



# Investor Presentation



# 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: a severe decline in the general economic conditions of New Jersey and the New York Metropolitan area; larger than expected reductions in our loans originated for sale or a slowdown in new and refinanced residential mortgage loan activity; unexpected changes in market interest rates for interest earning assets and/or interest bearing liabilities; government intervention in the U.S. financial system and the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve; claims and litigation pertaining to fiduciary responsibility, contractual issues, environmental laws and other matters; our inability to pay dividends at current levels, or at all, because of inadequate future earnings, regulatory restrictions or limitations, and changes in the composition of qualifying regulatory capital and minimum capital requirements (including those resulting from the U.S. implementation of Basel III requirements); higher than expected increases in our allowance for loan losses; declines in value in our investment portfolio, including additional other-than-temporary impairment charges on our investment securities; unexpected significant declines in the loan portfolio due to the lack of economic expansion, increased competition, large prepayments or other factors; unanticipated credit deterioration in 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; higher than expected tax rates, including increases resulting from changes in tax laws, regulations and case law; an unexpected decline in real estate values within our market areas; higher than expected FDIC insurance assessments; the failure of other financial institutions with whom we have trading, clearing, counterparty and other financial relationships; lack of liquidity to fund our various cash obligations; unanticipated reduction in our deposit base; potential acquisitions that may disrupt our business; legislative and regulatory actions (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations) subject us to additional regulatory oversight which may result in higher compliance costs and/or require us to change our business model; changes in accounting policies or accounting standards; our inability to promptly adapt to technological changes; our internal controls and procedures may not be adequate to prevent losses; the inability to realize expected revenue synergies from recent acquisitions in the amounts or in the timeframe anticipated; inability to retain customers and employees; lower than expected cash flows from purchased credit-impaired loans; 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; and other unexpected material adverse changes in our operations or earnings.

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, 2012.

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.

# Valley National Bancorp

## Our Approach

 Large Regional Bank that Operates and Feels Like a Small Closely Held Company

- Focus on credit quality
- Conservative growth strategies
- Never had a losing quarter
- Affluent and heavily populated footprint
- Strong customer service
- Experienced senior and executive management
- Large percentage of retail ownership
  - Long-term investment approach
  - Focus on cash and stock dividends
- Large insider ownership, family members, retired employees and retired directors
- Approximately 298 institutional holders or 47% of all shares held\*

\*Source: Bloomberg as of 2/3/2014

# Valley National Bancorp

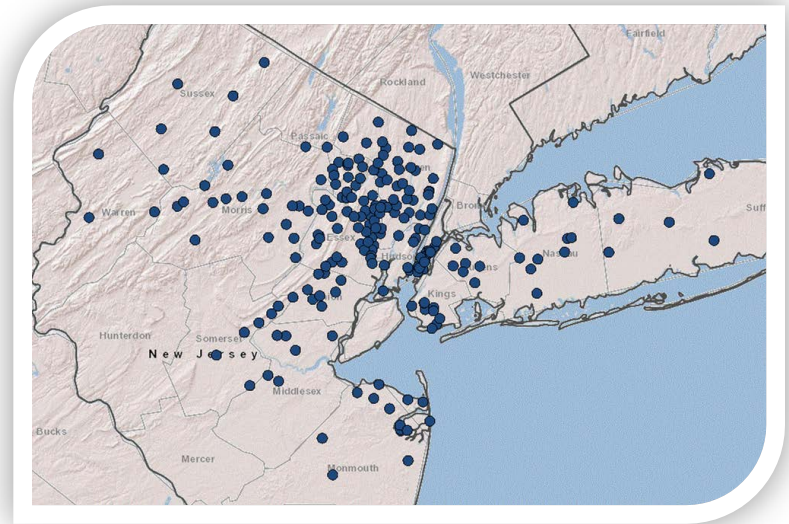
## Corporate Profile

- Traded on the NYSE (VLY)
- Regional Bank Holding Company
- Headquartered in Wayne, NJ
- 204 Branches
  - Northern NJ
  - Central NJ
  - Manhattan
  - Brooklyn
  - Queens
  - Long Island

### As of 12/31/2013

|                 |                |
|-----------------|----------------|
| Total Assets    | \$16.2 billion |
| Total Net Loans | \$11.5 billion |
| Total Deposits  | \$11.3 billion |
| Market Cap      | \$1.9 billion* |

