Valley

4Q19 Earnings Presentation

January 30, 2020

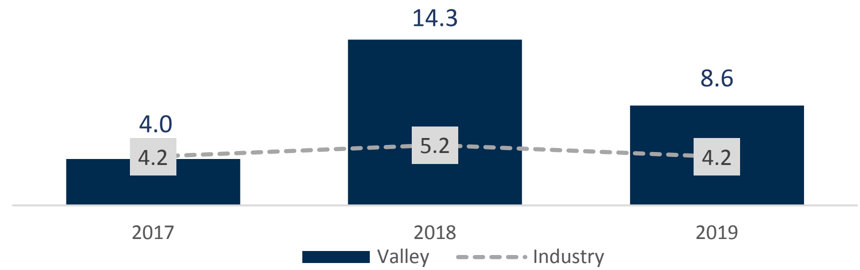
Forward Looking Statements

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. 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 inability to realize expected cost savings and synergies from the Oritani merger in amounts or in the timeframe anticipated; costs or difficulties relating to Oritani integration matters might be greater than expected; the inability to retain customers and qualified employees of Oritani; 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; weakness or a decline 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; the inability to grow customer deposits to keep pace with loan growth; a material change in our expected allowance for credit losses due to the adoption of CECL (current expected credit loss) model effective January 1, 2020; 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; damage verdicts or settlements or restrictions related to existing or potential litigations arising from claims of violations of laws or regulations brought as class actions, breach of fiduciary responsibility, negligence, fraud, contractual claims, environmental laws, patent or trademark infringement, employment related claims, and other matters; 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 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, 2018. 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.

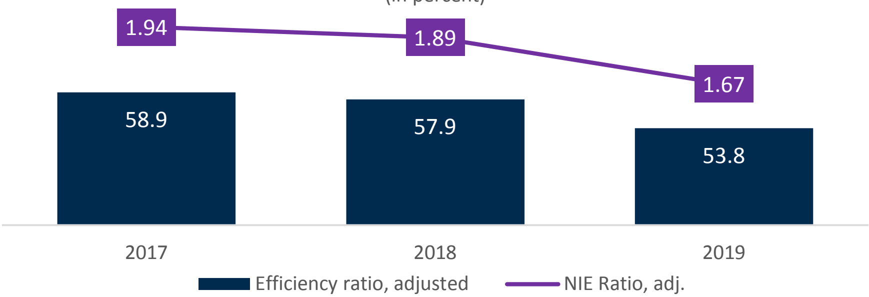
SLIDE 3

Executing on Stated Goals

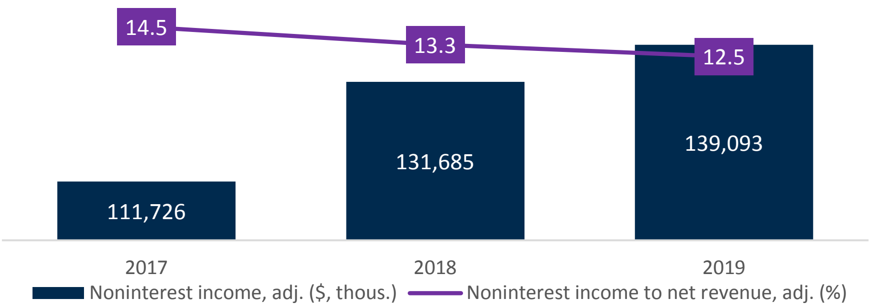
Loan Growth[1]
(in percent)



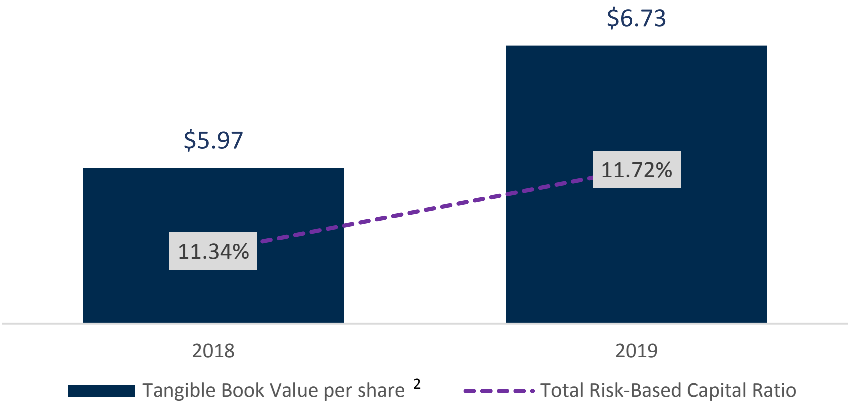
Expense Managment[2]
(in percent)



Revenue Diversification[2]



