1Q 2018 Earnings Presentation

Valley National Bank®

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: 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 risk that the businesses of Valley and USAB may not be combined successfully, or such combination may take longer or be more difficult, time-consuming or costly to accomplish than expected; the diversion of management's time on issues relating to merger integration; the inability to realize expected cost savings and synergies from the merger of USAB with Valley in the amounts or in the timeframe anticipated; the inability to retain USAB’s customers and employees; less than expected cost reductions and revenue enhancement from Valley's cost reduction plans including its earnings enhancement program called "LIFT"; higher or lower than expected income tax expense or tax rates, including increases or decreases resulting from the impact of the Tax Act and other changes in tax laws, regulations and case law; damage verdicts or settlements or restrictions related to existing or potential litigations arising from claims of breach of fiduciary responsibility, negligence, fraud, contractual claims, environmental laws, patent or trade mark infringement, employment related claims, and other matters; the loss of or decrease in lower-cost funding sources within our deposit base may adversely impact our net interest income and net income; 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, require us to reimburse customers, change the way we do business, or limit or eliminate certain other banking activities; changes in accounting policies or accounting standards, including the new authoritative accounting guidance (known as the current expected credit loss (CECL) model) which may increase the required level of our allowance for credit losses after adoption on January 1, 2020; our inability or determination not to pay dividends at current levels, or at all, because of inadequate future earnings, regulatory restrictions or limitations, changes in our capital requirements or a decision to increase capital by retaining more earnings; higher than expected loan losses within one or more segments of our loan portfolio; 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, 2017. 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.

1Q18 Highlights

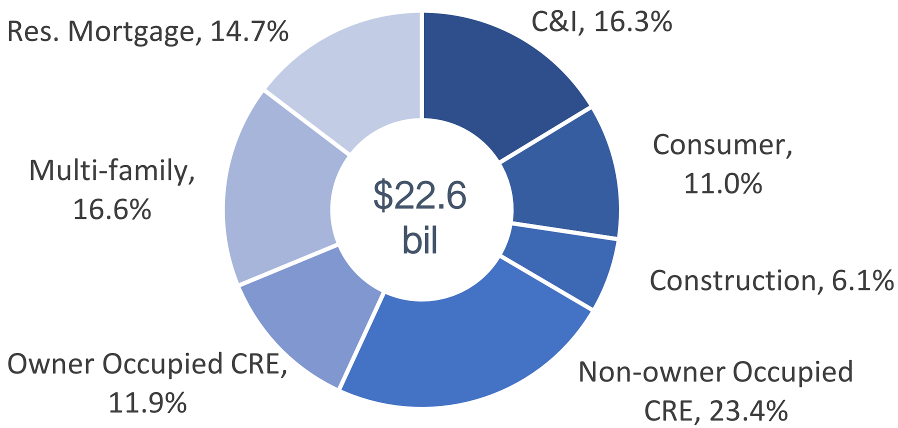
	Reported 1Q18	Reported 4Q17	Reported 1Q17	Adjusted[1] 1Q18	Adjusted[1] 4Q17	Adjusted[1] 1Q17
Return on Average Assets	0.57%	0.44%	0.80%	0.84%	0.77%	0.80%
Efficiency Ratio	72.44%	68.30%	64.48%	60.29%	57.44%	61.64%
Diluted Earnings Per Share	$0.12	$0.09	$0.17	$0.18	$0.16	$0.17

- Completed acquisition of USAmeriBank on January 1, 2018
- Organic annualized Q/Q loan growth of 9.0%
- Organic annualized Q/Q deposit growth of 5.8%

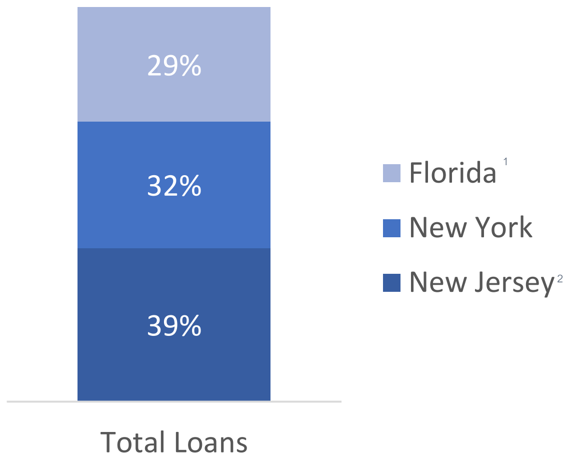
[1]Please refer to the Non-GAAP Disclosure Reconciliation on pages 11 & 12

