2Q20 Earnings Presentation

July 23, 2020

Forward Looking Statements

The foregoing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are not historical facts and include expressions about management's confidence and strategies and management's expectations about new and existing programs and products, acquisitions, relationships, opportunities, taxation, technology, market conditions and economic expectations, including the potential effects of the COVID-19 pandemic on our businesses and financial results and conditions. These statements may be identified by such forward-looking terminology as "should," "expect," "believe," "view," "opportunity," "allow," "continues," "reflects," "typically," "usually," "anticipate," or similar statements or variations of such terms. Such forward-looking statements involve certain risks and uncertainties. Actual results may differ materially from such forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to: the impact of COVID-19 on the U.S. and the global economies, including business disruptions, reductions in employment and an increase in business failures, specifically the consequences among our commercial and consumer customers; the impact of COVID-19 on our employees and our ability to provide services to our customers and respond to their needs as more cases of COVID-19 arise in various locations, including Florida and Alabama; potential judgments, claims, damages, penalties, fines and reputational damage resulting from pending or future litigation and regulatory and government actions, including as a result of our participation in and execution of government programs related to the COVID-19 pandemic or as a result of our action, or failure to implement or effectively implement, federal, state and local laws, rules or executive orders requiring that we grant forbearances or not act to collect our loans; the impact of forbearances or deferrals we are required or agree to as a result of customer requests and/or government actions, including, but not limited to our potential inability to recover fully deferred payments from the borrower or the collateral; damage verdicts or settlements or restrictions related to existing or potential class action litigation or individual litigation arising from claims of violations of laws or regulations, contractual claims, breach of fiduciary responsibility, negligence, fraud, environmental laws, patent or trademark infringement, employment related claims, and other matters; a prolonged downturn in the economy, mainly in New Jersey, New York, Florida and Alabama, as well as an unexpected decline in commercial real estate values within our market areas; higher or lower than expected income tax expense or tax rates, including increases or decreases resulting from changes in uncertain tax position liabilities, tax laws, regulations and case law; the inability to grow customer deposits to keep pace with loan growth; a material change in our allowance for credit losses under CECL due to forecasted economic conditions and/or unexpected credit deterioration in our loan and investment portfolios; the need to supplement debt or equity capital to maintain or exceed internal capital thresholds; greater than expected technology related costs due to, among other factors, prolonged or failed implementations, additional project staffing and obsolescence caused by continuous and rapid market innovations; the loss of or decrease in lower-cost funding sources within our deposit base, including our inability to achieve deposit retention targets under Valley's branch transformation strategy; cyber-attacks, computer viruses or other malware that may breach the security of our websites or other systems to obtain unauthorized access to confidential information, destroy data, disable or degrade service, or sabotage our systems; results of examinations by the OCC, the FRB, the CFPB and other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our allowance for credit losses, write-down assets, reimburse customers, change the way we do business, or limit or eliminate certain other banking activities; our inability or determination not to pay dividends at current levels, or at all, because of inadequate earnings, regulatory restrictions or limitations, changes in our capital requirements or a decision to increase capital by retaining more earnings; unanticipated loan delinquencies, loss of collateral, decreased service revenues, and other potential negative effects on our business caused by severe weather, the COVID-19 pandemic or other external events; unexpected significant declines in the loan portfolio due to the lack of economic expansion, increased competition, large prepayments, changes in regulatory lending guidance or other factors; and the failure of other financial institutions with whom we have trading, clearing, counterparty and other financial relationships. A detailed discussion of factors that could affect our results is included in our SEC filings, including the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2019 and in Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020. We undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in our expectations. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

2Q 2020 Highlights

	Reported 2Q20	Reported 1Q20	Reported 2Q19	Adjusted [1] 2Q20	Adjusted [1] 1Q20	Adjusted [1] 2Q19
Return on Average Assets	0.92%	0.92%	0.94%	0.92%	0.93%	0.96%
Efficiency Ratio	48.0%	50.7%	57.2%	46.8%	49.3%	54.6%
Pre-Provision Net Revenue [2] ($mm)	$170.2	$151.1	$106.1	$174.0	$155.7	$113.9
PPNR / Average Assets [2]	1.64%	1.59%	1.30%	1.68%	1.63%	1.39%
Diluted Earnings Per Share	$0.23	$0.21	$0.22	$0.23	$0.21	$0.23

- Adjusted pre-provision net revenue growth of 12% from the linked quarter and 53% year-over-year
- Year-over-year quarterly adjusted net income to common growth of +22% despite higher provision
- Aggressive funding cost reductions drove interest expense down 33% from the linked quarter and helped absorb asset yield pressure
- Linked-quarter adjusted efficiency ratio improvement of 242 basis points

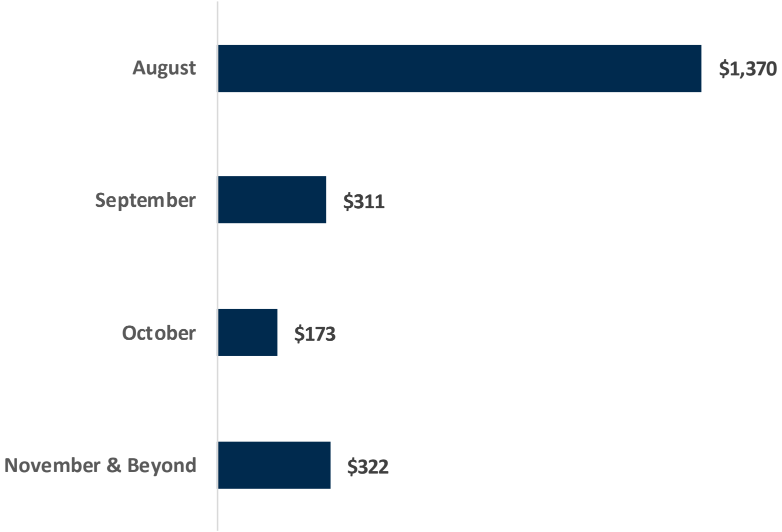
[1] Please refer to the Non-GAAP Disclosure Reconciliation on pages 16 - 18

[2] Pre-provision net revenue equals net interest income plus total non-interest income less total non-interest expense; PPNR / Avg. Assets is presented on an annualized basis; Please refer to the Non-GAAP Disclosure Reconciliation on pages 16 - 18

