Valley

2Q21 Earnings Presentation

July 22, 2021

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 continued impact of COVID-19 on the U.S. and global economies, including business disruptions, reductions in employment and an increase in business failures, specifically among our clients; the continued 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 may arise in our primary markets; 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 actions in response to, 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; the risks related to the discontinuation of the London Interbank Offered Rate and other reference rates, including increased expenses and litigation and the effectiveness of hedging strategies; failure to obtain shareholder or regulatory approval for the acquisition of The Westchester Bank Holding Corporation on the anticipated terms and within the anticipated timeframe; the inability to realize expected cost savings and synergies from the Westchester merger in amounts or in the timeframe anticipated; costs or difficulties relating to Westchester integration matters might be greater than expected; the inability to retain customers and qualified employees of Westchester; 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, ransomware 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 Office of the Comptroller of the Currency (OCC), the Federal Reserve Bank (FRB), the Consumer Financial Protection Bureau (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, 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.

SLIDE 3

2Q 2021 Highlights

	Reported			Adjusted [1]		
	2Q21	1Q21	2Q20	2Q21	1Q21	2Q20
Net Income ($mm)	$120.5	$115.7	$95.6	$126.6	$115.8	$95.9
Return on Average Assets *Annualized*	1.17%	1.14%	0.92%	1.23%	1.14%	0.93%
Efficiency Ratio	50.0%	49.5%	48.0%	46.6%	48.6%	46.8%
Pre-Provision Net Revenue [2] ($mm)	$172.1	$163.7	$170.2	$183.6	$166.5	$174.0
PPNR / Average Assets [2] *Annualized*	1.67%	1.61%	1.64%	1.78%	1.63%	1.68%
Diluted Earnings Per Share	$0.29	$0.28	$0.23	$0.30	$0.28	$0.23

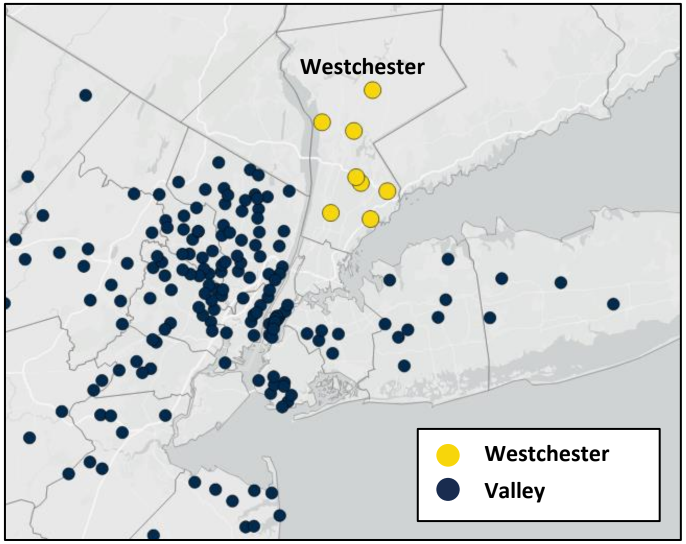
- **Year-Over-Year Quarterly Adjusted Diluted EPS Growth of 30%**
- **30bp Increase in Quarterly Adjusted Return on Average Assets Year-Over-Year**
- **Acceleration in Non-PPP Loan Growth and Continued Core Funding Improvement Supporting Stable NIM**

[1] Please refer to the Non-GAAP Disclosure Reconciliation on pages 17 - 19

[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 19-21

SLIDE 4

Overview of The Westchester Bank Acquisition



Transaction Rationale

- High-Quality Partner With a Track Record of Strong Asset Quality
- Expansion of Physical Footprint into Dynamic and Contiguous Westchester County Market
- Experienced Leadership Team Focused on Servicing Commercial Clients
- Low Integration Risk Given Relative Size and Valley's Familiarity with Westchester Market
- Financially Attractive With Incremental Benefit to Earnings While Preserving Tangible Book Value / Capital

Westchester Financial Highlights (as of 3/31/2021) [1]

Total Assets:	$1,313mm
Gross Loans:	$910mm
Total Deposits:	$1,116mm
Net Income (MRQ, annualized):	$16.1mm
ROAA (MRQ, annualized):	1.29%
Net Interest Margin (MRQ, annualized):	3.10%
Efficiency Ratio (MRQ):	43.3%
NPAs / Assets:	0.21%
Tang. Common Equity / Tang. Assets:	10.2%

Financial Impact & Other Considerations

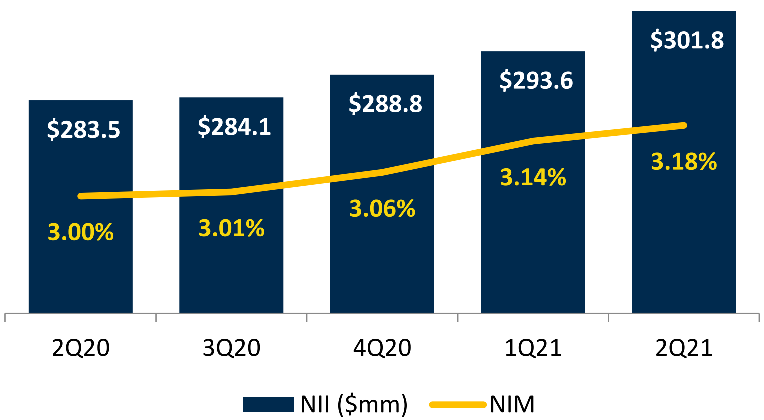
- ~1% EPS Accretion
- Neutral to tangible book value & capital ratios
- Westchester's President & CEO John Tolomer will remain with Valley as Market President to lead efforts in Westchester County
- Targeted close in 4Q21

[1] Consolidated financial data for Westchester; MRQ means most recent quarter ended