Loans & Loan Growth

Loan Portfolio by Product (1Q18)



Loan Portfolio by Regional Operations



New loan yield and originations ($ bil)

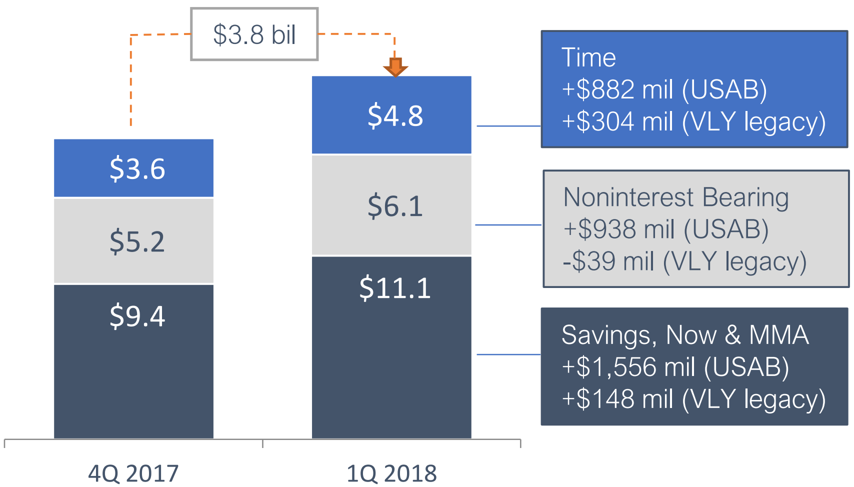
Strong Performance and Outlook

- 1Q18 annualized quarterly organic loan growth of 9.0%
- We continue to maintain 7-9% loan growth target for 2018 (net of portfolio sales)

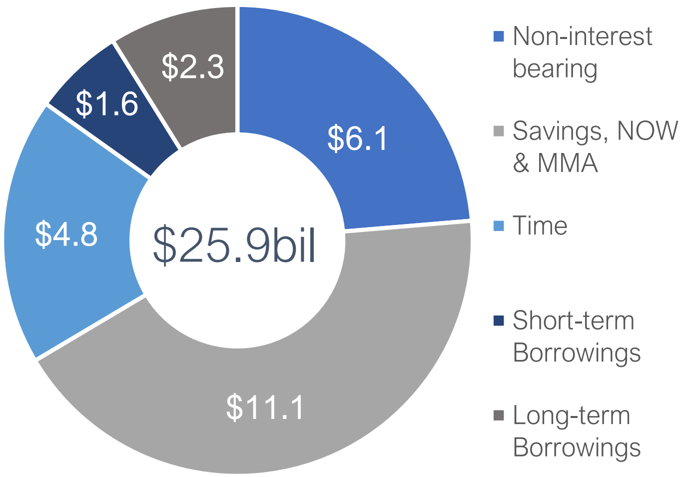
[1]includes loans in Alabama. [2] includes out of state loans made primarily to NJ based customers

Deposits & Funding

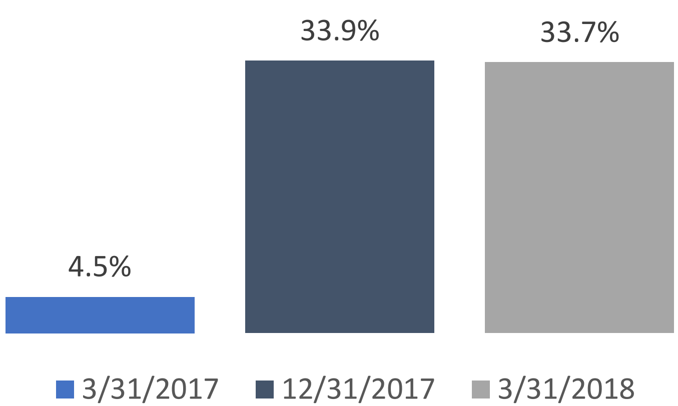
Deposit Growth[1] ($ in billions)