Growing Capital and Creating Value
(in percent)



Delivering Enhanced Performance

- Significant and consistent improvement in growth profile of the Bank
- Successful reallocation of operating expense towards more profitable segments
- Continuous expansion of fee generating business lines
- Announced and closed a significant acquisition while creating 12.7% TBV growth

[1]Represents the percent change in gross loans, excluding those held for sale, for Valley compared to the same period one year ago. Industry loan growth is the percent change from the same period one year ago in total loans and leases for all commercial banks as reported by the Board of Governors of the Federal Reserve System via the St. Louis Federal Reserve. Percent change for 2017 reflects an adjustment to the ending balance of approximately $184 million in loans that were purchased during the year. Percent change for 2018 reflects an adjustment to the beginning balance of approximately $3.8 billion in loans that were acquired from USAmeriBank. Percent change for 2019 reflects an adjustment to the ending balance of approximately $3.4 billion in loans that were acquired from Oritani and $0.8 billion in loans that were sold related to multi-family CRE. [2] Please refer to Non-GAAP reconciliation for components and reference ratios. NIE ratio, adjusted refers to adjusted operating expenses as a percent of average assets.

SLIDE 4

4Q 2019 Highlights

	Reported 4Q19	Reported 3Q19	Reported 4Q18	Adjusted[1] 4Q19	Adjusted[1] 3Q19	Adjusted[1] 4Q18
Return on Average Assets	0.43%	0.98%	0.98%	1.03%	1.00%	0.93%
Efficiency Ratio	70.90%	55.73%	59.87%	52.43%	53.48%	56.68%
Diluted Earnings Per Share	$0.10	$0.24	$0.22	$0.24	$0.24	$0.21

- Year-over-year quarterly adjusted earnings per share growth of +14%
- Annualized linked quarter organic net loan growth of 10%, excluding multi-family CRE loan sales and Oritani acquisition
- Net interest margin (FTE) increased 5 bps linked-quarter
- Linked-quarter adjusted efficiency ratio improvement of 105 basis points

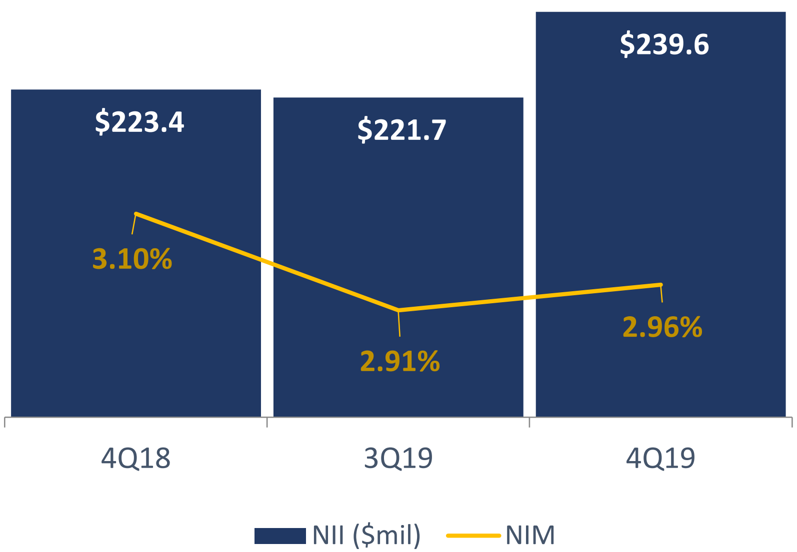
[1]Please refer to the Non-GAAP Disclosure Reconciliation on pages [12 & 13]

SLIDE 5

Revenues

Net Interest Income and Margin

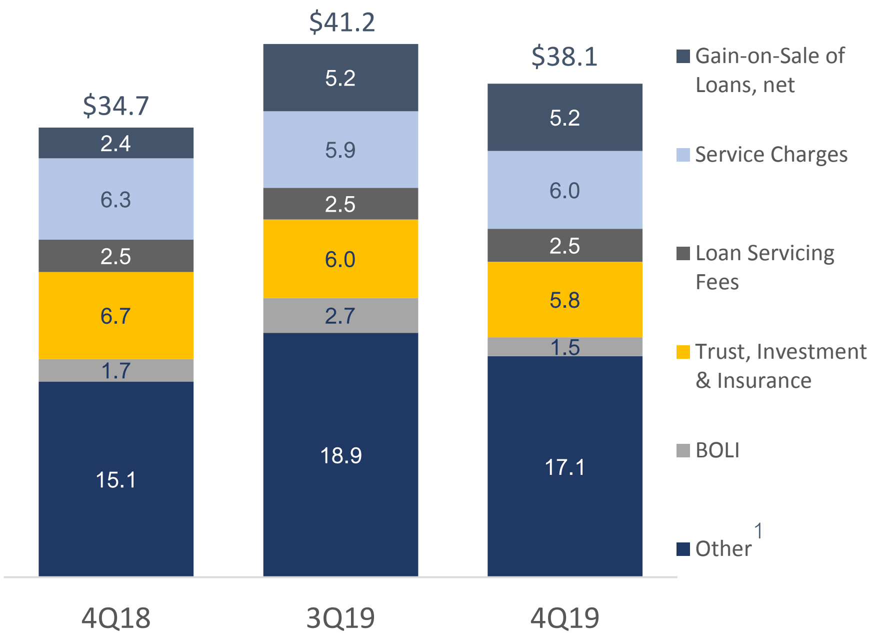
- Year-over-year NII growth of 4.6% (FTE)



