

VALLEY NATIONAL BANCORP

Form FWP

June 16, 2015

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Capital & Debt Issuance Presentation
Free Writing Prospectus
Filed pursuant to Rule 433
Registration No. 333-202916

Dated June 16,
2015

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Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include facts and include expressions about management's confidence and strategies and management's expectations about new and existing products, acquisitions, relationships, opportunities, taxation, technology, market conditions and economic expectations. These statements include forward-looking terminology as should, expect, believe, view, opportunity, allow, continues, reflects, typically

variations of such terms. Such forward-looking statements involve certain risks and uncertainties. Actual results may differ materially from those contemplated by 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 failure to obtain shareholder or regulatory approval for our merger with CNLBancshares, Inc. (CNL) or to satisfy other conditions of the proposed terms and within the proposed timeframe including, without limitation, delays in closing the Merger; adverse reaction to the Merger by our employees; the diversion of management's time on issues relating to the Merger; the inability to realize expected cost savings in the amounts or in the timeframe anticipated; changes in the estimate of non-recurring charges; costs or difficulties relating to integration of the businesses; unexpected or unanticipated changes in our operations or earnings; a severe decline in the general economic conditions of New Jersey or Florida; unexpected changes in market interest rates for interest earning assets and/or interest bearing liabilities; less than expected cash flows from borrowings that mature from 2015 to 2018; government intervention in the U.S. financial system and the effects of and changes in government policies and laws, including the interest rate policies of the Federal Reserve; claims and litigation pertaining to fiduciary responsibility, and other matters; higher than expected loan losses within one or more segments of our loan portfolio; declines in value in our investment securities; additional other-than-temporary impairment charges on our investment securities; unexpected significant declines in the loan portfolio; expansion, increased competition, large prepayments or other factors; unanticipated credit deterioration in our loan portfolio; unexpected changes in collateral, decreased service revenues, and other potential negative effects on our business caused by severe weather or other events; changes in tax rates, including increases resulting from changes in tax laws, regulations and case law; an unexpected decline in real estate values; higher than expected FDIC insurance assessments; the failure of other financial institutions with whom we have trading, clearing, custodial and other relationships; lack of liquidity to fund our various cash obligations; unanticipated reduction in our deposit base; potential acquisition of other businesses; legislative and regulatory actions (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and other laws) and additional regulatory oversight which may result in higher compliance costs and/or require us to change our business model; changes in accounting standards; our inability to promptly adapt to technological changes; our internal controls and procedures may not be sufficient to ensure the reliability of our financial reporting; our inability to realize expected revenue synergies from the 1st United Bancorp, Inc. (1st United) merger in the amounts or in the timeframe anticipated; our inability to retain customers and employees, including those of 1st United; lower than expected cash flows from purchased credit-impaired assets; or other malware that may breach the security of our websites or other systems to obtain unauthorized access to confidential information, to degrade service, or sabotage our systems; future goodwill impairment due to changes in our business, changes in market conditions; and other factors. A detailed discussion of factors that could affect our results is contained in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2014. We undertake no duty to conform the statement to actual results or changes in our expectations. Although we believe that the expectations reflected in the statement are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

Valley has filed a shelf registration statement (File No. 333-202916) (including base prospectus) and related preliminary prospectus supplement with the Securities and Exchange Commission (the SEC) for the offerings to which this communication relates. Before you purchase any securities, please read that registration statement, and related applicable preliminary prospectus supplement and any other documents that Valley has filed with the SEC for information about Valley and the offerings. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov or by contacting your underwriter or any dealer participating in the offerings will arrange to send you the prospectus and the related preliminary prospectus supplement. For more information, please call Sandler O'Neill + Partners, L.P. toll-free at 866-805-4128.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this free prospectus supplement or prospectus, is truthful or complete. Any representation to the contrary is a criminal offense.