Funding Composition 3/31/18



Trailing 12 Month Average Deposit Beta[2]



Funding Expectations for 2018

- Anticipation of higher deposit betas;
  - Better than expected loan growth could further our need to fund with potentially higher cost deposits
  - Market competition increasing

[1]Growth rates represent the quarter over quarter change, annualized (Q/Qa); [2]Represents the trailing 12-month change in the monthly average rate for Valley average deposits as a percentage of the change in the monthly average effective federal funds rate.

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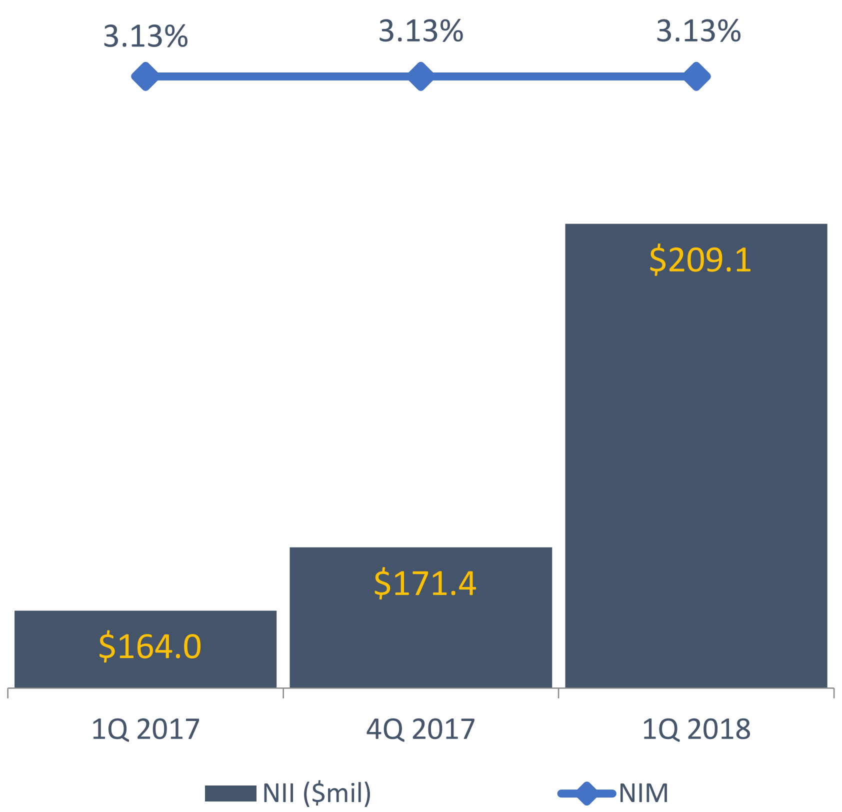
Net Interest Income & NIM

Net Interest Margin – Stable Trend



Both metrics are represented as FTE

- Removal of swap fee income from NIM should reduce volatility going forward (prior periods reflect reclassification)
- Swap fee income would have accounted for additional 5 bps of NIM in 1Q2018.
- Timing transfer of USAB FHLB borrowings to FHLBNY (from FHLB Atlanta) negatively impacted NIM by 1bp
- Faster than expected prepays & paydowns accounted for annualized 5 bps of loan yield headwind in 1Q18