Net Interest Margin, Profitability & Operating Leverage

Net Interest Income and Margin

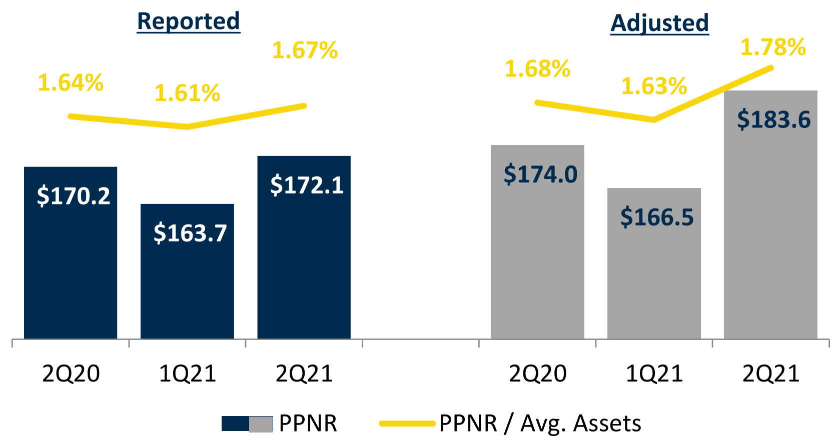
Resilient Net Interest Margin and Consistent Net Interest Income Growth



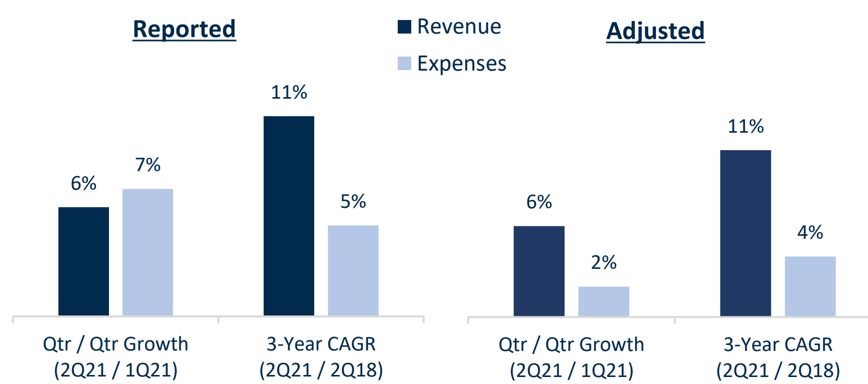
All metrics are represented on full tax equivalent basis

- Cash balance remains elevated despite significant loan growth during the quarter
- Continued reduction in deposit costs and replacement of time deposits with lower-cost transaction balances
- FHLB advances prepaid at the end of the quarter should benefit ongoing interest expense / funding cost

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



Consistent Positive Operating Leverage [1]

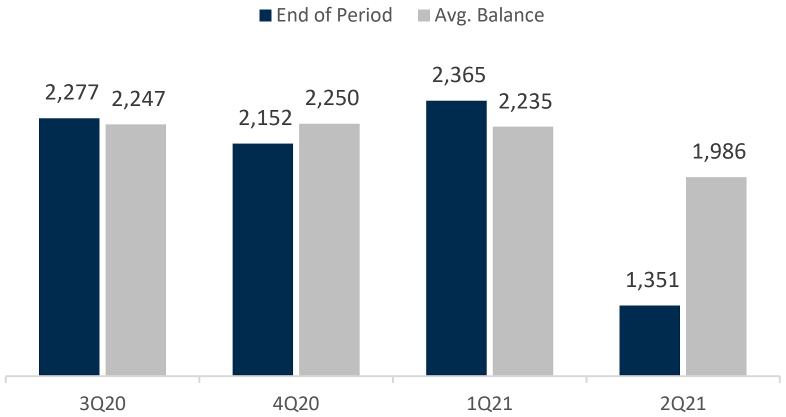


Operating Leverage: *Adjusted* | ***3.2x*** | ***2.8x***

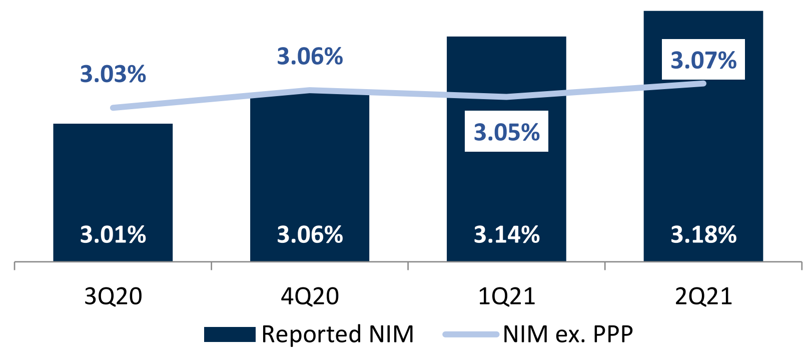
[1] Reported pre-provision net revenue is equal to net interest income plus total non-interest income less total non-interest expense; please refer to the Non-GAAP Disclosure Reconciliation on pages 17 - 19

Impact of PPP ($mm)

PPP Loan Balance

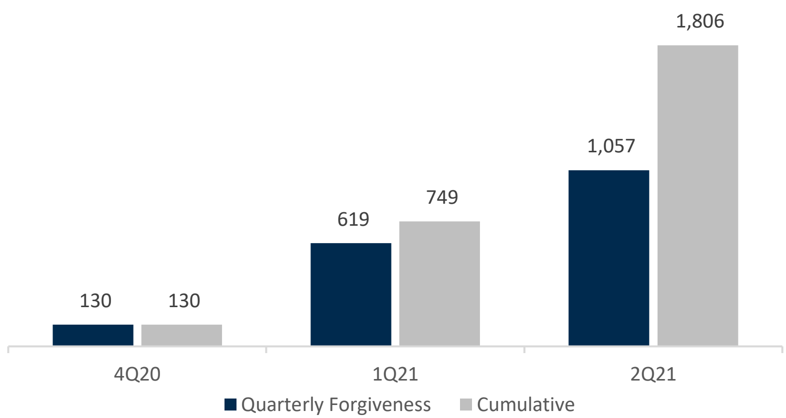


Net Interest Margin (FTE)



Forgiveness Update ($mm)