\*Source: Bloomberg as of 2/3/2014



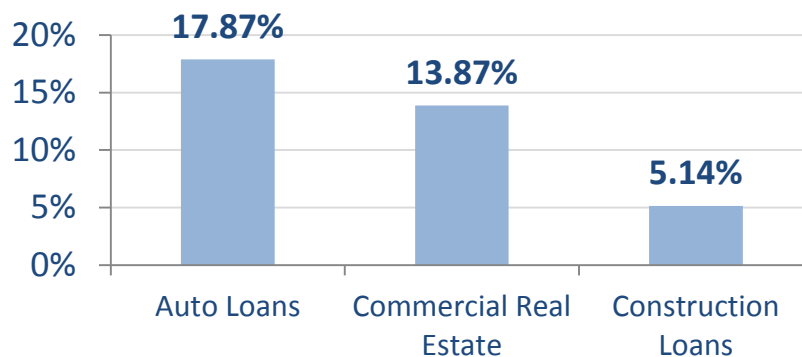
# Valley's 4Q 2013 Highlights

## Dashboard

### 4Q Highlights

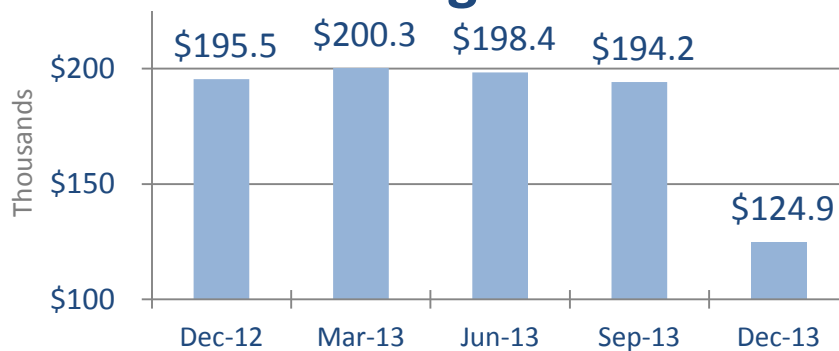
- 4Q 2013 net income of \$39.6 million or \$0.20 per diluted common share as compared with 4Q 2012 net income of \$36.8 million or \$0.19 per diluted common share
- Tangible Book Value linked quarter increase of \$0.11 to \$5.39
- Total non-covered loans increased \$195.8 million or 7.0% on an annualized basis
- 4Q NIM linked quarter increased of 7 bps to 3.27%
- Terminated a branch operating lease related to a building sale-leaseback transaction resulting in a \$11.3 million realized pre-tax gain (\$0.03 per share)
- Non-performing assets decreased by 36% to \$124.9 million
  - \$21.0 million decrease in non-accrual loans
  - \$48.6 million decrease due to the sale of non-accrual debt securities