All metrics are represented on full tax equivalent basis

- Linked quarter net interest margin positively impacted by core deposit generation and liability repricing tailwind
- Linked quarter net interest income (FTE) growth of 8% driven in part by one month of Oritani contribution

Non-Interest Income Trends ($mil)

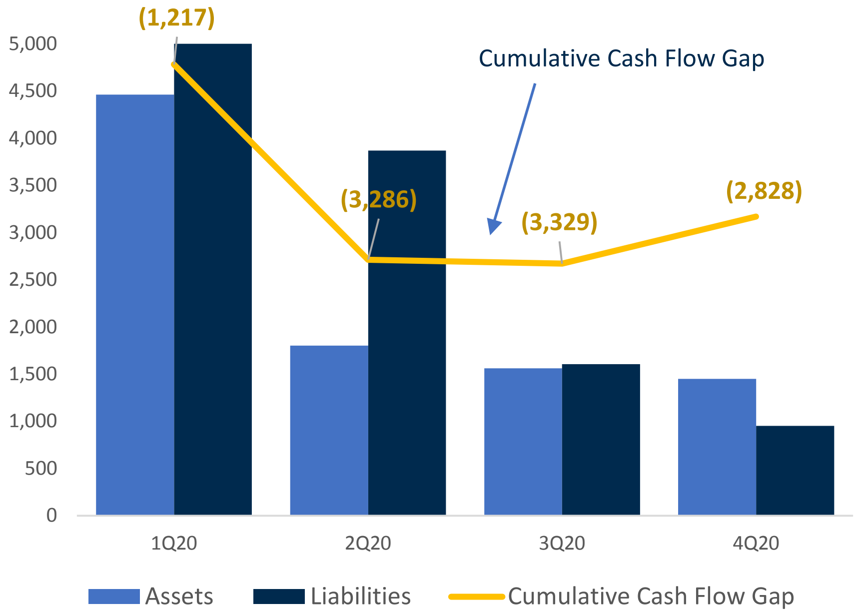


- Linked-quarter non-interest income decline driven by softer swap fee generation, coming off a particularly strong 3Q19
- Adjusted Noninterest Income as a percentage of Adjusted Gross Operating Income down approximately 200 bps linked quarter, due in part by strong net interest income growth

[1]Other Income includes income from swap fees, credit card fees, net gains and losses from sales of assets and securities, FDIC loss-share income/expense (change in FDIC receivable) and other additional sources.

Interest Rate Positioning

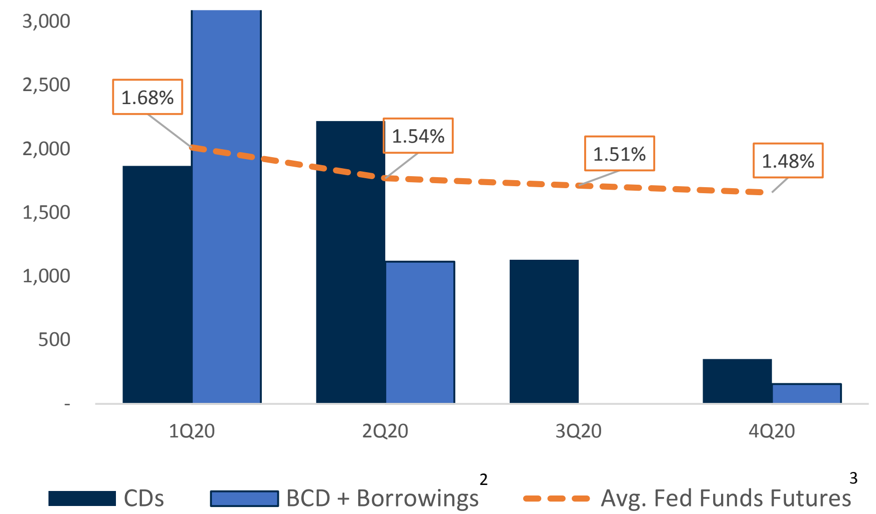
12-Month Forward Cumulative Cash Flow Gap ($Bil)[1]