Over 75% of Round 1 and 2 PPP balances have been forgiven



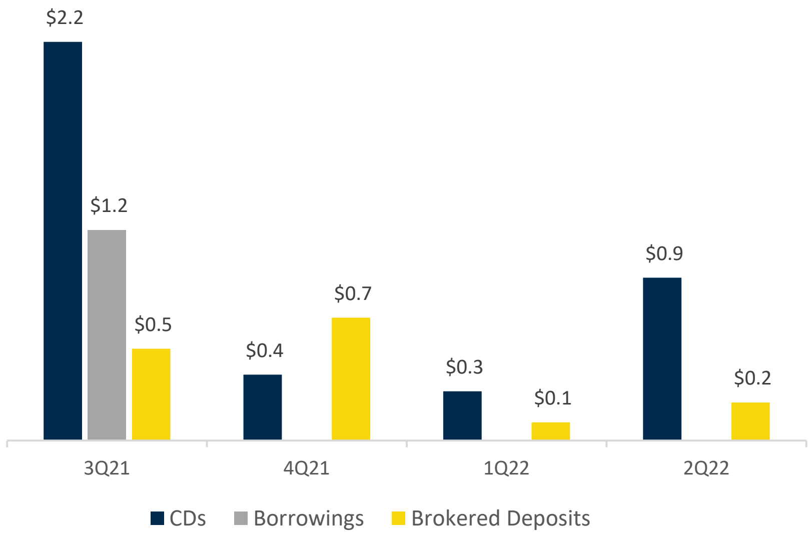
Net Interest Income Analysis	3Q20	4Q20	1Q21	2Q21
Net Interest Income (FTE)	284.1	288.8	293.6	301.8
PPP Impact	(14.8)	(17.0)	(25.7)	(25.7)
NII ex PPP	**269.3**	**271.8**	**267.9**	**276.1**

Earning Asset Analysis	3Q20	4Q20	1Q21	2Q21
Avg. Earning Assets	37,768	37,807	37,386	37,907
PPP Impact	(2,247)	(2,250)	(2,235)	(1,986)
Earning Assets ex PPP	**35,520**	**35,557**	**35,152**	**35,922**

Totals may not sum due to rounding.

Interest Rate Positioning

12-Month Forward Maturity Schedule ($bn)

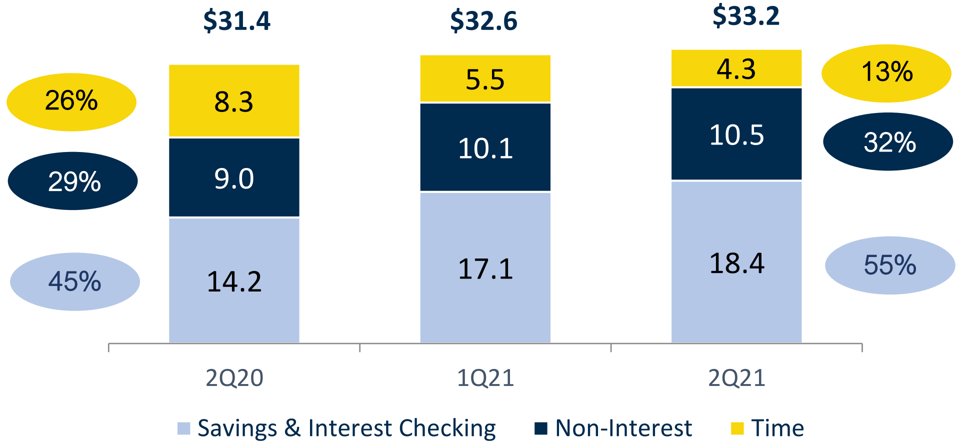


	3Q21	4Q21	1Q22	2Q22
Maturing CD Rates	0.35%	0.42%	0.51%	0.55%
Maturing Borrowing Rates	1.38%	--	--	--
Maturing Brokered Rates	0.46%	0.10%	0.25%	0.26%

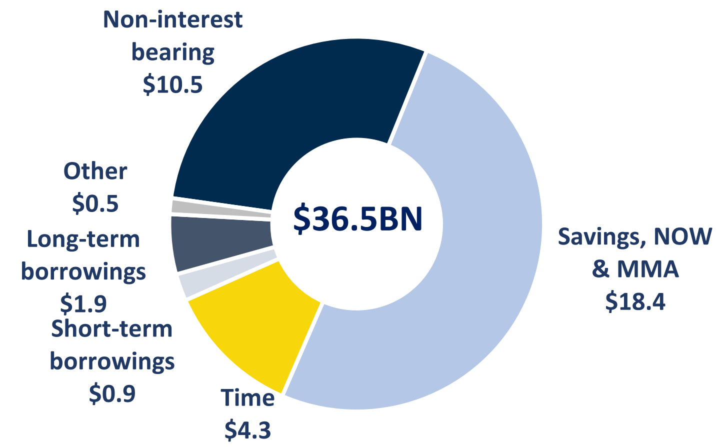
- Redeemed $60mm of legacy subordinated debt at 6.25% cost and prepaid $248mm of FHLB advances at a 1.82% effective cost ($8.4mm prepayment penalty) during the 2nd quarter of 2021
- Continue to drive non-maturity deposit costs lower
- Selected opportunities to reprice maturing borrowings and CDs lower and mitigate asset yield headwinds
- Intend to selectively take advantage of lower-cost wholesale funding and extend liability duration