### Linked Quarter Loan Growth\*



\*Non-Covered Loans, annualized

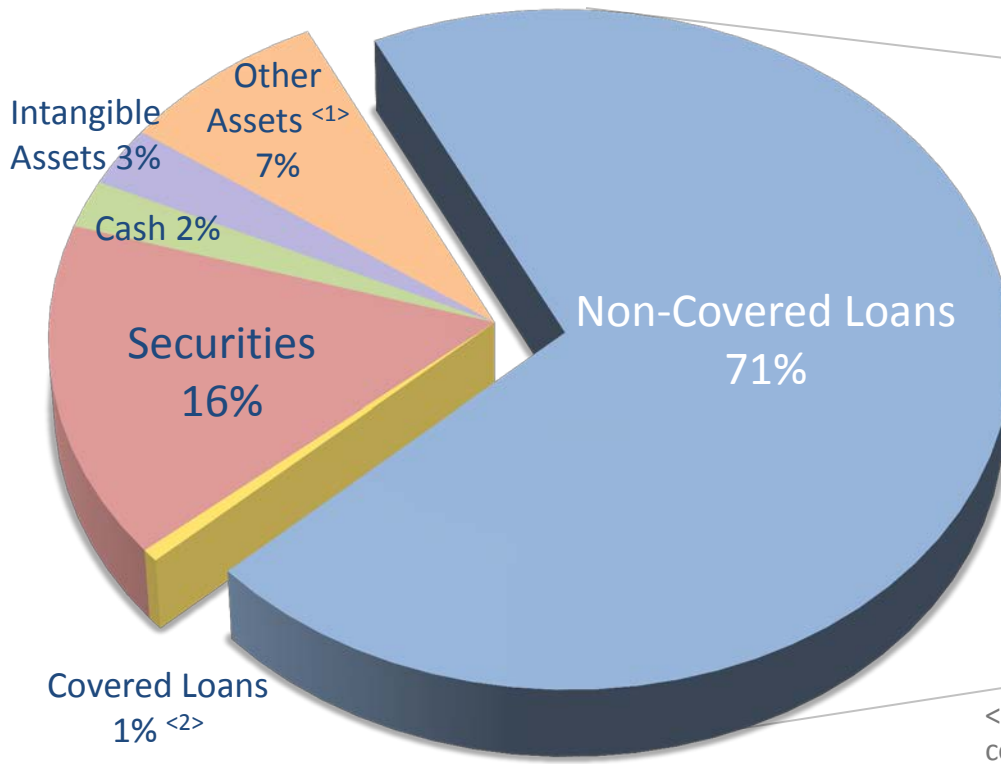
### Non-Performing Assets\*\*



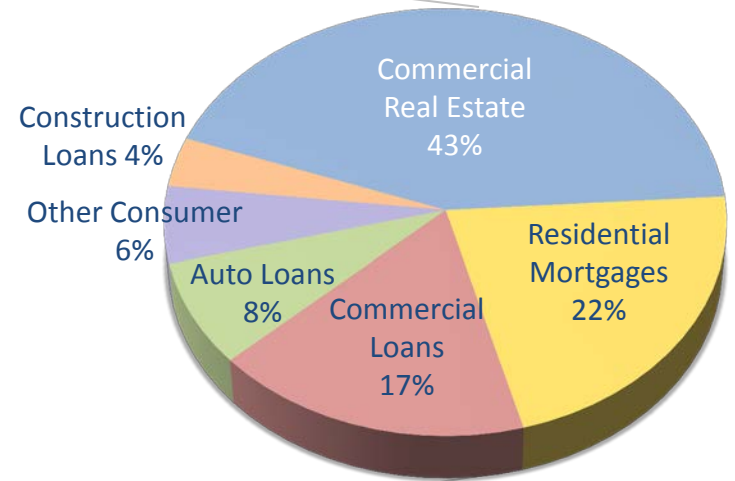
\*\*Excludes Covered Loans

# Asset & Loan Composition

## Total Assets \$16.2 Billion



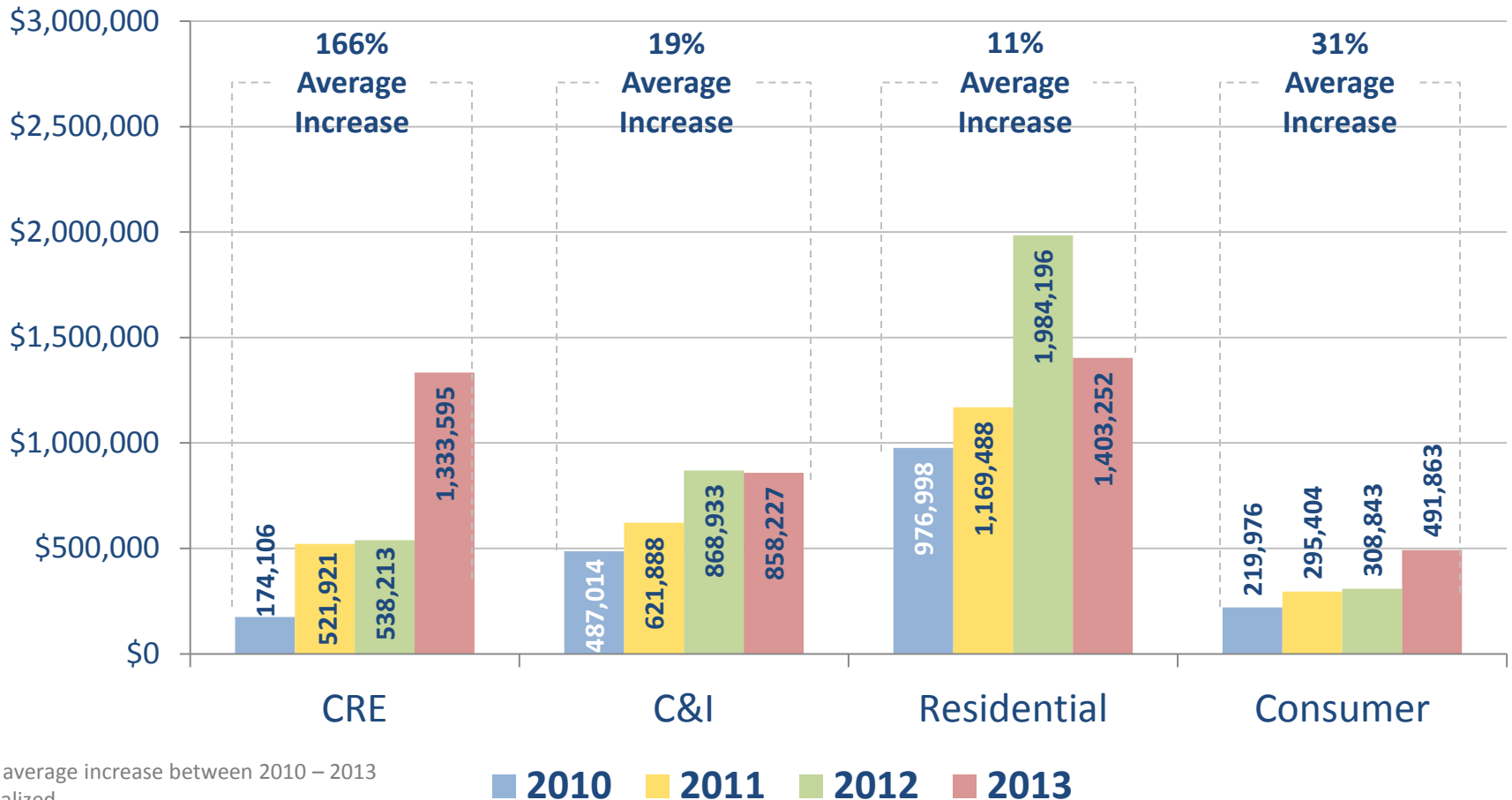
## Non-Covered Loans (Gross) \$11.5 Billion



<1> Other Assets includes bank owned branch locations carried at a cost estimated by management to be significantly less than the current market value.

<2> Loans subject to loss sharing agreements with the FDIC

# New Loan Originations Trend



4 year average increase between 2010 – 2013

\*Annualized

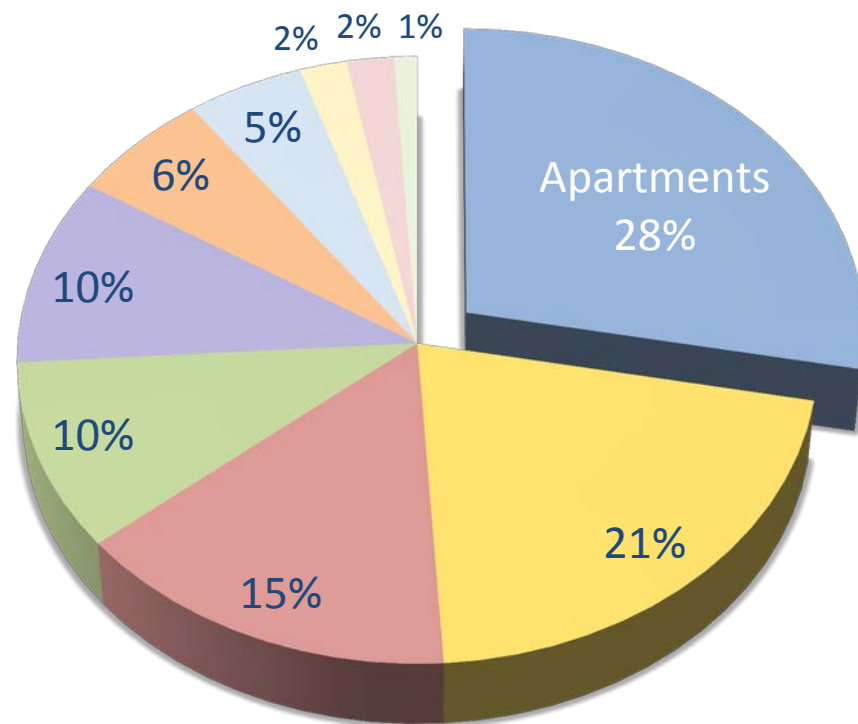
As of 12/31/2013, excludes purchased loans and line of credit originations

