



Creating a Premier Relationship- Based Commercial Bank



September 23, 2021



Important Information and Where to Find It

In connection with the proposed acquisition (the “Transaction”) by Valley National Bancorp (“Valley”) of Bank Leumi Le-Israel Corporation (“Leumi”) and the issuance of shares of Valley common stock as consideration in the Transaction, Valley will file with the U.S. Securities and Exchange Commission (the “SEC”) a proxy statement of Valley (the “Proxy Statement”), and Valley may file with the SEC other relevant documents concerning the Transaction. When completed, the definitive Proxy Statement will be mailed to shareholders of Valley. This communication is not a substitute for the Proxy Statement or any other document that Valley may file with the SEC or send to its shareholders in connection with the Transaction.

SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT REGARDING THE TRANSACTION CAREFULLY AND IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BY VALLEY, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT VALLEY, LEUMI AND THE TRANSACTION.

Free copies of the Proxy Statement, as well as other filings containing information about Valley, may be obtained at the SEC’s website (<http://www.sec.gov>) when they are filed by Valley. You will also be able to obtain these documents, when they are filed, free of charge, from Valley at www.valley.com under the heading “Investor Relations.” Copies of the Proxy Statement can also be obtained, when it becomes available, free of charge, at Valley’s website at <http://ir.valleynationalbank.com> or by directing a request to Ronald H. Janis, Senior Executive Vice President & General Counsel, Valley National Bancorp, at 1455 Valley Road, Wayne, New Jersey 07470, telephone (973) 305-8800.

Participants in the Solicitation

Valley, Leumi and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Valley in respect of the Transaction. Information about Valley’s directors and executive officers is available in its proxy statement for its 2021 annual meeting of shareholders, which was filed with the SEC on March 8, 2021, and other documents filed by Valley with the SEC. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement and other relevant materials to be filed with the SEC when they become available. Free copies of this document may be obtained as described in the preceding paragraph.

Forward Looking Statements

The foregoing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to those regarding the Transaction and the issuance of shares of Valley common stock as consideration in the Transaction. 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, relationships, opportunities, taxation, technology and market conditions. These statements may be identified by such forward-looking terminology as “will,” “estimate,” “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. In addition to factors previously disclosed in Valley’s reports filed with the SEC and those identified elsewhere in this press release, factors that may cause actual results to differ from those contemplated by such forward-looking statements include, but are not limited to, the following: the possibility that the Transaction does not close when expected or at all because shareholder, regulatory or other approvals or other conditions to the closing of the Transaction are not received or satisfied on a timely basis or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect Valley or the expected benefits of the Transaction); the inability to realize expected cost savings and synergies from the Transaction in amounts or in the timeframe anticipated, including as a result of changes in, or problems arising from, general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which Valley and Leumi operate; changes in the estimates of non-recurring charges; the diversion of management’s attention and time from ongoing business operations and opportunities on issues relating to the Transaction; the possibility that costs or difficulties relating to Leumi integration matters might be greater than expected, including as a result of unexpected factors or events; changes in the stock price of Valley from the date of the acquisition announcement to the closing date; material adverse changes in Valley’s or Leumi’s operations or earnings; the inability to retain customers and qualified employees of Leumi; 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 U.S. economy, in particular in New Jersey, the New York Metropolitan area (including Long Island), Florida, California or the Chicago metropolitan area; an unexpected decline in commercial real estate values within Valley’s or Leumi’s market areas, reputational risk and potential adverse reactions of Valley’s or Leumi’s customers, employees or other business partners, including those resulting from the announcement or completion of the Transaction; the outcome of any legal proceedings that may be instituted against Valley or Leumi; and the impact of the global COVID-19 pandemic on Valley’s or Leumi’s businesses, the ability to complete the Transaction or any of the other foregoing risks. Further information regarding Valley and factors which could affect the forward-looking statements contained herein are set forth in Valley’s Annual Report on Form 10-K for the year ended December 31, 2020, its Quarterly Reports on Form 10-Q for the three-month periods ended March 31, 2021 and June 30, 2021, and its other filings with the SEC. Valley assumes no obligation for updating any such forward-looking statement at any time.



