ 0.17	\$ 0.34
Earnings diluted	\$ 0.65	\$ 0.48	\$ 0.17	\$ 0.17	\$ 0.34
Dividends declared	\$ 0.36	\$ 0.27	\$ 0.09	\$ 0.09	\$ 0.18

- (1) From audited financial statements included in Annual Report on Form 10-K.
- (2) From unaudited financial statements included in Quarterly Report on Form 10-Q for September 30, 2012.
- (3) Represents the arithmetic difference between columns (1) and (2) with the exception of share and per share data.
- (4) From unaudited financial statements included in Quarterly Report on Form 10-Q for March 31, 2013.
- (5) Equals column (3) plus (4) with the exception of share and per share data.

Unaudited Pro Forma Income Statement of Sterling for the Twelve Months Ended September 30, 2012

The table below contains the pro forma income statement of Sterling for the twelve months ended September 30, 2012. This information was derived as follows:

- For each line item, the information for the nine months ended September 30, 2011 (from Sterling's Quarterly Report on Form 10-Q for the nine months ended September 30, 2011) was subtracted from the information for the twelve months

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ended December 31, 2011 (from Sterling's Annual Report on Form 10-K for the year ended December 31, 2011). This produces the information for the three months ended December 31, 2011.

2.

The information for the three months ended December 31, 2011 was then added to the information for the nine months ended September 30, 2012 (from Sterling's Quarterly Report on Form 10-Q for the nine months ended September 30, 2012) to derive information for the twelve months ended September 30, 2012.

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Sterling Bancorp					
Pro forma income statement for the twelve months ended September 30,					
2012					
	Twelve months ended	Nine months ended	Three months ended	Nine months ended	Twelve months ended
(Dollars in thousands except per share amounts)	December 31,	September 30,	December 31,	September 30,	September 30,
	2011(1)	2011(2)	2011(3)	2012(4)	2012(5)
Interest income					
Loans	\$ 75,251	\$ 55,006	\$ 20,245	\$ 61,224	\$ 81,469
Investment securities	23,816	18,350	5,466	15,810	21,276
Other earning assets	598	333	265	379	644
Total interest income	99,665	73,689	25,976	77,413	103,389
Interest expense					
Deposits	8,438	6,364	2,074	5,059	7,133
Borrowings	4,549	3,461	1,088	3,253	4,341
Total interest expense	12,987	9,825	3,162	8,312	11,474
Net interest income	86,678	63,864	22,814	69,101	91,915
Provision for loan losses	12,000	9,000	3,000	7,750	10,750
Net interest income after provision	74,678	54,864	19,814	61,351	81,165
Noninterest income					
Accounts receivable management	22,371	16,811	5,560	15,184	20,744
Mortgage banking	6,315	5,268	1,047	7,298	8,345
Service Charges	5,093	4,248	845	4,472	5,317
Securities gains, net	2,491	2,234	257	1,490	1,747
Other	4,628	3,562	1,066	3,192	4,258
Total noninterest income	40,898	32,123	8,775	31,636	40,411
Noninterest expense					
Salaries	57,646	43,158	14,488	44,834	59,322
Occupancy and equipment	13,248	9,857	3,391	10,045	13,436
Deposit insurance	2,747	2,204	543	1,668	2,211
Professional fees	5,219	3,448	1,771	3,494	5,265
Other	14,924	11,002	3,922	11,474	15,396
Total noninterest expenses	93,784	69,669	24,115	71,515	95,630
Income before income taxes	21,792	17,318	4,474	21,472	25,946
Provision for income taxes	4,196	5,060	(864)	6,656	5,792
Net income	17,596	12,258	5,338	14,816	20,154
Dividends on preferred shares and accretion	2,074	2,074			
Net income available to common shareholders	\$ 15,522	\$ 10,184	\$ 5,338	\$ 14,816	\$ 20,154

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Sterling Bancorp					
Pro forma income statement for the twelve months ended September 30, 2012					
	Twelve months ended	Nine months ended	Three months ended	Nine months ended	Twelve months ended
(Dollars in thousands except per share amounts)	December 31, 2011(1)	September 30, 2011(2)	December 31, 2011(3)	September 30, 2012(4)	September 30, 2012(5)
Per common share					
Weighted average shares basic	30,038,047	29,375,816	30,789,539	30,818,531	30,811,223
Weighted average shares diluted	30,038,047	29,375,816	30,789,539	30,818,531	30,811,223
Earnings basic	\$ 0.51	\$ 0.35	\$ 0.17	\$ 0.48	\$ 0.65
Earnings diluted	\$ 0.51	\$ 0.35	\$ 0.17	\$ 0.48	\$ 0.65
Dividends declared	\$ 0.36	\$ 0.27	\$ 0.09	\$ 0.27	\$ 0.36

- (1) From audited financial statements included in Annual Report on Form 10-K for 2012.
- (2) From unaudited financial statements included in Quarterly Report on Form 10-Q for September 30, 2011.
- (3) Represents the arithmetic difference between columns (1) and (2) with the exception of share and per share data.
- (4) From unaudited financial statements included in Quarterly Report on Form 10-Q for September 30, 2012.
- (5) Equals column (3) plus (4) with the exception of share and per share data.

Table of Contents**SELECTED UNAUDITED PRO FORMA FINANCIAL DATA**

The following table shows selected unaudited pro forma condensed combined financial information about the financial condition and results of operations of Provident giving effect to the merger with Sterling and the Senior Notes Offering that is discussed in Notes to Unaudited Pro Forma Condensed Combined Financial Information Note 5 Pro Forma Senior Notes Offering Adjustments. The selected unaudited pro forma condensed combined financial information assumes that the merger is accounted for under the acquisition method of accounting with Provident treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of Sterling, as of the effective date of the merger, will be recorded by Provident at their respective estimated fair values and the excess of the merger consideration over the fair value of Sterling's net assets will be allocated to goodwill.

The table sets forth the information as if the merger had become effective and the Senior Notes Offering had been consummated on March 31, 2013, with respect to financial condition data, and on October 1, 2011, with respect to the results of operations data. The selected unaudited pro forma condensed combined financial data has been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial information, including the notes thereto, which is included in this joint proxy statement/prospectus under "Unaudited Pro Forma Condensed Combined Financial Statements".

The selected unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The selected unaudited pro forma condensed combined financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors. Further, as explained in more detail in the notes accompanying the more detailed unaudited pro forma condensed combined financial information included under "Unaudited Pro Forma Condensed Combined Financial Information," the pro forma allocation of purchase price reflected in the selected unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the adjustments made in the unaudited pro forma condensed financial information, which are described in those notes, are preliminary and may be revised.

Selected Unaudited Pro Forma Financial Data

(Dollars in thousands, except per share amounts)	For the six months ended		For the year ended
	March 31, 2013		September 30, 2012
Pro Forma Condensed Consolidated Income Statement Information:			
Net interest income	\$	98,832	\$ 177,565
Provision for loan losses		10,050	21,362
Income before income taxes		26,064	37,284
Net income		19,326	31,217

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	As of March 31, 2013	
Pro Forma Condensed Consolidated Balance Sheet Information:		
Loans, net	\$	3,838,200
Total Assets		6,666,939
Deposits		5,082,393
Borrowings		589,865
Stockholders' equity		839,021

	For the six months ended March 31, 2013		For the year ended September 30, 2012	
Per Common Share:				
Earnings basic	\$	0.23	\$	0.40
Earnings diluted		0.23		0.40
Cash dividends declared per common share		0.12		0.24

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information and explanatory notes show the impact on the historical financial positions and results of operations of Provident and Sterling and have been prepared to illustrate the effects of the merger involving Provident and Sterling under the acquisition method of accounting with Provident treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of Sterling, as of the effective date of the merger, will be recorded by Provident at their respective fair values and the excess of the merger consideration over the fair value of Sterling's net assets will be allocated to goodwill. The unaudited pro forma condensed combined balance sheet as of March 31, 2013 is presented as if the merger with Sterling had occurred on March 31, 2013. The unaudited pro forma condensed combined income statements for the fiscal year ended September 30, 2012 and the six months ended March 31, 2013 are presented as if the merger had occurred on October 1, 2011. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma condensed combined financial statements also reflect the effects of the Senior Notes Offering transaction that is described in Note 5 Pro Forma Senior Notes Offering Adjustments. The offering is closely related to the merger as the primary use of proceeds is to fund a capital injection into Provident Bank to support the activities and planned growth of the Bank on a standalone basis and combined basis once the merger with Sterling is completed. This offering is expected to have a continuing impact on consolidated results of operations due to ongoing interest expense.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and may be revised. The unaudited pro forma condensed combined financial information also does not consider any potential impacts of potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

As explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (i) Sterling's balance sheet through the effective time of the merger; (ii) the aggregate value of merger consideration paid if the price of Provident's stock varies from the assumed \$8.81 per share; (iii) total merger related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The unaudited pro forma condensed combined financial information is provided for informational purposes only. The unaudited pro forma condensed combined financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial information and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma condensed combined financial statements should be read together with:

The accompanying notes to the unaudited pro forma condensed combined financial information;

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Provident's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended September 30, 2012, included in Provident's Annual Report on Form 10-K for the year ended September 30, 2012;

Sterling's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2012 included in Sterling's Annual Report on Form 10-K for the year ended December 31, 2012;

Provident's separate unaudited historical consolidated financial statements and accompanying notes as of and for the three and six months ended March 31, 2013 included in Provident's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013;

Sterling's separate unaudited historical consolidated financial statements and accompanying notes as of and for the three months ended March 31, 2013 included in Sterling's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013;

Sterling's unaudited pro forma income statement for the twelve months ended September 30, 2012 included elsewhere in this joint proxy statement/prospectus;

Sterling's unaudited pro forma income statement for the six months ended March 31, 2013 included elsewhere in this joint proxy statement/ prospectus; and

Other information pertaining to Provident and Sterling contained in or incorporated by reference into this joint proxy statement/prospectus. See "Selected Consolidated Historical Financial Data of Provident" and "Selected Consolidated Historical Financial Data of Sterling" included elsewhere in this joint proxy statement/prospectus.

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Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2013

(Dollars in thousands)	Provident Historical	Sterling Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined	Senior Notes Offering Adjustments	Notes	Pro Forma Combined with Senior Notes Offering
Assets								
Cash and cash equivalents	\$ 73,396	\$ 201,981			\$ 275,377	\$ 74,226	A	\$ 349,603
Investment securities	1,129,213	665,061	13,902	B	1,808,176			1,808,176
Federal Home Loan Bank stock, at cost	20,251	7,456			27,707			27,707
Loans held for sale	1,040	75,857			76,897			76,897
Loans, net of unearned income	2,204,555	1,680,389	(19,200)	C	3,865,744			3,865,744
Less: allowance for loan and lease losses	(27,544)	(22,520)	22,520	D	(27,544)			(27,544)
Total loans, net	2,177,011	1,657,869	(10,480)		3,838,200			3,838,200
Cash surrender value of life insurance	59,916	54,945			114,861			114,861
Properties and equipment, net	37,617	21,998	2,000	E	61,615			61,615
Accrued interest receivable	11,819	7,198			19,017			19,017
Goodwill	163,117	22,901	88,946	F	274,964			274,964
Core deposit intangible, net	6,538		20,440	G	26,978			26,978
Deferred tax asset	3,018	28,057	(15,581)	H	15,494			15,494
Foreclosed property	5,486	1,917			7,403			7,403
Other Assets	22,018	27,245	(3,239)	I	46,024			46,024
Total Assets	\$ 3,710,440	\$ 2,772,485	\$ 109,788		\$ 6,592,713	\$ 74,226		\$ 6,666,939
Liabilities								
Deposits	\$ 2,799,658	\$ 2,281,155	\$ 1,580	J	\$ 5,082,393			\$ 5,082,393
Securities sold under agreement to repurchase		33,817			33,817			33,817
FHLB Advances	347,450	100,894			448,344			448,344
Other Borrowings	20,526	20,995			41,521			41,521
Long-term debt						\$ 100,000	K	100,000
Long-term subordinated debentures		25,774			25,774	(25,774)	L	
Mortgage Escrow	17,582				17,582			17,582
Other Liabilities	30,513	77,858	(4,110)	M	104,261			104,261
Total Liabilities	3,215,729	2,540,493	(2,530)		5,753,692	74,226		5,827,918
Stockholders' equity								
Common stock	403,527	306,915	37,395	N	747,837			747,837
Unallocated stock held by ESOP	(5,389)				(5,389)			(5,389)
Treasury stock, at cost	(88,517)	(86,655)	86,655	O	(88,517)			(88,517)
Retained earnings	184,171	26,866	(26,866)	P	184,171			184,171
	919	(15,134)	15,134	Q	919			919

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Accumulated other
comprehensive income

Total stockholders' equity	494,711	231,992	112,318	839,021	839,021
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Total liabilities and stockholders' equity	\$ 3,710,440	\$ 2,772,485	\$ 109,788	\$ 6,592,713	\$ 74,226	\$ 6,666,939
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**Unaudited Pro Forma Condensed Combined Statement of Income for the Six Months Ended
March 31, 2013**

(in thousands except per share amounts)	Provident Historical	Sterling Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined	Senior Notes Offering Adjustments	Notes	Pro Forma Combined with Senior Notes Offering
Interest income								
Loans	\$ 53,449	\$ 45,000	\$ (2,918)	R	\$ 95,531			\$ 95,531
Investment securities	11,519	8,899	(1,638)	S	18,780			18,780
Other earning assets	597	284			881			881
Total interest income	65,565	54,183	(4,556)		115,192			115,192
Interest expense								
Deposits	3,721	3,314	(395)	T	6,640			6,640
Borrowings	6,102	1,948			8,050	\$ 1,670	U	9,720
Total interest expense	9,823	5,262	(395)		14,690	1,670		16,360
Net interest income	55,742	48,921	(4,161)		100,502	(1,670)		98,832
Provision for loan losses	5,550	4,500			10,050			10,050
Net interest income after provision	50,192	44,421	(4,161)		90,452	(1,670)		88,782
Noninterest income								
Accounts receivable management		7,422			7,422			7,422
Mortgage banking		7,376			7,376			7,376
Service charges	5,514	2,124			7,638			7,638
Securities gains, net	3,645	455			4,100			4,100
Other	5,352	2,435			7,787			7,787
Total noninterest income	14,511	19,812			34,323			34,323
Noninterest expense								
Salaries	25,283	31,712			56,995			56,995
Occupancy and equipment	7,764	7,083	26	V	14,873			14,873
Deposit insurance	1,471	1,147			2,618			2,618
Professional fees	2,127	2,533			4,660			4,660
Other	9,240	6,733	1,922	W	17,895			17,895
Total noninterest expenses	45,885	49,208	1,948		97,041			97,041
Income (loss) before income taxes	18,818	15,025	(6,109)		27,734	(1,670)		26,064
	5,269	4,581	(2,444)	X	7,406	(668)	Y	6,738

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Provision (benefit) for
income taxes

Net income (loss)	\$	13,549	\$	10,444	\$	(3,665)	\$	20,328	\$	(1,002)	\$	19,326
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Per Common Share

Earnings basic	\$	0.31	\$	0.34	\$	0.25	\$	0.23
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Earnings diluted	\$	0.31	\$	0.34	\$	0.25	\$	0.23
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Dividends declared per common share	\$	0.12	\$	0.18	\$	0.12	\$	0.12
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Weighted average
common shares:

Basic	43,704,163	30,859,305	82,710,669	82,710,669
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Diluted	43,790,915	30,859,305	82,789,331	82,789,331
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**Unaudited Pro Forma Condensed Combined Statement of Income for the Year Ended
September 30, 2012**

(in thousands except per share amounts)	Provident Historical	Sterling Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined	Senior Notes Offering Adjustments	Notes	Pro Forma Combined with Senior Notes Offering
Interest Income								
Loans	\$ 91,010	\$ 81,469	\$ (5,147)	R	\$ 167,332			\$ 167,332
Investment securities	23,035	21,276	(3,116)	S	41,195			41,195
Other earning assets	992	644			1,636			1,636
Total interest income	115,037	103,389	(8,263)		210,163			210,163
Interest expense								
Deposits	5,581	7,133	(790)	T	11,924			11,924
Borrowings	12,992	4,341			17,333	\$ 3,341	U	20,674
Total interest expense	18,573	11,474	(790)		29,257	3,341		32,598
Net interest income	96,464	91,915	(7,473)		180,906	(3,341)		177,565
Provision for loan losses	10,612	10,750			21,362			21,362
Net interest income after provision	85,852	81,165	(7,473)		159,544	(3,341)		156,203
Noninterest income								
Accounts receivable management		20,744			20,744			20,744
Mortgage banking		8,345			8,345			8,345
Service charges	11,377	5,317			16,694			16,694
Securities gains, net	10,452	1,747			12,199			12,199
Other	10,323	4,258			14,581			14,581
Total noninterest income	32,152	40,411			72,563			72,563
Noninterest expense								
Salaries	47,225	59,322			106,547			106,547
Occupancy and equipment	14,457	13,436	51	V	27,944			27,944
Deposit insurance		2,211			2,211			2,211
Professional fees	3,096	5,265			8,361			8,361
Other	27,179	15,396	3,844	W	46,419			46,419
Total noninterest expenses	91,957	95,630	3,895		191,482			191,482
Income (loss) before income taxes	26,047	25,946	(11,368)		40,625	(3,341)		37,284
Provision (benefit) for income taxes	6,159	5,792	(4,547)	X	7,404	(1,337)	Y	6,067

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Net income (loss)	\$	19,888	\$	20,154	\$	(6,820)	\$	33,222	\$	(2,005)	\$	31,217
Per Common Share												
Earnings basic	\$	0.52	\$	0.65			\$	0.43			\$	0.40
Earnings diluted	\$	0.52	\$	0.65			\$	0.43			\$	0.40
Dividends declared per common share	\$	0.24	\$	0.36			\$	0.24			\$	0.24
Weighted average common shares:												
Basic		38,227,653		30,811,223				77,126,823				77,126,823
Diluted		38,248,046		30,811,223				77,147,216				77,147,216

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Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1 Basis of Presentation

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting giving effect to the merger involving Provident and Sterling, with Provident as the acquiror. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position had the merger been consummated at March 31, 2013 or the results of operations had the merger been consummated at October 1, 2011, nor is it necessarily indicative of the results of operations in future periods or the future financial position of the combined entities. The merger, which is currently expected to be completed in the fourth calendar quarter of 2013, provides for the issuance of 39,081,692 shares of Provident common based on the number of outstanding shares of Sterling at March 31, 2013, and the 1.2625 exchange ratio. Based on Provident's closing stock price on April 3, 2013, the value of the aggregate merger consideration would be approximately \$344 million.

Under the acquisition method of accounting, the assets and liabilities of Sterling will be recorded at the respective fair values on the merger date. The fair value on the merger date represents management's best estimates based on available information and facts and circumstances in existence on the merger date. The pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (i) Sterling's balance sheet through the effective time of the merger; (ii) the aggregate value of merger consideration paid if the price of Provident's stock varies from the assumed \$8.81 per share; (iii) total merger related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The accounting policies of both Provident and Sterling are in the process of being reviewed in detail. Upon completion of such review, conforming adjustments or financial statement reclassification may be determined.

Note 2 Estimated Merger and Integration Costs

In connection with the merger, the plan to integrate Provident's and Sterling's operations is still being developed. Over the next several months, the specific details of these plans will continue to be refined. Provident and Sterling are currently in the process of assessing the two companies' personnel, benefit plans, premises, equipment, computer systems, and service contracts to determine where they may take advantage of redundancies or where it will be beneficial or necessary to convert to one system. Certain decisions arising from these assessments may involve involuntary termination of Sterling's employees, vacating Sterling's leased premises, changing information systems, canceling contracts between Sterling and certain service providers and selling or otherwise disposing of certain premises, furniture and equipment owned by Sterling. Additionally, as part of our formulation of the integration plan, certain actions regarding existing Provident information systems, premises, equipment, benefit plans, supply chain methodologies, supplier contracts, and involuntary termination of personnel may be taken. Provident expects to incur merger-related expenses including system conversion costs, employee retention and severance agreements, communications to customers, and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature and timing of these integration actions. Most acquisition and restructuring costs are recognized separately from a business combination and generally will be expensed as incurred. We estimated the merger related costs to be approximately \$33 million and expect they will be incurred primarily in fiscal year 2014, which are not reflected in the accompanying pro forma financial information.

Table of Contents**Note 3 Estimated Annual Cost Savings**

Provident and Sterling expect to realize approximately \$34 million in annual pre-tax cost savings following the merger, which management expects to be phased-in over a two-year period, but there is no assurance that the anticipated cost savings will be realized on the anticipated time schedule or at all. These cost savings are not reflected in the presented pro forma financial information.

Note 4 Pro Forma Merger Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All taxable adjustments were calculated using a 40% tax rate to arrive at deferred tax asset or liability adjustments. All adjustments are based on current assumptions and valuations, which are subject to change.

Balance Sheet

(Dollars in thousands)

B. Adjustments to investment portfolio	
To reflect mark up on the fair value of the held-to-maturity investment securities portfolio	\$ 13,902
C. Adjustments to loans, net of unearned income	
To reflect expected credit loss in Sterling's loan portfolio, estimated at 1.8% of loans outstanding. During Provident's due diligence on Sterling, Provident reviewed loan information across approximately 69% of Sterling's portfolio. Provident applied traditional examination methodologies to arrive at the expected credit loss	\$ (33,000)
To reflect interest rate mark up on the value of Sterling's loan portfolio	13,800
	\$ (19,200)
D. Adjustment to allowance for loan losses	
To remove Sterling's allowance at merger date as the credit risk is contemplated in the fair value adjustment in adjustment C above	\$ 22,520
E. Adjustment to properties and equipment, net	
To reflect estimated fair value of Sterling's properties at merger date, based on third-party estimates	\$ 2,000
F. Adjustment to goodwill, net	
To reflect elimination of Sterling's goodwill at merger date	\$ (22,901)
To reflect goodwill created as a result of the merger	111,847
	\$ 88,946
G. Adjustment to core deposit intangible, net	
To record the estimated fair value of acquired identifiable intangible assets, calculated as 1.25% of Sterling's non-time deposits. The acquired core deposit intangible will be amortized over 10 years using the sum-of-the-years-digits method	\$ 20,440

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H. Adjustments to deferred tax asset	
To reflect reduction in deferred tax asset as a result of the merger fair value adjustments	
Adjustment to investment securities	\$ (13,902)
Adjustment to loans expected lifetime credit losses	33,000
Adjustment to loans interest rate mark	(13,800)
Adjustment to allowance for loan losses	(22,520)
Adjustment to properties and equipment, net	(2,000)
Adjustment to core deposit intangible, net	(20,440)
Adjustment to other assets	3,239
Adjustment to deposits	1,580
Adjustment to other liabilities	(4,110)
Subtotal for fair value adjustments	(38,953)
Calculated deferred taxes at Provident's estimated statutory rate of 40%	\$ (15,581)
I. Adjustment to other assets	
To reflect elimination of Sterling's FHLB prepayment penalty	\$ (2,484)
To reflect adjustment to other assets	(755)
	\$ (3,239)
J. Adjustment to deposits	
To reflect fair value at merger date based on current market rates for similar products. This adjustment will be accreted into income over the estimated lives of the deposits	\$ 1,580
M. Adjustments to other liabilities	
To eliminate Sterling's deferred rent, income, and reserve for off-balance sheet items	\$ (4,110)
N. Adjustments to stockholders' equity	
To eliminate historical Sterling common stock	\$ (306,915)
To reflect issuance of Provident common stock to Sterling shareholders	344,310
	\$ 37,395
O. Adjustment to treasury stock, at cost	
To eliminate Sterling's treasury stock, at cost	\$ 86,665
P. Adjustments to retained earnings	
To eliminate Sterling's retained earnings	\$ (26,866)
Q. Adjustment to accumulated other comprehensive income	
To eliminate Sterling's accumulated other comprehensive income	\$ 15,134

Table of Contents**Income Statement**

(Dollars in thousands)

	Six Months Ended March 31, 2013	Year Ended September 30, 2012
R. Adjustment to loan interest income		
To reflect amortization of loan premium from interest rate fair value adjustment. Amortization based on estimated weighted average life of 4 years	\$ (2,918)	\$ (5,147)
S. Adjustment to investment securities interest income		
To reflect amortization of investment securities premium from fair value adjustment. Amortization based on estimated weighted average life of 5 years	\$ (1,638)	\$ (3,116)
T. Adjustment to deposit interest expense		
To reflect amortization of deposit premium resulting from deposit fair value adjustment. Amortization based on estimated life of two years	\$ (395)	\$ (790)
V. Adjustment to occupancy		
To reflect additional depreciation expense resulting from premises and equipment fair value adjustment. Depreciation based on estimated useful life of 39 years	\$ 26	\$ 51
W. Adjustment to other non-interest expense		
To reflect amortization of acquired identifiable intangible assets based on amortization period of 10 years and using the sum-of-the-years-digits method of amortization	\$ 1,922	\$ 3,844
X. Adjustment to income tax provision		
To reflect the income tax effect of pro forma adjustments R-T and V-X at estimated statutory tax rate of 40%	\$ (2,444)	\$ (4,547)

Note 5 Pro Forma Senior Notes Offering Adjustments

The following pro forma Senior Notes Offering adjustments have been reflected in a separate column in the unaudited pro forma condensed combined financial information. All taxable adjustments were calculated using a 40% tax rate. The pro forma Senior Notes Offering adjustments reflect Provident's \$100 million Senior Notes Offering that was completed on July 2, 2013. This Senior Notes Offering is reflected as a pro forma adjustment as the primary use of proceeds is to fund a capital injection into Provident Bank to support the activities and planned growth of the Bank on a standalone basis and combined basis once the merger with Sterling is completed. As this Senior Notes Offering is completed, and as Provident will incur \$5.5 million of annual interest expense, we believe this information is material to investors. Further, we also intend to use a portion of the proceeds of the Senior Notes Offering to redeem Sterling's subordinated debentures, which we believe will also be material to investors. All adjustments are based on current assumptions and valuations, which are subject to change. The Senior Notes Offering has been completed, and is not a matter that the stockholders of Provident will be asked to consider or vote upon at the Provident special meeting.

Table of Contents**Balance Sheet**

(Dollars in thousands)

A. Adjustments to cash

To reflect issuance of debt	\$ 100,000
To reflect redemption of long-term subordinated debentures	(25,774)
	\$ 74,226

K. Issuance of long-term debt

On July 2, 2013, Provident issued \$100 million of Senior Notes due 2018. The Senior Notes were sold in a private placement to qualified institutional buyers pursuant to Rule 144A. Proceeds will be used to fund a capital contribution to Provident Bank, to redeem Sterling's subordinated debentures, and for general corporate purposes

\$ 100,000

L. Adjustment to long-term subordinated debentures

To reflect redemption of long-term subordinated debentures	\$ (25,774)
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Income Statement

(Dollars in thousands)

	Six Months Ended March 31, 2013	Year Ended September 30, 2012
U. Adjustment to borrowings interest expense		
To reflect repayment of long-term subordinated debentures	\$ (1,080)	\$ (2,159)
To reflect issuance of long-term debt of \$100,000 at an interest rate of 5.50%	2,750	5,500
	\$ 1,670	\$ 3,341
Y. Adjustment to income tax provision		
To reflect the income tax effect of pro forma adjustment U at estimated statutory tax rate of 40%	\$ (668)	\$ (1,337)

Note 6 Preliminary Purchase Accounting Allocation

The unaudited pro forma condensed combined financial information reflects the issuance of approximately 39,081,692 shares of Provident common stock totaling approximately \$344.3 million. The merger will be accounted for using the acquisition method of accounting; accordingly Provident's cost to acquire Sterling will be allocated to the assets (including identifiable intangible assets) and liabilities of Sterling at their respective estimated fair values as of the merger date. Accordingly, the pro forma purchase price was preliminarily allocated to the assets acquired and the liabilities assumed based on their estimated fair values as summarized in the following table.

Table of Contents**Preliminary Purchase Accounting Allocation**

(Dollars in thousands)	March 31, 2013	
Total pro forma purchase price	\$	344,310
Fair value of assets acquired:		
Cash and cash equivalents	\$	176,207
Investment securities		678,963
Federal Home Bank stock at cost		7,456
Loans held for sale		75,857
Loans, net of unearned income		1,661,189
Cash surrender value of life insurance		54,945
Premises and equipment, net		23,998
Foreclosed property		1,917
Goodwill		111,847
Core deposit intangible, net		20,440
Other assets		43,680
Total assets acquired		2,856,499
Fair value of liabilities assumed:		
Deposits	\$	2,282,735
Securities sold under agreement to repurchase		33,817
FHLB advances		100,894
Other borrowings		20,995
Other liabilities		73,748
Total liabilities assumed	\$	2,512,189
Fair value of net assets acquired	\$	344,310

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Presented below for Provident and Sterling is historical, unaudited pro forma combined and pro forma equivalent per share financial data as of and for the fiscal year ended September 30, 2012 and as of and for the six months ended March 31, 2013. The information presented below should be read together with the historical consolidated financial statements of Provident and Sterling, including the related notes, filed by Provident and Sterling, as applicable, with the SEC and incorporated by reference into this joint proxy statement/prospectus, and the unaudited pro forma income statements of Sterling for the six months ended March 31, 2013 and the twelve months ended September 30, 2012 included elsewhere in this joint proxy statement/prospectus. See "Where You Can Find More Information."

The unaudited pro forma and pro forma per equivalent share information gives effect to the merger as if the merger had been effective on September 30, 2012 or March 31, 2013 in the case of the book value data, and as if the merger had been effective as of October 1, 2011 in the case of the earnings per share and the cash dividends data. The unaudited pro forma equivalent share information also gives effect to the Senior Notes Offering as if the Senior Notes Offering had been effective on October 1, 2011. The unaudited pro forma data combines the historical results of Sterling into Provident's consolidated statement of income. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on October 1, 2011.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Provident and Sterling management believe are reasonable. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions, among other factors, nor the impact of possible business model changes. As a result, unaudited pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of Sterling will be reflected in the consolidated financial statements of Provident on a prospective basis.

	Provident Historical	Sterling Historical	Pro Forma Combined	Per Equivalent Sterling Share(1)
For the year ended September 30, 2012:				
Basic earnings per share(3)	\$ 0.52	\$ 0.65	\$ 0.40	\$ 0.51
Diluted earnings per share(3)	\$ 0.52	\$ 0.65	\$ 0.40	\$ 0.51
Cash dividends declared(2)	\$ 0.24	\$ 0.36	\$ 0.24	\$ 0.30
Book value per share as of September 30, 2012	\$ 11.12	\$ 7.54	\$ 10.03	\$ 12.66
For the six months ended March 31, 2013:				
Basic earnings per share(3)	\$ 0.31	\$ 0.34	\$ 0.23	\$ 0.29
Diluted earnings per share(3)	\$ 0.31	\$ 0.34	\$ 0.23	\$ 0.29
Cash dividends declared(2)	\$ 0.12	\$ 0.18	\$ 0.12	\$ 0.15
Book value per share as of March 31, 2013	\$ 11.15	\$ 7.49	\$ 10.06	\$ 12.70

(1) Reflects Sterling shares at the exchange ratio of 1.2625

(2) Pro forma combined cash dividends declared are based upon Provident's historical amounts

(3) Pro forma combined earnings per share data excludes the impact of anticipated cost savings (refer to Note 3) and potential revenue enhancements that may be realized through the merger

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the section "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

Because the market price of Provident common stock will fluctuate, Sterling shareholders cannot be certain of the market value of the merger consideration they will receive.

Upon completion of the merger, each share of Sterling common stock (except for specified shares of Sterling common stock held by Sterling or Provident) will be converted into 1.2625 shares of Provident common stock. The market value of the merger consideration will vary from the closing price of Provident common stock on the date Provident and Sterling announced the merger, on the date that this joint proxy statement/prospectus is mailed to Sterling shareholders, on the date of the annual meeting of the Sterling shareholders and on the date the merger is completed and thereafter. Any change in the market price of Provident common stock prior to the completion of the merger will affect the market value of the merger consideration that Sterling shareholders will receive upon completion of the merger, and there will be no adjustment to the merger consideration for changes in the market price of either shares of Provident common stock or shares of Sterling common stock. Stock price changes may result from a variety of factors that are beyond the control of Provident and Sterling, including, but not limited to, general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the Sterling annual meeting you will not know the precise market value of the consideration you will receive at the effective time of the merger. You should obtain current market quotations for shares of Provident common stock and for shares of Sterling common stock.

The market price of Provident common stock after the merger may be affected by factors different from those affecting the shares of Sterling or Provident currently.

Upon completion of the merger, holders of Sterling common stock will become holders of Provident common stock. Provident's business differs in important respects from that of Sterling, and, accordingly, the results of operations of the combined company and the market price of Provident common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Provident and Sterling. For a discussion of the businesses of Provident and Sterling and of some important factors to consider in connection with those businesses, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under "Where You Can Find More Information."

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the merger.

Before the merger and the bank merger may be completed, Provident and Sterling must obtain approvals from the Federal Reserve Board and the Office of the Comptroller of the Currency. Other approvals, waivers or consents from regulators may also be required. In determining whether to grant these approvals the regulators consider a variety of factors, including the regulatory standing of each party and the factors described under "The Merger Regulatory Approvals Required for the Completion of the Merger". An adverse development in either party's regulatory standing or these factors could result in an inability to obtain approval or delay their receipt. These regulators may impose conditions on the completion of the merger or the bank merger or require changes to the terms

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of the merger or the bank merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or the bank merger or imposing additional costs on or limiting the revenues of the combined company following the merger and the bank merger, any of which might have an adverse effect on the combined company following the merger. See "The Merger Regulatory Approvals Required for the Merger." Regulatory approvals could also be impacted based on the status of any ongoing investigation of either party or its customers, including subpoenas to provide information or investigations, by a federal, state or local governmental agency. Provident has received a subpoena from the United States Attorney for the Southern District of New York requesting information in respect of an investigation of certain of Provident's communications and transactions with state and local government agencies. Provident has complied with this subpoena and is fully cooperating in this matter, and has been informed that there is no continuing investigation relating to Provident.

Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.

Provident and Sterling have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on Provident's ability to successfully combine and integrate the businesses of Provident and Sterling in a manner that permits growth opportunities and does not materially disrupt the existing customer relations nor result in decreased revenues due to loss of customers. It is possible that the integration process could result in the loss of key employees, the disruption of either company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits and cost savings of the merger. The loss of key employees could adversely affect Provident's ability to successfully conduct its business, which could have an adverse effect on Provident's financial results and the value of its common stock. If Provident experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Provident and/or Sterling to lose customers or cause customers to remove their accounts from Provident and/or Sterling and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Sterling and Provident during this transition period and for an undetermined period after completion of the merger on the combined company. In addition, the actual cost savings of the merger could be less than anticipated.

The unaudited pro forma condensed combined financial statements included in this document are preliminary and the actual financial condition and results of operations after the merger may differ materially.

The unaudited pro forma condensed combined financial statements in this document are presented for illustrative purposes only and are not necessarily indicative of what Provident's actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial statements reflect adjustments, which are based upon preliminary estimates, to record the Sterling identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Sterling as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 34.

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Provident's unaudited prospective financial information is based on various assumptions that may not prove to be correct.

The unaudited prospective financial information set forth in the forecast included under "The Merger Certain Unaudited Prospective Financial Information" beginning on page 103 is based on assumptions of, and information available to, Provident, at the time they were prepared and provided to Sterling's financial advisors. Provident does not know whether the assumptions they made will prove correct. Any or all of such information may turn out to be wrong. Such information can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond Provident's control. Many factors mentioned in this joint proxy statement/prospectus, including the risks outlined in "Risk Factors" beginning on page 46 and the events and/or circumstances described under "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 52 will be important in determining Provident's, Sterling's and/or the combined company's future results. As a result of these contingencies, actual future results may vary materially from Provident's estimates. In view of these uncertainties, the inclusion of certain Provident unaudited prospective financial information in this joint proxy statement/prospectus is not and should not be viewed as a representation that the forecasted results will be achieved.

The unaudited prospective financial information presented herein was prepared solely for internal use and not prepared with a view toward public disclosure or toward compliance with published guidelines of any regulatory or professional body. Further, any forward-looking statement speaks only as of the date on which it is made. Provident reviews and updates its internal projections regularly and has revised its internal projections included in this joint proxy statement/prospectus since the time they were prepared based on, among other things, actual experience and business developments. However, neither Provident nor any other party undertakes any obligation to update the unaudited prospective financial information herein to reflect events or circumstances after the date such unaudited prospective financial information was prepared or to reflect the occurrence of anticipated or unanticipated events or circumstances.

The unaudited prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results. Neither Provident's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Certain of Provident's directors and executive officers have interests in the merger that may differ from the interests of Provident's stockholders.

Provident stockholders should be aware that some of Provident's executive officers (one of whom is a director) have interests in the merger and have arrangements that are different from, or in addition to, those of Provident stockholders generally. Provident's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that Provident stockholders vote in favor of adopting the merger agreement.

These interests include the following:

Provident has entered into an amendment to the employment agreement with Jack Kopnisky, which will be effective upon and subject to the occurrence of the effective time of the merger.

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Provident has entered into a retention award letter with Daniel Rothstein, which will entitle him to certain payments upon the completion of the merger, subject to his continued employment with Provident through such completion.

For a more complete description of these interests, see "The Merger Interests of Provident's Directors and Executive Officers in the Merger".

Certain of Sterling's directors and executive officers have interests in the merger that may differ from the interests of Sterling's shareholders.

Sterling's shareholders should be aware that some of Sterling's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Sterling's shareholders generally. These interests and arrangements may create potential conflicts of interest. Sterling's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that Sterling's shareholders vote in favor of adopting the merger agreement.

These interests include the following:

The terms of the restricted stock and stock option awards held by Sterling directors and officers provide for accelerated vesting of the awards upon a change in control such as the merger.

Sterling previously entered into an employment agreement, change of control severance agreement or a change of control severance and retention agreement with several of its officers, which entitle each of them to certain payments and benefits upon a termination in connection with a change in control such as the merger. In connection with the merger, Messrs. Cappelli, Millman, Tietjen and Applebaum entered into agreements with Provident that, upon the closing of the merger, will supersede the Sterling agreements and provide certain retention and/or severance benefits to such individuals.

Six current Sterling directors, including Messrs. Cappelli and Millman, will serve on the board of the combined company.

For a more complete description of these interests, see "The Merger Interests of Sterling's Directors and Executive Officers in the Merger".

Termination of the merger agreement could negatively impact Sterling or Provident.

If the merger agreement is terminated, there may be various consequences. For example, Sterling's or Provident's businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. Additionally, if the merger agreement is terminated, the market price of Sterling's or Provident's common stock could decline to the extent that the current market prices reflect a market assumption that the merger will be completed. If the merger agreement is terminated under certain circumstances, Sterling or Provident may be required to pay to the other party a termination fee of \$13.25 million (or a portion thereof).

Sterling and Provident will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Sterling or Provident. These uncertainties may impair Sterling's or Provident's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Sterling or Provident to seek to change existing business relationships with Sterling or Provident. Retention of certain employees by Sterling or Provident may be challenging while

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the merger is pending, as certain employees may experience uncertainty about their future roles with Sterling or Provident. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Sterling or Provident, Sterling's business or Provident's business could be harmed. In addition, subject to certain exceptions, each of Sterling and Provident has agreed to operate its business in the ordinary course prior to closing. See "The Merger Agreement Covenants and Agreements" for a description of the restrictive covenants applicable to Sterling and Provident.

If the merger is not completed, Provident and Sterling will have incurred substantial expenses without realizing the expected benefits of the merger.

Each of Provident and Sterling has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing and mailing this joint proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the merger. If the merger is not completed, Provident and Sterling would have to recognize these expenses without realizing the expected benefits of the merger.

The merger agreement limits Provident's and Sterling's ability to pursue acquisition proposals and requires each company to pay a termination fee of \$13.25 million under limited circumstances, including circumstances relating to acquisition proposals. Additionally, certain provisions of Provident's and Sterling's articles of incorporation and bylaws may deter potential acquirers.

The merger agreement prohibits Provident and Sterling from initiating, soliciting, knowingly encouraging or knowingly facilitating certain third-party acquisition proposals. See "The Merger Agreement Agreement Not to Solicit Other Offers". The merger agreement also provides that Provident or Sterling must pay a termination fee in the amount of \$13.25 million (or a portion thereof) in the event that the merger agreement is terminated under certain circumstances, including involving such party's failure to abide by certain obligations not to solicit acquisition proposals. See "The Merger Agreement Termination Fee". These provisions might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Sterling or Provident from considering or proposing such an acquisition. Additionally, Provident has a classified board of directors and under Provident's certificate of incorporation, certain business combinations involving interested stockholders require the approval of a supermajority of stockholders unless they are approved by two-thirds of the disinterested directors on the Provident board or certain other requirements are met, and Provident's certificate of incorporation generally prohibits holders of shares that are beneficially owned by a person who beneficially owns more than 10% of the outstanding shares of Provident common stock from voting shares in excess of such 10% limit. See "Comparison of Stockholders' Rights Anti-Takeover Provisions and Other Stockholder Protections". These provisions and other provisions of Sterling's or Provident's certificate of incorporation or bylaws or of the Delaware General Corporation Law (which we refer to as the "DGCL") or NYBCL could make it more difficult for a third-party to acquire control of Sterling or Provident or may discourage a potential competing acquirer.

The shares of Provident common stock to be received by Sterling shareholders as a result of the merger will have different rights from the shares of Sterling common stock.

Upon completion of the merger, Sterling shareholders will become Provident stockholders and their rights as stockholders will be governed by the DGCL and the Provident certificate of incorporation and bylaws. The rights associated with Sterling common stock are different from the rights associated with Provident common stock. Please see "Comparison of Stockholders' Rights" beginning on page 153 for a discussion of the different rights associated with Provident common stock.

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Holders of Sterling and Provident common stock will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Holders of Sterling and Provident common stock currently have the right to vote in the election of the board of directors and on other matters affecting Sterling and Provident, respectively. Upon the completion of the merger, each Sterling shareholder who receives shares of Provident common stock will become a stockholder of Provident with a percentage ownership of Provident that is smaller than the stockholder's percentage ownership of Sterling. It is currently expected that the former shareholders of Sterling as a group will receive shares in the merger constituting approximately 47% of the outstanding shares of Provident common stock immediately after the merger. As a result, current stockholders of Provident as a group will own approximately 53% of the outstanding shares of Provident common stock immediately after the merger. Because of this, Sterling shareholders may have less influence on the management and policies of Provident than they now have on the management and policies of Sterling and current Provident stockholders may have less influence than they now have on the management and policies of Provident.