# Commercial Real Estate

## Diversified Portfolio

| Primary Property Type | \$ Amount (Millions) | % of Total | Avg LTV | 2009 Avg LTV |
|-----------------------|----------------------|------------|---------|--------------|
| Apartments            | 1,369                | 28%        | 33%     | 49%          |
| Retail                | 1,056                | 21%        | 51%     | 50%          |
| Industrial            | 770                  | 15%        | 53%     | 53%          |
| Office                | 519                  | 10%        | 48%     | 54%          |
| Mixed Use             | 487                  | 10%        | 46%     | 46%          |
| Healthcare            | 289                  | 6%         | 60%     | 61%          |
| Specialty             | 254                  | 5%         | 47%     | 49%          |
| Land Loans            | 100                  | 2%         | 62%     | 58%          |
| Residential           | 89                   | 2%         | 49%     | 52%          |
| Other                 | 47                   | 1%         | 38%     | 46%          |

**Total Commercial Real Estate - \$5.0 Billion**  
(Includes both Covered and Non-Covered Loans)



-Average LTV based on current balances and most recent appraised value.

- LTV calculation excludes Covered Loans.

-The total CRE loan balance is based on Valley's internal loan hierarchy structure and does not reflect loan classifications reported in Valley's SEC and bank regulatory reports.

-The chart above does not include \$409 Million in Construction loans.

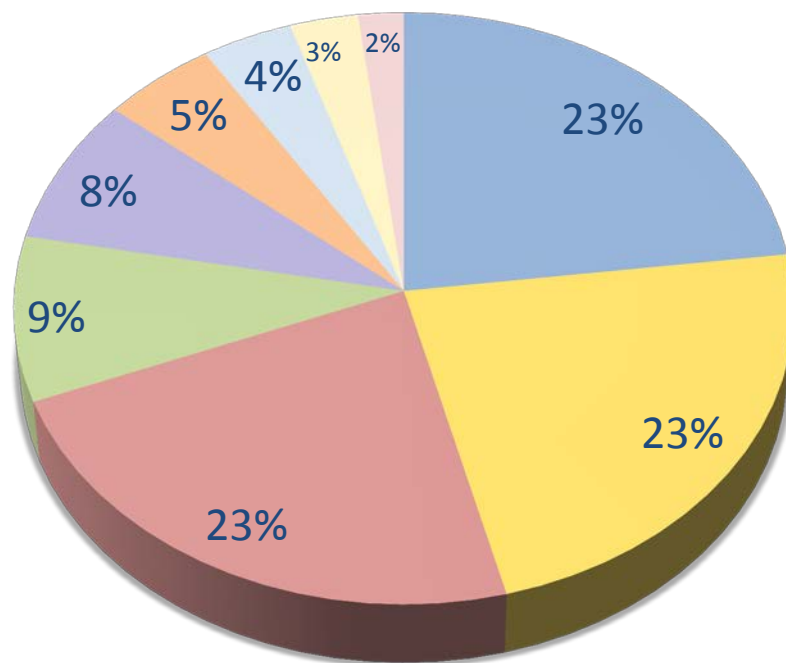
As of 12/31/2013



# Commercial Real Estate Retail Composition

| Retail Property Type         | % of Total | Avg LTV | 2009 Avg LTV |
|------------------------------|------------|---------|--------------|
| Multi-Tenanted - No Anchor   | 23%        | 54%     | 56%          |
| Multi-Tenanted - Anchor      | 23%        | 54%     | 50%          |
| Single Tenant                | 23%        | 53%     | 51%          |
| Auto Dealership              | 9%         | 50%     | 50%          |
| Private & Public Clubs       | 8%         | 35%     | 30%          |
| Food Establishments          | 5%         | 56%     | 52%          |
| Entertainment Facilities     | 4%         | 53%     | 43%          |
| Private Education Facilities | 3%         | 43%     | 51%          |
| Auto Servicing               | 2%         | 47%     | 53%          |

**Total Retail Property Types - \$1.1 Billion**  
(Non-Covered Loans)



-Average LTV based on current balances and most recent appraised value

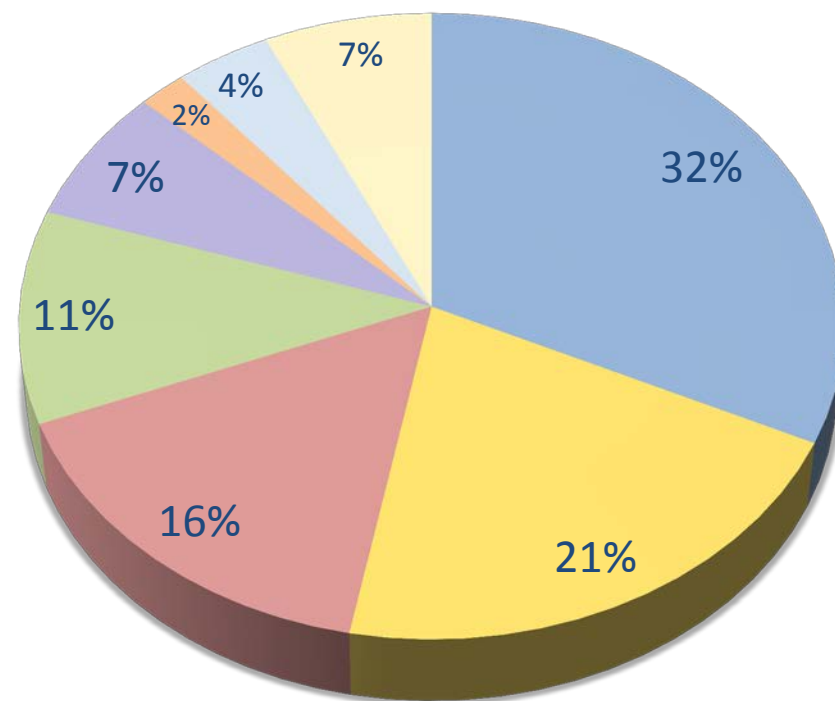
-The chart above excludes construction loans.