Deposits, Funding & Liquidity

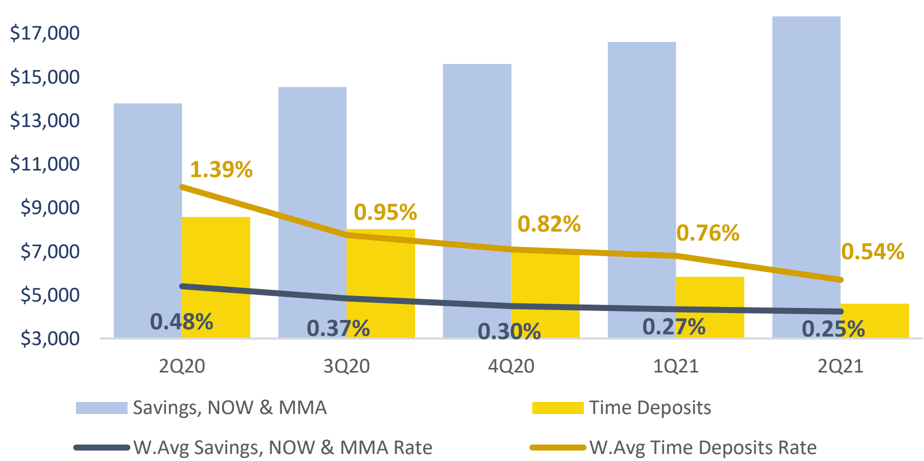
2Q21 Deposit Trends ($bn)



Total Liabilities 6/30/2021 [1]



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



- Cost of total deposits declined 7bp to 0.21% from 0.28% in 1Q21
- Well-funded balance sheet to support strong loan originations
- Continued transition from time deposits to non-interest and lower-cost transaction balances

1 Includes junior subordinated debt within long-term borrowings. Totals may not sum due to rounding.

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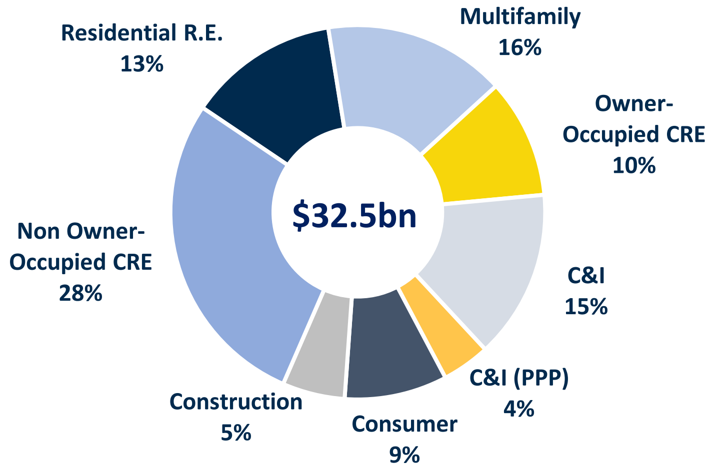
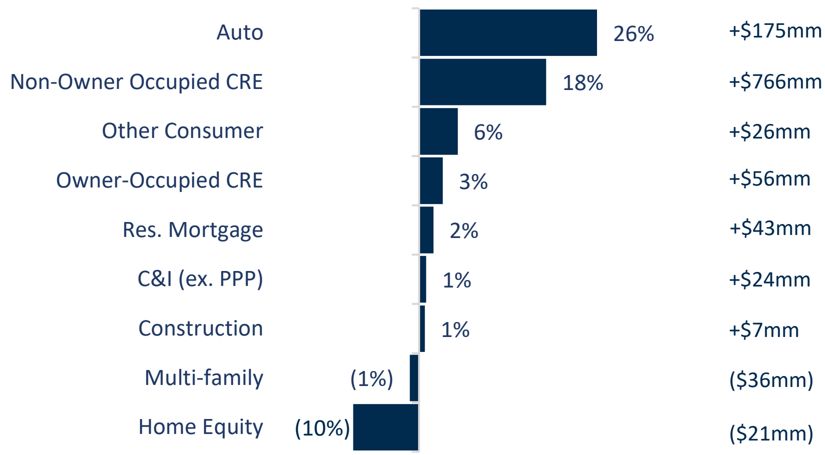
Loans & Loan Growth

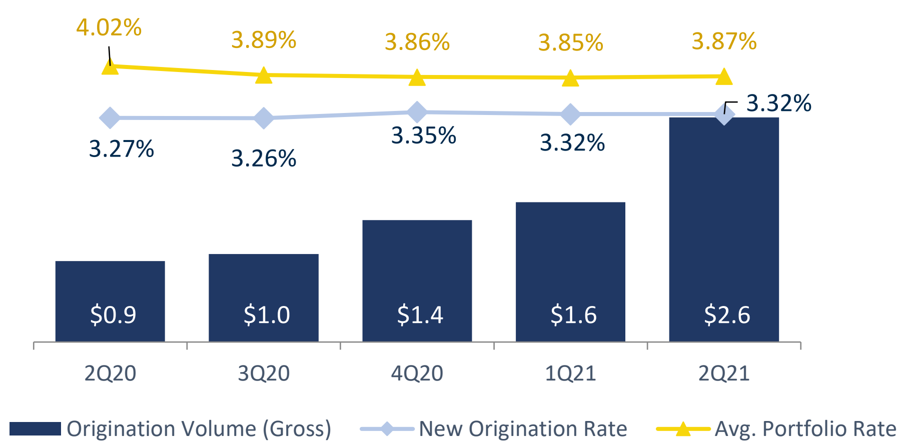
2Q21 Loan Composition [1]



2Q21 YTD Annualized Loan Growth [1]



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



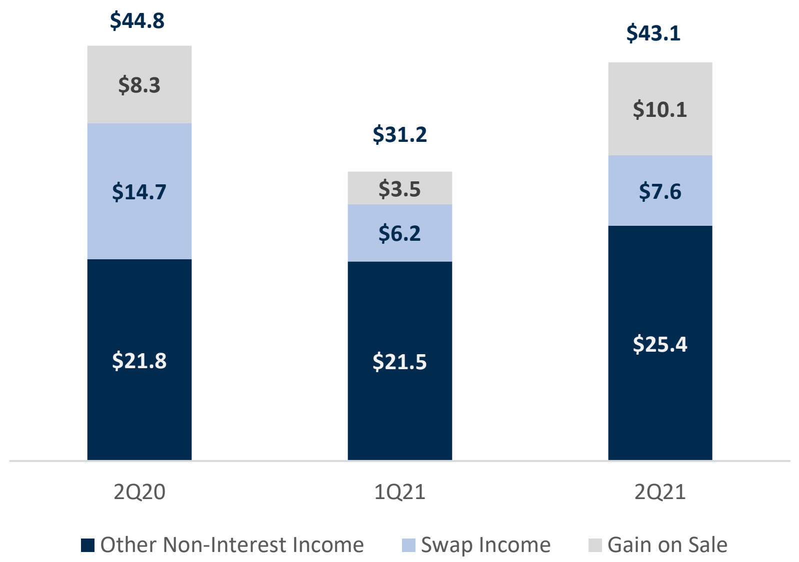
- Quarterly annualized non-PPP loan growth: +10%
- YTD annualized non-PPP loan growth: +7%
- Loan growth well-diversified across geographies and asset classes
- Loan origination spreads remain wide from a historical perspective