(Quarters are not cumulative)

12-Month Forward Maturity Schedule ($Bil)

	1Q20	2Q20	3Q20	4Q20
Maturing CD Rates	2.21%	2.25%	2.07%	2.05%
Maturing BCD + Borrowing Rates	2.08%	1.88%	NA	1.79%

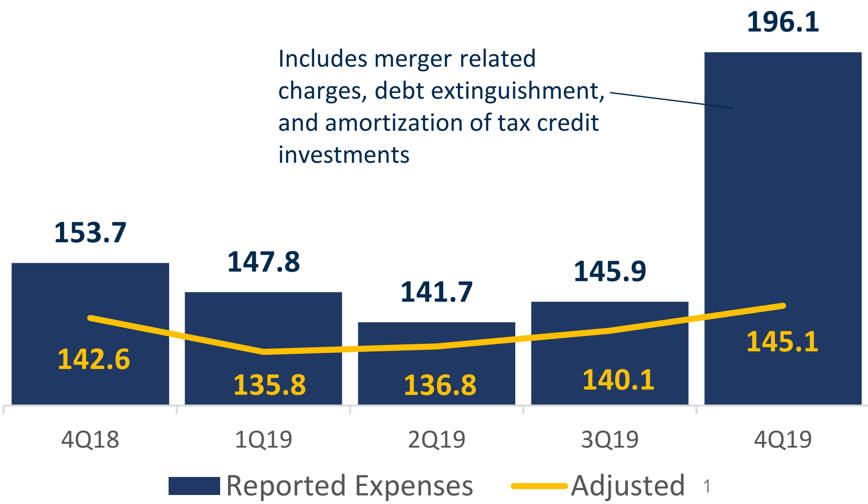


- Current balance sheet positioning should help mitigate net interest margin pressure
- Actively managing liabilities shorter to reflect shortening asset durations in current environment
- We continue to see opportunity to manage our liability costs lower for the foreseeable future

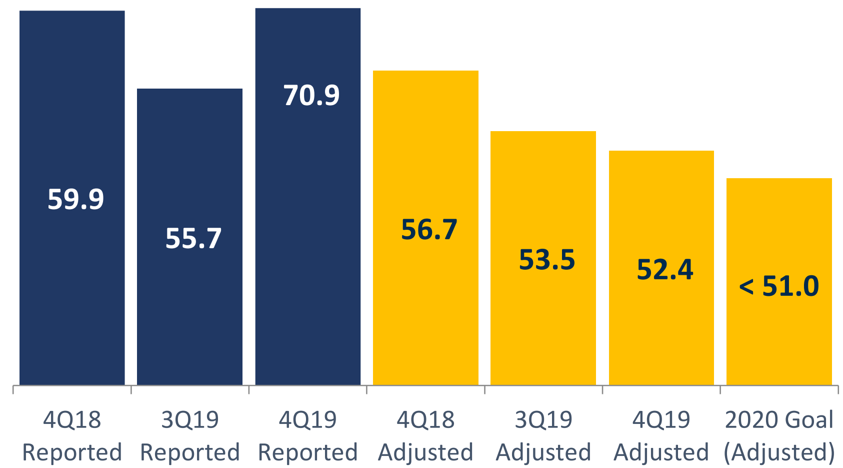
[1]Represents the estimated cumulative cash flows from dollar value of earning assets that are repricing within one year and the estimate cumulative cash flows from dollar value of interest-bearing liabilities that will reprice within one year based on the balance sheet at December 31, 2019 . 2 BCD refers to Brokered Time Deposits. 3 Represents Federal Funds Futures, averaged for the respective quarterly period as of December 31, 2019.

Noninterest Expense

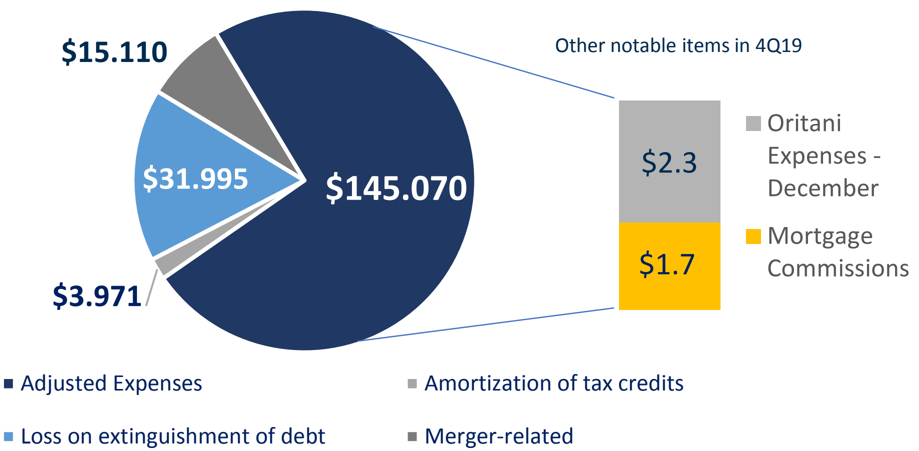
5 Quarter Operating Expense Trends ($ in millions)