Compelling Transaction Aligns with Strategic Priorities and Enhances Franchise Value

- Relationship-Based Commercial Bank with a Similar Focus on Exceptional Customer Service and Credit Quality
- New Business Lines Enhance Balance Sheet and Revenue Diversity to Position Valley for Sustainable Future Growth
- Highly Attractive Commercial Deposit Base with 10bps Cost of Deposits
- Differentiated Technology / Venture Capital Business Supports Low Cost of Funds
- Significantly Additive to Valley's Existing Private Bank with \$4.1 Billion of Wealth Assets and \$1.8 Billion of Low-Cost Deposits
- Financially Compelling Transaction with 7% Fully Phased-In EPS Accretion and Minimal TBV Dilution



SLIDE 4

Overview of Leumi: A Uniquely Positioned Commercial Bank

Company Overview

- Bank Leumi USA (“Leumi”) is a relationship-focused commercial bank serving commercial customers across the U.S. for the past 60 years
- Commercial focus on Technology, diverse C&I niches, CRE, and healthcare
- Private banking focused on high net-worth individuals including the principals of commercial clients
- Strategically located in 5 attractive major metropolitan markets
- Strong funding profile with no retail branches

Comprehensive Middle Market & Private Banking Focus

Commercial Banking

Private Banking

Middle Market C&I

High Net Worth Individuals

Technology

Wealth Management

Commercial Real Estate

Secured Loans

Construction

Deposits

Healthcare






Leumi Financial Highlights (as of 6/30/2021)

Total Assets:	\$8,351mm
Gross Loans:	\$5,394mm
Total Deposits:	\$7,148mm
Loans / Deposits:	75%
Deposits / Branch:	\$1,430mm
Tier 1 Leverage Ratio:	10.5%
Net Income (MRQ, annualized):	\$87.4mm
ROAA (MRQ, annualized):	1.05%
Cost of Deposits:	0.10%
Loan Yield:	3.91%
Fee Income / Revenue:	20%



SLIDE 5

Differentiated Commercial Businesses Positioned for Growth in Attractive Markets

Market	Leumi Deposits ² (\$Bn)	PF VLY Deposits ² (\$Bn)	Key Demographic Metrics ¹			Key Business Lines
			Total Businesses (000s)	Median HH Income (\$000)	Proj. HHI Growth (2021-26) (%)	
Enhancing Current Valley Position						
Metro New York 	\$4.1	\$29.8	810.9	\$86.5	11.7%	C&I, Technology Banking, Domestic Private Banking, CRE, Construction
Florida 	\$1.4	\$8.8	271.8	\$62.6	11.4%	Int'l Private Banking, C&I, CRE
New Market Entry						
Palo Alto 	\$0.9	\$0.9	197.7	\$119.9	14.8%	Technology Banking
Los Angeles 	\$0.6	\$0.6	530.8	\$79.8	12.4%	Domestic Private Banking, C&I, CRE
Chicago 	\$0.2	\$0.2	354.4	\$76.8	11.3%	Healthcare, C&I
National Avg.			152.5³	\$67.8	9.0%	
VLY Weighted Avg.			464.5³	\$80.6	11.5%	

¹ Reflects MSA demographic statistics sourced from US Census data and accessed via SNL Financial; total businesses statistic reflects NAICS business counts by MSA ² Reflects FDIC regulatory deposit composition by MSA as released on 6/30/2021; includes The Westchester Bank deposits ³ Reflects population-weighted average number of businesses per MSA