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

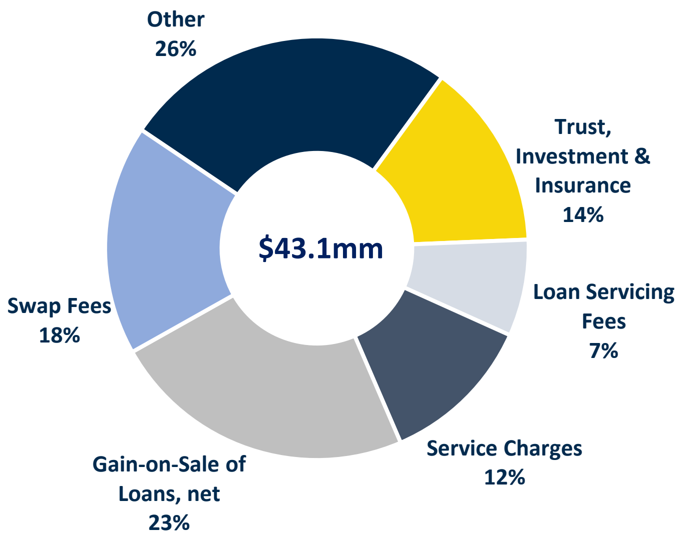
SLIDE 10

Fee Income

Non-Interest Income ($mm)



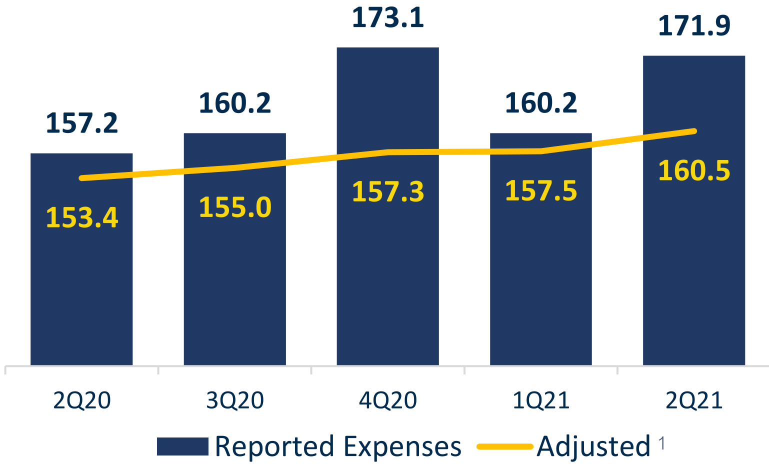
2Q21 Non-Interest Income ($mm)



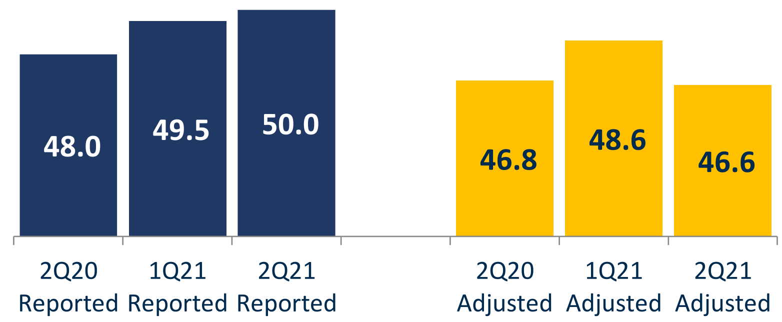
- 2Q21 rebound in swap and gain on sale income as expected, supplemented by higher insurance commissions and other fees
- Fee income rebounded to 12.5% of revenues from 9.6% in 1Q21 despite strong growth in net interest income

Non-Interest Expense

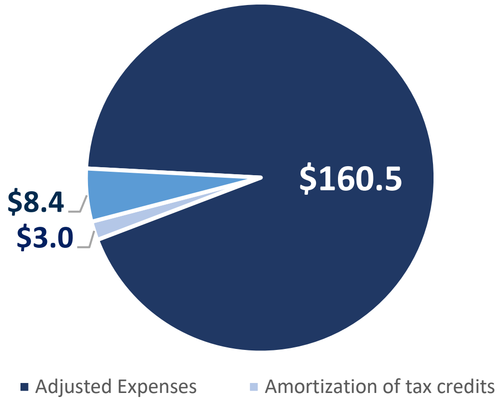
5 Quarter Operating Expense Trends ($ in millions)



Efficiency Ratio (%) [1]



2Q21 Operating Expenses ($, in millions) [1]



2Q21 Expense Commentary

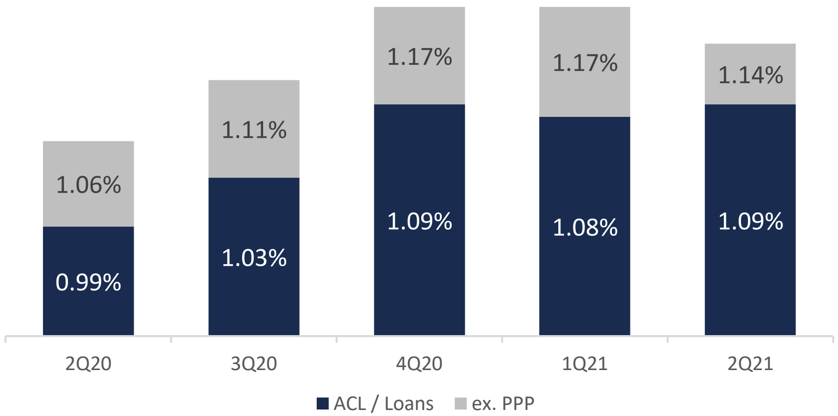
- Reported expenses include $8.4mm of losses on debt extinguishment and $3.0mm of tax credit amortization
- Adjusted expenses increased due to higher performance-based incentive compensation accruals
- Adjusted efficiency ratio back below 47%

[1]Refer to the appendix on pages 17 – 19 regarding non-GAAP financial measures. Sums may be inconsistent due to rounding.