Outstanding Loan Deferrals

	2Q20 Balance ($MM)	Deferral Information as of 7/10/20 ($MM)		
		Previously Deferred & Actively Paying or Current	Active Deferral	Active Deferral / 2Q20 Loans
Commercial Loans & Leases	$25,178	$1,775	$2,176	9%
Residential & Home Equity [1]	$4,876	$35	$489	10%
Auto & Other Consumer	$2,260	$51	$65	3%
Total	**$32,315**	**$1,861**	**$2,730**	**8%**

First Post-Deferral Payment Due *(Commercial, $MM)*



Commercial Insight *(information as of 7/10/20)*

- As of 7/10, $1,958MM loans have reached the end of their initial deferral period. Of these, $1,775MM have returned to paying status, and $184MM have been granted a second deferral.
- Of total approved deferrals, ~50% were for P&I, ~40% for principal only, remainder for interest only
- Roughly 2/3rd of approved deferrals in NY / NJ and 1/3rd in FL / AL
- Wtd. avg. LTV at origination on approved deferrals: ~60%
- Wtd. avg. debt service coverage ratio on approved deferrals: ~1.53x
- ~98% of approved commercial deferrals (excluding taxi medallion) were pass-rated prior to COVID-19

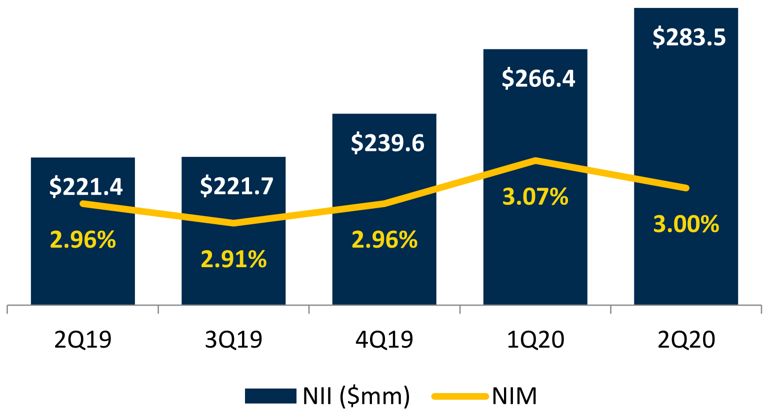
Totals may not sum due to rounding. Initial deferral period not to exceed 180 days.

[1] Reflects residential mortgage loans held in portfolio.

Net Interest Margin, Profitability & Operating Leverage

Net Interest Income and Margin

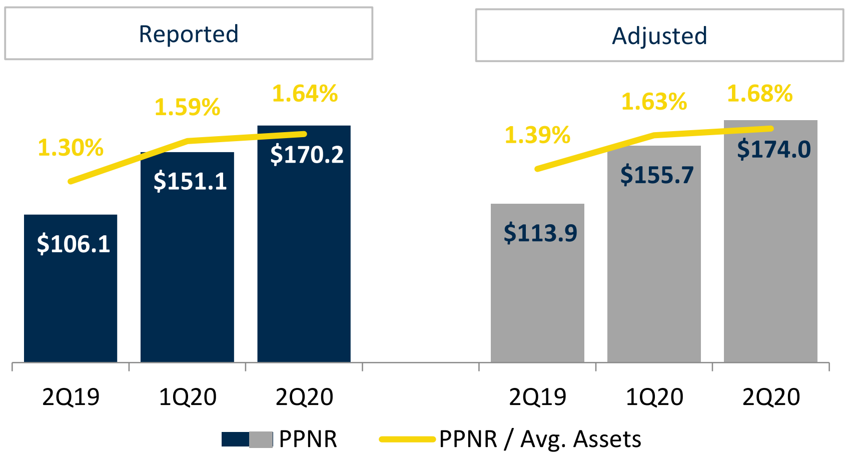
Year-over-year NII growth of 28% (FTE)



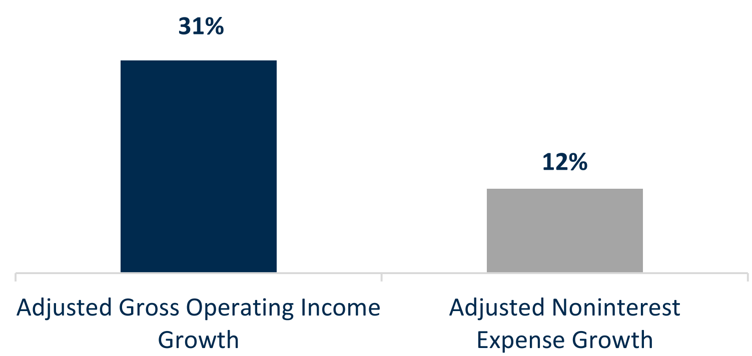
All metrics are represented on full tax equivalent basis

- Linked quarter net interest income (FTE) growth of 6% driven by a 33% reduction in interest expense
- Excess liquidity weighed on net interest margin by approximately 8 basis points in the quarter

Pre-Provision Net Revenue ($mm) [1]



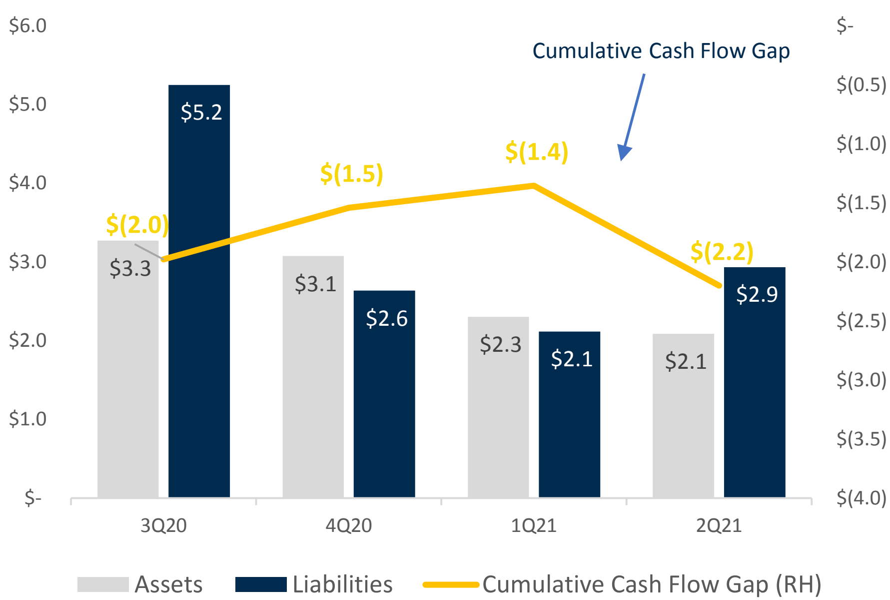
Gross Operating Income vs. Expense Growth (Adj. 2Q20 / 2Q19)