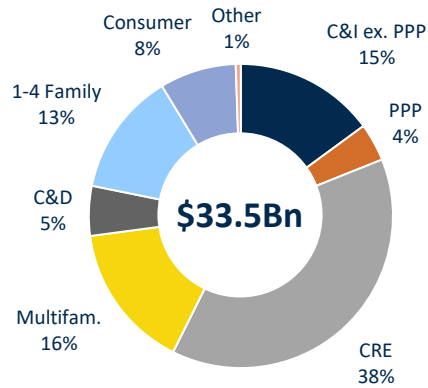


SLIDE 6

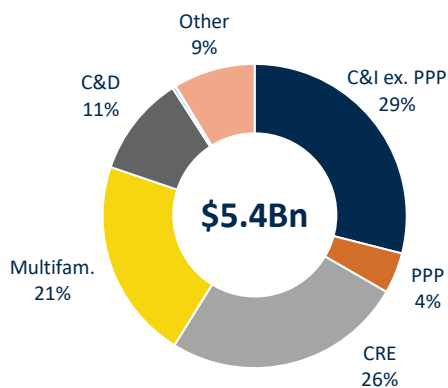
Pro Forma Loan Composition ¹

As of 2Q'2021

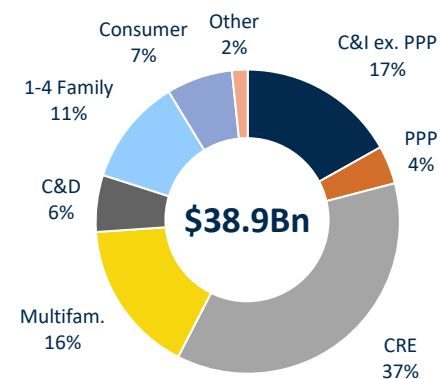
Product



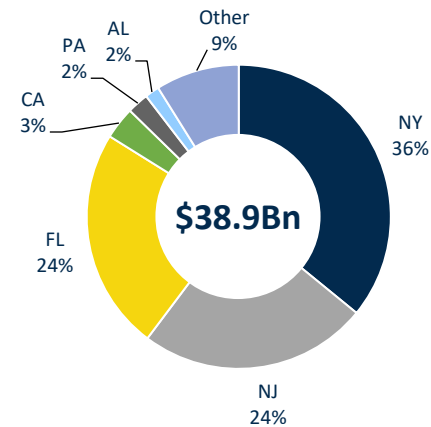
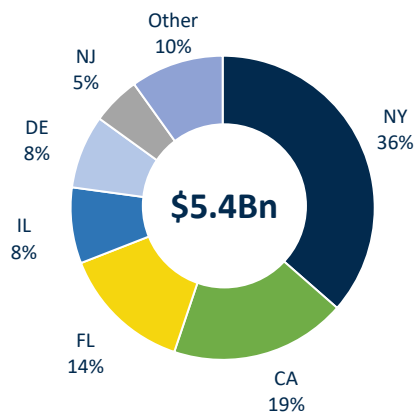
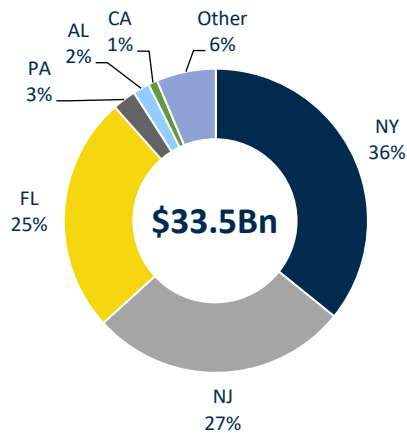
Yield on Loans: 3.86%



Yield on Loans: 3.91%



Geography



¹ Includes loans acquired in connection with Valley's proposed acquisition of The Westchester Bank anticipated to close in the 4th quarter of 2021



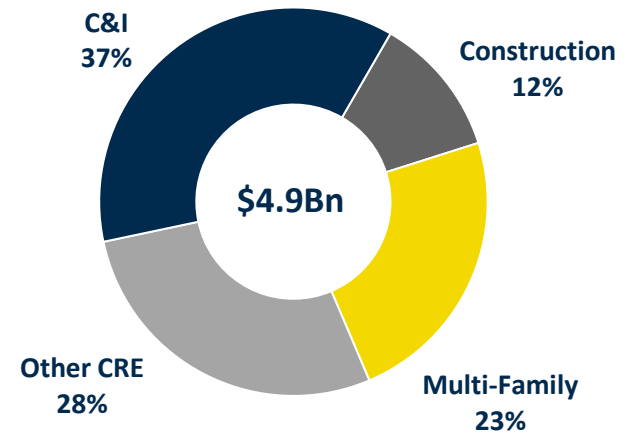
SLIDE 7

Comprehensive Commercial Banking Services

Business Overview

- Compatible Northeast lending culture focused on middle-market C&I, CRE, and healthcare in markets that are familiar to Valley
- Nationwide platform with strong product penetration and a focus on comprehensive relationship banking
- Middle market niches include wholesalers, non-bank financial institutions and manufacturers
- Significant experience leading large, sophisticated commercial real estate transactions
- Robust treasury & cash management product offerings for Leumi's sophisticated corporate customer base
- Conservative underwriting criteria and strong credit metrics
- Valley will preserve Leumi's mutually beneficial relationship with Bank Leumi Le-Israel B.M.