Sterling shareholders are not expected to have dissenters' or appraisal rights in the merger.

Dissenters' rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Under the NYBCL, a shareholder may not dissent from a merger as to shares that are listed on a national securities exchange at the record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to vote upon the agreement of merger or consolidation.

Because Sterling common stock is listed on the New York Stock Exchange, a national securities exchange, and is expected to continue to be so listed on the record date, and because the merger otherwise satisfies the foregoing requirements, holders of Sterling common stock will not be entitled to dissenters' or appraisal rights in the merger with respect to their shares of Sterling common stock.

Pending litigation against Sterling and Provident could result in an injunction preventing the completion of the merger or a judgment resulting in the payment of damages.

In connection with the merger, purported Sterling shareholders have filed putative shareholder class action lawsuits against Sterling, the members of the Sterling board of directors and Provident. Among other remedies, the plaintiffs seek to enjoin the merger. The outcome of any such litigation is uncertain. If the cases are not resolved, these lawsuits could prevent or delay completion of the merger and result in substantial costs to Provident and Sterling, including any costs associated with the indemnification of directors and officers. Plaintiffs may file additional lawsuits against Provident, Sterling and/or the directors and officers of either company in connection with the merger. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect Provident's business, financial condition, results of operations and cash flows. See "The Merger Litigation Relating to the Merger" beginning on page 131.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this joint proxy statement/prospectus are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving Provident's or Sterling's 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 Provident, 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. In addition to factors previously disclosed in Provident's and 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 Provident and Sterling stockholders, on the expected terms and schedule; delay in closing the merger; difficulties and delays in integrating the Provident and Sterling 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 Provident's stock price before closing, including as a result of the financial performance of Sterling 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 or the Office of the Comptroller of the Currency and legislative and regulatory actions and reforms.

For any forward-looking statements made in this joint proxy statement/prospectus or in any documents incorporated by reference into this joint proxy statement/prospectus, Provident and Sterling claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of the applicable document incorporated by reference in this joint proxy statement/prospectus. Provident and Sterling do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to Provident, Sterling or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this joint proxy statement/prospectus.

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THE STERLING ANNUAL MEETING

This section contains information for Sterling shareholders about the annual meeting that Sterling has called to allow its shareholders to consider and vote on the merger agreement and other matters. Sterling is mailing this joint proxy statement/prospectus to you, as a Sterling shareholder, on or about August 16, 2013. This joint proxy statement/prospectus is accompanied by a notice of the annual meeting of Sterling shareholders and a form of proxy card that Sterling's board of directors is soliciting for use at the annual meeting and at any adjournments or postponements of the annual meeting.

Date, Time and Place of Meeting

The annual meeting of Sterling shareholders will be held at Sterling's offices at 3 West 51st Street, New York, New York 10019 at 10:00 A.M., Eastern time, on September 26, 2013. On or about August 16, 2013, Sterling commenced mailing this document and the enclosed form of proxy card to its shareholders entitled to vote at the Sterling annual meeting.

Matters to Be Considered

At the Sterling annual meeting, Sterling shareholders will be asked to consider and vote upon the following matters:

the Sterling merger proposal;

the Sterling adjournment proposal;

the Sterling merger-related compensation proposal;

the proposal to elect eleven (11) directors to serve on the board of directors of Sterling until the next meeting of shareholders and until their successors are elected;

the Sterling 2012 say-on-pay proposal;

the proposal to ratify the appointment of Crowe Horwath LLP as Sterling's independent registered accounting firm for fiscal year 2013;

the proposal to approve the proposed 2013 Sterling Plan; and

to transact such other business as may properly come before the meeting or any adjournment thereof.

Recommendation of Sterling's Board of Directors

The Sterling board of directors recommends that you vote **"FOR"** the Sterling merger proposal, **"FOR"** the Sterling merger-related compensation proposal, **"FOR"** the Sterling adjournment proposal (if necessary or appropriate), **"FOR"** the election of eleven directors, **"FOR"** the Sterling 2012 say-on-pay proposal, **"FOR"** the ratification of Crowe Horwath LLP and **"FOR"** the approval of the proposed 2013 Sterling Plan.

Sterling Record Date and Quorum

The Sterling board of directors has fixed the close of business on August 12, 2013 as the record date for determining the holders of Sterling common stock entitled to receive notice of and to vote at the Sterling annual meeting.

As of the Sterling record date, there were 30,954,105 shares of Sterling common stock outstanding and entitled to vote at the Sterling annual meeting held by 1,123 holders of record. Each share of Sterling common stock entitles the holder to one vote at the Sterling annual meeting on each proposal to be considered at the Sterling annual meeting.

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The representation (in person or by proxy) of holders of at least a majority of the votes entitled to be cast on the matters to be voted on at the Sterling annual meeting constitutes a quorum for transacting business at the Sterling annual meeting. All shares of Sterling common stock, whether present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Sterling annual meeting.

As of the record date, the directors and executive officers of Sterling and their affiliates owned and were entitled to vote 1,888,775 shares of Sterling common stock, representing approximately 6.10% of the shares of Sterling common stock outstanding on that date. Sterling currently expects that Sterling's directors and executive officers will vote their shares in favor of the Sterling merger proposal, the Sterling merger-related compensation proposal and the Sterling adjournment proposal, although none of them has entered into any agreements obligating them to do so. As of the record date, Provident beneficially held no shares of Sterling common stock.

Required Vote; Treatment of Abstentions and Failure to Vote

Sterling merger proposal:

Standard: The affirmative vote of two-thirds of the outstanding shares of Sterling common stock entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Sterling adjournment proposal and Sterling merger-related compensation proposal:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on such proposals.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling adjournment proposal or the Sterling merger-related compensation proposal, it will have no effect on such proposals.

Election of Sterling directors:

Standard: A plurality of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the proposal to elect the eleven directors, it will have no effect on such proposal.

Sterling 2012 say-on-pay proposal:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on such proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the Sterling 2012 say-on-pay proposal, it will have no effect on such proposal.

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Ratification of the appointment of Crowe Horwath LLP:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card or fail to submit a proxy card or vote in person at the Sterling annual meeting with respect to the proposal, it will have no effect on such proposal. Pursuant to NYSE rules, brokers that have not received voting instructions from their customers 10 days before the meeting date may vote their customers' shares in the brokers' discretion for the ratification of the appointment of Crowe Horwath LLP. This is known as broker-discretionary voting.

Approval of the 2013 Sterling Plan:

Standard: The affirmative vote of a majority of votes cast (in person or by proxy) at the Sterling annual meeting and entitled to vote on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy with respect to the 2013 Sterling Plan, it will have the same effect as a vote "AGAINST" the proposal. If you fail to submit a proxy card or vote in person at the Sterling annual meeting or fail to instruct your bank or broker how to vote with respect to the 2013 Sterling Plan, it will have no effect on such proposal.

Voting on Proxies; Incomplete Proxies

A Sterling shareholder may vote by proxy or in person at the Sterling annual meeting. If you hold your shares of Sterling common stock in your name as a shareholder of record, to submit a proxy, you, as a Sterling shareholder, may use one of the following methods:

By telephone: by calling the toll-free number indicated on their proxy card and following the recorded instructions.

Through the Internet: by visiting the website indicated on their proxy card and following the instructions.

Complete and return the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

Sterling requests that Sterling shareholders vote by telephone, over the Internet or by completing and signing the accompanying proxy card and returning it to Sterling as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy card is returned properly executed, the shares of Sterling stock represented by it will be voted at the Sterling annual meeting in accordance with the instructions contained on the proxy card. If any proxy card is returned without indication as to how to vote, the shares of Sterling common stock represented by the proxy card will be voted as recommended by the Sterling board of directors.

If a Sterling shareholder's shares are held in "street name" by a broker, bank or other nominee, the shareholder should check the voting form used by that firm to determine whether it may vote by telephone or the Internet.

Every Sterling shareholder's vote is important. Accordingly, each Sterling shareholder should sign, date and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the Sterling shareholder plans to attend the Sterling annual meeting in person. Sending in your proxy card or voting by telephone or on the Internet will not prevent you from voting your shares personally at the meeting, since you may revoke your proxy at any time before it is voted.

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Shares Held in Street Name

If you are a Sterling shareholder and your shares are held in "street name" through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to Sterling or by voting in person at the Sterling annual meeting unless you provide a "legal proxy," which you must obtain from your broker, bank or other nominee. Further, except with respect to the ratification of Crowe Horwath LLP, brokers, banks or other nominees who hold shares of Sterling common stock on behalf of their customers may not give a proxy to Sterling to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters.

Revocability of Proxies and Changes to a Sterling Shareholder's Vote

You have the power to change your vote at any time before your shares of Sterling common stock are voted at the Sterling annual meeting by:

attending and voting in person at the Sterling annual meeting;

giving notice of revocation of the proxy at the Sterling annual meeting;

voting by telephone or the Internet at a later time; or

delivering to the Corporate Secretary of Sterling at 650 Fifth Avenue, New York, New York 10019 (i) a written notice of revocation or (ii) a duly executed proxy card relating to the same shares and matters to be considered at the Sterling annual meeting, bearing a date later than the proxy card previously executed.

Attendance at the Sterling annual meeting will not in and of itself constitute a revocation of a proxy.

If you choose to send a completed proxy card bearing a later date than your original proxy card, the new proxy card must be received before the beginning of the Sterling annual meeting. If you have instructed a bank, broker or other nominee to vote your shares of Sterling common stock, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your vote.

Delivery of Proxy Materials

As permitted by applicable law, only one copy of this joint proxy statement/prospectus is being delivered to shareholders residing at the same address, unless such shareholders have notified Sterling of their desire to receive multiple copies of the joint proxy statement/prospectus.

Sterling will promptly deliver, upon oral or written request, a separate copy of the joint proxy statement/prospectus to any shareholder residing at an address to which only one copy of such document was mailed. Requests for additional copies should be directed to Investor Relations, at Sterling's corporate offices, 650 Fifth Avenue, New York, New York 10019-6108 or by telephone at (212) 757-3300.

Participants in the Sterling 401(k) Plan

Sterling National Bank, as the trustee of the Fund established under the Sterling 401(k) Plan, holds in trust shares of common stock of Sterling Bancorp. Pursuant to the Sterling 401(k) Plan, the trustee votes the shares allocated to participants in accordance with their instructions. The trustee also votes the combined fractional shares allocated to all participants' accounts, to the extent possible, to

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reflect the direction of the participants. When no voting instructions have been received, the trustee will vote the shares allocated to your account in the same proportion as the shares for which the trustee received voting instructions.

Solicitation of Proxies

In addition to solicitation by mail, directors, officers, and employees of Sterling may solicit proxies by personal interview, telephone, or electronic mail. Sterling reimburses brokerage houses, custodians, nominees, and fiduciaries for their expenses in forwarding proxies and proxy material to their principals. Sterling has retained Georgeson Inc. to assist in the solicitation of proxies, which firm will, by agreement, receive compensation of \$15,000, plus expenses, for these services. Sterling will bear the entire cost of soliciting proxies from you.

Attending the Sterling Annual Meeting

Subject to space availability, all Sterling shareholders as of the record date, or their duly appointed proxies, may attend the Sterling annual meeting. Since seating is limited, admission to the Sterling annual meeting will be on a first-come, first-served basis. Registration and seating will begin at 9:30 A.M., Eastern time.

If you hold your shares of Sterling common stock in your name as a shareholder of record and you wish to attend the Sterling annual meeting, please bring your proxy card and evidence of your stock ownership, such as your most recent account statement, to the Sterling annual meeting. You should also bring valid picture identification.

If your shares of Sterling common stock are held in "street name" in a stock brokerage account or by a bank or nominee and you wish to attend the Sterling annual meeting, you need to bring a copy of a bank or brokerage statement to the Sterling annual meeting reflecting your stock ownership as of the record date. You should also bring valid picture identification.

Other Matters to Come Before the Sterling Annual Meeting

Management knows of no other business to be presented at the Sterling annual meeting, but if any other matters are properly presented to the meeting or any adjournments thereof, the persons named in the proxies will vote upon them in accordance with the board of directors' recommendations.

Assistance

If you need assistance in completing your proxy card, have questions regarding Sterling's annual meeting or would like additional copies of this joint proxy statement/prospectus, please contact Investor Relations at (212) 757-3300 or Sterling's proxy solicitor, Georgeson Inc., at the following address or phone number: 480 Washington Blvd., 26th Floor, Jersey City, New Jersey 07310, or Toll-free: (800) 509-0957; (800) 223-2064 (Banks and Brokerage Firms).

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STERLING MERGER-RELATED PROPOSALS

**PROPOSAL NO. 1
STERLING MERGER PROPOSAL**

Sterling is asking its shareholders to adopt the merger agreement and approve the transactions contemplated thereby. Holders of Sterling common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the Sterling board of directors, by a unanimous vote of all directors, approved the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interest of Sterling and the shareholders of Sterling. See "The Merger Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors" included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the Sterling board of directors' recommendation.

The Sterling board of directors recommends a vote "FOR" the Sterling merger proposal.

**PROPOSAL NO. 2
STERLING MERGER-RELATED COMPENSATION PROPOSAL**

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Rule 14a-21(c) of the Exchange Act, Sterling is seeking non-binding, advisory shareholder approval of the compensation of Sterling's named executive officers that is based on or otherwise relates to the merger as disclosed in "The Merger Interests of Sterling Directors and Executive Officers in the Merger Merger-Related Compensation for Sterling's Named Executive Officers" beginning on page 125. The proposal gives Sterling's shareholders the opportunity to express their views on the merger-related compensation of Sterling's named executive officers. Accordingly, Sterling is requesting shareholders to adopt the following resolution, on a non-binding, advisory basis:

"RESOLVED, that the compensation that may be paid or become payable to Sterling's named executive officers in connection with the merger and the agreements or understandings pursuant to which such compensation may be paid or become payable, in each case as disclosed pursuant to Item 402(t) of Regulation S-K in "The Merger Interests of Sterling Directors and Executive Officers in the Merger Merger-Related Compensation for Sterling's Named Executive Officers," are hereby APPROVED."

Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only and will not be binding on Provident or Sterling. If the merger is completed, the merger-related compensation may be paid to Sterling's named executive officers to the extent payable in accordance with the terms of the compensation agreements and arrangements even if Sterling shareholders fail to approve the advisory vote regarding merger-related compensation.

The Sterling board of directors recommends a vote "FOR," on an advisory basis, the Sterling merger-related compensation proposal.

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**PROPOSAL NO. 3
STERLING ADJOURNMENT PROPOSAL**

The Sterling annual meeting may be adjourned to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Sterling annual meeting to adopt the Sterling merger proposal.

If, at the Sterling annual meeting, the number of shares of Sterling common stock present or represented and voting in favor of the Sterling merger proposal is insufficient to adopt the Sterling merger proposal, Sterling intends to move to adjourn the Sterling annual meeting in order to enable the Sterling board of directors to solicit additional proxies for approval of the merger. In that event, Sterling will ask its shareholders to vote upon the Sterling adjournment proposal, but not the Sterling merger proposal or the Sterling merger-related compensation proposal.

In this proposal, Sterling is asking its shareholders to authorize the holder of any proxy solicited by the Sterling board of directors on a discretionary basis to vote in favor of adjourning the Sterling annual meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from Sterling shareholders who have previously voted.

The Sterling board of directors recommends a vote "FOR" the Sterling adjournment proposal.

For a description of the other proposals to be presented at Sterling's annual meeting, see "Other Matters Relating to the Annual Meeting of Sterling", beginning on page 164.

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THE PROVIDENT SPECIAL MEETING

This section contains information for Provident stockholders about the special meeting that Provident has called to allow its stockholders to consider and vote on the merger agreement and other related matters. Provident is mailing this joint proxy statement/prospectus to you, as a Provident stockholder, on or about August 16, 2013. This joint proxy statement/prospectus is accompanied by a notice of the special meeting of Provident stockholders and a form of proxy card that Provident's board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

Date, Time and Place of Meeting

The special meeting will be held on September 26, 2013 at the Crowne Plaza Hotel, 3 Executive Boulevard, Suffern, New York 10901, at 11:00 A.M. local time.

Matters to Be Considered

At the special meeting of stockholders, you will be asked to consider and vote upon the following matters:

a proposal to adopt the merger agreement;

a proposal to adjourn the Provident special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Provident merger proposal;

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Provident may receive in connection with the merger pursuant to existing agreements or arrangements with Provident;

a proposal to approve an amendment to the Provident 2012 Stock Incentive Plan, including for purposes of Section 162(m) of the Code; and

to transact such other business as may properly come before the meeting or any adjournment thereof.

Recommendation of Provident's Board of Directors

Provident's board of directors has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Provident and its stockholders, has unanimously approved the merger agreement and unanimously recommends that Provident stockholders vote "FOR" the Provident merger proposal, "FOR" the Provident adjournment proposal, "FOR" the Provident compensation proposal and "FOR" the Provident stock plan amendment proposal. See "The Merger Provident's Reasons for the Merger; Recommendation of Provident's Board of Directors" for a more detailed discussion of Provident's board of directors' recommendation.

Record Date and Quorum

Provident's board of directors has fixed the close of business on August 12 as the record date for determining the holders of Provident common stock entitled to receive notice of and to vote at the Provident special meeting.

As of the record date, there were 44,352,546 shares of Provident common stock outstanding and entitled to vote at the Provident special meeting held by approximately 5,102 holders of record. Each share of Provident common stock entitles the holder to one vote at the Provident

special meeting on each proposal to be considered at the Provident special meeting.

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The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Provident common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. All shares of Provident common stock present in person or represented by proxy, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Provident special meeting.

Vote Required; Treatment of Abstentions and Failure to Vote

Approval of the Provident merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of Provident common stock entitled to vote on such proposal. If you fail to vote, mark "ABSTAIN" on your proxy card or fail to instruct your bank or broker with respect to the Provident merger proposal, it will have the same effect as a vote "AGAINST" such proposal.

The Provident stock plan amendment proposal will be approved if a majority of the votes cast at the Provident special meeting are voted in favor of such proposal. If you mark "ABSTAIN" on your proxy card with respect to the Provident stock plan amendment proposal, it will have the same effect as a vote "AGAINST" the proposal. If you fail to submit a proxy card or vote in person at the Provident special meeting or fail to instruct your bank or broker how to vote with respect to the Provident stock plan amendment proposal, it will have no effect on such proposal. The Provident adjournment proposal and the Provident compensation proposal will each be approved if a majority of the votes cast at the Provident special meeting are voted in favor of such proposal. If you mark "ABSTAIN" on your proxy, fail to submit a proxy card or vote in person at the Provident special meeting or fail to instruct your bank or broker how to vote with respect to the Provident adjournment proposal or the Provident compensation proposal, it will have no effect on such proposal.

Shares Held by Officers and Directors

As of the record date, there were 44,352,546 shares of Provident common stock entitled to vote at the special meeting. As of the record date, the directors and executive officers of Provident and their affiliates beneficially owned and were entitled to vote approximately 3,548,696 shares of Provident common stock representing approximately 8% of the shares of Provident common stock outstanding on that date. We currently expect that each of these individuals will vote their shares of Provident common stock in favor of each of the proposals to be considered and voted upon at the Provident special meeting, although no director or executive officer has entered into any agreement obligating him or her to do so. As of the record date, Sterling beneficially held no shares of Provident common stock.

Voting of Proxies; Incomplete Proxies

Each copy of this joint proxy statement/prospectus mailed to holders of Provident common stock is accompanied by a form of proxy card with instructions for voting. If you hold stock in your name as a stockholder of record, you should complete and return the proxy card accompanying this joint proxy statement/prospectus, regardless of whether you plan to attend the special meeting. You may also vote your shares through the Internet or by telephone. Information and applicable deadlines for voting through the Internet or by telephone are set forth in the enclosed proxy card instructions.

If you hold your stock in "street name" through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker.

All shares represented by valid proxies that Provident receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted "FOR" the Provident merger proposal, "FOR" the Provident adjournment proposal, "FOR" the Provident compensation proposal and "FOR" the Provident stock plan amendment proposal. No matters other than the matters described in this joint proxy statement/

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prospectus are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting. However, if other business properly comes before the special meeting, the proxy agents will, in their discretion, vote upon such matters in their best judgment.

Shares Held in "Street Name"; Broker Non-Votes

Under stock exchange rules, banks, brokers and other nominees who hold shares of Provident common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the Provident special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your broker, bank or other nominee holds your shares of Provident common stock in "street name," your broker, bank or other nominee will vote your shares of Provident common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this joint proxy statement/prospectus.

Revocability of Proxies and Changes to a Provident Stockholder's Vote

If you hold stock in your name as a stockholder of record, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Provident's corporate secretary, (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting or (4) voting by telephone or the Internet at a later time.

Any stockholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Provident's corporate secretary) of a stockholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy card should be addressed to:

Provident New York Bancorp
400 Rella Blvd.
Montebello, New York 10901
Attention: Corporate Secretary

If your shares are held in "street name" by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

Participants in the Provident New York Bancorp Employee Stock Ownership Plan and Provident 401(k) Plan

If you are a participant in the Provident ESOP or hold common stock through the Provident 401(k) Plan, you will receive information about how to vote confidentially. Under the terms of the Provident ESOP and the Provident 401(k) Plan, all shares held by the plans are voted by the respective trustees, but each participant in either plan may direct the trustees on how to vote the shares of common stock allocated to his or her account. Unallocated shares and allocated shares for which no timely voting instructions are received will be voted by each trustee on each proposal in the same

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proportion as shares for which it has received timely voting instructions. The deadline for returning your voting instruction forms is 5:00 P.M. Eastern Time on September 20, 2013.

Solicitation of Proxies

Provident is soliciting your proxy in conjunction with the merger. Provident will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Provident will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Provident common stock and secure their voting instructions. Provident will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Provident may use its directors and several of its regular employees, who will not be specially compensated, to solicit proxies from the Provident stockholders, either personally or by telephone, facsimile, letter or electronic means. Provident has also made arrangements with Eagle Rock Proxy Advisors to assist it in soliciting proxies and has agreed to pay Eagle Rock Proxy Advisors approximately \$5,000 plus reasonable expenses for these services.

Attending the Meeting

All holders of Provident common stock, including holders of record and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Stockholders of record can vote in person at the special meeting. If you are not a stockholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Provident reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without Provident's express written consent.

Delivery of Proxy Materials to Stockholders Sharing an Address

As permitted by the Securities Exchange Act of 1934, as amended (which we refer to as the "Exchange Act"), only one copy of this joint proxy statement/prospectus is being delivered to multiple stockholders of Provident sharing an address unless Provident has previously received contrary instructions from one or more such stockholders. This is referred to as "householding." Stockholders who hold their shares in "street name" can request further information on householding through their banks, brokers or other holders of record. On written or oral request to Donna Peterson ((845) 369-8474), or Provident's proxy solicitor, Eagle Rock Proxy Advisors, at 12 Commerce Drive, Cranford, New Jersey 07016, or toll-free at (855) 253-1574, Provident will deliver promptly a separate copy of this document to a stockholder at a shared address to which a single copy of the document was delivered.

Assistance

If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Provident common stock, please contact Donna Peterson, 400 Rella Blvd., Montebello, New York 10901 ((845) 369-8474), or Provident's proxy solicitor, Eagle Rock Proxy Advisors, at 12 Commerce Drive, Cranford, New Jersey 07016, toll-free at (855) 253-1574.

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PROVIDENT PROPOSALS

Provident Merger Proposal

Provident is asking its stockholders to adopt the merger agreement and approve the transactions contemplated thereby (including the issuance of Provident common stock in the merger pursuant to the merger agreement). Holders of Provident common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the Provident board of directors, by a unanimous vote of all directors, approved the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interests of Provident and the stockholders of Provident. See "The Merger Provident's Reasons for the Merger; Recommendation of Provident's Board of Directors" included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the Provident board of directors' recommendation.

The Provident board of directors unanimously recommends that Provident stockholders vote "FOR" the Provident merger proposal.

Provident Adjournment Proposal

The Provident special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the Provident merger proposal.

If, at the Provident special meeting, the number of shares of Provident common stock present or represented and voting in favor of the Provident merger proposal is insufficient to approve such proposal, Provident intends to move to adjourn the Provident special meeting in order to solicit additional proxies for the adoption of the merger agreement. In accordance with the Provident bylaws, a vote to approve the proposal to adjourn the Provident special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Provident special meeting to approve the Provident merger proposal may be taken in the absence of a quorum.

In this proposal, Provident is asking its stockholders to authorize the holder of any proxy solicited by the Provident board of directors on a discretionary basis to vote in favor of adjourning the Provident special meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from Provident stockholders who have previously voted.

The Provident board of directors unanimously recommends that Provident stockholders vote "FOR" the Provident adjournment proposal.

Provident Compensation Proposal

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Rule 14a-21(c) under the Exchange Act require Provident to provide its stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to the named executive officers of Provident that is based on or otherwise relates to the merger. Information required by Item 402(t) of Regulation S-K concerning this compensation, subject to certain assumptions described herein, is presented under the heading "The Merger The Merger-Related Compensation for Provident's Named Executive Officers".

Accordingly, Provident is requesting that holders of Provident common stock approve the following resolution:

"RESOLVED, that the stockholders of Provident New York Bancorp approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to its named executive

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officers that is based on or otherwise relates to the merger, as disclosed pursuant to Item 402(t) of Regulation S-K and as further described in the section entitled "The Merger The Merger-Related Compensation for Provident's Named Executive Officers"."

Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only and will not be binding on Provident or Sterling. If the merger is completed, the merger-related compensation may be paid to Provident's named executive officers to the extent payable in accordance with the terms of the compensation agreements and arrangements even if Provident stockholders fail to approve the advisory vote regarding merger-related compensation.

The Provident board of directors unanimously recommends that Provident stockholders vote "FOR" the Provident compensation proposal.

Provident Stock Plan Amendment Proposal

Provident currently maintains the Provident New York Bancorp 2012 Stock Incentive Plan (which we refer to as the "Provident stock plan"). Under this plan, Provident has reserved a number of shares of its common stock for issuance to certain directors, officers and employees of Provident in the form of stock options, stock appreciation rights, restricted stock (both time-based and performance-based), restricted stock units, performance units, deferred stock and other stock-based awards, and grants of such awards are subject to certain annual limits with respect to particular individuals.

In order to make certain retention equity grants immediately following the consummation of the merger, Provident's board of directors on May 13, 2013, adopted, subject to stockholder approval and the consummation of the merger, an amendment to increase the maximum number of shares of Provident common stock that may be subject to awards other than options or stock appreciation rights granted to any individual from 116,000 to 450,000 per calendar year. We refer to the Provident stock plan as modified by this amendment as the "amended Provident stock plan". The amended Provident stock plan is substantially identical in design to the current Provident stock plan, other than the maximum number of shares that can be subject to awards other than options or stock appreciation rights granted to any person in a given calendar year. If the merger is not completed, the amendment to the Provident stock plan will not become effective and will be null and void in its entirety.

Provident stockholder approval will permit Provident to design incentive awards that are eligible to meet the requirements of "performance-based" compensation under Section 162(m) of the Code. Under Section 162(m) of the Code, Provident is not entitled to a federal income tax deduction for compensation in excess of \$1 million paid in any year to a "covered employee" (within the meaning of Section 162(m) of the Code), subject to certain exceptions. Compensation that qualifies as "performance-based" under Section 162(m) of the Code is exempt from this limitation. The applicable conditions of the performance-based compensation exemption include, among others, a requirement that the stockholders of Provident approve the material terms of the Provident stock plan, including the performance goals and award limits. Although Provident generally wishes to maximize its federal income tax deductions for compensation expenses, the committee that will administer the amended Provident stock plan may in certain circumstances grant awards that are not fully deductible if it determines that such awards are in the best interests of Provident and its stockholders.

The following is a summary of the material terms of the amended Provident stock plan, with significant differences from the current Provident stock plan identified where applicable. A copy of the full text of the amendment to the Provident stock plan is attached as Annex H to this joint proxy statement/prospectus, and the following summary is qualified in its entirety by reference to the terms of the Provident stock plan, as modified by such amendment. Stockholders are urged to review the amended Provident stock plan before determining how to vote on this proposal.

This joint proxy statement/prospectus also contains a proposal on which Sterling shareholders will vote to adopt the 2013 Sterling Plan. If the merger is completed, however, the 2013 Sterling Plan will

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be terminated effective immediately prior to such completion and no awards will be made under the plan.

The Provident board of directors unanimously recommends that Provident stockholders vote "FOR" the Provident stock plan amendment proposal.

Summary of Amended Provident Stock Plan

Administration

The amended Provident stock plan will be, as the Provident stock plan was, administered by a committee appointed by Provident's board of directors consisting of the members of the compensation committee of Provident's board of directors. The administrative committee for the amended Provident stock plan will consist of not less than two non-employee members of Provident's board of directors. The administrative committee has broad discretionary powers in administration of the amended plan. The board of directors of Provident, or those directors who satisfy New York Stock Exchange independence standards, may exercise any power or discretion conferred on the administrative committee. The administrative committee may delegate its powers and duties under the amended Provident stock plan to subcommittees of its members. The administrative committee may also authorize one or more executive officers to determine eligibility and awards for employees who are not officers or directors. Any resolution authorizing a subcommittee or officer to determine awards must limit the total number of shares the subcommittee or officer may award and the amounts and forms of consideration to be awarded.

Stock Subject to the Amended Provident Stock Plan

Provident will at all times reserve and keep available such number of shares as may be required to meet the needs of the amended Provident stock plan. A maximum of 2,900,000 shares of Provident's common stock, representing approximately 6.5% of the shares outstanding on the record date, may be issued in settlement of awards under the amended Provident stock plan. As of August 12, 2013, the aggregate fair market value of the shares reserved under this amended Provident stock plan was \$32,538,000 based on the closing sales price per share of Provident's common stock of \$11.22 on the New York Stock Exchange on that date. On each grant of a stock option or stock appreciation right, each share underlying the award will be counted as one share against this limit. On each grant of any other amended Provident stock plan award, each share underlying the award will be counted as 3.6 shares against this limit. To the extent that an outstanding award under the Provident Bancorp, Inc. 2004 Stock Incentive Plan or an award under the amended Provident stock plan does not result in the actual issuance of shares, the unissued shares will be added back to the pool of available shares for the amended Provident stock plan, at the same rates described above. An award fails to result in the actual issuance of shares when it does not vest, when a stock option or stock appreciation right is not exercised or when an award is settled in cash, among other reasons. Unissued shares will not be added back to the pool if they are withheld from an award or returned to Provident to pay any exercise price of a stock option or any tax withholding obligation for an award, or if they are not issued on exercise of a stock appreciation right.

Substitute Awards

The amended Provident stock plan also allows for substitute awards that can be issued with respect to an equity plan of any company acquired by Provident or a subsidiary. These substitute awards may be issued in Provident's assumption of or substitution for outstanding awards under the acquisition's equity plan, or to issue new awards with respect to shares authorized under such a plan to individuals who were not directors or employees of Provident or a subsidiary prior to such acquisition.

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Eligibility

As under the Provident stock plan, the administrative committee (or its delegates) selects the people who may participate in the amended Provident stock plan. Any officer, employee or non-employee director of Provident, Provident Bank or any other subsidiary, may be selected to participate. It is expected that after the merger, approximately 1,120 officers and employees and 12 non-employee directors will be eligible to be selected for participation.

Terms and Conditions of Awards

The administrative committee may, in its discretion, grant any or all of eight types of equity-linked awards to eligible individuals under the amended Provident stock plan: stock options, stock appreciation rights, restricted stock (both time-based and performance-based), restricted stock units, performance units, deferred stock and other stock-based awards. The administrative committee will, in its discretion, determine the type of awards made and establish other terms and conditions applicable to the award. In setting terms and conditions, it must observe the following restrictions:

It may not grant awards covering more than 533,000 shares to any one individual in any one calendar year.

It may not grant awards other than stock options or stock appreciation rights covering more than 450,000 shares to any one individual in any one calendar year (which is an increase from a limit of 116,000 shares under the Provident stock plan).

It may not grant an award that is not denominated in, or measured based on the value or change in value of, shares, in an amount greater than \$1,000,000 to any individual in any calendar year.

Stock Options

The administrative committee sets the terms and conditions of the stock options that it grants. In setting terms and conditions, it must observe the following restrictions:

It may not grant a stock option (other than an option that is a substitute award) with a purchase price that is less than the fair market value of a share of Provident's common stock on the date it grants the stock option.

It may not grant a stock option with a term that is longer than ten years.

The administrative committee may grant incentive stock options to officers and employees that qualify for special federal income tax treatment or nonqualified stock options that do not qualify for special federal income tax treatment. The administrative committee may grant only nonqualified stock options to non-employee directors. Incentive stock options are subject to certain additional restrictions under the Code and the amended Provident stock plan. Unless otherwise designated by the administrative committee, options granted under the amended Provident stock plan will be exercisable for a period of ten years after the date of grant (or for a shorter period ending one year after termination of employment due to retirement, death or disability; three months after the option holder's termination of employment without cause; or immediately on the option holder's voluntary resignation or termination of employment for cause). The exercise period may be further extended (but not beyond a maximum option period of ten years) by up to three years in the event of a change in control and, in the event the option is scheduled to expire while a securities trading suspension is in effect or an option holder is prevented from exercising options due to applicable federal, state or local securities laws, until ninety days following the end of the suspension period.

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Upon the exercise of an option, the exercise price must be paid in full. Payment may be made in cash, shares of Provident's common stock already owned by the option holder for a period of over six months, in any combination of the foregoing, or through participation in a "cashless exercise" procedure involving a broker. Provident may require payment in shares of common stock as described in the sentence above by provision in an award agreement or by other written notice that applies to exercises six months after notice is given. Vested options may be transferred prior to exercise only to certain family members and on death of the option holder. If permitted by the administrative committee, options may be exercised before they are vested; in this case, the shares issued upon exercise will carry a restrictive legend prohibiting transfer prior to the vesting date and requiring that the shares be returned to Provident in exchange for the lesser of the exercise price paid or the fair market value of the shares when returned if the vesting conditions are not satisfied.

Restricted Stock

As a general rule, shares of Provident's common stock that are subject to a restricted stock award are held by the administrative committee for the benefit of the award recipient, or denominated as stock units representing the right to future delivery of shares until vested and, when vested, are transferred to the award recipient. Unless the administrative committee determines otherwise with respect to any restricted stock award, before the shares subject to a restricted stock award are vested and transferred to the award recipient, the recipient will have the right to direct any voting rights and responses to any tender, exchange or other offer and receive any cash dividends or distributions, accruing any other dividends subject to vesting of the award. In the alternative, the administrative committee may authorize the immediate distribution of the restricted shares to the award recipient in the form of a stock certificate bearing a legend containing the applicable vesting restrictions.

Stock Appreciation Rights

A stock appreciation right affords the holder the right to receive, upon exercise, a payment in cash or shares of Provident's common stock equal to the positive difference between the exercise price assigned to the right and the fair market value of a share of Provident's common stock on the exercise date. The administrative committee sets the terms and conditions of the stock appreciation rights that it grants. In setting terms and conditions, it must observe the following restrictions:

It may not grant a stock appreciation right (other than a stock appreciation right that is a substitute award) with an exercise price that is less than the fair market value of a share of Provident's common stock on the date it grants the stock appreciation right.

It may not grant a stock appreciation right with a term that is longer than ten years.

The administrative committee may grant either tandem or standalone stock appreciation rights. Tandem stock appreciation rights are granted in tandem with and are exercisable on the same terms and conditions as a related stock option that is granted simultaneously. The exercise of a tandem stock appreciation right cancels the related option and the exercise of a related stock option cancels the tandem stock appreciation right. Tandem stock appreciation rights may only be settled in shares of Provident's common stock. Unless otherwise designated by the administrative committee, stock appreciation rights granted under the amended Provident stock plan will be standalone stock appreciation rights and will be exercisable for a period of ten years after the date of grant (or for a shorter period ending one year after termination of employment due to retirement, death or disability; three months after the option holder's termination of employment without cause; or immediately on the option holder's voluntary resignation or termination of employment for cause).

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Performance Awards

The administrative committee is authorized to award performance awards, which include performance-based restricted stock awards, restricted stock unit awards, performance unit awards and other stock-based awards (if designated as performance awards).

Performance Goals

In addition to, or in lieu of, service-based vesting requirements, performance awards will be subject to one or more performance goals established by the administrative committee that must be attained by the award recipient as a condition to retention of the shares. The performance goal(s) will be based on one or more of the following:

basic earnings per share;

basic cash earnings per share;

diluted earnings per share;

diluted cash earnings per share;

net income;

cash earnings;

net interest income;

non-interest income;

general and administrative expense to average assets ratio;

cash, general and administrative expense to average assets ratio;

efficiency ratio;

cash efficiency ratio;

return on average assets;

cash return on average assets;

return on average stockholders' equity;

cash return on average stockholders' equity;

return on average tangible stockholders' equity;

cash return on average tangible stockholders' equity;

total shareholder return;

core earnings;

operating income;

operating efficiency ratio;

net interest rate spread;

loan production volume;

non-performing loans;

cash flow;

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strategic business objectives, consisting of one or more objectives based upon meeting specified cost targets, business expansion goals, goals relating to acquisitions or divestitures or goals relating to capital raising and capital management;

except in the case of awards intended to satisfy the "performance-based" exception under Section 162(m) of the Code granted to Provident's chief executive officer and three other most highly paid executive officers (other than the chief financial officer) named in the summary compensation table in Provident's annual proxy statement (or anyone the administrative committee determines is reasonably likely to be such an individual), any other performance criteria established by the administrative committee; and

any combination of the foregoing.

Performance goals may be expressed on an absolute and/or relative basis, or a before- or after-tax basis, may be based on or otherwise employ comparisons based on internal targets, past performance and/or the past or current performance of other companies, may include or exclude any or all extraordinary or non-recurring items and may be applied on a consolidated basis or to individual business units, divisions or subsidiaries.

After setting the performance goals applicable to a performance award, the administrative committee may change them only in limited instances such as a change in control, stock split, stock dividend, merger, consolidation or reorganization, acquisition or disposition of a material business unit or infrequently occurring or extraordinary gain or loss. Under such circumstances, the administrative committee may adjust the performance goals in a manner designed to maintain as closely as practicable the previously established expected level of performance. Any such adjustments to the award opportunities or performance goals for awards intended to satisfy the "performance-based" exception under Section 162(m) of the Code granted to Provident's chief executive officer and three other most highly paid executives (other than the chief financial officer) named in the summary compensation table in Provident's annual proxy statement (or anyone the administrative committee determines is reasonably likely to be such an individual) will comply with section 162(m) of the Code.

Attainment of the performance goals will be measured over a performance period of at least one year specified by the administrative committee when the award is made. If the performance period is not specified: (i) if the performance award is granted during the first ninety days of a fiscal quarter, the performance period would be the period of twelve consecutive months beginning with the quarter in which the award was granted and (ii) in all other cases, the performance period would be the period of twelve consecutive months beginning with the fiscal quarter immediately following that in which the performance award was granted.

The administrative committee will determine in its discretion whether an award recipient has attained the applicable performance goals. If they have been satisfied, the administrative committee will certify such fact in writing. If the performance goals relating to a performance award are not satisfied during the performance period, the awards will be forfeited. If the performance goals and any service-based vesting schedule relating to a performance award are satisfied, the award will be distributed (or any vesting-related legend will be removed from any stock certificates previously delivered to the award recipient). If the performance goals relating to a performance award are achieved prior to the end of the performance period, the awards may be distributed early.

Performance-Based Restricted Stock Awards

The administrative committee sets the terms and conditions of the performance-based restricted stock awards that it grants. As a general rule, shares of Provident's common stock that are subject to a performance-based restricted stock award are held by the administrative committee for the benefit of the award recipient until it determines and certifies that the applicable performance goals have been

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attained, at which time, they are transferred to the award recipient. Unless the administrative committee determines otherwise with respect to any performance-based restricted stock award, before the shares subject to a performance-based restricted stock award are vested and transferred to the award recipient, the administrative committee will exercise any voting rights, the participant will direct the response of any tender, exchange or other offer and the administrative committee will accumulate any dividends or distributions for distribution at the same time and terms as the underlying shares. In the alternative, the administrative committee may authorize the immediate distribution of the restricted shares to the award recipient in the form of a stock certificate bearing a legend containing the applicable vesting restrictions.

Restricted Stock Unit Awards and Performance Unit Awards

The administrative committee sets the terms and conditions of the restricted stock unit awards and performance unit awards that it grants. A restricted stock unit award is denominated in shares and represents the right to receive a payment in a number of shares or an amount based on the fair market value of a number of shares of Provident's common stock on the date the award is granted, vests on any other date specified by the administrative committee, in each case, as set forth in the applicable award agreement, or a percentage of such number or shares or such amount (which may exceed 100%) depending on the level of the performance goals attained. A performance unit award is denominated in a specified dollar amount and represents the right to receive a payment of the specified dollar amount or a percentage of such amount (which may exceed 100%), depending on the level of the performance goals attained. At the time of grant, the administrative committee can specify a maximum amount payable in respect of a restricted stock unit award or performance unit award. After the administrative committee determines and certifies that the applicable performance goals have been attained, a restricted stock unit award or performance unit award will be paid in cash or shares of Provident's common stock or a combination of cash and shares of Provident's common stock, as determined in the discretion of the administrative committee.

The administrative committee may require a holding period for any performance award settled in shares of common stock, or a vesting period based on continued service after such a settlement.

Deferred Stock Awards

The administrative committee sets the terms and conditions of the deferred stock awards that it grants. Deferred stock awards represent the right to receive a specified number of shares of Provident's common stock, to the extent vested, at the end of a deferral period determined by the administrative committee. Shares of common stock subject to deferred stock awards will be held in a grantor trust that is subject to claims of Provident's creditors in the event of Provident's insolvency. Unless the administrative committee determines otherwise with respect to any deferred stock award, before the shares subject to a deferred stock award are vested, the administrative committee will exercise any voting rights and accumulate any dividends or distributions for distribution at the same time and terms as the underlying shares.

Other Stock-Based Awards

The administrative committee sets the terms and conditions of the other stock-based awards that it grants. Other stock-based awards generally include any other type of award that is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Provident's common stock. Other stock-based awards may or may not be subject to performance goals, at the discretion of the administrative committee. Other stock awards may include awards made to eligible employees in settlement of obligations under other compensation plans.