[1] Reported pre-provision net revenue is equal to net interest income plus total non-interest income less total non-interest expense; please refer to the Non-GAAP Disclosure Reconciliation on pages 16 - 18

Interest Rate Positioning

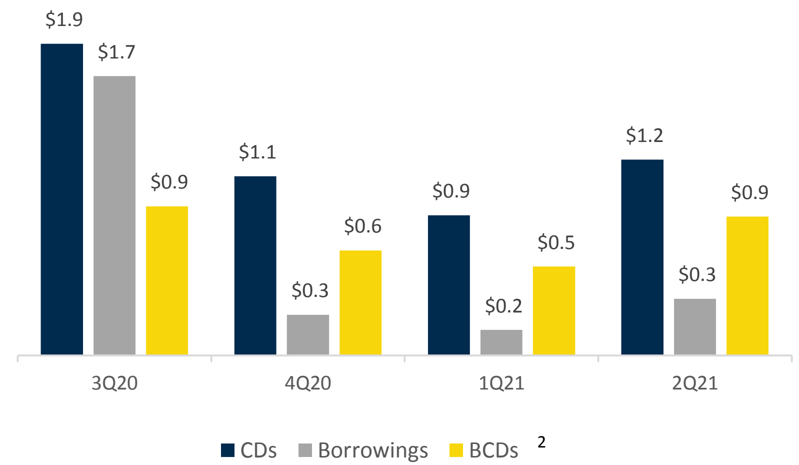
12-Month Forward Cumulative Cash Flow Gap ($bn) [1]



(Quarters are not cumulative)

12-Month Forward Maturity Schedule ($bn)

	3Q20	4Q20	1Q21	2Q21
Maturing CD Rates	1.38%	1.41%	1.58%	0.99%
Maturing Borrowing Rates	0.65%	1.06%	1.10%	2.24%
Maturing BCD Rates	0.59%	0.69%	0.46%	1.39%

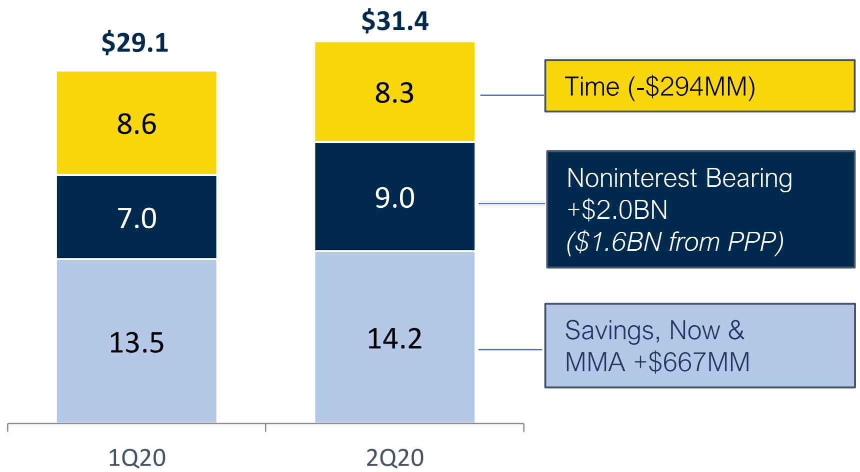


- Aggressively reduced non-maturity deposit costs on a year-to-date basis
- Remaining opportunity to reprice maturing CDs lower and mitigate adverse asset yield pressure
- Will continue to take advantage of lower-cost wholesale funding and ladder maturities of liabilities

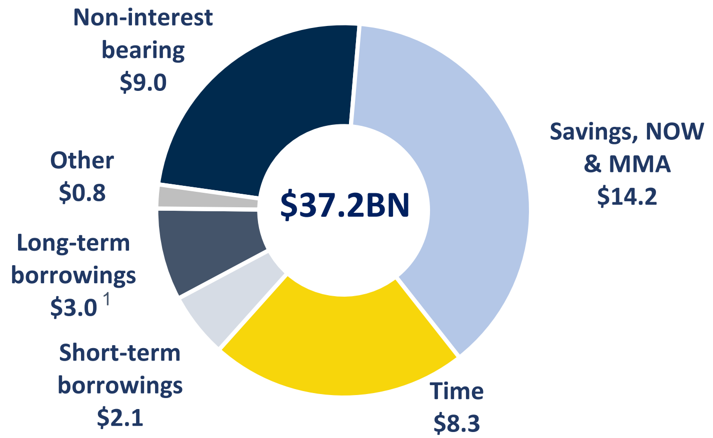
[1] Represents the estimated cumulative cash flows from dollar value of earning assets that are repricing within one year and the estimated cumulative cash flows from dollar value of interest-bearing liabilities that will reprice within one year based on the balance sheet at 6/30/2020.
[2] BCD refers to Brokered Time Deposits.

Deposits, Funding & Liquidity

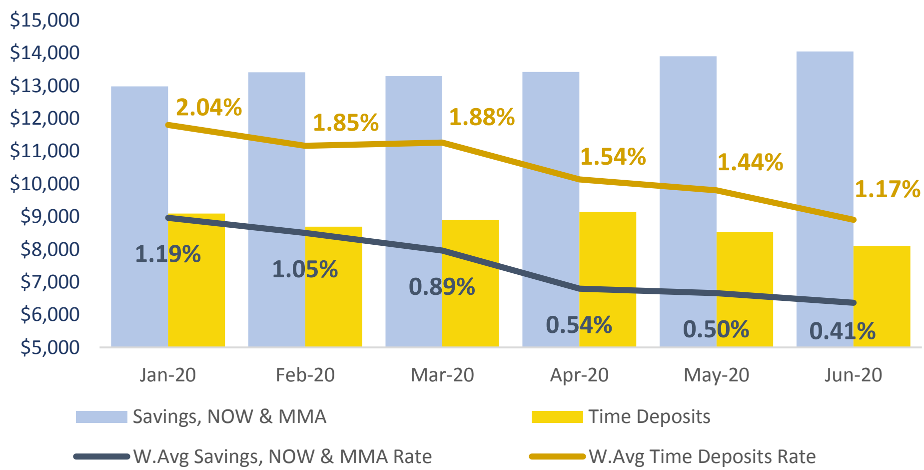
Quarterly Deposit Trends ($BN)



Total Liabilities 6/30/2020



Avg. Deposit Balance ($MM) and Rate (%) Trends



Liquidity Position & Sources (as of 6/30/2020)

Source	$BN
Cash & Equivalents	$1.9
FHLB Borrowing Capacity	$3.7
FRB Discount Window Availability	$1.6
Unencumbered Securities	$1.6
Uncommitted Fed Funds Lines	$0.5
Total	**$9.3**

Additional access to brokered deposit market and PPP Liquidity Facility as needed

[1] Includes junior subordinated debt. Totals may not sum due to rounding.