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Debt Issuance

Preferred

Stock Issuance

Issuer:

Valley National Bancorp (NYSE: VLY)

Security:

Subordinated Unsecured Notes

Perpetual Preferred Non-Cumulative Stock

Total Offering Size:

\$90 Million

\$110 Million

Maturity:

June 2025

Perpetual

Structure:

Fixed

Rate, Non-Call Life

(1)

Fixed for 10 Yrs., Floating Thereafter

Non-Call for 10 Yrs.,

Callable at Par

Thereafter

Credit Ratings

(2)

:

S&P: BBB

DBRS: BBB

S&P: BB+

DBRS: BBB-

Use of Proceeds:

General corporate purposes, potential strategic acquisitions and investments in the Bank as regulatory capital

Expected Pricing:

Week of June 15, 2015

Joint Bookrunners:

Sandler O'Neill + Partners, L.P.

Keefe, Bruyette

& Woods, A Stifel

Company

Deutsche Bank Securities

Sandler O'Neill + Partners, L.P.

Keefe, Bruyette

& Woods, A Stifel

Company

RBC Capital Markets

Valley National Bancorp

Offering Summary

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(1)

Other than Special Event Redemption

(2)

Anticipated ratings from respective agencies

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Valley National Bancorp

Traded on the New York
Stock Exchange (NYSE: VLY)

Regional Bank Holding

Company

Headquartered in Wayne,
New Jersey

Founded in 1927

2,934 Total Employees

(1)

Balance Sheet Items

March 31,
2015

March 31,
2014

Assets

\$19.0 billion

\$16.3 billion

Interest Earning Assets

(2)

\$16.7 billion

\$14.5 billion

Loans

\$13.7 billion

\$11.7 billion

Deposits

\$14.2 billion

\$11.3 billion

Market

Capitalization

(3)

\$2.2 billion

\$2.0 billion

Corporate Profile

Branches

224

ATMs

258

Overview of Valley National

Bancorp

(1)

Total employees reflects the full-time equivalent for the quarter ended March 31, 2015;
2015 and 2014.

(3)

March 31, 2015 stock price of \$9.44 and 232,428,108 common s/o; March 31, 2014 stock price of \$10.41 and 200,361,014 common s/o

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(2)

Average interest earning assets for the quarter ended March 31,

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Valley National Bancorp

Focus on credit quality

Measured growth strategies

Never had a losing quarter

Heavily populated footprint

Strong customer service

Experienced senior and executive management

Experienced commercial lender

Large percentage of retail ownership

Long-term investment approach

Focus on cash dividends

Large insider ownership, family members, retired employees and retired directors

Approximately 252 institutional holders or 51% of all shares held*

Our Approach

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*

SNL Financial as of 6/1/2015

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Valley National Bancorp

204 Branches

New Jersey & New York Franchise

6

16 Counties

Demographic

Overview

NJ Core

Market

(1)

New

York

City

(2)

Long

Island

U.S.A.

Avg. Pop. / Sq. Mile

5,943

40,080

3,123

89

Avg.

Income / Household

\$95,598

\$83,900

\$114,414

\$71,320

Avg. Deposits / Branch

\$100,897

\$626,391

\$110,900

\$88,623

VLV Deposits

(3)

\$7.4 billion

\$1.8 billion

\$0.9 billion

\$12.9 billion

VLV Deposit Market Share

5.76%

0.20%

0.87%

0.15%

(1)

NJ Core Market includes Passaic, Morris, Hudson, Essex and Bergen Counties

(2)

New York City includes Brooklyn, Queens and Manhattan

(3)

Excludes Government and Sweep Deposits

Source: Data as of

June 30, 2014 from

SNL Financial

NJ

48%

NY

33%

0%

Loans

NJ

65%

NY

24%

Deposits

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Business Friendly

#1
tax
climate

for
businesses
in
the
Southeast
U.S.