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Vesting of Awards

Stock Options, Stock Appreciation Rights and Non-Performance Based Awards

Unless otherwise specified by the administrative committee, stock options, stock appreciation rights, restricted stock awards, deferred stock awards and other stock-based awards (other than those subject to performance goals) will vest at the rate of one-third per year beginning on the first anniversary of the grant date. Restricted stock awards, deferred stock awards and other stock-based awards (other than those subject to performance goals) made to officers or employees cannot vest more rapidly than this rate, other than on account of the recipient's death, disability or retirement or upon a change in control, provided that this requirement does not apply to 20% of such authorized awards. Unless otherwise specified by the administrative committee, in the event of termination of employment due to retirement, death or disability, the vesting of any of the foregoing awards will be accelerated. Any of the foregoing awards that are not vested on the date that a recipient terminates employment will be cancelled without consideration (other than a refund of the lesser of the amount (if any) paid when the award was made and the fair market value of the unvested shares on the date of forfeiture) on the date the recipient terminates employment.

Upon a change in control, all outstanding stock options, stock appreciation rights and non-performance based awards held by a non-employee director will vest and become exercisable (if applicable) on the date of the change in control. At any time following a change in control, if an employee or officer who is an award recipient is involuntarily discharged without cause, at any time following a change in control, then all outstanding stock options, stock appreciation rights and non-performance based awards held by that employee or officer will vest and become exercisable (if applicable) on the date of that discharge.

Performance Awards

Unless otherwise specified by the administrative committee, the vesting date of performance-based restricted stock awards, restricted stock unit awards, performance unit awards and other stock-based awards subject to performance goals is the date on which payment is made and all such unvested awards will be forfeited without consideration (other than a refund of the lesser of the amount (if any) paid when the award was made and the fair market value of the unvested shares on the date of forfeiture) on the date the recipient terminates employment.

Mergers and Reorganizations

The number of shares available under the amended Provident stock plan, the maximum limits on awards available for grants to individual employees and directors, and any outstanding awards will be adjusted to reflect any merger, consolidation or business reorganization in which Provident is the surviving entity, and to reflect any stock split, stock dividend, spin-off or other event where the administrative committee determines an adjustment is appropriate in order to prevent the enlargement or dilution of an award recipient's rights. If a merger, consolidation or other business reorganization occurs and Provident is not the surviving entity, outstanding options and stock appreciation rights will be exchanged for options or stock appreciation rights linked to the equity of the surviving entity that are designed to neither increase nor diminish the rights of the holders of the outstanding options or stock appreciations rights, except to the extent that the administrative committee provides that any such awards will be settled for a monetary payment when the merger, consolidation or reorganization occurs. If a merger, consolidation or other business reorganization occurs and Provident is not the surviving entity, outstanding restricted stock awards, performance-based restricted stock awards, deferred stock awards and other stock-based awards that are denominated and/or payable in, and/or value by reference to shares, of Provident's common stock, will be exchanged for the same consideration

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received by stockholders generally in the transaction, with such consideration subject to the same terms and conditions of the award.

Conditions of Effectiveness

The amended Provident stock plan will become effective upon its approval by Provident's stockholders and will continue in effect until the ten year anniversary of the date on which the Provident stock plan was initially approved, unless terminated sooner. No performance-based awards intended to satisfy the "performance-based" exception under Section 162(m) of the Code (other than stock options or stock appreciation rights) will be granted after the fifth anniversary of the amended Provident stock plan's effective date unless the list of permissible performance goals is re-approved by the stockholders.

Termination or Amendment

Provident's board of directors has the authority to amend the amended Provident stock plan at any time or to suspend or terminate this plan in whole or in part at any time by giving written notice to the administrative committee; however, all awards that have been granted under the amended Provident stock plan and are outstanding on the date of any such suspension or termination of the plan will remain outstanding and exercisable for the period and terms and conditions set forth in the agreements between the administrative committee and the recipients.

To the extent required to comply with the Code and as a New York Stock Exchange listed company, Provident is required to seek stockholder approval for amendments to the amended Provident stock plan that are deemed material revisions under the New York Stock Exchange listing rules. No material amendments affecting the terms of performance awards intended to satisfy the "performance-based" exception under Section 162(m) of the Code may be made without stockholder approval.

Stock Option and Stock Appreciation Right Repricing

The administrative committee, the independent directors and Provident's board of directors are prohibited from making any adjustment or amendment to an outstanding stock option or stock appreciation right that reduces or has the effect of reducing its exercise price. The provisions of the amended Provident stock plan prohibiting such adjustments and amendments cannot be amended to lessen the prohibition without stockholder approval.

Clawbacks

The amended Provident stock plan specifically provides for forfeiture of awards and/or payment to Provident of compensation received from awards to the extent necessary for compliance with applicable clawback requirements of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the general policies of Provident or the terms and conditions of an award.

Federal Income Tax Consequences

The following discussion is intended to be a summary and is not a comprehensive description of the federal tax laws, regulations and policies affecting awards that may be granted under the amended Provident stock plan. Any descriptions of the provisions of any law, regulation or policy are qualified in their entirety by reference to the particular law, regulation or policy. Any change in applicable law or regulation or in the policies of various taxing authorities may have a significant effect on this summary. The amended Provident stock plan is not a qualified plan under section 401(a) of the Code.

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Stock Options

Incentive stock options will not give rise to federal income tax consequences when they are granted. If they are exercised during employment or within three months after termination of employment (one year in cases of termination due to death or disability), the exercise will not create federal income tax consequences either. When the shares acquired on exercise of an incentive stock option are sold, the seller must pay federal income taxes on the amount by which the sales price exceeds the purchase price. This amount will be taxed at capital gains rates if the sale occurs at least two years after the option was granted and at least one year after the option was exercised. Otherwise, it is taxed as ordinary income. The amount by which the fair market value of the shares acquired on exercise exceeds the option exercise price will be an item of adjustment in the year of exercise for purposes of determining the option holder's liability, if any, for alternative minimum tax.

Incentive stock options that are exercised more than one year after termination of employment due to death or disability or three months after termination of employment for other reasons are treated as nonqualified stock options. Nonqualified stock options will not create federal income tax consequences when they are granted. When they are exercised, federal income taxes at ordinary income tax rates must be paid on the amount by which the fair market value of the shares acquired by exercising the option exceeds the exercise price. When an option holder sells shares acquired by exercising a nonqualified stock option, he or she must pay federal income taxes on the amount by which the sales price exceeds the purchase price plus the amount included in ordinary income at option exercise. This amount will be taxed at capital gains rates, which will vary depending upon the time that has elapsed since the exercise of the option. A cash payment, if directed by the administrative committee on a merger or other reorganization under the amended Provident stock plan's change in control provisions, is taxed as if it were the exercise of a nonqualified stock option followed immediately by a resale of the stock acquired by exercising the option.

When a nonqualified stock option is exercised, Provident may be allowed a federal income tax deduction for the same amount that the option holder includes in his or her ordinary income. When an incentive stock option is exercised, there is no tax deduction unless the shares acquired are resold sooner than two years after the option was granted or one year after the option was exercised. A cash payment if directed by the administrative committee on a merger or other reorganization under the amended Provident stock plan's change in control provisions is deductible as if it were the exercise of a non-qualified stock option.

Stock Appreciation Rights

Stock appreciation rights do not have federal income tax consequences for recipients or for Provident when they are granted. When a stock appreciation right is exercised, the amount paid in settlement is included in the recipient's gross income for federal income tax purposes, and Provident may be entitled to claim a federal tax deduction for a like amount.

Restricted Stock Awards and Performance-Based Restricted Stock Awards

Restricted stock awards and performance-based restricted stock awards granted under the amended Provident stock plan do not result in federal income tax consequences to either Provident or the award recipient when they are made. Once the award is vested and the shares subject to the award are distributed, the award recipient will generally be required to include in ordinary income, for the taxable year in which the vesting date occurs, an amount equal to the fair market value of the shares on the vesting date. Provident will generally be allowed to claim a deduction for compensation expense in a like amount. If dividends are paid on unvested shares held under the amended Provident stock plan, such dividend amounts will also be included in the ordinary income of the recipient. Provident will be allowed to claim a deduction for compensation expense for this amount as well. In certain cases,

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a recipient of a restricted stock award that is not a performance-based restricted stock award may elect to include the value of the shares subject to a restricted stock award in income for federal income tax purposes when the award is made instead of when it vests.

Other Stock-Based Awards

The tax consequences of other stock-based awards will depend on the specific terms of each award.

Other Awards

Restricted stock unit awards, performance unit awards and deferred stock awards will not create federal income tax consequences when they are granted. Recipients generally recognize ordinary income in an amount equal to any cash received and the fair market value of any shares received on the date of payment or delivery. In the same taxable year, Provident will generally be allowed to claim a deduction for compensation expense in a like amount. If dividends are paid on unvested shares held under the amended Provident stock plan, such dividend amounts will also be included in the ordinary income of the recipient. Provident will be allowed to claim a deduction for compensation expense for this amount as well.

Deduction Limits

Section 162(m) of the Code limits Provident's deductions for compensation in excess of \$1,000,000 per year for Provident's chief executive officer and the three most highly paid executives named in the summary compensation table in Provident's annual proxy statement other than Provident's chief executive officer and chief financial officer. Compensation amounts resulting from so-called "qualified performance-based compensation" are not subject to this limit. Restricted stock awards, other than performance-based restricted stock awards, deferred stock awards and other stock-based awards that are not subject to performance goals may be subject to this deduction limitation if the amount of the restricted stock awards plus other compensation of the executive that is subject to the limit exceeds \$1,000,000. Provident has designed the amended Provident stock plan so that stock options, stock appreciation rights, performance-based restricted stock awards, restricted stock unit awards, performance unit awards and other stock-based awards that are subject to performance goals may qualify as qualified performance-based compensation that is not subject to the \$1,000,000 deduction limit. Provident expects that the administrative committee will take these deduction limits into account in setting the size and the terms and conditions of awards. However, the administrative committee may in its discretion decide to grant awards that exceed the deduction limit.

The preceding statements are intended to summarize the general principles of current federal income tax law applicable to awards that may be granted under the amended Provident stock plan. State and local tax consequences may also be significant.

New Plan Benefits

Awards under the amended Provident stock plan are discretionary and the administrative committee has not yet determined to whom awards will be made and the terms and conditions of such awards, other than an award to Louis J. Cappelli in connection with the merger and pursuant to his Services and Covenant Agreement with Provident (see "The Merger Interests of Sterling's Directors and Executive Officers in the Merger Employment and Change of Control Agreements with the Sterling Executive Officers").

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Equity Compensation Plan Information

The following table presents information on Provident's equity compensation plans as of September 30, 2012.

Plan Category	Number of Shares to Be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Shares Remaining for Future Issuance under Equity Compensation Plans
Plans approved by Provident stockholders	1,864,954	\$ 11.19	2,875,877
Plans not approved by Provident stockholders	107,526	\$ 8.46	
Total	1,972,480	\$ 11.04	2,875,877

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INFORMATION ABOUT PROVIDENT

Provident New York Bancorp is a Delaware corporation that owns all of the outstanding shares of common stock of Provident Bank. At March 31, 2013, Provident had, on a consolidated basis, assets of \$3.71 billion, deposits of \$2.80 billion and stockholders' equity of \$494.7 million. Provident Bank, an independent, full-service bank founded in 1895, is headquartered in Montebello, New York and is the principal bank subsidiary of Provident. With \$3.71 billion in assets and 485 full-time equivalent employees, Provident Bank accounts for substantially all of Provident's consolidated assets and net income. Provident Bank is a growing financial services firm that specializes in the delivery of service and solutions to business owners, their families, and consumers in communities within the greater New York City area through teams of dedicated and experienced relationship managers.

Provident's stock is traded on the New York Stock Exchange under the symbol "PBNY".

Provident's principal office is located at 400 Rella Blvd., Montebello, New York 10901, and its telephone number at that location is (845) 369-8040. Additional information about Provident and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information."

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INFORMATION ABOUT STERLING

Sterling Bancorp, a New York corporation, is a New York City-based financial corporation that owns all of the outstanding shares of common stock of Sterling National Bank. At March 31, 2013, Sterling had, on a consolidated basis, assets of \$2.8 billion, deposits of \$2.3 billion and shareholders' equity of \$232 million. Since 1929, Sterling National Bank, Sterling's principal banking subsidiary, has served the needs of businesses, professionals and individuals in the New York metropolitan area and beyond. Sterling provides clients with a full range of depository and cash management services and a broad portfolio of financing solutions including working capital lines, accounts receivable and inventory financing, factoring, trade financing, payroll funding and processing, equipment financing, commercial and residential mortgages and mortgage warehouse lines of credit. Sterling National Bank maintains 17 offices: 13 offices in New York City; two in Nassau County (one in Great Neck and the other in Woodbury, New York) and one in Yonkers, New York and an office in Connecticut.

Sterling's stock is traded on the New York Stock Exchange under the symbol "STL".

Sterling's principal office is located at 650 Fifth Avenue, New York, New York 10019, and its telephone number at that location is (212) 757-3300. Additional information about Sterling and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information," beginning on page 224.

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THE MERGER

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this joint proxy statement/prospectus and incorporated herein by reference. We urge you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the merger.

Terms of the Merger

Each of Provident's and Sterling's respective boards of directors has approved the merger agreement. The merger agreement provides for the merger of Sterling with and into Provident, with Provident continuing as the surviving corporation. Provident's certificate of incorporation will be amended at the effective time of the merger to change its name to "Sterling Bancorp" and increase the number of authorized shares of Provident common stock. Immediately following the completion of the merger, Provident's wholly owned bank subsidiary, Provident Bank, will convert into a national bank, and Sterling National Bank, a wholly owned bank subsidiary of Sterling, will merge with and into Provident Bank. Provident Bank will be the surviving association in the bank merger and will change its name to "Sterling National Bank".

In the merger, each share of Sterling common stock, par value \$1.00 per share, issued and outstanding immediately prior to the completion of the merger, except for specified shares of Sterling common stock held by Sterling or Provident, will be converted into the right to receive 1.2625 shares of Provident common stock, par value \$0.01 per share. No fractional shares of Provident common stock will be issued in connection with the merger, and holders of Sterling common stock will be entitled to receive cash in lieu thereof.

Sterling shareholders and Provident stockholders are being asked to adopt the merger agreement. See "The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

As part of their ongoing consideration and evaluation of their respective long-term prospects and strategies, each of Sterling's and Provident's board of directors and senior management have regularly reviewed and assessed their respective business strategies and objectives, including strategic opportunities and challenges, and have considered various strategic options potentially available to them, all with the goal of enhancing value for their respective stockholders. The strategic discussions have focused on, among other things, the business and regulatory environment facing financial institutions generally and Sterling and Provident, respectively, in particular, as well as conditions and ongoing consolidation in the financial services industry.

Beginning in early-2012, Jack Kopnisky, President and Chief Executive Officer of Provident, and Louis J. Cappelli, Chairman and Chief Executive Officer of Sterling, engaged in informal discussions regarding general industry and business matters. In the course of these conversations and discussions, Mr. Kopnisky expressed interest in discussing a potential strategic business combination between the two companies.

These informal conversations were followed by meetings and discussions during the next several months between Mr. Kopnisky and Mr. Cappelli during which they engaged in continued exploratory discussions regarding a potential strategic business combination involving their respective companies and the benefits for each company that could result from such a transaction. These discussions did not involve specific proposed merger terms, but rather centered around general information about each company and the benefits that might result from a strategic merger transaction principally based on and reflecting the relative market values of the companies and involving proportionate representation on the board of the potential combined company. Mr. Kopnisky and Mr. Cappelli also discussed the results of these meetings, as well as the potential benefits of a strategic business combination, with members of their respective senior management teams.

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At several meetings of the Provident board of directors and the executive committee of the board, beginning late in the spring of 2012, Mr. Kopnisky and the senior management team of Provident reviewed for the board of directors their discussions with Mr. Cappelli and the senior management team of Sterling, and the directors discussed with Provident's senior management team Sterling and the interest of Sterling in a strategic business combination with Provident. They also discussed the potential strategic fit and benefits of a business combination with Sterling, including the potential synergies from such a transaction. Following these discussions, the Provident board of directors authorized Mr. Kopnisky and Provident's senior management to continue discussions with Sterling relating to a possible business combination transaction between the two companies.

Also in summer 2012, Sterling retained J.P. Morgan and KBW as financial advisors, and Provident retained Credit Suisse and BofA Merrill Lynch as financial advisors in connection with a potential transaction between the parties. With respect to Provident, each of its financial advisors has long had significant advisory relationships with Provident and in view of the significant and transformative nature of the transaction, Provident determined it would benefit from the financial advice and assistance of two independent advisors. Given the significant and transformative nature of the transaction, Sterling also determined it would benefit from the advice and fairness opinion of two independent advisors. Sterling selected KBW, who has long had a significant advisory relationship with Sterling, and J.P. Morgan.

Mr. Cappelli informed the Sterling board of directors about preliminary discussions with Provident regarding a potential strategic business combination during meetings held in September and November of 2012.

Through the end of 2012 and into January of 2013, Provident's and Sterling's respective senior executives and financial advisors engaged in further discussions regarding a possible business combination and the businesses of the two companies. Provident's and Sterling's respective senior management teams, assisted by their respective financial advisors, began to discuss a potential business combination on terms which would provide for the merger of Provident and Sterling in a stock for stock transaction based on a fixed exchange ratio, with the board of directors of the combined company to be comprised of former Provident directors and former Sterling directors based on the relative ownership of the combined entity by Provident stockholders and Sterling shareholders, respectively. These discussions were consistent with the broad outlines of a potential transaction previously discussed, but began for the first time to focus on economic and governance terms. As these discussions continued, Provident and Sterling each determined that the discussions to date merited more detailed due diligence investigations and, accordingly, executed a confidentiality agreement in January of 2013. In addition, Provident retained Wachtell, Lipton, Rosen & Katz as legal advisors and Sterling retained Sullivan & Cromwell LLP as legal advisors.

Following the execution of the confidentiality agreement, and through March of 2013, representatives of Provident and Sterling (including outside legal counsel and other advisors and consultants) conducted mutual due diligence involving the management teams from both companies. In early March 2013, the parties and their outside counsel began preliminary drafting of the merger agreement and the related transaction documents.

In March 2013, senior management of Provident and Sterling met with representatives of the Federal Reserve Board and the OCC to brief the regulators on the potential transaction on a preliminary and confidential basis.

Mr. Kopnisky and Provident's senior management team and financial advisors regularly updated the board of directors of Provident on the continuing conversations between the parties regarding a potential merger transaction and senior management also updated the board on the results of their due diligence investigations.

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Mr. Cappelli and Sterling's senior management updated the Sterling board of directors about discussions with Provident regarding a potential merger transaction at each regularly scheduled board meeting in early 2013. At the March 13 meeting, Mr. Cappelli also informed the board that the comprehensive due diligence process undertaken by the parties had been completed and that the parties had also held confidential discussions with the bank regulators regarding a potential merger transaction with Provident. Mr. Cappelli and Mr. Tietjen then reviewed the key terms of the potential transaction with the board.

As a result of continuing discussions, the parties agreed to recommend to their respective boards of directors a transaction in which Sterling would merge with and into Provident in an all-stock transaction, with Sterling shareholders to receive 1.2625 shares of Provident common stock in exchange for each share of Sterling common stock. The fixed exchange ratio was determined through negotiation of the parties based on the relative values of the respective companies, including then current and historical market values and the expected contribution of each company to the value of the combined organization. Through its senior management, and following consultation with its advisors, Provident had initially proposed an exchange ratio of one share of Provident common stock for each share of Sterling common stock. Thereafter, senior management of Sterling, after consultation with its advisors, responded with a counteroffer that contemplated an exchange ratio of 1.275 shares of Provident common stock for each share of Sterling common stock. After further continued negotiations and discussion among the parties and their advisors, it was ultimately agreed that the exchange ratio would be fixed at 1.2625. The transaction would also provide that Mr. Kopnisky would serve as President and Chief Executive Officer of the combined company and Mr. Cappelli would serve as Chairman of the board of directors of the combined company, with the board of directors of the combined company to consist of thirteen directors, seven of which would be former Provident directors (including Mr. Kopnisky) and six of which would be former Sterling directors (including Mr. Cappelli and John Millman, Sterling's current President).

On March 28, 2013, the Provident board of directors held a meeting to consider, based on presentations from Provident's senior management and outside legal and financial advisors, the status of a potential business combination transaction with Sterling. Provident's management further reviewed for the Provident board of directors the background of discussions with Sterling and the progress of negotiations, and reported on Provident's due diligence investigations of Sterling. Provident's financial advisors, Credit Suisse and BofA Merrill Lynch, reviewed with the Provident board of directors additional information, including financial information regarding Provident, Sterling and the transaction. In addition, Provident's legal advisors, Wachtell, Lipton, Rosen & Katz, reviewed the most recent draft of the proposed merger agreement (which was substantially similar in all material respects to the initial draft it prepared and delivered to Sterling and its counsel) and related agreements as well as the legal standards applicable to the board's decisions and actions with respect to the proposed transaction. In the course of considering the transaction and whether to consider potential alternatives, the Provident board considered its strategic objectives to expand its presence in the greater metropolitan New York market and diversifying its loan portfolio into commercial loan asset classes, along with the other matters described below under " Provident's Reasons for the Merger", and determined that the Sterling transaction represented an attractive opportunity that should be pursued in lieu of considering other potentially available alternatives that could become available at some point in the future. Following questions and discussions among those in attendance, Provident's board of directors authorized Provident's senior management to complete negotiations with Sterling and finalize definitive documentation regarding the potential transaction.

On April 2, 2013, the Sterling board of directors held a meeting to consider the proposed merger of Sterling with and into Provident in accordance with the terms of the draft agreement and plan of merger. Mr. Cappelli and Mr. Tietjen provided the board with their perspective on the proposed merger and representatives of Sullivan & Cromwell reviewed with the board the legal standards

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applicable to the board's decisions and actions on the proposed merger. The board considered presentations from Sterling's senior management and outside financial advisors regarding the key terms of the merger agreement and the strategic and financial rationales for the proposed merger. Sterling's management also reported on Sterling's due diligence investigations of Provident. Representatives of Sterling's financial advisors reviewed with the Sterling board of directors additional information, including financial information regarding Sterling, Provident and the transaction. In addition, representatives of Sullivan & Cromwell reviewed the most recent draft of the proposed merger agreement and related agreements. Sterling's senior management and outside legal and financial advisors responded to questions from the directors throughout the meeting and there were discussions among the directors and management. Sterling's independent directors also met with outside legal and financial advisors in two executive sessions and the meeting of the Sterling board of directors was recessed until the following day at the end of the second executive session.

Following these board meetings, the parties and their outside counsel worked to finalize the terms of the merger agreement and the related transaction documents.

On April 3, 2013, the Provident board of directors held a joint telephonic meeting of the board of directors and the compensation committee of the board of directors of Provident. At the meeting, the board of directors received an update from Provident's management on the status of negotiations with Sterling. Also at this meeting, BofA Merrill Lynch reviewed with Provident's board of directors its financial analysis of the exchange ratio and delivered to Provident's board of directors an oral opinion, which was confirmed by delivery of a written opinion dated April 3, 2013, to the effect that, as of that date and based on and subject to various assumptions and limitations described in its opinion, the exchange ratio provided for in the merger was fair, from a financial point of view, to Provident. Representatives of Credit Suisse also presented its financial analyses of the exchange ratio and delivered an oral opinion to the Provident board of directors, which was confirmed by delivery of a written opinion dated April 3, 2013, that, as of such date and based upon and subject to various assumptions, matters considered and limitations described therein, the exchange ratio provided for in the merger was fair, from a financial point of view, to Provident.

Representatives of Wachtell, Lipton, Rosen & Katz, legal advisors to Provident, again discussed with the Provident board of directors the legal standards applicable to its decisions and actions with respect to the proposed transaction, and reviewed the proposed merger agreement and related agreements, including the amendment to Mr. Kohnsky's employment agreement and the employment and services agreements to be entered into with certain key individuals of Sterling, as described elsewhere in this joint proxy statement/prospectus.

Following these discussions, and review and discussion among the members of the Provident board of directors, including consideration of the factors described under " Provident's Reasons for the Merger; Recommendation of Provident's Board of Directors", the Sterling board determined that a strategic transaction with Provident would create the opportunity for a combined company with superior future earnings prospects, a more diversified balance sheet and loan portfolio and expanded opportunities, including organic growth and future acquisitions. The Sterling board further believed that the complementary nature of the cultures and product mix of the two companies, including with respect to strategic focus, target markets and client service, would facilitate integration and implementation of the transaction. In view of the unique business fit between Sterling and Provident and the other reasons described below under " Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors ", the Sterling board believed a merger with Provident represented an attractive and unique opportunity with the potential to deliver a higher long-term value to Sterling's shareholders than other potential alternatives that may come available in the future.

The Provident board of directors determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Provident and its

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stockholders, and the directors voted unanimously to approve the merger agreement and the transactions contemplated thereby and recommended that Provident's stockholders adopt the merger agreement.

On April 3, 2013, the Sterling board of directors reconvened the recessed April 2 meeting and continued its consideration of the merger agreement and the potential transaction. At the meeting, the board of directors received an update from Sterling's management and Sullivan & Cromwell on the status of negotiations with Provident. Also at this meeting, representatives of J.P. Morgan reviewed with Sterling's board of directors its financial analysis of the exchange ratio and delivered to Sterling's board of directors an oral opinion, which was confirmed by delivery of a written opinion dated April 3, 2013, to the effect that, as of such date and based on and subject to various factors, assumptions and limitations set forth in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Sterling common stock. Representatives of KBW also presented its financial analyses of the exchange ratio and delivered an oral opinion to the Sterling board of directors, which was confirmed by delivery of a written opinion dated April 3, 2013, that, as of such date and based upon and subject to various assumptions, considerations, qualifications and limitations set forth in its opinion, the exchange ratio in the merger was fair, from a financial point of view, to holders of Sterling common stock.

Following these discussions, and review and discussion among the members of Sterling's board of directors, including consideration of the factors described under " Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors", the Sterling board of directors determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Sterling and its shareholders, and the directors voted unanimously to adopt the merger agreement and approve the transactions contemplated thereby and recommended that Sterling's shareholders adopt the merger agreement.

Following completion of the April 3 board meetings, the merger agreement and related agreements were executed and delivered and the transaction was announced on the morning of April 4, 2013, in a press release issued jointly by Provident and Sterling.

Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors

In reaching its decision to adopt the merger agreement, and approve the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders adopt the merger agreement, the Sterling board of directors consulted with Sterling management, as well as its independent financial and legal advisors, and considered a number of factors, including the following material factors:

each of Sterling's, Provident's and the combined company's business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the Sterling board of directors considered its view that Provident's financial condition and asset quality are sound, that Provident's business and operations complement those of Sterling and that the merger would result in a combined company with a more diversified balance sheet and loan portfolio as well as a superior deposit mix and attractive cost of funding. The board of directors further considered that Provident's earnings and prospects, and the synergies potentially available in the proposed transaction, create the opportunity for the combined company to have superior future earnings and prospects compared to Sterling's earnings and prospects on a stand-alone basis. In particular, the board of directors considered the following:

the potential of creating a premier banking franchise specializing in serving small-to-middle market commercial and consumer clients in the greater New York metropolitan area;

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the ability to leverage Sterling's commercial product and lending expertise and relationship-based team distribution strategy across the combined company, including into portions of the metro New York area where Sterling does not currently operate;

the complementary nature of the cultures and product mix of the two companies, including with respect to strategic focus, target markets and client service, which management believes should facilitate integration and implementation of the transaction; and

the expanded possibilities, including organic growth and future acquisitions, that would be available to the combined company, given its larger size, asset base, capital and footprint;

the anticipated pro forma impact of the merger on the combined company, including the expected impact on financial metrics including earnings and tangible equity per share and on regulatory capital levels;

the structure of the transaction as a stock-for-stock merger following which Sterling's existing shareholders will continue to participate in the future success of the combined company and reap the benefits of any synergies achieved or any future transactions that might be pursued by the combined company;

the anticipated continued participation of Sterling's board of directors and management in the combined company, which enhances the likelihood that the strategic benefits that Sterling expects to achieve as a result of the merger will be realized and that the benefits and talents that Sterling brings to the combined institution will be appropriately valued and effectively utilized; in particular, Sterling's board of directors considered the following:

that the board of directors of the combined company would consist initially of seven Provident directors and six Sterling directors, including Sterling's current Chairman and Chief Executive Officer and Sterling's current President;

that the Chairman of the combined company would initially be Sterling's current Chairman and Chief Executive Officer; and

the substantial participation of other Sterling officers in senior management of the combined company;

its understanding of the current and prospective environment in which Sterling and Provident operate, including national and local economic conditions, the interest rate environment, increasing operating costs resulting from regulatory initiatives and compliance mandates, the competitive environment for financial institutions generally, and the likely effect of these factors on Sterling both with and without the proposed transaction;

the availability of alternative transactions, including consideration of the following:

the fact that, in a consolidating industry, institutions with an interest in merging with another institution typically make that interest known;

the fact that, in the current regulatory environment, many institutions may not be able to obtain regulatory approval for a strategic transaction, such as a transaction with Sterling;

the attractiveness and strategic fit of Provident as a potential merger partner; and

the likelihood of an alternative transaction emerging;

its review and discussions with Sterling's management concerning the due diligence examination of the business of Provident;

management's expectation that the combined company will have a strong capital position upon completion of the transaction;

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its belief that the transaction is likely to provide substantial value to Sterling's shareholders. In particular, Sterling believes that:

the transaction should be approximately 39.9% accretive from an earnings per share in 2015 perspective to Sterling shareholders on a GAAP basis;

the transaction should be immediately 18% accretive from a tangible book value per share perspective to Sterling shareholders;

pro forma return on equity is expected to be meaningfully higher than peer institutions' and implies a potential stock price well above Provident's current stock price;

the transaction is expected to result in significant annual cost savings; and

while revenue enhancements were not included in the forecasted synergies, the transaction will create meaningful potential revenue opportunities, including opportunities to cross-sell expanded products and services to a larger combined customer base, specifically opportunities related to asset based lending, factoring commercial and industrial, payroll finance, equipment finance and other business-oriented lines, commercial and residential real estate and wealth management, as well as expanded mortgage banking business opportunities;

the expectation that the transaction will be generally tax-free for United States federal income tax purposes to Sterling's shareholders;

the separate written opinions of each of J.P. Morgan and KBW, Sterling's financial advisors, dated as of April 3, 2013, delivered to the Sterling board of directors to the effect that, as of that date, and subject to and based on the various assumptions, considerations, qualifications and limitations set forth in the opinion, the exchange ratio was fair, from a financial point of view, to the holders of Sterling common stock;

the fact that the exchange ratio is fixed, which the Sterling board of directors believed was consistent with market practice for transactions of this type and with the strategic purpose of the transaction;

its review with its independent legal advisor, Sullivan & Cromwell LLP, and its independent financial advisors J.P. Morgan and KBW, of the financial and other terms of the merger agreement, including the fixed exchange ratio, tax treatment and mutual deal protection and termination fee provisions;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Provident's business, operations and workforce with those of Sterling;

the transaction-related restructuring charges and other merger-related costs;

the nature and amount of payments to be received by Sterling's management in connection with the merger;

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the potential risk of diverting management attention and resources from the operation of Sterling's business and towards the completion of the merger; and

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

The foregoing discussion of the information and factors considered by the Sterling board of directors is not intended to be exhaustive, but includes the material factors considered by the Sterling board of directors. In reaching its decision to approve the merger agreement, the merger and the other

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transactions contemplated by the merger agreement, the Sterling board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Sterling board of directors considered all these factors as a whole, including discussions with, and questioning of, Sterling's management and Sterling's independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the Sterling board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, are advisable and in the best interests of Sterling and its shareholders, and unanimously adopted and approved the merger agreement and the transactions contemplated by it.

The Sterling board of directors unanimously recommends that the Sterling shareholders vote "FOR" the approval of the merger proposal and other merger-related proposals.

Opinion of J.P. Morgan

Pursuant to an engagement letter effective as of June 26, 2012, Sterling retained J.P. Morgan as its financial advisor in connection with the merger. At the meeting of the Sterling board of directors on April 3, 2013, J.P. Morgan rendered its oral opinion to the Sterling board of directors (which was subsequently confirmed in writing by delivery of J.P. Morgan's written opinion dated the same date) that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth in its opinion, the exchange ratio in the merger was fair, from a financial point of view, to the holders of Sterling common stock. The J.P. Morgan written opinion, dated April 3, 2013, is sometimes referred to herein as the J.P. Morgan opinion.

The full text of the written opinion of J.P. Morgan, dated April 3, 2013, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in rendering its opinion, is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of the J.P. Morgan opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion which is attached as Annex B to this joint proxy statement/prospectus. Sterling shareholders should read this opinion carefully and in its entirety. The J.P. Morgan opinion is addressed to the Sterling board of directors, is directed only to the exchange ratio in the merger and does not constitute a recommendation to any Sterling shareholder as to how such shareholder should vote with respect to the merger or any other matter. The issuance of the J.P. Morgan opinion was approved by a fairness opinion committee of J.P. Morgan. J.P. Morgan provided its opinion to the Sterling board of directors in connection with and for the purposes of its evaluation of the merger.

In connection with preparing its opinion, J.P. Morgan, among other things:

reviewed a draft, dated April 2, 2013, of the merger agreement;

reviewed certain publicly available business and financial information concerning Sterling and Provident and the industries in which they operate;

compared the financial and operating performance of Sterling and Provident with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of the Sterling common stock and the Provident common stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by or at the direction of the managements of Sterling and Provident relating to their respective businesses, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the merger; and

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performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

J.P. Morgan also held discussions with certain members of the management of Sterling and Provident with respect to certain aspects of the merger, and the past and current business operations of Sterling and Provident, the financial condition and future prospects and operations of Sterling and Provident, the effects of the merger on the financial condition and future prospects of Sterling and Provident, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Sterling and Provident or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan did not independently verify (nor did it assume responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan conduct any review of the individual credit files of Sterling or Provident, evaluate the adequacy of the loan or lease loss reserves of Sterling or Provident or evaluate the solvency of Sterling or Provident under any state or federal laws relating to bankruptcy, insolvency or similar matters. J.P. Morgan is not an expert in the evaluation of loan and lease portfolios for assessing the adequacy of the allowances for losses with respect thereto and, accordingly, J.P. Morgan did not make an independent evaluation of the adequacy of the allowance for loan and lease losses of Sterling or Provident and J.P. Morgan assumed, with Sterling's consent, that the respective allowances for loan and lease losses for both Sterling and Provident, respectively, are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, including the synergies referred to above, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Sterling and Provident to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts (including the synergies referred to above) or the assumptions on which they were based. J.P. Morgan also assumed that the merger and the other transactions contemplated by the merger agreement will qualify as a tax-free reorganization for United States federal income tax purposes, and will be consummated as described in the merger agreement, and that the definitive merger agreement would not differ in any material respects from the draft thereof furnished to it. J.P. Morgan also assumed that the representations and warranties made by Sterling and Provident in the merger agreement and the related agreements are and will be true and correct in all respects material to J.P. Morgan's analysis. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to Sterling with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Sterling or Provident or on the contemplated benefits of the merger.

The J.P. Morgan opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of the J.P. Morgan opinion. It should be understood that subsequent developments may affect the J.P. Morgan opinion, and that J.P. Morgan does not have any obligation to update, revise or reaffirm the J.P. Morgan opinion. The J.P. Morgan opinion is limited to the fairness, from a financial point of view, to the holders of Sterling common stock of the exchange ratio in the merger and J.P. Morgan has expressed no opinion as to the fairness of any consideration to be paid in connection with the merger to the holders of any other class of securities, creditors or other constituencies of Sterling or as to the underlying decision by Sterling to engage in the merger. Furthermore, J.P. Morgan has expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the merger, or any class of such persons relative to the exchange ratio applicable to the holders of Sterling common stock in the merger or with respect to the fairness of any such compensation. J.P. Morgan has expressed no opinion as to the price at which the Sterling common stock, or the Provident common stock will trade at any future time.

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J.P. Morgan was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of Sterling or any other alternative transaction.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses undertaken by J.P. Morgan in connection with rendering the J.P. Morgan opinion. The following summary, however, does not purport to be a complete description of the financial analysis performed by J.P. Morgan. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of each summary. Considering the data set forth herein without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan's financial analyses.

The exchange ratio was determined through negotiations between Sterling and Provident and was approved by Sterling's board of directors. Although J.P. Morgan provided advice to Sterling during these negotiations, J.P. Morgan did not recommend that any specific exchange ratio constituted the only appropriate exchange ratio for the merger.

The projections furnished to J.P. Morgan for Sterling and Provident were prepared by or at the direction of the management of Sterling, in the case of projections relating to the business of Sterling, and by the management of Provident and at the direction of the management of Sterling, in the case of projections relating to the business of Provident, in connection with the merger. These projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections.

Sterling Trading Multiples Analysis

Using publicly available information, J.P. Morgan compared selected financial and market data of Sterling with similar data for the following companies:

Valley National Bancorp;

Provident Financial Services, Inc.;

Independent Bank Corporation;

Brookline Bancorp, Inc.;

TrustCo Bank Corp NY;

Flushing Financial Corporation;

Provident New York Bancorp;

Lakeland Bancorp, Inc.;

Hudson Valley Holding Corp.; and

The First of Long Island Corporation.

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In all instances, multiples were based on closing stock prices on April 2, 2013. For each of the following analyses performed by J.P. Morgan, financial and market data and earnings per share estimates for the selected companies were based on the selected companies' filings with the SEC and information J.P. Morgan obtained from SNL Financial and FactSet Research Systems. The multiples

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and ratios for each of the selected companies were based on the most recent publicly available information.

With respect to the selected companies, the information J.P. Morgan presented included:

multiple of price to estimated earnings per share for 2013, or Price / 2013 EPS; and

multiple of price to tangible book value per share, or Price / TBV.

Results of the analysis were presented for the selected companies, as indicated in the following table:

	Selected Companies	
	Median	Sterling
Price / 2013 EPS	13.3x	13.8x
Price / TBV	1.4x	1.5x

Based on the above analysis, J.P. Morgan then applied a multiple reference range of 12.0x to 14.5x for Price / 2013 EPS and 1.4x to 1.65x for Price / TBV. To arrive at the Price / TBV multiple reference range, J.P. Morgan regressed 2014 Estimated Return on Average Tangible Common Equity ("ROATCE") on Price / TBV for the above selected companies, then applied a 10.0%-12.0% 2014 Estimated ROATCE range to the resultant regression equation. The analysis indicated the following equity values per share of Sterling common stock, as compared to the total consideration of \$11.08 per share of Sterling common stock, which was calculated assuming an equivalent exchange ratio of 1.2625x and a closing stock price of Provident common stock of \$8.78 on April 2, 2013:

Price / 2013 EPS	\$	8.64 - 10.44
Price / TBV	\$	9.24 - 10.89

Sterling Dividend Discount Analysis

J.P. Morgan conducted a dividend discount analysis for the purpose of determining a range of implied equity values per share for Sterling common stock. A dividend discount analysis is a method of evaluating the equity value of a company using estimates of future dividends to shareholders generated by Sterling and taking into consideration the time value of money with respect to those future dividends by calculating their present value. In performing its analysis, J.P. Morgan utilized the following assumptions, among others:

a December 31, 2013, valuation date, which was discounted to April 2, 2013;

10-year dividend discount model;

earnings and assets provided by Sterling management for 2013-2014 and management approved extrapolations thereafter;

long-term earnings growth of 6.50% per year for 2015-2023 based on management approved extrapolations;

long-term asset growth of 5.0% per year for 2013-2023 based on Sterling management estimates and management approved extrapolations thereafter;

cost of excess capital of 1.5% (pre-tax);

35% marginal tax rate;

core dividends per share of \$0.36 annually;

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discount rate of 10.5%;

target tangible common equity to tangible assets ratio of 8.0%; and

a diluted share count of 31 million.

These calculations resulted in a range of implied values of \$8.21 to \$10.72 per share of Sterling common stock, as illustrated by the following table, as compared to the total consideration of \$11.08 per share of Sterling common stock, which was calculated assuming an equivalent exchange ratio of 1.2625x and a closing stock price of Provident common stock of \$8.78 on April 2, 2013:

Discount Rate	Terminal Multiple		
	12.0x	13.0x	14.0x
9.5%	\$ 9.58	\$ 10.15	\$ 10.72
10.5%	\$ 8.86	\$ 9.39	\$ 9.91
11.5%	\$ 8.21	\$ 8.69	\$ 9.16

Provident Trading Multiples Analysis

Using publicly available information, J.P. Morgan compared selected financial and market data of Provident with similar data for the following companies:

Valley National Bancorp;

Provident Financial Services, Inc.;

Independent Bank Corporation;

Brookline Bancorp, Inc.;

TrustCo Bank Corp NY;

Flushing Financial Corporation;

Sterling Bancorp;

Lakeland Bancorp, Inc.;

Hudson Valley Holding Corp.; and

The First of Long Island Corporation.

In all instances, multiples were based on closing stock prices on April 2, 2013. For each of the following analyses performed by J.P. Morgan, financial and market data and earnings per share estimates for the selected companies were based on the selected companies' filings with the SEC and information J.P. Morgan obtained from SNL Financial and FactSet Research Systems. The multiples and ratios for each of the

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selected companies were based on the most recent publicly available information.

With respect to the selected companies, the information J.P. Morgan presented included:

Price / 2013 EPS; and

Price / TBV.

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Results of the analysis were presented for the selected companies, as indicated in the following table:

	Selected Companies	
	Median	Provident
Price / 2013 EPS	13.3x	14.6x
Price / TBV	1.4x	1.2x

Based on the above analysis, J.P. Morgan then applied a multiple reference range of 12.0x to 14.5x for Price / 2013 EPS and 1.14x to 1.38x for Price / TBV. To arrive at the Price / TBV multiple reference range, J.P. Morgan regressed 2014 Estimated ROATCE on Price / TBV for the above selected companies, then applied a 7.8%-9.8% 2014 Estimated ROATCE range to the resultant regression equation. The analysis indicated the following equity values per share of Provident common stock, as compared to the closing price of Provident common stock of \$8.78 on April 2, 2013:

Price / 2013 EPS	\$ 7.20 - 8.70
Price / TBV	\$ 8.32 - 10.07

Provident Dividend Discount Analysis

J.P. Morgan conducted a dividend discount analysis for the purpose of determining a range of implied equity values per share for Provident common stock. A dividend discount analysis is a method of evaluating the equity value of a company using estimates of future dividends to shareholders generated by Provident and taking into consideration the time value of money with respect to those future dividends by calculating their present value. In performing its analysis, J.P. Morgan utilized the following assumptions, among others:

a December 31, 2013, valuation date, which was discounted to April 2, 2013;

earnings growth of 5% per year for fourth quarter 2014 and thereafter, based on earnings assumptions provided by Provident management (IBES consensus estimates for 2013 and three quarters of 2014) and based on management approved extrapolation thereafter, relied upon with Sterling's consent;

asset growth assumptions provided by Provident management of 6.0% for 2013 and 2014 and management approved extrapolations of 3.5% per year thereafter, relied upon with Sterling's consent;

cost of excess capital of 1.5% (pre-tax);

35% marginal tax rate;

core dividends per share of \$0.24 annually;

discount rate of 10.5%;

target tangible common equity to tangible assets ratio of 8.0%; and

diluted share count of 44.3 million.