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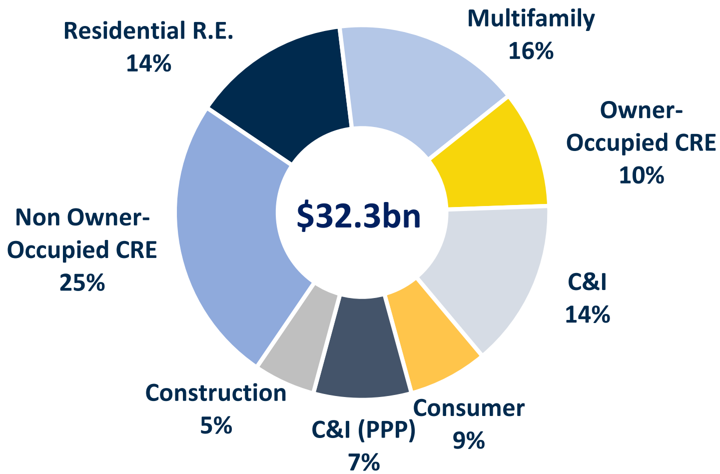
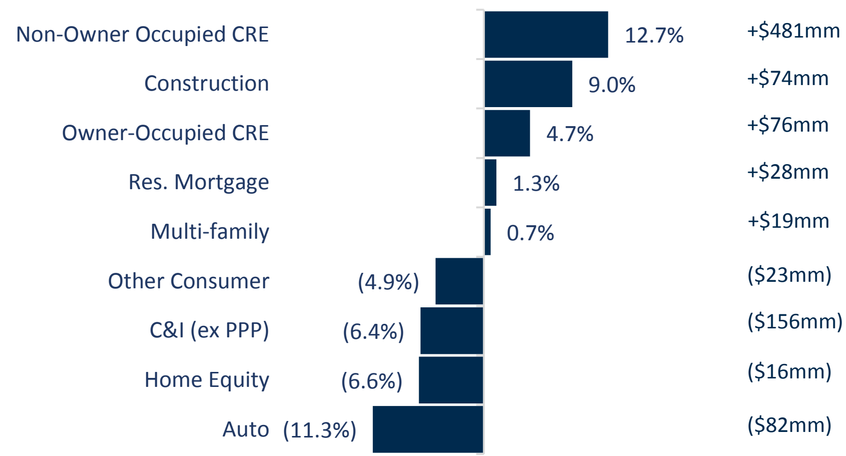
Loans & Loan Growth

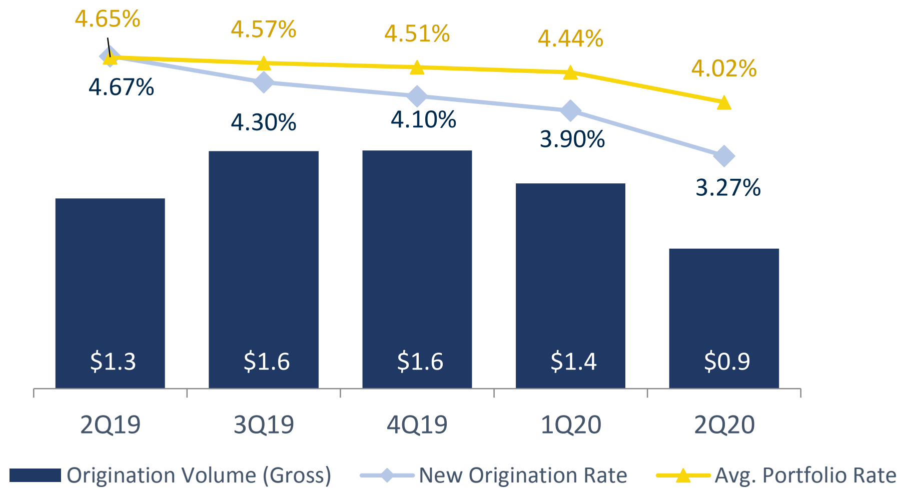
2Q20 Loan Composition [1]



Year-to-Date Loan Growth (Ann.) [1]



New Loan Originations ($bn) / Yields (%) vs Portfolio Yields (%) [2]



- Excluding PPP, total loans declined 4% on an annualized basis from 1Q20
- Commercial line utilization (including construction) returned to 44% from 46% at 3/31/20

[1]Loan classifications according to call report schedule which may not correspond to classification outlined in earnings release.
[2] 2Q20 Origination volume and new origination rate excludes PPP originations

Paycheck Protection Program – Phases 1 & 2

$2.3bn SBA-approved volume

~12,800 SBA-approved loans

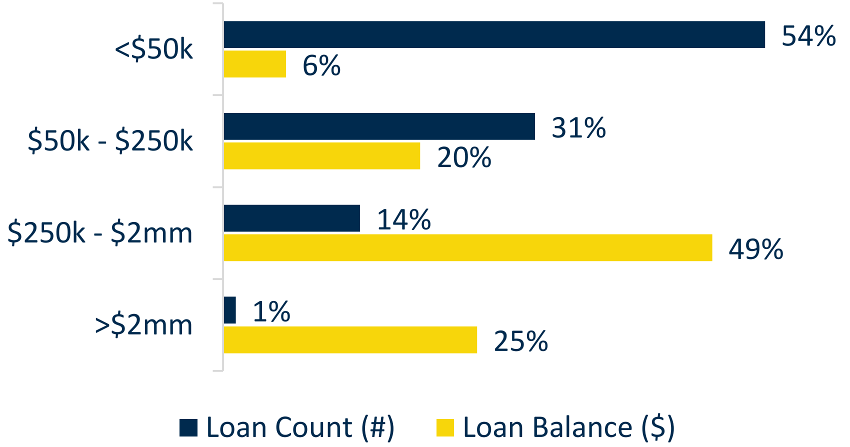
$179k Average loan size

$43k Median loan size

~3% Average processing fee

- 500+ Valley employees dedicated to assisting our customers take advantage of Paycheck Protection Program
- ~80% of SBA-approved borrowers had an existing Valley relationship
- ~30% of PPP loans were provided to minority-owned businesses, non-profit organizations, or women-owned businesses
- Corresponding increase in deposits upon loan funding; balances drawing down over time
- Loans funded by existing low-cost liquidity, however ability to pledge originated loans as collateral to PPP Liquidity Facility to access funding at 0.35%