As of 12/31/2013

# Construction Loan Composition

| Primary Property Type | \$ Amount (Millions) | % of Total | 2009 % of Total |
|-----------------------|----------------------|------------|-----------------|
| Residential           | 129                  | 32%        | 51%             |
| Apartments            | 87                   | 21%        | 2%              |
| Retail                | 67                   | 16%        | 8%              |
| Land Loans            | 44                   | 11%        | 13%             |
| Mixed Use             | 30                   | 7%         | 15%             |
| Specialty             | 9                    | 2%         | 1%              |
| Healthcare            | 17                   | 4%         | 2%              |
| Other                 | 26                   | 7%         | 8%              |

**Total Construction Loans - \$409 Million**  
(Non-Covered Loans)

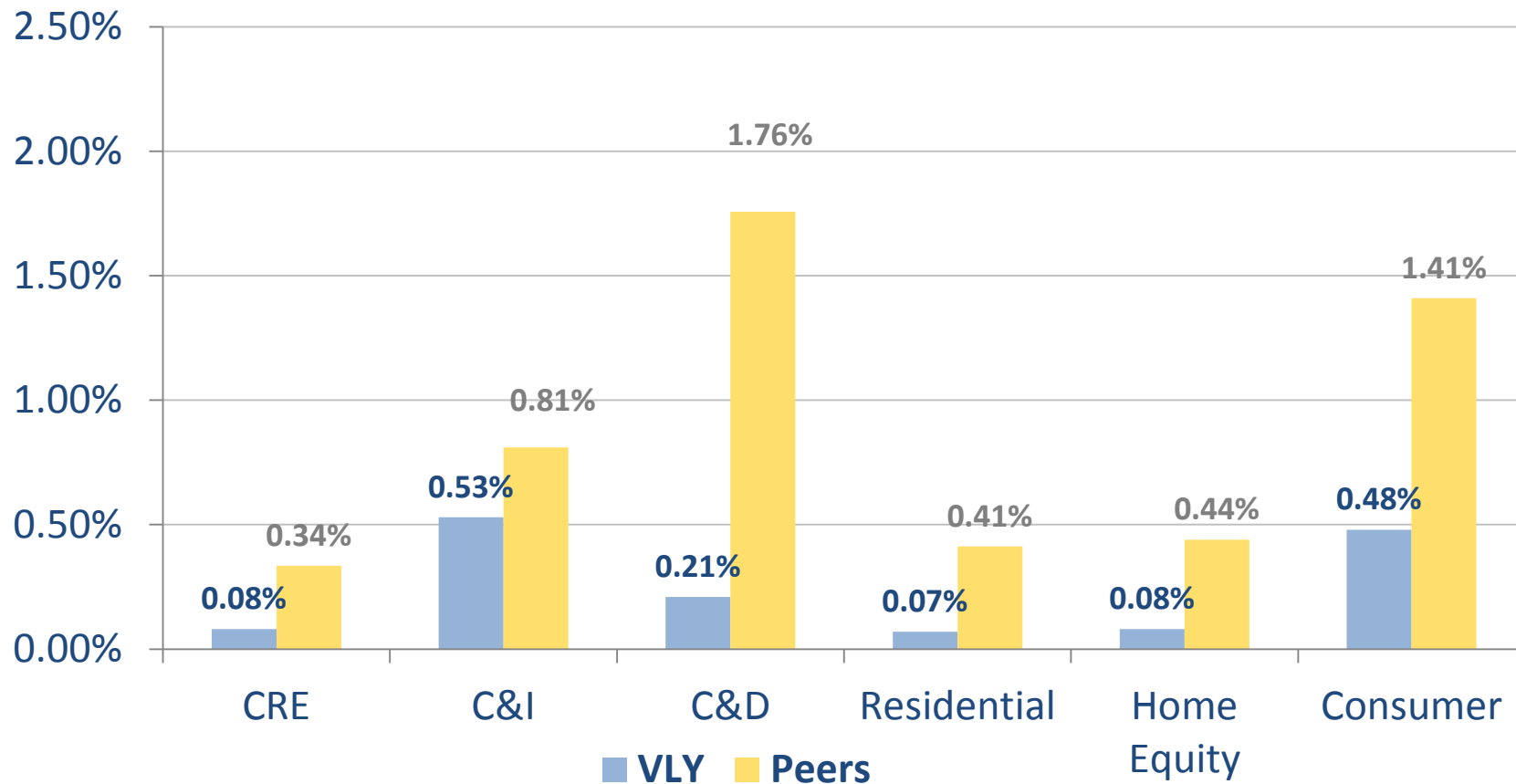


-Construction loan balance is based on Valley's internal loan hierarchy structure and does not reflect loan classifications reported in Valley's SEC and bank regulatory reports.