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These calculations resulted in a range of implied values of \$7.72 to \$9.70 per share of Provident common stock, as compared to the closing price of Provident common stock of \$8.78 on April 2, 2013, as illustrated by the following table:

Discount Rate	Terminal Multiple		
	12.0x	13.0x	14.0x
9.5%	\$ 8.83	\$ 9.26	\$ 9.70
10.5%	\$ 8.25	\$ 8.65	\$ 9.04
11.5%	\$ 7.72	\$ 8.08	\$ 8.45

Relative Value Analysis

Based upon the implied valuations for each of Sterling and Provident calculated pursuant to the trading multiples analyses and stand alone dividend discount analyses described above, J.P. Morgan calculated a range of implied exchange ratios of a share of Sterling common stock to a share of Provident common stock, and then compared that range of implied exchange ratios to the equivalent exchange ratio in the merger of 1.2625 shares of Provident common stock per share of Sterling common stock.

For each of the analyses referred to above, J.P. Morgan calculated the ratio implied by dividing the low end of each implied equity value of Sterling by the high end of each implied equity value of Provident. J.P. Morgan also calculated the ratio implied by dividing the high end of each implied equity value of Provident by the low end of each implied equity value of Sterling. J.P. Morgan assumed, in each case, that 100% of the merger consideration would be stock consideration.

This analysis indicated the following implied exchange ratios, compared in each case to the equivalent exchange ratio in the merger of 1.2625 shares of Provident common stock per share of Sterling common stock:

Comparison	Range of Implied Exchange Ratios
Public Trading Multiples Analysis	
Price / 2013 EPS	0.993 - 1.450
Price / TBV	0.918 - 1.309
Dividend Discount Analysis	0.846 - 1.389
<i>Value Creation Analysis</i>	

J.P. Morgan prepared a value creation analysis that compared the equity value of Sterling (based on the dividend discount analysis) to the pro forma combined company equity value. J.P. Morgan determined the pro forma combined company equity value by calculating the sum of (i) the equity value of Sterling using the midpoint value determined in J.P. Morgan's dividend discount analysis described above in "Sterling Dividend Discount Analysis", (ii) the equity value of Provident using the midpoint value determined in J.P. Morgan's dividend discount analysis described above in "Provident Dividend Discount Analysis" and (iii) the estimated present value of expected synergies, net of restructuring charges. There can be no assurance that the synergies and transaction-related expenses will not be substantially greater or less than the Sterling estimate described above. The value creation analysis at the exchange ratio of 1.2625x provided for in the merger yielded accretion to the holders of Sterling common stock of 46%.

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General

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of the selected companies reviewed is identical to Sterling or Provident. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of Sterling or Provident, as applicable. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Sterling or Provident, as applicable.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. J.P. Morgan was selected to advise Sterling with respect to the merger on the basis of such experience and its familiarity with Sterling.

For financial advisory services rendered in connection with the merger, Sterling has agreed to pay J.P. Morgan a fee of \$2,000,000, one half of which is payable upon the consummation of the merger. In addition, Sterling has agreed to reimburse J.P. Morgan for certain expenses incurred in connection with its services, including the reasonable fees of counsel, and will indemnify J.P. Morgan and its affiliates, and the respective directors, officers, agents, and employees of J.P. Morgan and its affiliates, against certain liabilities, including liabilities arising under the Federal securities laws, relating to or arising out of activities performed or services furnished pursuant to the merger agreement, the merger or J.P. Morgan's role in connection therewith.

During the two years preceding the date of the J.P. Morgan opinion, neither J.P. Morgan nor its affiliates have had any other material financial advisory or other material commercial or investment banking relationships with Sterling or Provident. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of Sterling or Provident for their own account or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities.

Opinion of Keefe, Bruyette & Woods

General. In summer 2012, Sterling retained KBW to render financial advisory and investment banking services to Sterling in connection with a potential transaction with Provident. On April 2, 2013, Sterling executed an engagement agreement with KBW and KBW agreed to provide Sterling with an

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opinion as to the fairness, from a financial point of view, to the shareholders of Sterling, of the exchange ratio in the proposed merger with Provident. Sterling selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Sterling and its business.

As part of its engagement, representatives of KBW attended the meeting of the Sterling board held on April 3, 2013, at which the Sterling board evaluated the proposed merger with Provident. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the Sterling board that, as of such date, the exchange ratio was fair, from a financial point of view, to the holders of Sterling common stock. The Sterling board approved the merger agreement at this meeting.

The full text of KBW's written opinion to the Sterling board is attached as Annex C to this document and is incorporated herein by reference. Sterling shareholders are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion is directed to the Sterling board and addresses only the fairness, from a financial point of view, of the exchange ratio to the holders of Sterling common stock. It does not compare the relative merits of the merger with any alternative transaction or business strategy that may have been available to Sterling, does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any Sterling shareholder as to how the shareholder should vote at the Sterling annual meeting on the merger or any related matter. Provident and Sterling determined the exchange ratio through the negotiation process. KBW did not make a recommendation as to the exchange ratio. KBW's opinion does not address developments subsequent to the date of its opinion, and KBW undertakes no obligation to revise or update its opinion.

In rendering its opinion, KBW reviewed, among other things,

A draft of the merger agreement as of April 2, 2013 (which was the most recent draft made available to KBW);

Annual Reports to Stockholders and the Annual Reports on Form 10-K for the three years ended December 31, 2012 and September 30, 2012 of Sterling and Provident, respectively;

the Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with respect to the three years ended December 31, 2012 and September 30, 2012 of Sterling and Provident, respectively, as well as Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (to the extent available at the date of the opinion) with respect to periods subsequent to December 31, 2012 and September 30, 2012, and certain other communications from Sterling and Provident to their respective stockholders;

Provident's and Provident Bank's and Sterling's and Sterling National Bank's Call Reports for historical periods through December 31, 2012;

Certain other publicly-available financial information concerning the businesses and operations of Sterling and Provident furnished to KBW by Sterling and Provident for purposes of KBW's analysis;

Certain non-publicly available information concerning Sterling and Provident, including internal financial analyses and forecasts prepared by their respective managements; and

Information relating to strategic, financial and operational benefits anticipated from the merger prepared by the management of Sterling and Provident.

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In addition, KBW held discussions with members of senior management of Sterling and Provident regarding past and current business operations, regulatory relations, financial condition and future prospects of their respective companies, and other matters KBW deemed relevant. In addition, KBW compared certain financial and stock market information for Sterling and Provident with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the banking industry, and performed other studies and analyses that it considered appropriate.

In conducting its review and arriving at its opinion, KBW relied upon the accuracy and completeness of all of the financial and other information provided to them or otherwise publicly available. KBW did not independently verify the accuracy or completeness of any such information or assume any responsibility for such verification or accuracy. KBW relied upon the management of Sterling and Provident as to the reasonableness and achievability of the financial and operating forecasts and projections (and the assumptions and bases therefore including cost savings, operating synergies and merger-related costs) provided to KBW and assumed that such forecasts and projections reflected the best currently available estimates and judgments of such managements and that such forecasts and projections will be realized in the amounts and in the time periods estimated by such managements. KBW relied on assertions of management of Sterling and Provident that management was not aware of any facts or circumstances that would make such information materially misleading. KBW assumed, without independent verification, that the aggregate allowance for loan and lease losses for Sterling and Provident were adequate to cover those losses. KBW did not make or obtain any independent evaluations or appraisals of the property, assets (or the collectability of such assets) or liabilities of Sterling and Provident, nor did it examine any individual credit files. KBW has not been asked to and has not undertaken any independent verification of any such information, and KBW does not assume any responsibility or liability of the accuracy or completeness thereof.

The projections and associated assumptions used by KBW in certain of its analyses were provided by Sterling's and Provident's senior management teams. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions.

For purposes of rendering its opinion, KBW assumed that, in all respects material to its analyses:

the merger will be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which will not differ in any respect material to KBW's analyses from the draft reviewed) with no additional payments or adjustments to the exchange ratio;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger will be satisfied without any waivers or modifications to the merger agreement; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger, including the cost savings, revenue enhancements and related expenses expected to result from the merger.

KBW's opinion is limited to whether the exchange ratio is fair to the Sterling shareholders from a financial point of view. KBW's opinion does not consider, include or address (i) any other strategic

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alternatives currently (or which have been or may be) contemplated by Sterling or Sterling's board of directors, (ii) the legal, tax, regulatory or accounting consequences of the merger on Sterling, Provident or their respective stockholders including, without limitation, whether or not the merger will be accounted for using the acquisition method under generally accepted accounting principles, or whether or not the merger will qualify as a tax-free reorganization for United States federal income tax purposes, (iii) any advice or opinions provided by any other advisor to Sterling or Provident, (iv) the fairness of the amount or nature of any compensation to be paid to any of Sterling's or Provident's officers, directors or employees, or class of such persons, relative to the exchange ratio, or (v) the related merger between Sterling National Bank and Provident Bank contemplated by the merger agreement or any separate merger or other agreements contemplated to be entered into by Sterling. KBW's opinion does not in any manner address the prices at which shares of Sterling common stock or shares of Provident common stock will trade following the announcement of the merger or the actual value of the shares of common stock of the combined company when issued pursuant to the merger, or the prices at which the shares of common stock of Provident will trade following the consummation of the merger.

KBW was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of Sterling or any other alternative transaction.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Sterling and Provident. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Sterling board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Sterling board with respect to the fairness of the exchange ratio.

The following is a summary of the material analyses presented by KBW to the Sterling board on April 3, 2013, in connection with its fairness opinion. The summary is not a complete description of the analyses underlying the KBW opinion or the presentation made by KBW to the Sterling board, but summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. KBW's analyses and the summary of its analyses should be considered as a whole, and selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create an incomplete understanding of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

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Summary of Proposal. Pursuant to the terms of the Agreement, each outstanding share of Sterling common stock not owned by Sterling or Provident other than shares owned in a fiduciary or agency capacity or as a result of debts previously contracted, will be converted into the right to receive 1.2625 shares of Provident common stock (the "exchange ratio"). Based on Provident's closing price on April 2, 2013, of \$8.78, the exchange ratio represented a price of \$11.08 per share to Sterling's shareholders.

Selected Companies Analysis. Using publicly available information, KBW compared the financial performance and market performance of Sterling and Provident individually to the following publicly traded banks and bank holding companies and thrifts and thrift holding companies headquartered in the Mid-Atlantic, excluding mutual holding companies, pending merger targets, recently converted mutual holding companies and OTC Bulletin Board traded institutions, with assets between \$2.0 billion and \$5.0 billion. Companies included in this group were:

Tompkins Financial Corporation	S&T Bancorp, Inc.
Flushing Financial Corporation	WSFS Financial Corporation
TrustCo Bank Corp NY	Sandy Spring Bancorp, Inc.
Dime Community Bancshares, Inc.	The Bancorp, Inc.
Eagle Bancorp, Inc.	Sun Bancorp, Inc.
Lakeland Bancorp, Inc.	Hudson Valley Holding Corp.
Oritani Financial Corp.	Financial Institutions, Inc.
Metro Bancorp, Inc.	Univest Corporation of Pennsylvania
OceanFirst Financial Corp.	First of Long Island Corporation
Bryn Mawr Bank Corporation	Arrow Financial Corporation

Using publicly available information, KBW compared the pro forma capital levels, pro forma earnings, and illustrative market statistics of a combined Sterling and Provident institution to the following banks and thrifts headquartered in the Mid-Atlantic, excluding mutual holding companies, pending merger targets, recently converted mutual holding companies and OTC Bulletin Board traded institutions, with assets between \$4.0 billion and \$20.0 billion. KBW expanded this group to include institutions up to \$20.0 billion because the institutions in this larger group are sufficiently similar to the pro forma combined Sterling and Provident institution to provide a meaningful comparison. Companies included in this group were:

Susquehanna Bancshares, Inc.	Signature Bank
Fulton Financial Corporation	Astoria Financial Corporation
Valley National Bancorp	F.N.B. Corporation
National Penn Bancshares, Inc.	Northwest Bancshares, Inc.
Community Bank System, Inc.	Provident Financial Services, Inc.
NBT Bancorp, Inc.	WSFS Financial Corporation
Tompkins Financial Corporation	S&T Bancorp, Inc.
Flushing Financial Corporation	TrustCo Bank Corp NY
First Commonwealth Financial Corporation	

To perform this analysis, KBW used financial information for the last twelve months as of the most recently available quarter and market price information as of April 2, 2013. Earnings estimates for 2013 and 2014 were taken from a nationally recognized earnings estimate consolidator for selected companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Sterling's and Provident's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

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Standalone Financial Information of Sterling and Provident. KBW's analysis showed the following concerning Sterling's and Provident's standalone financial information:

	Sterling / Provident Group	Provident Group	Sterling / Provident Group Minimum	Sterling / Provident Group Median	Sterling / Provident Group Mean	Sterling / Provident Group Maximum
Core Return on Average Assets(1)	0.73%	0.55%	0.45%	0.87%	0.89%	1.28%
Core Return on Average Equity(1)	8.28%	4.01%	4.69%	8.15%	8.68%	12.64%
Net Interest Margin	4.04%	3.45%	2.58%	3.62%	3.59%	4.32%
Fee Income / Operating Revenue Ratio(2)	29.4%	18.4%	4.10%	21.5%	21.6%	41.0%
Efficiency Ratio	70.3%	67.0%	37.0%	59.6%	59.6%	89.4%
Tangible Common Equity/Tangible Assets	7.50%	8.94%	6.84%	8.62%	8.92%	18.01%
Total Capital Ratio(3)	12.58%	13.45%	11.96%	15.40%	15.45%	22.40%
Loans / Deposits	72.7%	75.5%	57.4%	84.2%	86.7%	163.8%
Loan Loss Reserve/Loans Nonperforming Assets/Loans + OREO	1.26%	1.28%	0.59%	1.44%	1.42%	1.91%
Nonperforming Assets/Assets	0.76%	2.41%	0.53%	2.06%	2.29%	4.29%
Net Charge-Offs/Average Loans	0.49%	1.40%	0.29%	1.47%	1.54%	3.20%
	0.49%	0.61%	0.05%	0.46%	0.61%	2.29%

- (1) Core income defined as net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, the after-tax portion of income from investment securities and nonrecurring items.
- (2) Excludes gains/losses on securities.
- (3) Shown at the bank level where holding company data unavailable.

Pro Forma Financial Information. KBW's analysis showed the following concerning certain information regarding the pro forma company's capitalization. The information below does not include the pro forma income statement information or asset quality information because such information is historical and subject to a number of complex considerations, assumptions and judgments and cannot be reliably calculated and, accordingly, KBW did not accord such information significant weight in arriving at its opinion to the Sterling board. Actual results could vary significantly from the pro forma information set forth below.

	Sterling / Provident Pro Forma Group	Provident Pro Forma Group	Sterling / Provident Pro Forma Group Minimum	Sterling / Provident Pro Forma Group Median	Sterling / Provident Pro Forma Group Mean	Sterling / Provident Pro Forma Group Maximum
Tangible Common Equity/Tangible Assets	7.98%	6.09%	6.09%	8.20%	8.45%	12.24%
Total Capital Ratio(2)	12.83%	12.20%	12.20%	14.53%	15.05%	21.53%
Loans / Deposits	77.4%	68.7%	68.7%	90.4%	90.6%	126.6%

- (1) Reflects estimated pro forma financials at projected close per management assumptions; includes purchase accounting adjustments.
- (2) Shown at the bank level where holding company data unavailable.

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Standalone Market Performance of Sterling and Provident. KBW's analysis showed the following concerning Sterling's and Provident's standalone market performance:

	Sterling	Provident	Sterling / Provident Group Minimum	Sterling / Provident Group Median	Sterling / Provident Group Mean	Sterling / Provident Group Maximum
Stock Price / Book Value per Share	1.35x	0.79x	0.96x	1.15x	1.23x	1.69x
Stock Price / Tangible Book Value per Share	1.51x	1.20x	0.99x	1.38x	1.42x	2.07x
Stock Price / LTM EPS	15.3x	16.3x	9.5x	13.7x	14.8x	27.2x
Stock Price / 2013 EPS(1)	13.8x	14.2x	10.6x	13.0x	13.8x	20.2x
Stock Price / 2014 EPS(1)	12.6x	13.1x	10.1x	12.2x	12.8x	17.6x
Dividend Yield	3.6%	2.7%	0.0%	3.2%	2.7%	4.8%
LTM Dividend Payout Ratio	55.4%	44.4%	0.0%	42.9%	42.0%	120.4%

(1) Estimates per First Call consensus estimates; represents calendar year estimates.

Pro Forma Market Performance. KBW's analysis showed the following concerning the pro forma company's market performance. The information below does not include last twelve months information or pro forma 2013 information because such information is subject to complex considerations, assumptions and judgments and cannot be reliably calculated. In addition, because of the expected timing of the merger, such information is not relevant to a determination of pro forma market performance. Accordingly, KBW did not accord such information significant weight in arriving at its opinion to the Sterling board. Actual results could vary significantly from the pro forma information set forth below.

	Sterling / Provident Pro Forma(1)	Sterling / Provident Pro Forma Group Minimum	Sterling / Provident Pro Forma Group Median	Sterling / Provident Pro Forma Group Mean	Sterling / Provident Pro Forma Group Maximum
Stock Price / Book Value per Share	0.86x	0.72x	1.13x	1.19x	2.26x
Stock Price / Tangible Book Value per Share	1.35x	0.84x	1.53x	1.61x	2.39x
Stock Price / 2014 EPS(2)	10.6x	11.7x	14.0x	14.7x	17.4x
Dividend Yield	3.2%	0.0%	3.5%	3.2%	6.6%

(1) Based on Provident's closing stock price on April 2, 2013 and reflects estimated pro forma financials at projected close per management assumptions; includes purchase accounting adjustments.

(2) Estimates per First Call consensus estimates; represents calendar year estimates.

Selected Transactions Analysis. KBW reviewed publicly available information related to selected acquisitions of banks and bank holding companies as well as thrifts and thrift holding companies nationwide, excluding transactions with non-U.S. domiciled buyers, that were announced after

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January 1, 2011, with announced aggregate transaction values between \$100 million and \$500 million. The transactions included in the group were:

Acquiror	Acquiree
F.N.B. Corporation	PVF Capital Corp.
SCBT Financial Corporation	First Financial Holdings, Inc.
Renasant Corporation	First M&F Corporation
United Bankshares, Inc.	Virginia Commerce Bancorp, Inc.
Prosperity Bancshares, Inc.	Coppermark Bancshares, Inc.
PacWest Bancorp	First California Financial Group, Inc.
NBT Bancorp, Inc.	Alliance Financial Corporation
Investors Bancorp, Inc. (MHC)	Marathon Banking Corporation
Berkshire Hills Bancorp, Inc.	Beacon Federal Bancorp, Inc.
Cadence Bancorp, LLC	Encore Bancshares, Inc.
Carlisle Bancshares, Inc.	Northstar Financial Corporation
Susquehanna Bancshares, Inc.	Tower Bancorp, Inc.
F.N.B. Corporation	Parkvale Financial Corporation
Valley National Bancorp	State Bancorp, Inc.
Brookline Bancorp, Inc.	Bancorp Rhode Island, Inc.
IBERIABANK Corporation	Cameron Bancshares, Inc.
Susquehanna Bancshares, Inc.	Abington Bancorp, Inc.
People's United Financial, Inc.	Danvers Bancorp, Inc.

Transaction multiples for the Provident-Sterling merger were derived by KBW based on an offer price of \$11.08 per share for Sterling. For each transaction referred to above, KBW compared, among other things, the following implied ratios:

price per common share paid for the acquired company to tangible book value per share of the acquired company based on the latest publicly available financial statements of the acquired company available prior to the announcement of the acquisition;

tangible equity premium (excess of purchase price over tangible equity) to core deposits (total deposits less time deposits greater than \$100,000) of the acquired company based on the latest publicly available financial statements of the acquired company prior to the announcement of the acquisition;

price per common share paid for the acquired company to last twelve months earnings per share of the acquired company;

price per common share paid for the acquired company to closing price of the acquired company one day prior to the announcement of the acquisition (expressed as a percentage and referred to as the one-day market premium).

The results of the analysis are set forth in the following table:

Transaction Multiples:	Sterling / Provident Merger	Recent Transactions Minimum	Recent Transactions Median	Recent Transactions Mean	Recent Transactions Maximum
Price / Tangible Book Value	1.68x	1.11x	1.72x	1.67x	2.40x
Core Deposit Premium	8.1%	1.7%	8.3%	8.9%	18.2%
Price / LTM EPS	17.1x	12.0x	22.6x	21.3x	33.4x
One-Day Market Premium(1)	11.4%	10.2%	35.6%	39.2%	109.0%

(1)

Based on Sterling's stock price of \$9.95 on 4/2/2013

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No company or transaction used as a comparison in the above analysis is identical to Sterling, Provident or the merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations, assumptions and judgments concerning differences in financial and operating characteristics of the companies.

Pro Forma Financial Impact Analysis. KBW performed pro forma merger analyses that combined projected income statement and balance sheet information of Sterling and Provident. Assumptions regarding the accounting treatment, acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of Provident. In the course of this analysis, KBW used earnings estimates for Provident for 2014 and 2015 provided by Provident management and used earnings estimates for Sterling for 2014 and 2015 provided by Sterling management. This analysis indicated that the merger is expected to be accretive to Provident's estimated earnings per share in 2014 and 2015. The analysis also indicated that the merger is expected to be dilutive to book value per share and dilutive to tangible book value per share for Provident, however, Provident is expected to maintain well capitalized capital ratios. For all of the above analyses, the actual results achieved by Provident following the merger will vary from the projected results, and the variations may be material.

Provident Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range of the present values of after-tax cash flows that Provident could provide to equity holders through 2018 on a stand-alone basis. In performing this analysis, KBW used earnings estimates for Provident for 2013 and 2014 and a growth rate of 5.0% thereafter provided by Provident management, and assumed discount rates ranging from 10.0% to 14.0%. The range of values was determined by adding (1) the present value of projected cash flows to Provident stockholders from 2014 to 2018 and (2) the present value of the terminal value of Provident's common stock. In determining cash flows available to stockholders, KBW assumed balance sheet growth provided by Provident management and assumed that Provident would maintain a tangible common equity/tangible asset ratio of 8.00% and would retain sufficient earnings to maintain these levels. Any earnings in excess of what would need to be retained represented dividendable cash flows for Provident. In calculating the terminal value of Provident, KBW applied multiples ranging from 12.0 times to 16.0 times 2019 forecasted earnings. This resulted in a range of values of Provident from \$7.56 to \$10.90 per share. The discounted cash flow present value analysis is a widely used valuation methodology that relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Provident.

Sterling Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range of the present values of after-tax cash flows that Sterling could provide to equity holders through 2018 on a stand-alone basis. In performing this analysis, KBW used earnings estimates for Sterling for 2013 and 2014 and a growth rate of 6.5% thereafter, provided by Sterling management, and assumed discount rates ranging from 10.0% to 14.0%. The range of values was determined by adding (1) the present value of projected cash flows to Sterling shareholders from 2014 to 2018 and (2) the present value of the terminal value of Sterling's common stock. In determining cash flows available to shareholders, KBW assumed balance sheet growth provided by Sterling management and assumed that Sterling would maintain a tangible common equity / tangible asset ratio of 8.00%, and would retain sufficient earnings to maintain these levels. Any earnings in excess of what would need to be retained represented dividendable cash flows for Sterling. In calculating the terminal value of Sterling, KBW applied multiples ranging from 12.0 times to 16.0 times 2019 forecasted earnings. This resulted in a range of values of Sterling from \$7.78 to \$11.88 per share. The discounted cash flow present value analysis is a widely used valuation methodology that relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Sterling.

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Contribution Analysis. KBW analyzed the relative contributions of Sterling and Provident to the pro forma market capitalization, balance sheet and income statement items of the combined institutions, including assets, loans, deposits, tangible common equity, net income, historical core net income and projected calendar 2013 and 2014 net income, and compared the pro forma ownership interests of Sterling and Provident of 47% and 53%, respectively, to that selected financial information set forth in the following table.

	Provident Stand-alone at 12/31/2012		Provident as a % of Total		Sterling Stand-alone at 12/31/2012		Sterling as a % of Total	Total(1)
Ownership								
100% stock (1.2625x exchange ratio)			53%				47%	
Balance Sheet (\$mm)								
Assets	\$ 3,790		58%	\$ 2,751		42%		\$ 6,541
Loans	2,199		55%	1,771		45%		3,970
Deposits	2,904		56%	2,268		44%		5,172
Equity	494		68%	228		32%		722
Tangible Common Equity	324		61%	204		39%		528
Earnings (\$mm)(2)								
Trailing Twelve Months	21		51%	20		49%		41
MRQ Annualized	28		57%	21		43%		49
2013 Est. Calendar GAAP Net Income	27		54%	22		46%		49
2014 Est. Calendar GAAP Net Income	31		56%	24		44%		55

(1) Does not reflect purchase accounting adjustments.

(2) Projected calendar year 2013 and 2014 earnings based on respective Provident and Sterling management estimates.

Engagement of KBW by Sterling. The Sterling board retained KBW as financial adviser to Sterling regarding the merger. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, KBW may, from time to time, purchase securities from, and sell securities to, Sterling and Provident. As a market maker in securities KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of Sterling and Provident for KBW's own account and for the accounts of its customers. To the extent KBW held any such positions, it was disclosed to Sterling.

Pursuant to the KBW engagement agreement, Sterling agreed to pay KBW a cash fee equal to \$2,000,000 to be paid as follows:

(i) one-quarter of the fee was paid at the time of signing of the merger agreement; (ii) one-quarter of the fee shall be paid on the date of mailing of the definitive proxy statements to Sterling's shareholders for approval of the merger; and (iii) the remainder (one-half) of the transaction fee is payable at the time of closing of the merger. In addition, Sterling also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements, including fees and reasonable expenses of counsel, incurred in connection with its retention up to \$75,000 and to indemnify against certain liabilities, including liabilities under the federal securities laws. During the two years preceding the date of its opinion to Sterling, KBW has received \$1,671,177 in compensation

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for investment banking services from Sterling, and KBW has not received compensation for investment banking services from Provident.

Certain Unaudited Prospective Financial Information

Provident does not as a matter of course make public long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, Provident has included in this joint proxy statement/prospectus certain unaudited prospective financial information regarding Provident's anticipated future operations that were made available to Sterling and its financial advisors in connection with the merger. This unaudited prospective financial information was based on earnings assumptions provided by Provident management (IBES consensus estimates for 2013 and three quarters of 2014), and based upon management approved extrapolation for the fourth quarter of 2014 and thereafter. None of Provident, BofA Merrill Lynch, Credit Suisse, KBW, J.P. Morgan or Sterling or any other person makes any representation as to the accuracy of such information or the ultimate performance of Provident or the combined entity compared to the prospective financial information. The inclusion of such unaudited prospective financial information in this document should not be regarded as an indication that such information will be predictive of actual future events nor construed as financial guidance, and it should not be relied on as such, and should not be regarded as an indication that any of Provident, BofA Merrill Lynch, Credit Suisse, KBW, J.P. Morgan or Sterling or any other person considered, or now considers, this information to be necessarily predictive of actual future results. There can be no assurance that such unaudited prospective financial information will be realized or that actual results will not be significantly higher or lower than estimated. Such unaudited prospective financial information reflects numerous estimates and assumptions with respect to industry performance and competition, general business, economic, market and financial conditions and matters specific to Provident's business, all of which are difficult to predict and many of which are beyond the control of Provident. The unaudited prospective financial information does not give effect to the merger, including the impact of negotiating or executing the merger agreement, the expenses that may be incurred in connection with consummating the merger, the potential synergies that may be achieved by the combined company as a result of the merger, the effect of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions which would likely have been taken if the merger agreement had not been executed, but which were instead altered, accelerated, postponed or not taken in anticipation of the merger.

The accompanying unaudited prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial information. Neither Provident's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. In addition, none of BofA Merrill Lynch, Credit Suisse, KBW or J.P. Morgan expressed any opinion or any other form of assurance on such information or its achievability.

The following table presents summary selected unaudited prospective financial information for the fiscal years ending 2013 through 2017 provided to Sterling and its financial advisors. This information assumes a 5% growth rate per year for the fourth quarter of 2014 and thereafter, based on earnings assumptions provided by Provident management (IBES consensus estimates for 2013 and three quarters

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of 2014), and based upon management approved extrapolation thereafter, relied upon with Sterling's consent:

Unaudited Prospective Financial Information for Provident

	Annual Periods Ending				
	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Earnings Per Share	\$ 0.60	\$ 0.70	\$ 0.74	\$ 0.77	\$ 0.81
Standalone Core Dividends Per Share	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24

Provident does not intend to update or otherwise revise any of such unaudited prospective financial information to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such prospective financial information are no longer appropriate. Stockholders are urged to review Provident's most recent SEC filings for a description of risk factors with respect to Provident's business. See also the sections of this document entitled "Where You Can Find More Information," "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Provident's Reasons for the Merger; Recommendation of Provident's Board of Directors

After careful consideration, Provident's board of directors, at a meeting held on April 3, 2013, unanimously determined that the merger agreement is in the best interests of Provident and its stockholders. Accordingly, Provident's board of directors approved the merger agreement and unanimously recommends that Provident stockholders vote "FOR" the adoption of the merger agreement.

In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its stockholders adopt the merger agreement, the Provident board of directors consulted with Provident management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

each of Provident's and Sterling's business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the Provident board of directors considered its view that Sterling's business and operations complement those of Provident (including by increasing fee income and reducing reliance on other revenue sources) and that the merger would result in a combined company with diversified revenue sources, a well-balanced loan portfolio and an attractive funding base, including through core deposit funding;

its understanding of the current and prospective environment in which Provident and Sterling operate, including national and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on Provident both with and without the proposed transaction;

its review and discussions with Provident's management concerning the due diligence investigation of Sterling;

the complementary nature of the cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

management's expectation that Provident will retain its strong capital position upon completion of the transaction;

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the opinion of BofA Merrill Lynch, dated April 3, 2013, to Provident's board of directors as to the fairness to Provident, from a financial point of view and as of the date of the opinion, of the exchange ratio provided for in the merger, as more fully described below in the section entitled " Opinion of BofA Merrill Lynch";

the opinion of Credit Suisse, dated April 3, 2013, addressed to the Provident board of directors as to the fairness, from a financial point of view and as of the date of such opinion, to Provident of the exchange ratio provided for in the merger, which opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken as more fully described below under " Opinion of Credit Suisse";

the financial and other terms of the merger agreement, including the fixed exchange ratio, expected tax treatment and mutual deal protection and termination fee provisions, which it reviewed with its outside financial and legal advisors;

the potential risk of diverting management attention and resources from the operation of Provident's business and towards the completion of the merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Sterling's business, operations and workforce with those of Provident; and

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

The foregoing discussion of the factors considered by the Provident board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the Provident board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Provident board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Provident board of directors considered all these factors as a whole, including discussions with, and questioning of, Provident's management and Provident's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

Opinion of BofA Merrill Lynch

Provident has retained BofA Merrill Lynch to act as Provident's financial advisor in connection with the merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Provident selected BofA Merrill Lynch to act as its financial advisor in connection with the merger on the basis of BofA Merrill Lynch's experience in transactions similar to the merger, its reputation in the investment community and its familiarity with Provident and its business.

On April 3, 2013, at a telephonic meeting of Provident's board of directors held to evaluate the merger, BofA Merrill Lynch delivered to Provident's board of directors an oral opinion, which was confirmed by delivery of a written opinion dated April 3, 2013, to the effect that, as of such date and based on and subject to various assumptions and limitations described in its opinion, the exchange ratio provided for in the merger was fair, from a financial point of view, to Provident.

The full text of BofA Merrill Lynch's written opinion, dated April 3, 2013, to Provident's board of directors, which describes, among other things, the assumptions made, procedures followed, factors

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considered and limitations on the review undertaken, is attached as Annex D to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to Provident's board of directors for the benefit and use of Provident's board of directors (in its capacity as such) in connection with and for purposes of its evaluation of the exchange ratio from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the merger and no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to Provident or in which Provident might engage or as to the underlying business decision of Provident to proceed with or effect the merger. BofA Merrill Lynch's opinion does not address any other aspect of the merger and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed merger or any related matter.

In connection with rendering its opinion, BofA Merrill Lynch:

reviewed certain publicly available business and financial information relating to Provident and Sterling;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of Provident furnished to or discussed with BofA Merrill Lynch by the management of Provident;

reviewed certain publicly available financial forecasts relating to Provident and certain other forecasts with respect to tangible assets prepared by or at the direction of and confirmed by the management of Provident (which are referred to as the "Provident Public/Management Forecasts");

reviewed certain internal financial and operating information with respect to the business, operations and prospects of Sterling furnished to or discussed with BofA Merrill Lynch by the management of Sterling;

reviewed certain publicly available financial forecasts relating to Sterling and certain other forecasts with respect to tangible assets prepared by or at the direction of and confirmed by the management of Provident (which are referred to as the "Sterling Public/Management Forecasts");

reviewed certain estimates as to the amount and timing of cost savings anticipated by the management of Provident to result from the merger;

discussed the past and current business, operations, financial condition and prospects of Provident and Sterling with members of senior management of Provident;

reviewed the potential pro forma financial impact of the merger on the future financial performance of Provident, including the potential effect on Provident's estimated earnings per share;

reviewed the trading histories for Provident's common stock and Sterling's common shares and a comparison of such trading histories with the trading histories of other companies BofA Merrill Lynch deemed relevant;

compared certain financial and stock market information of Provident and Sterling with similar information of other companies BofA Merrill Lynch deemed relevant;

reviewed the relative financial contributions of Provident and Sterling to the future financial performance of the combined company on a pro forma basis;

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reviewed the relative ownership percentages of stockholders of Provident on a pro forma basis following the closing of the merger;

reviewed a draft, dated April 2, 2013, of the merger agreement; and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the managements of Provident and Sterling that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. In the absence of Provident financial forecasts prepared by the management of Provident for a period of time that would have allowed BofA Merrill Lynch to perform its financial analyses, BofA Merrill Lynch was directed by Provident to use the Provident Public/Management Forecasts in performing its financial analyses. Accordingly, BofA Merrill Lynch relied, at the direction of Provident, on the Provident Public/Management Forecasts for purposes of its opinion. BofA Merrill Lynch was advised by Provident, and assumed at Provident's direction, that the Provident Public/Management Forecasts were a reasonable basis upon which to evaluate the future financial performance of Provident and the exchange ratio and that the forecasts with respect to tangible assets reflected in the Provident Public/Management Forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Provident as to the future financial performance of Provident. In the absence of Sterling financial forecasts prepared by the management of Sterling for a period of time that would have allowed BofA Merrill Lynch to perform its financial analyses, BofA Merrill Lynch was directed by Provident to use the Sterling Public/Management Forecasts in performing its financial analyses. Accordingly, BofA Merrill Lynch relied, at the direction of Provident, on the Sterling Public/Management Forecasts for purposes of its opinion. BofA Merrill Lynch was advised by Provident, and assumed at Provident's direction, that the Sterling Public/Management Forecasts were a reasonable basis upon which to evaluate the future financial performance of Sterling and the exchange ratio and that the forecasts with respect to tangible assets reflected in the Sterling Public/Management Forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Provident as to the future financial performance of Sterling. With respect to the projected cost savings, BofA Merrill Lynch was advised by Provident, and assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Provident as to the matters covered thereby. BofA Merrill Lynch relied, at the direction of Provident, on the assessments of the management of Provident as to Provident's ability to achieve such cost savings and was advised by Provident, and assumed, that such cost savings would be realized in the amounts and at the times projected.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Provident or Sterling, nor did it make any review of any credit files of Provident or Sterling, any assessment of the adequacy of any loan loss reserves of Provident or Sterling or any physical inspection of the properties or assets of Provident or Sterling. BofA Merrill Lynch did not evaluate the solvency or fair value of Provident or Sterling under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of Provident, that the merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the merger, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Provident, Sterling or the contemplated benefits of the merger in any respects material to BofA Merrill Lynch's analyses or opinion. BofA Merrill Lynch also assumed, at the

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direction of Provident, that the merger would qualify for federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended. BofA Merrill Lynch also assumed, at the direction of Provident, that the final executed merger agreement would not differ in any material respect from the draft merger agreement reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects of the merger (other than the exchange ratio to the extent expressly specified in its opinion), including, without limitation, the form or structure of the merger. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, to Provident of the exchange ratio provided for in the merger and no opinion or view was expressed with respect to any consideration received in connection with the merger by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the merger, or class of such persons, relative to the exchange ratio. Furthermore, no opinion or view was expressed as to the relative merits of the merger in comparison to other strategies or transactions that might be available to Provident or in which Provident might engage or as to the underlying business decision of Provident to proceed with or effect the merger. BofA Merrill Lynch did not express any opinion as to what the value of Provident's common stock actually would be when issued or the prices at which Provident's common stock or Sterling's common shares would trade at any time, including following announcement or consummation of the merger. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any shareholder or stockholder should vote or act in connection with the merger, or any related matter. Except as described in this summary, Provident imposed no other limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market, regulatory and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by BofA Merrill Lynch's Americas Fairness Opinion Review Committee.

The following represents a brief summary of the material financial analyses and certain other factors presented by BofA Merrill Lynch to Provident's board of directors in connection with its opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.**

Selected Publicly Traded Companies Analyses. BofA Merrill Lynch performed separate selected publicly traded companies analyses of Provident and Sterling. Estimated financial data of the selected publicly traded companies were based on public filings, publicly available research analysts' estimates and other publicly available information.

Provident. In performing a selected publicly traded companies analysis of Provident, BofA Merrill Lynch reviewed financial and stock market information of Provident and the following nine selected publicly traded commercial banks, which are referred to as the Provident selected companies:

Brookline Bancorp, Inc.

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Dime Community Bancshares, Inc.

Financial Institutions, Inc.

First of Long Island Corporation

Flushing Financial Corporation

Lakeland Bancorp, Inc.

Provident Financial Services, Inc.

OceanFirst Financial Corp.

TrustCo Bank Corp NY

BofA Merrill Lynch reviewed, among other things, equity values as multiples of calendar years 2013 and 2014 estimated earnings per share, referred to as EPS, and tangible book value per share as of December 31, 2012. BofA Merrill Lynch then applied ranges of selected multiples of calendar years 2013 and 2014 estimated EPS and tangible book value per share (as of December 31, 2012) derived from the Provident selected companies to corresponding data of Provident based on publicly available research analysts' estimates relating to Provident and Provident's public filings.

Sterling. In performing a selected publicly traded companies analysis of Sterling, BofA Merrill Lynch reviewed financial and stock market information of Sterling and the following 12 selected publicly traded commercial banks, which are referred to as the Sterling selected companies:

Arrow Financial Corporation

Berkshire Hills Bancorp, Inc.

Brookline Bancorp, Inc.

Bryn Mawr Bank Corporation

Community Bank System, Inc.

Financial Institutions, Inc.

First Commonwealth Financial Corporation

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Independent Bank Corp.

National Penn Bancshares, Inc.

NBT Bancorp Inc.

S&T Bancorp, Inc.

Tompkins Financial Corporation

BofA Merrill Lynch reviewed, among other things, equity values as multiples of calendar years 2013 and 2014 estimated EPS and tangible book value per share as of December 31, 2012. BofA Merrill Lynch then applied ranges of selected multiples of calendar years 2013 and 2014 estimated EPS and tangible book value per share (as of December 31, 2012) derived from the Sterling selected companies to corresponding data of Sterling based on publicly available research analysts' estimates relating to Sterling and Sterling's public filings.

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Based on implied per share equity value reference ranges for Provident and Sterling calculated as described above, these analyses indicated the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Ranges Based on:

EPS (E2013)	EPS (E2014)	Tangible Book Value	Merger Exchange Ratio
1.0317x - 1.4560x	1.0384x - 1.4318x	0.9041x - 1.5068x	1.2625x

No company used in these analyses is identical or directly comparable to Provident or Sterling. Accordingly, an evaluation of the results of these analyses is not entirely mathematical. Rather, these analyses involve complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Provident and Sterling were compared.

Dividend Discount Analyses. BofA Merrill Lynch performed separate dividend discount analyses of Provident and Sterling.

Provident. In performing a dividend discount analysis of Provident, BofA Merrill Lynch calculated the estimated present value of distributable cash flow that Provident was forecasted to generate during calendar years ending December 31, 2013 through December 31, 2017 based upon the Provident Public/Management Forecasts. BofA Merrill Lynch then calculated terminal value ranges for Provident by applying a range of terminal value multiples of 12.5x to 14.5x to Provident's calendar year ending December 31, 2018 estimated earnings. The distributable cash flows and terminal values were then discounted to present values using discount rates ranging from 6.5% to 8.5%.

Sterling. In performing a dividend discount analysis of Sterling, BofA Merrill Lynch calculated the estimated present value of distributable cash flow that Sterling was forecasted to generate during fiscal years ending December 31, 2013 through December 31, 2017 based upon the Sterling Public/Management Forecasts. BofA Merrill Lynch then calculated terminal value ranges for Sterling by applying a range of terminal value multiples of 12.5x to 14.5x to Sterling's fiscal year ending December 31, 2018 estimated earnings. The distributable cash flows and terminal values were then discounted to present values using discount rates ranging from 6.5% to 8.5%.

