Risk Factors Comparison 2024-02-29 to 2023-03-01 Form: 10-K

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An investment in our securities is subject to risks inherent to our business. The material risks and uncertainties that management believes may affect Valley are described below. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included or incorporated by reference in this ~~report~~ **Report** . The risks and uncertainties described below are not the only ones facing Valley. Additional risks and uncertainties that management is not aware of or that management currently believes are immaterial may also impair Valley' s business operations. The value or market price of our securities could decline due to any of these identified or other risks, and you could lose all or part of your investment. This ~~report~~ **Report** is qualified in its entirety by these risk factors. Risks Related to the Operating Environment ~~and the COVID- 19 Pandemic~~ Our financial results and condition may be adversely impacted by changing economic conditions. Financial institutions **are** ~~can be~~ affected by **changes in the economic environment, which may be impacted by** changing ~~conditions~~ **interest rates, volatility** in ~~the real estate and~~ financial markets ~~. The lingering effects of the COVID- 19 pandemic~~ , **and** geopolitical instability **or conflict. Economic conditions, financial markets and monetary policies may be adversely affected by the impact of inflationary pressures, affected by the impact of current or anticipated fiscal and monetary policies, the potential for an economic recession, uncertainty regarding the U. S. debt ceiling, government shutdowns, or default by the U. S. government on its obligations, and actual or perceived instability in the U. S. 2023 Form 10- K22 banking system. Changes in global economic conditions and geopolitical matters** , including the ~~conflict~~ **conflicts** between Russia and Ukraine **and Israel and Hamas** , foreign currency exchange volatility, volatility in global capital markets, inflationary pressures, and higher interest rates may meaningfully impact loan production, ~~income levels~~ **net interest margin, the value of our securities portfolio** , and the measurement of certain significant estimates such as the allowance for credit losses. Moreover, in a period of economic contraction, we may experience elevated levels of credit losses, reduced interest income, impairment of goodwill and other financial assets, diminished access to capital markets and other funding sources, and reduced demand for our products and services. Volatility in the housing markets, real estate values and unemployment levels results in significant write- downs of asset values by financial institutions. The majority of Valley' s lending is in northern and central New Jersey, the New York City metropolitan area and Florida. As a result of this geographic concentration, a significant broad- based deterioration in economic conditions in these areas could have a material adverse impact on the quality of Valley' s loan portfolio, results of operations and future growth potential. ~~An unexpected COVID- 19 pandemic resurgence due to new variants could cause us to experience higher credit losses in our lending portfolio, additional increases in our allowance for credit losses, impairment of our goodwill and other financial assets, diminished access to capital markets and other funding sources, further reduced demand for our products and services, and other negative impacts on our financial position, results of operations.~~ During 2022 **and 2023** , the Federal Reserve took unprecedented action ~~during the year~~ to restrain inflation and improve the stability of the economy by raising the **upper** target federal funds rate ~~several times~~ from **0.** 25 **percent** ~~basis points in the beginning of the year~~ to **5** ~~75 basis points toward the end of the year and brought the benchmark interest rates up by a collective 4~~ . ~~25~~ **50** percent. As inflation increases and market interest rates rise, the value of our investment securities, particularly those with longer maturities, would decrease, although this effect can be less pronounced for floating rate instruments. In addition, inflation generally increases the cost of goods and services we use in our business operations, such as electricity and other utilities, which increases our non- interest expenses. Furthermore, our customers are also affected by inflation and the rising costs of goods and services used in their households and businesses, which could have a negative impact on their **deposits and / or** ability to repay their loans with us. Any of these effects, if sustained, may impair our capital and liquidity positions, require us to take capital actions, prevent us from satisfying our minimum regulatory capital ratios and other supervisory requirements, or result in downgrades in our credit ratings and the reduction or elimination of our common stock dividend in future periods. The extent to which ~~current~~ **the** economic environment has **an** ~~a further~~ impact on our business, results of operations, and financial condition, as well as the regulatory capital and liquidity ratios, will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the current economic environment and actions taken by governmental authorities and other third parties in response to ~~the~~ geopolitical ~~conflict~~ **conflicts** , ~~and~~ inflationary pressure **and other changes in economic and political conditions** . **Our financial results and condition may be adversely impacted by banking failures or any future similar events. Certain events impacting the banking industry, including the bank failures in March and April 2023, resulted in significant disruption and volatility in the capital markets, reduced valuations of bank securities, and decreased confidence in banks among certain depositors, other counterparties and investors during most of 2023. These events occurred in the context of rapidly rising interest rates which, among other things, resulted in unrealized losses in longer duration debt securities and loans held by banks, and increased competition for deposits. These events had, and may continue to have, an adverse impact on the market price of our common stock. While the U. S. Department of the Treasury, the Federal Reserve, and the FDIC took steps to ensure that depositors of the failed banks in early 2023 would have access to their insured and uninsured deposits, and to facilitate sales of certain failed banks, there is no assurance that these or similar actions will restore customer confidence in the banking system, and we may be further impacted by concerns regarding the soundness, real or perceived, of other financial institutions, or other future bank failures or disruptions. The proliferation of social media may increase the likelihood that negative public opinion from any of the real or perceived events discussed above could impact our reputation and business. Any loss of client deposits or changes in our credit**

ratings could increase the cost of funding, limit access to capital markets or negatively impact our overall liquidity or capitalization. The cost of resolving the recent bank failures has also prompted the FDIC to issue a special assessment to recover costs to the DIF. The special assessment for the Bank resulted in a $ 50. 3 million pre- tax charge to earnings in the fourth quarter 2023. Among other things, the FDIC maintains the ability to impose an additional shortfall special assessment based on the difference between actual losses from the bank failures and the amounts collected. For additional information on the FDIC' s special assessment, see Item 1. Business —" Supervision and Regulation " and Item 7. MD & A —" Subsequent Events". The extent to which the shortfall special assessment will impact our future deposit insurance expense is currently uncertain. These recent events and any future similar events may also result in changes to laws or regulations governing bank holding companies and banks, including higher capital requirements, or the imposition of restrictions through supervisory or enforcement activities, which could materially impact our business. 232023 Form 10- K Risks **Associated** ~~Related to our Merger~~ with ~~Bank Leumi USA~~ **Our Business Model** Valley has incurred and ~~is expected~~ **could continue** to incur significant costs related to **its systems** ~~the merger and~~ integration **and technology roadmap. In October 2023, Valley executed and completed its core conversion in connection with the acquisition of Bank Leumi USA** . Valley has incurred ~~certain non- recurring costs associated with the initial merger, including legal, financial advisory, accounting, consulting~~ and **could continue** ~~other advisory fees, severance / employee benefit- related costs and other related costs. Valley has also incurred and is expected~~ to incur substantial costs in connection with the integration of Valley and Bank Leumi USA **and implementation of its technology roadmap for the organization** . ~~There are~~ **While the core conversion is substantially complete, we continue to optimize** a large number of processes, ~~policies,~~ procedures, operations, **and** technologies ~~and~~ **related to our new single core banking** ~~systems~~ - **system** ~~integrations that are still ongoing~~ . Valley has assumed that a certain level of costs will be incurred **for these continued enhancements and the consolidation of back office functions** , however, there are many factors beyond Valley' s control that could affect the total amount or the timing of the ~~integration~~ **remaining** costs ~~. Moreover~~ , **and the anticipated benefits and synergies, if** ~~many~~ - **any** ~~of the~~ **, resulting upon completion. Several** costs that will be incurred are, by their nature, difficult to estimate accurately. ~~These~~ **As a result, the remaining** integration ~~costs~~ **and technology enhancements** may result in Valley taking **larger than expected** charges against **its** ~~202022 Form 10- K~~ earnings ~~, and the amount and timing of such charges are uncertain at present~~ . **A significant portion** ~~Valley incurred total merger- related expenses~~ of ~~$ 71. 2 million~~ **our loan portfolio is secured by commercial real estate,** and ~~$ 8. 9 million~~ **events that negatively impact the real estate market could adversely affect our asset quality and profitability** for ~~the~~ **those** ~~years ended~~ **loans secured by real property and increase the number of defaults and the level of losses within our loan portfolio. As of** December 31, ~~2022~~ **2023** ~~and 2021~~ , **total commercial real estate loans** ~~respectively. Combining Valley and Bank Leumi USA may be more difficult~~ , ~~costly~~ **including construction loans, represented 63. 