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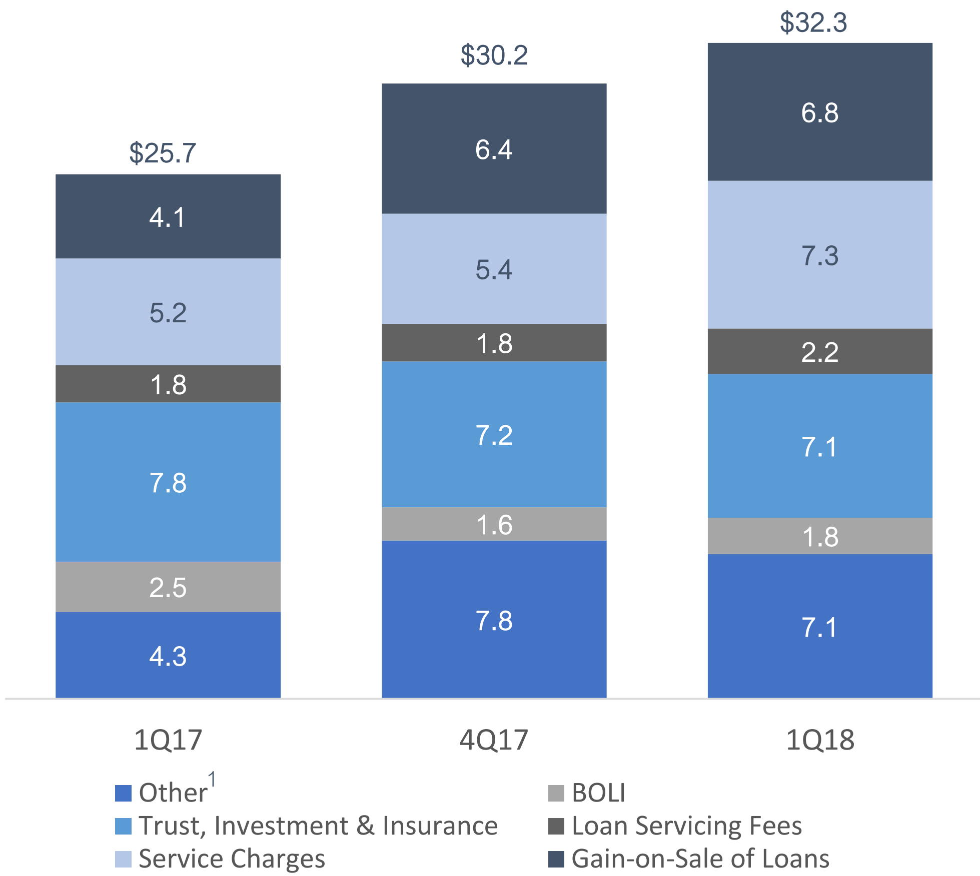
Non-Interest Income

Fee Income Trend ($mil)

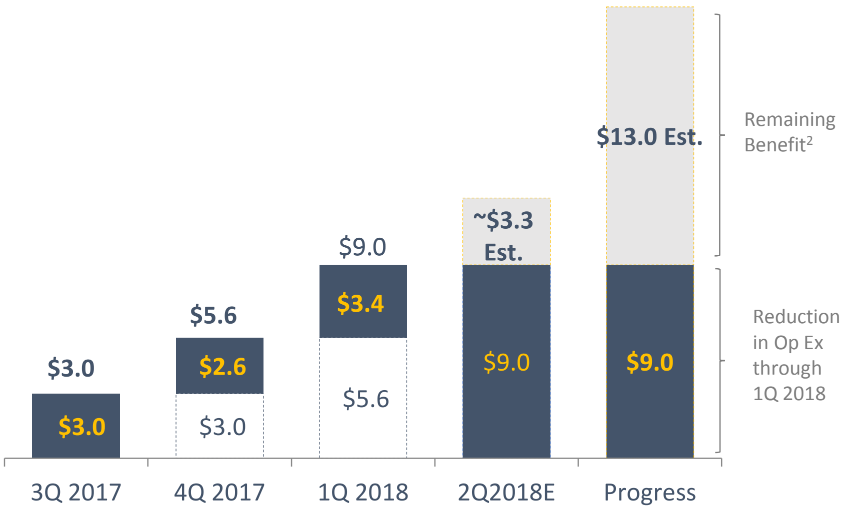


- Delivering consistent growth and diversification of noninterest income, aided by USAB acquisition in 1Q18
- The transfer of swap fee income added an additional $3.3 million to fees for the first quarter of 2018 (prior periods reflect swap income)
- We believe we are on target to originate > $1.5 billion in residential mortgage purchase loans in 2018