Based on implied per share equity value reference ranges for Provident and Sterling calculated as described above, these analyses indicated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range	Merger Exchange Ratio
1.0156x - 1.5428x	1.2625x

Other Factors. BofA Merrill Lynch also reviewed, for informational purposes, certain other factors, including:

share price targets for Provident and Sterling in recently published, publicly available Wall Street research analyst reports, noting that the low and high share price targets for Provident and Sterling discounted to present values implied an exchange ratio reference range of 1.0526x to 1.1667x;

historical trading performances of Provident's common stock and Sterling's common shares during the 52-week period ended April 2, 2013, noting that the low and high closing prices of Provident's common stock and Sterling's common shares during such period implied an exchange ratio reference range of 0.8367x to 1.4972x;

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implied historical exchange ratios for Provident and Sterling derived by dividing the average daily trading prices of Provident's common stock and Sterling's common shares on April 2, 2013 and the 30-day, 60-day, 90-day, one year and two year average for the period ended April 2, 2013, noting that implied historical exchange ratios for such periods were 1.1333x, 1.1264x, 1.1227x, 1.1028x, 1.1202x and 1.1462x, respectively;

relative contributions of Provident and Sterling to various current and future financial metrics of the pro forma combined company, without giving effect to potential synergies, based on publicly available financial data of and research analysts' estimates relating to Provident and Sterling as of April 2, 2013, noting that the relative contributions indicated a range of aggregate equity ownership percentages for Provident's stockholders in the combined company of approximately 54.3% to 61.3%; and

the potential pro forma impact of the merger on the future financial condition and performance of Provident, reflected in the pro forma earnings per share of Provident. BofA Merrill Lynch, at the direction of the management of Provident, used publicly available financial forecasts (including the forecasts as to the earnings per share long-term growth rate) and certain estimated combined cost savings. This analysis indicated that the merger would be accretive to Provident's estimated earnings per share in calendar year 2014 and 2015.

Miscellaneous.

As noted above, the discussion set forth above is a summary of the material financial analyses and certain other factors presented by BofA Merrill Lynch to Provident's board of directors in connection with its opinion and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that the analyses and factors summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Provident and Sterling. The estimates of the future performance of Provident and Sterling in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, of the exchange ratio provided for in the merger and were provided to Provident's board of directors in connection with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual values of Provident and Sterling.

The type and amount of consideration payable in the merger was determined through negotiations between Provident and Sterling, rather than by any financial advisor, and was approved by Provident's

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board of directors. The decision to enter into the merger agreement was solely that of Provident's board of directors. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by Provident's board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of Provident's board of directors or management with respect to the merger or the exchange ratio.

Provident has agreed to pay BofA Merrill Lynch for its services in connection with the merger an aggregate fee of US\$2 million, a portion of which was payable in connection with BofA Merrill Lynch's delivery of BofA Merrill Lynch's opinion and a significant portion of which is contingent on completion of the merger. Provident also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws. BofA Merrill Lynch also acted as an initial purchaser in the issuance by Provident in a private placement of \$100 million of 5.500% senior notes due 2018, which closed on July 2, 2013 and for which services BofA Merrill Lynch received aggregate compensation of \$875,000.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in the equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Provident, Sterling and certain of their respective affiliates.

Opinion of Credit Suisse

Provident retained Credit Suisse to act as its financial advisor in connection with the proposed merger. In connection with Credit Suisse's engagement, the Provident board of directors requested that Credit Suisse evaluate the fairness, from a financial point of view, to Provident of the exchange ratio provided for in the merger. On April 3, 2013, Credit Suisse rendered its oral opinion to the Provident board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Provident board of directors dated the same date) to the effect that, as of April 3, 2013, the exchange ratio provided for in the merger was fair, from a financial point of view, to Provident.

Credit Suisse's opinion was directed to the Provident board of directors (in its capacity as such) and only addressed the fairness, from a financial point of view, to Provident of the exchange ratio provided for in the merger and did not address any other aspect or implication of the merger. The summary of Credit Suisse's opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex E to this joint proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus is intended to be, and they do not constitute, advice or a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matter relating to the merger.

In connection with rendering its opinion, Credit Suisse, among other things:

reviewed a draft, dated April 2, 2013, of the merger agreement;

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reviewed certain related agreements and certain publicly available business and financial information relating to Sterling and Provident;

reviewed certain other information relating to Sterling and Provident, including certain publicly available financial forecasts, forecasts as to the earnings per share long-term growth rate and certain other forecasts with respect to tangible assets, provided to or discussed with Credit Suisse by Provident;

met with the managements of Sterling and Provident to discuss the business and prospects of Sterling and Provident, respectively;

considered certain financial and stock market data of Sterling and Provident and compared that data with similar data for other publicly held companies in businesses it deemed similar to those of Sterling and Provident;

considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which have been effected; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and Credit Suisse assumed and relied on such information being complete and accurate in all material respects. With respect to the publicly available financial forecasts (including the forecasts as to the earnings per share long-term growth rate) relating to Sterling and Provident referred to above, Credit Suisse reviewed and discussed such forecasts with the management of Provident and assumed, at Provident's direction, that such forecasts represent reasonable estimates and judgments with respect to the future financial performances of Sterling and Provident, respectively, and that the forecasts with respect to tangible assets referred to above were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Provident as to the future financial performances of Sterling and Provident, respectively. With respect to the estimates provided to Credit Suisse by the management of Provident with respect to the cost savings anticipated to result from the merger, Credit Suisse was advised by the management of Provident, and Credit Suisse assumed, that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Provident as to such cost savings and will be realized in the amounts and the times indicated thereby. Credit Suisse assumed, with the board of directors of Provident's consent, that the merger will be treated as a tax-free reorganization for federal income tax purposes. Credit Suisse also assumed, with the board of directors of Provident's consent, that, in the course of obtaining any regulatory or third-party consents, approvals or agreements in connection with the merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Sterling, Provident or the contemplated benefits of the merger in any respects material to its analyses or opinion and that the merger will be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Furthermore, Credit Suisse assumed that the definitive merger agreement conformed to the draft reviewed by it in all respects material to its analyses. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Sterling or Provident, any review of any credit files of Sterling or Provident, or any assessment of the adequacy of any loan loss reserves of Sterling or Provident, nor was it furnished with any such evaluations or appraisals.

Credit Suisse's opinion addressed only the fairness, from a financial point of view and as of the date of its opinion, to Provident of the exchange ratio and did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise including, without limitation, the fairness of the amount or

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nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the merger, or class of such persons, relative to the exchange ratio or otherwise. The issuance of Credit Suisse's opinion was approved by its authorized internal committee.

Credit Suisse's opinion was necessarily based upon information made available to it as of the date of its opinion and financial, economic, market, regulatory and other conditions as they existed and could be evaluated on that date, which if different than assumed could have a material impact on its analyses. Credit Suisse did not express any opinion as to what the value of shares of Provident common stock actually will be when issued to the holders of Sterling common shares pursuant to the merger or the prices at which shares of Provident common stock will trade at any time. Its opinion did not address the relative merits of the merger as compared to alternative transactions or strategies that might be available to Provident, nor did it address the underlying business decision of Provident to proceed with the merger.

In preparing its opinion to the Provident board of directors, Credit Suisse performed a variety of analyses, including those described below. The summary of Credit Suisse's financial analyses is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Credit Suisse's opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In performing its analyses, Credit Suisse considered business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion. No company, business or transaction used in Credit Suisse's analyses for comparative purposes is identical to Provident, Sterling, or the proposed transaction and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or transactions analyzed. While the results of each analysis were taken into account in reaching its overall conclusion with respect to fairness, Credit Suisse did not make separate or quantifiable judgments regarding individual analyses. The reference ranges indicated by Credit Suisse's financial analyses are illustrative and not necessarily indicative of actual values nor predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond Provident's control and the control of Credit Suisse. Much of the information used in, and accordingly the results of, Credit Suisse's analyses are inherently subject to uncertainty.

Credit Suisse was not requested to, and it did not, recommend the exchange ratio in the proposed merger, which was determined through negotiations between Provident and Sterling, and the decision to enter into the merger agreement was solely that of the Provident board of directors. Credit Suisse's opinion and analyses were provided to the Provident board of directors (in its capacity as such) in connection with its consideration of the proposed merger and were among many factors considered by the Provident board of directors in evaluating the proposed merger. Neither Credit Suisse's opinion nor

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its analyses were determinative of the exchange ratio or of the views of the Provident board of directors with respect to the proposed merger.

The following is a summary of the material financial analyses performed by Credit Suisse in connection with the preparation of Credit Suisse's opinion rendered to the Provident board of directors on April 3, 2013. **The analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Credit Suisse's analyses.**

Unless the context indicates otherwise, share prices for the selected companies used in the selected companies analysis described below were as of April 2, 2013, the last trading day prior to the date Credit Suisse rendered its opinion to the Provident board of directors. Estimated financial data of Provident, Sterling and the selected publicly traded companies were based on public filings, publicly available research analysts' estimates and other publicly available information. Forecasts as to the earnings per share long-term growth rate and certain other forecasts with respect to tangible assets were provided to or discussed with Credit Suisse by Provident.

Selected Publicly Traded Companies Analyses. Credit Suisse performed separate selected publicly traded companies analyses of Provident and Sterling.

Provident. In performing a selected publicly traded companies analysis of Provident, Credit Suisse reviewed financial and stock market information of Provident and the following nine selected publicly traded commercial banks, which are referred to as the Provident selected companies:

Brookline Bancorp, Inc.

Dime Community Bancshares, Inc.

Financial Institutions, Inc.

First of Long Island Corporation

Flushing Financial Corporation

Lakeland Bancorp, Inc.

Provident Financial Services, Inc.

OceanFirst Financial Corp.

TrustCo Bank Corp NY

Credit Suisse reviewed, among other things, equity values as multiples of calendar years 2013 and 2014 estimated earnings per share, referred to as EPS, and tangible book value per share as of December 31, 2012. Credit Suisse then applied ranges of selected multiples of calendar years 2013 and 2014 estimated EPS and tangible book value per share (as of December 31, 2012) derived from the Provident selected companies to corresponding data of Provident based on publicly available research analysts' estimates relating to Provident and Provident's public filings.

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Sterling. In performing a selected publicly traded companies analysis of Sterling, Credit Suisse reviewed financial and stock market information of Sterling and the following 12 selected publicly traded commercial banks, which are referred to as the Sterling selected companies:

Arrow Financial Corporation

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Berkshire Hills Bancorp, Inc.

Brookline Bancorp, Inc.

Bryn Mawr Bank Corporation

Community Bank System, Inc.

Financial Institutions, Inc.

First Commonwealth Financial Corporation

Independent Bank Corp.

National Penn Bancshares, Inc.

NBT Bancorp Inc.

S&T Bancorp, Inc.

Tompkins Financial Corporation

Credit Suisse reviewed, among other things, equity values as multiples of calendar years 2013 and 2014 estimated EPS and tangible book value per share as of December 31, 2012. Credit Suisse then applied ranges of selected multiples of calendar years 2013 and 2014 estimated EPS and tangible book value per share (as of December 31, 2012) derived from the Sterling selected companies to corresponding data of Sterling based on publicly available research analysts' estimates relating to Sterling and Sterling's public filings.

Based on implied per share equity value reference ranges for Provident and Sterling calculated as described above, these analyses indicated the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Ranges Based on:

EPS (E2013)	EPS (E2014)	Tangible Book Value	Merger Exchange Ratio
1.0317x - 1.4560x	1.0384x - 1.4318x	0.9041x - 1.5068x	1.2625x

No company used in these analyses is identical or directly comparable to Provident or Sterling. Accordingly, an evaluation of the results of these analyses is not entirely mathematical. Rather, these analyses involve complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Provident and Sterling were compared.

Dividend Discount Analyses. Credit Suisse performed separate dividend discount analyses of Provident and Sterling.

Provident. In performing a dividend discount analysis of Provident, Credit Suisse calculated the estimated present value of distributable cash flow that Provident was forecasted to generate during calendar years ending December 31, 2013 through December 31, 2017 based upon publicly available financial forecasts relating to Provident and certain other forecasts with respect to earnings per share long-term growth rate and certain other forecasts with respect to tangible assets. Credit Suisse then calculated

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terminal value ranges for Provident by applying a range of terminal value multiples of 12.0x to 14.5x to Provident's calendar year ending December 31, 2018 estimated earnings. The distributable cash flows and terminal values were then discounted to present values using discount rates ranging from 7.5% to 9.5%.

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Sterling. In performing a dividend discount analysis of Sterling, Credit Suisse calculated the estimated present value of distributable cash flow that Sterling was forecasted to generate during fiscal years ending December 31, 2013 through December 31, 2017 based upon publicly available financial forecasts relating to Sterling and certain other forecasts with respect to earnings per share long-term growth rate and certain other forecasts with respect to tangible assets. Credit Suisse then calculated terminal value ranges for Sterling by applying a range of terminal value multiples of 12.5x to 14.5x to Sterling's fiscal year ending December 31, 2018 estimated earnings. The distributable cash flows and terminal values were then discounted to present values using discount rates ranging from 7.0% to 9.0%.

Based on implied per share equity value reference ranges for Provident and Sterling calculated as described above, these analyses indicated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range	Merger Exchange Ratio
1.0053x - 1.5778x	1.2625x

Other Factors. Credit Suisse also reviewed, for informational purposes, certain other factors, including:

share price targets for Provident and Sterling in recently published, publicly available Wall Street research analyst reports, noting that the low and high share price targets for Provident and Sterling discounted to present values implied an exchange ratio reference range of 1.0526x to 1.1667x;

historical trading performances of Provident's common stock and Sterling's common shares during the 52-week period ended April 2, 2013, noting that the low and high closing prices of Provident's common stock and Sterling's common shares during such period implied an exchange ratio reference range of 0.8367x to 1.4972x;

implied historical exchange ratios for Provident and Sterling derived by dividing the average daily trading prices of Provident's common stock and Sterling's common shares on April 2, 2013 and the 30-day, 60-day, 90-day, one year and two year average for the period ended April 2, 2013, noting that implied historical exchange ratios for such periods were 1.1333x, 1.1264x, 1.1227x, 1.1028x, 1.1202x and 1.1462x, respectively;

relative contributions of Provident and Sterling to various current and future financial metrics of the pro forma combined company, without giving effect to potential synergies, based on publicly available financial data of and research analysts' estimates relating to Provident and Sterling as of April 2, 2013, noting that the relative contributions indicated a range of aggregate equity ownership percentages for Provident's stockholders in the combined company of approximately 54.3% to 61.3%; and

the potential pro forma impact of the merger on the future financial condition and performance of Provident, reflected in the pro forma earnings per share of Provident. Credit Suisse, at the direction of the management of Provident, used publicly available financial forecasts (including the forecasts as to the earnings per share long-term growth rate) and certain estimated combined cost savings. This analysis indicated that the merger would be accretive to Provident's estimated earnings per share in calendar years 2014 and 2015.

Miscellaneous

Provident selected Credit Suisse to act as its financial advisor in connection with the merger based on Credit Suisse's qualifications, experience, reputation and familiarity with Provident. Credit Suisse is

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an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Credit Suisse acted as financial advisor to Provident in connection with the merger and will receive an aggregate fee of US\$2 million for its services, a significant portion of which is contingent upon the consummation of the merger. In addition, Credit Suisse is eligible to receive a discretionary fee of up to US\$1 million upon the consummation of the merger. Provident also agreed to indemnify Credit Suisse and certain related parties for certain liabilities and other items arising out of or related to its engagement. Credit Suisse and its affiliates may in the future provide financial advice and services to Sterling, Provident and their respective affiliates for which Credit Suisse would expect to receive compensation. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. Credit Suisse also acted as an initial purchaser in the issuance by Provident in a private placement of \$100 million of 5.500% senior notes due 2018, which closed on July 2, 2013 and for which services Credit Suisse received aggregate compensation of \$875,000. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of Sterling, Provident and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies.

Interests of Provident's Directors and Executive Officers in the Merger

In considering the recommendations of Provident's board of directors with respect to the merger, Provident stockholders should be aware that certain executive officers (one of whom is a director) of Provident have certain interests in the merger that may be different from, or in addition to, the interests of Provident stockholders generally. Provident's board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated thereby and making its recommendation that Provident stockholders vote to approve the Provident merger proposal. These interests are described in further detail below.

In connection with its execution of the merger agreement, Provident entered into an amendment to the employment agreement with Jack Kopnisky, Provident's current President and Chief Executive Officer and a member of Provident's board of directors. This amendment, which will be effective as of and subject to the occurrence of the effective time of the merger, extends the term of Mr. Kopnisky's employment agreement until the third anniversary of the date on which the effective time occurs and gives effect to certain provisions of Provident's bylaws, as amended as described in "The Merger Amendment to Provident's Bylaws", relating to the President and Chief Executive Officer positions of the combined company at the effective time of the merger. Consistent with the terms of the agreement prior to this amendment, if Provident terminates Mr. Kopnisky without "cause" or Mr. Kopnisky resigns for "good reason" (each as defined in his employment agreement), then Mr. Kopnisky is entitled to: (i) a severance payment in an amount equal to two times the sum of his base salary immediately prior to termination and his target bonus for the year of termination, and (ii) continuation of health insurance premiums for a period of eighteen months following termination of employment.

On May 13, 2013, Provident entered into a retention award letter with Daniel G. Rothstein, Provident's current Executive Vice President, Chief Risk Officer and General Counsel. The retention award letter provides that, within ten days following the date on which the effective time of the merger occurs, Provident will pay Mr. Rothstein a lump sum cash payment equal to \$289,900, subject to his continued employment with Provident through the completion of the merger. In addition, if prior to the Closing Date, Mr. Rothstein's employment with Provident is terminated without "cause" (as

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defined in the retention award letter), he will be entitled to the retention payment within 30 days following the termination of his employment.

Merger-Related Compensation for Provident's Named Executive Officers

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each named executive officer of Provident that is based on or otherwise relates to the merger. This compensation is referred to as "golden parachute" compensation by the applicable SEC disclosure rules, and in this section we use such term to describe the merger-related compensation payable to Provident's named executive officers. The "golden parachute" compensation payable to a named executive officer is subject to a nonbinding advisory vote of Provident's stockholders, as described above in "Provident Proposals Provident Compensation Proposal."

The following table sets forth the value of the compensation Mr. Rothstein would receive under his retention award letter described above in "The Merger Interests of Provident's Directors and Executive Officers in the Merger".

Neither Mr. Rothstein nor any of the other named executive officers of Provident are entitled to any compensation or benefits under their respective employment agreements with Provident (if applicable) or under the Provident compensation and benefit plans in connection with the merger, as the merger will not constitute a "change in control" under such agreements and plans.

Assuming that the merger closes and Mr. Rothstein remains employed through the closing date (or is terminated without cause prior to the closing date), Mr. Rothstein would receive the amount set forth in the table below.

Name	Cash	Golden Parachute Compensation				Total
		Equity	NQDC	Benefits/Perquisites/	Tax Reimbursements/Other	
Daniel G. Rothstein	\$ 289,900(1)					\$ 289,900

- (1) Represents the single-trigger cash retention payment payable to Mr. Rothstein upon consummation of the merger under his retention award letter.

Interests of Sterling's Directors and Executive Officers in the Merger

In considering the recommendations of Sterling's board of directors with respect to the merger, you should be aware that executive officers and members of the board of directors of Sterling have agreements or arrangements that provide them with interests in the merger, including financial interests, that may be different from, or in addition to, the interests of the other shareholders of Sterling. Sterling's board of directors was aware of these interests during its deliberations of the merits of the merger and in determining to recommend to Sterling shareholders that they vote for the proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger. The amounts set forth in the discussions below regarding director and executive officer compensation are based on compensation levels as of the date of this proxy statement/prospectus unless otherwise specified.

Sterling Stock-Based Awards

Restricted Stock. Directors and executive officers hold outstanding awards of Sterling restricted stock. The terms of the awards provide for accelerated vesting of the restricted shares upon a change of control such as the merger. The merger agreement provides that at the effective time of the merger, these continuing restricted share awards will be converted automatically into a number of shares of Provident common stock, rounded to the nearest whole share, equal to the product of the number of

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shares of Sterling common stock subject to the restricted stock award and the exchange ratio, with such converted shares continuing to be subject to the same terms and conditions as were applicable to the award under the Sterling Stock Plan and the applicable award agreement thereunder (but taking into account any acceleration or vesting thereof provided for in the Sterling Stock Incentive Plan, or in the related award agreement, by reason of the merger).

Stock Options. Certain executive officers hold outstanding awards of Sterling stock options, which are all currently underwater (i.e., the exercise price of such stock option exceeds the current price of a share of Sterling common stock), based on the closing price of a share of Sterling common stock as of August 12, 2013. The terms of the awards provide for accelerated vesting of the stock options upon a change of control such as the merger. The merger agreement provides that at the effective time of the merger, each option granted by Sterling to purchase shares of Sterling common stock under the Sterling Stock Incentive Plan, whether vested or unvested, that is outstanding and unexercised shall cease to represent a right to acquire shares of Sterling common stock and shall be converted automatically into an option to purchase shares of Provident common stock with such converted option to continue to be subject to the same terms and conditions as were applicable to the Sterling stock option under the Sterling Stock Incentive Plan and the applicable award agreement thereunder (but taking into account any acceleration or vesting thereof provided for in the Sterling Stock Plan, or in the related award agreement, by reason of the merger) as follows: (i) the number of shares of Provident common stock to be subject to the new option will be equal to the product of the number of shares of Sterling common stock subject to the existing option and the exchange ratio (rounding fractional shares down to the nearest whole share), and (ii) the exercise price per share of Provident common stock under the new option will be equal to the exercise price per share of Sterling common stock of the existing option divided by the exchange ratio (rounded up to the nearest whole cent).

Equity Awards Held by Sterling's Executive Officers and Directors. Based upon equity compensation holdings as of May 3, 2013, Sterling's executive officers and directors hold the following equity awards, which will be treated as described above: Mr. Cappelli holds 15,913 shares of restricted stock, and no stock options; Mr. Millman holds 6,861 shares of restricted stock and no stock options; Mr. Tietjen holds 1,609 shares of restricted stock and no stock options; Mr. Applebaum holds 2,087 shares of restricted stock and 10,000 vested underwater stock options; Mr. Robinson holds 1,453 shares of restricted stock and 10,000 vested underwater stock options; and the non-employee directors as a group hold 20,000 shares of restricted stock and no stock options.

Employment and Change of Control Agreements with the Sterling Executive Officers

Sterling previously entered into an employment agreement, a change of control severance agreement or a change in control severance and retention agreement with each of its five executive officers. Sterling entered into these agreements at the time to promote stability and the continuity of senior management, and these agreements contained provisions regarding payments to be made to the executive officers upon the occurrence of certain terminations of employment and/or change of control events. In connection with the merger, and as further described below, Messrs. Cappelli, Millman, Applebaum and Tietjen, who are expected to continue employment with, or perform services for, Provident following the merger, have agreed to terminate their existing Sterling agreements (including any severance benefits) and have also entered into certain employment or services agreements with Provident that will become effective upon consummation of the merger. Each of these agreements was negotiated by the individual Sterling executive officer with Provident. Provident has not entered into an agreement with Mr. Robinson.

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Messrs. Cappelli and Millman

In connection with the merger, Messrs. Cappelli and Millman entered into services and covenant agreements with Provident, which will supersede the employment agreements between Sterling and each of Messrs. Cappelli and Millman as of the effective time of the merger.

Provident Services and Covenant Agreements

Provident's services and covenant agreements with Messrs. Cappelli and Millman provide for their service as, in the case of Mr. Cappelli, Chairman, and in the case of Mr. Millman, member, of the boards of directors of the combined company and bank following the completion of the merger, as well as for general advisory services as requested by the Chief Executive Officer of the combined company for a term of three years. Under the services and covenant agreements, within ten business days following the completion of the merger and in full settlement of Provident's, Sterling's and their respective affiliates' obligations under Messrs. Cappelli's and Millman's existing employment agreement with Sterling, Provident will pay Mr. Cappelli a lump sum payment of \$5 million and Mr. Millman a lump sum payment of \$3.6 million. Messrs. Cappelli and Millman will also be entitled to payment of their accrued benefit under the Sterling Bancorp/Sterling National Bank Supplemental Pension Benefit Plan (which we refer to as the "Sterling SERP") in accordance with the terms of the Sterling SERP and will retain all rights and benefits in respect of any death benefits under their split-dollar life insurance agreements with Sterling in accordance with their respective terms. During the term of their agreements, Mr. Cappelli will also be paid an annual consulting fee of \$350,000, Mr. Millman will be paid an annual consulting fee of \$200,000, and each of them will be provided with health insurance benefits and club and automobile perquisites in accordance with their existing employment agreements with Sterling. Mr. Cappelli will also receive a grant of restricted stock units promptly following the completion of the merger with an aggregate grant date value of \$3 million, which will vest and be settled in equal annual installments on each of the first three anniversaries of the grant date subject to Mr. Cappelli's continued service.

Under their services agreements with Provident, if Provident terminates the services of Mr. Cappelli or Mr. Millman without "cause", their services terminate due to "disability" or Mr. Cappelli or Mr. Millman terminates his employment for "good reason" (each as defined in their respective agreements), then Messrs. Cappelli and Millman will, subject to execution, delivery and non-revocation of a release of claims and continued compliance with certain restrictive covenants, be entitled to (i) the unpaid portion of the consulting fees they would have received for the three-year term of the agreement, payable at such times as such fees would be paid had they continued to perform services under the agreement, (ii) in the case of Mr. Cappelli, continued vesting of the restricted stock unit grant, and (iii) continuation of the health insurance benefits provided under the agreement for the duration of the original three-year term. In addition, upon Mr. Cappelli's or Mr. Millman's death, his designated beneficiary or estate will receive a lump sum cash payment of the unpaid portion of the consulting fees he would have received for the three-year term of agreement and, in the case of Mr. Cappelli, the restricted stock units granted to him under the agreement will immediately vest and be settled.

Each of Messrs. Cappelli's and Millman's agreements also provide that, for a period of three years following the termination of services with Provident for any reason, Messrs. Cappelli and Millman will be restricted from competing with Provident and its affiliates and from soliciting Provident's and its affiliates' respective customers or employees. As of the effective time of the merger, Messrs. Cappelli's and Millman's services and covenant agreements with Provident supersede and replace their respective employment agreements with Sterling, other than with respect to the "golden parachute" excise tax gross-up in each of their existing employment agreements with Sterling, which will survive only with respect to payments or benefits received in connection with the merger.

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Superseded Sterling Employment Agreements

Messrs. Cappelli and Millman are each a party to an employment agreement with Sterling that expires on December 31, 2017 and December 31, 2015, respectively. As described above, these agreements will be superseded by their new agreements with Provident as of the closing of the merger. Their employment agreements with Sterling would have provided for Messrs. Cappelli or Millman to receive the following payments and benefits upon a termination without "cause" or resignation for "good reason" (each as defined in the existing agreements) within two years following a change in control: (i) three times base salary or, if greater, the base salary that would have been payable to him for the remaining term of his agreement, (ii) a pro rata bonus for the year of termination, (iii) health and welfare benefits continuation for the remaining term of his agreement, (iv) the full amount due under any profit-sharing or similar plan calculated as if the executive had been terminated on the last day of the calendar year, and (v) three times the highest annual bonus earned during the three preceding fiscal years. In addition, each of Messrs. Cappelli and Millman would be entitled to the present value of the benefits he would have been entitled to under Sterling's retirement and supplemental retirement plans, as well as continuation of his life and health insurance plans, for the remaining term of his employment agreement. In the event that any compensation payments made to, or benefits provided to Messrs. Cappelli and Millman in connection with a change in control would be subjected to the excise tax imposed by Section 4999 of the Code, Sterling will provide a gross-up payment in an amount such that, after withholding for or payment of all federal, state, and local income, and excise taxes, and any penalties and interest on the gross-up payment, the remaining amount is equal to the excise tax on the compensation payments.

Mr. Tietjen

In connection with the merger, Provident entered into a services and covenant agreement with Mr. Tietjen that will supersede the change in control severance agreement between Sterling and Mr. Tietjen as of the effective time of the merger.

Provident Services and Covenant Agreement

Provident's services and covenant agreement with Mr. Tietjen provides for general advisory services as requested by the Chief Executive Officer of the combined company for a term of one year following the completion of the merger. Mr. Tietjen's services and covenant agreement provides that, within ten business days of the completion of the merger and in full settlement of Provident's, Sterling's and their respective affiliates' obligations under his existing change in control severance agreement with Sterling, he will be paid a lump sum payment of \$800,000 by Provident. In addition, Mr. Tietjen will also be entitled to payment of his accrued benefit under the Sterling SERP in accordance with the terms of the Sterling SERP and will retain all rights and benefits in respect of any death benefits under his split-dollar life insurance agreements with Sterling in accordance with their respective terms.

During the term of the agreement, Mr. Tietjen will also be paid an annual consulting fee of \$465,000. If Provident terminates Mr. Tietjen's agreement without "cause" or due to Mr. Tietjen's "disability" (each as defined in the agreement), then Mr. Tietjen will, subject to his execution, delivery and non-revocation of a release of claims and continued compliance with certain restrictive covenants, be entitled to the unpaid portion of the consulting fees he would have received for the one-year term of the agreement, payable at such times as such fees would be paid had he continued to perform services under the agreement. In addition, upon Mr. Tietjen's death, his designated beneficiary or estate will receive a lump sum cash payment of the unpaid portion of the consulting fees he would have received for the one-year term of agreement.

Mr. Tietjen's agreement also provides that, for a period of one year following the termination of his services for any reason, Mr. Tietjen will be restricted from competing with Provident and its

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affiliates and from soliciting Provident's and its affiliates' respective customers or employees. As of the effective time of the merger, the services and covenant agreement with Provident supersedes and replaces Mr. Tietjen's existing change in control severance agreement with Sterling, other than with respect to the right to receive health benefits following his termination of employment under his existing agreement and the "golden parachute" excise tax gross-up in his existing agreement, which will survive only with respect to payments or benefits received in connection with the merger.

Superseded Sterling Change in Control Agreement

Sterling has a change in control severance agreement with Mr. Tietjen. As described above, this agreement will be superseded by Mr. Tietjen's new agreement with Provident as of the closing of the merger. His existing change in control agreement with Sterling would have provided for Mr. Tietjen to receive the following payments and benefits upon a termination by Sterling without "cause" or by Mr. Tietjen for "good reason" (each as defined in the agreement) within two years following a change in control: (i) two times annual base salary, (ii) a pro rata bonus for the year in which the termination occurred, (iii) two times the highest annual bonus earned during the three preceding fiscal years and the present value of the benefits Mr. Tietjen would have been entitled to receive if his employment had continued with Sterling for two years. In addition, Mr. Tietjen would have been entitled to continuation of his medical and insurance benefits for two years after termination. In the event that any payments or benefits provided to Mr. Tietjen in connection with a change in control would be subjected to the excise tax imposed by Section 4999 of the Code, Sterling would provide a gross-up payment in an amount such that, after withholding for or payment of all federal, state, and local income, and excise taxes, and any penalties and interest on the gross-up payment, the remaining amount is equal to the excise tax on the compensation payments; provided, however, that if Mr. Tietjen would not be subject to the excise tax if his payments and benefits were reduced by up to five percent, his payments and benefits will be so reduced in lieu of a gross-up payment.

Mr. Applebaum

In connection with the merger, Provident and Mr. Applebaum entered into an employment agreement that will supersede the change in control severance agreement between Sterling and Mr. Applebaum as of the effective time of the merger.

Provident Employment Agreement

Provident's employment agreement with Mr. Applebaum provides for an annual base salary of \$400,000, a target annual bonus opportunity of 30% of base salary and a target annual equity compensation opportunity of 30% of base salary. Additionally, within ten business days following the completion of the merger and in full settlement of Provident's, Sterling's and their respective affiliates' obligations under Mr. Applebaum's existing employment agreement with Sterling, Provident will pay Mr. Applebaum a lump sum payment of \$675,000. Mr. Applebaum will also receive a retention award consisting of a grant of restricted stock units with a grant date value of \$600,000, which will vest and pay in equal installments over the three-year period following the completion of the merger subject to Mr. Applebaum's continued employment. In addition, Mr. Applebaum will be entitled (i) to payment of his accrued benefit under the Sterling SERP in accordance with the terms of the Sterling SERP (provided that the amount of such benefit that results from the payment of the accrued benefit prior to Mr. Applebaum's normal retirement date as a result of the merger will not exceed \$327,000); and (ii) to retain all rights and benefits in respect of any death benefits under his split-dollar life insurance agreements with Sterling in accordance with their respective terms.

If Provident terminates Mr. Applebaum's employment without "cause" or if he resigns for "good reason" (each as defined in the employment agreement), then Mr. Applebaum will, subject to his execution, delivery and non-revocation of a release of claims, be entitled to (i) the sum of his base

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salary and target bonus for the year of termination, and (ii) continuation of health insurance premiums for a period of eighteen months following termination of employment. If, however, he is terminated without cause or resigns for good reason within twelve months following a change in control that occurs after the merger, then he will be entitled to severance pay of two times the sum of his base salary and target bonus for the year of termination. The retention award will also vest in full if his employment terminates without cause, due to his death or disability, or as a result of his resignation for good reason, subject, in each case, to execution, delivery and non-revocation of a release of claims and to recoupment in the event he does not comply with certain restrictive covenants. Payments and benefits payable in connection with a change in control of Provident following the merger would be reduced to the extent necessary to avoid the application of any "golden parachute" excise tax pursuant to Section 4999 of the Code if such reduction would result in Mr. Applebaum receiving greater compensation and benefits on an after-tax basis.

Mr. Applebaum's employment agreement also provides that, for a period of twelve months following the termination of his employment for any reason, he will be restricted from competing with Provident and its affiliates and, for a period of eighteen months following the termination of his employment for any reason, he will be restricted from soliciting Provident's and its affiliates' respective customers or employees. As of the effective time of the merger, the employment agreement with Provident supersedes and replaces Mr. Applebaum's existing change in control severance agreement with Sterling, other than with respect to the "golden parachute" excise tax gross-up in the existing agreement with Sterling, which will survive only with respect to payments or benefits received in connection with the merger.

Superseded Sterling Change in Control Agreement

Sterling has a change in control severance agreement with Mr. Applebaum. As described above, this agreement will be superseded by Mr. Applebaum's new employment agreement with Provident as of the closing of the merger. His existing change in control agreement with Sterling would have provided for Mr. Applebaum to receive the following payments and benefits upon a termination without "cause" or by Mr. Applebaum for "good reason" (each as defined in the agreement) within two years following a change in control: (i) two times annual base salary, (ii) a pro rata bonus for the year in which the termination occurred, (iii) two times the highest annual bonus earned during the three preceding fiscal years and (iv) the present value of the benefits Mr. Applebaum would have been entitled to receive if his employment had continued with Sterling for two years. In addition, Mr. Applebaum would have been entitled to continuation of his medical and insurance benefits for two years after termination. In the event that any payments or benefits provided to Mr. Applebaum in connection with a change in control would be subjected to the excise tax imposed by Section 4999 of the Code, Sterling would provide a gross-up payment in an amount such that, after withholding for or payment of all federal, state, and local income, and excise taxes, and any penalties and interest on the gross-up payment, the remaining amount is equal to the excise tax on the compensation payments; provided, however, that if Mr. Applebaum would not be subject to the excise tax if his payments and benefits were reduced by up to five percent, his payments and benefits would be so reduced in lieu of a gross-up payment.

Mr. Robinson

Sterling Change in Control Agreement

Sterling has a change in control severance and retention agreement with Mr. Robinson pursuant to which Mr. Robinson agrees that he will not voluntarily leave the employ of Sterling, other than as a result of "disability", retirement or for "good reason" (each as defined in the agreement), until such change in control occurs or such action is terminated or abandoned. If Mr. Robinson's employment is terminated within one year following a change in control, Sterling will pay Mr. Robinson a lump sum

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cash severance amount equal to his highest annual base salary during the 12-month period immediately prior to termination. If Mr. Robinson remains employed for one year after a change in control, Sterling will pay him a retention bonus equal to his highest annual base salary during the period commencing one year prior to a change in control and ending on the date of payment of the retention bonus.

Sterling SERP

Messrs. Cappelli, Millman, Tietjen and Applebaum participate in the Sterling SERP, which pays the amount that cannot be paid from Sterling's qualified defined benefit plan due to limitations under the Code. The Sterling SERP provides that the supplemental retirement benefits shall vest and become payable upon a change in control, such as the merger. Each of Messrs. Cappelli, Millman, Tietjen and Applebaum are currently fully vested in their supplemental retirement benefits.

Appointment of Sterling Directors and Executive Officers

As of the effective time of the merger, Mr. Cappelli shall serve as Chairman of the board of directors of Provident and its subsidiaries. On or prior to the effective time, Provident's board of directors shall cause the number of directors that will comprise the full board of directors of the surviving corporation to be 13. Of the members of the board of directors of the surviving corporation at the effective time, six shall be current Sterling directors designated by Sterling including Mr. Cappelli and Mr. Millman.

Merger-Related Compensation for Sterling's Named Executive Officers

Golden Parachute Compensation

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each named executive officer of Sterling that is based on or otherwise relates to the merger. This compensation is referred to as "golden parachute" compensation by the applicable SEC disclosure rules, and in this section we use such term to describe the merger-related compensation payable to our named executive officers. The "golden parachute" compensation payable to these individuals is subject to a nonbinding advisory vote of Sterling's shareholders, as described above in "Sterling Merger-Related Proposals Proposal No. 2: Sterling Merger-Related Compensation Proposal."

The terms of the merger agreement provide for the conversion of outstanding Sterling restricted stock and stock option awards into restricted stock and stock option awards in respect of Provident common stock upon the closing of the merger. For a description of the treatment of outstanding equity awards held by Sterling directors and executive officers, see "The Merger Interests of Sterling's Directors and Executive Officers in the Merger" beginning on page 119.

The named executive officers are entitled to certain "single-trigger" benefits, which are paid upon a change in control, and each of the named executive officers is entitled to certain "double-trigger" severance payments and benefits, which are paid upon a qualifying termination of employment following a change in control, in each case, pursuant to the employment, change of control severance agreements and the change in control severance and retention agreements described above in "The Merger Interests of Sterling's Directors and Executive Officers in the Merger Employment and Change of Control Agreements with the Sterling Executive Officers" beginning on page 120. Compensation that may be paid or become payable to Sterling's named executive officers in connection with the merger pursuant to agreements solely between the named executive officers and Provident is not subject to the non-binding advisory vote but is described, inclusive of the potential payments and benefits under the employment agreements and services agreements with Provident, above in "The Merger Interests of Sterling's Directors and Executive Officers in the Merger Employment and Change of Control Agreements with the Sterling Executive Officers."

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The following table sets forth the amount of payments and benefits that may be paid or become payable to each of the named executive officers in connection with the merger pursuant to their employment arrangements with Provident, assuming: (1) the effective time of the merger occurred on August 12, 2013 (the last practicable date prior to the filing of this proxy statement/prospectus); and (2) a per share price of Sterling common stock of \$11.19, the average closing price per share over the first five business days following the announcement of the merger agreement. The amounts shown below are estimates based on multiple assumptions that may or may not actually occur, including assumptions described in this proxy statement/prospectus, and do not reflect certain compensation actions that may occur before the completion of the merger. As a result, the actual amounts to be received by a named executive officer may differ materially from the amounts set forth below.

Golden Parachute Compensation(1)

Name	Cash (\$)(2)	Equity (\$)(3)	Pension/ NQDC (\$)	Perquisites/ Benefits(\$)	Total (\$)
Louis J. Cappelli	5,000,000	178,066			5,178,066
John C. Millman	3,600,000	76,775			3,676,775
John W. Tietjen	800,000	18,005		24,360(4)	842,365
Howard M. Applebaum	675,000	23,354	327,000(5)		1,025,354
Eliot S. Robinson	317,433	16,259			333,692

- (1) The table above does not include compensation that is contingent upon services provided to Provident following the closing of the merger (including (i) new restricted stock unit grants with an aggregate value of \$3 million for Mr. Cappelli and \$600,000 for Mr. Applebaum, which will vest based on post-closing services and will vest or continue to vest upon termination without cause or for good reason, (ii) post-closing fees payable to Messrs. Cappelli, Millman and Tietjen for post-closing services under their Services and Covenant Agreements with Provident, including upon a termination of service without cause, and in the case of Messrs. Cappelli and Millman, for good reason, and (iii) health benefits that will continue to be provided to Messrs. Cappelli and Millman upon termination without cause or for good reason), as described in the section of this joint proxy statement/prospectus entitled "The Merger Interests of Sterling's Directors and Executive Officers in the Merger" beginning on page 119.
- (2) For Messrs. Cappelli, Millman, Tietjen and Applebaum, the Cash column represents the initial payment they will receive from Provident within 10 business days from the effective time, which is in satisfaction of any obligations (including severance) owed to them under their existing agreements with Sterling.
- For Mr. Robinson, the Cash column includes the "double trigger" cash severance payable under his change of control severance and retention agreement with Sterling, which is equal to his highest annual base salary during the 12-month period immediately prior to termination.
- (3) Represents the value of the acceleration of "single trigger" Sterling restricted stock awards to Messrs. Cappelli, Millman, Tietjen, Applebaum and Robinson, based on the average closing price per share of Sterling common stock over the first five business days following announcement of the merger agreement (\$11.19).
- (4) Represents the value of health benefits to be provided to Mr. Tietjen for two years following the closing of the merger.
- (5) Represents the incremental value of Mr. Applebaum's unreduced early retirement benefit under the Sterling SERP.

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Vote Required

Section 951 of the Dodd-Frank Act and Rule 14a-21(c) under the Exchange Act require that Sterling seek a non-binding advisory vote from its shareholders to approve certain "golden parachute" compensation that its "named executive officers" will receive from Sterling in connection with the merger. The proposal gives Sterling's shareholders the opportunity to express their views on the merger-related compensation of Sterling's named executive officers. Approval requires the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote on the proposal. Accordingly, Sterling is asking its shareholders to approve the following resolution on a non-binding, advisory basis:

"RESOLVED, that the compensation that may be paid or become payable to Sterling's named executive officers in connection with the merger pursuant to agreements or understandings with Sterling, and the agreements and understandings with Sterling pursuant to which such compensation may be paid or become payable, as disclosed in the table in this proposal and as further described under the heading "The Merger Interests of Sterling's Directors and Executive Officers in the Merger Employment and Change of Control Agreements with the Sterling Executive Officers," beginning on page 120, are hereby APPROVED."

Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only and will not be binding on Sterling or Provident. If the merger is completed, the "golden parachute" compensation may be paid to Sterling's named executive officers even if Sterling shareholders fail to approve the "golden parachute" compensation.

Amendment to Provident's Certificate of Incorporation

In connection with the merger, Provident's certificate of incorporation will be amended at the effective time of the merger to change the name of the surviving corporation to "Sterling Bancorp" and to increase the number of authorized shares of common stock from 75,000,000 to 190,000,000, which amendment is referred to as the "certificate amendment". The foregoing description of the amendment to Provident's certificate of incorporation does not purport to be complete and is qualified in its entirety by reference to the full text of the certificate amendment, which is attached as Annex F to this joint proxy statement/prospectus, and is incorporated herein by reference.