7 percent of** ~~or~~ **our** ~~time consuming~~ **loan portfolio. These types of loans generally expose a lender to a higher degree of credit risk of non- payment and loss** than **residential mortgage loans do because** ~~expected and Valley may fail to realize the anticipated benefits~~ of **several factors** ~~the merger. To realize the anticipated benefits and synergies from the merger~~ , ~~Valley must~~ **including dependence on the** ~~successfully~~ -- **successful operation of a** ~~integrate the Bank Leumi USA~~ business ~~in~~ **or** a **project** ~~manner that permits those synergies to be realized. If Valley is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or~~ **for** ~~at all or may take longer to realize~~ **repayment, and loan terms with a balloon payment rather** than ~~expected~~ **full amortization over the loan term** . In addition, **commercial real estate loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to one- to- four family residential mortgage loans. The value of** the ~~actual synergies~~ **real estate collateral that provides** ~~and~~ - **an** ~~anticipated benefits~~ **alternate source** of **repayment in** the ~~merger~~ **event of default by the borrower** could **deteriorate during the time the credit is extended** ~~be less than anticipated, and integration may result in additional unforeseen expenses~~ . ~~Prior~~ **Underwriting and portfolio management activities cannot completely eliminate all risks related** to ~~the~~ **these loans** ~~merger, Valley and Bank Leumi USA operated independently~~ . **Any significant failure to pay** ~~The success of the merger depends, in part,~~ on ~~Valley' s ability~~ **time by our clients or a significant default by our clients would materially and adversely affect us. Concentrations in commercial real estate are closely monitored by regulatory agencies and subject** to **especially heightened scrutiny** ~~successfully complete the ongoing integration of the businesses of~~ both **on** ~~companies in~~ a ~~manner that does not materially disrupt existing customer relations~~ **public and confidential basis. Any formal or informal action by** ~~or~~ **our** ~~result in decreased revenue~~ **supervisors may require us to increase** ~~or~~ **our reserves on** ~~reputational harm. It is possible that the~~ **these** ~~integration process~~ **loans and adversely impact our earnings. A downturn in the real estate market in our primary market areas** could result in ~~the loss of key employees, the disruption of either company' s ongoing businesses, difficulties in integrating operations and~~ - **an increase** ~~systems, including communications systems, administrative and information technology infrastructure and financial reporting and internal control systems, or inconsistencies~~ in ~~standards, controls, procedures and policies that adversely affect~~ the **number** ~~companies' ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits~~ of **borrowers who default on** ~~the merger. Any disruption to either company' s business could cause its customers to remove~~ their ~~accounts~~ **loans** and ~~move~~ **a reduction in the value of the collateral securing** their **loans, which in turn** ~~business to a competing financial institution. Integration efforts may also divert management attention and resources. These integration matters~~ could have an adverse effect on ~~Valley. Valley may be unable to retain Valley or~~ **our profitability and asset quality** ~~Bank Leumi USA personnel successfully~~ . ~~The success of~~ **If we are required to liquidate** the ~~merger depends in part on Valley~~ **collateral securing a loan to satisfy the debt during a period of reduced real estate values, our earnings and shareholders** ' **equity** ~~s ability to retain the talents and dedication of key employees employed prior to the merger by Valley and Bank Leumi USA. It is possible that these employees may decide not to remain with Valley. If Valley is unable to retain key employees, including management, who are critical to the successful integration of the companies and future operations, Valley~~ could ~~face disruptions in operations, loss of existing customers, loss~~

~~of key information, expertise or know- how and unanticipated additional recruitment costs. In addition, if key employees terminate their employment, Valley' s business activities may~~ be adversely affected ~~and management~~ **. Any weakening of the commercial real estate market may increase the likelihood of default on these loans, which could negatively impact our loan portfolio** ' s **performance and asset quality. For example, any declines in commercial real estate prices in the New Jersey, New York and Florida markets we primarily serve, along with the unpredictable long- term path of the economy, may result in increases in delinquencies and losses in our loan portfolios. Unexpected decreases in commercial real estate prices coupled with slow economic growth and elevated levels of unemployment could drive losses beyond those which are provided for in our allowance for loan losses. We also may incur losses on commercial real estate loans due to declines in occupancy rates and rental rates, which may decrease property values and may decrease the likelihood that a borrower may find permanent financing alternatives. Any of these events could increase our costs, require management' s time and** attention ~~may be diverted from successfully integrating Valley and Bank Leumi USA to hiring suitable replacements~~ , **and materially and adversely affect us** ~~all of which may cause Valley' s business to suffer~~ . ~~In addition, Valley may not be able to locate or retain suitable replacements for any key employees who leave. Risks Associated with Our Business Model~~ The loss of or decrease in lower- cost funding sources within our deposit base, including our inability to achieve deposit retention targets ~~under~~ **within** our branch **network** ~~transformation strategy~~ , may adversely impact our net interest income and net income. Checking and savings, NOW, and money market deposit account balances and other forms of customer deposits can decrease when customers perceive alternative investments, such as the stock market, U. S. Treasury securities, and money market or fixed income mutual funds, as providing a better risk / return trade- off. Additionally, our customers largely bank with us because of our local customer service and convenience. For certain customers, this convenience could be negatively impacted by ~~continued~~ **strategic consolidation or relocation of our** branch ~~consolidation activity undergone~~ **offices. Additionally, the adoption of online banking technology could reduce the historical stickiness of our core deposits due to the relative ease with which depositors may transfer deposits to a different depository institution, including in the event that confidence is lost in the Bank. Valley' s vulnerability to a bank run may be heightened by recent trends in depositor behavior. Highly coordinated depositors via social media or other communications can cause unexpectedly high deposit outflows resulting in a liquidity crisis,** as ~~part~~ **happened in the case** of ~~our branch transformation strategy~~ **the bank failures in early 2023** . If customers move money out of bank **2023 Form 10- K24** deposits and into other investments, Valley could lose a low- cost source of funds, increasing its funding costs and reducing Valley' s net interest income and net income. Our deposit services for businesses in the state licensed cannabis industry could expose us to liabilities and regulatory compliance costs. In 2020, we implemented specialized deposit services intended for ~~a limited number of~~ state licensed ~~medical- use~~ cannabis business customers. ~~Medical use~~ **Businesses engaged in the cultivation, manufacture, distribution, and sale of** cannabis ~~, as well as recreational use businesses~~ are legal in numerous states and the District of Columbia, including our primary markets of New Jersey, New York, and Florida. However, such businesses are not legal at the federal level and marijuana remains a Schedule I drug under the Controlled Substances Act of 1970. In 2014, ~~the U. S. Department of the Treasury' s Financial Crimes Enforcement Network (~~ FinCEN ~~)~~ published guidelines for financial institutions servicing state legal cannabis businesses. We have implemented a comprehensive control framework that includes written policies and procedures related to the on- boarding of such businesses and the **ongoing** monitoring and maintenance of such business accounts that comports with the FinCEN guidance. Additionally, our policies call for due diligence review of the cannabis business before the business is on- boarded, including confirmation that the business is properly licensed and maintains the license in good standing in the applicable state. Throughout the relationship, our policies call for continued monitoring of ~~212022 Form 10- K~~ the business, including site visits **where appropriate** , to determine if the business continues to meet our requirements, including maintenance of required licenses and calls for undertaking periodic financial reviews of the business ~~. The Bank' s program originally was limited to offering depository products to medical cannabis businesses. Deposit transactions are monitored for compliance with the applicable state medical program rules and other regulations~~ . In the latter half of 2021, the Bank expanded its cannabis- related business offerings to some limited lending on real estate ~~and deposit services to licensed recreational dispensaries~~ . The Bank may offer additional banking products and services to such customers in the future. ~~While we believe our policies and procedures allow us to operate in compliance with the FinCEN guidelines, there~~ **There** can be no assurance that **compliance with our policies and procedures designed to allow us to operate in** compliance with the FinCEN guidelines will protect us from federal prosecution or other regulatory sanctions. Federal prosecutors have significant discretion and there can be no assurance that the federal prosecutors will not choose to strictly enforce the federal laws governing cannabis. Any change in the federal government' s enforcement position could potentially subject us to criminal prosecution and other regulatory sanctions. As a general matter, the medical and recreational cannabis business is considered high- risk, thus increasing the risk of a regulatory action against our BSA / AML ~~program~~ **Program** that has adverse consequences, including **,** but not limited to, preventing us from undertaking mergers, acquisitions and other expansion activities ~~. A significant portion of our loan portfolio is secured by real estate, and events that negatively impact the real estate market could adversely affect our asset quality and profitability for those loans secured by real property and increase the number of defaults and the level of losses within our loan portfolio. A significant portion of our loan portfolio is secured by real estate. As of December 31, 2022, approximately 75 percent of our total loans had real estate as a primary or secondary component of collateral. The real estate collateral in each case provides an alternate source of repayment in the event of default by the borrower and could deteriorate in value during the time the credit is extended. A downturn in the real estate market in our primary market areas could result in an increase in the number of borrowers who default on their loans and a reduction in the value of the collateral securing their loans, which in turn could have an adverse effect on our profitability and asset quality. If we are required to liquidate the collateral securing a loan to satisfy the debt during a period of reduced real estate values, our earnings and shareholders' equity could be adversely affected. Any declines in home or commercial real estate prices in the New Jersey, New York and Florida markets we primarily serve,~~