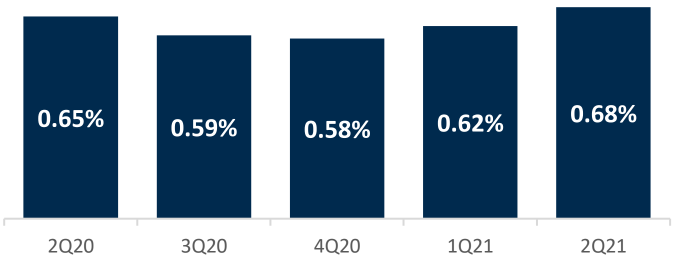
Asset Quality

SLIDE 12

Allowance for Credit Losses for Loans / Total Loans



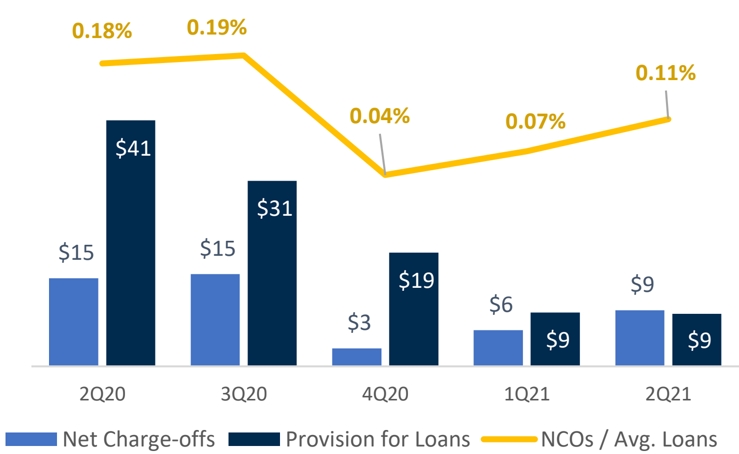
Non-Accrual Loans / Total Loans



ACL by Loan Segment

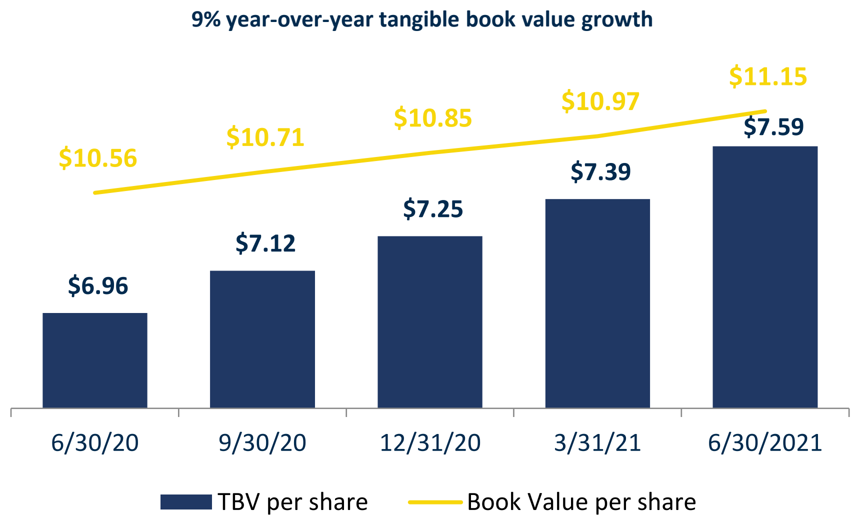
$ in millions	6/30/2021 Balance ($mm)	Percent of Loans
Commercial & Industrial	$109.7	1.80%
Real Estate – Construction	$20.9	1.19%
Real Estate – Commercial	$168.2	0.96%
Real Estate – Residential	$25.3	0.60%
Home Equity	$4.6	1.12%
Auto & Other Consumer	$10.6	0.43%
Allowance for Loan Losses	**$339.3**	**1.05%**
Allowance for Unfunded	$14.4	--
Total Allowance for Credit Losses	**$353.7**	**1.09%**

Net Charge-offs & Provision ($mm)

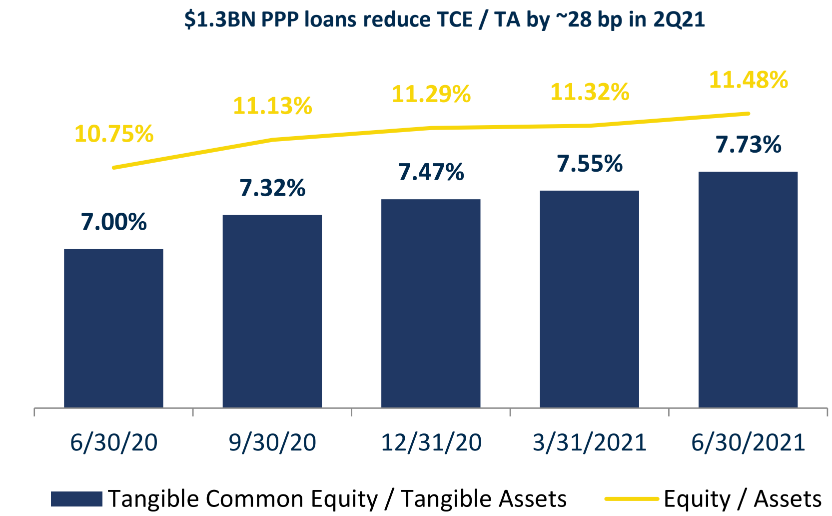


Equity & Capitalization

Book Value and Tangible Book Value per Share [1]