As of 12/31/2013

# Asset Quality

## 2003 – 2013 Average Net Charge-offs

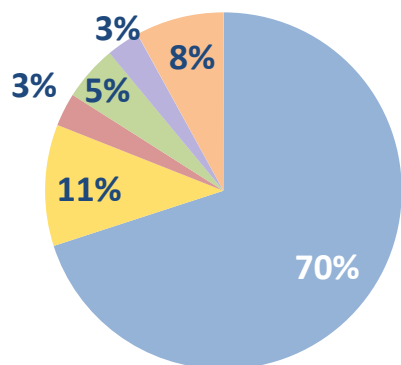


Source: SNL Financial data as of 2/3/2014  
Peer group includes banks between \$3 billion and \$50 billion in assets

# Investment Portfolio

## Key Highlights & Composition

### By Investment Grade



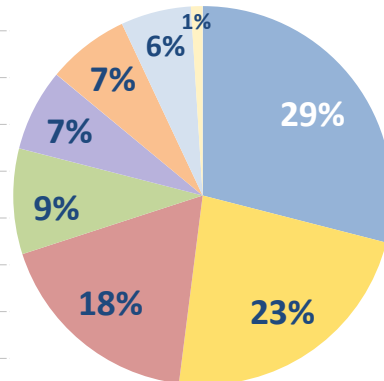
| Investment Grade     | 2013 |
|----------------------|------|
| AAA                  | 70%  |
| AA                   | 11%  |
| A                    | 3%   |
| BBB                  | 5%   |
| Non Investment Grade | 3%   |
| Not Rated            | 8%   |

### Key Comments

- Net gains on securities transactions were \$10.7 million (\$6.2 million after taxes, or \$0.03 per common share) for the fourth quarter of 2013 as compared to immaterial net gains for both the third quarter of 2013 and fourth quarter of 2012.
- No OTTI on securities during all of 2013

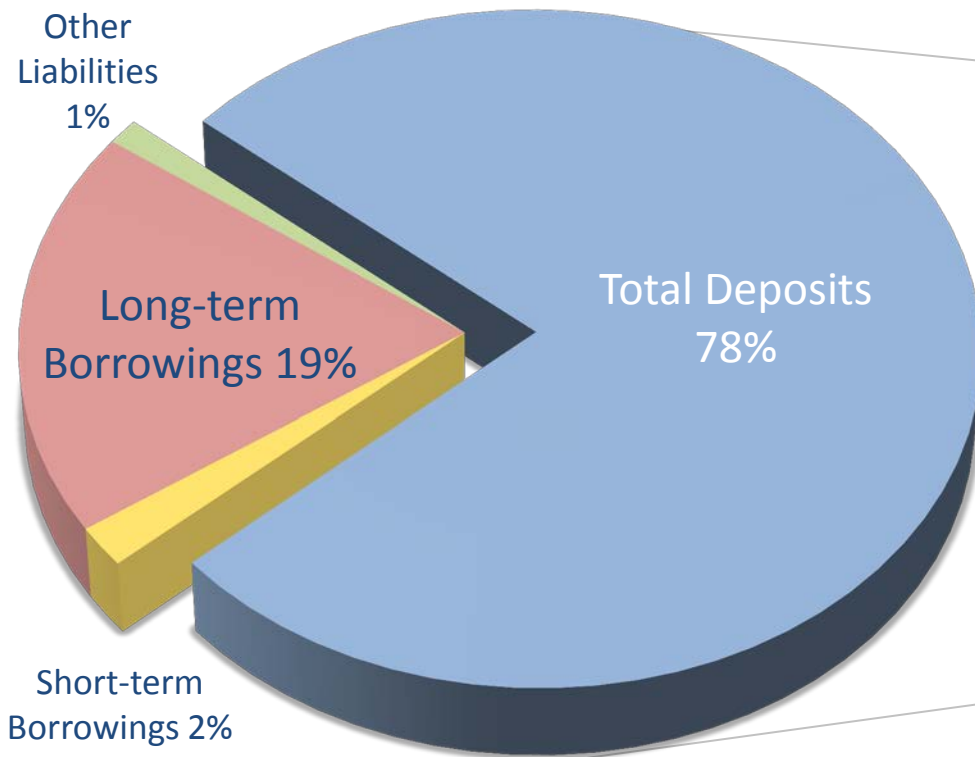
### By Investment Type

| Investment Type           | 2013 |
|---------------------------|------|
| GSE MBS (GNMA)            | 29%  |
| GSE MBS (FNMA/FHLMC)      | 23%  |
| State, County, Municipals | 18%  |
| US Treasury               | 9%   |
| Other                     | 7%   |
| Trust Preferred           | 7%   |
| Corporate Bonds           | 6%   |
| Private Label MBS         | 1%   |