~~along with the unpredictable long- term path of the economy, also may result in increases in delinquencies and losses in our loan portfolios. Unexpected decreases in home or commercial real estate prices coupled with slow economic growth and elevated levels of unemployment could drive losses beyond those which are provided for in our allowance for loan losses. In that event, our earnings could be adversely affected~~ . We could incur future goodwill impairment. If our estimates of the fair value of our goodwill change as a result of changes in our business or other factors, we may determine a goodwill impairment charge is necessary. Estimates of the fair value of goodwill are determined using several factors and assumptions, including, but not limited to, industry pricing multiples and estimated cash flows. Based upon Valley' s ~~2022~~ **2023** goodwill impairment testing, the fair values of its three reporting units, wealth management, consumer banking, and commercial banking, were in excess of their carrying values. No assurance can be given that we will not record an impairment loss on goodwill in the future and any such impairment loss could have a material adverse effect on our results of operations and financial condition. At December 31, ~~2022~~ **2023** , our goodwill totaled $ 1. 9 billion. See Note 8 to the consolidated financial statements for additional information. Our market share and income may be adversely affected by our inability to successfully compete against larger and more diverse financial service providers, digital fintech start- up firms and other financial services providers that have advanced technological capabilities. Valley faces substantial competition in all areas of its operations from a variety of different competitors, many of which are larger and may have more financial resources than Valley to deal with the potential negative changes in the financial markets and regulatory landscape. Many of these competitors may have fewer regulatory constraints, broader geographic service areas, greater capital, and, in some cases, lower cost structures. Valley competes with other providers of financial services such as commercial and savings banks, savings and loan associations, credit unions, money market and mutual funds, mortgage companies, title agencies, asset managers, insurance companies, and a large list of other local, regional and national institutions which offer financial services. Additionally, the financial services industry is facing a wave of digital disruption from fintech companies and other large financial services providers. The financial services industry is continually undergoing rapid technological change with frequent introductions of new, technology- driven products and services which increase efficiency and enable financial institutions to better serve customers and to reduce costs. These competitors provide innovative web- based solutions to traditional retail ~~222022 Form 10- K~~ banking services and products. Fintech companies tend to have stronger operating efficiencies and fewer regulatory burdens than their traditional bank counterparts, including Valley. Regulatory changes may continue to allow new entrants into the markets in which we operate. The result of these regulatory changes will likely cause other non- traditional financial services companies to compete directly with Valley. Many **252023 Form 10- K** of the companies have stronger operating efficiencies and fewer regulatory burdens than their traditional bank counterparts, including Valley. Our future success depends, in part, upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in our operations. As a result of **the pandemic** ~~COVID- 19~~ , many customers have become more reliant on, and their expectations have increased with respect to, this technology. We may not be able to effectively implement new, technology- driven products and services or be successful in marketing these products and services to our customers and service interruptions, transaction processing errors and system conversion delays and may cause us to fail to comply with applicable laws. Many of Valley' s competitors have substantially greater resources to invest in technological improvements. Valley may not be able to effectively implement new technology- driven products and services or be successful in marketing these products and services to its customers. Failure to successfully keep pace with technological change affecting the financial services industry could have a material adverse impact on Valley' s business and, in turn, Valley' s financial condition and results of operations. Failure to successfully implement our growth strategies could cause us to incur substantial costs and expenses which may not be recouped and adversely affect our future profitability. From time to time, Valley may implement new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. Valley may invest significant time and resources to develop and market new lines of business and / or products and services. Initial timetables for the introduction and development of new lines of business and / or new products or services may not be achieved, and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives, and shifting customer preferences, may also impact the successful implementation of a new line of business or a new product or service. Additionally, any new line of business and / or new product or service could have a significant impact on the effectiveness of Valley' s system of internal controls. Failure to successfully manage these risks could have a material adverse effect on Valley' s business, results of operations and financial condition. Our investments in certain tax- advantaged projects may not generate returns as anticipated and may have an adverse impact on our results of operations. We invest in certain tax- advantaged investments that support qualified affordable housing projects, community development and ~~, prior to 2019,~~ renewable energy resources. Our investments in these projects are designed to generate a return primarily through the realization of federal and state income tax credits, and other tax benefits, over specified time periods. Third parties perform diligence on these investments for us on which we rely both at inception and on an ongoing basis. We are subject to the risk that previously recorded tax credits, which remain subject to recapture by taxing authorities based on compliance features required to be met at the project level, may fail to meet certain government compliance requirements and may not be able to be realized. The possible inability to realize these tax credits and other tax benefits may have a negative impact on our financial results. The risk of not being able to realize the tax credits and other tax benefits depends on many factors outside our control, including changes in the applicable tax code and the ability of the projects to be completed. We **have $ 30** ~~previously invested in mobile solar generators sold and leased back by DC Solar and its affiliates (DC Solar)~~ . **4 million** ~~DC Solar had its assets frozen~~ in **reserve for** ~~December 2018 by the U. S. Department of Justice. DC Solar and related entities are in Chapter 7 bankruptcy. A group of investors who purchased mobile solar generators from, and leased them back to, DC Solar, including us received~~ tax **liability** ~~credits for making these renewable resource investments. During the fourth quarter 2019, several of the co- conspirators pleaded~~

~~guilty to fraud in the ongoing federal investigation. Based upon this new information, Valley deemed that its tax~~ positions ~~related to the DC Solar funds did not meet the more likely than not recognition threshold in Valley' s tax reserve assessment~~ at December 31, **2023** ~~2019. As a result, our net income for the year ended December 31, 2019, included an increase to our provision for income taxes of $ 31. 1 million, reflecting the reserve for uncertain tax liability positions~~ related to **certain** tax credits and other tax benefits previously recognized **by Valley, where, subsequently, a third- party** ~~from the investments in the DC Solar funds plus interest. The principals pled guilty to~~ fraud ~~in early 2020~~ **was uncovered by the U** . ~~During~~ **S. Department of Justice in** ~~2021~~ - **2018** ~~, the Internal Revenue Service commenced an audit connected with our investment in DC Solar and the audit remains open at this time~~ . While we believe that Valley was fully reserved for the tax positions related to ~~DC Solar~~ **this matter** at December 31, ~~2022~~ **2023** , we continue to evaluate all our existing tax positions each quarter under ~~U. S.~~ GAAP. ~~232022 Form 10- K~~ We are subject to environmental liability risk associated with lending activities which could have a material adverse effect on our financial condition and results of operations. A significant portion of our loan portfolio is secured by real property. During the ordinary course of business, we may foreclose on and take title to properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, we may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require us to incur substantial expenses and may materially reduce the affected property' s value or limit our ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase our exposure to environmental liability. Although we have policies and procedures to perform an environmental review prior to originating certain commercial real estate loans, as well as before initiating any foreclosure action on real property, these reviews may not be sufficient to detect all potential environmental hazards. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on our financial condition and results of operations. **2023 Form 10- K26** We may incur future losses in connection with repurchases and indemnification payments related to mortgages that we have sold into the secondary market. We engage in the origination of residential mortgages for sale into the secondary market, while typically retaining the loan servicing. In connection with such sales, we make representations and warranties, which, if breached, may require us to repurchase such loans, substitute other loans or indemnify the purchasers of such loans for actual losses incurred in respect of such loans. The aggregate principal balances of residential mortgage loans serviced by the Bank for others approximated $ 3. ~~5~~ **3** billion and $ 3. ~~6~~ **5** billion at December 31, **2023 and** 2022 ~~and 2021~~ , respectively. Over the past several years, we have experienced a nominal amount of repurchase requests **that** ~~, and only a few of which~~ have actually resulted in repurchases by Valley ~~(nine~~ **. During 2023** and ~~five loan repurchases in~~ 2022 **, Valley repurchased 3** and ~~2021~~ **10 loans with outstanding principal balances of $ 1. 1 million and $ 2. 9 million at the repurchase dates** , respectively ~~)~~ . None of the loan repurchases resulted in a material loss. As of December 31, ~~2022~~ **2023** , no reserves pertaining to loans sold were established on our financial statements. **It is possible that** ~~While we currently believe our repurchase risk remains low based upon~~ our careful loan underwriting and documentation standards ~~, it is possible that~~ **may not be sufficient to prevent additional** requests to repurchase loans **that** could occur in the future, and such requests may have a negative financial impact on us. Interest rate swap fees within capital markets income are a significant component of our non- interest income and could fluctuate in future periods. Valley executes interest rate swaps with commercial lending customers to facilitate their respective risk management strategies. Interest rate swap fees reported within capital markets income totaled approximately $ **28. 