Zero
personal
income
tax

5.5%
Corporate
Business
Tax
Rate

Pro-business
Governor
and
legislative
agenda

Competitive
cost
of
doing
business

High
Growth
Potential

Initial
entrance
into
historically
high
growth
market
through
acquisition
of
1st
United
Bancorp,
Inc
(1st
United)

which
closed
November
1,
2014

Adding
franchise
with
strong
organic
and
acquisitive
growth
history

Experienced
management
team
(retained
from
1st
United)
has
built
three
major
Florida
banking
franchises

Complementary to Valley NJ & NY Franchise

Low
cost
deposit
funding
source
for
Franchise

Opportunity
to
expand
Valley's
successful
product
niches
into
a

new
market

Residential
Lending

Consumer
Lending

Retains
strong
capital
on
larger
business,
earning
asset
base
Valley National Bancorp
Florida Franchise

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20 Branches
8 Counties

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FL
11%
Deposits
FL
8%
Loans

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Valley National Bancorp

Founded in 1999

Headquartered in Orlando, FL

Currently
the
16
th
largest
community
bank
headquartered in Florida by total deposits

16 branches focused in five of the six largest
MSAs in the state (Orlando, Miami-Fort
Lauderdale-West Palm Beach, Cape Coral-
Fort Myers, Naples, Jacksonville and
Bradenton)

Enviably core deposit franchise with 39%
non-interest bearing deposits

Experienced management team/ market
leaders with solid reputation
Strong Addition to Franchise

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Financial Highlights

3/31/2015

Assets

\$1.4 Billion

Loans

\$833 Million

Deposits

\$1.1 Billion

Tangible Common Equity

\$123 Million

YTD ROAA

0.69%

YTD NIM

3.33%

NPAs /

Total Assets

2.66%

YTD Loan Growth (Annualized)

12.1%

Tangible Book Value

per

Common Share (period end)

\$4.71

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\$194.2

\$124.9

\$114.6

\$96.9

\$88.8

\$83.1

\$73.2

\$50

\$100

\$150

\$200

Sep-13

Dec-13

Mar-14

Jun-14

Sep-14

Dec-14

Mar-15

Valley's 1Q 2015 Highlights

1Q Highlights

Year

Over

Year

Loan

Growth

(1)

1Q 2015 net income of \$30.3 million or \$0.13
per diluted common share

Non-covered linked quarter loan growth of
\$288.7 million or 8.7% on an annualized basis

C&I growth of \$124.7 million or 22.3% annualized

CRE growth of \$73.8 million or 4.5% annualized

Residential mortgage growth of \$70.1 million or
11.1% annualized

Net interest margin remained unchanged
quarter over quarter at 3.20%

Non-covered net loan recoveries of \$278
thousand

Non-performing assets decreased 11.9 percent
to \$73.2 million at March 31, 2015 from
December 31, 2014

Dashboard

21.5%

41.3%

17.0%

20.7%

0%

10%

20%

30%

40%

50%

Auto Loans

Other Consumer

Commercial &

Industrial

Commercial Real

Estate

Non-Performing Assets

(2)

9

(1)

Non-Covered Loans, annualized growth from March 31, 3014

(2)

Excludes Purchase Credit Impaired Loans

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Overview of Credit Trends

2003

2015 Average Net Charge-offs

0.07%

0.47%

0.19%

0.06%

0.07%

0.44%

0.20%

0.32%

0.64%

1.63%

0.43%

0.48%

1.27%

0.61%

0.00%

0.20%

0.40%

0.60%

0.80%

1.00%

1.20%

1.40%

1.60%

1.80%

CRE

C&I

C&D

Residential

Home

Equity

Consumer

Total

VLV

Peers

Source: SNL Financial data as of 6/9/2015 for the period ended March 31, 2015

Peer group includes banks between \$10 billion and \$50 billion in assets

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Valley National Bancorp
Attractive Funding Composition

Funding structure reflects attractive composition

Non-interest bearing deposits represent 26 percent of total funds and 30

percent of total deposits

Borrowings represent 16 percent of total funds

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*As of 3/31/15

Amount

(millions)