Amendment to Provident's Bylaws

On April 3, 2013, in connection with the transactions contemplated by the merger agreement, the board of directors of Provident adopted a resolution amending Provident's bylaws, effective as of the effective time of the merger, which we refer to as the "bylaw amendment". Under the bylaw amendment, upon the completion of the merger, Jack Kopnisky, the current President and Chief Executive Officer of Provident, will serve as President and Chief Executive Officer of the combined company, and Louis J. Cappelli, the current Chairman and Chief Executive Officer of Sterling, will serve as Chairman of the board of directors of the combined company. The bylaw amendment provides that the Chairman will, when present, preside at all meetings of the stockholders of the combined company and of the board of directors, will have duties and powers commonly incident to a Chairman position, and will not, by reason of such office, be considered an executive officer of the combined company. The bylaw amendment provides that the removal of either Jack Kopnisky or Louis J. Cappelli from, or the failure to appoint or re-elect them to, their respective positions, and any amendment to or termination of Jack Kopnisky's employment agreement or Louis J. Cappelli's Service and Covenant Agreement, prior to the three year anniversary of the completion of the merger, as well as any determination not to nominate either of them as a director of the combined company prior to such three year anniversary, will require the affirmative vote of at least 75% of the full board of directors.

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The bylaw amendment also provides that, upon the completion of the merger, the board of directors of the combined company will be comprised of thirteen directors, of which seven will be former Provident directors, including Jack Kopnisky, and of which six will be former Sterling directors, including Louis J. Cappelli and John Millman, Sterling's current President, and that the former Provident directors and former Sterling directors will be apportioned among the three classes of the board of directors as nearly evenly as is possible, with the placement of specific former Sterling directors by class to be determined by Sterling, and the placement of former Provident directors by class to be determined by Provident. The former Provident directors and former Sterling directors will serve on committees of the board of directors of the combined company, consistent with their expertise and interest, and based on the needs of the board of directors and the requirements of the positions. In addition, at or immediately after the completion of the merger, the committees of the board of directors will be reconstituted, with members of the committees and their chairpersons to be recommended by the Chairman of the board of directors of the combined company.

Certain provisions of the bylaw amendment described above, including those concerning the composition of the board of directors of the combined company and the Chairman and President and Chief Executive Officer positions of the combined company, require an affirmative vote of at least 75% of the full board of directors to modify, amend or repeal.

The foregoing description of the bylaw amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the bylaw amendment, which is attached as Annex G to this joint proxy statement/prospectus, and is incorporated herein by reference.

Public Trading Markets

Provident common stock is listed for trading on the New York Stock Exchange under the symbol "PBNY", and Sterling common stock is listed on the New York Stock Exchange under the symbol "STL". Upon completion of the merger, Sterling common stock will no longer be quoted on the New York Stock Exchange. Following the merger, shares of Provident common stock will continue to be traded on the New York Stock Exchange but, because the name of the surviving corporation will be Sterling Bancorp, Provident expects to change its symbol to "STL".

Under the merger agreement, Provident will cause the shares of Provident common stock to be issued in the merger, including with respect to Sterling stock options and Sterling restricted stock, to be approved for listing on the New York Stock Exchange, subject to notice of issuance, and the merger agreement provides that neither Provident nor Sterling will be required to complete the merger if such shares are not authorized for listing on the New York Stock Exchange, subject to notice of issuance.

Provident's Dividend Policy

Subject to the approval of the board of directors of the combined company, it is the current intention of each of Provident and Sterling that, following completion of the merger, the quarterly dividend on Provident common stock will be increased to \$0.07 per share, which is intended to ensure that current Sterling shareholders maintain a consistent dividend payment after the closing of the merger. However, the board of directors may change its dividend policy at any time, and no assurances can be given that dividends will continue to be paid by Provident or the combined company or that dividends, if paid, will not be reduced or eliminated in future periods. In addition, the payment of dividends by financial holding companies is generally subject to legal and regulatory limitations. For further information, see "Comparative Market Prices and Dividends."

Dissenters' Rights in the Merger

Under Section 910 of the NYBCL, the holders of Sterling common stock will not be entitled to appraisal rights or dissenters' rights in connection with the merger if, on the record date for the

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Sterling annual meeting, their shares are listed on a national securities exchange. Sterling common stock is currently listed on the New York Stock Exchange, a national securities exchange, and is expected to continue to be so listed on the record date for the Sterling annual meeting. Accordingly, holders of Sterling common stock are not expected to be entitled to any appraisal rights or dissenters' rights in connection with the merger.

Regulatory Approvals Required for the Merger

Completion of the merger is subject to prior receipt of certain approvals and consents required to be obtained from applicable governmental and regulatory authorities, without certain conditions being imposed by any governmental authority as part of a regulatory approval that would reasonably be expected to have a material adverse effect on the surviving corporation and its subsidiaries, taken as a whole. Subject to the terms and conditions of the merger agreement, Provident and Sterling have agreed to use their reasonable best efforts and cooperate to promptly prepare and file all necessary documentation and to obtain as promptly as practicable all regulatory approvals necessary or advisable to complete the transactions contemplated by the merger agreement. These approvals include, among others, approval from the Federal Reserve Board and the Office of the Comptroller of the Currency (which we refer to as the "OCC"). Provident and Sterling have filed applications and notifications to obtain the required regulatory approvals.

Federal Reserve Board

The transactions contemplated by the merger agreement are subject to approval by the Federal Reserve Board pursuant to the Bank Holding Company Act of 1956, as amended. On May 6, 2013, Provident submitted an application pursuant to sections 3(a)(1) and 3(a)(2) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. §§ 1842(a)(1) and (2)) and section 225.15 of Regulation Y (12 C.F.R. § 225.15), seeking the prior approval of the Federal Reserve Board for Provident to become a bank holding company and to acquire Sterling and thereby also indirectly acquire Sterling National Bank, as well as for the conversion of Provident Bank to a commercial bank. The Federal Reserve Board takes into consideration a number of factors when acting on applications under section 3 of the BHC Act (12 U.S.C. § 1842(c)) and Regulation Y (12 C.F.R. § 225.13). These factors include the financial and managerial resources (including consideration of the competence, experience, and integrity of the officers, directors, and principal shareholders, as well as the pro forma capital ratios) and future prospects of the combined organization. The Federal Reserve Board also considers the effectiveness of the applicant in combatting money laundering, the convenience and needs of the communities to be served, as well as the extent to which the proposal would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. The Federal Reserve Board may not approve a proposal that would have significant adverse effects on competition or on the concentration of resources in any banking market.

In connection with becoming a bank holding company, Provident also is electing to become a financial holding company pursuant to section 4(l) of the BHC Act (12 U.S.C. § 1843(l)) and section 225.82 of Regulation Y (12 C.F.R. § 225.82). To qualify for the election under section 4(l) of the BHC Act, Provident must certify that Provident and its subsidiary insured depository institutions are well capitalized and well managed, and that the pro forma holding company and depository institution will be well capitalized and well managed on consummation of the proposal. Provident also must certify that Provident Bank and Sterling National Bank both have a satisfactory record of meeting community credit needs under the Community Reinvestment Act ("CRA").

Office of the Comptroller of the Currency

The transactions contemplated by the merger agreement, including the conversion of Provident Bank to a national bank, and the bank merger, are also subject to approval by the OCC. On May 6,

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2013, Provident submitted an application to the OCC to convert Provident Bank to a national bank, pursuant to the National Bank Act (12 U.S.C. § 21 et seq.) and the Home Owners' Loan Act (12 U.S.C. § 1464(i)(5)), and 12 C.F.R. §§ 5.24 and 163.22. In connection with this application, Provident Bank also submitted an application to the OCC, pursuant to 12 C.F.R. § 5.26(e), to continue to exercise fiduciary powers. When making a decision on a conversion application, the OCC will consider whether the conversion is consistent with applicable law or would permit an applicant to avoid supervisory action by its current regulator (12 C.F.R. § 5.24(d)).

On the same day, Provident filed two applications with the OCC pursuant to the Bank Merger Act (12 U.S.C. § 1828(c)) and OCC regulations (12 C.F.R. § 5.33), for prior approval for Provident Bank to merge with Sterling National Bank and then to separately merge Provident Municipal Bank with and into Provident Bank (which we refer to as the "Provident Municipal Bank merger"). The completion of the Provident Municipal Bank merger is not a condition to either party's obligation to complete the merger. The OCC takes into consideration a number of factors when acting on applications under the Bank Merger Act and its regulations (12 C.F.R. § 5.33(e)). These factors include the financial and managerial resources (including consideration of the competence, experience, and integrity of the officers, directors, and principal shareholders) and future prospects of the combined organization. The OCC also considers the effectiveness of the applicant in combatting money laundering, the convenience and needs of the communities to be served, as well as the extent to which the proposal would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. The OCC may not approve a proposal that would have significant adverse effects on competition or on the concentration of resources in any banking market.

In reviewing the convenience and needs of the communities to be serviced, the Federal Reserve Board and the OCC will consider the records of performance of the relevant insured depository institutions under the CRA. In their most recent respective CRA examinations, both Provident Bank and Sterling National Bank received an overall "satisfactory" regulatory rating.

Furthermore, the Bank Merger Act, the BHC Act and applicable regulations require published notice of, and the opportunity for public comment on, these applications. The Federal Reserve Board and the OCC take into account the views of third party commenters, particularly on the subject of the merging parties' service to their respective communities, and any hearing, meeting or comments provided by third parties could prolong the period during which the applications are under review by the Federal Reserve Board and the OCC.

Transactions approved under section 3 of the BHC Act or the Bank Merger Act generally may not be completed until 30 days after the approval of the applicable federal agency is received, during which time the Department of Justice ("DOJ") may challenge the transaction on antitrust grounds. With the approval of the applicable federal agency and the concurrence of the DOJ, the waiting period may be reduced to no less than 15 days. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically ordered otherwise. In reviewing the merger, the DOJ could analyze the merger's effect on competition differently than the Federal Reserve Board or OCC, and thus it is possible that the DOJ could reach a different conclusion than the Federal Reserve Board or OCC regarding the merger's effects on competition. A determination by the DOJ not to object to the merger may not prevent the filing of antitrust actions by private persons or state attorneys general.

Additional Regulatory Approvals and Notices

Notifications and/or applications requesting approval may be submitted to various other federal and state regulatory authorities and self-regulatory organizations, including, with respect to Sterling Banking Corporation, the Department of Financial Services of the State of New York.

Provident and Sterling believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that we will be able to obtain all requisite regulatory approvals.

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However, neither Provident nor Sterling can assure you that all of the regulatory approvals described above will be obtained and, if obtained, we cannot assure you as to the timing of any such approvals, our ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. In addition, there can be no assurance that such approvals will not impose conditions or requirements that, individually or in the aggregate, would or could reasonably be expected to have a material adverse effect on the financial condition, results of operations, assets or business of Provident following completion of the merger.

Neither Provident nor Sterling is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

Litigation Relating to the Merger

On April 9, 2013, the first of seven actions, captioned *Altman v. Sterling Bancorp, et al.*, Index No. 651263/2013 (Sup. Ct., N.Y. Cnty.), was filed on behalf of a putative class of Sterling shareholders against Sterling, its current directors, and Provident. All seven putative class actions were filed in the Supreme Court of the State of New York, New York County. On May 17, 2013, the seven actions were consolidated under the caption *In re Sterling Shareholders Litigation*, Index No. 651263/2013 (Sup. Ct., N.Y. Cnty.). On June 21, 2013, the lead plaintiffs filed a consolidated and amended class action complaint alleging that Sterling's board of directors breached its fiduciary duties by agreeing to the proposed merger transaction and by failing to disclose all material information to shareholders. The consolidated and amended complaint also alleges that Provident has aided and abetted those alleged fiduciary breaches. The action seeks, among other things, an order enjoining the defendants from proceeding with or consummating the merger, as well as other equitable relief and/or money damages in the event that the transaction is consummated. The defendants believe that the claims are without merit.

On June 5, 2013, a substantially similar litigation was filed in the United States District Court for the Southern District of New York, captioned *Miller v. Sterling Bancorp, et al.*, No. 13-3845, against Sterling, its current directors, and Provident on behalf of the same putative class of Sterling shareholders. The complaint alleges the same breach of fiduciary duty and aiding and abetting claims against defendants, and also alleges defendants' preliminary proxy statement was inaccurate or incomplete in violation of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934. The plaintiff in this action has agreed to coordinate this case with the earlier-filed New York State court actions. The defendants also believe that the claims are without merit.

Provident Senior Notes Offering

On July 2, 2013, Provident completed the offering of \$100 million of 5.500% senior notes due 2018 (which we refer to as the "Senior Notes Offering"). Provident currently anticipates using the net proceeds of the Senior Notes Offering to fund a capital contribution to Provident Bank, to redeem Sterling's trust preferred securities, and for general corporate purposes.

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THE MERGER AGREEMENT

The following describes certain aspects of the merger, including certain material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference into this joint proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

Structure of the Merger

Each of Provident's and Sterling's respective boards of directors has approved the merger agreement. The merger agreement provides for the merger of Sterling with and into Provident, with Provident continuing as the surviving corporation. Provident's certificate of incorporation will be amended at the effective time of the merger to change its name to "Sterling Bancorp" and increase the number of authorized shares of Provident common stock. Immediately following the completion of the merger, Provident's wholly owned bank subsidiary, Provident Bank, will convert into a national bank, and Sterling National Bank, a wholly owned bank subsidiary of Sterling, will merge with and into Provident Bank. Provident Bank will be the surviving association in the bank merger and will change its name to "Sterling National Bank".

Prior to the completion of the merger, Sterling and Provident may, by mutual agreement, change the method or structure of effecting the combination of Sterling and Provident, except that no such change may (1) alter or change the exchange ratio or the number of shares of Provident common stock received by Sterling shareholders in exchange for each share of Sterling common stock, (2) adversely affect the tax treatment of Sterling's shareholders or Provident's stockholders, (3) adversely affect the tax treatment of Sterling or Provident or (4) materially impede or delay the consummation of the transactions contemplated by the merger agreement in a timely manner.

Merger Consideration

Each share of Sterling common stock issued and outstanding immediately prior to the completion of the merger, except for specified shares of Sterling common stock held by Sterling or Provident, will be converted into the right to receive 1.2625 shares of Provident common stock.

If the outstanding shares of Provident common stock or Sterling common stock is increased, decreased, changed into or exchanged for a different number or kind of shares or securities as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other similar change in capitalization, or there is any extraordinary dividend or distribution, an appropriate and proportionate adjustment will be made to the exchange ratio.

Fractional Shares

Provident will not issue any fractional shares of Provident common stock in the merger. Instead, a Sterling shareholder who otherwise would have received a fraction of a share of Provident common stock will receive an amount in cash rounded to the nearest whole cent. This cash amount will be determined by multiplying the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of Provident common stock to which the holder would otherwise be entitled by the average Provident share value for the five trading days ending on the day preceding the closing date.

Governing Documents; Directors and Officers; Governance Matters; Headquarters

At the effective time of the merger, the certificate of incorporation and bylaws of Provident in effect immediately prior to the effective time will be the certificate of incorporation and bylaws of the surviving corporation after completion of the merger, in each case subject to the certificate amendment

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and the bylaw amendment, until thereafter amended in accordance with applicable law. Also at the effective time, the number of directors on the board of directors of the combined company will be 13, of which seven will be former Provident directors, including Jack Kopnisky, Provident's current President and Chief Executive Officer, and six of which will be former Sterling directors, including Louis J. Cappelli, Sterling's current Chairman and Chief Executive Officer, and John Millman, Sterling's current President. At the effective time, the number of directors on the board of directors of Provident Bank will also be 13, constituted in the same manner and with the same individuals as the board of directors of the combined company. The former Provident directors on the board of directors of the combined company will also include William F. Helmer, Provident's current chairman, and James F. Deutsch.

At the effective time, Jack Kopnisky will serve as President and Chief Executive Officer of the combined company and Louis J. Cappelli will serve as Chairman of the combined company and its subsidiaries. For more information regarding the board of directors and the Chairman and President and Chief Executive Officer positions of the combined company, see "The Merger Amendment to Provident's Bylaws".

The location of the headquarters and principal executive offices of the combined company will be Montebello, New York, and the combined company will maintain executive offices in Montebello, New York, and in New York, New York.

Treatment of Sterling Stock Options and Other Equity-Based Awards

Options

At the effective time of the merger, each outstanding option to purchase shares of Sterling common stock will be converted into an option to purchase Provident common stock on the same terms and conditions as were applicable prior to the merger (taking into account any acceleration or vesting by reason of the consummation of the merger and its related transactions), except that (i) the number of shares of Provident common stock subject to the new option will be equal to the product of the number of shares of Sterling common stock subject to the existing option and the exchange ratio (rounding fractional shares down to the nearest whole share), and (ii) the exercise price per share of Provident common stock under the new option will be equal to the exercise price per share of Sterling common stock of the existing option divided by the exchange ratio (rounded up to the nearest whole cent).

Restricted Stock

At the effective time of the merger, each award in respect of Sterling common stock subject to vesting, repurchase or other lapse restriction will be converted into a restricted stock award in respect of the number of shares of Provident common stock equal to the product of the number of shares of Sterling common stock subject to the Sterling restricted stock award and the exchange ratio (rounding fractional shares down to the nearest whole share), on the same terms and conditions as were applicable prior to the merger (taking into account any acceleration or vesting by reason of the consummation of the merger and its related transactions).

Closing and Effective Time of the Merger

The merger will be completed only if all conditions to the merger discussed in this joint proxy statement/prospectus and set forth in the merger agreement are either satisfied or waived. See " Conditions to Complete the Merger."

The merger will become effective as set forth in the certificate of merger to be filed with the Department of State of the State of New York and the certificate of merger to be filed with the

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Secretary of State of the State of Delaware. The closing of the transactions contemplated by the merger will occur at 10:00 a.m., New York City time on the later of (i) October 1, 2013, and (ii) a date no later than five business days after the satisfaction or waiver of the last to occur of the conditions set forth in the merger agreement, unless extended by mutual agreement of the parties. It currently is anticipated that the completion of the merger will occur in the fourth calendar quarter of 2013 subject to the receipt of regulatory approvals and other customary closing conditions, but neither Sterling nor Provident can guarantee when or if the merger will be completed.

Conversion of Shares; Exchange of Certificates

The conversion of Sterling common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. After completion of the merger, the exchange agent will exchange certificates representing shares of Sterling common stock for the merger consideration to be received pursuant to the terms of the merger agreement.

Letter of Transmittal

As promptly as practicable after the completion of the merger, and in any event within 10 days thereafter, the exchange agent will mail to each holder of record of Sterling common stock immediately prior to the effective time of the merger a letter of transmittal and instructions on how to surrender shares of Sterling common stock in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

If a certificate for Sterling common stock has been lost, stolen or destroyed, the exchange agent will issue the merger consideration upon receipt of (1) an affidavit of that fact by the claimant and (2) if required by Provident, the posting of a bond in an amount as Provident may determine is reasonably necessary as indemnity against any claim that may be made against it with respect to such certificate.

After completion of the merger, there will be no further transfers on the stock transfer books of Sterling of shares of Sterling common stock that were issued and outstanding immediately prior to the effective time.

Withholding

Provident and the exchange agent will be entitled to deduct and withhold from any cash in lieu of fractional shares, cash dividends or distributions payable or any other cash amount payable under the merger agreement to any Sterling shareholder the amounts they are required to deduct and withhold under the Code or any provision of state, local or foreign tax law. If any such amounts are withheld and paid over to the appropriate governmental authority, these amounts will be treated for all purposes of the merger agreement as having been paid to the shareholders from whom they were withheld.

Dividends and Distributions

No dividends or other distributions declared with respect to Provident common stock will be paid to the holder of any unsurrendered certificates of Sterling common stock until the holder surrenders such certificate in accordance with the merger agreement. After the surrender of a certificate in accordance with the merger agreement, the record holder thereof will be entitled to receive any such dividends or other distributions, without any interest, which had previously become payable with respect to the whole shares of Provident common stock which the shares of Sterling common stock represented by such certificate have been converted into the right to receive under the merger agreement.

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Representations and Warranties

The representations, warranties and covenants described below and included in the merger agreement were made only for purposes of the merger agreement and as of specific dates, are solely for the benefit of Provident and Sterling, may be subject to limitations, qualifications or exceptions agreed upon by the parties, including those included in confidential disclosures made for the purposes of, among other things, allocating contractual risk between Provident and Sterling rather than establishing matters as facts, and may be subject to standards of materiality that differ from those standards relevant to investors. You should not rely on the representations, warranties, covenants or any description thereof as characterizations of the actual state of facts or condition of Provident, Sterling or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in public disclosures by Provident or Sterling. The representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

The merger agreement contains customary representations and warranties of each of Provident and Sterling relating to their respective businesses. The representations and warranties in the merger agreement do not survive the effective time of the merger.

The merger agreement contains representations and warranties made by each of Sterling and Provident relating to a number of matters, including the following:

corporate matters, including due organization and qualification and subsidiaries;

capitalization;

authority relative to execution and delivery of the merger agreement and the absence of conflicts with, or violations of, organizational documents or other obligations as a result of the merger;

required governmental and other regulatory filings and consents and approvals in connection with the merger;

reports to regulatory authorities;

financial statements, internal controls, books and records, and absence of undisclosed liabilities;

broker's fees payable in connection with the merger;

the absence of certain changes or events;

legal proceedings;

tax matters;

employee benefit matters;

SEC reports;

compliance with applicable laws;

certain material contracts;

absence of agreements with regulatory authorities;

derivative instruments and transactions;

environmental matters;

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investment securities;

real property;

intellectual property;

related party transactions;

inapplicability of takeover statutes;

absence of action or circumstance that would prevent the merger from qualifying as a reorganization under Section 368(a) of the Code;

opinion from financial advisor;

the accuracy of information supplied for inclusion in this joint proxy statement/prospectus and other similar documents;

loan matters; and

insurance matters.

Certain representations and warranties of Provident and Sterling are qualified as to "materiality" or "material adverse effect." For purposes of the merger agreement, a "material adverse effect," when used in reference to either Sterling, Provident or the combined company, means a material adverse effect on (1) the business, properties, results of operations or financial condition of such party and its subsidiaries taken as a whole (provided that in the case of clause (1), a material adverse effect will not be deemed to include the impact of (A) changes, after the date of the merger agreement, in U.S. generally accepted accounting principles or applicable regulatory accounting requirements, (B) changes, after the date of the merger agreement, in laws, rules or regulations of general applicability to companies in the industries in which such party and its subsidiaries operate, or interpretations thereof by courts or governmental entities, (C) changes, after the date of the merger agreement, in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets, as well as changes in interest rates) conditions affecting the financial services industry generally and not specifically relating to such party or its subsidiaries, (D) public disclosure of the transactions contemplated by the merger agreement or actions expressly required by the merger agreement or that are taken with the prior written consent of the other party in contemplation of the transactions contemplated by the merger agreement, or (E) a decline in the trading price of a party's common stock or the failure, in and of itself, to meet earnings projections, but not, in either case, including the underlying causes thereof; except, with respect to subclauses (A), (B), or (C), to the extent that the effects of such change are materially disproportionately adverse to the business, properties, assets, liabilities, results of operations or financial condition of such party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its subsidiaries operate) or (2) the ability of such party to timely consummate the transactions contemplated by the merger agreement.

Covenants and Agreements

Conduct of Businesses Prior to the Completion of the Merger

Each of Sterling and Provident has agreed that, prior to the effective time of the merger (or earlier termination of the merger agreement), subject to specified exceptions, it will, and will cause each of its subsidiaries to, (a) conduct its business in the ordinary course in all material respects, (b) use reasonable best efforts to maintain and preserve intact its business organization, employees and advantageous business relationships, and (c) take no action that would reasonably be expected to adversely affect or delay the ability of either Provident or Sterling to

obtain any necessary approvals of any governmental entity or regulatory agency required for the transactions contemplated by the merger

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agreement or to perform its covenants and agreements under the merger agreement or to consummate the transactions contemplated thereby on a timely basis.

Additionally, prior to the effective time of the merger (or earlier termination of the merger agreement), subject to specified exceptions, neither Provident nor Sterling may, and neither Provident nor Sterling may permit any of their respective subsidiaries to, without the prior written consent of the other party (such consent not to be unreasonably withheld), undertake the following actions:

other than in the ordinary course of business, incur any indebtedness for borrowed money (other than indebtedness of Sterling or any of its wholly owned subsidiaries to Sterling or any of its subsidiaries, on the one hand, or of Provident or any of its wholly owned subsidiaries to Provident or any of its subsidiaries, on the other hand), assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual, corporation or other entity;

adjust, split, combine or reclassify any capital stock;

make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exchangeable for any shares of its capital stock (except (A) regular quarterly cash dividends by Sterling at a rate not in excess of \$0.09 per share of Sterling common stock, (B) regular quarterly cash dividends by Provident at a rate not in excess of \$0.06 per share of Provident common stock, (C) dividends paid by any of the subsidiaries of each of Provident and Sterling to Provident or Sterling or any of their wholly owned subsidiaries, respectively, (D) regular distributions on Sterling's outstanding trust preferred and REIT preferred securities or on Provident's outstanding REIT preferred securities or (E) the acceptance of shares of Sterling common stock or Provident common stock as payment for the exercise price of stock options or for withholding taxes incurred in connection with the exercise of stock options or the vesting or settlement of equity compensation awards, in each case in accordance with past practice and the terms of the applicable award agreements);

grant any stock options, stock appreciation rights, performance shares, restricted stock units, restricted shares or other equity-based awards or interests, or grant any individual, corporation or other entity any right to acquire any shares of its capital stock;

issue, sell or otherwise permit to become outstanding any additional shares of capital stock or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock or any options, warrants, or other rights of any kind to acquire any shares of capital stock, except pursuant to the exercise of stock options or the settlement of equity compensation awards outstanding as of the date of the merger agreement in accordance with their terms or as otherwise permitted by the merger agreement;

sell, transfer, mortgage, encumber or otherwise dispose of any of its material properties or assets to any individual, corporation or other entity other than a wholly owned subsidiary, or cancel, release or assign any indebtedness to any such person or any claims held by any such person, in each case other than in the ordinary course of business or pursuant to contracts or agreements in force at the date of the merger agreement;

except in the ordinary course of business or pursuant to contracts or agreements in force at the date of the merger agreement or permitted thereby, make any material investment either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other individual, corporation or other entity other than a wholly owned subsidiary of Sterling or Provident, as applicable;

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except in the ordinary course of business, terminate, materially amend, or waive any material provision of, certain material contracts or make any change in any instrument or agreement governing the terms of any of its securities, or material lease or contract, other than normal renewals of contracts and leases without material adverse changes of terms with respect to Sterling or Provident, or enter into certain material contracts;

subject to certain exceptions, including as required under applicable law or the terms of any benefit plans existing as of the date of the merger agreement, (i) enter into, adopt or terminate any employee benefit or compensation plan, program, policy or arrangement for the benefit or welfare of any current or former employee, officer, director or consultant, (ii) amend (whether in writing or through the interpretation of) any employee benefit or compensation plan, program, policy or arrangement for the benefit or welfare of any current or former employee, officer, director or consultant, (iii) materially increase the compensation or benefits payable to any current or former employee, officer, director or consultant (other than in connection with a promotion or change in responsibilities), (iv) pay or award, or commit to pay or award, any bonuses or incentive compensation, (v) grant or accelerate the vesting of any equity-based awards or other compensation, (vi) enter into any new, or amend any existing, employment, severance, change in control, retention, bonus guarantee, collective bargaining agreement or similar agreement or arrangement, (vii) fund any rabbi trust or similar arrangement, (viii) terminate the employment or services of any officer or any employee whose target annual compensation is greater than \$350,000, other than for cause, or (ix) hire any officer, employee, independent contractor or consultant who has target annual compensation greater than \$350,000;

settle any material claim, suit, action or proceeding, except in the ordinary course of business or for settlement of a claim, suit, action or proceeding that is settled in an amount not in excess of \$1,000,000 and that would not impose any material restriction on the business of it or its subsidiaries or the combined company;

take any action or knowingly fail to take any action where such action or failure to act would reasonably be expected to prevent the merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code;

amend its articles of incorporation, its bylaws or comparable governing documents of its subsidiaries (except as provided in the merger agreement);

other than in prior consultation with the other party, materially restructure or materially change its investment securities or derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported or purchase any security rated below investment grade with a value of more than \$10 million, or such securities with a value of \$10 million in the aggregate;

take any action that is intended or expected to result in any of its representations and warranties being or becoming untrue in any material respect, or in any of the conditions to the merger not being satisfied or in a violation of any provision of the merger agreement, except as may be required by applicable law;

implement or adopt any change in its accounting principles, practices or methods, other than as required by GAAP;

other than in prior consultation with the other party, enter into any new line of business or, other than in the ordinary course of business consistent with past practice, change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking and operating, securitization and servicing policies (including any change in the maximum ratio or similar limits as a percentage of its capital exposure applicable with respect to

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its loan portfolio or any segment thereof), except as required by applicable law, regulation or policies imposed by any governmental entity;

other than in the ordinary course of business consistent with past practice, make any material changes in its policies and practices with respect to (i) underwriting, pricing, originating, acquiring, selling, servicing, or buying or selling rights to service, loans or (ii) its hedging practices and policies, in each case except as required by law or requested by a regulatory agency;

make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility of it or its subsidiaries; or

agree to take, make any commitment to take, or adopt any resolutions of its board of directors or similar governing body in support of, any of the foregoing.

Regulatory Matters

Provident and Sterling have agreed to use their respective reasonable best efforts to prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and governmental entities which are necessary or advisable to consummate the transactions contemplated by the merger agreement. However, in no event will Provident or Sterling be required to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the required permits, consents, approvals and authorizations of governmental entities that would reasonably be expected to have a material adverse effect on the combined company and its subsidiaries, taken as a whole, after giving effect to the merger. Provident and Sterling have also agreed to furnish each other with all information reasonably necessary or advisable in connection with any statement, filing, notice or application to any governmental entity in connection with the merger, as well as to keep each other apprised of the status of matters related to the completion of the transactions contemplated by the merger agreement.

Employee Benefit Matters

Provident and Sterling have agreed that, unless otherwise mutually determined, the benefit plans sponsored by each of Provident and Sterling that were in effect on the date that the merger agreement was executed will remain in effect with respect to employees of Provident and Sterling (and their respective subsidiaries), respectively, covered by these benefit plans who continue to be employed by the surviving corporation or its subsidiaries following the completion of the merger. Provident and Sterling have also agreed that, prior to the closing date of the merger, they will cooperate in reviewing, evaluating and analyzing the benefit plans sponsored by each of them with a view toward developing appropriate new benefit plans for the employees of the surviving corporation and its subsidiaries after the completion of the merger that treat similarly situated employees of Provident and Sterling on a substantially equivalent basis and that do not discriminate between employees covered by the benefit plans sponsored by Provident, on the one hand, and employees covered by benefit plans sponsored by Sterling, on the other hand, prior to the completion of the merger. In addition, Provident has agreed that, for the period commencing on the effective time of the merger and ending on the first anniversary of the effective time, (1) each continuing employee of Provident, Sterling and their respective subsidiaries will continue to be provided with a base salary that is no less favorable than provided by Provident, Sterling or such subsidiary to such continuing employee immediately prior to the effective time, and (2) that any such continuing employee who is terminated without cause during that one-year period will be provided with certain severance benefits.

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The merger agreement requires the surviving corporation to do the following with respect to the continuing employees of Provident, Sterling and their respective subsidiaries:

to waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to such employees and their eligible dependents under any benefit plans of the surviving corporation, subject to certain limitations;

to provide each such employee and their eligible dependents with credit for any co-payments and deductibles paid prior to the effective time of the merger under a benefit plan sponsored by either Provident or Sterling to the same extent that such credit was given under the analogous Sterling or Provident benefit plan prior to completion of the merger; and

to recognize all service of such employees with Sterling and Provident, and their respective subsidiaries, for all purposes in any new benefit plan adopted by the surviving corporation to the same extent that such service was taken into account under the analogous Sterling or Provident benefit plan prior to the completion of the merger, subject to certain limitations.

The surviving corporation has agreed to honor benefits vested as of the date of the merger agreement under certain Provident and Sterling benefit plans and employment and change in control agreements.

The merger agreement also provides that Sterling will take certain actions to provide that each Sterling benefit plan that is a defined benefit pension plan will be frozen to all future benefit accruals prior to the completion of the merger. The actions taken by Sterling to implement the defined benefit pension plan freeze are subject to Provident's prior review and approval.

Director and Officer Indemnification and Insurance

The merger agreement provides that after the completion of the merger, Provident and the surviving corporation will indemnify and hold harmless all present and former directors, officers and employees of Sterling and its subsidiaries against all costs and liabilities arising out of the fact that such person is or was a director, officer or employee of Sterling or its subsidiaries and pertaining to matters existing or occurring at or prior to the effective time of the merger, to the same extent as such persons are indemnified as of the date of the merger agreement by Sterling pursuant to its certificate of incorporation or bylaws or the governing or organizational documents of any subsidiary of Sterling and any indemnification agreements in existence as of the date of the merger agreement, and will also advance expenses to such persons to the same extent as they are entitled to advancement of expenses by Sterling or its subsidiaries as of the date of the merger agreement, provided that such person provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

The merger agreement requires the surviving corporation to maintain for a period of six years after completion of the merger Sterling's existing directors' and officers' liability insurance policy, or policies with a substantially comparable insurer of at least the same coverage and amounts and containing terms and conditions that are no less advantageous to the insured, with respect to claims arising from facts or events that occurred at or prior to the completion of the merger. However, the surviving corporation is not required to spend annually more than 300% of the current annual premium paid as of the date of the merger agreement by Sterling for such insurance (which we refer to as the "premium cap"), and if such premiums for such insurance would at any time exceed that amount, then the surviving corporation will maintain policies of insurance which, in its good faith determination, provide the maximum coverage available at an annual premium equal to the premium cap. In lieu of the foregoing, Sterling, in consultation with, but only upon the consent of Provident, may obtain at or prior to the effective time of the merger a six-year "tail" policy under Sterling's existing directors and officers insurance policy providing equivalent coverage to that described in the preceding sentence if

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such a policy can be obtained for an amount that, on an annual basis, does not exceed the premium cap.

Restructuring Efforts

The merger agreement provides that if either Sterling or Provident fails to obtain the required vote of its stockholders to adopt the merger agreement, each of the parties will in good faith use its reasonable best efforts to negotiate a restructuring of the transaction (provided that neither party will have any obligation to alter or change any material terms, including the amount or kind of the consideration to be issued to holders of the capital stock of Sterling as provided for in the merger agreement, in a manner adverse to such party or its stockholders) and/or resubmit the merger agreement or the transactions contemplated thereby (or as restructured) to its respective stockholders for adoption.

Certain Additional Covenants

The merger agreement also contains additional covenants, including, among others, covenants relating to the filing of this joint proxy statement/prospectus, obtaining required consents, the listing of the shares of Provident common stock to be issued in the merger, access to information of the other company, the assumption by Provident of Sterling's trust preferred securities, exemption from takeover laws and public announcements with respect to the transactions contemplated by the merger agreement.

Stockholder Meetings and Recommendation of Sterling's and Provident's Boards of Directors

Each of Sterling and Provident has agreed to hold a meeting of its stockholders for the purpose of voting upon adoption of the merger agreement as promptly as reasonably practicable. The board of directors of each of Sterling and Provident has agreed to use its reasonable best efforts to obtain from its stockholders the vote required to adopt the merger agreement, including by communicating to its stockholders its recommendation (and including such recommendation in this joint proxy statement/prospectus) that they adopt and approve the merger agreement and the transactions contemplated thereby. However, if the board of directors of Sterling or Provident, after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that it would more likely than not result in a violation of its fiduciary duties under applicable law to continue to recommend the merger agreement, then it may submit the merger agreement to its stockholders without recommendation and may communicate the basis for its lack of a recommendation to its stockholders to the extent required by law, provided that (1) it gives the other party at least three business days' prior written notice of its intention to take such action and a reasonable description of the event or circumstances giving rise to its determination to take such action (including, in the event such action is taken in response to an acquisition proposal, the latest material terms and conditions and the identity of the third-party in any such acquisition proposal, or any amendment or modification thereof, or describe in reasonable detail such other event or circumstances) and (2) at the end of such notice period, the board of directors takes into account any amendment or modification to the merger agreement proposed by the other party and after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that it would nevertheless more likely than not result in a violation of its fiduciary duties under applicable law to continue to recommend the merger agreement. Any material amendment to any acquisition proposal will require a new notice period.

Notwithstanding any change in recommendation by the board of directors of Sterling or Provident, unless the merger agreement has been terminated in accordance with its terms, each party is required to convene a meeting of its stockholders and to submit the merger agreement to a vote of such stockholders. Provident and Sterling must adjourn or postpone such meeting if there are insufficient

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shares of Provident common stock or Sterling common stock, as the case may be, represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or if on the date of such meeting Sterling or Provident, as applicable, it has not received proxies representing a sufficient number of shares necessary for adoption of the merger agreement.

Agreement Not to Solicit Other Offers

Each of Sterling and Provident has agreed that it will not, and will cause its subsidiaries and its and their officers, directors, agents, advisors and representatives not to, directly or indirectly, (i) initiate, solicit, knowingly encourage or knowingly facilitate inquiries or proposals with respect to, (ii) engage or participate in any negotiations with any person concerning, or (iii) provide any confidential or nonpublic information or data to, or have or participate in any discussions with, any person relating to, any acquisition proposal. For purposes of the merger agreement, an "acquisition proposal" means, other than the transactions contemplated by the merger agreement, any offer, proposal or inquiry relating to, or any third-party indication of interest in, (i) any acquisition or purchase, direct or indirect, of 25% or more of the consolidated assets of a party and its subsidiaries or 25% or more of any class of equity or voting securities of a party or its subsidiaries whose assets, individually or in the aggregate, constitute more than 25% of the consolidated assets of the party, (ii) any tender offer (including a self-tender offer) or exchange offer that, if consummated, would result in such third-party beneficially owning 25% or more of any class of equity or voting securities of a party or its subsidiaries whose assets, individually or in the aggregate, constitute more than 25% of the consolidated assets of the party, or (iii) a merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving a party or its subsidiaries whose assets, individually or in the aggregate, constitute more than 25% of the consolidated assets of the party.

However, in the event either Sterling or Provident receives an unsolicited bona fide written acquisition proposal, it may, and may permit its subsidiaries and its and its subsidiaries' officers, directors, agents, advisors and representatives to, furnish or cause to be furnished nonpublic information or data and participate in negotiations or discussions to the extent that its board of directors concludes in good faith (after receiving the advice of its outside counsel, and with respect to financial matters, its financial advisors) that failure to take such actions would be more likely than not to result in a violation of its fiduciary duties under applicable law, provided that, prior to providing any such nonpublic information, such party enters into a confidentiality agreement with such third-party on terms no less favorable to it than the confidentiality agreement between Provident and Sterling, and which confidentiality agreement does not provide such person with any exclusive right to negotiate with such party.

Each of Sterling and Provident has also agreed to, and to cause its officers, directors, agents, advisors and representatives to, immediately cease and terminate any activities, discussions or negotiations conducted before the date of the merger agreement with any person other than Sterling or Provident, with respect to any acquisition proposal. In addition, each party has agreed to (1) promptly (and within twenty-four hours) advise the other party following receipt of any acquisition proposal or any inquiry which could reasonably be expected to lead to an acquisition proposal, and the substance thereof (including the terms and conditions of and the identity of the person making such inquiry or acquisition proposal), and to keep the other party apprised of any related developments, discussions and negotiations on a current basis, including any amendments to or revisions of the terms of such inquiry or acquisition proposal, and (2) use its reasonable best efforts to enforce any existing confidentiality or standstill agreements to which it or any of its subsidiaries is a party.

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Conditions to Complete the Merger

Provident's and Sterling's respective obligations to complete the merger are subject to the satisfaction or waiver of the following conditions:

the adoption of the merger agreement by Provident's stockholders and by Sterling's shareholders;

the authorization for listing on the New York Stock Exchange, subject to official notice of issuance, of the Provident common stock to be issued upon the consummation of the merger;

the receipt of necessary regulatory approvals, including from the Federal Reserve Board and the Office of the Comptroller of the Currency and other approvals necessary to consummate the transactions contemplated by the merger agreement, or those the failure of which to be obtained would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the combined company, and the expiration of all statutory waiting periods in respect thereof, without the imposition of any condition or restriction that would reasonably be expected to have a material adverse effect on the combined company and its subsidiaries, taken as a whole, after giving effect to the merger;

the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part with respect to the Provident common stock to be issued upon the consummation of the merger, and the absence of any stop order (or proceedings for that purpose initiated or threatened and not withdrawn);

the absence of any order, injunction, or decree by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the completion of the merger or the other transactions contemplated by the merger agreement, and the absence of any statute, rule, regulation, order, injunction or decree enacted, entered, promulgated or enforced by any governmental entity which prohibits or makes illegal consummation of the merger;

the accuracy of the representations and warranties of the other party contained in the merger agreement as of the date on which the merger agreement was entered into and as of the date on which the merger is completed, subject to the materiality standards provided in the merger agreement (and the receipt by each party of an officers' certificate from the other party to such effect);

the performance by the other party in all material respects of all obligations required to be performed by it under the merger agreement at or prior to the date on which the merger is completed (and the receipt by each party of an officers' certificate from the other party to such effect); and

receipt by such party of an opinion of legal counsel to the effect that on the basis of facts, representations and assumptions set forth or referred to in such opinion, the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

Neither Sterling nor Provident can provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this joint proxy statement/prospectus, neither Sterling nor Provident has reason to believe that any of these conditions will not be satisfied.