Equity Capitalization Level



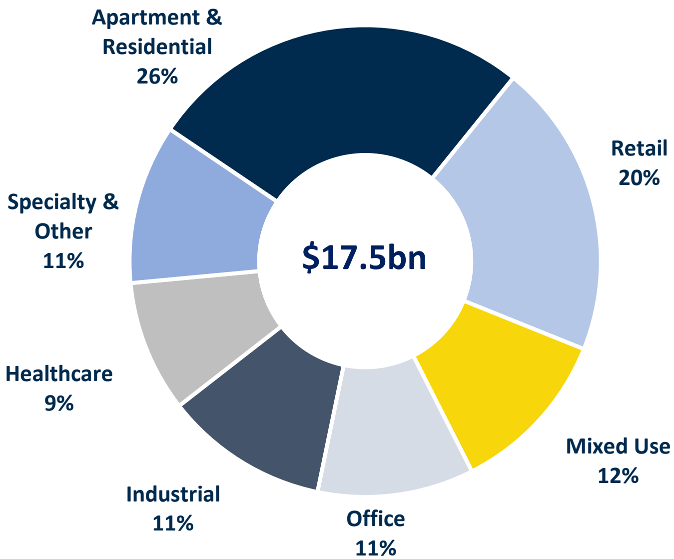
Holding Company Capital Ratios	6/30/20	3/31/21	6/30/21	Year-over-Year Change
Tier 1 Leverage	7.70	8.37	8.49	+79bp
Common Equity Tier 1	9.51	10.08	10.04	+53bp
Tier 1 Risk-Based	10.23	10.79	10.73	+50bp
Total Risk-Based	12.19	12.76	13.36	+117bp

[1] Please refer to the Non-GAAP Disclosure Reconciliation on pages 17 - 19

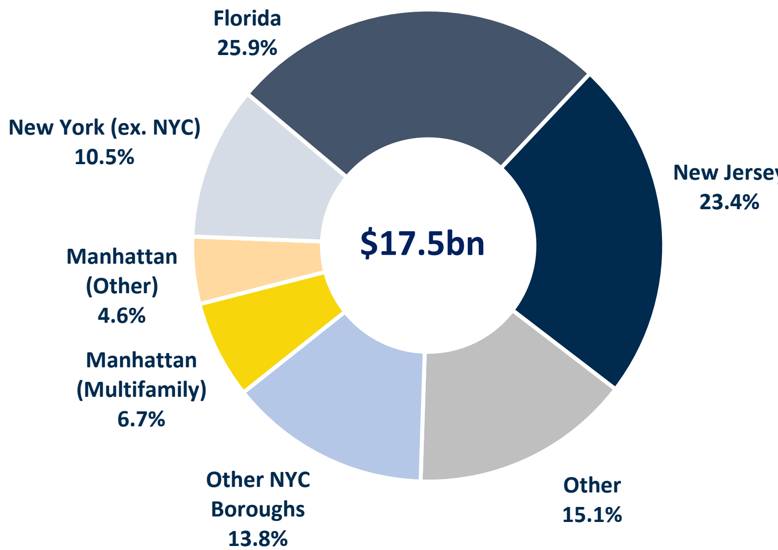
Appendix

CRE Detail as of 6/30/2021

Portfolio by Collateral Type



Portfolio by Geography



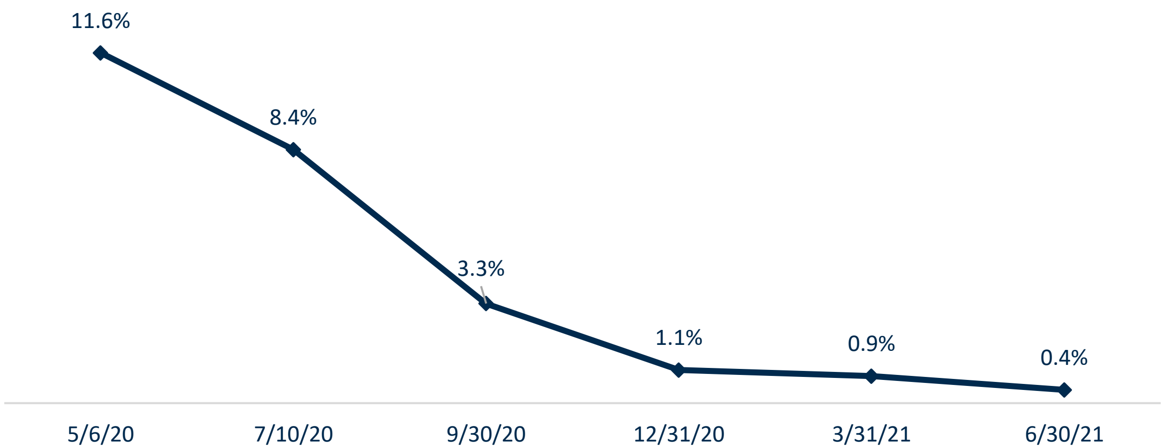
Geography	Outstanding ($BN)	% of Total	Wtd. Avg. LTV	Wtd. Avg. DSCR
Florida	$4.5	25.9%	63%	1.75x
New Jersey	$4.1	23.4%	60%	1.80x
Other	$2.6	15.1%	62%	1.75x
Other NYC Boroughs	$2.4	13.8%	52%	1.43x
Manhattan	$2.0	11.3%	34% (49% ex Co-Ops)	1.67x
New York (ex. NYC)	$1.8	10.5%	55%	1.59x
Total	**$17.5**	**100.0%**	**56%**	**1.69x**

SLIDE 16

Outstanding Loan Deferrals

	2Q21 Balance ($MM)	Deferral Information as of 6/30/2021	
		Active Deferral ($MM)	Active Deferral / 2Q21 Loan Balance
Commercial Loans & Leases	$25,349	$106	0.4%
Residential & Home Equity [1]	$4,638	$35	0.7%
Auto & Other Consumer	$2,470	$1	NM
Total	**$32,457**	**$142**	**0.4%**

Active Deferrals / Total Loans



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

[1] Reflects residential mortgage loans held in portfolio.