Efficiency Ratio (%)[1]



4Q19 Adjusted Operating Expenses ($, in millions)[1]



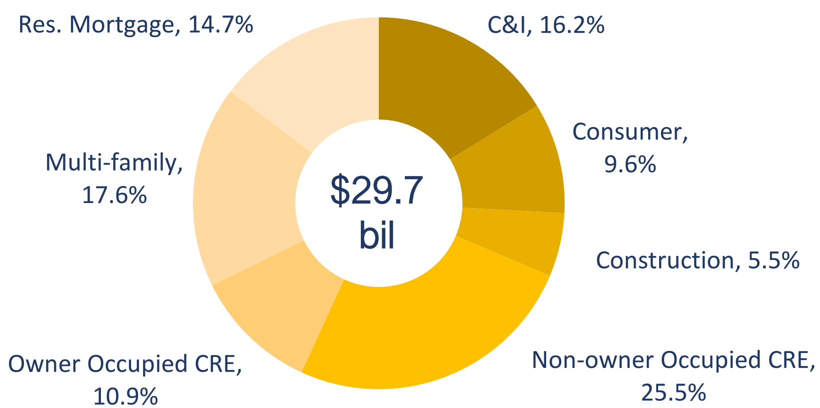
4Q19 Expense Commentary

- 4th quarter uptick in depreciation expense driven by data center coming on-line during the period
- We believe we remain on track to achieve our goal of an adjusted efficiency ratio at or below 51% during 2020

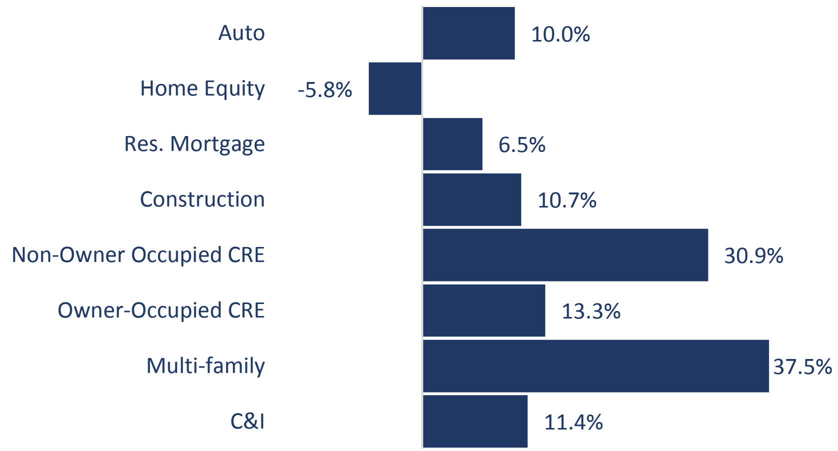
[1]Refer to the appendix on pages 12 & 13 regarding non-GAAP financial measures. Sums may be inconsistent due to rounding.

Loans & Loan Growth

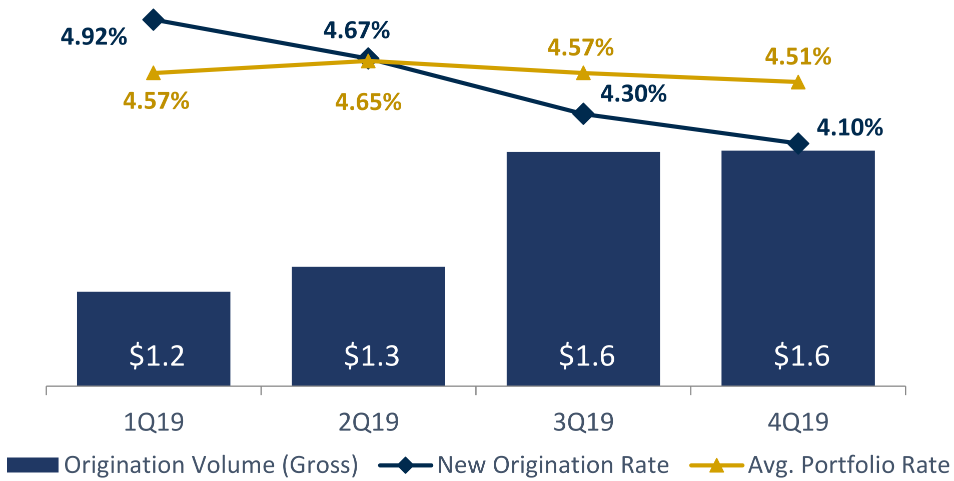
Loan Portfolio by Product (4Q19)[1]