4 million, or 13 percent, and $** 43. 1 million, or 21 ~~percent, and $ 26. 9 million, or 17~~ percent, of total non- interest income for the years ended December 31, **2023 and** 2022 ~~and 2021~~ , respectively. ~~While we believe our~~ **Several factors, including, but not limited to, the actual and expected level of market interest rates, can impact the decisions of** commercial loan customers ~~will continue~~ to use **such** interest rate swap ~~for managing interest rate risk, several factors, including, but not limited to, the actual and expected level of market interest rates, can impact their decision to use such~~ products. As a result, we can provide no assurance that our interest rate swap fees will remain at the level reported for the year ended December 31, ~~2022~~ **2023** . We may not be able to attract **, develop** and retain skilled people. Our success depends, in large part, on our ability to attract **, develop** and retain key people. Competition for the best people in most activities in which we engage can be intense and we may not be able to hire people or to retain them, in particular due to an increasingly competitive labor market. **We** ~~The labor market continues to experience elevated levels of turnover in the aftermath of the COVID- 19 pandemic, and we~~ have been impacted by an extremely competitive labor market, including increased competition for talent across all aspects of our business, as well as increased competition with non-traditional competitors, such as fintech companies. Employers are offering increased compensation and opportunities to work with greater flexibility, including remote work, on a permanent basis. These can be important factors in a current associate' s decision to leave us as well as in a prospective associate' s decision to join us. As competition for skilled professionals remains intense, we may have to devote significant resources to attract and retain qualified personnel, which could negatively impact earnings. The unexpected loss of services of one or more of our key personnel, including, but not limited to, the executive officers disclosed in Item 1 **. Business** of this ~~Annual~~ Report, could have a material adverse impact on our business because we would lose the employees' skills, knowledge of the market, and years of industry experience and may have difficulty promptly finding qualified replacement personnel. ~~242022 Form 10- K~~ We are subject to risks relating to ~~environmental, social and governance ("~~ ESG ~~")~~ matters that could adversely affect our reputation, business, financial condition and results of operations, as well as the price of our common and preferred stock. We are subject to a variety of risks, including reputational risk, associated with ESG matters. The public holds diverse and often conflicting views on these matters. We have multiple stakeholders, including our shareholders, clients, associates, federal and state regulatory authorities, and the communities in which we operate, and these stakeholders will often have differing priorities and expectations regarding ESG issues. If we take action in conflict with one or another of those stakeholders' expectations, we could experience an increase in client complaints, a loss of business, or reputational harm. We could also face negative publicity or reputational harm based on the identity of those with whom we choose to do business. Any adverse publicity in connection with ESG issues could damage our reputation, ability to attract and retain clients and associates, compete effectively, and grow our business. In addition, proxy advisory firms and certain institutional investors who manage investments in public companies are increasingly integrating ESG factors into their investment analysis. The consideration of ESG factors in making investment and voting decisions is relatively new. Accordingly, the frameworks and methods for assessing ESG policies are not fully developed, vary considerably among the investment community, and will likely continue to evolve over time. Moreover, the subjective nature of methods used by various stakeholders to assess a company with respect to ESG criteria could result in erroneous perceptions or a misrepresentation of our actual ESG policies and practices. Organizations that provide ratings information to investors on ESG matters may also assign unfavorable ratings to us. Certain of our clients might also require that we implement additional ESG procedures or standards in order to continue to do business with them. If we fail to comply with specific ESG- related investor or client expectations and standards, or to provide the disclosure relating to ESG issues that any **272023 Form 10- K** third parties may believe is necessary or appropriate (regardless of whether there is a legal requirement to do so), our reputation, business, financial condition, and / or results of operations, as well as the price of our common and preferred stock could be negatively impacted. Climate change and severe weather could ~~significantly~~ **adversely** impact our **operations,** ~~ability to conduct our~~ business **, and clients** . There is an increasing concern over the risks of climate change and related environmental sustainability matters. **Climate change presents (i) physical risks from the direct impacts of changing climate patterns and acute weather events, and (ii) transition risks from changes in regulations, disruptive technologies, and shifting market dynamics towards a lower carbon economy.** The physical risks of climate change include discrete events, such as ~~flooding~~ **floods, hurricanes, tornadoes, heatwaves,** and wildfires, and longer- term shifts in climate patterns, such as **higher global average temperatures,** extreme heat, ~~seal~~ - **sea** level rise, and more frequent and prolonged ~~drought~~ **droughts** . ~~Such events~~ **Examples of transition risks include changes in consumer preferences, additional regulatory requirements or taxes and additional counterparty or client requirements. These risks** could ~~disrupt our operations or~~ **have a material adverse impact on asset values and the financial performance of Valley' s businesses, and** those of **its clients. Ongoing legislative** ~~our~~ - **or** ~~customers or third~~ **regulatory uncertainties and changes regarding climate risk management and** ~~parties~~ **practices** ~~on which we rely~~ **may result in higher regulatory** , **compliance, credit** ~~including through direct damage to assets~~ and ~~indirect impacts from market volatility~~ **reputational risks and costs. Climate change could also present incremental risks to the execution of Valley' s long- term strategy** . Additionally, transitioning to a low- carbon economy may entail extensive policy, legal, technology **,** and market initiatives. A significant portion of our primary markets is located near coastal waters which could generate naturally occurring severe weather, or **do so** in response to climate change, which **in turn** could have a significant impact on our ability to conduct business. Many areas in New Jersey, New York, Florida and Alabama in which the vast majority of our branches and offices operate are subject to severe flooding from time to time and significant disruptions related to the weather may become common events in the future. Heavy storms and hurricanes can also cause severe property damage and result in business closures, negatively impacting both the financial health of retail and commercial customers and our ability to operate our business. The risk of significant disruption and potential losses from future storm activity exists in all of our primary markets. **In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our clients' involvement, in certain industries or projects, in the absence of mitigation and / or transition measures, associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. As climate risk is interconnected with all key risk types, Valley continues to embed climate risk considerations into risk management strategies. Due to uncertainty regarding climate change, the Company' s risk management strategies may not be effective in fully mitigating climate risk exposures. The timing and severity of climate change may not be entirely predictable and our risk management processes may not be effective in mitigating climate risk exposure.** Risks Related to Our Industry Changes in interest rates could reduce our net interest income and earnings. Valley' s earnings and cash flows are largely dependent upon ~~its~~ **the Bank' s** net interest income. Net interest income is the difference between interest income earned on interest- earning assets, such as loans and investment securities, and interest expense paid on interest ~~-~~bearing liabilities, such as deposits and borrowed funds. Interest rates are sensitive to many factors that are beyond Valley' s control, including general economic conditions, competition, and policies of various governmental and regulatory agencies and, in particular, the policies of the Federal Reserve. Changes in interest rates driven by such factors ~~could~~ **will** influence not only the interest ~~Valley~~ **the Bank** receives on loans and investment securities and the amount of interest it pays on deposits and borrowings, but such changes could also affect (i) ~~Valley~~ **the Bank** ' s ability to originate loans and obtain deposits, (ii) the fair value of Valley' s financial assets, including the **HTM** ~~held to maturity~~ and **AFS** ~~available for sale~~ investment securities portfolios, and (iii) the average duration of Valley' s interest- earning assets and liabilities. This also includes the risk that interest- earning assets may be more responsive to changes in interest rates than interest- bearing liabilities, or vice versa (repricing risk), the risk that the individual interest rates or rate indices underlying various interest- earning assets and interest- bearing liabilities may not change in the same degree over a given time period (basis risk), and the risk of changing interest rate relationships across the spectrum of interest- earning asset and interest- bearing liability maturities (yield curve risk). The Federal Reserve maintained the target range for the federal funds rate between 0. 00 and 0. 25 percent during 2021. Beginning in March 2022, the Federal Reserve ~~252022 Form 10- K~~ significantly increased the target federal funds rate incrementally through 2022 **and 2023,** resulting in a target range between ~~4~~ **5** . 25 and ~~4~~ **5** . 50 percent at December 31, ~~2022~~ **2023** , ~~effectively increasing~~ **with the Federal Reserve deciding to maintain this target range as of January 31, 2024. The future direction and levels of** interest rates **remain uncertain** ~~. During the first quarter 2023, the Federal Reserve increased the target federal funds rate another 0. 25 percent and may further increase the target federal funds rate in 2023 in an attempt to reduce inflation~~ . Any substantial or unexpected change in market interest rates could have a material adverse effect on Valley' s financial condition and results of operations.