Leumi Commercial Loan Composition (as of 2Q21)



Treasury & Cash Management Offerings

Foreign Exchange

Working Capital Solutions

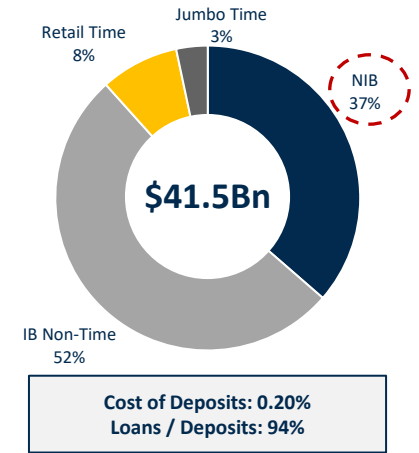
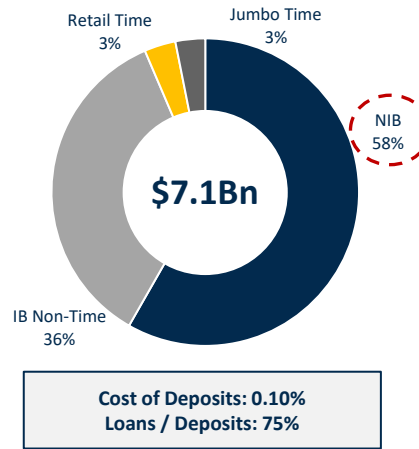
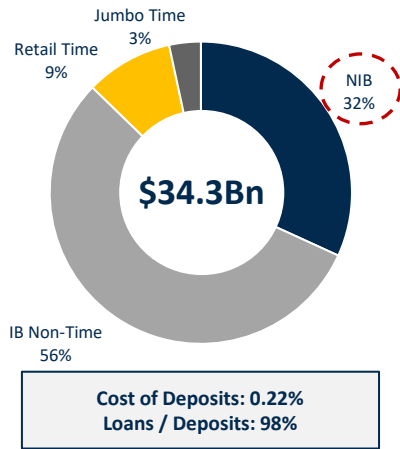
Trade Finance

Payment Options



Pro Forma Deposit Composition ¹

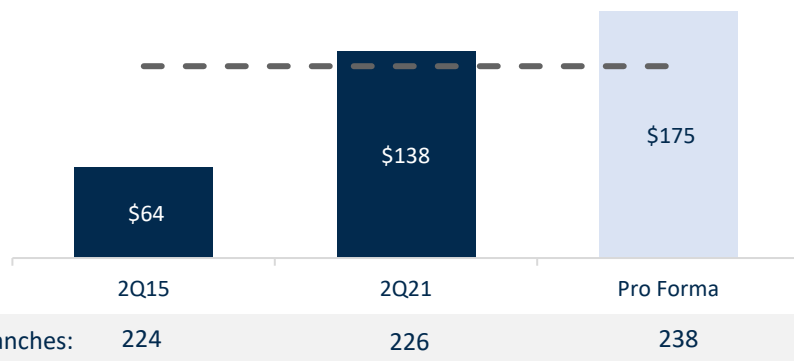
As of 2Q'2021



Deposits per Branch (\$mm)

Peer Median ³: \$136

+173%



Pro Forma Deposit Overview ²

State	Branches	Deposits (\$Bn)	% of Total
New Jersey	130	\$20.0	48%
New York	46	9.8	24%
Florida	43	8.8	21%
California	2	1.4	3%
Alabama	16	1.3	3%
Illinois	1	0.2	1%

¹ Includes loans acquired in connection with Valley's proposed acquisition of The Westchester Bank anticipated to close in the 4th quarter of 2021 ² Reflects FDIC regulatory deposit composition by MSA as released on 6/30/2021 and includes deposits acquired in connection with Valley's proposed acquisition of The Westchester Bank anticipated to close in the 4th quarter of 2021 ³ Reflects VLY proxy peers; excluding branch-lite peers