%

Non-Interest Bearing Deposits

\$4,330

26%

NOW, MMDA and Savings

7,115

42%

Time Deposits

2,772

16%

Borrowings

2,663

16%

Total Funds

\$16,880

100%

Funding Portfolio Highlights

Composition of Funding Portfolio*

Non-

Interest

Bearing

Deposits

26%

NOW,

MMDA and

Savings

42%

Time

Deposits

16%

Borrowings

16%

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Borrowing Base

Scheduled Maturities

(thousands)

2015

2016

2017

2018

Borrowings

\$125,000

\$326,979

\$805,000

\$505,000

Derivatives*

100,000

200,000

100,000

-

Total

\$225,000

\$526,979

\$905,000

\$505,000

Balance Sheet

Average Cost**

5.74%

5.27%

4.00%

3.53%

Current Borrowing Maturities

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

**Borrowings include derivative premium amortization as a percent of total funds on balance sheet

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Net Interest Margin

Efficiency Ratio

Return on Average Assets

Non-Interest Income/Operating Revenue

Financial Highlights

13
3.69
3.75
3.52
3.20
3.21
3.20
2.8
3
3.2
3.4
3.6
3.8
2010Y
2011Y
2012Y
2013Y
2014Y
2015Q1
56.9
57.01
59.08
67.89
71.12
72.46
0
15
30
45
60
75
90
2010Y
2011Y
2012Y
2013Y
2014Y
2015Q1
Percent
0.92
0.93
0.91
0.83
0.69
0.64
0
0.2
0.4
0.6
0.8

1
2010Y
2011Y
2012Y
2013Y
2014Y
2015Q1
Percent
15.31
17.43
20.15
18.52
11.07
10.94
0
5
10
15
20
25
2010Y
2011Y
2012Y
2013Y
2014Y
2015Q1
Percent
Percent

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Fixed Charges Coverage Ratio

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2014

2013

2012

2011	
2010	
Ratio of earnings to fixed charges, excluding interest on deposits	
Income before income taxes	
\$42,613	
\$147,234	
\$178,940	
\$210,375	
\$195,217	
\$184,935	
Total fixed charges, excluding interest on deposits	
27,088	
121,375	
127,217	
131,705	
137,907	
146,182	
Numerator	
\$69,701	
\$268,609	
\$306,157	
\$342,080	
\$333,124	
\$331,117	
Borrowings and long-term debt	
\$24,930	
\$114,293	
\$120,586	
\$123,756	
\$130,846	
\$139,136	
1/3 of net rental expense	
2,158	
7,082	
6,631	
7,949	
7,061	
7,046	

Total fixed charges, excluding interest on deposits (Denominator)

\$27,088

\$121,375

\$127,217

\$131,705

\$137,907

\$146,182

Ratio

2.57

2.21

2.41

2.6

2.42

2.27

Ratio of earnings to fixed charges, including interest on deposits

Income before income taxes

\$42,613

\$147,234

\$178,940

\$210,375

\$195,217

\$184,935

Total fixed charges, including interest on deposits

41,057

168,928

175,008

189,261

206,074

221,106

Numerator

\$83,670

\$316,162

\$353,948

\$399,636

\$401,291

\$406,041

Interest on deposits

\$13,969

\$47,553

\$47,791

\$57,556

\$68,167

\$74,924

Borrowings and long-term debt

24,930

114,293

120,586

123,756

130,846

139,136

1/3 of net rental expense

2,158

7,082

6,631

7,949

7,061

7,046

Total fixed charges, including interest on deposits (Denominator)

\$41,057

\$168,928

\$175,008

\$189,261

\$206,074

\$221,106

Ratio

2.04

1.87

2.02

2.11

1.95

1.84

Three

Months

Ended March

31, 2015

(dollars in thousands)

Years ended December 31,

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Agency

Debt Issuance*

Preferred Stock

Issuance*

Standard & Poor's

BBB

BB+

DBRS*

BBB

BBB-

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Ratings Summary

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*Anticipated ratings from respective agencies