See additional information in the " Net Interest Income " and " Interest Rate Sensitivity " sections of our MD & A. **2023 Form 10- K28** We may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and could have a material adverse effect on us. We are required to comply with anti- money laundering, anti- terrorism and other laws and regulations in the United States. These laws and regulations require us, among other things, to adopt and enforce " know- your- customer " policies and procedures and to report suspicious and large transactions to applicable regulatory authorities. These laws and regulations have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of enhanced government supervision. ~~While~~ **The policies and procedures that** we have adopted ~~policies~~ **to comply with these requirements** and **to** ~~procedures aimed at detecting~~ --- **detect** and ~~preventing~~ --- **prevent** the use of our banking network for money laundering and related activities ~~, those policies and procedures~~ may not completely eliminate instances in which we may be used by customers to engage in money laundering and other illegal or improper activities. To the extent we fail to fully comply with applicable laws and regulations, the OCC, along with other banking agencies, have the authority to impose fines and other penalties and sanctions on us. In addition, our business and reputation could suffer if customers use our banking network for money laundering or illegal or improper purposes ~~. The replacement of the LIBOR benchmark interest rate may have an impact on Valley' s business, financial condition or results of operations. The Adjustable Interest Rate (LIBOR) Act (the " LIBOR Act "), is a Federal law that was passed March 15, 2022, to permit financing agreements that contain a LIBOR- based benchmark without inadequate " fallback provisions " to be automatically replaced, once LIBOR ceases, by a benchmark replacement recommended by the Federal Reserve. On December 16, 2022, the Federal Reserve adopted a final rule implementing the LIBOR Act that, among other things, identifies the applicable SOFR- based benchmark replacements under the LIBOR Act. The LIBOR Act pre- empts similar state laws such as the New York State statute providing for recommended benchmark replacements for contracts governed by New York law without adequate fallback provisions. US Dollar LIBOR rates will continue to be published until June 30, 2023, to allow adequate time for legacy LIBOR based financing to move to an alternate reference interest rate. SOFR is considered to be a risk free rate and LIBOR was a risk weighted rate. Thus, SOFR tends to be a lower rate than LIBOR because it does not contain a risk component. The difference may negatively impact Valley' s interest rate margin utilizing SOFR as compared to LIBOR. We no longer use LIBOR as an index for any new loan originations and commenced its changeover of legacy LIBOR based financing to alternate indexes. The implementation of a substitute index or indices for the calculation of interest rates under loan agreements with borrowers may cause us to incur expenses related to the transition, may result in reduced loan interest income. Borrowers may dispute substitute index, indices or equalization credit spread adjustments. Some disputes with borrowers over the appropriateness or comparability to LIBOR of the substitute index or indices may result in litigation. The interest rate differences, costs associated with the indices changeover from LIBOR to SOFR and the limited potential for litigation related to the cessation of LIBOR may have an adverse impact to Valley. These consequences cannot be entirely predicted and may impact the market value for or value of LIBOR- linked securities, loans, and other financial obligations or extensions of credit held by or due to us~~. Higher charge- offs and weak credit conditions could require us to further increase our allowance for credit losses through a provision charge to earnings. The process for determining the amount of the allowance for credit losses is critical to our financial results and conditions. It requires difficult, subjective and complex judgments about the future, including the impact of national and regional economic conditions on the ability of our borrowers to repay their loans. If our judgment proves to be incorrect, our allowance for credit losses may not be sufficient to cover the lifetime credit losses inherent in our loan and **HTM** ~~held to maturity~~ debt securities portfolios, as well as unfunded credit commitments. Deterioration in economic conditions affecting borrowers, including as a result of inflationary pressures or other macroeconomic factors resulting from the COVID- 19 pandemic or otherwise, new information regarding existing loans, identification of additional problem loans and other factors, both within and outside of our control, may require an increase in the allowance for credit losses. Additionally, bank regulators review the classification of our loans in their examination of us and we may be required in the future to change the internal classification on certain loans, which may require us to increase our provision for credit losses or loan charge- offs. If actual net charge- offs were to exceed Valley' s allowance, its earnings would be negatively impacted by additional provisions for credit losses. Any ~~262022 Form 10- K~~ increase in our allowance for credit losses or loan charge- offs as required by the OCC or otherwise could have an adverse effect on our results of operations or financial condition. An increase in our non- performing assets may reduce our interest income and increase our net loan charge- offs, provision for loan losses, and operating expenses. Non- performing assets (including non- accrual loans, **OREO** ~~other real estate owned~~ , and other repossessed assets) totaled $ ~~272~~ **293** . ~~0~~ **4** million at December 31, ~~2022~~ **2023** . Our non- accrual loans represented 0. ~~57~~ **58** percent of total loans at December 31, ~~2022~~ **2023** ~~and~~ **, which** included non- accrual taxi medallion loans totaling $ ~~66~~ **62** . ~~5~~ **3** million ~~with~~ **that had** related reserves of $ ~~42~~ **37** . ~~2~~ **7** million, or ~~63~~ **60** . 5 percent of such loans, within the allowance for loan losses. These non- performing assets can adversely affect our net income mainly through decreased interest income and increased operating expenses incurred to maintain such assets or loss charges related to subsequent declines in the estimated fair value of foreclosed assets. Adverse changes in the value of our non- performing assets, or the underlying collateral, or in the borrowers' performance or financial conditions could adversely affect our business, results of operations and financial condition. Potential further ~~declines~~ **stress** in the **commercial real estate** ~~market~~ **markets , primarily in** ~~valuation of taxi medallions and the stressed operating environment within~~ New York City ~~due to the COVID- 19 pandemic~~ , ~~increases~~ **declines** in ~~crime~~ **the market valuation of taxi medallions,** or other factors could also negatively impact the future performance of this portfolio. There can be no assurance that we will not experience increases in non- performing loans in the future, or that our non- performing assets will not result in lower financial returns in the future. We may be required to consult with the Federal Reserve ~~Bank (FRB)~~ before declaring cash dividends on our common stock, which ultimately may delay, reduce, or eliminate such dividends and adversely affect the market price of our common stock. Holders of our common stock are only entitled to receive such cash dividends as ~~our~~ **the** Board ~~of Directors~~ may declare out of funds legally available for such payments. Although we have historically declared cash dividends on our common stock, we are not required to do so. We may reduce or eliminate our common stock cash dividend in the future depending upon our results of operations, financial condition or other metrics, which could be adversely impacted by the factors described in this Item 1A, including ~~the potential ongoing impact of the COVID- 19 pandemic and the~~ uncertain U. S. economic conditions. In July 2020, the ~~FRB~~ **Federal Reserve** updated its supervisory guidance to provide greater clarity regarding the situations in which bank holding companies, like Valley, may expect an expedited consultation in connection with the declaration of dividends that exceed quarterly earnings. To qualify, amongst other criteria, total commercial real estate loan concentrations cannot represent 300 percent or more of total capital and the outstanding balance of the commercial real estate loan portfolio **292023 Form 10- K** cannot increase by 50 percent or more during the prior 36 months. Currently, we believe that Valley does not meet the standard for expedited consultation and approval of its dividend, should it be required. As a result, Valley could be subject to a lengthier and possibly more burdensome review process by the ~~FRB~~ **Federal Reserve** when considering paying dividends that exceed quarterly earnings. The delay, reduction or elimination of our quarterly dividend could adversely affect the market price of our common stock. See additional information regarding our quarterly cash dividend and the current rate of earnings retention in the " Capital Adequacy " section of the MD & A. General Commercial, Operational ~~and~~ **,** Financial and Regulatory Risks Our controls and procedures may fail or...... provision for credit losses and earnings. We may be unable to adequately manage our liquidity risk, which could affect our ability to meet our obligations as they become due, capitalize on growth opportunities, ~~or~~ pay regular dividends on our common stock **and generate adequate earnings** . Liquidity risk is the potential that Valley will be unable to meet its obligations as they come due, capitalize on growth opportunities as they arise, or pay regular dividends on our common stock because of an inability to liquidate assets or obtain adequate funding on a timely basis, at a reasonable cost and within acceptable risk tolerances. Liquidity is required to fund various obligations, including **withdrawals by depositors, repayment of borrowings,** credit