Volume by Loan Amount



COVID-19 Exposed Loan Segments

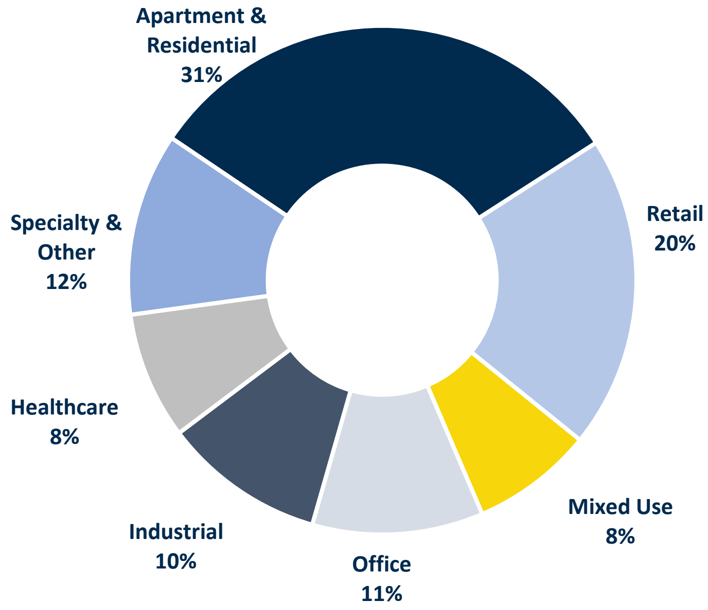
Borrower Industry [1]	Non-PPP Loan Balance (6/30/20) ($MM)	Non-PPP Loan Balance (6/30/20) % of non-PPP Loans	Pass-Rated (6/30/20) ($MM)	Pass-Rated (6/30/20) % of Industry	Active Deferrals as of 7/10/20 ($MM)	Active Deferrals as of 7/10/20 % of Industry	Approved Deferrals as of 4/26/20 ($MM)	Approved Deferrals as of 4/26/20 % of Industry
Primary Exposure								
Doctor & Surgery	$531	1.8%	$483	91.0%	$88	16.5%	$147	26.0%
Retail Trade	500	1.7%	485	96.9%	106	21.2%	151	28.4%
Hotels & Hospitality	488	1.6%	467	95.7%	60	12.3%	212	44.5%
Restaurants & Foodservice	383	1.3%	348	90.8%	43	11.3%	83	21.1%
Entertainment & Recreation	220	0.7%	215	97.7%	17	7.7%	18	8.4%
Primary Exposure Sub-Total	**$2,121**	**7.0%**	**$1,996**	**94.1%**	**$313**	**14.8%**	**$610**	**28.0%**
Secondary Exposure								
Nursing & Residential Care	$1,035	3.4%	$977	94.4%	$5	0.5%	$39	4.2%
Wholesale Trade	686	2.3%	657	95.8%	25	3.6%	35	4.3%
Manufacturing	503	1.7%	468	93.0%	7	1.4%	61	8.7%
Child Care & Education	134	0.4%	132	98.5%	6	4.4%	6	4.2%
Secondary Exposure Sub-Total	**$2,359**	**7.8%**	**$2,234**	**94.7%**	**$43**	**1.8%**	**$141**	**5.5%**
Exposed Loan Segments	**$4,480**	**14.9%**	**$4,230**	**94.4%**	**$356**	**8.0%**	**$751**	**15.8%**

Totals may not sum due to rounding.

[1] Borrower industry based on NAICS and SIC codes

CRE Detail

CRE by Collateral Type (as of 6/30/2020)

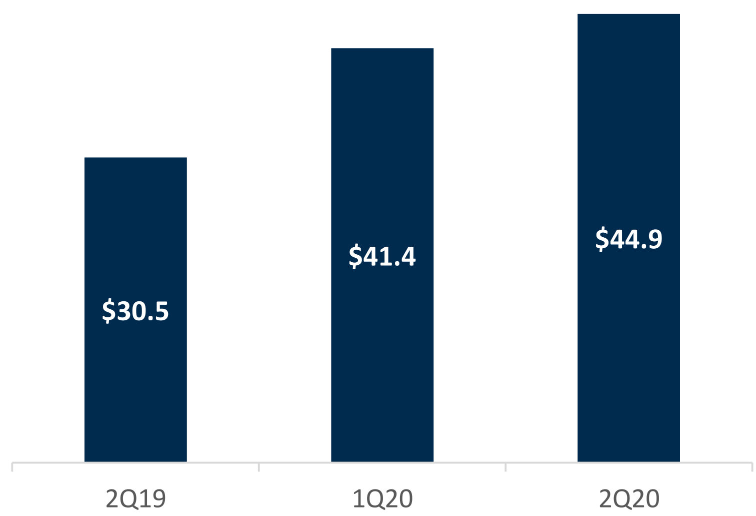


Commercial Real Estate

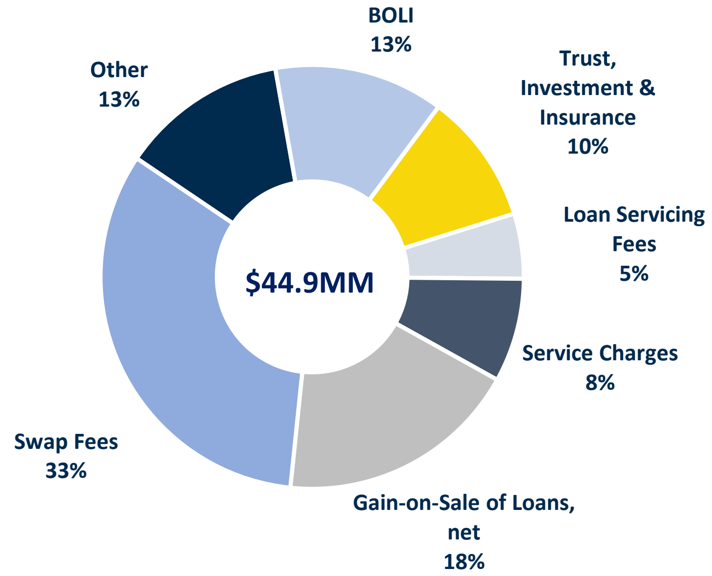
- Our CRE portfolio is primarily comprised of loans on non owner-occupied investment properties made to sophisticated high net worth borrowers supported by diverse collateral and cash flow sources
- Consistent and conservative underwriting across markets
- Granular exposure with average loan balance between $2 and $3 million depending on collateral type
- Weighted average DSCR ~1.7x
- Weighted average LTV ~50%
- Approximately 2/3rds of non-coop multifamily portfolio is to suburban properties, primarily outside of New York City boroughs