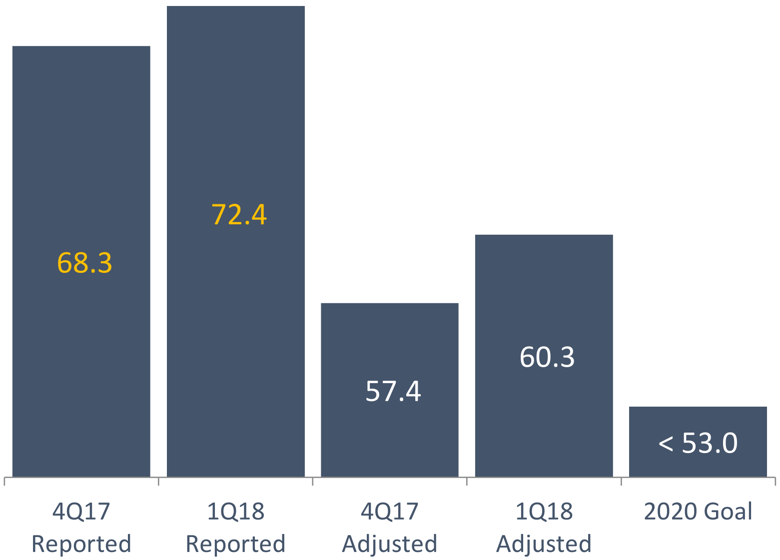
[1]Other Income includes income from swap fees, credit card fees, net gains/(losses) from sales of assets and securities, FDIC loss-share income/expense (change in FDIC receivable) and other additional sources.

Non-Interest Expense

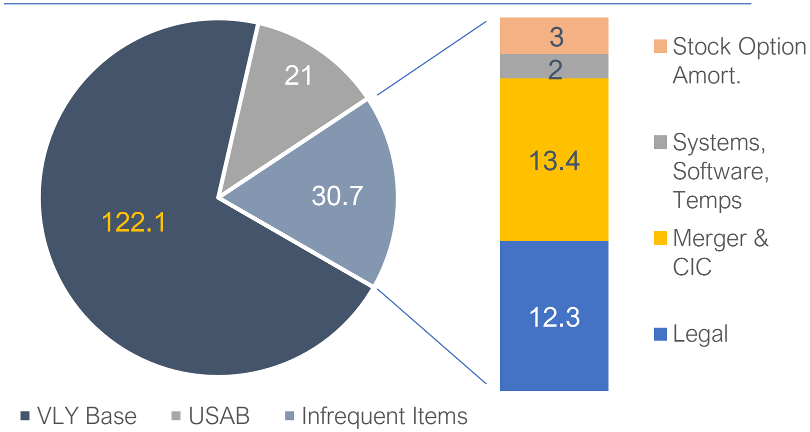
Project LIFT Status & Timing[1] ($ in millions)



Efficiency Ratio (%)[3]



1Q18 Expense Breakdown ($, in millions)



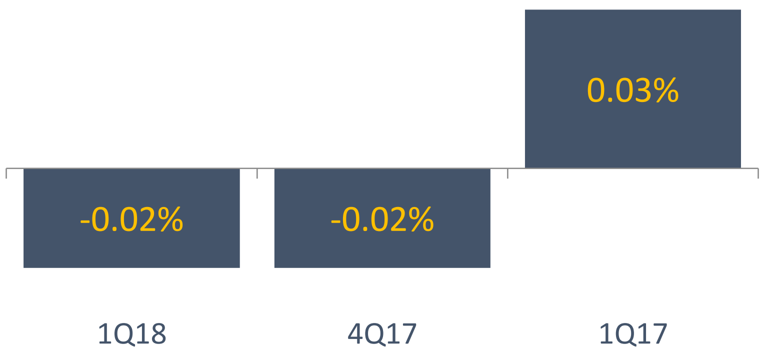
Near-term Operating Expense Outlook

- Expect to see partial cost saves from USAB integration in 2Q18;
  - approximately 30% of one full-quarter run-rate
- First full-quarter cost saves should occur in 3Q18