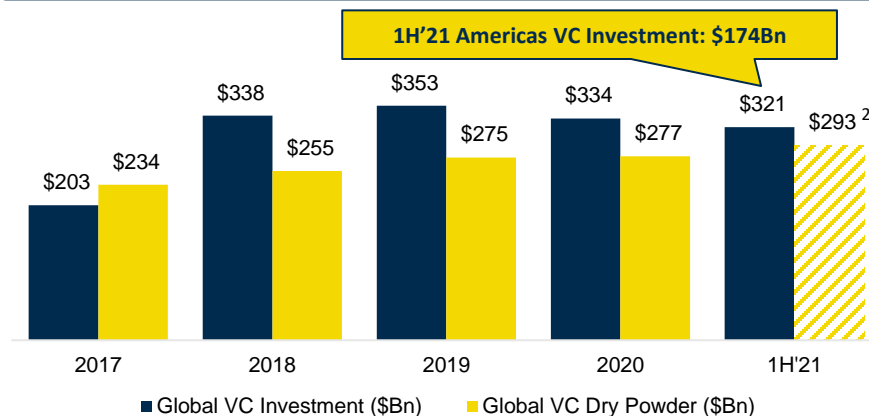
SLIDE 9

Technology Banking Provides Significant Low-Cost Funding and Unique Growth Opportunity

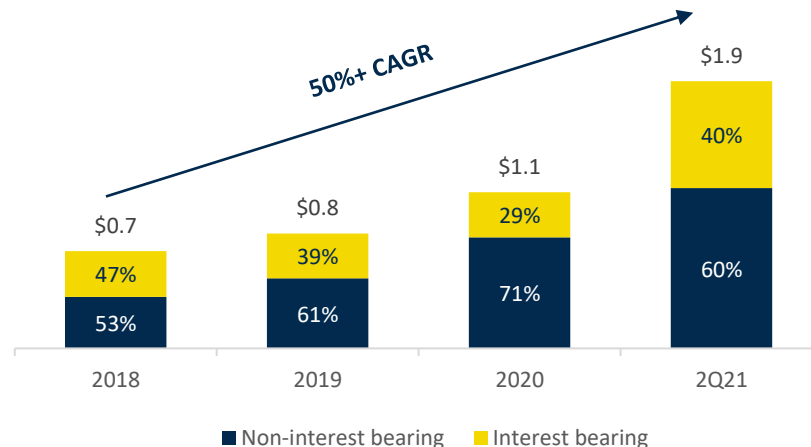
Business Overview

- Focus on low / no-cost deposit gathering
 - \$1.9 billion of 3bps-cost deposits
 - De minimis loan balances with opportunity to further expand tech-related lending
 - Fee income associated with treasury and cash management
- 20+ years of operating history with long-tenured leadership team and customer base
- Serves over 20 venture capital firms and over 500 technology companies
- Deep relationships within the Israeli venture and technology community provides embedded growth opportunity
 - ~17% market share of the U.S. based Israeli-related Technology business (~500 / 2,900 total companies) ³
- Offices are strategically located in Palo Alto and New York City with opportunities for continued growth
 - Potential to expand business into new markets

Global VC Activity ¹



Significant, Growing Deposit Base (\$bn)





SLIDE 10

Scalable Private Banking Platform Introduces Compelling Cross-Sell Opportunities

Business Overview

- Private banking tailored to domestic and international high net-worth individuals
 - Wealth management
 - Low-cost deposits
 - Conservatively underwritten loan portfolio secured by client assets
- Opportunity to further leverage the platform to new and existing Valley clients
- International Private Bank
 - High net worth clients primarily domiciled in Latin America
 - Multi-generational families with over \$1 million in investable assets
 - Personalized solutions, including FX hedging and multi-currency solutions
 - Service-oriented teams of bilingual bankers
- Ability to cross-sell wealth management and personal loan products to Valley's deposit-focused international private bank clients
- Valley and Leumi will combine best practices to ensure the continuation of proven risk management models and strong compliance track records

Leumi Private Banking Key Stats

\$29mm

Investment Management Fees in 2020

\$4.1Bn

Wealth Assets Under Management

\$1.8Bn

Low-Cost Deposits

10bps

Cost of Deposits

\$473mm

Loans (secured by client securities or insurance policies)