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Termination of the Merger Agreement

The merger agreement can be terminated at any time prior to completion of the merger in the following circumstances:

by mutual written consent of Provident and Sterling, if the board of directors of each so determines by a vote of a majority of the members of its entire board;

by either the board of directors of Provident or the board of directors of Sterling if any governmental entity that must grant a requisite regulatory approval has denied approval of the merger and such denial has become final and nonappealable or any governmental entity of competent jurisdiction has issued a final nonappealable order permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by the merger agreement, unless the failure to obtain a requisite regulatory approval is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;

by either the board of directors of Provident or the board of directors of Sterling if the merger has not been completed on or before the first anniversary of the date of the merger agreement (which we refer to as the "termination date"), unless the failure of the merger to be completed by such date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;

by either the board of directors of Provident or the board of directors of Sterling (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement) if there is a breach of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of the other party which either individually or in the aggregate would constitute, if occurring or continuing on the date the merger is completed, the failure of a closing condition of the terminating party and which is not cured within 45 days following written notice to the party committing such breach, or by its nature or timing cannot be cured during such period (or such fewer days as remain prior to the termination date);

by Sterling, if the board of directors of Provident (1) fails to recommend in this joint proxy statement/prospectus that the stockholders of Provident adopt the merger agreement, or withdraws, modifies or qualifies such recommendation in a manner adverse to Sterling, or resolves to do so, or fails to reaffirm such recommendation within two business days after Sterling requests in writing that such action be taken, or fails to recommend against acceptance of a tender offer or exchange offer for outstanding Provident common stock that has been publicly disclosed (other than by Sterling or an affiliate of Sterling) within ten business days after the commencement of such tender or exchange offer, (2) (A) recommends or endorses an acquisition proposal, or (B) fails to issue a press release announcing its opposition to such acquisition proposal within ten business days after an acquisition proposal is publicly announced, or (3) materially breaches certain obligations, including with respect to the non-solicitation of acquisition proposals or calling a meeting of its stockholders and recommending that they adopt the merger agreement; or

by Provident, if the board of directors of Sterling (1) fails to recommend in this joint proxy statement/prospectus that the shareholders of Sterling adopt the merger agreement, or withdraws, modifies or qualifies such recommendation in a manner adverse to Provident, or resolves to do so, or fails to reaffirm such recommendation within two business days after Provident requests in writing that such action be taken, or fails to recommend against acceptance of a tender offer or exchange offer for outstanding Sterling common stock that has been publicly disclosed (other than by Provident or an affiliate of Provident) within ten business

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days after the commencement of such tender or exchange offer, (2) (A) recommends or endorses an acquisition proposal, or (B) fails to issue a press release announcing its opposition to such acquisition proposal within ten business days after an acquisition proposal is publicly announced, or (3) materially breaches certain obligations, including with respect to the non-solicitation of acquisition proposals or calling a meeting of its shareholders and recommending that they adopt the merger agreement.

Effect of Termination

If the merger agreement is terminated, it will become void and have no effect, except that (1) both Provident and Sterling will remain liable for any liabilities or damages arising out of its willful and material breach of any provision of the merger agreement and (2) designated provisions of the merger agreement will survive the termination, including those relating to payment of fees and expenses and the confidential treatment of information.

Termination Fee

Sterling will pay Provident a termination fee if the merger agreement is terminated in the following circumstances:

In the event that, after the date of the merger agreement and prior to the termination of the merger agreement, a bona fide acquisition proposal has been made known to senior management of Sterling or has been made directly to its shareholders generally or any person has publicly announced (and not withdrawn) an acquisition proposal with respect to Sterling and (A) thereafter the merger agreement is terminated by either Provident or Sterling because the merger has not been completed prior to the termination date, and Sterling has failed to obtain the required vote of its shareholders at the duly convened Sterling shareholder meeting or any adjournment or postponement thereof at which a vote on the adoption of the merger agreement is taken or (B) thereafter the merger agreement is terminated by Provident based on (w) a willful breach of the merger agreement by Sterling that would constitute the failure of a closing condition and that has not been cured during the permitted time period or by its nature cannot be cured during such period, (x) the board of directors of Sterling having failed to recommend in this joint proxy statement/prospectus that its shareholders adopt the merger agreement, or having withdrawn, modified or qualified such recommendation in a manner adverse to Provident, or having resolved to do so, or having failed to reaffirm its recommendation within two business days of Provident's written request that such action be taken, or having failed to recommend against acceptance of a tender offer or exchange offer for outstanding Sterling common stock that has been publicly disclosed (other than by Provident or an affiliate of Provident) within ten business days after the commencement of such tender or exchange offer, (y) the board of directors of Sterling having failed to issue a press release announcing its opposition to an acquisition proposal within ten business days after an acquisition proposal is publicly announced, or (z) the board of directors of Sterling having materially breached certain obligations, including with respect to the non-solicitation of acquisition proposals or calling a meeting of its shareholders and recommending that they adopt the merger agreement, and (C) within fifteen months after the date of such termination, Sterling enters into a definitive agreement or consummates a transaction with respect to an acquisition proposal (whether or not the same acquisition proposal as that referred to above), then Sterling will, on the earlier of the date it enters into such definitive agreement and the date of consummation of such transaction, pay Provident, by wire transfer of same day funds, a termination fee equal to \$13,250,000 (which we refer to as the "termination fee") (provided that for purposes of the foregoing, all references in the definition of acquisition proposal to "25%" will instead refer to "50%").

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In the event that the merger agreement is terminated by Provident based on the board of directors of Sterling having recommended or endorsed an acquisition proposal, then Sterling will pay Provident, by wire transfer of same day funds, a fee equal to 50% of the termination fee on the date of termination, and an additional fee equal to 50% of the termination fee on the earlier of the date Sterling enters into a definitive agreement or consummates a transaction involving such acquisition proposal (or involving any other acquisition proposal with respect to which Sterling enters into a definitive agreement or with respect to which Sterling consummates a transaction, in either case within fifteen months after the merger agreement is terminated) (provided that for purposes of the foregoing, all references in the definition of acquisition proposal to "25%" will instead refer to "50%").

Provident will pay Sterling a termination fee if the merger agreement is terminated in the following circumstances (which are analogous to those described above):

In the event that, after the date of the merger agreement and prior to the termination of the merger agreement, a bona fide acquisition proposal has been made known to senior management of Provident or has been made directly to its stockholders generally or any person has publicly announced (and not withdrawn) an acquisition proposal with respect to Provident and (A) thereafter the merger agreement is terminated by either Provident or Sterling because the merger has not been completed prior to the termination date, and Provident has failed to obtain the required vote of its stockholders at the duly convened Provident stockholder meeting or any adjournment or postponement thereof at which a vote on the adoption of the merger agreement is taken or (B) thereafter the merger agreement is terminated by Sterling based on (w) a willful breach of the merger agreement by Provident that would constitute the failure of a closing condition and that has not been cured during the permitted time period or by its nature cannot be cured during such period, (x) the board of directors of Provident having failed to recommend in this joint proxy statement/prospectus that its stockholders adopt the merger agreement, or having withdrawn, modified or qualified such recommendation in a manner adverse to Sterling, or having resolved to do so, or having failed to reaffirm its recommendation within two business days of Sterling's written request that such action be taken, or having failed to recommend against acceptance of a tender offer or exchange offer for outstanding Provident common stock that has been publicly disclosed (other than by Sterling or an affiliate of Sterling) within ten business days after the commencement of such tender or exchange offer, (y) the board of directors of Provident having failed to issue a press release announcing its opposition to an acquisition proposal within ten business days after an acquisition proposal is publicly announced, or (z) the board of directors of Provident having materially breached certain obligations, including with respect to the non-solicitation of acquisition proposals or calling a meeting of its stockholders and recommending that they adopt the merger agreement, and (C) within fifteen months after the date of such termination, Provident enters into a definitive agreement or consummates a transaction with respect to an acquisition proposal (whether or not the same acquisition proposal as that referred to above), then Provident will, on the earlier of the date it enters into such definitive agreement and the date of consummation of such transaction, pay Sterling the termination fee by wire transfer of same day funds (provided that for purposes of the foregoing, all references in the definition of acquisition proposal to "25%" will instead refer to "50%").

In the event that the merger agreement is terminated by Sterling based on the board of directors of Provident having recommended or endorsed an acquisition proposal, then Provident will pay Sterling, by wire transfer of same day funds, a fee equal to 50% of the termination fee on the date of termination, and an additional fee equal to 50% of the termination fee on the earlier of the date Provident enters into a definitive agreement or consummates a transaction involving such acquisition proposal (or involving any other acquisition proposal with respect to which

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Provident enters into a definitive agreement or with respect to which Provident consummates a transaction, in either case within fifteen months after the merger agreement is terminated) (provided that for purposes of the foregoing, all references in the definition of acquisition proposal to "25%" will instead refer to "50%").

Expenses and Fees

All costs and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring such expense, except that the costs and expenses of printing and mailing this joint proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the merger will be borne equally by Provident and Sterling.

Amendment, Waiver and Extension of the Merger Agreement

Subject to compliance with applicable law, the merger agreement may be amended by the parties at any time before or after approval of the matters presented in connection with merger by the stockholders of Provident and Sterling, except that after adoption of the merger agreement by the respective stockholders of Provident or Sterling, there may not be, without further approval of such stockholders, any amendment of the merger agreement that requires further approval under applicable law.

At any time prior to the completion of the merger, the parties may, to the extent legally allowed, extend the time for the performance of any of the obligations or other acts of the other party, waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement, and waive compliance with any of the agreements or satisfaction of any conditions contained in the merger agreement, except that after adoption of the merger agreement by the respective stockholders of Provident or Sterling, there may not be, without further approval of such stockholders, any extension or waiver of the merger agreement or any portion thereof that requires further approval under applicable law.

Employment and Services Agreements

Simultaneous with the execution of the merger agreement, Provident entered into an amendment to the employment agreement with Jack Kopnisky, Provident's current President and Chief Executive Officer, and employment agreements or agreements for services with certain key individuals of Sterling, including: Louis J. Cappelli, Sterling's current Chairman and Chief Executive Officer; John C. Millman, Sterling's current President; John W. Tietjen, Sterling's current Executive Vice President and Chief Financial Officer; Howard M. Applebaum, a current Senior Vice President of Sterling; Michael Bizenov, a current Executive Vice President of Sterling; and Dale C. Fredston, Sterling's current Executive Vice President and General Counsel. These agreements set forth the terms and conditions of each such individual's employment or other relationship with Provident following the effective time of the merger and will be effective upon and subject to the completion of the merger. When effective, the agreements with the Sterling individuals will also supersede and replace any prior employment, retention, change of control or other similar agreement with such individuals.

The principal terms of these agreements or amendments are summarized above in "The Merger Interests of Provident's Directors and Executive Officers in the Merger" and "The Merger Interests of Sterling's Directors and Executive Officers in the Merger".

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ACCOUNTING TREATMENT

The accounting principles applicable to this transaction as described in FASB ASC 805-10-05-01 provide transactions that represent business combinations are to be accounted for under the acquisition method. The acquisition method requires all of the following steps: a) identifying the acquirer; b) determining the acquisition date; c) recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; and d) recognizing and measuring goodwill or a gain from a bargain purchase.

The appropriate accounting treatment for this transaction is as a business combination under the acquisition method. On the acquisition date, as defined by ASC 805, Provident (the acquirer) will record at fair value the identifiable assets acquired and liabilities assumed, any noncontrolling interest, and goodwill (or a gain from a bargain purchase). The results of operations for the combined company will be reported prospectively subsequent to the acquisition date.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

Subject to the limitations, assumptions and qualifications as described herein, it is the opinion of each of Wachtell, Lipton, Rosen & Katz and Sullivan & Cromwell LLP, that the material U.S. federal income tax consequences of the merger to "U.S. holders" (as defined below) of Sterling common stock that exchange their shares of Sterling common stock for shares of Provident common stock in the merger are as described below. The following discussion is based upon the Code, the U.S. Treasury regulations promulgated thereunder and judicial and administrative authorities, rulings and decisions, all as in effect as of the date of this joint proxy statement/prospectus. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, nor does it address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax.

The following discussion applies only to U.S. holders of shares of Sterling common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special treatment under the U.S. federal income tax laws (such as, for example, dealers or brokers in securities, commodities or foreign currencies, traders in securities that elect to apply a mark-to-market method of accounting, banks and certain other financial institutions, insurance companies, mutual funds, tax-exempt organizations, holders subject to the alternative minimum tax provisions of the Code, partnerships, S corporations or other pass-through entities or investors in partnerships, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, former citizens or residents of the United States, U.S. expatriates, holders whose functional currency is not the U.S. dollar, holders who hold shares of Sterling common stock as part of a hedge, straddle, constructive sale or conversion transaction or other integrated investment, holders who acquired Sterling common stock pursuant to the exercise of employee stock options, through a tax qualified retirement plan or otherwise as compensation, holders who exercise appraisal rights, or holders who actually or constructively own more than 5% of Sterling common stock).

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of Sterling common stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, organized in or under the laws of the United States or any state thereof or the District of

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Columbia, (3) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes, regardless of its source.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Sterling common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Any entity treated as a partnership for U.S. federal income tax purposes that holds Sterling common stock, and any partners in such partnership, should consult their own independent tax advisors regarding the tax consequences of the merger to their specific circumstances.

Determining the actual tax consequences of the merger to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult your own independent tax advisor as to the specific tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and of changes in those laws.

Tax Consequences of the Merger Generally

Subject to the limitations, assumptions and qualifications described herein, the merger will be treated as a "reorganization" within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes and, therefore, as described in greater detail below, no gain or loss will be recognized under U.S. federal income tax law in respect of the receipt of shares of Provident common stock, except for any gain or loss that may result from the receipt of cash instead of fractional shares of Provident common stock. It is a condition to the obligation of Provident to complete the merger that Provident receive an opinion from Wachtell, Lipton, Rosen & Katz, dated the closing date of the merger, to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. It is a condition to the obligation of Sterling to complete the merger that Sterling receive an opinion from Sullivan & Cromwell LLP dated the closing date of the merger, to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. These opinions will be based on facts and representations contained in representation letters provided by Provident and Sterling and on customary factual assumptions. Neither of the opinions described above will be binding on the Internal Revenue Service (which we refer to as the "IRS") or any court. Provident and Sterling have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger, and as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which those opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

Upon exchanging your Sterling common stock for Provident common stock, you generally will not recognize gain or loss, except with respect to cash received instead of fractional shares of Provident common stock (as discussed below). The aggregate tax basis of the Provident common stock that you receive in the merger (including any fractional shares deemed received and redeemed for cash as described below) will equal your aggregate adjusted tax basis in the shares of Sterling common stock you surrender in the merger. Your holding period for the shares of Provident common stock that you receive in the merger (including any fractional share deemed received and redeemed for cash as described below) will include your holding period of the shares of Sterling common stock that you surrender in the merger. If you acquired different blocks of Sterling common stock at different times or at different prices, the Provident common stock you receive will be allocated pro rata to each block of Sterling common stock, and the basis and holding period of each block of Provident common stock you

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receive will be determined on a block-for-block basis depending on the basis and holding period of the blocks of Sterling common stock exchanged for such block of Provident common stock.

Cash Instead of Fractional Shares

If you receive cash instead of a fractional share of Provident common stock, you will be treated as having received such fractional share of Provident common stock pursuant to the merger and then as having sold such fractional share of Provident common stock for cash. As a result, you generally will recognize gain or loss equal to the difference between the amount of cash received and the basis in your fractional share of Provident common stock as set forth above. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such fractional share (including the holding period of shares of Sterling common stock surrendered therefor) exceeds one year. Long-term capital gains of individuals are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

If you are a non-corporate holder of Sterling common stock, you may be subject, under certain circumstances, to information reporting and backup withholding (currently at a rate of 28%) on any cash payments you receive. You generally will not be subject to backup withholding, however, if you (1) furnish a correct taxpayer identification number, certify that you are not subject to backup withholding and otherwise comply with all the applicable requirements of the backup withholding rules; or (2) provide proof that you are otherwise exempt from backup withholding. Any amounts withheld under the backup withholding rules are not an additional tax and will generally be allowed as a refund or credit against your U.S. federal income tax liability, provided you timely furnish the required information to the IRS.

This discussion of certain material U.S. federal income tax consequences is not intended to be, and should not be construed as, tax advice. Holders of Sterling common stock are urged to consult their independent tax advisors with respect to the application of U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.

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DESCRIPTION OF CAPITAL STOCK OF PROVIDENT

As a result of the merger, Sterling shareholders who receive shares of Provident common stock in the merger will become stockholders of Provident. Your rights as stockholder of Provident will be governed by Delaware law and the certificate of incorporation and the bylaws of Provident. The following briefly summarizes the material terms of Provident common stock. We urge you to read the applicable provisions of the DGCL and Provident's certificate of incorporation and bylaws. Copies of Provident's and Sterling's governing documents have been filed with the SEC. To find out where copies of these documents can be obtained, see "Where You Can Find More Information."

Authorized Capital Stock

Provident's authorized capital stock consists of 75,000,000 shares of common stock, par value \$0.01 per share and 10,000,000 shares of preferred stock, par value \$0.01 per share. As of the record date, there were 44,352,546 shares of Provident common stock outstanding, and no shares of Provident preferred stock outstanding. In connection with the merger, Provident's certificate of incorporation will be amended to increase the number of authorized shares of common stock to 190,000,000.

Common Stock

Listing

Provident common stock is listed on the New York Stock Exchange and traded under the symbol "PBNY". Following the merger, shares of Provident common stock will continue to be traded on the New York Stock Exchange but, because the name of the surviving corporation will be Sterling Bancorp, Provident expects to change its symbol to "STL".

Dividend Rights

Payment of dividends is subject to determination and declaration by the Provident board of directors and depends on a number of factors, including capital requirements, legal, and regulatory limitations on the payment of dividends, the results of operations and financial condition, tax considerations and general economic conditions. Subject to the approval of the board of directors of the combined company, it is the current intention of each of Provident and Sterling that, following completion of the merger, the dividend on Provident common stock will be increased to \$0.07 per share. However the board of directors may change its dividend policy at any time, and no assurances can be given that dividends will continue to be paid by Provident or the combined company or that dividends, if paid, will not be reduced or eliminated in future periods.

Voting Rights

Each share of Provident common stock is entitled to one vote in each matter submitted to a vote at a meeting of stockholders including in all elections for directors; stockholders are not entitled to cumulative voting in the election for directors. Provident stockholders may vote either in person or by proxy. Provident's certificate of incorporation provides that in no event will any person who beneficially owns more than 10% of the then-outstanding shares of common stock be entitled or permitted to vote any of the shares of common stock held in excess of the 10% limit.

Preemptive and Other Rights

Holders of Provident common stock have no preemptive rights and have no other rights to subscribe for additional securities of Provident under Delaware law, nor does Provident common stock have any conversion rights or rights of redemption. Upon liquidation, all holders of Provident common

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stock are entitled to participate pro rata in Provident's assets available for distribution, subject to the rights of any class of preferred stock then outstanding.

For more information regarding the rights of holders of Provident common stock, see "Comparison of Stockholders' Rights."

Preferred Stock

Provident's certificate of incorporation authorizes Provident's board of directors, without further stockholder action, to issue up to 10,000,000 shares of preferred stock, par value \$0.01 per share, in series and to fix the designation, powers, preferences, and rights of the shares of such series and any qualifications, limitations or restrictions thereof, without further vote or action by Provident stockholders. Provident may amend from time to time its certificate of incorporation to increase the number of authorized shares of preferred stock. Any such amendment would require the approval of the holders of a majority of the common stock, without a vote of the holders of preferred stock, unless a vote of any such holders is required pursuant to the terms of any preferred stock designation. As of the date of this joint proxy statement/prospectus, there are no shares of Provident preferred stock outstanding.

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COMPARISON OF STOCKHOLDERS' RIGHTS

If the merger is completed, holders of Sterling common stock will receive shares of Provident common stock in exchange for their shares of Sterling common stock. Provident is organized under the laws of the State of Delaware and Sterling is organized under the laws of the State of New York. The following is a summary of the material differences between (1) the current rights of Sterling shareholders under the NYBCL and Sterling's certificate of incorporation, as amended, and bylaws and (2) the current rights of Provident stockholders under the DGCL and Provident's certificate of incorporation and amended and restated bylaws.

Provident and Sterling believe that this summary describes the material differences between the rights of holders of Provident common stock as of the date of this joint proxy statement/prospectus and the rights of holders of Sterling common stock as of the date of this joint proxy statement/prospectus; however, it does not purport to be a complete description of those differences. Copies of Provident's and Sterling's governing documents have been filed with the SEC. To find out where copies of these documents can be obtained, see "Where You Can Find More Information."

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AUTHORIZED CAPITAL STOCK

Provident's certificate of incorporation authorizes it to issue up to 75,000,000 shares of common stock, par value \$0.01 per share, and 10,000,000 shares of preferred stock, par value \$0.01 per share. As of the record date for the Provident special meeting, there were 44,352,546 shares of Provident common stock outstanding, and no shares of Provident preferred stock outstanding. In connection with the merger, Provident's certificate of incorporation will be amended to increase the number of authorized shares of common stock to 190,000,000.

Sterling's certificate of incorporation authorizes it to issue up to 100,000,000 shares of common stock, par value \$1.00 per share, and 644,839 shares of preferred stock, par value \$5.00 per share. As of the record date for the Sterling annual meeting, there were 30,954,105 shares of Sterling common stock outstanding, and no shares of Sterling preferred stock outstanding.

VOTING LIMITATIONS

Provident's certificate of incorporation provides that record owners of any outstanding common stock of Provident which is beneficially owned, directly or indirectly, by a person who, as of any record date for the determination of stockholders entitled to vote on any matter, beneficially owns in excess of 10% of the then-outstanding shares of common stock of Provident are not entitled or permitted to any vote in respect of the shares held in excess of the 10% limit.

Sterling's certificate of incorporation and bylaws do not impose voting restrictions on shares held in excess of such 10% limit.

SIZE OF BOARD OF DIRECTORS

Provident's certificate of incorporation currently provides that the size of Provident's board of directors shall be fixed from time to time exclusively by the board of directors pursuant to a resolution adopted by a majority of the whole board. Provident's bylaws currently provide that in the absence of a designation of the number of directors on the board of directors, the board of directors shall consist of 13 directors. Provident's

Sterling's bylaws currently provide that Sterling's board of directors shall consist of not less than three directors, and that the board of directors may increase or decrease the number of directors by a vote of a majority of the directors then in office. Sterling's board of directors currently has 11 directors.

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board of directors currently has 13 directors. On August 7, 2012, Provident entered into a corporate governance agreement with each of Patriot Financial Partners, L.P. ("Patriot") and Endicott Opportunity Partners III, L.P. ("Endicott"), pursuant to which Provident agreed, upon request, to appoint one individual nominated by each of Patriot and Endicott to its board of directors, subject to satisfaction of regulatory requirements and reasonable approval of Provident's Nominating and Corporate Governance Committee. Mr. James F. Deutsch has been designated as a director of Provident by Patriot, and is expected to continue as a director of Provident after the completion of the merger.

CLASSES OF DIRECTORS

Provident's board of directors (other than directors elected by the holders of any class or series of preferred stock) is divided into three classes, with each class of directors serving for successive three-year terms so that each year the term of only one class of directors expires.

Sterling's board of directors is not classified; all directors are elected annually.

REMOVAL OF DIRECTORS

Directors may be removed from office at any time, but only for cause and only by the affirmative vote of holders of 80% of shares entitled to vote in the election of directors, voting together as a single class.

Any one or more or all of the directors may be removed for cause or without cause by vote of the shareholders of Sterling entitled to vote or for cause by a majority of directors present at the time of the vote at a meeting of the board of directors of Sterling, if a quorum is then present.

FILLING VACANCIES ON THE BOARD OF DIRECTORS

Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in the number of directors or any vacancies in the board of directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office, even though less than a quorum. The term of any director elected to fill a vacancy shall expire at the next meeting of stockholders at which the term of office of the class to which such director has been chosen expires. No decrease in the number of directors constituting the board of directors shortens the term of any incumbent director.

Under Sterling's bylaws, vacancies occurring in the membership of the board of directors from whatever cause arising (including an increase in the number of directors) may be filled for the unexpired term or terms by a majority vote of the directors present at the time of the vote, provided a quorum be then present, or by the shareholders at any special meeting of the shareholders.

SPECIAL MEETINGS OF STOCKHOLDERS

Special meetings of the stockholders of Provident, other than those required by statute, may be called at any time by the board of directors acting pursuant to a resolution adopted by a majority of

Special meetings of the shareholders of Sterling for any purposes or purposes may be called by the Chairman of the board of directors or the Chairman of the executive committee, or the

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the total number of authorized directors, whether or not there exist any vacancies in previously authorized directorships.

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President, and shall be called by the Chairman or the Secretary at the request in writing of a majority of the board of directors.

In addition, a special meeting of the shareholders of Sterling must be called by the secretary of Sterling upon the written request of the holders of record who hold a "net long position," as defined in the Sterling bylaws, of not less than 25% of the voting power of all outstanding shares of common stock of Sterling. The written request must state the purpose of the special meeting and the matters proposed to be acted upon, along with additional information specified in Sterling's bylaws, and is subject to certain timing and process requirements and conditions set forth in the bylaws.

QUORUM

Under Provident's bylaws, at any meeting of stockholders, the holders of a majority of all the shares of stock entitled to vote at the meeting, present in person or by proxy, constitute a quorum for all purposes, unless or to the extent that the presence of a larger number may be required by law. Where a separate vote by a class or classes is required, a majority of those represented in person or by proxy shall constitute a quorum entitled to take action with respect to the vote on that matter. If a quorum fails to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting.

Under Sterling's bylaws, the holders of a majority of the shares issued and outstanding and entitled to vote thereat present in person or represented by proxy constitute a quorum for the transaction of business at all meetings of the shareholders. If, however, such majority is not present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

NOTICE OF STOCKHOLDER MEETINGS

Provident's bylaws provide that written notice of the place, date and time of all meetings of the stockholders must be given, not less than 10 and not more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting. When a meeting is adjourned to another place, date or time, and the date of the adjourned meeting is more than 30 days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting must be given in conformity with the previous sentence.

Sterling's bylaws provide that written notice of annual and special meetings of shareholders, stating the place, date and hour, must be given personally or by mail not less than 10 and not more than 50 days before such a meeting to each shareholder entitled to vote thereat. Notice of a special meeting must indicate that it is being issued by or at the direction of the person or persons calling the meeting and must also state the purpose or purposes for which the meeting is called.

ADVANCE NOTICE OF STOCKHOLDER PROPOSALS

Provident's bylaws establish an advance notice procedure with regard to nominations and other

At any meeting of shareholders, proposals and persons nominated for election as directors by

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business proposals to be brought before Provident's annual meeting but not included in Provident's proxy statement or form of proxy for that meeting. For nominations or other business to be properly brought before an annual meeting by a stockholder, (1) the stockholder must have given timely notice thereof in writing to Provident's Secretary, (2) such business must be a proper matter for stockholder action under the DGCL, (3) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided Provident with a solicitation notice, such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of Provident's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of Provident's voting shares reasonably believed by such stockholder or beneficial holder to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials a solicitation notice stating that such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of Provident's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Provident's voting shares to elect such nominee or nominees and (4) if no solicitation notice relating thereto has been timely provided, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a solicitation notice.

To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of Provident not less than 90 days prior to the date of Provident's proxy materials for the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the 10th day following the day on which public announcement of the date of

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shareholders will be considered only if (1) advance written notice thereof has been timely given and (2) such proposals or nominations are otherwise proper for consideration under applicable law and the certificate of incorporation and bylaws of Sterling.

Written notice of any proposal to be presented by any shareholder or of the name of any person to be nominated by any shareholder for election as a director of Sterling must be delivered to the Secretary of Sterling at its principal executive office not less than 60 nor more than 90 days prior to the date of the meeting; provided, however, that if the date of the meeting is first publicly announced or disclosed (in a public filing or otherwise) less than 70 days prior to the date of the meeting, such advance notice must be given not more than ten days after such date is first so announced or disclosed. Such a notice must be accompanied by certain specified information, as set forth in Sterling's bylaws.

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such meeting is first made. The notice must contain specified information, as set forth in Provident's bylaws.

Stockholder nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to Provident's notice of meeting by any stockholder of record of Provident who is a stockholder of record at the time of giving of notice provided for in this paragraph, who is entitled to vote at the meeting and who complies with the same notice procedures applicable to stockholder nominations at an annual meeting of stockholders. Nominations by stockholders of persons for election to the board of directors may be made at such a special meeting of stockholders if the stockholder's notice is delivered to the Secretary at the principal executive offices of Provident not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting.

ANTI-TAKEOVER PROVISIONS AND OTHER STOCKHOLDER PROTECTIONS

Provident's certificate of incorporation provides that any "business combination" involving Provident and an interested stockholder must be approved by the holders of at least 80% of the voting power of the outstanding shares of stock entitled to vote, unless either two-thirds of the "disinterested directors" (as defined in the certificate of incorporation) of Provident has approved the business combination or the terms of the proposed business combination satisfy certain minimum price and other standards. For purposes of these provisions, an "interested stockholder" includes any person (with certain exceptions) who is the "beneficial owner" (as defined in the certificate of incorporation) of more than 10% of Provident's outstanding common stock, any affiliate of Provident which was the beneficial owner of more than 10% of Provident's outstanding common stock during the prior two years; or any assignee of or successor to any shares of Provident common stock that were beneficially owned by an "interested stockholder" during the prior two years. For purposes of these provisions, a "business combination" is defined as any merger or consolidation of Provident or any subsidiary with or into an interested stockholder

Under Section 912 of the NYBCL, Sterling is prohibited from engaging in any business combination with an interested shareholder within five years after the person or entity first becomes an interested shareholder, unless the business combination transaction or the transaction that caused the person to become an interested shareholder was approved by Sterling's board of directors prior to the interested shareholder becoming such. In addition, Sterling is prohibited from engaging in any business combination with an interested shareholder (whether during or after the five year period) unless (i) the business combination transaction or the transaction that caused the person to become an interested shareholder was approved by Sterling's board of directors prior to the interested shareholder becoming such, (ii) the business combination is approved by the holders of a majority of the outstanding Sterling voting stock, excluding shares held by the interested shareholder, at a meeting called no earlier than five years after the interested shareholder became such, or (iii) certain fair price and other requirements are satisfied. The NYBCL defines the term "business combination" to include transactions such as

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or affiliate of an interested stockholder, the disposition of the assets of Provident or any subsidiary having an aggregate fair market value of 25% or more of the combined assets of Provident and its subsidiaries to or with any interested stockholder or affiliate of an interested stockholder, the issuance or transfer by Provident or any subsidiary of any securities of Provident or any subsidiary to any interested stockholder or affiliate of an interested stockholder in exchange for cash, securities or other property having an aggregate fair market value of 25% or more of the outstanding common stock of Provident and its subsidiaries (except pursuant to an employee benefit plan), any reclassification of securities or recapitalization that would increase the proportionate share of any class of equity or convertible securities of Provident or any subsidiary owned by an interested stockholder or affiliate of an interested stockholder, and the adoption of any plan for the liquidation or dissolution of Provident proposed by, or on behalf of, an interested stockholder or an affiliate of an interested stockholder.

In addition, the DGCL provides that if a person acquires 15% or more of the stock of a Delaware corporation, thereby becoming an "interested stockholder" for purposes of Section 203 of the DGCL, that person may not engage in certain business combinations with the corporation for a period of three years unless one of the following three exceptions applies: (i) the corporation's board of directors approved the acquisition of stock or the business combination transaction prior to the time that the person became an interested stockholder; (ii) the person became an interested stockholder and 85% owner of the voting stock of the corporation in the transaction in which it became an interested stockholder, excluding voting stock owned by directors who are also officers and certain employee stock plans; or (iii) the business combination transaction is approved by the board of directors and by the affirmative vote of two-thirds of the outstanding voting stock which is not owned by the interested stockholder at an annual or special meeting of stockholders. Under the DGCL, the term "business combination" is defined to include a wide variety of transactions, including mergers, consolidations, sales or other dispositions of 10% or more of a corporation's assets and various other transactions that may benefit an "interested stockholder."

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mergers, consolidations, sales of 10% or more of the corporation's assets, issuances of stock with a market value of 5% or more of the aggregate market value of all outstanding stock of the corporation, adoptions of plans of liquidation, reclassifications and similar transactions. The NYBCL defines the term "interested shareholder" generally as any person or entity who, together with certain affiliates, beneficially owns 20% or more of the corporation's voting stock.

A New York corporation may elect not to be governed by Section 912 of the NYBCL. Sterling has not made such an election.

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A Delaware corporation may elect not to be governed by Section 203. Provident has not made such an election and accordingly is subject to Section 203.

LIMITATION OF PERSONAL LIABILITY OF OFFICERS AND DIRECTORS

Provident's certificate of incorporation provides that a director shall have no liability to Provident or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to Provident or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL (concerning unlawful distributions to stockholders), or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended after the effective date of Provident's certificate of incorporation to further eliminate or limit the personal liability of directors, then the liability of a director of Provident shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Sterling's certificate of incorporation provides that no director shall be personally liable to Sterling or its shareholders for damages for any breach of duty in such capacity, provided that nothing shall eliminate or limit (a) the liability of any director if a judgment or other final adjudication adverse to him establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or that his acts violated Section 719 of the NYBCL (which sets forth director liability in certain cases), or (b) the liability of any director for any act or omission prior to the adoption of the amendment including the foregoing provisions in the certificate of incorporation of Sterling.

INDEMNIFICATION OF DIRECTORS AND OFFICERS AND INSURANCE

Section 145 of the DGCL permits, under certain circumstances, the indemnification of any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving in a similar capacity for another enterprise at the request of the corporation if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceedings, had no reasonable cause to believe that his or her conduct was unlawful. To the extent that a present or former director or officer of the corporation has been successful in defending any such proceeding, the DGCL provides that he shall be indemnified against expenses (including attorneys' fees), actually and reasonably incurred by him in connection therewith. With respect to a proceeding by or in the right of the corporation, such person may be indemnified against expenses (including attorneys' fees), actually and reasonably incurred, if he acted in good faith and in a

Section 722 of the NYBCL provides that, other than in the case of actions brought by or on behalf of the corporation, a corporation may indemnify a person in any threatened, pending or completed action or proceeding, whether civil or criminal, including an action by or in the right of any other corporation or other enterprise, which any director or officer of the corporation served in any capacity at the request of the corporation, by reason of the fact that he was a director or officer of the corporation, or served such other corporation or enterprise, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, if the officer or director acted in good faith for a purpose that such person reasonably believed to be in (or in the case of service for any other corporation or enterprise, not opposed to) the best interests of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. In actions brought by or on behalf of the corporation, the same indemnification standards apply except that in the case of actions that are settled or in which the officer or director is found liable to the corporation, indemnification is not permitted except in the case of a judicial finding that despite

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manner he reasonably believed to be in or not opposed to the best interests of the corporation. The DGCL provides, however, that indemnification shall not be permitted in such a proceeding if such person is adjudged liable to the corporation unless, and only to the extent that, the Delaware Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court deems proper. The DGCL permits a corporation to advance expenses incurred by a proposed indemnitee in advance of final disposition of the proceeding, provided that the indemnitee undertakes to repay such advanced expenses if it is ultimately determined that he is not entitled to indemnification. Also, a corporation may purchase insurance on behalf of an indemnitee against any liability asserted against him in his designated capacity, whether or not the corporation itself would be empowered to indemnify him against such liability.

Provident's certificate of incorporation provides that current or former directors or officers shall be indemnified and held harmless by Provident to the fullest extent authorized by the DGCL against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such officer or director; provided, however, that Provident shall (with limited exceptions) indemnify an officer or director in connection with a proceeding (or part thereof) initiated by such officer or director only if such proceeding (or part thereof) was authorized by the board of directors of Provident. Provident may advance expenses to officers and directors, provided that if required by the DGCL, such advancement of expenses shall only be made if the director or officer seeking such advancement provides Provident with a written undertaking to repay the advance if it is ultimately determined by a final judicial decision from which there is no further right to appeal that the officer or director is not entitled to the advancement of expenses. Provident's certificate of incorporation provides that Provident may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of Provident or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or

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the adjudication of liability and in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper.

Sterling's bylaws provide for indemnification to the maximum extent permitted by law of any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including any action by or in the right of the corporation to procure a judgment in the corporation's favor or an action by or in the right of any other corporation of any type or kind, domestic or foreign, including, but not limited to, any of Sterling's subsidiaries, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any of Sterling's directors or officers served in any capacity at its request, by reason of the fact that he, his testator or intestate, was its director or officer, or served that other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines (including any excise tax deemed a fine pursuant to Section 722 of the NYBCL or any successor provision), amounts paid in settlement (but only if that settlement was made with Sterling's prior written consent or if that consent was unreasonably refused or withheld for an unreasonably long period after written request thereof) and reasonable expenses, including attorneys' fees incurred as a result of that pending or threatened action or proceeding (including any appeal therein); provided that no indemnification may be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he was not legally entitled. Sterling's bylaws also provide that it will advance expenses, subject to the receipt of an undertaking by or on behalf of such person to repay to Sterling the amount paid to any extent it exceeds the indemnification to which such person is ultimately found to be entitled under the bylaws or otherwise.

Under Section 726 of the NYBCL, Sterling is permitted to purchase insurance to indemnify directors and officers.

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loss, whether or not Provident would have the power to indemnify such person against such expense, liability or loss under the DGCL.

AMENDMENTS TO ARTICLES OF INCORPORATION AND BYLAWS

The DGCL provides that Provident's certificate of incorporation generally may be amended upon the adoption of a resolution by the board of directors and approval by the holders of a majority of the outstanding shares entitled to vote. Pursuant to Provident's certificate of incorporation, the affirmative vote of the holders of at least 80% of the voting power of all of the then-outstanding shares of the capital stock of Provident entitled to vote generally in the election of directors, voting as a single class, is required to amend or repeal certain provisions of the certificate of incorporation, including the provisions relating to limitations on voting of holders of more than 10% of Provident's common stock, special meetings of Provident stockholders, stockholder action by written consent, the number, classification and removal of directors and the filling of board vacancies, the approval of certain business combinations, director and officer indemnification by Provident and amendment of Provident's bylaws and certificate of incorporation. Provident's bylaws may be amended either by a majority of the entire Provident board of directors or by a vote of the holders of at least 80% of the voting power of all of the then-outstanding shares of the capital stock of Provident entitled to vote generally in the election of directors, voting as a single class.

Section 803(a) of the NYBCL provides that a corporation's certificate of incorporation may be amended or changed by a vote of the board of directors followed by a vote of the majority of all outstanding shares entitled to vote.

Sterling's bylaws may be amended, repealed or adopted by vote of the holders of the shares at the time entitled to vote in the election of any directors. The board of directors may also amend, repeal or adopt bylaws, but any bylaw adopted or amended by the board of directors may be amended or repealed by shareholders entitled to vote thereon.

ACTION BY WRITTEN CONSENT OF THE STOCKHOLDERS

Under Provident's certificate of incorporation, subject to the rights of any class or series of preferred stock of Provident, any action required or permitted to be taken by the stockholders of Provident at an annual or special meeting must be effected at a duly called annual or special meeting of stockholders of Provident and may not be effected by any consent in writing by such stockholders.

Under Sterling's bylaws, whenever shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon.

STOCKHOLDER RIGHTS PLAN

Neither Provident nor Sterling currently has a stockholder rights plan in effect.

Table of Contents**COMPARATIVE MARKET PRICES AND DIVIDENDS**

Provident common stock is listed on the New York Stock Exchange under the symbol "PBNY", and Sterling common stock is listed on the New York Stock Exchange under the symbol "STL". The following table sets forth the high and low reported closing sale prices per share of Provident common stock and Sterling common stock, and the cash dividends declared per share for the periods indicated.

Quarter Ended:	Provident Common Stock			Sterling Common Stock		
	High	Low	Dividend	High	Low	Dividend
March 31, 2011	\$ 10.93	\$ 9.11	\$ 0.06	\$ 10.73	\$ 9.48	\$ 0.09
June 30, 2011	10.15	8.26	0.06	10.55	8.78	0.09
September 30, 2011	8.49	5.82	0.06	9.92	7.05	0.09
December 31, 2011	7.63	5.51	0.06	8.92	6.67	0.09
March 31, 2012	9.21	6.70	0.06	10.22	8.53	0.09
June 30, 2012	8.72	7.24	0.06	9.98	8.69	0.09
September 30, 2012	9.65	7.44	0.06	10.54	9.05	0.09
December 31, 2012	9.66	8.67	0.06	10.42	8.62	0.09
March 31, 2013	9.54	8.70	0.06	10.58	9.47	0.09
June 30, 2013	9.55	8.68	0.06	12.34	9.82	0.09
September 30, 2013 (through August 12, 2013)	11.31	9.66	0.06	14.15	12.05	0.09

On April 3, 2013, the last full trading day before the public announcement of the merger agreement, the closing sale price of shares of Provident common stock as reported on the New York Stock Exchange was \$8.81. On August 12, 2013, the last practicable trading day before the date of this joint proxy statement/prospectus, the closing sale price of shares of Provident common stock as reported on the New York Stock Exchange was \$11.22.

On April 3, 2013, the last full trading day before the public announcement of the merger agreement, the closing sale price of shares of Sterling common stock as reported on the New York Stock Exchange was \$10.00. On August 12, 2013, the last practicable trading day before the date of this joint proxy statement/prospectus, the closing sale price of shares of Sterling common stock as reported on the New York Stock Exchange was \$14.00.

As of August 12, 2013, the last date prior to printing this joint proxy statement/prospectus for which it was practicable to obtain this information for Provident and Sterling, respectively, there were approximately 5,102 registered holders of Provident common stock and approximately 1,123 registered holders of Sterling common stock.

The following table shows the closing sale prices of Provident common stock and Sterling common stock as reported on the NYSE on April 3, 2013, the last full trading day before the public announcement of the merger agreement, and on August 12, 2013, the last practicable trading day before the date of this joint proxy statement/prospectus. The table also shows the implied value of the merger consideration payable for each share of Sterling common stock, which we calculated by multiplying the closing price of Provident common stock on those dates by the exchange ratio of 1.2625.

	Provident Common Stock	Sterling Common Stock	Implied Value of One Share of Sterling Common Stock
At April 3, 2013	\$ 8.81	\$ 10.00	\$ 11.12
At August 12, 2013	11.22	14.00	14.17

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Each of Provident and Sterling shareholders are advised to obtain current market quotations for Provident common stock and Sterling common stock. The market price of Provident common stock and Sterling common stock will fluctuate between the date of this joint proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market price of Provident common stock or Sterling common stock before or after the effective date of the merger. Changes in the market price of Provident common stock prior to the completion of the merger will affect the market value of the merger consideration that Sterling shareholders will receive upon completion of the merger.

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OTHER MATTERS RELATING TO THE ANNUAL MEETING OF STERLING

This section describes other matters relating to the annual meeting of Sterling. Although Sterling and Provident expect the merger to close in the fourth calendar quarter of 2013, Sterling is presenting the Sterling annual meeting proposals for the period prior to the closing of the merger, or if the merger does not close, until the next annual meeting of Sterling shareholders. Upon consummation of the merger, Sterling will be merged with and into Provident, with Provident as the surviving company. Accordingly, these proposals relate only to the governance of Sterling prior to the closing of the merger or in the event the merger does not close.

Executive Summary

To help place the following matters to be voted upon in context, Sterling is providing below a summary of its business model and guiding principles, 2012 financial and operating performance highlights, corporate governance practices, and key executive compensation actions and decisions. Sterling also describes the actions it has taken, following last year's advisory vote on its executive compensation program, to strengthen shareholder engagement and communication, refine the executive compensation program to better align the interests of management and shareholders, and respond to shareholder feedback.