commitments to borrowers, mortgage and other loan originations ~~, withdrawals by depositors, repayment of borrowings~~ , dividends to shareholders, operating expenses and capital expenditures. Liquidity is derived primarily from commercial and retail deposit growth and retention; principal and interest payments on loans; principal ~~282022 Form 10- K~~ and interest payments on investment securities; sale, maturity and prepayment of investment securities; net cash provided from operations; and access to other funding sources, such as the FHLB and certain brokered deposit channels established by the Bank. Our access to funding sources **, including the FHLB and brokered deposits,** in amounts adequate to finance our activities could be impaired by factors that affect us specifically or the financial services industry in general. **Unexpected changes to the FHLB' s underwriting guidelines for wholesale borrowings or lending policies may limit or restrict our ability to borrow, and therefore could have a significant adverse impact on our liquidity. Other** ~~Factors~~ **factors** that could have a detrimental impact to our access to liquidity sources include a decrease in the level of our business activity due to persistent weakness, or downturn, in the economy or adverse regulatory action against us. Our ability to borrow could also be impaired by factors that are not necessarily specific to us, such as a severe disruption of the financial markets or negative views and expectations about the prospects for the financial services industry as a whole. ~~Cyber attacks~~ **In the event of future turmoil in the banking industry or other idiosyncratic events, there is no guarantee that the U. S. government will invoke the systemic risk exception, create additional liquidity programs, or take any other action to stabilize the banking industry or provide liquidity. Additionally, our inability to access brokered deposits or other funding sources, such as the FHLB,** could ~~compromise~~ **require us to pay significantly higher interest rates on our direct customer deposits which would have an adverse impact on our net interest income and net income. Valley' s inability to monetize liquid assets** ~~our~~ - **or** ~~grow may be limited if we choose not~~ to ~~pursue~~ **access short- term funding** or ~~are unable~~ **capital markets could constrain Valley' s ability** to ~~successfully~~ make ~~acquisitions in the future~~ **new loans or meet existing lending commitments,pay its regular common stock dividend,jeopardize Valley' s capitalization,and adversely impact Valley' s net interest income and net income** .The CECL model for determining our allowance for credit losses could add volatility to our provision for credit losses and earnings.The ~~current expected credit loss (~~ CECL ~~)~~ model requires the allowance for credit losses for certain financial assets,including loans, **HTM** ~~held to maturity~~ securities and certain off- balance sheet credit exposures,to be calculated based on current expected credit losses over the lives of the assets rather than incurred losses as of a point in time.Our estimation process is subject to risks and uncertainties,including a reliance on historical loss and trend ~~information that may not be representative of current conditions and indicative of future performance.Accordingly,our actual lifetime credit losses may~~ information **that may not be representative of current conditions and indicative of future performance. Accordingly,** ~~or~~ **our actual lifetime credit losses may be materially different than the amounts reported in the allowance due to the inherent uncertainty in the estimation process, including future loss estimates based upon our reasonable and supportable economic forecasts. Also, future credit losses could differ materially from those estimates due to changes in values and circumstances after the balance sheet date. Changes in such estimates could significantly impact our allowance, provision for credit losses and earnings. Our controls and procedures may fail or be circumvented, which may** result in ~~which may result in~~ a material adverse effect on our business,results of operations and financial condition.Management periodically reviews and updates our internal ~~controls~~ - **control over financial reporting** ,disclosure controls and procedures,and corporate governance policies.Any system of controls,however well designed and operated,is based in part on certain assumptions and can provide only reasonable,not absolute,assurances that the objectives of the system are met.Any failure or circumvention of the controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business,results of operations and financial condition. **2023 Form 10- K30** We rely on our systems of controls and procedures,and if our system fails,our operations could be disrupted.We face the risk that the design of our controls and procedures,including ~~those to mitigate the the~~ **those to mitigate the risk of fraud by employees or outsiders, may prove to be inadequate or are circumvented, thereby causing delays in detection of errors or inaccuracies in** data **and information, including personal, confidential, proprietary, and sensitive information.**

We regularly review and update our internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of **controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure** ~~our~~ **or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, results of operations and financial condition. We may also be subject to disruptions of our systems or networks arising from events that are wholly or partially beyond our control (including, for example, electrical or telecommunications outages), which may give rise to losses in service to** customers ~~being improperly divulged or~~ **and to financial loss** ~~our~~ **or liability. We are further exposed to the risk that our external vendors may be unable to fulfill their contractual obligations (or will be subject to the same risk of fraud or operational errors by their respective employees as us) and to the risk that our (or our vendors') business continuity and data security** systems ~~being~~ **prove** to be inadequate.We maintain a system of comprehensive policies and a control framework designed to monitor vendor risks including,among other things,(i) changes in the vendor' s organizational structure or internal controls,(ii) changes in the vendor' s financial condition,(iii) changes in the vendor' s support for existing products and services and (iv) changes in the vendor' s strategic focus.While we believe these policies and procedures help to mitigate risk,the failure of an external vendor to perform in accordance with the contracted arrangements under service level agreements could be ~~disruptive disrupted~~ **disruptive to our operations** , which ~~vendor' s strategic focus.While we believe these policies and procedures help to mitigate risk,the failure of an external vendor to perform in accordance with the contracted arrangements under service level agreements could be disruptive to our operations,which~~ could have a material adverse impact on our business and,in turn,our financial condition and results of operations.Our business,financial condition and results of operations could be adversely affected by ~~the outbreak of~~ **natural disasters,** ~~pandemic~~ **pandemics ,acts of terrorism,and other catastrophic events.The occurrence of natural disasters,extreme weather events,health crises,the occurrence or worsening of** disease **outbreaks or pandemics** , **or** ~~acts of terrorism,and~~ other ~~external~~ **catastrophic** events **,as well as government actions or other restrictions in connection with such events,could adversely affect our financial condition or results of operations** .The emergence of widespread health emergencies or pandemics,such as COVID- 19,could lead to ~~additional~~ quarantines,business shutdowns,labor shortages,disruptions to supply chains,and overall economic instability.Additionally,New York City and New Jersey remain central targets for potential acts of terrorism against the United States.Such events could affect the stability of our deposit base,impair the ability of borrowers to repay outstanding loans,impair the value of collateral securing loans,cause significant property damage,result in loss of revenue and / or cause us to incur additional expenses. **The** ~~Although we have established and regularly test disaster recovery policies and procedures,the~~ occurrence of any such event in the future could have a material adverse effect on our business,which,in turn,could have a material adverse effect on our financial condition and results of operations.Our ability to make opportunistic acquisitions is subject to significant risks,including the risk that regulators will not provide the requisite approvals.We may make opportunistic whole or partial acquisitions of other banks,branches,financial institutions,or related businesses from time to time that we expect may further our business strategy.Any possible acquisition will be subject to regulatory approval,and there can be no assurance that we will be able to obtain such approval in a timely manner or at all.Even if we obtain regulatory approval,these acquisitions could involve numerous risks,including lower than expected performance or higher than expected costs,difficulties related to integration,diversion of management' s attention from other business activities,changes in relationships with customers,and the potential loss of key employees.In addition,we may not be successful in identifying acquisition candidates,integrating acquired institutions,or preventing deposit erosion or loan quality deterioration at acquired institutions.Competition for acquisitions can be intense,and we may not be able to acquire other institutions on attractive terms.There can be no assurance that we will be successful in completing or will even pursue future acquisitions,or if such transactions are completed,that we will be successful in integrating acquired businesses into operations.Ability to grow may be limited if we choose not to pursue or are unable to successfully make acquisitions in the future. ~~The CECL model~~ **Cybersecurity incidents and other disruptions to our information system** could expose us to liability, losses and escalating operating