2019 Loan Trends[1]



New Loan Originations ($bil) and Yields(%) vs Portfolio Yields (%)



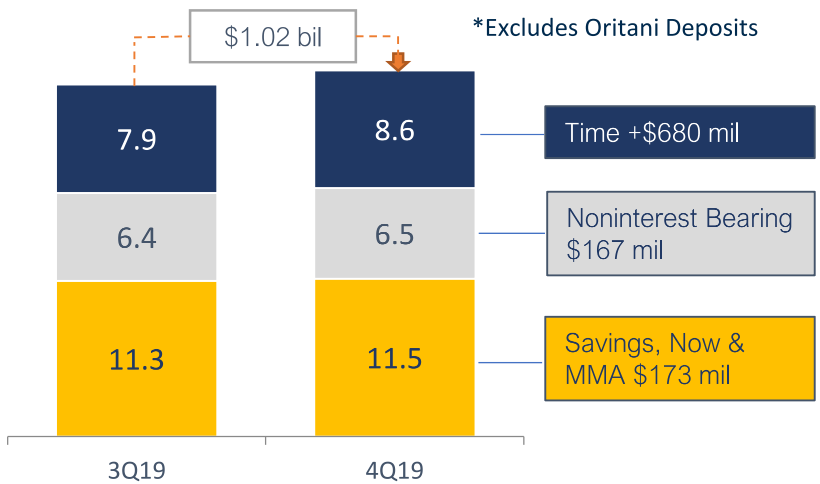
Strong Performance and Outlook

- 4Q19 annualized quarterly loan growth of 10%, exclusive of Oritani loans and multi-family loan sales
- While new origination yields continue to be below portfolio yields, we did see a healthy rebound in new origination spreads from the previous quarter

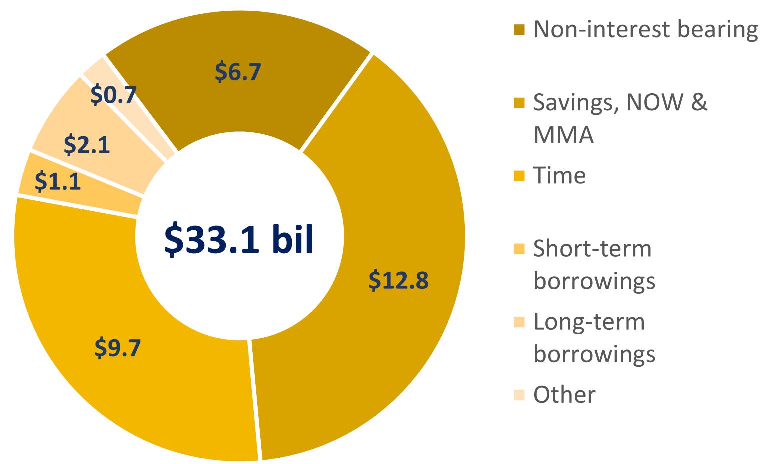
[1]Loan classifications according to call report schedule which may not correspond to classification outlined in earnings release. Includes the impacts of Oritani acquisition and multi-family portfolio sale.

Deposits & Funding

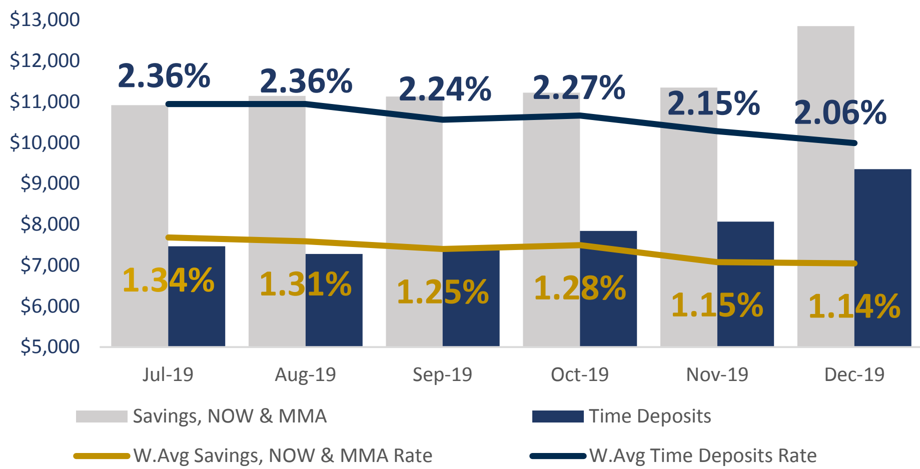
Recent Organic Deposit Trend ($ in billions)