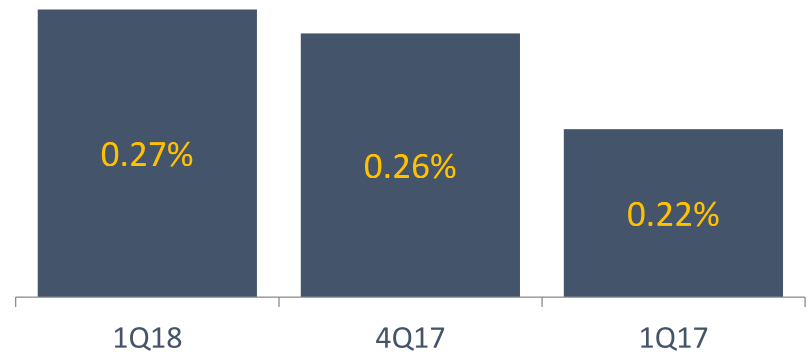
[1]Figures are on a pre-tax basis; [2]Represents the estimated remaining benefit for the program at March 31, 2018; [3]Refer to the appendix regarding the calculation for non-GAAP financial measures.

Asset Quality

NCOs/Avg. Loans[1]



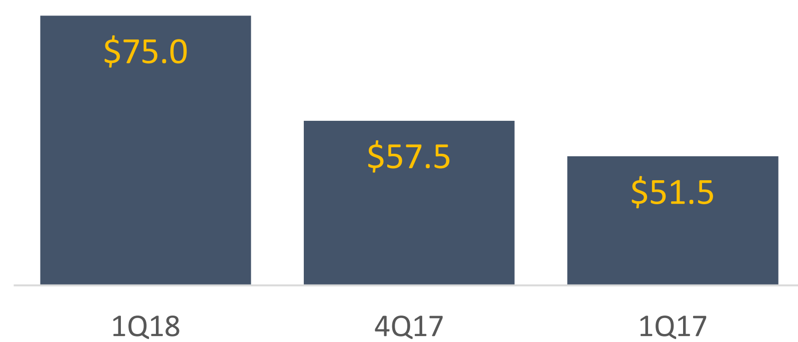
Nonaccruals/Loans[2]



Taxi Medallion Update

Taxi Medallion	3/31/18	12/31/17
Related Reserves as a % of Total Exposure	15.7%	7.7%
Total Exposure	$136 mil	$137 mil
Medallions as a % of Total Loans	0.60%	0.75%

Total Nonperforming Assets ($mil)



[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 as the period indicated.

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Outlook

(Estimates for 2018)

Full-year loan growth	• 7-9%, net of loan sales
2Q18 Net Interest Margin	• 3.13% (+/- 2 bps) *no longer includes swap related income*
Full-year Adjusted Operating Expense	• $550 million (+/- 1%) - Inclusive of USAB operating expenses (excludes merger related charges and infrequent expenses)
Branch Transformation Update	• Provide phase 1 details during 2Q18 earnings release

Non-GAAP Disclosure Reconciliations

($ in thousands, except for share data)	Three Months Ended March 31, 2018	December 31, 2017	March 31, 2017
Adjusted net income available to common shareholders:			
Net income, as reported	$41,965	$26,098	$46,095
Add: Losses on securities transactions (net of tax)	446	15	13
Add: Legal expenses (litigation reserve impact only, net of tax)	7,520	—	—
Add: Merger related expenses (net of tax)*	9,575	1,073	—
Add: Amortization of tax credit investments (Tax Act impact only, net of tax)	—	3,136	—
Add: Income Tax Expense (USAB charge and Tax Act impacts only)	2,000	15,441	—
Net income, as adjusted	$61,506	$45,763	$46,108
Dividends on preferred stock	3,172	3,172	1,797
Net income available to common shareholders, as adjusted	$58,334	$42,591	$44,311

* Merger related expenses are primarily within salary and employee benefits and professional and legal fees.