SLIDE 11

Key Transaction Terms

Consideration	<ul style="list-style-type: none">▪ Each share of Leumi stock exchanged for 3.8025 shares of Valley and \$5.08 in cash, subject to specified adjustments▪ Approximate stock / cash mix: 90% / 10%▪ Total consideration estimated at \$1,148 million inclusive of the value of Leumi options ¹
Key Pricing Ratios	<ul style="list-style-type: none">▪ Price / 2022E Earnings: 12.6x<ul style="list-style-type: none">– Price / 2022E Earnings with Fully-Phased Synergies: 8.3x▪ Price / Tangible Book Value: 1.30x▪ Core Deposit Premium: 3.9%
Pro Forma Ownership Terms	<ul style="list-style-type: none">▪ On a pro forma basis Leumi stockholders, including Leumi's Israeli parent, will own approximately 17% of Valley shares▪ Leumi's Israeli parent will own approximately 14% of Valley shares and will be subject to a 4-year lock-up with 25% of the shares released from lock-up on each anniversary of closing▪ Leumi will receive 2 board seats; it is currently anticipated that Leumi President & CEO Avner Mendelson will join the board as Vice Chairman
Key Transaction Assumptions	<ul style="list-style-type: none">▪ 32.5% cost synergies (75% 2022 phase-in, 100% thereafter)▪ 2.2% credit mark on Leumi gross loans (\$119 million); 55% Non-PCD / 45% PCD<ul style="list-style-type: none">– Day 2 CECL reserve of 1.0x non-PCD credit mark (additional 'double-count' of 1.2% gross loans)▪ ~\$80 million after-tax deal charge▪ 0.5% core deposit intangible▪ Revenue synergies and additional areas of growth identified but not modeled
Closing & Other	<ul style="list-style-type: none">▪ Targeted close in late 1Q22 / early 2Q22▪ Requires customary regulatory approvals and approval of Valley stockholders▪ Leumi shareholders have approved the transaction

¹Based on Valley closing price of \$12.07 as of 9/22/2021



Enhanced Scale, Profitability and Compelling Financial Impact

	VLY 2Q21	Leumi 2Q21	Pro Forma		2022E	2023E
Assets (\$Bn)	\$42.6 ¹	\$8.4	\$51.0	Strong, Growing EPS Accretion	+5%	+7%
Gross Loans (\$Bn)	\$33.5 ¹	\$5.4	\$38.9		75% Phase-In of Synergies	Fully-Realized Synergies
Deposits (\$Bn)	\$34.3 ¹	\$7.1	\$41.5	Minimal TBV Dilution and Short Earnback	~1% Dilutive to TBV	~1 Year Earnback
Branches	233 ¹	5	238			
Efficiency Ratio	47%	63%	~45% ²			
ROAA	1.17%	1.05%	1.3%+ ²	Attractive Returns	20%+ IRR	15%+ ROIC
CET1 Ratio	10.1%	14.2%	10.8% ²			

¹ Pro forma for Valley's proposed acquisition of The Westchester Bank anticipated to close in the 4th quarter of 2021 ² Reflects pro forma 2023E profitability metrics; Tier 1 shown as estimated at 1Q22 transaction close



Summary

- Relationship-Focused Commercial Bank with a Similar Focus on Exceptional Customer Service and Credit Quality
- Unique Commercial Businesses Enhance Balance Sheet and Revenue Diversity to Position Valley for Sustainable Future Growth
- Forward-Thinking Branch Lite Model and Attractive Funding Base
- Technology / Venture Capital Deposit Niche Supports Low Cost of Funds
- Opportunity to Leverage Private Banking Platform to New and Existing Valley Clients