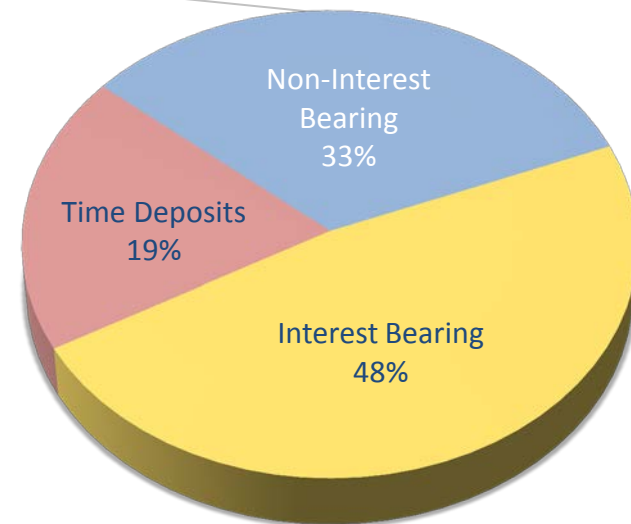


# Liability & Deposit Composition

## Total Liabilities \$14.6 Billion



## Total Deposits \$11.3 Billion



# Deposits & Borrowings

## Key Highlights and Comments

### Funding Base – Scheduled Maturities

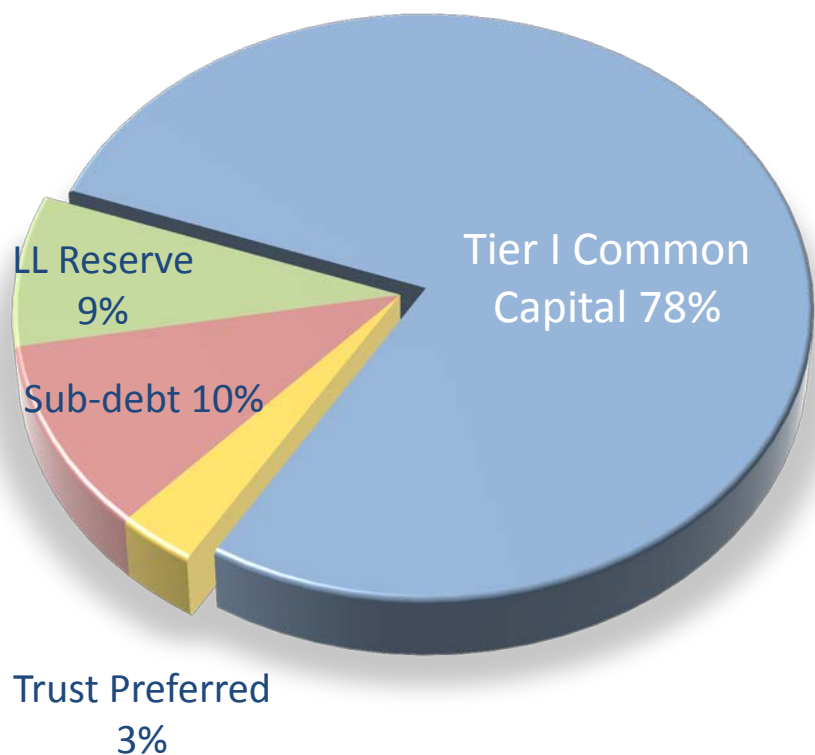
| (thousands)                                      | 2015             | 2016             | 2017               |
|--|------------------|------------------|--------------------|
| <b>Certificate of Deposits</b>                   | \$261,909        | \$134,555        | \$243,511          |
| <b>Borrowings</b>                                | 400,000          | 326,979          | 805,000            |
| <b>Derivatives*</b>                              | 100,000          | 200,000          | 100,000            |
| <b>Total</b>                                     | <b>\$761,909</b> | <b>\$661,534</b> | <b>\$1,148,511</b> |
| <b>Balance Sheet Average<br/>Cost of Funds**</b> | <b>3.86%</b>     | <b>4.40%</b>     | <b>3.63%</b>       |

\*Includes interest rate swaps and caps used to hedge deposit products

\*\*Includes derivative premium amortization and current cash flows

# Regulatory Capital Composition & Ratios

## Total Tier II Capital \$1.4 Billion



| Capital Ratios                                | As of 12/31/13 | “Well Capitalized” |
|---|----------------|--------------------|
| Tangible Common Equity / Tangible Assets      | 6.86%          | N/A                |
| Tangible Common Equity / Risk-Weighted Assets | 9.10%          | N/A                |
| Tier I Common Ratio                           | 9.28%          | N/A                |
| Tier I  | 9.65%          | 6.00%              |
| Tier II                                       | 11.87%         | 10.00%             |
| Leverage                                      | 7.27%          | 5.00%              |
| Book Value                                    | \$7.72         | N/A                |
| Tangible Book Value                           | \$5.39         | N/A                |

Significant estimated unrealized gains on the fair value of facilities, referenced in slide 6, are not reflected in capital ratios above.

# Shareholder Returns

## Historical Financial Data (1)

(Dollars in millions, except for share data)