Total Liabilities 12/31/19



Average Deposit Balance (mil) and Rate (%) Trends

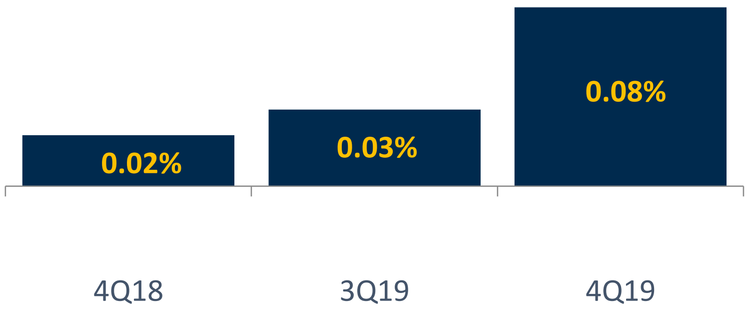


Funding Trends for 4Q19

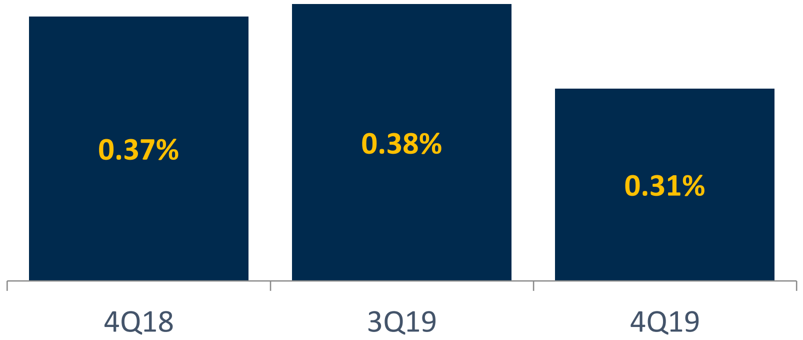
- Loan-to-deposit ratio at 12/31/2019 of 101.8%, inclusive of Oritani
- In-flow of Savings, NOW & MMA deposits largely fueled by business checking and personal MMA
- Brokered CDs used to add modest duration to liability structure during the quarter (remain at 10% of total deposits)

Asset Quality

NCOs/Avg. Loans[1]



Nonaccruals/Loans[2]



Taxi Medallion Update

Taxi Medallion	9/30/19	12/31/19
Related Reserves as a % of Total Exposure	28.7%	30.9%
Total Exposure	$119 mil	$115 mil
Taxi medallions as a % of Total Loans	0.45%	0.39%

- Quarterly net charge-offs of $5.6 million driven primarily by medallion related loans
- $20.3 million linked-quarter decline in accruing past due loans
- Underlying credit trends remain very strong across all categories

[1]Represents annualized net charge-offs as a percentage of average loans for the period indicated; [2]Represents nonaccrual loans as a percentage of total outstanding loans for the period indicated.

2020 Targets & Outlook

Full-year loan growth
(new)

- We are targeting net loan growth in the range of 6% to 8%. (from period end loans of $29.7 billion)

Net Interest Income
(new)

- We anticipate net interest income growth of approximately 13% to 16% (from full-year 2019 of $898 million)
  - This would equate to standalone VLY growth of approximately 3% to 6%

Adjusted Efficiency Ratio
(unchanged)

- We expect to achieve an adjusted efficiency ratio at or below 51% during 2020

Tax Rate
(new)

- We expect the tax rate to range from 24%-26%

SLIDE 12

Non-GAAP Disclosure Reconciliation

($ in thousands, except for share data)	Three Months Ended December 31, 2019	September 30, 2019	December 31, 2018
Adjusted net income available to common shareholders:			
Net income, as reported	$38,104	$81,891	$77,102
Less: Gain on the sale of Visa Class B shares (net of tax)(a)	—	—	(4,677)
Add: Losses on extinguishment of debt (net of tax)	22,992	—	—
Add: Losses on securities transactions (net of tax)	26	67	1,047
Add: Severance expense (net of tax)(c)	—	—	1,907
Add: Merger related expenses (net of tax)(f)	10,861	1,043	(455)
Add: Income tax expense (benefit)(g)	18,667	133	(2,274)
Net income, as adjusted	$90,650	$83,134	$72,650
Dividends on preferred stock	3,172	3,172	3,172
Net income available to common shareholders, as adjusted	$87,478	$79,962	$69,478

(a) The gain from the sale of non-marketable securities is included in other non-interest income.
(c) Severance expenses are included in salary and employee benefits expense.
(f) Merger related expenses are primarily within salary and employee benefits expense, professional and legal fees, and other expense.
(g) Income tax expense related to reserves for uncertain tax positions in 2019, and the Tax Cuts and Jobs Act and a USAB acquisition charge in 2018.