The information below is a summary. For more complete information about these topics, please review the Annual Report on Form 10-K and see "Where You Can Find More Information," beginning on page 224 of this joint proxy statement/prospectus.

BUSINESS FOCUS AND GUIDING PRINCIPLES

Sterling's corporate governance and compensation policies are the direct result of Sterling's unique history, business focus and marketplace. Sterling is a \$2.8 billion bank holding company headquartered in New York City. Its focus is primarily on serving business customers in the NY-Metropolitan area. Sterling prides itself on offering the high-touch service of a community bank, although Sterling competes in a market dominated by large global financial institutions.

Sterling Bancorp in its present form is the result of a 1968 merger between a finance company that was established in 1932 and a commercial bank that was founded in 1929. This dual heritage is reflected in a diverse range of services, which has been a competitive advantage in meeting the needs of business customers. A defining characteristic of Sterling has been the ability to perform across a range of economic conditions over many years. Even in the recent recession, Sterling was able to deliver growth in loans and deposits at a time when other banks were financially constrained. Sterling remained profitable, strengthened its capital, and emerged from this period with sound asset quality metrics.

Sterling believes that a consistent and successful focus on building its franchise, throughout various market cycles, contributes to shareholder value.

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2012 PERFORMANCE HIGHLIGHTS

Financial Results

Sterling produced strong results for shareholders in 2012 according to a number of key performance indicators.

Net income increased 14% to \$20.1 million, and earnings per diluted share increased to \$0.65 from \$0.51 for 2011. This earnings growth was primarily due to higher interest income resulting from the increase in Sterling's loan portfolio, higher noninterest income, well-controlled funding costs and operating expenses, and continued favorable asset quality metrics.

Net Income (millions)

Total loans increased by 17% compared to the prior year. The growth in loans reflected an ongoing strategy to redeploy assets from Sterling's investment portfolio into loans, producing a meaningful increase in yield, net interest margin and earnings.

Total Loans (billions)

Total deposits increased by 14%, with noninterest-bearing demand deposits representing more than 40% of total deposits, reflecting Sterling's emphasis on generating such cost-effective funds as part of its customer relationship model.

Total Deposits (billions)

Asset quality metrics remained strong throughout 2012, as evidenced by a reduction in net charge-offs and a decrease in nonperforming assets (both in total dollars and as a percentage of total assets), among other key metrics.

Nonperforming Assets (% of Total Assets)

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Sterling's absolute performance with respect to total shareholder return (TSR), as measured over one-year, three-year and five-year periods, has materially improved in the past year. **1-Year Total Shareholder Return (%)**

In addition, Sterling's capital base has continued to exceed all regulatory requirements for well-capitalized institutions, which will help to support Sterling's ongoing strategies to deliver solid performance by expanding business volume and market share and by growing its revenue base. At year-end 2012, Tier 1 risk-based capital ratio was 11.49%, total risk-based capital was 12.58% and the Tier 1 leverage ratio was 9.14%. The tangible common equity ratio was 7.50% as presented in Sterling's 2012 year-end news release dated January 24, 2013. Book value per common share rose to \$7.37 from \$7.14 at the prior year-end.

Acquisition

Sterling National Bank acquired the business of Universal Mortgage, Inc. ("Universal") in August 2012. Universal is a leading residential mortgage broker with offices in Brooklyn, N.Y. and generated mortgage volume of approximately \$300 million in 2012. The acquisition has provided an additional source of mortgage production and mortgage banking fee income, and a highly talented and experienced staff with well-established business relationships. The addition of Universal, along with Sterling's established mortgage banking operation, positions Sterling for a meaningful expansion of mortgage volume. Universal also provides a platform from which to launch an entry into Brooklyn, which Sterling believes is an extremely attractive market for all of its financial services.

Cash Dividends

Sterling paid cash dividends totaling \$0.36 per common share during 2012, extending its history of continuous cash dividends to 269 consecutive quarters. In addition, Sterling paid a dividend of \$0.09 per common share in the first quarter of 2013.

Corporate Governance

Corporate Governance Framework

The board of directors of Sterling (the "Board" or "Board of Directors" for the purposes of this "Other Matters Relating to the Annual Meeting of Sterling" section) has long been committed to sound and effective corporate governance practices. The Board believes that effective corporate governance, accountability, prudent risk management and ethical business conduct are key elements in Sterling's short-term and long-term success. Toward that end, the Board seeks to give these attributes the highest priority. Sterling's emphasis on corporate governance begins at the top, with the directors, who are elected by and are accountable to Sterling shareholders. This commitment to proper governance extends to Sterling's management team and to all of its employees.

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Corporate Governance Principles and Practices

Board Oversight

The Board is responsible for and committed to independent oversight of the affairs of Sterling, including such critical areas as business ethics, reputation, corporate strategy, financial reporting, non-executive officer performance, risk management, compensation and others. In carrying out this responsibility, the Board advises the Chairman and Chief Executive Officer, the president and other executives to help sustain the success of Sterling and produce value for shareholders.

The Board and independent committees have an active role in risk oversight. The Audit Committee's responsibilities include discussing guidelines and policies governing the process by which senior management of Sterling and the relevant departments of Sterling assess and manage Sterling's exposure to risk, and discussing Sterling's major financial risk exposure and the steps management has taken to monitor and control such exposures. The Compensation Committee also reviews analyses conducted by Sterling's senior risk officer and the Committee's independent compensation consultant to confirm that Sterling's compensation plans do not subject Sterling to unnecessary or excessive risk or encourage the manipulation of reported earnings to enhance the compensation of any employee.

Board Leadership

The bylaws and Corporate Governance Guidelines of Sterling have been amended to provide that the Chairman of the Board may be the Chief Executive Officer of Sterling, and that the Board of Directors may combine or separate these roles as it deems appropriate. This affords the Board the flexibility to select the Chairman and Chief Executive Officer in the manner that it considers in the best interests of Sterling at any given point in time. Previously, Sterling's bylaws required that the Chairman of the Board be the Chief Executive Officer of Sterling.

The Board approved on March 13, 2013 an amendment to its Corporate Governance Guidelines providing that, on an annual basis, the independent directors shall designate an independent director as the independent Lead Director when the position of Chairman and Chief Executive Officer are held by the same person. The independent Lead Director for 2013 will be designated by the independent directors following Sterling's annual meeting. The Lead Director's powers and duties include:

Presiding at all meetings of the Board at which the Chairman and Chief Executive Officer is not present, including executive sessions of the independent directors.

Reviewing and approving meeting agendas, meeting schedules and information sent to the Board.

Serving as a liaison between the Chairman and Chief Executive Officer and the independent directors.

Having the authority to call meetings of the independent directors.

Being available for consultation and direct communication with shareholders, as appropriate.

At this time, the Board of Directors believes that the present leadership structure, with a single person serving as both Chairman of the Board and Chief Executive Officer, along with the effective oversight by the independent directors and the Lead Director, ensures that Sterling will be led by the individual who is most familiar with its business, its unique challenges in the current environment, and who is best suited to lead discussions on matters that affect Sterling. Combining the Chairman and Chief Executive roles also helps ensure that Sterling has a single leader who speaks with one voice to its stakeholders and the broader public. The Board believes that having a Lead Director and independent Board committees will serve as an effective counterbalance to factors commonly cited as reasons to separate the Chairman and Chief Executive Officer positions.

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Board Composition and Selection

Sterling seeks to build and maintain an effective, well-rounded, experienced, financially literate and diverse Board that operates in an atmosphere of collaboration and candor. Toward that end, the Corporate Governance and Nominating Committee regularly identifies and recommends individuals for nomination, election or re-election to the Board. The Committee carries out this function through an ongoing process. From time to time, members of the Committee discuss, evaluate in detail and meet with possible director candidates to join the Board. Potential director candidates may be brought to the attention of the Committee from a variety of sources, including independent directors, shareholders, and employees.

The composition of the Board is structured to achieve the following goals:

The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully.

The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to Sterling's business.

A majority of the Board shall consist of directors whom the Board has determined have no material relationship with Sterling and who are otherwise "independent" under the rules of the New York Stock Exchange.

In selecting director nominees, based on the recommendation of the Corporate Governance and Nominating Committee, the Board considers the following criteria:

Personal qualities and characteristics, accomplishments and reputation.

Current knowledge and contacts in the communities in which Sterling does business and in Sterling's industry or other industries relevant to Sterling's business.

Ability and willingness to commit adequate time to Board and committee matters.

The fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of Sterling.

Diversity of viewpoints, background, experience and other demographics.

The Corporate Governance and Nominating Committee evaluates all candidates, including any recommended by shareholders, using the above-mentioned criteria.

Director Independence

The Board of Directors has determined that nine of Sterling's 11 directors are "independent" under applicable SEC and New York Stock Exchange rules. These independent directors are:

Robert Abrams	Allan F. Hershfield	Robert W. Lazar
Joseph M. Adamko	Henry J. Humphreys	Carolyn Joy Lee
Fernando Ferrer	James B. Klein	Eugene T. Rossides

In order to evaluate and determine the independence of the directors, the Board solicits information from directors regarding transactions, relationships and arrangements with Sterling, Sterling National Bank (for purposes of this section, the "bank") or any other affiliate of Sterling. Other than customary banking relationships (such as checking and savings accounts) with and loans (such as lines of credit or mortgage loans) to

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independent directors or entities with which they are affiliated in the ordinary course of the bank's business at terms and conditions not more favorable than those afforded by the bank to its other similarly situated customers, independent directors reported no such transactions, relationships or arrangements. The Board is not aware, in light of the applicable SEC and

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New York Stock Exchange rule requirements, of any such transaction, relationship or arrangement that would rise to the level such that it could reasonably be deemed to impair the director's exercise of independent judgment and autonomy in carrying out the duties and responsibilities of a director.

Code of Business Conduct and Ethics

In November 2003, the Board of Directors adopted a Code of Business Conduct and Ethics for Sterling's Board of Directors, officers, and employees in order to promote honest and ethical conduct and compliance with the laws and governmental rules and regulations to which Sterling is subject. All directors, officers, and employees of Sterling are expected to be familiar with the Code of Business Conduct and Ethics and to adhere to its principles and procedures.

Corporate Governance Guidelines

The Board of Directors adopted a comprehensive set of Corporate Governance Guidelines on November 21, 2003, which were most recently updated and approved by the Board on March 13, 2013. These guidelines address governance issues including director independence, criteria for Board membership, dealings of the Board and committees in executive session, expectations regarding attendance and participation in meetings, authority of the Board of Directors and committees to engage outside independent advisors as they deem appropriate, Lead Director powers and duties, succession planning for the Chief Executive Officer, and annual Board evaluation.

Meetings and Attendance of Directors

During the year ended December 31, 2012, the Board of Directors of Sterling held five regularly scheduled meetings. In addition, various committees of the Board held periodic meetings. No director attended fewer than 75% of the meetings of the Board or any committee of the Board on which he or she served.

Committees of the Board

Sterling has standing Audit, Compensation, Corporate Governance and Nominating, and Executive Committees.

Audit Committee.

The members of the audit committee (the "Audit Committee") are Messrs. Humphreys (chair), Adamko, Lazar, and Rossides. The Audit Committee held four meetings during the year ended December 31, 2012. In carrying out its responsibilities, the Audit Committee engaged Crowe Horwath LLP as Sterling's independent registered public accounting firm for 2012. The Board has determined that each of the members of the Audit Committee is "independent" as that term is defined in the applicable New York Stock Exchange listing standards and regulations of the SEC and all members are financially literate as required by the applicable New York Stock Exchange listing standards. In addition, the Board has determined that each member of the Audit Committee is qualified as an "Audit Committee Financial Expert" as defined by applicable standards of the SEC and each member of the Audit Committee has the financial expertise required by the applicable New York Stock Exchange listing standards.

Compensation Committee.

The members of the compensation committee (the "Compensation Committee") are Messrs. Hershfield (chair), Ferrer, and Humphreys. The Compensation Committee held seven meetings during the year ended December 31, 2012. The Board of Directors has determined that all members of the Compensation Committee are "independent" as that term is defined by the applicable New York

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Stock Exchange listing standards. See "Compensation Discussion and Analysis" for a discussion of the Compensation Committee's responsibilities. The Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the committee.

Corporate Governance and Nominating Committee.

The members of the Corporate Governance and Nominating Committee are Messrs. Ferrer (chair), Abrams, and Ms. Lee. The Corporate Governance and Nominating Committee held four meetings during the year ended December 31, 2012. The Board has determined that all of the members of the Corporate Governance and Nominating Committee are "independent" as the term is defined by the applicable NYSE listing standards.

Executive Committee.

The members of the executive committee (the "Executive Committee") are Messrs. Cappelli (chair), Millman, Abrams, Humphreys, Hershfield, and Rossides. The Executive Committee has the authority to act on most matters that the full Board of Directors could have acted on during intervals between Board meetings and is required to report to the Board at its next meeting any such actions taken. The Executive Committee did not meet during the year ended December 31, 2012.

All of the directors on the slate attended the 2012 annual meeting of Sterling shareholders, except for Mr. Adamko and Mr. Klein (named to the Board in August 2012). Sterling does not have a policy concerning Board members' attendance at annual shareholder meetings.

Management Succession

At least annually, the Board reviews and approves a succession plan, developed by management, addressing the policies and principles for selecting a successor to the Chief Executive Officer, both in an emergency situation and in the ordinary course of business. The succession plan includes an assessment of the experience, performance, skills and planned career paths for possible successors to the Chief Executive Officer.

The Board takes an active interest in the development of management talent to help ensure Sterling's continued growth and profitability and its capacity to deliver shareholder value. The Board and its committees periodically discuss issues relating to Sterling's management and particularly its senior leadership team. Members of Sterling's senior executive officer team frequently attend and make presentations before meetings of the Board and its committees, providing the directors with the opportunity to meet, observe and interact with these officers.

Transactions with Related Persons

The Board of Directors has approved a "Related Person Transaction Policy" that covers any transactions in which (i) Sterling or a subsidiary is a participant, (ii) the aggregate amount involved exceeds \$120,000, and (iii) any "Related Person" has a direct or indirect material interest. A "Related Person" is any director or executive officer of Sterling, any nominee for director, any shareholder owning an excess of five percent of the total equity of Sterling, and an "immediate family member" of any such person.

In deciding whether to approve or ratify any Related Person Transaction, the Board of Directors, a committee thereof, or a designated director, are to consider the following factors, to the extent relevant to the transaction: whether the terms of the transaction are fair to Sterling and on the same basis as would apply if the transaction did not involve a Related Person; whether there are business reasons for Sterling to enter into the Related Person Transaction; whether the Related Person Transaction would impair the independence of an outside director; and whether the Related Person Transaction would

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present an improper conflict of interest for any director or executive officer of Sterling, taking into account the size of the transaction, the overall financial position of the director, executive officer or Related Person, the direct or indirect nature of the director's, executive officer's or Related Person's interest in the transaction, the ongoing nature of any proposed relationship, and any other factors the Board of Directors or committee deems relevant.

All transactions subject to the Related Person Transaction Policy must be approved or ratified by the Board of Directors. If the transaction involves a Related Person who is a director or an immediate family member of a director, such director may not participate in the deliberations or vote respecting such approval or ratification; provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the Board of Directors that considers such transaction. In the discretion of the Board of Directors, the consideration of such transaction may be delegated to a committee of the Board of Directors. In the event that management determines it is impractical or undesirable to wait until a Board of Directors or committee meeting to approve a Related Person Transaction, the chair of the committee may review and approve the transaction in accordance with the criteria set forth herein.

Sterling is not aware of any Related Person Transaction in 2012 or any contemplated Related Person Transaction.

Transactions with Sterling and Other Matters

From time to time, officers and directors of Sterling and their family members or associates have purchased, or may purchase, short-term notes of Sterling and certificates of deposit from the bank on the same terms available to other persons not related to Sterling or the bank. The bank and its mortgage division also make loans from time to time to related interests of directors and officers. Such loans are made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender and do not involve more than the normal risk of collectability or present other unfavorable features.

Procedures for Communications to the Board of Directors, Audit Committee, and Non-Management Directors

The Board of Directors has adopted procedures for Sterling's shareholders and other interested parties to communicate regarding (i) accounting, internal accounting controls, or auditing matters to the Board's Audit Committee and (ii) other matters to the non-management directors of the Board of Directors entitled "Method for Interested Persons to Communicate with Non-Management Directors and Audit Committee Procedures for Treatment of Complaints Regarding Accounting, Internal Accounting Controls, or Auditing Matters." Communications should be made, pursuant to such procedures, to Sterling's Director of Human Resources at 145 East 40th Street, New York, New York 10016, or by e-mail to corpgov@sterlingbancorp.com. Sterling also adopted a separate procedure for employees to confidentially communicate concerns regarding questionable accounting and auditing matters on an anonymous basis.

Copies of Sterling's current corporate governance documents, including Sterling's Corporate Governance Guidelines, Code of Business Conduct and Ethics, Method for Interested Persons to Communicate with Non-Management Directors and Audit Committee Procedures for Treatment of Complaints Regarding Accounting, Internal Accounting Controls or Auditing Matters, and Audit Committee Procedures for Treatment of Concerns Submitted by Employees Regarding Questionable Accounting or Auditing Matters are available at www.sterlingbancorp.com under Corporate Governance. The current charters of the Audit, Corporate Governance and Nominating, and Compensation Committees are available at www.sterlingbancorp.com under Committee Charters. Requests by shareholders for printed versions of these documents should be made to the attention of the Corporate Secretary of Sterling.

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**PROPOSAL NO. 4
ELECTION OF STERLING DIRECTORS**

Eleven directors, constituting the entire Board of Directors of Sterling (the "Board"), are to be elected at the Sterling annual meeting to serve until the next annual meeting and until their respective successors have been elected (or, until the consummation of the merger). It is intended that, unless authority to vote for any nominee or all nominees is withheld by the shareholder, a properly executed and returned proxy will be voted in favor of the election as directors of the nominees named below. All nominees are members of the present Board of Directors, and were elected at the 2012 Sterling annual meeting, except Mr. Klein, who was named to the Board in August 2012. There is no family relationship between any of the nominees or named executive officers. None of the directors has served on the board of directors of any other public company in the last five years. In the event that any of the nominees shall not be a candidate, the persons designated as proxies are authorized to substitute one or more nominees, although there is no reason to anticipate that this will occur. If the merger is completed, six directors of Sterling will join the board of directors of Provident. Other than Messrs. Cappelli and Millman, the continuing directors have not yet been identified.

Based on the qualifications of the nominees described below, the Board of Directors has concluded that each nominee has the appropriate qualifications to serve as a director.

As described below, each nominee brings to the Board valuable individual skills and experiences. Collectively, the members of the Board possess strong expertise in areas that are highly relevant to Sterling's business, including banking, legal and regulatory matters, management and strategic planning, accounting and finance, and public affairs, among others. Together they provide the vigorous and knowledgeable oversight necessary to guide Sterling.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE PERSONS
NOMINATED BY THE BOARD AND NAMED BELOW.**

**Name, Principal Occupation for Last Five Years, Business Experience, Directorship of Sterling and of Sterling National Bank, a
Subsidiary of Sterling, and Other Information**

Robert Abrams

Mr. Abrams has been a Member of the law firm of Stroock & Stroock & Lavan LLP since 1994. Stroock & Stroock & Lavan LLP represents multinational corporations, private companies, individuals and emerging business enterprises. Mr. Abrams served as Attorney General of the State of New York (1979-1993) and also as Bronx Borough President (1970-1978). Mr. Abrams, born in 1938, has been a director of Sterling since 1999; he is also a member of Sterling's Corporate Governance and Nominating Committee and Executive Committee.

Mr. Abrams has substantial government and legal experience, having served in elected positions for over 28 years, including three terms in the New York State Assembly, three terms as Borough President of the Bronx and four terms as Attorney General of the State of New York. In private practice at a major law firm for many years, he has extensive experience in government regulatory, litigation and commercial matters. Mr. Abrams is active in New York City and State matters, including as a member of the New York City Charter Review Commission.

Joseph M. Adamko

Mr. Adamko is the former Executive Vice President and Managing Director of Manufacturers Hanover Trust Co., now J.P. Morgan Chase Bank, N.A. (1983-1992). Mr. Adamko, born in 1932, has been a director of Sterling since 1992; he is also a member of Sterling's Audit Committee.

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Mr. Adamko has over 30 years of bank management experience, including loan and credit portfolio management, financial reporting, mergers and acquisitions, risk management, and budget and planning responsibilities. His banking experience was in the New York metropolitan region, where the bank operates, and in similar industries, including textiles, apparel and retail. Mr. Adamko previously served as a director of a public company, Tommy Hilfiger Corporation, from 1993 to 2002.

Louis J. Cappelli

Mr. Cappelli joined Sterling in 1949 and was elected Chairman of the Board of Directors and Chief Executive Officer of Sterling in 1992. He was also elected Chairman of the Board of Directors of the bank in 1992. Mr. Cappelli, born in 1931, has been a director of Sterling since 1971; he is a member of Sterling's Executive Committee. Mr. Cappelli also serves as an officer and/or director of several wholly-owned subsidiaries of Sterling.

Mr. Cappelli has served as Chairman and Chief Executive Officer of Sterling for approximately 20 years, successfully leading Sterling through various business cycles. His long experience with Sterling and the bank at all levels provides a valuable perspective on all aspects of Sterling's business. He serves in a critical leadership role including credit decisions, strategic planning, risk management, investment strategies and customer relations, among others.

Fernando Ferrer

Mr. Ferrer has been Co-Chairman of Mercury Public Affairs, LLC, a part of Omnicom Group Inc., which specializes in high-value public affairs related to business, government, politics and media since 2006. He is currently Acting Chairman of the Metropolitan Transit Authority (MTA), and was appointed to the Board of the MTA by Governor Andrew Cuomo on June 26, 2011. He is the former President of the Drum Major Institute for Public Policy, a non-partisan, non-profit think tank (2002-2004). He served as Bronx Borough President (1987-2001). Mr. Ferrer, born in 1950, has been a director of Sterling since 2002; he is also Chairman of Sterling's Corporate Governance and Nominating Committee and a member of the Compensation Committee.

Mr. Ferrer has over 25 years of leadership experience in New York City government, including 14 years as Bronx Borough President, five years as a member of the New York City Council and as a candidate for Mayor of New York City. Mr. Ferrer has extensive experience with New York City businesses, including real estate and housing, small business development, and community relations.

Allan F. Hershfield

Dr. Hershfield has been President of Resources for the 21st Century, a higher education consulting firm, since 1998. He is the former President of the Fashion Institute of Technology, a member college of the State University of New York, recognized for design, fashion, art, communications and business (1992-1997). He was the Dean of Metropolitan College, Boston University (1989-1992), Executive Vice Chancellor, The University of Maryland (1980-1989) and Assistant Academic Vice President, University of California System (1974-1980). Dr. Hershfield, born in 1931, has been a director of Sterling since 1994; he is also Chairman of Sterling's Compensation Committee and a member of the Executive Committee.

Dr. Hershfield has 28 years of increasingly responsible experience as an academic administrator and faculty member at major universities and colleges. He has also served as an educational consultant focusing on management, technology, public relations and marketing. He has broad experience in strategic and financial planning, as well as in management of human resources and training.

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Henry J. Humphreys

Mr. Humphreys, since 1998, is Counselor-Permanent Observer, Mission of the Sovereign Military Order of Malta to the United Nations, an historic mission to help the sick and poor. He was Chancellor and Chief Operating Officer of the American Association of the Sovereign Military Order of Malta (1991-2000) and a Senior Bank Officer at Bankers Trust Company (1953-1991). Mr. Humphreys, born in 1928, has been a director of Sterling since 1994; he is also Chairman of Sterling's Audit Committee, and a member of the Compensation Committee and Executive Committee.

Mr. Humphreys has 38 years of experience as a bank officer at Bankers Trust Company, where he had credit review, loan and credit portfolio responsibility, and financial analysis responsibility. He has been active in senior leadership and board positions throughout his career in numerous philanthropic organizations. Mr. Humphreys' experience on boards of directors and trustees has included service as treasurer, and on finance and executive committees.

James B. Klein

Mr. Klein is President of Eastland Shoe Corp., a family-owned manufacturer of classic, casual footwear, founded in 1955 and based in Freeport, Maine. Eastland's well-regarded, nationally distributed brands include the premium "Made in Maine USA" collection. Since joining Eastland in 1972, he has served as a senior executive and has extensive experience in management of a multi-faceted, global wholesale and retail footwear business. Mr. Klein, born in 1949, was named to the Board in August 2012.

Mr. Klein's responsibilities over his 40 years with Eastland have included strategic planning and financial management, sales and product development, supply chain management and global sourcing, and manufacturing and overall operations.

Robert W. Lazar

Mr. Lazar is Senior Advisor, Teal, Becker & Chiaramonte, CPAs, PC, an affiliate of CPAmerica International, one of the largest networks of independent certified public accounting firms in the United States, and Chair, University of Albany School of Business Advisory Board, since 2010. He was Senior Advisor to the Independent Bankers Association of New York State (2006-2010), which represents the interests of independent community banks located throughout New York State. He was President and CEO of the New York Business Development Corporation that provides lending for small businesses (1987-2005). Mr. Lazar, born in 1944, has been a director of Sterling since 2005; he is also a member of Sterling's Audit Committee.

Mr. Lazar, a Certified Public Accountant, has a broad audit and financial reporting background. From his 34 years with the New York Business Development Corporation, including 18 years as President and CEO, Mr. Lazar has deep familiarity with business development, banking, and small and middle market lending.

Carolyn Joy Lee

Ms. Lee has been a Partner in the New York law office of Jones Day since 2007. She was a Partner at the law firm of Roberts & Holland, LLP (1980-2007). Ms. Lee has served as Chair of the Tax Section of the New York State Bar Association and as Chair of the State and Local Tax Committee of the Association of the Bar of the City of New York, and has served as a member of various New York State and New York City tax-related advisory panels. Ms. Lee, born in 1957, has been a director of Sterling since 2009; she is also a member of Sterling's Corporate Governance and Nominating Committee.

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Ms. Lee, a tax law specialist, has a comprehensive understanding of business planning and strategy. She has held leadership positions in New York City and State tax and legal organizations.

John C. Millman

Mr. Millman has served as President and Chief Executive Officer of the bank since 1987, as President of Sterling since 1993 and as a director of Sterling since 1988. He is a member of Sterling's Executive Committee. Mr. Millman, born in 1942, joined the bank in 1976 as Senior Vice President and Commercial Loan Officer and was named Executive Vice President in 1981. Mr. Millman also serves as an officer and/or director of several wholly-owned subsidiaries of Sterling.

Mr. Millman has held leadership positions since joining the bank more than 35 years ago, serving as President of the bank for 25 years and of Sterling for 19 years. Responsible for supervising all functions of the bank including operations, lending and credit administration, he has unique knowledge and understanding of all aspects of Sterling's business.

Eugene T. Rossides

Mr. Rossides was a Senior Partner, Rogers & Wells LLP (now Clifford Chance US LLP) (1973-1993). He is a former Assistant Secretary of the United States Treasury Department (1969-1973). Mr. Rossides, born in 1927, has been a director of Sterling since 1989; he is also a member of Sterling's Audit Committee and the Executive Committee.

Mr. Rossides is an expert in international law and trade. Beginning with high level government service with the U.S. Treasury Department, his long career of government service and private practice of law provides deep knowledge of government relations, security, regulatory matters and governance.

Each nominee is currently a director of the bank.

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Name	Director Since	Experience/Qualifications	Independent (Y / N)	Committees
Robert Abrams	1999	Leadership/Management Legal/Regulatory Government	Y	Corporate Governance and Nominating Executive
Joseph M. Adamko	1992	Leadership/Management Finance Corporate/Business	Y	Audit
Louis J. Cappelli	1971	Leadership/Management Finance Corporate/Business	N	Executive
Fernando Ferrer	2002	Leadership/Management Government Public Affairs	Y	Corporate Governance and Nominating Compensation
Allan F. Hershfield	1994	Leadership/Management Academics Finance	Y	Compensation Executive
Henry J. Humphreys	1994	Leadership/Management Finance Public Affairs	Y	Audit Compensation Executive
James B. Klein	2012	Leadership/Management Finance Corporate/Business	Y	
Robert W. Lazar	2005	Leadership/Management Accounting/Finance	Y	Audit
Carolyn Joy Lee	2009	Leadership/Management Legal Taxation	Y	Corporate Governance and Nominating
John C. Millman	1988	Leadership/Management Finance Corporate/Business	N	Executive
Eugene T. Rossides	1989	Leadership/Management Government Public Affairs	Y	Audit Executive

The biographical information of the non-director named executive officers is as follows:

**Name, Principal Occupation for Last Five Years, Business Experience,
Position in Sterling and the Bank, and Other Information**

John W. Tietjen

Mr. Tietjen, a Certified Public Accountant, joined Sterling in 1988 as Vice President of Finance. He previously served as Senior Vice President and Comptroller of a New York area bank. Mr. Tietjen, age 68, was promoted to Executive Vice President and Chief Financial Officer of Sterling and Executive Vice President of the bank in 1997, following promotions to Chief Financial Officer of Sterling in 1989 and to Senior Vice President of Sterling and the bank in 1992. He also served as Treasurer of Sterling from 1992 to 2005.

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Howard M. Applebaum

Mr. Applebaum joined the bank in 1992 as Vice President and Corporate Banking Team Leader. Previously, he worked for 12 years as a corporate banking officer and team leader at two New York-based banking institutions. Mr. Applebaum, age 54, was promoted to Senior Vice President and officer in charge of corporate banking in 1998. In 2001, Mr. Applebaum was promoted to Executive Vice President and Chief Lending Officer for the bank, overseeing commercial lending activities for the bank as the Senior Credit Risk Officer.

Eliot S. Robinson

Mr. Robinson originally joined the bank in 1993 as Vice President and Loan Review Officer. He was named Senior Vice President in 1994 with responsibilities for Credit Administration and Information Technology. Mr. Robinson, age 70, joined a banking software vendor in 1997, and in 1998, he rejoined the bank as Executive Vice President for Information Services and Operations.

Table of Contents**SECURITY OWNERSHIP OF STERLING DIRECTORS, NAMED EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth, as of August 12, 2013, holdings of Sterling's common shares by each present director and each of the executive officers named in the Summary Compensation Table on page 199 and by all directors and executive officers as a group based on 30,954,105 common shares outstanding. The common shares are traded on the New York Stock Exchange and the closing price on August 12, 2013 was \$14.00 per share.

Name	Number and Nature of Common Shares Beneficially Owned(1)(2)(3)	% of Outstanding Common Shares
Robert Abrams	40,080	*
Joseph M. Adamko	17,763	*
Louis J. Cappelli	773,836	2.50
Fernando Ferrer	15,076	*
Allan F. Hershfield	23,463	*
Henry J. Humphreys	23,456	*
James B. Klein	357,257	1.15
Robert W. Lazar	13,462	*
Carolyn Joy Lee	8,639	*
John C. Millman	410,356	1.33
Eugene T. Rossides	8,720	*
John W. Tietjen	95,776	*
Howard M. Applebaum	55,881	*
Eliot Robinson	45,010	*
All directors and executive officers as a group (14 in group)	1,888,775	6.10

*

Less than 1.0%.

(1)

For purposes of this table, "beneficial ownership" is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person or group of persons is deemed to have "beneficial ownership" of any common shares that such person or group has the right to acquire within 60 days after August 12, 2013. Messrs. Applebaum and Robinson each have the right to acquire 10,000 shares within 60 days after August 12, 2013 under exercisable options; these shares are deemed outstanding for purposes of computing the percentage of outstanding common shares held by those individuals and by the directors and executive officers as a group, but are not deemed to be outstanding for purposes of computing the percentage ownership of any other person.

(2)

Each director and officer has sole voting and investment power with respect to the securities indicated above to be owned by him, except that in the case of Messrs. Millman, Tietjen, Applebaum, and Robinson, shares shown as owned include, respectively, 81,984, 19,387, 2,875 and 11,940 common shares held in 401(k) plans as to which they have power to direct the vote.

(3)

The amounts shown include restricted stock issued to directors and executive officers on March 23, 2010 and March 24, 2011.

In addition, the shares shown as owned by Mr. Adamko include 1,832 common shares owned by his wife, beneficial ownership of which he disclaims. The shares shown as owned by Mr. Lazar include 5,152 shares owned indirectly in an Individual Retirement Account. The shares shown as owned by Mr. Klein include 9,489 shares owned indirectly by his wife and 264,902 shares held in trust, beneficial ownership of which he disclaims. The shares shown as owned by Mr. Cappelli include 711 common shares owned by his wife, beneficial ownership of which he disclaims and 7,343 shares owned indirectly

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in an Individual Retirement Account. The shares shown as owned by Mr. Millman include 7,477 shares owned indirectly in an Individual Retirement Account, 291 common shares owned by his wife and 1,197 common shares owned by his wife's Individual Retirement Account, beneficial ownership of which he disclaims. The shares shown as owned by Mr. Applebaum include 3,343 shares owned indirectly in an Individual Retirement Account.

The following table sets forth the persons or groups known to Sterling to be the beneficial owner of more than five percent of the outstanding common shares based upon information provided by them to Sterling as of December 31, 2012.

Name and Address	Number and Nature of Common Shares Beneficially Owned(1)	Approximate Percentage of Class
BlackRock, Inc. 40 East 42 nd Street New York, New York 10022	2,610,787(2)	8.43%
DePrince, Race & Zollo, Inc. 250 Park Avenue South, Suite 250 Winter Park, Florida 32789	2,201,787(3)	7.11%
Ameriprise Financial, Inc. 145 Ameriprise Financial Center Minneapolis, Minnesota 55474	2,029,910(4)	6.56%
The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355	1,655,087(5)	5.35%

- (1) See Footnote 1, page 178, for definition of "beneficial ownership."
- (2) The number and nature of common shares beneficially owned are set forth in a statement on Schedule 13G/A filed with the SEC on February 1, 2013 by BlackRock, Inc.
- (3) The number and nature of common shares beneficially owned are set forth in a statement on Schedule 13G/A filed with the SEC on February 13, 2013 by DePrince, Race & Zollo, Inc.
- (4) The number and nature of common shares beneficially owned are set forth in a statement on Schedule 13G/A filed with the SEC on February 13, 2013 by Ameriprise Financial, Inc.
- (5) The number and nature of common shares beneficially owned are set forth in a statement on Schedule 13G filed with the SEC on February 11, 2013 by The Vanguard Group.

Except as set forth above, Sterling does not know of any person that owns more than five percent of any class of Sterling's voting securities.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on the review of the Forms 3, 4, and 5 furnished to Sterling and certain representations made to Sterling, Sterling believes that there were no filing deficiencies in 2012.

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Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

You should read this section of the joint proxy statement/prospectus in conjunction with your voting decision on Proposal No. 5 (the Sterling 2012 say-on-pay proposal) and the executive compensation tables below. This Compensation Discussion and Analysis ("CD&A") contains information that is relevant to your voting decision. Throughout this joint proxy statement/prospectus, the executive officers included in the Summary Compensation Table on page 199 are referred to as the "Sterling named executive officers" or "Sterling NEOs". As used in this section, the term "Total Realized Compensation" consists of the sum of salary, bonus, stock awards and non-equity incentive plan compensation. This vote is separate from the advisory vote on the Sterling merger-related compensation proposal, which relates only to the compensation payable as a result of the merger.

Summary: Key Features of Sterling's Compensation Program

The objective of Sterling's compensation program has consistently been to increase shareholder value. In order to achieve that objective, Sterling and the Compensation Committee (the "Committee") have formulated compensation programs designed to attract, retain and reward highly talented personnel who are capable of achieving goals set across a broad spectrum of performance measures and to encourage the taking of an appropriate level of risk resulting in the safe and prudent growth in the value of the franchise.

In 2012, Sterling also took into account comments received from shareholders in connection with Sterling investor outreach program following the 2012 Say on Pay vote. These comments focused on the amount and mix of compensation, the measurement of performance and disclosures surrounding compensation decisions.

In arriving at its decisions for compensation related to 2012 performance and base salaries for 2013, the Compensation Committee operated under the following broad parameters:

The mix of total direct compensation should be adjusted to increase the proportion of compensation at risk.

Incentive compensation, including cash and equity, should represent a meaningful portion of total direct compensation.

Equity awards should represent a meaningful portion of incentive compensation. If equity awards are not possible, the level of incentive compensation should not be adversely impacted as long as it is supported by Sterling's performance.

The executive compensation program contains key features intended to achieve these goals and align the interests of Sterling's executives with those of its shareholders. The Compensation Committee believes this alignment has been strengthened by the actions Sterling has taken following last year's Say on Pay vote.

Performance-based incentives are a significant aspect of executive compensation. Performance-based compensation ranged between approximately 17.0% and 33.5% of total realized compensation paid to Sterling NEOs for 2012 achievements. Such incentive compensation is based on performance metrics including but not limited to: Sterling's return on average assets; tangible equity/tangible assets; nonperforming assets/total assets; growth in average portfolio loans; growth in average demand deposits; and pre-tax, pre-loan loss provision income as compared to Sterling's prior five years average and the 2012 peer group average.

Executives' interests are aligned with shareholders. Restricted shares granted to Sterling NEOs vest over a period of up to four years. All Sterling NEOs must retain 50% of the shares they receive as compensation, including upon the exercise of stock options, until they meet the ownership

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requirements established under Sterling's Stock Ownership Policy, and are only permitted to sell shares in excess of the 50% requirement.

Executive compensation is competitive. In setting Sterling NEO compensation, the Compensation Committee considers the practices of a peer group of financial institutions, including other New York City banks, that compete with Sterling for talent and customer relationships in its market.

Comprehensive clawback policies are in place. The clawback policy enables Sterling to cancel or require repayment of incentive compensation that resulted from erroneous performance measures or in the case of misconduct that results in a financial restatement.

Stock ownership by Sterling NEOs and directors is required under Sterling's compensation program. As of May 6, 2013, directors and named executive officers held 6.08% of Sterling's common stock.

Changes to the Executive Compensation Program

As a result of the effort to engage with shareholders and to solicit input from other sources, the Compensation Committee determined that it would be beneficial to shareholders to strengthen the link between executive compensation and performance, and to provide a more detailed description of how the Compensation Committee arrives at its decisions. Accordingly, Sterling has taken the actions noted below, which are described in further detail in the Compensation Discussion and Analysis:

Placed more of management's pay at risk by increasing the proportion of short-term incentive/bonus compensation to total realized compensation for Sterling NEOs.

Reduced by approximately 10% the combined 2012 base salary, bonus and equity compensation for both the Chairman and Chief Executive Officer and the President, and increased realized compensation by only 3% to 4% for the other Sterling NEOs, despite the fact that substantially all performance targets were exceeded and one-year TSR for 2012 increased 168%.

Reduced the 2013 base salaries of the Chairman and Chief Executive Officer and the President, and kept unchanged the base salaries of the other Sterling NEOs. Also, the Chairman and Chief Executive Officer and the President each waived the cost of living adjustments provided under their employment agreements.

Established stock ownership guidelines for Sterling NEOs and directors.

Adopted a clawback policy allowing Sterling to cancel or require repayment of incentive compensation, including equity awards, that resulted from erroneous performance measures or in the case of misconduct that results in a financial restatement.

Required retention of 50% of shares received under exercised options and vested restricted shares until the new stock ownership guidelines have been met.

Prohibited hedging of Sterling stock by Sterling NEOs and other officers and directors.

Eliminated excise tax gross-up provisions in any new contracts issued to new executive officers.

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Sterling is also recommending that shareholders approve the proposed 2013 Sterling Plan; among the provisions or guidelines of this plan are the following:

The ability to impose performance criteria that must be achieved before stock awards can vest.

Confirmation that awards may be subject to Sterling's clawback policy described above.

Prohibition of repricing of options.

Prohibition of cash buyouts of underwater options.

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Sterling undertook a multi-faceted effort to gather feedback from shareholders and others regarding its executive compensation programs following last year's Say on Pay vote. This effort included in-person and telephone discussions with shareholders representing more than 57% of Sterling's outstanding stock, in order to more fully understand their views regarding corporate governance and executive compensation. Sterling also conferred with proxy advisors ISS and Glass Lewis to more fully understand their "pay for performance" guidelines, reviewed an analysis of practices at peer companies, solicited advice from the Compensation Committee's independent compensation consultant, and retained a consultant to assist with shareholder outreach. As a result of this effort to engage with shareholders and to solicit input from other sources, Sterling made a number of meaningful changes to the executive compensation programs, which are summarized below:

Placing more of management's pay at risk by increasing the proportion of short-term incentive/bonus compensation to total realized compensation for Sterling NEOs.

Establishing stock ownership requirements for Sterling NEOs and directors.

Requiring retention of 50% of shares delivered under exercised options and vested restricted shares until stock ownership requirements are met.

Prohibiting hedging of Sterling stock.

Eliminating excise tax gross-up provisions in new employment contracts with new executive officers.

Establishing a clawback policy for incentive compensation, including equity awards, under specified circumstances.

Providing clearer disclosure of performance measures, including TSR, and the attainment of targets for each.

Establishing a policy prohibiting cash buyouts of underwater options and repricing of stock appreciation rights.

COMPENSATION HIGHLIGHTS

Executive Compensation Goals and Objectives

The goals of the executive compensation program are to promote excellence in financial and operating performance, support Sterling's ability to deliver shareholder value, and create an environment that can attract and retain talented individuals in a competitive marketplace. Accordingly, the executive compensation program has been structured to achieve the following primary objectives:

Align the interests of executives and the Board with shareholders by providing a meaningful percentage of total compensation in the form of performance-based or incentive compensation, and by establishing stock ownership guidelines for executives and Board members.

Ensure that Sterling can properly evaluate the risks undertaken in the course of its activities, by providing that incentive compensation must be earned over a period that coincides as much as possible with the length of time needed to assess whether the taking of risk has produced the intended beneficial result.

Reduce or eliminate incentive compensation if expected results are not achieved, including the ability to claw back any payments as required by applicable law, rule and regulation or as otherwise deemed appropriate by the Compensation Committee.

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Maintain Sterling's ability to attract and retain highly qualified and effective employees in key positions, by providing compensation that is competitive with the compensation provided to executives with similar responsibilities at other financial institutions.

In arriving at compensation decisions, numerous factors are taken into consideration and evaluated based on each Sterling NEO's level of responsibility with Sterling. The Compensation Committee has determined that important factors in measuring the performance of Sterling NEOs include earnings, capital adequacy, liquidity, asset quality and management oversight. Current year performance against the immediately preceding year is among the measures considered, as well as the consistency of performance over multiple years.

The Compensation Committee conducts an annual review of Sterling's compensation practices to ensure that these practices are consistent with Sterling's mission, values, short-term and long-term strategic objectives and appropriate risk management policies, and that they align the interests of Sterling NEOs with those of s