

# Appendix A

## Non-GAAP Financial Information

The tables below reconcile certain non-GAAP financial measures determined by methods other than U.S. generally accepted accounting principles ("GAAP"). The Company believes that these non-GAAP financial measures provide useful supplemental information to both management and investors in understanding Valley's underlying operational performance, business, and performance trends, and may facilitate comparisons of our current and prior performance with the performance of others in the financial services industry. Management utilizes these measures for internal planning, forecasting and analysis purposes. Management believes that Valley's presentation and discussion of this supplemental information, together with the accompanying reconciliations to the GAAP financial measures, also allows investors to view performance in a manner similar to management. These non-GAAP financial measures should not be considered in isolation, as a substitute for or superior to financial measures calculated in accordance with U.S. GAAP. These non-GAAP financial measures may also be calculated differently from similar measures disclosed by other companies.

Tangible book value per common share is computed by dividing shareholders' equity less preferred stock, goodwill and other intangible assets by common shares outstanding as of December 31, 2023, 2022, 2021, 2020, 2019, and 2018, as follows:

(\$ in thousands, except for per share data)	As of December 31,					
	2023	2022	2021	2020	2019	2018
<b>Tangible book value per common share (non-GAAP)</b>						
Common shares outstanding	507,709,927	506,374,478	421,437,068	403,858,998	403,278,390	331,431,217
Shareholders' equity (GAAP)	\$ 6,701,391	\$ 6,400,802	\$ 5,084,066	\$ 4,592,120	\$ 4,384,188	\$ 3,350,454
Less: Preferred stock	209,691	209,691	209,691	209,691	209,691	209,691
Less: Goodwill and other intangible assets	2,029,267	2,066,392	1,529,394	1,452,891	1,460,397	1,161,655
Tangible common shareholders' equity (Non-GAAP)	\$ 4,462,433	\$ 4,124,719	\$ 3,344,981	\$ 2,929,538	\$ 2,714,100	\$ 1,979,108
Tangible book value per common share (Non-GAAP)	\$ 8.79	\$ 8.15	\$ 7.94	\$ 7.25	\$ 6.73	\$ 5.97

The ratio of tangible common equity to tangible assets was calculated as follows as of December 31, 2023 and 2022:

(\$ in thousands)	As of December 31,	
	2023	2022
<b>Tangible common equity to tangible assets (non-GAAP):</b>		
Tangible common shareholders' equity (non-GAAP)	\$ 4,462,443	\$ 4,124,719
Total assets (GAAP)	\$60,934,974	\$57,462,749
Less: Goodwill and other intangible assets	2,029,267	2,066,392
Tangible assets (non-GAAP)	\$58,905,707	\$55,396,357
Tangible common equity to tangible assets (non-GAAP)	7.58%	7.45%

Core net income available to common shareholders is net income available to common shareholders adjusted for non-core items that the Company believes are not indicative of its core operating performance and was computed as follows for the years ended December 31, 2023 and 2022:

(in thousands)	For the years ended December 31,	
	2023	2022
<b>Core net income available to common shareholders (non-GAAP):</b>		
Net income, as reported (GAAP)	\$498,511	\$568,851
Non-GAAP adjustments:		
Add: FDIC special assessment <sup>(1)</sup>	50,297	—
Add: Restructuring charge <sup>(2)</sup>	9,969	—
Add: Provision for credit losses for available for sale securities <sup>(3)</sup>	5,000	—
Add: Non-PCD provision for credit losses <sup>(4)</sup>	—	41,012
Add: Merger related expenses <sup>(5)</sup>	14,133	71,203
Add: Litigation reserve <sup>(6)</sup>	3,540	—
Less: Net gains on sales of office buildings <sup>(7)</sup>	(6,721)	—
Less: Gains on available for sale and held to maturity debt securities, net <sup>(8)</sup>	(401)	(95)
Total non-GAAP adjustments to net income	\$ 75,817	\$112,120
Income tax adjustments related to non-GAAP adjustments <sup>(9)</sup>	(20,057)	(30,519)
Net income, as adjusted (non-GAAP)	\$554,271	\$650,452
Dividends on preferred stock	16,135	13,146
Core net income available to common shareholders, as adjusted (non-GAAP)	\$538,136	\$637,306

(1) Included in the FDIC insurance expense.

(2) Represents severance expense related to workforce reductions within salary and employee benefits expense.

(3) Included in provision for credit losses for available for sale and held to maturity securities (tax disallowed).

(4) Represents provision for credit losses for non-PCD assets and unfunded credit commitments acquired during the period.

(5) Primarily represents data processing termination costs within technology, furniture, and equipment expense for 2023. Merger related expenses were primarily salary and employee benefits expense for 2022.

(6) Represents legal reserves and settlement charges included in professional and legal fees.

(7) Included in gains on sale of assets, net within non-interest income.

(8) Included in gains (losses) on securities transactions, net.

(9) Calculated using the appropriate blended statutory tax rate for the applicable period. Certain merger related expenses are non-deductible for tax purposes.

Adjusted annualized return on average assets for the years ended December 31, 2023 and 2022 is computed by dividing adjusted net income by average assets, as follows:

(\$ in thousands)	For the years ended December 31,	
	2023	2022
<b>Adjusted annualized return on average assets (non-GAAP):</b>		
Net income, as adjusted (non-GAAP)	\$ 554,271	\$ 650,452
Average assets (GAAP)	\$61,065,897	\$52,182,310
Annualized return on average assets, as adjusted (non-GAAP)	0.91%	1.25%
Annualized return on average assets (GAAP)	0.82%	1.09%

The following table presents our efficiency ratio for the years ended December 31, 2023, 2022 and 2021:

(\$ in thousands)	For the years ended December 31,		
	2023	2022	2021
<b>Efficiency ratio (non-GAAP):</b>			
Total non-interest expense, as reported (GAAP)	\$1,162,691	\$1,024,949	\$ 691,542
Less: Loss on extinguishment of debt	—	—	8,406
Less: FDIC special assessment <sup>(1)</sup>	50,297	—	—
Less: Restructuring charge <sup>(2)</sup>	9,969	—	—
Less: Merger related expenses <sup>(3)</sup>	14,133	72,203	8,900
Less: Litigation reserve <sup>(4)</sup>	3,540	—	2,100
Less: Amortization of tax credit investments	18,009	12,407	10,910
Total non-interest expense, as adjusted (non-GAAP)	1,066,743	941,339	661,226
Net interest income, as reported (GAAP)	1,655,478	1,655,640	1,209,901
Total non-interest income, as reported (GAAP)	225,729	206,793	155,013
Less: Net gains on sales of office buildings <sup>(5)</sup>	(6,721)	—	—
Less: Gains on available for sale and held to maturity debt securities transactions, net (pre-tax) <sup>(6)</sup>	(401)	(95)	(545)
Total net interest income and non-interest income, as adjusted (non-GAAP)	\$ 218,607	\$ 206,698	\$ 154,468
Gross operating income, as adjusted (non-GAAP)	\$1,884,085	\$1,862,338	\$1,364,369
Efficiency ratio (non-GAAP)	56.62%	50.55%	48.46%

(1) Included in the FDIC insurance expense.

(2) Represents severance expense related to workforce reductions within salary and employee benefits expense.

(3) Included primarily within salary and employee benefits expense, technology, furniture and equipment expense, professional and legal fees, and other expense.

(4) Included in professional and legal fees.

(5) Included in gains (losses) on sales of assets, net.

(6) Included in gains (losses) on securities transactions, net