	December 31, 2019	September 30, 2019	December 31, 2018
Adjusted per common share data:			
Net income available to common shareholders, as adjusted	$87,478	$79,962	$69,478
Average number of shares outstanding	355,821,005	331,797,982	331,492,648
Basic earnings, as adjusted	$0.25	$0.24	$0.21
Average number of diluted shares outstanding	358,864,876	333,405,196	332,856,385
Diluted earnings, as adjusted	$0.24	$0.24	$0.21
Adjusted annualized return on average tangible shareholders' equity:			
Net income, as adjusted	$90,650	$83,134	$72,650
Average shareholders' equity	3,804,902	3,536,528	3,340,411
Less: Average goodwill and other intangible assets	1,256,137	1,154,462	1,164,638
Average tangible shareholders' equity	$2,548,765	$2,382,066	$2,175,773
Annualized return on average tangible shareholders' equity, as adjusted	14.23%	13.96%	13.36%
Adjusted annualized return on average assets:			
Net income, as adjusted	$90,650	$83,134	$72,650
Average assets	$35,315,682	$33,419,137	$31,328,729
Annualized return on average assets, as adjusted	1.03%	1.00%	0.93%
Adjusted annualized return on average shareholders' equity:			
Net income, as adjusted	$90,650	$83,134	$72,650
Average shareholders' equity	$3,804,902	$3,536,528	$3,340,411
Annualized return on average shareholders' equity, as adjusted	9.53%	9.40%	8.70%

Non-GAAP Disclosure Reconciliation

($ in thousands)	Three Months Ended December 31, 2019	September 30, 2019	December 31, 2018
Annualized return on average tangible shareholders' equity:			
Net income, as reported	$38,104	$81,891	$77,102
Average shareholders' equity	3,804,902	3,536,528	3,340,411
Less: Average goodwill and other intangible assets	1,256,137	1,154,462	1,164,638
Average tangible shareholders' equity	$2,548,765	$2,382,066	$2,175,773
Annualized return on average tangible shareholders' equity	5.98%	13.75%	14.17%
Adjusted efficiency ratio:			
Non-interest expense	$196,146	$145,877	$153,712
Less: Loss on extinguishment of debt (pre-tax)	31,995	—	—
Less: Severance expense (pre-tax)	—	—	2,662
Less: Merger-related expenses (pre-tax)	15,110	1,434	(635)
Less: Amortization of tax credit investments (pre-tax)	3,971	4,385	9,044
Non-interest expense, as adjusted	$145,070	$140,058	$142,641
Net interest income	238,541	220,625	222,053
Non-interest income, as reported	38,094	41,150	34,694
Add: Losses on securities transactions, net (pre-tax)	36	93	1,462
Less: Gain on the sale of Visa Class B shares (pre-tax)	—	—	6,530
Less: Gain on sale leaseback transaction (pre-tax)	—	—	—
Non-interest income, as adjusted	$38,130	$41,243	$29,626
Gross operating income, as adjusted	$276,671	$261,868	$251,679
Efficiency ratio, as adjusted	52.43%	53.48%	56.68%

($ in thousands, except for share data)	As of December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Tangible book value per common share:					
Common shares outstanding	403,278,390	331,805,564	331,788,149	331,732,636	331,431,217
Shareholders' equity	$4,384,188	$3,558,075	$3,504,118	$3,444,879	$3,350,454
Less: Preferred Stock	209,691	209,691	209,691	209,691	209,691
Less: Goodwill and other intangible assets	1,460,397	1,152,815	1,155,250	1,158,245	1,161,655
Tangible common shareholders' equity	$2,714,100	$2,195,569	$2,139,177	$2,076,943	$1,979,108
Tangible book value per common share	$6.73	$6.62	$6.45	$6.26	$5.97
Tangible common equity to tangible assets:					
Tangible common shareholders' equity	$2,714,100	$2,195,569	$2,139,177	$2,076,943	$1,979,108
Total assets	37,453,416	33,765,539	33,027,741	32,476,991	31,863,088
Less: Goodwill and other intangible assets	1,460,397	1,152,815	1,155,250	1,158,245	1,161,655
Tangible assets	$35,993,019	$32,612,724	$31,872,491	$31,318,746	$30,701,433
Tangible common equity to tangible assets	7.54%	6.73%	6.71%	6.63%	6.45%

For More Information

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