| Period Ended<br>(2) | Total Assets | Net Income<br>(3) | Diluted<br>Earnings Per<br>Common<br>Share | Return on<br>Average<br>Assets | Return on<br>Average<br>Equity | Cash Dividends<br>Declared Per<br>Common Share | Common Stock Splits and Dividends |                |
|---------------------|--------------|-------------------|--|--------------------------------|--------------------------------|--|-----------------------------------|----------------|
| 2013                | \$ 16,157    | \$ 132.0          | \$0.66                                     | 0.83 %                         | 8.69 %                         | \$0.60   | N/A                               | N/A            |
| 2012                | 16,013       | 143.6             | 0.73                                       | 0.91                           | 9.57                           | 0.65   | 5/12 - 5%                         | Stock Dividend |
| 2011                | 14,253       | 132.5             | 0.74                                       | 0.93                           | 10.11                          | 0.66   | 5/11 - 5%                         | Stock Dividend |
| 2010                | 14,151       | 130.0             | 0.73                                       | 0.92                           | 10.23                          | 0.65   | 5/10 - 5%                         | Stock Dividend |
| 2009                | 14,291       | 114.8             | 0.57                                       | 0.80                           | 8.55                           | 0.66   | 5/09 - 5%                         | Stock Dividend |
| 2008                | 14,724       | 92.3              | 0.57                                       | 0.68                           | 8.61                           | 0.66   | 5/08 - 5%                         | Stock Dividend |
| 2007                | 12,749       | 153.2             | 1.00                                       | 1.25                           | 16.43                          | 0.65   | 5/07 - 5%                         | Stock Dividend |
| 2006                | 12,395       | 163.7             | 1.04                                       | 1.33                           | 17.24                          | 0.64   | 5/06 - 5%                         | Stock Dividend |
| 2005                | 12,436       | 163.4             | 1.06                                       | 1.39                           | 19.17                          | 0.62   | 5/05 - 5%                         | Stock Dividend |
| 2004                | 10,763       | 154.4             | 1.05                                       | 1.51                           | 22.77                          | 0.60   | 5/04 - 5%                         | Stock Dividend |
| 2003                | 9,873        | 153.4             | 1.05                                       | 1.63                           | 24.21                          | 0.57   | 5/03 - 5%                         | Stock Dividend |
| 2002                | 9,148        | 154.6             | 1.01                                       | 1.78                           | 23.59                          | 0.54   | 5/02 - 5:4                        | Stock Split    |
| 2001                | 8,590        | 135.2             | 0.85                                       | 1.68                           | 19.70                          | 0.51   | 5/01 - 5%                         | Stock Dividend |
| 2000                | 6,426        | 106.8             | 0.82                                       | 1.72                           | 20.28                          | 0.48   | 5/00 - 5%                         | Stock Dividend |
| 1999                | 6,360        | 106.3             | 0.77                                       | 1.75                           | 18.35                          | 0.45   | 5/99 - 5%                         | Stock Dividend |
| 1998                | 5,541        | 97.3              | 0.74                                       | 1.82                           | 18.47                          | 0.41   | 5/98 - 5:4                        | Stock Split    |
| 1997                | 5,091        | 85.0              | 0.68                                       | 1.67                           | 18.88                          | 0.36   | 5/97 - 5%                         | Stock Dividend |

(1) All per share amounts have been adjusted retroactively for stock splits and stock dividends during the periods presented. Data for the years prior to 2001 in the table above exclude certain prior year results for merger transactions accounted for using the pooling-of-interests method.

(2) Previously reported results for 2011, 2010, 2009 and 2008 have been revised to reflect an increase in non-interest expense, which after taxes, reduced net income by \$1.1 million, \$1.2 million, \$1.2 million and \$1.3 million, respectively, and reduced basic and diluted earnings per common share by \$0.01 for each of these years. Total assets and the other statistical data presented in the table have been revised accordingly.

(3) Net income includes other-than-temporary impairment charges on investment securities, net of tax benefit, totaling \$3.0 million, \$12.2 million, \$2.9 million, \$4.0 million, \$49.9 million, \$10.4 million, and \$3.0 million for the years ended 2012, 2011, 2010, 2009, 2008, 2007, and 2006, respectively.



# For More Information

- ▼ Log onto our web site: [www.valleynationalbank.com](http://www.valleynationalbank.com)
- ▼ E-mail requests to: [tscortes@valleynationalbank.com](mailto:tscortes@valleynationalbank.com)
- ▼ Call Shareholder Relations at: (973) 305-3380
- ▼ Write to: Valley National Bank  
1455 Valley Road  
Wayne, New Jersey 07470  
Attn: Tina Cortes, Shareholder Relations Specialist
- ▼ Log onto our website above or [www.sec.gov](http://www.sec.gov) to obtain free copies of documents filed by Valley with the SEC

# 12/31/2013

## Non-GAAP Disclosure Reconciliations

(\$ in Thousands)

|  |             |
|--|-------------|
| Total Equity   | \$1,541,040 |
| Plus: Net unrealized losses on securities available for sale, net of tax | 21,661      |
| Plus: Accumulated net losses on cash flow hedges, net of tax             | 6,271       |
| Plus: Defined benefit pension plan net assets, net of tax                | 10,320      |
| Less: Goodwill, net of tax   | (427,392)   |
| Less: Disallowed other intangible assets                                 | (13,122)    |
| Less: Disallowed deferred tax assets                                     | (41,252)    |

**Tier I Common Capital** **\$1,097,526**

Plus: Trust preferred securities 44,000

**Total Tier I Capital** **\$1,141,526**

Plus: Qualifying allowance for credit losses \$117,310

Plus: Qualifying sub debt 145,000

**Total Tier II Capital** **\$1,403,836**

|  |              |
|--|--------------|
| Total Assets                             | \$16,156,541 |
| Less: Goodwill & Other Intangible Assets | (464,364)    |

**Total Tangible Assets (TA)** **\$15,692,177**

|  |             |
|--|-------------|
| Total Equity                             | \$1,541,040 |
| Less: Goodwill & Other Intangible Assets | (464,364)   |

**Total Tangible Common Equity (TCE)** **\$1,076,676**

**Risk Weighted Assets (RWA)** **\$11,830,604**

### Ratios

**TCE / TA** **6.86%**

**TCE / RWA** **9.10%**

**Tier I Common Capital Ratio** **9.28%**  
(Tier 1 Common /RWA)

**Tier I** (Total Tier I / RWA) **9.65%**

**Tier II** (Total Tier II / RWA) **11.87%**

12/31/2013

## Non-GAAP Disclosure Reconciliations

(\$ in Thousands)

|   |                    |
|---|--------------------|
| <b>Common Shares Outstanding</b>              | <b>199,593,109</b> |
| Shareholders' Equity                          | \$1,541,040        |
| Less: Goodwill and Other<br>Intangible Assets | (464,364)          |
| <b>Tangible Shareholders' Equity</b>          | <b>\$1,076,676</b> |
| <br>  |                    |
| <b>Tangible Book Value</b>                    | <b>\$5.39</b>      |