Fee Income

Adjusted Non-Interest Income ($MM) [1]



2Q20 Adjusted Non-Interest Income ($MM) [1]

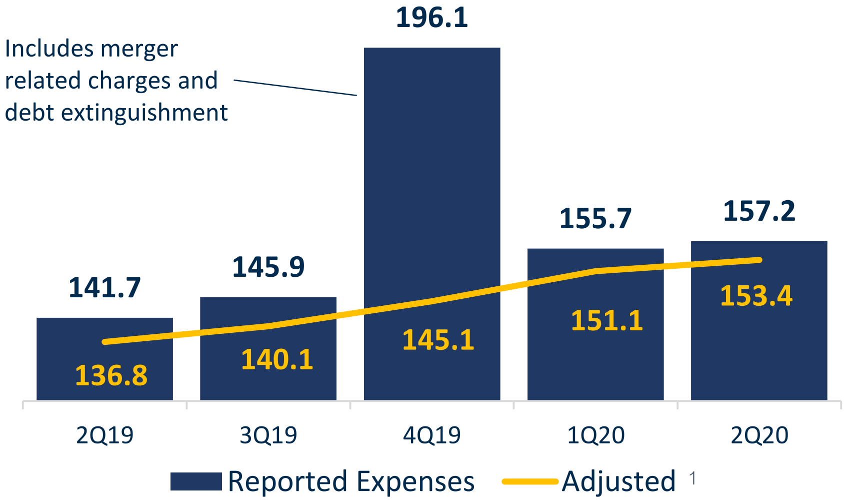


- Adjusted non-interest income increased 47% year-over-year
- 8% linked-quarter increase in adjusted non-interest income driven by stable swap fee generation and strong gain on sale income
- Fee income comprised 13.7% of revenue, up from 13.5% in 1Q20

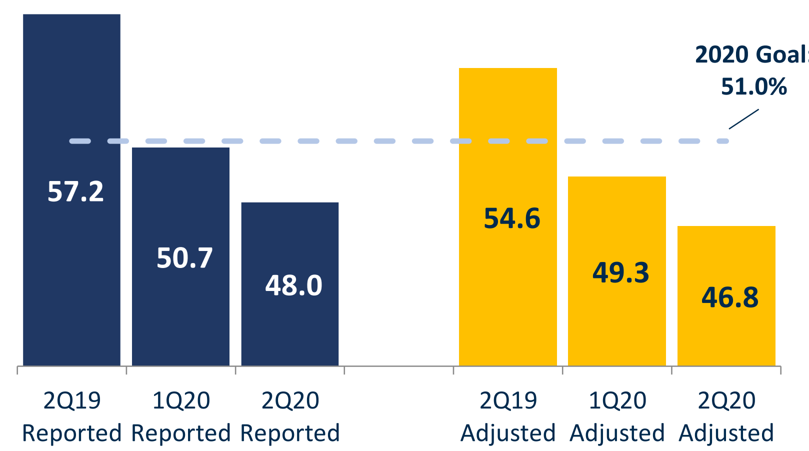
[1] Please refer to the Non-GAAP Disclosure Reconciliation on pages 16 - 18

Non-Interest Expense

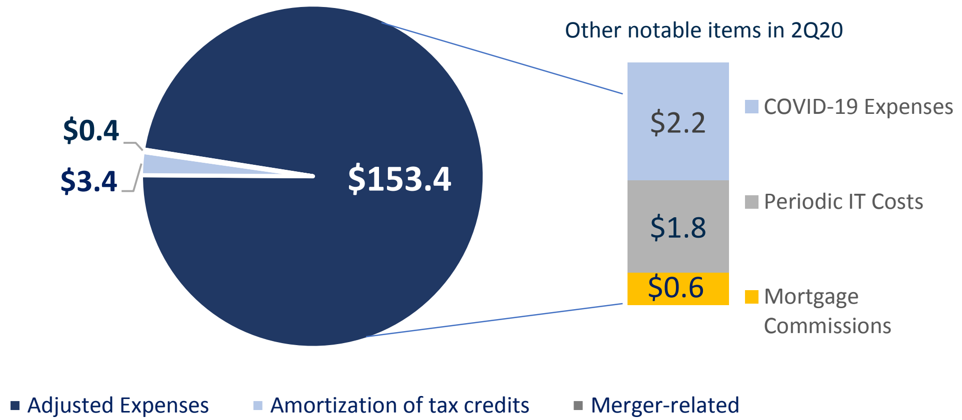
5 Quarter Operating Expense Trends ($ in millions)



Efficiency Ratio (%) [1]



2Q20 Adjusted Operating Expenses ($, in millions) [1]



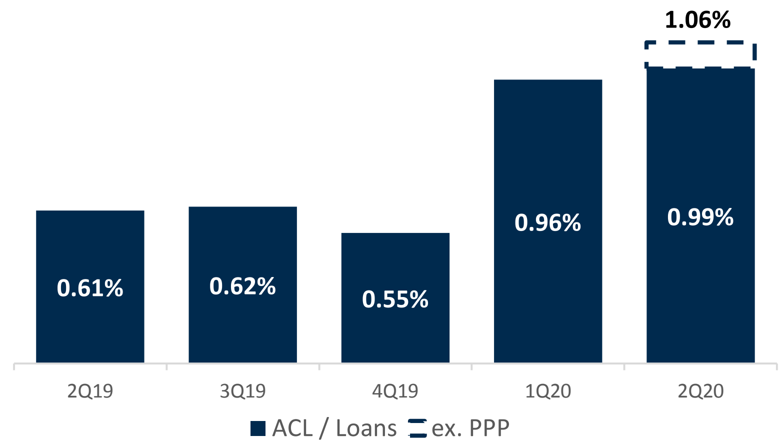
2Q20 Expense Commentary

- Continued focus on expense control as we navigate a challenging operating environment
- Adjusted expenses include irregular costs associated with COVID-19 and technology
- Adjusted efficiency of 46.8% is better than our 51.0% target