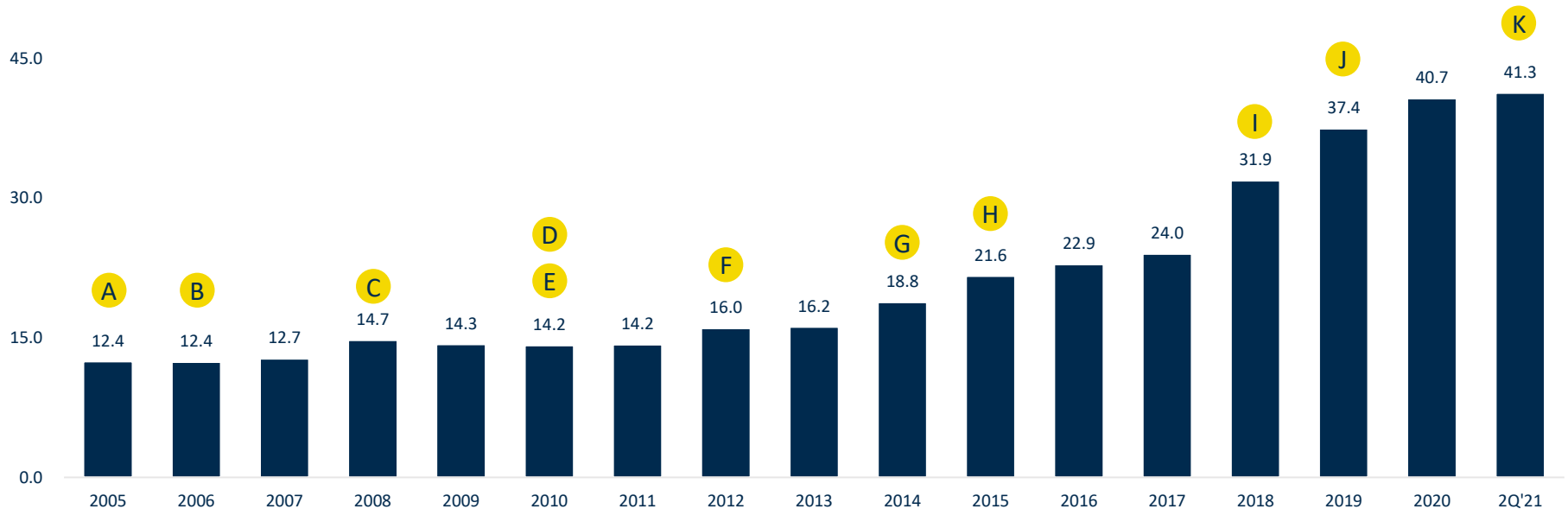
Appendix



Proven Track Record of Successful M&A¹

2005 – 2Q 2021, Total Assets (\$Bn)

- A**
March 2005:
 Acquisition of Shrewsbury Bancorp – \$136mm deal value
- B**
June 2006:
 Acquisition of NorCrown Bank – \$141mm deal value
- C**
July 2008:
 Acquisition of Greater Community Bank – \$141mm deal value
- D**
March 2010:
 Acquisition of LibertyPointe Bank (FDIC)
- E**
March 2010:
 Acquisition of The Park Avenue Bank (FDIC)
- F**
January 2012:
 Acquisition of State Bank of Long Island – \$210mm deal value
- G**
October 2014:
 Acquisition of 1st United Bank – \$314mm deal value
- H**
December 2015:
 Acquisition of CNL Bank – \$224mm deal value
- I**
January 2018:
 Acquisition of USAmeriBancorp – \$769mm deal value
- J**
December 2019:
 Acquisition of Oritani Financial – \$835mm deal value
- K**
4Q 2021:
Anticipated acquisition of The Westchester Bank – \$220mm deal value



¹ Deal values represent transaction value at completion date; total assets shown as of period-end



SLIDE 16

Due Diligence Process

Diligence Process Reinforced Strategic Rationale and Confirmed Cultural Alignment

Credit Diligence

- **Review performed by a team of ~30 seasoned Valley credit reviewers**
 - Credit Risk Management
 - Loan Review
 - CRE
 - C&I
- **Documented individual commercial loan reviews assessing:**
 - Performance
 - Strength of guarantee
 - Collateral
 - Financial condition
 - Probability of Default
 - Loss Given Default
- **Reviewed over 75% of balances, including:**
 - Review of COVID-impacted portfolios
 - Over 90% of criticized portfolio
 - Substantially all loans over \$3 million of balances

Business Diligence

- **Business and legal due diligence comprising document review and management meetings**
- **Engaged an outside consultant to review Leumi's private banking business with a focus on BSA / AML and broker dealer compliance**
- **Legal review supplemented by external counsel**
- **Departments participating in the due diligence review:**
 - Finance / Accounting
 - AML/BSA
 - Audit
 - CRA
 - Credit Risk
 - Deposit Operations
 - Human Capital
 - Information Security
 - Legal
 - Loan Operations
 - Loan Servicing
 - Operations Risk
 - Property Management
 - Regulatory Compliance
 - Retail Banking
 - Treasury
 - Technology
 - Loan Review
 - Risk Management
 - Fraud Investigation & Security