Non-GAAP Disclosure Reconciliation

($ in thousands, except for share data)	Three Months Ended June 30, 2021	March 31, 2021	June 30, 2020
Adjusted net income available to common shareholders:			
Net income, as reported	$120,512	$115,710	$95,601
Add: Losses on extinguishment of debt (net of tax)	6,024	—	—
Add: Losses on available for sale and held to maturity securities transactions (net of tax) (a)	81	85	29
Add: Merger related expenses (net of tax)(b)	—	—	263
Net income, as adjusted	$126,617	$115,795	$95,893
Dividends on preferred stock	3,172	3,172	3,172
Net income available to common shareholders, as adjusted	$123,445	$112,623	$92,721

(a) Included in gains on securities transactions, net within other non-interest income

(b) Merger related expenses are primarily within salary and employee benefits expense, professional and legal fees, and other expense.

	June 30, 2021	March 31, 2021	June 30, 2020
Adjusted per common share data:			
Net income available to common shareholders, as adjusted	$123,445	$112,623	$92,721
Average number of shares outstanding	405,963,209	405,152,605	403,790,242
Basic earnings, as adjusted	$0.30	$0.28	$0.23
Average number of diluted shares outstanding	408,660,778	407,636,765	404,631,845
Diluted earnings, as adjusted	$0.30	$0.28	$0.23
Adjusted annualized return on average tangible shareholders' equity:			
Net income, as adjusted	$126,617	$115,795	$95,893
Average shareholders' equity	4,708,789	4,645,400	4,477,446
Less: Average goodwill and other intangible assets	1,449,388	1,451,750	1,456,781
Average tangible shareholders' equity	3,259,401	3,193,650	$3,020,665
Annualized return on average tangible shareholders' equity, as adjusted	15.54%	14.50%	12.70%
Adjusted annualized return on average assets:			
Net income, as adjusted	$126,617	$115,795	$95,893
Average assets	$41,161,448	$40,770,731	$41,429,725
Annualized return on average assets, as adjusted	1.23%	1.14%	0.93%
Adjusted annualized return on average shareholders' equity:			
Net income, as adjusted	$126,617	$115,795	$95,893
Average shareholders' equity	4,708,789	$4,645,400	$4,477,446
Annualized return on average shareholders' equity, as adjusted	10.76%	9.97%	8.57%

Non-GAAP Disclosure Reconciliation

($ in thousands)	Three Months Ended June 30, 2021	March 31, 2021	June 30, 2020
Annualized return on average tangible shareholders' equity:			
Net income, as reported	$120,512	$115,710	$95,601
Average shareholders' equity	4,708,789	4,645,400	4,477,446
Less: Average goodwill and other intangible assets	1,449,388	1,451,750	1,456,781
Average tangible shareholders' equity	3,259,401	3,193,650	$3,020,665
Annualized return on average tangible shareholders' equity	14.79%	14.49%	12.66%
Adjusted efficiency ratio:			
Non-interest expense, as reported	$171,893	$160,213	$157,166
Less: Loss on extinguishment of debt (pre-tax)	8,406	—	—
Less: Merger-related expenses (pre-tax)	—	—	366
Less: Amortization of tax credit investments (pre-tax)	2,972	2,744	3,416
Non-interest expense, as adjusted	$160,515	$157,469	$153,384
Net interest income	300,907	292,667	282,559
Non-interest income, as reported	43,126	31,233	44,830
Add: Losses on available for sale and held to maturity securities transactions, net (pre-tax)	113	118	41
Non-interest income, as adjusted	43,239	$31,351	$44,871
Gross operating income, as adjusted	$344,146	$324,018	$327,430
Efficiency ratio, as adjusted	46.64%	48.60%	46.84%
Annualized pre-provision net revenue / average assets			
Net interest income	$300,907	$292,667	$282,559
Non-interest income, as reported	43,126	31,233	44,830
Less: Non-interest expense, as reported	171,893	160,213	157,166
Pre-provision net revenue	$172,140	$163,687	$170,223
Average assets	$41,161,448	$40,770,731	$41,429,725
Annualized pre-provision net revenue / average assets	1.67%	1.61%	1.64%
Annualized pre-provision net revenue / average assets, as adjusted			
Net interest income	$300,907	$292,667	$282,559
Non-interest income, as adjusted	43,239	31,351	44,871
Less: Non-interest expense, as adjusted	160,515	157,469	153,384
Pre-provision net revenue, as adjusted	$183,631	$166,549	$174,046
Average assets	$41,161,448	$40,770,731	$41,429,725
Annualized pre-provision net revenue / average assets, as adjusted	1.78%	1.63%	1.68%

Non-GAAP Disclosure Reconciliation

($ in thousands, except for share data)	As of June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Tangible book value per common share:					
Common shares outstanding	406,083,790	405,797,538	403,858,998	403,878,744	403,795,699
Shareholders' equity	$4,737,807	$4,659,670	$4,592,120	$4,533,763	$4,474,488
Less: Preferred Stock	209,691	209,691	209,691	209,691	209,691
Less: Goodwill and other intangible assets	1,447,965	1,450,414	1,452,891	1,449,282	1,453,330
Tangible common shareholders' equity	$3,080,151	$2,999,565	$2,929,538	$2,874,790	$2,811,467
Tangible book value per common share	$7.59	$7.39	$7.25	$7.12	$6.96
Tangible common equity to tangible assets:					
Tangible common shareholders' equity	$3,080,151	$2,999,565	$2,929,538	$2,874,790	$2,811,467
Total assets	41,274,228	41,178,011	40,686,076	40,747,492	41,626,497
Less: Goodwill and other intangible assets	1,447,965	1,450,414	1,452,891	1,449,282	1,453,330
Tangible assets	$39,826,263	$39,727,597	$39,233,185	$39,298,210	40,173,167
Tangible common equity to tangible assets	7.73%	7.55%	7.47%	7.32%	7.00%

For More Information

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