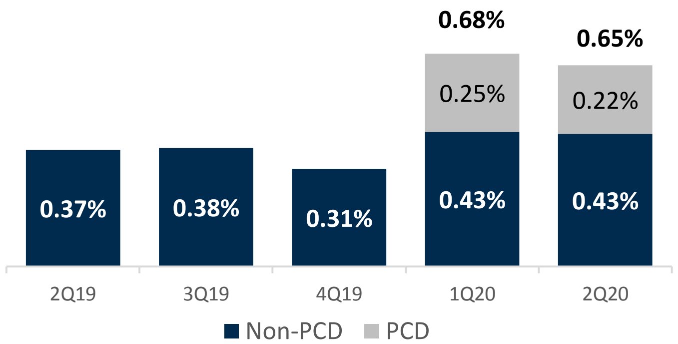
[1]Refer to the appendix on pages 16 - 18 regarding non-GAAP financial measures. Sums may be inconsistent due to rounding.

Asset Quality

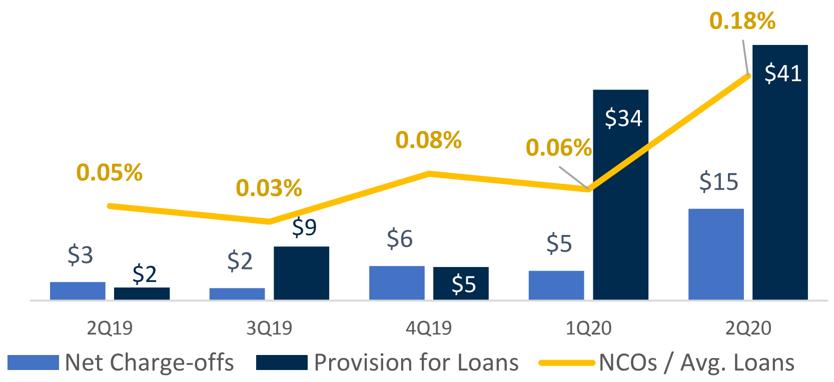
Allowance for Credit Losses for Loans / Total Loans



Non-Accrual Loans / Total Loans



Net Charge-offs & Provision ($mm)



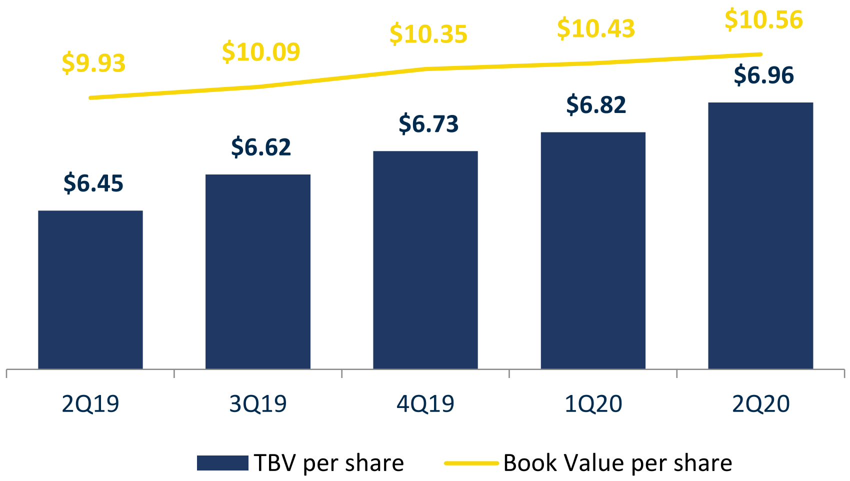
- $4.7 million non-accrual loan linked-quarter increase driven by slight increases in non-PCD CRE and residential RE
- 0.18% net charge-offs to average loans (annualized)
- $41 million provision for loans reflective of continued adverse economic outlook within CECL methodology
- Allowance for credit losses for loans of 0.99% (1.06% exclusive of PPP loans)
- Taxi medallion loan reserve increased to 58% from 52% in the first quarter

Note: PCD refers to purchased credit deteriorated loans.

Equity & Capitalization

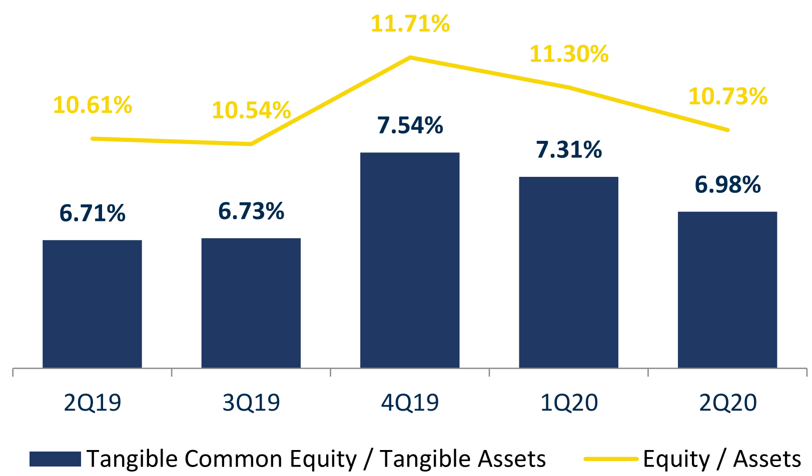
Book Value and Tangible Book Value per Share [1]

8% year-over-year tangible book value growth



Equity Capitalization Level

$2.2BN PPP loans reduce TCE / TA by ~41 bp in 2Q20



Holding Company Capital Ratios	2Q19	1Q20	2Q20	Year-over-Year Change
Tier 1 Leverage	7.62%	8.24%	7.70%	+8 bp
Common Equity Tier 1	8.59%	9.24%	9.51%	+92 bp
Tier 1 Risk-Based	9.43%	9.95%	10.23%	+80 bp
Total Risk-Based	11.39%	11.53%	12.19%	+80 bp