costs. Valley regularly collects, **transmits, stores and otherwise** processes **personal** , ~~transmits and stores~~ confidential **, proprietary or sensitive** information regarding its customers, employees and others for whom it services loans. In some cases, this **personal,** confidential ~~or~~ **,** proprietary **or sensitive** information is collected, compiled, **transmitted, stored or otherwise** processed ~~, transmitted or stored~~ by third parties on Valley' s behalf. ~~Information security~~ **Cybersecurity** risks have increased because of the proliferation of new technologies **, including artificial intelligence,** and the increased sophistication and activities of ~~perpetrators of cyber attacks~~ **threat actors, including organized criminal groups, " hacktivists ", terrorists, nation states, nation- state supported actors and other external parties** . Many financial institutions and **312023 Form 10- K** companies engaged in data processing have reported significant breaches in the security of their websites or other systems **or networks** , some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to **personal,** confidential **, proprietary or sensitive** information, destroy data, denial- of- service, or sabotage systems **or networks** , often through **, among other things,** the introduction of computer viruses or malware, ~~cyber~~ **social engineering** attacks **(including phishing attacks), credential stuffing, account takeovers** and other means. In addition, there have been well- publicized " ransomware " attacks against various U. S. companies with the intent to materially disrupt their computer network and services. Globally, cybersecurity attacks are increasing in number and the attackers are increasingly organized and well- financed, or at times supported by state actors. In addition, geopolitical tensions or conflicts, such as Russia' s invasion of Ukraine ~~or~~ **,** increasing tension with China **or the unfolding events in Israel and the Gaza Strip** , may create a heightened risk of cybersecurity attacks **. Cybersecurity risks also may derive from fraud or malice on the part of our employees or third parties, or may result from human error, software bugs, server malfunctions, software or hardware failure or other technological failure. Such threats may be difficult to detect for long periods of time and also may be further enhanced in frequency or effectiveness through threat actors' use of artificial intelligence** . Valley frequently experiences attempted cybersecurity attacks against its **systems and certain attacks have been successful. Valley has also been impacted by cybersecurity breaches of its vendors'** systems. There can be no assurances that Valley will not incur **future** breaches of our systems or ~~that~~ **be impacted by breaches** of our vendors **' systems,** which **in either case** may expose the data of our customers or disrupt our services, exposing us to significant damage, ongoing operational costs and / or reputational harm. **We do not control our vendors and our ability to monitor their cybersecurity is limited, and our cybersecurity diligence on key vendors may not be sufficient to prevent a failure or cybersecurity incident that may impact us or our customers. Some of our vendors may store or have access to our data and we rely on these vendors to implement information security programs commensurate with the relevant risk. We cannot, however, ensure in all circumstances that their efforts will be successful. A vulnerability in our vendors' software or systems, a failure of our vendors' safeguards, policies or procedures, or a** ~~Cyber~~ **cyber - attack or other cybersecurity incident affecting any of these third parties could harm our business. During 2023, we were notified of breaches related to the MOVEit file transfer software used by certain of our third- party service providers, as a result of which unauthorized parties were able to obtain access to certain Bank customer data that included personally identifiable information. Appropriate notifications were provided to potentially impacted customers. While our business has not been materially impacted by these cybersecurity incidents, similar incidents could have a material adverse effect on our business in the future. Cybersecurity** risk exposure will remain elevated or increase in the future due to, among other things, the increasing size and prominence of Valley in the financial services industry, our expansion of internet and mobile banking tools and new products based on customer needs, and the system and customer account conversions associated with the integration of merger targets. Successful attacks on **us or** any one of **our** many ~~our~~ third- party service providers may adversely affect our business and result in the **loss of, unauthorized access to or** disclosure **of,** or **the** misuse ~~of our~~ - **or misappropriation of, our personal,** confidential **, proprietary or sensitive** information or that of our customers. There can be no assurance that we or our third- party service providers will not suffer a cyber **-** attack **or other cybersecurity incident** that exposes us to significant damages, operational costs, **litigation, regulatory enforcement, investigations, fines, sanctions or other penalties,** or reputational harm **. We are subject to complex and evolving laws, regulations, rules, standards and contractual obligations regarding data privacy and cybersecurity, which could increase the cost of doing business, compliance risks and potential liability. We are subject to complex and evolving laws, regulations, rules, standards and contractual obligations relating to data privacy and the security of the personal information of clients, employees or others, and any failure to comply with these laws, regulations, rules, standards and contractual obligations could expose us to liability and / or reputational damage. The regulatory framework for data privacy and cybersecurity is in considerable flux and evolving rapidly, and these laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction. As new data privacy and security- related laws, regulations, rules and standards are implemented, the time and resources needed for us to comply with such laws, regulations, rules and standards, as well as our potential liability for non- compliance and reporting obligations in the case of cyber- attacks, information security breaches or other similar incidents, may significantly increase. Compliance with these laws, regulations, rules and standards may require us to change our policies, procedures and technology for information security, which could, among other things, make us more vulnerable to operational failures and to monetary penalties for breach of such laws, regulations, rules and standards. In addition to various data privacy and cybersecurity laws and regulations already in place, U. S. states are increasingly adopting laws and regulations imposing comprehensive data privacy and cybersecurity obligations, which may be more stringent, broader in scope, or offer greater individual rights, with respect to personal information than federal or other state laws and regulations, and such laws and regulations may differ from each other, which may complicate compliance efforts and increase compliance costs. Aspects of federal and state laws and regulations relating to data privacy and cybersecurity, as well as their enforcement, remain unclear, and we may be required to modify our practices in an effort to comply with them. See 2023 Form 10- K32 Item 1. Business —" Supervision and Regulation" —" Data Privacy and Cybersecurity Regulation" for more information regarding applicable data privacy and cybersecurity laws and regulations. Further, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to data privacy and security. Although we endeavor to comply with our privacy policies, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other documentation that provide promises and assurances about data privacy and cybersecurity can subject us to potential government or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Any concerns about our data privacy and cybersecurity practices, even if unfounded, could damage our reputation and adversely affect our business. Any failure or perceived failure by us to comply with our privacy policies, or applicable data privacy and cybersecurity laws, regulations, rules, standards or contractual obligations, or any compromise of security that results in unauthorized access to, or unauthorized loss, destruction, use, modification, acquisition, disclosure, release or transfer of personal information, may result in requirements to modify or cease certain operations or practices, the expenditure of substantial costs, time and other resources, proceedings or actions against us, legal liability, governmental investigations, enforcement actions, claims, fines, judgments, awards, penalties, sanctions and costly litigation (including class actions). Any of the foregoing could harm our reputation, distract our management and technical personnel, increase our costs of doing business, adversely affect the demand for our products and services, and ultimately result in the imposition of liability, any of which could have a material adverse effect on our business, financial condition and results of operations** . Extensive regulation and supervision have a negative impact on our ability to compete in a cost- effective manner and may subject us to material compliance costs and penalties, and changes in regulation could adversely affect our business, financial condition and results of operations. Valley, primarily through its principal subsidiary and certain non- bank subsidiaries, is subject to extensive federal and state regulation ~~and~~ **,** supervision **and examination** . Banking **laws,** regulations **, and rules** are primarily intended to protect depositors' funds, federal deposit insurance funds and the banking system as a whole. Many laws and regulations affect Valley' s lending practices, capital structure, investment practices, dividend policy and growth, among other things. They encourage Valley to ensure a satisfactory level of lending in defined areas and establish and maintain comprehensive programs relating to anti- money laundering and customer identification. Congress, state legislatures, and federal and state regulatory agencies continually review banking laws, regulations and policies for possible changes. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of statutes, regulations or policies, could affect Valley in substantial and unpredictable ways. Such changes could subject Valley to additional costs, limit the types of financial services and products it may offer and / or increase the ability of non- banks to offer competing financial services and products, among other things. Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and / or reputational damage, which could have a material adverse effect on Valley' s business, financial condition and results of operations. Valley' s compliance with certain of these laws will also be considered by banking regulators when reviewing bank merger and bank holding company acquisitions. We **also anticipate increased regulatory scrutiny — in the course of routine examinations and otherwise — and new regulations designed to respond to recent negative developments in the banking industry, all of which may increase our costs of doing business and reduce our profitability. Among other things, there may be increased focus by both regulators and investors on deposit composition, the level of uninsured deposits, brokered deposits, unrealized losses in securities portfolios, liquidity, commercial real estate composition and concentration, and capital and general oversight and control of the foregoing. Valley could face increased scrutiny or be viewed as higher risk by regulators and / or the investor community, which could negatively affect its results of operations and financial condition. Heightened regulatory scrutiny or the results of an investigation or examination may lead to additional regulatory investigations or enforcement actions. Regulatory enforcement and fines have increased across the banking and financial services sector. There is no assurance that those actions will not result in regulatory settlements or other enforcement actions against Valley or the Bank. Furthermore, a single event involving a potential violation of law or regulation may give rise to numerous and overlapping investigations and proceedings by multiple federal and state agencies and officials. In addition, if one or more financial institutions are found to have violated a law or regulation relating to certain business activities, this could lead to investigations by regulators or other governmental agencies of the same or similar activities by other financial institutions, including Valley, and large fines and remedial measures that may have been imposed in resolving earlier investigations for the same or similar activities at other financial institutions may be used as the basis for future settlements. 332023 Form 10- K We** are subject to numerous laws designed to protect consumers, including the **CRA** ~~Community Reinvestment Act~~ and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions. The **CRA** ~~Community Reinvestment Act~~ , the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose community investment and nondiscriminatory lending requirements on financial institutions. The **CFPB** ~~292022 Form 10- K Consumer Financial Protection Bureau~~ , the **U. S.** Department of Justice and other federal agencies are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution' s performance under the **CRA** ~~Community Reinvestment Act~~ , the Equal Credit Opportunity Act, the Fair Housing Act or other fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions, restrictions on expansion and restrictions on entering new business lines. Private parties also may challenge an institution' s performance under fair lending laws in litigation. Such actions could have a material adverse effect on our business, financial condition and results of operations. Changes in accounting policies or accounting standards could cause us to change the manner in which we report our financial results and condition in adverse ways and could subject us to additional costs and expenses. Valley' s accounting policies are fundamental to understanding its financial results and condition. Some of these policies require the use of estimates and assumptions that may affect the value of Valley' s assets or liabilities and financial results. Valley identified its accounting policies regarding the allowance for credit losses, goodwill and other intangible assets, and income taxes to be critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. Under each of these policies, it is possible that materially different amounts would be reported under different conditions, using different assumptions, or as new information becomes available. From time to time, the FASB and the SEC change their guidance governing the form and content of Valley' s external financial statements. In addition, accounting standard setters and those who interpret ~~U. S. generally accepted accounting principles (U. S.~~ GAAP ~~)~~ , such as the FASB, SEC and banking regulators may change or even reverse their previous interpretations or positions on how these standards should be applied. Such changes are expected to continue and may accelerate dependent upon the FASB and International Accounting Standards Board commitments to achieving convergence between ~~U. S.~~ GAAP and International Financial Reporting Standards. Changes in ~~U. S.~~ GAAP and changes in current interpretations are beyond Valley' s control, can be hard to predict and could materially impact how Valley reports its financial results and condition. In certain cases, Valley could be required to apply new or revised guidance retroactively or apply existing guidance differently (also retroactively) which may result in Valley restating prior period financial statements for material amounts. Additionally, significant changes to ~~U. S.~~ GAAP may require costly technology changes, additional training and personnel, and other expenses that will negatively impact our results of operations. Claims and litigation could result in significant expenses, losses and damage to our reputation. From time to time as part of Valley' s normal course of business, customers, bankruptcy trustees, former customers, contractual counterparties, third parties and current and former employees make claims and take legal action against Valley based on actions or inactions of Valley. If such claims and legal actions are not resolved in a manner favorable to Valley, they may result in financial liability and / or adversely affect the market perception of Valley and its products and services. This may also impact customer demand for Valley' s products and services. Any financial liability could have a material adverse effect on Valley' s financial condition and results of operations. Any ~~reputation~~ **reputational** damage could have a material adverse effect on Valley' s business. Risks Related to an Investment in ~~our~~ **Our** Securities We may reduce or eliminate the cash dividend on our common stock, which could adversely affect the market price of our common stock. Holders of our common stock are only entitled to receive such cash dividends as ~~our~~ **the** Board ~~of Directors~~ may declare out of funds legally available for such payments. **We** ~~Although we have historically declared cash dividends on our common stock, we~~ are not required to ~~do so~~ **continue our historical practice of declaring dividends on our common stock** and may reduce or eliminate our common stock cash dividend in the future depending upon our results of operations, financial condition or other metrics. This reduction or elimination of our dividend could adversely affect the market price of our common stock. If our subsidiaries are unable to pay dividends or make distributions to us, we may be unable to make dividend payments to our preferred and common shareholders or interest payments on our long- term borrowings and junior subordinated debentures issued to capital trusts. ~~We are~~ **Valley National Bancorp is** a separate and distinct legal entity from our banking and non- banking subsidiaries and depend on dividends, distributions, and other payments from the Bank and its non- banking subsidiaries to fund cash dividend payments on our preferred and common stock and to fund most payments on our other obligations. Regulations relating to capital **2023 Form 10- K34** requirements affect the ability of the Bank to pay dividends and other distributions to us and to make loans to us. Additionally, if our subsidiaries' earnings are not sufficient to make dividend payments to us while maintaining adequate capital levels, we may not be able to make dividend payments to our preferred and common shareholders or interest payments on our long- term ~~302022 Form 10- K~~ borrowings and junior subordinated debentures issued to capital trusts. Furthermore, our right to participate in a distribution of assets upon a subsidiary' s liquidation or reorganization is subject to the prior claims of the subsidiary' s creditors. Future acquisitions may dilute shareholder value, especially tangible book value per share. We regularly evaluate opportunities to acquire other financial institutions. Future mergers or acquisitions involving cash, debt, or equity securities may occur at any time. Acquisitions typically involve the payment of a premium over book and market values, and therefore, some dilution of our tangible book value per common share may occur in connection with any future acquisitions. Future offerings of common stock, preferred stock, debt or other securities may adversely affect the market price of our stock and dilute the holdings of existing shareholders. In the future, we may increase our capital resources or, if our or the Bank' s actual or projected capital ratios fall below or near the current (Basel III) regulatory required minimums, we or the Bank could be forced to raise additional capital by making additional offerings of common stock, preferred stock or debt securities. Additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our common stock, or both. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Upon liquidation, holders of our debt securities and shares of preferred stock, and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. See Note 18 to the consolidated financial statements for more details on our common and preferred stock.