Adjusted per common share data:			
Net income available to common shareholders, as adjusted	$58,334	$42,591	$44,311
Average number of shares outstanding	330,727,416	264,332,895	263,797,024
Basic earnings, as adjusted	$0.18	$0.16	$0.17
Average number of diluted shares outstanding	332,465,527	265,288,067	264,546,266
Diluted earnings, as adjusted	$0.18	$0.16	$0.17
Adjusted annualized return on average tangible shareholders' equity:			
Net income, as adjusted	$61,506	$45,763	$46,108
Average shareholders' equity	3,289,815	2,562,326	2,399,159
Less: Average goodwill and other intangible assets	(1,164,230)	(732,604)	(736,178)
Average tangible shareholders' equity	$2,125,585	$1,829,722	$1,662,981
Annualized return on average tangible shareholders' equity	11.57%	10.00%	11.09%
Adjusted annualized return on average assets:			
Net income, as adjusted	$61,506	$45,763	$46,108
Average assets	$29,291,703	$23,907,011	$22,996,286
Annualized return on average assets, as adjusted	0.84%	0.77%	0.80%
Adjusted annualized return on average shareholders' equity:			
Net income, as adjusted	$61,506	$45,763	$46,108
Average shareholders' equity	$3,289,815	$2,562,326	$2,399,159
Annualized return on average shareholders' equity, as adjusted	7.48%	7.14%	7.69%

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Non-GAAP Disclosure Reconciliations

($ in thousands)	Three Months Ended March 31, 2018	December 31, 2017	March 31, 2017
Annualized return on average tangible shareholders' equity:			
Net income, as reported	$41,965	$26,098	$46,095
Average shareholders' equity	3,289,815	2,562,326	2,399,159
Less: Average goodwill and other intangible assets	(1,164,230)	(732,604)	(736,178)
Average tangible shareholders' equity	$2,125,585	$1,829,722	$1,662,981
Annualized return on average tangible shareholders' equity, as adjusted	7.90%	5.71%	11.09%
Adjusted efficiency ratio:			
Non-interest expense	$173,752	$136,317	$120,952
Less: Legal expenses (litigation reserve impact only, pre-tax)	10,500	—	—
Less: Merger-related expenses (pre-tax)	13,369	1,378	—
Less: Amortization of tax credit investments (pre-tax)	5,274	20,302	5,324
Non-interest expense, as adjusted	$144,609	$114,637	$115,628
Net interest income	207,598	169,414	161,868
Non-interest income	32,251	30,159	25,720
Gross operating income	$239,849	$199,573	$187,588
Efficiency ratio, as adjusted	60.29%	57.44%	61.64%

($ in thousands, except for share data)	March 31, 2018	December 31, 2017	As of September 30, 2017	June 30, 2017	March 31, 2017
Tangible book value per common share:					
Common shares outstanding	331,189,859	264,468,851	264,197,172	263,971,766	263,842,268
Shareholders' equity	$3,245,003	$2,533,165	$2,537,984	$2,423,901	$2,398,541
Less: Preferred stock	(209,691)	(209,691)	(209,691)	(111,590)	(111,590)
Less: Goodwill and other intangible assets	(1,165,379)	(733,144)	(733,498)	(734,337)	(735,595)
Tangible common shareholders' equity	$1,869,933	$1,590,330	$1,594,795	$1,577,974	$1,551,356
Tangible book value per common share	$5.65	$6.01	$6.04	$5.98	$5.88
Tangible common equity to tangible assets:					
Tangible common shareholders' equity	$1,869,933	$1,590,330	$1,594,795	$1,577,974	$1,551,356
Total assets	29,464,357	24,002,306	23,780,661	23,449,350	23,220,456
Less: Goodwill and other intangible assets	(1,165,379)	(733,144)	(733,498)	(734,337)	(735,595)
Tangible assets	$28,298,978	$23,269,162	$23,047,163	$22,715,013	$22,484,861
Tangible common equity to tangible assets	6.61%	6.83%	6.92%	6.95%	6.90%

For More Information

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