[1] Please refer to the Non-GAAP Disclosure Reconciliation on pages 16 - 18

Non-GAAP Disclosure Reconciliation

($ in thousands, except for share data)	Three Months Ended June 30, 2020	March 31, 2020	June 30, 2019
Adjusted net income available to common shareholders:			
Net income, as reported	$95,601	$87,268	$76,468
Less: Gain on sale leaseback transactions (net of tax)(a)	—	—	—
Add: Losses on extinguishment of debt (net of tax)	—	—	—
Add: Net impairment losses on securities (net of tax)	—	—	2,078
Add: Losses (gains) on securities transactions (net of tax)	29	29	(8)
Add: Severance expense (net of tax)(b)	—	—	—
Add: Tax credit investment impairment (net of tax)(c)	—	—	—
Add: Merger related expenses (net of tax)(d)	263	936	25
Add: Income tax expense (benefit)(e)	—	—	223
Net income, as adjusted	$95,893	$88,233	$78,786
Dividends on preferred stock	3,172	3,172	3,172
Net income available to common shareholders, as adjusted	$92,721	$85,061	$75,614

(a) The gain on sale leaseback transactions is included in gains on the sales of assets within other non-interest income.
(b) Severance expenses are included in salary and employee benefits expense.
(c) Impairment is included in the amortization of tax credit investments.
(d) Merger related expenses are primarily within salary and employee benefits expense, professional and legal fees, and other expense.
(e) Income tax expense related to reserves for uncertain tax positions in 2019.

	June 30, 2020	March 31, 2020	June 30, 2019
Adjusted per common share data:			
Net income available to common shareholders, as adjusted	$92,721	$85,061	$75,614
Average number of shares outstanding	403,790,242	403,519,088	331,748,552
Basic earnings, as adjusted	$0.23	$0.21	$0.23
Average number of diluted shares outstanding	404,631,845	405,424,123	332,959,802
Diluted earnings, as adjusted	$0.23	$0.21	$0.23
Adjusted annualized return on average tangible shareholders' equity:			
Net income, as adjusted	$95,893	$88,233	$78,786
Average shareholders' equity	4,477,278	4,408,585	3,481,519
Less: Average goodwill and other intangible assets	1,456,781	1,460,988	1,156,703
Average tangible shareholders' equity	$3,020,497	$2,947,597	$2,324,816
Annualized return on average tangible shareholders' equity, as adjusted	12.70%	11.97%	13.56%
Adjusted annualized return on average assets:			
Net income, as adjusted	$95,893	$88,233	$78,786
Average assets	$41,503,515	$38,097,364	$32,707,144
Annualized return on average assets, as adjusted	0.92%	0.93%	0.96%
Adjusted annualized return on average shareholders' equity:			
Net income, as adjusted	$95,893	$88,233	$78,786
Average shareholders' equity	$4,477,278	$4,408,585	$3,481,519
Annualized return on average shareholders' equity, as adjusted	8.57%	8.01%	9.05%

SLIDE 17

Non-GAAP Disclosure Reconciliation

($ in thousands)	Three Months Ended June 30, 2020	March 31, 2020	June 30, 2019
Annualized return on average tangible shareholders' equity:			
Net income, as reported	$95,601	$87,268	$76,468
Average shareholders' equity	4,477,278	4,408,585	3,481,519
Less: Average goodwill and other intangible assets	1,456,781	1,460,988	1,156,703
Average tangible shareholders' equity	$3,020,497	$2,947,597	$2,324,816
Annualized return on average tangible shareholders' equity	12.66%	11.84%	13.16%
Adjusted efficiency ratio:			
Non-interest expense, as reported	$157,166	$155,656	$141,737
Less: Severance expense (pre-tax)	—	—	—
Less: Merger-related expenses (pre-tax)	366	1,302	35
Less: Amortization of tax credit investments (pre-tax)	3,416	3,228	4,863
Non-interest expense, as adjusted	$153,384	$151,126	$136,839
Net interest income	282,559	265,339	220,234
Non-interest income, as reported	44,830	41,397	27,603
Add: Net impairment losses on securities (pre-tax)	—	—	2,928
Add: Losses (gains) on securities transactions, net (pre-tax)	41	40	(11)
Less: Gain on sale leaseback transaction (pre-tax)	—	—	—
Non-interest income, as adjusted	$44,871	$41,437	$30,520
Gross operating income, as adjusted	$327,430	$306,776	$250,754
Efficiency ratio, as adjusted	46.84%	49.26%	54.57%
Annualized pre-provision net revenue / average assets			
Net interest income	$282,559	$265,339	$220,234
Non-interest income, as reported	44,830	41,397	27,603
Less: Non-interest expense, as reported	157,166	155,656	141,737
Pre-provision net revenue	$170,223	$151,080	$106,100
Average assets	$41,503,515	$38,097,364	$32,707,144
Annualized pre-provision net revenue / average assets	1.64%	1.59%	1.30%
Annualized pre-provision net revenue / average assets, as adjusted			
Net interest income	$282,559	$265,339	$220,234
Non-interest income, as adjusted	44,871	41,437	30,520
Less: Non-interest expense, as adjusted	153,384	151,126	136,839
Pre-provision net revenue, as adjusted	$174,046	$155,650	$113,915
Average assets	$41,503,515	$38,097,364	$32,707,144
Annualized pre-provision net revenue / average assets, as adjusted	1.68%	1.63%	1.39%

Non-GAAP Disclosure Reconciliation

($ in thousands, except for share data)	June 30, 2020	March 31, 2020	As of December 31, 2019	September 30, 2019	June 30, 2019
Tangible book value per common share:					
Common shares outstanding	403,795,599	403,744,148	403,278,390	331,805,564	331,788,149
Shareholders' equity	$4,474,590	$4,420,998	$4,384,188	$3,558,075	$3,504,118
Less: Preferred Stock	209,691	209,691	209,691	209,691	209,691
Less: Goodwill and other intangible assets	1,453,330	1,458,095	1,460,397	1,152,815	1,155,250
Tangible common shareholders' equity	$2,811,569	$2,753,212	$2,714,100	$2,195,569	$2,139,177
Tangible book value per common share	$6.96	$6.82	$6.73	$6.62	$6.45
Tangible common equity to tangible assets:					
Tangible common shareholders' equity	$2,811,569	$2,753,212	$2,714,100	$2,195,569	$2,139,177
Total assets	41,717,409	39,120,629	37,436,020	33,765,539	33,027,741
Less: Goodwill and other intangible assets	1,453,330	1,458,095	1,460,397	1,152,815	1,155,250
Tangible assets	$40,264,079	$37,662,534	$35,975,623	$32,612,724	$31,872,491
Tangible common equity to tangible assets	6.98%	7.31%	7.54%	6.73%	6.71%

For More Information

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